



May 25, 2007

Via Email: AWS@ic.gc.ca

Director General  
Telecommunications Policy Branch  
Industry Canada 1612A  
300 Slater St.  
Ottawa, Ontario  
K1A 0C8

Dear Sirs/Mesdames:

**Re: *Canada Gazette*, Part I, February 24 2007, Consultation on a Framework to Auction Spectrum in the 2 GHz Range including Advanced Wireless Services (DGTP-002-07) (the "Consultation")**

Shaw Communications Inc. (Shaw) is pleased to provide its comments in response to the Consultation.

On the expert advice of the Telecommunications Policy Review (TPR) Panel, the government has adopted a policy favouring greater reliance on market forces and facilities-based entry to bring benefits of greater choice, innovation and lower prices to Canadian consumers. At the same time, the Panel and the government have acknowledged that Canada's broadband and wireless segments are lagging those of our major trading partners. Because of the growing importance of this segment, the Panel specifically recommended that Canada develop a more efficient and vibrant wireless industry, in order to regain our traditional position of global leadership in telecommunications.

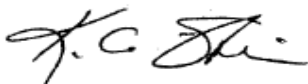
The allocation of new spectrum for advanced wireless services (AWS) represents a unique opportunity for Industry Canada to facilitate new facilities-based entry into the Canadian mobile wireless market, in direct response to the government's policies and the Panel's recommendations. The process for awarding AWS spectrum and the licence conditions should therefore be articulated with the clear objective of promoting competition and new entry. This can best be achieved by awarding the AWS spectrum through a competitive process, rather than an auction. In our view, a competitive process will best ensure the licensee(s) of AWS spectrum will provide innovative, converged broadband services to Canadian consumers, and robust competition to existing carriers.

No mobile wireless carrier has ever entered the Canadian market by purchasing spectrum at auction. In 1984, the Bell entities and CANTEL, now Rogers Wireless Inc. (Rogers), were granted the original cellular spectrum at 800 MHz in a competitive process rather than an auction. Again, in 1995, these incumbents, together with Clearnet and Microcell, were granted PCS spectrum in a similar process. Rogers and Bell Canada also jointly acquired a block of valuable Multipoint Communications Spectrum (MCS) in the 2500 to 2596 MHz band that has been designated for mobile use, originally licensed to an affiliate of Microcell. This spectrum, too, was awarded in a competitive process rather than an auction.

If the present opportunity to ensure new entry is squandered, the government risks being required to undertake more explicit and detailed remedial regulation if further spectrum concentration is the outcome. This result would be inconsistent with the government's policy of placing greater reliance on market forces.

Shaw is uniquely positioned to provide significant new competition to the wireless incumbents in Western Canada. However, financial analysts have publicly noted the significant challenges faced by new entrants to crack the mobile wireless market in Canada. Shaw concurs in this view, and has indicated a cautionary note to the marketplace. In short, the willingness of potential new entrants to pay for spectrum at auction and to make the significant investments necessary to provide Canadian consumers with meaningful choice, innovation and lower prices will be directly affected by conditions established by Industry Canada as a result of this Consultation.

Yours very truly,

A handwritten signature in black ink, appearing to read 'K. Stein', written in a cursive style.

Ken Stein  
Senior Vice President  
Corporate and Regulatory Affairs  
Shaw Communications Inc.

/Attachment