



Submission
In Response to ICTA
Consultation Document
On Policy for the Allocation of Spectrum

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1. Introduction

On April 27, 2007 the Information and Communications Technology Authority (“ICTA”) published a public consultation on its policy for the allocation of spectrum (“the Consultation”). We welcome the opportunity to provide comments on the Consultation.

The succeeding comments are not exhaustive and Digicel's decision not to respond to any particular issue raised by the ICTA or any party does not necessarily represent agreement, in whole or in part with the ICTA's or that party's position on these issues,; nor does any position taken by Digicel in this document mean a waiver of any sort of Digicel's rights in any way. Digicel expressly reserves all its rights. Any questions or remarks that may arise as a result of these comments by Digicel may be addressed to:

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2. General comments on ICTA spectrum allocation policy

Digicel is a user of the spectrum band in category (e). At present, the users of those spectrum bands co-operate informally to ensure that their services do not cause undue interference to others. As such, the spectrum band is divided into blocks. Each user ensures that their services are operated within the boundaries of their respective block(s).

Digicel generally supports the allocation of spectrum in this frequency band on an exclusive basis. However, we are concerned that any allocation of spectrum for exclusive use must be made on the basis of fair and reasonable criteria. Further, the rights of both current and future licensees in this band must be fully respected. Therefore, we would suggest that the ICTA be guided by the following principles in developing any future spectrum allocation policy:

1. Arrangements fully respect the informal agreements which are currently in place;
2. The future allocation of spectrum in this frequency band must be done on the basis of fair and non-discriminatory criteria; and
3. Licensees must be able to respond to their users' increased demand for services which utilise this frequency.

We will explain our reasons for each of these criteria in turn:

Respecting the informal agreements which are currently in place

As stated above, at present, licensees in this frequency band adopt a “good neighbour” policy whereby they co-operate to ensure that their services do not interfere with those of other licensees. This policy has been successful in enabling a number of licensees to provide service to their customers with the minimum interference.

While Digicel would generally accept the allocation of spectrum in category (e) on an exclusive basis, in the interest of legal certainty this must not adversely affect the licensees who currently use the band.

Allocating spectrum on the basis of fair and non-discriminatory criteria

If the ICTA decides that it is appropriate to allocate spectrum in category (e) on the basis of exclusive use, then the licences must be granted using a process that is fair. Under the current arrangements, some licensees use more than one block of spectrum within this frequency band. These licensees should not automatically be granted this spectrum on an exclusive basis. Where demand for spectrum in category (e) exceeds availability, the ICTA should use non-discriminatory and transparent criteria to decide who to allocate the spectrum to. These criteria should ensure that spectrum is allocated to those operators who will make best use of this scarce resource.

Responding to future growth in demand.

Any spectrum allocation process will need to be flexible enough to allow licensees to respond to their customers' future needs. As demand for wireless services increases, more spectrum will be required to meet this demand. We would suggest that if the ICTA decides to allocate spectrum in this category on the basis of exclusivity, that a dedicated forum be established to work out the details of how such a policy change may best be implemented.

3. Responses to the questions raised in the consultation document

a. Should the 5.8 GHz Band be covered by a Class Licence, making it available for use by anyone (subject to the normal interference and equipment standardization regulations)?

In markets like the USA and Canada, the 2.4 and 5.8 GHz bands are license-exempt. We are of the opinion that the 5.8 GHz band in Cayman should be covered by a Class license as long as the equipment operating in this band comply with the technical and operational limits dictated by the Authority.

b. Should spectrum, currently allocated on a non-exclusive basis under (e) of Table 1, be allocated on an exclusive basis?

As per our comments above, Digicel generally supports the allocation of spectrum in this frequency band on an exclusive basis. However, we are concerned that any allocation of spectrum for exclusive use must be made on the basis of fair and reasonable criteria. Further, the rights of both current and future licensees in this band must be fully respected. Therefore, we would suggest that the ICTA be guided by the following principles in developing any future spectrum allocation policy:

1. Arrangements fully respect the informal agreements which are currently in place;
2. The future allocation of spectrum in this frequency band must be done on the basis of fair and non-discriminatory criteria; and
3. Licensees must be able to respond to their users' increased demand for services which utilise this frequency.

- c. If so, should this apply only to selected bands or all bands?*
- d. Should the decision on whether to allocate spectrum on an exclusive or non-exclusive basis depend upon intended usage or technology rather than spectrum band?*
- e. If so, what type of usage or technology warrants an exclusive allocation?*

Response on points c to e:

Exclusive rights to spectrum utilization should be granted in those cases where due to the technology being employed, interference with other licensees will degrade the quality of service. Point to Multipoint systems are particularly susceptible to degradation of service in the presence of interference and exclusivity should be granted in the frequency bands where these systems operate.

- f. Do you believe that the Authority should publish a “spectrum map”?*
- g. If so, what do you understand by the term “spectrum map”? Is it a list of uses to which spectrum band may be put, or is it a list of allocated and available spectrum? (It should be noted that details of allocated spectrum is already available from an examination of Licences which are published on the Authority’s web site.)*

Response on points f and g:

We believe that independently of the results of this survey, the telecommunications industry in the Cayman Islands would benefit if the Authority published a ‘spectrum map’ highlighting the operating frequencies and technologies associated to each licensee.

4. Conclusion

Therefore, in conclusion while Digicel is generally supportive of the licensing of spectrum in category (e) on the basis of exclusivity, the ICTA will need to ensure that a number of key principles are established and complied with to fully respect

the needs of both current and future users of this spectrum. Should the proposal be adopted, we welcome the opportunity to be involved in the implementation process.