



**OPENING OF NEW SPECTRUM BANDS**

**SUBMISSION  
TO  
URCA'S CONSULTATION DOCUMENT  
(ECS 23/2010)**

**November 16, 2010**

## **RESPONSES TO QUESTIONS POSED BY CONSULTATION DOCUMENT**

Cable Bahamas Ltd and Caribbean Crossings Ltd. (“CBL”) hereby jointly responds to URCA’s consultation document (ECS 23/2010) on the Opening of New Spectrum Band published on the 1<sup>st</sup> October, 2010.

**Question #1:** *Do you agree with URCA’s proposal of factors to consider when it initiates the process to open new spectrum bands upon its own volition? If not, please provide additional or other factors that should be considered.*

CBL generally agrees with URCA’s approach of factors to consider when opening new spectrum bands. URCA is encourage to establish a threshold that will trigger a review rather than waiting for capacity in an existing band to be exhausted.

**Question #2:** *Do you agree that URCA should also consider specific demands from the industry? If not, please indicate what should stimulate URCA to consider initiating the process to open new spectrum bands.*

CBL agrees that specific demands from Operators should be considered.

**Question #3:** *Do you agree with URCA’s proposal that licensees should only be awarded an optimum amount of spectrum licences for services to be provided in a territory? If you disagree, please provide a framework for URCA to consider when determining the optimum amount of spectrum bandwidth to award each potential licensee.*

URCA’s proposal seems reasonable. The issue will be what is considered the optimum amount of spectrum to be allocated. Therefore, we would recommend that URCA’s policy allow for exceptions. Whereas, URCA has mentioned that other jurisdictions have awarded multiple licences in the same band for similar service offerings and these licensed operators were able to deploy and serve more densely populated areas, the issue for the Bahamas, outside of New Providence, is the sparse populations and distance between settlements. Furthermore to facilitate and encourage deployment of services in remote areas of the Bahamas, optimum spectrum allocation may need to include blocks covering multiple islands. In allocating the optimum use of spectrum, URCA should be strongly influenced by the amount requested by the risk takers (i.e. the operators) of course supported by a reasonable plan of use. A reasonable plan of use would include (inter alia) the types of services to be provided, the technology to be deployed and the operator’s market share,

**Question #4:** *Do you agree that URCA should not award the entire capacity of a spectrum band to a single operator unless the applicant could prove an exception to best practices? If not, please provide details to*

*guide URCA in considering the award of an entire band to a single operator to the exclusion of others.*

CBL believes that URCA's explanation is reasonable. However, URCA should adhere to spectrum allocations made by its regulatory predecessor. URCA could also mitigate the potential inefficient use of spectrum that may arise from allocating an entire band to one operator by ushering in the trading of spectrum. The appropriate pricing of spectrum would also act as an economic/market impetus to use or trade the spectrum.

URCA should also be mindful that the geography of the Bahamas may require that entire blocks of spectrum are allocated to a single operator. The archipelagic nature and the spread of the population in the Family islands can mean that the business and economics justification of deploying services throughout the Bahamas can only be justified through an allocation of an entire block of spectrum.

Another factor that may require an exception to best practice is competition. URCA is urged to conduct its market review which would give an indicator of the potential for competition in the Bahamian market. In forecasting for the market, URCA can then allocate entire spectrum to operators, with build out requirements and clawback stipulations.

**Question #5:** *Do you agree with URCA's proposal on the information to be provided when requesting a new spectrum band to be opened? If not, please provide amendments or a new proposal for consideration.*

Agree with information being requested. URCA's should clarify whether the published standard application is to be supplemented by the proposed information.

**Question #6:** *Do you agree with URCA's proposal on guidelines on how to configure and open a new spectrum band and award licences? If not, please provide amendments or a new proposal for consideration.*

CBL believes the process should be clear and expeditious. URCA in its National Radio Spectrum plan (ECS 06/2010) indicated that "Standard Spectrum will be licensed to users on a "first come, first served" basis where suitable applicants will be granted licences for the spectrum until such time as there is no more spectrum available to licence. URCA believes that this approach is both quick and administratively efficient. Any application for Standard Spectrum need only be examined to confirm that the applicant is a fit and proper person and has satisfied the necessary criteria". The proposed process under ECS 23/2010 appears to be a shift away from URCA's earlier statement and more bureaucratic.

**Question #7:** *Do you agree with URCA's proposal to split the 700 MHz band into a Lower band and an Upper band as discussed? If not, please state reasons why the band should not be divided and offer other*

*suggestions to structure the spectrum band.*

CBL believes URCA's proposal is reasonable and aligning with the North American market should ensure the availability of equipment.

**Question #8:** *Do you agree with URCA's proposal that the 700 MHz Upper Band should be reserved for future use? If not, please give reasons, providing details for the band to be used otherwise at this time.*

CBL has considered URCA's arguments and opine that there is no reason to reserve the Upper band for future use. CBL believes that the Upper Band should be subject to the process of opening new spectrum band and subject to the Expression of Interest contained in this Consultation. CBL can only see the utility of reserving the Upper Band, if URCA believes there is some national interest factor (i.e. public safety) that may warrant an allocation in the Upper Band. If this is the case, URCA should reserve the Upper Band for a stipulated period, after which, if it is not used, then it will be open for allocation to operators.

**Question #9:** *Do you agree with the proposal to maintain a 6 MHz RF channel structure in the 700 MHz spectrum Band? Do you further agree with the proposal to split one or more of the 6 MHz blocks into smaller sub- blocks to offers licences with smaller bandwidths? If not, please propose another structure for consideration.*

CBL considers that the proposal is reasonable.

**Question #10:** *Do you agree with URCA's proposed interim pricing for the 700 MHz band? If not, please state reasons why and offer other suggestions.*

In the National Radio Spectrum plan (ECS 06/2010) – URCA indicated that it was conducting an a comprehensive benchmarking exercise of Standard Spectrum Fees and a new spectrum fee schedule would be published by 30 June, 2010 to become effective 1 January, 2011. It appears that benchmarking is a foregone conclusion,. CBL's main concern is that the spectrum fees are reasonable and appropriate for this market.