

Assessment of future mobile competition and proposals for the award of 800MHz and 2.6GHz spectrum and related issues

Response from the Welsh Government

As recognised by Ofcom in the Communications Market Report 2011, and stated in this consultation document, Wales is one of the poorest served UK nations for mobile coverage. This is true for both the amount of land mass where a mobile broadband service is available (geographic coverage) and the percentage of population who can access these services.

The key issues raised in this consultation are:

- Poor mobile coverage in Wales
- Lack of competition in rural areas

The proposals in this consultation document do not go far enough to address the current issues with rural coverage or in offsetting future mobile broadband notspots. We call for Ofcom to set geographic coverage targets or regional coverage targets rather than continue to measure coverage at a national level as the current approach does not meet the needs of rural Wales. By definition, mobile telephony is designed to be used on the move and this should be a central consideration to any decision made about coverage targets.

We propose that further work is taken forward by Ofcom to encourage increased use of roaming agreements to ensure that consumers can access mobile services without requiring the industry to build new infrastructure where uneconomically viable.

We believe that Welsh consumers should be able to access mobile services and have a choice of providers. The measures outlined in this consultation go some way towards satisfying this requirement, but more needs to be done. It is not clear that the measures will fully address Ofcom's principle duty to "further the interests of citizens and consumers... by promoting competition".

Ofcom acknowledges that it is necessary to ensure equity of access to suitable spectrum in order to maintain a competitive marketplace. We believe, however, that the proposed measures do not go far enough to encourage a competitive market. Ofcom asserts that it is necessary for all operators to have some sub-1GHz spectrum in order to compete in the 4G market. This currently is not the case and it is important that Ofcom takes appropriate action to ensure that each of the four mobile network operators has access to sub-1GHz spectrum once the auction has concluded.

Healthy competition is paramount to promote innovation and competitive retail pricing for customers; however, competition in rural areas is greatly diminished following minimal network investment by mobile network operators in areas of low population density. A competitive marketplace promotes consumer choice by increasing the opportunities for bundled services such as fixed line phone, broadband and mobile phone packages. Further consideration must be given to rural network roaming to stimulate competition.