Canadian Electricity Association | Association canadienne de l'électricité

June 12, 2009

By email to: Spectrum.Operations@ic.gc.ca

Manager, Operational Policies,
Radiocommunications and Broadcasting Regulatory Branch,
Industry Canada,
300 Slater Street, 15th floor,
Ottawa, Ontario, K1A 0C8.

Dear Sir,

RE: *Canada Gazette*, Part 1, April 11, 2009, Consultation on a New Spectrum Licensing Approach and Fee for Narrowband Multipoint Communication Systems (N-MCS)– DGRB-008-09

The Canadian Electricity Association (CEA) appreciates the opportunity to comment on Gazette Notice DGRB-008-09 outlining *the Consultation on a New Spectrum Licensing Approach and Fee for Narrowband Multipoint Communication Systems (N-MCS).*

As the industry association representing electricity generation, transmission, and distribution companies across Canada, the CEA is very much encouraged by Industry Canada's initiative to modify its current licensing approach and fee structure for N-MCS. Under the existing framework, licensing for multipoint radio systems will become increasingly costly for utilities as the number of N-MCS systems expand, especially for those supporting a large number of subscriber stations.

CEA supports a population based licensing approach. The department's proposal to alter the current apparatus-based licensing approach to one based on service area population coverage for N-MCS systems operating in various frequency bands will help reduce the administrative burden and cost associated with these essential systems. Further to this, the department's proposal to expand N-MCS licenses from the 1.4 GHz band to N-MCS in various frequency bands and to allow its open use on a first come first served basis is supported by CEA.

Although CEA supports a population based approach, the commercial fee structure supporting this approach reflects the value of radio spectrum to commercial carriers providing services that generate profit. To apply this structure to utilities carrying out their mandated service obligations is inconsistent and may place an unnecessary cost burden on utilities and on Canadian electricity consumers. CEA would strongly recommend that Industry Canada consider creating a separate fee structure, based exclusively on departmental licensing administration costs, rather than on the commercial value of the spectrum.

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Electric utilities are the cornerstone of Canada's critical infrastructure, with many facilities operating for 45-60 years, or longer. As such, annual license renewal terms are arbitrary in the context of the electricity industry. Assuming that an administratively based fee is adopted, CEA would support license terms that more closely reflect the long capital stock in the electricity industry. In place of annual licenses, CEA proposes that spectrum licenses for N-MCS be for five year terms or longer, with a high expectation for renewal in so far as license conditions continue to be met.

Electric utilities also deploy a wide range of radio systems for operations and management of the electricity supply. Mandated provincial smart metering programs, in addition to the need for greater monitoring and control of distribution systems, has made it absolutely critical for utilities to build smart grid networks (e.g. energy efficiency, distributed generation and renewable energy, distribution automation, power quality) to support both urban and rural communities and the industrial sectors located therein. These smart grid networks demand a higher level of network reliability to support the deployment of advanced broadband IP-based technologies. It is important that any future changes to licensing and associated fee structures act to support the economic need and deployment of smart grid applications. As such, CEA would also strongly encourage a similar population based licensing approach be reviewed once the Industry Canada plan to make 30 MHz bandwidth (1800-1830 MHz) available exclusively for the management of the electricity supply is finalized.

The CEA appreciates the leadership shown by Industry Canada on this issue. We would like to thank the department for the opportunity to comment on this proposal to alter the current spectrum licensing approach and fee for narrowband multipoint communication systems.

Yours sincerely,

CANADIAN ELECTRICITY ASSOCIATION (CEA)

Eli Turk
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Chuck Victor
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cc. Michael Connolly, Director General, Radio Communications and Broadcasting Regulatory Branch, Industry Canada
Marc Dupuis, Spectrum Engineering Branch, Director General, Industry Canada

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