

Montreal, January 2nd, 2018



Senior Director
Spectrum Management Operations Branch
Innovation, Science and Economic Development Canada
235 Queen Street
6th floor, East Tower
Ottawa, Ontario
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**RE: Consultation on License Fees for Fixed Point-to-Point Radio Systems – ECOTEL Response
(Canada Gazette, Part I, Gazette Notice DGSO-001-18, posted on November 15, 2018)**

Dear Sir/Madam,

1. Ecotel Inc. ("Ecotel") appreciates the opportunity provided by the Minister of Innovation, Science and Economic Development to provide its comments with regards to the Consultation on License Fees for Fixed Point-to-point Radio Systems.
2. ECOTEL Inc. ("ECOTEL") is a registered Wireless Service Provider licensed in several areas across Canada to operate wireless LTE networks addressing markets in remote regions where other wireless service providers provide limited services.
3. ECOTEL's primary mission is to design, deploy and operate highly secured private LTE cellular networks targeted to mission critical and specialized industrial applications for the Oil, Mining and Utilities markets.
4. Autonomous Truck control system, PLC and SCADA Services, Sensors/Flow meters, real time monitoring and Trucks Collision avoidance systems are just a few of these mission critical applications which benefit from the superior and advanced robustness, security, reliability and performance provided by the LTE wireless technology.
5. ECOTEL is a pioneer in the 4.0 industry revolution, bringing the companies in the mining and oil industry into this new technological era and helping them to increase their efficiency and improve workers security. ECOTEL is allowing new generation of workers to remotely controlling mining equipment located 3km under ground. ECOTEL is now exporting Canadian technologies and knowledge to industries operating in various countries.
6. In addition to our industrial focus, ECOTEL also deploys and operates costs effective LTE cellular networks aimed at providing Data & Voice mobility services to remote & rural communities or enterprises.
7. ECOTEL was granted the first subsidy from Federal and Provincial Governments to offer broadband services along the 155 road and in adjacent municipalities and communities in Haute-Mauricie and Lac-St-Jean.

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8. Over the last 12 years ECOTEL has been deploying multiple licensed and unlicensed point-to-point links for its industrial customers and for remote communities.
9. Over that timeframe, ECOTEL witnessed many instances where remote communities were relying on government subsidies to pay for costly satellite links or fiber optic cable because the current outdated cost structure of point-to-point radio links was making this solution prohibitive.
10. ECOTEL strongly believe that rural communities currently without high speed internet access would greatly benefit from an improved license cost structure.
11. The following paragraphs contain ECOTEL detailed response to ISED questions

Q1: ISED invites comments on the proposed consumption-based fee model for the radio license fees under consideration.

12. ECOTEL welcomes favorably ISED's proposal to base the license fees on the resource (bandwidth) used rather than the utilization made of it (throughput).
13. As a Network designer and operator doing business in rural and remote areas of Canada, ECOTEL had to face situations in the past where projects, while judged essentials, did not turn out economically viable due to humongous recurring microwave license fees. This model has proven to be incompatible with today's networks reality and capacity (4G).
14. ECOTEL recognizes ISED's intentions in its proposal to motivate and to stimulate an efficient use of the resource by modulating the fees by the bandwidth used and the frequency band employed.
15. As a daily actor and witness of remote areas reality, ECOTEL would like to add an incentive in table 1 of ISED's proposal to help insure that these areas get the attention they deserve.
16. ECOTEL hereby suggests amending table 1 by adding a modulation factor to reflect the proximity to populated market areas. This modulation would thus increase the fees in denser urban areas while decreasing them in rural and remote area.
17. The proposed approach would have a double benefit for the Canadians. First, in the more populated areas, it would encourage the deployment of more terrestrial high-speed infrastructure (optical fiber network) which at term would provide a much better mean to provide backhaul to the upcoming 5G wireless sites in suburban areas thus maximizing both the home and mobile experience of Canadians living in these areas.
18. The other positive side of this approach would be to favor the deployment of efficient technologies including 5G networks in more rural areas by reducing the cost of backhaul (in most cases wireless) to provide a decent experience despite the remote location.
19. One can see this approach as a way to help partially finance the rural deployment of advanced services by the industry itself. Thus, allowing the Canadians living outside of urban areas to benefit from 5G economic impacts in a not too distant timeframe compare to the rest of the Canadians.

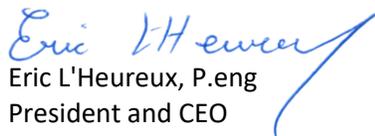
Q2. ISED invites proposals for a fee escalator that takes into account fee predictability for the radio license fees under consideration.

20. ECOTEL understands the constraints related to the environment in which ISED has to operate.
21. However, ISED, as a privileged observer of the Canadian wireless industry is fully aware of the magnitude of market forces to drive down the prices and to increase the amount of data to be carried on the current and upcoming networks. The transport technology, which is the subject of this consultation, is not likely to see an increase in efficiency that will match the 10 to 100 folds that will be seen on the user side (5G) in the coming decade. As such, any license fee increase will have a negative impact on the bottom line.
22. ECOTEL believe that the Point-to-Point license fees should be considered as administration fees. As such, one is to expect some form of efficiency improvement over the years. Furthermore, the expected increase in the number of licenses over the years to come should be enough to absorb any management cost augmentation over the same period.
23. If, at the end of this process, a periodic increase would become inevitable, ECOTEL would rather see a fixed rate rather than a rate based on the CPI increase. For the reasons described here, this rate would have to be a fraction of a base point, i.e. in the vicinity of a tenth of a percent.

Q3: ISED invites comments on the proposals for minimum fees, short-duration license fees and prorated fees.

24. ECOTEL agrees with ISED's proposal regarding short-term license and prorated fees.
25. Finally, ECOTEL notes that ISED has already decided the starting date of the new regime. As such, ISED proposes that the new regime be implemented starting April 1 2020. ECOTEL is of the view that ISED should rather starts the new regime earlier than April 1 2020 for the licensees that require less time to adjust to the new fee approach while leaving up to April 1 2020 for licensees that require more time to adjust. As several licensees could see their fees being reduced considerably, giving this flexibility would stimulate and accelerate the migration towards more efficient technology.
26. Ecotel thanks the Department for the opportunity to provide these comments.

Yours truly,


Eric L'Heureux, P.eng
President and CEO
ECOTEL inc.