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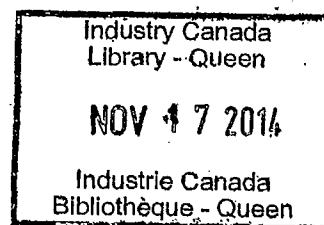
Industrie
Canada

RP-022
June 2001

Spectrum Management and Telecommunications Policy

Radio Systems Policy

Microwave Licensing Policy Framework



Canada

Aussi disponible en français - PR-022

INDUSTRY CANADA

RADIOCOMMUNICATION ACT

Notice No. DGTP-006-01 — Microwave Licensing Policy Framework

The purpose of this Notice is to announce an encompassing policy, under the above title, which further liberalizes and streamlines the application and approval processes for microwave radio relay systems. The new policy applies to microwave radio systems generally licensed on a first-come, first served basis.

Industry Canada released a policy consultation paper on April 8, 2000, under Canada Gazette Notice DGTP-005-00, setting out proposals respecting the liberalization of microwave radio system licensing. The Department received a number of responses that were supportive of the direction of the proposals contained in the consultation paper.

This new policy framework replaces three existing radio systems policies established during the 1980s and the 1990s and better reflects the current regulatory environment of open competition and greater choice in transmission facilities to Canadian business. The Department believes the policy will improve the licensing process for the installation and operation of microwave facilities for the carriage of private and commercial traffic.

The radio systems policy entitled *Microwave Licensing Policy Framework* is available electronically via the Internet at the following address:

World Wide Web (WWW)
<http://strategis.gc.ca/spectrum>

or can be obtained in hard copy, for a fee from: **Tyrell Press Ltd.**, 2714 Fenton Road, Gloucester, Ontario K1T 3T7, email: sales1@tyrellpress.ca, 1-800-267-4862 (Canada toll-free telephone), 1-800-574-0137 (United States toll-free telephone), (613) 822-0740 (Worldwide telephone), (613) 822-1089 (Facsimile); and **DLS, St. Joseph Print Group**, 45 Sacré-Coeur Boulevard, Hull, Quebec K1A 0S7, 1-888-562-5561 (Canada toll-free telephone), 1-800-565-7757 (Canada toll-free facsimile), (819) 779-4335 (Worldwide telephone), (819) 779-2833 (Worldwide facsimile).

June 1, 2001

Michael Helm
Director General
Telecommunications Policy Branch

1. Intent

The purpose of this policy document, announced in Gazette Notice DGTP-006-01, is to make changes to further liberalize and streamline Industry Canada's existing policies pertaining to the licensing of microwave radio facilities¹.

This policy document entitled *Microwave Licensing Policy Framework* (RP-022) replaces the following three policies:

- *Microwave Licensing Policy Respecting Carriage of Program Signals to Broadcasting Undertakings* - Radio Systems Policy 015 (RP-015), issued in 1983;
- *Policy for Licensing Intercity Radio Facilities* - Radio Systems Policy 017 (RP-017), last modified in 1994; and
- *Radio Licensing Policy for Limited Area Radio Systems* - Radio Systems Policy 018 (RP-018), last modified in 1995.

2. Introduction

In April 2000, Industry Canada published the discussion paper *Proposed Changes to Existing Policies Respecting the Licensing of Microwave Radio Facilities*, announced in Gazette Notice DGTP-005-00, setting out proposals to further liberalize and streamline existing policies pertaining to the establishment of microwave radio facilities in Canada. The Department believed it timely to seek comment on the direction for further liberalization of these policies. The initiative included a review of three microwave radio policies, proposals for amending each, followed by a proposal to consolidate all three policies into a single policy framework pertaining to licensing microwave radio systems.

Industry Canada received 5 responses to the discussion paper. These responses covered a range of issues. There was substantial support for the direction of liberalization and consolidation of the policies into a single policy framework. Some diverse views were expressed on a limited number of issues.

As a result of the public consultation and further discussion with stakeholders, Industry Canada is releasing this policy, which sets out a single policy framework for licensing of microwave radio facilities under a first-come, first-served licensing process. As part of the policy framework, the Department will retain four core principles outlined below.

¹ Microwave radio facilities, for the purpose of this document, generally refer to fixed radio systems operating on frequencies above 960 MHz and licensed using a first-come, first-served process.

3. Licensing Policy

An objective of this policy is to provide an efficient and streamlined policy framework for licensing microwave radio facilities using a first-come, first-served process. The new policy framework has to meet the evolving needs of microwave operators, users and consumers and has to align with the policy and regulatory environment which promotes open competition in telecommunications and broadcasting distribution. Another objective of this policy is to provide microwave applicants and existing licensees with increased flexibility to establish microwave radio facilities, and to increase the use of existing facilities. These objectives will be accomplished while maintaining good spectrum management principles. The following sections list the core principles of the policy framework and describe the specific provisions contained within this policy.

3.1 Core Licensing Policy Principles

As part of this policy framework, the Department retains the following four core principles for good and efficient spectrum management.

Core Principles:

(i) Eligibility: anyone eligible to hold a radio licence in Canada, under section 9 of the *Radiocommunication Regulations*, may apply for a radio licence to operate microwave radio facilities. Generally, either of two types of radio licence will be issued: a radiocommunication user² licence or a radiocommunication carrier³ licence. Canadian control and ownership requirement as stated in *Radiocommunication Regulations*, Section 10(2) will apply for radio facilities operated under a radiocommunication carrier licence;

(ii) Radio facility requirements: as a minimum, an applicant would need to show the public interest and/or convenience and necessity to be served by the establishment of the new microwave radio facilities; and would need to meet the requirements of relevant spectrum policies, regulations, standards, and the licensing process, within the oversight of the *Radiocommunication Act*, to ensure the orderly and efficient development of radiocommunication;

(iii) Need to meet regulatory requirements: radio authorizations issued for microwave radio facilities operated as a radiocommunication carrier will be done without prejudice to any requirement prescribed by the CRTC under the *Telecommunications Act*; and, for facilities providing distribution of broadcasting services, this is done without prejudice to

2. A "radiocommunication user" is defined in the *Radiocommunication Regulations*, Section 2, as a person who operates radio apparatus for personal or government use or for a business other than the business of a radiocommunication service provider.

3. A "radiocommunication carrier" is defined in the *Radiocommunication Regulations*, Section 2, as a person who operates interconnected radio-based transmission facility used by that person or another person to provide radiocommunication services for compensation.

any requirement prescribed by the CRTC under the *Broadcasting Act*; and

(iv) **Licensing process:** applications falling under this policy will generally be considered under a first-come, first-served licensing process. The policy document *Guidelines for Licensing Process and Spectrum Release Plan* (RP-020) provides guidance on microwave spectrum resources and situations normally using a first-come, first-served licensing process.

3.2 Provisions for a Microwave Licensing Policy Framework

The Department believes that progress in opening competition in the offerings of telecommunications and broadcasting distribution services supports the full liberalization and streamlining of its three microwave radio licensing policies into a single policy framework. This will foster greater competition and diversity of microwave radio facilities for the carriage of private traffic for personal/private use and the carriage of commercial traffic to the public for compensation. A more open microwave licensing policy regime can be implemented while maintaining good spectrum management principles and meeting legislative and policy objectives.

The Department recognizes the benefits of providing full flexibility for any microwave licensee, such as, private companies, public utilities, railways, existing and new radiocommunication carriers and others, to establish local or intercity microwave facilities for the carriage of private or commercial traffic. The microwave licensing policies RP-017 and RP-018, which differentiated between intercity and limited local area radio systems and were useful prior to the introduction of local exchange competition, are no longer necessary since full competition exists in all segments of the Canadian telecommunications service industry. Therefore, the Department will consider applications for radio facilities to carry private traffic, or commercial traffic, or any combination thereof, based mainly on the core principles set out in section 3.1. This flexibility will equally be available to licensees applying to modify their existing radio licences.

Full competition in the broadcast distribution industry has been introduced. Canadians in many parts of the country have a number of choices for receiving broadcast programming, including cable distribution, multipoint distribution systems (MDS) and direct-to-home/direct broadcast satellite (DTH/DBS). Telecommunications carriers and cable operators may seek the approval of the CRTC to compete in each others' core services, in broadcasting distribution and local telecommunications access.

The use of microwave radio facilities for the carriage of broadcasting programming signals, to cable system head-ends and to other broadcasting distribution undertakings, has changed greatly in the past 10 year; delivery via satellite has increased, fibre optic systems have replaced several very high capacity microwave (VHCM) radio facilities, and consolidation in the cable television industry has resulted in decreased sharing of VHCM facilities between broadcasters. The Department recognizes, however, that a limited number of small independent cable operators continue to access shared-use VHCM facilities, on a non-profit basis, from larger cable licensees to economically secure local and distant programming signals.

Against this backdrop, the role of the *Microwave Licensing Policy Respecting Carriage of Program Signals to Broadcasting Undertakings* (RP-015) as a means to advance broadcasting objectives has been greatly diminished.

In the consultation paper, the Department also sought comments on how to treat licensees/applicants who have preferred access to spectrum to develop microwave radio systems based on the critical nature of their operations. For example, in *Technical Requirements for Fixed Line-of-Sight Radio Systems Operating in the Band 7125 - 7725 MHz*, Standard Radio Systems Plan 307.1 (SRSP-307.1), electric power utilities have been granted preferred access to use some spectrum (radio channels) in the frequency band 7125-7725 MHz (7 GHz) for critical circuits to support the operation of power generating plants and high voltage transmission lines. The Department recognizes that there continues to be a need by power utilities for preferred access to spectrum, as well as to carry commercial traffic to maximize the use of their radio systems.

3.2.1 Decisions

The Department is taking the following steps to formulate a common microwave licensing policy framework:

- (a) Any applicants eligible to hold a licence, in accordance with section 9 of the *Radiocommunication Regulations*, can apply to develop and operate microwave radio facilities and these applications will be assessed against the core principles set-out in section 3.1. The Department will no longer make a distinction between limited area and intercity radio facilities under the *Policy for Licensing Intercity Radio Facilities - Radio Systems Policy 017* (RP-017) and the *Radio Licensing Policy for Limited Area Radio Systems* (RP-018). These two policies are being rescinded and replaced by this **Microwave Licensing Policy Framework (RP-022)**.

Operators of microwave radio facilities carrying only private traffic would be licensed as radiocommunication users.

Operators of microwave radio facilities carrying commercial traffic would generally be licensed as radiocommunication carriers. These licensees would continue to be subject to the Canadian ownership and control requirements, as prescribed under the *Radiocommunication Regulations*, and to any regulatory requirements that may be imposed by the CRTC under the *Telecommunications Act*.

- (b) Considering the increasingly competitive nature of broadcasting distribution undertakings and the number of transmission alternatives to providing program carriage, the Department is, hereby, liberalizing the use of microwave radio facilities licensed to broadcasters for the carriage of program signals and other telecommunications services.

The obligation for broadcasters to share, on a non-profit basis, new microwave radio facilities and/or programming signals with other broadcasters is hereby being removed. The following requirements also cease to apply for broadcasters who file applications for new microwave

radio facilities: (1) to solicit potential interest among other broadcasters through a public notice, and (2) to accept the obligations to enter into a non-profit sharing arrangement through a Declaration of the Application.

The Department is grandfathering, until April 1, 2004 existing microwave licensees who have entered into sharing agreements under the Declaration of Applicants. These licensees will be required to continue to share facilities and program signals, on a non-profit basis until the above date. However, these licensees may apply to the Department to operate their microwave facilities on a commercial basis before April 1, 2004 provided existing sharing arrangements have been mutually addressed. Existing microwave licensees will be required to submit proof to the Department to this effect, prior to being permitted to operate on a commercial basis.

With the above provisions in place, the *Microwave Licensing Policy Respecting Carriage of Program Signals to Broadcasting Undertakings*, Radio Systems Policy 015 (RP-015), is being rescinded and replaced by this **Microwave Licensing Policy Framework (RP-022)**.

Nevertheless, the Department continues to encourage the efficient use of spectrum through the cooperative use of common microwave radio facilities for the carriage of program signals of mutual interest, and by the adoption of digital technology and compression by existing operators and new applicants.

(c) The Department will continue to recognize the electric power utilities' preferred access to parts of the 7125-7725 MHz (7 GHz) microwave band for the carriage of critical telemetry, control and protection circuits, as per *Revisions to Microwave Spectrum Utilization Policies in the Range of 1-20 GHz*, Standards Utilization Policy 1-20 GHz (SP 1-20 GHz).

Under this policy framework, the Department will consider applications for new systems for preferred access to parts of the 7 GHz for the carriage of a combination of critical private circuits and spare capacity for commercial traffic. Licensees operating existing systems will be permitted to utilize spare capacity on their preferred access channels to carry commercial traffic. However, applicants and licensees will not be permitted to use preferred access channels for the purpose of only carrying commercial traffic.

Licensees who require additional spectrum in this band will be required to meet the requirements in Spectrum Utilization Policy 1-20 GHz, as well as the Standard Radio Systems Plans 307.1 (SRSP-307.1), with respect to preferred access. This may include the redistribution of private/public traffic on existing channels.

As mentioned previously, operators of microwave radio facilities carrying commercial traffic would generally be licensed as radiocommunication carriers and would be subject to the Canadian ownership and control requirements.

4.0 Implementation

This **Microwave Licensing Policy Framework, RP-022**, becomes effective on the date of its release. The Department will update and streamline the associated *Application Procedures For Planned Radio Stations above 960 MHz in the Fixed Service*, Radio Standards Procedure 113 (RSP-113), to align with the new *Microwave Licensing Policy Framework*.

5.0 Relevant Documents

- Radiocommunication Act (RA)
- Radiocommunication Regulations (RR)
- Spectrum Policy Framework for Canada
- Guidelines for Licensing Process and Spectrum Release Plan (RP-20)
- Standards Utilization Policy 1-20 GHz (SP 1-20 GHz), Revisions to Microwave Spectrum Utilization Policies in the Range of 1-20 GHz
- Radio Standard Procedure 113 (RSP-113), Application Procedures for Planned Radio Stations above 960 MHz in the Fixed Service,
- Standard Radio Systems Plan 307.1 (SRSP-307.1), Technical Requirements for Fixed Line-of-Sight Radio Systems Operating in the Band 7125-7725 MHz,
- Proposed Changes to Existing Policies Respecting the Licensing of Microwave Radio Facilities

Issued under the authority of the Radiocommunication Act

Michael Helm
Director General
Telecommunications Policy Branch

