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Canada Gazette, Part I, May 5, 2012, Gazette Notice No. DGSO-002-12 –
Consultation on a Licensing Framework for Mobile Broadband Services (MBS) —
700 MHz Band

Dear Madam/Sir:

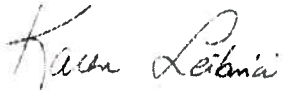
1. The Department has issued a paper titled **Consultation on a Licensing Framework for Mobile Broadband Services (MBS) — 700 MHz Band** (“the Consultation Paper”). In the Consultation Paper, the Department has invited comments and reply comments on the conditions of license of the 700 MHz band by commercial mobile services.
2. The Federation of Canadian Municipalities (FCM) appreciates the opportunity to provide reply comments on the above-noted consultation.
3. FCM has been the national voice of municipal government since 1901. With close to 2,000 member municipalities, FCM represents the interests of municipal governments on policy and program matters that fall within federal jurisdiction. Members include Canada's largest cities, small urban and rural communities, and 21 provincial and territorial municipal associations.
4. FCM supports the inclusion of rural deployment requirements in the Licensing Framework for MBS – 700 MHz Band. In November 2011, FCM's Board of Directors approved a recommendation to urge the Government of Canada to include provisions in the 700 MHz spectrum auction to incent and encourage winning carriers to increase broadband and cellular coverage in rural, remote and northern communities.
5. Rural access to adequate cellular and mobile broadband services is an extremely important issue to FCM member municipalities, more than 1,500 of which are small, rural or northern communities. The long-standing gap in the availability of affordable telecommunications services between rural and urban areas is in large part driven by the inaccessibility of wireless spectrum.

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6. Industry Canada has identified that the 700 MHz spectrum is ideally suited for mobile broadband rural deployment, given its propagation characteristics. This auction therefore opens new opportunities for increased mobile coverage and broadband capacity which would significantly contribute to local economic development, address isolation issues and increase community competitiveness.
7. FCM is concerned that the proposed wording of the rural deployment requirements may not guarantee rural deployment, as the decision to base it on existing High Speed Packet Access (HSPA) network footprints may allow some licence holders to meet the rural deployment condition by deploying solely in urban areas. FCM urges Industry Canada to reconsider this proposed wording in a manner that will guarantee rural communities have access to next-generation mobile broadband services.
8. In the absence of revised wording, FCM urges Industry Canada to use all available measures to ensure that licence holders fulfill the condition of licence related to rural deployment requirements in a manner that is consistent with the stated policy objective.
9. FCM also urges Industry Canada to clarify in advance of the 700 MHz spectrum auction the penalty and/or penalties for failure to fulfill the condition of licence related to rural deployment requirements.
10. FCM supports the adoption of a "use it or lose it" approach related to rural areas and deployment, which could include segregating the spectrum allocation if licence holders fail to meet the rural deployment requirements.
11. FCM appreciates this opportunity to share its views with the Department on how the proposed condition of licence related to rural deployment requirements can be improved to guarantee that rural, remote and northern communities have timely, accessible and reliable access to mobile broadband services.

Sincerely,



Karen Leibovici
FCM President
Councillor, City of Edmonton

KL/DR:sd

c: Industry Canada, Office of the Honourable Christian Paradis,
Minister of Industry