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**Rt Hon Alun
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**Rt Hon David
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Secretary of State
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1 Melville Crescent
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8 May 2018

Dear Secretaries of State,

Improving mobile coverage: Proposals for coverage obligations in the award of the 700 MHz spectrum band

Ofcom recently launched a consultation looking at coverage obligations in the award of the 700 MHz spectrum band. On behalf of the small business community in Scotland, Wales and Northern Ireland, we write to you to make the case for coverage obligations which ensure every part of the UK has high quality mobile connectivity.

Too many small business owners continue to struggle with poor voice and data coverage, which, as Ofcom recognises, can hinder businesses' day-to-day operations. Official coverage data shows this problem is particularly acute in Scotland, Wales and Northern Ireland – though firms in rural areas in all parts of the UK continue to highlight poor mobile services. As institutions like banks close physical branches - and many Government services move online - addressing this problem should be of the highest priority for Ministers looking to boost productivity and drive growth.

We agree with Ofcom that imposing the three separate coverage obligations could deliver a significant improvement in the share of UK firms with good mobile coverage.

At the same time, it should be recognised that significant numbers of premises would be left out of coverage expansion – and that large geographic areas, especially in Scotland and Wales, will continue to have poor coverage. Therefore, we would ask Ministers to consider whether the proposed headline targets are as ambitious as possible.

Further, Ofcom has set out their ongoing work to improve mobile coverage outside of the proposals within this auction. The importance of good digital connectivity to small business owners means that we would ask Ministers to support other initiatives to boost coverage – including those developed by the devolved administrations and local authorities.

Beyond this, we have asked Ofcom to consider whether escalating coverage targets for each UK nation would be appropriate. Under the model detailed in the consultation, operators would be expected to deliver on their coverage obligations by 2022. Setting out targets for improving coverage post-2022, even if not legally binding, would help establish a direction of travel for continuing to improve coverage in underserved areas.

In addition, while there are obvious challenges in starting to improve mobile coverage in the period immediately after the spectrum is allocated, establishing interim targets for improving coverage in the 2019-2021 period would help to incentivise coverage improvements as soon as possible.

Across the length and breadth of the UK, the Federation of Small Businesses (FSB) wants to see digital infrastructure which meets the needs of businesses and local communities. We expect that you share these ambitions, and we look forward to working with you to turn them into a reality.

If you require any further detail, or would like to discuss this matter further, please do not hesitate to contact Colin Borland, FSB's head of devolved nations (E: Colin.Borland@fsb.org.uk M: 07917 628 939).

Yours sincerely,

Ben Francis
Policy Chair
Wales

Tina McKenzie
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Northern Ireland

Andy Willox OBE
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Federation of Small Businesses (FSB)