Licensing Framework for the Auction of Residual Spectrum Licences in the 2300 MHz and 3500 MHz Bands
<table>
<thead>
<tr>
<th>Event</th>
<th>Event Time Frames*</th>
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<tr>
<td>Release of <em>Licensing Framework for the Auction of Residual Spectrum Licences in the 2300 MHz and 3500 MHz Bands</em></td>
<td>May 1, 2009</td>
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<td>Publication of <em>Canada Gazette</em> notice DGRB-007-09</td>
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<tr>
<td>Receipt deadline for applications to participate in round one of the auction</td>
<td>May 29, 2009</td>
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<td>Publication of the list of applicants</td>
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<tr>
<td>Publication of the list of qualified bidders</td>
<td>June 12, 2009</td>
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<tr>
<td>Receipt deadline for sealed bids</td>
<td>June 26, 2009</td>
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<tr>
<td>Posting of provisional winners</td>
<td>June 30, 2009</td>
</tr>
<tr>
<td>Submission of eligibility documentation as per Attachment D or E of the Application Form</td>
<td>July 15, 2009</td>
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<td>July 15, 2009</td>
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Notice No. DGRB-007-09 – Licensing Framework for the Auction of Residual Spectrum Licences in the 2300 MHz and 3500 MHz Bands

This notice announces the release of the paper entitled *Licensing Framework for the Auction of Residual Spectrum Licences in the 2300 MHz and 3500 MHz Bands*, which continues the licensing process for this spectrum by outlining the rules and requirements for this phase of the competitive bidding process, and by calling for completed application forms and financial deposits.

This spectrum has been the subject of prior auctions in which 842 licences were awarded for a total of $68.7 million. Not all available licences received bids. Ten licences remain and will be made available through this auction. Licences are available in southern Quebec (La Tuque), northern Quebec (Chibougamau (two) and La Sarre), eastern Quebec (Mont-Laurier/Maniwaki), southern Ontario (Strathroy), northern Ontario (Fort Frances), Manitoba (Creighton/Flin Flon and Thompson) and in Nunavut.

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Original signed on April 28, 2009

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Michael D. Connolly  
Director General  
Radiocommunications and  
Broadcasting Regulatory Branch
1. Introduction

1.1 Intent

This Licensing Framework serves as a supplement document to the revised Policy and Licensing Procedures for the Auction of Spectrum Licences in the 2300 MHz and 3500 MHz Bands published in the Canada Gazette (DGRB-002-04) on July 9, 2004. The Licensing Framework for the Auction of Residual Spectrum Licences in the 2300 MHz and 3500 MHz Bands elaborates on the auction licensing process for the unassigned Wireless Communication Services (WCS) and Fixed Wireless Access (FWA) licences in these bands, as well as auction application procedures, licence conditions, and technical and operational considerations.

The licences awarded under this auction process will be subject to the same requirements as those in the Policy and Licensing Procedures for the Auction of Spectrum Licences in the 2300 MHz and 3500 MHz Bands, with the exception of the spectrum aggregation limit and eligibility, which are discussed in Section 4 – Licence Conditions. The full set of applicable licence conditions are outlined in Appendix A.

This auction and licensing process will be conducted using a sealed-bid, second-price method as described below. In the event that a particular auction rule is not specified in this document, the auction rules for the February 2004 auction (with necessary amendments for the sealed-bid, second-price method) will continue to apply to this licensing process.

The Department may choose to alter this auction design or the licensing framework if licences remain unassigned after further rounds of this auction.

1.2 Background

In September 2003, the Minister of Industry initiated a competitive licensing process for spectrum licences in the 2300 MHz and 3500 MHz bands. In February 2004, the Department launched a simultaneous multiple round ascending (SMRA) auction that resulted in 392 of the 849 licences being awarded to successful bidders, for a total of $11.2 million. The remaining 457 licences were made available through a two-phase residual auction process. Phase One was initiated in August 2004, which awarded 144 licences totalling $876,000. Phase Two of the auction was launched on January 10, 2005, and closed on January 27, 2005. Phase Two awarded 306 spectrum licences to 12 companies that bid a total of $56.6 million.

Ten residual licences are being made available through this auction process: seven unassigned from the previous auction processes and three returned to the Department. Licences are available in southern Quebec (La Tuque), northern Quebec (Chibougamau (two) and La Sarre), eastern Quebec (Mont-Laurier/Maniwaki), southern Ontario (Strathroy), northern Ontario (Fort Frances), Manitoba (Creighton/Flin Flon and Thompson) and in Nunavut.

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 in this document are available on Industry Canada’s Spectrum Management and Telecommunications website at http://www.ic.gc.ca/spectrum. All enquiries should be addressed to:

Manager, Spectrum Auctions
Radiocommunications and Broadcasting Regulatory Branch
Industry Canada
300 Slater Street, 15th floor
Ottawa, Ontario K1A 0C8
Telephone: 613-990-8881
Fax: 613-991-3514
E-mail: spectrum.auctions@ic.gc.ca

2. **Band Plan and Available Licences**

There are 10 Tier 4 spectrum licences available for auction. They are as follows:

<table>
<thead>
<tr>
<th>Spectrum Licence</th>
<th>Service Area Name</th>
<th>Frequency Band</th>
<th>Amount of Spectrum</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-036G</td>
<td>La Tuque</td>
<td>3550-3575 MHz</td>
<td>25 MHz</td>
</tr>
<tr>
<td>4-054F</td>
<td>Mont-Laurier/Maniwaki</td>
<td>3525-3550 / 3625-3650 MHz</td>
<td>50 MHz</td>
</tr>
<tr>
<td>4-060G</td>
<td>La Sarre</td>
<td>3550-3575 MHz</td>
<td>25 MHz</td>
</tr>
<tr>
<td>4-066G</td>
<td>Chibougamau</td>
<td>3550-3575 MHz</td>
<td>25 MHz</td>
</tr>
<tr>
<td>4-066W</td>
<td>Chibougamau</td>
<td>2305-2320 / 2345-2360 MHz</td>
<td>30 MHz</td>
</tr>
<tr>
<td>4-093W</td>
<td>Strathroy</td>
<td>2305-2320 / 2345-2360 MHz</td>
<td>30 MHz</td>
</tr>
<tr>
<td>4-109E</td>
<td>Fort Frances</td>
<td>3500-3525 / 3600-3625 MHz</td>
<td>50 MHz</td>
</tr>
<tr>
<td>4-117D</td>
<td>Creighton/Flin Flon</td>
<td>3475-3500 / 3575-3600 MHz</td>
<td>50 MHz</td>
</tr>
<tr>
<td>4-118D</td>
<td>Thompson</td>
<td>3475-3500 / 3575-3600 MHz</td>
<td>50 MHz</td>
</tr>
<tr>
<td>4-171F</td>
<td>Nunavut</td>
<td>3525-3550 / 3625-3650 MHz</td>
<td>50 MHz</td>
</tr>
</tbody>
</table>

3. **Ministerial Authority**

It should be noted that spectrum licences are subject to the 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.”


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 enforce the provisions of the Radiocommunication Act and the Radiocommunication Regulations. For a complete listing of licence conditions as they will appear on the licence, refer to Appendix A of this document.

4.1 Spectrum Aggregation Limit

In the previous 2300 MHz and 3500 MHz auctions, a spectrum aggregation limit was imposed. This limit was to be enforced during the first 2300 MHz and 3500 MHz auction and for two years after the close of that auction. As the two-year time frame has elapsed, this condition of licence is no longer in effect and will not apply to licences issued through this licensing process.

4.2 Eligibility

In the first 2300 MHz and 3500 MHz auction held in February 2004, only applicants eligible to become radiocommunication carriers were allowed to participate. However, as per Section 9.7.1 of the Policy and Licensing Procedures for the Auction of Spectrum Licences in the 2300 MHz and 3500 MHz Bands (Revised July 2004), subsequent auctions are open to applicants who are eligible to become a
radiocommunication carrier, radiocommunication service provider or radiocommunication user. For more information, refer to the eligibility condition of licence defined in Appendix A – Licence Conditions.

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://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf01626.html. Licensees should also familiarize themselves with Client Procedures Circular CPC-2-1-23, Licensing Procedure for Spectrum Licences for Terrestrial Services, as amended from time to time, which is available at http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf01875.html.

Industry Canada will use a sealed-bid, second-price auction process, also known as a “Vickrey” auction, for this phase of the licensing process. Given that only 10 licences are being offered and limited interest is anticipated, the sealed-bid, second-price design presents a simplified, expedient and transactionally efficient alternative to the SMRA auction design used for the Department’s first five auctions, without any anticipated loss in outcome efficiency. Under the Vickrey design, the optimal bidding strategy is for bidders to bid the true licence values rather than over- or under-bidding. This bidding will facilitate an outcome where the bidder with the highest valued use will win and pay the second highest price. The price paid under either the Vickrey or a competitive SMRA auction is expected to be comparable.

Round one of the auction will begin after the receipt deadline for applications and conclude at the posting of provisional winners, as noted in the Table of Key Dates located on page i of this document. Should licences remain unassigned at the conclusion of round one, a list of the available licences will be maintained on Industry Canada’s auction website.

Interested parties may trigger a subsequent round of bidding by submitting a completed application form and financial deposit to the Department at anytime until all licences are assigned. Once an application has been received, Industry Canada will initiate a new round of bidding by posting a table of key dates for the new round on its website. The Department will announce the new round by sending a notice to members of the Spectrum Management Policy and Licensing Procedures Distribution List. Interested parties may register at http://agora.ic.gc.ca/listsrv_eng.cfm. Each subsequent round will follow the same process as round one.

The auction will close when all licences have been provisionally assigned. However, the Department may reopen the auction should one or more licences be returned. In such an event, the Department would publish the reopening of the auction on its website and send a notice to members of the Spectrum Management Policy and Licensing Procedures Distribution List located at http://agora.ic.gc.ca/listsrv_eng.cfm.

The Department may close the auction or choose to use a different auction design for subsequent rounds or a different licensing process should the circumstances change significantly. In either case, the Department will post a public notice in advance of any changes on its Spectrum Management and Telecommunications website at http://www.ic.gc.ca/spectrumauctions.

The process by which interested parties may apply to participate in the auction is outlined below.
5.1 Application Forms

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/spectrumauctions.

Note that additional corporate documentation may be required as attachments to the application forms (refer to Appendix B - Checklist of Forms).

A summary of key dates associated with this licensing process is provided on page i and is also available on the Spectrum Management and Telecommunications website at http://www.ic.gc.ca/spectrumauctions. Interested parties are advised to check the website for updates to the schedule of events for this or subsequent rounds.

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

- this document;
- *Policy and Licensing Procedures for the Auction of Spectrum Licences in the 2300 MHz and 3500 MHz Bands* (Revised July 2004); and
- any written amendment or supplement that may be issued by the Department.

5.2 Bidder Qualification

In order to participate in the auction, applicants must be eligible to become a radiocommunication carrier, radiocommunication service provider or radiocommunication user. For additional information, refer to the eligibility condition of licence defined in Appendix A – Licence Conditions.

Industry Canada will review the application forms, including any associated documents, and the accompanying irrevocable standby letters of credit after the closing date for the submission of applications for each round. In this initial review, the Department will identify any errors in the application forms or the irrevocable standby letter of credit.

Following the initial review period, the Department will provide applicants with an opportunity to correct any errors or inconsistencies that it has identified in their application or the irrevocable standby letter of credit. 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 Spectrum Auctions Manager at the address provided in Section 1.2, 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 that they have been rejected. The letter will outline the deficiencies and will include the applicant’s irrevocable standby letter of credit.

Applicants who have submitted acceptable application materials, including the accompanying financial deposit, will receive a confirmation letter that they are considered a qualified bidder.
The Department will provide bidders with as much information as possible prior to the submission of sealed bids in order to conduct a fair and transparent process. For each round, a list of all qualified bidders and the amount of their financial deposits will be made public via Industry Canada’s Spectrum Management and Telecommunications website at http://www.ic.gc.ca/spectrumauctions, on the date noted in the Table of Key Dates found on page i.

5.3 Prohibition of Collusion

Bidders are prohibited from co-operating, collaborating, discussing or negotiating settlement agreements with competitors on licences being auctioned or on the post-auction market structure, from the receipt deadline for applications to participate in the auction until the deadline for the final payment on winning bids for each round.

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, “competitor” means any entity, other than the applicant and/or 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. 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.

Collusion, including but not limited to bidding by associated entities, may be determined at anytime. Colluding parties are subject to penalties that may include but are not limited to forfeiture of deposits, auctioned licence payments and licences.

Interested parties are reminded that the provisions of the Competition Act apply independently of, and in addition to, the provisions of the 2300 MHz and 3500 MHz Policy and Licensing Frameworks.

Note that the rules identified above do not govern discussions between bidders and parties who are completely unrelated to the auction.

5.3.1 Communication During the Auction Process

In order to preserve the integrity of the auction process, any communications from an applicant, affiliate, associate or beneficial owner or their representatives that discloses or comments on bidding strategies, including but not limited to the intent of bidding and post-auction market structures, shall be considered contrary to this Licensing Framework and may result in disqualification and/or forfeiture penalties. This will include communications with or via the media. This prohibition of communication commences from the receipt deadline for applications until the deadline for the final payment on winning bids for each round.
5.3.2 Beneficial Ownership

Any discussions regarding an addition of beneficial ownership, from the receipt deadline for applications until the deadline for the final payment on winning bids for each round, involving two bidders or any of their affiliates or associates, would fall into the area of prohibited discussions and would be considered contrary to the auction rules.

However, an applicant may discuss changes in beneficial ownership with parties who are completely unrelated to other applicants as long as:

(1) any change to the beneficial ownership of the applicant which provides a new party with a beneficial interest or which significantly alters the beneficial ownership structure is effected five business days before the receipt deadline for the submission of sealed bids; and

(2) the applicant informs Industry Canada immediately, in writing, of any change in beneficial ownership during the auction process.

Industry Canada will publish, on its auction website, any updates in beneficial ownership that it receives.

5.3.3 Tower Sharing

The prohibition of communication includes discussions about tower and site sharing with respect to the licences that are the subject of this auction, from the receipt deadline for applications until the receipt deadline for sealed bids for each round. Discussions concerning new arrangements or the expansion of existing sharing arrangements that relate to spectrum outside the 2300 MHz or the 3500 MHz spectrum that is the subject of this auction process are not prohibited.

5.3.4 Communication with Local Exchange Carriers

The prohibition of collusion outlined in Section 5.3 does not include discussions on interconnection with a local exchange carrier (LEC) that is a qualified bidder (or one of its affiliates/associates). This is based on the fact that employees of LECs are prohibited from communicating information about competitors seeking interconnection services to other persons within the LEC. As a result, assuming that the LEC respects these requirements, such communication should in no way affect the integrity of the auction.

5.3.5 Legal and Regulatory Advice

Separate applicants may receive legal and regulatory advice from the same law firm. Such a situation will not be considered contrary to the auction rules provided that the law firm complies with the conflict of interest and confidential information requirements of the applicable law society and that the applicants otherwise comply with the provisions set forth in this document.
5.4 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 entity per group of Associated Entities (which includes affiliated companies) is eligible to participate in the auction. Any discussions or negotiations after the application deadline for each round which create an association with competitors during the auction process (i.e. any explicit or implicit agreement relating to the acquisition of the licences being auctioned or to the post-auction market structure) are prohibited and will be considered to be collusion. Any applicant who has formed part of such an association will be disqualified from participating in the auction and may be subject to revocation of licences obtained in this 2300 MHz and 3500 MHz auction. Therefore, all such contact with competitors as noted above must be suspended from the receipt deadline for applications until the final deadline for payment on winning bids for each round.

Parties to a consortium agreement disclosed to Industry Canada in accordance with the Associated Entities rule are allowed to modify the terms of such an agreement after the application deadline, or to enter into further detailed agreements intended to give effect to a general agreement, as long as the amendments do not involve any new competitors. The amended application will then be subject to approval by Industry Canada.

Bidders must not co-operate, collaborate, discuss or negotiate any agreements with competitors that pertain to policies implemented and licences offered in this auction, between the application date and the deadline for the final payment on winning bids for each round. Once licences have been issued, licensees may transfer licences, subject to departmental approval, to other companies provided that they meet the conditions of licence.

An agreement to offer sell-buy options or buy-sell options, or to offer another actual or potential bidder access to the applicant’s network or spectrum that it may obtain during this 2300 MHz and 3500 MHz auction is not prohibited by the rules prohibiting collusion, as long as it is fully disclosed to the Department at the time of application. No such agreement is permitted to be made from the time that applications are submitted until after the deadline for final payments on licences provisionally won during the round.

5.4.1 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.

5.4.2 Associated Entities

An Associated Entity is defined as:

*Any entity who enters into any partnership, joint venture, merger agreement (including agreements in principle), consortia or any arrangement, agreement or understanding of any kind, either explicit or implicit, relating to the acquisition of the licences being auctioned or relating to the post-auction market structure, with the applicant. 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.*

5.4.3 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 publication of the list of 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 the entity has satisfactorily demonstrated that it is not affiliated with the other entity. Such determinations are made on a case-by-case basis. In making its determination, Industry Canada will generally request and review the type of information listed in Attachment D of the Application Form, Declaration of Ownership and Control by Provisional Winners of Spectrum Licences for WCS and FWA Services in the 2300 MHz and 3500 MHz Bands. 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 that could affect whether the company or any related holding company is 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 5.4.2 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 Industry Canada. The Department reserves the right to request additional information in order to make its determination.

Should the entity 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 submission of sealed bids 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 Industry Canada’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.

5.5 Submissions

To participate in each round of the auction, all applicants must submit a completed application form and a 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 information will be made public via Industry Canada’s Spectrum Management and Telecommunications website, prior to the commencement of each round, 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. Applicants are not permitted to add to their beneficial ownership starting five business days prior to the receipt deadline for the submission of sealed bids until after the cessation of bidding in each round.

5.5.1 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 each round of 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 C of the Application Form.

Each participating bidder is required to submit a financial deposit equal to the reserve price of the licence(s) on which it intends to bid.

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1 The application form is available at [http://www.ic.gc.ca/spectrumauctions](http://www.ic.gc.ca/spectrumauctions).

2 See Table 1, Reserve Prices, in Section 5.6.
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 round’s commencement, and any bidder who fails to win a licence during the auction.

5.5.2 How to Submit the Application and Financial Deposit

Prior to the commencement of round one, the application form, any associated documents that may be required (as per the instructions provided on the various forms) and the financial deposit are to be physically delivered to the Spectrum Auctions Manager (address provided in Section 1.2) by 5:00 p.m., EDT, on the receipt deadline for applications to participate in the auction (refer to Table of Key Dates on page i of this document). 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.

Should licences remain unassigned after round one, interested parties may submit a completed application form and financial deposit to the Department. Receipt of a completed application form and financial deposit will trigger the initiation of a new round in the auction at which time the Department will provide a list of key dates associated with this round.

Upon receipt of the application and the associated documentation, the Department will send a notification to the applicant that the application materials have been received and confirming the amount of the deposit that has been submitted. This notice will 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 that 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 Spectrum Auctions Manager by 5:00 p.m., EDT, on the receipt deadline for applications to participate in the auction.

Upon receipt of an amended form(s) and/or replacement of an irrevocable standby letter of credit, the Department will send a 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://www.ic.gc.ca/spectrumauctions. The publication of this list in no way means that these applicants have been approved as qualified bidders.
5.6  Reserve Prices

Reserve prices have been set at the opening bid values that were established after a public consultation on the auction of the 2300 MHz and 3500 MHz frequency bands was held by the Department in February 2004.

Table 1: Reserve Prices

<table>
<thead>
<tr>
<th>Area No.</th>
<th>Service Area Name</th>
<th>Block</th>
<th>Amount of Spectrum</th>
<th>Reserve Price (10-year Licence)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-036</td>
<td>La Tuque</td>
<td>G</td>
<td>25 MHz</td>
<td>$625</td>
</tr>
<tr>
<td>4-054</td>
<td>Mont-Laurier/Maniwaki</td>
<td>F</td>
<td>50 MHz</td>
<td>$2,500</td>
</tr>
<tr>
<td>4-060</td>
<td>La Sarre</td>
<td>G</td>
<td>25 MHz</td>
<td>$625</td>
</tr>
<tr>
<td>4-066</td>
<td>Chibougamau</td>
<td>G</td>
<td>25 MHz</td>
<td>$1,250</td>
</tr>
<tr>
<td>4-066</td>
<td>Chibougamau</td>
<td>W</td>
<td>30 MHz</td>
<td>$1,250</td>
</tr>
<tr>
<td>4-093</td>
<td>Strathroy</td>
<td>W</td>
<td>30 MHz</td>
<td>$1,250</td>
</tr>
<tr>
<td>4-109</td>
<td>Fort Frances</td>
<td>E</td>
<td>50 MHz</td>
<td>$1,250</td>
</tr>
<tr>
<td>4-117</td>
<td>Creighton/Flin Flon</td>
<td>D</td>
<td>50 MHz</td>
<td>$1,250</td>
</tr>
<tr>
<td>4-118</td>
<td>Thompson</td>
<td>D</td>
<td>50 MHz</td>
<td>$2,500</td>
</tr>
<tr>
<td>4-171</td>
<td>Nunavut</td>
<td>F</td>
<td>50 MHz</td>
<td>$1,250</td>
</tr>
</tbody>
</table>

5.7  Withdrawal from the Auction

Applicants wishing to withdraw their application materials and have their irrevocable standby letters of credit withdrawn may do so, without prejudice, by physically delivering a written request to the Spectrum Auctions Manager at the address provided in Section 1.2, prior to 5:00 p.m., EDT, on the receipt deadline for sealed bids for each round.

5.8  Change of Information

Only the Auction Authorized Representative\(^3\) of the bidding company may notify the Spectrum Auctions Manager of any material changes in the information submitted in application documents. Written notification must be sent by the Auction Authorized Representative, to the address provided in Section 1.2, within five business days of such change(s).

Please note that certain limitations exist with regard to changes to beneficial ownership. Refer to Section 5.3.2, Beneficial Ownership, for more details.

5.8.1  Ownership Structure

The ownership structure can change at anytime after the cessation of bidding in each round even if Industry Canada has not yet completed the ownership and control review.

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\(^3\) Refer to the Application Form, which can be found at [http://www.ic.gc.ca/spectrumauctions](http://www.ic.gc.ca/spectrumauctions).
If applicants make any arrangements, such arrangements must be concluded prior to five business days before the receipt deadline for sealed bids. All communication on non-finalized commercial arrangements must then cease until after the cessation of bidding in each round.

5.9 Amendments and Supplements

Industry Canada may respond to questions clarifying the 2300 MHz and 3500 MHz Policy and Licensing Procedures. 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 at http://www.ic.gc.ca/spectrum, and will be sent to all qualified bidders.

From time to time, the Department may also post a 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.

6. Auction Design and Rules

6.1 Key Features of the Sealed-Bid, Second-Price Auction Design

A sealed-bid, second-price auction will require applicants to submit their bid to the Department in a sealed envelope prior to the receipt deadline for sealed bids in order to apply for each Tier 4 licence. The day following the receipt deadline for sealed bids, departmental officials will open the sealed bids, rank them, and provisionally award a licence or licences to the highest bidder(s).

If the highest bidder for a particular licence is found eligible to be the licensee, that bidder will be required to pay an amount equal to the second highest bid or, should there be only one bidder for a particular licence, the posted reserve price.

In the event of a tie at the end of a round, tied bidders will be requested to enter a second sealed bid in an attempt to break the tie. Should there be a third tie, bidders will be requested to enter a third sealed bid in an attempt to break the tie, and so on until there is no tie.

6.2 Submission of Auction Bids

A completed auction bid form must be placed in a separate, sealed, opaque envelope, with only the bidder’s name, complete mailing address, email address, and the name of this licensing process clearly identified on the front of the envelope, and physically delivered to the Spectrum Auctions Manager by the receipt deadline for sealed bids specified for this licensing process. The amount of each bid must reflect the amount that the bidder is willing to pay for the associated licence. No bids will be accepted after 5:00 p.m., EDT, on the receipt deadline for sealed bids as specified in the timetable for each round of this licensing process. On the day of the determination of the provisional licence winners for a particular round, the Department will publish, on its website, a list of all bids received.

4 An auction bid form will be provided electronically to qualified bidders.
6.3 Determination of Provisional Licence Winners

The sealed envelopes will be opened and examined by departmental officials on the day following the receipt deadline for sealed bids, and valid bids will be used to determine the provisional winning bid(s), using the rule that winners pay the bid of the second highest bidder(s). To be considered valid, a bid must be equal to or greater than the reserve price; the deposit must be equal to or greater than the sum of the reserve prices of licences being bid upon; the bid form must be completed correctly and legibly; and the bid must be submitted by a qualified bidder. Note that, in all instances where there is no second bid, the reserve prices noted in Section 5.6 will be considered the second highest bid.

Bids will be made per licence; the winning bid will be the highest for each licence.

To mitigate the possibility of a tie, bidders are encouraged not to bid in round figures. In the event of a tie, bidders involved in the tie will be requested to enter a second sealed bid in an attempt to break the tie. The Department will provide the details of the procedure to submit further bids required to break a tie to the bidders in question at that time, if required. Should there be a third tie, bidders will be requested to enter a third sealed bid in an attempt to break the tie, and so on until there is no tie.

On the day of the determination of the provisional licence winners, the Department will publish, on its website, a list of all bids received, the name of the provisional licence winner(s) and the licence(s), if any, that did not receive bids. At that time, the Department will also notify the provisional winning bidder(s) and inform them of payment requirements.

Each round will be considered closed upon publication of the notification of the provisional winning bidder(s).

6.3.1 Example 1

<table>
<thead>
<tr>
<th>Spectrum Licence</th>
<th>Reserve Price ($)</th>
<th>Bidder 1’s Bid ($)</th>
<th>Bidder 2’s Bid ($)</th>
<th>Bidder 3’s Bid ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-036G</td>
<td>625</td>
<td>800</td>
<td>700</td>
<td>825</td>
</tr>
</tbody>
</table>

Let us assume that there are three bidders interested in licence 4-036G. Bidder 1 places a bid of $800, Bidder 2 places a bid of $700 and Bidder 3 places a bid of $825. Bidder 3 would be declared the provisional winner and would be required to pay the second highest bid value of $800.

6.3.2 Example 2

<table>
<thead>
<tr>
<th>Spectrum Licence</th>
<th>Reserve Price ($)</th>
<th>Bidder 1’s Bid ($)</th>
<th>Bidder 2’s Bid ($)</th>
<th>Bidder 3’s Bid ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-054F</td>
<td>2,500</td>
<td>2,500</td>
<td>3,000</td>
<td>3,000</td>
</tr>
</tbody>
</table>
Let us assume that there are three bidders interested in licence 4-054F. Bidder 1 places a bid of $2,500, Bidder 2 places a bid of $3,000 and Bidder 3 places a bid of $3,000. Bidders 2 and 3 have tied with a bid of $3,000 and are asked to re-bid.

### 6.3.3 Example 3

<table>
<thead>
<tr>
<th>Spectrum Licence</th>
<th>Reserve Price ($)</th>
<th>Bidder 1’s Bid ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4-060G</td>
<td>625</td>
<td>800</td>
</tr>
</tbody>
</table>

Let us assume that there is only one bidder interested in licence 4-060G. Bidder 1 places a bid of $800. Bidder 1 would be declared the provisional winner. Since there no other bids on the licence, Bidder 1 would pay the reserve price of $625.

### 7. Post-Round Process

#### 7.1 Bid Payment

Within 10 business days following the close of a round, each licence winner will be required to submit payment in full (100 percent) for all the licences provisionally won. Failure by the winning bidder to make this final payment in a timely fashion will result in the licence not being issued and the bidder will be subject to the applicable forfeiture penalty (see Section 7.2, Forfeiture Penalties).

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.

#### 7.2 Forfeiture Penalties

Following the closure of a round, bidders who have submitted the highest bid on a licence but fail to comply with the specified payment schedule as outlined in Section 7.1, or fail to come into compliance with the eligibility requirements of the *Radiocommunication Regulations*, will forfeit their bids and will no longer be deemed to be a provisional licence holder.

In such an event, the provisional licence will be offered to the next highest bidder, who will be able to acquire it at the bid price of the third highest bidder or, if there is no third highest bidder, at the reserve price for the licence in question.

The forfeiture penalty will be the difference between the price that the first bidder would have paid and the ultimate selling price of the licence in the round, and must be paid by the first bidder. Should this licence not sell during the round, the ultimate selling price will be deemed to be zero.
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 or has expired, then the difference will be owing and payable to the Receiver General for Canada.

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 for this band.

7.3 Eligibility Documentation

Bidders who are declared provisional licence winners will be required to submit two copies of documentation related to their compliance with the eligibility licence condition found in Appendix A – Licence Conditions. Documentation must be submitted by the provisional winners within 10 business days of being notified that they are the winning bidders.

Industry Canada will review these documents expeditiously. The Department will then notify each provisional winner regarding compliance with the eligibility requirements. In the event that a provisional licence winner does not, in the opinion of the Department, comply with the eligibility requirements, the Department will require that the provisional licence winner make changes in order to become compliant. At any point in time, the Department may formally notify a provisional winner that outstanding documents must be provided within 60 days. This would normally transpire only if a significant period of time has passed since the close of the round. If the provisional winner fails to comply within 60 days following a formal notification by the Department, the provisional winner may be deemed ineligible to hold a licence. In such a case, licences will not be issued and the provisional winner would also be subject to the penalties outlined in Section 7.2.

7.4 Issuance of Licences

Industry Canada will issue spectrum licences to provisional winners upon completion of the following: (1) payment of the sum of their bids and the sum of their penalties, if any; and (2) a determination by the Department that the eligibility requirements have been met. If a Canadian Ownership and Control review is required, such a determination may take several months to complete depending on the complexity of the provisional winners’ ownership and control structures and the responsiveness of the winners in providing any required additional documentation.

7.5 Close of the Auction

This phase of the auction process will close when all licences have been assigned or upon notice of a modification in the competitive bidding process by Industry Canada. The Department may reopen the auction or modify the licensing framework if one or more licences are returned.
8. Further Information

All spectrum-related documents referred to in this paper are available on Industry Canada’s Spectrum Management and Telecommunications website at http://www.ic.gc.ca/spectrum.

For further information concerning the process outlined in this document or related matters, contact:

Manager, Spectrum Auctions
Radiocommunications and Broadcasting Regulatory Branch
Industry Canada
300 Slater Street, 15th floor
Ottawa, Ontario K1A 0C8
Telephone: 613-990-8881
Fax: 613-991-3514
E-mail: spectrum.auctions@ic.gc.ca
Appendix A – Licence Conditions

1. Licence Term

This licence is issued for a 10-year term. The process for issuing licences after this term and any issues relating to renewal will be determined by the Minister of Industry following a public consultation.

2. Licence Transferability and Divisibility

The licensee may apply, in writing, to transfer its licence in whole or in part (divisibility) in both the bandwidth and geographic dimensions. Departmental approval is required for each proposed transfer of a licence, whether the transfer is in whole or in part. 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.

The Department may define a minimum bandwidth and/or geographic dimension (such as the grid cell) for the proposed transfer. Systems involved in such a transfer shall conform to the technical requirements set forth in the applicable standard.

The licensee may apply to use a subordinate licensing process.

For more information, refer to Client Procedures Circular CPC-2-1-23, Licensing Procedure for Spectrum Licences for Terrestrial Services, as amended from time to time.

3. Eligibility

A licensee operating as a radiocommunication service provider or radiocommunication user must meet the eligibility criteria in section 9(1) of the Radiocommunication Regulations.

A licensee operating as a radiocommunication carrier must meet and 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 that would have a material effect on its eligibility. Such notification must be made in advance for any proposed transactions within its knowledge.

For more information, refer to Client Procedures Circular CPC-2-0-15, Canadian Ownership and Control, as amended from time to time.

4. Displacement of Incumbents

The licensee must comply with the transition policy outlined in Appendix 3 of the Policy and Licensing Procedures for the Auction of Spectrum Licences in the 2300 MHz and 3500 MHz Frequency Bands (Revised July 2004).
5. Radio Station Installations

Although site-specific radio licences are not required for each radio station, licensees must ensure that each radio station is installed and operated in a manner that complies with Client Procedures Circular CPC-2-0-03, Radiocommunication and Broadcasting Antenna Systems, as amended from time to time.

6. Provision of Technical Information

When Industry Canada requests technical information on a particular station or network, the information must be provided by the licensee according to the definitions, criteria, frequency and timelines specified by the Department. For more information, refer to Client Procedures Circular CPC-2-1-23, Licensing Procedure for Spectrum Licences for Terrestrial Services, as amended from time to time.

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 relation to this licence are all true and complete in every respect. The licensee must use the assigned spectrum in accordance with the Canadian Table of Frequency Allocations and the stated spectrum policy.

8. Technical Considerations

The licensee must comply on an ongoing basis with the technical aspects of the appropriate Radio Standards Specifications and Standard Radio System Plans, as amended from time to time. The licensee must also comply with the technical requirements outlined in sections 5.3 and 5.4 of the Policy and Licensing Procedures for the Auction of Spectrum Licences in the 2300 MHz and 3500 MHz Frequency Bands.

9. International and Domestic Coordination

The licensee must comply with the current and future agreements established with other countries. Although frequency assignments are not subject to site licensing, the licensee may be required to furnish all necessary technical data for each relevant site.

The licensee should use its best efforts to enter into mutually acceptable sharing agreements with other parties, which will facilitate the reasonable and timely development of their respective systems, where applicable, and to coordinate with other licensed users in Canada and internationally, where applicable.

10. Lawful Interception

A licensee operating as a radiocommunication carrier and using this 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 Lawful Interception of Telecommunications (Rev. Nov. 95). These standards may be amended from time to time.
The licensee 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.

11. Research and Development (R&D)

A licensee operating as a radiocommunication carrier must invest, as a minimum, 2 percent of its adjusted gross revenues resulting from its operations in this spectrum averaged, over the 10-year term of the licence, in eligible R&D activities related to telecommunications. Eligible R&D 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. Businesses with less than $5 million in annual gross operating revenues are exempt from R&D expenditure requirements, except where they have affiliations with licensees that hold other licences with the R&D condition of licence and where the total annual gross revenues of the affiliated licensees are greater than $5 million.

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 (GL-03)*.

12. Mandatory Antenna Tower and Site Sharing

The licensee must comply with the mandatory antenna tower and site sharing requirements set out in *Client Procedures Circular CPC-2-0-17, Conditions of Licence for Mandatory Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements*, as amended from time to time.

13. Implementation of Spectrum Usage

The licensee must demonstrate to the Department that its spectrum is being put to use, at a level acceptable to the Department, within five years of receipt of the licence(s). The establishment of coverage to 50% of the population within the licensed service area, or some other indicator of usage that is acceptable to the Department, such as the plans the licensee has for developing the spectrum and/or how accommodating the licensee has been in facilitating the development of the spectrum through the secondary market, will be required. The Department recognizes that a variety of different business plans and technologies may be employed in these bands across markets of various sizes.

In the event that the spectrum obtained in this auction has not been put to use within five years of receipt of the licence(s), the Department may begin a process to afford the licensee the opportunity to demonstrate why its licence should not be revoked. The Department may also facilitate discussions between holders of the spectrum who have not deployed services and potential local service providers wanting to provide Wireless Communication Services or Fixed Wireless Access service to unserved or under-served areas through spectrum in the secondary market. The Department will consider the level of service coverage and spectrum development by the end of year five as important criteria in deciding whether the licensees should continue to have an expectation of licence renewal.
14. **Annual Reporting**

The licensee must submit an annual report for each year of the licence term, including the following information:

- a statement indicating continued compliance with all conditions of licence;
- an update on the implementation and spectrum usage within the area covered by the licence;
- existing audited financial statements with an accompanying auditor’s report;
- a report of the R&D expenditures for licensees operating as radiocommunication carriers whose annual gross operating revenues exceed $5 million (the Department reserves the right to request an audited statement of R&D expenditures with an accompanying auditor’s report);
- supporting financial statements where licensees are claiming an exemption based on an annual gross revenue of less than $5 million; 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, Emerging Networks  
Radiocommunications and Broadcasting Regulatory Branch  
Industry Canada  
300 Slater Street, 15th floor  
Ottawa, Ontario  K1A 0C8

15. **Amendments**

The Minister of Industry continues to have the power to amend the terms and conditions of spectrum licences (paragraph 5(1)(b) of the *Radiocommunication Act*).
Appendix B – Checklist of Forms

Did you remember to complete and enclose each of the following documents?

☐ 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)  
☐ Declaration Ownership and Control or Declaration of Eligibility (refer to Attachment D or E)


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 regarding this application. The following are to be physically delivered to the address below by 5:00 p.m., EDT, on the receipt deadline for applications to participate in each round of the auction, in a form acceptable to the Department: the application form; the Deed of Acknowledgement; 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).

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