

December 9, 2004

Director General  
Telecommunications Policy Branch,  
Industry Canada,  
300 Slater Street,  
Ottawa, Ontario,  
K1A 0C8

Dear Sir,

**RE: Canada Gazette, Part 1  
Volume 138, number 44-October 30, 2004  
Notice Number DGTP-007-04  
Proposed clarification to the Government satellite  
use policy for the delivery of broadcasting services**

1. These are the comments of DaimlerChrysler Canada Inc. (“DaimlerChrysler”) with respect to Notice Number DGTP-007-04 (the “Notice”). DaimlerChrysler supports the proposed clarification of the Government’s satellite use policy for the delivery of satellite radio services to Canadians for the reasons set out below.
2. DaimlerChrysler recently had the opportunity to participate in the CRTC hearing that was held in Gatineau. Jim Morrison, the Senior Manager of Product Strategy and Volume Planning for DaimlerChrysler Canada was a member of the Sirius Canada Inc. panel at that hearing.

## **DaimlerChrysler’s interest in the proceeding**

3. DaimlerChrysler’s interest in this proceeding is one of offering an exciting new product to our Canadian customer base. DaimlerChrysler has worked in conjunction with Sirius Satellite Radio Inc. in the United States since the launch of its service there. DaimlerChrysler has worked with the rollout for nearly three years as we have been installing Sirius receivers in many of our vehicles for sale in the United States, vehicles such as the Chrysler 300C, the Chrysler Pacifica, Dodge Durango and Jeep® Grand Cherokee.

4. As it stands, customers buying up to 30 per cent of DaimlerChrysler's high-end vehicles in the U.S. are opting for the Sirius receivers. If the CRTC approves the Sirius Canada application, we could very quickly make the Sirius option available for Chrysler, Dodge and Jeep products in Canada. Today, the satellite radio option is already available to our U.S. customers and the availability of this option would simply be extended to our Canadian customers. Indeed, our assembly lines in Windsor and Brampton are already manufacturing vehicles destined for the U.S. market with the Sirius receivers.
5. If the CRTC were to approve the Sirius Canada application, the rollout plan for the Chrysler, Dodge and Jeep vehicles would be quite simple. In fact, our manufacturing facilities in North America, and particularly in Canada, already manufacture the necessary radio and it is already being put into our Chrysler, Dodge, Jeep products. We would immediately open up the availability of this radio to our customers in Canada.
6. From the perspective of a new client walking into a showroom, it would be a selling feature for our new DaimlerChrysler automobiles. Additionally, there is our Mopar option. Mopar is DaimlerChrysler's parts partner and we also would offer the radio capability to be integrated into prior models.
7. This rollout could happen within six weeks. We have no less than 11 vehicles, ranging from the Chrysler PT Cruiser through to our Canadian-built minivans and Chrysler Pacifica that are available today. Our new 300 and Dodge Magnum vehicles that are built in Brampton, Ontario are being built today with the option of Sirius radio and they are being shipped to the United States for consumption in that market. So it is as easy as making a very quick change in our computers to make the option available on the assembly plant floor to produce their vehicle.

## **The Industry Canada Notice**

8. DaimlerChrysler understands that Canadian policy has long focussed on the maximum use of Canadian satellites wherever possible. That said, the Notice indicated several key elements. First, there is unlikely to be a Canadian satellite that will ever be able to deliver satellite radio. Second, even if Canada wanted to invest in such a satellite, an unlikely proposition, Canada has not secured with the ITU the required spectrum resources to develop its own specialized satellites. Third, spectrum can be made available in Canada by using non-Canadian satellites.
9. A failure to issue this clarification would also seem to run contrary to the government's stated policy, as cited in the Notice, that Canadians be offered advanced and efficient broadcasting services.
10. What this means to DaimlerChrysler and its Canadian customers (both present and future) is that unless Industry Canada allows Canadians to receive satellite radio from a US satellite, we will be shut out from participating in that exciting new product in this country. This would be quite unfortunate from a business perspective, but it would also

be a significant loss for Canadians who have clearly indicated that they want us to offer this feature.

11. Industry Canada has made it clear that it is up to the CRTC to determine whether the satellite radio proposals are satisfactory from a Canadian ownership and Canadian content perspective. We participated in that process, as noted, and understand that it is up to the CRTC to determine whether the applications respond sufficiently to the requirements of Canada's *Broadcasting Act*.

## Conclusion

12. DaimlerChrysler is very excited about the introduction of satellite radio in its vehicles. Satellite radio has proven to be very popular with our customers and we have had many inquiries from Canadians as to when the services will be made available here. We want to be able to satisfy our customers and for that reason strongly urge Industry Canada to issue the clarification of its satellite use policy as outlined in the Notice.

Sincerely,

DaimlerChrysler Canada Inc.

Mark D. Norman  
Chairman, President & CEO