



Department for
Digital, Culture,
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Ms Sharon White
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INT2019/11536/DC
25 October 2019

Dear Sharon,

In principle support for the Shared Rural Network (SRN) proposal

As you will be aware, DCMS, working with Ofcom, has engaged in extensive discussions with all four mobile network operators (MNOs) on their industry-led Shared Rural Network proposal.

Following my meeting with the MNOs' CEOs on 25 September 2019, and receipt of their updated proposal, the Chancellor and I agree in-principle support and funding for the Shared Rural Network on the basis that this will see operators deliver collective 4G mobile coverage to 95% of the UK landmass. The MNOs' offer is conditional that the proposed coverage commitments replace the current 700MHz and 3.6-3.8GHz auction design which includes coverage obligations.

The coverage commitments in the Shared Rural Network exceed the proposed improvements to coverage that would be delivered under the current Ofcom auction design. They are as follows:

- Each operator is to reach 88% coverage in four years (June 2024), which will target coverage in partial not spots through infrastructure sharing;
- Each operator is to reach 92.X%¹ coverage in six years (June 2026, subject to state aid clearance), delivered through Emergency Service Network deployment and shared new infrastructure in total not spot areas;
- The MNOs' intention is to deliver this programme by the end of 2025. They expect that consumers will feel the benefit of the programme long before the legal obligations are assessed in 2026. Annual coverage improvement targets will be published and I expect to see the results reflected in your Connected Nations report.
- Nations coverage obligations will be a minimum of 91% of England, 91% of NI, 86% of Wales and 85% of Scotland and will be delivered by 2026, with interim targets to be reached by 2024; and
- Collectively, the operators have confirmed that this will result in 95% of the UK getting coverage, including additional coverage to 16,000 km roads and 280,000 premises.

¹ Where X is the additional total not spot coverage above 92% that is required to ensure that 95% of the country has coverage from at least one operator. The value of X will be determined as operators factor in their additional commercial deployment plans, following this in principle agreement and as discussions move to the next phase.

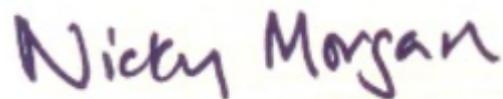
Department for Digital, Culture, Media & Sport

I have noted Ofcom's assessment that it is reasonable to assume these proposals will provide collective coverage to 95% of the UK landmass, and I would welcome further confirmation from you on this point, as operators finalise their deployment plans over the coming months.

The Government is committed to funding the total not spot component of the Shared Rural Network programme, and upgrades to the emergency services network infrastructure, on the basis that the MNOs have told us they will agree to have their individual spectrum licences varied to make these commitments legally binding. Our support and funding is subject to binding legal agreement - the ambition is to reach a formal agreement on the SRN by early next year. As funding for the TNS is state aid, it will require the approval of the European Commission or of the Competition and Markets Authority (depending on the circumstances of Brexit).

As the MNOs' offer remains subject to final agreement with Government, to ensure we retain all necessary options to improve mobile coverage in the UK, I believe that it is crucial for Ofcom to retain the ability to hold an auction with coverage obligations in the event that Government cannot finalise agreement with the MNOs' within an appropriate timescale. I understand that your approach will give Ofcom the ability to do this, if necessary.

I would like to thank you for your continued support on this important work that will benefit consumers and businesses across the UK and look forward to engaging with you further in the future.



Rt Hon Nicky Morgan MP
Secretary of State for Digital, Culture, Media and Sport