



Office of Utility Regulation

**Broadband Fixed Wireless Access –  
Opportunities to apply for Licences in the  
Bailiwick of Guernsey**

**Information Note**

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**Office of Utility Regulation**  
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## **1. Summary**

This information notice draws attention to the availability of radio spectrum in Guernsey for Broadband Fixed Wireless Access and invites any interested parties to express their interest by 24<sup>th</sup> June 2003 so that a decision can be made on the best manner in which to licence the available spectrum.

The spectrum is in the 28 GHz range and is allocated for use to provide high data rate connections from the homes and businesses of customers to a telecommunications operator's network, thus allowing for the rapid roll out of broadband access. A total of three licences are available in the Bailiwick and an expression of interest in one such licence has already been received.

## **2. Background**

Since 2000, the Radiocommunications Agency (RA) in the UK has been in the process of awarding licences for spectrum in the 28 GHz frequency band. This spectrum may be used for what is commonly referred to as Broadband Fixed Wireless Access (BFWA), aimed at delivering broadband services with data rates in excess of 2Mbits/sec. There are a number of benefits of using radio spectrum to provide broadband access in comparison to fixed networks, including the fact that radio links can often be deployed rapidly, resulting in greater choice and benefits for the consumer and the economy.

The RA has awarded 16 licences across various regions in the UK by auction and is in the process of considering what further initiatives may be needed to encourage the take-up of the remaining licences available. It has made some changes to the requirements since the initial licence awards in 2000, most notably the removal of the restriction on use clause and the 'use it or lose it' provision. These changes provide businesses with greater flexibility in terms of the use they make of the spectrum and the timing of roll out of any services.

Initially three BFWA licences had been ear-marked for the Channel Islands. However following discussions between the RA and the OUR it has been agreed that it is possible to provide for the operation of three separate licensed operators for the Bailiwick of Guernsey with a further three available for allocation in Jersey. The OUR is pleased that the RA has been able to accommodate this change as it provides for the maximum opportunity for the take-up of this frequency spectrum in both jurisdictions and provides interested parties with more scope and opportunities for developing their businesses.

## **3. What is BFWA**

In keeping with the States of Guernsey's policy of driving e-business and online participation, the development of a world-class communications infrastructure is of paramount importance. Broadband will play a pivotal role in this – not just for business, but for individuals and Government as well. Therefore the rapid roll-out and adoption of broadband, over both fixed and mobile infrastructure, across the Bailiwick is important to the States' social and economic objectives.

BFWA systems are a means of making “last-mile” connections between users’ premises and a telecommunications network. They can deliver very high data rates and have the potential to transport a complete range of electronic traffic, including telephony, high-speed data, television and multimedia services.

The target market for these services includes small and medium enterprises (SMEs); single-office, home-office (SOHOs) for teleworking; and sectors of the residential market that demand always-on Internet access and interactive email. The higher-bandwidth services may also be particularly attractive to certain users such as colleges and business parks.

BFWA has a number of advantages over wired and cable systems. First, its range of operation is less limited than ADSL, which may not reach customers located more than 3.5 km from a local exchange, whereas BFWA has a reach of 5km. However, given the topology of the Bailiwick of Guernsey this may not be a very significant advantage.

Second, BWFA can be more quickly deployed than cable, because there is no need to dig up roads to lay down a network before connecting customers – this advantage may be particularly significant in an environment such as exists in the Bailiwick.

Finally, BWFA is cost-effective, because base stations do not have to be established until there are customers in an area (hence costs are also scaleable to the size of the customer base), and it can provide very high data rates.

A point to note also is that 26 GHz is the standard spectrum used for BFWA in the majority of Europe. The UK allocated 28 GHz for BFWA, as 26 GHz is already in use for point to point links. However no assignments exist in the Channel Islands within the 26 GHz band. The technical characteristics of 26 GHz is similar to that of 28 GHz, so the existing technical parameters could be adapted for use at 26 GHz, thus opening the possibility of more licences in the Bailiwick in this frequency band.

#### **4. The award process in the UK**

As stated above the RA is responsible for the management of the radio spectrum in the UK and because of historical links it has also managed the radio spectrum for a number of Crown Dependencies, including the Bailiwick of Guernsey. Consequently the award of radio spectrum in the Crown Dependencies has tended to follow the approach of the UK mainland. However with the liberalisation of Guernsey’s telecommunications market there have been adjustments to take account of local matters, as for example was the case in relation to 3G mobile telephony licences. The rules governing the award in the UK are set out in the various Wireless Telegraphy legislation in place.

For BWFA, the licence award process in the UK has been designed to be as simple as possible for potential applicants while balancing the need for efficiency in the award of the spectrum. The award process has been as follows:

1. The UK mainland has been divided into 14 geographic regions, ranging from the Greater London region to areas such as Wales and Scotland.
2. The RA made three licences available within each of these geographic regions.
3. For each of these geographic regions a reserve price was established for each licence within that area. Again the price varied from region to region, with a licence for Wales having a reserve price of £100,000 whereas the reserve price for London was set at £4m. However in most regions, the reserve price was set at £2m.
4. Applications were invited per region and where the RA received a bid for a licence in a specific geographic region, it publicly announced the fact and allowed a period of 20 days for other interested parties to register their interest.
5. After the conclusion of this period, the RA either awarded a licence or entered into a bidding stage with the interested parties should there be more bidders than licences available (as stated earlier there are 3 licences per region).
6. Currently there are still licences available in all but 4 regions in the UK

Interested parties should note that the foregoing is a summary of the key elements of the RA process only. For full details please contact the RA, or alternatively information is available from the RA website at <http://www.radio.gov.uk/>. It should also be noted that for Guernsey there may be co-ordination issues to be resolved with the French authorities due to the proximity of the French mainland to certain areas of the Bailiwick. It is expected that such issues will be dealt with through the normal procedures followed by the RA and their French counterparts.

## **5. BFWA in Guernsey**

In late April 2003, the RA notified the OUR that it had received an application for BFWA spectrum for the Bailiwick of Guernsey. Following a period of discussion with the RA, it has been agreed that it would be appropriate to follow a process similar to that followed by the RA itself in such cases and as a result the OUR published a notice in the Gazette Officielle on 4<sup>th</sup> June 2003 informing interested parties that an application for BFWA spectrum had been made and inviting other applications for any of the three licences available.

The OUR is anxious to ensure that the opportunities that exist with BFWA are gained for the Bailiwick. With this in mind the OUR is mindful that the certain fundamental principles should be borne in mind in deciding on the allocation of such spectrum including;

- the efficient utilisation of the BFWA spectrum available;
- that the opportunities that BFWA presents for early and effective competition for the provision of broadband services are realised; and
- that the award process for the available licences reflects the special characteristics of the market in Guernsey

The OUR is currently engaged with the RA to determine the appropriate charges for the spectrum associated with BFWA.

## 6. Next Steps

Interested parties are advised to consult further the comprehensive information that is available on the RA's website relating to the BFWA spectrum and the conditions it attaches to the award of this spectrum<sup>1</sup>. They should also note that the initial period for making their interest known expires on **24<sup>th</sup> June 2003**. Any organisation interested in a BFWA licence should contact the RA directly on Tel: 020 7211 0736.

Interested parties should also note that a Telecommunications Licence may be needed to cover the provision of any public services within the Bailiwick of Guernsey using this spectrum. The OUR will be able to provide general information with regard to BFWA and related matters. Interested parties may contact the OUR in Suites B1&B2, Hirzel Court, St Peter Port, GY1 2NH. Tel: 01481 711120.

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<sup>1</sup> Further information on Broadband Fixed Wireless Access, and the procedures for the award of such licences, is available from the RA either from its website ([www.radio.gov.uk](http://www.radio.gov.uk)) or by contacting the RA directly on Tel: 020 7211 0736.

# ANNEX 1

*Extract from the RA'S Licensing Procedures Manual for Broadcasting, Programme-Making and Multimedia – March 2003*

## **Section H, Chapter 3**

### **The Licensing Procedures for Broadband Fixed Wireless Access (BFWA)**

The Licensing Procedures for Broadband Fixed Wireless Access (BFWA)

In November 2000 the first award of 28 GHz Broadband Fixed Wireless Access Spectrum Licences took place. There were 42 licences made available in 14 regions throughout England, Wales, Scotland and Northern Ireland. 16 Licences were sold covering 60% of the population 26 remained unsold.

After consultation with Industry the Agency decided to hold a second award process for the remaining 26 licences and on 15 October 2001 the licences were made available over a twelve-month period. No bids had been received when the Agency closed the award process on 14 October 2002. The Agency published another consultation document proposing a new award process for unsold licences. After considering the responses, the Agency has now:

- modified the "purpose of use" condition within new and existing licences, to allow the deployment of any fixed service;
- removed the "use it or lose it" condition within new and existing licences; and
- is currently considering offering smaller licence regions, on the basis of pre-determined areas (e.g. county licences), or by operators nominating the areas they want, or by licensing individual base stations, for a third award process which will commence Winter 2003.

The WT licence is granted at the end of an award process on receipt of a licence fee for a period of 15 years. A BFWA operator requires licences under both the Wireless Telegraphy Act and the Telecommunications act ([http:// www.oftel.gov.uk](http://www.oftel.gov.uk)) and depending on the services they wish to provide it is possible that they may also require a Broadcasting Act Licence ([www.itc.org.uk](http://www.itc.org.uk)).

The co-ordination requirements for BFWA operators are set out in Agency information sheet 390. Operators are encouraged to co-operate to resolve co-existence problems but the Agency will arbitrate if necessary. More detailed information about BFWA can be obtained from our website under 'BFWA'.