

**Eastern Caribbean  
Telecommunications Authority (ECTEL)**

**Process for Assignment of Spectrum in the  
700 MHz Band**

**(March 2013)**

**INTRODUCTION**

This document outlines a process for selection of applicants for assignment of electromagnetic spectrum in the 700 MHz band in the ECTEL jurisdiction. The justification for the process is also presented. The process takes account of the submissions made by respondents to a public consultation (entitled “Consultation on Proposal for Assignment of Spectrum in the 700 MHz Band”) that was undertaken by ECTEL between 20<sup>th</sup> July 2012 and 20<sup>th</sup> September 2012. The process which was proposed in the consultation has been reviewed to reflect ECTEL’s final determination that resulted from the consultation.

**BACKGROUND**

In 2008, ECTEL advised the National Telecommunication Regulatory Commissions (NTRC’s) that spectrum in the 700MHz band (i.e. from 698 MHz to 806 MHz) should not be assigned until a band plan and pricing for that spectrum had been established. Subsequently, ECTEL developed a 700 MHz band plan as part of its “POLICY ON THE ALLOCATION AND ASSIGNMENT OF FREQUENCIES IN THE 700 MHZ BAND”. That policy document was the subject of a public consultation prior to its approval at ECTEL’s 47<sup>th</sup> Board of Directors Meeting in April 2009. The document is available on the ECTEL website at <http://www.ectel.int/pdf/consultations/2010/700%20Mhz%20Band%20Plan%20and%20Policy.pdf>

Based on the approved 700 MHz policy, ECTEL adopted an administrative pricing approach for determining the price for spectrum in the 700 MHz band. Based on this approach the price for spectrum in the 700 MHz band was set at XCD 20,000.00 per MHz frequency pair, which was approved at a subsequent meeting of the ECTEL Board.

Over the past several years, a number of applications for 700 MHz spectrum were received by NTRCs. However, because the sector had been advised that the spectrum was unavailable, and since some potential applicants were advised to withhold their applications until the finalization of the band planning and pricing exercise, it is very likely that many would-be applicants did not submit applications for 700 MHz spectrum.

In February 2012, ECTEL completed a public consultation on an amendment to the current Telecommunication Fees Regulations. For each ECTEL member state, the availability of 700 MHz spectrum for assignment will begin at the time of promulgation of the resulting amended Fees Regulations in that member state. The amended Regulations (which have already been dispatched to ECTEL Member States for promulgation) will, among other things, legally prescribe the fees for spectrum in the 700 MHz band.

Because the total bandwidth of 700 MHz spectrum being made available for assignment (72 MHz) is limited, this document outlines a process to be employed for the assignment of 700 MHz spectrum in ECTEL States that aims to strike a reasonable balance between the need to ensure a fair opportunity to all applicants for access to 700 MHz spectrum and the need to assign the spectrum in a manner that attempts to optimize its benefits to the telecommunications sector.

The process takes account of the submissions made by respondents to the public consultation that was undertaken (20<sup>th</sup> July 2012 and 20<sup>th</sup> September 2012) by ECTEL on the matter. It also reflects ECTEL's final determination on that consultation.

## **FAIR ACCESS, PRACTICABILITY AND EFFICIENT ASSIGNMENTS**

Although applications for frequency authorization are normally considered on a first-come-first-served basis, ECTEL considers it undesirable to assign 700 MHz spectrum strictly on a first-come-first-served basis for reasons related to fair access, practicability and assignment efficiency.

#### **FAIR ACCESS AND PRACTICABILITY**

A strict first-come-first-served approach would require NTRCs to consider all the applications that were received for 700MHz in the past, and to treat them on a first-come-first-served basis. This would however unfairly and unreasonably disadvantage those would-be applicants that withheld their applications pursuant to the Regulator's advice. It would effectively deny them fair access.

Furthermore, given that some of the past applications were submitted from as far back as 2008, the following practical difficulties would most likely arise:-

- a) Some of the applicants may no longer be desirous of receiving assignments of 700 MHz.
- b) Some of the applicants may need to modify the assignments that they requested either because of change in network plans or technology.
- c) Some of the information entered in the applications may have become invalid.
- d) There may be difficulties in reliably tracking all the applications that were received.

Given the foregoing concerns regarding fair access and practicability, past applications for 700 MHz will not be considered, and only applications received from a date (following the start of spectrum availability) to be set in a notice to be published by the NTRC should be considered.

#### **EFFICIENT ASSIGNMENT OF THE SPECTRUM**

The propagation characteristics of 700 MHz spectrum and the allowable power limits make it conducive to business models that are built on serving consumers over a large area. Due to its broadcast-like features (such as its ability to penetrate walls), it is very well suited for wireless broadband (e.g. 3G, 4G services) with voice and data being provided over Internet Protocols. This makes 700 MHz spectrum very valuable and in high demand. Based on

past applications received and expressions of interest, the total demand is likely to exceed the amount of spectrum available (only 72 MHz).

One of the most important goals of a telecommunications regulator is to ensure that scarce spectrum resources are assigned in a manner that maximizes its benefits to the sector. Such a goal would include at least the following two objectives:

- Ensuring the most rapid rollout /deployment of spectrum possible.
- Ensuring that a reasonable measure of priority is given to the provision of access to the spectrum for the purpose of upgrading existing networks and customer services – especially those networks with large subscriber bases.

Both of these objectives are likely to be best realized by giving a certain level of priority access to existing major providers of Public Mobile Telecommunications (PMT) services and Broadband Wireless Access (BWA) who wish to upgrade their networks or services. Those existing operators would generally be in the best position to achieve the most rapid rollout of 700 MHz spectrum since it is anticipated that the spectrum will be primarily employed for 3G and 4G broadband networks which are generally deployed as overlays/ extensions on existing 2G and 2.5 G network infrastructure.

To target the goal of optimizing the impact of the assignment of 700 MHz spectrum on the sector, NTRCs should ensure that existing PMT and BWA service providers (with operational networks) are assigned a minimum of 12 MHz of 700 MHz spectrum, provided that they submit their applications within a specified time window.

Thus in an attempt to achieve a reasonable balance between fair access, practicability and assignment efficiency, the assignment process will employ a first-come-first-served approach that begins from a future date to be specified, and which is modified to ensure that a minimum of 12 MHz of 700 MHz spectrum will be available for assignment to each existing (operational) PMT and BWA service provider who submits an application within a specified time window. The

assignment process will consider only applications received from the future date to be specified by the NTRC.

## **THE ASSIGNMENT PROCESS**

ECTEL will work closely with each NTRC as necessary to ensure a smooth implementation of the assignment process. The availability of 700MHz spectrum in each Member State will begin at the time of promulgation of the amended Fees Regulations that will prescribe the fees for assignment of spectrum in the 700 MHz band.

The assignment process is described in this section as it would be implemented in each Member State. The process commences with the publication of a Notice.

### **The Notice**

The notice will be published following promulgation of the amended Fees Regulations. The notice shall at least do the following:

- i) *Advise the public of the availability of 700 MHz spectrum.*
- ii) *Describe the process to be employed for award of 700 MHz spectrum.*
- iii) *Set a 90 calendar days deadline by which an existing PMT or BWA service provider should apply in order to be assured of an assignment of at least 12 MHz of spectrum provided that the application passes the normal evaluation process.*
- iv) *Outline or reference the existing rules that normally govern the spectrum evaluation /assignment process, and the conditions under the 700MHz policy that apply to the assignment of 700 MHz spectrum.*

The following rules shall govern the assignment process. Those rules only address aspects of the assignment process that will be different from the normal assignment process. All other existing rules that are not in conflict with the rules below will continue to apply:-

1. Frequency Authorization (FA) applications received before the date of publication of the Notice will not be considered in respect of their request for 700MHz spectrum, and the

applicants must submit fresh applications in response to the Notice in order to be considered for assignment of 700 MHz spectrum. This rule will automatically apply, and the NTRC will not initiate direct contact with affected past applicants in this regard.

2. All FA applications received by the NTRC following publication of the Notice shall be considered on a first-come-first-served basis for the assignment of the spectrum, subject to the provision for existing providers in “4” below.
3. All applications will be evaluated for assignment of spectrum using the existing evaluation criteria normally employed for that purpose.
4. An existing operational PMT or BWA service provider who submits an application within 90 calendar days from the date of publication of the Notice shall be assigned a minimum of 12 MHz of 700 MHz spectrum subject to all other conditions normally required for approval and assignment of spectrum being met, and in accordance with any other rules and conditions set in this document. Under this rule, the Regulator may assign up to the maximum of 24MHz to any provider who submits an application that provides adequate justification (to the Regulator’s satisfaction) of an absolute need for more than 12 MHz in order to ensure good quality service.
5. Where existing PMT or BWA service providers apply for spectrum in excess of the amount assigned under rule 4, their applications shall contend (with all other applications) for spectrum assignment, in respect of the excess, on a first-come-first-served basis.
6. Where, under rule 4, multiple applicants request the same spectrum block(s), the procedure outlined in the section below entitled “Clashing Applications” will be used for preventing clashing assignments.
7. Applications from existing PMT and/or BWA providers received after the 90 calendar days deadline shall be treated purely on a first-come-first-served basis similar to those of other applicants.

8. Based on the 700 MHz policy, an applicant will be assigned a maximum of 24 MHz of spectrum in the 700 MHz band.

### **CLASHING APPLICATIONS**

Where, under rule 4, multiple applicants request the same spectrum block(s), the following two-step procedure will be used for eliminate clashing assignments to qualifying applicants:-

Step 1: For any block of the spectrum where clashing applications occur, all the clashing applicants will be invited by the Regulator to negotiate among themselves for the purpose of jointly agreeing on non-clashing assignments for the blocks of spectrum in question. Negotiation shall proceed on a purely voluntary basis and must be for no consideration, save for the achievement of non-conflicting assignments. A period of up to one month shall be allowed for the negotiation / agreement process.

Step 2: Following a failure or conclusion of the negotiations, or following termination of the negotiation period, whichever is the soonest, any remaining conflict(s) shall be resolved by the Regulator using a lottery employing a process that is totally transparent to all the clashing applicants. The lottery will however be designed to conform to at least the following three rules:-

- i) Where an applicant has already been assigned a block of spectrum in an ECTEL State in response to an application under this spectrum assignment process, he shall be given the first right to be assigned that same block in subsequent assignments (under this process) occurring in other ECTEL States. That right shall not be overridden by the lottery.
- ii) An applicant for both blocks A' and B (i.e. the "AT&T blocks") may be assigned no more than one of the blocks if his application clashes with that of another successful applicant in respect of any of those two blocks.
- iii) An applicant applying for both blocks C' and D (i.e. the "Verizon blocks") may be assigned no more than one of the blocks if his application clashes with that of another successful applicant in respect of any of those two blocks

### **ASSIGNMENT AND ROLLOUT OF 700 MHz SPECTRUM**

Assignment of 700MHz spectrum shall be on condition that the spectrum is deployed for Broadband Wireless Access on the applicant's network within a set timeframe. Spectrum not rolled out for the purpose assigned in accordance with the following timeframe (following assignment) shall be subject to forfeiture.

- 1 year for start of offering 700 MHz wireless broadband access to the public.
- 18 months to achieve geographic coverage capable of providing access for at least 60% of the provider's mobile wireless subscriber base.
- 2 years to achieve geographic coverage capable of providing access for at least 95 % of the provider's mobile wireless subscriber base.

\*\*\*\*\* END \*\*\*\*\*