

# CRAIG WIRELESS SYSTEMS INC.

Regarding:

Consultation on a Framework to Auction Spectrum

In the 2 GHz Range including Advanced Wireless

Services. DGTP-002-07

Craig Wireless Systems Inc. wishes to make the following comments to the above notice.

In consideration of the present circumstances, the Department seeks comments on whether there is a need for measures intended to enable market entry in the AWS spectrum auction.

Response:

Clearly the incumbent cellular phone licensees have the financial wherewithal and most likely the incentive to limit competition by acquiring large blocks of spectrum. We believe opening the Canadian telecom market to foreign ownership could attract new entrants with both the money and the experience to compete effectively with the entrenched operators.

The Department seeks comments as to whether a certain amount of spectrum should be “set aside” for new entrants.

Response:

We do not believe that a certain amount of spectrum should be “set aside” for new entrants. It is possible that certain cable companies and public utilities may want to enter the wireless telecom industry. If they want in then they should pay because they have the money and they acquired it with their own monopoly or oligopoly market position. We do however believe that smaller innovative companies should be given “auction credits” that lower their cash outlay for spectrum by 50 percent. To qualify as a small company participant the entity should have a market cap of less than 500 million dollars. In the event that such auction participants transfer their spectrum post auction within a period of 3 years then they should be levied a license transfer fee of 50 percent of their winning bid. A policy such as this would be an incubator to aggressive and innovative new age telecom network providers.

We have no further comments.

Thank you



