



TURKS AND CAICOS ISLANDS TELECOMMUNICATIONS COMMISSION

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PROVIDENCIALES
TURKS & CAICOS ISLANDS

March 2, 2009

DECISION NOTICE 2009 – 5

Re: Islandcom Spectrum Assignment for GSM Mobile Services

Background

On December 8, 2008, Islandcom Telecommunications Ltd. (Islandcom) applied to the Commission for assignment of frequencies in the so-called “A” band of the GSM cellular spectrum. The reason for the request was the ongoing difficulty the company was experiencing with serious interference in the band that they were originally assigned for their operation, which overlaps with frequencies that are assigned to the ISM (unlicensed) band in the United States and Canada. This aspect of the assignment has meant that equipment was being brought into Turks and Caicos Islands from North America, on the assumption that it could be used without licensing, and was being activated to the detriment of Islandcom’s operations. Moreover, it was learned recently that the power utility in TCI had imported several thousand wireless meter readers that had been installed throughout Providenciales, which essentially blanket the island, blocking for the most part, the entire network of Islandcom. Thus, the request for relief has become urgent.

Subsequent to its letter of December 8, 2008, Islandcom altered its request (in a letter dated January 13, 2009) to seek frequencies in the “B” band of the 850 block, which was being used in part by Lime (formerly Cable and Wireless). This request was based upon their review of the Cable and Wireless licence, which in the view of Islandcom, assigned only the “A” band to Cable and Wireless. Indeed, the wording of paragraph 1.3 of the licence states as follows: “for avoidance of doubt, nothing in this licence grants the licensee the right to use spectrum other than the spectrum set out in Annex E”. In Annex E to the licence, only the “A” band is actually assigned. Elsewhere in the Cable and Wireless licence document, there is a statement that reads: “850 MHz bands A and B” but this statement resides in a section that does not cover spectrum assignments.

With respect to the assignment issue, Lime stated the view that they were in fact granted both the A and B bands following the liberalization negotiations that resulted in the issuance of their licence in 2006. However, they indicated a desire to assist in freeing up spectrum for Islandcom that would not be encumbered by the interference problem. On

February 20 2009, Lime proposed that Islandcom be assigned 5MHz in the “B” band, which was at that time, unused. They further stated that they were prepared to free up additional capacity in the “B” band, but that such action would incur costs to the company. They provided a breakdown of these costs in confidence, since the supporting material contained market sensitive information. In their letter to Islandcom, they did indicate that while the initial 5MHz offered would incur no costs, the transfer of an additional 3MHz would incur costs of some \$800,000, which they would require as compensation from Islandcom. Because of the logistics connected with the changes required, Lime stated that the additional 3MHz would not be available until December, 2009.

In a reply dated February 24, 2009, Islandcom reiterated its view that Lime is not entitled to the “B” band, and indicated that it had conducted usage measurements in both bands, and stated that there is a total of 8.6 MHz of the band that is unused and a further 3.2 MHz that is very lightly used. They therefore requested that the Commission issue an order for Lime to vacate a further 5 MHz of the band for Islandcom’s use, in addition to the 5 MHz offered. This would leave Lime some 15 MHz of usable spectrum which would be “more than ample” according to Islandcom.

COMMISSION DECISION

The Commission has considered the submissions of Islandcom and Lime, and has determined the following:

On the basis of its preliminary analysis of the wording of the Cable and Wireless licence document, the Commission has concluded that the company may not be entitled to use the “B” band of the 850 MHz spectrum. However, in light of the fact that the company has voluntarily agreed to relinquish 5.2 MHz of the band to assist Islandcom, the Commission has concluded that this spectrum shall be assigned to Islandcom forthwith, without compensation to Lime. The Commission also notes that Islandcom has been assigned 10 MHz in the 1900 MHz band, and has decided that the spectrum fees for 5 MHz of this spectrum will be reduced from the current level to the same as applies to the 850 MHz band.

Finally, the Commission notes that this matter has raised the issue of efficiency in the use of valuable spectrum, and the importance of making effective use of assigned frequencies. There is surely adequate spectrum for the future in Turk and Caicos Islands, but it cannot be squandered or warehoused by any operator. It is the intention of the Commission to work with operators and other stakeholders to ensure that best international practices are followed consistently in future.