



From the Parliamentary Under Secretary
of State for Industry

CCPC

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JOHN BUTCHER MP

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The Prime Minister
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CDP
7/9

7 September 1987

Dear Charles

PAN EUROPEAN DIGITAL CELLULAR RADIO

At the December European Council meeting in London the Prime Minister suggested that pan European digital cellular radio was a test case of Europe's ability to cooperate in high technology. The meeting concluded by asking the Commission and the Council to make a special effort to secure agreement on standards and the commitment of operators necessary to enable Europe to compete in the development and marketing of digital cellular radio in the 1990's.

Both specific objectives have now been achieved. The standard was agreed at a meeting of Ministers in Bonn in May and this week agreement was reached in Copenhagen amongst an impressive number of operators. Whilst industry faces a big task to develop the new technology, two major impediments to the creation of this new market opportunity have been successfully surmounted. We particularly benefitted from the help of the Foreign Office during a minor skirmish on the standard with the French and German Governments earlier this year.

I am sending copies of this letter to A C Galsworthy (PS/Foreign Secretary), A C S Allan (PS/Chancellor of the Exchequer) and T A Woolley (PS/Sir Robert Armstrong).

Yours ever
Ricky Verrall

RICKY VERRALL

Private Secretary

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PAN-EUROPEAN DIGITAL CELLULAR RADIO OPERATORS SIGN MEMORANDUM OF
UNDERSTANDING

Racal Vodaphone and Telecom Securicor Cellular Radio are among the cellular operators to have signed the Memorandum of Understanding on implementing a pan-European digital cellular service by 1991. The signing took place in Copenhagen yesterday (Sept 7).

The Memorandum of Understanding commits the operators to a detailed timetable for the procurement of the new networks and the opening of a public service.

In welcoming the news, John Butcher, Parliamentary Under Secretary of State for Industry, expressed his pleasure that so many operators had already signed; only four countries were expected to do so by this date.

Mr Butcher said:

"Last December's European Council meeting, chaired by the Prime Minister in London asked the Commission and the Council to make a special effort to secure agreement on standards and the commitment of operators necessary to enable Europe to compete in the development and marketing of digital cellular radio in the 1990's. With remarkable speed Europe has responded to this challenge with agreement on the standard in May and now agreement by a large number of cellular operators this week to open a service in 1991.

"It is good news for users and particularly the growing number of British businessmen likely to be travelling on the continent, as Europe completes the internal market. A very large European market in digital cellular technology exceeding several billion pounds is now expected to emerge in the 1990's. I am confident that UK manufacturers, together with European partners, will now be moving rapidly to become major suppliers of digital cellular technology in the 1990's."

More/....

NOTES FOR EDITORS

1. The meeting of Ministers, or their representatives, from Germany, France, Italy and the UK met in Bonn on May 19 and successfully resolved differences of view which had blocked agreement on the technical standard. The meeting also instructed their Director-Generals to have drawn up for signature by September a Memorandum of Understanding on implementing a pan-European digital cellular mobile telecommunications service by 1991. The document was drafted by officials from the four countries and was drawn up in a way which allowed any authorised cellular operator in member countries of the European Conference of Posts and Telecommunications Administration (CEPT) to participate.

2. The creation of a European-wide digital cellular telecommunications service and an attendant European market in digital cellular technology has required two vital elements. The first - an agreement on a common standard - was achieved in May. The second was a commitment by the European cellular operators to invest in new networks to the commonly agreed standard. Being a completely new technology, an individual operator requires the confidence that other operators are also willing to invest on a similar time-scale and in sufficient numbers to make a 'European service' a reality. The Memorandum of Understanding was conceived to establish this certainty.

3. Racal Vodaphone and Telecom Securicor Cellular Radio, the operators of the two existing highly successful UK cellular radio networks, will also be the two UK operators of pan-European digital cellular telecommunications networks, and will offer competitive services. Customers on their present networks will continue to enjoy a service with their present equipment but this will be limited to the United Kingdom. As from 1991 new digital mobile equipment is expected to become available which will enable UK subscribers to not only enjoy a high quality public mobile radio service in the UK but also to be able to gain access to any other European country participating in the pan-European service. Both vehicle sets and hand portables will be catered for in the pan-European digital system.

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