

**'Notice of proposed variation of 2100MHz Third Generation Mobile Wireless  
Telegraphy Act Licences' Consultation  
Response from Welsh Assembly Government**

The Welsh Assembly Government welcomes this opportunity to comment on Ofcom's 'Notice of proposed variation of 2100MHz Third Generation Mobile Wireless Telegraphy Act Licences' consultation. In general, we are not in a position to comment on the majority of the proposed variations as these are a matter for industry. However, we disagree strongly with one of the proposals and this is set out in detail below.

1. *Do you have any comments on the proposed variations which Ofcom intends to make to the 3G licences in order to implement the Direction?*

The proposed coverage obligation is to provide "mobile telecommunications services to an area within which at least 90% of the population of the United Kingdom lives and ... a 90% probability that users in outdoor locations within that area can receive [a] service ..."

We have written to Ofcom and the UK Government urging consideration of significantly raised minimum UK coverage obligations or the introduction of regional geographic coverage requirements in the Devolved Administrations. We strongly believe that this obligation does not go far enough to address the coverage issues that currently affect users in rural (and some urban) parts of Wales. Furthermore, the current rationale does not reflect the very usefulness of mobile communication; the ability to communicate when you are away from your home or business base

The 2010 Communications Market Report for Wales shows that Wales still suffers from below average 2G and 3G coverage in comparison with the rest of the UK. Currently, 3G coverage is available to 87% of the UK population but just 69% in Wales. Expanding coverage to 90% of the UK population will not address the remaining 31% of the Welsh population who cannot access 3G services. This need can only be met by creating regional population (or geographical) coverage obligations. We believe that extending the coverage obligation significantly beyond 90% should not be restricted to the 2100MHz band but should also be applied to the other mobile licences and to future mobile licences.

Competition is key to service innovation and competitive retail pricing for customers, however, competition in rural areas is greatly diminished following minimal investment by mobile operators in areas of low population density. Further consideration must be given to rural network roaming.

These measures will ensure that all parts of industry are treated equally and will lay a solid foundation for truly mobile communication anywhere within the UK.

We acknowledge and welcome the research work taken forward by Ofcom on mobile notspots to date but believe that it is now time for Ofcom to use its regulatory instruments to improve mobile coverage in Wales.

Other European nations are already making specific provision to provide rural coverage in underserved areas. The EU Review of Spectrum Policy Programme indicates specific action is needed to secure good service for rural users.

The Welsh Assembly Government is aware of technical trials that are currently taking place in south west Wales utilising the cleared digital switchover spectrum for LTE deployment. This trial has shown the important role that the cleared spectrum can play in the expansion of mobile services, including mobile broadband in rural areas. We urge Ofcom to focus on clearing this spectrum at the earliest opportunity to promote the roll out of mobile services in underserved areas such as rural Wales.

We would welcome clarity on the circumstances under which Ofcom would seek to revoke licences. Whilst we agree in principle to the proposed revocation criteria, there does not appear to be provision to penalise mobile operators who 'hoard' spectrum without fulfilling their coverage obligations thus preventing other operators from using that spectrum.

We look forward to working with Ofcom on the proposed licence variations to ensure the best coverage for Wales.