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CONSULTATION – PROPOSED ANNUAL PLAN 2019/202

I welcome the opportunity to respond to this consultation from Ofcom on the proposed Annual Plan for the forthcoming financial year, 2019-2020. This response covers my own portfolio interests, specifically digital connectivity and the islands. [REDACTED]

[REDACTED] On that basis, I would be grateful if this response – or at least the sections relating to the procurement – is not made public.

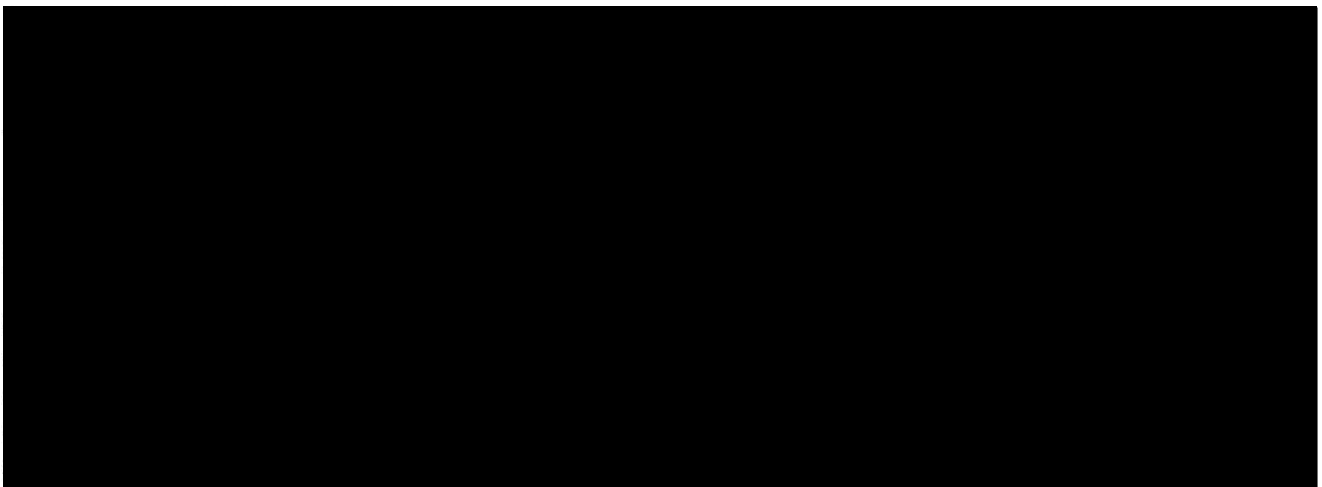
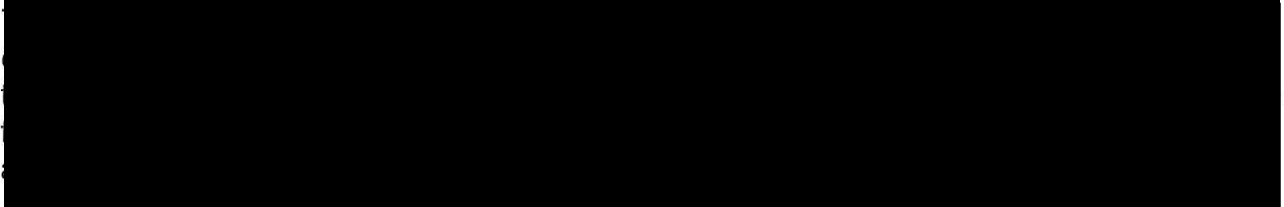
The Scottish Government's ambition is for Scotland to be a truly digital nation; one that is vibrant, inclusive, open and outward looking. High quality connectivity is a crucial component of this and essential for enabling innovation and growth. That is why, despite telecoms being reserved to Westminster, the Scottish Government has developed programmes aimed at extending superfast broadband and 4G coverage. We recognise that public investment has a significant role to play in extending access to future-proofed digital infrastructure and services; but the regulatory framework is equally important – to incentivise commercial investment where possible; to support publicly funded programmes aimed at extending commercial networks; and to proactively consider options – including the potential for new regulatory approaches – that could extend good quality connectivity to any remaining areas.

For some time, the Scottish Government has urged Ofcom to more clearly identify the regional dimension to telecoms regulation; one that better aligns national regulations with regional needs. In light of this, I welcome the planned activity under the universality theme. In particular, the work to explore technologies and policy options to improve mobile coverage will make an important contribution to our shared objectives in this area and help Ofcom build more of a picture of the underlying reasons why coverage has often been lacking in rural Scotland and what can be done to address these.

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It will be crucial that this work results in tangible action, which can underpin sustained joint working between industry, governments and regulators.



I consider the forthcoming 700 MHz spectrum auction to be one of the principal levers available at Ofcom's disposal to move towards universality of mobile coverage. The Cabinet Secretary for Transport, Infrastructure and Connectivity has already registered with Ofcom his disappointment with the new, lower geographical coverage target of 74% for Scotland, as set out in the current consultation. I will respond to the consultation in due course, but would reiterate our ask that Ofcom reconsider its approach to avoid further entrenching existing coverage gaps between Scotland and the rest of the UK. In parallel, I am supportive of efforts to look at how Mobile Network Operators (MNOs) could be incentivised to fully utilise the spectrum they have, with the option of opening this up to third parties more easily. I am keen that the regime governing spectrum access becomes more dynamic and can support the new and emerging opportunities offered by 5G.

On 5G more widely, Ofcom will be aware that the Scottish Government set out a commitment in the 2018/19 Programme for Government to developing a forward-looking strategy for 5G. We will set out our plans in due course, but I'm keen to ensure Ofcom has a meaningful input into this work, building on constructive discussions at official and Ministerial level which have taken place and are scheduled. In particular, I seek Ofcom's support in working with industry and the Scottish Government to embrace new technologies and innovations that could present opportunities to change MNOs' business case around the commercials of rural deployment – both now for 4G (and potentially in connection with the Scottish 4G Infill programme) and 5G in the future.

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I am pleased to note measures outlined in this consultation, particularly proposals for unrestricted access to BT's ducts and poles on which my response to Physical Infrastructure Market Review consultation gives more detail. However, some concerns have been raised with me around quality, particularly in relation to smaller businesses who are potentially disproportionately affected by poor and lengthy resolutions to any services issues they experience. I would urge Ofcom to consider what more can be done in this space.

I note Ofcom will continue to collaborate with the UK Regulators Network. I see this as key forum for fostering collaboration and innovation within a regulatory setting and welcome Ofcom's commitment to this. As the requirements of 5G and full fibre start to become clearer, there may be opportunities for regulators to encourage suppliers to think about whether infrastructure sharing offers opportunities to reduce costs associated with network deployment. It will be increasingly important that any regulatory or legislative barriers – real or perceived – are fully addressed.

I am also pleased to note the content of the section on security and resilience which cross cuts so many workstreams. Resilience of the telecoms network, as a whole, is of particular significance to rural areas and the islands of Scotland where both fixed and mobile services are more limited. As highlighted in the Connected Nations 2018 report, the Scottish Highlands and Islands are more likely to have neither decent fixed or good mobile services available and although work carried out through the broadband USO and mobile coverage obligations is a positive step forward, there needs to be a continued focus on the resilience of these services to mitigate against a variety of threats and hazards, ranging from severe weather events to major power outages.

The Emergency Services Network project should go some way to increasing the mobile service availability in some of the less well served areas of Scotland, however the need for sufficient resilience provision - in the form of generator and battery backup, adequate parts supply and a sufficient compliment of engineers to affect repairs and upgrades - should be entrenched in all telecommunications improvement work going forward to ensure members of the public have accessible and reliable telecommunications links.

Lastly, I welcome Ofcom's proposed focus on vulnerable consumers who are less able to engage or represent their own interests. We are committed to transforming the way that consumer issues are identified and tackled in Scotland by placing consumers at the heart of policy and decision making. High quality connectivity is an essential service for the citizens of Scotland, allowing them to participate fully in society, and this will become even more important as we move to the future. I also welcome Ofcom's recently launched 'Boost your Broadband' campaign alongside measures to help consumers get the best broadband deal. This works alongside Scottish Government aims to support superfast broadband and quality connectivity by assist consumers to get the best possible speeds and boost take up of services.

Delivering a step change in the quality, capacity and availability of digital infrastructure for the benefit of all requires a partnership approach. I am very pleased at the level of engagement between the Scottish Government and Ofcom in recent years.

while thinking innovatively about how mobile

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coverage can be extended further into rural areas, recognising that there are limitations to the extent to which even substantial public subsidy can incentivise operators.

Yours sincerely

PAUL WHEELHOUSE

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