

23 June 2014

by Email

Mr. Marc Dupuis
Director General
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Dear Mr. Dupuis:

Subject: Gazette Notice SMSE-011-14, Consultation on a Policy, Technical and Licensing Framework for Use of the Bands 2000-2020 MHz and 2180-2200 MHz, 31 May 2014 – MTS Allstream comments

1. Pursuant to the procedure set out in Gazette Notice SMSE-011-14, *Consultation on a Policy, Technical and Licensing Framework for Use of the Bands 2000-2020 MHz and 2180-2200 MHz* (Notice SMSE-011-14), issued on 31 May 2014, MTS Inc. (MTS) provides the following comments.
2. In Notice SMSE-011-14, Industry Canada (IC) has proposed a change in the policy, technical and licensing framework for use of the bands 2000-2020 MHz and 2180-2200 MHz (the 2 GHz band) for mobile-satellite service (MSS) and its ancillary terrestrial component (ATC). The proposed changes include a new band plan that modifies the uplink/downlink pairing, a change in the spectrum policies that govern the use of the band, licensing considerations including conditions of licence, and technical rules for deployment in the band.
3. MTS is broadly supportive of IC's proposed approach. SMSE-011-14 aligns Canada's spectrum policy with that of the U.S., improving the likelihood of the development and implementation of a device ecosystem within the band. MTS however, notes disagreement with IC's proposed requirement with respect to dual-mode devices, its

blanket ban on spectrum partnerships with regional carriers and IC's deployment obligations for the ATC licence. MTS addresses each of IC's specific questions below.

A-1 Industry Canada proposes to adopt the 2 GHz band plan and the block pairing shown in Figure 2.

Comments are being sought on these proposals. In providing responses, include supporting arguments for or against these proposals.

4. MTS supports harmonizing the 2 GHz band with the U.S. and moving to a 3GPP plan with consistent duplex spacing in this spectrum band. Using the same block pairing will better enable the Canadian market to take advantage of the larger US wireless ecosystem for handsets.

B-1 Industry Canada proposes to maintain the provision of MSS in this band.

B-2 Industry Canada proposes to remove the dual-mode requirement in the 2 GHz band, and to modify RP-023 and RSS-170 accordingly.

B-3 Industry Canada proposes to modify the spectrum and licensing policy principles on the implementation of ATC mobile services in RP-023 with regard to the 2 GHz band.

B-4 Industry Canada proposes that the deployment of ATC service not constrain the deployment of MSS.

Comments are being sought on these proposals. In providing responses, include supporting arguments for or against these proposals.

5. MTS supports IC's proposal to continue to require MSS offerings in conjunction with terrestrial services in order to encourage increased coverage in Canada's remote areas. MTS believes rural deployment and MSS telecommunication services for rural Canadians should be the primary policy objective for the band. For this reason MTS supports IC's decision to differ from the U.S. and maintain that the MSS services must be offered in conjunction with the terrestrial service to ensure broader service coverage.
6. For this reason also, MTS does not believe it is logical or consistent to eliminate the requirement for dual-mode terminals. Decoupling the dual-mode requirement for devices using this band will lead to commercial mobile ATC use only in urban areas.

Only by maintaining the dual-mode requirement will IC ensure that any such commercial deployment benefits rural Canada.

C-1 Industry Canada proposes to extend the spectrum assigned in existing 2 GHz MSS licences and ATC authorization to 2000-2020 MHz and 2180-2200 MHz.

C-2 Industry Canada proposes to issue new spectrum licences to incumbent 2 GHz licensees, with terms commencing on April 1, 2015, that reflect the proposed revisions to the band plan and new conditions of licence if a letter indicating interest is received from both incumbents.

C-3 Industry Canada proposes that the ATC licensee be allowed to decide if the use of the band 2000-2020 MHz will be for uplink or downlink operations and notify Industry Canada by May 20, 2016; and further proposes that the decision apply to all of Canada and for the rest of the licence term.

Comments are being sought on these proposals. In providing responses, include supporting arguments for or against these proposals.

7. MTS agrees with IC's proposal to extend the spectrum assigned in existing 2 GHz licences to 2000-2020 MHz and 2180-2200 MHz, and that new licenses should be offered first to incumbent 2 GHz licensees. The incumbents have invested in the satellite equipment required to support the MSS services. Opening the process to a competitive process would further delay the implementation of MSS services in Canada.
8. MTS agrees that ATC licensee should be permitted to decide on how to optimally determine upload and download link operation. The ATC licensee will be in the best position to determine uplink and downlink pairings to remain consistent with developments in the U.S. and existing terminal support.

C-4 Industry Canada proposes a Tier 1 Service Area for the MSS and ATC spectrum licences.

Comments are being sought on this proposal. In providing responses, include supporting arguments for or against this proposal.

9. MTS agrees a Tier 1 license area is the most logical for the primary service which is MSS. The MSS operator and licensee can decide to sub-license the ATC component on a smaller tier level should it be required or make commercial sense.

C-5 Industry Canada proposes that spectrum licences in the 2 GHz band have a licence term of 20 years.

C-6 Industry Canada proposes that the licensees not be permitted to transfer any of the ATC spectrum to a large wireless service provider for the term of the licence. For any other transaction, the transferability and divisibility provisions outlined in Section 5.6.4 of CPC-2-1-23 will apply to any ATC spectrum transfers.

C-7 Industry Canada is proposing deployment obligations for MSS licensees, within 5 years, to ensure that MSS is available and being offered throughout Canada.

C-8 In case of an emergency leading to the lack of availability of the satellite for the provision of the MSS, Industry Canada proposes to give the satellite operator 48 months to replace the satellite in order to continue MSS operations.

C-9 Industry Canada proposes that the ATC licensee be required to demonstrate that, within 5 years, MSS is available and being offered in the Tier 1 area; this condition would apply for the term of the licence provided that the EchoStar T1 satellite or its replacement is operational.

C-10 Industry Canada is proposing deployment obligations for ATC licensees, within 5 years and 10 years, as specified in Annex C.

C-11 Industry Canada proposes that an interim site licensing procedure be used for radio stations operated by the ATC licensees until a spectrum licence fee is finalized.

Comments are being sought on these proposals and on the proposed conditions of licence in annexes A and B, as well as the deployment requirements proposed in Annex C. In providing responses, include supporting arguments for or against these proposals.

10. MTS agrees with IC's proposal for 2 GHz spectrum licenses to have licence terms of 20 years.
11. MTS supports IC's proposal to subject any possible transfers, divisions or subordination of ATC licences to Section 5.6.4 of Client Procedures Circular CPC-2-1-23, *Licensing Procedure for Spectrum Licences for Terrestrial Services*, and IC's *Framework Relating to Transfers, Divisions and Subordinate Licensing of Spectrum Licences for Commercial Mobile Spectrum* (Framework). Any spectrum sharing and transfers must be subject to a careful review of:
 - a) the current licence holdings of the Applicants and their Affiliates in the licensed area;
 - b) the overall distribution of licence holdings in the licensed spectrum band and commercial mobile spectrum bands in the licensed area;

- c) the current and/or prospective services to be provided and the technologies available using the licensed spectrum band;
 - d) the availability of alternative spectrum that has similar properties to the licensed spectrum band;
 - e) the relative utility (e.g. above and below 1GHz) and substitutability of the licensed spectrum and other commercial mobile spectrum bands in the licensed area;
 - f) the degree to which the Applicants and their Affiliates have deployed networks and the capacity of those networks;
 - g) the characteristics of the region, including urban/rural status, population levels and density, or other factors that impact spectrum capacity or congestion; and
 - h) any other factors relevant to the policy objectives outlined in this Framework that may arise from the Licence Transfer.
12. As such, MTS does not agree with IC's proposed blanket rule preventing any possible ATC licence agreement with a "large wireless provider" as defined as a company with 20% or more of the wireless subscriber market share in the province of the relevant licence area. While MTS may hold strong market share of the wireless market in Manitoba, MTS does not hold dominant share of spectrum ownership in the province. MTS, more so than any other wireless carrier in the province, has invested in rural deployment of wireless services, and price and service competition in Manitoba is fierce. Indeed Manitoba has one of the most competitive markets for wireless service in the country.
13. Spectrum ownership and competition conditions vary considerably across Canada and MTS argues options for deployment with regional partners should not be ruled out without consideration. With respect to any potential partnership with regional carriers, IC should judge any potential sharing of ATC licenses consistent with its Framework for transfers, divisions and subordination, rather than implement a blanket ban.
14. On MSS deployment, MTS agrees with IC's proposed 5 year deployment obligation. In the 2 GHz band MSS deployment is of the utmost importance to ensure coverage for the 1% of Canada's population that falls outside of existing commercial terrestrial service. MTS also agrees with IC's proposal to give MSS licensees up to four years to redeploy

should the need arise. Given the unique nature of satellites and their costs, this is reasonable.

15. On ATC deployment, MTS agrees with IC's proposal that the ATC licensee be required to demonstrate that MSS is available and being offered in the area within 5 years. The MSS services are ultimately the primary policy objective. As such however, MTS disagrees with the proposal to also set a deployment obligation for ATC licensees. ATC flexibility allows the MSS operator a better business case for use of the spectrum but the MSS operator should not be obligated to provide ATC service if it is not required or demanded by its customer base.
16. MTS agrees with IC's proposal that an interim site licensing procedure be used for radio stations operated by the ATC licensees until a spectrum licence fee is finalized.

D-1 Industry Canada proposes to develop technical rules for the 2 GHz band, harmonizing with the U.S. rules to the extent feasible and to issue the applicable SRSP and RSS.

Comments are being sought on this proposal and the proposed technical rules in Annex D. In providing responses, include supporting arguments for or against this proposal.

17. MTS has no objections to IC's proposed technical rules for the 2 GHz band.

Yours truly,



for Russ Friesen
Vice President, Regulatory Affairs

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