

**Ymchwiliad Pwyllgor Amgylchedd a
Chynaliadwyedd Cynulliad Cenedlaethol
PB 04
Bil Cynllunio (Cymru)
Ymateb gan Three (Saesneg yn Unig)**

Three
Star House
20 Grenfell Road
Maidenhead
SL6 1EH
United Kingdom

T +44(0)1628 765000
F +44(0)1628 765001
Three.co.uk



Three.co.uk

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The Committee Clerk
Environment and Sustainability Committee
National Assembly for Wales
Cardiff Bay
CF99 1NA

Consultation Response – General principles of the Planning (Wales) Bill

1. Introduction.

- 1.1 Three welcomes the opportunity to respond to the Planning (Wales) Bill Consultation. The Bill represents an important opportunity to recalibrate the planning system, to support both economic development and enhanced connectivity in Wales.
- 1.2 Three was launched in 2003 to introduce competition to the UK mobile market, to deliver better outcomes for consumers. It was Three that pioneered all-you-can-eat-data, campaigned for an end to costly mobile termination rates, and launched 4G mobile services at no extra cost. We now carry over 45% of the UK's mobile data traffic, so we are uniquely placed to comment on connectivity.
- 1.3 Securing better connectivity, both in fixed and mobile, must be central to the development of an effective planning framework. Over 90% of UK adults now use at least one mobile phone¹ and 16% of households are mobile-only.² Through its provisions, the planning framework in Wales can help facilitate higher quality mobile services for consumers. The planned use Strategic Development Plans for example, and enhanced planning intervention powers for Ministers, intended to tackle cross-boundary issues, illustrate how the planning framework can facilitate better coverage for consumers
- 1.4 The Bill's Section 6 commitments to enhance the transparency, speed and fairness of the appeals system in Wales are also to be welcomed and will help support the deployment of

¹ http://www.mobiletoday.co.uk/news/industry/28014/uk_mobile_market_penetration_at_92_per_cent_.aspx

² Source: Ofcom, Facts & Figures, <http://media.ofcom.org.uk/facts/>

future sites and upgraded infrastructure, facilitating consumer to access continuous mobile network infrastructure.

1.5 Our submission focuses on two areas in particular, which have not been discussed in the Bill, but which the Welsh Government should make the case for reform on to Westminster, to support greater connectivity in Wales. These are:

- **Reforming the Electronic Communications Code** to fix a broken site rentals market to ensure continued investment in rural network areas.
- Ensuring Mobile Network Operators (MNOs) have reasonable **Access for Repair and Upgrades** to their network infrastructure, which benefits consumers in Wales

2. Background

2.1 Our network infrastructure in Wales will change considerably over the next two years, with new technology installed at most sites bringing faster data speeds for customers. 4G mobile data is already available in the largest metropolitan areas of Wales, including Cardiff, Swansea, Wrexham and Newport. By the end of the year dozens of smaller towns and cities will be added to this list, including: Bridgend, Haverfordwest, Porthmadog and Carmarthen. The rollout of low frequency spectrum as well, which covers three times the distance of our current high frequency spectrum, will allow us to offer 4G data services to 97% of the Welsh population by the end of 2015.

2.2 These changes, which include continued site upgrades to 'Advanced' 3G HSDPA, and the development of new sites, can easily be supported with simple changes to the planning framework, most importantly in the Electronic Communication Code (ECC).

3. Reforming the Electronic Communications Code.

3.1 Given the substantial economic and social benefits this enhanced connectivity has to offer rural areas, Welsh policymakers should aim to develop a planning framework which incentivises the extension of coverage where possible. This must go beyond the introduction of the Planning (Wales) Bill. The Welsh Government should argue at the highest possible level for reform of the Electronics Communications Code to enable better connectivity.

3.2 Unfortunately, while the UK mobile market in general is among the most competitive in Europe, the rural site rental market is badly broken and in need to realignment, to ensure fair and open competition. As it stands, it costs far more to put up a mast in rural areas, with a typical mast costing as much as £500,000 to install compared to an average of £100,000 for our network as a whole. This is the result of a combination of factors, including the increased expense of connecting a site to the National Grid, or fibre backhaul for example.

3.3 This framework was designed to govern the relationship between operators and landowners, and to prevent abuse of market power, but it is long overdue for reform. The Code hasn't been amended since 1984, almost twenty years before 3G services were launched in the UK. The Code in its current form not only fails to recognise the importance of continuous mobile coverage to the general public, its provisions also inhibit the construction of new mast sites, and consequently better coverage for Welsh consumers.

4. The Site Rentals Market

4.1 Our single greatest item of expenditure though is the rent we pay the landowners at our mast sites. This accounts for 30% of our entire infrastructure cost across the network. In rural areas there tends to be only a limited choice of sites available, owing to a number of technological, geographical and environmental factors. The result of this is that landlords have abused their market position to charge rental rates far above any comparable use value, increasing costs for consumers in general but more particularly making commercial rollout impossible in many rural areas.

4.2 We want to see the language of the ECC changed, to reflect the fact that the rural site rental market is neither functioning nor competitive, and to bring the rights of mobile operators in line with other essential services. This could have a transformative effect on the rural economy. We have calculated that by halving our rental costs we would be able to fund the building of 2,000 new masts which, for example, could eliminate not-spots on all UK A roads.

5. Access, Repair and Upgrades

5.1 Planning regulations, including the Electronic Communications Code, also need to recognise the need for Mobile Network Operators to have access to their sites, for maintenance, repair, and upgrade – not least the continued rollout of 4G.

5.2 However, many landlords have been unnecessarily restrictive in granting access to sites. While under existing site agreements operators theoretically have the right to 24/7 access, in practice this is rarely achievable or enforceable. Three regularly experiences incidents where landowners block access to sites, or have demanded extortionate ransom fees for access. In 2013, 15% of all weekly repairs were cancelled because of access disputes, resulting in severe and unnecessary service disruption for our customers.

6 The Planning (Wales) Bill

6.1 In order to ensure that Wales can enjoy the full benefits of enhanced connectivity, the Welsh Government should call on Westminster to reform the Electronics Communications Code, not only to help make the site rental market more competitive, but also to facilitate timely repairs and upgrades.

6.2 These reforms would remove the largest obstacle to increased mobile coverage, faster data speeds and more reliable services in rural Wales by ensuring meaningful competition, to the benefit of consumers. The Planning (Wales) Bill represents a unique opportunity to raise this issue with the UK Government, while also developing a framework that removes obstacles to investment in this key infrastructure in Wales.

I hope the above has been of interest. Please do not hesitate to contact me on Justin.Kempley@three.co.uk if you have any further questions.

Yours sincerely,

Justin Kempley
Public Affairs Manager