DTI'S PROPOSALS FOR MOBILE PHONE RADIO SPECTRUM OVER THE NEXT DECADE

A strategy for the use of the mobile phone spectrum, to maintain the rapid growth and highly competitive nature of the UK mobile phone market, is published today by DTI. By providing a clear strategy on radio frequency allocations for mobile phone services, the document aims to ensure that customers continue to receive high quality services.

Announcing publication of the UK’s strategy for mobile phone spectrum, Science and Technology Minister lan Taylor said:

"The Government wants to set out a strategy for a fair allocation of spectrum, on the basis of need, between all four mobile phone operators into the next decade. This is an essential requirement if the rapidly growing and highly competitive mobile phone market is to continue.

"Our proposals should provide all four operators; Vodafone, Cellnet, One-2-0ne and Orange, with the necessary firm basis for planning and to make the investment decisions that they need in the medium term.

"I want to see enough continued successful growth in the digital service (PCN) market to justify Government releasing more reserved spectrum in the 1800 MHz band. I also look forward to considering the new and innovative services in this band which Vodafone and Cellnet will be proposing for their customers as a result of this consultation exercise.

"We recognise that the analogue mobile telephone system (TACS) is a less efficient user of spectrum compared to the digital GSM or PCN systems now available. The Government therefore supports and encourages Vodafone and Cellnet in their plans to move from analogue to digital operation as quickly as practicable with a view to this being completed by 2005."

In the interests of making more efficient use of spectrum, assisting in the migration to digital operation and improving the quality of service to mobile phone users, the Government has loaned spectrum currently reserved for a possible future European Digital Short Range Radio service in the 900 1vfHz band to Vodafone and Cellnet.

The Government also proposes to continue to reserve 2 x 10 J\1Hz of spectrum in the 1800 MHz band until the end of 1997 for possible future allocation to One 2 One and Orange, but wants to invite proposals from Vodafone and Cellnet on what service they would offer if allocated up to 2 x 11.5 MHz in the 1800 MHz band to be shared between them.

Comments are invited from interested parties on these proposals by 9 April. Following the consultation period, the Government will announce its decision on the further disposition of this spectrum.
Notes to Editors

1. In 1991, when the three PCN Operators, Unitel, Mercury Personal Communications and Microtel were first licensed; a total of 2 x 75 MHz of spectrum in the 1800 MHz band was earmarked for their eventual use. The three operators were initially each allocated 2 x 15 MHz, with the intention of allocating additional spectrum on the normal basis of demonstrable need. A part of the 2 x 75 MHz block is currently occupied by the Home Office and Scottish Office for use by the emergency services and another part of the block is retained as guard bands against potential interference from systems in adjacent bands.

2. With the merger of Unitel and Mercury in 1992, Mercury Personal Communications now trading as One-2-one and Hutchison Telecom, now trading as Orange, were earmarked a total of 2 x 50 MHz for their eventual use and 2 x 10 MHz was recovered by the Government.

3. After a public consultation exercise launched in October 1992 (DTI Press Notice ref: P/92/668) the Government announced in June 1993 that the 2 x 10 MHz of spectrum would not be allocated until at least April 1995 (DTI Press Notice ref: P/931321). Following consideration of the current and future allocation of mobile phone spectrum in both the 900 MHz and 1800 MHz bands, this Press Notice and the associated DTI Consultation Document entitled ‘Mobile Phone Spectrum Over the Next Decade’ announces the Government's proposals that 2 x 10 MHz of spectrum should be reserved in the 1800 MHz band until the end of 1997 for possible future allocation to One 2 One and Orange, and that Vodafone and Cellnet be invited to make proposals for DCS 1800 services also in the 1800 MHz band.

4. Copies of the Consultation Document can be obtained by telephoning 0171 215 1785. Comments should be sent in writing to Christopher Holmes, Communications and Information Industries Division, 2.56 Grey, 151 Buckingham Palace Road, London SW1W 9SS.

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