



December 12, 2005

Mr. Jan Skora
Director General
Radiocommunications and
Broadcasting Regulatory Branch
Industry Canada
300 Slater Street
Ottawa, Ontario
K1A 0C8

**Subject: Joint Application to Transfer Spectrum in the 2300 and 3500
MHz Bands**

Dear Mr. Skora,

Thank you for your letter of November 21, 2005 concerning Bell Canada's (Bell) and Rogers Communications Inc.'s (Rogers) joint application for the transfer of spectrum in the 2300 and 3500 MHz bands to a joint venture involving the two companies. In your letter, you stated the Department's view that Bell and Rogers are "associated entities" for purposes 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 *Spectrum Policy*"). In light of this determination, you asked Bell and Rogers to advise by December 15, 2005, what action they are taking to ensure that they comply with their conditions of licence in respect of this spectrum.

At the outset, we wish to advise you that we do not agree that transferring our 2.3 and 3.5 spectrum to the Inukshuk joint venture would make the parties "associated entities." The *Spectrum Policy* was not worded in a manner that

suggests an intention to prevent this type of transaction, which involved no collusion between the parties before or during the auction process, and which would not have resulted and did not result in either party having access to more spectrum than is permitted under the *Spectrum Policy*.

Notwithstanding this position, we wish to advise that Bell and Rogers have decided to withdraw their joint application to transfer their respective spectrum in the 2300 and 3500 MHz bands to the joint venture. Each company will continue to separately hold the spectrum licences that they purchased in the auction and will not take any steps to transfer those licences to the joint venture until after the expiration of the Department's spectrum limit, as set forth in the *Spectrum Policy*, namely January 27, 2007. There will be no pooling of the spectrum until after that date. This will be reflected in the definitive agreement between the parties, which will be filed with the Department.

Since neither company took any steps to transfer the spectrum in question, pending the Department's review of their application, nothing further needs to be done to ensure compliance with the *Spectrum Policy*.

We trust that the foregoing satisfies the Department's concerns.

Yours truly,



Ken Engelhart
Chief Regulatory Officer
Rogers Communications Inc.



Mirko Bibic
Chief, Regulatory Affairs
Bell Canada