

RESPONSE
TO
A POLICY FOR ASSIGNMENT OF 700 MHz SPECTRUM
(Ref: CD2011-1)

LIME

Landline | Internet | Mobile | Entertainment

By E-mail to: consultations@icta.ky

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I. Introduction

1. Cable and Wireless (Cayman Islands) Limited, trading as LIME (“**LIME**”), is pleased to provide the following responses to the Authority’s consultation document titled ‘*A Policy for the Assignment of 700 MHz Spectrum*’ (the consultative document) published 29 June 2011.

2. LIME expressly states that failure to address any issue raised in this consultative document does not necessarily signify its agreement in whole or in part with the Authority’s position. LIME reserves the right to comment on any issue raised in the consultation at a later date.

II. Response to Questions

3. The Authority asks three (3) questions, in the consultation document, which LIME responds to as follows:

Question 1: Do you agree that the 700 MHz spectrum should be channelized in the Cayman Islands based on 18 channels of 6 MHz each as was done in ECTEL and if so, why? If not, what channelization method do you consider appropriate (e.g. the FCC ‘method’) and why?

LIME’s Response

4. LIME recommends that the Cayman Islands adopt the approach taken by the FCC. The advantage of channelization of the 700 MHz spectrum in accordance with the FCC approach is the major benefit of accessing affordable equipment since any new equipment deployed for use will be compatible with the FCC’s channelization. As the Authority has

noted, harmonisation with the FCC channelization would therefore be more cost-effective for operators in the Cayman Islands than retaining the traditional channelization.

5. In recent discussions with its technology partners, LIME has been informed that it will have to align itself to the specific US 700 MHz assignments because the terminal devices are band-specific and do not act in the same way as our present terminal devices. As the Authority would be aware, most telecommunications equipment used in the Caribbean are sourced from North America. In addition, the market in the Cayman Islands is closely linked to those in North America.

6. The continued use of the traditional channelization of 18 channels of 6 MHz could result in more expensive equipment because of the need to adjust equipment or even worse the need to acquire specialist CPE. This could also delay the time -to -market of services. LIME is of the view that the success of any service offered using the 700 MHz spectrum will be based on affordable CPE which LIME believes will be delivered by adopting the US standard. It is for this reason that LIME believes that harmonizing with the channelization in the USA is best.

7. Because the technology used in the 700 MHz block is LTE, splitting the spectrum into 6MHz blocks would be inefficient. LTE uses 10MHz blocks of spectrum, which means a single channel of 6MHz will be insufficient to meet even basic requirements, and would be a wasteful way of segmenting this very valuable frequency.

8. The ICTA favours the traditional channelization of the 700 MHz spectrum on the basis that equipment developed by equipment vendors will somehow be adjustable to the networks in the Caribbean and that the traditional channelization does not include large spectrum blocks. LIME does not believe that these are the appropriate basis for the evaluation of the channelization of the spectrum. LIME does not believe that this approach by the ICTA meets the criteria established by ICT Decision 2008-1, Decision and Further Process – Policy for the Management and Allocation of Spectrum in the Cayman Islands (6th March 2008):

- To encourage the provision of quality and innovative ICT services to consumers;
- To satisfy Licensees' spectrum requirements;
- To ensure the effective and efficient use of spectrum, a scarce national resource; and
- To promote sustainable competition in the ICT sector.

9. LIME strongly advocates channelization in accordance with the FCC approach. Alternatively, without prejudice to LIME's position, should the Authority favour staying closer to the traditional channelisation of the 700 MHz spectrum, LIME proposes that the band be segmented into 10MHz or 12MHz blocks rather than the proposed 6MHz scheme.

10. LIME also encourages the ICTA to release 1700 MHz – 2100MHz spectrum at the same time as the 700MHz spectrum. Otherwise some customers may experience service difficulties.

Question 2: Do you agree that the number of channels to be assigned by the Authority to each operator and how they should be assigned should be left to the discretion of the Authority after consideration of the operators' business and technical proposals?

LIME's Response

11. The Company considers that an assignment of 4x10 MHz blocks would provide the Company with the capability to provide a suitable service offering to its customers.

12. There has to be a recognition that a service provider will require an allocation of at least 2 x10MHz blocks (paired spectrum for FDD operation) to operate two (2) carriers which must be considered a base requirement for successful deployment of service. Otherwise service quality will be poor.

13. LIME supports the Authority's proposal to '*.. allow the applicants to request the assignment of one or more channels. The Authority would consider these proposals on their merits and look to assign more than one channel to operators if the Authority determines that this is fully justified by their business and technical proposals.*'

14. Where it is however that due all simultaneous request for 700 MHz spectrum cannot be facilitated, then ICTA must put in place a transparent mechanism for awarding the spectrum. LIME recommends a beauty contest approach, provided the competition rules are distributed prior to the competition and that the contestants have the opportunity to query and inform the rules. Even so, and without prejudice to LIME's spectrum requirements, LIME is of the view that each service provider who applies for spectrum in

the 700 MHz block should be allotted the minimum amount of spectrum assigned by the Authority. The beauty contest can subsequently be used as a tool to determine which operator(s) are assigned additional spectrum.

15. LIME does believe, though, that existing licensees requesting spectrum in a new band ought to be given priority over unlicensed users of that band.

Question 3: Do you consider that it is appropriate to reserve 24 MHz of the 700 MHz for use by public safety agencies and 24 MHz for future use?

LIME's Response

16. In LIME's view, the reservation of two (2) channels for public safety would be adequate.

17. While some channels of the 700 MHz band could be reserved for future use, this should not be at the expense of legitimate requests by operators who have a present use for the spectrum.

III. Closing Remarks

18. LIME thanks the Authority for the opportunity to participate in the consultation. Kindly send any communication in relation to this consultation to:

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END DOCUMENT

LIME

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ICTA, the Cayman Islands

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