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## Trade-offs between objectives in the next spectrum auction

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## Policy Objectives

We have four objectives in the auction

- Ensure efficient allocation of spectrum
- Sustain strong competition in mobile markets
- Improve coverage
  - Concept of 'good' coverage has changed over time
  - 1% of premises don't have coverage from any operator
  - Only 66% of landmass has good coverage from all four networks
- Ensure the timely availability of spectrum

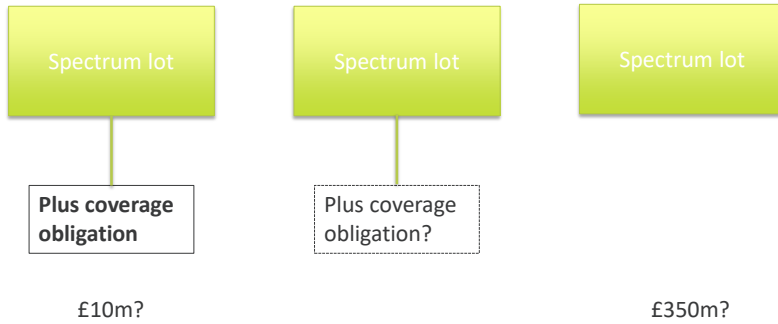
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### Solution A

Attach coverage obligations to specific spectrum lots



### Solution B

Separate coverage lots, for a discount



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## Mobile Operators Strike UK Network Sharing Deal for Rural Coverage

Monday, May 13th, 2019 (10:54 am) - Score 5,894

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Mobile operators [EE \(BT\)](#), [Vodafone](#), [O2](#) and [Three UK](#) have confirmed a new agreement that could help to boost the rural coverage of their 2G, 3G, [4G](#) and future 5G networks. Under the deal a new infrastructure company will be established to help build masts in remote areas. Now they just need [Ofcom](#) to agree.

The current Government has already said that they want mobile networks to deliver 95% geographic coverage of the UK by 2022 ([here](#)), ideally via [4G](#) or faster network

technology (the manifesto commitment wasn't specific). By comparison [Ofcom](#) notes that at present the 4G geographic coverage from all operators is just 67% of the UK (91% if only looking at [EE](#)) and this reaches 78% when including older 2G and 3G services ([here](#)).

The problem is that catering for remote rural areas is very expensive (not profitable) and there have been big disagreements over how to achieve the desired outcome. One option,



Could there be a solution outside the auction mechanism?