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Rogers Communications Inc
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Toronto, Ontario
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Mirko Bibic
Chief, Regulatory Affairs
Bell Canada
110 O'Connor, 14th Floor
Ottawa, Ontario
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Dear Sirs:

This letter is to confirm our view that Bell Canada ("Bell") and Rogers Communications ("Rogers") are Associated Entities for the application of the spectrum aggregation limit as outlined in the *Policy and Licensing Procedures for the Auction of Spectrum Licences in the 2300 and 3500 MHz Bands* ("the Policy").

In the September 16, 2005 news release, Bell and Rogers announced "an agreement to jointly build and manage a Canada-wide wireless broadband network...". Further, that "the companies will pool their wireless broadband spectrum holdings into a joint venture, Inukshuk Internet Inc., which will build and operate the network" and that each company will contribute to the joint venture all of their broadband wireless spectrum in the 2300 MHz and 3500 MHz bands.

As outlined in the auction Policy and as a condition on the spectrum licences in the 2300 MHz and 3500 MHz band, licensees must comply with a 100 MHz spectrum aggregation limit per service area. The spectrum aggregation limit continues to apply until January 27, 2007, which is two years after the close of the last auction in these bands. This spectrum aggregation limit applies to all licensees, their Affiliates and Associated Entities. Under section 7.2.2 of the Policy, Associated Entities are defined as "any entities who enter into any partnerships, joint ventures, agreements (including agreements in principle) to merge, consortia or any arrangements, agreements or understandings of any kind, either explicit or implicit, relating to the licences being auctioned or relating to the post-auction market structure".

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A review of Bell and Rogers' spectrum licence holdings in the 2300 MHz and 3500 MHz bands shows twenty-seven instances where the spectrum aggregation limit is exceeded. As outlined in the Policy, licensees who exceed the spectrum aggregation limit will be required to divest sufficient spectrum holdings in order to come into compliance. This divestiture may be a transfer to a non-Associated, non-Affiliated Entity or a return of the spectrum to the Department.

As described in section 7.2.3 of the Policy, Bell and Rogers have an opportunity to demonstrate why they should not be treated as Associated Entities in the presence of the agreements, arrangements or understandings. Should they wish to do this, they must send to the Department, documentation including a narrative, which will be made public, setting out the reasons 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 the Department. This additional documentation will be treated according to the *Access to Information Act* and the *Privacy Act*.

Please advise by December 15, 2005, what action Bell and Rogers are taking to ensure that they comply with their conditions of licence.

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Jan Skora
Director General
Radiocommunications and
Broadcasting Regulatory Branch