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NFU Consultation Response: Improving mobile coverage – Proposals for coverage obligations in the award of the 700MHz spectrum band.

NFU Summary response

The NFU welcomes Ofcom's proposals to impose rural coverage obligations when it auctions spectrum in the 700 MHz band for mobile use. We urge Ofcom to be as ambitious as possible in setting coverage targets for better quality outdoor and indoor coverage and to at least aim for the previously set 95% outdoor land mass coverage target.

Before finalising its coverage obligations, we also think it is essential for Ofcom to undertake more research into how rural businesses operate, to assess whether their proposals would accommodate their needs. For example farm businesses operate over a number of buildings, and 64% also accommodate diversified activities, with many residential properties also scattered across farms. Would the indoor coverage targets apply to one building or the whole farm business?

The NFU also believes that Wales, should have the same coverage targets as England. Welsh farmers should not be put at a disadvantage, because mobile phone coverage has been delivered more slowly in their country.

We also encourage Ofcom to use its regulatory powers to improve mobile phone coverage using other technologies, including through the use of other band spectrum, and data roaming. We would also advocate promoting the use of roaming, dual SIM phones and mobile phone repeaters that could boost mobile signals; to deliver wider coverage and to allow higher levels of data to be accessed and shared.

The NFU would welcome the opportunity to meet with Ofcom to discuss the comments made in this consultation and how the regulatory system can help bring forward other solutions to deliver world class digital services for farm businesses and rural communities.

Background to the NFU response

NFU Survey Evidence

- The NFU represents 55,000 farmer and grower members in England and Wales. In addition we have 55,000 countryside members with an interest in farming and the countryside. We welcome the opportunity to respond to this consultation, which sets out how Ofcom are intending to impose coverage obligations in their next auction of spectrum, with the aim of improving rural mobile coverage in England and the Nations.

- For the past three years the NFU has undertaken its own member broadband and mobile surveys, to understand what the actual levels of broadband and mobile coverage are being received on farm and to highlight the benefits of improving coverage.

Key highlights from our 2017 survey include:

- 198% of farmers owned a mobile phone.
- Of those, 93% feel that having access to a reliable mobile signal is important for their business.
- However, only 16% reported that they could receive a reliable mobile phone signal in all indoor locations on farm and only 15% for outdoor locations on farm.¹
- Farmers report actual coverage varies from patchy coverage to complete lack of coverage for large tracks of farm land and country roads. Coverage issues can also be as problematic at the edge of London as they are in wider rural areas and National Parks.
- NFU members have told us that their main message to Government is that they wish to have the same coverage as those standards enjoyed in urban areas, so they can run productive businesses and enjoy family life.

NFU SURVEY RESULTS 2017

MOBILE



98%
of farmers
own a phone



61%
of farmers
own a smart phone



16%
had a reliable
indoor signal



80%
of smart phone users have
4G coverage



92.8%
agreed having a reliable mobile
signal was important for their
business



37%
had reliable signal
in only a few outdoor
locations

BROADBAND



3%
don't use
the internet



60%
own a tablet



71%
get internet
over copper wire
infrastructure



7%
use satellite



15%
had a reliable
outdoor signal



73%
had an upload speed
of 2mbps or less



9%
had access to superfast
download speed



50%
had a download
speed of 2mbps or less

Why Ofcom needs to regulate to improve rural coverage.

“It is ridiculous that you can get better mobile phone coverage in Kenya than in parts of Kent. It is unjustifiable that in the country that first guaranteed universal mail provision, invented the telephone and television and pioneered the World Wide Web that broadband provision is so patchy and poor in so many areas.

Farming cannot become as productive as it should be, rural economies cannot grow as they should, and new housing cannot be provided in rural areas as so many hope to see and we cannot have an economy that works for everyone unless everyone has access to decent broadband and mobile coverage.”

A Brighter Future for Farming: Secretary of State Michael Gove speech at the NFU Farming Conference 2018

“Poor rural coverage remains an issue of concern, with nearly four out of every five premises unable to receive an indoor 4G service. Meanwhile many people are struggling to get a decent signal on the UK’s railways.

It is now clear following Ofcom’s field testing that significantly higher mobile signal strengths are required to deliver a good consumer experience. To this end, I believe Ofcom should apply technical licence conditions to the 700MHz band, requiring improved geographic coverage and higher signal levels if necessary, in advance of its auction to MNOs next year.

Given the legally binding nature of the agreement signed with network operators in 2014/15 to improve mobile coverage I would expect Ofcom to consider all possible enforcement action against any operator which does not meet its obligation to provide coverage to 90% of the UK’s landmass by the end of 2017, based on existing signal strength thresholds.

In addition, given the seriousness and scale of gaps in the UK’s mobile coverage, I believe Ofcom should urgently propose an action plan to government for radically improving mobile coverage in the short to medium term. I appreciate that policy development is the responsibility of Government, but on the basis of Ofcom’s new approach to measuring coverage and its expertise in the sector, I believe Ofcom has a key responsibility to advise government to ensure the nation’s vital mobile communications infrastructure meets acceptable standards. A range of policies should be considered including, but not limited to, re-examining the case for roaming in areas where there are ‘not spots’, making better use of existing spectrum and encouraging MNOs to share masts where possible.

As our interim National Infrastructure Assessment notes, there is increasing convergence between mobile and fixed networks, with 5G deployment dependent on access to full fibre networks. I understand that DCMS is currently undertaking a review of the telecoms sector to maximise investment in these next generation technologies, and hope that all policy options will be explored within this context.

I believe it is now crucial that all options are considered to radically improve mobile coverage across the UK and ensure that consumers receive the service they pay for and deserve.”

Letter from Lord Adonis (on behalf of the National Infrastructure Commission to Sharon White, Chief Executive of Ofcom on 15th December 2017)

- **It is essential that Ofcom steps in where the telecommunications market fails and uses its regulatory powers to ensure there is wider service provision for what the consultation calls ‘citizens and consumers’.** As the NFU evidence confirms farm businesses are amongst those most affected by poor coverage. The Defra Secretary of State Michael Gove set out his concerns about the impacts of poor mobile coverage and how this could impact on farming at the NFU Conference in February 2018. The importance of access to broadband and mobile coverage for farming and rural communities has also been highlighted in [Health and Harmony: the future for food, farming and the environment in a Green Brexit](#).
- We have quoted the National Infrastructure Committee’s letter above as we understood this consultation would be very much informed by the very public concerns of Lord Adonis and would have been more ambitious?
- **We would urge Ofcom to think whether the 92% increase in coverage needs to be improved in the public interest to add more competition, especially as we understand that at least one operator, EE, has committed to 95% coverage.** We also note from the consultation that other operators see reaching the previous 90% landmass target for voice target as sufficient for their business needs. This is despite the fact that Ofcom have changed the way they measure coverage to a standard that requires smartphones to receive a good voice and data coverage and produced updated coverage maps. **We have the example of NFU members raising complaints about services with their operator, only to receive letters simply saying that the operators do not provide coverage in all areas at all times. This is a particular concern where there is no alternative provider.** The NFU believes that Ofcom needs to do more to address consumer rights and should maximise coverage standards as part of this auction and through its wider work.
- **Wider service provision is important for the wider UK economy, and will help to deliver the Industrial Strategy and to ensure businesses can thrive in rural areas.** Quality mobile voice connections are essential, but so is the access to applications to enable online only regulatory services that have to be complied with. Many services, including Defra and the Rural Payments Agency, contact farmers by phone. Life in the countryside relies on people being available by phone, to talk, to exchange data and get rapid access to the services they need.
- The consultation sets out the timeline of delivering better services by 2022. **The NFU would emphasise that it is also essential for better services to be introduced as soon as possible, given that the economic landscape for farming is rapidly changing.** If this timescale can be shortened it could provide benefits sooner, but we also believe **Ofcom should seek to introduce** more short and medium term improvements.
- Farmers and growers are an essential part of the UK economy, supporting a food and drink sector collectively worth £112 billion and employing 3.9 million people in 2017. Farmers and growers work to safeguard the nation’s food security as well as delivering environmental benefits, supporting rural communities, and enhancing the nation’s economic wellbeing. Our trade with other countries, both within and increasingly outside the EU will be vital and new trading partners will expect our digital communications to be comparable and fit for purpose to compete in this global market.

- Many farmers are also looking to reinforce their businesses using diversification, which again is being encouraged by wider Government as this provides further support to the economy by providing energy and rural services. Over one third of NFU members host renewable energy, with 64% of farmers overall hosting diversified activities in 2017. **The ability for farmers to build further resilience into their businesses is being constrained by poor mobile phone coverage.** It is a particular issue for renting out premises for business uses and rural tourism (such as a Bed and Breakfast and outdoor pursuits), without coverage businesses often cannot operate and tourists will not return.
- Health and safety is also a major concern for farmers and growers and their rural communities. Whilst the NFU is understandably very supportive of the Government's plans to encourage better emergency services coverage, we also know that **improved commercial mobile phone coverage is essential to help reduce accidents and to get help quickly.**
- **Farmers have sought to adapt to poor coverage but need to find more productive ways of communication.** Some farmers now carry more than one phone, usually a smartphone and older devices for voice calling, a situation (with its cost implications) not needed outside rural areas. Many also still need to use radio phones at farming peaks times, for example to meet Just-in-Time factory requirements for harvested crops, when mobile signal is not reliable enough. Not only do these service requirements underpin the need for a better service both within buildings and geographically but also requires more thought as to how additional technology could be regulated. As a result there is a need for mobile phone roaming (as the National Infrastructure Commission also highlighted), or to encourage the use of more dual SIM phones (as are used more widely on the continent) and to assess whether [new regulations for mobile phone repeaters](#) are sufficient to allow farmers to boost signal across the farm.
- There is a wider rural community angle to the provision of mobile phone coverage. **Lack of mobile coverage can have a disproportionate impacts on rural communities.** The rural population is not only located within a more dispersed geography; but also tends to have an older population demographic. As a consequence, these areas have different service requirements, including access to skills and medical advice. The average farmer age remains constant at 59. More needs to be done to ensure that these older rural communities can access the whole range of digital services they need and that digital services are in place to attract young people and families back to rural areas, to pursue farming and other rural careers.
- Therefore the NFU has called on the Government to make the “digital economy universal” so that every farming business can access superfast broadband at speeds they can afford and use mobile technology, including 4G services across the farm. The effective management of spectrum and mobile phone coverage by Ofcom is part of this.

How the rollout of telecommunications equipment could otherwise be improved.

- Farmers also have a unique role in being custodians of 70% of the countryside. This means they can also host some of the mobile phone base stations and other telecommunications apparatus required to improve coverage. The revised Electronic Communications Code was designed to make it easier for more sites to come on stream and in particular to encourage apparatus sharing. In practice how these additional sites are being delivered is very mixed. Most farmer and tenant farmer requirements can typically be summarised as ensuring they can farm and meet their regulatory commitments and providing them with a fair land deal, which future telecommunications providers will also adhere to.

- **NFU member experience is that those telecommunication operators, who are attuned to agricultural matters when it comes to site acquisition and negotiation, get faster land access deals and deliver more efficiently on site.** Many site providers have genuine preferences as to access routes, times and locations. Early negotiations about business and environmental constraints can help deliver practical, future proofed sites, which can also help infrastructure development progress through the planning system.
- **We think Ofcom could act to help provide more competition in site operators** and to promote more information sharing about the regulations, constraints and opportunities for accommodating infrastructure provision. For example since the introduction of the new Electronic Communications Code, some operators appear to have misinterpreted certain provisions relating to valuation and the rights to site share and upgrade apparatus often drawing comparison with compulsory purchase and unfettered rights. This does not encourage landowners to accommodate sites. Some landowners can also be put off by poorly drafted agreements.
- If one site provider cannot do a deal, others, including community groups, should have the opportunity to provide the infrastructure instead. **Other infrastructure providers should also be incentivised to provide services for farms and rural communities**, such as renewable energy providers and other companies wanting to lease land and erect buildings that also need rural connections. We ask Ofcom to ensure that there are no regulatory barriers to improving coverage through other routes.
- **Wider rural networks should also be incentivised to develop and share their own infrastructure where it meets their farming needs**, including having town planning powers to erect digital equipment for farming and rural business use.
- **National and local government could also assist by making its own infrastructure available** for use and ensuring broadband providers also get the opportunity to install their infrastructure when there are other utilities being upgraded in the area. We understand from the consultation that Ofcom is involved in discussions for improving rail coverage, which we understand could included options for making it easier for landowners along rail routes to be connected. The NFU do not want this opportunity to be lost.
- We think **Ofcom need to be involved in these discussions** given that this consultation acknowledges that operators '*will only tend to expand coverage where the expected commercial benefit exceeds the cost of expansion*'(para 2.16).

Further evidence to assist the consultation.

- The NFU understands that as part of the 700MHz spectrum auction in 2019, Ofcom proposes to include coverage obligations and targets for delivery to:
 - Increase rural outdoor coverage to 92% of the UK landmass
 - Improve indoor coverage (to serve 60% of an estimated 200,000 properties without coverage in 2019 in each nation)
 - To increase national coverage targets, including for 92% for England and 83% for Wales.
 - To ensure these targets will be in force by 2022.

The NFU's answers to questions about these specific details now follows.

Q1: Do you agree with our proposal to include two geographical coverage obligations and a premises obligation in the 700MHz award?

Q2: Do you agree with our proposed target for geographical coverage.

- The NFU welcomes the fact that Ofcom will propose coverage obligations on the auctioning of the 700 MHz spectrum to help improve quality mobile coverage.
- The fact that a 92% target outdoor target is less than the previous objective set of 95% is disappointing, particularly given it is not clear that Ofcom can use its regulatory powers to meet 95% targets using the other options set out in the consultation.
- The NFU believes that Ofcom should use its unique role and regulatory powers to promote mobile coverage that as close to 100% spatial coverage as can practically be achieved.
- Operators who seek to provide more robust rural coverage should be rewarded, 90% coverage as predicted will still leave a lot of farmland without services, having 17% without coverage in Wales is also a concern.
- Ofcom should also ensure that this auction is designed to avoid rural monopolies wherever possible. Too many NFU members are prevented from leaving unsatisfactory contracts because of the lack of alternative provider, impacting on their ability to run effective businesses

Q3: Do you agree with our proposed target for in premises coverage

- The suggested premises obligation (to cover 60% of an estimated 200,000 rural residents and businesses) will still leave many homes and businesses without coverage. Comparisons to the broadband USO can be made in that the most remote and expensive to connect may still be left without services, which does not appear equitable or fit for purpose in 2020.
- Ofcom should therefore consider different options to ensure that there are no rural premises left without any form of digital service.
- This situation is likely to be especially relevant for farm businesses, which do not just operate from one building; there will be a number of buildings on any farm where coverage will be needed.
- The NFU has therefore recommended that Ofcom should undertake more analysis of the financial impact these targets will have rural businesses before making a decision on the obligations it will impose in the auction of this spectrum.
- If the suggested targets cannot be increased we recommend Ofcom also look to create the most conducive regulatory framework to increase coverage.

Q4: Do you agree with our proposed approach to targets for the Nations?

- The NFU believes the opportunity should be taken to allow Wales to enjoy at least the same service levels as the UK, especially given that access to superfast broadband levels are also likely to be lower. We have set out the challenges for farming in our section *Why Ofcom needs to regulate to improve rural coverage*.

Q5: Do you agree with our proposal that the coverage obligations should be met within 3 years of the 700MHz award?

- The NFU believes that there should be incentives to ensure the obligations are met in a shorter timespan as possible, but that there will need to be safeguards to ensure fair land deals are available for those who agree to host sites. The lack of choice of site provider has currently reduced competition and innovation and there should be more incentive for site sharing. As we have outlined in our response under *How the rollout of telecommunications equipment could otherwise be improved* there are ways for Ofcom to help improve delivery of sites.

Q6: Do you agree that sharing information on the location of new sites in rural areas in advance of submitting a planning notice would be appropriate?

- The NFU believes this should be done as soon as possible and to assist with site selection. The issue with only seeking to share information 30 days before a prior notification or planning application means that site will already be chosen and design process largely completed.
- The NFU would also recommend that Ofcom seek to encourage third party funded masts where these could host equipment and ensure that farmers hosting equipment are fairly awarded for their services

Q7: Do you have any other comments?

- We would ask Ofcom and other stakeholders to have regard to the information and suggested solutions put forward in the consultation and look forward to discussing them further.

ⁱ The NFU has carried out member research of the actual mobile coverage available on farm, using a random phone survey and with an online option for members to comment. These results based on the evidence of 866 members in summer 2017.