

July 25, 2012

Via Email: spectrum.auctions@ic.gc.ca

Fiona Gilfillan
Director General
Industry Canada
Spectrum Management Operations Branch
300 Slater Street
Ottawa, Ontario K1A 0C8

Re: Gazette Notice DGSO-002-12 -- Consultation on a Licensing Framework for Mobile Broadband Services (MBS) – 700 MHz Band

- 1) The Canadian Wireless Telecommunications Association (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. CWTA is pleased to file its reply comments with respect to the above noted consultation.
- 2) CWTA notes that of the submissions filed with Industry Canada in the first phase of this consultation, with comments pertaining to the proposed changes to the Lawful Intercept Condition of Licence (COL) and or the 2% R&D COL, the overwhelming majority are in line with the comments that CWTA submitted:
 - a) The R&D COL is an artifact from a previous era that is no longer appropriate or required. It produces more red tape than research;
 - b) Prescribing a range of R&D activities, as well as an amount of money in which the industry must invest, will stifle innovation and harm the industry;
 - c) Immediate relief is necessary in an industry where network demand and need for additional capital expenditure is accelerating exponentially;
 - d) Innovation will be maintained by the market imperative for wireless licensees to invest R&D as a competitive advantage; and;
 - e) The current lawful intercept COL should be retained until such time as new legislative requirements have been finalized. Solicitor General standards should be the subject of a separate consultation, and ultimately be based on commercially-available technology.
- 3) CWTA strongly submits that the R&D COL is no longer necessary since high levels of R&D investment are driven by growing levels of competition in the industry, any regulation will only stifle innovation. CWTA also submits that the lawful intercept COL should not be changed at this time.

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