



CICRA Consults on Modifications to JT (Guernsey) Limited's Mobile Licence

Consultation Document

Channel Islands Competition and Regulatory Authorities

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NOTICE OF MODIFICATION TO TELECOMMUNICATIONS LICENCE

The GCRA has issued a notice to modify the mobile licence of JT (Guernsey) Limited in accordance with Section 8 of The Telecommunications (Bailiwick of Guernsey) Law 2001. The modification places the minimum requirements and performance commitments made by the licensee in its successful bid for 4G spectrum into its licence. The modification also alters the definition of a licensed mobile telecommunications network and provides for technology neutrality. The GCRA invites any comments regarding the modifications. The deadline for comments is 5 pm on 16 April 2015. Please send your comments to the address below or by e-mail to lisa.white@cicra.gg.

The non-confidential licence is available on the GCRA website (www.cicra.gg) or from the GCRA Offices in Suites B1&B2, Hirzel Court, St Peter Port, GY1 2NH. Tel: (0)1481 711120

Michael Byrne
Chief Executive
9 April 2015

Licence issued to

JT (Guernsey) Limited

under Part 1, section 1 of

THE TELECOMMUNICATIONS (BAILIWICK OF GUERNSEY) LAW, 2001

The Guernsey Competition and Regulatory Authority (GCRA), in exercise of the powers conferred on it by the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001, grants to the Licensee a Licence to establish, operate and maintain a Licensed Mobile Telecommunications Network and provide Licensed Mobile Telecommunications Services (as these terms are defined in the Conditions of this Licence), within, to and from the Bailiwick and subject to the Conditions, all lawful directions of the GCRA and all applicable laws, rules, regulations and Ordinances of the States of Guernsey.

DATED

**SIGNED ON BEHALF OF THE GUERNSEY COMPETITION AND REGULATORY
AUTHORITY BY:**

Michael Byrne, GCRA Chief Executive

CONDITIONS

1. DEFINITIONS AND INTERPRETATION

- 1.1 A word or expression that is used in the Licence and the Conditions and is also used in the Telecommunications (Bailiwick of Guernsey) Law, 2001 or the Regulation of Utilities (Bailiwick of Guernsey) Law, has, except where the context otherwise requires, the same meaning in the Licence and the Conditions that it has in the relevant Law. In addition, the expressions set out below have the meanings given to them below:

“Conditions”: means Conditions included in this Licence as may be amended, revoked or added to by the GCRA from time to time;

“Code”: means the code included as Schedule 1 in the Telecommunications Law unless the context indicates otherwise;

“Directory Information Services”: means services offering information concerning the name, Number, address, customer type and directory type in respect of customers who have been provided with telecommunications directories and/or services relating to directory information;

~~“ETSI”: means the European Telecommunications Standards Institute;~~

~~“GSM”: means Global System for Mobile communications;~~

~~“IMSI”: means International Mobile Station Identity;~~

~~“IMT 2000”: means International Mobile Telecommunications 2000 and is the global standard for third-generation (3G) wireless communications as defined by the International Telecommunication Union;~~

“Interconnection”: means the physical and logical linking of the telecommunication systems of two persons who, for the time being, have the benefit of a Class or Individual Licence granted under Part I of the Telecommunications Law and one of whom may be the Licensee; and this for the purpose of allowing the Users of one organisation to communicate with the Users of the same or another organisation or to access services provided by another organisation; and services may be provided by the parties involved or other parties who have Access to the network;

“To Interconnect”: means to establish and maintain an Interconnection

“ITU”: means the International Telecommunications Union;

“Licence”: means this licence to provide Licensed Mobile Telecommunications Services and to establish, operate and maintain a Licensed Mobile Telecommunications Network, subject to the Conditions;

“Licence Commencement Date”: means the date on which this Licence is signed by the GCRA Chief Executive;

“Licence Fee”: means the fee prescribed by the GCRA under sections 3(3) and 6 of the Telecommunications Law and payable by the Licensee;

~~“Licensed 2G Mobile Telecommunications Services”: means Licensed Mobile Telecommunications Services compatible with the European GSM standard and provided utilising the 900, 1,800 and 2,100 MHz frequency bands assigned to the Licensee for mobile services, with the approval of the Director General, by Ofcom in accordance with the~~

~~Wireless Telegraphy Act and the relevant ETSI technical specifications;~~

~~“Licensed 3G Mobile Telecommunications Services”: means Licensed Mobile Telecommunications Services compatible with the European UMTS standard and provided utilising the 1,800 and 2,100 MHz frequency bands assigned to the Licensee for mobile services, with the approval of the Director General, by Ofcom in accordance with the Wireless Telegraphy Act and the relevant ETSI technical specifications;~~

“Licensed Mobile Telecommunications Network”: means a mobile network infrastructure constructed in accordance with the ~~GSM or European UMTS standards~~ described below and used for the purpose of providing Licensed Mobile Telecommunications Services in accordance with this Licence; the applicable standards are:

- a) any relevant compulsory standards and/or specifications as are listed in the Official Journal of the European Communities for the provision of services, technical interfaces and/or network functions pursuant to Article 17 of the Framework Directive. Where no compulsory standards or specifications have been so published, the Communications Provider shall take full account of any relevant voluntary standards and/or specifications so published, and any relevant standards and/or specifications adopted by the European Standards Organisations;
- b) in the absence of such standards and/or specifications referred to in paragraph a) above, international standards or recommendations adopted by the International Telecommunication Union (ITU), the European Conference of Postal and Telecommunications Administrations (CEPT)⁷, the International Organisation for Standardisation (ISO) and the International Electrotechnical Committee (IEC);
- c) in the absence of such standards and/or specifications referred to in paragraphs a) and b) above, any other standard specified by the GCRA in a direction, provided that the GCRA shall not make such a direction if an appropriate European or other international standard is expected to be promulgated within a reasonable time;
- d) in any case, a standard specified by the GCRA for the purpose of enabling an Interconnection and, generally, interoperability as long as this standard does not do more than to require compliance with a relevant standard in existence as referred to in paragraphs a) to c) above.

“Licensed Mobile Telecommunications Services”: means services (other than satellite services) the provision of which consists, wholly or partly, in the establishment of radio communications to Users, which makes use wholly or partly of a Mobile Telecommunications Network and which has the characteristic of a pan-European, cellular, digital, land based, mobile telephony service compatible with the European standards; ~~Such services are either Licensed 3G Mobile Telecommunications Services or Licensed 2G Mobile Telecommunications Services;~~

-“Licensed Telecommunications Network”: means a Telecommunications Network (other than a Licensed Mobile Telecommunications Network) which is provided in accordance with a Licence issued by the GCRA;

“Licensed Telecommunications Services”: means telecommunications services (other than Mobile Telecommunications Services) provided to the public;

“Licensee”: means the holder of this Licence;

“Local Call”: means a call that originates and terminates solely within the Bailiwick and does not include calls to or from termination equipment being used for the purpose of roaming on a Licensed Telecommunications Network.

“Mobile Network Code”: means the code assigned to identify a mobile network operator in a specific country;

“MVNO” or “Mobile Virtual Network Operator”: means an organisation offering mobile communications services and operating a physical network infrastructure including, as a minimum, a mobile switching centre, home location register and authentication centre, having its own unique Mobile Network Code with distinct Number series (where applicable) according to ITU standards, and issuing its own branded SIM Cards (or equivalent); But it operates without a mobile radio access network;

“Numbers”: means the formats of codes and Subscriber and User numbers for routing Telecommunications Services to a Network Termination Point, User, Telecommunications Equipment or Customer Premises Equipment in the Bailiwick, which formats are allocated by the GCRA (within the meaning of the Regulation Law) or by Ofcom under the Communications Act.

“Number Portability”: means a service enabling a Subscriber or a User to retain his Number when transferring his custom from the Licensee to an Other Licensed Operator within the Bailiwick or vice versa;

“Ofcom”: means the Office of Communications, the UK communications regulator that regulates the TV and radio sectors, fixed line and mobile telecommunications operators, and the airwaves over which wireless devices operate;

“Other Licensed Operator”: means any person who, for the time being, has the benefit of a Class or Individual Licence granted under Part I of the Telecommunications Law;

“Regulation Law”: means the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001, as amended;

“SIM card”: means the card that securely stores a subscriber or a User identification module used to identify Users on mobile telephony devices such as mobile phones or computers;

“Subscriber”: means a legal or natural person who has a contract with the Licensee to receive Licensed Services (mobile and other than mobile). For the avoidance of doubt a subscriber does not include users of pre-paid services;

“Telecommunications Law”: means the Telecommunications (Bailiwick of Guernsey) Law, 2001, as amended;

~~“UMTS”: means Universal Mobile Telecommunications System which is a standard developed in Europe (by ETSI) and a member of the IMT-2000 family of standards, agreed by ITU;~~

“Universal Service”: means a Telecommunications Service, the scope of which is specified by States Directions;

“User”: means a consumer of telecommunications services; and

“Wireless Telegraphy Licence” means a licence issued in accordance with the UK Wireless Telegraphy Act, 2006;

1.2 In the Licence and these Conditions, unless the context indicates a contrary intention:

- (a) references to Conditions, paragraphs and subparagraphs are to Conditions, paragraphs and subparagraphs of the Conditions, as varied from time to time in accordance with the Conditions;
- (b) a document will be incorporated into and form part of, the Conditions if it is referred to in the Conditions and reference to such a document is to that document as varied from time to time;
- (c) headings used for conditions, paragraphs and subparagraphs are for ease of reference only and will not affect the interpretation of the Conditions;
- (d) references to any law, rule, regulation, Ordinance or other legal instrument includes any modification, re-enactment or legislative provisions substituted for the same;
- (e) use of the word "includes" or "including" should be construed as being without limitation; and
- (f) the masculine gender shall include the feminine and neuter, and the singular shall include the plural, and vice versa, and words importing persons shall include firms or companies.

PART I: ESTABLISHMENT AND ENFORCEMENT

2. SCOPE OF THE LICENCE

2.1 This Licence authorises the Licensee to provide Licensed Mobile Telecommunications Services and to establish, operate and maintain a Licensed Mobile Telecommunications Network.

2.2 The Licence is personal to the Licensee and the Licensee shall not:

- (a) sub-license, assign or grant any right, interest or entitlement in the Licence nor transfer the Licence to any other person; or
- (b) sell or pledge any of its assets which are necessary to provide any Licensed Mobile Telecommunications Services or establish, operate and maintain any Licensed Mobile Telecommunications Networks which the Licensee is obliged to provide under this Licence, unless such assets are immediately replaced with equivalent assets,

without the prior written consent of the GCRA. The GCRA shall not unreasonably withhold consent.

2.3 Condition 2.2 does not apply to:

- (a) a mortgage or other transaction entered into for the purpose of securing borrowings of the Licensee or an Associated Company, being borrowings for the purpose of the Licensed Telecommunications Network or the provision thereof or anything incidental thereto, or

- (b) a transfer, assignment or other disposal of an interest in assets under an arrangement whereby the Licensee retains the use and benefit of such assets for the remainder of the useful life of such assets and for the duration of the Licence, or
- (c) a transfer, assignment or other disposal of assets made in the ordinary course of business.

2.4 Subject to Condition 8 the Licensee shall notify the GCRA of the occurrence of any of the following:

- (a) any fact or event likely to materially affect the Licensee's ability to comply with any Condition including any change to the Licensed Mobile Telecommunications Network which may detrimentally affect the permanence, availability or quality of the Licensed Mobile Telecommunications Network or the Licensed Mobile Telecommunications Services;
- (b) an insolvency-related event in respect of the Licensee or an Associated Company of the Licensee, or any preparatory steps being taken that might lead to an insolvency-related event,

immediately upon the Licensee becoming aware of the event.

2.5 The Licensee shall notify the GCRA:

- (a) of any proposed Change of Control of the Licensee forthwith upon the Licensee, or its Chairman, Chief Executive Officer, Chief Operating Officer or any Director becoming aware of the proposed change; and
- (b) in any event, on the occurrence of any Change of Control of the Licensee, within thirty days of that event.

2.6 On receipt of a notification the GCRA may:

- (a) approve the proposed change or the change in writing;
- (b) disapprove the proposed change or the change in writing, giving reasons; or
- (c) approve the proposed change or the change subject to the Licensee accepting a modification of the Licence under section 8 of the Telecommunications Law and, or issue such directions to the Licensee as the GCRA considers necessary

and, or in addition to any of the above measures, the GCRA may issue such directions to the Licensee or invoke any of the sanctions, penalties or remedies in the Law or the Licence as the GCRA considers necessary or appropriate.

In taking action under this section, the GCRA may have regard to whether or not the GCRA would have awarded the Licence to the Licensee had the Change of Control taken effect prior to the award.

2.7 In this Condition 2, "**Control**" shall mean any direct or indirect possession of any power or right that enables a person or group of persons to direct, or cause the general direction of, the management or policies of the Licensee by any means and in any event, a person or group of persons shall be deemed to Control the Licensee if:

- (a) He or they exercise or control the exercise of fifty-one per cent or more of the votes able to be cast at general meetings of the Licensee on all, or substantially all, matters; or
- (b) he or they are able to appoint or remove directors holding a majority of voting rights at board meetings on all, or substantially all matters or is able to appoint or remove a majority of the governing body of the Licensee; or
- (c) he or they exercise or control the exercise of fifty-one per cent or more of the partnership or other ownership interests of the Licensee,

and, in each case, reference to the Licensee shall include any person who Controls the Licensee in any of such ways, and “**Change of Control**” shall mean any change as a result of which any other person or group of persons acquires Control.

2.8 The Licensee shall supply to the GCRA, in relation to itself and any Associated Company which Controls the Licensee:

- (a) a copy of its annual return on the same date on which it is required to be filed in accordance with the Companies (Guernsey) Law, 1994;
- (b) a copy of its annual report and accounts on the same date on which it is circulated to the shareholders of the relevant Body Corporate; and
- (c) where the relevant Body Corporate is not incorporated in the Bailiwick, any returns, reports, accounts or other information under the laws of any applicable jurisdiction which are, in the opinion of the GCRA, analogous or equivalent to the above, at such times and in such forms as the GCRA directs from time to time.

2.9 The Licensee shall comply with any other requirement in law or practice to obtain any additional consents, permissions, authorisations or licences as may be necessary for the provision of the Licensed Mobile Telecommunications Services or the establishment, operation and maintenance of the Licensed Mobile Telecommunications Network and for the exercise of its rights or discharge of its obligations under this Licence. Such licences shall include, but not be limited to, a Wireless Telegraphy Licence to use appropriate radio frequency spectrum to operate the Licensee’s Mobile Telecommunications Network

2.10 The Licensee shall ensure that:

- (a) the administration and management of the business associated with the establishment, maintenance and operation of the Licensed Mobile Telecommunications Network and the provision of the Licensed Mobile Telecommunications Services shall be conducted from the Bailiwick; and
- (b) its business is conducted in a manner which the GCRA is satisfied is on a normal commercial basis and at arm’s length from the business of any of its shareholders or Associated Companies.

3. LICENCE FEE

3.1 The Licensee shall pay the Licence Fee in the manner directed by the GCRA.

3.2 Without prejudice to any other remedies of the GCRA under this Licence or the Laws, if the Licensee fails to pay any amount due to the GCRA under this Condition 3 by the due date, the unpaid amount will accrue interest daily from the due date to the date of payment at three

percentage points above the published base rate of the Bank of England.

4. PROVISION OF INFORMATION

- 4.1 For the purpose of monitoring the Licensee's compliance with the Conditions and the Laws, the Licensee shall provide to the GCRA in the manner and at the times required by the GCRA, any documents, accounts, returns, estimates, reports or other information including but not limited to the documents, accounts, returns, estimates, reports and other information specified in this Licence.
- 4.2 The GCRA may require an examination, investigation or audit of any aspect of the Licensee's business relating to the Licensed Mobile Telecommunications Network or the Licensed Mobile Telecommunications Services or its compliance with the Conditions and the Laws, and the Licensee shall provide any assistance requested by the GCRA in relation to any such examination, investigation or audit. The GCRA may issue directions with regard to the manner in which such examination, investigation or audit is carried out.
- 4.3 In particular, the GCRA may authorise a person to carry out an examination, investigation or audit or may require the Licensee to arrange for an examination, investigation or audit of any aspect of the Licensed Mobile Telecommunications Network or the provision of the Licensed Mobile Telecommunications Services to ensure compliance with the Conditions. The Licensee shall allow the GCRA's authorised representative to attend at, enter and inspect any premises under the Licensee's or any of its Associated Companies' control, and to take copies of any documents and to acquire any information in the control of the Licensee or any of its Associated Companies, as may reasonably be required in order to carry out the examination, investigation or audit.
- 4.4 The Licensee shall bear all reasonable costs associated with any examination, investigation or audit conducted under this Condition 4.

5. COMPLIANCE

- 5.1 In addition to the Conditions, the Licensee shall comply with:
- (a) any obligation imposed on it by the Laws or by any law, regulation, rule or Ordinance; and
 - (b) any direction duly issued by the GCRA under the Laws or by any law, regulation, rule, Ordinance or this Licence.

6. MODIFICATION

- 6.1 The GCRA may from time to time modify, revoke or add to any condition in this Licence. Any modification, revocation or addition to the Conditions shall be made in accordance with Section 8 of the Telecommunications Law and any other requirements under any applicable law.

7. ENFORCEMENT AND REVOCATION

- 7.1 The GCRA may at any time revoke this Licence in accordance with the provisions and procedures set out in Section 28 of the Telecommunications Law. The GCRA may also take any action to enforce any condition of this Licence in accordance with Section 27 of the Telecommunications Law or any direction issued relating to this Licence.

8. EXCEPTIONS AND LIMITATIONS ON THE LICENSEE'S OBLIGATIONS

- 8.1 If the Licensee is prevented from performing any of its obligations under this Licence because of a force majeure:
- (a) the Licensee shall notify the GCRA of its nature and the obligations it is prevented from performing as soon as reasonably practicable; and
 - (b) those obligations may be suspended, and the Licensee will not be liable to perform those obligations, for so long as the force majeure continues, only if and to the extent that the inability to perform could not have been prevented by taking steps specifically required under this Licence or other reasonable precautions and the inability cannot reasonably be circumvented by the Licensee at its expense through the use of alternate sources, work-around plans or other means.

9. INTEGRITY OF THE NETWORK

- 9.1 If a Licensee refuses to provide Licensed Telecommunications Services because providing those Licensed Mobile Telecommunications Services would or would be likely to cause damage or interference to Licensed Telecommunications Networks or Licensed Mobile Telecommunications Networks or Licensed Telecommunications Services or Licensed Mobile Telecommunications Services, and in the event of a dispute arising as to this refusal, the Licensee shall provide details with regard to its proposed action and the GCRA shall issue a determination on the matter.

10. MATTERS OF INTEREST TO THE BAILIWICK

- 10.1 The Licensee shall, in connection with its establishment, operation and maintenance of the Licensed Mobile Telecommunications Network and provision of the Licensed Mobile Telecommunications Services take reasonable steps to prevent any of them from being used in, or in relation to, the commission of offences against the laws of the Bailiwick.
- 10.2 The Licensee shall establish and maintain the capability to intercept Messages transmitted over the Licensed Mobile Telecommunications Network and to provide information regarding the use of Licensed Mobile Telecommunications Services, in order to be able to meet the requirements of the Regulation of Investigatory Powers (Bailiwick of Guernsey) Law, 2003.

11. TERM

- 11.1 The Licence commences on the Licence Commencement Date and continues, subject to the Licensee's compliance with the Conditions and the Laws and subject to any revocation or suspension by the GCRA for an indeterminate period.

PART II: PUBLIC SERVICE CONDITIONS

12. PROVISION OF SERVICE TO THE PUBLIC

- 12.1 The Licensee shall provide the Licensed Mobile Telecommunications Services to the public generally, without discrimination and in accordance with the Conditions.
- 12.2 The Licensee shall comply with any directions issued by the GCRA requiring it to contribute to a fund which may be established to cover the net cost of the provision of the Universal

Service Obligation.

13. PUBLIC EMERGENCY CALL SERVICES

- 13.1 The Licensee shall provide a public emergency call service, being a Telecommunications Service that enables a User at any time and without incurring any charge or using any coin or token, to communicate with the police, the ambulance or fire services or the maritime search and rescue services and to notify them of an emergency by using any terminal equipment lawfully connected to the Licensed Mobile Telecommunications Network at any place in the Bailiwick.
- 13.2 The Licensee shall ensure that codes 112 and 999 and other codes which may be designated as emergency access codes shall be open to all terminal equipment equipped with a valid SIM Card or other equivalent identifier, where technically necessary, and are exclusively reserved for calls to emergency services.

14. DIRECTORY INFORMATION

- 14.1 The Licensee shall ensure that Users have access to Directory Information Services and operator assisted services offered by any Other Licensed Operator who is obliged to provide such services.
- 14.2 The Licensee shall, at its own expense:
- (a) maintain a complete and accurate database of its Subscribers' Numbers and make the data available to Other Licensed Operators who become obliged to provide Directory Information Services and Operator Assisted Services (but only to facilitate the provision of such services);
 - (b) co-operate with all such Other Licensed Operators in the supply or compilation of comprehensive and accurate directory information; and
 - (c) not use any directory information provided to it by any Other Licensed Operator for any purpose other than for providing Directory Information Services and Operator Assisted Services unless specifically authorised to do so by the Other Licensed Operator concerned.
- 14.3 The Licensee shall comply with any relevant legislation covering the protection of data in force and as may be amended from time to time.

15. CONSUMER PROTECTION

- 15.1 The Licensee shall, in the manner and at the times specified by the GCRA, publish the standard terms and conditions, including tariffs, under which it provides each category of Licensed Mobile Telecommunications Services to Subscribers and Users. In the absence of any other direction from the GCRA, the Licensee shall ensure that a current statement of all applicable terms and conditions is promptly made available for inspection at the request of any member of the public or promptly sent to them by post on request.
- 15.2 The GCRA may direct the Licensee to change the Licensee's standard terms and conditions from time to time. He would consider, in particular, whether terms and conditions are easy to understand, transparent and accessible.
- 15.3 The Licensee shall safeguard the privacy and confidentiality of all Messages transmitted over the Licensed Mobile Telecommunications Network and the Licensed Mobile Telecommunications Services shall comply with all applicable laws from time to time

regarding the protection of personal data and shall comply with any directions issued by the GCRA for the purposes of protecting the interests of its Subscribers or Users.

- 15.4 The Licensee shall provide each of its Subscribers with an acceptable level of itemised billing for international calls, at no additional charge. On request by a Subscriber, the Licensee shall also provide itemised billing for local calls at a reasonable charge. The itemised bill produced by the Licensee shall in all cases provide sufficient detail to facilitate verification of charges incurred by the Subscriber in using the Licensed Mobile Telecommunications Services. Calls which are free of charge to the User because they are calls to the emergency Numbers and the emergency access codes referred to in Condition 13.2, and similar codes, shall not be identified in the subscriber's itemised bill.
- 15.5 The Licensee shall publish an appropriate code of practice ("consumer code") for the resolution of Subscriber or User disputes and including but not limited to the non-payment of bills and disconnection. The GCRA may from time to time issue directions to the Licensee specifying any modifications or additions that he considers should be made to the consumer code.
- 15.6 The consumer code shall identify a transparent, simple, inexpensive procedure in order to address, inter alia, the following:
- (a) the appointment of a representative of the Licensee to be the first point of contact for members of the public;
 - (b) a means of recording complaints and disagreements against the Licensee;
 - (c) the procedure and time frame in which the Licensee will respond to complaints and disagreements;
 - (d) the method and duration of retention of records of complaints and disagreements; and
 - (e) the level of any compensation that the Licensee may offer where complaints have been upheld or not satisfactorily resolved.

If a complaint or disagreement remains unresolved for 3 months, either party may refer it to the GCRA for determination.

- 15.7 The consumer code may be amended by the Licensee from time to time, provided that the Licensee shall notify the GCRA and publish the proposed changes 28 days in advance of their coming into effect. The GCRA may issue directions to the Licensee as to the changes, including but not limited to directions not to make the changes, directions to amend the changes further or directions as to the timing of the changes.
- 15.8 The Licensee shall participate in good faith in any dispute resolution procedure established by the GCRA for the resolution of disputes.
- 15.9 The Licensee shall publish a statement setting out the minimum service levels for Users (including pre-paid users) and Subscribers in respect of each category of Licensed Mobile Telecommunications Services it offers, any exceptions to these, and the compensation or refunds it will offer to Subscribers or prospective Subscribers, or to Users, where service levels are not met. The Licensee shall also submit the statement to the GCRA.
- 15.10 The GCRA may consult on the statement provided in accordance with Condition 15.9 and issue directions to the Licensee specifying any modifications or additions that he considers should be made to the draft statement. The Licensee shall then re-publish the statement in the

agreed form, in accordance with any directions as to publication made by the GCRA, and shall forthwith implement the same. The GCRA may from time to time issue further directions requiring modifications or additions to the statement and as to its re-publication and implementation.

- 15.11 The Licensee shall keep records, and shall make them available to the GCRA upon request, which show:
- (a) the extent to which the Licensee has succeeded in meeting the targets described in Condition 15.9;
 - (b) the compensation that has been paid in relation to complaints or disagreements where the Subscribers or Users complaints were upheld and why complaints were dismissed;
 - (c) the changes made to the Licensee's standard terms and conditions and the dates of these changes; and
 - (d) such other matters that the Director directs should be included in records.
- 15.12 The Licensee shall ensure the accuracy and reliability of any systems, equipment, data or procedures which the Licensee uses to measure or to track the provision of Licensed Mobile Telecommunications Services or for the calculation of related charges.

16. MONITORING PERFORMANCE

- 16.1 The Licensee shall cooperate with OLOs and the GCRA to develop a range of service quality and performance indicators that enable customers to make informed choices when selecting a mobile telecommunication service provider.

16A Minimum Requirements for 4G services

- 16A.1 The Licensee shall comply with the minimum requirements of the 4G competitive process as set out in Schedule 2 of this licence.

16B Performance Commitments for 4G services

- 16B.1 The Licensee shall comply with the performance commitments of the 4G competitive process as set out in the confidential Schedule 3 of this licence.

PART III: GENERAL CONDITIONS RELATING TO THE PROVISION OF MOBILE TELECOMMUNICATIONS

17. NUMBERING

- 17.1 The Licensee shall use only those Numbers that are allocated to it for the purpose of terminating Messages on the Licensed Mobile Telecommunications Network and shall comply with any directions concerning use and allocation which are issued by the GCRA from time to time.
- 17.2 The Licensee shall manage any Numbers allocated to it with a view to conserving Numbers as a public resource and shall maintain a record of the status of all Numbers allocated to it and on request, shall provide that information to the GCRA.

17.3 The Licensee shall not charge its customers for allocations of Numbers except where authorised and in accordance with any direction from the GCRA.

17.4 The Licensee shall comply with any directions issued by the GCRA in respect of Number Portability.

18. RADIO FREQUENCY SPECTRUM

18.1 The Licensee shall provide the Licensed Mobile Telecommunications Services in accordance with the requirements of the Wireless Telegraphy Act and Telecommunications Act.

18.2 The Licensee shall at all times facilitate the proper management of the radio frequency spectrum and shall ensure that the equipment and systems of the Licensee are adequate to prevent or, if necessary, eliminate interference with other authorised radio systems. The Licensee shall if so directed by the Director in writing where he believes that an emergency exists:

(a) modify, in such manner as may be specified in the direction, the operating characteristics of any radio transmitting station used for the purposes of the Licensed Mobile Telecommunications Services; or

(b) cease operating any radio channel or radio transmitting station used for the purposes of the Licensed Mobile Telecommunications Services.

18.3 The Licensee shall ensure that non-ionising radiation emissions from its Licensed Mobile Telecommunications Network are within the limits specified by the guidelines published by the International Commission for Non-Ionising Radiation Protection (ICNIRP) and that it complies with any radiation emission standards adopted and published from time to time by ETSI, the European Committee for Electrotechnical Standardisation and any other standards specified by the GCRA.

19. ACCESS TO LAND

19.1 The Licensee shall be entitled to all powers and rights and subject to all such obligations as are set out in the Code. Nothing in this Licence shall absolve the Licensee from any requirement in law to obtain such additional consents, permissions, authorisations or licences as may be necessary for the provision of Licensed Mobile Telecommunications Network and Licensed Mobile Telecommunications Services and for the exercise of its rights or discharge of its obligations under this Licence.

20. ACCESS TO FACILITIES

20.1 The Licensee will use best endeavours to allow Other Licensed Operators to access its infrastructure. The Licensee will prepare a standard Access-to-facilities agreement for use with Other Licensed Operators within three months of any request and a copy of the agreement will be filed with the GCRA.

20.2 Without prejudice to the foregoing, Access provided under Condition 20.1 shall include but not be limited to the sharing by the Licensee of Telecommunications Equipment and Associated Facilities such as housing, masts, electricity supply etc with Other Licensed Operators within the Bailiwick.

20.3 If the Licensee and any Other Licensed Operator fail to reach agreement within sixty days in respect of a request by the Other Licensed Operator for Access, and the GCRA considers that such Access is essential as being the only economically feasible means by which Telecommunications Networks can be installed or connected to the premises of a User or

Subscriber, or over, under, in or across any public right of way or as being the only feasible means of avoiding material damage to the environment, the GCRA may instruct the Licensee to allow, or to procure that the Licensee's Associated Company allows the Other Licensed Operator, Access on reasonable terms unless the GCRA determines that the Licensee or the Licensee's Associated Company concerned, alone or with any other person willing or required to do so, is unable to grant the necessary Access, or that it would otherwise be unreasonable for it to do so.

21. INTERCONNECTION

21.1 The Licensee shall:

- (a) interconnect the Licensed Mobile Telecommunications Network with the Licensed Telecommunications Network of any Other Licensed Operator that is required to provide the Universal Service, provided the technical standards and specifications for Interconnection have been complied with; and
- (b) have the right to negotiate Interconnection of the Licensed Mobile Telecommunications Network with the Licensed Telecommunications Network or the Mobile Telecommunications Network of any Other Licensed Operator whose licence authorises such Interconnection.

21.2 Any such Interconnection as required by Condition 21.1 above shall be made directly from the Licensed Mobile Telecommunications Network and shall occur within the island of Guernsey.

22. CESSATION OF THE PROVISION OF LICENSED MOBILE TELECOMMUNICATIONS SERVICES

22.1 If the Licensee proposes to cease to provide all or a material part of the Licensed Mobile Telecommunications Services, it shall give not less than three years notice in writing to the GCRA of the proposal and its plans in relation to the cessation of such services. Such cessation shall be effected only with the consent of the GCRA and in accordance with any directions given in relation thereto by the GCRA and the Licensee shall comply with any such directions.

22.2 If the GCRA receives a notice under Condition 22.1 or if the GCRA has made a decision pursuant to section 28 of the Telecommunications Law to suspend or revoke the Licence, the GCRA may after consultation with the Licensee direct it in writing to take such steps as are specified in the direction, being steps that he considers necessary or expedient to ensure the safety of the Licensed Mobile Telecommunications Services or the continuity and continuation of the provision of Licensed Mobile Telecommunications Services or any constituent parts thereof, and the Licensee shall comply with any such directions.

PART IV: CONDITIONS APPLICABLE TO DOMINANT OPERATORS

23. APPLICATION OF CONDITIONS

23.1 Where the GCRA has decided, in accordance with Section 5 of the Telecommunications Law, that a Licensee has a Dominant Position in a Relevant Market, he may determine that provisions of this Part IV apply.

24. INTERCONNECTION

- 24.1 The Licensee shall, at any technically feasible point:
- (a) have the right to Interconnect its Licensed Mobile Telecommunications Network with the Telecommunications Network or Mobile Telecommunications Network of any Other Licensed Operator, provided the technical standards and specifications for Interconnection have been complied with; and
 - (b) on request, Interconnect its Licensed Mobile Telecommunications Network with the Telecommunications Network or the Mobile Telecommunications Network of any Other Licensed Operator whose licence authorises such Interconnection.
- 24.2 The Licensee shall make available to interested parties such technical standards and specifications as may be required to enable connection to the Licensed Mobile Telecommunications Network. The GCRA may issue a direction as to the information that must be provided.
- 24.3 The Licensee shall not be required to enter into an Interconnection agreement or provide Interconnection services if that agreement or the provision of those services would:
- (a) be technically infeasible or if it could reasonably be expected materially to impair the quality of any Licensed Mobile Telecommunications Service; or
 - (b) threaten the integrity, security, or interoperability of the Licensed Mobile Telecommunications Network in a material way,
- provided that the Licensee informs the Other Licensed Operator, in writing, with a copy to the GCRA forthwith justifying its decision to refuse Interconnection or its intention to terminate Interconnection services under an Interconnection agreement. The GCRA may determine whether the action by the Licensee is reasonable and issue directions accordingly.
- 24.4 The Licensee shall provide copies of any Interconnection agreement to the GCRA and such agreements shall be made available to interested parties upon request being made in writing to the GCRA. The GCRA may determine following consultation with the Licensee those aspects which deal with the commercial strategy of the parties and those aspects shall not be made available.
- 24.5 The GCRA may direct that changes be made to any Interconnection agreement to ensure that it is in compliance with the Telecommunication Law.

25. SEPARATE ACCOUNTS

- 25.1 Within six months of the Licence Commencement Date, the Licensee shall prepare and maintain accounting records in a form that enables the activities specified in any direction given by the GCRA to be separately identifiable, and which the GCRA considers to be sufficient to show and explain the transactions of each of those activities. The GCRA may direct the Licensee as to the basis and timing of such reports as the GCRA may require.

26. CROSS SUBSIDISATION

- 26.1 The Licensee shall not unfairly cross subsidise or unfairly subsidise the establishment, operation or maintenance of any Mobile Telecommunications Network or Mobile Telecommunications Services.

26.2 To enable the GCRA to evaluate where any unfair cross-subsidisation or unfair subsidisation is taking place, the Licensee shall record at full cost in its accounting records any material transfer of assets, funds, rights or liabilities between a part and any other part of its business, and between it and any Associated Company, and shall comply with any directions issued by the GCRA for this purpose.

27. UNDUE PREFERENCE AND UNFAIR DISCRIMINATION

27.1 The Licensee shall not show undue preference to, or exercise unfair discrimination against, any User or Other Licensed Operator regarding the provision of any Licensed Mobile Telecommunications Services or Access to facilities, as provided in Condition 20. The Licensee will be deemed to be in breach of this Condition if it favours any business carried on by the Licensee or an Associated Company or Other Licensed Operator so as to place Other Licensed Operators competing with that business at an unfair disadvantage in relation to any licensed activity.

28. PRICE REGULATED SERVICES

28.1 Where the Licensee intends to introduce:

- (a) new prices for any Licensed Mobile Telecommunications Services, or prices for new Licensed Mobile Telecommunications Services to be introduced by the Licensee;
- (b) any discounts to published prices for Licensed Mobile Telecommunications Services within a relevant market in which the Licensee has been found to be dominant or for any Subscribers or Users to whom additional services or goods are provided by the Licensee or any of its Associated Companies; or
- (c) special offers to all or any of its customers for particular categories of Licensed Mobile Telecommunications Services where those Licensed Telecommunications Services have been found to be within a relevant market in which the Licensee has been found to be dominant,

it shall, on the day of their coming into effect or otherwise as required by law, provide full details of the same to the GCRA.

28.2 The GCRA may determine the maximum level of charges the Licensee may apply for services within a relevant market in which the Licensee has been found to be dominant. A determination may;

- (a) provide for the overall limit to apply to services or categories of services or any combination of services;
- (b) restrict increases in any such charges or to require reductions in them whether by reference to any formula or otherwise; or
- (c) provide for different limits to apply in relation to different periods of time falling within the periods to which any determination applies.

28.3 All published prices, discount schemes and special offers of or introduced by the Licensee for Licensed Mobile Telecommunications Services shall be transparent and non-discriminatory; all discount schemes shall be cost-justified and all special offers shall be objectively justifiable.

28.4 If the GCRA, after consulting the Licensee and such other persons as he may determine, is

satisfied that any published price, discount scheme or special offer is in breach the Telecommunications Law or this Licence, the GCRA may, by issuing a direction, require the Licensee to bring the relevant prices, discount schemes or special offers into conformity with the requirements of this Licence.

PART V: FAIR COMPETITION

29. FAIR COMPETITION

29.1 The Licensee shall:

- (a) not engage in any practice or enter into any arrangement that has the object or the likely effect of preventing, restricting or distorting competition in the establishment, operation and maintenance of Mobile Telecommunications Networks or the provision of Mobile Telecommunications Services in the licensed area; and
- (b) comply with any direction issued by the GCRA for the purpose of preventing any practice or arrangement that has the object or effect of preventing, restricting or distorting competition in the establishment, operation and maintenance of Mobile Telecommunications Networks or the provision of Mobile Telecommunications Services.

30. MISUSE OF DATA

30.1 The Licensee shall not make use of network or traffic data, traffic profiles or any other data of any nature which become available to it directly or indirectly as a result of entering into Interconnection arrangements or otherwise as a result of carrying Messages, in any way which, in the reasonable opinion of the GCRA, would unduly prefer the interests of any business carried on by the Licensee or an Associated Company of the Licensee, or place Other Licensed Operators at an unfair disadvantage.

PART VI: ADDITIONAL CONDITIONS

31. MOBILE VIRTUAL NETWORK OPERATORS

31.1 Without prejudice to the power of the GCRA to direct the publication of a Reference Offer at any time, in the event that the Licensee is the only licensed mobile telecommunications operator in the Bailiwick it shall publish a Reference Offer for MVNO Access.

31.2 The MVNO Reference Offer referred to above shall be made to Other Licensed Operators and shall be offered according to a retail minus pricing scheme to be agreed between the Licensee and the Operator according to the retail minus pricing principles set out at Schedule I or such other basis as may be determined by the GCRA, and according to terms to be agreed between the parties.

31.3 The MVNO Reference Offer shall include (but not be limited to) the following conditions:-

- (a) traffic forecasting obligations;
- (b) fee level;
- (c) fee structure;
- (d) services offered; and
- (e) penalty payments.

31.4 The Licensee shall not be required to enter into an MVNO Access agreement or provide MVNO services if that agreement or the provision of those services would:

- (a) be technically infeasible or if it could reasonably be expected materially to impair the quality of any Licensed Mobile Telecommunications Service; or
- (b) threaten the integrity, security, or interoperability of the Licensed Mobile Telecommunications Network in a material way,

provided that the Licensee informs the Other Licensed Operator, in writing, with a copy to the GCRA forthwith justifying its decision to refuse an Access agreement or its intention to terminate the provision of MVNO services under an Access agreement. The GCRA may determine whether the action by the Licensee is reasonable and issue directions accordingly.

SCHEDULE I - Description of Retail-Minus

Retail-minus fee shall be derived by subtracting from the retail price the costs saved by serving another network operator instead of retail customers and adding any extra costs incurred in providing services to another network operator.

Retail Price

The retail price for voice shall be expressed as a single rate based on average retail prices given in pence per minute. More particularly it shall be the average effective revenue from connections, retail and calls and total minutes for those services available to the prospective MVNO. This may be calculated separately for different services and for different periods.

For certain data services to be specified in the Reference Offer the services may be charged according to capacity used, the specific event or a flat rate for a period.

Costs Saved

Costs saved shall be the costs incurred in undertaking certain activities which must be carried out in order to serve a retail customer but which are not required for the provision of a service to an MVNO. They include but are not limited to:

- the costs to the Licensee of subsidising the price of handsets paid by customers;
- the costs to the Licensee of acquisition bonuses paid to marketing agents;
- the costs of equipment maintenance or replacement;
- the costs of retail marketing and sales;
- the costs of financing and retail billing including bad debt;
- retail computing costs; and
- customer service costs (back and front office).

Costs Incurred

Costs incurred means the additional costs incurred when providing services to MVNOs and shall include but not be limited to:

- additional wholesale billing costs incurred as a result of providing wholesale services;
- computing costs (including system upgrades) of servicing other network operators;
- any additional administrative or operational costs associated with the provision of services to other licensed operators; and
- additional investment costs incurred to provide service to other licensed operators.

Net Avoidable Costs

The net avoidable costs (i.e. costs saved less those additional costs incurred) will be calculated as a percentage of the relevant average effective revenue.

The calculation of net avoidable costs may be revised annually by the Licensee.

Schedule 2 – Minimum Requirements for 4G services

Requirement 1 The Licensee shall by no later than 31 December 2016 provide, and thereafter maintain, an electronic communications network that is capable of providing, with 90% confidence, a mobile telecommunications service with a sustained downlink speed of not less than 2 Mbps and a sustained uplink speed of not less than 768 kbps when that network is lightly loaded, to users¹:

- i) in an area within which at least 95% of the population of each of Guernsey, Jersey, Alderney, Herm and Sark live, and
- ii) at indoor locations that meet the conditions specified in paragraph (iv) below and which are within any residential and business premises within the area specified in paragraph i above.

For the purposes of paragraph ii of this minimum requirement:

- iii) the service must be provided using radio equipment which is not situated inside the relevant residential premises;
- iv) the condition referred to is that the radio signal propagation loss from the outside of the building to the location inside the building does not exceed:
 - a. 13.2dB for radio signals in the frequency ranges 791MHz – 821MHz and 832MHz – 862MHz;
 - b. 13.7dB for radio signals in the frequency ranges 880MHz – 915MHz and 925MHz – 960MHz;
 - c. 16.5dB for radio signals in the frequency ranges 1710MHz – 1785MHz and 1805MHz – 1880MHz;
 - d. 17.9dB for radio signals in the frequency range 2500MHz – 2690MHz;
 - e. Any other propagation loss notified to the Licensee by Ofcom in respect of radio signals in any other frequency band.

For the purpose of this minimum requirement, a network is considered ‘lightly loaded’ if it has a single user demanding service within the serving cell, and the surrounding cells of the network are loaded to a light level (by which is meant the common channels only are transmitting at 22% of the maximum cell power).

Requirement 2 The Licensee will collaborate with the GCRA and implement a programme of customer information to inform users of Digital Terrestrial Television (DTT) services about possible interference problems due to the building of 4G networks and enable affected users to mitigate interference problems by providing connectors and filters to these users and, if deemed necessary, install these measures at their premises at the earliest reasonable time.

Requirement 3 The Licensee must minimise the environmental impact of their activities connected with the 800 MHz, 1,800 MHz and 2.6 GHz spectrum bands and, in particular, agree to share facilities with other operators (unless there are demonstrable technical reasons why

¹ The Compliance Verification Methodology that CICRA will use is consistent with that described in: Ofcom. 4G Coverage Obligation Notice of Compliance Verification Methodology: LTE. 12 November 2012

sharing is not practicable), and to implement the Recommendation of the Council of the European Union regarding exposure to electro-magnetic fields (1999/519/EC).

Requirement 4 The Licensee must commit to negotiating in good faith with any potential mobile virtual network operator for access to its mobile networks and agree that any dispute arising from such negotiations may be referred to the GCRA for final determination.

Requirement 5 The Licensee agrees to give their LTE service customers, when they roam outside the Channel Islands, the benefit of retail prices at least as favourable as the retail price constraints which apply to operators in the European Union by virtue of Regulation (EU) 531/2012, and the benefit of customer information equivalent to, or better than, that required of operators in the EU by virtue of the same Regulation. Reference to Regulation (EU) 531/2012 is reference to it as it stands now and, at the GCRA's direction, as it is amended or replaced by subsequent legislation.

Schedule 3 – Performance commitments for 4G services

[Confidential]

