



Office of Utility Regulation

Peter Stahelin
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8 September 2008

Dear Peter

I am writing following our meeting of 4 September where we discussed C&W Guernsey's response to the OUR's Mobile Market Review document. During our discussions you indicated that it would be helpful to provide you with further clarity on the process the OUR envisages in the event that C&W releases 900 MHz spectrum as suggested in the consultation document.

The expectation is that this released spectrum would be cleared by C&WG over a period of time to allow C&WG to address any issues arising from that change. While I cannot state firmly what that time might be at this stage, my expectation is that six months should be sufficient to achieve this. Over this period, I anticipate ongoing discussions between the OUR and the relevant State Departments as already indicated in our consultation document. The objective of those discussions would be to understand the framework for future telecoms development in the Bailiwick that is consistent with the Government Business Plan, the Economic and Fiscal Policy and with the Environment Department's obligations including the Rural Area Development Plan and which provides telecoms operators with sufficient certainty to enable them to plan their investment in this market.

This Office will take those discussions into account in considering the options for further licensing of spectrum in the 900 MHz, 1800 MHz and the 2100 MHz ranges. Following consideration of those issues, this Office would then consider the further licensing for

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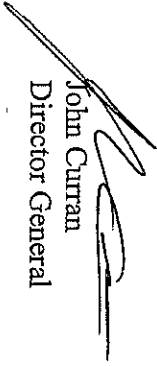
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spectrum use in the above bands. Our thinking at this time is any such award would be through a competitive process of some form, although we would expect to consult further on the detail of such award at a later date. There will therefore be a further opportunity to input into any further consideration of this aspect at a later date.

I trust this provides clarity on the way this Office intends to move forward in terms of processes and the nature of any future award of freed up spectrum. If there is any aspect of the above that is unclear please let me know and I will be happy to clarify. Given the issues raised by your response, I would welcome your views on the approach C&WG might take, in particular if there is any aspect of C&WG's response to the Mobile Market Review that you wish to amend in light of the above.

Yours sincerely



John Curran
Director General

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