

Clarification Questions
Auction for Spectrum Licences for Advanced Wireless Services and
Other Spectrum in the 2GHz Range

1. Please confirm that the definition of “competitors” in the second paragraph of Section 5.2 of DGRB-011-07 also applies to the first paragraph of that Section?
2. Please confirm whether the following entities are to be considered “competitors” for the purposes of Section 5.2 of DGRB-011-07:
 - (a) foreign telecom service providers who are neither applicants nor Affiliates nor Associated Entities of an applicant;
 - (b) other telecom industry participants (such as equipment providers or service suppliers) who are neither applicants nor Affiliates nor Associated Entities of an applicant;
 - (c) any other party that is not a telecom industry participant (financial institutions, private equity partners, etc.)?
3. After the application deadline, we understand that the rules prohibit the entering into of agreements or arrangements relating to the auction between applicants (or their respective Affiliates and Associated Entities) in order to preserve the integrity of the auction. Please confirm that this prohibition does not, however, restrict the ability of parties who are not applicants (or otherwise affiliated or associated with an applicant) to create associations with applicants after the application deadline. In other words, please confirm that agreements or arrangements relating to the acquisition of licences being auctioned or relating to the post-auction market structure can be entered into by an applicant (or its Affiliates and Associated Entities) at any time (even after March 10, 2008) if and to the extent such agreements or arrangements are not entered into with another applicant (or any Affiliate or Associated Entity of that applicant). For example, if Company A and Company B form a consortium to participate together in the auction (through one applicant), please confirm that Company C could join that consortium after March 10, 2008 if Company C is not otherwise an applicant nor an Affiliate nor an Associated Entity of an applicant. Also please indicate whether the term “competitor” in the second paragraph of Section 5.3 should, as a consequence, read as “other applicants and their Affiliates and Associated Entities”?
4. In an October 2000 document entitled “Amendments and Supplements and Clarification Questions to the Policy and Licensing Procedures for the Auction of Additional Spectrum in the 2 GHz Frequency Range”, at section 10.3.2, Industry Canada had clarified the “types of joint operating or marketing arrangements that would create an Association and thus result in the entities being jointly subject to the spectrum aggregation limit”. Could Industry Canada clarify if agreements such as, for example, the roaming and resale agreement between Bell and TELUS constitute an agreement which creates an Association between Bell and TELUS?

5. Similarly, would any of the following agreements between competitors result in the creation of an Association:
 - (a) Roaming, resale or mobile virtual network operator (MVNO) agreements or any other agreement stating an intent to obtain access to the facilities and/or equipment of the other in regions where, and to the extent, licences have been granted;
 - (b) agreements relating to the utilization of compatible technologies in regions where, and to the extent, licences have been granted;
 - (c) agreements relating to the joint marketing of services in the post-auction market place;
 - (d) agreements relating to the provision of services with common or similar applications and interfaces?
6. Please confirm that an applicant (or its Affiliates or Associated Entities) can enter into any agreements described in the preceding question, at any time after March 10, 2008, with any entity that is not an applicant nor an Affiliate nor an Associated Entity of an applicant?
7. Please indicate whether debt or equity financing arrangements are prohibited under Section 5.2 of DGRB-011-07?
8. Please confirm that parties to a consortium agreement disclosed to Industry Canada in accordance with the Associated Entities rule are allowed to modify the terms of such agreement after the application deadline. Please also confirm that parties to a general principle agreement to create a consortium disclosed to Industry Canada in accordance with the Associated Entities rule are allowed after the application deadline to enter into further detailed agreements intended to give effect to such a general principle agreement?
9. Please indicate if the prohibition of collusion applies only to an applicant or also to the conduct of Affiliates and Associated Entities? In the context of a consortium, if the conduct of one Associated Entity is in violation of the anti-collusion rules, is the associated applicant automatically disqualified from bidding in the auction?
10. Please indicate the extent of disclosure required by Industry Canada under the Associated Entities rule. Please confirm whether copies of such agreements are required to be filed with the application?
11. In Section 5.4.2. of DGRB-011-07, Industry has indicated that “Multiple letters of credit from one or more financial institutions will be permitted within reason”. Could Industry Canada please indicate if multiple letters of credit provided by Associated Entities of the same applicant which when taken together would equal the total amount required for the bidding points requested by the associated applicant is acceptable?