European Commission: Green Light for State Aid for the *Télévision Mobile Sans Limite* R&D Project

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The European Commission authorised the grant of an aid of EUR 37.6 million by the French *Agence de l'innovation industrielle* (Agency for Industrial Innovation) towards the *Télévision Mobile Sans Limite* (Unlimited Mobile Television) R&D project. The project is being carried out by a group of French public research bodies and companies, headed by Alcatel-Lucent's subsidiary in France. The project aims to develop a new mobile TV broadcasting technology combining satellite and terrestrial networks, to be launched in 2009. Such technology is expected to improve the current reception quality, the number of broadcast channels and geographical coverage. It will provide new services to consumers by allowing broadcasting to rural areas and will also deploy a crisis management service (the latter will enable public authorities to swiftly alert the population to, for example, natural, nuclear, or terrorist disasters).

The aid is granted under a scheme operated by the *Agence de l'innovation industrielle* (Agency for Industrial Innovation), which provides support for projects designed to mobilise industrial innovation and had been previously approved by the Commission in application of the new Community framework for state aid for research and development and innovation. The *Télévision Mobile Sans Limite* (Unlimited Mobile Television) project was subsequently notified to the Commission in accordance with these new provisions. These stipulate that aid granted under an authorised scheme should be individually notified where it exceeds a certain threshold. The Commission found that the aid in question satisfies the conditions of the new Community framework and qualifies for exception under article 87 (3) (c) of the EC Treaty. In so doing, the Commission ruled out the potential of the aid to adversely affect trading conditions to an extent contrary to the common interest, notwithstanding the expected substantial market shares of the participants to the project. In reaching this conclusion the Commission pointed to the fact that the new technology will make the use of the DVB-SH standard, derived from the existing mobile broadcasting standard (DVB-H). In this regard, the Commission underlined that DVB-SH has been approved by the Digital Video Broadcasting forum and its specifications are accessible to the aid recipient's competitors. Furthermore, the Commission noted that the new service will operate alongside the mobile TV services already on offer, which are meeting initial market demand.

In the course of its investigation, the Commission concluded that the market for mobile TV broadcasting is still emerging and remains characterised by market deficiencies, which impede the coordination between the manufacturers of satellites, terrestrial network infrastructures, mobile telephones and semi-conductors. The authorised aid makes it possible to tackle these market deficiencies.

Relevant to the " *Télévision Mobile Sans Limite* " R&D project and its implications for frequency planning, is the recent Commission Decision on the harmonised use of radio spectrum in the 2 GHz frequency bands for the implementation of systems providing mobile satellite services (MSS). This Decision was adopted in recognition of the regulatory problems arising as a result of the cross-border nature of satellite signals, and the attributes of the MSS systems as innovative alternative platforms able to provide various types of pan-European telecommunications and broadcasting/multicasting services, regardless of the location of end users. In this context, a public consultation was held, up until 30 May 2007, regarding a framework for selecting and authorising operators providing MSS in Europe.

"State aid: Commission authorises EUR 37.6 million in aid from the French Agence de l'innovation industrielle towards the "Télévision Mobile Sans Limite" R&D project", IP/07/642, press release of 10 May 2007

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