



ROCK MOBILE LIMITED

Response to Proposed Spectrum Holdings Policy

Rock Mobile Limited (ROCK) is pleased to respond to the Spectrum Management Authority's (SMA) Proposed Spectrum Holdings Policy dated November 16th 2020.

In responding Rock wishes to reiterate the position set out by the Fair Trading Commission (FTC) in Staff Report Assessment of Competition in the Mobile Market November 2, 2020 where it indicates at paragraphs 78- 79 that:

77. **There is a concern, however, that the competitive environment presently observed in the market is fragile as the society transitions to the new normal occasioned by the COVID-19 pandemic. One consequence of the pandemic is a significant non-transitory increase in the demand for mobile telecommunication services. This means that mobile telecoms operators are likely to increase their derived demand for mobile spectrum in the immediate future. If the spectrum assignment is not carefully managed, there is a risk that conditions of entry may no longer be easy if the available spectrum—in quantum or frequency, become insufficient for competitive entry.**
78. **As managers of mobile spectrum, therefore, the SMA has a crucial role in safeguarding competition.**

Rock notes that in setting the proposed Spectrum Screen, the SMA has indicated that it is ***“Cognizant of the changes brought about in the market place by the onset of the Coronavirus (COVID-19), and bearing in mind the need to safeguard competition by preserving the opportunity for new entry...”***

Consequently, while Rock does not object to the proposed spectrum screen at this time, it is urging the SMA to focus on maintaining a competitive landscape of which entry of new operators is a critical element. Broadband penetration in Jamaica still remains woefully low when compared to our Caribbean counterparts. Moreover, Jamaica is lagging behind in national digital development. Accordingly, managing the vagaries of COVID-19 must have at the forefront increased capacity, innovative services offerings and service to unserved and underserved communities.

In fact with Digitisation as a key pillar for sustainable economic recovery it is essential that the SMA properly manages the availability of spectrum for the ease of entry of new operators. The IDB in an October 2020 New Release <https://www.iadb.org/en/news/least-77-million-rural-inhabitants-have-no-access-high-quality-internet-services> pointed out that *“Data cited in the study indicates that a 1% increase in fixed broadband penetration would result in a 0.08% increase in GDP, whereas a 1% increase in mobile broadband penetration would produce a 0.15% increase in GDP. Moreover, with respect to processes of digitalization, it is estimated that a 1% increase in the Digital Ecosystem Development Index would create a 0.13% increase in the per capita GDP, with consequent positive repercussions on productivity.”*

Rock’s considered view is that policies and regulations affecting the Telecommunications industry must support ease of entry by new operators. Accordingly, Rock wishes to also urge a policy of transparency as regards spectrum holdings and allocations. This is essential for effective and fair operation of the policy.

The FTC has pointed out that third operators/new entrants serve to increase competition in the market. Rock wishes to add that this leads to quality of service improvements, improved reliability and increased innovation that will be essential for Jamaica’s COVID-19 economic recovery.