



UNITED KINGDOM



Shared rural network brings together public and private funding to improve coverage

Key lessons

- New voluntary shared network between all MNOs in areas where there is no coverage could substantially improve mobile broadband access;
- Agreements between MNOs to share infrastructure helps ensure more places are covered by several operators;
- Joint mobile operator/ government funding helps make network investment in sparsely populated areas feasible; and
- Rural network investment can be funded through spectrum fees.

Background

In December 2018, the UK regulator Ofcom, proposed coverage obligations for UK mobile operators for a forthcoming award of the 700 MHz band. These would have required up to two licensees to increase coverage in rural areas, in exchange for winning discounted spectrum through the auction. However, in response, the operators developed an alternative 'Shared Rural Network' that made these obligations unnecessary. This approach won support from the UK government and Ofcom.





How the UK is improving coverage:

The four UK mobile operators jointly signed up to a Shared Rural Network project on 9th March 2020 which would guarantee £1bn investment in improved mobile coverage. They agreed to share their infrastructure and jointly invest £532 million installing equipment on each other's masts to improve coverage for all users. In turn, the UK government committed to investing a further £500 million to fund completely new infrastructure to provide coverage from all operators in areas with no coverage today.

The original mobile operator proposal suggested that the government funding could come from the annual fees operators pay for spectrum. The entire project is overseen by Digital Mobile Spectrum, a new company jointly owned by all the operators. In 2018, Ofcom indicated that to provide good mobile network (4G) coverage across virtually all of the UK landmass would cost up to around £6 billion. With this new approach the cost to the industry and government is much lower and focused where it is needed.

The project is noteworthy as it is a voluntary collaborative effort between all the mobile operators, the government and regulator. It is different to alternative Single Wholesale Network approaches, which typically target nationwide coverage (not just rural) and use spectrum that would otherwise be assigned to mobile operators. Importantly, the approach focuses government investment exclusively on the unconnected and doesn't remove spectrum from MNOs. The latter harms the quality of their services (as their networks would have less spectrum). As part of the project, the operators are committed to:

- Each reach 88 per cent geographic coverage of the UK by 2024;
- Each reach 90 per cent geographic coverage of the UK by 2026;
- Each reach nation-specific coverage targets in England, Northern Ireland, Scotland, and Wales by 2026;
- Collectively provide additional coverage to 280,000 premises and 16,000km of roads by 2026; and
- If these are met, the UK will have 95 per cent geographic coverage by the end of 2026.