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VIA ELECTRONIC MAIL TO spectrum.operations@ic.gc.ca

March 16, 2015

Industry Canada
300 Slater Street (JETN, 15th Floor)
Ottawa, Ontario
K1A 0H5

Attention: Senior Director, Spectrum Development and Operations

Subject: *Canada Gazette, Part 1, Consultation on Changes to the Definition of Competitive and User-Defined Service Areas for Spectrum Licences, DGSO-001-15, February 2015, Comments of TELUS Communications Company (“TELUS” or the “Company”)*

1. TELUS files its comments on the above-noted consultation. TELUS understands that Industry Canada has initiated this consultation because it plans to change the definition of the geographic building block of spectrum licence areas from a hexagonal “grid cell” to a square grid cell. This change is occasioned by the implementation of new software as part of Industry Canada’s modernization of its spectrum management system.
2. The consultation document notes that the transition to square grid cells causes some minor changes to licensed geographic areas. TELUS recognizes that Industry Canada’s proposals attempt to minimize the impact on licensees as much as possible. As a result, TELUS is supportive of Industry Canada’s proposals in general, and appreciates the actions being undertaken to modernize the spectrum management system, for the benefit of licensees, government and the general public. Below, TELUS provides its comments on each of the specific issues raised in the consultation.

TELUS' Reply to Specific Questions Posed by Industry Canada

5. Affected Elements and Proposed Mitigation

5.1 Population – Coverage and Associated Fees

Industry Canada is seeking comments on its proposals:

- 1. Freeze the existing population values for all existing spectrum licences for the remainder of the licence term.**
- 2. Apply new population values based on square grid cells when calculating fees for a new spectrum licence, when changes are made to modify the service area of an existing spectrum licence (e.g. subdivision) or when a new fee order is established.**

1. TELUS agrees that the existing population values for all existing spectrum licences should be frozen for the remainder of the licence term. Industry Canada's proposal takes into account the terms and conditions of the licence at the time of the licence period commencement. Freezing the population at the current levels ensures that no licensee is adversely affected by this change to the spectrum grid cells.
2. While the impact of proposal 2 would probably be minimal, TELUS does not agree with the entirety of the proposal. In TELUS' view, the population value of a licensed area should only be modified if the adjacent licence areas are also going to have adjusted population values. The problem with Industry Canada's proposal is that if, for example, one licence area is being subdivided, and the population of that licence area is adjusted based on square grid cells, the neighbouring licence areas will still have their populations based on hexagonal grid cells. Therefore it is possible that population might be double counted or neglected/omitted from counting.
3. TELUS is also unsure if Industry Canada's example of subdivision should be a situation where the population based on square grid cells would then apply. Subdivision does not change the overall licence area of the original licence. As a result, the service area is not being affected. Adjacent licence areas to the

subdivided licence area would also continue to have population based on hexagonal grid cells.

4. In order to preserve alignment in the calculation of population across licence areas, TELUS proposes that Industry Canada maintain populations using a consistent approach throughout a spectrum band. Therefore, TELUS asks that population values based on hexagonal grid cells be maintained until an entire spectrum band is renewed or when a new fee order is established and made applicable to a spectrum licence band. As a result, licence areas would be treated consistently in a spectrum band.

5.2 Location of Deployed Sites

Industry Canada is seeking comments on its proposal:

3. Sites that fall outside of the new service area but that are within the original licence area will be grandfathered. Licensees can continue to offer services to customers that are within the original licence area, but outside of the new area defined by square grid cells.

Licensees are reminded that it is a condition of licence to update site information and that it must be updated prior to March 31, 2015, if their applicable sites are to be considered under this grandfathering provision. A revised list of grandfathered sites will be published prior to implementation of the grid cell changes. Sites not included on the list are not subject to the grandfathering provision and would be considered non-compliant if they are located outside their existing or new service area.

5. TELUS agrees with this proposal. It takes into account the fact that licensees relied on the licence boundaries at the time of licence acquisition and built sites accordingly. If the transition to square grid cells is undertaken, no licensee that built sites based on the licence area boundaries based on hexagonal grid cells should be penalized.

Technical Considerations

Industry Canada is seeking comments on its proposal to:

4. Require licensees to meet the specified PFD at the new service area boundary or coordinate with the adjacent licensee if a licensee makes changes to an existing station.

6. Similar to the point made above under population values, changes made on the PFD requirements should be made at the time of uniform movement to square grid cells at the time of licence band renewal. This will ensure that all licensees adopt a common practice, and there is common impact on respective licensees of adjacent spectrum licence areas. Prior to spectrum licence renewal, Industry Canada can inform licensees that the requirement to meet the specified PFD based on square grid cells and the applicable licence area boundaries, causing alignment across the band.

Yours truly,

{Original signed by Ted Woodhead}

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