



3G Coverage Obligation Verification Results

Statement

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The 3G spectrum licences at 2100MHz held by each of Everything Everywhere Limited (EE), Hutchison 3G UK Limited (Three), Telefónica UK Limited (Telefónica) and Vodafone Limited (Vodafone) contain an obligation (the 3G coverage obligation) to provide and then maintain a network capable of providing a specified mobile broadband data service to an area within which at least 90% of the population of the United Kingdom lives. The deadline for meeting that obligation was 30 June 2013.

The 3G coverage obligation was added to the 3G licences following a direction by the Secretary of State to Ofcom in December 2010 to vary the 3G licences to include this obligation, as well as to make those licences of indefinite duration. The variations could only be effected with the agreement of the licensees. Each of EE, Three, Telefónica and Vodafone consented to those variations being made.

Ofcom has now assessed compliance with the 3G coverage obligation in accordance with the methodology¹ which Ofcom published in May 2012.

The results of our assessment show that three of the operators, EE, Three and Telefónica, achieved compliance with the 3G coverage obligation.

One operator, Vodafone did not achieve compliance with 3G coverage obligation, falling 1.4% short of the 90% coverage requirement. Following discussions with Ofcom, Vodafone has put in place a plan to bring itself into compliance with the 3G coverage obligation by the end of 2013. Ofcom is satisfied that Vodafone's plan is credible. We have therefore decided not to take enforcement action now and will instead assess Vodafone's compliance in January 2014. We will decide whether to take any further action at that time.

Notes:

1. The Government's spectrum directions of December 2010 are set out in The Wireless Telegraphy Act 2006 (Directions to OFCOM) Order 2010 (SI 2010/3024).
2. The 3G coverage obligation is set out at paragraph 4(a) of Schedule 1 of the 3G licences as follows:

“The Licensee shall by no later than 30 June 2013 provide and thereafter maintain an electronic communications network that is capable of providing mobile telecommunications services to an area within which at least 90% of the population of the United Kingdom lives and with a 90% probability that users in outdoor locations within that area can receive the service with a sustained downlink speed of not less than 768kbps in a lightly loaded cell. Section 43A of the 2006 Act shall apply to any contravention of this provision.”

3. Ofcom's methodology for assessing compliance was developed and agreed with industry and is based on the use of standard, internationally recognised predictions of coverage from operational base station information provided by the licensees. It is dependent on multifaceted factors such as radio wave propagation over local terrain, the number of users accessing the network and the operating technologies in the same or adjacent spectrum. Coverage predictions undertaken by mobile operators for their own network management and marketing purposes may vary from this methodology.

¹ 3G Coverage Obligation Verification Methodology <http://stakeholders.ofcom.org.uk/binaries/consultations/2100-MHz-Third-Generation-Mobile/annexes/methodology.pdf>

Note added to statement on 30 January 2014:

For clarity, the proportion by which Vodafone missed its target was 1.488%. In this statement the number has been truncated to one decimal place (1.4%).