

## Cable & Wireless, U S West kick off world's first PCN

John Williamson, International Editor

**M**ercury One-2-One, the U.K. personal communication network (PCN) built by Cable & Wireless and U S West, has opened its doors for business with a pocket-book grabbing service feature: In the evenings and on weekends, local calls on the 1800-MHz digital micro-cellular system will be free of charge for non-business subscribers.

The idea is to build a mass subscriber base on the 50 MHz of spectrum set aside for PCN by U.K. authorities.

"For the first time, wireless mobile phones are being priced to be attractive to the average consumer, not just to business people," said Richard McCormick, chairman and CEO of U S West at the formal service launch of the world's first PCN Aug. 7 in London. Although the service is presently accessible only in London and some surrounding areas, coverage will reach around 25% of the population by the spring of 1994, and is expected to be nationwide within 30 months after the start-up.

The PCN concept has been pioneered in the U.K. Nearly four years ago the Department of Trade and Industry awarded three operating licenses for personal mobile services based on a higher frequency version of Europe's 900-MHz digital cellular system now known as the global system for mobile communications (GSM).

At the beginning, U S West and C&W belonged to different PCN consortia, but the scale of the investment required to build a network resulted in mergers and the withdrawal of most of the original investors.

Today One-2-One's remaining U.K. PCN competitor is Hutchison-owned Microtel, which has yet to start operations. Although Hutchison has denied that Microtel is for sale, recent reports have put AT&T in the frame as one of several possible future owners of the embryonic network.

The initial phase of the One-2-One network has cost its joint owners around \$450 million to put in place, and the achievement of national coverage over the next 30 months will require additional investment of large, unspecified sums. However, One-2-

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One Managing Director Richard Goswell said that the use of new adaptive antenna technology supplied by Nortel-Matra will reduce by half the number of base stations required in the later stages of network expansion.

The owners also are spending around \$15 million to launch an advertising and promotional campaign.

In addition to free local off-peak calls for non-business subscribers, One-2-One said its tariffs are up to 50% less than those of the U.K.'s two cellular operators, Cellnet and Vodafone.

A business subscription costs \$30 per month, with national peak calls at 24¢ per minute and off-peak calls at 12¢ per minute. The personal/domestic subscription costs \$18.75 per month, with peak calls at 37.5¢ per minute and national off-peak calls at 15¢ per minute. There is an initial connection fee of \$30 for each subscription.

Two smart card PCN terminals are presently available—a Siemens model priced at \$375 and a Motorola unit retailing at \$450.

The new service also offers free voice mail and itemized billing. For a nominal fee, users can set up a call budget limit. If the limit is exceeded, the phone can only be used to make emergency calls.

One other benefit claimed for One-2-One is that calls from the fixed network to its mobiles will cost up to 66% less than calls made to existing cellular telephones. A little known fact about the U.K. cellular business is that calls to cellular telephones can attract the same tariff as peak rate wireline calls from London to Athens, Greece. Goswell said that calls to mobiles typically account for 30% of the cost of running corporate cellular networks. ■