SaskTel Comments:

Gazette Notice DGSO-006-12

Consultation on Renewal Process for 2300 MHz and 3500 MHz Licences

December 17, 2012
EXECUTIVE SUMMARY

1. Saskatchewan Telecommunications ("SaskTel" or “the Company”) is pleased to provide these Comments in response to Gazette Notice DGSO-006-12, Consultation on Renewal Process for 2300 MHz and 3500 MHz Licences (“the Consultation”).

2. SaskTel supports the Radio Advisory Board of Canada (RABC) and Canadian Wireless Telecommunications Association (CWTA) submissions on this consultation.

3. In addition, SaskTel’s position on two major issues raised in the consultation is as follows:

   • Unused spectrum licences should be made available to any service providers willing to use them under a “use it or share it” regime, or returned to Industry Canada. This includes the sub-division of current spectrum licences into used and unused portions so that the unused sub-divided portions of the spectrum can be utilized.

   • Very recent developments by the ITU, the FCC, and 3GPP standard setting bodies allow for deployment of LTE equipment in the 2300 and 3500 MHz spectrum blocks. Canada should follow suit and match these developments to ensure harmonization with international rules. Only with full harmonization can Canadian operators obtain compatible equipment and devices to allow for deployment in these bands. These technical changes are highlighted and discussed in the RABC submission to this consultation and SaskTel refers Industry Canada to the RABC submission for further details and discussion on these important developments affecting future LTE deployments in these bands.

   • SaskTel notes that AT&T has also stated in their FCC filings that they are planning large scale deployments of LTE in the 2300 MHz WCS band. The decision by AT&T to use this band will drive the standards bodies (in particular 3GPP) to produce industry standards covering this band, and device makers will be driven to produce LTE-based devices that can be used in this band.
4. In the remainder of this document, SaskTel provides further response to some of the individual questions posed by the Department. The section numbering of the remainder of this document corresponds to the numbering of the consultation paper released by the Department. Failure to address any particular issue or item, or the Comments made by any other party, should not be construed as agreement with those Comments where such agreement is not in the interests of SaskTel.
4.3.3 Proposed Changes to the Current Deployment Requirement

(1) Industry Canada seeks comments of the proposed wording of the condition of licence related to deployment. Comments are also sought on the following proposals that:

A. deployments of fixed links not servicing an end user directly should be considered as an alternative method to meet WCS and FWA spectrum deployment licence conditions; and

B. when a requirement is considered for fixed links not servicing an end user directly, it should be set at 15 links per million population, per Tier 4 area at the end of the licence term.

When proposing an alternative deployment requirement for either WCS or FWA, provide a rationale for each band.

5. SaskTel agrees with the proposed wording of the condition of licence related to deployment. The Tier 4 based population coverage requirements as currently shown on the Industry Canada website are reasonable deployment targets.

6. SaskTel does not agree that deployment of fixed links not servicing an end-user directly is a suitable method to meet WCS and FWA deployment spectrum licence conditions. The intent of this band is the provision of point to multi point broadband services over a wide geographic area. Deployment conditions should be based on population coverage only. Point to point links can be deployed in other spectrum bands, in particular bands not suitable for use in a point to multi point broadband network.

7. SaskTel agrees that point to point links should be allowed to service end-user customers, as there are many cases in remote rural areas in particular, where a point to point link would be the only method to economically serve a customer. However, these point to point links should not be considered sufficient to meet deployment conditions of licence.
8. Proposed Changes to the Licence Term Condition of Licence

Industry Canada invites comments on the options for renewal in the 2300 MHz and 3500 MHz bands. Refer to the following questions (as well as Question 1, found on page 5 of this consultation) when submitting comments.

(2) For the 2300 MHz band, which of the two options is preferred?

(3) For the 3500 MHz band, which of the two options is preferred?

In responding to the following questions, provide supporting rationale for each band separately.

(4) For Option 1 (detailed in section 7.1 of this consultation):
   A. Should licence terms be extended?
      a. If so, should they be extended by the same length for all licensees?
         i. Is three years an appropriate extension?
      b. Or, should the licence terms be extended to a fixed date for all licensees?
         i. Would December 2017 be an appropriate extension date?
   B. Should the deployment requirement also be extended to the end of the proposed term?
   C. In considering an extension of the licence term, do you expect equipment in the 2300 MHz band to become available soon enough to achieve the deployment requirements by December 2017?
   D. In considering an extension of the licence term, do you expect LTE equipment in the 3500 MHz band to become available soon enough to achieve the deployment requirements by December 2017?
   E. Are there any additional considerations that should be taken into account by Industry Canada?

(5) For Option 2 (detailed in section 7.2 of this consultation):
   A. Given the potential upcoming changes, is 10 years an appropriate term for new licences issued through the renewal process?
   B. Should deployment requirements apply to new licences under the renewal process? If so, what should the deployment requirements be?
   C. Are there any additional matters that should be considered by Industry Canada when issuing a new licence for a new term?

(6) Are there any other options for the licence renewal process that Industry Canada should consider?

(7) Industry Canada invites comments on the proposed wording of the condition of licence related to the licence term (detailed in section 8 of this consultation).
8. SaskTel recommends Option 2 (Issue Licences for New Term) for the renewal of both the 2300 and 3500 MHz spectrum licences. New licences should only be issued where licensees have demonstrated deployment as per the current deployment requirements, i.e. population based as given in Annex A of the consultation. Spectrum licences where deployment conditions have not been met should be returned to Industry Canada.

9. SaskTel believes that unused spectrum licences should be made available to parties that are willing and able to serve customers with wireless broadband services. SaskTel believes that licensees that are serious about serving wireless broadband in urban or rural areas would have found the opportunity to deploy using available equipment. SaskTel refers Industry Canada to our comments in Gazette Notice DGSO-002-12, Consultation on a Licensing Framework for Mobile Broadband Services (MBS) - 700 MHz Band regarding a “use it or share it” rule.

10. SaskTel agrees with the proposal to sub-divide partially deployed licenses geographically, allowing a licensee who has met deployment requirements in one geographic area to retain the licence in that area, and allowing other potential service providers the opportunity to share the licence in order to deploy in the under-served area.

11. SaskTel also agrees with the proposal to grant one year licenses on a case by case basis to licensees who can demonstrate solid plans to meet deployment requirements in that one year period.

12. SaskTel agrees with the Industry Canada statement that Option 2:

   …enforces the conditions of licence in place at the time of initial issuance (two extensions notwithstanding), and provides increased certainty, transparency and predictability for licensees. It also balances stakeholder interests by providing an opportunity for licensees to deploy, and it allows Industry Canada to reassign unused licences.¹

13. While generally supporting 20-year licence terms, SaskTel agrees that a 10-year licence term is appropriate for these particular bands, considering the fact that we are

¹ The consultation, paragraph 68
expecting considerable development in these bands over the next few years by the ITU, FCC, 3GPP, and Industry Canada.

14. For new licences issued under this process for service areas that have not been deployed, the deployment requirements should continue to apply to the new licensee. For licences that were deployed and were renewed with a new 10-year licence, SaskTel sees no need for deployment conditions of licence since the licence holder has already demonstrated they have met deployment requirements.

15. SaskTel agrees with the proposed wording of the condition of licence related to the licence term detailed in section 8 of the consultation.

CONCLUSION

16. For the 2300 and 3500 MHz bands, SaskTel recommends that:

- unused spectrum licences, including unused licence territory within a larger licence, be subject to a use it or share it rule, or be returned to Industry Canada so that they can be assigned to parties willing to deploy in these areas; and
- Industry Canada match recent developments by various standards setting bodies which allow for deployment of LTE equipment in the 2300 and 3500 MHz spectrum blocks.

17. SaskTel thanks the Department for the opportunity to provide input into these crucial matters.