

Industry Canada

**Consultation on the Technical, Policy and Licensing Framework for Advanced Wireless
Services in the Bands 1755-1780 MHz and 2155-2180 MHz (AWS-3)**

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Submitted by Dr. Michael McNally, University of Alberta

Dr. Gregory Taylor, Ryerson University

Dr. Catherine Middleton, Ryerson University

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Response to B1

1. We recognize that the AWS-3 band will be globally harmonized but we believe that the proposed 20-year licence terms are longer than required. Drs. Taylor and Middleton have made this point in previous Industry Canada submissions and still believe Industry Canada has not provided a clear explanation for these lengthy licence terms.¹ 20 years is too long a time for the valuable spectrum to be reserved for private exclusive use, with little chance of reappraisal of the public value. The FCC plan for the AWS-3 spectrum has determined 12-year licences are appropriate.² The licences for AWS spectrum auctioned in Canada in 2008 are for 10 year terms. Why does Canada require longer terms for the AWS-3 band?
2. We believe the August 2014 *Consultation on Policy Changes in the 3500 MHz Band (3475-3650 MHz) and a New Licensing Process in Rural Areas* offers a clear example of the necessity of shorter licence terms. The reason that Industry Canada was able to make the required changes in these frequencies is that the 2003 ten-year licences had expired. Changes had happened in the industry and in technology over the previous decade that called for a reassessment of this public resource and Industry Canada was able to give notice to those using the spectrum that their licences would not be renewed. Reallocation will be required in such a volatile industry and we do not believe Canada should have its policy options hampered by 20-year contracts.

¹ Taylor, G. & Middleton, C. (2012). *Consultation on a Licensing Framework for Broadband Radio Service (BRS) – 2500 MHz Band*. Canada Gazette Notice No. DGSO-004-12.

and

Taylor, G. & Middleton, C. (2012). *Response to Consultation on a Licensing Framework for Mobile Broadband Services (MBS) – 700 MHz Band*. Canada Gazette Notice No. DGSO-002-12.

² See FCC 14-31 Docket No 13-185, para. 130.

http://transition.fcc.gov/Daily_Releases/Daily_Business/2014/db0401/FCC-14-31A1.pdf

Response to B3

3. In regard to consultation point B3 – proposed deployment conditions – the proposed deployment conditions should be strengthened, which would better align the technical, policy and licensing framework for the AWS-3 auction with both its own policy objectives³ and the Telecommunications Act.⁴

4. The deployment requirements are similar to previous auctions including both the Tier 2 and Tier 3 targets from the 2008 AWS auction, and the Tier 3 targets from the upcoming 2500 MHz auction. However, unlike the 2008 AWS auction, where both the Tier 2 and 3 targets were five-year targets,⁵ the Tier 3 requirements from the AWS-3 auction need only be met after 10 years. While the same 10 year, Tier 3 targets are being proposed for the AWS-3 auction as the upcoming 2500 MHz auction, Industry Canada should note the criticisms from the 2500 MHz consultation which included Telus suggesting the targets were unambitious, MTS Allstream and Xplornet desiring a five year deployment time frame, and most importantly the comments from the Kativik Regional Government that noted that the Tier 3-17 targets could leave the entire area of Nunavik unserved. It should be further noted that in considering short time frames for the 2500 MHz auction, Industry Canada noted that such time frames would have no impact on incumbent licensees.⁶ Given that the proposed AWS-3 auction is geared toward “operating new

³ *Consultation on the Technical, Policy and Licensing Framework for Advanced Wireless Services in the Bands 1755-1780 MHz and 2155-2180 MHz*, p. 2.

⁴ *Telecommunications Act*, s. 7(b).

⁵ *Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range*, Annex 2, p. 16-18.

⁶ *Licensing Framework for the Broadband Radio Services (BRS) – 2500 MHz Band*, para. 341, p. 62.

entrants” the concerns about infrastructure costs for new entrants should be mollified to a degree.

5. In order to strengthen the AWS-3 targets we propose two options. One option would be to retain the five-year Tier 2 targets, but to also make the Tier 3 targets five-year targets as well. This change would result in the AWS-3 and 2008 AWS auctions having the same deployment requirements.

6. A second option would be to increase the 10 year Tier 3 rollout requirements so that licensees are required to service a greater percentage of the population in each of the Tiers. The proposed targets were originally set in 2007 when mobile usage was very low. There is now room for significantly more aggressive deployment requirements as there is significantly greater demand for coverage. Furthermore the original targets were for coverage in 2013, but the proposed targets would be requirements for 2025. Is it not reasonable that deployment targets for 2025 should be stronger than 10, 15 or 20 percent of the population in several tiers?

7. Finally, it is important to note that deployment guidelines are one of the few policy mechanisms available to further commercial mobile services for rural Canadians. For the 700 MHz auction, Industry Canada committed to a review of RP-019;⁷ however, in the short term deployment requirements remain one of the most effective means of encouraging rural deployment.

⁷ *Policy and Technical Framework: Mobile Broadband Services (MBS) – 700 MHz Band, Broadband Radio Services (BRS) – 2500 MHz Band*, p. 32.