

Innovation Salon/ Salon de l'innovation
Spectrum Auctions: Innovation in Regulation
Industry Canada

Mike Connolly

Innovation Journal Salon Volume 7 Issue 3 2004

<http://www.innovation.cc/salon.htm>

Monday, February 23, 2004

Location Courtyard Restaurant, 21 George, 241-1516

(Details of location below)

5:30 to 9:00 pm

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The radio frequency spectrum is a limited public resource that everyone uses. Both private users and wireless communication suppliers require spectrum, which allows for television and radio broadcasting, cellular, and PCS phones, mobile dispatch, wireless cable, wireless broadband access, satellite television, air and navigation, and a host of other applications.

Industry Canada is responsible for managing this resource and ensuring that this variety of uses co-exists compatibly. Given the scarce nature of this resource, demand for access often exceeds supply. Like many other administrations until recently, the Department had typically used a comparative review process to award licenses where the supply of spectrum was insufficient to satisfy the demands of potential users. The subjective nature of this process has led to many in the telecommunications industry to refer to it as a “beauty pageant”.

A spectrum auction is more a market-based tool that the Department has recently introduced to award licenses when demand for spectrum exceeds supply. Spectrum auctions allow the government to identify the companies who value the spectrum the most and who put that spectrum to its most efficient use. Auctions are also procedurally efficient and provide a means for taxpayers to be compensated for the use of a public resource. The process is open, objective and the auction rules can be designated to achieve public policy objectives. Some details about the auction can be found in *The Innovation Journal* (see below).

Industry Canada has conducted two spectrum auctions in 1999 and 2000 that have garnered high praise from participants, a number of awards for the auction team and over \$1.6 billion for the Canadian public. This Innovation Salon discussion will explore the policy, regulation and technological innovations that made this success story happen.

Cost: \$10 to cover expenses. Persons cancelling less than 24 hours before the meeting will be charged the registration fee.

Registration: For more information and RSVP by Monday, October 27th to:
Eleanor Glor, ph. 1-613-941-2680; email: eglor@magma.ca

Location: The Courtyard Restaurant, 21 George, 241-1516 is in the Byward Market, in the first block East of Sussex, North of The Bay and Chapters, in a courtyard on the North side of George.

About the Author:

Mike Connolly, is Senior Director, Spectrum Management Operations, with Industry Canada

This information is also available in The Innovation Salon Schedule, published on Internet in the *Innovation Journal* under Salon at: <http://www.innovation.cc/salon.htm>