

Network digitization and extension



During 1988, 969,998 new subscriber lines were in-

stalled, with 68.5% digitization. This figure represents an increase of 61.4% over 1987, which is firm evidence of the huge efforts made in this area.

The technological advances in the telecommunications field and the accomplishment of our goals as far as service provision are not possible without a major enhancement of Telefónica's network infrastructure. Between 1989 and 1992 we plan to triple the number of lines installed in the last four years by installing a further 7 million local lines. 97% of these new lines will be digital which means that by the end of 1992 network digitization of subscriber lines will stand at over 46%. At the same time, to safeguard network and services quality, in the next four years we aim to install 2 million trunk lines in transit exchanges and thereby raise the proportion of long distance lines to local lines by 25%. By the end of this period, network digitization of trunk lines should be approximately 73%. Likewise, digitization of the international network, which commenced in 1988, will also continue, with the commissioning of the international digital exchange in Madrid-Alcobendas. In order to achieve the digitization of the transmission systems, Telefónica aims to install before 1992, over 28,000 kms of land and underwater optical fibre cable. Our plans foresee substantially strengthening the transmission capacity of the national network and creating optical fibre loops to allow the digital connection of the major metropolitan areas.

INVESTMENT DRIVE. 1988 represented a real leap forward in Telefónica's capital expenditure programme, which reached the figure of 357,815 million pesetas, with a 37.5% growth over 1987.

The 1989-1992 investment plan amounts to around two and a half trillion pesetas and during 1988 the main priority of the expenditure programme was to enhance network infrastructure. In general, the aim of Telefónica's programme is to meet the service quality demands and requirements, together with putting major efforts into automating and optimizing plant operations, all geared towards both boosting productivity and

guaranteeing top quality services provision to our users. We aim to have efficient network management systems which optimize network utilization in the various sections, as well as cutting operating and maintenance costs.

The increase in digital network capacity will also enable us to meet the Narrow Band Integrated Services Digital Network targets set by the European Community Council for 1993. In Spain these will be in operation by 1992 in preparation for the international events in Barcelona and Seville.

The above targets are subject to the legislation laid down in the Telecommunications Act, including the formalization of the new contract between Telefónica and the State and the finalizing of the Telecommunications National Plan. At the same time, Telefónica's plans are designed within the framework of Spain's full EEC membership and the creation of the Single European Market in 1992.