



**Canadian Network Operators Consortium Inc.
Consortium des Opérateurs de Réseaux Canadiens Inc.**

May 10, 2019

FILED VIA EMAIL (ic.spectrumregulatory-reglementationduspectre.ic@canada.ca)

Director, Broadcast, Coordination and Planning
Spectrum Management Operations Branch
Innovation, Science and Economic Development Canada
235 Queen Street, 6th Floor
Ottawa, Ontario
K1A 0H5

Dear Director,

Subject: *Canada Gazette, Part I, Notice DGSO-001-19, March 14, 2019— Consultation on Periodic Adjustments for Radio and Spectrum Licence Fees and Fees Related to Equipment Certification Services – Reply Comments of Canadian Network Operators Consortium Inc.*

1. Canadian Network Operators Consortium Inc. (“CNOC”) is hereby filing its reply comments in the above-cited Consultation.
2. CNOC has reviewed the comments of other parties that have been posted on Innovation, Science and Economic Development Canada’s (“ISED”) Spectrum Management and Telecommunications website.¹
3. CNOC notes that the comments of Bell Mobility Inc., Rogers Communications Canada Inc., Shaw Communications Inc., Telesat Canada, TELUS Communications Inc., and Xplornet Communications Inc. (“Xplornet”) all expressed concern that Canada’s radio and spectrum licence fees are already amongst the highest in the world and that ISED’s proposal to annually increase these fees in line with the Consumer Price Index (“CPI”) would only further aggravate the disparity in licensing fees between Canada and the rest of the world. In fact, Xplornet demonstrates in its

¹ Innovation, Science and Economic Development Canada, “Comments received on Gazette Notice DGSO-001-19 — Consultation on periodic adjustments for radio and spectrum licence fees and fees related to equipment certification services”, <http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf11504.html>.

comments that Canada's licensing fees are over forty times higher than the equivalent fees in the United States.²

4. CNOC notes that ultimately the costs of radio and spectrum licence fees must be passed onto end-users in the form of higher rates for wireless services and that Canada already ranks amongst the least affordable jurisdictions in the world for wireless services.³ Furthermore, the high cost of spectrum in Canada remains a significant barrier to entry and expansion in Canada's mobile wireless market.

5. For all these reasons, CNOC urges ISED, in deciding how it plans to annually adjust its fees, not to take any measures that would further increase the cost of radio and spectrum licence fees in Canada.

Yours very truly,

Jeff Brownlee
Executive Director

*** END OF DOCUMENT ***

² Comments of Xplornet Communications Inc. on Gazette Notice DGSO-001-19 at para 5.

³ Innovation, Science and Economic Development Canada, "Price Comparisons of Wireline, Wireless and Internet Services in Canada and with Foreign Jurisdictions - 2018 Edition", at section 4.3.