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Dear Mr Hindley,

Which? response to Ofcom's proposals for coverage obligations in the award of the 700 MHz spectrum band

Which? welcomes Ofcom's proposals to include coverage obligations in the award of the 700 MHz spectrum band. Consumers value connectivity and expect to receive good quality mobile coverage no matter where they are. However, in large parts of the UK, particularly in rural areas, consumers experience no, or poor quality, coverage. It is therefore essential that Ofcom takes action to address this issue.

We welcome the use of coverage obligations to deliver coverage improvements across the whole of the UK. However, we consider that there are some areas of Ofcom's proposals which require further consideration to ensure that the obligations deliver the greatest benefits for consumers. Ofcom should also publish more detailed information about the analysis which underlies these proposed obligations to allow stakeholders to consider Ofcom's proposals in detail.

Which? believes that Ofcom should give more detailed consideration to the following areas in order to set the coverage obligations:

- **Geographic obligations**

Which? considers that the geographic obligations specified as a simple proportion of landmass are too general and loosely defined. These obligations do not go far enough in targeting those specific areas which will deliver the most benefits to users.

Which? is concerned that difficulties in network deployment may see the holder of the geographic coverage obligation opting for easier ways to meet the obligation by covering those areas which are most easily served, but are not necessarily the areas in greatest need of connectivity. For instance, under the current coverage obligation proposals an operator may find it more cost effective to meet the geographic obligation by erecting a base station in a less challenging terrain in a sparsely populated area rather than to devote extra resources in planning coverage in a rural village in a challenging, hard to reach environment. We note that the Body of European Regulators for Electronic Communications (BEREC) has previously stated in relation to coverage obligations that '...if the requirement is poorly

specified, then operators can easily comply with the obligation without bringing the users and appropriate service'.¹

Ofcom should focus the coverage obligations on specific unserved or underserved areas to deliver the greatest benefit to consumers. It should look for ways to make sure that the obligation ensures those areas that need connectivity the most can receive it e.g. targeting specific communities or villages in different regions.

As part of this, Ofcom should also consider targeting coverage on remote roads. Ofcom acknowledges that road coverage in the UK is poor, noting that a third of coverage gaps on major roads today consist of stretches of more than 1km without good coverage. However, it considers the geographic obligations sufficient as it expects the holders of these obligations to choose to target roads to as part of their efforts to meet the obligations. We are concerned that operators are not likely to extend coverage to more remote roads where the cost of doing are likely to be higher

- More specific coverage obligations across the Nations

Which? supports Ofcom taking action to address the differing levels of mobile coverage across the UK. However, to ensure the widest consumer benefits within each Nation, we consider that Ofcom should assess which areas/regions in each Nation are most likely to benefit from greater coverage based on where the consumers are that need it. By taking a more granular approach in defining the obligations, focused on specific localities Ofcom can ensure it is those areas where people need coverage the most in each Nation that receive it.

This more granular approach to coverage obligations has been used for the 800MHz spectrum in Spain. The licences imposed two obligations: at the national level the operators must complete at least 90% of citizens of the villages of less than 5,000 inhabitants before January 2020; at the regional level in the geographical areas of Autonomous Communities and Cities, the obligated operators must complete 85% coverage of citizens in villages of less than 5,000 inhabitants in each Community or Autonomous City before January 2020. The obligation applies predominantly to singular population entities that have fewer than 5,000 inhabitants. The vast majority of the villages have fewer than 100 inhabitants.

Similarly, in Portugal, each mobile operator has the obligation to cover 160 parishes geographically. As there are three mobile operators in Portugal they will have to cover 480 parishes.

Related to this, Which? is concerned that the coverage which will be driven by Ofcom's proposals will do little to help reach those consumers that are most affected by the digital divide. Ofcom should consider assessing which areas are least likely to benefit from the broadband universal service obligation (USO) and include them as part of a coverage obligation to ensure that they have access to connectivity.

- Quality of Service

Which? considers that the quality level of the coverage, specifically the 2Mbps data connection, is overly conservative. Current download speeds in the UK are already well in excess of this threshold. According to OpenSignal's latest report, average 3G download

¹ BEREC and RSPG. Joint report on facilitating mobile connectivity in 'challenge areas', 31 October 2017. p.15.

speeds between 4.76 Mbps and 7.78 Mbps while average 4G speeds are between 15.16 Mbps and 29.02 Mbps.²

Ofcom's proposal of 2 Mbps is relatively modest compared to the service obligations attached to awards of other sub-1 GHz bands. In Spain, any operators that have 2x10 MHz or more of 800 MHz spectrum are obliged to jointly cover 90% of villages with fewer than 5,000 inhabitants with a speed of at least 30 Mbps by the end of 2019. In Germany, the multiband auction in 2015 included a coverage obligation of 50 Mbps per sector on each operator, which should guarantee a general service offering download speed of 10 Mbps or more. In Sweden the proposals for the forthcoming 700 MHz auction include a coverage obligation of 10 Mbps.³

Furthermore, given that Ofcom's proposed obligations are aimed at rural areas, where fixed broadband speeds are likely to be lower, it is particularly important to focus on better quality connectivity. The broadband USO will provide a safety net of 10Mbps download speed, and we consider that mobile coverage should be viewed in similar terms. Therefore, as consumers seek good quality connectivity at all times, Ofcom should consider whether the quality of service definition is too conservative to meet consumer needs in future.

Conclusion

We welcome the use of coverage obligations to improve mobile coverage across the UK. It is essential that those coverage obligations are implemented to deliver maximum benefits for consumers by ensuring coverage is provided where it is required most. Which? also considers that the quality of service required by the obligations is very low, particularly when considering the capabilities of future and current technology. Ofcom should give further consideration to the quality of service to ensure it meets the needs of consumers both now and in the future.

Which?
May 2018

² OpenSignal. State of Mobile Networks: UK, April 2018
<https://opensignal.com/reports/2018/04/uk/state-of-the-mobile-network>

³ DotEcon and Athea for Ofcom. Spectrum value of 800MHz, 1800MHz and 2.6GHz. July 2012.