



Office of Utility Regulation

**Guernsey Airtel Mobile Licences:
Failure to Meet Launch Date**

Statutory Invitation to Comment

**Notice of proposal to issue a Direction to Guernsey
Airtel Ltd under Section 27 of the
Telecommunications (Bailiwick of Guernsey) Law,
2001**

Document No: OUR 08/01

January 2008

Office of Utility Regulation
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1. Background

Following a public tender competition for the award of mobile licences, the Director General awarded Guernsey Airtel Ltd (“**Airtel**”) licences on 15th September 2006 for the provision of 2G and 3G mobile telecommunications networks and services in the Bailiwick of Guernsey. Among the conditions included in the two licences, and accepted by Airtel, are specific targets with regard to the levels of coverage and roll-out that must be achieved by specified dates. These are detailed in Condition 15 of the licences.

Condition 15.2 of the 2G Mobile Telecommunications licence and Condition 15.2 of the 3G Mobile Telecommunications licence required Airtel to commence the provision of the licensed mobile services to the public by 15th September 2007. In addition Condition 12.1 of each of the licences require that service be provided to the public generally and without discrimination.

In September 2007, the OUR, following a request from Airtel, granted an extension of three months to allow the company meet its licence obligations. The company was therefore required to commence the provision of mobile services on 15th December 2007.

Airtel has provided the OUR with a report on the degree to which it has complied with its licence obligations. The OUR has assessed this report and has determined that Airtel has not launched its service in compliance with the terms of its 2G and 3G mobile licences.

2. Findings of Breaches of Licence Conditions

The following licence conditions are relevant in the context of this notification:

2G Licence

“12 Provision of Service to the Public

12.1 The Licensee shall provide the Licensed 2G Mobile Telecommunications Services to the public generally, without discrimination and in accordance with the Conditions.”

“15. DEVELOPMENT OF NETWORK AND SERVICES

15.2 The Licensee shall roll-out the Licensed 2G Mobile Telecommunications Network and shall commence provision of Licensed 2G Mobile Telecommunications Services by 15th December 2007 with Coverage of at least 55% of the population (by resident) of the Bailiwick of Guernsey. In addition Licensed 2G Mobile Telecommunications Services will be provided to Guernsey, Alderney, Sark and Herm by 15th December 2007.”

Airtel is found to be in breach of Conditions 12.1 and 15.2 of its 2G Mobile Telecommunications Licence in that it has failed to commence the provision of the licensed mobile services to the public by 15th December 2007.

3G Licence

“12 Provision of Service to the Public

12.1 The Licensee shall provide the Licensed 3G Mobile Telecommunications Services to the public generally, without discrimination and in accordance with the Conditions.”

“15. DEVELOPMENT OF NETWORK AND SERVICES

15.2 The Licensee shall roll-out the Licensed 2G Mobile Telecommunications Network and shall commence provision of Licensed 2G Mobile Telecommunications Services by 15th December 2007 with Coverage of at least 55% of the population (by resident) of the Bailiwick of Guernsey. In addition Licensed 3G Mobile Telecommunications Services will be provided to Guernsey, Alderney, Sark and Herm by 15th December 2007.”

Airtel is found to be in breach of Conditions 12.1 and 15.2 of its 3G Mobile Telecommunications Licence in that it has failed to commence the provision of the licensed mobiles services to the public by 15th December 2007.

3. Proposed Direction

In the light of the licence breaches set out above and in accordance with section 27 of the Telecommunications (Bailiwick of Guernsey) Law, 2001, the Director General proposes to direct Airtel to do the things set out in the following paragraph by the time specified in that paragraph, in order to address the licence breaches.

Guernsey Airtel Ltd is directed to commence the provision of its Licensed 2G Mobile Telecommunication Services and its 3G Mobile Telecommunication Services by **31st March 2008**.

4. Sanctions

In the event that Airtel does not comply with any Direction issued in accordance with Section 27 of the Telecommunications (Bailiwick of Guernsey) Law, 2001, the Director General may impose any of the sanctions available under the Law. The sanctions set out in section 27 of the Law are;

- Suspension of licence
- Revocation of licence or
- Imposition of a financial penalty

Before invoking any of these sanctions the Director General must follow the procedure set out in section 28 of the Law.

The Director General reserves the right to invoke any of these sanctions but clearly cannot fetter his discretion or prejudge the final Direction that may be issued until after he has complied with the procedure set out in section 27 of the Law and considered any written representations or objections.

5. Conclusions

In accordance with Section 27(3) of the Telecommunications (Bailiwick of Guernsey) Law, 2001, the Director General gives notice in this document, of his intention to issue a direction under Section 27(2) of that Law to Guernsey Airtel Ltd.

Guernsey Airtel Ltd and any interested parties may make any written representations or objections in respect of the proposed Direction. Such written representations or objections must be provided by 5pm on 18th January 2008 and shall be sent to the following address:

Office of Utility Regulation
Suites B1&B2
Hirzel Court
Hirzel Street
St Peter Port
Guernsey
GY1 2NH

In accordance with section 27(4) of the Telecommunications (Bailiwick of Guernsey) Law, 2001, the Director General shall consider any representations or objections received within the relevant time period before publishing his decision to make or not make a final Direction. Following the making of any Direction, Airtel's compliance will be monitored and the Director General is empowered to invoke the sanctions available in the Law in the event of any failure in compliance.

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