January 30, 2013

Manager, Emerging Networks
DGSO, Industry Canada
300 Slater Street
Ottawa, Ontario K1A 0C8

spectrum.operations@ic.gc.ca

Subject: Reply Comments to Notice No. DGSO-006-12 — Consultation on Renewal Process for 2300 MHz and 3500 MHz Licences

Dear Sir / Madam,

1 ABC Communications ("ABC") is a communications service provider based in Quesnel BC, serving markets throughout the interior of British Columbia. ABC has offices in Burns Lake, Vanderhoof, Prince George, Quesnel, 100 Mile House, Kelowna, Penticton and Vancouver. ABC is a holder of eleven (11) 3500 MHz licenses in our trading area, and has deployed extensively in most of these licenses. ABC uses these licenses to provide rural broadband services using WiMAX systems.

2 In the comments submitted to this Consultation, the number of responses from rural wireless ISPs (WISPs) is notable. Canada has a healthy fixed wireless market in rural communities across the country, and many rural Canadians have access to broadband connectivity through these small regional WISPs.

3 ABC broadly supports the contention that increased access to licensed spectrum is a vital part of supporting this healthy and competitive marketplace.

4 A number of respondents suggest the strict enforcement of deployment conditions and license expiry, suggesting that license-holders that have not met deployment conditions have their licenses revoked. We believe that the strict enforcement of these conditions would not result in the return of significant amounts of spectrum to Industry Canada, but would stimulate inefficient and un-economic deployments that risk harming the rural WISP market.

5 Several respondents suggest that the 3500 MHz band be re-purposed by Industry Canada for either mobility or an expansion of the lightly licensed band currently extending from 3650-3700 MHz. The reclamation of spectrum so soon after distribution would undermine the business certainty provided by a spectrum license, devaluing spectrum licenses and reducing the incentive for businesses to invest in spectrum-based infrastructure.

6 ABC believes that, despite the disappointing utilization of the 2300 MHz and 3500 MHz bands to promote expanded wireless broadband services, Industry Canada should extend the deployment deadlines for these licenses. This extension will limit the potential damage to Canada’s successful regional WISP businesses.
Many factors have delayed the successful utilization of the 2300 MHz and 3500 MHz bands. The most significant factor has been the growth of the wireless data markets in urban areas. With limited ability to utilize this band for mobility due to its poorer propagation characteristics, global equipment manufacturers have not focused their attention on equipment for these bands. Instead they have invested in emerging standards in the current mobile bands.

In order to generate full utilization of the 2300 and 3500 MHz bands, these bands should ultimately be re-purposed for mobile use. However, as with the 2500 MHz transition plan, re-purposing of a band for mobile use could lead to an imbalance in mobile spectrum held by Canada’s mobile carriers.

The 2500 MHz transition process had the intriguing result of Inukshuk surrendering portions of spectrum in order to re-purpose the remainder in areas across Canada, but only outside of Canada’s major urban markets. We note that Bell / Rogers / Inukshuk propose that the 3500 MHz band be repurposed for mobile, despite the fact that Inukshuk did not take advantage of this option in urban markets under the 2500 MHz transition plan.

While we believe that the re-purposing of the 2300 and 3500 MHz bands is necessary in order to generate full utilization of these bands, we urge Industry Canada to undertake a thorough examination of such a process, and that this examination be undertaken prior to the upcoming 2500 MHz spectrum auction, as these changes may affect the valuation of spectrum in all of these bands, as well as Industry Canada’s spectrum aggregation limits.

The notion that all of Canada’s mobile carriers operate on a level playing ground is misguided, due to the spectrum imbalance arising from the legacies of earlier spectrum allocation processes. In designing spectrum allocation and re-purposing policy, we urge Industry Canada to pay particular attention to the risk of exacerbating the imbalance of spectrum holdings that threatens competition in the Canadian telecommunications marketplace.

ABC would like to thank Industry Canada for giving ABC an opportunity to present our perspective on these issues.

Sincerely yours,

Bob Allen, CEO
ABC Communications