



Department
for Culture
Media & Sport

Tackling Partial Not-Spots in Mobile Phone Coverage

Government Response to Consultation

12 March 2015

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Ministerial Foreword



I am grateful to the many people who responded to the consultation on tackling partial not-spots in mobile phone coverage.

It is clear that this issue affects a great many people in all parts of the UK, and in various aspects of their lives. I was struck by many of the comments my Department received in response to the consultation but to quote just a few:

“I gave up running my own business because of poor mobile reception.”

“It would be nice to know that as a woman I would be much safer during night time car journeys because the network coverage is more robust.”

“Without a landline, disabled or elderly people requiring care and the carers themselves are left in a vulnerable position.”

“It is incredibly infuriating and has led to me missing out on mortgage offers and even job offers.”

The responses underlined the fact that poor mobile coverage can have far-reaching economic and social consequences which affect many consumers. This is not acceptable.

As a result of the consultation and discussions with industry, I was able to secure a landmark deal with the four mobile networks that is legally binding and will guarantee a £5 billion investment programme to improve mobile infrastructure by 2017. It will guarantee voice and text coverage from each mobile network operator across 90% of the UK geographic area by 2017, thereby halving the areas currently blighted by patchy coverage as a result of partial not-spots, and securing improved data services in the process.

Responses to our consultation have highlighted the importance of mobile connectivity to consumers, businesses and those in rural communities in particular and I believe this legally-binding agreement will give the UK the world-class mobile phone coverage it needs and deserves. The Mobile Network Operators have already agreed the terms of their licence variation with Ofcom, details of which can be found on Ofcom's website:

<http://licensing.ofcom.org.uk/radiocommunication-licences/mobile-wireless-broadband/cellular-wireless-broadband/policy-and-background/licensee-freq-tech-information/uk-cellular-operators/>

Mobile Network Operators will have the flexibility to deliver a range of services to customers via a range of means. The industry will be able to innovate and to improve services, including data services, a priority for many who responded to the consultation.

It also means that competition, which is vital to offering consumers choice on service, quality and price, can continue to drive the mobile phone sector, keeping the costs we pay among some of the lowest in Europe.

The full text of the agreement with mobile network operators is included as an annex to the Government's response.

I will continue to work with the industry to ensure that more people can use their mobile phones no matter where they are in the UK and fully benefit from the opportunities that the digital economy has to offer.



Rt Hon Sajid Javid MP
Secretary of State for Culture, Media and Sport

Introduction

- 1 On 5 November 2014, the Department for Culture, Media and Sport issued a consultation document to seek views from the mobile industry (network operators, retailers, Mobile Virtual Network Operators, wireless infrastructure providers), rural groups, consumers and those living and working in partial not-spots – areas where there is coverage from one or more of the UK mobile network operators (Vodafone, EE, O2 and Three) but not all four.
- 2 We consulted on a range of options Government could mandate to improve coverage in partial not-spots:
 - National roaming
 - A Multi-Operator Mobile Virtual Network Operator
 - Infrastructure sharing through a geographic coverage obligation
- 3 During the consultation period we also continued discussions with the mobile network operators on measures the industry could voluntarily undertake to improve coverage in these areas.
- 4 The consultation closed on 26 November 2014. This document summarises responses to the consultation and sets out a Government response to the key themes.

Summary of Responses from Members of the Public

5. The consultation received 1,041 responses before the closing date of 26 November 2014. Excluding the paper submissions sent in by organisations and a small number of individuals, the following headline statistics have emerged:
 - 90% of all non-organisational responses supported action to improve the coverage of voice and text services in partial not-spots. This response can be broken down as:
 - 44% said clearly that they welcomed the Government taking action; and,
 - 46% expressed dissatisfaction with the current situation, and therefore by implication, supporting the need for improvements, without specifically citing Government action was needed in their responses.
 - The remaining 10% offered no clear view.
6. Of all non-organisational responses, 80% reported poor mobile phone reception where they lived, worked or visited.
7. Where respondents made additional comments:
 - 15% referred to support for infrastructure sharing;
 - 14% referred to support for national roaming;
 - 14% referred to inclusion in the proposals of data services;
 - 5% asked Government to fix the problem, and did not express a view on how;
 - 5% referred to support for the Multi-Operator Mobile Virtual Network Operator model.
8. Other issues directly mentioned by respondents included:
 - the need to address complete not-spots;
 - the measure should not lead to additional costs to consumers;
 - it should be easier to exit, or change, mobile phone contracts;
 - planning laws should be relaxed to make it easier to extend mobile phone coverage.

Organisational Responses

Support for Government Action

9. There is strong recognition from a range of sectors that a mobile phone service is a vitally important issue, and that poor levels of service are significantly impacting individuals' quality of life and economic activity. Although many respondents agreed that there is a need to address partial not-spots, many also said there is a clear need to address poor and patchy coverage more generally. In addition, the point was made that data services are also becoming increasingly important.
10. While the great majority of respondents supported action in this area, many felt that a voluntary approach by the industry would best serve the needs of consumers. Few people expressed a strong preference for any of the proposals put forth in the consultation document.
11. Responses to the consultation showed that many sectors are affected by poor or patchy mobile coverage:
 - Rural groups point out that partial not-spots are disproportionately affecting the farming industry sector and wider rural communities.
 - Consumer groups support the Government's policy objective to tackle partial not-spots to improve coverage across the UK. Some commented that this problem would not be solved by market forces alone and argued that intervention is required to deliver an outcome that is simple, effective, and timely for all consumers.
 - Connecting domestic tourists with a range of interdependent businesses of all sizes – from accommodation providers to attractions – is critical to sustaining local economies across the country.
 - Consistent mobile coverage is important to businesses, and while progress has been made in terms of population coverage, wider geographical coverage is also important. Business representatives pointed out that 77% of small firms view their mobile phone as important to their business.

12. A survey of 1100 constituents carried out by a Member of Parliament captured the issues facing many members of the public:
 - Respondents reported that issues of poor mobile phone reception are disruptive to their personal lives and detrimental to their businesses.
 - Farmers noted that reliable mobile signal is vital to their safety.
 - Businesses relying on visitors were affected.
 - Elderly people and disabled people reported specific difficulties. Mobile phones are becoming an increasingly important tool for businesses and services to connect with customers.

13. The telecoms industry agreed with the need to improve coverage and representatives point to the billion-pound investment in network improvements this year alone.

14. ***The Government's Response:*** we are pleased that responses to the consultation have overwhelmingly agreed with our starting position that there is a problem that needs addressing. The agreement we have reached with industry addresses many of the concerns we have heard by working with industry to look at poor coverage beyond the specific issue of partial not-spots. In addition to improving voice and text coverage, the agreement will also lead to increased data coverage.

The Government's Decision

15. Through the consultation exercise we received a range of new evidence, particularly from the telecommunications industry. This was helpful in informing our thinking and in light of this evidence we concluded that a coverage obligation best met our stated policy aim of improving mobile phone coverage. This forms the basis of our agreement with the mobile network operators.
16. The consultation document had included a proposal for an 89% geographic coverage obligation on each MNO, providing flexibility in delivery. Our agreement with the industry now increases this to 90% to reflect planned improvements in network coverage. In addition, the proposal as described in the consultation document used a figure of -86 dBm for GSM signal strength. There is no international standard for signal strength but we understand that -93 dBm is more widely used, including within the European Union, and we therefore consider that it is an appropriate signal strength for a coverage obligation.
17. A coverage obligation would be technology neutral and would encourage MNOs to develop innovative ways to achieve the obligation. From the feedback and proposals we have seen from the MNOs, we understand that site sharing will be an element of this.
18. In the Impact Assessment issued alongside the consultation document, we identified three main benefits of reducing/removing partial not-spots:
 - Increased choice for existing customers (residents and businesses) in partial not-spot areas, as customers living in areas with coverage from multiple MNOs have a wider range of handsets, tariffs, data packages and terms than those not served by all operators;
 - Increased connectivity to consumers who currently lose out when visiting a partial not-spot that is not covered by their home network; and
 - The value to society of social and economic inclusion beyond the private benefits to the individual.

19. Our agreement with the MNOs will enable consumers to see improvements in all these elements as it will halve the number of partial not-spots and decrease the number of total not-spots by two thirds. This is in addition to coverage improvements resulting from the Government's Mobile Infrastructure Project.

20. The Government believes that its chosen approach to tackling partial not-spots also meets the following concerns raised by the consultation:
 - by increasing coverage for each MNO to 90% of the UK land mass, it will improve the quality of mobile phone service for the many consumers represented by those who responded to the consultation, particularly in rural communities.

 - by keeping Government intervention to the minimum and not hindering innovation or competition within the industry, the agreement supports the view expressed by many respondents who were keen that any Government action should not disincentivise investment by the industry or undermine competition within it.

Responses about the Overall Approach

In Favour of a Voluntary Agreement

21. A good number of respondents preferred a voluntary agreement between the Government and MNOs. These respondents noted that solutions would require industry agreement and co-operation with Government and with each other.
22. The telecoms industry offered to forge a strategic partnership with Government, whilst seeking a commitment from Government to reform the policies and regulations which it says are currently both holding back the speed of network rollout and making further extension of coverage an uneconomic proposition. These responses argue that Government intervention is unnecessary and would be disproportionate.
23. Other groups, including representatives of rural communities, business groups and local authorities, preferred a consensual approach. Other respondents added, however, that, if necessary, a more prescriptive, legislative route should be followed if no agreement could be found.
24. One consumer group expressed concern that voluntary agreements would not provide the Government, the public and consumers with the degree of certainty that they require in respect of an “essential service” and noted the importance of competition.
25. ***The Government’s Response:*** the Government has always been clear that its preference is that any improvements in coverage be market led rather than delivered through statutory intervention and are pleased that Ofcom and the MNOs have formalised this through a legally-binding licence variation.

The Impact Assessment

26. A number of respondents commented directly on the Impact Assessment. Some highlighted risks including disruption to planned improvements, national security and risks to critical national infrastructure.

27. Some respondents called for the Government to identify or substantiate the presence of market failure, suggesting that consumer research was needed to determine the factors which matter most to customers who live in or travel to partial not-spot areas.
28. Some respondents challenged specific elements of the Impact Assessment: that all four MNOs should be taken into account in assessing the current situation; that the cost benefit analysis of national roaming is based on erroneous benefit calculations and costs have been omitted from the analysis; and, that the implications of this proposal on law enforcement have not been addressed.
29. Other respondents argued that the Government's cost benefit analysis understates the coverage benefits of the 'business as usual' option and therefore, in comparison, overstates the benefits of other options. This they argued was largely because the cost benefit analysis does not include the impact of the roll out of 4G services which will have a significant impact on coverage.
30. ***The Government's Response:*** throughout the development of the Impact Assessment and Consultation Document we have worked with Ofcom, external experts, other government departments and industry to ensure that we take best account of all available evidence in relation to potential measures to tackle partial not-spots. Through the consultation exercise we received a range of new evidence, which showed a coverage obligation to best meet our policy aim of improving mobile phone coverage.

Action by Government is Disproportionate

31. Some respondents argued that the implementation of any of the proposals would be a disproportionate and unsatisfactory response to the coverage problems the Government is seeking to address.
32. ***The Government's Response:*** the Government considers that responses to this consultation show the impact that partial not-spots have on the lives of mobile phone users, and it believes that it is appropriate to take action to address those impacts.

Encouraging Investment and Competition

33. A number of respondents cautioned the Government to avoid any measures which will disincentivise investment in the mobile phone industry or inhibit genuine competition. The telecoms industry were joined by business and consumer groups in expressing concern that Government action should not act as a deterrent to the general expansion of mobile coverage to the long-term detriment of UK consumers. The industry called on the Government to act only if the benefits outweigh the costs, and to make it easier for operators to extend coverage by underwriting the costs of this.
34. These respondents argued that strong competition has been the success of the UK mobile sector supported by policies that encourage market entry and competition.
35. Some groups called for more analysis to be carried out on what any voluntary solution will deliver. Consumer groups also highlight that any solutions should not be detrimental to competition, which is critical to consumer interests.
36. ***The Government's Response:*** the Government has been clear from the outset that its preference is for a voluntary solution to be put forward by the industry, and to keep Government intervention to a minimum. A coverage obligation recognises the concerns of respondents to maintain competition, innovation and investment within the sector, while delivering

improvements in coverage to the benefit of consumers. The voluntary agreement will support investment in the UK's mobile infrastructure by locking in £5 billion of investment by the MNOs. The agreement has now been formalised through a legally-binding licence variation agreed between the MNOs and Ofcom.

Planned Improvements in Mobile Coverage

37. A number of industry respondents made the case that existing planned improvements in mobile coverage will make a significant contribution to reducing partial not-spots. They suggested that Project Beacon and the Emergency Services Mobile Coverage Programme (ESMCP) were likely to support improved coverage outcomes for consumers. Assessing these measures correctly is critical to the proportionality of the Government's proposals.
38. Some rural groups also said that any changes to networks must be made in conjunction with existing 4G roll-out plans. Another respondent suggested that Government should encourage 'coverage comparison' between operators and ensure that this was clearly available to consumers.
39. ***The Government's Response:*** the Government has taken account of the ESMCP in assessing this problem. However, it should be noted that this programme is currently specified to meet the needs of emergency services users. It will deliver telecommunications services to emergency service vehicles, and handheld users in some areas. This may not deliver the improvements we are seeking for all consumers.
40. Ofcom has worked with MNOs to estimate the impact of planned investments, the rollout of 4G services, and to properly take into account Three's existing 3G network. We have taken these revised figures into account in our discussions with the industry.

41. Our agreement with the industry means that the MNOs have the greatest flexibility to deliver a range of services to customers via a range of means. The industry can continue to develop its own technical solutions and innovations, and can take its own decisions on the additional services it offers customers, for example the inclusion of data services – an issue that was raised by many during the consultation.

Responses about the Scope of the Proposals

Calls for a Broader Telecommunications Strategy

42. A number of respondents, including some rural groups and professional bodies, suggested that a more ambitious and longer-term solution was required, but noted that this would take longer. These respondents suggested an overarching and coherent strategy on digital communications taking account of alternative technologies (e.g. broadband, small cells and “femto” solutions for discrete locations, and high penetration of public Wi-Fi and Voice Over Internet Protocol (VOIP) solutions), and a fundamental rethink at an international level, leading to a different industry structure with shared access infrastructure and service-based competition.

The importance of data services

43. A large number of respondents raised the importance of data services in mobile telephone communications. People living and working in remote areas should not be excluded from the benefits of on-line and on-mobile digital services. In certain parts of the country a large proportion of the population use mobile technology as their primary internet access. Voice-only regulatory intervention risks being a backward step.
44. The importance of data services was raised by consumer groups, business representatives and rural groups. Consumer groups say that mobile services are rapidly incorporating the internet and apps that need mobile data - with attendant economic and social benefits. Geographic partial not-spot gaps for data are even more substantial than for voice.
45. However, one industry respondent did not think that data should be included as the market is not as established as for voice and text services. Whilst understanding that 4G rollout is important, some consumer groups argued that it is more democratic and equitable for all parts of the UK to have access to at least some form of mobile voice and data provision via 2G and 3G than for only some areas to have access to 4G and others to be left with an inferior service.

Complete Not-spots

46. A number of respondents raised the issue of complete not-spots, noting that there needs to be improvement in the delivery of the Mobile Infrastructure Project.

Coverage is more important than partial not-spots

47. A number of respondents questioned the narrow focus on the perceived issue of partial not-spots, when attention would be better focussed on how to improve coverage. They questioned whether partial not-spots cause consumer dissatisfaction with mobile coverage, making it unclear that measures to remove partial not-spots will improve consumer satisfaction.
48. Business representatives would like to see more priority given to improving mobile coverage on the road and rail network, noting that poor coverage of train lines leads to 'dead' time for employees.
49. Industry respondents noted a range of solutions to extend rural coverage, but did not object to a commitment by the operators to increase their individual coverage.
50. ***The Government's Response:*** the Government believes that a long term strategy is crucial to ensure that the UK has the right digital communications infrastructure to meet increasing user demand and to maintain the UK's international competitiveness. That is why in Connectivity, Content and Consumers published in July 2013, we announced our intention to publish a Digital Communications Infrastructure Strategy. The strategy will set out an ambitious and coherent long term vision for the UK and will consider what action needs to be taken by Government, the regulator and industry to put in place the right digital communications infrastructure, both fixed and wireless, over the next 10 years.
51. The Mobile Infrastructure Project (MIP) is providing up to £150 million to improve mobile coverage in areas where there is currently no coverage from any of the MNOs. The project is a unique model for extending

mobile coverage to areas where it will have significant social benefits, and is delivering where the commercial sector alone will not. It will build infrastructure in areas where it has not proved economic for the private sector to do so, and the running costs for the twenty year life of the project will be paid by MNOs.

52. The project can only build infrastructure to serve those areas that are in complete not-spots i.e. where there is no voice coverage available from any of the four mobile operators and once built most sites in the network will have capability to provide 3G and 4G coverage. The agreed geographic coverage obligation is likely to mean that MNOs will deliver new coverage in some complete not-spot areas.
53. Working in rural and sensitive landscapes has been technically challenging, however we making make rapid progress in acquiring more sites and planning agreements over the coming months. The latest site to go live was in North Molton in Devon.

Infrastructure Sharing

54. A number of respondents thought that infrastructure sharing could make a significant contribution to addressing the issue of partial not-spots, but some thought that current plans will not deliver the level of improvement needed, and others were concerned that infrastructure sharing would not deliver improvements in network capacity or resilience.
55. A number of respondents from the industry, consumer groups and rural groups supported implementing a geographic coverage obligation on each of the operators. This would retain a commercial imperative to deliver coverage and allow operators to continue to differentiate services and determine deployed technologies and capacity to meet the requirements of their subscriber base.
56. A number of other respondents supported a coverage obligation in spectrum licences and felt the costs of base stations and masts should be reduced and planning issues addressed.
57. Industry respondents noted that site sharing would be an acceptable way forward, provided that reasonable financial recompense could be established between operators.
58. Some consumer groups considered that building more sites to cover all partial not-spots is fundamentally uneconomic, and that duplicated costs are likely to be passed on to customers. These groups argued that with roaming, significantly more traffic could be delivered to customers at marginal capacity cost. Consideration also needed to be given to the time taken to build additional infrastructure and the potential impact on the environment.

59. ***The Government's Response:*** the consultation process enabled us to revise our thinking in the light of new evidence. This showed a coverage obligation was the most effective option to meet our policy objective. The coverage obligation is technology neutral, giving MNOs flexibility to choose how they wish to implement the measure. From the feedback and proposals we have seen from the MNOs, we understand that site sharing will be an element of this.

The Multi-Operator-Mobile Virtual Network Operator (MO-MVNO) model

60. There were a range of views expressed about the MO-MVNO option: some supporting, some against, and some requesting more information. Mobile Virtual Network Operators (MVNOs) were mostly in support of the MO-MVNO option, though one response questioned whether there was a requirement for new legislation.
61. Some respondents thought that this model would simplify the agreements required between MNOs and MVNOs. It also had the potential to increase consumer choice, to offer data services as well as voice and text, could be achieved commercially and quickly, and was simple and inexpensive.
62. Some rural groups felt that this was the most effective way of providing for the urgent needs of rural communities; the proposal in the consultation document allows flexibility in the business approaches and partnering relationships necessary to achieve rapid and effective solutions to the partial not-spot problem.
63. One respondent added that a full 'national' MVNO allows a full fibre, future-proofed core network infrastructure to be built enabling the approach to address other user needs in rural communities (including complete not-spots and superfast broadband).
64. Other respondents were concerned that the MO-MVNO model would reduce incentives for investment, dull competition, be expensive to implement, is untested, involves the imposition of legislation and may present potential difficulties for law enforcement.
65. Other respondents argued that there is no clear evidence that this model will be widely taken up by consumers. Some respondents said that the lack of specification for this option made it difficult to assess fully, and called for more research into feasibility.

66. Others added that such services should have a commercial basis, rather than be delivered through Government intervention. This view was supported by business representatives who called for strong competition at the infrastructure and retail level.
67. Industry representatives said that the proposals for a “full national MVNO” did not appear to be possible without implementing some form of seamless national roaming. In practice therefore these options would incur significantly higher costs of implementation than even “basic” national roaming.
68. A small number of respondents made the point that, if the desire is to have service providers offering access via the entire network, then the natural option is to provide a single common network, focusing on a competitive services market.
69. ***The Government’s Response:*** responses to the consultation revealed a mixture of views citing both benefits and drawbacks of this approach. The MVNO market is still growing and given the balance of advantages and disadvantages to this model, set against its cost, we consider a coverage obligation to be a more appropriate solution.

National Roaming

- 70 A mix of views were expressed on national roaming: some in support and some against this option.
- 71 Some respondents noted that there would be benefits from a national roaming network but accepted that there are costs as well. Successful national roaming would require all four MNOs to fully participate, systems to ensure effective management and provision for appropriate penalties for non-compliance.
- 72 Some consumer groups considered that mandated national roaming would have the particular benefit of moving the problems caused by poor coverage away from individual consumers (who have limited opportunity to solve the problem) to the MNOs who can muster the resources and competence to address the issues.
- 73 Other respondents argued that national roaming could deliver the desired coverage with a relatively small incremental cost compared to the costs of ensuring that all networks have sites in all locations.
- 74 Some business representatives thought that national roaming could be focused on areas with significant partial not-spots or during severe network outages. Intra-provider roaming costs could be established and this would incentivise operators to invest in more resilient networks.
- 75 Those respondents who opposed national roaming argued that it would reduce future investment incentives, dull competition, be expensive to implement and raise a range of consumer issues. They also considered it to be untested and require a high degree of regulatory intervention.
- 76 Some argued that the benefits of national roaming to consumers outweigh the costs, which the MNOs cannot recover other than by reducing investment in marginal areas.

- 77 A number of respondents thought national roaming should be a backstop option if coverage levels do not show significant improvement within a reasonable timescale.
- 78 In general, the industry argued that the implementation of national roaming would only deliver a poor service delivery outcome in limited areas, at a huge cost. Business representatives agreed that alternative, market-led approaches should be considered and given time to work first, with other options to be considered as a backstop.
- 79 In summary, amongst the arguments against national roaming were:
- dropped calls, and poor battery life;
 - distortion of competition;
 - undermining existing investments;
 - disincentivising future infrastructure investment;
 - a threat to critical national infrastructure;
 - increasing complexity for law enforcement;
 - placing 4G rollout at risk;
 - technically challenging to implement.
- 80 ***The Government's Response:*** MNOs' and DCMS's technical consultants have advised that enabling roaming on a national scale is complex and would require work by MNOs to iron out the issues for roaming to work successfully. This means that whilst national roaming offered the potential to deliver large coverage gains for consumers relatively quickly, it could also increase costs to MNOs and potentially impact on the investments being made by MNOs in the UK to deliver faster and better services for their customers.

Law Enforcement

- 81 A small number of respondents questioned the Government's conclusion that national roaming would have only a "small cost implication" on security and law enforcement agencies.
- 82 ***The Government's Response:*** we acknowledge the concerns raised and that further work would have been required to finalise any potential cost impact, but we do not believe that a coverage obligation presents any issues in this area.

Supporting the Telecommunications Industry

- 83 A large number of responses referred to support that the Government could provide to the telecommunications industry. These included:
- reform of the Electronic Communications Code;
 - reform of planning laws;
 - the Government playing a more active role as a landlord for infrastructure;
 - a review of business rates for mobile telephone masts;
 - a review of the cost of backhaul electricity supply; and,
 - a review of the Annual Licence Fees paid by MNOs to Ofcom.
- 84 The industry pointed out that telecoms operators are not treated equitably with the power and water industries which they are cited as being socially equivalent.
- 85 ***The Government's Response:*** our telecoms market is one of the most open and competitive in the world. Effective deregulation has set industry free to create new services and adopt international standards.
- 86 We want to continue to encourage innovation and growth in the industry, but we also need to make sure consumers and other citizens are protected effectively. We will work to make sure we are regulating our communications industry in a proportionate way that balances the needs of everyone involved.

- 87 As part of our agreement with the MNOs, we have confirmed our intention to take forward reform of the Electronic Communications Code. We are currently holding an open consulting on reforming the Code, which will run until 30 April 2015. The consultation document can be found on the GOV.UK website:
<https://www.gov.uk/government/consultations/consultation-on-reforming-the-electronic-communications-code>
- 88 We will also facilitate access to Government buildings for the installation of mobile infrastructure. The Secretary of State for Culture, Media and Sport is committed to working with Ministers across Government to review how reforms to the planning system might be taken forward. Our intention is that this review proposed for England (only) will include an assessment of the planning improvements introduced in 2013 to promote greater connectivity, the effectiveness of the 2013 Mobile Code of Practice¹ and any evidence provided by interested parties
- 89 We have brought the agreement with industry to the attention of Ofcom in the context of their work to revise Annual Licence Fees. This will allow Ofcom to consider the impact of the agreement. However, the Annual Licence Fees are a matter for Ofcom as the independent regulator.

¹ The 2013 Mobile Code of Practice can be found at this link:
(<https://www.gov.uk/government/publications/code-of-bestpractice-on-mobile-phone-network-development>)

Other Issues

- 90 A small number of respondents argued that targets for mobile coverage should be set at the level of the four administrations (i.e. England, Scotland, Wales, and Northern Ireland) to ensure that sparsely populated areas do not lose out to areas where usage will be higher.
- 91 A number of respondents were keen to stress that the Government should find solutions to the provision of coverage which do not represent a disbenefit to landowners.
- 92 ***The Government's Response:*** we have agreed a UK-wide coverage obligation, but given existing mobile coverage across the UK, we fully expect there to be improvements in coverage throughout the UK, including in the devolved administrations. We do not believe that our solution represents a disbenefit to landowners.

Improving mobile phone coverage
Statement of Commitment
17 December 2014

In relation to improving mobile telephone coverage in the United Kingdom, the Government’s objective is to reduce partial not-spots for voice calls wherever possible and maximise the area in which consumers can make and receive calls. The four mobile network operators (EE, O2, Three and Vodafone, together the MNOs) have supported the Government’s objective of improving coverage and decreasing partial not spots in the United Kingdom.

The Government and the four MNOs have each agreed a series of commitments, which are set out below.

The MNO commitments:

1. That each MNO undertakes to enter into a binding commitment to implement 90 percent geographic voice coverage throughout the UK by no later than 31 December 2017. This binding commitment will be given effect through a voluntary variation of the MNOs spectrum licences issued by Ofcom. Each MNO and Ofcom will use reasonable endeavours to agree the variation by 31 January 2015.
2. That the 90 percent geographic voice coverage licence variation will require that the following signal strength thresholds be met in the 90 percent area as described in the coverage obligation:

Technology and Band	Signal Threshold
GSM900	-93 dBm
GSM1800	-93 dBm
UMTS2100	-103 dBm
LTE800	-115 dBm

3. Ofcom will carry out its usual procedures to measure compliance against these signal strength thresholds. The MNOs acknowledge that in the event of non-implementation of their licence variation, Ofcom has powers available to it to enforce the licence condition.

4. The MNOs will provide data to Ofcom to enable it to publish an interactive on-line map. This will enable consumers to check where coverage is available and report to Ofcom areas of poor coverage. Additionally, Ofcom will measure the call success rate of each MNO.
5. The MNOs agree that there shall be no cash payment to them as part of these commitments.
6. The MNOs have provided the Government with information on the percentage geographic voice coverage they expect to achieve throughout the UK by 31 December 2016.
7. The MNOs acknowledge that an ancillary benefit of this Statement will be a significant increase in data coverage but this is not a binding commitment on their part.

The Government commitments:

8. The Government acknowledges that the agreement of these commitments by the MNOs is a matter it should bring to the attention of Ofcom, in the context of their work to revise annual licence fees (in accordance with previous Government Directions to Ofcom). An exchange of letters between the Secretary of State for Culture, Media and Sport and the Chief Executive of Ofcom is annexed to this Statement.
9. The Government intends to reform the Electronic Communications Code (the Code), and to introduce clauses at the earliest possible opportunity in this Parliament. Those clauses should include provision for automatic rights to upgrade/share infrastructure where there is no additional burden to the landowner (with appropriate safeguards); a power to enable Government to bring forward changes to wayleave valuation using secondary legislation; introduction of clearer rules about access to the courts to enforce emergency access or grant interim access; introduction of a prohibition on contracting out of Code rights.
10. The Government recognises that concerns have been raised about how potential new rights under the Code overlap with the existing planning regime. The Secretary of State for Culture intends to work with Ministers across Government to review how reforms to the planning regime might be taken forward.

11. The Government intends to continue with its plans for making its freehold buildings available for communications infrastructure at appropriate market rentals, to be facilitated by the Government Property Unit, as set out by Sir Jeremy Heywood in his letters of 9 December 2014, an example of which is annexed to this Statement.

Agreed on 17 December 2014 by:

Name : OLAF SWANTEE
Authorised to sign on behalf of EE Limited

Name : LAWRENCE WARDLE
Authorised to sign on behalf of Telefonica UK Limited

Name : DAVID DYSON
Authorised to sign behalf of Hutchison 3G UK Limited

Name : HELEN LAMPRELL
Authorised to sign on behalf of Vodafone Limited

The Rt Hon Sajid Javid MP
Secretary of State for Culture, Media and Sport

Annexed Documents

- Exchange of letters between Secretary of State for Culture, Media and Sport and Ofcom dated 17 December 2014
- Letter from Sir Jeremy Heywood about availability of government buildings for communications infrastructure dated 9 December 2014.



**Department
for Culture
Media & Sport**

Ed Richards
Chief Executive
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Secretary of State for Culture, Media and Sport
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CMS 259251/asg
17th December 2014

Dear Ed

I am writing to inform you that I have today reached agreement with the MNOs on the introduction of a new binding coverage commitment. This will result in a significant improvement in mobile phone coverage and will require an incremental increase in investment from MNOs to meet the new commitment.

I am sure you will agree with me that in these circumstances it must be right to extend your current work to revise annual licence fees in accordance with previous Government directions to Ofcom.

I would expect the process to afford all interested parties a reasonable opportunity to comment on whether they consider this new commitment, taking account of the associated incremental costs incurred by the MNOs, should impact on future ALFs. I am sure you would agree with this.

I understand that the consequences of you adopting this approach would be to delay the introduction of a full new ALF regime, which I believe you consider could be in the order of 4 to 7 months from February.

I would be grateful if you could write to confirm our understanding of the position and also if you could confirm that you are content for this exchange of letters to be shared with the MNOs.

Rt Hon Sajid Javid MP
Secretary of State for Culture, Media and Sport





17 December 2014

Rt Hon Sajid Javid MP
Secretary of State for Culture, Media and Sport
DCMS
4th Floor
100 Parliament Street
London SW1A 2BQ

Dear Sajid,

Mobile Coverage

I am writing in response to your letter of 17 December 2014 relating to the agreement that you have reached with the mobile network operators to improve mobile coverage. I agree that this is welcome news, and should result in positive outcomes for consumers.

I confirm that we agree that all interested parties should be given a reasonable opportunity to comment on whether they consider that this new commitment, taking account of the associated incremental costs incurred by the MNOs, should impact future ALFs.

In order to afford them this opportunity, we will proceed to publish a further consultation on this, which is likely to be in the first couple of months in the New Year. As you note, we would anticipate that this will take a further four to seven months from February before we reach a final decision on the revised ALFs.

You have also mentioned to me separately the question of the phasing-in of revised ALFs. I can assure you that we are taking full account of the representations that the MNOs have made to us, in the context of our previous consultation, in reaching our final view on this.

Best wishes

Ed Richards

cc *Dr Steve Unger*

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9 December 2014

Dear [REDACTED],

Aerials on Government buildings project

Earlier this year I wrote to government departments requesting that all departments prepare for their freehold buildings (excluding those with an educational or residential use) to be made immediately available for communications infrastructure.

The response has been extremely positive. The Government Property Unit (GPU), which has central oversight over all government land and property, has been developing guidance and a standard commercial agreement for departments to use that will facilitate the potential use of a range of property locations across the UK by operators whilst ensuring that vacant possession of buildings will be provided by operators at lease expiry where necessary. This is important to ensure that the Government's property disposal strategy is not undermined. Rents will be based upon the appropriate market rentals for the specific facilities and locations.

GPU are coordinating the programme and I would ask that you contact [REDACTED] in the first instance to confirm your intention to participate. He will then arrange for property lists and departmental contacts to be forwarded to you to enable you to progress detailed negotiations on a case by case basis. He will also advise on any detailed queries you may have in respect of the programme as a whole. It is recognised that detailed investigations will be necessary to establish the suitability of specific locations. Operators will need to comply with departments' detailed arrangements for site inspections.

Whilst this initial project focuses upon the use of government freehold buildings for the mobile telephony and broadband providers it is proposed that the scope will be widened to include plots of land on the government estate as well as involvement of the wider public sector estate.

Yours sincerely,

Jeremy Heywood



INVESTOR IN PEOPLE



Department
for Culture
Media & Sport