



Office of Utility Regulation

**LICENCE FOR 3G MOBILE TELECOMMUNICATIONS  
NETWORK & SERVICES**

**GUERNSEY AIRTEL LTD**

**OFFICE OF THE DIRECTOR GENERAL OF UTILITY REGULATION**

**Licence issued to**

**Guernsey Airtel Ltd**

**under Part 1, section 1 of**

**THE TELECOMMUNICATIONS (BAILIWICK OF GUERNSEY) LAW, 2001**

The Director General, in exercise of the powers conferred on him by the Regulation of Utilities (Bailiwick of Guernsey) Law, 2001, grants to the Licensee a Licence to establish, operate and maintain the Licensed 3G Mobile Telecommunications Network and provide the Licensed 3G 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 Director General and all applicable laws, rules, regulations and Ordinances of the States of Guernsey.

**DATED**

**SIGNED BY THE DIRECTOR GENERAL OF  
UTILITY REGULATION**

## 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 2001 or in any States' Directions, 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:

**“Bailiwick”** means the Bailiwick of Guernsey;

**“Blocking Rate”** means the percentage of all call attempts made in the Busy Hour for the traffic case concerned, which are unsuccessful. A blocking situation shall occur when an attempt to establish a connection to the network is unsuccessful due to a system problem or lack of channel availability in locations, where Coverage is otherwise established;

**“Busy Hour”** means the period of one hour during which the traffic on the network concerned is highest compared with any one other period of one hour over a day (i.e. 00:00 to 23:59);

**“Call Drop Rate”** means the percentage of all switched calls during any measurement period that are prematurely released by the network due to a system problem or lack of channel availability in locations, where Coverage is otherwise established;

**“Coverage”** means the coverage achieved by the Licensed 3G Mobile Telecommunications Network at a particular place as defined in paragraph 12.3;

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

**“Data Transmission Bearer Services”** means Telecommunications Services which give the users of data transmission the capacity needed to transmit data entries represented by appropriate signals between relevant network access points;

**“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 Services and includes services relating to directory information;

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

**“Guernsey Airtel Community Fund”** means a fund created by contributions due to non conformance to commitments as stated in the license conditions and will be maintained by Guernsey Airtel Ltd;

**“IMSI”** means International Mobile Station Identity;

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

**“ITU”**: means the International Telecommunications Union;

**“IVR”** means Interactive Voice Response;

**“Licence”**: means this licence to provide the Licensed 3G Mobile Telecommunications Services and to establish, operate and maintain the Licensed 3G Mobile Telecommunications Network, subject to the Conditions;

**“Licence Commencement Date”**: means 15<sup>th</sup> September 2006;

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

**“Licensed 3G Mobile Telecommunications Network”**: means the mobile network infrastructure constructed in accordance with the European UMTS standard and used for the purpose of providing Licensed 3G Mobile Telecommunications Services in accordance with this Licence;

**“Licensed Telecommunication Networks”**: means Telecommunications Networks (other than any Licensed 3G Mobile Telecommunications Network) which are provided in accordance with a Licence issued by the Director General;

**“Licensed Telecommunications Services”**: means the provision of any Telecommunications Services to the public (other than Licensed 3G Mobile Telecommunications Services);

**“Licensed 3G 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 3G Mobile Telecommunications Network and which has the characteristic of a pan-European, cellular, digital, land based, mobile telephony service compatible with the European UMTS standard. These services shall be provided in the 1900/2100 Mhz band in accordance with the Wireless Telegraphy Act and the relevant ETSI technical specifications;

**“Licensee”**: means Guernsey Airtel Ltd;

**“Local Call”**: means a call which originates in the Bailiwick; is carried over the Licensed 3G Mobile Telecommunications Network alone (or in addition, over other Licensed Telecommunications Networks), and is then terminated in the Bailiwick, and does not include calls to or from termination equipment being used for the purpose of roaming on a Licensed Telecommunications Network.

**“Lock-in period”** means the maximum period of time, for the provision of mobile telecommunications services, for which a Subscriber is contractually bound to the Licensee.

**“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 operating offering, or planning to offer mobile communications services but which does not hold a WT licence or operate a radio network. An MVNO may own and operate some or all of the components of a physical network including a mobile switching centre, home location register and authentication centre (or 3G mobile equivalents), and it may have its own unique Mobile Network Code with distinct IMSI and E.164 number series (where applicable). An MVNO must issue its own branded SIM cards (or 3G mobile equivalent);

**“Number Portability”**: means a service enabling a Subscriber to transfer his contract with the Licensee to an Other Licensed Operator within the Bailiwick and retain the same Number allocated to that Subscriber by the Licensee;

**“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;

**“RPI”** means Guernsey’s Retail Price Index as measured and published by the Policy and Research Unit of the States of Guernsey’s Policy Council;

**“Sea Lane – Guernsey-Alderney”** means the most direct sea route from St Peter Port to St Anne’s;

**“Sea Lane – Guernsey-Herm”** means the most direct sea route from St Peter Port to Herm Harbour;

**“Sea Lane – Guernsey-Sark”** means the most direct sea route from St Peter Port to Sark Harbour;

**“Subscriber”**: means a legal or natural person who has a contract with the Licensee to receive Licensed 3G Mobile Telecommunications Services. 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

**“Term”**: means, subject to Condition 11, a period of twenty years from the Licence Commencement Date;

**“UDD”** means Unconstrained Data Delay which is measured in kilo bits per second (kbps). UDD 144 for example refers to Unconstrained Data Delay of 144 kilo bits per second.

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

**“User”**: means a consumer of Licensee’s Licensed 3G Mobile Telecommunications Services, for the avoidance of doubt Users means both Subscribers and consumers of pre-pay Licensed 3G Mobile Telecommunications Services.

**“Wireless Telegraphy Licence** means a licence issued in accordance with the Wireless Telegraphy Act, 1949 of the UK (which applies to the Channel Islands).

- 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 referring to persons shall include firms or companies, corporations or unincorporated bodies.

## **PART I: ESTABLISHMENT AND ENFORCEMENT**

### **2. SCOPE OF THE LICENCE**

- 2.1 This Licence authorises the Licensee to provide the Licensed 3G Mobile Telecommunications Services and to establish, operate and maintain the Licensed 3G Mobile Telecommunications Network for the Term.
- 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 3G Mobile Telecommunications Services or establish, operate and maintain any Licensed 3G 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 Director General. The Director General 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 3G Mobile 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 Director General 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 3G Mobile Telecommunications Network which may detrimentally affect the permanence, availability or quality of the Licensed 3G Mobile Telecommunications Network or the Licensed 3G 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 Director General:

- (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 Director General 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 Director General considers necessary

and, or in addition to any of the above measures, the Director General may issue such directions to the Licensee or invoke any of the sanctions, penalties or

remedies in the Law or the Licence as the Director General considers necessary or appropriate.

In taking action under this section, the Director General may have regard to whether or not the Director General 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 Director General, 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 Director General, analogous or equivalent to the above, at such times and in such forms as the Director General 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 3G Mobile Telecommunications Services or the establishment, operation and maintenance of the Licensed 3G Mobile Telecommunications Networks and for the exercise of its rights or discharge of its obligations under this Licence. Such licenses shall include, but not be limited to, a Wireless Telegraphy Licence to use radio frequency spectrum to operate the Licensed 3G 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 3G Mobile Telecommunications Network and the provision of the Licensed 3G Mobile Telecommunications Services shall be conducted from the Bailiwick; and
- (b) its business is conducted in a manner which the Director General 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 amount and in the manner directed by the Director General.

3.2 Without prejudice to any other remedies of the Director General under this Licence or the Laws, if the Licensee fails to pay any amount due to the Director General 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 Director General in the manner and at the times required by the Director General, 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 Licensee shall, within ninety days of the Licence Commencement Date, (or on any other date to be agreed with the Director General) provide the Director General with a comprehensive report on its use of the radio frequency spectrum, and anticipated future use, and provide updates on the report as requested by the Director General from time to time. Such report shall include but not be limited to, detail under the following headings in relation to each transmission site:-

- (a) the National Grid Reference of the site (to 100 metres resolution);
- (b) the antenna height and type;
- (c) the applied EIRP (effective isotropic radiated power) per carrier (transmit);
- (d) identification of carriers for transmit and receive (centre frequency) channel numbers.

4.3 The Director General may require an examination, investigation or audit of any aspect of the Licensee's business relating to the Licensed 3G Mobile Telecommunications Network or the Licensed 3G Mobile

Telecommunications Services or its compliance with the Conditions and the Laws, and the Licensee shall provide any assistance requested by the Director General in relation to any such examination, investigation or audit. The Director General may issue directions with regard to the manner in which such examination, investigation or audit is carried out.

4.4 In particular, the Director General 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 3G Mobile Telecommunications Network or the provision of the Licensed 3G Mobile Telecommunications Services to ensure compliance with the Conditions. The Licensee shall allow the Director General'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 be required in order to carry out the examination, investigation or audit.

4.5 The Licensee shall bear all reasonable costs associated with any examination, investigation or audit conducted under this Condition 4 including the cost of any contractors engaged by the Director General for this purpose.

## **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 Director General under the Laws or by any law, regulation, rule, Ordinance or this Licence.

## **6. MODIFICATION**

The Director General 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**

The Director General may at any time revoke this Licence in accordance with the provisions and procedures set out in Section 28 of the Telecommunications Law. The Director General 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 force majeure:

- (a) the Licensee shall notify the Director General 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 The Licensee shall take all reasonable steps to ensure the integrity of the network and may refuse to provide the Licensed 3G Mobile Telecommunications Services which it would otherwise be obliged to provide in accordance with Condition 12 of this Licence to a particular User if providing those Licensed 3G Mobile Telecommunications Services would or would be likely to cause damage or interference to the Licensed Telecommunications Networks or Licensed 3G Mobile Telecommunications Networks or Licensed Telecommunications Services or Licensed 3G Mobile Telecommunications Services.
- 9.2 In the event of a dispute arising as to the application of this Condition, the Licensee shall provide details with regard to its proposed action and the Director General 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 3G Mobile Telecommunications Network and provision of the Licensed 3G 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 3G Mobile Telecommunications Network and to provide information regarding the use of Licensed 3G Mobile Telecommunications Services, in order to be able to meet the requirements of the Interception of Communications (Bailiwick of Guernsey) Law, 1997.

## **11. TERM AND RENEWAL**

- 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 Director General, for the Term.
- 11.2 At any time after the sixteenth anniversary but prior to the seventeenth anniversary of the Licence Commencement Date, the Licensee may serve notice on the Director General requesting a renewal of this Licence.

- 11.3 Within one hundred and eighty days of receipt of the notice under Condition 11.2, or such further period as may be agreed with the Licensee in writing, the Director General shall notify the Licensee whether or not he agrees to a renewal of the Licence subject to the same Conditions or on any modified Conditions, subject to the Licensee providing all necessary information to the Director General to enable him to make the notification within the required time.

## **PART II: PUBLIC SERVICE CONDITIONS**

### **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.
- 12.2 At all times after [xxxxxxxxxxxx] the Licensee shall maintain at least the following levels of geographic and population Coverage in the Bailiwick:-
- (a) 80% of the population (measured by residents) of the Bailiwick; and
  - (b) 89% of the land area (75 km<sup>2</sup>) of the Bailiwick; to include the main populated islands of the Bailiwick (i.e. Guernsey, Alderney, Sark and Herm).
- 12.3 Coverage shall be measured by the field strength of the pilot signal from the base station (known as the common pilot channel). For Coverage to occur in an area, the field strength must be at least 58 dB $\mu$ V/m with a probability of 95% in space and time, as measured outdoor at a height of 1.7 metres.
- 12.4 The Licensee shall comply with any directions issued by the Director General requiring it to contribute to any fund which may be established to cover the net cost of the provision of the Universal Service.

### **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 and fire services or the maritime search and rescue services and to notify them of an emergency by using UMTS terminal equipment lawfully connected to the Licensed 3G 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 UMTS 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 similar services (but only to facilitate the provision of Directory Information 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 unless specifically authorised to do so by the Other Licensed Operator concerned.

14.3 The Licensee shall comply with all relevant data protection legislation as may be amended from time to time.

14.4 The Licensee shall offer a Bailiwick-based local directory enquiries service within three months of launching its services.

#### **15. DEVELOPMENT OF NETWORK AND SERVICES**

15.1 The Licensee shall roll-out and operate the Licensed 3G Mobile Telecommunications Network so as progressively to achieve standards in line with international best practice and in particular, the Licensee shall achieve and comply with relevant standards established by ETSI, the ITU and such other international benchmarks as the Director General may direct from time to time. More particularly the Licensed 3G Mobile Telecommunications Network shall be implemented in accordance with the European UMTS standard.

15.2 The Licensee shall roll-out the Licensed 3G Mobile Telecommunications Network and shall commence provision of Licensed 3G Mobile Telecommunications Services by [xxxxxxxxxxxx] 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 [xxxxxxxxxxxx].

15.3 The Licensed 3G Mobile Telecommunications Network shall provide Coverage as set out in the following table by the years set out in that table. The figures below are with respect to Voice Coverage field strength of -84 dBm (95% probability) or 58 dB $\mu$ V/m.

	[xxxxxxxxxxx]	[xxxxxxxxxxx]	[xxxxxxxxxxx] <b>and remainder of Term</b>
<b>Minimum demographic Coverage % of population</b>	[xxxxxxxxxxx]	[xxxxxxxxxxx]	[xxxxxxxxxxx]
<b>Minimum total geographic land Coverage, %</b>	[xxxxxxxxxxx]	[xxxxxxxxxxx]	[xxxxxxxxxxx]
<b>Total geographic land Coverage, km<sup>2</sup></b>	[xxxxxxxxxxx]	[xxxxxxxxxxx]	[xxxxxxxxxxx]
<b>Coverage on all four islands in the Bailiwick by [xxxxxxxxxxx]</b>			

15.4 The Licensed 3G Mobile Telecommunications Network shall provide Coverage for coastal areas out to a minimum range of 2.1 km. In addition the Licensee shall also provide specific Coverage of Sea Lanes using, where necessary, directional antennae. The Licensee shall provide Coverage by [xxxxxxxxxxx] for the type of service set out below.

<b>Area Coverage</b>	<b>Voice</b>	<b>CS64/PS64</b>	<b>PS128 (UDD 144)</b>	<b>PS384</b>
Sea Lane Guernsey-Alderney	[xxxxxxxxxxx]	[xxxxxxxxxxx]	[xxxxxxxxxxx]	[xxxxxxxxxxx]
Sea Lane Guernsey-Sark	[xxxxxxxxxxx]	[xxxxxxxxxxx]	[xxxxxxxxxxx]	[xxxxxxxxxxx]
Sea Lane Guernsey-Herm	[xxxxxxxxxxx]	[xxxxxxxxxxx]	[xxxxxxxxxxx]	[xxxxxxxxxxx]

15.5 In the event that:

- (a) the Licensee's 3G service is not launched by [xxxxxxxxxxx] with [xxxxxxxxxxx] demographic coverage; or
- (b) the Licensee's 3G service is not available in Guernsey, Alderney, Sark and Herm by [xxxxxxxxxxx]; or
- (c) the Licensee's 3G Coverage has not reached [xxxxxxxxxxx] geographic coverage by [xxxxxxxxxxx];

the Licensee's Users (having purchased Licensed Mobile Telecommunications Services with the Licensee within the first three months of the commercial service being launched) will receive [xxxxxxxxxxx] additional airtime for each month of the delay up to a maximum of [xxxxxxxxxxx] months of payment for non-

performance on each commitment above. Subscribers will receive [xxxxxxxxxxxxx] more contracted minutes. The Licensee's pre-pay Users will obtain [xxxxxxxxxxxxx] additional minutes at the next top-up.

15.6 The Licensed 3G Mobile Telecommunications Network shall be capable of offering Data Transmission Bearer Services by the times and to the extent as set out in the following table:

	<b>Measured by Demographic availability (% of residents)</b>	<b>Measured by Geographical availability (% of land)</b>
<b>By</b> [xxxxxxxxxxxxx]		
64 kbps circuit switched data transmission	[xxxxxxxxxxxxx]	[xxxxxxxxxxxxx]
Up to 384 kbps data transmission	[xxxxxxxxxxxxx]	[xxxxxxxxxxxxx]
<b>By</b> [xxxxxxxxxxxxx]		
64 kbps circuit switched data transmission	[xxxxxxxxxxxxx]	[xxxxxxxxxxxxx]
Up to 384 kbps data transmission	[xxxxxxxxxxxxx]	[xxxxxxxxxxxxx]

15.7 [xxxxxxxxxxxxx].

**16. TECHNICAL QUALITY OF NETWORK**

16.1 The Licensee shall ensure that in respect of the Licensed 3G Mobile Telecommunications Services the average network-wide Blocking Rate in the Busy Hour with respect to voice services will be 1% or lower.

16.2 The Licensee shall ensure that the Call Drop Rate with respect to voice services shall not exceed the following rates at the times indicated below:

- (a) 2% by [xxxxxxxxxxxxx] through to [xxxxxxxxxxxxx]; and
- (b) 1.2% for the remainder of the Term.

16.3 The Licensed 3G Mobile Telecommunications Network shall by [xxxxxxxxxxxxx] (and for the remainder of the Term) have capacity sufficient to handle up to 35,000 Users each using a 144kbps UDD Service. At all times after [xxxxxxxxxxxxx] service probability for this usage level shall be at least 95%.

16.4 If the Licensee's Licensed 3G Mobile Telecommunications Service availability falls below [xxxxxxxxxxxxx] for any three month period, all existing Users will receive [xxxxxxxxxxxxx] bonus airtime as compensation. The Licensee's Subscribers will receive [xxxxxxxxxxxxx] more contracted minutes. Pre-pay Users will obtain an additional [xxxxxxxxxxxxx] additional minutes at the next top-up.

16.5 Licensee's Users who experience a dropped call will be allowed to make their next call to that number free if they call back within five minutes. The

free part of that subsequent call will be limited to a maximum duration of three minutes.

16.6 Licensee's Users who experience a speech quality of less than "good" as measured in the operational support system ("OSS") against the speech quality index, for less than [xxxxxxxxxxxx] of the time will receive [xxxxxxxxxxxx] bonus airtime as compensation. The Licensee's Subscribers will receive [xxxxxxxxxxxx] more contracted minutes. Pre-pay Users will obtain an additional [xxxxxxxxxxxx] additional minutes at the next top-up.

## 17. CONSUMER PROTECTION

17.1 The Licensee shall, in the manner and at the times specified by the Director General, publish the standard terms and conditions, including tariffs, under which it provides each category of Licensed 3G Mobile Telecommunications Services to its Users. In the absence of any other direction from the Director General, the Licensee shall ensure that a current statement of all applicable terms and conditions is:

- (a) filed with the Director General; and
- (b) promptly made available for inspection at the request of any member of the public or promptly sent to them by post on request.

17.2 The Director General may direct the Licensee to change the Licensee's standard terms and conditions from time to time.

17.3 The Licensee shall safeguard the privacy and confidentiality of all Messages transmitted over the Licensed 3G Mobile Telecommunications Network and the Licensed 3G Mobile Telecommunications Services and 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 Director General for the purposes of protecting the interests of its Subscribers or Users.

17.4 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 3G Mobile Telecommunications Services. Calls which are free of charge to the User, including calls to helplines, shall not be identified in the subscriber's itemised bill.

17.5 The Licensee shall within three months of the Licence Commencement Date 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 Director General 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.

- 17.6 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 three months, either party may refer it to the Director General for determination.

17.7 The consumer code may be amended by the Licensee from time to time, provided that the Licensee shall notify the Director General and publish the proposed changes 28 days in advance of their coming into effect. The Director General 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.

17.8 The Licensee shall participate in good faith in any dispute resolution procedure established by the Director General.

17.9 The Licensee shall publish a statement setting out the minimum service levels for Users and Subscribers in respect of each category of Licensed 3G Mobile Telecommunications Services it offers, any exceptions to these, and the compensation or refunds it will offer to Subscribers or prospective Subscribers where service levels are not met. This shall include the minimum service levels and compensations or refunds contained within this Licence. The Licensee shall also submit this statement to the Director General.

17.10 The Director General may consult on the statement provided in accordance with Condition 17.9 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 Director General, and shall forthwith implement the same. The Director General may from time to time issue further directions requiring modifications or additions to the statement and as to its re-publication and implementation.

17.11 The Licensee shall submit at the end of every six months, or at such other intervals as the Director General directs, a written report to the Director General setting out:

- (a) the extent to which the Licensee has succeeded in meeting the targets described in the statement required in accordance with Condition 17.9;
- (b) the compensation that has been paid in relation to complaints or disagreements where the Subscribers complaints were upheld and why complaints were dismissed; and
- (c) such other matters that the Director General directs should be included in the report.

17.12 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 3G Mobile Telecommunications Services or for the calculation of related charges, penalties or compensation payments.

17.13 The Director General may require the Licensee to set up, at its expense, a user council or councils for the specific purpose of obtaining and representing the views of customers.

17.14 The Licensee will consult, at a minimum on an annual basis, with consumer groups and disability groups in the Bailiwick in order to obtain views of all customers.

## 18. ENVIRONMENTAL PROTECTION

18.1 The Licensee will deploy appropriate technology for each site to minimise the environmental impact of its network. This may include inter alia: the use of hidden antennae, coloured radomes to match wall colour on which they are mounted, fixing antennae in dummy water tanks on buildings tops alongside other water tanks on buildings and hidden tree-top style antennae for ground based towers.

18.2 In addition the Licensee will, subject to compliance with the Environment Department's planning requirements, make best endeavours to use:

- (a) Compact outdoor Base Stations which can be placed on rooftops or at the base of ground based towers without the need for air-conditioners;
- (b) Optic Fibre-Based solutions;
- (c) In Building solutions using Micro/Pico Base Stations dedicated to provide individual building hot spots where appropriate;
- (d) Home / SOHO repeaters and miniature antennae to pick up outdoor signals and boost within indoor areas; and
- (e) 1 multiple technology single antenna per sector (i.e. a single antenna will facilitate both 3G and 2G on the same structure).

18.3 The Licensee shall provide extended battery back-up of at least four hours at each base station site.

- 18.4 The Licensee will hold an annual environmental meeting. This meeting will be open to the public. It shall be advertised on the Licensee's website and invitations shall be sent to key stakeholders. In the event that the Licensee fails to hold an environmental meeting in any 12 month period, it will pay £10,000 to a local charity through the Guernsey Airtel Community Fund.
- 18.5 The Licensee will attend and arrange meeting at other times of the year if requested by interested parties to discuss matters related to environmental concerns. The Licensee will make all reasonable endeavours to facilitate such meetings.
- 18.6 The Licensee shall publish details of its environmental strategy and approach. The licensee shall also appoint a nominated contact person for environmental issues. The identity and contact details will be published on the Licensee's website and sent to the Director General.
- 18.7 The Licensee shall provide facilities for Users to recycle unused or broken handsets, batteries and other parts through the Licensee's service centre. The locations and means of doing so will be publicly available.
- 18.8 The Licensee shall provide the Director General with a report within six months of the Licence Commencement Date (or on any other date to be agreed with the Director General in writing) on the steps it has taken to minimise the environmental impact of its operations. The Director General may request the Licensee to provide an update of this report at such intervals as may be determined by the Director General.

## 19. MONITORING PERFORMANCE

- 19.1 The Licensee shall comply with any directions issued by the Director General from time to time, regarding any other quality of service indicators and measurement methods for Licensed 3G Mobile Telecommunications Services and shall, as and when required, supply to the Director General in a form specified by him, the results of its measurements of actual performance against any quality of service indicators and measurements so specified.
- 19.2 Without prejudice to paragraph 19.1 above in order to meet the objectives set out in Section 2(b) of the Regulation Law and Conditions 12, 15, 16, and 18 the Licensee shall within three months of the Licence Commencement Date submit to the Director General for agreement by him a monitoring plan (to be known as the "**Mobile Telecommunications Monitoring Plan**") which will provide for accurate measurement of each of the target levels set out in those Conditions.
- 19.3 The Mobile Telecommunications Monitoring Plan will describe:
- (a) how actual performance will be monitored;
  - (b) the process for the collection and analysis of suitable data; and
  - (c) the procedures for internal review and performance improvement planning by the Licensee.

- 19.4 The Director General may direct the Licensee to up-date the Mobile Telecommunications Monitoring Plan from time to time.
- 19.5 The Director General may direct the Licensee as to matters to be included in the Mobile Telecommunications Monitoring Plan and may amend such direction from time to time.
- 19.6 Within 30 days of the end of each anniversary of the Licence Commencement Date during the Term the Licensee shall provide the Director General with a written report setting out the actual performance of the Licensed 3G Mobile Telecommunications Network and the Licensed 3G Mobile Telecommunications Services.
- 19.7 The report mentioned at 19.6 above shall compare the actual performance of the Licensed 3G Mobile Telecommunications Network and the Licensed 3G Mobile Telecommunications Services against the requirements set out in Conditions 12, 15, 16, and 18.

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

#### **20. NUMBERING**

- 20.1 The Licensee shall use only those Numbers that are allocated to it for the purpose of terminating Messages on the Licensed 3G Mobile Telecommunications Network and shall comply with any directions concerning use and allocation which are issued by the Director General from time to time
- 20.2 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 Director General
- 20.3 The Licensee shall not charge its customers for allocations of Numbers except where authorised and in accordance with any direction from the Director General.
- 20.4 The Licensee shall comply with any directions issued by the Director General in respect of Number Portability.

#### **21. RADIO FREQUENCY SPECTRUM**

- 21.1 The Licensee shall provide the Licensed 3G Mobile Telecommunications Services in accordance with the requirements of the Wireless Telegraphy Act and Telecommunications Act.
- 21.2 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 General 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 3G Mobile Telecommunications Services; or
- (b) cease operating any radio channel or radio transmitting station used for the purposes of the Licensed 3G Mobile Telecommunications Services.

21.3 The Licensee shall ensure that non-ionising radiation emissions from its Licensed 3G 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 Director General.

## **22. ACCESS TO LAND**

22.1 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 3G Mobile Telecommunications Network and Licensed 3G Mobile Telecommunications Services and for the exercise of its rights or discharge of its obligations under this Licence.

22.2 In the event that the Director General applies the Code to the Licensee, 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 the requirement in law to obtain such additional consents, permissions, authorisations or licences as may be necessary for the provision of the Licensed 3G Mobile Telecommunications Network and the Licensed 3G Mobile Telecommunications Services and for the exercise of its rights or discharge of its obligations under this Licence.

## **23. ACCESS TO FACILITIES**

23.1 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 Director General.

23.2 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 Director General considers that such Access is essential as being the only economically feasible means by which a Licensed Telecommunications Network 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 Director General 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 Director General 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.

23.3 Without prejudice to the foregoing, Access provided under Condition 23.1 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.

23.4 The Licensee shall use its best endeavours to agree the terms of such sharing with Other Licensed Operators and if such agreement shall not be reached within times to be stipulated by the Director General, the Director General may direct the terms on which such sharing shall occur.

## **24. INTERCONNECTION**

24.1 The Licensee shall:

- (a) interconnect the Licensed 3G Mobile Telecommunications Network with the fixed 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 3G Mobile Telecommunications Network with the fixed Telecommunications Network or the mobile Telecommunications Network of any Other Licensed Operator whose licence authorises such Interconnection.

24.2 Any such Interconnection as required by Condition 24.1 above shall be made directly from the Licensed 3G Mobile Telecommunications Network and shall occur within the island of Guernsey.

## **25. CESSATION OF THE PROVISION OF LICENSED 3G MOBILE TELECOMMUNICATIONS SERVICES**

25.1 If the Licensee proposes to cease to provide all or a material part of the Licensed 3G Mobile Telecommunications Services, it shall give not less than three years notice in writing to the Director General 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 Director General and in accordance with any directions given in relation thereto by the Director General and the Licensee shall comply with any such directions.

25.2 At any time within three years before the expiry of the Licence or if the Director General receives a notice under Condition 25.1 or if the Director General has made a decision pursuant to Section 28 of the Telecommunications Law to suspend or revoke the Licence, the Director General 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 3G Mobile Telecommunications Services or the continuity and continuation of the

provision of Licensed 3G Mobile Telecommunications Services or any constituent parts thereof, and the Licensee shall comply with any such directions.

#### **PART IV: CONDITIONS APPLICABLE TO DOMINANT OPERATORS**

##### **26. APPLICATION OF CONDITIONS**

26.1 Where the Director General 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.

##### **27. INTERCONNECTION**

27.1 The Licensee shall on request, interconnect the Licensed 3G Mobile Telecommunications Network with the Telecommunications Network or the mobile Telecommunications Network of any Other Licensed Operator whose licence authorises such Interconnection at any technically feasible point.

27.2 The Licensee shall make available to interested parties such technical standards and specifications as may be required to enable connection to the Licensed 3G Mobile Telecommunications Networks. The Director General may issue a direction as to the information that must be provided.

27.3 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 3G Mobile Telecommunications Service; or
- (b) threaten the integrity, security, or interoperability of the Licensed 3G Mobile Telecommunications Network in a material way,

provided that the Licensee informs the Other Licensed Operator, in writing, with a copy to the Director General forthwith justifying its decision to refuse Interconnection or its intention to terminate Interconnection services under an Interconnection agreement. The Director General may determine whether the action by the Licensee is reasonable and issue Directions accordingly.

27.4 The Licensee shall provide copies of any Interconnection agreements to the Director General and such agreements shall be made available to interested parties upon request being made in writing to the Director General. The Director General 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.

27.5 The Director General may direct that changes be made to any Interconnection agreement to ensure that it is in compliance with the

Telecommunication Law and any relevant Directions issued by the Director General.

**28. SEPARATE ACCOUNTS**

28.1 Within six months of the Licensee being found to have a Dominant Position in a Relevant Market by the Director General the Licensee shall prepare and maintain accounting records in a form that enables the activities specified in any direction given by the Director General to be separately identifiable, and which the Director General considers to be sufficient to show and explain the transactions of each of those activities. The Director General may direct the Licensee as to the basis and timing of such reports as the Director General may require.

**29. CROSS SUBSIDISATION**

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

29.2 To enable the Director General 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 Director General for this purpose.

**30. UNDUE PREFERENCE AND UNFAIR DISCRIMINATION**

30.1 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 3G Mobile Telecommunications Services or Access. 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.

**31. PRICE REGULATED SERVICES**

31.1 Where the Licensee intends to introduce:

- (a) new prices for any Licensed 3G Mobile Telecommunications Services, or prices for new Licensed 3G Mobile Telecommunications Services to be introduced by the Licensee;
- (b) any discounts to published prices for Licensed 3G Mobile Telecommunications Services within a Relevant Market in which the Licensee has been found to be dominant or for any Subscribers 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 3G Mobile Telecommunications Services where those Licensed 3G Mobile Telecommunications Services have been found to be within a Relevant Market in which the Licensee has been found to be dominant,

it shall publish the same at least 21 days prior to their coming into effect or otherwise as required by law, and provide full details of the same to the Director General.

31.2 The Director General 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 charges for 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.

31.3 All published prices, discount schemes and special offers of or introduced by the Licensee for Licensed 3G Mobile Telecommunications Services shall be transparent and non-discriminatory; all discount schemes shall be cost-justified and all special offers shall be objectively justifiable.

31.4 If the Director General, after consulting the Licensee and such other persons as she may determine, is satisfied that any published price, discount scheme or special offer is in breach the Telecommunications Law or this Licence, the Director General 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**

### **32. FAIR COMPETITION**

32.1 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 Licensed 3G Mobile Telecommunications Networks or the provision of Licensed 3G Mobile Telecommunications Services in the licensed area; and
- (b) comply with any direction issued by the Director General 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 Licensed 3G Mobile Telecommunications

Networks or the provision of Licensed 3G Mobile Telecommunications Services.

### 33. MISUSE OF DATA

33.1 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 Director General, 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

### 34. MVNOs

34.1 Without prejudice to Condition 22, the Licensed 3G Mobile Telecommunications Network shall be technically independent of any other licensed mobile Telecommunications Network within the Bailiwick except from another network or networks operated by the Licensee.

34.2 Without prejudice to the power of the Director General 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.

34.3 Regardless of the number of licensed mobile telecommunications operators, the Licensee shall provide access to its network no later than 14<sup>th</sup> September 2009 to any party requesting such access. The Licensee shall publish a Reference Offer for MVNO Access within 3 months of any request being made for access to the Licensee's network.

34.4 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 Director General, and according to terms to be agreed between the parties.

34.5 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;
- (e) Penalty Payments.

34.6 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 3G Mobile Telecommunications Service; or
- (b) threaten the integrity, security, or interoperability of the Licensed 3G Mobile Telecommunications Network in a material way,

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

### 35. CUSTOMER SUPPORT

35.1 The Licensee shall ensure that its Users are provided with customer support 24 hours a day throughout the year. The Licensee shall monitor and publish details of its performance in a manner to be agreed with the Director General.

35.2 The Licensee will ensure that its Users are able to access their accounts through the internet and Interactive Voice Response (“IVR”). In addition, the Licensee shall provide Users with the facility to determine their unbilled outstanding amount or available credit over SMS free of charge.

35.3 The Licensee will acknowledge all customer service enquiries related to service performance, including but not limited to complaints, within two working days. For any enquiry not fully resolved within five working days, the Licensee will provide the customer with a committed plan for addressing the enquiry.

35.4 If the Licensee’s fails to satisfy this condition it will provide the affected customer with a [xxxxxxxxxxxxx] bonus airtime credit for each day the Licensee fails to achieve the commitment on his or her current monthly bill or next top-up to a maximum of [xxxxxxxxxxxxx].

### 36. NEW SERVICES

36.1 The Licensee will introduce a minimum of [xxxxxxxxxxxxx] new value added product and service launches by [xxxxxxxxxxxxx] and a further [xxxxxxxxxxxxx] new value added product and service launches by [xxxxxxxxxxxxx]. A new value added product or service is any new product, or service, which introduces a new functionality or experience for the User, and which facilitates the sending and/or receiving of messages by a User, which was not available to the User three months prior to the launch of the product or service.

- 36.2 The Licensee will provide a report to the Director General within 30 days of the end of the periods referred to in condition 36.1 demonstrating compliance with this condition.
- 36.3 The Licensee will introduce at least one tariff plan by [xxxxxxxxxxxxx] with a contractual lock-in period not exceeding six months.
- 36.4 In the event of non-compliance with any part of Condition 36.1 or 37.2, the Licensee will provide Subscribers who take up the service within one month of the service or tariff plan being launched with a complimentary [xxxxxxxxxxxxx] additional usage of that service free of charge in the first month of taking that service or tariff plan.
- 36.5 Whenever the requirement of condition 36.4 has effect, the Licensee will publicise the availability of the complimentary offer in a manner and to a timescale to be agreed with the Director General.

### **37. PRICE REDUCTIONS**

- 37.1 The Licensee will promote increased competition in the 3G mobile telecommunications market by delivering annual price reductions for each of the years ending [xxxxxxxxxxxxx] and [xxxxxxxxxxxxx] of at least RPI-[xxxxxxxxxxxxx]. These price reductions will be measured against a basket of mobile telecommunications products and services to be agreed with the Director General and calculated using a methodology approved by the Director General.
- 37.2 If the price reduction for the basket is less than RPI-[xxxxxxxxxxxxx] in the periods referred to in Condition 37.1, the Licensee will pay a donation to a local charity through the Guernsey Airtel Community Fund. The amount of any donation will be equal to the difference in the price reduction implemented by the licensee compared with that committed to by the Licensee on an assessment of the Licensee's gross revenues for the preceding 12 months.
- 37.3 The Licensee will provide to the Director General a report on its performance in complying with this condition within 30 days of the end of the periods referred to in condition 37.1.

### **38. OPEN PORTAL**

- 38.1 The Licensee will provide a local information portal, with pages on airport departures and arrivals, fog alerts and other major travel news. This service shall be available free of charge.
- 38.2 The licensee shall offer open and non-discriminatory access to its portal and platform for content developed locally in the Bailiwick, this access shall not be limited to content with local relevance.
- 38.3 The Licensee will use best endeavours to offer the Bailiwick's Department of Culture and Leisure and the Guernsey Tourist Board the means to develop a mobile portal listing, providing local information of interest of visitors to the Bailiwick.

## **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 rather than 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 perspective 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 MVNO of subsidising the price of handsets paid by customers;
- the costs to the Licensee of acquisition bonuses paid to MVNOs;
- the costs of equipment maintenance or replacement;
- the costs of retail marketing and sales;
- the costs of financing and retailing billing including bad debt;
- retail computing costs;
- 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;
- additional investment costs incurred to provide service to other licensed operators.

### **Net Avoidable Costs**

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

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