PRESS RELEASE

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TRC Fines CCT for Unauthorised Use of 700MHz spectrum

<u>14 May, 2014</u> – The Telecommunications Regulatory Commission (the "TRC") has issued a fine to Caribbean Cellular Telephone Ltd ('CCT") in relation to CCT's unauthorised use of the 700MHz spectrum.

After careful consideration and consultation conducted with reference to section 75(1) of the Telecommunications Act, 2006 (the "Act"), the TRC has determined that CCT breached section 20(1)(a) of the Act and, as a result, has imposed a fine on CCT pursuant to section 75(2)(b) of the Act in sum of US\$50,000 (the "Fine"). Section 20(1)(a) of the Act provides that an authorisation holder shall strictly adhere to its authorised frequency band(s).

CCT is not and has never been in possession of a frequency authorisation for the 700 MHz band. After receiving a complaint from another licence holder and carrying out its own tests on the identified spectrum, the TRC questioned CCT over its alleged use of the 700MHz band. Whilst CCT's responses to the TRC's written inquiries were initially unsatisfactory, CCT subsequently admitted its use of the 700MHz spectrum during February and March of 2014. CCT was provided with a written summary of the TRC's preliminary findings and the proposed Fine and neither the findings nor the Fine were disputed by it.

The TRC reiterates that any unauthorised use of the spectrum is a serious matter in the context of the development of the telecommunications sector in the Virgin Islands. The TRC is currently preparing to allocate 700MHz spectrum in a spectrum award process and any unauthorised use is disruptive and ultimately delays the approvals that will be granted to licensees. The allocation process for the 700 MHz bandwidth is an important issue for all service providers and the general public in the Virgin Islands due to its suitability for use in conjunction with the latest 4G LTE (long term evolution) technology. The TRC would like to confirm to the public that no operator has yet been authorised to use the 700 MHz spectrum for launching 4G LTE services.

"The unauthorised use of the spectrum in this way is contrary to the interests of all stakeholders in the Virgin Islands and the TRC will not tolerate it. This is especially the case when such actions would interfere with the 700 MHz allocation process. The TRC is now pressing on with the process

of allocating frequencies that will allow the launch of new and innovative mobile service in the Virgin Islands such as 4G LTE." said Guy Lester Malone, Chief Executive Officer of the TRC.

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Note to Editors:

The TRC is a statutory body responsible for regulating the telecommunications sector of the Virgin Islands, protecting interests of users of telecommunications services, ensuring fair competition among operators of telecommunications networks and providers of telecommunications services, promoting the development of telecommunications throughout the Virgin Islands and advising the Minister of Communications and Works on telecommunications policies.