

LESSON PLAN
Telecommunications

Name of school	Mircea Cristea Technical College, Brasov
Level	Advanced
Area	Telecommunications
Time	50 min
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Telecoms in Britain

1) Access to text

- a. What is the importance of telecommunications in your life?
- b. What have you heard about telecoms in Britain?
- c. What do you know about telcoms in Romania?

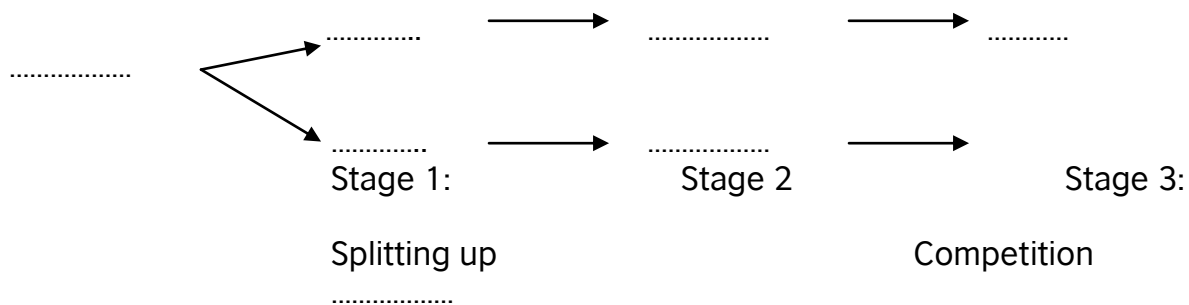
2) Focus on content

Read the text on Telecoms in Britain and answer the following question:

a) Which of the following has emerged after the splitting of BPO?

- a. BT
- b. PSTN
- c. Cable and Wireless
- d. Royal mail
- e. British Petroleum

b) Complete the following diagram using the information in the text:



c) Decide whether the following statements are True(T) or False(F):

- 1. First came the splitting of Royal Mail(...)
- 2. The sale of BT started in October 1984(...)
- 3. BPO was divided in BT and Mercury(...)
- 4. The government does not want to sell the shares of BT(...)
- 5. Barclays bank used to own BPO(...)

Telecoms in Britain

Introduction

It is really not that long since control of communications between two different premises was a monopoly exercised by the British Post Office (BPO), but technology and policies have changed so fast that it already seems ages ago.

First came the splitting of BPO and the emergence of British telecom (B.T.) and the Royal Mail as distinct operations with commercial objectives increasingly competitive

with each other. Now legislation has changed the face of both and just as private delivery services are now franchised to compete with the Royal Mail, so Mercury (now owned by Cable and Wireless, who were originally one of three share holders, along with Barclays Bank and British Petroleum) is emerging to compete with B.T. as a carrier. At the same time the monopoly control of peripheral equipment for the PSTN and the supply of exchange is being liberalized gradually.

The next step in this process is privatization. The sale of B.T. started in October 1984. The government expects to raise about 4 billion pounds from selling 51% of the shares of B.T.

3) Focus on Language:

a) In the following eight extracts two separate articles are mixed. One (A) expresses the trade unions' anxieties about privatization. The other (B) counters these arguments. Read the extracts carefully and decide whether they belong to article A or article B:

1) The government was accused of pressing ahead with legislation to deregulate and privatize BT in the full knowledge that similar moves in the USA have traveled domestic telephone charges, disrupted telecommunication policy and caused chaos. This attack is based on a detailed study publicized recently, the American experience: a report of telecommunication in the USA.

2) The study traces first the way in which the privately owned monopoly of American telephone and telegraph (AT&T) was forced to allow competitors on its profitable long distance lines, how government attempts to regulate that competition were successful, and how AT & T divested itself of its local companies thereby freeing itself from having to subsidize unprofitable local residential users.

3) The report claims that calls will cost 300% more, installation costs will increase and much of the country will end up with no service at all. It also claims to be as carefully researched as any document ever produced by the Trade Union Movement. This tells us more about the standard of union research than it does about the real American experience.

4) The report describes how specialized carriers were formed in the 1960s to compete with AT&T, providing services to companies without assuming the common carriage obligation to serve the public in general. The union committee claims that the specialized carriers represent an exact parallel to Mercury in Britain, which aims to cream off more profitable inter-city business market.

5) The American Bell system (AT& T) is being broken up to be replaced by less regulation and more competition. Union arguments against this development fall back

on the desire to continue subsidizing the cost of local calls. But the unions are wrong to assume that such subsidies are a good thing, or that they simply ended because Bell lost its monopoly and had to compete.

6) The system had to end. When prices are set far above costs in any market, newcomers are tempted to enter and offer their services. In America, other companies such as MCI (similar to British Mercury) appeared to provide cheaper long-distance calls than the Bell system. Other companies developed means of bypassing the telephone system altogether, using cable, satellite, cellular radio and paging to provide alternative services, especially for business users. If Bell was to survive in the face of this new competition for its lucrative long-distance calls, it had to cut its costs, which meant the end of the subsidy for local calls.

7) An internal AT&T report suggests that if price doubles for the basic telephone services, as is now thought likely, the number of rural, very poor households will drop from 73% to 38%. The number of moderately poor people with phones will fall from 79% to 46%.

8) The result of this new technology and competition in America has been to enhance the telephone system even further. For some, costs will rise, but care scare figures of 300% with a pinch of salt. In many parts of America local calls are free, so even a modest increase there produces a marked percentage rise and is irrelevant to Britain, where local calls already make a profit.

b) Match the definitions in column A with the words in column B

A	B
1) There is one class that takes all the advantages and makes it impossible for the others to enter the market.	a) Royal Mail
2) The transfer or contracting of a non-governmental function or activity currently performed by government employees to a private entity.	b) Monopoly
3) The national postal service operated by the Post Office, or any other postal service operated under license from Post comm.	c) Privatization

4. Interpretation

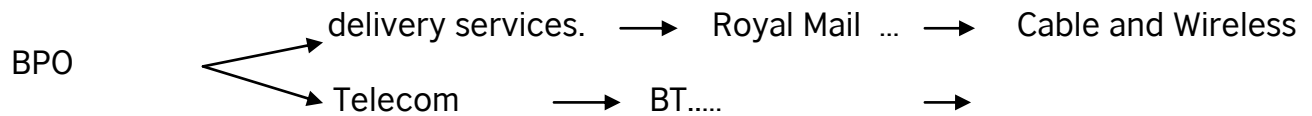
a) Comparing British with the Romanian Telecoms which are in your opinion the advantages and disadvantages of each?

- b)** Which of these two Telecom companies has more advantages and why?
c) With the information that you have gathered so far, discuss in groups what services that are of a very high importance and utility telecom companies can offer. What do you think they should add to improve the efficiency of telecoms?

KEY

2.a. BT and Royal Mail

2.b.



Stage 1:

Splitting up

Stage 2

Competition

Stage 3:

Privatization

2.c. 1 -F; 2- T; 3- F; 4- F; 5-F

3.a. Article A : 1, 3, 4, 7

Article B : 2, 5, 6, 8

3.b. 1-b; 2-c; 3-a