



Pan-Channel Island Consultation on Spectrum Awards in the 900 MHz Band

Consultation Document

Channel Islands Competition and Regulatory Authorities

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1. Introduction

The purpose of this document is to set out a consultation to assess demand for the limited amount of spectrum in the 900 MHz band that is still available.

CICRA¹ (the Channel Islands Competition and Regulatory Authorities) received requests from Sure and Airtel for the allocation of additional spectrum in the 900 MHz band. Accordingly, CICRA is launching this consultation, which is concerned with the permanent award of the remaining 900 MHz spectrum and invites comments from parties to assess whether there is excess demand for such spectrum. The extent of this demand will inform any decision by CICRA to make an award.

The context of this consultation is the process CICRA launched in July 2013 to allocate the spectrum generally referred to as 4G or LTE² spectrum. This process has now largely concluded with Ofcom's acceptance of CICRA's recommendation made in December 2014 for the award of LTE spectrum to successful applicants (Airtel, JT and Sure).

As a result of requirements by CICRA, the main mobile operators (JT in Jersey and Sure in Guernsey) released some of the spectrum they held in the 900 MHz band. Mobile operators now each hold no more than 2 x 15 MHz of spectrum in the 900 MHz band. The newly released spectrum is the object of this consultation.

Sure and Airtel also requested the award of temporary licences for the newly released spectrum, to enable them to engage in re-farming other spectrum bands and re-organising traffic flows in order to launch 4G. On the basis of these transitional needs, CICRA issued a recommendation to Ofcom for temporary licences.

However, this consultation document concerns the long-term allocation of the newly released 900 MHz spectrum, which is not in any way determined by its temporary allocation to Airtel and Sure; this allocation is for a short-term only and for a specific transitional purpose.

¹ The Jersey Competition Regulatory Authority (JCRA) and the Guernsey Competition and Regulatory Authority (GCRA) are together referred to as CICRA and unless otherwise stated, all references to CICRA in this Decision are to each of the JCRA and GCRA

² As the spectrum under consideration for allocation may be used for a variety of services – mobile or fixed or hybrid – the term 'LTE' is used to describe, generically, the services that the use of LTE or 4G standards allows on spectrum that support LTE standards.

Following an assessment of responses to this consultation, CICRA will determine whether to proceed with a recommendation to Ofcom as requested by Airtel and Sure or, if there is excess demand, whether a competitive process is required.

Disclaimer

This document does not constitute legal, technical or commercial advice; CICRA is not bound by this document and may amend it from time to time. This document is without prejudice to the legal position or the rights and duties of CICRA to exercise regulatory powers generally.

2. Structure of the Consultation

The consultation document is structured as follows:

Section 3:	This section outlines the legal bases for the GCRA's and the JCRA's roles in the allocation of spectrum for telecommunication purposes as well as the role of UK legislation in this area.
Section 4:	Records the set of objectives that guide CICRA's processes in determining spectrum allocation generally and, also, in assessing how to respond to Airtel's and Sure's requests.
Section 5:	Discusses spectrum availability in Guernsey and Jersey and other issues to the extent they are relevant to assessing Airtel's and Sure's requests.
Section 6:	Concludes the consultation

Interested parties are invited to submit comments to CICRA in writing or by email on the matters set out in this paper to the following addresses:

Suites B1 & B2 Hirzel Court St Peter Port Guernsey GY1 2NH Email: info@bicra.gg	2 nd Floor, Salisbury House 1-9 Union Street St Helier Jersey JE2 3RF Email: info@bicra.je
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All comments should be clearly marked "*Pan-Channel Island Consultation on Spectrum Awards in the 900 MHz Band*" and should arrive by 5pm on Monday 1 June 2015.

In line with CICRA's consultation policy, the regulators intend to make responses to the consultation available on the CICRA website, the combined website of the GCRA and JCRA. Any material that is confidential should be put in a separate annex and clearly marked as such so that it may be kept confidential. CICRA regrets that it is not in a position to respond individually to the responses to this consultation.

3. Legislative and Licensing Background

Legislative background and regulatory duties in the Channel Islands

The legislative bases for this consultation in Jersey are provided by the Competition Regulatory Authority (Jersey) Law 2001 and the Telecommunications (Jersey) Law 2002. In Guernsey, the relevant legislation is The Regulation of Utilities (Bailiwick of Guernsey) Law, 2001, The Guernsey Competition and Regulatory Authority Ordinance, 2012 and The Telecommunications (Bailiwick of Guernsey) Law, 2001. Any decision resulting from this consultation will be based on relevant laws and duties of the GCRA and the JCRA respectively.

The relevant duties of the JCRA in the telecommunications sector are those defined in Article 7 of the Telecommunications (Jersey) Law 2002; the relevant duties of the GCRA are those defined in Section 2 of The Regulation of Utilities (Bailiwick of Guernsey) Law, 2001 and transferred to it by Section 5 of the 2012 Ordinance mentioned above. In addition, there is scope for the States of Guernsey and States of Jersey to give directions to the GCRA and the JCRA respectively.

UK Legislation relevant to spectrum licensing in the Channel Islands

The use of spectrum in the Channel Islands is governed by UK legislation that has been extended to Guernsey and Jersey, as well as by international agreements between the UK and other countries on the use to which various bands of radio spectrum can be put and the avoidance of interference across borders. The licensing of spectrum, in the UK and in the Channel Islands, is carried out by the Office of Communications (Ofcom), by virtue of the powers given to it by the Wireless Telegraphy Act 2006 (WTA) and the Communications Act 2003³.

Ofcom's principal and secondary duties are in Section 3 of the Communications Act 2003 ('General duties of Ofcom'), which provides that:

- (1) It shall be the principal duty of OFCOM, in carrying out their functions—*
- (a) to further the interests of citizens in relation to communications matters;*
 - and*
 - (b) to further the interests of consumers in relevant markets, where appropriate by promoting competition.*

³ For the Channel Islands, as and to the extent that these Acts are extended to Jersey and Guernsey respectively.

(2) The things which, by virtue of subsection (1), OFCOM are required to secure in the carrying out of their functions include, in particular, each of the following—

- (a) the optimal use for wireless telegraphy of the electro-magnetic spectrum;*
- (...)*

Moreover, Section 3 of the WTA ('Duties of OFCOM when carrying out functions') further specifies Ofcom's duties as follows:

(1) In carrying out their radio spectrum functions, OFCOM must have regard, in particular, to—

- (a) the extent to which the electromagnetic spectrum is available for use, or further use, for wireless telegraphy;*
- (b) the demand for use of the spectrum for wireless telegraphy; and*
- (c) the demand that is likely to arise in future for the use of the spectrum for wireless telegraphy.*

(2) In carrying out those functions, they must also have regard, in particular, to the desirability of promoting—

- (a) the efficient management and use of the part of the electromagnetic spectrum available for wireless telegraphy;*
- (b) the economic and other benefits that may arise from the use of wireless telegraphy;*
- (c) the development of innovative services; and*
- (d) competition in the provision of electronic communications services.*

For the purposes of the spectrum relevant to this consultation, the respective roles of CICRA and Ofcom in coordinating the award of spectrum licences in the Channel Islands are as follows:

- CICRA ascertains the level and nature of demand for the spectrum in the bands related to the spectrum requested by Airtel and Sure. It identifies whether demand exceeds supply and a selection process is needed. Eventually, when the assessment and selection process is completed, it recommends an allocation to Ofcom; and
- Ofcom may issue licences for spectrum use under the WTA where it is satisfied CICRA's recommendation is consistent with its own statutory duties.

4. CICRA's objectives

As set out in section 3, the legislative background relevant to the process initiated by this consultation includes several pieces of legislation. The GCRA and the JCRA have separate duties and objectives set by law that are very similar. CICRA believes that a joint allocation of spectrum across the Channel Islands – in particular, an allocation that is aligned across the Islands – contributes to the achievement of the GCRA's and the JCRA's particular objectives.

In its first consultation relevant to the allocation of spectrum for the purpose of providing LTE services (July 2013), CICRA consulted on the objectives that should guide the process and criteria for the joint allocation of spectrum in the Channel Islands. Respondents supported CICRA's proposed objectives. CICRA's work on spectrum allocation is, therefore and from now on, informed by the following objectives:

- to further consumers' interests in the short and long term, having regard to prices and costs, and the availability and range of services suitable to consumers' different needs;
- to promote competition as a mechanism to further its consumer interest objective;
- to have regard to and, where it lies within its powers and is practicable, to lessen the impact of the spectrum-dependent activities it regulates on the environment;
- to seek to ensure the processes and criteria adopted by CICRA are consistent with Ofcom's duties, including the duty to secure the optimal use for wireless telegraphy of the electro-magnetic spectrum; and
- to the extent allowed by legislation, to deal with the Jersey and Guernsey Bailiwicks as a single economic and social entity.

The first three objectives summarise the duties that CICRA has, in one form or another, in the Islands' respective legislation. The fourth objective reflects Ofcom's own duties and seeks to ensure that CICRA's recommendations are acceptable to Ofcom. The last one translates the intention of the States of Jersey and Guernsey that there should be joint regulation of the radio spectrum available to both islands.

5. 900 MHz Spectrum

The purpose of this section is to describe the spectrum which is the object of this consultation.

Changes in the spectrum available in the 900 MHz band

The allocation of spectrum in the 900 MHz band is currently as described in Annex A, following a formal recommendation that CICRA made to Ofcom in December 2014 for the allocation of spectrum in the 800, 900, 1,800 and 2,600 MHz frequency bands. These recommendations are the outcome of the process CICRA launched in July 2013 to allocate the spectrum generally referred to as 4G or LTE⁴ spectrum. Ofcom has accepted this new allocation of spectrum.

The process of allocating LTE spectrum ensured that operators who obtained 2 x 10 MHz of spectrum in the 800 MHz band held no more than 2 x 15 MHz in the 900 MHz band. As a result, the main mobile operators, which held more than 2 x 15 MHz in Jersey (JT) and in Guernsey (Sure), released some of the spectrum they held in the 900 MHz band. This consultation concerns the award of this newly released spectrum.

Ofcom has now issued spectrum licences that:

- allocate new spectrum in the 800 and 2,600 MHz bands, namely spectrum that was not previously used by mobile operators
- re-organise the spectrum already allocated in the 900 MHz band so that spectrum is allocated in blocks of at least 5 MHz (allocations were, until now, fragmented in smaller blocks that did not permit full use of technological developments) and is aligned between Jersey and Guernsey except where JT and Sure have more spectrum in one island than in the other.
- allocate and re-organise the spectrum in the 1,800 MHz band so that each mobile operator has an increased allocation of 2 x 20 MHz aligned across both islands and the spectrum that was already allocated to operators is de-fragmented as for the 900 MHz band.

⁴ As the spectrum under consideration for allocation may be used for a variety of services – mobile or fixed or hybrid – the term ‘LTE’ is used to describe, generically, the services that the use of LTE or 4G standards allows on spectrum that support LTE standards.

While successful applicants are engaged in re-farming spectrum as described above and in building their new 4G/LTE network, CICRA has recommended temporary allocations of the newly released spectrum in the 900 MHz band to Airtel and Sure to support the launch of their 4G services. This consultation document concerns the permanent allocation of the newly released 900 MHz spectrum, and is not in any way determined by the temporary allocation to Airtel and Sure.

Spectrum Availability in the 900 MHz band

As a consequence of the re-organisation mentioned above, the following 2x5 MHz blocks of spectrum have become available in the 900 MHz band:

- 2 x 5 MHz of spectrum (downlink on 930 – 935 and uplink on 885 – 890) in both Jersey and Guernsey.
- An additional 2 x 5 MHz of spectrum (downlink on 940 – 945 and uplink on 895 – 900) in Jersey only.

The spectrum described above, as with the rest of the 900 MHz band, will be technology-neutral, meaning that it could be used in the provision of any type of mobile wireless service, be it 2G, 3G or 4G.

CICRA is consulting parties that may be interested in the requested spectrum. The consultation will in particular identify whether there is more demand for the remaining spectrum in the 900 MHz band than is available. If this were the case, CICRA would need to consider a competitive method to allocate this spectrum to the operator or operators that meet appropriate criteria.

6. Next Steps

In view of the considerations in Section 5 of this document, CICRA is seeking views on the nature of demand for the spectrum that is newly available in the 900 MHz band following the release of 900 MHz spectrum required by CICRA as part of the 4G competitive process. Respondents are asked to set out in sufficient detail the nature of such demand in order for CICRA to evaluate whether demand exceeds supply for the available 900 MHz spectrum, the nature of that demand, and why alternative spectrum available at present or in the future would not be adequate to meet such demand.

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Annex A - Spectrum Allocation in the Channel Islands - February 2014

Frequency Downlink	Frequency Uplink	J	G	Jersey				Guernsey							
				MHz				MHz							MHz
791 - 801	832 - 842			10				10						10	
801 - 811	842 - 852			10	JT(J)		C&W(J)		10	JT(G)		C&W(G)		10	
811 - 821	852 - 862			10			Airtel(J)		10				Airtel(G)		10
925 - 930	880 - 885			5				5						5	
930 - 935	885 - 890			5			Airtel(J)		5				Airtel(G)		5
935 - 940	890 - 895			5					5				C&W(G)		5
940 - 945	895 - 900			5					5				C&W(G)		5
945 - 950	900 - 905			5		5	JT(J)		5				C&W(G)		5
950 - 960	905 - 915			10		10	JT(J)		10				JT(G)		10
1805 - 1825	1710 - 1730			20				20						20	
1825 - 1845	1730 - 1750			20			Airtel(J)		20				Airtel(G)		20
1845 - 1865	1750 - 1770			20					20				C&W(G)		20
	1900.0 - 1905.0			5										5	
	1904.9 - 1909.9			5					5				JT(G)		5
	1905.0 - 1910.0			5		5			5				Airtel(J)		5
	1910.0 - 1915.0			5		5	JT(J)		5						5
	1915.0 - 1920.0			5		5			5				C&W(J)		5
	2115.0 - 2120.0			5										5	
	2120.0 - 2130.0			10					10						10
	2130.0 - 2140.0			10					10						10
	2140.0 - 2150.0			10		10	JT(J)		10				JT(G)		10
	2150.0 - 2160.0			10		10			10				C&W(J)		10
	2160.0 - 2170.0			10		10			10						10
	2620 - 2630			10					10						10
	2630 - 2640			10					10						10
	2640 - 2650	10		10	JT(J)		10				JT(G)		10		
	3.480 - 3.500			20				20						20	
	3.600 - 3.630			30					30						30
	3.630 - 3.660			30					30						30
	3.660 - 3.690														
	10.125 - 10.165														
	10.165 - 10.225								60				JT(G)		60
	28.0525 - 28.1645							112						112	
	28.1925 - 28.3045														
	28.3325 - 28.4445														
	29.0605 - 29.1725														
	29.1925 - 29.3045														
	29.3325 - 29.4445														