January 30, 2013

Manager, Emerging Networks
Spectrum Management Operations Branch
Industry Canada
15th Floor
300 Slater Street
Ottawa, ON
K1A 0C8

Dear Sir/Madam,

Canada Gazette Part 1, DGSO-006-12, October 2012
Consultation on Renewal Process for 2300 MHz and 3500 MHz Licences

We recently learned that Industry Canada is conducting a consultation on the renewal process for the 2300 MHz and 3500 MHz spectrum licences and would like to suggest additional considerations that Industry Canada should take into account in its licensing process.

We believe that the ability to access high-speed Internet service is immediately critical to the economic development and quality of life in all regions of Canada. Access to high-bandwidth broadband to the home in rural areas with low population density will:

- allow rural Canadians to experience equal opportunities and the same benefits of high-bandwidth broadband to the home as urban Canadians currently experience,
- allow rural Canadians to operate home-based businesses to stimulate local rural economies,
- allow rural Canadians the opportunity to work from home to meet the demands of the rapidly evolving Canadian workplace and further strengthen the Canadian workforce,
- create an opportunity to reduce commuter traffic from rural areas to urban centres based on work from home capabilities via universal access to high-bandwidth broadband in rural areas, and
- allow rural Canadians online access to services that may not otherwise be available in their local community, including banking, health and government services.
We know that wired solutions are not economically feasible in areas with lower population densities. As a result, rural Canadians in areas with low population density disproportionately rely on fixed wireless Internet services that require licensed spectrum, such as the 3500 MHz spectrum. Technologies like mobile cellular data, with their higher data plan costs, are not a viable substitute for access to high-bandwidth broadband to the home provided by licensed fixed wireless Internet services.

Currently, the way spectrum is licensed discriminates against rural Canadians and rural wireless Internet service providers by bundling rural areas with urban areas, thereby making it uneconomical for providers of rural broadband to purchase spectrum and provide licensed wireless Internet service to rural Canada. Even if a rural wireless Internet service provider could afford to buy spectrum, a licence typically requires deployment to 50% of the population of the licensed area. However, rural providers can deploy in 100% of the rural area and only cover 20% of the population of the stipulated geographic scope of their licences, thereby risking losing the licence. Conversely, urban providers can deploy in cities only and meet the spectrum population deployment requirement, thereby leaving the rural areas marooned without service and with no way of obtaining service because the rural spectrum goes unused. We have seen the direct impact of these policies in our community and the result is that our rural constituents do not have access to high speed Internet services.

Industry Canada has a mandate to help make Canadian industry more productive and competitive in the global economy, thus improving the economic and social well-being of Canadians. This mandate includes encouraging the provision of broadband to all Canadians, including those rural Canadians in areas with low population density.

In considering its renewal policies, we would encourage Industry Canada to consider:

- extending all licences terms to no later than December 31, 2016,
- requiring deployment of all 3500 MHz licences in accordance with the existing licence conditions (and not by using fixed links) by the end of the licence term,
- separating rural area and urban areas into different licences to make spectrum licences for rural areas available at economic prices or designating the 3500 MHz band exclusively for fixed wireless Internet access in rural areas, and
- adopting policies that will encourage holders of existing 3500 MHz spectrum licences to return to Industry Canada the rural areas of their licences that are not currently deployed so that Industry Canada can make those areas available to wireless Internet service providers that are willing to deploy in rural Canada.

Thank you for this opportunity to express our views on the importance of Internet and the use of spectrum in our rural community.
Yours truly,

Rob Smith

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