

RESPONSE
TO
SECOND 700 MHz SPECTRUM POLICY
CONSULTATION DOCUMENT

LIME

Landline | Internet | Mobile | Entertainment

By E-mail to: consultations@tcitelecommission.tc

23 July 2012

I. Introduction

1. CWI Caribbean Limited, on behalf of its affiliate Cable and Wireless (TCI) Limited, trading as LIME (“**LIME**”), is pleased to provide the following responses to the Commission’s consultation document titled ‘*Second 700 MHz Spectrum Policy Consultation Document*’ (the “**consultative document**”) published May 29, 2012.

2. 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 the Commission’s position. LIME reserves the right to comment on any issue raised in the consultation at a later date.

II. Clarification on LIME’s Application for 700 MHz Spectrum

3. While the Commission has advised that all operators will be required to re-apply for 700 MHz spectrum, LIME places on the record that it had amended its 2008 application for 700 MHz spectrum in August 2011.

III. Response to Questions

Question 1: FCC Channel Plan: Do you agree with the Commission's proposal to adopt the FCC 700 MHz spectrum channel plan for TCI? If not, explain why not and provide a specific alternative proposal with supporting rationale.

4. LIME agrees with the Commission’s proposal to adopt the FCC 700 MHz spectrum plan for the Turks and Caicos Islands. LIME had proposed in its response to the first consultative document that the adoption of the FCC channel plan would be most cost effective.

Question 2: Public Safety Spectrum Reserve: Do you agree with the Commission's proposal to reserve for future use the 700 MHz spectrum designated for public safety use under the FCC channel plan (i.e., 763-775 MHz paired with 793-805 MHz)? If not, explain whether there are any immediate or near term commercial uses for this spectrum, in whole or part, that could also support future public safety requirements.

5. LIME agrees with the reservation of spectrum for the purposes of public safety with the caveat that the spectrum should be available for commercial use where such usage would also facilitate public safety requirements. Accordingly the use of this spectrum should be reviewed periodically and as required.

Question 3: Upper D Block Reserve: Do you agree with the Commission's proposal to reserve the Upper D block designated for public safety use under the FCC channel plan for future public safety and/or commercial use? If not, explain whether there are any immediate or near term commercial uses for the Upper D block.

6. LIME has no objections to the reservation of the upper D block for public safety.

Question 4: Band 14: Digicel proposed that Band 14 (i.e., as illustrated in Annex 1, 758-768 MHz paired with 788-798 MHz, 20 MHz in total) could licensed for commercial uses. This band includes the Upper D block and part of the public safety spectrum reserve. Comment on whether there are any immediate or near term commercial uses for this specific spectrum band.

7. LIME is not aware of any commercial plans or networks in Band 14, however note that 3GPP have assigned “Band 14” to this spectrum. LIME assumes this band to be allocated by 3GPP to public safety systems. Even so LIME recognizes that over time spectrum assignments can change.

Question 5: Lower A Block: Comment on whether there are any immediate or near term practical and economic options for deploying LTE-based services in TCI in the Lower A block in comparison to the Lower B, C and/or Upper C blocks.

8. Officially 3GPP starts the 700 MHz LTE allocation at 699MHz (Band 12) – Considering 3GPP requires side band emissions to be with the spectrum profile, if using a 5MHz profile, 1MHz of spectrum would be wasted. In addition, 5MHz will only allow the same type and speed as current services. LIME would suggest a review to provide for a contiguous allocation of A and B blocks. This would then allow a 10MHz x 10MHz carrier serving an improved service above that currently available on HSPA technologies. This would be far more beneficial to TCI.

Question 6: Unpaired Lower D and E Blocks: Comment on whether there are any immediate or near term commercial uses in TCI for the unpaired Lower D and E blocks, and also comment on their relative attractiveness compared to the Lower B, C and/or Upper C blocks.

9. Currently there are very few commercial devices in the D and E block allocation frequencies. Most tend to be focused on public safety systems. There are numerous devices available at a reasonable cost point to serve the public in the A, B and C block allocations. Therefore commercial services are more attractive in the A, B and C blocks.

Question 7: “Prime” Spectrum Blocks: Comment on whether you agree that the Lower B, Lower C and Upper C to be the relatively more desirable or "prime" 700 MHz spectrum blocks available for commercial use in TCI at this time.

10. LIME agrees that the ‘prime’ and most desirable 700 MHz blocks are the Lower B, Lower C and Upper C blocks.

Question 8: 700 MHz Spectrum Assignment Options: Provide your views on the Commission's two 700 MHz spectrum assignment options, indicating your preference for either Option 1 or 2 with supporting rationale. Please provide any alternative proposals you may have, with supporting rationale.

11. LIME appreciates that the Commission has thought through how best to assign the spectrum that is available. LIME recognizes that with Option 1 all operators would be assigned the minimum of 12 MHz of spectrum. This minimum however is insufficient for LIME to provide an acceptable level of service for wireless broadband.

12. In its response to the first consultation LIME had indicated that '*The Company considers that an assignment of 4x10 MHz blocks would provide the Company with the capability to provide an ideal service offering to its customers*' Therefore Option 2 would most closely meet LIME's requirement, providing 20 MHz of spectrum. LIME presumes that 2MHz of guardband will be assigned on both blocks which would mean that in total 24 MHz of spectrum would be assigned.

Question 9: Spectrum for LTE Deployment Purposes: The Initial Consultation Document focused exclusively on the use of 700 MHz spectrum for the deployment of 4G LTE technology. Provide your views on whether 4G LTE technology could be effectively deployed using spectrum in other frequency bands (e.g., 1700/2100 MHz, 2500/2600 MHz or other frequency bands) taking into account the geography and demographics of TCI. If not, explain why not.

13. LTE could be deployed in the AWS bands, but better served as PICO or FEMTO (small, indoor) coverage scenarios. Macro deployment of AWS bands would increase the required base stations to provide an adequate service by up to two times. This would greatly increase the cost and of course the service pricing to the consumer.

Question 10: Spectrum for LTE Deployment Purposes: Explain whether any spectrum currently assigned to your company could potentially be used for the deployment of 4G LTE services and, if so, in what time frame.

14. Based on its experience when it was recently required to relinquish spectrum in the 850MHz band, LIME does not believe that it could divert any of the spectrum it currently uses to the deployment of 4G LTE service without sacrificing the quality of current services. This proposed approach of diverting existing spectrum would also mean a transition to 4G LTE that would take a significantly longer time and at greater cost.

Question 11: Spectrum Assignment Methodology: Provide your views on the Commission's conditional two-stage comparative selection process for awarding 700 MHz spectrum. Please provide any alternative proposals you may have, with supporting rationale.

15. The two-stage selection process proposed by the Commission is reasonable where (i) the spectrum is limited and (ii) multiple operators have requested the same blocks of spectrum.

Question 12: Stage Two Comparative Selection Criteria: Provide your views on the proposed second-stage comparative selection criteria, including what specific criteria you consider should be either added to or deleted from the list, if any, with supporting rationale. In addition, provide your views on the possible relative weighting of the criteria.

16. The criterion that LIME believes should be removed is:

ii) A complete summary of the spectrum licences currently held by the Applicant, their current uses and the identification of any available existing unused capacity.

17. While this may be a useful exercise in and of itself, it ought not to be a precursor to or a precondition for the evaluation of a request for 700 MHz spectrum. Similarly, the following portion of criteria vi should also be deleted:

‘...including their track record on deploying services in TCI using currently assigned spectrum’.

Otherwise LIME believes the proposed criteria are robust.

18. LIME does believe that the criteria must be weighted because, while they are all important, some are critical to the success of the deployment of 700 MHz. In this regard LIME suggest that, however the criteria may be weighted, the following criteria must be weighted more heavily than the others and can be of equal value:

iii) A detailed description of the Applicant's 4G LTE deployment plans using the requested "prime" 700 MHz spectrum, including planned investments, service launch timing, service coverage and service features and capabilities.

vi) A description of the Applicant's technical capability to deploy the planned 4G LTE services.....

Question 13: Proposed Spectrum Fees: Provide your comments on the Commission's proposed "prime" and "non-prime" 700 MHz spectrum fees and the approach used to derive them. Please provide any alternative proposals you may have, with supporting rationale.

19. The approach to pricing the spectrum proposed by the Commission is reasonable. LIME is of the view that this balanced approach to the pricing of the 700 MHz spectrum is commendable.

Question 14: Spectrum Fee Survey Results: Provide your comments on the survey of 700 MHz spectrum fees included in Annex 3, including identifying any revisions and/or additions you consider appropriate with supporting references and explanations.

20. LIME has not, at this time, identified any revisions or additions to the Commission’s table on spectrum fees.

Questions 15: Licence Conditions: Provide any comments you may have on the Commission's proposed 700 MHz licence (i) term, (ii) spectrum deployment and population coverage commitments and (iii) deployment commitment safeguard (and value). Please provide any alternative proposals you may have, with supporting rationale.

21. LIME notes the proposal to set the term of 700MHz spectrum licences at 10 years. The basis for this proposal is not clear. However, LIME notes that the spectrum licences presently granted to the telecommunications licensees in the Turks and Caicos Islands appear to be for periods of fifteen years. LIME recommends that the Commission retain its current practice of granting fifteen-year spectrum licences.

22. LIME does not oppose the application of reasonable spectrum deployment and population coverage commitments. However, a population coverage commitment just under 100% may be more reasonable. This would ensure all Turks and Caicos Islanders have coverage, but would avoid an operator being in breach of its coverage commitments merely because someone chooses to relocate to an outlying cay.

23. With respect to the deployment commitment safeguard, LIME proposes that the Commission allow for exigent circumstances that may force operators to slow, rethink or temporarily halt the rollout of their service. This simply provides for an opportunity for relief due to circumstances beyond the control of the parties. The Commission could elect to consider these on a case by case basis and, in such circumstances; the Commission could consider an extension of time.

24. LIME also proposes that the Commission should allow an operator to return the spectrum assigned in the event that the operator has continuously failed to fulfill its obligation.

25. In any event, LIME is of the view that the enforcement of any performance bond should be the very last resort since the objective of the Commission should be to get operators to rollout the service. In this regard, careful thought to the actual process that would trigger the enforcement of the bond is imperative. In particular, the Commission

should not establish a regime that would fetter its discretion to consider the circumstances of each case.

IV. Matter for the Records

26. LIME acknowledges, in particular, the Commission's clarification that '*... the Commission confirms that Andrews does not currently hold a spectrum licence in TCI in any frequency band, including the 700 MHz band. Moreover, to date, the Commission has not received a spectrum licence application from Andrews*'.

V. Closing Remarks

27. LIME thanks the Commission for the opportunity to participate in the consultation. Kindly send any communication in relation to this consultation to:

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