



September 7, 2005

Mr. Fernand Leger  
Director  
Radiocommunications and Broadcasting Regulatory Branch  
Industry Canada  
1604A, 300 Slater Street  
Ottawa, Ontario  
K1A 0C8

Dear Mr. Leger:

**Re** Notice No. DGTP-001-05 – Consultation on a Renewed Spectrum Policy  
Framework for Canada and Continued Advancements in Spectrum Management

In accordance with procedures laid out in the May 14, 2005, Part I, Part 1, Volume 139, Issue 20, *Canada Gazette*, please find attached the comments of Ciel Satellite regarding the above-noted Notice.

Respectfully submitted,

Gerry Wall

Vice President

Ciel Comments in Response to Notice No. DGTP-  
001-05 – Consultation on a Renewed Spectrum  
Policy Framework for Canada and Continued  
Advancements in Spectrum Management

September 7<sup>th</sup>, 2005

## Ciel Comments in Response to Notice No. DGTP-001-05 – Consultation on a Renewed Spectrum Policy Framework for Canada and Continued Advancements in Spectrum Management

### Background

As part of its April 2004 departmental document *Strategic Directions — Spectrum/Telecom Program* ("Strategic Directions"), Industry Canada identified a number of external drivers that would impact on the Department's Canadian Spectrum/Telecom Program, including new and rapidly changing technology and market demand, globalization, and heightened concerns surrounding security issues. These external drivers have led to the decision to enter into a phase of public consultation to make further changes to the 2002 Framework.

The Department defined the following set of intended outcomes ("Outcomes") for its role in the Canadian Spectrum/Telecom Program:

- Canada has sufficient and timely access to the essential spectrum needed to satisfy its socio-cultural and economic interests;

- Canadian citizens enjoy world-class information and telecommunications networks and services;
- A competitive communications marketplace is promoted and maintained;
- Canada's telecommunications infrastructure is secure from cyber attacks and in conformity to international standards and practices; and
- Opportunities are created to enable Canadian companies to excel in researching, developing, manufacturing and marketing telecommunications equipment and services both in Canada and abroad.

Ciel recognizes that the Department's Spectrum Policy Program and the intended outcomes of the Program relate to both terrestrial-based spectrum uses (e.g. cell phones, data transmission, paging, etc.) as well as satellite-based uses. Our comments are provided from the perspective of a satellite operator although we believe the basic principles we advocate generally work equally well for all spectrum uses.

### Comments on the Department's Intended Outcomes

Ciel strongly supports the Department's defined set of outcomes that are intended to result from the Spectrum Program. In particular, the adoption and promotion of a competitive communications marketplace is central to the achievement of many of the Department's related goals, including sufficient and timely access to spectrum, world class networks and services, security of infrastructure and the creation of telecommunications business opportunities.

The Department has stated: "Where feasible, the Department will seek to maximize reliance on market forces and economic incentives to determine who uses spectrum and how much they use". In the area of satellite spectrum, we would note that the Department's recent licensing of Ciel Satellite Communications has introduced Canadian facilities-based satellite competition. The achievement of full and sustainable competition remains a work-in-progress that will hopefully be achieved in the months and years ahead.

Comments on Part A (Revision to the Spectrum Policy for Canada)

In its April 2004 Strategic Direction the Department identified a number of external drivers that will impact the Spectrum Management Program including new and rapidly changing technology and market demand, globalization and heightened concerns surrounding security issues. In response to these drivers, the Department has noted it will facilitate access to spectrum based on sound economic and technical principles.

Ciel would note two key principles that should guide the Department: sustainable competition and diversity. A sustainable competitive environment will provide the Department with the best means of responding to changing technology and globalization. The presence of effective competitive markets will ensure that new technologies are developed and adapted to the benefit of all Canadians. Moreover, Canada's ability to compete throughout the world will be best promoted through competitive efforts at both the domestic and international levels.

Regarding the security of our communications networks, especially with respect to potential cyber attacks, the development of multiple networks (i.e. network diversity) is essential to reducing vulnerability. While integration of communications networks is an important and valuable characteristic of today's networks, diversity of physical networks can provide alternatives for backup or primary communications in the case of intentionally caused or unintentional network failures.

The Department (in section 6.1.2) has proposed some modifications to core objectives. Each of these is discussed below.

In objective (3), the Department has proposed adding “public safety needs” to Canadian sovereignty and security as goals to be supported through the availability of spectrum. Ciel supports this addition.

Two new objectives have been added: (6) to facilitate the use of spectrum in rural and remote communities and regions and (7) to advance Canadian spectrum interests internationally. Ciel supports both additions.

The Department has also modified and edited the wording of other objectives but for the most part has retained the essential meaning from the original core objectives. Ciel supports the new wording.

In section 6.2.2, the Department has noted a number of new proposed policy guidelines. With respect to the new policy guideline # 6 (Facilitating the Use of Spectrum), the Department states that it will “provide opportunities for secondary market trading where appropriate”. While in principle Ciel recognizes the potential public benefits that can result from secondary trading, the terms and conditions of such trading are important to understand before it is possible to comment on this approach. We would therefore propose that the Department undertake a further description of how such a secondary market might operate.

#### Comments on Part B

The Department's intent is to release spectrum for licensing in a timely manner so that it can be used and produce benefits for all Canadians.

“The Department will continue to forecast when, and in what situations, additional spectrum and satellite orbital positions will be released. Spectrum will not be withheld, except when specific policy issues advocate it.”

Ciel encourages the establishment of a framework for regular and continuing bi-lateral and multi-lateral discussions with the industry in this regard.

Facilities operators and users are in an excellent position to provide the Department with planning input, and would welcome the opportunity for a more regular dialog with the Department on spectrum planning issues.

By continuing government/industry opportunities for discussion the government can also advance its objective of "Fostering of New Technologies and Innovation" whereby the use of emerging technologies and innovation in service offerings that enhances the use of the spectrum resource is encouraged.

As noted by the Department, since the publication of the Framework in 1992, the Department has increasingly incorporated economic principles and a reliance on market forces in the management of spectrum. "Spectrum managers will strive to apply the most appropriate economic principles, as well as, policy, regulatory, technical and operational principles, to maximize the benefits to society through the use of the spectrum resource. They will manage the spectrum in a manner that supports fair competition, using market forces to capture resource rents where they exist and recovering spectrum management costs where such rents do not exist."

Ciel encourages the Department to continue to apply these principles

