

Mail Stop 6010

September 16, 2005

Via U.S. Mail and Facsimile to (403) 295-4901

Werner Gartner
Principal Financial Officer
Novatel, Inc.
1120 - 68th Avenue N.E.
Calgary, Alberta, Canada
T2E 8S5

Re: Novatel Inc.
Form 20-F for the Year Ended December 31, 2004
Filed May 24, 2005
File No. 000-29004

Dear Mr. Gartner:

We have reviewed your response and have the following comments.

We have limited our review to only your financial statements and related disclosures and will make no further review of your documents. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure.

After reviewing this information, we may raise additional comments.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comments or on any other aspect of our review. Feel free to call us at the telephone numbers

listed
at the end of this letter.

Form 20-F for the Fiscal-Year Ended December 31, 2004

Note 2 Significant Accounting Policies, page F-8

n) Investment Tax Credits, page F-11

1. Please refer to prior comment 2. We note your response which appeared to appropriately address our concern related to the events that occurred which lead to the recognition of the investment tax credits. However, your response did not reference any authoritative U.S. generally accepted accounting principles which support your presentation of the investment tax credits as a separate line item in the non-operating section of your statement of operations. Furthermore, since no asset was acquired in the generation of the investment tax credits, it appears that the option of treating the credit as a reduction of Federal income taxes of the year in which the credit arises (as discussed in and permitted by paragraph 10 of APB 4) would be appropriate in your situation. Accordingly, in future filings please present the investment tax credit as a reduction of your federal income taxes in your U.S. generally accepted accounting principles disclosures in Note 22. Also, please discuss and quantify the accounting and presentation differences between U.S. and Canadian generally accepted accounting principles for this matter in Note 22. Alternatively, please tell us the authoritative literature under U.S. generally accepted accounting principles which supports your current

presentation.

As appropriate, please respond to these comments within 10 business days or tell us when you will provide us with a response. Please furnish a cover letter with your response that keys your responses to our comments and provides any requested information. Detailed cover letters greatly facilitate our review. Please file your cover letter on EDGAR. Please understand that we may have additional comments after reviewing your responses to our comments.

You may contact Kevin Kuhar, Staff Accountant, at (202) 551-3662 or me at (202) 551-3603 if you have questions regarding these comments. In this regard, do not hesitate to contact Angela Crane, Branch Chief at (202) 551-3554.

Sincerely,

Jay Webb
Reviewing Accountant

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Novatel, Inc.
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