

## **Welsh Assembly Government response to Mostly Mobile consultation**

The Welsh Assembly Government welcomes the opportunity to respond to this assessment of the current mobile market.

We note the change in the way that Ofcom has calculated the coverage of both 2G and 3G services in the UK and increased the level to 90% coverage in a postcode district from just 75%. This gives a better degree of accuracy when determining coverage at both a geographic and population level, resulting in greater identification of notspots.

Ofcom figures from Q1 2009<sup>1</sup> show an acceptable level of 2G mobile coverage in Wales, with 92% of the population having coverage from at least one operator (UK average 98%). However, Ofcom notes that just 60% of the Welsh population has 2G coverage from four providers (UK average 83%). This is the second lowest in the UK and demonstrates limitations in both consumer choice and the ability to purchase a truly pan-Wales mobile service.

Geographic coverage in Wales is a much lower figure. Just 40% of Wales benefits from 2G geographic coverage from all four operators.

Roll out of 3G mobile services continues, although this is being concentrated in denser urban areas first such as Cardiff, Swansea and Wrexham. As in other rural parts of the UK, Wales' more mountainous rural areas with thinly scattered populations present specific challenges to telecommunications service delivery, in both economic and technology terms. Just 67% of the Welsh population benefits from 3G coverage from at least one operator (UK average 87%). The corresponding figures for geographic coverage are 39% for Wales and 75% for the UK, with just 7% of Wales benefiting from 3G coverage from at least four of the 3G networks (32% UK).

The statements made in our initial response<sup>2</sup> to the Mobile Sector Assessment still stand and are relevant to this stage of the review. The focus of this response will be on Section 8 - Coverage (both 2G and 3G) whilst keeping in mind the role that mobile broadband can play in the development of universal access to broadband outlined in Digital Britain.

We recognise that solving the issue of 2G and 3G notspots will not be a simple 'one size fits all' solution due to the many and varied reasons as to why notspots exist and that 100% coverage may not be possible. However, it is important that both the mobile operators and Ofcom remain committed to rolling out both services as widely as possible.

### **Coverage**

As already stated in the introductory paragraphs, coverage in Wales is particularly poor – only Northern Ireland fares worse in the UK league tables. Welsh consumers are disadvantaged both by lack of coverage and choice of operator, especially with regards to 3G services.

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<sup>1</sup> The Communications Market Report 2009 – Wales

<sup>2</sup> <http://www.ofcom.org.uk/consult/condocs/msa08/responses/welsh.pdf>

Paragraph 8.10 recognises that a clear definition of a notspot does not exist. This needs to be defined before the notspot problem can be addressed (in the same way as each of the Devolved Administrations and the English RDAs defined broadband notspots prior to intervention<sup>3</sup>). To complement the definition of mobile notspots, the way in which coverage is measured also needs to be refined. Paragraph 8.16 states that Wales had 98% 2G population coverage in 2008<sup>4</sup>, however, anecdotal evidence held by the Welsh Assembly Government and Ofcom's A470 survey suggest that this figure is an over-estimation. We recognise that Ofcom has gone some way towards addressing this issue and this year's Communications Market report research reflects this, however, we believe that the 92% population coverage stated in this year's report is still an over-estimation - postcode area with at least 95% area coverage from one or more mobile networks may give a more accurate figure.

Due to the very nature of mobile technology, geographic coverage has to be given greater consideration when calculating coverage, as consumers want to use this service on the move. This is particularly highlighted by the 2008 A470 survey – one of Wales's major arterial commuter routes runs through a sparsely populated area and is a notorious mobile notspot. 39% of calls made with a dual 2G/3G phone failed to connect due to insufficient 2G or 3G signal quality when this survey was being conducted.

We would like to take this opportunity to re-iterate comments made in our original response regarding network sharing to improve coverage. We would be pleased to work with Ofcom and the mobile industry to maximise the commercial deployment of network infrastructure in such notspots. Notspots could be minimised through the increased use of national roaming agreements, allowing citizens to access any network. In addition, Ofcom could facilitate mast sharing between operators to increase network coverage without the need for new masts. The Welsh Assembly Government fully endorses the views in paragraph 8.25 and welcomes the steps taken by operators towards this. However, we urge caution that the network sharing agreements are used by operators to genuinely expand coverage and not just as a cost cutting exercise to reduce the costs of infrastructure deployment.

## **Femtocells**

Whilst the increased use of femtocells is encouraging and going some way towards improving access to mobile services, it should be noted that this technology relies on a broadband connection. The Welsh Assembly Government has noted that mobile and broadband notspots tend to go hand-in-hand so we cannot see that this technology will significantly improve access to mobile services.

## **Regional roaming**

We believe that roaming agreements are the most significant way in which Ofcom can facilitate mobile coverage. The options for national and regional roaming are clearly explained in the consultation document and we believe that the option to use regional roaming may be the most appropriate, given the complexity of national roaming agreements and the inadvertent use of other operators' networks in urban

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<sup>3</sup> For example, the Welsh Assembly Government defines broadband notspots for the purpose of our broadband intervention project as 'any property that cannot receive a 512kbps (upstream) or 128kbps (downstream) service'. This definition has been refined in light of the universal service commitment and we are starting to collect information on properties that cannot receive a 2mbps service.

<sup>4</sup> Postcode area with at least 75% area coverage from one or more mobile networks

areas where coverage overlaps<sup>5</sup>. Whilst national roaming would be appropriate in large swathes of Wales, we recognise that it may not be the most appropriate option across the rest of the UK.

### **Public sector intervention**

Whilst we recognise that there may be a need for the public sector to intervene in the 2G notspot issue, it must first be demonstrated that market failure does exist – just as happened with the broadband market. The Welsh Assembly Government is happy to consider the notion of supporting the roll out of mobile coverage to notspots that will not be covered by normal market forces, however, we feel that more research should be undertaken into this issue and that other options should be explored fully prior to intervening - for example, roaming agreements and mast sharing agreements. It should be noted that any intervention will have to be State aid compliant.

We also welcome the announcement by the European Commission<sup>6</sup> of further research into LTE technology from 2010 and the results of this research will have to be considered prior to any decision on further public sector intervention.

### **Emergency roaming**

The Welsh Assembly Government welcomes the steps taken by Ofcom since the publication of MSA 1 to address the issue of emergency roaming. The introduction of 999/112 roaming by the end of 2009 is welcomed and Ofcom should now start to examine what can be done in those notspots where no mobile coverage exists, using this as the starting point for extending mobile coverage generally.

As always, the Welsh Assembly Government will be pleased to discuss any aspect of this response further.

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<sup>5</sup> Page 128, footnote 163 – “In a regional roaming scenario, it is possible to bar access to particular areas of networks instead of the whole network. This can be done by identifying location areas and using location area codes to prevent access to these areas.”

<sup>6</sup>  
<http://europa.eu/rapid/pressReleasesAction.do?reference=IP/09/1238&format=HTML&aged=0&language=EN&guiLanguage=en>