



## **Greater Toronto Airports Authority**

Lester B. Pearson International Airport  
P.O. Box 6031, 3111 Convaire Drive  
Toronto ONT, Ontario, Canada L5P 1B2

Tel 416-776-3344

Fax 416-776-3339

June 19, 2002

**Louis A. Turpen**

President and Chief Executive Officer

### ***Transmitted Via Facsimile***

Mr. George Cope, President & CEO

***Telus Mobility/416-279-3900***

Mr. Michael Newman, President & COO

***Bell Mobility/905-282-3553***

Mr. Nadir Mohamed, President & CEO

***Rogers Wireless Inc./416-935-7942***

Mr. Alain Rheume, President & CEO

***Microcell SCP/514-846-7445***

Gentlemen:

We have been provided the courtesy of a copy of a letter dated June 18<sup>th</sup> from the Canadian Wireless Telecommunications Association to Hon. David Collenette, P.C., M.P., Minister of Transport.

We are incredulous that you suggest that you did not know that this matter had concluded at the close of business, Friday, June 14<sup>th</sup>. Attached is a copy of the letter in that regard, specifying the timelines, sent to your individual companies immediately after our meeting on May 16<sup>th</sup>.

With respect to our press release, we are surprised that you are surprised that we would notify the travelling public of a further degradation of limited service. Our understanding is that while you were prepared to pay \$100,000 each you were only willing to pay 80% of the *carrying cost* of the capital required to support the public areas of the airport. You further proposed that approximately \$5 million of capital should be provided by the Airport Authority with a zero contribution from yourselves to assure full cellular coverage at Pearson.

I also must take issue with respect to a "significant revenue stream" which you currently provide to the GTAA. I am not sure which metric you would consider \$83,000 (the total amount we receive from all cellular companies) as "significant" when compared to your combined 2001 revenues of almost \$6 billion. It is unfortunate that CWTA has sought to introduce itself after our negotiations had concluded. Had they been more actively involved, their letter would have been more accurate.

In this entire process, it has been the Airport Authority that has provided the only creative solutions to move us to a point where we could adequately service the travelling public with a reasonable concession arrangement to the Airport Authority and in a manner which would

Wireless Companies  
June 19, 2002  
Page 2



minimize the financial exposure to your companies. I view the CWTA letter as an extremely poor recitation of the history surrounding our efforts.

To allay any confusion in your mind, I will reiterate that in line with previous correspondence, your licenses are terminated commencing June 30 of this year.

Yours truly,  
GREATER TORONTO AIRPORTS AUTHORITY

Louis A. Turpin  
President & Chief Executive Officer



## Greater Toronto Airports Authority

Lester B. Pearson International Airport  
P.O. Box 6031, 3111 Convair Drive  
Toronto AMF, Ontario, Canada L5P 1B2

Tel 416-776-3344

Fax 416-776-3339

**Louis A. Turpen**

President and Chief Executive Officer

June 20, 2002

Honourable David Collenette  
Minister of Transport  
Transport Canada  
Place De Ville, Tower C, 29<sup>th</sup> Floor  
330 Sparks Street  
Ottawa, ON K1A 0N5

Dear Minister Collenette:

With reference to the recent correspondence from the Canadian Wireless Telecommunications Association, I enclose the letter I sent to the Presidents of the four companies, (Telus, Bell, Rogers and Microcell) and I feel you should have the benefit of our view of the events.

Our negotiations with the companies began almost 18 months ago. We advised the four companies that the Greater Toronto Airports Authority (GTAA) needed delivery of excellent wireless service across the airport campus and we would be looking for changes, as their existing licenses would expire through 2002. The GTAA took this action due to strong feedback from our passenger surveys indicating very inadequate and unreliable service especially in the terminals. We believed a "Neutral Host" technical solution was the best option for all and we intended to appoint a separate Wireless Manager to make the detailed arrangements.

For much of 2001 our approaches fell on deaf ears. In December, when we learnt an approach had been made to your office suggesting the GTAA was interfering with the cellular operators' business, we arranged a meeting with the four companies in early January 2002.

At that meeting, there was a good exchange of views resulting in agreement to not use a Wireless Manager ensuring their fee cost would not be a revenue burden on the industry as a whole. We also set up a joint team to establish a design for the Neutral Host. This would have saved the carriers' capital costs by having one technical infrastructure to which all players, including the GTAA, would contribute equally.

To enable the subsequent discussions to take place harmoniously, the GTAA extended the license termination dates twice at no extra charge to the cellular companies. We did advise them, in writing, that the last extension was final and that we needed consensus on the way ahead by close of business June 14, 2002.

Hon. Minister Collenette  
June 20, 2002  
Page 2



By that date, there was agreement on the technical solution and the amount of rent (\$100,000 each) that would give them access over the Neutral Host, to 28 million passengers per annum, twice that number of "meeters and greeters" and about 15,000 employees.

Throughout our negotiations one fact has remained clear, namely, the four companies' refusal to spend the necessary capital to provide a comprehensive service. Their capital estimate is approximately \$5 million to provide service to what they regard as public areas (the new Terminal in part, Terminals 2 & 3). They will not provide a comprehensive service to the Infield Terminal at all and many other places would be outside their intended catchment area. Despite wanting to be referred to as "mobility" companies rather than wireless or cellular companies, their stated position is that they are happy to have their customers walk to wherever they can in order to obtain a signal.

The cellular companies' proposal is for the GTAA to provide all of the capital for the estimated \$10 million Neutral Host for airport wide coverage. The companies would pay 80% of the cost of borrowing half that money over a 5 or 10 year period.

I do not believe their claimed "significant revenue stream" for the GTAA, currently \$83,000 in total, is sensible compared to their gross revenues last year of \$5.9 billion.

Agreement was not reached and accordingly their licenses will expire starting from June 30<sup>th</sup>. The last license (Microcell) concludes in September.

Yours truly,

GREATER TORONTO AIRPORTS AUTHORITY

Louis A. Turpen  
President & Chief Executive Officer

Copy: Hon. John Manley, Deputy Prime Minister, Minister of Finance & Minister of Infrastructure  
Hon. Allan Rock, Minister of Industry  
Mr. Louis Ranger, Deputy Minister of Transport  
Mr. Ronald Bilodeau, Associate Secretary to the Cabinet & Deputy Minister to the DPM  
Mr. V. Peter Harder, Deputy Minister of Industry  
Mr. Peter Barnes, President & CEO, Canadian Wireless Telecommunications Association  
Mr. Michael Newman, President & COO, Bell Mobility  
Mr. George Cope, President & CEO, Telus Mobility  
Mr. Nadir Mohamed, President & CEO, Rogers Wireless Inc.  
Mr. Alain Rheaume, President & CEO, Microcell Telecommunications