

**Spectrum Consultation:
World On Wireless
700 MHz Spectrum Migration Proposal**

Matter: SC-1501 / 2014

Dated: 31 January 2014

Responses Due: 21 February 2014

BDC Ltd. Response

Frank Amaral

Feb.17.2014

CONSULTATION QUESTIONS

Consultation Question 1: Do you agree that WOW should be permitted to broadcast its services in Channel 37 or should this spectrum remain allocated to radio astronomy? Please explain.

a. If WOW is permitted to broadcast in Channel 37 should this right be unconditional or should conditions apply to its use, such as permitting WOW to use Channel 37 only if no party has a legitimate need to use it for radio astronomy? Please explain.

Response: BDC does not have an opinion regarding reallocation of Channel 37 from radio astronomy to broadcast use by WOW. However, the RA should be cognizant of the current proceedings in the United States to reallocate spectrum in the 600 MHz band from broadcasting to mobile services. In that proceeding, the Federal Communications Commission (FCC) has proposed that Channel 37 (608-614 MHz) remain clear for radio astronomy purposes. Also relevant to the reassignment of spectrum to WOW, in that proceeding the FCC has before it several band plans, some of which include reallocation of spectrum below 608 MHz (the band identified for assignment to WOW) for use by mobile services. It is important that the RA be alert to the possibility that some of the spectrum that WOW may occupy in the future may conflict with the band plans under consideration by the FCC. If that turns out to be the case, it is possible that devices that work in the US in the 600 MHz spectrum may not work in Bermuda or may interfere with WOW operations. The difficulty, of course, is that the rules and band plans are still under consideration by the FCC and are unlikely to be finalized on the timeframe identified for resolving WOW's spectrum migration. It is BDC's understanding that further guidance may come from the FCC later in 2014 and the RA should take into consideration the shifting spectrum landscape in the US to ensure that Bermuda's devices and services are interoperable with US devices and services.

Consultation Question 2: Do you find WOW's migration proposal to be reasonable in terms of the equipment WOW claims is necessary? Please explain and provide data and evidence to support your claims.

Response: Without having a detailed description of the technical specification for the migration it is very difficult for BDC to comment on the reasonableness of the scope of work involved and timeline, the equipment being cited in the proposal and the associated cost estimates. BDC assumes that the Regulator has fully vetted the technical requirements and the vendor's proposal including the associated tender process to ensure multiple vendor quotes were obtained and hence "best price" achieved.

There is one aspect of the proposal which does not seem to be addressed which is the resale value of the current equipment. BDC assumes that current equipment would no longer be in use after the migration and could be sold and the proceeds used to reduce the overall cost of the project. BDC urges the RA to consider this cost recovery in determining WOW's actual migration costs.

Consultation Question 3: Do you find WOW's TV Equipment and Vendor Installation cost estimates to be reasonable? Please explain and provide data and evidence to support your claims.

Response: See our response to Question 2 above.

Consultation Question 4: Do you find WOW's shipping proposal to be reasonable in terms of the tasks WOW claims are necessary, and their associated costs? Please explain and provide data and evidence to support your claims.

Response: See our response to Question 2 above.

Consultation Question 5: Do you find WOW's Shipping Insurance cost estimate to be reasonable? Please explain and provide data and evidence to support your claims.

Response: See our response to Question 2 above.

Consultation Question 6: Do you find WOW's migration proposal to be reasonable in terms of the General Support tasks WOW claims are necessary? Please explain and provide data and evidence to support your claims.

Response: See our response to Question 2 above.

Consultation Question 7: Do you find WOW's General Support cost estimates to be reasonable given the equipment and work required for this project? Please explain and provide data and evidence to support your claims.

Response: See our response to Question 2 above.

Consultation Question 8: Do you find the Regulatory Authority's proposals regarding WOW's compensation for work permit costs to be reasonable? Please explain and provide data and evidence to support your claims.

Response: See our response to Question 2 above.

Consultation Question 9: Do you think that any benefits will be conferred upon WOW through the proposed migration? Please explain.

a. If you believe WOW will benefit from the proposed migration how should these benefits be accounted for in the migration cost compensation calculations?

Please explain.

Response: We do not think any commercial or technical benefits will be conferred to WOW by way of the migration.

Consultation Question 10: Do you find WOW's proposed migration timeline to be reasonable given the equipment and work WOW claims is necessary? Please explain and provide data and evidence to support your claims.

Response: Without having a detailed description of the technical specification for the migration it is very difficult for BDC to comment on the reasonableness of the scope of work involved and associated timeline however it would appear to be reasonable, possibly aggressive.

Consultation Question 11: Do you agree with the Regulatory Authority's tentative conclusion regarding an alternative frequency range for WOW? Please explain, and provide data and evidence to support your claims.

Response: The Regulator's tentative conclusion appears to be reasonable in light of the unsatisfactorily high cost of using Gigahertz range frequency bands.

Consultation Question 12: Do you agree with the Regulatory Authority's tentative conclusion regarding WOW's single source contract proposal? Please explain why you agree or disagree.

Response: BDC has no issue with a single source vendor contract for the project for the reasons provided however the RA must ensure that a formal tender process has been followed by WOW to ensure multiple vendor quotes were obtained and hence the "best price" achieved.

Consultation Question 13: Do you agree with the Regulatory Authority's conclusion in paragraph 38? Please explain.

Response: We agree with the Regulator's conclusion subject to our comments under Question 1 regarding the 600 Mhz frequency.

Consultation Question 14: Do you agree with the Regulatory Authority's tentative conclusions regarding the Government providing migration cost compensation to WOW? Please explain why, or why not.

Response: We agree with the Regulator's tentative conclusion regarding compensation to WOW on the basis that licensees will not incur higher costs directly or indirectly when 700 Mhz band is subsequently reassigned for use or through some other means eg higher RA fees.