

June 12, 2009

Mr. Gilles Rathier  
Manager, Operational Policy  
Radiocommunications and Broadcasting Regulatory Branch  
Industry Canada  
300 Slater Street  
Ottawa, Ontario K1A 0C8

Dear Mr. Rathier:

**RE: Canada Gazette Notice DGRB-008-09 - Consultation on a New Spectrum Licensing Approach and Fee for Narrowband Multipoint Communication Systems (N-MCS)**

The Canadian Wireless Telecommunications Association (CWTA) is pleased to provide comments in response to Canada Gazette Notice DGRB-008-09 - *Consultation on a New Spectrum Licensing Approach and Fee for Narrowband Multipoint Communication Systems (N-MCS)*.

CWTA is the authority on wireless issues, developments and trends in Canada. It represents cellular, PCS, messaging, mobile radio, fixed wireless and mobile satellite carriers as well as companies that develop and produce products and services for the industry.

DGRB-008-09 contains a number of references to the Spectrum Policy Framework for Canada as the source of the policy directive for the Department to seek economic rents from licensees.

As outlined in A Spectrum Policy Framework for Canada (SPFC) the Department manages spectrum in a manner that supports fair competition, captures economic rents where they exist and recovers spectrum management costs where such rents do not exist.<sup>1</sup>

As noted in the Spectrum Policy Framework, two of Industry Canada's primary goals are to set fees that reflect the fair market value of the radio frequency spectrum being used...<sup>2</sup>

CWTA respectfully submits that the 2007 SPF does not contain any discussion of fees and does not direct the Department to seek economic rents through the establishment of spectrum fees.

---

<sup>1</sup> DGRB-008-09, p.2

<sup>2</sup> DGRB-008-09, p.5

.../2.

The Department's rationale for implementing a new licensing approach for N-MCS is to *improve the efficiency of government operations, reduce unnecessary regulation and administrative burdens, and establish effective rules and competition policies*. CWTA submits that these same objectives could be achieved through the more fulsome implementation of spectrum trading and spectrum rights as recommended in the report *Study of Market-based Exclusive Spectrum Rights*<sup>3</sup> prepared for the Department. That report provides a full roadmap to implementing a system of Spectrum Trading and market-based Exclusive Spectrum Rights that would apply to all commercial and public sector spectrum users. CWTA requests the Department commence a consultation on the recommendations contained in this report.

CWTA submits that the Departments resources would be better served establishing a comprehensive rights-based spectrum market, such as is in place in the UK and Australia, rather than creating unique licensing models and services areas for diverse frequency bands and services.

Sincerely,



Keith McIntosh  
Director, Regulatory Affairs

---

<sup>3</sup> *Study of Market-based Exclusive Spectrum Rights*, McLean Foster & Co., in collaboration with Prof. Martin Cave, Robert W. Jones and Dr. William Lehr for Industry Canada, 2007