

## Your response

Question	Your response
<p><b>Question 1: (Section 4) Do you agree with our proposals on the coverage obligations as set out in this section? Please give reasons supported by evidence for your views.</b></p>	<p>The RSN is disappointed by the revised obligations proposed in this consultation. They are notably less ambitious for consumers than the obligations proposed by Ofcom in its March 2018 consultation. This backwards step can be summarised thus:</p> <ul style="list-style-type: none"> <li>○ Landmass coverage: in March 2018 it was proposed that 4G coverage should reach 92% of the UK landmass, now that has been revised to 90% of the UK landmass;</li> <li>○ Indoor coverage: in March 2018 there was an obligation which explicitly sought to improve <u>indoor</u> mobile connectivity. Ofcom Connected Nations reports have cited this as a particular rural issue. Now there is no such (indoor) obligation;</li> <li>○ Timescale: in March 2018 the obligations were to be delivered over three years from the licence award, now that timescale has been extended to four years.</li> </ul> <p>The consultation document states that two proposed new obligations – that to provide outdoor coverage at 140,000+ new premises and that to deploy 500+ wide area sites (or masts) – “<i>may be broadly equivalent</i>” to the earlier 92% target. Whilst these new obligations might help steer the obligated network providers to places which are currently poorly served, the statement above is not exactly reassuring and having a 92% target is considered clearer.</p> <p>We note that the arguments put forward</p>

for scaling back the obligations are largely based upon consumer 'benefit assumptions' used within Ofcom's modelling. We also note that various organisations have questioned those assumptions, not least for being based on 2014 data (so five years out of date) and for assuming no benefits arise until the four year delivery period has elapsed (which cannot be right). In this fast changing marketplace it is important not to be over-cautious about likely future benefits. In any case, it is ultimately a choice how far Government is willing to intervene to address a clear market failure. It could decide to offer a larger discount to network operators willing to take on more ambitious obligations.

The RSN wishes to see a three year timescale set for achieving the obligations, as there is an urgent need to tackle poor connectivity for those communities and businesses already left behind. Whatever the timescale chosen we would like to see some interim targets set to incentivise rapid progress, improve compliance and enhance public accountability. It is important that rural communities start seeing some benefits flowing quickly.

It should be stressed that improving digital connectivity (both fixed broadband and mobile) is a top priority for the RSN's membership, as it is for the rural communities and businesses they represent and serve. Ofcom Connected Nations reports show that mobile connectivity in rural areas has improved year-on-year, but it still lags well behind urban connectivity and there remains some way to go to achieve a widespread, reliable service. This is true for customers making a basic phone call and truer still for those accessing data (including on 4G networks). There is a continuing issue with the geographic extent of outdoor signal coverage and there is an

	<p>issue with signal strength indoors at many rural properties. This impedes rural business activity, rural tourism and the ability of rural residents to go about their daily lives. It is a constraint on the rural contribution to the national economy. The new licence obligations therefore need to be ambitious and quickly delivered.</p>
<p><b>Question 2: (Section 5) Do you agree that we have identified the correct competition concerns?</b></p>	<p>No comments.</p>
<p><b>Question 3: (Section 5) Do you agree with our assessment of these competition concerns, and our proposed measure for addressing them? Please give reasons supported by evidence for your views.</b></p>	<p>No comments.</p>
<p><b>Question 4: (Section 6) Do you agree with our proposal to proceed with a conventional assignment stage?</b></p>	<p>No comments.</p>
<p><b>Question 5: (Section 7) Do you agree with our proposal to use a CCA design for this award?</b></p>	<p>No comments.</p>
<p><b>Question 6: (Section 7) Do you have any comments on the proposed detailed rules for our CCA design?</b></p>	<p>No comments.</p>
<p><b>Question 7: (Section 8) Do you agree with our proposed approach to coexistence in the 700 MHz band?</b></p>	<p>No comments.</p>
<p><b>Question 8: (Section 8) Do you have any comments on the proposed licence obligation and guidance note (annex 19)?</b></p>	<p>See comments on licence obligations above.</p>

<b>Question 9: (Section 9) Do you agree with our proposed approach to managing interim protections for registered 3.6-3.8 GHz band users?</b>	No comments.
<b>Question 10: (Section 9) Do you agree with our 3.6-3.8 GHz in-band restriction zone proposals?</b>	No comments.
<b>Question 11: (Section 9) Do you agree with our view that we do not need to include any specific conditions in 3.6-3.8 GHz licences to mitigate the risk of adjacent band interference?</b>	No comments.
<b>Question 12: (Section 10) Do you agree with the non-technical conditions that we propose to include in the licences to be issued after the award of the 700 MHz and 3.6-3.8 GHz bands?</b>	Yes. Indeed, we would like to see Ofcom more actively considering the use of conditions to promote network roaming. This could be a useful solution to improve coverage in sparse or isolated rural areas (as could mast sharing).
<b>Question 13: (Section 11) Do you agree with the technical licence conditions we propose?</b>	No comments.

## **Ofcom consultation: Award of the 700 MHz and 3.6 – 3.8 GHz spectrum bands**

### **Response from the Rural Services Network**

1. The Rural Services Network (RSN) welcomes this opportunity to respond to Ofcom's consultation, with revised proposals for coverage obligations which it intends to attach to two licences following a spectrum auction.
2. The RSN is the national champion for rural service provision, ensuring that rural people across England have a strong voice. It fights for a fair deal for rural communities, to maintain their social and economic viability for the benefit of the nation as a whole. Membership of RSN comprises 154 local authorities (county, unitary, district and borough councils) and over 75 other service providers from the public, private and civil society sectors e.g. land-based colleges, fire and rescue authorities, housing associations and bus operators.
3. Improving digital connectivity (both fixed broadband and mobile) is a top priority for the RSN's membership, as it is for the rural communities and businesses they represent and serve. Your organisation's 'Connected Nations' reports show that mobile connectivity in rural areas has improved year-on-year, but it still lags well behind connectivity levels in urban areas and there remains some way to go to achieve a widespread, reliable rural service. This is true for customers making a basic phone call and truer still for those accessing data (including on 4G networks). There is a continuing issue with the geographic extent of outdoor signal coverage and there is a connectivity issue indoors at many rural properties. All of this impacts negatively on rural business activity, rural tourism and the ability of rural residents to go about their daily lives. It is also a constraint on the rural contribution to the national economy.
4. We welcome that Ofcom plans to run this spectrum auction, awarding national licences that will make use of freed up capacity on the 700 MHz bandwidth. We recognise that this has real potential to improve mobile connectivity in rural areas.
5. Notwithstanding that, the RSN is disappointed by the revised obligations proposed in this consultation. They are notably less ambitious for consumers than the obligations proposed by Ofcom in its March 2018 consultation. This backwards step can be summarised thus:
  - Landmass coverage: in March 2018 it was proposed that 4G coverage should reach 92% of the UK landmass, now that has been revised to 90% of the UK landmass;

- Indoor coverage: in March 2018 there was an obligation which explicitly sought to improve indoor mobile connectivity (which is a particular rural issue), now there is no such (indoor) obligation;
  - Timescale: in March 2018 the obligations were to be delivered over three years from the licence award, now that timescale has been extended to four years.
6. The consultation document states that two proposed new obligations – that to provide outdoor coverage at 140,000+ new premises and that to deploy 500+ wide area sites (or masts) – “*may be broadly equivalent*” to the earlier 92% target. Whilst these new obligations might help steer the obligated network providers to places which are currently poorly served, the statement above is not exactly reassuring and a 92% target is considered clearer.
  7. We note that the arguments put forward for scaling back the obligations are largely based upon consumer ‘benefit assumptions’ used within Ofcom’s modelling. We also note that various organisations have questioned those assumptions. In particular, that they are based upon 2014 data (so are five years out of date) and assume no benefits arise until the four year delivery period has elapsed (which cannot be right). In this fast changing marketplace it is important not to be over-cautious about likely future benefits. In any case, it is ultimately a choice how far Government is willing to intervene to address a clear market failure. It could decide to offer a larger discount to network operators willing to take on more ambitious obligations.
  8. The RSN wishes to see a three year timescale set for achieving the obligations, as there is an urgent need to tackle poor connectivity for those communities and businesses already left behind. Whatever the timescale chosen we would like to see some interim targets set to incentivise rapid progress, improve compliance and enhance public accountability. It is important that rural communities start seeing some benefits flowing quickly.
  9. We recognise that the spectrum auction and obligations cannot solve every issue with mobile connectivity in rural areas and that other complementary measures will be required. We would like to see DCMS and Ofcom being more pro-active encouraging approaches such as mast sharing and network roaming in poorly served locations. These have obvious potential in partial not spots. The consultation document’s passing reference to the scope for network operators to use roaming to help them deliver on the obligations is vague and insufficient.
  10. Indeed, it is not clear enough, from the consultation document, how the Government’s headline target for 95% mobile coverage by 2022 is to be met:

how the gap between the auction obligations and the Government's target will be plugged.

11. Finally, we have concerns about the way the auction is proposed to be run. By separating out the obligations there must be a risk they will not be bid for: that all the bids received will be for licences that do not include obligations. What will Ofcom do if this situation arises? It is imperative that some licences with obligations are agreed.
  
12. In summary, whilst the RSN recognises progress with mobile connectivity in rural areas, there is still a considerable way to go to address the issues. It is therefore most disappointing that the proposed obligations have been scaled back by this consultation. The RSN asks Ofcom to reconsider the obligations. A more ambitious (92%) UK landmass obligation should be set. There is also an identified need to improve indoor connectivity, for which an obligation should be set. The timescale for delivering the obligations should be three years and/or sufficiently robust interim compliance targets should be set. It is important that as many as possible of the rural residents and businesses who are currently losing out feel real benefit as a result of this auction.

8<sup>th</sup> March 2019

