



Statement of Results

*Consultation on the Opening of New
Spectrum Bands*

ECS 10/2011

27 May 2011

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1. Introduction

The Utilities Regulation and Competition Authority (URCA) has concluded its public consultation on the “Opening of New Spectrum Bands – URCA’s Consultation Document ECS 23/2010” (the “Consultation Document”). This document sets out a summary of the responses to each of the questions in the Consultation Document and URCA’s decisions having considered the responses. It also addresses the expressions of interest submitted in response to the Request for Expressions of Interest, which was issued together with the Consultation Document. URCA has published separately the final version of the “Guidelines for the Opening of New Radio Spectrum Bands” (ECS 11/2011), which has been finalised having regard to the comments received and decisions taken by URCA.

The Consultation Document contained regulatory measures, which URCA proposed to implement in respect of spectrum bands that have no existing frequency assignment; these measures will promote the policy objectives of the Communications Act 2009 (Comms Act) in relation to the management of spectrum. URCA is of the view that it should not mandate specific technologies in respect of the available frequency bands, and instead URCA will set out general procedural guidelines that it will follow when opening new spectrum bands and issuing frequencies in such bands. Such opening will be driven by demand for frequencies as it arises, and will be based on best practices in relation to the design of plans for each band.

It should be noted that the Consultation Document issued by URCA also included a request for Expressions of Interest in certain specific bands. URCA will provide its decisions on those bands under separate cover in accordance with the Guidelines for Opening of New Radio Spectrum Bands.

URCA thanks all respondents for their participation in this public consultation process. Six (6) companies, which are listed below, responded to the Consultation Document.

- ❖ The Bahamas Telecommunications Company Ltd. (BTC)
- ❖ Peace Holdings Co. Ltd (Peace Holdings)
- ❖ Hi-Technology Communications (Hi-Technology)
- ❖ Cable Bahamas Ltd. and Caribbean Crossing Ltd. (CBL)
- ❖ AMP’d Wireless Ltd. (AMP’d)
- ❖ Systems Resource Group Limited (SRG)

The full text of each response can be found at www.urbahamas.bs in the Publications section.

The remainder of this document contains the following sections:

Section 2: Provides the questions contained in URCA's consultation document, a summary of the responses received, and URCA's comments and decisions in respect of the questions.

Section 3: Provides the conclusion and way forward.

2. Summary of Responses

2.1 Responses to Consultation Questions

In this Section, URCA addresses each of the responses submitted in respect of the questions posed in the Consultation Document.

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.

The following comments were received in respect of this Question.

BTC

BTC expressed the view that URCA’s approach for opening new spectrum bands was not sufficiently detailed and developed to provide certainty to industry participants, and suggested that factors (i), (ii) and (iii)¹ in particular, need to be developed further.

BTC was of the view that the benefits derived from a release of new spectrum had not been considered properly by URCA in reaching its proposed conclusions. BTC went on to suggest that proper analysis should be carried out by URCA to determine whether there is enough suitable spectrum-by-competing-service-type available. BTC was also of the view that URCA should, in advance of any proceeding for the opening of new spectrum bands, specify appropriate indicators of competition and spectrum constraint which would be applied in respect of the band to be opened. Finally, BTC recommended that URCA should specify how it proposes to handle instances where there might be “*overwhelming interest from the public*” in a particular band.

BTC recommended that URCA consider the following factors in determining whether to open new spectrum bands:

- URCA should adopt service and technology neutrality in its allocation/assignment of spectrum.
- URCA should release bands based on industry demand and on expected benefits to The Bahamas.

¹These factors were (i) Exhausted Capacity in Bands Already Opened; (ii) Increased Competition in The Sector; and, (iii) Consumer Demand (ECS 23/2010 at paragraph 3.2).

BTC also suggested that by inviting expressions of interest in the consultation document, URCA has opened a proceeding which is likely to open new spectrum, prior to URCA finalizing its reasons and procedures for doing so. BTC felt that URCA should consider truncating that process at the Expression of Interest (EOI) stage, fully account for the input it receives in terms of the various questions regarding the procedures for the opening of new spectrum bands, and thereafter institute a fully separate process to configure and assign spectrum in the bands under consideration in the EOI procedure. This way URCA could properly apply the rationale, criteria and processes for opening the relevant bands.

CBL

CBL agreed generally with URCA's approach for the opening of new spectrum bands. In relation to URCA's indication that it would review existing opened bands and consider commencing a procedure for the opening of a new band where an existing open band is exhausted, CBL suggested that URCA should set a threshold that would act as a trigger for the commencement of such a review, rather than waiting for the band to be completely exhausted.

SRG

SRG suggested that URCA should only use its own volition to open a new spectrum band in instances where Government Policy (that is, the Electronic Communications Sector Policy) dictates the opening of a new band, or in instances where the spectrum is in high demand from existing or potential licensees. SRG expressed a view that in virtually all cases demand should come from existing and potential licensees in the sector before URCA takes action to open a new spectrum band.

PEACE HOLDINGS

Peace Holdings agreed with URCA's proposed factors for the opening of new spectrum bands.

HI-TECHNOLOGY

Hi-Technology agreed with URCA's position on the opening of new spectrum bands.

URCA'S PROPOSED FURTHER ACTION/COMMENTS

URCA notes the agreement by some stakeholders with its proposed position, and also notes the views of SRG regarding the opening of bands on URCA's own volition. URCA also considers that BTC has made several points and suggestions which are valuable and should be taken into consideration in URCA's proposed approach.

URCA believes that BTC's comments argue for a more strategic approach to the release of spectrum, which properly accounts for the benefits that could be derived by The Bahamas from spectrum, and also affords certainty to existing and potential licensees. URCA accepts that further detail in respect of the various criteria could be provided and has sought to do so in the revised document.

Notwithstanding the agreed need for as much certainty as possible, URCA feels that BTC's suggestion that URCA sets indicators of competition and spectrum constraint, which would be applied to spectrum opening, is too rigid having regard to the dynamic nature of spectrum usage based on changing technologies. URCA believes that any indicators set would be at risk of quickly becoming irrelevant as changes in efficiency of spectrum usage and the competitive landscape modify current norms. URCA believes that a more suitable approach is to consider best practice at the time that a particular band is being reviewed for opening. URCA proposes to place this firmly in the context of broad principles which could be applied in determining the appropriate "best practice" at any given time.

URCA agrees, with the suggestion of CBL that URCA should not permit bands to be completely exhausted before conducting its review of whether a new band should be opened, and will adapt its position accordingly.

URCA does not agree with the limitation proposed by SRG, as imposing such conditions would completely disregard URCA's responsibility to encourage competition and the delivery of enhanced services to The Bahamas.

URCA also notes BTC's suggestion that the procedures for Opening New Spectrum Bands should have been completed prior to URCA issuing the request for Expressions of Interest. While URCA does not entirely agree with BTC in this regard, URCA notes that it might be desirable for the procedures to be completed prior to completion of the Expressions of Interest process. URCA has therefore decided to separate that process from this Statement of Results, and will respond to the Expressions of Interest separately in accordance with URCA's Procedures for Opening New Spectrum Bands.

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.

The following comments were received in respect of this Question.

BTC

BTC indicated that they agreed with URCA's approach to consider specific demands from the industry. BTC further stated that demands from the industry are very important, and URCA has to be intelligent when following Industry leaders. BTC went on to suggest that should demand exceed supply, URCA may consider auctions or Administrative Incentive Pricing. In the event supply is greater than demand, direct awards to interested parties can be made.

CBL

CBL agreed that URCA should consider specific demands from operators and nothing further was added.

SRG

SRG stated that demand from the sector should be the driving force determining URCA's decision to open new spectrum bands and URCA should also consider whether there are alternative bands.

PEACE HOLDINGS

Peace Holdings agreed that URCA should consider specific demands from the Industry.

HI-TECHNOLOGY

Hi-Technology agreed that URCA should consider specific demands by the Industry.

URCA'S PROPOSED FURTHER ACTION/COMMENTS

There were five respondents to this question, and all agreed that URCA should consider specific demands by the Industry. SRG went further to indicate that demand should be the determining factor.

URCA notes the positions taken by the respondents. URCA does not agree that it should limit itself to demand, as suggested by SRG, and will adopt its proposal as set out in the Consultation Document.

Question 3: Do you agree with URCA's proposal that licensees should only be awarded an optimum amount of spectrum 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.

The following comments were received in respect of this Question.

BTC

BTC's response appeared to agree, in principle, with URCA's proposal, although BTC expressed concern as to how one would calculate the "*optimum amount of spectrum*". BTC also made the following points:

- URCA should conduct market studies to ascertain industry demand;
- URCA should adopt a technology and service neutral policy;
- There should be a procedure established for cases where demand outstrips supply of spectrum;

- Per island licensing is impractical from an economic standpoint; and,
- Spectrum should be assigned to enable fulfillment of Universal Service Obligations.

BTC also asserted that URCA's allocation of spectrum in the 2150 to 2162, and 2500 to 2690 MHz ranges to SRG was excessive and should be addressed.

CBL

CBL agreed with URCA's proposal, but noted that it would be necessary to determine what would be considered the "optimum amount of spectrum". CBL also believed that URCA's policy should allow for exceptions. CBL further suggested that because of the sparse populations and distance between settlements in The Bahamas, URCA might be able to facilitate and encourage deployment of services in remote areas by allocating blocks which would cover multiple islands.

SRG

SRG consolidated its responses to questions 3 and 4, and both will be dealt with under question 4.

PEACE HOLDINGS

Peace Holdings agreed with URCA that only a limited amount of spectrum licences should be issued for services to be provided in a territory.

HI-TECHNOLOGY

Hi-Technology agreed that licensees should only be awarded the optimum amount of spectrum, for services in a territory.

URCA'S PROPOSED FURTHER ACTION/COMMENTS

There were five respondents to this question and three agreed with the position proposed by URCA that only a limited amount of spectrum should be awarded to a licensee to provide services in a territory. SRG opposed and suggested that URCA upholds what it describes as a position taken by the Public Utilities Commission (PUC) (discussed below under question 4). BTC suggested that spectrum should be awarded nationally and gives reason why.

URCA notes the positions taken by the respondents and in particular by SRG and BTC. However, URCA does not accept BTC's statement that spectrum should be awarded nationally, as it seems clear to URCA that there will be instances in which a national award of spectrum will be inefficient and wasteful. URCA proposes to select the option of national spectrum licences or licences specific to particular islands or territories, based on the option which will provide optimal use of the spectrum band in question. Similarly, URCA does not accept SRG's suggestion that regulatory certainty requires that adherence to decisions made by the PUC should completely fetter URCA's ability to make whatever decision is most suitable in the particular circumstances (section 120(3) of the Comms Act also supports URCA's position in this regard). URCA must adopt clear and unambiguous principles for the award of spectrum which will ensure

that its decisions can be predicted with reasonable certainty, but regulatory certainty does not offer any guarantee that previous decisions or policies will not be changed as appropriate based on the overarching requirements of the Sector Policy and international best practice. URCA considers that, **if and to the extent** the previous decisions by the PUC introduced a policy that led to spectrum assignments to be made on an inefficient basis, such a policy is incompatible with the Sector Policy and will not be perpetuated by URCA.

URCA therefore proposes to maintain the principle espoused in this Section to ensure that in the award of spectrum to licensees, URCA shall seek to award only that quantity of spectrum which is optimal having regard to *inter alia* the geographic area over which the services are to be provided, the topography and population of the area, the available technologies and the services to be provided.

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.

The following comments were received in respect of this Question.

BTC

BTC agreed that URCA should not award the entire capacity of a spectrum band to a single operator unless the applicant can prove an exception to best practices, with the limited exception being that of public safety. BTC continued further, by calling for the reversal by URCA of a decision by the PUC that granted 190 MHz of “WiMAX” spectrum in the 2.5 GHz Band to SRG, on the grounds that such an allocation is not required by any one provider.

BTC suggested that the allocation of spectrum bands into licence blocks should precede consideration of specific applications and BTC prefers block allotments for example, of fixed link bands.

BTC suggested further that BTC be given special consideration in respect of spectrum assignments on account of its universal service obligations.

CBL

CBL agreed in general terms with URCA’s proposed position, subject to the following comments:

- i. URCA should adhere to the spectrum allocations made by its regulatory predecessor, the PUC.
- ii. URCA could mitigate against inefficient use of spectrum by permitting the trading of spectrum.

- iii. URCA should include build-out requirements and claw-back provisions in spectrum licences.
- iv. The nature and the spread of the population in The Bahamas can mean that the business and economic rationale for deploying services throughout The Bahamas can only be justified through the allocation of an entire block of spectrum.
- v. Competition may require an exception to best practice and URCA should conduct its market review, which would give an indicator of the potential for competition in the Bahamian market.

SRG

SRG's combined response to Questions 3 and 4 suggested that the wording of these questions is pejorative since the questions themselves seek to reinforce a predetermined conclusion by URCA that the award of an entire band of spectrum is not consistent with "best practices" or an "optimum" amount of spectrum.

Further, SRG continued that the respondents to the PUC's consultation on the opening of ten new spectrum bands (including the MMDS band) were divided on this issue² and submits that the industry stakeholders must have confidence that past positions by the regulator will survive. SRG agreed with the general principle that was applied by the PUC and further notes that predetermination of a 'one size fits all' model is not appropriate for The Bahamas.

SRG suggested that URCA considers commercial and technical factors such as:

- Can business opportunities exist that would allow sustainable competition?
- Can other spectrum be considered competitive to the spectrum that is being opened?
- Will interference between multiple operators be effectively managed?
- Will deployment of different technologies in the same band complicate interference issues? For example if both Frequency Division Duplex (FDD) and Time Division Duplex (TDD) were deployed.
- What is the use to which the spectrum will be put to, and what is the required bandwidth?
- What is the anticipated evolution of technology in the spectrum and its impact on bandwidth requirements?
- Will spectrum allocations be the same for all territories, or will they be reflective of New Providence requiring more bandwidth than other Islands?

² Public Utilities Commission Statement: Public consultation Results License For Wireless Network for Internet and Data Results (section ii (2) page 4), http://www.urcabahamas.bs/download/wireless_consult_results.pdf.

PEACE HOLDINGS

Peace Holdings agreed with URCA's decision.

HI-TECHNOLOGY COMMUNICATIONS

Hi-Technology Communications agreed with URCA's position and suggested that an entire band should not be issued to a single operator under any circumstances.

URCA'S PROPOSED FURTHER ACTION/COMMENTS

There were five respondents to this question, four generally agreed with the position taken by URCA not to award the entire capacity of a spectrum band to a single operator unless the applicant can prove an exception to best practices. SRG opposed URCA's position and suggested that URCA should uphold an earlier position taken by the PUC. CBL agreed with URCA's proposal but suggested that URCA should uphold the existing grants made by the PUC and mitigate any efficiency issues by introducing spectrum trading and including a "claw back" provision in future licences. BTC strongly objected to the award of an entire band to a single provider and demanded the recall of the 190 MHz in the 2.5GHz band, which was issued to SRG by the PUC.

URCA notes the comments by SRG, and as stated under Question 3 above, URCA does not accept that the requirement for regulatory certainty means that URCA should be fettered by the decisions made by the legacy regulator, unless such decisions remain consistent with best practices, having regard to the circumstances which currently obtain. In this instance, URCA's research indicates that virtually all of the spectrum bands currently used to provide public services, are capable of being divided amongst multiple operators for the provision of services to populations and land masses much larger than those of The Bahamas. Accordingly, URCA considers that the grant of an entire band to a single operator would only be justifiable in exceptional circumstances.

While URCA notes SRG's arguments and references to previous decisions by the legacy regulator, URCA is firmly of the view that in The Bahamas, the application of "best practice" is unlikely to result in the award of an entire band to a single operator. URCA intends that future grants of spectrum should be closely aligned with the amount of spectrum that is *required* by the operator having regard to the geographic area, the topography, the population, the available technologies and the services to be provided. This will help to ensure that spectrum assignments in The Bahamas are efficient and maximise the benefits to The Bahamas of the available spectrum. URCA recognises that the language used in the consultation document could be interpreted as suggesting that such an allocation could never be consistent with "best practices" and accepts that however rare, there may be circumstances in which best practice could result in such an assignment. URCA therefore proposes to revise the language, while retaining the principle intended by URCA as espoused above.

URCA notes that spectrum is a finite resource. The Comm Act contains provisions for the vacating of spectrum in particular circumstances, and URCA advises that it would exercise that

power when required. In relation to spectrum trading, section 38(1) of the Comms Act provides that “... a licensee shall not be permitted to assign the use of radio spectrum to a third party”.URCA notes that spectrum is a national resource and that licensees are currently required to pay Spectrum Fees to the Government of The Bahamas for the use of the spectrum, which are in appropriate circumstances, intended to be a reflection of the economic value of the spectrum granted. Independent of section 38(1) of the Comms Act, URCA believes that the introduction of spectrum trading could transfer the benefit of increases in the economic value of the spectrum from the public, to the licensee. Such a result could, in URCA’s opinion, be inconsistent with the Sector Policy.

BTC’s request for special consideration in respect of spectrum allocations on account of its universal service obligation is noted. However, this request would have to be addressed in the context of the policies relating to universal service.

URCA, having considered the responses, proposes to adopt the principle that it will only award the entire capacity of a spectrum band to a single operator in exceptional circumstances where the applicant can prove to URCA’s satisfaction that such an award would be consistent with best practice.

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.

The following comments were received in respect of this Question.

BTC

BTC felt that if URCA was proposing a service and technology neutral approach, too much information was being collected. In its submission BTC recommended that URCA:

1. decide what the aim of gathering the data is;
2. then decide to what use the data is to be put; and,
3. decide on the data needed.

BTC further recommended that URCA adopt a 2-stage proceeding as follows:

- i. determine if a need exists, determine the proposed service(s), and configure the band into licensable blocks; and,
- ii. conduct separate proceedings to award licence(s).

BTC also suggested that spectrum trading should be considered. Finally BTC was concerned that URCA should provide suitable confidentiality assurances and put in place (if not in place already) procedures and processes for the management of commercially sensitive material.

CBL

CBL agreed with URCA's proposal regarding the information to be provided. CBL requested that URCA clarify whether the published standard application is to be supplemented by the proposed information.

SRG

SRG referred to their response to the PUC consultation and noted that although URCA requests the same technical and frequency use information as the PUC, little consideration is given by URCA to the commercial elements.

PEACE HOLDINGS

Peace Holdings agreed with URCA's position and suggested that the listed information is necessary.

HI-TECHNOLOGY

Hi-Technology agreed with URCA's proposal on the information to be provided when requesting a new spectrum band to be open.

URCA'S PROPOSED FURTHER ACTION/COMMENTS

There were five respondents to this question, three of whom clearly indicated that they agreed with the position proposed by URCA on the information to be provided when requesting a new spectrum band to be open.

In respect of BTC's suggestion that URCA should ensure that the information requested is tailored to suit URCA's requirements, URCA advises stakeholders that such consideration has already been given to the data requirements set out in the consultation document. In the event that BTC's suggestion is that this process should be repeated for each and every particular band to be licensed, URCA is of the view that such a process would be inefficient and would eventually cause undue delay and cost to licensees.

BTC also suggests that the introduction of spectrum trading should be considered by URCA. URCA has already responded to this above in answer to Question 4 above.

URCA is guided by the Comms Act, in particular section 14, subsections (1) and (2), in respect of the information collected from licensees. BTC is assured that URCA has in place adequate processes and procedures for the protection of any information collected by URCA which may be commercially sensitive, and that URCA will continue to ensure that those processes and procedures are complied with and remain fit for purpose.

URCA will adopt the proposed position.

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.

The following comments were received in respect of this Question.

BTC

BTC disagreed with URCA's proposed guidelines including the timelines proposed, the union of the configuration and award processes, as well as a number of related matters touched on in response to earlier questions. BTC continued by recommending that URCA:

- Adopt service and technology neutrality.
- Ensure competitive market structures whilst limiting competition to sustainable levels.
- Provide for operators to use spectrum in efficient ways.
- Provide for spectrum trading.
- Allow enough time for development and implementation of the National Spectrum Plan and consultation on key elements of it.

BTC further suggested that URCA appeared to have pre-judged the 700 MHz band, having put into operation rules that are merely proposed, yet presenting a fully configured band and placing potentially interested parties into a situation of having to play by excessively restricted, incomplete and hurried rules in order to avoid losing a chance at obtaining space in this band.

CBL

CBL suggested that the process should be swift and notes URCA appears to have shifted from earlier statements.

SRG

SRG in their submission suggested that the initial consultation should stand on its own, and that expressions of interest should only be sought from the sector when the final band plan, costs and territories have been specified in the results of the consultation.

PEACE HOLDINGS

Pease Holdings agreed with URCA's approach on the proposed guidelines and the awarding of licences.

HI-TECHNOLOGY

Hi-Technology agreed with URCA's proposed guidelines and the awarding of licences.

URCA'S PROPOSED FURTHER ACTION/COMMENTS

There were five respondents to this question, two of which clearly indicated that they agreed with the position by URCA on the proposed guidelines, configuring and opening a new spectrum band and awarding licences. CBL commented that the process should be as swift as possible, while SRG's concern was that the initial consultation should stand on its own, and the expression of interest should only be sought from the sector when the final band plan, costs and territories have been specified in the results of the consultation.

BTC disagreed with URCA's position and specifically highlighted time line proposed, spectrum trading and the suggestions that the 700 MHz band was pre-judged.

URCA has already noted in answer to Question 3 above that it agreed with comments that it would have been more appropriate to complete its consultation and deliberations on the procedures and processes for the opening of bands, before issuing the request for Expressions of Interest in particular bands. URCA has stated that it will delay the EOI process pending completion of the procedures and guidelines for the opening of new bands. URCA therefore has not addressed the comments relating to the opening of the 700MHz band.

In relation to the approach proposed, URCA sees merits in the comments of BTC, particularly in relation to bands which are useful as access spectrum for public services. URCA is cognisant of the national and international aims relating to the improvement of access to Information and Communication Technologies, as espoused in the Sector Policy as well as the Millennium Development Goals of the United Nations and the World Summit on the Information Society plan formulated at the ITU. URCA therefore feels that while the principles put forward in the consultation document form a basis for the general treatment of bands, URCA will complete guidelines to treat with the criteria which URCA will adopt for opening bands. URCA has also decided that as a separate process it will formulate and consult separately on a strategic approach to the opening of spectrum bands. Such a process will seek to identify and set out a "roadmap" for the short to medium term, in respect of those bands which URCA of its own volition considers appropriate for opening, having regard to URCA's aims for the development of the ECS sector in The Bahamas. URCA does not wish to prejudge the content of that document, however as general guidance URCA expects that it will identify, inter alia:

- Those bands which URCA considers of importance to the development of the sector generally;
- URCA's assessment of the areas in which the encouragement of further development is appropriate, and the bands which might be relevant to that development;
- URCA's timelines for making available spectrum in relevant bands, including the current occupancy and any possible re-farming which would be necessary within those bands;

- Within those bands, guidance as to how URCA will determine optimum assignments, and whether there will be caps on the quantum of spectrum that will be assigned to particular operators;
- Guidance as to URCA's thinking on the number of operators that might be accommodated in a particular band, and whether any caps will be entertained from a market sustainability perspective; and
- Guidance as to URCA's position on the inclusion of service and coverage roll-out requirements/commitments, and associated claw-back provisions in respect of particular bands.

URCA has, therefore, together with this Statement of Results, released the Guidelines for Opening of New Radio Spectrum Bands. However, stakeholders should note that those Guidelines identify that certain bands will be given special treatment in relation to URCA's Spectrum Opening Plan.

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.

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.

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.

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.

Questions 7 through 10 related primarily to planning for the 700 MHz band which was one of the bands addressed by the Request for Expressions of Interest which URCA issued together with the Consultation Document. URCA notes that there was significant interest in the 700 MHz band, with one interested party submitting a completed licence application for spectrum in the band. URCA also received a large volume of comments regarding the opening of the 700 MHz band, on issues ranging from allocation and management to fairness and process for opening.

The responses received reveal that there are a significant number of issues which would necessitate URCA's close re-examination of its approach to licensing this band, and/or which indicate that there are pre-requisites to a fair, non-discriminatory and efficient process to allocate and assign the 700 MHz spectrum which had not been fully explored by URCA.

The public is also advised of the matters stated in section 3 of this document, regarding URCA's intent to adopt a strategic approach to the licensing of spectrum, particularly where the spectrum is allocated for wireless access. URCA proposes to include the 700 MHz spectrum in the Spectrum Opening Plan, within which URCA proposes to address the 700 MHz band at a very early stage.

Accordingly, URCA has decided to delay opening the 700 MHz band at this time, with the caveat that the band will be treated with expeditiously, in accordance with the Guidelines for Opening New Radio Spectrum Bands, once URCA's Spectrum Opening Plan has been developed. At such time, the responses to questions 7 through 10 will be taken into account in devising a Policy for this band, as provided for in step 3 of the Process for Opening New Radio Spectrum Bands.

2.2 Responses to the Request for Expressions of Interest

URCA's full response to the Expressions of Interest received and decisions in relation to opening the relevant bands will be issued as a separate document, however, interested persons are advised as follows:

- As stated above, URCA proposes to open the 700 MHz band, in respect of which considerable interest has been received, however, through the expressions of interest process URCA has identified several preliminary matters which must be addressed prior to opening that band. The public will be advised and consulted with further when URCA has addressed these matters. In the interim, interested persons are advised that no applications or further expressions of interest in that band will be accepted by URCA.
- URCA will be taking steps to open the 11GHz and 40 GHz bands forthwith. The bands will be opened in accordance with the process set out in the Guidelines (URCA will shortly consult on a draft initial policy for each band as required by step 3 of the process).
- No interest was expressed in the 12 GHz band, and therefore that band will remain closed. In accordance with the Guidelines, URCA will not consider Expressions of Interest in that band within 12 months of this publication.

3. Conclusion and Next Steps

3.1 Guidelines for the Opening of New Radio Spectrum Bands

URCA has, together with this document published the Guidelines for the Opening of New Radio Spectrum Bands (ECS 11/2011), based on the responses to the Consultation Document, as expressed within this Statement of Results. As indicated above, URCA will address the Expressions of Interest under separate cover in accordance with those guidelines. As a result of the specific content contained in the Guidelines, URCA may be required to request further information from interested parties regarding the Expressions of Interest submitted.

3.2 URCA's Approach to the Opening of New Radio Spectrum Bands

In order to further the objectives of the Comms Act, URCA intends to develop and follow a strategic approach to the opening of certain bands which are of particular value to the development of electronic communications services offered to the public in The Bahamas. To that end, URCA proposes to formulate a Spectrum Opening Plan which will:

- i. Seek to offer a level of certainty and predictability (regarding spectrum availability) to persons wishing to offer electronic communications services to the public using spectrum, by providing a road map for the medium term as to how and when URCA will, on its own initiative, seek expressions of interest for spectrum in given bands, focusing in particular on those bands which can be used to provide wireless access services;
- ii. Seek to ensure that the bands are opened in a manner which will ensure optimal development of electronic communications services;
- iii. Where necessary, address any spectrum re-farming that may be required within the identified bands;
- iv. Propose any additional conditions to be placed on specific bands, where appropriate; and
- v. Afford interested persons an opportunity to comment on URCA's proposals.

URCA will publish on its website a schedule indicating the status of all spectrum bands (including whether each band is open and the available capacity in each band) and the Schedule will be revised periodically (at least every six (6) months).

URCA acknowledges that the current pricing regime for spectrum in The Bahamas may not encourage efficient use of spectrum in the country, particularly having regard to the

geographical features of The Bahamas. For this reason, URCA has started a process to review and revise the current spectrum fees to ensure that the fees are fit for purpose. URCA will publish and invite comments on its proposed Spectrum Pricing Methodology and revised Spectrum Fee Schedule alongside the publication of the first Spectrum Opening Plan.

Together, the Guidelines for Opening New Radio Spectrum Bands, the Spectrum Opening Plan, the Spectrum Pricing Methodology and the Spectrum Fee Schedule, will form a suite of procedural guidelines intended to provide a clear, objective, and transparent framework within which stakeholders can plan their spectrum related activities. Stakeholders should not expect URCA to commence the process for allocating wireless access spectrum prior to the completion and publication of its Spectrum Opening Plan.