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25 May 2015

by Email

Ms. Heather Hall
Senior Director
Spectrum Licensing Policy Branch
Industry Canada
300 Slater St.
Ottawa, ON K1A 0C8

E-mail: spectrum.auctions@ic.gc.ca

Dear Ms. Hall:

Subject: Gazette Notice SLPB-002-15, Consultation on a Licensing Framework for Residual Spectrum Licences in the 700 MHz and AWS - 3 Bands – MTS Inc. comments

1. Pursuant to the procedure set out in Gazette Notice SLPB-002-15, *Consultation on a Licensing Framework for Residual Spectrum Licences in the 700 MHz and AWS-3 Bands* (Notice SLPB-002-15), issued on 9 May 2015, MTS Inc. (MTS) provides the following comments.
2. In SLPB-002-15 Industry Canada (IC) has proposed to auction the remaining unallocated 700 MHz spectrum licence in the Yukon, the Northwest Territories and Nunavut, and the three unallocated AWS-3 spectrum licences in the areas of Saskatchewan, Manitoba and Yukon, the Northwest Territories and Nunavut. IC has proposed a sealed-bid auction to be scheduled on August 25th, 2015.
3. MTS is generally supportive of IC's proposal. With respect to the auction of residual AWS-3 licenses, MTS has no objections to IC's proposal to eliminate the set aside but MTS recommends IC set a spectrum cap for AWS-3 spectrum – no one single carrier should have ownership directly or through subordination, to every block in the AWS-3 band. This would not be consistent with IC's goals of promoting diversity in spectrum ownership and competition.

4. With respect to IC's specific questions:

P1 — Industry Canada is seeking comments on its proposals to:

- a. license the northern 700 MHz and AWS-3 licences on a Tier 4 basis; and**
- b. disaggregate block GHI into three separate blocks of 5 + 5 MHz each for all of the AWS-3 spectrum licences being offered through this auction process (Saskatchewan, Manitoba and the North).**

5. MTS has no objections to IC's proposal to license the northern 700 MHz and AWS-3 licenses on a Tier 4 basis.
6. MTS supports IC's proposal to disaggregate AWS-3 block GHI into three separate blocks in Saskatchewan, Manitoba and the North.

P2 — Industry Canada is seeking comments on its proposals to:

- a. eliminate the competitive measure which set aside block GHI for operating new entrants for all of the AWS-3 licences available in this process; and**
- b. maintain the spectrum caps on the 700 MHz licences.**

7. MTS supports IC's proposal to maintain spectrum caps on the carrier access to 700 MHz licenses.
8. As noted above, MTS has no objections to IC's proposal to eliminate the set aside for the AWS-3 licenses in the proposed residual auction, however, MTS recommends IC set a spectrum cap for AWS-3 spectrum – no one single carrier should have ownership directly or through subordination, to every block in the AWS-3 band.

P3 — Industry Canada is seeking comments on its proposals to:

- a. reduce the deployment requirements for the AWS-3 licences in the North to 20% of the Tier 4 service areas;**
- b. reduce the timelines to reach the deployment levels in Saskatchewan and Manitoba from eight years to five years;**
- c. apply the current 20% deployment levels for the 700 MHz licence to each of the Tier 4 licence areas.**

9. MTS supports IC's proposals to change the deployment requirements and timelines for the residual spectrum blocks.

P4 — Industry Canada is seeking comments on its proposal to use the sealed-bid auction format for the auction of residual licences in the 700 MHz and AWS-3 bands and on the timelines proposed in the Proposed Table of Key Dates.

10. MTS supports IC's proposal to use a sealed-bid auction format.

P5 — For the AWS-3 licences, Industry Canada is seeking comments on its proposal to allow package bidding for blocks G, H and I within each service area, with the exception of packages containing the blocks G and I as a combination.

11. MTS supports IC's proposal to allow package bidding for blocks G, H and I within each serving area, with the exception of packages containing blocks G and I for contiguity purposes.

P6 — Industry Canada is seeking comments on its proposal to use a second-price rule, including bidder-optimal core prices and use of the "nearest Vickery" approach, for the auction of residual licences in the 700 MHz and AWS-3 bands.

12. MTS has no objections to IC's proposed second-price rule.

P7 — Industry Canada is seeking comments on the proposed opening bids as presented in tables 4 and 5.

13. MTS has no objections to IC's proposed opening bid prices.

P8 — Industry Canada is seeking comments on its proposed rules regarding Affiliated and Associated Entities, which would apply to applicants and bidders in the upcoming auction of residual spectrum licences in the 700 MHz and AWS-3 bands.

P9 — Industry Canada is seeking comments on the rules prohibiting collusion, which would apply to bidders in the upcoming auction of residual spectrum licences in the 700 MHz and AWS-3 bands.

P10 — Industry Canada is seeking comments on the proposed auction process for the auction of residual licences in the 700 MHz and AWS-3 bands.

P11 — Industry Canada is seeking comments on the proposed renewal process for spectrum licences in the 700 MHz and AWS-3 bands.

14. MTS has no objections to IC's proposals regarding Affiliated and Associated entities, rules prohibiting collusion, IC's proposed auction process or the renewal process.

Yours truly,



for Russ Friesen
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