



State aid: Commission opens in-depth investigation into Czech support measure for Digital Terrestrial Television operators

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The European Commission has opened an in-depth investigation to assess whether public support that Czechia plans to grant in favour of Digital Terrestrial Television ('DTT') operators is in line with EU State aid rules.

The beneficiaries of the measure would be the Czech public service broadcaster, Česká televize, and two private DTT operators, České Radiokomunikace and Digital Broadcasting.

The Commission's investigation

In 2016 and 2018, the Commission received two complaints alleging the incompatibility with EU State aid rules of Czechia's plans to compensate DTT operators for simultaneously broadcasting ('simulcasting') terrestrial television programs on (i) the original networks using DVB-T/MPEG-2 standards and (ii) the new networks using more performant DVB-T2/HEVC standards. The complainants claimed that the measure would unjustifiably benefit the DTT operators as the aid would ultimately finance their upgrade from DVB-T/MPEG-2 to DVB-T2/HEVC standards.

In July 2021, Czechia notified the Commission of its intention to compensate DTT operators for the cost of simulcasting during two periods: 1 March 2017 to 18 March 2020, and 1 July 2020 to 31 October 2020. The measure, which has a budget of around €18 million (approximately CZK 473 million), aims to ensure that DTT operators release the 700 MHz band from terrestrial television services. The measure will cover the capital and operating expenditure relating to (i) upgrading the infrastructure from DVB-T/MPEG-2 to DVB-T2/HEVC standards, and (ii) operating the upgraded networks in parallel to the original networks during the simulcast period.

At this stage, based on its preliminary assessment, the Commission has doubts on whether the measure is in line with EU State aid rules. For this reason, the Commission has decided to open an **in-depth investigation** to determine whether the measure:

- i. incentivises DTT operators to undertake the costs of upgrading networks and simulcasting television programs;
- ii. brings a material improvement that the market alone would not have delivered in the absence of public support;
- iii. is the most appropriate tool to ensure a seamless release of the 700 MHz band;
- iv. contains sufficient safeguards to ensure that the aid amount is limited to the minimum necessary.

The Commission will now investigate further to determine whether its initial concerns are confirmed. The opening of an in-depth investigation gives Czechia, the complainants and other interested third parties an opportunity to submit comments. It does not prejudge the outcome of the investigation.

Background

Pursuant to a [Decision](#) of the European Parliament and the Council, Member States shall no later than 30 June 2020 (or up to two years later if duly justified) allow the 700 MHz frequency band to be used for terrestrial systems that can provide wireless broadband services.

The measure forms part of a wider plan by Czechia to help DTT operators vacate the 700 MHz band. In particular:

- [In January 2020](#), the Commission approved a Czech measure to compensate the direct costs incurred by DTT platform operators to migrate from the 700 MHz band to lower frequencies ([SA.55742](#)).
- In March 2021, the Commission found Czechia's extension of DTT network operators' frequency licences until 2030 to be in line with EU State aid rules ([SA.55805](#)).
- [In July 2021](#), the Commission also approved under the State aid [Temporary Framework](#) compensation to DTT operators for the exceptional costs incurred in the context of liberating the 700 MHz band as a result of the coronavirus outbreak ([SA.60062](#)).

For More Information

The non-confidential version of the decision will be made available under the case number SA.64153 in the [State aid register](#) on the Commission's [competition](#) website once any confidentiality issues have been resolved. New publications of State aid decisions on the internet and in the Official Journal are listed in the [State Aid Weekly e-News](#).

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