



Branchons nos Communautés
Connecting Communities

Ottawa, January 4th 2019

Senior Director, Spectrum Management Operations Branch
Innovation, Science and Economic Development Canada
(Submitted by email: ic.spectrumoperations-operationsduspectre.ic@canada.ca)

SUBJECT: DGSO-001-18 Consultation on License Fees for Fixed Point-to-Point Radio Systems

Dear Sir or Madam,

Canwisp is pleased to provide a response in regard to the Consultation on License Fees for Fixed Point-to-Point Radio Systems

We thank ISED for this continuing opportunity to participate in the elaboration of the future of the Canadian telecommunications service.

Yours truly,

A handwritten signature in black ink, appearing to read "Dan Barnes", with a horizontal line extending to the right.

Dan Barnes
President
Canwisp
dan@Canwisp.ca



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Canwisp Response to ISED
RE: DGSO-001-18
Consultation on License Fees for Point-to-Point Radio Systems

Introduction and Executive Summary

1. Canwisp is an organization representing Canadian Wireless Internet Service Providers. Our members are entrepreneurs and innovators who build and operate fixed wireless networks to provide reliable, fast, affordable broadband internet service in their communities. Our members are small local companies that provide their communities with much needed broadband service. These communities are often overlooked by larger telecom operators whose business model optimizes return to shareholders and is not suited to provide service in these areas, even close to large population centers.
2. Our members' networks range in size from hundreds up to 30,000 subscribers. Canwisp members supply high-speed internet service as well as VoIP-based voice services. Our 50+ WISP members provide service to approximately 125,000 subscribers in hard to reach rural areas. We estimate that the total number of subscribers serviced by similar wireless operators (more than 150 others who are not members of Canwisp) represents an additional 125,000 subscribers. Xplornet's fixed wireless customer base is in addition to these figures. The total subscriber base served by fixed wireless ISPs is thus well over 200,000 even without Xplornet.
3. Our members often utilize unlicensed links rather than licensed links due to the cost and complexity of licensing. With consumer demand continuing to grow, and the Government of Canada's goal of providing 50Mbps x 10Mbps Internet, the performance and benefits of licensed links will become the preferred backhaul solution.
4. Affordable and predictable Point-to-Point license fees will enable our members to continue to provide quality services at acceptable costs to Rural Canadians.

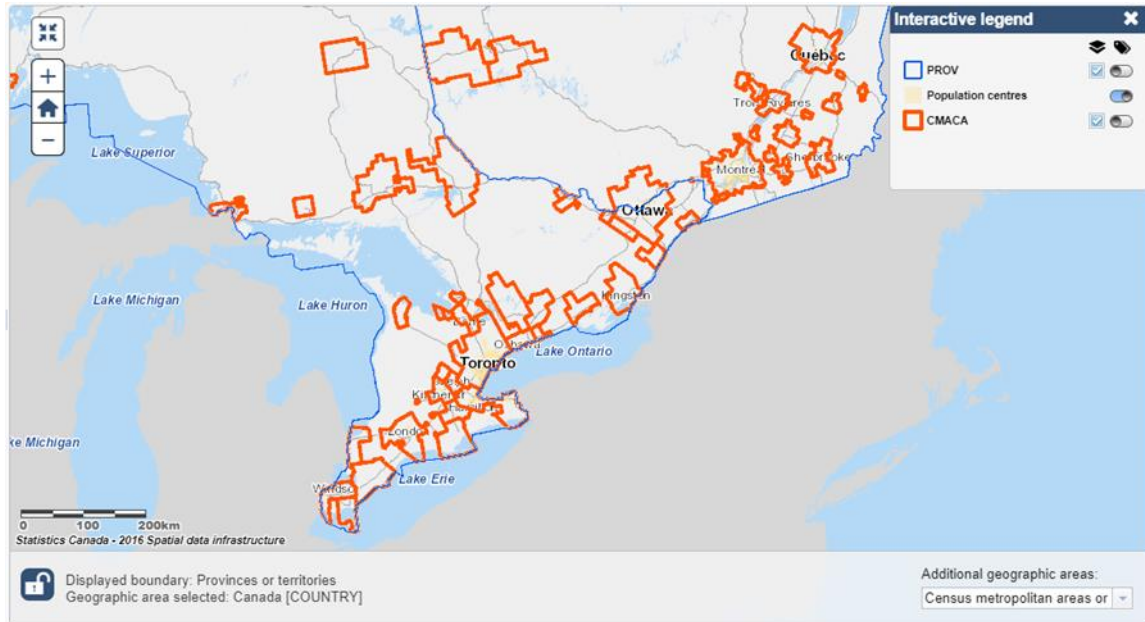
Specific Comments Regarding Questions

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

Discounted Fees For Uncongested Areas

5. Spectrum Outlook 2018 – 2022 included various measures to encourage increased wireless coverage to rural and remote regions including making spectrum available at a lower cost. Canwisp supports reduced point to point licensing fees, both to help achieve this goal, and to reflect the lower demand for frequencies in un-congested areas.
6. The concept of differential fees based on population densities is not new. As referenced in this Gazette Notice, Australia has defined four density areas: High Density, Medium Density, Low Density, and Remote Density. These density areas are defined and mapped in the Apparatus License Fee Schedule along with tables to determine the annual licence fee.
7. Canwisp proposes that ISED use an existing measure to define congested and un-congested areas, based roughly on population density. Canwisp recognizes that the definition of un-congested areas in SP 1-20 may be complicated for the department to administer as determinants of licensing fees. Canwisp proposes, instead, the use of Census Metropolitan Areas (CMA) and Census Agglomerations (CA) designated by Statistics Canada to define congested areas. CMA/CA areas are a reasonable proxy for congestion in most locations across Canada, and the boundaries of these areas will continue to adapt as population patterns change in the future.
8. Canwisp proposes that a link be considered “metropolitan” if the path passes inside any of these Census Metropolitan Areas or Census Agglomerations. If the path is entirely outside of all CMA/CA areas, the link would be considered “un-congested” and discounted fees would apply.
9. Canwisp supports a discount of 60% for links that meet the criteria of “un-congested”.

Figure 1 Metropolitan areas in Southern Ontario



Point-to-Multipoint Innovative Last Mile Uses

10. ISED is proposing the total fee for a fixed point-to-multipoint (PTMP) system would be the sum of the PTP fees for each of the individual links within the system.
11. The Consultation notes that, “ISED considered recent feedback from stakeholders in response to the Consultation on the Spectrum Outlook 2018-2022, which indicates that fees in Canada for radio licences for backhaul discourage innovation and investment in new technology and hinder the effective use of spectrum.” As a result, the Department states that the proposed fee schedule is not simply meant to be a reflection of a frequency band’s utility and provide an incentive to use spectrum efficiently but, further, the new model is meant to incent innovation through the development of new applications and technologies in low-cost, under-utilized bands.
12. New license fees will promote more efficient use of spectrum in PtP links. However, applying a fee to each link in a PTMP system will deter innovative last mile solutions.
13. Wideband point to multipoint solutions are available today in the 26-28GHz, 31GHz, and 39GHz bands and could be deployed for last mile solutions where fiber is too costly.
14. Low gain sector antennas will further limit the distance of a PTMP system compared to PTP links.



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15. Canwisp proposes that all stations within the coverage of the PTMP master station be considered a single PTP link. As such, a single license fee would be assessed.

16. Alternatively, Canwisp would support an area spectrum license that would cover all end points in a geographically contained PTMP system.

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

17. Canwisp proposes an escalator clause take effect on the fifth anniversary of the coming into force of the escalator clause and every five years thereafter.

18. Each base rate to be increased by 7%

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

19. Canwisp is in support of the proposed policies.

Canwisp thanks ISED for the opportunity to provide these comments.