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INFORMATION TECHNOLOGY AND THE COMMUNITY
Brief by the Department of Industry

OBJECTIVE

To illustrate constructive approach towards future development of Community by demonstrating positive attitude on Community role in Information Technology.

POINTS TO MAKE (a suitable passage is in the Prime Minister's speech).

1. Information Technology (IT) of fundamental importance to future growth of European economy.
2. Information Technology Year shows how the UK recognises importance of IT.
3. Some action is only appropriate at company and national level, but the Community can complement these efforts.
4. Rapid progress on deciding Community action is needed if the action is to be effective.
5. UK secured agreement on Microelectronics Regulation: agreement on telecommunications proposals is now essential.
6. UK looks forward to constructive proposals from Joint European Planning Exercise (JEPE) on IT.

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BACKGROUND (may be used freely except paragraph 13)

(A) Current Community initiatives in IT

7. Four elements of Commissioner Davignon's telematics initiative have already been agreed: the Four Year Data Processing Programme, Euronet/Diane, IDST (Third Plan of Action in the field of Information and Documentation) and the Microelectronics Regulation. The centre of control and management for Euronet - a specialised data transmitting network linking eight European cities - is in London and the British firm Logica has been closely involved in the project. The Commission has complimented the efficiency of Logica and the British Telecommunications Services. The Microelectronics Regulation was agreed under the UK Presidency and provides 40m ECU to support the development of applications in selected areas of microelectronic technology.

8. A further four initiatives are currently under discussion: the telecommunications proposals, a European Machine Translation System (Eurotra), an Inter Institutional Information Network (INSIS) and a Community Information System for Import/Export and Agricultural Data (CADDIA).

9. The telecommunications proposals are aimed at harmonising standards, encouraging a freer market in telematic terminals and opening up PTT calls for tenders. Agreement was reached on all aspects during the UK Presidency save the question of whether calls for tenders should be opened to "manufacturers" or "suppliers" in the Community. France and Germany are still unable to agree on this issue. We attach considerable importance to these measures, which are a small but vital step towards a free European market in telecommunication products, in line with our own domestic liberalisation programme.

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10. Eurotra would be a small (9m ECU, five year) programme to assist machine translation.

11. INSIS is aimed at linking Community institutions and national administrations, with the introduction of electronic mail, video conferencing and data retrieval. It should be of value in encouraging developments in long term standards within the Community. Slow progress so far is to a large extent due to the complexity of the project, but the UK will continue to encourage faster progress.

12. CADDIA is a fore-runner of INSIS, with more limited aims in the field of customs information. A draft decision is likely to be presented to COREPER shortly.

(B) Further initiatives (not to be used)

13. The JEPE exercise, the main impetus for which comes from Commissioner Davignon, is being carried out jointly by the Commission and a "Round Table" of twelve leading European IT companies, of which three (ICL, GEC, Plessey) are British. The aim is to define common long term objectives for European R&D to bring Europe abreast of the USA and Japan within ten years. The exercise is intended to develop into a plan of action in which specific collaborative projects will be carried out in selected areas of research by European IT companies and research establishments. This initiative has so far been pursued exclusively with the IT industry: it has not yet been presented to Ministers. Any proposals from the Commission will have to cover the issues of funding, organisation and the choice of research subjects. The Department of Industry is in contact with the three UK companies involved. The UK's main concern is that any proposals for action at Community level should be dovetailed with work on a national or company level to work in the best interests of UK and European industry. There may, in

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particular, be some overlap between the JEPE proposals and those which will emerge from the Department of Industry's "Fifth General Computer" study which is examining the potential for a UK national programme, in the light of the new Japanese initiative on long lead time research.

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