Joint Regulators Group: shared works, shared facilities and revenue sharing call for inputs

About Arqiva

Arqiva is the communications infrastructure and media services company operating at the heart of the broadcast and mobile communications industry and at the forefront of network solutions and services in an increasingly digital world. Arqiva provides much of the infrastructure behind television, radio and wireless communications in the UK and has a growing presence in Ireland, mainland Europe and the USA.

The company supports cellular, wireless broadband, video, voice and data solutions for public and private sector customers.

Arqiva is a founder member and shareholder of Freeview (Arqiva broadcasts all six Freeview multiplexes and is the licensed operator of two of them) and was a key launch technology partner for Freesat. We own Connect TV, the first company to launch a live IP streaming channel on Freeview. Arqiva is also the licensed operator of the Digital One – the national commercial DAB digital radio multiplex.

Arqiva operates shared radio sites throughout the UK and Ireland including masts, towers and rooftops from under 30 to over 300 metres tall as well as a number of international satellite teleports. In Spectrum Interactive, we own one of the UK's largest WiFi hotspot providers that enables us to build a unique proposition for WiFi hotspot provision in the UK.

Our major customers include the BBC, ITV, Channel 4, Five, BSkyB, Classic FM, the four UK mobile operators, the Metropolitan Police, Airwave and the RNLI.

Arqiva is owned by a consortium of long-term investors and has its headquarters in Hampshire, with major UK offices in London, Buckinghamshire and Yorkshire.

arqiva

Introduction

As part of the breadth of activities described above Arqiva is also a leading UK site
share company in the electronic communications sector, with over 16,000 marketable
sites available under our ownership or management. These sites are shared by a
range of operators, with approximately 8,700 being active cellular sites, hosting base
stations for the Mobile Network Operators (MNOs).

Within the electronic communications sector, the sharing of our infrastructure and
sites has over many years delivered a range of benefits in the public interest, i.e.:

- **Facilitating Network Deployment**: The cost and time associated with
  deploying new networks, or extending existing networks can be prohibitively
  expensive. Sharing Arqiva infrastructure and sites introduces greater
  certainty, economies of scale and speed to market. For example, the launch
  of the MNO H3G was the most rapid deployment of a new UK mobile network
  and this was facilitated by extensive sharing on Arqiva sites to provide the
  footprint that enable them to launch a credible network.

- **Competition and Economic Prosperity:** In facilitating network deployment
  and expansion through sharing, competition within the sector has increased.
  Indeed, in the mobile sector the comparably high levels of network coverage
  between the MNOs have helped change the arena of competition from
  coverage to bundled services and devices and price. This has all been to the
  benefit of the consumer and Government objectives towards reducing the
  digital divide and encouraging economic growth and prosperity.

- **Environmental**: By making our sites available for sharing, Arqiva has helped
  keep to a minimum the overall numbers of sites, which is the key planning
  policy mechanism to minimise the potential visual impact and wasteful
  duplication that might otherwise result.

We will continue to make this important contribution towards sharing within the
electronic communications sector. We would be pleased to participate in any future
working groups that might be established with other infrastructure bodies to explore
the practicalities of any ideas that may arise out of this joint regulatory initiative.
Against this background, we make some initial observations below related to shared
works, shared facilities, revenue sharing and other issues.

Shared Works

The core of Arqiva's business is the deployment of wireless communications
infrastructure. That typically consists of a mast on a high point, or a building rooftop,
with associated equipment housings. It is not obvious how such works might be
shared with another form of infrastructure provider. Taking, for example, other forms
of vertical infrastructure, such as pylons or wind turbines, there would be potentially
insurmountable problems of radio interference, co-ordination and operational
compatibility that would probably far outweigh any savings that could realistically be
achieved. This is especially as deployment projects and programs for different forms
of infrastructure rarely coincide.

Wireless sites always have to be supplied with power and on occasion have to be linked by optical fibre cable for backhaul. It is possible that in some cases the conduits for these elements could be shared. However, these elements are usually supplied and organized by fixed operators such as BT, Virgin Media, Cable & Wireless or similar and the Regional Electricity Companies, so Arqiva has no specific insight into the practicalities or potential economic benefits.

Shared Facilities

The sharing of facilities already takes place – for example, Arqiva has under management certain BT, National Grid and E.ON properties, including rooftops, pylons, towers or masts on gas utility sites and other large operational sites that can host electronic communications infrastructure.

Whether companies could share organisational capability, bases for field operations or even workforce, such as riggers and climbers, is a matter for the market more so than regulation. To the best of our understanding sharing of all of these activities is possible under the current regulatory framework. However to date, the market has not, to our knowledge, produced any models that provide a good working example of how this concept might be taken forward.

Revenue Sharing

Revenue sharing is a feature of the site share market, and is used as a means of facilitating the marketing of sites by companies like Arqiva on behalf of organizations whose core operations are not in mast and site sharing.

However within the context of this call for evidence Arqiva cannot foresee further opportunities for revenue sharing, although there could be instances of sharing cost savings.

Other issues

Ofcom notes in paragraph 1.4 of the consultation document that "this is a complex issue and there may be cases where such coordination would not generate material benefits net of any costs imposed" While keeping an open mind to suggestions made by others, we would tend to agree in so far as it relates to wireless electronic communications industry sharing with other industries..

However there are further opportunities for Ofcom to support infrastructure sharing in the communications industries that it regulates. This can be done through a renewed focus on existing legislation, in particular in relation to the following requirements set out in the Electronic Communications Code (General Conditions and Restrictions) Regulations 2003:

> *"3 – (3) A code operator, when installing any electronic communications*
>
> *apparatus, shall, so far as reasonably practicable, minimise –*

(a) the impact on the visual amenity of properties, in particular buildings on the statutory list of buildings:

(b) any potential hazards posed by work carried out in installing the apparatus or by apparatus once installed: and

(c) interference with traffic.

3 – (4) A code operator, where practicable, shall share the use of electronic communications apparatus.

3 – (5) A code operator shall install the minimum practicable number of items of electronic communications apparatus consistent with the intended provision of electronic communications services and allowing for an estimate of growth in demand for such services."

These conditions all directly or indirectly place a statutory obligation upon an operator to share. Arqiva would be happy to work with Ofcom and the industry in maximizing the opportunities for infrastructure sharing and minimising the environmental impact of wireless network rollout.