

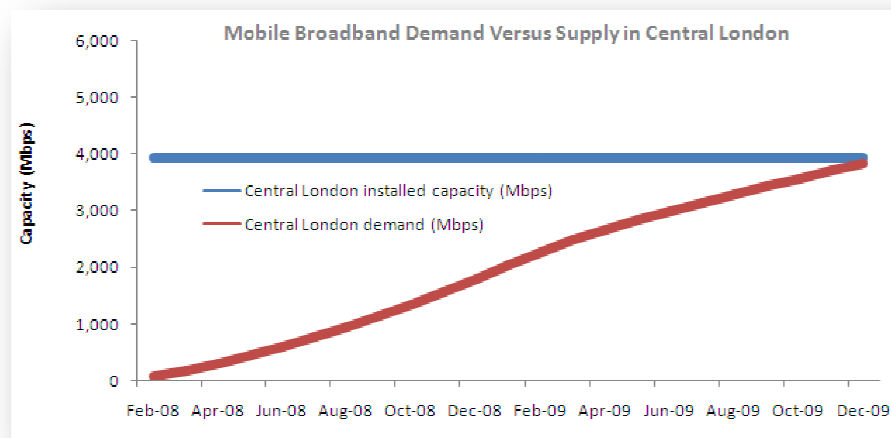
## **Response to Consultation on Proposed New Duties for Ofcom on Resilience**

**29 October 2009**

## Our Response

We welcome the Department's consultation on this important matter. Good communications infrastructure is vital to the UK's economy. Our short response is focused on the issue of how the current wireless infrastructure in the UK needs to adapt in order to support the high capacity wireless services that are vital to the well running of the nation both for economic success and emergency preparedness.

Mobile Broadband take-up in the UK has soared over recent years. The installed base of Mobile Broadband consumers reached 3M by Q1 2009 (source: Ofcom). This has been driven by low prices from new entrants such as 3 UK which has adopted a price leadership strategy against its larger rivals. As the market matures, the number of tariffs have proliferated, ranging from 1GB /month to 15GB/month. Our analysis shows that, on average, most users consume around 1GB/month but this is clearly on the rise as Mobile Broadband is increasingly used as a substitute for ADSL.



Source: Trova Consulting analysis

As demand for Mobile and Wireless Broadband has increased, our analysis shows that supply of capacity in metropolitan areas is struggling to keep pace. This supply/demand equation is something that Ofcom and the Department should note. In the chart above we show the situation in central London based on reasonable network capacity assumptions as delivered by the five mobile network operators and demand from consumers. We believe that already in certain hotspot areas, the current 3G infrastructure struggles to meet the demand for Mobile Broadband services.

In order to address this capacity shortfall, it is vital that new spectrum bands such as 2.5GHz and the MOD 3.5GHz spectrum are released into the market to enable the deployment of 4G technologies (WiMAX and LTE).

## About Us

Trova Consulting is a business strategy consultancy focused on the technology, media and telecoms (TMT) markets. We use numerical and analytical techniques to solve business problems. Our speciality areas are:

- Spectrum advice, auctions and licence bids
- Mobile broadband, WiMAX, 3G, HSPA and LTE
- Business planning and business case development
- Consumer technology profiling and segmentation
- Product and solution marketing
- Regulatory support, transaction support and due diligence

Our aim is to provide executive-level decision making support for companies in TMT markets. More information about us can be found at: [www.trovaconsulting.com](http://www.trovaconsulting.com)