



Pan-Channel Islands Consultation on Spectrum Awards in the 2.6GHz Band

Recommendation

Channel Islands Competition & Regulatory Authorities

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1. Introduction

- 1.1 The Channel Islands Competition and Regulatory Authorities (**CICRA**) issued a Consultation¹ on 4 April 2018 to assess demand in the Channel Islands for available spectrum in the 2.6GHz band. The consultation closed on 17 April 2018. Three responses were received from Airtel, JT and Sure (see Annex 1).
- 1.2 The effective use of spectrum for telecommunications purposes is a matter of public interest in the islands and, in this context, allocation of spectrum goes beyond the interests of one or more telecommunications operators. It is therefore important that spectrum recommendations by either the JCRA or the Guernsey Competition and Regulatory Authority (**GCRA**) are granted in such a way as to make the most efficient use of spectrum and deliver the maximum benefit to the Islands.
- 1.3 Following an assessment of responses, CICRA considers that demand does not exceed supply in this band and will proceed with a recommendation to Ofcom regarding an allocation of additional spectrum to Airtel, JT and Sure in this band.

2. Policy Framework

ROLE OF OFCOM AND CICRA

- 2.1 Licences granted by Ofcom for the Channel Islands are issued subject to there being in force a licence granted to the Licensee by either the JCRA or GCRA for the provision of a telecommunications service in that territory.
- 2.2 For the purposes of spectrum allocation, the respective roles of CICRA and Ofcom in coordinating the award of spectrum licences in the Channel Islands are as follows:
 - CICRA ascertain the level and nature of demand for the spectrum which is on offer. When the assessment and selection process is completed, a recommendation is provided to Ofcom.
 - Ofcom issues licences for spectrum use under the Wireless Telegraphy Act where it is satisfied CICRA's recommendation is consistent with its own statutory duties.

GOVERNMENT POLICY

- 2.3 In Jersey, the Digital Policy Framework was issued in February 2017. This provides that the delivery of advanced digital infrastructure will be supported by a telecommunications policy that will describe the steps to be taken, including the optimal use of spectrum, so that consumers have access to the range of services they require. The framework also confirms that the States of Jersey will encourage a competitive market that promotes affordability and high quality products and services.
- 2.4 The Digital Sector Strategic Framework for Guernsey describes a vision to drive economic growth by investing in the digital sector to support existing businesses and strengthen the offer to new business opportunities. It aims to drive digital sector economic growth (current and new) and competitive advantage. Under its aim to deliver responsive legislation and regulation, the framework states a metric as being to make Guernsey the location of choice for test-bedding new products.

¹ <https://www.cicra.gg/cases/2017/t1309gj-26ghz-spectrum-assessment-of-demand/t1309gj-26ghz-spectrum-consultation/>

2.5 In terms of 2.6GHz spectrum, in May 2013 the Minister for Economic Development in Jersey and Minister for Commerce and Employment in Guernsey wrote a joint letter to CICRA regarding the award of 800MHz and 2.6GHz spectrum and outlining an agreed policy position, as follows:

- *We expect the roll-out of 4G services will deliver benefits to mobile consumers in the Channel Islands, as well as to the economies of Guernsey and Jersey*
- *We are agreed that it will be beneficial to operators and consumers if spectrum used for 4G services in the Channel Islands is aligned with that of the UK and France (800MHz, 1800MHz and 2.6GHz)*

CICRA OBJECTIVES

2.6 CICRA has set out previously, the following objectives to guide process and criteria for joint allocation of spectrum in the Channel Islands:

- 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 power and is practicable, to lessen the impact of the spectrum dependent activities it regulates on the environment;
- To the extent allowed by legislation, to deal with the Jersey and Guernsey Bailiwicks as a single economic and social entity; and
- 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 of wireless telegraphy of the electromagnetic spectrum.

2.7 The first three objectives summarise the duties that CICRA has, in one form or another, in the Islands' respective legislation. The last objective is necessary to ensure that Ofcom is able to act on CICRA's recommendations, as they need to be made in furtherance of similar objectives to those assigned to Ofcom.

3. Consultation: 2.6GHz Spectrum

3.1 The Channel Islands Competition and Regulatory Authorities (**CICRA**) issued a Consultation² on 4 April 2018 to assess demand in the Channel Islands for available spectrum in the 2.6GHz band.

3.2 Responses to earlier consultations had indicated that the 2.6GHz band was less attractive to existing operators. However, responses to a consultation in 2017³ appeared to indicate that the 2.6GHz band was in greater demand from both existing and new operators. Following an assessment of responses to that consultation, CICRA decided to make a recommendation to Ofcom regarding an allocation to Flo Connect in Guernsey only.

² <https://www.cicra.gg/cases/2017/t1309gj-26ghz-spectrum-assessment-of-demand/t1309gj-26ghz-spectrum-consultation/>

³ <https://www.cicra.gg/cases/2017/t1309gj-26ghz-spectrum-assessment-of-demand/t1309gj-consultation-26ghz-spectrum/>

3.3 The current allocation in this band across both Islands is:

Sure	Airtel	JT	Flo Connect	Unallocated
2620.0 – 2630.0	2630.0 – 2640.0	2640.0 – 2650.0	TBA	
10	10	10	5 (Gsy Only)	35 Gsy / 40 Jsy

3.4 CICRA then decided that it would carry out a further consultation for further demands from existing operators as all three requested an additional 10MHz, taking their allocations to 20MHz each. The reasons given for the request by all operators is the considerable data volume growth since the original launch of 4G services.

3.5 The 2018 consultation asked:

Q1: Respondents are invited to comment on the allocation of additional spectrum to Airtel, JT and Sure, taking their allocation to 20MHz per operator, and the reorganisation of this band

RESPONSES

3.6 The responses received are attached at Annex A and summarised in the following table:

From	Response
Airtel	We welcome the CICRA initiative regarding the allocation of additional spectrum in Jersey and Guernsey. We need an additional 10MHz in the 2.6GHz band which will help us in building high capacity small cells. Airtel is open to reorganisation of its present holding in 2.6GHz so as to achieve contiguity. This will help Airtel in targeting hotspot areas and continue to promote competition in home broadband.
Clear Mobitel	Clear Mobitel has no objection in principle to the existing operators being allocated additional bandwidth provided that they demonstrate that it will be utilized in an appropriate and timely manner.
JT	I confirm that JT still wish to receive 10MHz of spectrum in the 2.6GHz band and I attach JT's confidential application for 2100MHz and 2.6GHz spectrum in the Channel Islands which was submitted on 24 th January 2018. We appreciate that there will be a requirement to re-organise spectrum and move channels to ensure that our spectrum allocation is contiguous. We are happy to move from our current allocation within the band and we will work with CICRA to accommodate these changes as quickly as possible.
Sure	Sure would support a decision to award an additional 10MHz of 2.6GHz spectrum to Airtel, JT and Sure and any re-farming process that would be required.

CICRA CONSIDERATION

3.7 As stated in Section 2 above, CICRA's stated aim is to seek to ensure the processes and criteria adopted are consistent with Ofcom's duties, including the duty to secure the optimal use of wireless telegraphy of the electromagnetic spectrum.

3.8 As there is sufficient spectrum available in this band to meet the initial demand indicated in the responses to the consultation, there appears to be no reason why Airtel, JT and Sure should not receive an increased allocation in this band.

4. Recommendation

- 4.1 The effective use of spectrum for telecommunications purposes is a matter of public interest in the islands and, in this context, allocation of spectrum goes beyond the interests of one or more telecommunications operators. It is important that spectrum licences are granted in such a way as to make the most efficient use of it and render the maximum benefit to the Islands.
- 4.2 Following an assessment of responses, CICRA has decided to proceed with a recommendation regarding an allocation of spectrum to Airtel, JT and Sure in this band.
- 4.3 CICRA will work with operators to re-organise allocations as required.

Annex 1: Responses

Airtel

- *We welcome the CICRA initiative regarding the allocation of additional spectrum in Jersey and Guernsey. Airtel is the only telecom services provider which is offering a viable and real wireless broadband option to Channel Island customers using the 4G spectrum. To continue the growth story, we need an additional 10MHz in the 2.6GHz band which will help us in building high capacity small cells. Airtel is open to reorganisation of its present holding in 2.6GHz so as to achieve contiguity. This will help Airtel in targeting hotspot areas and continue to promote competition in home broadband.*

Clear Mobitel

- *Clear is a company that has much experience in mobile wireless technology and recognizes that the development of competitive broadband services in the Channel Islands will provide the business community with services to help stimulate growth over the foreseeable future.*
- *Clear recognizes that spectrum is a key resource for the development of a competitive and innovative market for local businesses. It also recognizes need for good housekeeping and the efficient distribution of available spectrum for maximum utility. Clear is aware that the 2600MHz spectrum has so far remained unused by the current operators, however, the prospect of 5G technologies seems to have reinvigorated interest.*
- *Spectrum is a scarce resource and as such should be used as efficiently as possible in all cases. Clear is also aware of the potential difficulties presented with 2600MHz where it closely shares the band with various air control systems and thus special precautions are necessary. Clear was aware of this issue when first awarded allocations but was prepared to deal with the technical problems in order to launch its service. However, delays in licensing meant that it was unable to proceed as planned.*
- *Clear has no objection in principle to the existing operators being allocated additional bandwidth provided that they demonstrate that it will be utilized in an appropriate and timely manner. However, Clear notes that there will nevertheless be a parcel of spectrum available in both islands and would be interested in making a fresh application for that bandwidth.*

JT

- *I confirm that JT still wish to receive 10MHz of spectrum in the 2.6GHz band and I attach JT's confidential application for 2100MHz and 2.6GHz spectrum in the Channel Islands which was submitted on 24th January 2018.*
- *We appreciate that there will be a requirement to re-organise spectrum and move channels to ensure that our spectrum allocation is contiguous. We are happy to move from our current allocation within the band and we will work with CICRA to accommodate these changes as quickly as possible.*

Sure

- *Sure has previously outlined its views on the 2.6GHz band and a non-confidential version of this response can be found on the below link. In order to satisfy consumer demand for increased data usage, Sure has requested an additional 10MHz of 2600MHz spectrum, across both islands, to allow the use of a single continuous 20MHz LTE carrier.*
- *Having recently launched a new 4G mobile broadband product in Jersey, Sure expects data usage to increase further throughout 2018. In order to satisfy this increased usage, carrier aggregation will be required to satisfy these demands, more so in urban areas.*
- *The graph below shows the monthly peak data consumption of the Sure Guernsey and Jersey mobile since January 2016, demonstrating the constantly increasing requirements for mobile data.*

- *Allocation of a non-fragmented 20MHz is essential to maximise the potential of the additional bandwidth. Given the current allocation of spectrum within this band, and as all three established mobile operators have requested additional spectrum, a re-farming exercise will be required. It would be logical for Airtel to move from their existing band (downlink 2630.0 – 2640.0, uplink 2510.0 – 2520.0) to a higher band which, subject to a successful application by Sure, would allow Sure to utilise the above mentioned band without the requirement to re-farm.*
- *In summary, Sure would support a decision to award an additional 10MHz of 2.6GHz spectrum to Airtel, JT and Sure and any re-farming process that would be required.*

Annex 2: Legislative Background

The use of spectrum in the Channel Islands is governed by UK legislation and 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 powers given to it by the *Wireless Telegraphy Act 2006 (WTA)* and the *Communications Act 2003 (UK Communications Act)*⁴.

Ofcom's principal and secondary duties are in S.3 of the UK Communications Act ('General Duties of Ofcom'), which provides that:

- (1) *It shall be the principal duty of OFCOM, in carrying out its 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*
- (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;*
 - (b) *(...)*

Moreover, S.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 electromagnetic communications services.*

Licences granted by Ofcom for the Channel Islands are issued subject to there being in force a licence granted to the Licensee by either the JCRA or GCRA for the provision of a telecommunications service in that territory.

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

- CICRA ascertain the level and nature of demand for the spectrum which is on offer. When the assessment and selection process is completed, a recommendation is provided to Ofcom.

Ofcom issues licences for spectrum use under the WTA where it is satisfied CICRA's recommendation is consistent with its own statutory duties.

⁴ For the Channel Islands, as and to the extent that these Acts are extended to Jersey by *The Wireless Telegraphy (Jersey) Order 2006* and Guernsey by *The Wireless Telegraphy (Guernsey) Order 2006*.