

1 Q. **Ref: NLH Mobile Radio System Summary of Findings, p. 5.** Has Hydro
2 concluded an agreement with Industry Canada regarding sharing of the
3 proposed VHF MRS with DTW and Newfoundland Power? If so, please
4 provide a copy of the agreement.

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7 A. Yes, Hydro has concluded an agreement with Industry Canada relating to
8 sharing of the VHF MRS. Please see the attached.



Industry Canada

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Industrie Canada

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Your file Votre référence

Our file Notre référence

0800-23250

December 31st, 2003

Mr. Norman Cook, P. Eng.,
Custom Systems Electronics Ltd.
P O Box 13610
St. John's NL A1B 4G1

Dear Mr. Cook;

Re: NL Hydro Mobile Radio and Microwave Sharing

This has reference to our recent phone calls and e-mails regarding our department's policy on permitting Newfoundland and Labrador Hydro to jointly share its Mobile Radio and Microwave backhaul facilities with both the Provincial Government's Department of Works, Services and Transportation and Newfoundland Power Inc.

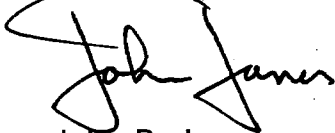
As discussed during our telephone conversation, the proposed system could be licensed in either one of following three categories depending on the circumstances. If Hydro wants to provide services to these other parties on a for-profit basis and is connected to the public switched network, then the system must be licensed as a **Radiocommunication Carrier**. It should be noted, if Hydro decided to go this route then it would be subject to Canadian ownership and control requirements. Another option we discussed is to licence Hydro as a **Radiocommunication Service Provider**. Here, again, providing service to another individual or company for compensation is the issue. *In both these situations the licensee shall provide its radiocommunication services without discrimination, even to other radio users, if so requested.* As I understand this is just what Newfoundland and Labrador Hydro wants to avoid, in order to limit and control the number of users to the present three parties.

- 2 -

The third solution, and what appears to be the best, would be to have the three parties set up a non-profit partnership and licence their radio system as a **Radio Communication User**. Of course, a formal agreement would have to be set up, similar to the one that was signed on November 12th, 1993, between Newfoundland and Labrador Hydro and the Department of Works, Services and Transportation. Such an agreement would have to set out all the provisions for joint use and cost sharing of Hydro's Mobile Radio and Microwave System. Also, specific emphasis would have to be placed on Hydro not receiving any compensation or profits from such a venture and, of course, the "not for profit partnership" would have to hold the licenses.

Should you wish to discuss this matter further, contact me at 709-772-5951 or by e-mail at janes.john@ic.gc.ca.

Yours truly,

A handwritten signature in black ink, appearing to read "John Janes", written over a horizontal line.

John P. Janes
A/ District Director
Newfoundland & Labrador

JPJ/dlm