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December 2007

Spectrum Management and Telecommunications

Licensing Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range

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Table of Key Dates	
Event	Event Time frames*
Release of <i>Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range</i>	November 28, 2007
Publication of <i>Canada Gazette</i> notice DGTP-007-07	December 8, 2007
Publication of <i>Canada Gazette</i> notice DGRB-010-07 <i>Consultation on Proposed Conditions of Licence to Mandate Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements</i>	November 28, 2007
Publication of <i>Canada Gazette</i> notice DGRB-012-07 <i>Update on Clarification Questions for AWS Policy Framework and Deadline Extension for the Consultation on Proposed Conditions of Licence (DGRB-010-07)</i>	December 13, 2007
Release of <i>Licensing Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range</i>	December 21, 2007
Publication of <i>Canada Gazette</i> notice DGRB-011-07	December 22, 2007
Receipt deadline of submitted questions	January 22, 2008
Posting of answers to submitted questions Release of final conditions of licence on roaming and towers	February 27, 2008
Receipt deadline of applications to participate in the auction	March 3, 2008
Publication of the list of applicants	March 7, 2008
Publication of the list of qualified bidders	March 24, 2008
Mock auction for qualified bidders	May 21-23, 2008
Opening day of bidding	May 27, 2008
Cessation of bidding	Unknown
Submission of ownership and control documentation	10 business days after the cessation of bidding
Initial payment (20% of high bids / 100% of penalties)	10 business days after the cessation of bidding
Final payment (80% of high bids)	30 business days after the cessation of bidding

* Please consult Industry Canada's [Spectrum Management and Telecommunications website](http://ic.gc.ca/spectrumbauctions) at <http://ic.gc.ca/spectrumbauctions> for updates to this schedule.

Department of Industry

Radiocommunication Act

Notice No. DGRB-011-07 — Licensing Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range

This notice announces the release of the paper entitled *Licensing Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range*. This notice and the above-noted paper initiate the licensing process for this spectrum by outlining the rules and requirements for the competitive bidding process established by the Minister, and by calling for completed application forms and financial deposits.

On November 28, 2007, the Department released *Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range* (DGTP-007-07). This paper provides decisions on the key elements of the policy framework for the auction for spectrum in the 2 GHz Range including Advanced Wireless Services.

The Department released its *Consultation on Proposed Conditions of Licence to Mandate Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements* (Gazette Notice DGRB-010-07), which addresses specific conditions of licence for current licensees with respect to the implementation of measures from the policy framework. Following the close of the supplementary consultation, the final conditions of licence will be made public so that all those affected are aware of the changes prior to the deadline for auction applications.

Obtaining Copies

Copies of this notice and documents referred to are available electronically on the [Spectrum Management and Telecommunications website](http://ic.gc.ca/spectrum) at: <http://ic.gc.ca/spectrum>.

Official versions of *Canada Gazette* notices can be viewed on the [Canada Gazette website](http://canadagazette.gc.ca/partI/index-e.html) at: <http://canadagazette.gc.ca/partI/index-e.html>. Printed copies of notices can be ordered by calling the sales counter of Canadian Government Publishing at 613-941-5995 or 1-800-635-7943.

December 22, 2007

Michael D. Connolly
Director General
Radiocommunications and
Broadcasting Regulatory Branch

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1. Introduction

1.1 Intent

This document entitled *Licensing Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range* (DGRB-011-07) serves as a companion document to the *Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range* (DGTP-007-07) released November 28, 2007 (AWS Policy Framework). This document elaborates auction application procedures, licensing parameters, technical considerations, bidder application and timing for next steps such as a mock auction for bidder familiarization.

1.2 Background

In October 2003, Industry Canada released a consultation paper entitled *Consultation on Spectrum Licences for Advanced Wireless Services and Review of the Mobile Spectrum Cap Policy* (Gazette Notice DGTP-007-03). The paper initiated the public consultation to open new spectrum in the 1710-2200 MHz range for AWS, with high mobility service capability as a main component. There was also a proposal made to expand the existing licensed PCS band.

On February 16, 2007, the Department announced in *Canada Gazette* notice DGTP-002-07, the release of a paper entitled *Consultation on a Framework to Auction Spectrum in the 2 GHz Range including Advanced Wireless Services*. Part I outlined allocation changes to the *Canadian Table of Frequency Allocations* for bands in the 1710-2200 MHz range, designated spectrum for AWS, expanded the 1900 MHz PCS licensed bands, and finalized the allocation changes for the band 1670-1675 MHz. Part II of the paper initiated consultation on policy issues and the process for the selection of licences for exclusive access to spectrum bands in service areas across Canada. In response to that consultation, 60 comments and reply comments were received from interested parties by the closing date of July 27, 2007.

On November 28, 2007, the Department released the *Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range* (DGTP-007-07). In establishing the AWS Policy Framework, consideration was given to the comments received, the spectrum being auctioned, the current state of the Canadian wireless market and the broader telecommunications market in which wireless is an increasingly important segment. The decisions made in the AWS Policy Framework are final and form the policy basis for the auction.

The Department released its *Consultation on the Proposed Conditions of Licence to Mandate Roaming and Antenna Tower and Site Sharing and Prohibit Exclusive Site Arrangements* (DGRB-010-07) which addressed specific conditions of licence for current licensees with respect to the implementation of measures from the AWS Policy Framework. The consultation proposed new wording of the conditions of licence, and provisions on the operative conditions such as dispute resolution mechanisms and time frames relating to mandatory antenna tower and site sharing and mandated roaming. Following the close of the supplementary consultation, the final conditions of licence will be made public so that all those affected are aware of the changes prior to the deadline for auction applications.

The Department intends to move quickly to ensure there are no delays in the auction, which is expected to be held May 27, 2008. Details on the rules and procedures of the licensing process for the auction are laid out in the remainder of this document.

The Department makes no representations or warranties about the use of this spectrum for particular services. Applicants should be aware that this auction represents an opportunity to become a licensee, subject to certain conditions and regulations. An Industry Canada auction does not constitute an endorsement by the Department of any particular service, technology or product, nor does a spectrum licence constitute a guarantee of business success. Applicants should perform their individual due diligence before proceeding as they would with any new business venture.

Departmental documents cited herein are available on [Industry Canada's Spectrum Management and Telecommunications website](http://ic.gc.ca/spectrum) at <http://ic.gc.ca/spectrum>.

All enquiries should be addressed to:

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2. Technical Considerations

Details on the band plan and tiers can be found in the AWS Policy Framework, under the headings ‘Frequency Blocks’ and ‘Geographic Tiers’. In summary, the Department will use the same basic block structure as used in the U.S. and described in Figure 1. Figure 1 also shows spectrum blocks B, C and D for the set-aside. The Department is adopting the use of Tier 2 and 3 service areas as described in Figure 2.

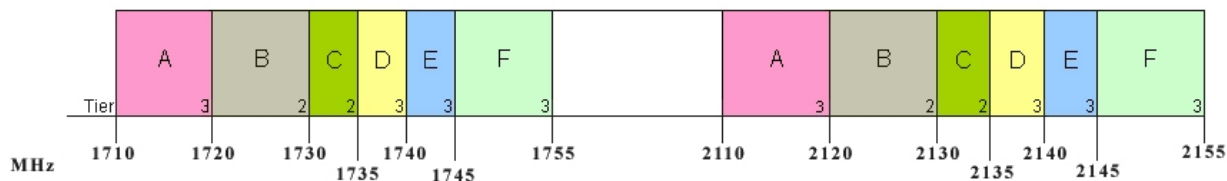


Figure 1: AWS Frequency Blocks and Set-aside

Blocks	Pairing	Amount	Tier	Licences
A	1710-1720 MHz / 2110-2120 MHz	2x10 MHz	3	59
B	1720-1730 MHz / 2120-2130 MHz	2x10 MHz	2	14
C	1730-1735 MHz / 2130-2135 MHz	2x5 MHz	2	14
D	1735-1740 MHz / 2135-2140 MHz	2x5 MHz	3	59
E	1740-1745 MHz / 2140-2145 MHz	2x5 MHz	3	59
F	1745-1755MHz / 2145-2155 MHz	2x10 MHz	3	59

Figure 2: Tiers for New Canadian Band Plan

2.1 AWS: 1710-1755 MHz/2110-2155 MHz

2.1.1 TDD Operation in the AWS Bands

The Department will allow time division duplexing (TDD) operation in the band if proposed by operators; however, these systems will have to conform to the technical rules established for frequency division duplexing (FDD) operation — i.e. low-power transmissions in the lower sub-band, high-power transmissions in the upper sub-band, out-of-band emission limits, and power flux density limits for coordination purposes. Technical standards are currently being developed in consultation with the Radio Advisory Board of Canada (RABC) and will be published in Standard Radio System Plan 513.

2.1.2 Technical considerations in the AWS Bands

The Department is currently drafting technical standards (Standard Radio System Plan 513 and Radio Standards Specification 139 (RSS-139)) for the AWS band in consultation with the RABC. The SRSP will specify permissible e.i.r.p. (effective isotropic radiated power) limits for mobiles and base stations and the envelope of technical rules for TDD operation. With regard to domestic and international co-channel/adjacent area coordination, the Department will use the same process as it currently uses for the coordination of cellular and PCS systems. This process requires that licensees initiate and coordinate the deployment of systems. In the case of interference resulting from the operation of two AWS systems, licensees are expected to cooperate fully to resolve those conflicts through mutual arrangements. Coordination rules in place for cellular and PCS systems are well established and have been developed in consultation with the industry over the years. Adopting the same rules for the AWS bands received widespread support from respondents to the Consultation.

The Department also notes that as there are a number of systems that operate adjacent channels to the AWS bands, coordination may have to be carried out with these systems. Coordination requirements will be specified in the SRSP.

Radio Standards Specification 113 will provide standards for the certification of transmitters and receivers, including out-of-band emission limits.

2.2 PCS Extension Bands: 1910-1915 MHz/1990-1995 MHz

2.2.1 Technical Standards for the PCS Extension Band

The technical standards for the PCS band (SRSP-510) are currently being updated in consultation with the RABC to include PCS Extension bands 1910-1915 MHz and 1990-1995 MHz. SRSP-510 will provide information on permissible e.i.r.p. limits for mobiles and base stations. Also, as there are a number of systems that operate adjacent-channel to PCS bands, coordination may have to be carried out with these systems. Coordination requirements will be specified in the SRSP. Finally, the SRSP will specify requirements for the domestic and international coordination of cellular and PCS systems that use the same channels in adjacent areas. This process requires that licensees initiate and coordinate the deployment of systems. In the case of interference resulting from the operation of two PCS systems, licensees are expected to cooperate fully to resolve those conflicts through mutual arrangements.

RSS-133 provides standards for the certification of transmitters and receivers, including out-of-band emission limits.

2.3 The Band 1670-1675 MHz

2.3.1 TDD Operation in the Band 1670-1675 MHz

The Department will allow operators to choose whether to deploy FDD or TDD systems in the band. If operators decide to deploy FDD operations, they may use this 5 MHz block paired with another block acquired via auction, and use it for either base or mobile transmissions.

2.3.2 Technical Standards in the Band 1670-1675 MHz

The technical standards for the band 1670-1675 MHz (SRSP-514 and RSS-112) are currently being drafted by the Department in consultation with the RABC. SRSP-514 will provide information on permissible e.i.r.p. limits for mobiles and base stations, as well as coordination requirements for systems in adjacent blocks. Also, the standards will specify the requirements for domestic and international coordination between systems that operate co-channel in adjacent areas.

RSS-112 will provide standards for the certification of transmitters and receivers, including out-of-band emission limits.

3. Ministerial Authority

It should be noted that spectrum licences are subject to relevant provisions in the *Radiocommunication Act* and the *Radiocommunication Regulations*. As a result, the Minister has the power to amend the terms and conditions of the licence and to suspend or revoke a radio authorization (paragraphs 5(1) and 5(2) of the *Radiocommunication Act*).

With respect to terms and conditions, paragraph 5(1) of the Act states that the Minister may

“...fix the terms and conditions of any such licence, certificate or authorization including, in the case of a radio licence and a spectrum licence, terms and conditions as to the services that may be provided by the holder thereof;”

Paragraph 5(2) of the Act further states:

“(2) The Minister may suspend or revoke a radio authorization
(b) after giving written notice to the holder and giving the holder a reasonable opportunity to make representations to the Minister with respect thereto, where the Minister is satisfied that
(i) the holder has contravened this Act, the regulations or the terms or conditions of the radio authorization,...”

Section 40 (Assignment of Frequencies) of the *Radiocommunication Regulations* also applies; it states:

“The assignment of a frequency or frequencies to a holder of a radio authorization does not confer a monopoly on the use of the frequency or frequencies, nor shall a radio authorization be construed as conferring any right of continuing tenure in respect of the frequency or frequencies.”

The full text of the *Radiocommunication Act* and related regulation may be viewed at <http://laws.justice.gc.ca/en/R-2/index.html>

4. Licence Conditions

Licensees must be fully aware of their obligations with respect to licence terms and conditions. Industry Canada will monitor compliance and take any necessary action, to ensure compliance and to enforce the provisions of the *Radiocommunication Act* and *Radiocommunication Regulations*.

The following conditions will apply to licences for the AWS, PCS Expansion and 1670-1675 MHz spectrum bands.

4.1 Licence Term

The AWS licences will be issued for a 10-year term similar to other spectrum licences. At a minimum of 2 years before the end of this term, and any subsequent terms, the licensee may apply for licence renewal for an additional licence term of up to 10 years. AWS licence renewal will be subject to a public consultation process initiated in year eight. The nature and details of this process will be developed through a separate consultation to be initiated by the Department in the context of the *Framework for Spectrum Auctions in Canada*. The renewal process developed through that consultation may apply to all auctioned licences, including AWS.

The renewal process, which will form the basis of the follow-up consultation, will include consideration of:

- the extent of geographic coverage across the licensed area;
- whether there is interest in the licence from other parties;
- whether licence fees should apply for a subsequent licence term; and
- whether renewal in whole or in part supports the orderly development of radiocommunication in light of the policy objectives of the *Telecommunications Act* given known future factors, pressures and the spectrum environment.

Beyond consideration of the above factors, other reasons for non or partial renewal may include:

- a fundamental reallocation of spectrum to a new service is required;
- an overriding policy need or spectrum management concern arises;
- national security, treaty or other international obligations or requirements;
- a breach of licence condition;
- the spectrum has not been deployed, or not sufficiently deployed over the licensed area;
- whether there is interest from others for access to the spectrum; and
- other relevant factors which might be raised in the public consultation.

4.2 Licence Transferability and Divisibility

The licensee may apply to transfer its licence(s) in whole or in part (divisibility), in both the bandwidth and geographic dimensions. The Department may define a minimum bandwidth and/or geographic

dimension (such as the grid cell¹) for the proposed transfer. Systems involved in such a transfer shall conform to the technical requirements set forth in the applicable standards mentioned in Section 2, Technical Considerations.²

Licences acquired through the set-aside may not be transferred or leased to, divided among, or exchanged with companies that do not meet the criteria of a new entrant, for a period of 5 years from the date of issuance.

Departmental approval is required for each proposed transfer of a licence, whether the transfer is in whole or in part. The licensee must apply to the Department in writing. The transferee(s) must also provide an attestation and other supporting documentation demonstrating that it meets the eligibility criteria and all other conditions, technical or otherwise, of the licence.

4.3 Eligibility Criteria

A licensee must be eligible to become a radiocommunication carrier and as such, must comply on an ongoing basis with the eligibility criteria in section 10(2) of the *Radiocommunication Regulations*. The licensee must notify the Minister of Industry of any change which would have a material effect on its eligibility. Such notification must be made in advance for any proposed transaction within its knowledge. For more information, refer to Industry Canada's Client Procedures Circular 2-0-15, *Canadian Ownership and Control (CPC-2-0-15)*, as amended from time to time, which is available at: <http://ic.gc.ca/epic/site/smt-gst.nsf/en/sf01763e.html>.

4.4 Displacement of Incumbents

Licensees must comply with the transition policy set out in the *Consultation on a Framework to Auction Spectrum in the 2 GHz Range Including Advanced Wireless Services*, Part I, Section 3. Treatment of Incumbent Licensees. Furthermore, licensees should note the following:

- Industry Canada will retain oversight of the displacement process and will assist, where appropriate, affected fixed operators in identifying new replacement frequency assignments.
- In the event the AWS and PCS operators need to defer a notified displacement date, an amendment to the date should be identified to the Department as early as possible.
- Industry Canada will monitor the effectiveness of the spectrum policy provisions related to the displacement of fixed systems. In the long term, changes to these provisions and/or licence conditions may be made to ensure that the continued availability of spectrum for AWS and PCS systems is accomplished in the most efficient manner.

¹ Spectrum grid cells are defined in Service Areas for Competitive Licensing found at: http://www.ic.gc.ca/epic/site/smt-gst.nsf/en/h_sf01627e.html.

² Note that this licence condition also allows for subordinate licensing as described in Client Procedures Circular 2-1-23, *Licensing Procedure for Spectrum Licences for Terrestrial Services (CPC-2-1-23)*.

4.5 Radio Station Installations

While site-specific radio licences will not be required for each radio station, licensees must ensure that each radio station is installed and operated in a manner that complies with Industry Canada's Client Procedures Circular 2-0-03, *Radiocommunication and Broadcasting Antenna Systems*, Issue 4, effective January 1, 2008 (CPC-2-0-03), as amended from time to time, and which is available at: <http://ic.gc.ca/epic/site/smt-gst.nsf/en/sf08777e.html>.

4.6 Provision of Technical Information

When the Department requests technical information on a particular station or network, the information must be provided by the licensee to the Department according to the definitions, criteria, frequency, and timelines specified by the Department. For more information, refer to Client Procedures Circular 2-1-23, *Licensing Procedure for Spectrum Licences for Terrestrial Services* (CPC-2-1-23), as amended from time to time, which is available at: <http://ic.gc.ca/epic/site/smt-gst.nsf/en/sf01875e.html>.

4.7 Compliance with Legislation, Regulations and other Obligations

The licensee is subject to, and must comply with, the *Radiocommunication Act*, the *Radiocommunication Regulations* and the International Telecommunication Union's *Radio Regulations* pertaining to its licensed radio frequency bands. The licence is issued on condition that the certifications made in the application materials are all true and complete in every respect. The licensees must use the assigned spectrum in accordance with the *Canadian Table of Frequency Allocations* and the stated spectrum policy.³ Licensees may also be subject to, and must abide by, applicable provisions of other statutes and the rulings of other statutory bodies, such as the Canadian Radio-television and Telecommunications Commission (CRTC) or the Competition Bureau.

4.8 International Coordination

Licensees must comply with the current and future agreements established with other countries. While frequency assignments are not subject to site licensing, licensees may be required to furnish all necessary technical data to Industry Canada for each relevant site. However, it is expected that coordination will be carried out by licensees. Licensees will be encouraged to enter into mutually acceptable sharing agreements that will facilitate the reasonable and timely development of their respective systems. These agreements provide the basis for coordination in the U.S. border area.

4.9 Lawful Interception

Licensees using spectrum for circuit-switched voice telephony systems must, from the inception of service, provide for and maintain lawful interception capabilities as authorized by law. The requirements for lawful interception capabilities are provided in the Solicitor General's *Enforcement Standards for*

³ The *Canadian Table of Frequency Allocations* can be found at: <http://strategis.ic.gc.ca/epic/site/smt-gst.nsf/en/sf08531e.html>.

The changes to the Canadian Table related to AWS can be found in the *Consultation on a Framework to Auction Spectrum in the 2 GHz Range including Advanced Wireless Services* at: <http://www.ic.gc.ca/epic/site/smt-gst.nsf/en/sf08542e.html>.

Lawful Interception of Telecommunications (Rev. Nov. 95). These standards may be amended from time to time following consultation with Public Safety Canada and licensees. Licensees may request the Minister of Industry to forbear from enforcing certain assistance capability requirements for a limited period. The Minister, following consultation with Public Safety Canada, may exercise the power to forbear from enforcing a requirement or requirements where, in the opinion of the Minister, the requirement is not reasonably achievable. Requests for forbearance must include specific details and dates indicating when compliance to the requirement can be expected.

Applicants should be aware that a legislative package is being developed to ensure that law enforcement and national security agencies acting with lawful authority have effective access to communications and information. The Department continues to meet with Public Safety Canada and the Department of Justice on this initiative and will provide licensees with appropriate guidance until such time as any new legislation is enacted.

4.10 Research and Development (R&D)

All licensees must invest, as a minimum, 2% of their adjusted gross revenues resulting from their operations in this spectrum averaged over 5 years for the duration of the licence, in eligible research and development activities related to telecommunications. Eligible research and development activities are those which meet the definition of scientific research and experimental development adopted in the *Income Tax Act*. Adjusted gross revenues are defined as total service revenues, less inter-carrier payments, bad debts, third-party commissions, and provincial and goods and services taxes collected. As was the case in the 2.3/3.5 GHz auction processes, businesses with less than \$5 million in annual gross operating revenues are exempt from R&D expenditure requirements.

To facilitate compliance with this condition of licence, the licensee should consult the Department's *Guidelines for Compliance with the Radio Authorization Condition of Licence Relating to Research and Development*, which is available on the Spectrum Management and Telecommunications website, at <http://ic.gc.ca/epic/internet/insmt-gst.nsf/en/sf01638e.html>.

4.11 Implementation of Spectrum Usage

The Department will take into account the roll-out targets listed in Appendix C, both in considering eventual renewal of AWS licences as discussed in Section 4.1, Licence Term, and in considering any application from a national new entrant for extension of in-territory roaming beyond the initial 5 years as discussed in the AWS Policy Framework.

4.12 Annual Reporting

Licensees must submit an annual report for each year of the licence term indicating continued compliance with all licence conditions and including the following information:

- an update on the implementation of Advanced Wireless Services, Personal Communications Services and/or services in the band 1670-1675 MHz, including the number of hub and subscriber sites installed, type of service delivered (high-speed Internet, voice, etc.), level of service (data rate), number of subscribers, as well as the population covered;
- existing audited financial statements with an accompanying Auditor's Report;

- audited Statement of Research and Development Expenditures with an accompanying Auditor's Report (where licensees are claiming an exemption based on an adjusted gross revenue of less than \$5 million, supporting financial statements must be provided); and
- a copy of any existing corporate annual report for the licensee's fiscal year with respect to the authorization.

The reports are to be submitted, in writing, to Industry Canada at the address below within 120 days of the licensee's fiscal year-end. Where a licensee holds multiple licences, the reports should be broken down by service area. Confidential information provided will be treated in accordance with section 20(1) of the *Access to Information Act*.

Manager, Wireless Networks
Radiocommunications and Broadcasting Regulatory Branch
Industry Canada
300 Slater Street, 15th floor
Ottawa, Ontario
K1A 0C8

4.13 Mandatory Roaming and Antenna Tower and Site Sharing and Prohibition of Exclusive Site Arrangements

On November 28, 2007, the Department released *Canada Gazette* notice DGTP-010-07. That notice sought input regarding the proposed conditions to implement the policies of mandatory roaming and mandatory antenna tower and site sharing, including the prohibition of exclusive site arrangements. Early in 2008 the final conditions of licence for mandated roaming and antenna tower and site sharing will be posted on the Spectrum Management and Telecommunications website.

5. Licensing Process

This licensing process is conducted in accordance with the *Framework for Spectrum Auctions in Canada* (October 2001), which is available at: <http://ic.gc.ca/epic/site/smt-gst.nsf/en/sf01626e.html>. Licensees should also familiarize themselves with Client Procedures Circular 2-1-23.

The comments received in the consultation process indicated a general agreement with the Department's proposed steps for licensing spectrum in the 2 GHz range including Advanced Wireless Services, Personal Communications Services and 1670-1675 MHz, in accordance with the general rules outlined in the *Framework for Spectrum Auctions in Canada*. The process by which interested parties may apply to participate in the auction is outlined below.

5.1 Application Form

The application forms for participation in the auction can be obtained electronically from the Spectrum Management and Telecommunications website, at <http://www.ic.gc.ca/epic/site/smt-gst.nsf/en/sf08838e.html>.

Please note that additional corporate documentation may be required as attachments to the application forms – refer to Appendix D (Checklist of Forms).

A summary of key dates associated with this licensing process is provided on page ii of this document, and on the Spectrum Management and Telecommunications website, at <http://www.ic.gc.ca/epic/site/smt-gst.nsf/en/sf08840e.html>. Interested parties are advised to check the website for updates to the schedule of events.

The policies, rules and definitions associated with this licensing process are set out in:

- this document;
- *Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range*;
- *Canada Gazette* notice DGTP-002-07, *Consultation on a Framework to Auction Spectrum in the 2 GHz Range Including Advanced Wireless Services, Part I*;
- *Canada Gazette* notice DGRB-010-07, *Consultation on Proposed Conditions of Licence to Mandate Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements* and resulting decisions; and
- any written amendment or supplement that may be issued by the Department.

5.2 Prohibition of Collusion

Applicants are prohibited from co-operating, collaborating, discussing or negotiating settlement agreements with competitors, relating to the licences being auctioned or relating to the post-auction market structure, until the deadline for the final payment on high bids.

Prospective bidders will note that the auction application form contains a declaration that the applicant will be required to sign certifying that the applicant has not entered into and will not enter into any agreements or arrangements of any kind with any competitor regarding the amount to be bid, bidding strategies or the particular licence(s) on which the applicant or competitors will or will not bid. For the purposes of this certification the word **competitor** means any entity, other than the applicant, its Affiliates or Associated Entities, which could potentially be a bidder in this auction based on its qualifications, abilities or experience.

Prospective bidders should note that “affiliate” for the purposes of this licensing process (defined by reference to “control in fact”) differs from “affiliate” for the purposes of the *Competition Act*. As such, in order to avoid contravening section 47 of the *Competition Act*, a bidder who enters into such an agreement or arrangement with any one or more of its Affiliates may have to make the agreement or arrangement known to the Department at or before the time when any subsequent agreement or arrangement is made.

5.3 Participation in the Auction – Affiliates and Associated Entities

All bids must be from unrelated competitors in order to preserve the integrity of competitive bidding. Therefore only one member of an Affiliate relationship or Associated Entity will be permitted to become a qualified bidder. This is based on the principle that only competitors should be permitted to participate

in the auction. Affiliated and Associated Entities must, therefore, decide prior to the application deadline which entity will apply to participate in the auction.

All affiliations or associations must be disclosed at the time of the application. Please note however that any discussions or negotiations after the application deadline which create an association with competitors (i.e. any explicit or implicit agreement relating to the acquisition of the licences being auctioned or to the post-auction market structure) during the auction process are prohibited and will be considered to be collusion. Any applicant who has formed such an Association will be disqualified from participating in the auction and may be subject to revocation of existing licences. Therefore all such contact with competitors must be suspended until the final deadline for payment on high bids.

5.3.1 Affiliates

An affiliate is defined as:

A person who controls the entity, or who is controlled by the entity or by any person who controls the entity. “Control” means control in any manner that results in control in fact, whether directly through the ownership of securities or indirectly through a trust, agreement or arrangement, the ownership of a body corporate or otherwise. Control in fact is the ongoing power or ability, whether exercised or not, to determine or decide the strategic decision-making activities of an enterprise, or to manage or run the day-to-day operations of an enterprise.

“Affiliate”, defined by reference to control in fact, differs from “affiliate” for the purposes of the Competition Act. Consequently in order to avoid contravening section 47 of the Competition Act, a bidder who enters into such an agreement or arrangement with any one or more of its Affiliates may have to make the agreement or arrangement known to the Department at or before the time when any subsequent agreement or arrangement is made.

5.3.2 Associated Entities

An associated entity is defined as:

Any entities who enter into any partnerships, joint ventures, agreements (including agreements in principle) to merge, consortia or any arrangements, agreements or understandings of any kind, either explicit or implicit, relating to the acquisition of the licences being auctioned or relating to the post-auction market structure, will be treated as Associated Entities. The existence of such agreements, arrangements or understandings must be disclosed in writing to the Department at the time of application and this information will be disclosed to other bidders and to the public. Changes made after the application deadline which create an Association with another applicant are not permitted, and any applicant who has formed such an Association will be disqualified from participating in the auction.

5.3.3 Presumption of Affiliate and Associated Entity Status

If a person owns, directly or indirectly, at least 20% of the entity’s voting shares where the entity is a body corporate or where the entity is not a body corporate, at least 20% of the beneficial ownership in such entity, this will result in a refutable presumption that the person controls the entity. A person may

attempt to refute the presumption of an affiliate relationship by submitting an affidavit or declaration, signed by an officer or other appropriate official, which sets out the specific ownership holdings of any person with a 20% or greater holding in the entity, affirms that the person does not control the entity, and sets out the reasons as to why the person does not control the entity. A copy of this affidavit will be made public. Such an affidavit or declaration must also be accompanied by supporting documentation and copies of all arrangements, agreements, or understandings between the subject entities. Such materials should be filed as part of the application materials, and in any event, no later than five business days after the publication of the qualified bidders. The Department reserves the right to request further information and to make its own determination regarding this matter.

In those cases where materials have been filed to refute a presumption of affiliate status, Industry Canada will apply a “control in fact” test to determine whether or not the entity has satisfactorily demonstrated that it is not affiliated with the other entity. Such determinations are done on a case-by-case basis. In making its determination, Industry Canada will generally request and review the type of information listed in Attachment E of the Application Form, *Declaration of Ownership and Control by Provisional Winners of Spectrum Licences in the 2 GHz Range Including AWS, PCS and the Band 1670-1675 MHz*. The Department reserves the right to request additional information. For example, the Department will require the entity to submit the following types of documentation for itself and any related holding company: the incorporation documents; bylaws; details of shareholdings; shareholder agreements; details related to the election of directors and appointment of officers of the company; complete details on the financial structure of the company, information regarding relationships between the parties; and copies of any agreements or arrangements which could affect whether the company or any related holding company are, or are not, controlled by another entity.

Any entity wishing to demonstrate why it should not be treated as an Associated Entity in the presence of the agreements, arrangements or understandings as outlined in Section 5.3.2 of this document, must, as part of its submission, include evidence and set out the reasons as to why an association does not exist. Such a submission must include a narrative, which will be made public, outlining the arguments as to why an association does not exist. Supporting documentation, as well as copies of all arrangements, agreements, or understandings between the subject entities must also be provided to the Department. The Department reserves the right to request additional information in order to make its determination.

Should the entities fail to provide all the relevant information in a timely fashion to allow the Department to complete its determination, or if the Department is not satisfied five business days prior to the date set for the mock auction that an association does not exist, then only one of those Associated Entities will be permitted to become a qualified bidder in the same service area.

It should be noted that during the Department’s review of the materials filed to rebut the presumption of affiliate status, or to dispute the existence of an Associated Entity, the entities will be considered to be competitors and will be subject to the prohibition of collusion rules outlined above.

5.4 Submissions

To participate in the auction, all applicants must submit a completed application form⁴ and financial deposit. In the interest of providing both the Department and other bidders with adequate information on the identity of all bidders, applicants are required to fully disclose the beneficial ownership for every entity that owns, directly or indirectly, 10% or more of the applicant's voting shares, non-voting shares, partnership interests, or any other beneficial interests, as the case may be. The Department will make this information available to the public prior to the auction, so that all bidders have knowledge of the real identity of the other bidders. This information will be used, along with other documentation submitted by applicants, to determine the type of relationship, if any, that may exist between entities.

5.4.1 Financial Deposit

In order to enhance the integrity of the auction, the Department requires that all bidders submit a pre-auction financial deposit with their application to participate in the auction. The financial deposit is to be in the form of an irrevocable standby letter-of-credit. The elements required in a letter of credit and a sample letter-of-credit acceptable to the Department are provided in Attachment D of the Application Form.

The Department has established the pre-auction financial deposits based on the licences on which the applicant wishes to be eligible to bid. Each of the licences has been assigned a specific number of eligibility points ("points") that are proportionate to the population covered by the licence. One eligibility point is approximately equal to 100,000 in population per 5 MHz of spectrum. Refer to Appendix B, which provides the eligibility points and opening bids for each of the licences. The calculation of eligibility points is further described in Section 6.2.

The Department believes that it is appropriate to require bidders to submit a deposit to ensure that the integrity of the auction is maintained. At the same time, however, the Department does not want to disadvantage those applicants who may only be interested in obtaining spectrum in a few areas. Therefore, the Department has decided that the financial deposit will be: \$40,000 per eligibility point for the first 300 points, and \$140,000 per eligibility point requested thereafter.

The Department reserves the right to request additional financial deposits during the auction. This will be determined by considering such factors as the standing high bids on a licence and the bidding activity. The additional financial deposit will be based on a percentage, not exceeding 50%, of the standing high bids for a licence for a specified round. Requests for additional financial deposits will be announced to bidders ahead of their implementation. Bidders will be provided two full business days to submit their additional financial deposits to the AWS Auction Manager (address provided in Section 1.2).

Financial deposit(s) will be returned to: any applicant not found to be a qualified bidder; any applicant that provides written notification to the Department of its withdrawal from the process prior to the auction's commencement; and any bidder whose eligibility is reduced to zero during the auction and that is not potentially liable for any withdrawal penalties.

⁴ The application form is available at: <http://www.ic.gc.ca/epic/site/smt-gst.nsf/en/sf08838e.html>.

5.4.2 How to Submit the Application and Financial Deposit

The application form, the associated documents that may be required (as per the instructions provided on the various forms), and the financial deposit are to be physically delivered by 5:00 p.m., Eastern Standard Time (EST), March 3, 2008, to the AWS Auction Manager (address provided in Section 1.2). The Department reserves the right, under exceptional circumstances, to accept applications and associated documentation after this deadline, but prior to publication of the list of applicants.

Upon receipt of the application and the associated documentation, the Department will send notification to the applicant that the application materials have been received and confirming the amount of the deposit that has been submitted. This notice does in no way mean that the application materials or the deposit have been approved.

If, prior to the application deadline, an applicant wishes for any reason to amend any of the forms it has submitted and/or submit a new irrevocable standby letter of credit, it may submit one or more amended forms and/or a new irrevocable standby letter of credit with an accompanying letter explaining that the enclosed form(s) and/or letter of credit are to replace the one(s) previously submitted. Any such amendments are to be physically delivered to the AWS Auction Manager by 5:00 p.m. Eastern Standard Time (EST), March 3, 2008.

Upon receipt of an amended form(s) and/or replacement irrevocable standby letter of credit, the Department will send notification to the applicant that the amended form(s) and/or letter of credit have been received. The notification will state the amount of the new letter of credit that has been submitted. The initial irrevocable standby letter of credit will also be returned to the applicant. This notice will in no way mean that the amended form(s) or the additional deposit have been approved.

Multiple letters of credit from one or more financial institutions will be permitted *within reason*. The Department will treat the financial deposit for an applicant as being the sum of the amounts of each accepted letter of credit. Each letter of credit must comply with the conditions laid out herein concerning letters of credit. No letter of credit shall have any conditions requiring the Department to draw on the letters in any particular order of priority, or requiring any letter to be drawn upon completely before drawing upon any other letter.

A list of all applicants will be made public via Industry Canada's Spectrum Management and Telecommunications website, at <http://ic.gc.ca/spectrumbauctions>, on March 7, 2008. The publication of this list does in no way mean that these applicants have been approved as qualified bidders.

5.5 Bidder Qualification

The Department will begin to review the application forms (and any associated documents) and the accompanying irrevocable standby letters of credit after the closing date for the submission of applications. In this initial review, the Department will identify any errors in the application forms or the letters of credit. It will also determine any additional information related to any Affiliate or Associated Entity of the applicant, if required.

Following the initial review period, the Department will provide applicants with an opportunity to correct any errors or inconsistencies in their application or letter of credit that have been identified by

the Department, and will request the required additional information related to the Affiliates or Associated Entities, where applicable. The original applications may be returned to the applicant with a brief statement outlining any discrepancy(ies) and/or omission(s), or requesting additional information. The applicant will be invited to resubmit the corrected form and/or the additional information and to physically deliver this to the Manager, Wireless Networks at the address provided in Section 4.12, by the date specified in the statement.

Applicants who do not comply with this request will have their application to participate in the auction rejected. Applications that are rejected, including those for which an opportunity has been provided to correct errors or inconsistencies identified by the Department, but are still found to be deficient, will be returned to the applicant with a letter indicating they have been rejected. The letter will outline the deficiencies and will include the applicant's irrevocable standby letter of credit.

Those applicants who have submitted acceptable application materials, including the accompanying financial deposit, will receive a Qualified Bidder Certificate and the necessary software, instructions, and codes to allow them to use the Department's automated bidding system. This includes encryption software that allows bids to be submitted securely over the Internet. Qualified bidders will also receive information on mock auctions and an online webcast presentation in the weeks following the application deadline, which will allow bidders to better familiarize themselves with the auction system. The date of the opening day of bidding is included in the Table of Key Dates on page ii of this document.

A list of all qualified bidders, the licences for which they are eligible to bid, and their initial level of eligibility points will be made public via Industry Canada's Spectrum Management and Telecommunications website, on the date noted in the Table of Key Dates on page ii .

5.6 Withdrawal of Application Forms

Applicants wishing to withdraw their application materials and have their irrevocable standby letters of credit returned may do so, without prejudice, by sending a written request to the AWS Auction Manager at the address provided in Section 1.2. This request is to be physically delivered to the AWS Auction Manager prior to 5:00 p.m. (EST) on the business day preceding the opening of the auction.

5.7 Change of Information

Only the Authorized Representative of the bidding company may notify the AWS Auction Manager of any material changes in the information submitted in application documents. Written notification must be sent by the Authorized Representative to the address provided in Section 1.2, within five business days of such change.

Should a qualified bidder wish to change his or her contact information, or the name of one or more of the designated bidders, the Authorized Representative may notify the AWS Auction Manager on his or her behalf.

A request to change a designated bidder should be made prior to the activation of the digital signature and encryption keys.

5.8 Amendments and Supplements

Industry Canada may respond to questions clarifying the AWS Policy Framework.

The Department may also amend or supplement the auction rules and procedures contained in this document. Any such amendment or supplement will be published on Industry Canada's Spectrum Management and Telecommunications website and will be sent to all qualified bidders.

Written questions asking for clarification of rules or policies will be accepted until January 22, 2008. Questions received by the deadline, along with the Department's written answers, will be made public by February 27, 2008. These answers will be considered as clarification of the policies set out in the AWS Policy Framework, and as amendments or supplements to the rules set out in this document.

From time to time, the Department will also update the list of "frequently asked questions" (FAQ) on the website, however these questions and their responses are for information purposes only and will not form part of the official procedures.

5.9 Software Requirements

The Department's automated auction system features a user-friendly web browser interface. The auction will be run over the Internet and bids will be encrypted and digitally signed to ensure security and authenticity. Each entity that is qualified to participate in the auction may designate up to three individuals to submit bids on its behalf.

The results of each round will be accessible to bidders through the auction system. These results will also be posted on Industry Canada's Spectrum Management and Telecommunications website, at <http://ic.gc.ca/spectrauctions>, so that anyone who is interested may monitor the auction's progress. At the close of a bidding round, the Auction Management System (AMS) automatically tabulates the bids for that round and within a few minutes posts the results for designated bidders to examine. General public availability of these results takes only a few minutes longer as results are transferred to Industry Canada's Spectrum Management and Telecommunications website. A bid tracking tool that can be used to analyze round results will be made available to the public. It is important to note, however, that the Department will not be providing any form of user support for the bid tracking tool.

To access and run the Department's auction software with maximum performance, the following platforms are recommended.

- (1) Use of one of the following web browsers and JVMs (Java Virtual Machine):
 - Microsoft Internet Explorer 5.5-6.0 SP1/SP2 with Sun JVM 1.4.2/1.5, Microsoft JVM
 - Netscape Navigator 7.0 with Sun JVM 1.4.2
 - Mozilla FireFox 1.0 with Sun JVM 1.4.2
 - Mozilla 1.7.2 with Sun JVM 1.4.2
- (2) Run your choice of the preceding on one of the following Operating Systems:
 - Microsoft Windows NT® 4 SP4 and higher

- Microsoft Windows 2000 Professional Edition
 - Microsoft Windows XP Professional edition SP1/SP2
- (3) Access the Internet through a reliable connection to the Canadian Internet backbone via high-speed Internet connection.

6. Auction Design and Rules

6.1 Key Features of the Simultaneous Multiple-Round Ascending Auction (SMRA) Design

The auction will be run electronically over the Internet, and bidders will be able to participate remotely from their premises using a secure Internet connection. The key features of the SMRA auction that will be used are listed below.

- A related set of licences will be offered at the same time. Bidding is organized into a series of rounds. (The identities of all bidders, the licences on which they are qualified to bid, and their initial levels of eligibility points will be made public prior to the commencement of bidding.) Information on the bids placed by all bidders will be made available after each round.
- Opening bids are set by Industry Canada as outlined in Appendix B. The Department will state the exact level of an acceptable new bid. The new bid will typically be determined by raising the standing high bid by a pre-established bid increment. Bidders will only be able to choose whether or not to submit the new bid. This format allows rounds to be shorter and more frequent, because the mechanics of entering and checking bids are simpler, and because the prices never “jump” by unexpected amounts, thus making them more predictable. This also reduces the need for frequent executive oversight during the bidding, which saves overall costs.
- When two or more bids are submitted on the same licence in the same round, a tie occurs and the standing high bidder in the next round will be determined by a random selection process built into the auction software.
- A minimum pace of bidding in the auction is established by the “activity rule”, which penalizes bidders who are inactive by reducing their “bidder eligibility points”.
- The rounds continue until there is a round in the final stage in which no new bids, withdrawals, or proactive waivers are submitted (cessation of bidding). The standing high bidders on each licence on cessation of bidding will be deemed the provisional winners of those licences.

All the details of the auction format are discussed more fully below.

6.2 Bidder Eligibility Points

Each of the 292 licences has been assigned a specific number of eligibility points (“points”) that are proportionate to the population covered by the licence. One eligibility point is approximately equal to

100,000 in population per 5 MHz of spectrum. Refer to Appendix B for a listing of the points for each licence and the population of each service area.

In their application each applicant must indicate the total number of “points worth” of licences on which they wish to bid in any round. This number defines a bidder’s initial level of eligibility points and is also used to determine the financial deposit that must be submitted with the application. Bidder eligibility points may not be increased once the auction has started.

The Department will assign the same eligibility points for a 10 MHz licence in the AWS band as it will for a 10 MHz block in the PCS band, whereas eligibility points for a 5 MHz licence in the band 1670-1675 MHz will be half of those assigned for the AWS and PCS bands. Points have been established to provide bidders with maximum flexibility to transfer them among the available licences.

The financial deposit will be \$40,000 per eligibility point for the first 300 points and \$140,000 per eligibility point requested thereafter. Refer to Section 5.4.1 for further information on calculating financial deposits.

In the event that an applicant’s requested level of points does not correspond with the amount of the deposit submitted, then that applicant’s points will be determined by the value of the deposit submitted.

Example:

Bidder X wants to apply for the 10 MHz “C” licence, nation-wide. By consulting Appendix B, Tier 2, ‘Eligibility Points’ and ‘Opening Bids’ for 10 MHz-Block C and PCS-Block G, Bidder X determines she needs to acquire 620 eligibility points for the fourteen Tier 2 service areas. The financial deposit required is equal to \$40,000 per eligibility point for the first three hundred (300) points, and \$140,000 per eligibility point thereafter. Bidder X therefore prepares a financial deposit in the amount of \$56,800,000 (300 X \$40,000 + 320 X \$140,000).

6.3 Auction Stages

There will be three stages in this part of the auction, each containing an unspecified number of bidding rounds (refer to Section 7, Second Phase of the Auction, for details). The auction will begin and continue in Stage One until bidding activity declines to a low level typified by three consecutive rounds in which new bids placed on licences represent ten (10) percent or less of the total points associated with all available licences. At that time, the Department will have the discretion to move to Stage Two. Bidders will be notified in advance of this decision, through the message function of the AMS. A similar decision will be made later in the auction to move to Stage Three.

Bidders are advised to check their required activity levels after a stage change has occurred.

6.4 Activity Rule

Bidders are defined as active on a particular licence in a given round if they either have the standing high bid from the previous round (and have not withdrawn that bid), or submit a new bid in that round.

Bidders begin any round with “bidder eligibility points” that determine their maximum activity level for that round.

In Round 1, bidders’ eligibility to bid is determined by the number of points acquired with their financial deposit (see Section 5.4.1). In subsequent rounds, bidders’ eligibility to bid is determined by their activity level in the previous round. Therefore, if bidders wish to maintain their eligibility from the previous round, their activity level must correspond to a certain percentage of their eligibility points in each round. This percentage is called the “activity requirement”, which will increase as the auction progresses, as follows.

- in Stage One, the Department expects the figure to be in the range of 70% to 80%;
- in Stage Two, the Department expects the figure will be increased to between 80% to 90%; and
- in Stage Three, the figure will be increased to 100%.

The precise figure for the initial activity level will be communicated to all qualified bidders well before the auction begins. A bidder may also use an “activity rule waiver” (described in Section 6.6), to maintain eligibility for a round.

If bidders fall short of the required activity level in any round, their eligibility point level will shrink proportionately, so that the total “points worth” of licences on which they may bid in the next round will be equal to their actual activity level in the current round, multiplied by the reciprocal of the required activity level (e.g. $1/0.7$ in Stage One). It is important to note that where this calculation results in a **required activity level** that is not a whole number, the AMS will round this number **up** to the next highest integer to determine the minimum activity level required to remain eligible to bid on the same “points worth” of licences in the next round. Similarly, when determining the **level of points** for the next round, if the product of the actual activity level and the reciprocal of the activity level is not a whole number, then this number is rounded **down**.

It is also important to note that bidders will not add to their activity level by topping their own standing high bid on a licence, because they are already considered to be active on that licence by being the standing high bidder.

Examples:

1. *Bidder X is seeking a national footprint and has 620 eligibility points. The auction is in Stage One, and the required activity level is 70%; which means Bidder X must bid on 434 points worth of licences to maintain full eligibility. Bidder X is already the standing high bidder on 450 points worth of licences, and therefore exceeds the required activity level without entering any new bids, and will maintain full eligibility (620 points) for the next round.*
2. *Bidder Y has 2,400 eligibility points. The auction is in Stage Two, and the required activity level is 90%. To maintain this level of eligibility, Bidder Y must be active on 2,160 points worth of licences (2,400 points times 90%) in the current round. If Bidder Y is active on only 1,700 points worth of licences, then his/her eligibility in the next round will be 1,888 points (1,700 multiplied by the reciprocal of the required activity level and rounded down — i.e. $1,700 \times 1/0.9$).*

3. *Bidder Z has 620 eligibility points. The auction is in Stage Three, and the required activity level is 100%. Bidder Z is active on 620 points worth of licences. In the next round, Bidder Z must bid on 620 points worth of licences (620 X 1/1.0).*

6.5 Bid Increments

Bid increments, like activity rules, are used to hasten the auction's progress. To be acceptable, a new bid must be larger than the current standing high bid by the bid increment. Bid increments will be calculated both as a percentage of the standing high bid and in absolute terms of dollars per point and the larger of the two increments will be added to the standing high bid to determine the acceptable bid price for that round. The new bid price for that licence will be rounded up to the nearest three significant digits from the left.

Bid increments will vary with the auction stages. In Stage One, the percentage increment will be set at the higher of 15% of the standing high bid or the absolute increment which will be set at \$2,000/eligibility point. In the later stages of the auction, the bid increment will diminish to allow bidders greater precision in their bids and to keep the auction moving forward at an acceptable pace. Contemplated changes to the bid increment levels will be announced to bidders well ahead of their implementation.

6.6 Activity Rule Waivers

Activity rule waivers (waivers) are designed to prevent bidders from losing eligibility points when, for example, they suffer from technical or communication problems, or some other internal issue that prevents them from satisfying the activity requirements in a given bidding round.

During the auction, if a bidder does not meet the required activity level, a warning message will appear, advising of this situation and notifying that the bidder may **either** submit more bids or a waiver to maintain full eligibility in the next round, **or** not submit bids or a waiver and accept a reduction in their eligibility to bid in further rounds.

The use of a waiver is also the default setting in the automated auction system. Thus, if technical problems prevent a bidder from accessing the auction system, a waiver will automatically be submitted on the bidder's behalf, and no reduction in eligibility will occur. If a bidder has used all available waivers, then the "use a waiver" option will not appear, and an automatic waiver will not be submitted on that bidder's behalf.

Each bidder will be given five waivers at the beginning of the auction. As the auction progresses, and the number of rounds per day increases, the Department may, at its discretion, award additional waivers to each bidder.

6.7 Proactive Waivers

Bidders will be able to submit "proactive" waivers to prevent the cessation of bidding. In Stage Three of the auction, when a round ends without any bids or withdrawals being submitted (see Section 6.12), bidders will be advised via the AMS that bidding will cease unless a proactive waiver is submitted.

Bidders will be given the opportunity to submit a proactive waiver by calling an assigned telephone number within a specified time period.

All bidders who call within the specified time period to submit proactive waivers will have one of their waivers deducted, and the auction will continue with the next scheduled round. If no proactive waivers are submitted within the specified time period, no further bidding will take place.

6.8 Opening Bids

Opening bids have been established for all licences based on service area population, current licence fees for cellular and PCS licences, and the 2001 PCS auction results. Opening bids are listed in the tables provided in Appendix B.

The Department maintains the option of reducing opening bids for licences at any time to encourage bidding activity. Given that the second phase of the auction will deal with unassigned licences, the likelihood of reducing opening bids will be low. However, in the event such action is taken, the following procedure will be followed.

For set-aside spectrum, the opening bid values may be reduced only if bidding activity reveals a need to reduce opening bid values for non set-aside spectrum. Should the Department elect to reduce opening bid values, change to the opening bid values will be announced via the message feature of AMS, in the round in which licences are offered at the reduced opening bid value.

6.9 Withdrawal of Bids and Related Penalties

Bidders may withdraw their standing high bids but, to encourage meaningful bids and to ensure that no loss of revenue occurs as a result of such withdrawals, a bid withdrawal penalty corresponding to the potential loss of auction revenue caused by this withdrawal will be imposed.

If a bid is withdrawn from a licence that ultimately sells for less than the withdrawn bid, the withdrawal penalty will equal the difference between the withdrawn bid and the ultimate selling price.

In the case of multiple bid withdrawals on a single licence, at auction or in a subsequent licensing process, the withdrawal penalty will be calculated based on the sequence of the withdrawals and bids.

No withdrawal penalty will be assessed for a withdrawn bid if either the subsequent winning bid or any of the intervening subsequent withdrawn bids in the auction equals or exceeds the initial withdrawn bid. Thus a bidder who withdraws a bid will not be subject to a withdrawal penalty if there is a subsequent higher bid in this auction. If a higher bid is not submitted until a subsequent licensing process, the withdrawal penalty levied in this auction will be returned at that time.

To reduce the overall time of the auction, while not compromising efficiency, the Department will allow bidders to place new bids (and/or withdraw previously submitted bids) at the same time during a round, rather than having two distinct phases – one for bid submission and one for bid withdrawal – during each round. Note that if a bidder withdraws a bid on a licence in a round, the bidder is not considered to be active on that licence for that round and, therefore, unless bids are submitted on other licences, the bidder's eligibility to bid in subsequent rounds will decline.

When a standing high bid is withdrawn, and assuming that no new bids are submitted on that licence in that round, the status of standing high bidder on that licence will revert to Industry Canada, and the acceptable bid for the next round will be equal to the value of the withdrawn bid. If there is no bidding activity on that licence, then the Department reserves the right to reduce the required bid amount in a later round. The level of reduction will be determined by considering factors such as the stage of the auction and past bidding on that licence and similar licences.

In order to deter the potential misuse of withdrawals as a signalling mechanism, or a means of unduly delaying the cessation of bidding, the Department will impose an additional penalty on a bidder **if that bidder withdraws standing high bids in more than five rounds of the auction**. For the sixth and every additional withdrawn standing high bid, this penalty will be equal to the greater of: (a) 2% of the value of the withdrawn standing high bid; or, (b) \$10,000, and will be **in addition to the withdrawal penalty described above**. This penalty will be assessed regardless of whether the ultimate selling price of the licence is above or below the withdrawn bid.

Examples:

Standard Withdrawal Penalty:

Bidder X has made no withdrawals in the first seven rounds of the auction. In round 8, Bidder X withdraws a bid of \$100,000 on Licence 2, which eventually receives a winning bid of \$80,000. Since the ultimate winning bid for the licence is below the withdrawn bid, Bidder X owes a withdrawal penalty of \$20,000.

Additional Withdrawal Penalty for Withdrawals in More Than Five Rounds:

Bidder Y withdraws five standing high bids over a series of rounds. The associated withdrawal penalties are calculated as the difference between the withdrawn bids and the subsequent winning bid for these licences, assuming the former is greater than the latter. Any subsequent withdrawals made by Bidder Y are then subject to an additional withdrawal penalty, equal to the maximum of 2% of the withdrawn bid or \$10,000.

For example, if Bidder Y withdraws bids on licences worth \$100,000 and \$2,000,000, the additional withdrawal penalties would be \$10,000 and \$40,000 respectively. These penalties would be assessed regardless of the ultimate winning bids for these licences.

Multiple Withdrawal Penalty:

Bidder X bids \$100,000 on a licence then withdraws the bid. Bidder Y subsequently bids \$95,000 on the same licence then withdraws the bid. Upon cessation of bidding, Bidder Z is the high bidder with a bid of \$85,000. In this case, Bidder X owes \$5,000 (\$100,000-\$95,000) in withdrawal penalties, and Bidder Y owes \$10,000 (\$95,000-\$85,000).

Bidder X bids \$50,000 on a licence then withdraws the bid. Bidder Y subsequently bids \$40,000 on this same licence, and later withdraws the bid. The licence receives further bids, whereby Bidder Z eventually bids \$45,000, and subsequently withdraws the bid. Upon cessation of bidding, Bidder A is the high bidder, with a bid of \$35,000. In this case, Bidder X owes \$5,000 (\$50,000-\$45,000), and Bidder Z

owes \$10,000. No penalty is imposed on Bidder Y, because after his/her bid, Bidder Z promised to pay more than Bidder Y, thus freeing Bidder Y from owing withdrawal penalties.

6.10 Back-up Procedures

Bidders are strongly advised to prepare contingency plans and back-up facilities and locations, including multiple means of accessing the Internet, in the event of technical difficulties at their primary bidding locations. As discussed above, all bidders will also receive a number of activity rule waivers, which will protect their eligibility point level for several rounds in case they are unable to access the auction system.

In the *Designated Bidders Form* (Attachment F of the Application Form), applicants are requested to designate up to three individuals who will have authority to place bids on their behalf. Each designated bidder will receive individual codes to participate in the auction. Having more than one individual designated as a bidder will strengthen back-up contingency plans for applicants in case of unforeseen problems. It is strongly advised that the designated bidders be identified in advance of the auction as the Department cannot guarantee that accounts will be set up in time if changes or additions are requested at the last minute.

As a last resort, bidders can call the Auction Centre to have departmental staff submit bids on their behalf. This is a limited back-up facility for bidders who experience technical difficulties which prevent them from accessing the auction system. Only the individuals listed as designated bidders will be able to use this option. The telephone number for the Auction Centre will be provided to the qualified bidders prior to the start of the auction.

Departmental resources available for this task will be limited, and hence, it is possible that bidders may have to wait to have their bids submitted. **It is the responsibility of bidders wishing to use this option to call early enough in the round to ensure there is sufficient time for their bids to be submitted. Rounds will not be extended to accommodate these bidders. While the Department will make its best effort to submit bids on behalf of bidders, the Department assumes no responsibility if such bids are not submitted.**

The departmental representative taking such calls will use a prepared script and bidders must adhere to this script in giving the required information to the departmental representative. All telephone transactions will be recorded.

The Department will prepare lists of one-time transaction code keys, which will be used to authenticate the bids transmitted by telephone. Each bidder will be issued a list of transaction code keys, each of which will be made up of eight randomly generated numbers. No two lists will be the same. Bidders will be bound by any bid made with their transaction code keys as agreed to in the Deed of Acknowledgement (refer to Attachment B of the Application Form).

6.11 Withdrawal from the Auction

A bidder may have its irrevocable standby letter of credit returned upon presentation of a written request to the AWS Auction Manager (address provided in Section 1.2) if:

- the bidder's points are reduced to zero during the auction;
- the bidder is not potentially liable for any penalties; and,
- the bidder is not the standing high bidder on any licence.

Upon receipt of such a request, the Department will confirm that the conditions outlined above have been met and will then return the irrevocable standby letter of credit to the bidder.

6.12 Cessation of Bidding

Under **normal** circumstances, bidding will cease in Stage Three of the auction, when a round concludes with:

- (a) **no bids or withdrawals being submitted; and,**
- (b) **no proactive waivers having been submitted.**

Entering and removing the same bid within a single round will not prevent the cessation of bidding.

In **exceptional** circumstances, and after all participants have been notified in advance, any round can be declared as the final round. Similarly, exceptional circumstances such as a natural disaster, may result in the auction being delayed, suspended or cancelled.

The standing high bidder on each licence upon cessation of bidding will be declared the provisional winner of those licences.

Licences that remain unsold upon cessation of bidding may be made available upon continuation of the auction in a second phase.

7. Second Phase of the Auction

If required, this auction process will continue in a second phase which will commence within one year following the cessation of bidding in the first phase. A *Canada Gazette* notice will be issued, marking the commencement of the second phase of the auction and inviting interested parties to submit applications for unassigned licences. The second phase of the auction will use the existing tiers, opening bid amounts, and eligibility points, but may vary in terms of the process and eligibility to participate.

7.1 Bid Payment

Within **ten business days** of the cessation of bidding, each provisional licence winner will be required to submit an initial payment with a value equal to twenty percent (20%) of the sum of its standing high bids plus one-hundred percent (100%) of the sum of any penalties that it has incurred. This payment will be non-refundable. If the provisional licence winner fails to make this initial payment within the specified period, then the provisional licence winner's irrevocable standby letter of credit will be drawn upon.

If the value of the provisional licence winner's irrevocable standby letter of credit, combined with any partial payment, is less than the required amount, then the provisional licence winner will forfeit its right to have the licence(s) issued to it and the provisional licence winner will be subject to the applicable forfeiture penalties.

A payment for the remaining eighty percent (80%) of the total of the high bids will be due within **thirty business days** of the cessation of bidding. If the provisional licence winner fails to make this final payment within the specified period, then the provisional licence winner's irrevocable standby letter of credit will be drawn upon. If the value of the provisional licence winner's irrevocable standby letter of credit, combined with any partial payment, is less than the required amount, then the provisional licence winner will forfeit its right to have the licence(s) issued to it and again, the provisional licence winner will be subject to the applicable forfeiture penalties.

A provisional licence winner who is in default of payment may not selectively forfeit on a subset of the licences on which it placed the high bid. If all required payments are not received, then the provisional licence winner will forfeit its right to have any AWS, PCS or 1670-1675 licence issued to it.

All payments must be made by certified cheque, bank draft, or wire transfer, payable to the Receiver General for Canada, drawn on a financial institution that is a member of the Canadian Payments Association.

It is important to note that these bid payments for the initial 10-year term are in lieu of any fees fixed for the radio authorization under the *Radiocommunication Act* or any other Act.⁵

7.2 Payment of Penalties

Upon cessation of bidding, the sum of the standing high bids and the sum of any withdrawal penalties and other penalties incurred will be calculated for all bidders. If the final value of withdrawal penalties cannot be calculated at that time because one or more licences remain unsold, the full value of the withdrawn bid will be used as an interim proxy for the value of the withdrawal penalty.

Example:

Suppose that a bid of \$1,000,000 was forfeited on licence X after the auction. The ultimate selling price of licence X will not be known until a subsequent licensing process and hence the value of the forfeiture penalty cannot be calculated until that time. The full value of the forfeited bid plus 3% (\$1,030,000 in this example) would be used as the interim proxy forfeiture penalty until a subsequent licensing process. Bidders should note that a subsequent licensing process will not take place for at least a year.

For each bidder, one of the scenarios laid out below will apply.

- If the sum of a bidder's standing high bids equals zero and the sum of its penalties equals zero, then that bidder's irrevocable standby letter of credit will be returned.

⁵ As per subsection 5(1.3) of the *Radiocommunication Act*.

- If the sum of a bidder's standing high bids equals zero and the sum of its penalties is greater than zero, then that bidder will be required to submit a payment for the full amount of the penalties within ten business days.

If payment for the full amount of the penalties is not received by the Department within ten business days, then the bidder's irrevocable standby letter of credit will be drawn upon for the amount in question. If the full amount of the irrevocable standby letter of credit, combined with any partial payment, is less than the required amount, then the difference will be owing and payable to the Receiver General for Canada.⁶

- If the sum of a bidder's standing high bids is greater than zero and the sum of its penalties is equal to zero, then that bidder will be required to: (1) submit payment with a value equal to twenty percent (20%) of the sum of the standing high bids within ten business days; and (2) submit a second payment with a value equal to eighty percent (80%) of the sum of the standing high bids within thirty business days.

If either of the required payments is not received by the Department within the specified time-frames, then the bidder's irrevocable standby letter of credit will be drawn upon for the amount in question. If the value of the irrevocable standby letter of credit, combined with any partial payment, is less than the required amount, then the bidder will forfeit its right to have the licence issued to it and will be subject to the forfeiture penalties discussed in Section 7.3.

- If the sum of a bidder's standing high bids is greater than zero and the sum of its penalties is greater than zero, then that bidder will be required to: (1) submit payment with a value equal to twenty percent (20%) of the sum of the standing high bids plus one-hundred percent (100%) of the sum of the penalties within ten business days; and (2) submit a second payment with a value equal to eighty percent of the sum of the standing high bids within thirty business days.

If either of the required payments are not received by the Department within the specified time-frames, then the bidder's irrevocable standby letter of credit will be drawn upon for the amount in question. If the value of the irrevocable standby letter of credit, combined with any partial payment, is less than the required amount, then the bidder will forfeit the right to have the licence issued and will be subject to the forfeiture penalties discussed in Section 7.3.

Example:

Bidder X withdraws a bid of \$150,000 on Licence 1, which is eventually won by Bidder Y for \$130,000. Bidder X withdraws a bid of \$120,000 on Licence 2, which remains unsold upon cessation of bidding. Upon cessation of bidding, Bidder X is the standing high bidder on Licence 3 for \$250,000 and Licence 4 for \$300,000. In a subsequent licensing process following the cessation of bidding, Licence 2 is sold for \$90,000.

⁶ If a subsequent licensing process results in the calculated values of final withdrawal penalties being different from the interim proxy values, then the difference will be refunded to the bidders in question.

Upon cessation of bidding, the sum of Bidder X's standing high bids is \$550,000 and the sum of Bidder X's penalties is \$140,000 (withdrawn bid of \$150,000 less final selling price of \$130,000 equals penalty of \$20,000 for Licence 1 and withdrawn bid of \$120,000 equals interim proxy penalty of \$120,000 for Licence 2).

Within ten business days, Bidder X must submit a payment for \$250,000 (20% of the value of the standing high bids equals \$110,000 and 100% of the value of the penalties equals \$140,000). Within thirty business days of the cessation of bidding, a payment for an additional \$440,000 is required.

After the subsequent licensing process for Licence 2 is held, the correct penalty for Bidder X can be calculated as \$30,000. Bidder X is then refunded \$90,000.

7.3 Bid Forfeiture and Related Penalties

Following cessation of bidding, bidders who have submitted the high bid on a licence but fail to comply with the specified payment schedule or, as outlined in Section 4.3, fail to come into compliance with the eligibility requirements of the *Radiocommunication Regulations*, will forfeit their right to the licence. Furthermore, those bidders will be required to pay a penalty in the amount of the difference between the forfeited bid and the eventual selling price of the licence (determined by a subsequent licensing process), if the eventual selling price is lower than the forfeited bid.⁷ If the licence is not sold in a subsequent licensing process, then the selling price will be deemed to be zero and the penalty will be calculated accordingly. An additional amount of the greater of (a) 3% of the original forfeited bid; or (b) \$10,000 for each forfeited bid will be charged, regardless of the eventual selling price.

In the event of licence forfeiture, the bidder's irrevocable standby letter of credit will be drawn upon for the full amount of the interim proxy forfeiture penalty. If the interim proxy forfeiture penalty is greater than the full amount of the bidder's irrevocable standby letter of credit combined with any partial payment, or if the letter of credit has been returned before the forfeiture, then the difference will be owing and payable to the Receiver General for Canada.⁸

Neither a bidder who forfeits on a licence, nor any of that bidder's Affiliates and Associated Entities, will be eligible to bid on it in any subsequent licensing process.

7.4 Eligibility Documentation

Bidders who are provisional licence winners will be required to submit documentation related to their compliance with the condition of licence, "Eligibility Criteria - Ownership and Control" discussed in Section 4.3 of this document. Provisional licence winners must submit *The Declaration of Ownership and Control for Provisional Winners of Spectrum Licences in the 2 GHz Range, Including AWS, PCS,*

⁷ Suppose that a bid of \$1,000,000 was forfeited on Licence X after the auction. The ultimate selling price of Licence X will not be known until a subsequent licensing process and hence the value of the forfeiture penalty cannot be calculated until that time. The full value of the forfeited bid plus 3% (\$1,030,000 in this example) would be used as the interim proxy forfeiture penalty until a subsequent licensing process.

⁸ If a subsequent licensing process results in the calculated values of final forfeiture penalties being different from the interim proxy values, then the difference will be refunded to the bidders in question.

and the Band 1670-1675 MHz (see Attachment E of the Application Form), and all documents listed therein, within ten business days of the cessation of bidding.

The Department will review these documents expeditiously. The Department will then notify each provisional winner regarding compliance with the Canadian ownership and control requirements. In the event that a provisional licence winner does not, in the opinion of the Department, comply with the Canadian ownership and control requirements, the Department will require that the provisional licence winner make changes in order to become compliant. If the provisional winner fails to comply with the Canadian ownership and control requirements within sixty days after being notified by the Department of the required changes, then the provisional licence winner will forfeit the right to have issued any licences offered in this auction and will be subject to the penalties outlined in Section 7.3.

7.5 Issuance of Licences

Provisional winners of spectrum licences will have those licences issued to them on completion of the following: (1) payment of the sum of their standing high bids and the sum of their penalties, if any; and (2) a determination by the Department that the Canadian ownership and control requirements have been met. Depending on the complexity of the provisional winners' ownership and control structures and the responsiveness of the winners in providing any required additional documentation, this determination may take several months to complete.

Appendix A - Related Canada Gazette Notices

Notice No. DGTP-007-03 — Consultation on the Spectrum for Advanced Wireless Services and Review of the Mobile Spectrum Cap Policy

This notice announces the publication of a consultation paper, under the above title, which proposes the allocation and designation of spectrum for Advanced Wireless Services (AWS). Advanced Wireless Services include a wide range of services, such as third generation cellular, multimedia and broadband Internet. The industry has supported Industry Canada in its plans to identify spectrum for advanced mobile wireless services so as to keep Canada in step with developments in the United States and Europe on licensing activities. Consequently and pursuant to the work plan published in Radio Systems Policy-020, *Guidelines on the Licensing Process and Spectrum Release Plan -2001 Edition (RP-020)*, this first consultation document includes proposals and invites comments on spectrum allocations and band designations. In order for incumbents of mobile spectrum to access these new bands in a future licensing activity, a full review of the spectrum cap policy is also initiated. The consultation paper also invites comments on measures to promote advanced mobile telephony services in rural Canada.

The service capabilities envisaged from Advanced Wireless Services (new mobile and fixed applications) are very promising and could provide people on-the-move full participation in the knowledge-based economy. The public benefits of these advanced service offerings support the Department's initiative in proposing changes to spectrum allocations and designations which are laid out in this consultation paper.

Industry Canada invites interested parties to provide their views and comments on the issues raised in the consultation paper announced through this notice. Interested parties should submit their comments no later than January 19, 2004 to ensure consideration. Shortly after the close of the comment period, all comments received will be posted on Industry Canada's Spectrum Management and Telecommunications Web site at: <http://ic.gc.ca/spectrum>.

Submitting Comments

Respondents are requested to provide their comments in electronic format (WordPerfect, Microsoft Word, Adobe PDF or ASCII TXT) to the following e-mail address: wireless@ic.gc.ca, along with a note specifying the software, version number and operating system used.

Written submissions should be addressed to the Manager, Mobile Services, Telecom Policy Branch, Industry Canada, 1604A, 300 Slater Street, Ottawa, Ontario, K1A 0C8.

All submissions should cite the *Canada Gazette*, Part I, publication date, the title, and the notice reference number (DGTP-007-03).

October 10, 2003

Larry Shaw
Director General
Telecommunications Policy Branch

Appendix A - Continued

Notice No. DGTP-002-07 — Consultation on a Framework to Auction Spectrum in the 2 GHz Range including Advanced Wireless Services

This notice announces the publication of provisions to support the release of frequency bands in the 2 GHz range. The document outlines the results of the consultation process undertaken in 2003 on Advanced Wireless Services (AWS). It also initiates further consultation on a number of technical, operational and licensing issues in the 2 GHz range including AWS, Personal Communications Services (PCS), and the band 1670-1675 MHz.

Advanced Wireless Services comprise a wide range of applications, such as cellular telephony, data, multimedia, Internet Protocol (IP)-based applications and broadband Internet access using third generation (3G) cellular and other technologies. The industry has supported Industry Canada in its plans to identify prime mobile spectrum for AWS so as to keep Canada in step with developments in North America and Europe which support a modern telecommunications infrastructure.

This paper announces changes to the *Canadian Table of Frequency Allocations* for bands in the 1710-2200 MHz range, designates spectrum for AWS, and provides for the expansion of the 1900 MHz PCS bands as well as the licensing of the band 1670-1675 MHz. It also outlines a transition process to make the spectrum available for AWS applications when and where required. This paper will also address additional spectrum utilization issues such as the eligibility to access spectrum, competition, a band plan, technical and operational considerations, the licensing process and principles, and the proposed auction design.

Industry Canada invites interested parties to provide their views and comments on the issues raised in the consultation portion of the paper (i.e. Part II) announced through this notice. Parties should submit their comments no later than May 25, 2007 to ensure consideration. Shortly after the close of the comment period, all comments received will be posted on Industry Canada's Spectrum Management and Telecommunications website at <http://strategis.gc.ca/spectrum>.

The Department will also provide interested parties with the opportunity to reply to comments from other parties. Reply comments will be accepted until June 27, 2007.

Submitting Comments

Respondents are requested to provide their comments in electronic format (WordPerfect, Microsoft Word, Adobe PDF or ASCII TXT) to the following e-mail address: AWS@ic.gc.ca, along with a note specifying the software, version number and operating system used.

Written submissions should be addressed to the Director General, Telecommunications Policy Branch, Industry Canada, 1612A, 300 Slater St., Ottawa, Ontario, K1A 0C8.

All submissions should cite the *Canada Gazette*, Part I, publication date, the title, and the notice reference number (DGTP-002-07).

February 16, 2007

Leonard St-Aubin
Director General
Telecommunications Policy Branch

Appendix A - Continued

Notice No. DGRB-010-07 — Consultation on Proposed Conditions of Licence to Mandate Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements

Intent

In the policy document entitled *Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range*, published on November 28, 2007, the Minister announced his decision to mandate roaming among cellular, PCS (Personal Communications Services), and AWS licensees, to mandate antenna tower and site sharing, and to prohibit exclusive site arrangements for all licensees.

Since these policy measures require amendments to existing conditions of licence or other authorizations, this consultation is being undertaken to obtain input regarding the necessary conditions to implement the policies of mandatory roaming and mandatory antenna tower and site sharing, including the prohibition of exclusive site arrangements. Consequential amendments to Client Procedures Circular 2-0-03, *Radiocommunication and Broadcasting Antenna Systems* (CPC-2-0-03) may also be effected pursuant to this consultation exercise.

It should be noted that these conditions of licence would not supplant nor obviate any existing or pending rulings, decisions, or tariffs approved by the Canadian Radio-television and Telecommunications Commission (CRTC) or any existing agreements between licensees insofar as they are consistent with this policy.

Background

Under section 5(1)(b) of the *Radiocommunication Act*, the Minister may, taking into account all matters that the Minister considers relevant for ensuring the orderly establishment or modification of radio stations and the orderly development and efficient operation of radiocommunication in Canada, amend the terms and conditions of any licence, certificate or authorization.

The requirement for licensees to share supporting structures and sites was a recommendation of the National Antenna Tower Policy Review and the Telecommunications Policy Review Panel. Consistent with the recommendations in their reports, the updated version of Industry Canada's CPC-2-0-03, which comes into force on January 1, 2008, requires proponents of new antenna towers to search for existing sites and supporting structures, and requires licensees and site owners/operators to enter into good faith negotiations to share sites where technically feasible. This decision is pursuant to comments received in the National Antenna Tower Policy Review and the *Consultation on a Framework to Auction Spectrum in the 2 GHz Range including Advanced Wireless Services*.

Aside from questions of technical feasibility, it is recognized that coming to a negotiated business agreement can delay roaming and sharing. Therefore, the proposed conditions which follow state that where it is technically feasible, but where licensees cannot finalize negotiations, parties will submit their business disputes to independent binding arbitration in order to finalize the matter. Most provincial and territorial arbitration legislation provides that, unless otherwise specified by agreement:

1. if no other mode of arbitration is suggested, the matter will be referred to a single arbitrator;
2. the Court can appoint an arbitrator if the parties cannot agree upon one;
3. arbitrators can ask for reports, submissions, and evidence under oath and can generally set the procedural rules for the arbitration in the absence of agreement upon these points;
4. in the absence of an agreement to deal with costs, the arbitrator can make an award of costs; and
5. the decision of an arbitrator is binding and legally enforceable through the courts.

There are also various model arbitration agreements which can be referred to in default of a specific agreement between the parties.

Conditions of Licence for Mandatory Antenna Tower and Site Sharing and Prohibition of Exclusive Site Arrangements

Industry Canada proposes to add the following conditions of licence for mandating antenna tower and site sharing and prohibiting exclusive site arrangements to all spectrum licences, radio licences and broadcasting certificates (Licensees).

1. *Licensees must facilitate sharing of antenna sites, including rooftops, and supporting structures ("Site(s)") and not cause or contribute to the exclusion of other radiocommunication antenna operators ("Operator(s)") from gaining access to Sites. Without limiting the generality of the foregoing, where a Licensee is party to an agreement that includes a provision excluding other Operators from the use of a Site, then, in order to facilitate the sharing of Sites, the Licensee must consent to waiving that portion of the agreement to facilitate a request to share. Further, Licensees must not enter into or renew agreements that exclude other Operators from using a Site.*
2. *Licensees must share where technically feasible except where national security concerns exist or the Site is used solely for personal enjoyment.*
3. *In order to fulfill the condition of sharing in accordance with this licence, the Licensee must respond to a request to share by any other Operator within 30 days as follows:*
 - a. *In the event that the request to share is technically feasible, the Licensee must provide the requesting Operator with a response and an offer to enter into a sharing agreement. The department expects that Site-sharing arrangements would be offered at commercial rates that are reasonably comparable to rates currently charged to others for similar access.*
 - b. *In the event that the request to share is not technically feasible, the Licensee must provide the requesting Operator with a response detailing the reasons why it is not feasible (accompanied by any applicable technical information) in accordance with CPC-2-0-03.*
4. *Site-sharing arrangements will be negotiated expeditiously and in good faith. If after 90 days from the initial request, the Licensee and the Operator requesting a Site-sharing arrangement cannot agree to the terms of the arrangement, the Licensee must agree to submit the matter to an arbitrator*

as agreed upon by the parties in accordance with the provisions of the applicable provincial arbitration legislation. The Licensee agrees that the arbitrator shall have all necessary powers to determine all of the questions in dispute (including those relating to determining the appropriate terms of the Site-sharing arrangement and those relating to procedural matters under the arbitration) and that any arbitration under this section shall be legally binding. The Licensee must participate fully in such an arbitration and follow all directions of the arbitrator in accordance with any arbitration agreement or with the applicable legislation. At any time, the Licensee and the Operator requesting antenna tower and site sharing may agree to specific terms with regard to submitting their dispute to an arbitrator and may withdraw their arbitration, on agreed terms, so long as they agree to a Site-sharing arrangement.

Conditions of Licence for Mandatory Roaming

The conditions of licence described below will apply to all licences in the cellular, PCS and AWS bands.

Where the conditions of licence refer to a “new entrant” or “national new entrant”, definitions can be found in the document entitled Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range (November 2007).

Where technically feasible, Licensees must offer automatic digital roaming on their cellular, PCS and AWS networks as follows:

- 1. Roaming is to be offered:*
 - a. To all cellular, PCS and AWS Licensees outside of their licensed area, for at least the 10-year term of AWS licences;*
 - b. To all new entrants, in their licensed areas for a period of 5 years commencing with the date of issuance of their licence; and*
 - c. To national new entrants who have substantially met the 5-year roll-out requirements outlined on their licence, as determined by Industry Canada, for an additional 5 years.*
- 2. In order to fulfill the condition of offering roaming in accordance with this licence:*
 - a. The services offered must include digital voice and data services such as Internet access, e-mail, and other data services;*
 - b. When requested, Licensees will provide an offer to enter into a roaming arrangement to provide roaming services on reasonable terms within 30 days. Industry Canada expects that roaming would be offered at commercial rates that are reasonably comparable to rates that are currently charged to others for similar services; and*
 - c. Roaming arrangements will be negotiated expeditiously and in good faith. If after 90 days from the initial request, the Licensee and the party requesting a roaming arrangement cannot agree to the terms of the roaming arrangement, the Licensee must agree to submit the matter to an*

arbitrator as agreed upon by the parties or in accordance with the provisions of the applicable provincial arbitration legislation. The Licensee agrees that the arbitrator shall have all necessary powers to determine all of the questions in dispute (including those relating to determining the appropriate terms of the roaming arrangement and those relating to procedural matters under the arbitration) and that any arbitration under this section shall be legally binding. The Licensee must participate fully in such an arbitration and follow all directions of the arbitrator in accordance with any arbitration agreement or with the applicable legislation. At any time, the Licensee and the party requesting roaming may agree to specific terms with regard to submitting their dispute to an arbitrator and may withdraw their arbitration, on agreed terms, so long as they agree to a roaming arrangement.

Comments Invited

Comments are invited on the proposed conditions of licence, specifically:

1. Are the timelines for responding to requests to share and roam and for submitting agreements that have not been finalized to an arbitrator appropriate? Are there other timelines that should be considered?
2. Specific provisions regarding arbitration may vary from province to province. Would it be useful to adopt a national code such as the ADR Institute of Canada's National Arbitration Rules in default of any specific arbitration agreement? Are there any special provisions which should be made applicable to the arbitrators concerning sharing and roaming?
3. Are there any other licence conditions required to facilitate sharing and roaming?

Submitting Comments

Interested parties are invited to submit comments on the proposals outlined in the consultation no later than January 11, 2008, in electronic format (WordPerfect, Microsoft Word, Adobe PDF or ASCII TXT) to the following e-mail address: aws@ic.gc.ca, with a note specifying the software, version number and operating system used.

Written submissions should be addressed to the Director, Spectrum Management Operations, Radiocommunications and Broadcasting Regulatory Branch, Industry Canada, 300 Slater Street, Ottawa, Ontario, K1A 0C8.

All submissions should cite the *Canada Gazette*, Part I, publication date, the title, and the notice reference number (DGRB-010-07).

November 28, 2007

Michael D. Connolly
Director General
Radiocommunications and
Broadcasting Regulatory Branch

**Appendix B - Eligibility Points and Opening Bids for Spectrum Licences
for Advanced Wireless Services and other Spectrum in the 2 GHz Range**

	Licence	Service Area	Frequency Block Pairing	Eligibility Points	Opening Bid
1	3-01a	20 MHz-Newfoundland & Labrador	1710-1720 MHz / 2110-2120 MHz	20	\$600,000
2	3-02a	20 MHz-Prince Edward Island	1710-1720 MHz / 2110-2120 MHz	4	\$298,930
3	3-03a	20 MHz-Mainland Nova Scotia	1710-1720 MHz / 2110-2120 MHz	32	\$1,681,180
4	3-04a	20 MHz-Cape Breton	1710-1720 MHz / 2110-2120 MHz	4	\$324,890
5	3-05a	20 MHz-Southern New Brunswick	1710-1720 MHz / 2110-2120 MHz	8	\$286,940
6	3-06a	20 MHz-Western New Brunswick	1710-1720 MHz / 2110-2120 MHz	8	\$358,758
7	3-07a	20 MHz-Eastern New Brunswick	1710-1720 MHz / 2110-2120 MHz	16	\$604,302
8	3-08a	20 MHz-Bas du fleuve/Gaspésie	1710-1720 MHz / 2110-2120 MHz	8	\$337,512
9	3-09a	20 MHz-Québec	1710-1720 MHz / 2110-2120 MHz	40	\$1,038,620
10	3-10a	20 MHz-Chicoutimi-Jonquière	1710-1720 MHz / 2110-2120 MHz	12	\$423,868
11	3-11a	20 MHz-Eastern Townships	1710-1720 MHz / 2110-2120 MHz	24	\$2,901,152
12	3-12a	20 MHz-Trois-Rivières	1710-1720 MHz / 2110-2120 MHz	32	\$4,267,698
13	3-13a	20 MHz-Montréal	1710-1720 MHz / 2110-2120 MHz	160	\$21,540,602
14	3-14a	20 MHz-Upper Outaouais	1710-1720 MHz / 2110-2120 MHz	4	\$609,722
15	3-15a	20 MHz-Ottawa/Outaouais	1710-1720 MHz / 2110-2120 MHz	60	\$3,085,324
16	3-16a	20 MHz-Pembroke	1710-1720 MHz / 2110-2120 MHz	4	\$263,738
17	3-17a	20 MHz-Abitibi	1710-1720 MHz / 2110-2120 MHz	8	\$80,000
18	3-18a	20 MHz-Cornwall	1710-1720 MHz / 2110-2120 MHz	4	\$160,750
19	3-19a	20 MHz-Brockville	1710-1720 MHz / 2110-2120 MHz	4	\$202,078
20	3-20a	20 MHz-Kingston	1710-1720 MHz / 2110-2120 MHz	8	\$396,776
21	3-21a	20 MHz-Belleville	1710-1720 MHz / 2110-2120 MHz	8	\$450,138
22	3-22a	20 MHz-Cobourg	1710-1720 MHz / 2110-2120 MHz	4	\$145,578
23	3-23a	20 MHz-Peterborough	1710-1720 MHz / 2110-2120 MHz	8	\$470,618
24	3-24a	20 MHz-Huntsville	1710-1720 MHz / 2110-2120 MHz	4	\$411,634
25	3-25a	20 MHz-Toronto	1710-1720 MHz / 2110-2120 MHz	240	\$32,077,384
26	3-26a	20 MHz-Barrie	1710-1720 MHz / 2110-2120 MHz	20	\$3,365,714
27	3-27a	20 MHz-Guelph/Kitchener	1710-1720 MHz / 2110-2120 MHz	20	\$3,455,056
28	3-28a	20 MHz-Listowel/Goderich/Stratford	1710-1720 MHz / 2110-2120 MHz	4	\$762,612
29	3-29a	20 MHz-Niagara-St. Catharines	1710-1720 MHz / 2110-2120 MHz	16	\$2,020,386
30	3-30a	20 MHz-London/Woodstock/St.Thomas	1710-1720 MHz / 2110-2120 MHz	28	\$4,357,878
31	3-31a	20 MHz-Chatham	1710-1720 MHz / 2110-2120 MHz	4	\$609,176
32	3-32a	20 MHz-Windsor/Leamington	1710-1720 MHz / 2110-2120 MHz	16	\$2,141,288
33	3-33a	20 MHz-Strathroy	1710-1720 MHz / 2110-2120 MHz	8	\$949,026
34	3-34a	20 MHz-North Bay	1710-1720 MHz / 2110-2120 MHz	4	\$186,770
35	3-35a	20 MHz-Sault Ste. Marie	1710-1720 MHz / 2110-2120 MHz	4	\$206,980
36	3-36a	20 MHz-Sudbury	1710-1720 MHz / 2110-2120 MHz	8	\$263,694
37	3-37a	20 MHz-Kirkland Lake	1710-1720 MHz / 2110-2120 MHz	4	\$183,798
38	3-38a	20 MHz-Thunder Bay	1710-1720 MHz / 2110-2120 MHz	8	\$358,760
39	3-39a	20 MHz-Winnipeg	1710-1720 MHz / 2110-2120 MHz	40	\$2,000,262
40	3-40a	20 MHz-Brandon	1710-1720 MHz / 2110-2120 MHz	8	\$364,738
41	3-41a	20 MHz-Regina	1710-1720 MHz / 2110-2120 MHz	12	\$429,884
42	3-42a	20 MHz-Moose Jaw	1710-1720 MHz / 2110-2120 MHz	4	\$128,272
43	3-43a	20 MHz-Saskatoon	1710-1720 MHz / 2110-2120 MHz	24	\$641,844
44	3-44a	20 MHz-Edmonton	1710-1720 MHz / 2110-2120 MHz	48	\$3,199,610
45	3-45a	20 MHz-Medicine Hat/Brooks	1710-1720 MHz / 2110-2120 MHz	4	\$468,866
46	3-46a	20 MHz-Lethbridge	1710-1720 MHz / 2110-2120 MHz	4	\$416,710
47	3-47a	20 MHz-Calgary	1710-1720 MHz / 2110-2120 MHz	48	\$2,912,900
48	3-48a	20 MHz-Red Deer	1710-1720 MHz / 2110-2120 MHz	8	\$529,600
49	3-49a	20 MHz-Grande Prairie	1710-1720 MHz / 2110-2120 MHz	8	\$422,312

	Licence	Service Area	Frequency Block Pairing	Eligibility Points	Opening Bid
50	3-50a	20 MHz-Kootenays	1710-1720 MHz / 2110-2120 MHz	4	\$464,632
51	3-51a	20 MHz-Okanagan/Columbia	1710-1720 MHz / 2110-2120 MHz	12	\$1,288,690
52	3-52a	20 MHz-Vancouver	1710-1720 MHz / 2110-2120 MHz	96	\$8,075,302
53	3-53a	20 MHz-Victoria	1710-1720 MHz / 2110-2120 MHz	16	\$1,360,702
54	3-54a	20 MHz-Nanaimo	1710-1720 MHz / 2110-2120 MHz	8	\$579,386
55	3-55a	20 MHz-Courtenay	1710-1720 MHz / 2110-2120 MHz	4	\$370,600
56	3-56a	20 MHz-Thompson/Cariboo	1710-1720 MHz / 2110-2120 MHz	8	\$609,268
57	3-57a	20 MHz-Prince George	1710-1720 MHz / 2110-2120 MHz	8	\$699,170
58	3-58a	20 MHz-Dawson Creek	1710-1720 MHz / 2110-2120 MHz	4	\$212,250
59	3-59a	20 MHz-Yukon, NWT & Nunavut	1710-1720 MHz / 2110-2120 MHz	4	\$40,000
60	2-01b	20 MHz-Newfoundland & Labrador	1720-1730 MHz / 2120-2130 MHz	20	\$600,000
61	2-02b	20 MHz-Nova Scotia & PEI	1720-1730 MHz / 2120-2130 MHz	40	\$2,305,000
62	2-03b	20 MHz-New Brunswick	1720-1730 MHz / 2120-2130 MHz	32	\$1,250,000
63	2-04b	20 MHz-Eastern Quebec	1720-1730 MHz / 2120-2130 MHz	60	\$1,800,000
64	2-05b	20 MHz-Southern Quebec	1720-1730 MHz / 2120-2130 MHz	220	\$29,319,174
65	2-06b	20 MHz-Eastern Ontario & Outaouais	1720-1730 MHz / 2120-2130 MHz	100	\$5,175,000
66	2-07b	20 MHz-Northern Quebec	1720-1730 MHz / 2120-2130 MHz	8	\$80,000
67	2-08b	20 MHz-Southern Ontario	1720-1730 MHz / 2120-2130 MHz	360	\$50,150,154
68	2-09b	20 MHz-Northern Ontario	1720-1730 MHz / 2120-2130 MHz	28	\$1,200,000
69	2-10b	20 MHz-Manitoba	1720-1730 MHz / 2120-2130 MHz	48	\$2,365,000
70	2-11b	20 MHz-Saskatchewan	1720-1730 MHz / 2120-2130 MHz	40	\$1,200,000
71	2-12b	20 MHz-Alberta	1720-1730 MHz / 2120-2130 MHz	120	\$7,950,000
72	2-13b	20 MHz-British Columbia	1720-1730 MHz / 2120-2130 MHz	160	\$13,660,000
73	2-14b	20 MHz-Yukon, NWT & Nunavut	1720-1730 MHz / 2120-2130 MHz	4	\$40,000
74	2-01c	10 MHz-Newfoundland & Labrador	1730-1735 MHz / 2130-2135 MHz	10	\$300,000
75	2-02c	10 MHz-Nova Scotia & PEI	1730-1735 MHz / 2130-2135 MHz	20	\$1,152,500
76	2-03c	10 MHz-New Brunswick	1730-1735 MHz / 2130-2135 MHz	16	\$625,000
77	2-04c	10 MHz-Eastern Quebec	1730-1735 MHz / 2130-2135 MHz	30	\$900,000
78	2-05c	10 MHz-Southern Quebec	1730-1735 MHz / 2130-2135 MHz	110	\$14,659,587
79	2-06c	10 MHz-Eastern Ontario & Outaouais	1730-1735 MHz / 2130-2135 MHz	50	\$2,587,500
80	2-07c	10 MHz-Northern Quebec	1730-1735 MHz / 2130-2135 MHz	4	\$40,000
81	2-08c	10 MHz-Southern Ontario	1730-1735 MHz / 2130-2135 MHz	180	\$25,075,077
82	2-09c	10 MHz-Northern Ontario	1730-1735 MHz / 2130-2135 MHz	14	\$600,000
83	2-10c	10 MHz-Manitoba	1730-1735 MHz / 2130-2135 MHz	24	\$1,182,500
84	2-11c	10 MHz-Saskatchewan	1730-1735 MHz / 2130-2135 MHz	20	\$600,000
85	2-12c	10 MHz-Alberta	1730-1735 MHz / 2130-2135 MHz	60	\$3,975,000
86	2-13c	10 MHz-British Columbia	1730-1735 MHz / 2130-2135 MHz	80	\$6,830,000
87	2-14c	10 MHz-Yukon, NWT & Nunavut	1730-1735 MHz / 2130-2135 MHz	2	\$20,000
88	3-01d	10 MHz-Newfoundland & Labrador	1735-1740 MHz / 2135-2140 MHz	10	\$300,000
89	3-02d	10 MHz-Prince Edward Island	1735-1740 MHz / 2135-2140 MHz	2	\$149,465
90	3-03d	10 MHz-Mainland Nova Scotia	1735-1740 MHz / 2135-2140 MHz	16	\$840,590
91	3-04d	10 MHz-Cape Breton	1735-1740 MHz / 2135-2140 MHz	2	\$162,445
92	3-05d	10 MHz-Southern New Brunswick	1735-1740 MHz / 2135-2140 MHz	4	\$143,470
93	3-06d	10 MHz-Western New Brunswick	1735-1740 MHz / 2135-2140 MHz	4	\$179,379
94	3-07d	10 MHz-Eastern New Brunswick	1735-1740 MHz / 2135-2140 MHz	8	\$302,151
95	3-08d	10 MHz-Bas du fleuve/Gaspésie	1735-1740 MHz / 2135-2140 MHz	4	\$168,756
96	3-09d	10 MHz-Québec	1735-1740 MHz / 2135-2140 MHz	20	\$519,310
97	3-10d	10 MHz-Chicoutimi-Jonquière	1735-1740 MHz / 2135-2140 MHz	6	\$211,934
98	3-11d	10 MHz-Eastern Townships	1735-1740 MHz / 2135-2140 MHz	12	\$1,450,576
99	3-12d	10 MHz-Trois-Rivières	1735-1740 MHz / 2135-2140 MHz	16	\$2,133,849

	Licence	Service Area	Frequency Block Pairing	Eligibility Points	Opening Bid
100	3-13d	10 MHz-Montréal	1735-1740 MHz / 2135-2140 MHz	80	\$10,770,301
101	3-14d	10 MHz-Upper Outaouais	1735-1740 MHz / 2135-2140 MHz	2	\$304,861
102	3-15d	10 MHz-Ottawa/Outaouais	1735-1740 MHz / 2135-2140 MHz	30	\$1,542,662
103	3-16d	10 MHz-Pembroke	1735-1740 MHz / 2135-2140 MHz	2	\$131,869
104	3-17d	10 MHz-Abitibi	1735-1740 MHz / 2135-2140 MHz	4	\$40,000
105	3-18d	10 MHz-Cornwall	1735-1740 MHz / 2135-2140 MHz	2	\$80,375
106	3-19d	10 MHz-Brockville	1735-1740 MHz / 2135-2140 MHz	2	\$101,039
107	3-20d	10 MHz-Kingston	1735-1740 MHz / 2135-2140 MHz	4	\$198,388
108	3-21d	10 MHz-Belleville	1735-1740 MHz / 2135-2140 MHz	4	\$225,069
109	3-22d	10 MHz-Cobourg	1735-1740 MHz / 2135-2140 MHz	2	\$72,789
110	3-23d	10 MHz-Peterborough	1735-1740 MHz / 2135-2140 MHz	4	\$235,309
111	3-24d	10 MHz-Huntsville	1735-1740 MHz / 2135-2140 MHz	2	\$205,817
112	3-25d	10 MHz-Toronto	1735-1740 MHz / 2135-2140 MHz	120	\$16,038,692
113	3-26d	10 MHz-Barrie	1735-1740 MHz / 2135-2140 MHz	10	\$1,682,857
114	3-27d	10 MHz-Guelph/Kitchener	1735-1740 MHz / 2135-2140 MHz	10	\$1,727,528
115	3-28d	10 MHz-Listowel/Goderich/Stratford	1735-1740 MHz / 2135-2140 MHz	2	\$381,306
116	3-29d	10 MHz-Niagara-St. Catharines	1735-1740 MHz / 2135-2140 MHz	8	\$1,010,193
117	3-30d	10 MHz-London/Woodstock/St. Thomas	1735-1740 MHz / 2135-2140 MHz	14	\$2,178,939
118	3-31d	10 MHz-Chatham	1735-1740 MHz / 2135-2140 MHz	2	\$304,588
119	3-32d	10 MHz-Windsor/Leamington	1735-1740 MHz / 2135-2140 MHz	8	\$1,070,644
120	3-33d	10 MHz-Strathroy	1735-1740 MHz / 2135-2140 MHz	4	\$474,513
121	3-34d	10 MHz-North Bay	1735-1740 MHz / 2135-2140 MHz	2	\$93,385
122	3-35d	10 MHz-Sault Ste. Marie	1735-1740 MHz / 2135-2140 MHz	2	\$103,490
123	3-36d	10 MHz-Sudbury	1735-1740 MHz / 2135-2140 MHz	4	\$131,847
124	3-37d	10 MHz-Kirkland Lake	1735-1740 MHz / 2135-2140 MHz	2	\$91,899
125	3-38d	10 MHz-Thunder Bay	1735-1740 MHz / 2135-2140 MHz	4	\$179,380
126	3-39d	10 MHz-Winnipeg	1735-1740 MHz / 2135-2140 MHz	20	\$1,000,131
127	3-40d	10 MHz-Brandon	1735-1740 MHz / 2135-2140 MHz	4	\$182,369
128	3-41d	10 MHz-Regina	1735-1740 MHz / 2135-2140 MHz	6	\$214,942
129	3-42d	10 MHz-Moose Jaw	1735-1740 MHz / 2135-2140 MHz	2	\$64,136
130	3-43d	10 MHz-Saskatoon	1735-1740 MHz / 2135-2140 MHz	12	\$320,922
131	3-44d	10 MHz-Edmonton	1735-1740 MHz / 2135-2140 MHz	24	\$1,599,805
132	3-45d	10 MHz-Medicine Hat/Brooks	1735-1740 MHz / 2135-2140 MHz	2	\$234,433
133	3-46d	10 MHz-Lethbridge	1735-1740 MHz / 2135-2140 MHz	2	\$208,355
134	3-47d	10 MHz-Calgary	1735-1740 MHz / 2135-2140 MHz	24	\$1,456,450
135	3-48d	10 MHz-Red Deer	1735-1740 MHz / 2135-2140 MHz	4	\$264,800
136	3-49d	10 MHz-Grande Prairie	1735-1740 MHz / 2135-2140 MHz	4	\$211,156
137	3-50d	10 MHz-Kootenays	1735-1740 MHz / 2135-2140 MHz	2	\$232,316
138	3-51d	10 MHz-Okanagan/Columbia	1735-1740 MHz / 2135-2140 MHz	6	\$644,345
139	3-52d	10 MHz-Vancouver	1735-1740 MHz / 2135-2140 MHz	48	\$4,037,651
140	3-53d	10 MHz-Victoria	1735-1740 MHz / 2135-2140 MHz	8	\$680,351
141	3-54d	10 MHz-Nanaimo	1735-1740 MHz / 2135-2140 MHz	4	\$289,693
142	3-55d	10 MHz-Courtenay	1735-1740 MHz / 2135-2140 MHz	2	\$185,300
143	3-56d	10 MHz-Thompson/Cariboo	1735-1740 MHz / 2135-2140 MHz	4	\$304,634
144	3-57d	10 MHz-Prince George	1735-1740 MHz / 2135-2140 MHz	4	\$349,585
145	3-58d	10 MHz-Dawson Creek	1735-1740 MHz / 2135-2140 MHz	2	\$106,125
146	3-59d	10 MHz-Yukon, NWT	1735-1740 MHz / 2135-2140 MHz	2	\$20,000
147	3-01e	10 MHz-Newfoundland & Labrador	1740-1745 MHz / 2140-2145 MHz	10	\$300,000
148	3-02e	10 MHz-Prince Edward Island	1740-1745 MHz / 2140-2145 MHz	2	\$149,465
149	3-03e	10 MHz-Mainland Nova Scotia	1740-1745 MHz / 2140-2145 MHz	16	\$840,590

	Licence	Service Area	Frequency Block Pairing	Eligibility Points	Opening Bid
150	3-04e	10 MHz-Cape Breton	1740-1745 MHz / 2140-2145 MHz	2	\$162,445
151	3-05e	10 MHz-Southern New Brunswick	1740-1745 MHz / 2140-2145 MHz	4	\$143,470
152	3-06e	10 MHz-Western New Brunswick	1740-1745 MHz / 2140-2145 MHz	4	\$179,379
153	3-07e	10 MHz-Eastern New Brunswick	1740-1745 MHz / 2140-2145 MHz	8	\$302,151
154	3-08e	10 MHz-Bas du fleuve/Gaspésie	1740-1745 MHz / 2140-2145 MHz	4	\$168,756
155	3-09e	10 MHz-Québec	1740-1745 MHz / 2140-2145 MHz	20	\$519,310
156	3-10e	10 MHz-Chicoutimi-Jonquière	1740-1745 MHz / 2140-2145 MHz	6	\$211,934
157	3-11e	10 MHz-Eastern Townships	1740-1745 MHz / 2140-2145 MHz	12	\$1,450,576
158	3-12e	10 MHz-Trois-Rivières	1740-1745 MHz / 2140-2145 MHz	16	\$2,133,849
159	3-13e	10 MHz-Montréal	1740-1745 MHz / 2140-2145 MHz	80	\$10,770,301
160	3-14e	10 MHz-Upper Outaouais	1740-1745 MHz / 2140-2145 MHz	2	\$304,861
161	3-15e	10 MHz-Ottawa/Outaouais	1740-1745 MHz / 2140-2145 MHz	30	\$1,542,662
162	3-16e	10 MHz-Pembroke	1740-1745 MHz / 2140-2145 MHz	2	\$131,869
163	3-17e	10 MHz-Abitibi	1740-1745 MHz / 2140-2145 MHz	4	\$40,000
164	3-18e	10 MHz-Cornwall	1740-1745 MHz / 2140-2145 MHz	2	\$80,375
165	3-19e	10 MHz-Brockville	1740-1745 MHz / 2140-2145 MHz	2	\$101,039
166	3-20e	10 MHz-Kingston	1740-1745 MHz / 2140-2145 MHz	4	\$198,388
167	3-21e	10 MHz-Belleville	1740-1745 MHz / 2140-2145 MHz	4	\$225,069
168	3-22e	10 MHz-Cobourg	1740-1745 MHz / 2140-2145 MHz	2	\$72,789
169	3-23e	10 MHz-Peterborough	1740-1745 MHz / 2140-2145 MHz	4	\$235,309
170	3-24e	10 MHz-Huntsville	1740-1745 MHz / 2140-2145 MHz	2	\$205,817
171	3-25e	10 MHz-Toronto	1740-1745 MHz / 2140-2145 MHz	120	\$16,038,692
172	3-26e	10 MHz-Barrie	1740-1745 MHz / 2140-2145 MHz	10	\$1,682,857
173	3-27e	10 MHz-Guelph/Kitchener	1740-1745 MHz / 2140-2145 MHz	10	\$1,727,528
174	3-28e	10 MHz-Listowel/Goderich/Stratford	1740-1745 MHz / 2140-2145 MHz	2	\$381,306
175	3-29e	10 MHz-Niagara-St. Catharines	1740-1745 MHz / 2140-2145 MHz	8	\$1,010,193
176	3-30e	10 MHz-London/Woodstock/St.Thomas	1740-1745 MHz / 2140-2145 MHz	14	\$2,178,939
177	3-31e	10 MHz-Chatham	1740-1745 MHz / 2140-2145 MHz	2	\$304,588
178	3-32e	10 MHz-Windsor/Leamington	1740-1745 MHz / 2140-2145 MHz	8	\$1,070,644
179	3-33e	10 MHz-Strathroy	1740-1745 MHz / 2140-2145 MHz	4	\$474,513
180	3-34e	10 MHz-North Bay	1740-1745 MHz / 2140-2145 MHz	2	\$93,385
181	3-35e	10 MHz-Sault Ste. Marie	1740-1745 MHz / 2140-2145 MHz	2	\$103,490
182	3-36e	10 MHz-Sudbury	1740-1745 MHz / 2140-2145 MHz	4	\$131,847
183	3-37e	10 MHz-Kirkland Lake	1740-1745 MHz / 2140-2145 MHz	2	\$91,899
184	3-38e	10 MHz-Thunder Bay	1740-1745 MHz / 2140-2145 MHz	4	\$179,380
185	3-39e	10 MHz-Winnipeg	1740-1745 MHz / 2140-2145 MHz	20	\$1,000,131
186	3-40e	10 MHz-Brandon	1740-1745 MHz / 2140-2145 MHz	4	\$182,369
187	3-41e	10 MHz-Regina	1740-1745 MHz / 2140-2145 MHz	6	\$214,942
188	3-42e	10 MHz-Moose Jaw	1740-1745 MHz / 2140-2145 MHz	2	\$64,136
189	3-43e	10 MHz-Saskatoon	1740-1745 MHz / 2140-2145 MHz	12	\$320,922
190	3-44e	10 MHz-Edmonton	1740-1745 MHz / 2140-2145 MHz	24	\$1,599,805
191	3-45e	10 MHz-Medicine Hat/Brooks	1740-1745 MHz / 2140-2145 MHz	2	\$234,433
192	3-46e	10 MHz-Lethbridge	1740-1745 MHz / 2140-2145 MHz	2	\$208,355
193	3-47e	10 MHz-Calgary	1740-1745 MHz / 2140-2145 MHz	24	\$1,456,450
194	3-48e	10 MHz-Red Deer	1740-1745 MHz / 2140-2145 MHz	4	\$264,800
195	3-49e	10 MHz-Grande Prairie	1740-1745 MHz / 2140-2145 MHz	4	\$211,156
196	3-50e	10 MHz-Kootenays	1740-1745 MHz / 2140-2145 MHz	2	\$232,316
197	3-51e	10 MHz-Okanagan/Columbia	1740-1745 MHz / 2140-2145 MHz	6	\$644,345
198	3-52e	10 MHz-Vancouver	1740-1745 MHz / 2140-2145 MHz	48	\$4,037,651
199	3-53e	10 MHz-Victoria	1740-1745 MHz / 2140-2145 MHz	8	\$680,351

	Licence	Service Area	Frequency Block Pairing	Eligibility Points	Opening Bid
200	3-54e	10 MHz-Nanaimo	1740-1745 MHz / 2140-2145 MHz	4	\$289,693
201	3-55e	10 MHz-Courtenay	1740-1745 MHz / 2140-2145 MHz	2	\$185,300
202	3-56e	10 MHz-Thompson/Cariboo	1740-1745 MHz / 2140-2145 MHz	4	\$304,634
203	3-57e	10 MHz-Prince George	1740-1745 MHz / 2140-2145 MHz	4	\$349,585
204	3-58e	10 MHz-Dawson Creek	1740-1745 MHz / 2140-2145 MHz	2	\$106,125
205	3-59e	10 MHz-Yukon, NWT & Nunavut	1740-1745 MHz / 2140-2145 MHz	2	\$20,000
206	3-01f	20 MHz-Newfoundland & Labrador	1745-1755MHz / 2145-2155 MHz	20	\$600,000
207	3-02f	20 MHz-Prince Edward Island	1745-1755MHz / 2145-2155 MHz	4	\$298,930
208	3-03f	20 MHz-Mainland Nova Scotia	1745-1755MHz / 2145-2155 MHz	32	\$1,681,180
209	3-04f	20 MHz-Cape Breton	1745-1755MHz / 2145-2155 MHz	4	\$324,890
210	3-05f	20 MHz-Southern New Brunswick	1745-1755MHz / 2145-2155 MHz	8	\$286,940
211	3-06f	20 MHz-Western New Brunswick	1745-1755MHz / 2145-2155 MHz	8	\$358,758
212	3-07f	20 MHz-Eastern New Brunswick	1745-1755MHz / 2145-2155 MHz	16	\$604,302
213	3-08f	20 MHz-Bas du fleuve/Gaspésie	1745-1755MHz / 2145-2155 MHz	8	\$337,512
214	3-09f	20 MHz-Québec	1745-1755MHz / 2145-2155 MHz	40	\$1,038,620
215	3-10f	20 MHz-Chicoutimi-Jonquière	1745-1755MHz / 2145-2155 MHz	12	\$423,868
216	3-11f	20 MHz-Eastern Townships	1745-1755MHz / 2145-2155 MHz	24	\$2,901,152
217	3-12f	20 MHz-Trois-Rivières	1745-1755MHz / 2145-2155 MHz	32	\$4,267,698
218	3-13f	20 MHz-Montréal	1745-1755MHz / 2145-2155 MHz	160	\$21,540,602
219	3-14f	20 MHz-Upper Outaouais	1745-1755MHz / 2145-2155 MHz	4	\$609,722
220	3-15f	20 MHz-Ottawa/Outaouais	1745-1755MHz / 2145-2155 MHz	60	\$3,085,324
221	3-16f	20 MHz-Pembroke	1745-1755MHz / 2145-2155 MHz	4	\$263,738
222	3-17f	20 MHz-Abitibi	1745-1755MHz / 2145-2155 MHz	8	\$80,000
223	3-18f	20 MHz-Cornwall	1745-1755MHz / 2145-2155 MHz	4	\$160,750
224	3-19f	20 MHz-Brockville	1745-1755MHz / 2145-2155 MHz	4	\$202,078
225	3-20f	20 MHz-Kingston	1745-1755MHz / 2145-2155 MHz	8	\$396,776
226	3-21f	20 MHz-Belleville	1745-1755MHz / 2145-2155 MHz	8	\$450,138
227	3-22f	20 MHz-Cobourg	1745-1755MHz / 2145-2155 MHz	4	\$145,578
228	3-23f	20 MHz-Peterborough	1745-1755MHz / 2145-2155 MHz	8	\$470,618
229	3-24f	20 MHz-Huntsville	1745-1755MHz / 2145-2155 MHz	4	\$411,634
230	3-25f	20 MHz-Toronto	1745-1755MHz / 2145-2155 MHz	240	\$32,077,384
231	3-26f	20 MHz-Barrie	1745-1755MHz / 2145-2155 MHz	20	\$3,365,714
232	3-27f	20 MHz-Guelph/Kitchener	1745-1755MHz / 2145-2155 MHz	20	\$3,455,056
233	3-28f	20 MHz>Listowel/Goderich/Stratford	1745-1755MHz / 2145-2155 MHz	4	\$762,612
234	3-29f	20 MHz-Niagara-St. Catharines	1745-1755MHz / 2145-2155 MHz	16	\$2,020,386
235	3-30f	20 MHz-London/Woodstock/St.Thomas	1745-1755MHz / 2145-2155 MHz	28	\$4,357,878
236	3-31f	20 MHz-Chatham	1745-1755MHz / 2145-2155 MHz	4	\$609,176
237	3-32f	20 MHz-Windsor/Leamington	1745-1755MHz / 2145-2155 MHz	16	\$2,141,288
238	3-33f	20 MHz-Strathroy	1745-1755MHz / 2145-2155 MHz	8	\$949,026
239	3-34f	20 MHz-North Bay	1745-1755MHz / 2145-2155 MHz	4	\$186,770
240	3-35f	20 MHz-Sault Ste. Marie	1745-1755MHz / 2145-2155 MHz	4	\$206,980
241	3-36f	20 MHz-Sudbury	1745-1755MHz / 2145-2155 MHz	8	\$263,694
242	3-37f	20 MHz-Kirkland Lake	1745-1755MHz / 2145-2155 MHz	4	\$183,798
243	3-38f	20 MHz-Thunder Bay	1745-1755MHz / 2145-2155 MHz	8	\$358,760
244	3-39f	20 MHz-Winnipeg	1745-1755MHz / 2145-2155 MHz	40	\$2,000,262
245	3-40f	20 MHz-Brandon	1745-1755MHz / 2145-2155 MHz	8	\$364,738
246	3-41f	20 MHz-Regina	1745-1755MHz / 2145-2155 MHz	12	\$429,884
247	3-42f	20 MHz-Moose Jaw	1745-1755MHz / 2145-2155 MHz	4	\$128,272
248	3-43f	20 MHz-Saskatoon	1745-1755MHz / 2145-2155 MHz	24	\$641,844
249	3-44f	20 MHz-Edmonton	1745-1755MHz / 2145-2155 MHz	48	\$3,199,610

Licensing Framework for the Auction for Spectrum Licences
for Advanced Wireless Services and other Spectrum in the 2 GHz Range

DGRB-011-07

	Licence	Service Area	Frequency Block Pairing	Eligibility Points	Opening Bid
250	3-45f	20 MHz-Medicine Hat/Brooks	1745-1755MHz / 2145-2155 MHz	4	\$468,866
251	3-46f	20 MHz-Lethbridge	1745-1755MHz / 2145-2155 MHz	4	\$416,710
252	3-47f	20 MHz-Calgary	1745-1755MHz / 2145-2155 MHz	48	\$2,912,900
253	3-48f	20 MHz-Red Deer	1745-1755MHz / 2145-2155 MHz	8	\$529,600
254	3-49f	20 MHz-Grande Prairie	1745-1755MHz / 2145-2155 MHz	8	\$422,312
255	3-50f	20 MHz-Kootenays	1745-1755MHz / 2145-2155 MHz	4	\$464,632
256	3-51f	20 MHz-Okanagan/Columbia	1745-1755MHz / 2145-2155 MHz	12	\$1,288,690
257	3-52f	20 MHz-Vancouver	1745-1755MHz / 2145-2155 MHz	96	\$8,075,302
258	3-53f	20 MHz-Victoria	1745-1755MHz / 2145-2155 MHz	16	\$1,360,702
259	3-54f	20 MHz-Nanaimo	1745-1755MHz / 2145-2155 MHz	8	\$579,386
260	3-55f	20 MHz-Courtenay	1745-1755MHz / 2145-2155 MHz	4	\$370,600
261	3-56f	20 MHz-Thompson/Cariboo	1745-1755MHz / 2145-2155 MHz	8	\$609,268
262	3-57f	20 MHz-Prince George	1745-1755MHz / 2145-2155 MHz	8	\$699,170
263	3-58f	20 MHz-Dawson Creek	1745-1755MHz / 2145-2155 MHz	4	\$212,250
264	3-59f	20 MHz-Yukon, NWT & Nunavut	1745-1755MHz / 2145-2155 MHz	4	\$40,000
265	2-01g	10 MHz-Newfoundland & Labrador	1910-1915 MHz / 1990-1995 MHz	10	\$300,000
266	2-02g	10 MHz-Nova Scotia & PEI	1910-1915 MHz / 1990-1995 MHz	20	\$1,152,500
267	2-03g	10 MHz-New Brunswick	1910-1915 MHz / 1990-1995 MHz	16	\$625,000
268	2-04g	10 MHz-Eastern Quebec	1910-1915 MHz / 1990-1995 MHz	30	\$900,000
269	2-05g	10 MHz-Southern Quebec	1910-1915 MHz / 1990-1995 MHz	110	\$14,659,587
270	2-06g	10 MHz-Eastern Ontario & Outaouais	1910-1915 MHz / 1990-1995 MHz	50	\$2,587,500
271	2-07g	10 MHz-Northern Quebec	1910-1915 MHz / 1990-1995 MHz	4	\$40,000
272	2-08g	10 MHz-Southern Ontario	1910-1915 MHz / 1990-1995 MHz	180	\$25,075,077
273	2-09g	10 MHz-Northern Ontario	1910-1915 MHz / 1990-1995 MHz	14	\$600,000
274	2-10g	10 MHz-Manitoba	1910-1915 MHz / 1990-1995 MHz	24	\$1,182,500
275	2-11g	10 MHz-Saskatchewan	1910-1915 MHz / 1990-1995 MHz	20	\$600,000
276	2-12g	10 MHz-Alberta	1910-1915 MHz / 1990-1995 MHz	60	\$3,975,000
277	2-13g	10 MHz-British Columbia	1910-1915 MHz / 1990-1995 MHz	80	\$6,830,000
278	2-14g	10 MHz-Yukon, NWT & Nunavut	1910-1915 MHz / 1990-1995 MHz	2	\$20,000
279	2-01i	5 MHz-Newfoundland & Labrador	1670-1675 MHz	5	\$150,000
280	2-02i	5 MHz-Nova Scotia & PEI	1670-1675 MHz	10	\$576,250
281	2-03i	5 MHz-New Brunswick	1670-1675 MHz	8	\$312,500
282	2-04i	5 MHz-Eastern Quebec	1670-1675 MHz	15	\$450,000
283	2-05i	5 MHz-Southern Quebec	1670-1675 MHz	55	\$7,329,794
284	2-06i	5 MHz-Eastern Ontario & Outaouais	1670-1675 MHz	25	\$1,293,750
285	2-07i	5 MHz-Northern Quebec	1670-1675 MHz	2	\$20,000
286	2-08i	5 MHz-Southern Ontario	1670-1675 MHz	90	\$12,537,539
287	2-09i	5 MHz-Northern Ontario	1670-1675 MHz	7	\$300,000
288	2-10i	5 MHz-Manitoba	1670-1675 MHz	12	\$591,250
289	2-11i	5 MHz-Saskatchewan	1670-1675 MHz	10	\$300,000
290	2-12i	5 MHz-Alberta	1670-1675 MHz	30	\$1,987,500
291	2-13i	5 MHz-British Columbia	1670-1675 MHz	40	\$3,415,000
292	2-14i	5 MHz-Yukon, NWT & Nunavut	1670-1675 MHz	1	\$10,000
Total				6510	\$614,745,223

Appendix C - Roll-Out Targets

Table 1: Tier 2 Roll-Out Targets

The following table lists the minimum 5-year roll-out targets for a Tier 2 service area.

Tier 2	Service Area Name	Population	Minimum Population coverage
2-01	Newfoundland & Labrador	513,282	30%
2-02	Nova Scotia & Prince Edward Island	1,043,232	30%
2-03	New Brunswick	728,997	40%
2-04	Eastern Quebec	1,590,736	50%
2-05	Southern Quebec	5,151,224	50%
2-06	Eastern Ontario & Outaouais	2,122,177	50%
2-07	Northern Quebec	187,081	30%
2-08	Southern Ontario	8,811,117	50%
2-09	Northern Ontario	785,481	50%
2-10	Manitoba	1,118,283	50%
2-11	Saskatchewan	975,717	40%
2-12	Alberta	2,979,436	50%
2-13	British Columbia	3,907,624	50%
2-14	Yukon, Northwest Territories & Nunavut	92,707	20%

Table 2: Tier 3 Roll-Out Targets

The following table lists the minimum 5-year roll-out targets for a Tier 3 service area.

Tier 3	Service Area Name	Population	Minimum Population Coverage
3-01	Newfoundland & Labrador	513,282	30%
3-02	Prince Edward Island	135,294	30%
3-03	Mainland Nova Scotia	760,894	40%
3-04	Cape Breton	147,044	30%
3-05	Southern New Brunswick	167,343	50%
3-06	Western New Brunswick	209,227	30%
3-07	Eastern New Brunswick	352,427	30%
3-08	Bas du fleuve/Gaspésie	298,273	15%
3-09	Québec	917,873	50%
3-10	Chicoutimi-Jonquière	374,590	40%
3-11	Eastern Townships	509,717	30%
3-12	Trois-Rivières	749,812	30%

Tier 3	Service Area Name	Population	Minimum Population Coverage
3-13	Montréal	3,784,570	50%
3-14	Upper Outaouais	107,125	10%
3-15	Ottawa/Outaouais	1,265,237	50%
3-16	Pembroke	108,154	15%
3-17	Abitibi	187,081	30%
3-18	Cornwall	65,921	50%
3-19	Brockville	82,869	40%
3-20	Kingston	162,711	50%
3-21	Belleville	184,594	40%
3-22	Cobourg	59,699	30%
3-23	Peterborough	192,992	50%
3-24	Huntsville	72,322	30%
3-25	Toronto	5,635,827	50%
3-26	Barrie	591,338	30%
3-27	Guelph/Kitchener	607,035	50%
3-28	Listowel/Goderich/Stratford	133,987	15%
3-29	Niagara-St. Catharines	354,971	50%
3-30	London/Woodstock/St. Thomas	765,656	50%
3-31	Chatham	107,029	50%
3-32	Windsor/Leamington	376,213	50%
3-33	Strathroy	166,739	50%
3-34	North Bay	122,253	40%
3-35	Sault Ste. Marie	135,482	50%
3-36	Sudbury	172,605	50%
3-37	Kirkland Lake	120,308	30%
3-38	Thunder Bay	234,833	40%
3-39	Winnipeg	945,818	50%
3-40	Brandon	172,465	20%
3-41	Regina	349,538	40%
3-42	Moose Jaw	104,297	25%
3-43	Saskatoon	521,882	40%
3-44	Edmonton	1,199,124	50%
3-45	Medicine Hat/Brooks	175,718	30%
3-46	Lethbridge	156,171	40%
3-47	Calgary	1,091,673	50%
3-48	Red Deer	198,479	25%
3-49	Grande Prairie	158,271	25%
3-50	Kootenays	132,914	15%
3-51	Okanagan/Columbia	368,647	40%
3-52	Vancouver	2,310,047	50%

Tier 3	Service Area Name	Population	Minimum Population Coverage
3-53	Victoria	389,247	50%
3-54	Nanaimo	165,741	40%
3-55	Courtenay	106,015	50%
3-56	Thompson/Cariboo	174,289	40%
3-57	Prince George	200,007	40%
3-58	Dawson Creek	60,717	30%
3-59	Yukon, Northwest Territories & Nunavut	92,707	20%

Appendix D - Checklist of Forms

Did you remember to complete and enclose each of the following documents which can be obtained on Industry Canada's Spectrum Management and Telecommunications website, at:
<http://www.ic.gc.ca/epic/site/smt-gst.nsf/en/sf08838e.html>.

- Application Form
 - Deed of Acknowledgement (Attachment A)
 - Beneficial Ownership information (Part I, Section 8 of Application Form)
 - Pre-auction deposit (refer to Attachments B and C)
 - Designated Bidders Form (Attachments D)
- Public Key Infrastructure (PKI) Agreement Form (Attachment G)
PKI Application Form(s) (Attachment H):
 - Authorized Representative
 - Designated Bidder1
 - Designated Bidder2
 - Designated Bidder3

Important Note:

It is in the interest of applicants to seek independent legal, financial and engineering advice before deciding to participate in this auction. Furthermore, applicants are urged to familiarize themselves with the provisions contained in the following documents:

- *Radiocommunication Act*;
- *Radiocommunication Regulations*;
- *Framework for Spectrum Auctions in Canada*;
- *Canadian Ownership and Control (CPC-2-0-15)*;
- *Telecommunications Act*;
- *Canadian Telecommunications Common Carrier Ownership and Control Regulations*; and
- *Competition Act* (see, in particular, sections 45 (conspiracy) and 47 (bid-rigging)).

The Department reserves the right to request additional information on the present application. The application form, the *Deed of Acknowledgement*, the Public Key Infrastructure Agreement Forms, and any other associated document that may be required (as per the instructions provided on the various forms), and the accompanying financial deposit – which must be an irrevocable standby letter of credit (see Attachments C and D of the Application Form) in a form acceptable to the Department – are to be physically delivered to:

AWS Auction Manager
Radiocommunications and Broadcasting Regulatory Branch
Industry Canada
300 Slater Street, 15th floor
Ottawa, Ontario K1A 0C8
by 5:00 p.m. Eastern Standard Time (EST), March 3, 2008.