



January 22nd, 2008

By E-Mail: aws@ic.gc.ca

Director
Spectrum Management Operations,
Radiocommunications and Broadcasting Regulatory Branch
Industry Canada
300 Slater Street
Ottawa, Ontario K1A 0C8

Re: *Canada Gazette*, Part I, December 13, 2007, Notice No. DGRB-012-07 - Update on Clarification Questions for the AWS Policy Framework and Deadline Extension for the Consultation on Proposed Conditions of Licence (DGRB-010-07)

Pursuant to the procedure set out in *Canada Gazette* notice DGRB-012-07, Bragg Communications Inc., operating as EastLink, hereby submits the following questions for clarification of the auction policy and procedures.

- (1) On page 18 of *Licensing Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range* (the "Licensing Framework"), Industry Canada states:

6.1 Key Features of the Simultaneous Multiple-Round Ascending Auction (SMRA) Design

The auction will be run electronically over the Internet, and bidders will be able to participate remotely from their premises using a secure Internet connection. The key features of the SMRA auction that will be used are listed below.

- *A related set of licences will be offered at the same time. Bidding is organized into a series of rounds. (The identities of all bidders, the licences on which they are qualified to bid, and their initial levels of eligibility points will be made public prior to the commencement of bidding.) Information on the bids placed by all bidders will be made available after each round. [emphasis added]*

With respect to section 6.1, EastLink requests clarification of the following issue:

Does "licences on which they are qualified to bid" refer to:

(a) the specific licences for which a party has expressed an interest in bidding at Part 3 (Attachment A) of *Application to Participate in the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range*;

or

(b) the licences on which the bidder could theoretically bid given the amount of eligibility points the bidder has?

(2) On pages 18 and 19 of the Licensing Framework, Industry Canada states:

6.2 Bidder Eligibility Points

Each of the 292 licences has been assigned a specific number of eligibility points (“points”) that are proportionate to the population covered by the licence. ...

In their application each applicant must indicate the total number of “points worth” of licences on which they wish to bid in any round. This number defines a bidder’s initial level of eligibility points and is also used to determine the financial deposit that must be submitted with the application. Bidder eligibility points may not be increased once the auction has started.

The Department will assign the same eligibility points for a 10 MHz licence in the AWS band as it will for a 10 MHz block in the PCS band, whereas eligibility points for a 5 MHz licence in the band 1670-1675 MHz will be half of those assigned for the AWS and PCS bands. Points have been established to provide bidders with maximum flexibility to transfer them among the available licences.

[emphasis added]

EastLink requests clarification of the following issues:

- (a) With respect to the prohibition on increasing eligibility points once the auction has started, EastLink requests confirmation as to the date upon which the auction will be deemed to have started for the purposes of section 6.2 (e.g., the application deadline of March 3).
- (b) Additionally, EastLink seeks clarification as to whether eligibility points can be transferred between available licences once the auction has started.

- (3) In *Policy Framework for the Auction for Spectrum Licences for Advanced Wireless Services and other Spectrum in the 2 GHz Range*, Industry Canada states at page 8:

The department agrees that mandated roaming is important to promote competition and supports the orderly development of radiocommunication in light of the policy objectives of the Telecommunications Act. Recognizing that one or more regionally based new entrants may emerge from this auction, the department is mandating roaming outside of licensees' territories for at least the 10-year term of AWS licences. Roaming is to be made available at commercial rates. As well, to facilitate new entry, incumbents will be required to make roaming available to new entrants within their licensed service areas, also at commercial rates, for a period of 5 years while the licensee builds out its network. In the event that a national new entrant is successful in the auction, roaming within its licensed areas may be extended for an additional 5 years if the spectrum is used in accordance with the roll-out targets specified in Annex 2.

A national new entrant is defined as a new entrant that has acquired licences for all Tier 2 or Tier 3 service areas, or a combination of Tier 2 and Tier 3 service areas, covering all of Canada in the AWS or PCS bands. This definition includes a group of new entrants collectively holding all Tier 2 or Tier 3 service areas, or a combination of Tier 2 and Tier 3 service areas, covering all of Canada in the AWS or PCS bands and cooperating to provide a national service. [emphasis added]

With respect to the above-referenced paragraphs, EastLink requests clarification of the following issue:

What criteria must a group of new entrants satisfy to qualify as “cooperating to provide a national service” (e.g., must they qualify as “associated entities” or will another standard or criterion be applied)?

EastLink wishes to thank Industry Canada for the opportunity to submit these questions and we look forward to receiving Industry Canada's response.

Yours very truly,

[Original Signed By]

Lee Bragg

Co-CEO
EastLink

*** END OF DOCUMENT ***