

SaskTel Reply Comments:

Gazette Notice SLPB-002-20

Consultation on the Technical and Policy
Framework for the 3650-4200 MHz Band and
Changes to the Frequency Allocation of the
3500-3650 MHz Band

November 30, 2020

INTRODUCTION

1. Saskatchewan Telecommunications (“SaskTel” or “the Company”) is pleased to provide our reply comments regarding Gazette Notice SLPB-002-20 *Consultation on the Technical and Policy Framework for the 3650-4200 MHz Band and Changes to the Frequency Allocation of the 3500-3650 MHz Band* (“the Consultation”).
2. As a regional-based service provider, SaskTel hereby provides the Department our reply comments in response to the submissions received as published on the Department’s website. The section numbering of this document corresponds to the section numbering of the Consultation. 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.

SASKTEL REPLY COMMENTS TO THE CONSULTATION ON THE TECHNICAL AND POLICY FRAMEWORK FOR THE 3650-4200 MHz BAND AND CHANGES TO THE FREQUENCY ALLOCATION OF THE 3500-3650 MHz BAND

12. *Proposed accelerated spectrum clearing approach*

The Telesat Proposal:

3. In our Consultation submission, SaskTel expressed our strong opposition to the proposal submitted by Telesat as found in Annex H of the Consultation (the “Telesat proposal”). SaskTel has serious concerns with the Telesat proposal as detailed in our submission.¹ Clearly the proposal is not in the best interests of Canadians and should be **denied**.
4. SaskTel has reviewed the comments made regarding the Telesat proposal by the other respondents and found 18 other commenters also opposed the Telesat

¹ SaskTel comments, paragraphs 127-138

proposal or expressed serious concerns regarding certain elements of the proposal.

5. Among those commenters expressing strong opposition to the Telesat proposal are Bragg Communications Inc. (Eastlink),² Canadian Association of Wireless Internet Service Providers,³ Cogeco Communications Inc.,⁴ Corus Entertainment Inc.,⁵ ECOTEL Inc.,⁶ Hunter Communications Canada Inc.,⁷ Iris Technologies Inc. (“Iristel”),⁸ North American Broadcasters Association,⁹ Rogers Communications Canada Inc.,¹⁰ Shaw Communications Inc.,¹¹ and Xplornet Communications Inc.¹²
6. SaskTel recognizes the significant relocation costs that will be incurred by satellite operators and FSS earth station owners to clear portions of the 3800 MHz band, and the stated intention of the Telesat proposal to utilize revenue from private spectrum sales to fund the relocation. Several respondents commented that the Telesat proposal does not address how relocation costs incurred by competitive foreign satellite operators also serving Canada would be funded from Telesat’s private spectrum sales. Other commenters also noted that there are other funding sources potentially available to Telesat such as government grants and subsidies through various government broadband deployment funding programs.
7. More importantly, as noted by others, private spectrum transactions cannot be used as a mechanism to allocate spectrum in any band, let alone highly valuable 3800 MHz spectrum. Furthermore, regulator-imposed pro-competitive measures cannot be effectively applied to private spectrum transactions. Xplornet Communications Inc. stated this very well:

Furthermore, Xplornet submits that Telesat’s Proposal does not promote the best interests of Canadians. Telesat has proposed

² Bragg Communications Inc. comments, paragraphs 15-18
³ Canadian Association of Wireless Internet Service Providers comments, paragraph A53 page 28
⁴ Cogeco Communications Inc. comments, paragraph 96
⁵ Corus Entertainment Inc. comments, response to Q53 page 18
⁶ ECOTEL Inc. comments, paragraphs 130-131
⁷ Hunter Communications Canada Inc. comments
⁸ Iris Technologies Inc. and Ice Wireless Inc. comments, paragraphs 120-122
⁹ North American Broadcasters Association comments, page 15
¹⁰ Rogers Communications Canada Inc. comments, paragraph 272
¹¹ Shaw Communications Inc. comments, paragraphs 20-21
¹² Xplornet Communications Inc comments, paragraphs 39-40

that it should be permitted to allocate the 3700-3900 MHz band through secondary market transactions it coordinates.

Secondary market transactions are encouraged by ISED to facilitate the efficient use of spectrum by parties; however, Xplornet submits that they are not an appropriate means to allocate an entire spectrum band. Telesat correctly notes that ISED would have the ability to approve any proposed transaction in the secondary market. However, ISED would have no way to ensure that a transaction that has been proposed for approval represents the allocation of the specific spectrum that would best serve the needs of Canadians. Regardless of any competitive measures that may be set to attempt to govern how Telesat allocates spectrum, at the end of the day, Telesat would remain in a position to pick with whom it enters into commercial arrangements for spectrum. This is not appropriate and would represent an abdication by ISED of its responsibility to ensure Canada's spectrum resources are allocated to provide maximum benefit for Canadians.¹³

8. Some of the commenters expressing support for the Telesat proposal have been lured by Telesat's enticement of additional flexible use 5G spectrum through their offer to extend the relocation of FSS into the 4000-4100 MHz band as well. Although this would result in 100 MHz of additional spectrum for 5G deployments, closer examination of this enticement reveals some flaws. In reality the extra 100 MHz of flexible use spectrum will not be harmonized with the U.S., and therefore will be less valuable at best and unusable in the worst case if an equipment ecosystem does not develop covering the 4000-4100 MHz band that might end up only being used for 5G in Canada.
9. After reviewing the positions of the other commenters SaskTel still believes the Telesat proposal should be **denied**. Shaw Communications Inc. expressed it well:

The Department should reject Telesat's accelerated clearing proposal. The proposal – in particular the suggestion that 200 MHz of Telesat's FSS spectrum be converted to flexible use and that Telesat sell this spectrum on the secondary market – is inappropriate, unprecedented, and not in the best interest of Canadians. It would give Telesat responsibilities that are at the core of the Department's mandate, position Telesat as the arbiter of Canada's digital future, and run counter to the Department's objectives for this important spectrum band.¹⁴

¹³ Xplornet Communications Inc. comments Attachment A, paragraphs 81-82

¹⁴ Shaw Communications Inc. comments, paragraph 10

CONCLUSION

10. SaskTel is pleased to have had the opportunity to provide our inputs and comments to the important issues raised in this Consultation and hopes that our submission will provide a fuller view of these issues to the Department.