

**Tackling partial not-spots in Mobile Phone Coverage**

## Introduction

The fair telecoms campaign is pleased to present its response to [this consultation](#).

We aim to address the questions posed in the consultation, but primarily seek to make general points regarding the issue, especially in the light of on-going developments in the market.

Mobile Telecoms seems to be now, perhaps belatedly, reaching a state of maturity passed by other important utility networks, e.g. those of cable telecoms, gas, electricity, water, railways, which required unification under the appropriate model at the time. Each of these has undergone nationalisation, followed by an appropriate degree of privatisation, but with a single network operator covering every geographical area, at least.

Entrepreneurial development is an essential feature in bringing networks of *“household utilities”* to a certain level. This however can never be assured to deliver a fair level of service to all citizens. In [his foreword to the consultation](#) the **Secretary of State** refers to, and seems to endorse, the idea of use of mobile phones, requiring access to the network(s), as an *“essential service”* which he regards as being *“vital for our modern economy”*.

Competition between providers with a balanced share of the market does not permit the necessary regulatory intervention to compel the requisite additional development and assured maintenance of the network of coverage.

Our view is that the provision of the coverage network needs to be taken out of the hands of the mobile service providers - unless a monopoly position were to shortly arise naturally - so that competition could be focussed on the services provided, using a single common network.

## Our view of mobile phone services

From the consumer perspective, we see an important need to break up what are the three components of the service, commonly provided in a single bundle.

- **The handset** - this is commonly acquired through what it effectively a lease purchase arrangement, with a continuous payment made to cover this and the other components.
- **Calls and data usage** - this is, in principle, charged on a unitised usage basis, but most commonly bundled up in limited or unlimited packages of Minutes of calls, Numbers of SMS messages and Megabits of data transfer.
- **Network access** - although this is rarely reflected by a distinct charge, users benefit from incoming calls, messages and passive data transfers, and the important assurance of availability whenever they wish to use the service.

The latter item is not normally recognised as being part of the service for which a consumer pays. It is therefore very difficult to raise any formal complaint about it being unavailable on a permanent, or indeed temporary, basis. My home, in West London, would not be regarded as a permanent “not-spot”, however I frequently find myself without access to my provider’s network and am therefore in exactly the same position. It is well known that this situation applies to many, if not all, areas. Any solution that seeks to address the issue raised in this consultation, must address the continuity, as well as the basic availability, of coverage.





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### Unbundling of mobile service components

It was probably necessary that the provision of all aspects of mobile service (handset, usage and access) had to be offered all together, by a number of full service providers, whilst the market was in its infancy. It has now developed to a point where this can no longer be justified as being the standard model. There is no reason why a discounted deal incorporating all three components could not be offered together, however they have to be clearly identified separately.

Now that handsets are not related to specific network and service technologies, we also see it as essential that the commercial arrangements for the lease/purchase of a handset be seen as separate from the service usage, in all cases. Consumers need to recognise how their monthly subscription is broken down between the components, not least so that the respective terms (commitment to a period at a particular rate) can readily be separated.

However it may be provided, whether indirectly by a MVNO or directly by a MNO, continual and (however qualified) universal access to the network must be clearly identified as part of what a mobile user is paying for. Continuity of service is commonly seen as essential, so that important calls and messages are not missed. Parents giving their children a second-hand handset with a PAYG SIM holding minimal credit desperately need the assurance that contact could be made in either direction at any time - the fact that this facility appears to be "free of charge" is of no use to them whatsoever, indeed it undermines that essential assurance.

Effective regulation of a commercial market demands that the relevant components are identified.

### Models for a single network

The underlying view behind this consultation is that competition between parallel networks no longer serves consumers well, and so the time has come to remove the complications and disadvantages that this inevitably causes. Competition may have been necessary to prompt technical development up to the point we have reached, but as with all the other networks that are regarded as vital utilities, now is the time to move on to another model.

Landline telephony offers two models that could be of relevance to consideration of the present situation.

The original "copper wire" network was made a public monopoly under the **GPO**. This has now become **BT Openreach** - a privately owned but tightly regulated operation, giving access to competing service providers.

The **Virgin Media** fibre-optic network became a single entity as a result of a series of commercial consolidations over a long period.

Already the management of the (recently 5, now 4) networks is, by agreement, in the hands of two providers, **MBNL** and **CITL**. Changed ownership of the remaining MNOs is currently open to question, with major players being seen to show a strong interest. It is therefore far from unlikely that significant changes in the present structure will ensue, regardless of interventions such as those referred to in the consultation. A single provider of 'the network' may emerge naturally.

The possibility of an intervention to create a 'mobile version of Openreach' may need to be considered.



**Tackling partial not-spots in Mobile Phone Coverage****The options presented - “[Options for reform](#)”****Do nothing**

There is a clear desire and expectation for the network to be unified - this must be fulfilled in some way. Likely changes of ownership will cause some change anyway, for good or ill!

**Infrastructure sharing**

Given the dynamic nature of the business and the fact that the MNOs, and / or their parent companies (present and potential future), compete in many other related areas (and not on equal terms), voluntary agreements will not provide the government, the public and consumers with the degree of certainty that they require in respect of an “essential service”.

Competition must be fierce and genuine in order to properly provide its benefits to consumers.

**MO-MVNOs**

It seems absurd to suggest that the MNOs would be content to leave those MVNOs who acquire MO agreements offering a higher standard of service than they could offer themselves.

One must wonder what would happen if, under this proposed model, a MNO were to seek to acquire a MO-MVNO, or perhaps set one up as a subsidiary.

If the desire is to have service providers offering access via the entire network then the natural option is surely to enable all service providers to do this.

**National roaming**

If the concept of multiple competitive networks is to be retained, this is the only option that makes sense. It does however present some frightening consequences, in both technical and commercial terms. Furthermore, it would simply consolidate the status of total not-spots.

**Summary**

With apologies for the lack of detailed technical understanding reflected here, we conclude this response simply urging the Department to think only of the most speedy and effective way of achieving the (indirectly articulated) goal of a single coverage network, appropriately regulated.

We see this as necessary to enable a proper market in mobile services to flourish, as well as providing the quality of service demanded by consumers and the economy in general.

The vital point is that demand for a mobile phone connection in permanent not-spots and for consistency of service throughout needs to be directed onto a single highly regulated (monopoly) provider, whilst each MNO/MVNO would be responsible for the distinct service each provides through that network of coverage.

We recognise that the path via state ownership, which has delivered this for other essential services, is not an option in the current political climate. The arguments in favour of a monopoly operator, so as to permit the necessary degree of regulation, are however made very strongly in the consultation document.

Whether that monopoly will, in time, arise naturally, or if it has to be created, is an open question.

