



Communications Consumer Panel and ACOD response to Ofcom's consultation on improving mobile coverage - Proposals for coverage obligations in the award of the 700 MHz spectrum band

The Communications Consumer Panel, established by the Communications Act 2003, is a group of independent experts with direct sectoral experience. We ensure the citizen and consumer voice is represented in communications policy development.

The Panel's job is to ensure that the sector works for consumers, citizens and micro businesses - and in particular people who may be in a more vulnerable position in society. We carry out research, provide advice and encourage Ofcom, governments, the EU, industry and others to look at issues through the eyes of consumers, citizens and micro businesses.

The Panel pays particular attention to the needs of older people and people with disabilities, the needs of people in rural areas and people on low incomes, and the needs of micro businesses, which have many of the same problems as individual consumers.

Four members of the Panel also represent the interests of consumers in England, Northern Ireland, Scotland and Wales respectively. They liaise with the key stakeholders in the Nations to understand the perspectives of consumers in all parts of the UK and input these perspectives to the Panel's consideration of issues. Following the alignment of ACOD (the Advisory Committee for Older and Disabled people) with the Panel, the Panel is more alert than ever to the interests of older and disabled consumers and citizens.

Response

The Panel supports Ofcom's proposals to encourage competition in rural areas and to improve indoor coverage. Ofcom's consultation document highlights and aims to address two areas of major concern for mobile consumers and micro businesses: poor to no coverage in rural areas (with 30% of the UK's landmass still not covered by all four mobile operators) and the same inside premises.

Furthermore, the evidence provided in the consultation document highlights the double detriment that can occur when trying to use a mobile phone indoors, in a rural area. Added to that is the fact that - as explained in the consultation document - areas with poor to no mobile coverage are also broadly less likely to have decent broadband speeds, so consumers have no useful alternative to fall back on when their mobile signal fails. Consumers in these areas are thus caught in a poor service 'trap' - switching may not be an option and there may be no incentive for Mobile Network Operators (MNOs) to improve their service as there are few or no competitors in the vicinity.

As recognised by Ofcom in the consultation document, for owners of micro businesses in

rural areas these layers of detriment are compounded further, making it difficult for these enterprises to maintain and develop their business in a fast-paced, competitive environment. Some examples are illustrated by the Panel's 2014 research - Realising the Potential - Micro Businesses Experiences of Communications Services¹.

Ofcom's research published in 2017² found that 94% of UK adults personally own a mobile phone and 18% of UK adults live in a mobile-only home (a household where voice telephony requirements are fulfilled by mobile devices only). The Office for National Statistics³ found that 73% of adults in Great Britain access the internet "on the go" (away from home or work) using a mobile phone or smartphone; more than double the 2011 rate of 36%.

Ofcom's 2016 qualitative research⁴ highlighted situations where microbusinesses and consumers in vulnerable circumstances chose or resorted to relying on mobile devices as a way of staying in touch with friends, family and where relevant, support services - and finding and conducting work. Participants in vulnerable circumstances - on low incomes, or with poor credit ratings, were able to stay connected, without being tied into a lengthy fixed telephony contract (which would not even have been an option for some).

We consider that all of the above findings further highlight consumers' (including micro business owners') increasing reliance on mobile communications services and the risk of leaving behind parts of the UK that do not enable people to have coverage "on the go".

Aims and obligations

We strongly support the aims of Ofcom's proposals and broadly support the obligations proposed:

- We welcome Ofcom's use of a stronger threshold as defined in the Connected Nations 2017 report, to measure signal strength.
- We agree with Ofcom's proposals on infrastructure sharing and improving data sharing between MNOs on new rural sites to be developed.
- We agree that 89-90% is not an ambitious enough target for geographic coverage - the target should be at least 92% as Ofcom proposes; we urge Ofcom to push for more than 60% indoor coverage.
- We consider it vital to understand the different requirements, topography and regulatory regimes across the Nations and for Ofcom to engage with UK and

¹<https://www.communicationsconsumerpanel.org.uk/research-and-reports/realising-the-potential-micro-businesses--experiences-of-communications-services>

²https://www.ofcom.org.uk/_data/assets/pdf_file/0017/105074/cmr-2017-uk.pdf

³<https://www.ons.gov.uk/peoplepopulationandcommunity/householdcharacteristics/homeinternetandsocialmediausage/bulletins/internetaccesshouseholdsandindividuals/2017>

⁴ <https://www.ofcom.org.uk/research-and-data/telecoms-research/mobile-smartphones/smartphone-by-default-2016>

devolved Governments to ensure that efforts to improve coverage across the UK are well coordinated.

- We urge Ofcom to build a 'use it or lose it' clause into the auction design.
- Ultimately, though this is not currently being consulted on, we believe national roaming should be mandated.

Ofcom's proposals

We agree that setting obligations in a way that encourages competition is a proportionate and pragmatic approach to achieving good outcomes for rural consumers. Tackling geographic coverage gaps by setting targets at a level that allows access to more networks should mean more coverage and more choice for consumers.

The lack of choice for rural consumers has so far put them at a disadvantage. We agree that 89-90% is not an ambitious enough target. The target of 92%, allows for the assumed incremental benefits that are thought to be achieved through the extension of the Emergency Services' communication network, existing rollout plans and MNOs' commercial agreements. We believe that 92% should be the minimum standard, with MNOs urged to aim for higher than this.

Regarding indoor coverage, 60% does not appear ambitious. However, Ofcom's premise and cluster analysis appears thorough. We agree with the non-prescriptive approach to technology used to achieve this and strongly support the caveats listed:

- "a) (That technological solutions must) involve no additional cost to consumers (i.e. many solutions require a reliable fixed broadband connection and Ofcom research suggests that, at this stage, we can't assume that a customer, particularly in a more rural area, will have access to, and will take up, a connection to support these services);
- b) Such solutions would need to operate on an open, seamless basis (i.e. they could be accessed by people visiting a home for work or leisure, without the need for passcodes);
- c) Such solutions would need to be provided in areas where the operator providing them already has outdoor coverage."

We would trust that while Ofcom would not prescribe the use of particular technological solutions, MNOs' choice of technology would fall within their network resilience and security obligations under s105 of the Communications Act⁵. Where this is not the case, we strongly advise that the security of alternative technologies is required under the auction criteria.

⁵ https://www.ofcom.org.uk/__data/assets/pdf_file/0021/51474/ofcom-guidance.pdf

National Roaming

As the consultation document states, with 30% of the UK's landmass still not covered by all four mobile operators, people living and working in rural areas are being left behind - and people in remote rural areas even further behind.

We agree that the necessity to introduce remedies to improve connectivity for the 72% of rural premises unable to receive indoor 4G coverage from all four operators is clear. We believe the above auction design will go some way to resolving this.

However, the above design still leaves 8% of UK landmass and 40% of the identified indoor areas uncovered. The Panel has for some time urged Ofcom and communications providers to explore ways of improving coverage where there are complete or partial coverage gaps, or 'not spots'. As we stated in our response to DCMS' consultation in November 2014, for example, we remain unconvinced by the arguments against a national roaming solution.

Consumers have been disempowered to do anything about not spots other than to buy SIMs from more than one MNO and swap them over to gain coverage. This is not a solution, but a costly and inconvenient process, which requires a level of resource, knowledge and skill on the part of consumers that is in our view unrealistic and unacceptable. By comparison, MNOs have the capability, technology and financial resources to fix the problem for their customers. We believe that a market intervention is required beyond setting coverage obligations on the winners of spectrum auctions.

We continue to believe that, if properly structured, mandated national roaming, and the associated economic flows between MNOs have the particular benefit of moving the problems caused by poor coverage away from individual consumers (who have limited opportunity to solve the problem) to the MNOs who can muster the resources and competence to address the issues. Rural areas suffer from poor coverage because the economics of provision mitigate against operating multiple fixed cost networks in low demand density areas. National roaming allows all the demand in an area to be met with a lower overall network cost, so not only does national roaming address a key customer detriment, but it does it more economically efficiently than forcing the over provision of multiple networks. An additional benefit of national roaming is the prevention of harm to the environment in which rural consumers choose to live and work.

Finally, it is worth noting that for 5G networks, where the costs of wide area provision are even less attractive, the idea of building a single wholesale network, functionally analogous to national roaming, is, we understand, gaining significant traction internationally.

Summary

- We believe Ofcom's aims are right, its analysis is thorough and its use of a stronger signal threshold than previously is appropriate;
- We broadly support the proposals as set out, but encourage Ofcom to continue working with other agencies across the UK to ensure that coverage initiatives are well-coordinated to ensure the best outcome for consumers;
- We believe that national roaming is still necessary to put the right to essential mobile coverage in the hands of consumers and micro businesses; and the obligation to deliver it onto those who have the power and resources to do so.