



**BBC response to Ofcom's discussion paper on
its future approach to mobile markets**

April 2022

Summary

1. The BBC welcomes the opportunity to respond to Ofcom's mobile markets discussion paper and we agree with many of Ofcom's findings. We have also responded to Ofcom's discussion paper on mobile networks and spectrum.
2. Digital terrestrial television (DTT) will remain critical for the BBC to deliver our mission and public purposes. At the same time, we anticipate that our audiences will consume an increasing amount of BBC content over mobile networks, given the developments identified by Ofcom such as growth in connected cars and the potential greater use of mobile services rather than fixed broadband.
3. The UK's spectrum governance must therefore protect spectrum allocated for DTT and programme making, while also ensuring future mobile networks are suitable for the delivery of our services. As we set out in our response to Ofcom's mobile networks and spectrum paper, the BBC's clear view is that it is possible to both protect DTT and the significant social and economic benefits it brings, and to allow and encourage innovation in mobile and 5G markets. There is not an 'either/or' decision between mobile and DTT.
4. More widespread rollout of high-quality networks will enable more of society to access online services. As Ofcom identifies, quality of experience will play an increasingly important role here. In particular, more granular information on coverage and reliability would be valuable for streaming services, allowing audiences to make well-informed decisions about their needs.

Introduction

5. The BBC is the biggest media provider in the UK, used by over 90% of UK adults each week. DTT, known in the UK as Freeview, continues to underpin how audiences access our TV content, used by over 18m homes. We welcome Ofcom's expectation (outlined in its spectrum discussion paper) that DTT will need to continue until at least 2030 and likely beyond. This is particularly important for audiences from 'Freeview-only' households (the biggest proportion of all UK homes in 2019), and we note that research shows these audiences are typically older audiences and those from lower socio-economic backgrounds.¹
6. Today, mobile services are also changing the way that our audiences access content across the breadth of our offer – TV, Radio, and Online. In this discussion paper, Ofcom identifies key developments that are leading audiences to consume

¹ As the Government noted in its 2021 Consultation on the renewal of Digital Terrestrial Television (DTT) multiplex licences, 'There are approximately 11.3 million 'Freeview-only' households in the UK (c40% of all) and this category makes up the biggest proportion of all UK homes. Freeview has a broad audience; however, in 'Freeview-only' households, its audience has traditionally been older and from lower socio-economic backgrounds compared to the audiences using pay platforms.'

more BBC content over mobile networks, such as the growth in connected cars and the potentially greater use of mobile services instead of fixed broadband. In the radio sector, for example, alternative audio provision is increasingly available, including through the range of audio apps available in connected cars and access to audio streaming services via smartphones – although we have not reached FM-equivalent mobile coverage across the network.

7. The UK's spectrum governance must therefore protect spectrum allocated for DTT and programme making, while also ensuring future mobile networks are suitable for the delivery of our services. DTT is currently a crucial requirement for universal access to BBC content that informs, educates, and entertains, ensuring that many people are able to access public service TV who would otherwise not be able to.
8. We also believe that ensuring there is a high quality of service and maximum coverage, particularly of 5G, is key for the BBC to ensure that all audiences across the UK are able to access our proposition. But we are satisfied that the capacity that exists for the development of mobile services in the medium term is sufficient to meet those needs currently.

As set out in Section 6, do you agree that quality experience will become more important in future? Do you agree that developing better information on quality of experience for customers will help further the delivery of good outcomes?

9. The BBC agrees with Ofcom that quality of experience will become more important in the future, and that developing better information on quality of experience for customers will help further the delivery of good outcomes.
10. We agree with Ofcom's assessment that 'Whilst coverage is a prerequisite, quality of experience is multi-dimensional and also encompasses factors such as reliability and performance'. Developing independently assessed, reliable information on how well different classes of services are delivered over mobile networks would help both streaming providers to assess how well our services are being delivered to the audience, and audiences to make better-informed decisions about the best network and plan for their needs.
11. In particular, more information on the following would be valuable for streaming services:
 - 11.1 **Coverage** for each operator could be more clearly split out. For live streaming while on the move, it is important that the mobile network to which the customer is subscribed provides near-continuous coverage throughout the

journey.² While the Shared Rural Network should go some way towards meeting this challenge over the next five years, more granular information on coverage and reliability offered by the SRN and operators' own networks (i.e. rural areas that aren't covered by the SRN) would allow subscribers to make better-informed decisions about their needs. For example, we believe that 99% coverage would be necessary for an universal IP-delivered radio network that delivered public service content such as emergency announcements, local news, and traffic coverage.

11.2 Reliability: Streaming services have different latency and reliability of connection requirements compared with other services. Compared with voice calls, streaming services may tolerate increased latency and small losses in coverage (see footnote 1). Other services, such as text-based web pages, have less stringent latency requirements compared to streaming. Developing a granular view of reliability at a local level, including how this varies across the country, would be helpful for consumers and service providers alike. In particular, this would help to inform whether mobile networks including the SRN have sufficient capacity to meet the changing needs of consumers across the range of different services they use. We would also welcome better understanding of the pinch points in mobile network that may cause any losses in reliability, for example low capacity coverage, constraints in the core network, times of network congestion and outages, and backhaul limitations – with a view to quantifying reliability across different services for both stationary and on the move devices.

Do you consider that there are likely to be significant wider external benefits (externalities) from a quicker or more widespread rollout of high-quality networks than that which the market is likely to deliver, as discussed in Section 6? If so, please provide clear examples to help explain your answer.

12. More widespread rollout of high-quality networks can also enable more of society to access online services, including BBC services (particularly outside the home or where fixed broadband is unavailable). In turn, this can enable more universal access to a wider range of public service media – including for specific audiences (e.g. younger audiences accessing BBC content on social media). We do not believe this benefit is likely to be delivered by the market.

Do you agree with our views on how competition across the value chain may evolve over the next ten years, and the potential implications for the delivery of good outcomes, as outlined in Section 6?

13. The current market benefits from having a number of MNOs with incentives to invest in the infrastructure. We would be concerned if there were entrants to the market who reduced the incentives of all companies to invest in mobile services in the long term.

² A degree of buffering, and therefore a small delay is able to 'mop up' small coverage holes as long as the receiving device remains moving through small deficiencies to areas of coverage.

Do you agree that clarifying our future regulatory approach will help encourage investment, as outlined in Section 7?

14. We welcome Ofcom's aim to provide clarity and certainty to drive investment. We note the overlap with Ofcom's review of how the UK's net neutrality framework is functioning. The BBC has responded to Ofcom's call for information on this point. We welcome the recognition in this discussion paper that net neutrality has contributed to good outcomes for organisations and consumers, and believe that the current framework is sufficiently flexible so as not to stifle innovation.