

Better Mobile Coverage

Reforming the Electronic Communications Code.

The Government is introducing long awaited reforms to the Electronic Communications Code to improve mobile coverage across the UK through the Digital Economy Bill. The Code, which governs the relationship between landowners and communication providers, has not been meaningfully updated since it was introduced in 1984. It is now in urgent need of reform; it no longer meets the needs of modern communications and has led to a poorer service for UK consumers and businesses.

The planned reforms balance the need to provide fair reimbursement to landowners with the need, in the 21st Century, to treat mobile communications as an essential service. Failure to implement these reforms will significantly delay the ability of Mobile Operators to build and maintain the mobile infrastructure necessary to provide reliable, high-quality data across the UK, especially in rural and hard-to-reach areas.

Delivering effective Code reform

We can build a mobile mast in three months; however landlord negotiations, planning and backhaul delivery processes mean that typically it takes a year to 18 months to replace or build a new site, and over six months to upgrade a site. The unnecessarily slow progress of this work is frustrating both to consumers and businesses, as well as to operators. Reform of the Code will remove many of these barriers:

1. Allowing the sharing and upgrading of sites (Schedule 2 Part 3).

Under the current Code, mobile operators have to renegotiate rental terms and rights when they deploy new technology or reduce the number of masts at a site (due to a sharing agreement). It is not uncommon for increases of 50% in the annual payment to be demanded in return for rights to upgrade technology, even when this has no adverse visual impact.

In order to meet consumers' coverage expectations, operators must be able to share and upgrade infrastructure with other mobile operators. As long as this takes place within the limits of existing planning permission, then landlords should not be able to demand excessively increased rents that bear no relation to the underlying cost.

The reforms in Schedule 2 Part 3 of the Bill will give operators an automatic right to upgrade and share apparatus where there is minimal adverse visual impact. This will enable operators to roll out new technology like 4G quickly and encourage site sharing, thereby improving coverage and reducing costs for operators and consumers.

Enhanced Code rights that **encourage the upgrading and sharing of sites** will be vital in improving coverage in rural areas.

2. Ending ransom rents by ensuring site payment reflects a competitive market (Schedule 2 Part 4).

Mobile phone operators are happy to pay fair and reasonable rent to landowners for the sites they occupy. However, reforms are needed to end the practice of landowners demanding 'ransom rents' during rental reviews for sites. This can occur, particularly in rural locations, because there are no alternative sites locally meaning a lack of competition. Even when alternative sites are available, gaining planning permission could mean a loss of coverage for up to 18 months for the local community, as well as the significant costs of moving sites.

The reforms in Schedule 2 Part 4 of the Bill tackle this by changing the system to a "no scheme" rule. This means that charges will reflect the underlying value of the land, rather than a share of the economic value that is created by very high public demand for mobile services and the lack of viable alternative sites.

It is right that the new Code should assess payments on the basis of a “**no scheme**” rule that reflects the **underlying value of the land**. This would end the ability of some landowners to demand ransom rents, while ensuring that landowners still receive fair rent.

3. Quick access to sites (Schedule 2 Part 2).

Customers expect faults on their network to be repaired quickly. A YouGov poll found that 79% of people expect network outages to be repaired within four hours. To do this, operators need to gain access to the affected site quickly. Yet on average it currently takes more than 48 hours to access sites, and can sometimes take as long as 10 days. We have found that 15% of all weekly repairs are cancelled as a consequence of access disputes.

The reforms in Schedule 2 part 2 of the Bill will provide for a speedier dispute resolution process, moving from ordinary courts to specialist Tribunals. This will benefit all parties, as disputes will be resolved more swiftly and will help remove a significant barrier to investment. The new Code will also contain provisions that allow fast interim access to sites, to ensure that even if there is an ongoing dispute between a landlord and mobile operator, customers do not suffer through loss of coverage.

Code reform should ensure operators can **access broken sites without triggering a rent review or increase**. The revised Code should include means to deal with disputes swiftly in the event of landowners unfairly blocking access to sites.

Conclusion

Improving the Electronic Communications Code has been discussed for several years. The Government has now brought forward reforms in the Digital Economy Bill which will ensure the greatest possible benefit for consumers by addressing each of these three points. These much needed reforms of the Code will be a key enabler for the industry to deliver the further improvements in coverage that consumers increasingly expect.

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