



TELUS

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**Subject: Canada Gazette Part I, May 14, 2010, Notice DGTP-002-10, Consultation on the Use of the Band 25.25 – 28.35 GHz**

TELUS Communications Company (TELUS) appreciates the opportunity to respond to the above captioned notice and consultation on the band 25.25 – 28.35 GHz (the Consultation).

TELUS participated in the preparation of the response of the Radio Advisory Board of Canada (RABC) and supports that response. TELUS has some specific comments on issues arising in the consultation and these are outlined below.

At section 4 of the Consultation Industry Canada (the Department) notes that “First Come First Served (FCFS) is typically used for point-to-point applications for backhaul or similar applications and is based on the amount of spectrum needed for immediate implementation.” The Department further states that “The Department is of the view that the FCFS approach in the bands 25.25 – 26.5 GHz and 27.5 – 28.35 GHz is appropriate at this time given that demand is not anticipated to exceed supply. However, the Department reserves the right to review the use of the process and consider a competitive process at any time.” The Department further notes in section 9 of the Consultation that it intends to consult, in the future, on the formal licensing process for these bands. TELUS is concerned that if the Department merely adopts the FCFS model without adequate modifications there is a danger that this could hinder the development and expansion of HSPA and LTE networks.

A key requirement for the roll-out and expansion of HSPA and LTE networks with their ever increasing data rates is the certainty of backhaul facilities availability. TELUS is of the view that the FCFS model needs to be “tweaked” to allow network operators to reserve sufficient backhaul facilities when commencing build-out or expansion of their HSPA or LTE networks. A key component of the FCFS model is the requirement for immediate implementation. This requirement can be satisfied by the production of a network plan with a committed date. This

would provide the Department with assurance that the spectrum would be used and introduce the critical business certainty required by the network operator upon commencement of a major network expansion or build. TELUS recommends that the Department build this provision into any prospective licensing regime for this band that it consults on and notes that it aligns with the principles outlined in section 5.2 of the Consultation document.

TELUS supports licensing this band on a spectrum licensing basis as this approach supports the requirements of certainty over the licence period which TELUS recommends be 15 – 20 years. Such an approach also provides the maximum flexibility in reacting to shifting demand within the defined licence area. TELUS agrees with the Department's proposal to allow the service area to be user-defined and suggests that spectrum grid cells be used to define these areas. As the Department notes all service areas are translated into areas based on spectrum grid cells which have an area of 25 square kilometres. These cells fit together in an interlocking pattern over the geography of Canada and would allow the areas to be defined against a common standard.

As noted in the RABC response the Department's proposed fee structure for this band is not one that works with the use of point-to-point systems. TELUS intends to use this band for backhaul purposes and from what we have observed this will be by far the preferred use for this band. The use of a charge on a per MHz per population basis is designed for point-multipoint applications and not for point-to-point applications. This charging system would unfairly penalize those operators who must use this band for backhaul. It would also introduce a series of varying transactional costs for operators due to varying population densities and detract from cost certainty on a per system basis. TELUS suggests that the already announced consultation on the final licensing regime for this band include the question of fees for point-to-point applications based on an annual fee.

All of the above points raised by TELUS are aimed at ensuring greater business certainty for system operators which in turn promotes more efficient roll outs of services to the benefit of Canadians.

Yours truly,

{ filed electronically }

Ed Prior