



## **Consultation on a Licensing Framework for Mobile Broadband Services (MBS) - 700 MHz Band**

Executive Summary of the Reply Comments of Sogetel Mobilité

Submitted to Industry Canada in Response to Canada Gazette Notice no. DGSO-002-12

**July 25<sup>th</sup>, 2012**

## 1. Executive Summary of Sogetel's Reply Comments

This document is an Executive summary in English of the Reply comments of Sogetel Mobilité (in French) to Industry Canada in response to Canada Gazette Notice No. DGSO-002-12, of April 25, 2012 regarding the licensing framework for the upcoming auction of the 700 MHz spectrum band. Not all elements of the original Sogetel submission in French are discussed in this Executive Summary and the French document should be regarded as the official submission of Sogetel.

Sogetel Mobilité ('Sogetel') is a private enterprise, which offers a wide array of mobile and fixed services in a number of rural areas of Québec. Sogetel thanks the Department for the opportunity to submit its reply to the comments submitted on June 25<sup>th</sup> regarding the upcoming award of the 700 MHz spectrum band across Canada.

Sogetel notes the conditional support of other participants for Combinatorial Clock Auction (CCA) format and reiterates its preference for the Simultaneous Multiple-Round Ascending (SMRA) auction with anonymous bidding. Viewing anonymity as crucial to the auction process, regardless of the chosen auction format, Sogetel opposes the recommendations of Bell Mobility to disclose the package bids of all bidders at the end of each round.

In the event that Industry Canada decides on the CCA format, Sogetel vigorously opposes Rogers' recommendations regarding two principal elements of the format: the choice of a *weighted* Nearest-Vickrey pricing rule and the use of "dummy bidders" in the winner determination calculation to ensure that the outcome meets the reserve requirement. An analysis of Rogers' recommendations regarding these two points indicates that they are harmful to regional bidders (and conversely favor larger bidders such as Rogers) for reasons described in Sogetel's detailed submission.

Sogetel recommended large reductions in the opening bids and pre-auction deposits in its memorandum of June 25<sup>th</sup>, demonstrating that the opening bids were much higher than the prices

paid in 2008 in the case of specific licenses. Sogetel's recommendation applies to the licensing of paired and unpaired spectrum blocks in the following areas of service: 2-01, 2-02, 2-03, 2-04, 2-07, 2-09 and 2-14. Sogetel notes that similar arguments were put forward by other companies including SSI Micro, Public Mobile and Eastlink and strongly encourages Industry Canada to respond positively to these recommendations regarding the opening prices and pre-auction deposits.

Finally, Sogetel supports the comments made by Bell and TELUS regarding the individual participation of associated entities in the auction, and supports the recommendation of the Canadian Wireless Telecommunications Association (CWTA) on the abolition of the license condition concerning R&D spending on licenses for frequencies already allocated as well as for upcoming licenses in the 700 MHz band.

**End of the Executive Summary.**