



MINISTRY OF SCIENCE, ENERGY AND TECHNOLOGY

NOTICE OF DECISION TO EXTEND THE AGGREGATE SPECTRUM CAP POLICY

INTENT

1. The intent of this Notice is to advise of the decision to extend the Aggregate Spectrum Cap Policy of 2014 which limited the overall spectrum holdings of mobile operators with respect to the 700 MHz, 850 MHz, 900 MHz, 1800 MHz, and 1900 MHz bands and to include the 1700 MHz/2100 MHz band.
2. The decision takes into account the current Information and Communications Technology (ICT) Policy, the policy objectives of the Telecommunications Act and the recommendation of the Spectrum Management Authority (SMA).

BACKGROUND

3. The Government of Jamaica (GoJ), in keeping with global trends and consistent with its policy objectives to promote increased competition and to provide all Jamaicans with access to ubiquitous communications connections sought to make additional spectrum available for licensing. In particular, the GoJ approved the licensing of the upper portion of the UHF TV band to accommodate mobile broadband wireless services, and sought comments from the industry in this regard.
4. In April 2013, the Information Memorandum – Licensing the 700 MHz Band was issued, which proposed the imposition of an aggregate spectrum cap. The proposed cap related to the maximum amount of spectrum that any operator would be allowed to hold, in aggregate, within the following bands: 700 MHz, 850 MHz, 900 MHz, 1800 MHz, and 1900 MHz. Based on initial queries/comments received, a second round of consultations was initiated with the issuance of the Position Paper on Mobile Spectrum Holdings Policy on August 12, 2013.
5. On September 16, 2013 the Minister with portfolio responsibility for Telecommunications issued a Notice of Decision to Implement an Aggregate Spectrum Cap Policy limiting the maximum holding of operators to a maximum of 80 MHz with respect to the 700 MHz, 850 MHz, 900 MHz, 1800 MHz and 1900 MHz bands. This Decision was later reviewed on the commencement of the process to assign the 700 MHz band and increased to 120 MHz effective April 1, 2014 (hereinafter "the 2014 Decision").
6. The 2014 Decision makes provision for its review every two (2) years or at such earlier time, in consultation with the SMA, as may be determined.

DISCUSSION

7. Spectrum is an essential component to the wireless industry and access to spectrum can be a significant barrier to entry. In addition, low band spectrum holdings confer particular competitive advantage. In light of this the GoJ desires to ensure that sufficient spectrum is available for new operators to enter the market and for all operators to compete effectively. The GoJ continues to be of the view that competition would be at risk if mobile operators were free to acquire any amount of spectrum desired and that scarcity and demand could create incentives for incumbents to strategically reduce the amount of spectrum available to a new entrant.
8. It is the view of the GoJ that a spectrum cap continues to be necessary if a robust competitive market is to be fostered and if consumer benefits are to be maximized.
9. The evolution of the market continues to impact the local landscape, changing existing telecommunication players and creating new ones. The changes in the market place have resulted in the introduction of new types of services and offerings, and the proliferation of smart devices, thereby increasing the demand for the radio frequency spectrum. It is therefore important that sufficient spectrum be made available to operators in the market to maintain fair competition.

CONSULTATION

10. In keeping with paragraph 17 of the 2014 Decision the SMA was requested to review the Aggregate Spectrum Cap Policy and provide its recommendation. The SMA, having conducted an audit of the spectrum holdings, has advised that with a cap of 120 MHz, operators have sufficient spectrum to provide island wide mobile/broadband services and that at this juncture, additional spectrum may result in inefficient use or hoarding.
11. Additionally, the SMA noted that if the level of the cap is increased, based on the spectrum available, the possibility exists that there would not be sufficient spectrum in highly desirable bands for a third operator to effectively compete.
12. With respect to the review period for the Aggregate Spectrum Cap Policy, the SMA recommended that same be reviewed subsequent to the International Telecommunication Union's World Radiocommunication Conferences in order to take advantage of the deliberations and decisions of the said Conferences.

DECISION

13. In the light of the above, the decision has been taken to extend the Aggregate Spectrum Cap Policy at the level of 120 MHz and to include in the calculation of the cap the 700 MHz, 850 MHz, 900 MHz, 1800 MHz, 1700 MHz/2100 MHz and 1900 MHz bands.
14. This decision will be reviewed within six (6) months of the conclusion of a World Radiocommunication Conference or at such earlier time, in consultation with the SMA, as may be determined.

15. This decision is consistent with the objectives of the Telecommunications Act and the GoJ's current ICT policy to foster increased competition for the provision of wireless broadband and telecommunications services and in particular to ensure fair, efficient and effective management of the radio frequency spectrum.

Issued under the authority of the Telecommunications Act.



**Dr. the Hon. Andrew Wheatley Minister of
Science, Energy and Technology March 24,
2017**