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DGRB-006-09
March 2009

Spectrum Management and Telecommunications

Licensing Framework to Auction Spectrum in the Bands 849-851 MHz and 894-896 MHz for Air-Ground Services

Table of Key Dates	
Event	Event Time Frames*
Publication of <i>Canada Gazette</i> notice DGRB-004-08 – <i>Spectrum Utilization Policy and Consultation on a Framework to Auction Spectrum in the Bands 849-851 MHz and 894-896 MHz for Air-Ground Services</i>	December 6, 2008
Receipt deadline of comments	January 14, 2009
Release of <i>Licensing Framework to Auction Spectrum in the Bands 849-851 MHz and 894-896 MHz for Air Ground Services</i>	March 26, 2009
Publication of Canada Gazette notice DGRB-006-09	March 28, 2009
Receipt deadline of applications to participate in the auction	April 24, 2009
Publication of the list of applicants	April 27, 2009
Publication of the list of qualified bidders	May 8, 2009
Receipt deadline of sealed bids	May 20, 2009
Posting of provisional winners	May 25, 2009
Submission of eligibility documentation as per Attachment D and E of the Application Form	June 8, 2009
Final payment	June 8, 2009

* Please consult Industry Canada's [Spectrum Management and Telecommunications website](http://www.ic.gc.ca/spectrumauctions) at <http://www.ic.gc.ca/spectrumauctions> for updates to this schedule.

Department of Industry

Radiocommunication Act

Notice No. DGRB-006-09 – Licensing Framework to Auction Spectrum in the Bands 849-851 MHz and 894-896 MHz for Air-Ground Services

This notice announces the release of the paper, entitled *Licensing Framework to Auction Spectrum in the Bands 849-851 MHz and 894-896 MHz for Air-Ground Services*, which initiates the licensing process for this spectrum by outlining the rules and requirements for the competitive bidding process, and by calling for completed application forms and financial deposits.

On October 28, 2006, Industry Canada issued *Gazette Notice* No. DGTP-011-06 entitled *Consultation on Air-to-Ground Services in the Bands 849-851 MHz and 894-896 MHz*. This notice sought comments on proposed changes to Industry Canada's policy on the use of the bands 849-851 MHz and 894-896 MHz for air-to-ground services. In response to the notice, comments were received from one interested party.

Further to this notice, on December 6, 2008, Industry Canada issued *Gazette Notice* No. DGRB-004-08 entitled *Spectrum Utilization Policy and Consultation on a Framework to Auction Spectrum in the Bands 849-851 MHz and 894-896 MHz for Air-Ground Services*. This notice announced the publication of decisions resulting from the above-mentioned consultation DGTP-011-06 and changes to Industry Canada's policy on the use of air-ground spectrum in these bands. It also consulted on the auction and licensing processes, on issues such as technical and operational considerations, and on licence conditions.

Obtaining copies

Copies of this notice and of documents referred to herein are available electronically on Industry Canada's [Spectrum Management and Telecommunications Web site](http://www.ic.gc.ca/spectrum) at <http://www.ic.gc.ca/spectrum>.

Official versions of *Canada Gazette* notices can be viewed at www.gazette.gc.ca/rp-pr/p1/index-eng.html. Printed copies of the *Canada Gazette* can be ordered by telephoning the sales counter of Canadian Government Publishing at 613-941-5995 or 1-800-635-7943.

Original signed on March 19, 2009

Michael D. Connolly
Director General
Radiocommunications and
Broadcasting Regulatory Branch

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1. Introduction

1.1 Intent

This document entitled *Licensing Framework for the Auction of Spectrum in the Bands 849-851 MHz and 894-896 MHz for Air-Ground Services* (DGRB-006-09), serves as a companion document to Part A of the *Spectrum Utilization Policy and Consultation on a Framework to Auction Spectrum in the Bands 849-851 MHz and 894-896 MHz for Air-Ground Services* published in the *Canada Gazette* (DGRB-004-08) on December 6, 2008. This licensing framework document elaborates the auction licensing process for air-ground¹ services in these bands, as well as auction application procedures, licence conditions, and technical and operational considerations.

1.2 Background

In October 2006, Industry Canada released a consultation paper through *Canada Gazette* (DGTP-011-06) proposing policy and regulatory changes in order to permit the provision of new enhanced air-ground services, taking into account the benefits of regional harmonization. The Department received only one response to the consultation. The comments generally supported the proposed policy modifications, including band plan and technical requirements. The decisions were outlined in Part A of the document entitled *Spectrum Utilization Policy and Consultation on a Framework to Auction Spectrum in the Bands 849-851 MHz and 894-896 MHz for Air-Ground Services*.

The Department makes no representations or warranties about the use of this spectrum for particular services. Applicants should be aware that this auction represents an opportunity to become a licensee, subject to certain conditions which may include compliance with the *Canadian Aviation Regulations* and applicable standards depending on the services offered. An Industry Canada auction does not constitute an endorsement by the Department of any particular service, technology or product, nor does a spectrum licence constitute a guarantee of business success. Applicants should perform their individual due diligence before proceeding, as they would with any new business venture.

Departmental documents cited in this document are available on Industry Canada's [Spectrum Management and Telecommunications website](http://www.ic.gc.ca/spectrum) at <http://www.ic.gc.ca/spectrum>. All enquiries should be addressed to:

Manager, Spectrum Auctions
Radiocommunications and Broadcasting Regulatory Branch
Industry Canada
300 Slater Street, 15th floor
Ottawa, Ontario
K1A 0C8
Telephone: 613-990-8881
Fax: 613-991-3514
E-mail: spectrum.auctions@ic.gc.ca

¹ Previously referred to as air-to-ground

2. Band Plan and Available Licences

The spectrum is divided into two paired blocks and each will be licensed on a Tier 1 (national) basis as follows:

Spectrum Licence	Frequency Band	Amount of Spectrum
A	849-850.5 / 894-895.5 MHz	3 MHz
B	850.5-851 / 895.5-896 MHz	1 MHz

Bids can be made as a package bid of both licence blocks and/or on individual licence blocks. See Section 6.3 below for details.

3. Ministerial Authority

It should be noted that spectrum licences are subject to relevant provisions in the *Radiocommunication Act* and the *Radiocommunication Regulations*. As a result, the Minister has the power to amend the terms and conditions of the licence and to suspend or revoke a radio authorization (paragraphs 5(1) and 5(2) of the *Radiocommunication Act*).

With respect to terms and conditions, paragraph 5(1) of the Act states that the Minister may:

“...fix the terms and conditions of any such licence, certificate or authorization including, in the case of a radio licence and a spectrum licence, terms and conditions as to the services that may be provided by the holder thereof;”

Paragraph 5(2) of the Act further states:

“(2) The Minister may suspend or revoke a radio authorization
(b) after giving written notice to the holder and giving the holder a reasonable opportunity to make representations to the Minister with respect thereto, where the Minister is satisfied that
(i) the holder has contravened this Act, the regulations or the terms or conditions of the radio authorization,...”

Section 40 (Assignment of Frequencies) of the *Radiocommunication Regulations* also applies; it states:

“The assignment of a frequency or frequencies to a holder of a radio authorization does not confer a monopoly on the use of the frequency or frequencies, nor shall a radio authorization be construed as conferring any right of continuing tenure in respect of the frequency or frequencies.”

The full text of the *Radiocommunication Act* and related regulation may be viewed at <http://laws.justice.gc.ca/en/R-2/index.html>.

4. Licence Conditions

Licensees must be fully aware of their obligations with respect to licence terms and conditions. Industry Canada will monitor compliance and take any necessary action to ensure compliance and enforce the provisions of the *Radiocommunication Act* and *Radiocommunication Regulations*.

Comments received indicated a general agreement with the Department's proposed licence conditions. However, there were specific comments with regard to the licence term and renewal, research and development, annual reporting and implementation of spectrum usage. These comments are discussed below.

For a complete listing of licence conditions as they will appear on the licence, please refer to Appendix A of this document.

4.1 Licence Term and Renewal

In the consultation paper, Industry Canada proposed that the spectrum licences have a ten-year term. A comment received suggested that an indefinite licence term should be implemented or, at the very least, a twenty-year licence term. In order to harmonize spectrum use with the U.S.'s ten-year licence term, the Department will proceed with its proposed licence term.

The licences will be issued for a ten-year term from the date of issuance with a high expectation of renewal for a further ten-year term unless a breach of licence condition has occurred, a fundamental re-allocation of spectrum to a new service is required, or an overriding policy need arises. The licence renewal for a subsequent term will be undertaken prior to the end of the licence term as outlined in the document *Framework for Spectrum Auctions in Canada*, which is available at <http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf01626.html>. Note that this document is being revised via a separate consultation to provide further details on the renewal process. The renewal process developed through that consultation may apply to all long-term spectrum licences, including air-ground.

It should also be noted that the licence is subject to relevant provisions in the *Radiocommunication Act* and the *Radiocommunication Regulations*. As a result, the Minister has the power, at any time, to amend the terms and conditions of the spectrum licence and to suspend or revoke a radio authorization pursuant to paragraphs 5(1)(b) and 5(2) of the *Radiocommunication Act*.

4.2 Research and Development (R&D)

Currently, licensees operating as radiocommunication carriers holding licenses obtained through a competitive licensing process are required to invest a percentage of their adjusted gross revenues on research and development (R&D) and submit annual R&D statements demonstrating their level of investment. A comment received suggested that the R&D investment is no longer required as a result of the current development stage of the industry. When first granting spectrum licences in the 1990s, this condition of licence was established in order to stimulate research and development in the telecommunications sector. Today, the wireless industry is thriving. The Department also acknowledges that it is in the best interest of all wireless companies to undertake R&D activities on an ongoing basis in order to be competitive in the marketplace and licensees exceed the required level of R&D spending.

These licences will maintain an R&D investment condition of licence. The Department intends to review the general policy of requiring such a condition of licence as part of a proposed *Consultation on Revisions to the Framework for Spectrum Auctions in Canada* in the near future.

4.3 Annual Reporting

The Department had proposed that licensees submit an annual report for each year of the licence term within 120 days of their fiscal year end. A comment received indicated that there was a preference for providing annual reports on July 1 of each year. The Department will proceed with the proposed submission schedule of 120 days after the licensee's fiscal year end as a default. However, an alternate date for report submission proposed by a licensee will be considered.

4.4 Implementation of Spectrum Usage

The Department proposed taking into account implementation of spectrum usage at the time of renewal. A comment received suggested that a roll-out condition be included, stipulating that the licensee must provide substantial coverage to Canadian airspace within two years of the licence issuance. In the past, the Department has imposed specific roll-out conditions for some spectrum licences. However, in this case, the Department proposes allowing the licensees to determine the most appropriate time to deploy their services and adjust their plans in reaction to technology and changes in business and market conditions. As a result, the Department will proceed with the proposed review of the implementation of spectrum usage prior to renewal. Two years prior to the end of the licence term, the licensee must demonstrate implementation of stations covering 75% of Canadian air routes. Any deployment below 75% or using another indicator will be taken into consideration by the Department in determining whether to renew the licence in whole, in part or not at all and will be addressed in the renewal consultation.

5. Licensing Process

This licensing process is conducted in accordance with the *Framework for Spectrum Auctions in Canada* (October 2001), which is available at: <http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf01626.html>. Licensees should also familiarize themselves with Client Procedures Circular CPC-2-1-23, *Licensing Procedure for Spectrum Licences for Terrestrial Services*, as amended from time to time, which is available at: <http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf01875.html>.

In the licensing consultation, the Department proposed a sealed-bid, second-price auction process, also known as a "Vickrey" auction, for this licensing process. One comment received indicated some concern with the Department's choice of auction process and suggested that the Department should rely on the Simultaneous Multiple Round Ascending (SMRA) design used in the previous five auctions. In view of the fact that only two licences are being offered and limited interest is anticipated, the sealed-bid, second-price design presents a simplified, expedient and transactionally efficient alternative to the SMRA auction design, without any anticipated loss in outcome efficiency. With the Vickrey design, the optimal bidding strategy is for bidders to bid the true licence values rather than over- or under-bidding. This bidding will facilitate an outcome where the bidder with the highest valued use will win and pay the second highest price. The price paid under either the Vickrey or a competitive SMRA auction is

expected to be comparable. The Department will proceed with the proposed sealed-bid, second-price auction design.

The process by which interested parties may apply to participate in the auction is outlined below.

5.1 Application Forms

The application forms for participation in the auction can be obtained electronically from the [Spectrum Management and Telecommunications website](http://www.ic.gc.ca/spectrumbauctions), at <http://www.ic.gc.ca/spectrumbauctions>.

Please note that additional corporate documentation may be required as attachments to the application forms (refer to Appendix B – Checklist of Forms).

A summary of key dates associated with this licensing process is provided on page i and on the [Spectrum Management and Telecommunications website](http://www.ic.gc.ca/spectrumbauctions) at <http://www.ic.gc.ca/spectrumbauctions>. Interested parties are advised to check the website for updates to the schedule of events.

The policies, rules and definitions associated with this licensing process are set out in:

- this document;
- *Canada Gazette* notice DGRB-004-08, *Spectrum Utilization Policy and Consultation on a Framework to Auction Spectrum in the Bands 849-851 MHz and 894-896 MHz for Air-Ground Services*; and
- any written amendment or supplement that may be issued by the Department.

5.2 Bidder Qualification

In order to participate in the auction, applicants must be eligible to become a radiocommunication carrier, radiocommunication service provider or radiocommunication user. For additional information, please refer to the eligibility criteria condition of licence defined in Section 3 of Appendix A – Licence Conditions.

Industry Canada will review the application forms (and any associated documents) and the accompanying irrevocable standby letters of credit after the closing date for the submission of applications. In this initial review, the Department will identify any errors in the application forms or the irrevocable standby letters of credit.

Following the initial review period, the Department will provide applicants with an opportunity to correct any errors or inconsistencies in their application or the irrevocable standby letter of credit that have been identified by the Department. The original applications may be returned to the applicant with a brief statement outlining any discrepancy(ies) and/or omission(s), or requesting additional information. The applicant will be invited to resubmit the corrected form and/or the additional information and to physically deliver this to the Spectrum Auctions Manager at the address provided in Section 1.2, by the date specified in the statement.

Applicants who do not comply with this request will have their application to participate in the auction rejected. Applications that are rejected, including those for which an opportunity has been provided to correct errors or inconsistencies identified by the Department, but are still found to be deficient, will be

returned to the applicant with a letter indicating that they have been rejected. The letter will outline the deficiencies and will include the applicant's irrevocable standby letter of credit.

Those applicants who have submitted acceptable application materials, including the accompanying financial deposit, will receive a confirmation letter that they are considered a qualified bidder.

Comments received indicated that bidders should be provided with as much information as possible prior to the submission of their sealed bids. The Department will therefore provide the bidders with as much information as possible prior to the submission of sealed bids in order to conduct a fair and transparent process. A list of all qualified bidders and the amount of their financial deposits will be made public via Industry Canada's [Spectrum Management and Telecommunications website](http://www.ic.gc.ca/spectrummanagementandtelecommunicationswebsite) at <http://www.ic.gc.ca/spectrumauctions> on the date noted in the Table of Key Dates found on page i.

5.3 Prohibition of Collusion

Bidders are prohibited from co-operating, collaborating, discussing or negotiating settlement agreements with competitors on licences being auctioned or on the post-auction market structure, from the receipt deadline of applications to participate in the auction until the deadline for the final payment on winning bids.

Prospective bidders will note that the auction application form contains a declaration that the applicant will be required to sign to certify that the applicant has not entered into and will not enter into any agreements or arrangements of any kind with any competitor regarding the amount to be bid, bidding strategies or the particular licence(s) on which the applicant or competitors will or will not bid. For the purposes of this certification, the word competitor means any entity, other than the applicant and/or its affiliates or associated entities, which could potentially be a bidder in this auction based on its qualifications, abilities or experience.

Prospective bidders should note that "affiliate" for the purposes of this licensing process (defined by reference to "control in fact") differs from "affiliate" for the purposes of the *Competition Act*. As such, in order to avoid contravening Section 47 of the *Competition Act*, a bidder who enters into such an agreement or arrangement with any one or more of its affiliates may have to make the agreement or arrangement known to the Department at or before the time when any subsequent agreement or arrangement is made.

Collusion, including but not limited to bidding by associated entities, may be determined at anytime. Colluding parties are subject to penalties that may include but are not limited to forfeiture of deposits, auctioned licence payments and licences.

Interested parties are reminded that the provisions of the *Competition Act* apply independently of, and in addition to, the provisions of the *Air-Ground Policy and Licensing Frameworks*.

Note that the rules identified above do not govern discussions between bidders and parties who are completely unrelated to the auction.

5.3.1 Communication during the Auction Process

In order to preserve the integrity of the auction process, any communication from an applicant, affiliate, associate or beneficial owner or their representatives that discloses or comments on bidding strategies, including but not limited to the intent of bidding and post-market structures, shall be considered contrary to the Licensing Framework and may result in disqualification and/or forfeiture penalties. This will include communication with or via the media. This prohibition of communication commences from the receipt deadline of applications to participate in the auction until the deadline for the final payment on winning bids.

5.3.2 Beneficial Ownership

Any discussions regarding an addition of beneficial ownership, from the receipt deadline of applications to participate in the auction until the deadline for the final payment on winning bids, involving two bidders or any of their affiliates or associates would fall into the area of prohibited discussions and be considered contrary to the auction rules.

However, an applicant may discuss changes in beneficial ownership with parties who are completely unrelated to other applicants as long as:

- (1) any change to the beneficial ownership of the applicant which provides a new party with a beneficial interest or which significantly alters the beneficial ownership structure must be effected prior to five business days before the receipt deadline for the submission of sealed bids; and
- (2) the applicant informs Industry Canada immediately, in writing, of any change in beneficial ownership during the auction process.

Industry Canada will publish any updates in beneficial ownership that it receives on the auction website.

5.3.3 Tower Sharing

The prohibition of communication includes discussions about tower and site sharing, with respect to the licences that are the subject of this auction, from the application deadline to the cessation of bidding. Discussions concerning new arrangements or for the expansion of existing sharing arrangements that relate to spectrum outside the air-ground spectrum that is the subject of this auction process are not prohibited.

5.3.4 Communication with Local Exchange Carriers

The prohibition of collusion outlined in Section 5.3 does not include discussions on interconnection with a local exchange carrier (LEC) that is a qualified bidder (or one of its affiliates/associates). This is based on the fact that employees of LECs are prohibited from communicating information about competitors seeking interconnection services to other persons within the LEC. As a result, assuming that the LEC respects these requirements, such communication should in no way affect the integrity of the auction.

5.3.5 Legal and Regulatory Advice

Separate applicants may receive legal and regulatory advice from the same law firm. Such a situation will not be considered to be contrary to the auction rules provided that the law firm complies with the conflict of interest and confidential information requirements of the applicable law society, and that the applicants otherwise comply with the provisions set forth in this document.

5.4 Participation in the Auction – Affiliates and Associated Entities

All bids must be from unrelated competitors in order to preserve the integrity of competitive bidding. Therefore, only one entity per group of associated entities (which includes affiliated companies) is eligible to participate in the auction. Any discussions or negotiations after the application deadline which create an association with competitors (i.e. any explicit or implicit agreement relating to the acquisition of the licences being auctioned or to the post-auction market structure) during the auction process are prohibited and will be considered to be collusion. Any applicant who has formed part of such an association outside of the Associated Entity will be disqualified from participating in the auction and may be subject to revocation of licences obtained in the air-ground auction. Therefore, all such contact with competitors as is noted above must be suspended from the application deadline until the final deadline for payment on winning bids.

Parties to a consortium agreement disclosed to Industry Canada in accordance with the Associated Entities rule are allowed to modify the terms of such agreement after the application deadline, or to enter into further detailed agreements intended to give effect to a general agreement, as long as the amendments do not involve any new competitors. The amended application will then be subject to approval by Industry Canada.

Bidders must not cooperate, collaborate, discuss or negotiate **any agreements** with competitors which pertain to policies implemented and licences offered in this auction, between the application date and the deadline for the final payment on winning bids. Once licences have been issued, licensees may transfer licences, subject to departmental approval, to other eligible entities, provided that they meet the conditions of licence.

An agreement to offer sell-buy options or buy-sell options, or to offer another actual or potential bidder access to the applicant's network or to spectrum that it may obtain during the air-ground auction is not prohibited by the rules prohibiting collusion as long as it is fully disclosed to the Department at the time of application. No such agreement is permitted to be made from the time that applications are submitted until after the deadline for final payments on licences won during the auction.

5.4.1 Affiliates

An affiliate is defined as:

A person who controls the entity, or who is controlled by the entity or by any person who controls the entity. "Control" means control in any manner that results in control in fact, whether directly through the ownership of securities or indirectly through a trust, agreement or arrangement, the ownership of a body corporate or otherwise. Control in fact is the ongoing

power or ability, whether exercised or not, to determine or decide the strategic decision-making activities of an enterprise, or to manage or run the day-to-day operations of an enterprise.

“Affiliate”, defined by reference to control in fact, differs from “affiliate” for the purposes of the Competition Act. Consequently, in order to avoid contravening Section 47 of the Competition Act, a bidder who enters into such an agreement or arrangement with any one or more of its Affiliates may have to make the agreement or arrangement known to the Department at or before the time when any subsequent agreement or arrangement is made.

5.4.2 Associated Entities

An associated entity is defined as:

Any entity who enters into any partnership, joint venture, agreement (including agreements in principle) to merge, consortia or any arrangement, agreement or understanding of any kind, either explicit or implicit, relating to the acquisition of the licences being auctioned or relating to the post-auction market structure, with the applicant. The existence of such agreements, arrangements or understandings must be disclosed in writing to the Department at the time of application and this information will be disclosed to other bidders and to the public. Changes made after the application deadline which create an Association with another applicant are not permitted, and any applicant who has formed such an Association will be disqualified from participating in the auction.

5.4.3 Presumption of Affiliate and Associated Entity Status

If a person owns, directly or indirectly, at least 20% of the entity’s voting shares where the entity is a body corporate or, where the entity is not a body corporate, at least 20% of the beneficial ownership in such entity, this will result in a rebuttable presumption that the person controls the entity. A person may attempt to refute the presumption of an affiliate relationship by submitting an affidavit or declaration, signed by an officer or other appropriate official, which sets out the specific ownership holdings of any person with a 20% or greater holding in the entity, affirms that the person does not control the entity, and sets out the reasons as to why the person does not control the entity. A copy of this affidavit will be made public. Such an affidavit or declaration must also be accompanied by supporting documentation and copies of all arrangements, agreements or understandings between the subject entities. Such materials should be filed as part of the application materials and, in any event, no later than five business days after the publication of the qualified bidders. The Department reserves the right to request further information and to make its own determination regarding this matter.

In those cases where materials have been filed to refute a presumption of affiliate status, Industry Canada will apply a “control in fact” test to determine whether or not the entity has satisfactorily demonstrated that it is not affiliated with the other entity. Such determinations are done on a case-by-case basis. In making its determination, Industry Canada will generally request and review the type of information listed in Attachment D of the Application Form, *Declaration of Ownership and Control by Provisional Winners of Spectrum Licences for Air-Ground Services in the Bands 849-851 MHz and 894-896 MHz*. The Department reserves the right to request additional information. For example, the Department will require the entity to submit the following types of documentation for itself and any related holding company: the incorporation documents; bylaws; details of shareholdings;

shareholder agreements; details related to the election of directors and appointment of officers of the company; complete details on the financial structure of the company; information regarding relationships between the parties; and copies of any agreements or arrangements which could affect whether the company or any related holding company are, or are not, controlled by another entity.

Any entity wishing to demonstrate why it should not be treated as an Associated Entity in the presence of the agreements, arrangements or understandings as outlined in Section 5.3.2 of this document, must, as part of its submission, include evidence and set out the reasons as to why an association does not exist. Such a submission must include a narrative, which will be made public, outlining the arguments 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. The Department reserves the right to request additional information in order to make its determination.

Should the entities fail to provide all relevant information in a timely fashion to allow the Department to complete its determination, or if the Department is not satisfied five business days prior to the date set for the submission of sealed bids that an association does not exist, then only one of those Associated Entities will be permitted to become a qualified bidder in the same service area.

It should be noted that during the Department's review of the materials filed to rebut the presumption of affiliate status, or to dispute the existence of an Associated Entity, the entities will be considered to be competitors and will be subject to the prohibition of collusion rules outlined above.

5.5 Submissions

To participate in the auction, all applicants must submit a completed application form² and financial deposit. In the interest of providing both the Department and other bidders with adequate information on the identity of all bidders, applicants are required to fully disclose the beneficial ownership for every entity that owns, directly or indirectly, 10% or more of the applicant's voting shares, non-voting shares, partnership interests, or any other beneficial interests, as the case may be. The information will be made public via Industry Canada's Spectrum Management and Telecommunications website, prior to the auction, so that all bidders have knowledge of the real identity of the other bidders. This information will be used, along with other documentation submitted by applicants, to determine the type of relationship, if any, that may exist between entities. Applicants are not permitted to add to their beneficial ownership starting five business days prior to the receipt deadline for the submission of sealed bids until after the cessation of bidding.

5.5.1 Financial Deposit

In order to enhance the integrity of the auction, the Department requires that all bidders submit a pre-auction financial deposit with their application to participate in the auction. The financial deposit is to be in the form of an irrevocable standby letter of credit. The elements required in a letter of credit and a sample letter of credit acceptable to the Department are provided in Attachment C of the Application Form.

² The application form is available at <http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf09336.html>.

Each participating bidder is required to submit a financial deposit equal to the Reserve Price³ of the licence(s) on which they intend to bid.

Financial deposit(s) will be returned to any applicant not found to be a qualified bidder, any applicant that provides written notification to the Department of its withdrawal from the process prior to the auction's commencement, and any bidder who fails to win a licence during the auction.

5.5.2 How to Submit the Application and Financial Deposit

The application form, the associated documents that may be required (as per the instructions provided on the various forms), and the financial deposit are to be physically delivered to the Spectrum Auctions Manager (address provided in Section 1.2) by 5:00 p.m., EDT, on the receipt deadline for applications to participate in the auction (refer to Table of Key Dates on page i of this document). The Department reserves the right, under exceptional circumstances, to accept applications and associated documentation after this deadline, but prior to publication of the list of applicants.

Upon receipt of the application and the associated documentation, the Department will send notification to the applicant that the application materials have been received and confirming the amount of the deposit that has been submitted. This notice does in no way mean that the application materials or the deposit have been approved.

If, prior to the application deadline, an applicant wishes for any reason to amend any of the forms it has submitted and/or submit a new irrevocable standby letter of credit, it may submit one or more amended forms and/or a new irrevocable standby letter of credit with an accompanying letter explaining that the enclosed form(s) and/or letter of credit are to replace the one(s) previously submitted. Any such amendments are to be physically delivered to the Spectrum Auctions Manager by 5:00 p.m., EDT, of the receipt deadline for applications to participate in the auction.

Upon receipt of an amended form(s) and/or replacement of an irrevocable standby letter of credit, the Department will send notification to the applicant that the amended form(s) and/or letter of credit have been received. The notification will state the amount of the new letter of credit that has been submitted. The initial irrevocable standby letter of credit will also be returned to the applicant. This notice will in no way mean that the amended form(s) or the additional deposit have been approved.

Multiple letters of credit from one or more financial institutions will be permitted *within reason*. The Department will treat the financial deposit for an applicant as being the sum of the amounts of each accepted letter of credit. Each letter of credit must comply with the conditions laid out herein concerning letters of credit. No letter of credit shall have any conditions requiring the Department to draw on the letters in any particular order of priority, or requiring any letter to be drawn upon completely before drawing upon any other letter.

A list of all applicants will be made public via Industry Canada's [Spectrum Management and Telecommunications website](http://www.ic.gc.ca/spectrumbauctions) at <http://www.ic.gc.ca/spectrumbauctions>. The publication of this list does in no way mean that these applicants have been approved as qualified bidders.

³ See Table 1, Reserve Prices, in Section 5.6

5.6 Reserve Prices

In order to determine adequate reserve prices, the Department analyzed the corresponding auction for air-ground services in the United States, the difference between Canadian and U.S. populations, and air-travel passenger figures. Comments received indicated that, due to the early stage of service delivery in the U.S., reserve prices proposed by the Department were too high. After reviewing these comments, the Department has established the following reserve prices:

Table 1: Reserve Prices

Spectrum Licence	Frequency Band	Amount of Spectrum	Reserve Price (10-year Licence)
A	849-850.5 / 894-895.5 MHz	3 MHz	\$ 850,000
B	850.5-851 / 895.5-896 MHz	1 MHz	\$ 200,000
A+B	849-851 / 894-896 MHz	4 MHz	\$1,050,000

5.7 Withdrawal from the Auction

Applicants wishing to withdraw their application materials and have their irrevocable standby letters of credit withdrawn may do so, without prejudice, by physically delivering a written request to the Spectrum Auctions Manager at the address provided in Section 1.2, prior to 5:00 p.m., EDT, of the receipt deadline of sealed bids.

5.8 Change of Information

Only the Auction Authorized Representative⁴ of the bidding company may notify the Spectrum Auctions Manager of any material changes in the information submitted in application documents. Written notification must be sent by the Auction Authorized Representative within five business days of such change to the address provided in Section 1.2.

Please note that certain limitations exist with regards to changes to beneficial ownership. Please refer to Section 5.3.2 Beneficial Ownership for more details.

5.8.1 Ownership Structure

The ownership structure can change at anytime after the cessation of bidding, even if Industry Canada has not yet completed the ownership and control review.

If applicants make any arrangements, such arrangements must be concluded prior to five business days from the receipt deadline of sealed bids. All communication on non-finalized commercial arrangements must then cease until after the cessation of bidding.

⁴ Refer to the Application Form, which can be found at <http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf09336.html>.

5.9 Amendments and Supplements

Industry Canada may respond to questions clarifying the *Air-Ground Policy Framework*.

The Department may also amend or supplement the auction rules and procedures contained in this document. Any such amendment or supplement will be published on Industry Canada's [Spectrum Management and Telecommunications website](http://www.ic.gc.ca/spectrum) at <http://www.ic.gc.ca/spectrum> and will be sent to all qualified bidders.

From time to time, the Department may also put a list of “frequently asked questions” (FAQ) on the website; however, these questions and their responses are for information purposes only and will not form part of the official procedures.

6. Auction Design and Rules

6.1 Key Features of the Sealed-Bid, Second-Price Auction Design

A sealed-bid, second-price auction will require applicants to submit their bid to the Department in a sealed envelope prior to the receipt deadline of sealed bids in order to apply for each national licence or package of licences. The day following the receipt deadline of sealed bids, departmental officials will open the sealed bids, rank them, and provisionally award a licence or licences to the highest bidder(s).

If the highest bidder for a particular licence or block is found eligible to be the licensee, then that bidder will be required to pay an amount equal to the second highest bid or, should there be only one bidder for a particular licence, the posted reserve price.

The auction will be a single-round auction in which there will be no second round. In the event of a tie, tied bidders will be requested to enter a second sealed bid in an attempt to break the tie. Should there be a third tie, bidders will be requested to enter a third sealed bid in an attempt to break the tie, and so on until there is no tie.

6.2 Submission of Auction Bids

A completed auction bid form⁵ must be placed in a separate, sealed, opaque envelope, with only the bidder's name, complete mailing address, email address, and the name of this licensing process clearly identified on the front of the envelope, and physically delivered to the Spectrum Auctions Manager by the receipt deadline for sealed bids specified for this licensing process. The amount of each bid must reflect the amount the bidder is willing to pay for the associated licence or package of two licenses. No bids will be accepted after 5:00 p.m., EDT, on the receipt deadline for sealed bids as specified in the timetable for this licensing process. On the day of the determination of the provisional licence winners, the Department will publish on its website a listing of all bids received.

⁵ An auction bid form will be sent by e-mail to Qualified Bidders.

6.3 Determination of Provisional Licence Winners

The sealed envelopes will be opened and examined by departmental officials on the day following the receipt deadline for sealed bids and valid bids will be used to determine the provisional winning bid(s), using the rule that winners pay the bid of the second highest bidder(s). To be considered valid, a bid must be equal to or greater than the reserve price; the bid form must be completed correctly and legibly; and the bid must be submitted by a qualified bidder. Note that, in all instances where there is no second bid, the Reserve Prices noted in Section 5.6 will be considered the second highest bid.

Bids can be made as a package bid of both licences and/or on individual licences. The winning bid will be the greater of either the package or the sum of the individual licences.

If the winning bid is a package bid, the bidder will pay the greater of: (1) the bid of the second highest package; or (2) the sum of bids of the second highest combination.

If the winning bid is based on individual licences, the winning bidder(s) will pay the greater of: (1) the second highest package bid, in proportion to the individual highest bids; or (2) the amount(s) of the second highest bids on individual licences.

If there is a single bid for a particular licence and a package bid, and the single bid is greater than the package bid, the single bidder will pay the package bid minus the reserve price of the other licence, and this licence will remain unassigned.

To mitigate the possibility of a tie, bidders are encouraged not to bid in round figures. In the event of a tie, bidders involved in the tie will be requested to enter a second sealed bid in an attempt to break the tie. The Department will provide the details of the procedure to submit further bids required to break a tie to the bidders in question at that time, if required. Should there be a third tie, bidders will be requested to enter a third sealed bid in an attempt to break the tie, and so on until there is no tie.

On the day of the determination of the provisional licence winners, the Department will publish on its website a listing of all bids received, the name of the provisional licence winner(s) and the licence(s), if any, that did not receive bids. At that time, the Department will also notify the provisional winning bidder(s) and inform them of payment requirements.

The auction will be considered closed upon publication of the notification of the provisional winning bidder(s).

6.3.1 Example 1

Spectrum Licence	Reserve Price (\$)	Bidder 1's Bid (\$)	Bidder 2's Bid (\$)	Bidder 3's Bid (\$)
A	850,000	850,000	1,088,000	
B	200,000	240,000		
A + B	1,050,000	1,260,000		1,155,000

Let us assume there are three bidders. Bidder 1 wishes to win the package but, failing that, still wants the opportunity to win a single licence, so submits three bids: \$850,000 for licence A, \$240,000 for licence B and \$1,260,000 for a package of both licences. Bidder 2 submits one bid of \$1,088,000 for licence A, and Bidder 3 submits one bid of \$1,155,000 for a package of both licences. In this case, Bidder 1's package bid of \$1,260,000 is greater than Bidder 3's package bid of \$1,155,000, but the sum of Bidder 2's bid for the A licence and Bidder 1's bid for the B licence, with total bids of \$1,328,000 (\$1,088,000 + \$240,000), wins. Bidders 1 and 2 would pay the next highest bid (\$1,260,000) proportionately (i.e. Bidder 2 would pay \$1,032,289.16 ($\$1,088,000 / \$1,328,000 \times \$1,260,000$) and Bidder 1 would pay \$227,710.84 ($\$240,000 / \$1,328,000 \times \$1,260,000$)).

Note: If the proportion of the next highest bid is less than the reserve price, the payment for that bidder is set at the reserve price and the payment on the other licence will be adjusted so that the sum will equal the next highest bid of the package.

6.3.2 Example 2

Spectrum Licence	Reserve Price (\$)	Bidder 1's Bid (\$)	Bidder 2's Bid (\$)
A	850,000	1,400,000	
B	200,000		
A + B	1,050,000		1,350,000

Let us now assume there are two bidders. Bidder 1 submits one bid of \$1,400,000 for licence A, and Bidder 2 submits one bid of \$1,350,000 for the package. The reserve prices for licences A, B and A + B are \$850,000, \$200,000 and \$1,050,000 respectively. Since the bid for licence A exceeds the bid for the package, Bidder 1 wins licence A. The second price is based upon the A licence portion of the package bid, and is calculated by taking the package bid price and subtracting the reserve price of licence B. Therefore, Bidder 1 pays \$1,150,000 ($\$1,350,000 - \$200,000$). Licence B remains unsold.

6.3.3 Example 3

Spectrum Licence	Reserve Price (\$)	Bidder 1's Bid (\$)	Bidder 2's Bid (\$)	Bidder 3's Bid (\$)	Bidder 4's Bid (\$)
A	850,000				860,000
B	200,000		400,000		
A + B	1,050,000	1,260,000		1,155,000	

Let us now assume there are four bidders. Bidder 1 submits one bid of \$1,260,000 for the package, Bidder 2 submits one bid of \$400,000 for licence B, Bidder 3 submits one bid of \$1,155,000 for the package, and Bidder 4 submits one bid of \$860,000 for licence A. Bidder 1's package bid beats Bidder 3's package bid, but ties with the sum of bids placed by Bidders 2 and 4, so Bidders 1, 2 and 4 are asked to re-bid.

7. Post-auction Process

7.1 Bid Payment

Within ten business days following the close of the auction, each provisional licence winner will be required to submit payment in full (100 percent) for all the licences provisionally won. Failure by the winning bidder to make this final payment in a timely fashion will result in the licence not being issued and the bidder will be subject to the applicable forfeiture penalty (see Section 7.2, Forfeiture Penalties).

All payments must be made by certified cheque, bank draft or wire transfer, payable to the Receiver General for Canada, drawn on a financial institution that is a member of the Canadian Payments Association.

It is important to note that these bid payments for the ten-year term are in lieu of any fees fixed for the radio authorization under the *Radiocommunication Act* or any other Act.

7.2 Forfeiture Penalties

Following the auction's close, bidders who have submitted the highest bid on a licence but fail to comply with the specified payment schedule as outlined in Section 7.1, or fail to come into compliance with the eligibility requirements of the *Radiocommunication Regulations*, will forfeit their bids and will no longer be deemed to be a provisional licence holder.

In such an event, the provisional licence will be offered to the next-highest bidder, who will be able to acquire it at the bid price of the third-highest bidder or, if there is no third-highest bidder, at the reserve price for the licence in question.

The forfeiture penalty will be the difference between the price the first bidder would have paid and the ultimate highest bid in this licensing process, and must be paid by the first bidder. If there are no other bids on a particular licence, the ultimate highest bid will be deemed to be zero.

In the event of bid forfeiture, the bidder's irrevocable standby letter of credit will be drawn upon for the full amount of the interim proxy forfeiture penalty. If the interim proxy forfeiture penalty is greater than the full amount of the bidder's irrevocable standby letter of credit, combined with any partial payment, or if the letter of credit has been returned or has expired, then the difference will be owing and payable to the Receiver General for Canada.

Neither a bidder who forfeits on a licence nor any of that bidder's Affiliates and Associated Entities will be eligible to bid on the licence in any subsequent licensing process for this band.

7.3 Eligibility Documentation

Bidders who are declared provisional licence winners will be required to submit **two copies** of documentation related to their compliance with the Eligibility Criteria licence condition found in Appendix A – Licence Conditions. Documentation must be submitted by the provisional winners within ten business days of being notified that they are the winning bidders.

Industry Canada will review these documents expeditiously. The Department will then notify each provisional winner regarding compliance with the eligibility requirements. In the event that a provisional licence winner does not, in the opinion of the Department, comply with the eligibility requirements, the Department will require that the provisional licence winner make changes in order to become compliant. At any point in time, the Department may formally notify a provisional winner that outstanding documents be provided within 60 days. This would normally transpire only if a significant period of time has passed since the close of the auction. If the provisional winner fails to comply within 60 days following a formal notification by the Department, the provisional winner may be deemed ineligible to hold a licence. In such a case, licences will not be issued and the provisional winner would also be subject to the penalties outlined in Section 7.2.

7.4 Issuance of Licences

Industry Canada will issue spectrum licences to provisional winners upon completion of the following: (1) payment of the sum of their bids and the sum of their penalties, if any; and (2) a determination by the Department that the eligibility requirements have been met. If a Canadian Ownership and Control review is required, such a determination may take several months to complete depending on the complexity of the provisional winners' ownership and control structures and the responsiveness of the winners in providing any required additional documentation.

7.5 Unassigned Licences

A licence that does not receive a bid either as an individual licence or as part of a package will remain unassigned. A licence that does not receive an individual bid but is part of a non-winning package will remain unassigned.

The Department may consider making any unassigned licences available for licensing through an alternative process, which could include a re-auction at a later date following the close of the auction. The timing and form of such a process will depend on the demand for the available licences and may be preceded by a consultation process.

8. Further Information

All spectrum-related documents referred to in this paper are available on the [Spectrum Management and Telecommunications website](http://www.ic.gc.ca/spectrum) at <http://www.ic.gc.ca/spectrum>.

For further information concerning the process outlined in this document or related matters, contact:

Manager, Spectrum Auctions
Radiocommunications and Broadcasting Regulatory Branch
Industry Canada
300 Slater Street, 15th floor
Ottawa, Ontario K1A 0C8
Telephone: 613-990-8881
Fax: 613-991-3514
E-mail: spectrum.auctions@ic.gc.ca

Appendix A – Licence Conditions

1. Licence Term

This licence is issued for a ten-year term. The process for issuing licences after this term and any issues relating to renewal will be determined by the Minister of Industry following a public consultation.

2. Licence Transferability and Divisibility

The licensee may apply in writing to transfer its licence, in whole or in part (divisibility), in both the bandwidth and geographic dimensions. Departmental approval is required for each proposed transfer of a licence, whether the transfer is in whole or in part. The transferee(s) must also provide an attestation and other supporting documentation demonstrating that it meets the eligibility criteria and all other conditions, technical or otherwise, of the licence.

The Department may define a minimum bandwidth and/or geographic dimension (such as the grid cell) for the proposed transfer. Systems involved in such a transfer shall conform to the technical requirements set forth in the applicable standard.

The licensee may apply to use a subordinate licensing process.

For more information, refer to Client Procedures Circular CPC-2-1-23, *Licensing Procedure for Spectrum Licences for Terrestrial Services*, as amended from time to time.

3. Eligibility Criteria

A licensee operating as a radiocommunication carrier must comply on an ongoing basis with the eligibility criteria in Section 10(2) of the *Radiocommunication Regulations*. The licensee must notify the Minister of Industry of any change that would have a material effect on its eligibility. Such notification must be made in advance for any proposed transactions within its knowledge.

A licensee operating as a radiocommunication service provider or radiocommunication user must comply on an ongoing basis with the eligibility criteria in Section 9(1) of the *Radiocommunication Regulations*. The licensee must notify the Minister of Industry of any change that would have a material effect on its eligibility. Such notification must be made in advance for any proposed transactions within its knowledge.

For more information, refer to Client Procedures Circular CPC-2-0-15, *Canadian Ownership and Control*, as amended from time to time.

4. Displacement of Incumbents

The licensee must comply with existing and future transition policies related to the displacement of fixed systems as may be issued.

5. Radio Station Installations

While site-specific radio licences will not be required for each radio station, licensees must ensure that each radio station is installed and operated in a manner that complies with Client Procedures Circular CPC-2-0-03, *Radiocommunication and Broadcasting Antenna Systems*, as amended from time to time.

6. Provision of Technical Information

When Industry Canada requests technical information on a particular station or network, the information must be provided by the licensee according to the definitions, criteria, frequency and timelines specified by the Department. For more information, refer to Client Procedures Circular CPC-2-1-23, *Licensing Procedure for Spectrum Licences for Terrestrial Services*, as amended from time to time.

7. Compliance with Legislation, Regulations and other Obligations

The licensee is subject to, and must comply with, the *Radiocommunication Act*, the *Radiocommunication Regulations* and the International Telecommunication Union's *Radio Regulations* pertaining to its licensed radio frequency bands. The licence is issued on condition that the certifications made in relation to this licence are all true and complete in every respect. The licensees must use the assigned spectrum in accordance with the *Canadian Table of Frequency Allocations* and the stated spectrum policy.

8. Technical Considerations

The licensee must comply on an ongoing basis with the technical aspects of the appropriate Radio Standards Specifications and Standard Radio System Plans, as amended from time to time.

9. International and Domestic Coordination

The licensee must comply with the current and future agreements established with other countries. While frequency assignments are not subject to site licensing, the licensee may be required to furnish all necessary technical data for each relevant site.

The licensee will use its best efforts to enter into mutually acceptable sharing agreements that will facilitate the reasonable and timely development of their respective systems, where applicable, and to coordinate with other licensed users in Canada and internationally, where applicable.

10. Lawful Interception

Licensees operating as radiocommunication carriers and using this spectrum for circuit-switched voice telephony systems must, from the inception of service, provide for and maintain lawful interception capabilities as authorized by law. The requirements for lawful interception capabilities are provided in the *Solicitor General's Enforcement Standards for Lawful Interception of Telecommunications* (Rev. Nov. 95). These standards may be amended from time to time.

The licensee may request the Minister of Industry to forbear from enforcing certain assistance capability requirements for a limited period. The Minister, following consultation with Public Safety Canada, may exercise the power to forbear from enforcing a requirement or requirements where, in the opinion of the Minister, the requirement is not reasonably achievable. Requests for forbearance must include specific details and dates indicating when compliance to the requirement can be expected.

11. Research and Development (R&D)

All licensees operating as radiocommunication carriers must invest, as a minimum, two percent of their adjusted gross revenues resulting from their operations in this spectrum averaged, over the ten-year term of the licence, in eligible research and development activities related to telecommunications. Eligible research and development activities are those which meet the definition of scientific research and experimental development adopted in the *Income Tax Act*. Adjusted gross revenues are defined as total service revenues, less inter-carrier payments, bad debts, third-party commissions, and provincial and goods and services taxes collected. Businesses with less than five million in annual gross operating revenues are exempt from research and development expenditure requirements, except where they have affiliations with licensees that hold other licences with the research and development condition of licence and where the total annual gross revenues of the affiliated licensees are greater than five million.

To facilitate compliance with this condition of licence, the licensee should consult the Department's *Guidelines for Compliance with the Radio Authorization Condition of Licence Relating to Research and Development* (GL-03).

12. Mandatory Antenna Tower and Site Sharing

The licensee must comply with the mandatory antenna tower and site sharing requirements set out in Client Procedures Circular CPC-2-0-17, *Conditions of Licence for Mandatory Roaming and Antenna Tower and Site Sharing and to Prohibit Exclusive Site Arrangements*, as amended from time to time.

13. Implementation of Spectrum Usage

Two years prior to the end of the licence term, the licensee must demonstrate implementation of stations covering 75% of Canadian air routes. Any deployment below 75% or using another indicator will be taken into consideration by the Department in determining whether to renew the licence in whole, in part or not at all and will be addressed in the renewal consultation.

14. Annual Reporting

The licensee must submit an annual report for each year of the licence term, including the following information:

- a statement indicating continued compliance with all conditions of licence;
- an update on the implementation and spectrum usage within the area covered by the licence;
- existing audited financial statements with an accompanying Auditor's Report;
- a report of the Research and Development Expenditures for licensees operating as radiocommunication carriers whose annual gross operating revenues exceed five million (the

Department reserves the right to request an audited Statement of Research and Development expenditures with an accompanying Auditor's Report);

- supporting financial statements where licensees are claiming an exemption based on an annual gross revenue of less than five million; and
- a copy of any existing corporate annual report for the licensee's fiscal year with respect to the authorization.

The reports are to be submitted, in writing, to Industry Canada at the address below within 120 days of the licensee's fiscal year-end. Where a licensee holds multiple licences, the reports should be broken down by service area. Confidential information provided will be treated in accordance with Section 20(1) of the *Access to Information Act*.

Manager, Emerging Networks
Radiocommunications and
Broadcasting Regulatory Branch
Industry Canada
300 Slater Street, 15th floor
Ottawa, Ontario
K1A 0C8

15. Amendments

The Minister of Industry continues to have the power to amend the terms and conditions of spectrum licences (paragraph 5(1)(b) of the *Radiocommunication Act*).

Appendix B – Checklist of Forms

Did you remember to complete and enclose each of the following documents?

- Application Form
 - Deed of Acknowledgement (Attachment A)
 - Beneficial Ownership information (Part I, Section 8 of Application Form)
 - Pre-auction deposit (refer to Attachments B and C)
 - Declaration Ownership and Control or Declaration of Eligibility (refer to Attachment D or E)

The documents can be obtained on Industry Canada's [Spectrum Management and Telecommunications website](http://www.ic.gc.ca/spectrumbauctions), at <http://www.ic.gc.ca/spectrumbauctions>.

Important Note:

It is in the interest of applicants to seek independent legal, financial and engineering advice before deciding to participate in this auction. Furthermore, applicants are urged to familiarize themselves with the provisions contained in the following documents:

- *Radiocommunication Act*
- *Radiocommunication Regulations*
- *Framework for Spectrum Auctions in Canada*
- *Canadian Ownership and Control (CPC-2-0-15)*
- *Telecommunications Act*
- *Canadian Telecommunications Common Carrier Ownership and Control Regulations* and
- *Competition Act* (see, in particular, Sections 45 (conspiracy) and 47 (bid-rigging)).

The Department reserves the right to request additional information on the present application. The following are to be physically delivered to the address below **by 5:00 p.m. EDT on the receipt deadline for applications to participate in the auction**, in a form acceptable to the Department: application form; *Deed of Acknowledgement*; any other associated document that may be required (as per the instructions provided on the various forms); and accompanying financial deposit, which must be an irrevocable standby letter of credit (see Attachments C and D of the Application Form).

Manager, Spectrum Auctions
Radiocommunications and
Broadcasting Regulatory Branch
Industry Canada
300 Slater Street, 15th floor
Ottawa, Ontario K1A 0C8