

**Department of Industry Act**  
**Radiocommunication Act**

**Notice No. SMSE-008-16 — Fee Order for Fixed-Satellite Service (FSS) and  
Broadcasting-Satellite Service (BSS) Spectrum in Canada**

**Introduction**

The Minister of Innovation, Science and Economic Development Canada is establishing a fee for spectrum licences issued under the [Radiocommunication Act](#) for spectrum allocated to the fixed-satellite service (FSS) and broadcasting-satellite service (BSS). The fee is established pursuant to section 19 of the [Department of Industry Act](#).

Over the last two decades, technological change has had a significant impact on the satellite industry, enabling the introduction of new products and services into the marketplace. This has fuelled an increase in demand for the commercial provisioning of satellite capacity and satellite-based services. In response, the department has been moving away from apparatus-based licensing (radio licences) for satellite services and, as a first step, implemented spectrum-based licensing (spectrum licences) for the use of spectrum to provide mobile satellite service (MSS).

Spectrum licences have a number of advantages over radio licences as a means of authorizing the use of spectrum. Spectrum licence fees are based on the amount of spectrum authorized, independent of usage. Because the fee is therefore a fixed cost, it is in the operators' best commercial interests to maximize the use of that spectrum, contributing to good stewardship of spectrum, which is a public resource. Furthermore, a spectrum licence regime is less cumbersome for both operators and the department to administer.

The department therefore plans to issue spectrum licences for the authorization of FSS and BSS spectrum to replace existing radio licences that authorize the use of FSS and BSS spectrum as of April 1, 2016.

Frequency bands allocated to FSS and BSS are identified in the [Canadian Table of Frequency Allocations](#) (CTFA), as amended from time to time.

There is currently no fee in place for FSS and BSS satellite spectrum licences.

The fee outlined in the Fee Schedule below was developed after extensive consultation and was presented for comment as per the requirements of the [User Fees Act](#) through *Canada Gazette* notice SMSE-021-14 on December 4, 2014. No complaints were received under section 4.1 of the *User Fees Act* on the final fee proposal. In accordance with the *User Fees Act*, the fee proposal was presented to both houses of Parliament and approved earlier this year.

## **Fee Schedule**

The Minister of Innovation, Science and Economic Development Canada, pursuant to section 19 of the [Department of Industry Act](#), hereby fixes the following spectrum licence fee, effective as of April 1, 2016. The fee is applicable to spectrum licences issued by the Minister pursuant to subparagraph 5(1)(a)(i.1) of the [Radiocommunication Act](#) to authorize the use of FSS and BSS spectrum.

## **Interpretation**

For the purpose of this fee schedule,

“spectrum licence” means licence permitting the use of radio frequencies (spectrum) in an area (or orbital position). The licence is associated with the frequencies.

“fixed-satellite service (FSS)” means the use of specific radio frequencies by satellites to deliver communications between fixed points on the earth. Typical services include telephony, Internet connectivity and private data networks.

“broadcasting-satellite service (BSS)” means the use of specific radio frequencies by satellites to deliver broadcasting services directly to the public (e.g. direct-to-home satellite television).

“satellite” means the spacecraft, or portion of the spacecraft, associated with a particular licence.

“annual fee” means the fee payable for the continuance in force of the spectrum licence until the spectrum licence expires.

“megahertz (MHz)” means 1 million hertz. A hertz is a unit for measuring radio frequencies.

## **Annual Spectrum Licence Fee**

Satellite spectrum licences are typically issued for a term of 20 years from the date the licence is issued. The fee is payable on an annual basis.

The annual fee for a spectrum licence assigned to authorize the use of FSS and BSS spectrum is \$120 per megahertz (MHz).

The fee will be applicable once the licensee has launched a satellite. Where a spectrum licence is issued to a licensee who has already launched a satellite, the fee will be applicable immediately. Where a licensee has not yet launched a

satellite using the licensed spectrum, the licence is issued immediately, but the fee will only be charged once the satellite is launched.

Once charged, the fee will remain applicable until the end of the spectrum licence term.

### **Prorated Spectrum Licence Fees**

For the portion of the first year during which the fee is applicable, the fee will be payable immediately and on a pro-rated basis, at a monthly rate of \$10/MHz, until the next March 31.

For licences with terms of less than one year, or terms that expire before March 31, the annual fee will be payable immediately and on a pro-rated basis, at a monthly rate of \$10/MHz.

### **General Notes**

Licence fees are payable on an annual basis, in advance, and are due by March 31 of each year.

A satellite will be considered launched when it has been placed in its assigned orbital location or orbit.

The Minister may allocate new frequency bands for FSS and BSS, which will be reflected in future versions of the CTFA. This fee order will apply to spectrum licences for those bands.

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Minister of Innovation, Science and Economic Development Canada

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Date