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Reference: Consultation on Renewal Process for 2.3 GHz and 3.5 GHz Licenses
Publication DGSO-006-12, October 2012

This letter is in response to Industry Canada’s consultation on renewal process for 2300 MHz and 3500 MHz Licenses which provides two options:

Option 1: Extend initial license term which issues an extension for all licenses.
Option 2: Issue licenses for a new term under which a new license will be issued for a new term.

Our objective of this submission is to provide Industry Canada with ZTE’s understanding and experience around the use of these spectrum assets which is largely based on our knowledge of what is developing in other markets. This understanding is also used to define and drive our technology and product development plans.

As you know, 2.3GHz/3.5GHz contains very large spectrum allocations which occupy 41% of all TDD spectrum. Currently there are 100+ carriers in the world that own 2.3/3.5GHz spectrum and most of them are considering TD-LTE. Due to high demand for wireless data, in some markets, much more than what was forecasted, we feel that frequencies will begin to become relevant in the near future. As more and more carriers have acquired and announced either testing or deployment plans in these areas, it is our opinion that the telecom ecosystem will begin to grow to a large scale in the 2013-2015 timeframe.

The ability for TD-LTE to support asynchronous traffic patterns makes it an efficient spectrum for wireless data usage. As such, usage has attracted the attention of carriers in a number of countries. For example, Softbank, Japan’s number three carrier, launched commercial TD-LTE services in the first half of 2012, and has already gained nearly 200,000 users within five months. China Mobile has expanded trial networks to a total of 13 cities in 2012, covering a population of around 100 million. As one of the major TD-LTE system providers, ZTE has won 8 TD-LTE commercial contracts, deployed TD-LTE networks in 19 countries and serving over 33 operators as of Q1, 2012.
In the Canadian market, ZTE is both targeting and supporting large and small carriers. In this situation we see opportunities for large carriers to use 2.3/3.5 spectrum to better serve rural and urban Canadian customers with similar or different wireless data requirements and we also see smaller carriers that would like access to these frequencies to service certain market segments that they are targeting. Having stated this, it is not our position to suggest what should be done with licensing of these important wireless assets.

However, what is appropriate is to report that we do see global market support for the deployment of TD-LTE into these areas and to make Industry Canada aware that there is no cause for delay or extension based on technical challenges or product availability on the infrastructure side. On the device ecosystem side, 2.3GHz has seen earlier development than 3.5GHz but we do see the ecosystem for 3.5GHz in the early stage of development with chipsets now being commercially available to support market testing with engineering and trial units.

Thank you very much for your time and consideration. If you would like to discuss this or any other information, please don’t hesitate to contact me at the contact points listed below.

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