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March 1st 2004

**Notice No. DGTP-007-03 — Consultation on the Spectrum for  
Advanced Wireless Services and  
Review of the Mobile Spectrum Cap Policy, October 2003**

Manager, Mobile Services, Telecom Policy Branch,  
Industry Canada, 1604A, 300 Slater Street, Ottawa, Ontario, K1A 0C8.

New North Networks Ltd. (New North) will address only the issues raised in Section 7 of this consultation and, for the most part, only as it applies to Northern Canada.

New North Networks Ltd. is a TDMA Cell Service Provider in Inuvik N.W.T. This service was enabled as the result of an arrangement between New North and Rogers AT&T in 1998.

This arrangement was indirectly facilitated by the Radio Systems Policy 019, *Policy for the Provision of Cellular Services by New Parties* (RP-019). New North and Rogers AT&T created an agreement whereby New North was able to provide capital equipment, technical and business management of services and provide roaming for all of its customers through Roger AT&T. However, the equipment is no longer manufactured.

New North has continued to research equipment that will permit entry into similar or smaller markets in an economical manner. New equipment in 2Ghz spectrum led us to attempt to extend our services to that spectrum band. It must be emphasized that provision of these type of services will likely be driven almost exclusively by the availability of equipment that is economically viable in micro markets such as Northern Canada.

Two issues became apparent obstacles to this plan.

1. The method of paying and licensing 2Ghz spectrum was prohibitively

expensive. This issue has been resolved as it applies to Northern Canada.

2. Rogers was not prepared to extend the current agreement to the 2Ghz services under the existing regulatory uncertainty.

All of the population of Yukon, Northwest Territories, and Nunavut amount to a mere 97,000 people. Of about 75 communities, approximately 40,000 live in 2 cities. Only 5 have populations over 3000.

Rural and Remote carriers, by nature, operate in those areas of the country that are clearly unattractive to national carriers, clearly evidenced by their absence. The reason is simple, there are many far more economically attractive areas for them to develop.

Nevertheless, the public living in those areas have the same expectations, requirements and desires as those in the rest of the country.

Rural and remote carriers cannot practically provide a service that does not permit mobility into the rest of Canada and the world.

Industry Canada has requested comment on the following:

- “1. The proposal to afford preferential commercial roaming arrangements to small rural carriers with national and regional cellular and PCS carriers where the rural carriers;***  
***a. do not compete in the same serving territories having network facilities, and***  
***b. operate solely in an unserved or underserved area.***  
***2. The mechanisms that may best implement this proposal.***

***“1. The proposal to afford preferential commercial roaming arrangements to small rural carriers with national and regional cellular and PCS carriers where the rural carriers;***

As stated above, Rural and Remote carriers operate in areas that are viewed as uneconomic by the national carriers. It follows, therefore, that preferential roaming agreements can serve to assist in the provision of services by Rural and Remote carriers.

***a. do not compete in the same serving territories having network facilities***

Two issues present themselves in this proposed condition.

1. Wireless by nature does not have hard boundaries as do hard-line services. Not only is some overlap likely in some circumstances, but may be desirable in order to provide continuous customer coverage.

2. The largest communities in Rural and Remote areas will likely become development targets for national carriers in the future. Small carriers must serve the larger communities in their areas in order to gain satisfactory economics of their overall systems.

***b. operate solely in an unserved or underserved area.***

This condition is conceptually sound, however, provisions must be encompassed to prevent the requirement for preferential roaming agreements to be quashed in the event that part of the area ceases to be unserved or underserved. Rural and Remote carriers must not lose the requirement for preferential roaming agreements in the event that another party sets up service in a part of their operating area. Therefore agreements should be sustainable, once established. The specter of Rural and Remote carriers being forced to drop out of a market in order to maintain their preferential roaming agreements is not tenable.

Other considerations:

Rural and Remote carriers need as many impediments to their ability to provide service removed or mitigated as possible.

Roaming agreements are important not only in the ability to offer Roaming "while away" services, but also to capture as many revenues from "Roaming in" users who have technically compatible handsets as possible. Therefore, consideration should be given to requiring such preferential roaming agreements to be non-exclusive when technically practical.

It is clearly in the public interest to enable Rural and Remote carriers to provide services in areas which, for the most part, are not of interest to national carriers.

***2. The mechanisms that may best implement this proposal.***

New North Networks is not well versed on the mechanisms available to be used to implement these objectives. However, it is clear that carriers with national licenses have access to the most profitable markets in the country, and are able to expand their service to provide the appropriate coverage for their client base. This is not the case with Rural and Remote carriers. Rural and Remote carriers must be unambiguously differentiated from national carriers for the purpose of regulations. We understand that other interested parties may suggest mechanisms appropriate to accomplish these objectives.

Lastly;

We would encourage the Department to deal with this issue separately and apart from the balance of the consultation on AWS, as suggested in Section 8 of the document.

Submitted this 1<sup>st</sup> day of March 2004

By

A handwritten signature in black ink, appearing to read 'Tom Zubko', written in a cursive style.

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Tom Zubko, President,  
New North Networks Ltd.  
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