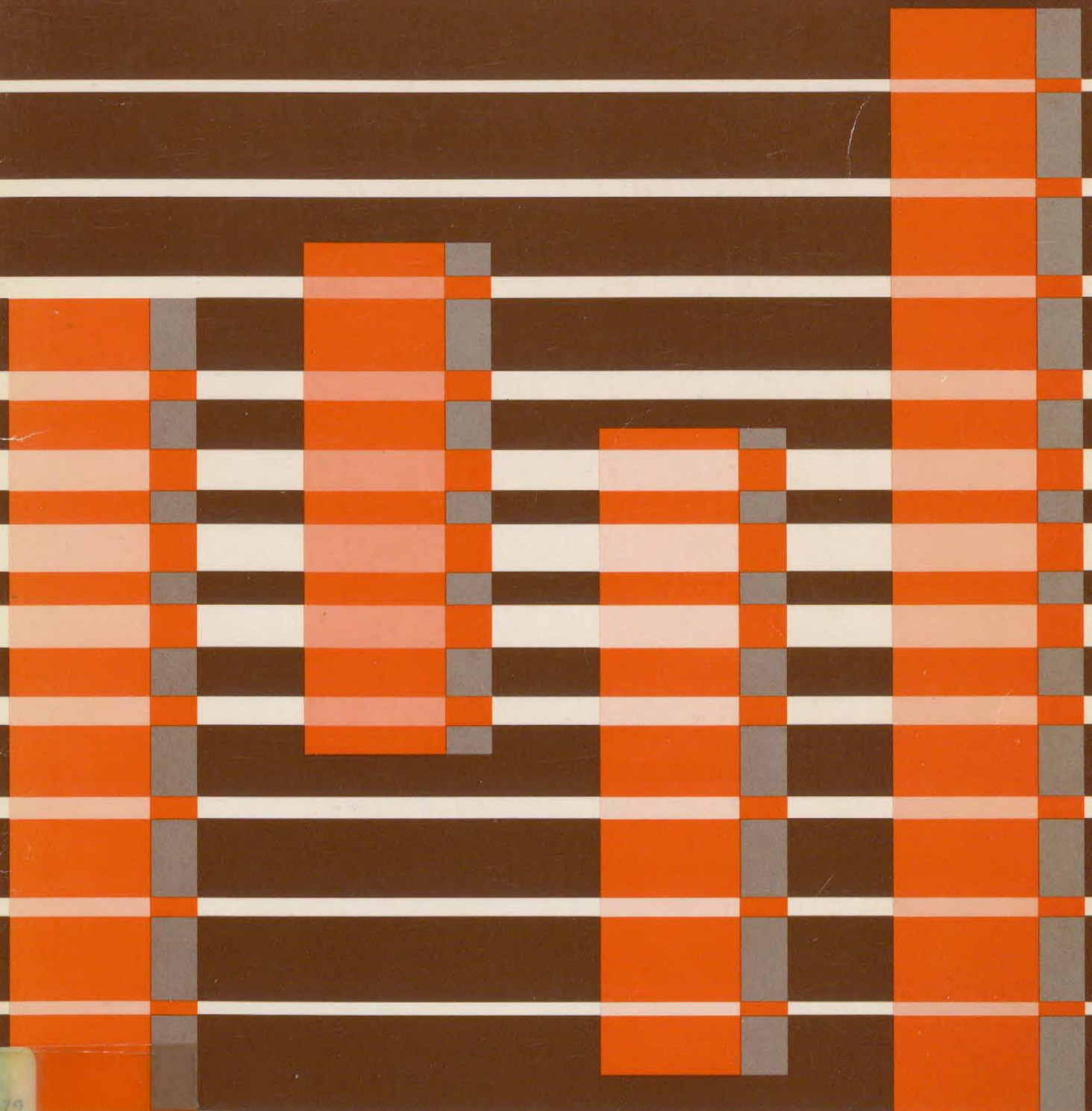


Discussion paper on non-broadcasting radio licence fees in Canada



HE 8699 79  
C2  
D583  
1984



Government of Canada  
Department of Communications

Gouvernement du Canada  
Ministère des Communications

Canada

HE  
8699  
C2  
D583  
1984

TABLE OF CONTENTS

PAGE

Foreword

Abstract

7

DISCUSSION PAPER ON  
NON-BROADCASTING RADIO LICENCE FEES  
IN CANADA =

Industry Canada  
LIBRARY  
JUN 09 1999  
BIBLIOTHEQUE  
Industrie Canada

COMMUNICATIONS CANADA  
MAY 23 1985  
LIBRARY - BIBLIOTHÈQUE

## TABLE OF CONTENTS

	<u>PAGE</u>
Foreword	i
Abstract	i
1. Introduction	1
2. Funding the Government's Spectrum Management Role	4
3. Fee Structure Considerations	8
4. Interim Measures	10
5. Procedural Matters	11
Appendix A Further Notes on the Spectrum Management Process	
Appendix B Notice published in the Canada Gazette, March 1984 (DGTR Notice-002-82)	
Appendix C Notice published in the Canada Gazette, March 1984 (DGTR Notice-010-84)	

## **FOREWORD**

Since 1914, licences for the use of the radio spectrum have been issued in Canada as one of the basic elements in ensuring the orderly, effective and efficient development of radiocommunications. The cost of spectrum management has been borne, in various proportions by the licensed users of the spectrum through licence fees and by Canadian taxpayers through general taxation. For a number of reasons, outlined in the main body of this paper, it is now appropriate to conduct a formal and in-depth review of the whole question of radio station licence fees.

Consequently, the department invites all interested parties to make their views known on the matters raised in this paper. The schedule for this proposed consultative process is outlined in Section 5.

## **ABSTRACT**

This paper briefly reviews some of the history and recent developments concerning radio licence fees (other than those for broadcasting). It discusses the means of funding the government's expenditures on spectrum management, then goes on to examine principles on which a fee structure might be based and factors that might be considered in determining an actual fee structure.

## 1. INTRODUCTION

### 1.1 PURPOSE

This paper examines the broader issues relating to the fees charged for radio licences in Canada pursuant to the Radio Act. It does not address the matter of fees for licences for broadcasting undertakings issued by the Canadian Radio-television and Telecommunications Commission (CRTC) pursuant to the Broadcasting Act. For these broadcasting undertakings, the Department of Communications issues a Technical Construction and Operating Certificate for which no fee is currently charged.

### 1.2 INTRODUCTORY REMARKS ON SPECTRUM MANAGEMENT AND LICENSING

The spectrum is a natural resource which is not contained by regional or national boundaries and whose exploitation is therefore contingent on an efficient and effective body of policies, rules, procedures and practices designed to accommodate as many users as possible, and to facilitate equitable sharing among the users in an environment free from harmful interference. The development and utilization of these policies, rules, procedures and practices has come to be known as spectrum management (see Appendix A for a more complete description). Without it, the use of the spectrum would quickly become chaotic. A key element in the management of the spectrum is the radio licence which serves a number of basic purposes.

The radio licence is the means of identifying authorized users and facilitating orderly use of the spectrum. Licences, with their associated technical conditions and internationally-agreed system of call signs, enable the identification of those using the spectrum. This is an essential element of the enforcement process by which efficient and equitable sharing of this natural resource is assured. The licensing of new radio users allows smooth integration of these users and services with existing ones (see Appendix A for a current listing of Canadian radio services). Licence renewals provide an opportunity to re-evaluate the appropriateness of a particular station's continued operation.

It should also be clear what a licence does not do. It does not confer in any way ownership of a particular radio frequency nor does it guarantee a continued right to operation. Nevertheless, in the normal course of events, it does engender an expectation that the licensee will be able to continue to operate on the licensed frequency at least until the end of the licence period. However, continued unmodified operation is not guaranteed unconditionally because the use of the spectrum must be tempered by the needs of both existing and new users, and licensed users may be asked to re-arrange their installation for the general good.



### 1.3 BACKGROUND

Annual fees were first established in 1914 for seven classes of radio stations. While periodic updates of the level of fees and classes of service were made from 1914 to 1958, the changes that took place were relatively minor.

In 1958, a major revision was made to the classification scheme that formed the basis of today's fee schedule. In addition, some fees were increased significantly. From 1958 until 1979, while periodic adjustments were made to the level of fees, no significant changes to the fee structure were introduced.

In 1979, the department altered radio station licence fees once again and introduced some fundamental revisions, including the concept of variable fees for some radio services. The last major adjustment was made in 1982, when fees for several radio services were increased substantially. Effective April 1, 1984, the licence fees for most radio services will increase by a maximum of 5 per cent.

In March 1982, by means of a notice published in the Canada Gazette, public comments were requested on the introduction of additional parameters in the calculation of licence fees, including:

- the introduction of new types of fees (e.g. application fees for new licences or for amendments to existing radio licences, operator examination fees, etc.);
- additional factors to be taken into account in the structure e.g. service area, amount of spectrum utilized, different fees for different frequency bands to reflect congestion, etc.);
- eliminating the special treatment currently granted to municipalities;
- other detailed changes (e.g. annual as opposed to multi-year licensing).

There was a consensus among the respondents to the March 1982 notice concerning the following:

- levying of a fee for technical amendments to radio stations;
- removing the special treatment currently granted to municipalities to promote overall equitable fee assessment. (The municipalities themselves did not agree to this.);

- establishing different licence application fees for different classes of radio services;
- basing the fees on the department's cost of processing such applications.

However, it was evident that respondents were more concerned with the underlying principles to be adopted and the resulting fee structure rather than the issue of the specific parameters mentioned. Some respondents suggested a simple structure while others advocated the inclusion of additional technical parameters. Still others raised questions pertaining to what should be included in the costs of spectrum management and to what extent spectrum management should be funded from general taxation. Others sought assurance that the practice of avoiding cross-subsidization to the maximum extent possible would continue.

Taken together, the comments reflected a need for further dialogue. Following review of the comments, it has been concluded that a more general and fundamental discussion paper on radio station licence fees should be published as a means of soliciting wider public comment. It is anticipated that this paper, as well as addressing some of the detailed considerations raised, will fill this perceived need for a more extensive discussion and a more complete understanding of these broader issues.

In the present paper, there is an initial discussion of different approaches to the cost/revenue relationship. General and then more specific considerations related to the establishment of a licence fee structure are subsequently addressed.

## 2. FUNDING THE GOVERNMENT'S SPECTRUM MANAGEMENT ROLE

Before discussing ways of funding the spectrum management function, it is necessary first to define what exactly should be considered to be the cost of this function. In attempting to determine this total cost, one might think of a continuum of different types of costs ranging from direct, day-to-day operational costs to the cost of longer-term, spectrum planning and engineering to an allocation of some portion of departmental overheads (e.g. personnel, finance, etc.) and, even in the extreme, perhaps, an allocation of some portion of the costs of government-wide activities such as those of the central agencies. Table 1 shows the various components of the department's costs.

Assuming that a definition of the makeup of the total level of funding required is established, much of the debate on the question of radio licence fees then centres on the question of how much or which of these costs should be recovered through the licences (i.e. user charges) and how much should be funded through general taxation. Some have criticized the department for failing to keep the costs of spectrum management and the licence fee revenues in balance. Others have adopted the position that licence fees should be eliminated. Table 2 presents the estimated spectrum management revenues for fiscal year 1983/84 including foregone revenues (statutory exemptions and services provided at no charge). The funding of the spectrum management function is discussed briefly below for the purpose of eliciting views from the public on this key question.

One option favored by many is complete cost recovery through licence fees. Proponents of this approach argue that the users of the radio spectrum are the direct beneficiaries and, as such, ought to pay licence fees sufficient to cover all the costs.

From a completely different perspective, some argue that spectrum management is a service provided for the benefit of all Canadians and, as such, its costs should be paid out of general revenues i.e. that licence fees (but not licences) should be abolished. Furthermore, the elimination of fee collection should lead to marginally lower costs.

A middle approach involves recovering a portion of the total cost from licence fees and the rest from general taxation. This apportionment could be made rather arbitrarily (e.g. 50/50, 60/40 etc.). On the other hand, one might examine the various components of the total cost such as those referred to in the first paragraph of this section and decide which should be recovered through licence fees and which through general taxation. For



Table 1  
ESTIMATED SPECTRUM MANAGEMENT COSTS  
(in \$000s for FY 83/84)

---

Authorization	19,389
Spectrum control	11,117
Planning and Engineering	11,616
Departmental overhead (personnel, finance, etc.)	10,182
Total costs	52,304

---

Table 2

ESTIMATED SPECTRUM MANAGEMENT REVENUES

BY SERVICE

(in \$000s for FY 83/84)

	BROAD-CASTING	GRS	AERO-NAUTICAL	MARITIME	AMATEUR	FIXED	LAND MOBILE	FIXED SATELLITE	EXAMS	TOTAL
Actual Receipts	0	2,137	762	689	294	3,576	8,747	149	2	16,354
Foregone Revenues**	11,621	*	54	19	0	1,747	4,180	32	157	17,653
Total	11,621	2,137	816	708	294	5,323	12,927	181	159	34,007

\* Negligible.

\*\* Statutory exemptions and services provided at no charge.

example, certain spectrum management activities of the department may be viewed as either not being of immediate direct benefit to a specific group of licensees or as being of a longer term benefit to Canadians generally, and perhaps to future licensees. Items which might be included in this category are costs incurred for departmental overheads, spectrum planning, spectrum engineering, spectrum-related research, the development of national spectrum policies and spectrum related international activities. It could be argued that these activities should be funded through general taxation and that other activities that are more directly related to specific spectrum usage be recovered through the licence fees e.g. the issuance of a licence (authorization), enforcement of licence conditions and the ongoing protection from interference to the extent possible.

Once the level and type of costs to be recovered through licence fees is established, the problem then becomes one of determining how these costs should be distributed or allocated among the licensed users of the radio spectrum.

### 3. FEE STRUCTURE CONSIDERATIONS

It should be noted at the outset that any schema for a licence fee structure will be somewhat arbitrary and can never be perfect. Marginal improvements in equity and fairness should not be sought at the expense of unduly complicating the fee structure. The fee structure should be based on easily quantifiable factors which are readily available and easily understandable. Changes to the fee structure should be practical to implement and, of course, cost beneficial. Above all, the fee structure must balance the often competing interests of all concerned, the licensees and their users, and society in general.

\* [ The widely accepted principle of cost allocation according to established generally accepted accounting principles is the familiar user pay principle. However, this is not the only basis which can be taken to have application. Another approach is to use the licence fees as a spectrum management tool. For example, in geographic areas and frequency bands where congestion exists, the fees could perhaps be increased much above the related costs so as to ensure an efficient use of that portion of the spectrum in these congested areas.

\* [ Another factor in setting fees is recognition that some users have governed their behaviour (acquisitions, etc.) in the light of the fees applicable at the time the station was established and that the rate of change in the fee structure must take this into account. That being said, however, the basic objectives of a fee structure as a cost allocation scheme, must be to allocate costs in a manner which is perceived as just and equitable. Thus, the discussion which follows centres on the user pay approach to cost allocation and highlights some of the concerns and issues related to it.

\* [ Strict application of the user pay principle would call for its application down to the individual user. This, of course, would be impractical. A reasonable objective would be to try to ensure that there is no cross-subsidization between types of use (e.g. land mobile use not to subsidize amateur and vice versa). Again however there are alternatives. In theory, the department could establish costs for its spectrum management activities on the basis of frequency bands rather than by service. While such an approach might be technically feasible it would be very difficult to implement, have serious limitations (i.e. costs of different services using the same frequency band are not necessarily identical), and be a very significant departure from the widespread concept of fee structure based on radio services. It can, however, have application in certain situations. ]



For example in the 1979 revision of the fee schedule, one of the more significant changes was the introduction of the "variable fee" concept. Its application meant that, for certain parts of the spectrum, the greater the amount of spectrum used, the greater the fee. The calculation of fees based on fairly readily quantifiable parameters and proportional to the number of voice channels (or equivalent voice channels) used was considered to be equitable, to follow from the user pay principle and to result in a fee that in some measure, reflected revenue producing capability. This approach could even be carried further by adopting a fee formula proportional to the actual bandwidth assigned to the licensee by the department rather than being proportional to the number of voice channels (or their equivalent). The department would like to receive comments as to whether the suggestion of considering bandwidth instead of equivalent voice channels for the calculation of licence fees is generally preferred.

In the course of the previous consultation process, a consensus seemed to be developing among the respondents that since the processing costs are not the same, a distinction ought to be made between a first time application and a renewal. In introducing such a concept, however, care must be taken not to oversimplify the issue and to conclude that the costs associated with a licence renewal are simply the costs of the physical process of preparing and mailing the renewal notice and the renewed licence.

In considering the matter, it is useful to keep in mind the obvious fact that in a given frequency band and locality, the first frequency assignments are relatively easily made. As the number of assignments increases, the whole process becomes progressively more complicated as more and more applicants have to be fitted into the same spectrum. Thus, the spectrum management costs can be expected to increase more than linearly with the total number of assignments. Assigning the additional costs to new licensees alone would be inequitable since existing licensees benefit from the spectrum management function which allows them to continue to operate without harmful interference. This leads to the conclusion that the only distinction between the fee for a new licence and that for a renewal should be the difference in the processing costs involved. That is, the renewal fee should not include costs of an electromagnetic compatibility (EMC) study, co-ordination with other users or other similar one-time activities but should include all other allocatable costs.

Currently, nominal fees are also levied for certain types of amendments to licences (i.e. change in frequency or other technical parameters). As an EMC study, co-ordination with other users and other one-time activities would most likely be required, the user pay principle would call for charging an application fee rather than an amendment fee in these cases.



#### 4. INTERIM MEASURES

The implementation of certain changes to the existing fee structure may be a somewhat lengthy process. However, on the basis of previous consultations and representations already made, the department is considering the introduction in the near future, of some changes, in particular:

##### Multi-frequency Single Channel Systems

Due to the nature of their operation, these systems require the use of any one of a set of frequencies which is also shared by like users. The current fee schedule requires that a charge be levied for the access to each frequency for fixed stations irrespective of the number of frequencies actually in use at a given time. The department is considering modifying the schedule so that a fixed station which employs a piece of radio equipment for one, or more than one class of radio service, will only be charged for the use of one frequency per class of radio service.

##### Aircraft and Ship Stations

Currently the fees for aircraft stations are not based on the types of operations undertaken. Accordingly, the department is considering a modification which would differentiate between stations that use a standard VHF package of frequencies (in general, small private aircraft) and those that have additional facilities such as radar, ILS etc. (in general, large commercial aircraft). Similar criteria might also be applied to ship stations.

With respect to aircraft, the department has received specific representations requesting that it consider charging a one-time fee at the time of purchase or change of ownership of an aircraft. Under such a system, licences would be renewed annually but no renewal fees would be charged although certain spectrum management costs would continue e.g. maintaining records, ensuring interference-free operation through enforcement activities, etc. This proposal could have more general applicability and comments concerning its application to this and other services are invited.

## 5. PROCEDURAL MATTERS

Comments regarding licence fees already submitted in response to the March 1982 Canada Gazette Notice will be treated as submissions to this paper. These will be available for reference as indicated below and will be taken into account by the department in formulating its proposals.

The consultation process foreseen regarding this subject is as follows:

- Phase 1: A period of 120 days will be allowed for the submission of comments on this discussion paper after the announcement of its availability in the Canada Gazette. In accordance with the normal practice of the department, the submissions received will be available for inspection at the department's five regional offices and in the departmental library in Ottawa.
- Phase 2: Following analysis and study of the submissions received, the department will formulate specific proposals and a process for comment on the proposals, similar to that for initial submission, will be followed.
- Phase 3: Following a further period of study and analysis of comments received in Phase 2, the department will promulgate the regulations required to put the final proposals into effect. Proposals requiring changes in legislation would be taken into account in an overall review of Canada's telecommunications legislation currently underway.

## SUBMISSIONS

Comments on this discussion paper should be addressed to the undersigned and received no later than July 29, 1984:

The Director  
Spectrum Management Operations Branch  
Department of Communications  
300 Slater Street  
Ottawa, Ontario  
K1A 0C8

**APPENDIX A**

**FURTHER NOTES ON THE  
SPECTRUM MANAGEMENT PROCESS**

## FURTHER NOTES ON THE SPECTRUM MANAGEMENT PROCESS

### Introduction

Radio frequency spectrum management is a complicated process with many interrelated aspects. Although it is not the intent of this appendix to describe it in detail, a brief elaboration of the process may contribute to an understanding of the issues involved.

Spectrum management has three main components: licensing, enforcement and spectrum planning/engineering.

### Authorization (Licensing)

As most holders of a radio station licence can readily appreciate, licensing involves the physical issuance of a licence as well as tasks associated with processing: eligibility check, frequency selection including electro-magnetic compatibility (EMC) analysis, domestic and international co-ordination activities, frequency registration, fee collection, general record keeping, providing support for enforcement and planning activities etc.

### Spectrum Control (Enforcement)

Spectrum Control has the connotation of "policing" the airwaves which is certainly a major aspect. However, there are also other associated functions, such as inspections (some of which are in support of statutes other than the Radio Act such as the Broadcasting Act, the Fisheries Act and National Transportation Act) as well as monitoring, which is intended to fulfill Canada's international and domestic responsibilities, and activities associated with the prevention of interference and the resolution annually of several thousand annual interference complaints.

### Planning and Engineering

Planning tasks cover a variety of essential activities, including participation in the spectrum planning activities of a UN specialized agency, the International Telecommunication Union (ITU), and its permanent organs such as the International Radio Consultative Committee (CCIR) and the International Telegraph and Telephone Consultative Committee (CCITT). Other activities on the international level include bilateral and multi-lateral negotiations. Nationally, the spectrum planning activity is probably better known through the radio frequency allocation policies, assignment plans, equipment standards, regulations and procedures that are issued by the department. In addition, other planning activities include on-going technical support of policy formulation, regulation development, licensing and enforcement.

### Existing Types of Licences

The current schedule of fees is based on the following types of licences which may be issued for radio stations:

- (a) coast station licences;
- (b) land station licences;
- (c) mobile station licences;
- (d) earth station licences;
- (e) space station licences; and
- (f) amateur station licences.

Coast station licences may be issued for coast stations performing

- (a) limited maritime mobile service; or
- (b) private maritime mobile service.

Land station licences may be issued for

- (a) land stations performing
  - (i) public commercial service,
  - (ii) restricted public commercial service,
  - (iii) private commercial service,
  - (iv) United States military service,
  - (v) provincial government service,
  - (vi) municipal service,
  - (vii) experimental service,
  - (viii) public commercial receiving service,
  - (ix) private commercial receiving service,
  - (x) public commercial automatic repeater service,
  - (xi) private commercial automatic repeater service,
  - (xii) aeronautical mobile service,
  - (xiii) general radio service.
- (b) portable land stations performing the categories of service described in subparagraph (a)(i), (ii), (iii), (v), (vi), (vii), (x) or (xi) above.

Mobile station licences may be issued for mobile stations performing

- (a) public commercial service,
- (b) private commercial service,
- (c) provincial government service,
- (d) United States military service,
- (e) municipal service,
- (f) experimental service,
- (g) public commercial receiving service,
- (h) private commercial receiving service,
- (i) aircraft navigational service,
- (j) aeronautical mobile service, or
- (k) general radio service.



Ship station licences may be issued for ship stations fitted with

- (a) Transmitting and receiving apparatus,
- (b) Receiving apparatus for navigational purposes.

Amateur station licences may be issued for amateur stations.

Definition of radio services

"Space service" means a radiocommunication service provided by earth stations or space stations for communication

- (a) between earth stations and space stations,
- (b) between space stations, or
- (c) between earth stations when the signals are retransmitted by space stations or are transmitted by reflection from objects in space excluding reflection or scattering by the ionosphere or within the earth's atmosphere.

"Terrestrial service" means a radiocommunication service provided by an amateur station, a coast station, a land station or mobile station, and consists of the following categories of service:

- (a) "aeronautical mobile service" being a service provided by mobile stations installed in aircraft or land stations for communication with stations of the international aeronautical mobile service or other authorized stations relative to the safety, navigation or guidance of aircraft.
- (b) "aircraft navigational service" being a service provided by aural or instrument display actuated by radio apparatus installed in aircraft solely for safety or navigational purposes, and includes portable radio apparatus carried in aircraft solely for safety or survival purposes and not intended for operation during flight.
- (c) "amateur service" being a radiocommunication service for purposes of self-training, intercommunication or technical investigation carried on by persons who are interested in radio technique solely with a personal aim and without pecuniary interest.
- (d) "experimental service" being a service provided by land or mobile stations operated for experimental, demonstration or educational purposes, with a view to the development of science or technique, or in connection with the test or development of communication equipment or of radiocommunication circuits.

- (e) "general radio service" being a service provided by land or mobile stations for personal or private business radiotelephone communication and the radio control of models.
- (f) "limited maritime mobile service" being a service of limited radiocommunication provided by coast stations for the handling of public correspondence with certain ships or classes of ships in the international maritime mobile service.
- (g) "maritime mobile service" being a service of radiocommunication provided by coast stations for the handling of public correspondence with ship stations in the international maritime mobile service.
- (h) "municipal service" being a service provided by land or mobile stations for two-way radiocommunication systems limited to communications relating to municipal services including the enforcement of federal and provincial laws and municipal by-laws.
- (i) "private commercial automatic repeater service" being a service for the handling of the private correspondence of the licensee, provided by land stations operated for the automatic reception and retransmission of radio within a communication system, that does not accept traffic from or deliver traffic to external points by means other than radio.
- (j) "private commercial receiving service" being a service provided by land or mobile stations equipped for reception only, for the purpose of receiving the private correspondence of the licensee, or signals from such stations as may be authorized.
- (k) "private commercial service" being a service provided by land or mobile stations or a system of such stations for
  - (i) the handling of private communications of the licensee,
  - (ii) the control of mechanical objects, or devices for industrial purposes, or
  - (iii) the operation of a radionavigation service.
- (l) "private maritime mobile service" being a service provided by coast stations and limited to the handling of private correspondence relating to the business of the licensee with ships owned or operated by or under charter to the licensee or with such other ship stations as the Minister may permit or require.
- (m) "provincial government service" being a service provided by land or mobile stations for two-way radiocommunication systems and limited to communications relating to provincial government services including the enforcement of federal and provincial laws and municipal by-laws.

- (n) "public commercial automatic repeater service" being a service for the handling of public correspondence, provided by land stations operated for the automatic reception and retransmission of radio within a communications system and that does not accept traffic from or deliver traffic to external points by means other than radio.
- (o) "public commercial receiving service" being a service for the handling of public correspondence, provided by land or mobile stations equipped for reception only.
- (p) "public commercial service" being a service provided by land or mobile stations, including stations operated by provincial government agencies, and open for public correspondence with certain other land or mobile stations.
- (p.1) "radiodetermination service" being a radiocommunication service using the propagation properties of radio waves to obtain information relative to the position of an object.
- (q) "restricted public commercial service" being a service provided by land stations, including stations operated by provincial government agencies, and open for restricted public correspondence with certain mobile stations.
- (r) "United States military service" being a service provided by land or mobile stations operated in Canada by the Government of the United States for the carrying out of United States and Canada defence arrangements.

It should be noted that the above service categories and definitions do not always correspond directly with the radio services as defined in the ITU International Radio Regulations.

**APPENDIX B**

NOTICE PUBLISHED IN THE CANADA GAZETTE,  
MARCH 1982 (DGTR NOTICE-002-82)

## DEPARTMENT OF COMMUNICATIONS

### RADIO ACT

Notice No. DGTR-002-82

#### *Radio Station Licence and Examination Fees*

On April 1, 1979, the Department of Communications introduced a new tariff of radio station licence fees, which is contained in the General Radio Regulations, Part I. This new tariff prescribed, for certain licences, a fee determined by such factors as the number of assigned frequencies, maximum number of equivalent telephone channels and the station location, while some licence fees were left unchanged at the 1975 revision level.

More recently the Department of Communications has announced a further revision to some of its licence fees effective April 1, 1982.

Technological developments and current trends in use make it necessary for the Department of Communications to conduct a general review of the licence fee structure so as to equitably recover the costs of managing the radio frequency spectrum. During this review the Department will consider the introduction of additional parameters in the calculation of licence fees as well as the possibility of introducing new fees. In this regard, the Department intends to consider the following matters:

- (1) using factors such as service area, population served, ect., in the calculation of the licence fees for the mobile service;
- (2) levying different licence fees for different frequency bands to reflect their respective state of congestion;
- (3) determining whether the present variable fee structure is adequate for calculating the fees for digital radio systems;
- (4) levying different licence fees for different types of emissions and bandwidths to encourage more efficient use of the spectrum;
- (5) setting application fees for licences applying to different classes of stations and basing fees on the Department's cost of processing such applications;
- (6) setting examination fees for those classes of operator examinations for which no fee is currently levied;
- (7) collecting licence fees for the period of validity of the radio licence as is now done for the General Radio Service;
- (8) introducing fee discounts to encourage licensees to submit payment promptly for licence renewals;
- (9) removing the special treatment currently granted to municipalities to promote overall equitable fee assessment; and
- (10) levying fees for all technical amendments to radio licenses.

The Department invites comments from all persons interested in these or related matters. Comments should be addressed to the Director, Operations Branch, Telecommunication Regulatory Service, Department of Communications, 300 Slater Street, Ottawa, Ontario K1A 0C8 and should be post-marked not later than May 13, 1982.

Dated at Ottawa, this 1<sup>st</sup> day of March, 1982

## MINISTÈRE DES COMMUNICATIONS

### LOI SUR LA RADIO

Avis n° DGTR-002-82

#### *Droits de licence de station radio et droits d'examen*

Le 1<sup>er</sup> avril 1979, le ministère des Communications a mis en vigueur un nouveau tarif des droits de licence de station radio, qui figure dans le Règlement général sur la radio, Partie I. Ce nouveau tarif prescrivait, pour certaines licences, un droit basé sur des facteurs tels que le nombre de fréquences assignées, le nombre maximal de voies téléphoniques équivalentes et l'emplacement de la station, mais laissait inchangés certains autres droits de licence établis dans la révision de 1975.

Dernièrement, le ministère des Communications a annoncé une nouvelle révision de certains des droits de licence, laquelle entrera en vigueur le 1<sup>er</sup> avril 1982.

Vu le progrès technique et les tendances actuelles relatives à l'utilisation du spectre, le ministère des Communications croit nécessaire de procéder à une révision générale de la structure des droits de licence afin de recouvrer équitablement les coûts de gestion du spectre radioélectrique. Au cours de cette révision, le Ministère envisagera l'introduction de paramètres additionnels pour le calcul des droits de licence, ainsi que la possibilité d'établir de nouveaux droits. A cet égard le Ministère a l'intention d'étudier les questions suivantes:

- (1) l'utilisation de facteurs comme la population desservie et la zone de service pour le calcul des droits de licence applicables au service mobile;
- (2) la perception de droits de licence différents pour diverses bandes de fréquences, en fonction de l'encombrement respectif de celles-ci;
- (3) l'évaluation de la convenance de la structure actuelle des droits variables pour le calcul des droits applicables aux systèmes numériques de radiocommunication;
- (4) la perception de droits de licence différents selon les types d'émissions et les largeurs de bandes, afin d'encourager une utilisation plus efficace du spectre;
- (5) l'établissement, pour les diverses classes de stations, de frais de demande basés sur le coût de traitement de ces demandes par le Ministère;
- (6) l'établissement de frais d'examen pour les classes de certificat d'opérateur qui n'en font pas déjà l'objet;
- (7) la perception de droits de licence pour la durée de validité de la licence de station radio, comme on le fait actuellement pour le service radio général;
- (8) l'introduction de rabais sur les droits pour encourager les titulaires de licences à payer sans délai les renouvellements de licence;
- (9) l'abolition du traitement de faveur accordé actuellement aux municipalités, afin de promouvoir une évaluation globale plus équitable des droits; et
- (10) la perception de droits pour toutes les modifications techniques apportées aux licences de station radio.

Le Ministère invite toutes personnes intéressées à formuler leurs observations sur ces questions et sur tout autre point connexe. Les observations doivent être adressées au Directeur des opérations, Service de la réglementation des télécommunications, Ministère des Communications, 300, rue Slater, Ottawa (Ontario) K1A 0C8 et être postées au plus tard le 13 mai 1982.

Ottawa, le 1<sup>er</sup> mars 1982



**APPENDIX C**

NOTICE PUBLISHED IN THE CANADA GAZETTE,  
MARCH 1984 (DGTR NOTICE-010-84)

GAZETTE NOTICE

DEPARTMENT OF COMMUNICATIONS  
RADIO ACT  
REF: DGTR-010-84

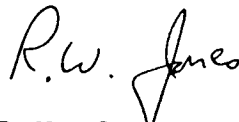
DISCUSSION PAPER ON NON-BROADCASTING RADIO  
LICENCE FEES IN CANADA

The Department is undertaking a review and examination of the broader issues relating to the fees charged for radio licences in Canada pursuant to the Radio Act. A background paper entitled "Discussion Paper on Non-Broadcasting Radio Licence Fees in Canada" has been prepared and is now available from the Departmental offices indicated below. The present review is further to Canada Gazette Notice No. DGTR-002-82 published in the Canada Gazette, Part I, on March 13, 1982 which dealt with more specific licensing parameters.

The review is intended to examine the structure of radio station licence fees as related to factors such as the cost of spectrum management, the means of funding this activity and the principles upon which a future fee structure might be based.

The Department invites submissions from all interested parties concerning the radio licence fee structure in Canada. Submissions should be addressed to the Director, Spectrum Management Operations Branch, Department of Communications, 300 Slater Street, Ottawa, Ontario, K1A 0C8 and must be postmarked not later than 120 days from the date of publication of this notice. Copies of the submissions will be made available for public inspection at the Department of Communications library, Room 1420, 300 Slater Street, Ottawa and at the Department's Regional Offices in Vancouver, Winnipeg, Toronto, Montreal and Moncton.

Dated at Ottawa, this 31 day of March 1984.



R.W. Jones,  
Director,  
Spectrum Management Operations Branch