



700 MHz and 3.6-3.8 GHz award

Spectrum Group

Ofcom

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By email: radiospectrum.award@ofcom.org.uk

Dear Sir/Madam,

1. The Consumer Council for Northern Ireland welcomes the opportunity to respond to Ofcom's consultation on the *Award of the 700 MHz and 3.6-3.8 GHz spectrum bands*.
2. With consumers and businesses relying more on their mobile phone, it is reasonable for them to expect to receive good quality mobile connectivity in areas where they live, work and travel. However, Ofcom's recognises that geographic coverage remains far from comprehensive with coverage in rural areas particularly poor.

Mobile Connectivity in Northern Ireland

3. Northern Ireland has the highest percentage across the UK of premises without decent broadband. Therefore, those consumers may rely more on their mobile phones to conduct online activities, for example shopping and banking, using social media or streaming videos. However:

4G

- 21% of the Northern Ireland landmass does not have 4G services from all operators:
- 43% of premises do not have indoor 4G coverage from all operators; and
- 2% does not have 4G coverage from any operator.

Voice

- 12% of the Northern Ireland landmass does not have voice coverage from all four operators;
- 20% of premises do not have indoor call coverage from all four mobile networks; and
- 1% does not have voice coverage from any operator.

4. It is clear that more needs to be done to improve mobile coverage across Northern Ireland. The spectrum auction, and the proposals for coverage obligations, presents an opportunity to do just that. Therefore, it is important that the auction design and the proposals for the coverage obligations are in consumers' best interests. To that end, The Consumer Council would like to make the following comments.

Coverage Obligations

Auction

5. Coverage obligations are needed to intervene in a market where consumers are disadvantaged. Therefore, it is welcome that coverage obligations have been included in the auction for the 700 MHz spectrum. The Consumer Council is aware that Ofcom has discounted the coverage obligations to encourage bidders to seek the obligations, however this does not guarantee that they will be sold. Should this happen, an opportunity to improve mobile connectivity will be lost and this will be to the detriment of consumers. Therefore, Ofcom should consider a mechanism to mitigate this risk.

Geographic coverage

6. The Consumer Council welcomes the provision in the coverage obligations for specific coverage requirements for each nation. We note that the obligation to cover 90% of the Northern Ireland landmass has reduced from 92% (proposed in the March 2018 consultation), and that the UK wide obligation has also been reduced from 92% to 90%. The Consumer Council is aware that analysis undertaken by Which?¹ has found that Ofcom has not presented sufficient evidence to conclude that the geographic coverage obligation should be reduced from 92% to 90%. Which? believes that Ofcom's cost-benefit assessment relies on estimates of consumer benefits from 2014 and takes a conservative view of these estimates. It is important for consumers to have confidence that the coverage obligations are ambitious and will deliver the maximum benefit to consumers. Therefore, The Consumer Council recommends that Ofcom reviews its own cost-benefit assessment in light of the findings by Which? putting consumers' needs first and foremost.
7. It is also unlikely that these obligations alone will deliver the Government's target of achieving 95% of geographic coverage by 2022. Therefore, The Consumer Council is interested to know what other measures the Government and Ofcom will undertake to deliver this objective. In addition, the proposal in the consultation that successful bidders will have four years to deliver the coverage obligations will also not help to deliver this target within the Government's timescale. We recommend setting interim targets to avoid a scenario where consumers do not see any benefits for four years.

¹ Which? response to Ofcom's consultation *Award of the 700 MHz and 3.6-3.8 GHz spectrum bands*, March 2019

Premises Obligations

8. The Consumer Council understands that, in meeting the obligation to provide new coverage where at least 140,000 premises are located, there may be a degree of overlap. Whilst accepting that this will be beneficial for consumers living and travelling to those areas, it does not prioritise those consumers who do not get coverage from any operator and therefore are most in need. It is unacceptable that consumers are still not able to be connected in today's digital age. This can lead to consumer detriment, for example unable to access competitive online prices, online banking or some Government services. The Consumer Council is interested in Ofcom's proposals on how this can best be addressed.

Measurement of Quality

9. It is important that the coverage obligations are also future proofed. We note that the measurement used to determine the quality of data coverage is 2 Mbps. Ofcom should assure itself and consumers that this measurement will still satisfy and meet consumers demands as technology continues to develop and improve.

10. If you require further information in relation to this response, please contact Ciara McKay.

Yours sincerely,

Ciara McKay

Policy Officer