



**RESPONSE TO ICTA's CONSULTATIVE DOCUMENT**

on

**A POLICY FOR THE ASSIGNMENT OF 700 MHz SPECTRUM**

Ref: CD 2009 -3

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## **Preamble**

Cable & Wireless, trading as LIME is pleased to comment on ICTA's proposed policy for the allocation and assignment of frequencies in the 700 MHz band. 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 ICTA's position on the issue. LIME reserves the right to comment on any issue raised in this consultation at a later date.

## **ICTA's Questions**

LIME agrees with ICTA that the 700 MHz spectrum is valuable because it facilitates wide geographic reach and achieves high levels of indoor penetration and does so cost effectively.

The questions for consideration raised by ICTA are:

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?

Question 2: Do you agree that the number of 6 MHz channels to be assigned by the Authority to each operator should be left to the discretion of the Authority after consideration of the operators' business and technical proposals?

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

Question 4: Do you agree that the traditional first-come, first served method of assigning spectrum in the Cayman Islands is not appropriate in the case of the 700 MHz spectrum? If yes, do you agree that it would preferable to use a comparative selection method?

## **LIME's Response**

LIME's response to ICTA's questions are as follows:

### ***Channelization***

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?

LIME agrees with ICTA that an 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. Harmonisation with the FCC channelization would therefore be more cost effective than retaining the traditional channelization.

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. Without prejudice to its response to ECTEL, 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.

Because the technology used in the 700 MHz block is LTE, splitting the spectrum into 6MHz blocks is inefficient. LTE uses 5MHz blocks of spectrum, which means that in each 6MHz assignment, 1 MHz of assignment will be unusable and in the case of LTE no guardband is required. This would be a wasteful way of segmenting this very valuable frequency and it should be avoided at all costs. Although not recommended, should ICTA favour staying closer to the traditional channelisation of the 700 MHz spectrum, LIME proposes that the band be segmented into 5MHZ blocks rather than the proposed 6MHZ scheme.

### ***ICTA's Discretion***

Question 2: Do you agree that the number of 6 MHz channels to be assigned by the Authority to each operator should be left to the discretion of the Authority after consideration of the operators' business and technical proposals?

ICTA does have the right to assign spectrum based upon a review of the proposals submitted by service providers but there has to be a recognition that a service provider will have to be assigned 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. LIME considers that an assignment of 4x10 MHz blocks would provide the Company with the capability to provide an ideal service offering to its customers.

### ***Public Safety***

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

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

### ***Basis of Assignment***

Question 4: Do you agree that the traditional first-come, first served method of assigning spectrum in the Cayman Islands is not appropriate in the case of the 700 MHz spectrum? If yes, do you agree that it would preferable to use a comparative selection method?

It is essential that the right service providers be assigned this frequency. The beauty contest approach does have merit 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 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 ICTA.

The beauty contest can subsequently be used as a tool to determine which operator(s) are assigned additional spectrum.

### **Pricing**

LIME notes that ICTA has not addressed the matter of pricing the spectrum in this consultation. Consistent with its proposal to ECTEL, LIME maintains that overpriced spectrum limits the capital available to build out networks, and this can delay the provision of new and innovative services at affordable prices for consumers.

LIME proposes that ICTA uses administrative pricing to price, at a minimum, the basic amount of spectrum necessary to provide services. In any event, the cost of the spectrum should not be greater than the cost of equivalent spectrum in the 850 or 900 bands.

### **Conclusion**

Cable & Wireless looks forward to further participation in establishing the framework for the allocation, assignment and governance of the 700 MHz spectrum. Please send any communication in relation to this consultation to Melesia Sutherland Campbell at [melesia.Campbell@time4lime.com](mailto:melesia.Campbell@time4lime.com) and Frans Vandendries at [frans.vandendries@time4lime.com](mailto:frans.vandendries@time4lime.com).