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**ON THE RESULTS OF THE 1998 TEN-TELECOM
CALLS FOR PROPOSALS**

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1. INTRODUCTION

The Council and Parliament decision on a series of guidelines for trans-European telecommunications networks was adopted on June 17, 1997¹. These (TEN-Telecom) guidelines complete those previously adopted concerning the development of Euro-ISDN and extend the scope of the Community action, up until now focusing on ISDN network technologies, to the new requirements and needs of the information society based on Internet type services and new generation satellite and mobile communication systems.

The TEN-Telecom guidelines define projects of common interest at three levels: the level of applications offering to users, in areas of public interest, innovative information and communication solutions; the level of generic services providing, increasingly over the Internet, common tools for interoperability, quality and security of the applications; and the level of the basic networks which represents the infrastructure elements and will ensure trans-European interconnectivity between fixed and mobile networks.

In January 1998, the Commission adopted the TEN-Telecom work programme which specifies the projects of common interest identified in Annex 1 of the guidelines. The work programme is a rolling plan for up to 3 years which may be revised in the light of the evolving needs and the rapid development of the information society. It was defined after consultation with industry.

TEN-Telecom supports market deployment. It brings selective financial support to projects which will give access to citizens and SMEs to the new multimedia communication services. The private initiative, which remains the main source of investment in this sector, is often reluctant to take the risk for launching such new services. The Community acts as a catalyst to lower this risk, both financial and commercial, to ensure the market base of the project and to accelerate the creation and definition of partnership of public and private actors. By supporting the study phase of projects, as well as pilot implementation and practical demonstrations (and in some cases the initial steps of deployment), the programme enables several operators to work together to upgrade the business plan and pave the way for the launch of the new service as a viable venture.

The guidelines and the work programme are the basis for the establishment by the Commission of regular calls for proposals, leading to the selection of concrete examples of projects of common interest. Each call makes an explicit reference to the project profiles against which proposals are considered.

Three open calls for proposals were published in 1998, one in the field of strategic development and interoperation of infrastructure networks, the other in the field of generic services and applications, the last one concerning support and co-ordination actions.

¹ OJ N° L183, 11.7.1997, p.12

This report is intended to present the main achievements of these calls and to help preparing for future actions in 1999.

2. RECENT TRENDS IN TELECOMMUNICATIONS NETWORKS

Recent trends in trans-European telecommunications networks development have been characterised by: (i) the emergence of an integrated communication infrastructure, (ii) the confirmation of TCP/IP² as the dominant communication protocol over networks, and (iii) the increased users needs towards global services resulting in increasing demand for services covering the transmission of data, sound and images both in the fixed and mobile, including satellite networks.

The dramatic growth perspective in consumer demand for seamless mobile communication services underlines the requirement for the universal accessibility to fixed, mobile and satellite networks and for the interoperation of such basic networks. Internet based communication services are already reshaping citizen access to information and the company business model and organisation. Quality of services and access in Europe should be improved in order to provide companies with the framework they need to compete in the new marketplace, and citizens to facilitate their day-to-day life. Finally, users needs towards global services call for a renewed guarantee for interoperability between existing and future services.

3. ORGANISATION OF THE CALLS AND EVALUATION

Taking into account the above mentioned overall trends, and according to projects of particular importance for the development of the information society as referred to in paragraph 4 of Annex 1 of the guidelines, 3 calls for proposals in the field of trans-European telecommunications networks were published in 1998 (Official Journal notices attached)³:

- the first call 98/1, addressing the strategic development and interoperation of infrastructure networks (either satellite, mobile or fixed) was published on 15 January 1998 and closed on 15 April 1998.
- the second, covering generic services and selected applications in areas of common interest was published on 14 March 1998 and closed on 15 June 1998.
- and the third, as a rolling call for support and co-ordination of actions to the programme was also published on 14 March 1998 and closes on 31 December 2000.

Expert workshops were held in the areas of generic services, transport and the environment, in order to help specifying such calls. Information days on the first call took place on 30 January 1998 in Brussels, and on 1 April on the second and third call. Other information days also took place at national level. An information package was sent to all inquirers, which provided the relevant administrative and technical details for the preparation of the proposals. Information was also provided on-line by accessing the TEN-Telecom web site.

² Standard Internet transport protocol (Transmission Control Protocol/ Internet Protocol)

³ OJ 98/C 10/14 of 15.1.98

OJ 98/C 79/08 of 14.3.98

OJ 98/C 79/09 of 14.3.98

The Commission evaluated proposals with the assistance of independent experts selected by open call. The selection criteria were those described in article 6 of the financial regulation and in Annex 2 of the guidelines, namely Treaty and Guidelines objectives, socio-economic effects, trans-European dimension, maturity, economic viability, business case, contribution to interoperability, technical evaluation, financial evaluation and proposer's capacity. 18 proposals were evaluated on the first call, 132 on the second call and 10 on the rolling call.

4. MAIN RESULTS OF THE CALLS

4.1 Call 1998/1 on interoperation and development of telecommunications networks

The approach towards the basic networks is to support the strategic development of global networks, able to deliver high quality interactive multimedia services to users. The call has covered three areas of interventions: (i) development and interoperation of satellite networks, (ii) development and interoperation of mobile networks, and (iii) global network development and interoperation. Following the adoption of the satellite action plan calling for reinforcing market perspectives and industry co-ordination in the satellite communications sector, this call was intended to support in particular the commercial validation of applications and services using satellite infrastructures, and the assessment of mixed satellite/terrestrial network management for interactive multimedia services.

18 proposals were received in the above mentioned areas, out of which 9 were selected after evaluation for Community financial aid of 8.344 M EUR. A table of these 9 projects is attached.

Seven of these projects address the issue of interoperation of satellite communication networks with terrestrial networks in various application fields such as healthcare management and tele-medicine, natural risks monitoring or virtual private network services. Two other projects address business cases of the advanced multi-mobile networks (enhancement of GSM⁴ and DECT⁵ standards) in order to assess the increasing multimedia mobile market demand. These projects, amounting on average to 0.927 M EUR of Community aid, involve 74 public and private partners, some 8 partners per project, with involvement of major industrial participants in the satellite sector such as Eutelsat, Alcatel/Skybridge, Alenia Aerospazio/Euroskyway, Aerospaziale, Telespazio, Medsat, Nortel DASA or Astra Multimedia Services. Most of these projects demonstrated that the issue of interoperation of the various components of the global information infrastructure are best addressed through an application focus.

4.2 Call 1998/2 on generic services and applications

The second call was open for proposals covering (i) generic services primarily establishing the Internet as the platform for electronic commerce by improving its

⁴ Global System for Mobile

⁵ Digital Enhanced Cordless Telecommunications

overall quality of services and by offering advanced and secure support services, and (ii) applications in 7 selected areas of common interest (education and training, access to Europe's cultural heritage, applications for SMEs, transport and mobility users, environment and emergency management, health, city and regional information networks as an horizontal platform for the provision of the above application areas). The objective of the call was to support projects using Internet based technology and exploiting a variety of available infrastructure networks to spread the use of technologies among citizens and SMEs, to improve the competitiveness of Europe's SMEs and to increase effectiveness and use of innovative services to the public.

132 proposals were received, out of which 45 were considered eligible for Community financial aid of 34 M EUR. For budgetary limitations (see paragraph on budget below) only the 20 best-ranked projects were retained for Community contribution of 17.052 M EUR. A table of these 20 projects sorted by area is attached. They involve 153 public and private partners, some 8 each, with an average Community aid of 0.85 M EUR. 4 projects address the generic services area, mainly assessing Internet/Intranet connectivity on fixed and mobile networks, including one contributing for the validation of the new IP telephony systems. 4 projects in the area of services to SMEs deal with electronic commerce support services and Intranet platforms for SMEs available at EU level. 2 projects address Internet access to Europe cultural heritage; 3 concern environmental information and emergency management and 4 transport and mobility users value added services, which are new areas of intervention in 98 for TEN-Telecom; 2 projects concern healthcare management and telemedicine for the benefit of European citizens and finally 1 project addresses a European wide multimedia educational and training platform using satellite as an Internet access.

4.3 Rolling Call for proposals 1998/3 for support and co-ordination actions

The third call addresses support and co-ordination actions for the programme. It is rolling until year 2000 and covers: (i) observatory services aiming at identifying the relevant application scenarios for the deployment of projects in the areas concerned, (ii) co-ordination and support actions in order to promote co-operation and consensus building across programme projects, and (iii) dissemination of programme results to industry, government and administrations and to the general public.

10 proposals were received covering one or more of the above mentioned tasks, out of which 2 were selected for Community support: one is an integrated action covering preparatory, co-ordination and dissemination activities for the whole duration of the programme, the other is an observatory on main telecommunications markets and technology developments to help understand and define the sectors where TEN-Telecom can intervene more efficiently. The first project is receiving Community aid of 0.998 M EUR, and the second aid of 0.135 M EUR. The attached table summarises information on this call.

5. OVERALL ANALYSIS

The main outcome of the 98 calls can also be analysed according to several key components for the programme. These are as follows:

5.1 The satellite component

The 9 selected projects using satellite as a basic network concern market validation of applications mainly in the healthcare, transport and mobility, environment and emergency management or education and training areas, with a strong emphasis on multimedia content. The Community intervention is needed in order to reduce the risk attached to investment in these areas by assessing market potential and user validation, to stimulate the setting-up of public-private consortia in the satellite sector and to prepare new generation technologies (satellite navigation systems GNSS², advanced broadband multimedia satellite systems using LEOs satellite constellations, satellite personal communication systems in relation to their integration in the future UMTS⁶ environment) for market deployment. TEN-Telecom contributes to the reinforcement of market driven applications development, as stated in the EU action plan on satellite communications in the information society, and complements the R&D oriented actions dealing with satellite communication and broadcasting of the ACTS⁷ programme.

5.2 The Internet component

Internet is a key feature of the TEN-Telecom action in 1998, at each level of intervention. At the level of basic networks, the action is to ensure interconnectivity of various networks using the TCP/IP protocol. At the level of generic services, the priority is to firmly establish the Internet as the platform for electronic transactions by improving its overall quality of services and access, such broadband based access, by favouring the availability of support services at European level such as directory, security, brokerage or payment services, and by ensuring secure information exchange in the SMEs based on Intranet/Extranet platforms. In addition, the development of new generic services platforms providing value added services, such as next generation IP telephony systems is also supported. Finally at the level of applications, in areas of common interest such as educational multimedia, healthcare management and telemedicine or transport and mobility, Ten-Telecom prepares for the roll-out of large scale Internet-based communication products.

5.3 The area coverage

Services proposed by public entities for the benefit of SMEs and generic services (9 projects in total) represent the core of the TEN-Telecom action with a strong Internet based feature, and the emphasis put on ensuring quality, security and interoperability of services. The market response on newly covered areas such as transport and mobility (4 projects) and the environment (3 projects) is encouraging. They address market potential and validation for future satellite-based navigation systems and environmental information and emergency management services. Healthcare management (2 projects) continues to be a key field of investigation. Finally the market for multimedia education and training using broadband Internet through

⁶ Universal Mobile Telecommunications System

⁷ Advanced Communications Technologies and Services

satellite is also the subject of an important project, especially with the support already given in the past in this domain.

5.4 The market validation

The 29 selected proposals of calls 98/1 and 98/2 are addressing market validation phase of projects, with Community aid up to 50% of allowable costs. 60% of the Community contribution is concentrated on 12 projects of some 2.6 M EUR each in total cost, mainly on satellite networks interoperation, services to SMEs, generic services, and applications in the field of healthcare management. At this stage of the programme, no proposals were selected concerning the deployment phase of a project (Community aid limited to 10% of the total investment cost). Commitments from public and private sectors to invest in large deployment projects in the areas concerned need further attention.

6. FUNDING

TEN-Telecom budget allocation in 1998 is 27.654 M EUR (including a budgetary transfer of 1.654 M EUR approved at the end of the year). Financial commitments in 1998 on the 3 calls are 26.529 M EUR of which 32% on interoperation of basic networks (8.344 M EUR), 64% on generic services and applications (17.052 M EUR) and 4% on support actions (1.133 M EUR).

In the first call (1998/1) addressing basic networks, the average Community contribution for each of the 9 projects is 0.92 M EUR (some 50% of the total allowable costs) the rest being financed by public and private sectors as joint contractors or participating organisations (telecom operators, service providers, equipment suppliers, public service entities).

In the second call, average Community contribution for each of the 20 projects is 0.85 M EUR, the largest projects being found in the generic services, services to SMEs and the health areas. This second call also generated 24 additional proposals, which have been found acceptable for Community support, and would have justified a supplementary budget of 16.5 M EUR, which is a 62% increase from the initial budget appropriation. These projects have been put in reserve because of insufficient funds in 1998.

Finally, 1.133 M EUR are allocated on support actions, some 56% of the foreseen budget in this area until the end of year 2000.

The attached table summarises the above information.

7 CONCLUSIONS AND LESSONS FOR THE FUTURE

- The 3 calls of 1998 were based for the first time on the new TEN-telecom guidelines adopted in June 1997 which considerably expands the scope of the earlier guidelines focusing on the ISDN network. They take account of the development of the Internet as a universal platform for interactive multimedia services, and of the mobile/satellite communications sector. The calls have addressed in particular:

- the development of an interconnected state-of-the-art global telecommunication infrastructure capable of conveying new communication technology applications
 - the promotion of new generic Internet based services supporting on-line electronic transactions for SMEs and the public in general
 - the demonstration of the transition towards the information society by means of example-setting projects of telematic applications in areas of general interest.
- These calls generated a large interest: in total 160 proposals were evaluated for a total requested funding of 182 M EUR. After evaluation, 56 proposals were considered eligible for a Community funding of 43 M EUR, which represents an excess of the 98 TEN-Telecom budget appropriation of some 62%. This is due to the large response received on call 98/2 on applications and generic services. Concentration on fewer and more precisely defined areas of the work programme will be required for future calls.
 - The bulk of the funding was devoted to services for SMEs and to generic services both based on Internet technologies, to healthcare management and telemedicine applications, and to the newly covered areas of transport and mobility and environment management.
 - The call related to basic networks clearly demonstrated that the issue of interoperation of the various components of the global information infrastructure could be best addressed through an application focus. Therefore there would be no need for a specific call on networks in 1999. For applications and services, neutrality towards the technical platform over which they are delivered is recommended.
 - Calls address a variety of entities in the public sector or entities in charge of matters of public interest. Such entities can be content providers in the fields of culture, education, tourism, users organisations (schools networks, hospitals, SMEs organisations), local/regional bodies, licensed telecom operators or service providers. Beneficiaries of the aid are therefore consortia of industrial sectors, users and public entities. The TEN-Telecom aid is essential for the mobilisation of such consortia, including industrial partners, and to ensure inter-partner commitments in project deployment.
 - Future calls in 1999 should address projects of common interest with particular importance for the development of the information society:
 - Internet-based generic services enhancing quality, security, directory and brokerage issues;
 - electronic transaction services between SMEs and entities in charge of general interest, increasingly using Internet tools;
 - telematic applications, using Internet technologies, in the areas of health, transport and mobility users, environment and emergency management, tele-education and training, culture and city/regional networks.
 The term of references of future calls will emphasise the specific features of the TEN-Telecom action and its complementarity with the action lines of the Information Society Technologies (IST) R&D specific programmes.

TEN-Telecom Projects Table 1

Call 1998/1 - Basic Networks

Project	Coordinator	Country	Max. Comm. Contrib. (EUR)	Description
THEN	TELBIOS	Italy	784.688	Tele-health European network (ISDN, ATM, satellite)
MOBICAST	EXPERTEL	France	1.076.104	Mobile vehicles fleet management (GSM, DAB, satellite)
DEMON	AES	France	1.154.235	Wide-band interactive services over satellite (Skybridge)
AMON	OTE	Greece	600.000	Advanced multi-mode mobile network
GALENOS	EUTELSAT	France	1.423.800	Generic satellite broadband network
AIDMAN	CTI	Greece	364.000	Virtual consultation system over satellite
SANARIS	INDRA	Spain	972.254	Satellite networks for natural risks monitoring
REVENUES	ALENIA	Italy	1.173.750	Virtual private network services (Euroskyway)
ACTE SIS	BELGAVOX	Belgium	795.578	Access to cinema and TV archives using satellite internet
Total 9 projects			8.344.409	

Project	Coordinator	Country	Max. Comm. Contribut. (EUR)	Description
Area 1: Services to SME's				
MIPEX II	UKPO	UK	900.000	Industrial property information exchange
Digital Market	CAN	Italy	524.342	Global service network for local community SMEs
NEA	MPS	Italy	1.300.000	Outsourcing of SMEs transactions on an Intranet/Extranet platform
Bandwidth 2000	WIT	Ireland	888.000	Bandwith brokerage services
4 projects			3.612.342	E-commerce support services and intranet platforms for SMEs
Area 2: Generic Services				
TTT-Net	INFONOVA	Austria	1.170.000	Next generation IP telephony system (Typhon): interoperability and trial
SATISFY 2000	EXPERTEL CONSULTING	France	1.933.000	Broadband multimedia satellite services
EMERITUS	AEB	UK	330.000	Global trust services infrastructure
HERMES	ELSAG System	Italy	750.000	Electronic hybrid mail services
4 projects			4.183.000	Internet based generic services
Area 3: Culture				
IBUT	DTAG	Germany	600.000	Euro-ISDN and broadcast on-line TV user trial
HORTONET	FUTURE	UK	82.820	Global horticultural network
2 projects			682.820	Internet access to Europe cultural heritage
Area 4: Environment/Emergency				
MULTIMETEO XXI	ERLI	France	574.000	Multilingual weather forecasts information services
UFOS	ACRI	France	340.000	Ultraviolet forecasting operational service
ENINFO	IBERINSA	Spain	604.753	Database on environmental legislation for SMEs
3 projects			1.518.753	Environmental information and emergency management services
Area 5: Transport Mobility				
TESSYN	ALCATEL Esp	France	388.171	Satellite based navigation system (GNSS2)
INFO @ SEA	Intracom	Greece	1.000.000	Communication services for the shipping community
A-CDM-D	AIRSYS A	France	686.015	Air collaborative decision making demonstrator
SIPTS	NovaCall	Finland	500.000	Intelligent public transport systems
4 projects			2.574.186	Transport and mobility users value added services
Area 6: Health				
MEDICATE	C&W	UK	1.700.000	Disease management and diagnosis system
TEN-CARE	EMPIRICA	Germany	1.800.000	Telecom home care services for European citizens
2 projects			3.500.000	Healthcare management and telemedicine service
Area 7: Education and Training				
GENESIS	TPZ	Italy	981.600	Education and training on broadband internet (Telespazio)
1 project			981.600	European wide multimedia educational and training platforms
Total 20 projects			17.052.701	

TEN-Telecom Projects Table 3

Rolling Call 1998/3 - Support Actions

Project	Coordinator	Country	Max. Comm. Contrib. (EUR)	Description
Telecom 2000	FINSIEL	Italy	998.754	Co-ordination and Promotion
TUSAM	HUSAT	UK	134.600	Market Observatory and Technology Watch
Total 2 projects			1.133.354	

98 BUDGET ALLOCATION**Table 4**

	Indicative Budget	Committed Budget	Number of projects	Average amount per project	Additional budget required after selection	Additional projects required
Call 1998/1: Interoperation and development of basic networks	10 - 12	8.344	9	0.927		
Call 1998/2: Generic Services and Applications	14 - 16	17.052	20	0.852	16.5	24
Call 1998/3: Support Actions	1 - 2	1.133	2	0.567		
TOTAL (MEUR)	25 - 30	26.529	31	0.855	16.5	24

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