August 7th, 2014

Director, Auction Policy and Economic Research
Spectrum Planning and Engineering
Industry Canada
235 Queen St
Ottawa, Ontario
K1A 0H5

Re. Canada Gazette Notice No. SLPB-003-14. Consultation on a “New Licensing Framework and Licence Renewal Process for the 24, 28 and 38 GHz Bands”

1. Pursuant to the procedures outlined in the above noted consultation paper, these reply comments are filed on behalf of Rogers Communications (“Rogers”).

REPLY COMMENTS RELATED TO QUESTIONS 1, 3, 4 & 5.


2. As stated in our comments, Rogers supports the proposal to licence any new available spectrum, but we do not support the proposal to implement radio licencing. Rogers’ position is echoed by Quebecor, TeraGo and Telus, who argue that the current regime of area licensing is far more efficient than radio licensing.

3. Likewise, Quebecor suggests that removing area licencing will slow down deployment; “il nous faut insister sur le fait que le retrait des licences exclusives de Vidéotron dans la bande de 38 GHz risque de compromettre sa capacité d’élargir rapidement et à coût raisonnable sa couverture mobile à de nouveaux secteurs géographiques”¹.

4. TeraGo states that the introduction of site specific radio licencing may make the band no “longer viable from a fixed wireless deployment perspective as additional spectrum management along with high fees will make it impossible….to generate a positive return from deploying a link in this band”². Further WIND expresses concern

¹ Quebecor. 7 July 2014. Paragraph 16.
“that the existing fee structure for radio licences discourages efficient spectrum use and technological innovation”\(^3\).

5. WIND argues that the radio licencing fee structure is further flawed as the provisions that apply to land mobile operators “discourage the adoption of adaptive modulation or other techniques to increase the number of channels that can be generated on a single transmit and receive frequency”\(^4\).

6. Rogers supports all of the above positions, as already stated in RABC SMSE-018-12 backhaul consultation response\(^5\), and encourages the Department to re-consider its proposal to implement radio licencing. It contradicts the Department’s policy objectives of maximising the efficient use of spectrum and encouraging innovation.

7. MTS and Bell broadly support all the proposals made by Industry Canada with regard to the licensing of available spectrum in the 24, 28 and 38 GHz bands. As MTS cites, its affiliated entity, Allstream invested significant sums of money to win licences and they intend to maximise their investment once a viable business case emerges.\(^6\) Rogers finds MTS’s support for the proposal, which includes radio licencing, is at odds with the policy objective of maximising the efficient use of available spectrum. Radio licencing penalises those who transmit larger amounts of data in a given band, by imposing higher fees. Radio licensing, therefore discourages efficient use of the spectrum resource.

8. Bell Mobility admits that it is not an extensive user of fixed backhaul spectrum, although it agrees with the proposed licensing process. Bell Mobility also recognises that the 24, 28 and 38 GHz bands are expected to provide much needed backhaul capacity in Canada.\(^7\) However, based on the arguments put forward by Rogers in our comments, these bands will only be able to meet the demand for backhaul services if the right licensing regime is put in place. It needs to allow for flexible deployment, at a reasonable cost. Rogers maintains that the existing area licensing regime, not radio licensing, is the best way to maximise the use of these bands.

9. Rogers recommends that the Department carefully consider the short-comings of radio licensing as it may jeopardise the long term efficient use of this spectrum.

Q3. Industry Canada invites comments on the proposal to licence any new FCFS systems within the 38.6-38.7 GHz, 39.1-39.4 GHz, and 39.8-40 GHz frequency ranges as radio licences.

10. Among the submissions, there is support to license any new FCFS systems in the 38 GHz band. However, like Rogers, TeraGo opposes the proposal to licence any

\(^3\) WIND. 7 July 2014. Paragraph 9.
\(^5\) RABC response to SMSE-018-12, page 30.
\(^7\) Bell. 7 July 2014. Paragraphs 2 & 3.
new systems in this frequency range as radio licences. TeraGo submits that the introduction of radio licensing would cause an administrative burden on both the Department and operators, as authorisation would be required for each individual link. Further, only as an exception does TELUS support licencing any new FCFS systems in the non-auctioned 38GHz band as radio licences.

11. Rogers urges the Department to re-consider the proposal for licensing of new systems in the 38 GHz band. The existing method of area licencing has been successful and there is no evidence to suggest it could not also be effective in the licencing of any new systems.

Q4. Industry Canada invites comments on the proposal to continue to provide applicable licensees with the opportunity to renew 38 GHz spectrum licences annually (in the bands 38.6-38.7 GHz, 39.1-39.4 GHz, and 39.8-40 GHz). It is proposed that existing radio stations operated by these licensees will require no further radio licences but any new stations or modification of an existing station require a radio licence.

12. The proposal from Industry Canada is to continue to provide applicable licensees with the opportunity to renew their 38 GHz licences annually, yet any new licences or modifications to licences would require a radio licence. In our comments, Rogers opposed the proposal that any new stations or modifications of an existing station should require a radio licence. Area licensing has been successfully deployed in the 38 GHz band and this method of licensing should be extended to any new stations or modifications of existing stations.

13. Mobilexchange argues that licensees who have met their conditions of licence should be able to have their licences extended for an additional 10 years and that deployment requirements should be deferred until the end of the extended term. Mobilexchange makes this request based on its assumption that demand primarily comes from the incumbents who already have enough backhaul capacity.

14. Mobilexchange further argues that the lack of demand for services supported by 24, 28 and 38GHz is “reflected by the recent flurry of government and regulatory activity aimed at improving the deplorable state of the retail competition for mobile wireless services”. Mobilexchange continues to reason that by improving competition in the wireless sector, by way of the CRTC’s Telecom Notice of Consultation CRTC 2014-76 (“the review of wholesale mobile wireless services”) there will be an increase in demand for use of these bands over the next ten years.

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8 TeraGo. 7 July 2014. Paragraph 11.
10 Mobilexchange. 7 July 2014. Paragraph 3.
15. Mobilexchange urges the Department “not to require deployment conditions to be met before the measures undertaken by the Government and CRTC to improve competition in the provision of retail mobile wireless services that will drive demand for wireless backhaul and transport services can come to fruition”.\(^{12}\)

16. Rogers would respectfully submit that the proceeding to review wholesale mobile wireless services has not yet concluded. There are no grounds on which Mobilexchange should assume that the Government or the CRTC will undertake measures to affect retail mobile wireless services, when the CRTC’s proceeding is still underway. It is highly speculative to extend current licence conditions based on the outcome of something that may or may not occur. The Department should therefore disregard Mobilexchange’s request.

17. Other submissions have argued that lack of available technology for use in the 38 GHz band has hampered deployment and this should be taken into consideration when reviewing the renewal of existing licences.

18. Javelin stresses in its submission that changes in available equipment technology are “very recent and licence holders have not had adequate time to take advantage of these advancements, or even verify them”.\(^{13}\)

19. Mobilexchange and MTS both argue that there is limited equipment available and it is generally more expensive. MTS states that they have started deploying using available technology, yet “the economic business case for such deployments is still weak”.\(^ {14}\) According to these parties, Industry Canada should extend the license term until the equipment ecosystem has matured.

20. Based on Rogers’ initial comments and evidence filed, we submit that there is a strong case for upholding the deployment requirements. The requests to extend licences and defer deployment conditions appear to be baseless excuses for failure to deploy. Rogers, along with WIND and I-NetLink have deployed equipment and services in the 38 GHz band. Likewise TeraGo has deployed in the 28GHz band. There is sufficient evidence to demonstrate that equipment exists. Rogers cautions the Department against making any decisions related to extending license terms based on the anticipation of a future ecosystem, as it already exists.

Q5. Industry Canada invites comments on the proposal to issue radio licences for all links in the 28 GHz band (25.25-26.5 GHz and 27.5-28.35 GHz).

21. TELUS supports components of the proposal related to 28 GHz. They support the FCFS process of licensing any available spectrum in the 28 GHz. TELUS also prefers the status quo regime of grid-based licencing and in an exception they

\(^{12}\) Mobilexchange. 7 July 2014. Paragraph 29.
\(^{13}\) Javelin. 7 July 2014. Page 5.
support licensing of the band as radio licences.\textsuperscript{15} In contrast, TeraGo does not support radio licensing in the 28 GHz band due to the increased administrative burden and the lack of consideration for spectral efficiency.\textsuperscript{16}

22. Rogers maintains its position that the Department should postpone any decision with regard to the 28 GHz band until the work being undertaken on this band in other regions is finalized. This would allow the Department time to analyze the developments in this band and make decisions that would be consistent with how other countries and regions are using the 28 GHz band, since this may allow for greater availability of equipment and economies of scale.

Rogers thanks the Department for the opportunity to provide input on this important issue.

Regards,

\[signature\]
Dawn Hunt
DH/sh

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\textsuperscript{15} TELUS. 7 July 2014. Paragraphs 30-32.
\textsuperscript{16} TeraGo. 7 July 2014. Paragraph 7, 11 &12.