



Notice of proposals to make the Wireless Telegraphy (Licence Charges) (Amendment) Regulations 2015

Consultation

Publication date:

9 April 2015

Closing Date for Responses:

11 May 2015

About this document

This document consults on proposals to change the current licence fees for some Wireless Telegraphy Act products. This is part of the fourth phase of an increase in fees for aeronautical licences, announced in June 2011. The proposed regulations will also introduce fees for high duty cycle network relay points, which connect individual devices together and to connect them to networks.

Furthermore, the proposals set out here make some minor modifications to the definitions used in relation to fixed link and business radio licence fees.

The deadline to submit responses for this consultation is 11 May 2015.

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Section 1

Executive summary

- 1.1 This document consults on draft regulations, the Wireless Telegraphy (Licence Charges) (Amendment) Regulations 2015 (the “Proposed Regulations”), that would amend the Wireless Telegraphy (Licence Charges) Regulations 2011¹ (the “2011 Regulations”). The Proposed Regulations set out the changes that we propose to make to licence charges (fees) for some classes of wireless telegraphy licence other than those awarded by auction.
- 1.2 The Proposed Regulations will implement changes on which we have previously consulted and published our decision. Therefore in response to this consultation we are only seeking comments on whether the Proposed Regulations correctly implement Ofcom policy decisions.
- 1.3 Unless stated in this document, all other licence charges would remain unchanged from the 2011 Regulations. In summary, the Proposed Regulations would make the following changes:
- implement the fourth phase of Administrative Incentive Pricing (AIP) set out through consultation and confirmed in our statement of June 2011² for the following aeronautical licences:
 - Aeronautical Station (Air/Ground, Aerodrome Flight Information Service (AFIS) and Tower);
 - Aeronautical Station (Approach);
 - Aeronautical Station (Aeronautical Broadcast);
 - Aeronautical Station (Aircraft Communications Addressing and Reporting System (ACARS));
 - Aeronautical Station (Area Control); and
 - Aeronautical Station (Very High Frequency Data Link (VDL)).
 - set out fees for the new licence product High Duty Cycle Network Relay Point as confirmed in our December 2014 statement³;
 - extend the application of current fee rates for Point to Point Fixed Links in the 7.42 to 7.9 GHz band to adjacent frequencies less than 8.5 GHz, to take into account spectrum being potentially being released for sharing by the Ministry of Defence (MOD);

¹ <http://www.legislation.gov.uk/ukxi/2011/1128/made/data.pdf>

² “Bespoke licence fees for aeronautical VHF communications frequencies, a statement”
http://stakeholders.ofcom.org.uk/binaries/consultations/bespoke-fees-aeronautical/statement/8197_statement.pdf

³ “Statement on authorising high duty cycle Network Relay Points”
http://stakeholders.ofcom.org.uk/binaries/consultations/network-relay-points/statement/NRP_statement.pdf

- replace the current definitions of UHF Band I and UHF Band II for Business Radio with a single definition for UHF Band to reflect changes in the available spectrum;
- clarify that the fees for the Point to Point Fixed links licence (71.125 - 73.125 GHz and 81.125 - 83.125 GHz) apply to a bi-directional channel pair; and
- simplify the description of the fees for the Public Wireless Network operator licences on the Isle of Man, Guernsey and Jersey.

1.4 In accordance with the requirements of section 122(4) and (5) of the Wireless Telegraphy Act 2006 (the “WT Act”) this document gives notice of our intention to make the Proposed Regulations. Comments on the Proposed Regulations are invited by **5pm on 10 May 2015**. Subject to consideration of responses we intend to bring the new Regulations into force by June 2014. An impact assessment for the Proposed Regulations is available at Annex 5. The Proposed Regulations are included in this document at Annex 6. Further copies may be obtained from www.ofcom.org.uk or from Ofcom at Riverside House, 2a Southwark Bridge Road, London SE1 9HA.

Section 2

Notice

Introduction

- 2.1 Ofcom is responsible for authorising civil use of the radio spectrum and achieves this by granting wireless telegraphy licences under the Wireless Telegraphy Act 2006 (the “WT Act”) and by making regulations exempting users of particular equipment from the requirement to hold such a licence. Under section 12 of the WT Act we must prescribe in regulations the sums payable in respect of wireless telegraphy licences other than those awarded by auction.
- 2.2 The power under section 12 of the WT Act enables us to recover the cost of administering and managing WT Act licences. However, section 13 of the WT Act permits us to recover sums greater than those we incur in performing our spectrum management functions. This is termed Administered Incentive Pricing or AIP and refers to prices for annual licence fees which are set above administrative costs to reflect a range of spectrum management objectives. In particular, to provide incentives for licensees to use their spectrum more efficiently. This goes to discharging our duties under section 3 of the WT Act which require us to efficiently manage the radio spectrum.
- 2.3 Before making any regulations we are required by section 122(4) of the WT Act to give notice of our proposal to do so. Under section 122(5), the notice must state that Ofcom proposes to make the regulations in question, set out their general effect, specify an address from which a copy of the proposed regulations or order may be obtained, and specify a time before which any representations with respect to the proposal must be made to Ofcom. That time must be at least one month beginning with the day after that on which the notice is given or published.
- 2.4 This document gives notice of our proposal to make the Wireless Telegraphy (Licence Charges) (Amendment) Regulations 2015 (the “Proposed Regulations”). It also sets out the general effect of the Proposed Regulations. A copy of the Proposed Regulations is in Annex 6 of this document.
- 2.5 Unless stated in the following sections, all existing licence charges will remain the same. This consultation invites comments on whether the Proposed Regulations give effect to a range of policy decisions previously consulted upon. We therefore seek responses to this consultation only in that respect and not on the underlying policy decisions we have already made.

Document structure

- 2.6 The document is structured as follows:
- Section 3 contains the proposals for the changes to licence charges;
 - Section 4 sets out the general effects of the Proposed Regulations;
 - Annexes 1 to 3 provide information on our approach to consultation;
 - Annex 4 provides a summary of the consultation question;

- Annex 5 details the impact assessment of the options considered; and
- Annex 6 has a copy of the Proposed Regulations.

Next steps

- 2.7 Following the publication of this consultation document, stakeholders are invited to provide their feedback on the drafting of the Proposed Regulations. Those who wish to do so have until 5pm on 11 May 2015 to make representations. We expect to release a statement on this consultation in June 2015, having taken responses into account, and to bring the regulations into force at the same time.

Section 3

Proposed changes

3.1 The following section outlines our proposals to change the 2011 Regulations in relation to the following licence products:

- Aeronautical:
 - Aeronautical Station (Air/Ground, Aerodrome Flight Information Service (AFIS) and Tower);
 - Aeronautical Station (Approach);
 - Aeronautical Station (Aeronautical Broadcast);
 - Aeronautical Station (Aircraft Communications Addressing and Reporting System (ACARS));
 - Aeronautical Station (Area Control); and
 - Aeronautical Station (Very High Frequency Data Link (VDL)).
- High Duty Cycle Network Relay Points;
- Point to Point Fixed Links;
- Business Radio; and
- Public Wireless Networks in Guernsey, Jersey and the Isle of Man.

Aeronautical station licences

3.2 In 2012 we introduced AIP-based fees for a variety of aeronautical licence classes. We set out the full rate for the licence fees in our statement *“Bespoke licence fees for aeronautical VHF communications frequencies”*⁴ published on 7 June 2011.

3.3 As set out in paragraph 4.19 of that statement, the full AIP-rate for these services will be phased in over a period of five years. The AIP fees for aeronautical licences are subject to a maximum cap specific to each licence class and this cap will be progressively increased until 2016. The Proposed Regulations will implement the fourth year phased increase. The changes to the caps for various licence products are set out in Table 1.

⁴ http://stakeholders.ofcom.org.uk/binaries/consultations/bespoke-fees-aeronautical/statement/8197_statement.pdf

Table 1: Change in the maximum level of bespoke fees for aeronautical licences.

Licence class	Channel	2014/2015	2015/16
Aeronautical Station (Air/Ground, AFIS & Tower)	8.33 kHz	£400	£600
	25 kHz	£1200	£1900
Aeronautical Station (Approach)	8.33 kHz	£1000	£2000
	25 kHz	£3000	£6000
Aeronautical Station (Aeronautical Broadcast)	8.33 kHz	£1000	£2000
	25 kHz	£3000	£6000
Aeronautical Station (ACARS)	8.33 kHz	£1000	£2000
	25 kHz	£3000	£6000
Aeronautical Station – Area Control	8.33 kHz	£1000	£2000
	25 kHz	£3000	£6000
Aeronautical Station (VDL)	25 kHz	£3000	£6000
	50 kHz	£6000	£12000

High Duty Cycle Network Relay Points

- 3.4 In September 2014 we published “Consultation on authorising higher duty cycle Network Relay Points”⁵. This set out proposals to licence High Duty Cycle Network Relay Points in the UK. Following the consultation, on 9 December 2014 we published “Statement on high duty cycle Network Relay Points”⁶. This advised that we were going ahead with our proposals and that we would charge an annual fee of £75 for each licence that we issue. The Proposed Regulations will introduce this new licence product and fee into the 2011 Regulations.

Point to Point Fixed Links

- 3.5 The Public Sector Spectrum Release programme involves plans to enable sharing of public sector spectrum with civil users. Ofcom and MOD have started initial investigations to look at the potential for sharing in a number of bands including spectrum above 7900 MHz as noted in the Government’s recent Public Sector Spectrum Release programme update⁷. As a result of this work MOD has indicated that the band 7.9 to 8.4 GHz may be able to be shared with Point to Point Fixed Links subject to certain conditions being met. This band is next to an existing Point to Point Fixed Link allocation at 7.42 to 7.9 GHz. In order to facilitate this, we are proposing to

⁵ <http://stakeholders.ofcom.org.uk/binaries/consultations/network-relay-points/summary/network-relay-points.pdf>

⁶ http://stakeholders.ofcom.org.uk/binaries/consultations/network-relay-points/statement/NRP_statement.pdf

⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/287992/PSSRP_update_5_March_2014_Final.pdf

extend the current Point to Point Fixed Link charging regime for the existing 7.42 to 7.9 GHz band to the adjacent frequencies less than 8.5 GHz.

- 3.6 We are also proposing a second amendment to clarify a change we made in the Wireless Telegraphy (Licence Charges) (Amendment) Regulations 2014⁸. This introduced charges for Point to Point Fixed Links in the 71.125 to 73.125 GHz and 81.125 to 83.125 GHz bands. We are to make an amendment in order to make it clear that the specified fees relate to a bi-directional channel pair rather than a single link.

Business Radio

- 3.7 The emergency services have agreed to make some spectrum in the 450 to 470 MHz band available for Ofcom to assign on a temporary basis for short term use. For spectrum pricing reasons the 2011 Regulations defined UHF Band I as 410 to 449.49375 MHz and UHF Band II as 453.00625 to 466.08750 MHz. Given that the spectrum between 450 and 453 MHz will be made available we can now rationalise the UHF definition into a single UHF Band covering the entire band. Therefore we are proposing to replace the existing definition of UHF Band I (defined in the 2011 Regulations as 410 to 449.49375 MHz) and UHF Band II (453.00625 to 466.08750 MHz) with a new definition of UHF Band that will be defined as 410 to 470 MHz.

Public Wireless Networks

- 3.8 We are to amend the way that the fees for Public Wireless Network licences for Guernsey, Jersey and the Isle of Man are described in the regulations. Currently the 2011 Regulations state that the annual fee is “£320 for each 2 x 200 kHz channel or slot. £4000 for each 1 x 5 MHz channel or slot. £8000 for each 2 x 5 MHz channel or slot”. We are to simplify this to “£80 per 100 kHz channel or slot”.
- 3.9 This change will not impact on the fees that operators currently pay as the current rates are all equivalent, per MHz, for systems operating in either 200 kHz or 5 MHz paired channels or 5MHz unpaired channels. The amendment is needed to ensure that the fees can reflect the changes in the way that spectrum may be allocated, to accommodate different channel sizes and duplexing arrangements without a need to amend further the regulations.

⁸ <http://www.legislation.gov.uk/uksi/2014/1295/made/data.pdf>

Section 4

General effect of the Wireless Telegraphy (Licence Charges) (Amendment) Regulations 2015

The legislative framework

- 4.1 Ofcom can charge for the granting of wireless telegraphy licences, other than those awarded by auction, by making Regulations under section 12 of the WT Act. This power enables us to recover the cost of administering and managing WT Act licences. By virtue of section 13 of the WT Act we can use AIP to set licence fees above administrative costs to reflect a range of spectrum management objectives. In particular, in order to provide incentives for licensees to use their spectrum more efficiently. Doing so discharges a range of duties under section 3 of the WT Act which require us to efficiently manage the radio spectrum.
- 4.2 We intend to make the Proposed Regulations, under section 12, to set the relevant charges. The Proposed Regulations would implement the changes to charges as proposed in this document.
- 4.3 The 2011 Regulations would be amended by the Proposed Regulations. A draft of the Proposed Regulations is included in Annex 6 of this document.

Extent of application

- 4.4 The Proposed Regulations would apply in the United Kingdom, the Channel Islands and the Isle of Man, subject to formal agreement of the Island Authorities.

Proposed Regulations

- 4.5 A draft of the Proposed Regulations is set out in Annex 6. Details of the changes are listed below:
 - 4.5.1 Regulation 3 replaces the definition of UHF Band I and UHF Band II in Regulation 2 of the 2011 Regulations with a single definition, UHF Band, for the frequencies between 410 and 470 MHz;
 - 4.5.2 Regulation 4(2) amends the fees for specified aeronautical licence classes to introduce the fourth phase of fee increases;
 - 4.5.3 Regulation 4(3) amends the description of the charging method for Point to Point Fixed Links in the 71.125 to 73.125 GHz and 81.125 to 83.125 GHz bands. The amendment clarifies that the fee applies to a bi-directional channel pair;
 - 4.5.4 Regulation 4(4) replaces the fee definition in the Public Wireless Networks (Guernsey), Public Wireless Networks (Jersey) and Public Wireless Networks (Isle of Man) from “£320 for each 2 x 200 kHz channel or slot. £4000 for each 1 x 5 MHz channel or slot. £8000 for each 2 x 5 MHz channel or slot” to “£80 for each 100 kHz channel or slot”;

- 4.5.5 Regulation 4(5) introduces annual charges of £75 for a High Duty Cycle Network Relay Point licence; and
- 4.5.6 Regulation 5 amends the table in Schedule 3 Parts 2 and 4 to extend the current Fixed Link fees for the band from 7.42 to 7.9 GHz to the adjacent frequencies less than 8.5 GHz.

Question: We would welcome any comments on the drafting of the Proposed Regulations, and in particular whether they give effect to what Ofcom intends (as outlined in this document).

Annex 1

Responding to this consultation

How to respond

- A1.1 Ofcom invites written views and comments on the issues raised in this document, to be made by **5pm on 11 May 2015**.
- A1.2 Ofcom strongly prefers to receive responses using the online web form at <http://stakeolders.ofcom.org.uk/consultations/wireless-telegraphy-fees-notice/> as this helps us to process the responses quickly and efficiently. We would also be grateful if you could assist us by completing a response cover sheet (see Annex 3), to indicate whether or not there are confidentiality issues. This response coversheet is incorporated into the online web form questionnaire.
- A1.3 For larger consultation responses - particularly those with supporting charts, tables or other data - please email paul.chapman@ofcom.org.uk attaching your response in Microsoft Word format, together with a consultation response coversheet.
- A1.4 Responses may alternatively be posted or faxed to the address below, marked with the title of the consultation.
- Paul Chapman
Floor 3
Spectrum Policy Group
Riverside House
2A Southwark Bridge Road
London SE1 9HA
- A1.5 Note that we do not need a hard copy in addition to an electronic version. Ofcom will acknowledge receipt of responses if they are submitted using the online web form but not otherwise.
- A1.6 It would be helpful if your response could include direct answers to the questions asked in this document, which are listed at Annex 4. It would also help if you can explain why you hold your views and how Ofcom's proposals would impact on you.

Further information

- A1.7 If you want to discuss the issues and questions raised in this consultation, or need advice on the appropriate form of response, please contact Paul Chapman on 020 7981 3069.

Confidentiality

- A1.8 We believe it is important for everyone interested in an issue to see the views expressed by consultation respondents. We will therefore usually publish all responses on our website, www.ofcom.org.uk, ideally on receipt. If you think your response should be kept confidential, can you please specify what part or whether all of your response should be kept confidential, and specify why. Please also place such parts in a separate annex.

- A1.9 If someone asks us to keep part or all of a response confidential, we will treat this request seriously and will try to respect this. But sometimes we will need to publish all responses, including those that are marked as confidential, in order to meet legal obligations.
- A1.10 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use. Ofcom's approach on intellectual property rights is explained further on its website at <http://www.ofcom.org.uk/about/account/disclaimer/>

Next steps

- A1.11 Following the end of the consultation period, Ofcom intends to publish a statement in June 2015.
- A1.12 Please note that you can register to receive free mail Updates alerting you to the publications of relevant Ofcom documents. For more details please see: http://www.ofcom.org.uk/static/subscribe/select_list.htm

Ofcom's consultation processes

- A1.13 Ofcom seeks to ensure that responding to a consultation is easy as possible. For more information please see our consultation principles in Annex 2.
- A1.14 If you have any comments or suggestions on how Ofcom conducts its consultations, please call our consultation helpdesk on 020 7981 3003 or e-mail us at consult@ofcom.org.uk. We would particularly welcome thoughts on how Ofcom could more effectively seek the views of those groups or individuals, such as small businesses or particular types of residential consumers, who are less likely to give their opinions through a formal consultation.
- A1.15 If you would like to discuss these issues or Ofcom's consultation processes more generally you can alternatively contact Graham Howell, Secretary to the Corporation, who is Ofcom's consultation champion:

Graham Howell
Ofcom
Riverside House
2a Southwark Bridge Road
London SE1 9HA

Tel: 020 7981 3601

Email Graham.Howell@ofcom.org.uk

Annex 2

Ofcom's consultation principles

A2.1 Ofcom has published the following seven principles that it will follow for each public written consultation:

Before the consultation

A2.2 Where possible, we will hold informal talks with people and organisations before announcing a big consultation to find out whether we are thinking in the right direction. If we do not have enough time to do this, we will hold an open meeting to explain our proposals shortly after announcing the consultation.

During the consultation

A2.3 We will be clear about who we are consulting, why, on what questions and for how long.

A2.4 We will make the consultation document as short and simple as possible with a summary of no more than two pages. We will try to make it as easy as possible to give us a written response. If the consultation is complicated, we may provide a shortened Plain English Guide for smaller organisations or individuals who would otherwise not be able to spare the time to share their views.

A2.5 We will consult for up to 10 weeks depending on the potential impact of our proposals.

A2.6 A person within Ofcom will be in charge of making sure we follow our own guidelines and reach out to the largest number of people and organisations interested in the outcome of our decisions. Ofcom's 'Consultation Champion' will also be the main person to contact with views on the way we run our consultations.

A2.7 If we are not able to follow one of these principles, we will explain why.

After the consultation

A2.8 We think it is important for everyone interested in an issue to see the views of others during a consultation. We would usually publish all the responses we have received on our website. In our statement, we will give reasons for our decisions and will give an account of how the views of those concerned helped shape those decisions.

Annex 3

Consultation response cover sheet

- A3.1 In the interests of transparency and good regulatory practice, we will publish all consultation responses in full on our website, www.ofcom.org.uk.
- A3.2 We have produced a coversheet for responses (see below) and would be very grateful if you could send one with your response (this is incorporated into the online web form if you respond in this way). This will speed up our processing of responses, and help to maintain confidentiality where appropriate.
- A3.3 The quality of consultation can be enhanced by publishing responses before the consultation period closes. In particular, this can help those individuals and organisations with limited resources or familiarity with the issues to respond in a more informed way. Therefore Ofcom would encourage respondents to complete their coversheet in a way that allows Ofcom to publish their responses upon receipt, rather than waiting until the consultation period has ended.
- A3.4 We strongly prefer to receive responses via the online web form which incorporates the coversheet. If you are responding via email, post or fax you can download an electronic copy of this coversheet in Word or RTF format from the 'Consultations' section of our website at www.ofcom.org.uk/consult/.
- A3.5 Please put any parts of your response you consider should be kept confidential in a separate annex to your response and include your reasons why this part of your response should not be published. This can include information such as your personal background and experience. If you want your name, address, other contact details, or job title to remain confidential, please provide them in your cover sheet only, so that we don't have to edit your response.

Cover sheet for response to an Ofcom consultation

BASIC DETAILS

Consultation title:

To (Ofcom contact):

Name of respondent:

Representing (self or organisation/s):

Address (if not received by email):

CONFIDENTIALITY

Please tick below what part of your response you consider is confidential, giving your reasons why

Nothing

☐

Name/contact details/job title

☐

Whole response

☐

Organisation

☐

Part of the response

☐

If there is no separate annex, which parts?

If you want part of your response, your name or your organisation not to be published, can Ofcom still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?

DECLARATION

I confirm that the correspondence supplied with this cover sheet is a formal consultation response that Ofcom can publish. However, in supplying this response, I understand that Ofcom may need to publish all responses, including those which are marked as confidential, in order to meet legal obligations. If I have sent my response by email, Ofcom can disregard any standard e-mail text about not disclosing email contents and attachments.

Ofcom seeks to publish responses on receipt. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.

☐

Name

Signed (if hard copy)

Annex 4

Consultation question

- A4.1 As required by Section 122 of the Wireless Telegraphy Act 2006, we must give notice of proposals that we intend to make and consider any representations that we receive. This document gives notice of our proposal to make the Wireless Telegraphy (Licence Charges) (Amendment) Regulations 2015.

Question 1) We would welcome any comments on the drafting of the Proposed Regulations, and in particular whether they give effect to what Ofcom intends (as outlined in this document).

Impact Assessment

Introduction

- A5.1 The analysis in this annex, together with that elsewhere in this document and set out more fully in the consultation documents and statements referred to below (and elsewhere in this document), is an impact assessment relating to the draft Wireless Telegraphy (Licence charges) (Amendment) Regulations 2015 (the “Proposed Regulations”). Impact assessments are defined in section 7 of the Communications Act 2003 (the “2003 Act”). As the impact of the policy decisions that would be implemented by the Proposed Regulations has already been assessed in the other documents referred to, a separate impact assessment for the Proposed Regulations may not strictly be necessary. We nevertheless include this annex, which summarises the earlier, fuller assessments, as a matter of good practice.
- A5.2 Impact assessments provide a valuable way of assessing different options for regulation and showing why the preferred option was chosen. They form part of best practice policy-making. This is reflected in section 7 of the 2003 Act, which means that generally we have to carry out impact assessments where our proposals would be likely to have a significant effect on businesses or the general public, or when there is a major change in our activities. However, as a matter of policy we are committed to carrying out and publishing impact assessments in relation to the great majority of our policy decisions. For further information about our approach to impact assessments, see the guidelines, Better policy-making: Ofcom’s approach to impact assessment, which are on our website: http://www.ofcom.org.uk/consult/policy_making/guidelines.pdf.

Background

- A5.3 This impact assessment relates to our proposal to update the regulations that prescribe charges for wireless telegraphy licences. We are proposing to make the Proposed Regulations that would amend the Wireless Telegraphy (Licence Charges) Regulations 2011 (SI 2011/1128)⁹ (the “2011 Regulations”). The Proposed Regulations would maintain a number of the charges prescribed by the 2011 Regulations, but would also create new charges and amend a number of existing charges.
- A5.4 Under section 12 of the WT Act, Ofcom may prescribe in regulations the sums payable in respect of wireless telegraphy licences other than those awarded by auction. This power enables us to recover the cost of administering and managing WT Act licences. However, section 13 of the WT Act permits us to recover sums greater than those we incur in performing our spectrum management functions (this is termed AIP), to reflect a range of spectrum management objectives. In particular, in order to provide incentives for licensees to use their spectrum more efficiently. This goes to discharging our duties under section 3 of the WT Act.

Proposal

- A5.5 The Proposed Regulations would:

⁹ <http://www.legislation.gov.uk/uksi/2011/1128/made/data.pdf>

- i) implement the fourth phase of a five year programme of fee changes for some Aeronautical Station licence classes;
- ii) introduce fees for a new licence class - High Duty Cycle Network Relay Points;
- iii) implement our policy decision to extend fees in Point to Point Fixed Links bands from 7.42 to 7.9 GHz to 7.42 to 8.5 GHz; and
- iv) for Business Radio substitute a new definition for UHF Band in place of the current definitions of UHF Band I and UHF Band II to reflect changes to the available spectrum; and
- v) simplify the fees for Public Wireless Network licences on Guernsey, Jersey and Isle of Man.

A5.6 We have previously consulted, and made decisions, on the policy behind most of our proposed fee changes in the following documents (which include full impact assessments where relevant and appropriate):

- our consultation document, “*Applying spectrum pricing to the Aeronautical sector, a second consultation*”¹⁰ (the “December 2009 Consultation”) published December 2009;
- our statement of December 2010 “*Fees for aeronautical radio licences, a statement*”¹¹ (the “December 2010 Statement”);
- our consultation, “*Bespoke licence fees for aeronautical VHF communications frequencies, a further consultation*”¹² published on March 2011 (the “March 2011 Consultation”);
- our statement of June 2011, “*Bespoke licence fees for aeronautical VHF communications frequencies, a statement*”¹³ (the “June 2011 Statement”);
- our consultation of September 2014, “Consultation on authorising Higher duty cycle Network Relay Points”¹⁴ (the “NRP Consultation”);
- our statement of December 2014, “*Statement on authorising high duty cycle network relay points*”¹⁵ (the “NRP Statement”);
- our consultation of September 2013, “*Spectrum Pricing: A framework for setting cost based fees*”¹⁶ (the “Spectrum Pricing Consultation”); and
- our statement of 17 March 2014, “*Spectrum Pricing: A framework for setting cost based fees*”¹⁷ (the “Spectrum Pricing Statement”).

¹⁰ http://stakeholders.ofcom.org.uk/binaries/consultations/spectrum_pricing/summary/aip2.pdf

¹¹ http://stakeholders.ofcom.org.uk/binaries/consultations/spectrum_pricing/statement/statement.pdf

¹² <http://stakeholders.ofcom.org.uk/binaries/consultations/bespoke-fees-aeronautical/summary/condoc.pdf>

¹³ http://stakeholders.ofcom.org.uk/binaries/consultations/bespoke-fees-aeronautical/statement/8197_statement.pdf

¹⁴ <http://stakeholders.ofcom.org.uk/binaries/consultations/network-relay-points/summary/network-relay-points.pdf>

¹⁵ http://stakeholders.ofcom.org.uk/binaries/consultations/network-relay-points/statement/NRP_statement.pdf

¹⁶ <http://stakeholders.ofcom.org.uk/binaries/consultations/cbfframework/summary/condoc.pdf>

The citizen and/or consumer interest

A5.7 Our principal duty under section 3 of the 2003 Act is to further the interests of citizens in relation to communications matters; and of consumers in relevant markets, where appropriate by promoting competition. We take account of the impact of our decisions upon both citizen and consumer interests in the markets we regulate. We must, in particular, secure the optimal use for wireless telegraphy of spectrum and have regard to the principle under which all regulatory activities should be targeted only at cases in which action is needed. In proposing changes we have considered the wider impact beyond immediate stakeholders in the radiocommunications community. We believe that the proposals will be of benefit to consumers for the following reasons:

- i) The continued use of Administered Incentive Pricing (AIP), in the circumstances where we have decided to apply AIP, will encourage more efficient use of the radio spectrum. This will enable consumers to continue to benefit from advances in technology and the new services they may offer.
- ii) It is appropriate to charge cost based fees in circumstances where spectrum is not scarce (and therefore it is not appropriate to apply AIP), or where fees based on the opportunity cost of the spectrum would be lower than the relevant costs incurred in managing the spectrum. Therefore, the costs of managing spectrum should be borne by operators benefitting from use of the spectrum so that other users of this spectrum do not pay a disproportionate share of management costs.
- iii) We believe that Government's decision to make more spectrum available for authorisation in the Fixed Links (7.9 to 8.4 GHz) and Business Radio (various bands in the 410 to 470 MHz range) will enable the use of this spectrum by different types of users. The approach will help support investment, provide additional capacity and innovation in these sectors.

Ofcom's policy objective

A5.8 We have a number of duties under section 3 Wireless Telegraphy Act 2006 (the "WT Act"). These include having regard when carrying out our radio spectrum functions to:

- i) the extent that spectrum is available for use; and
- ii) the desirability of promoting the efficient management and use of the spectrum for wireless telegraphy.

A5.9 Section 12 of the WT Act permits Ofcom to prescribe in regulations the sums payable in respect of wireless telegraphy licences other than those awarded by auction.

Options considered

A5.10 Having made the relevant policy decisions in the documents referred to in A5.7 above, the principal options open to us in connection with the Proposed Regulations are:

¹⁷ <http://stakeholders.ofcom.org.uk/binaries/consultations/cbfframework/statement/CBFstatement.pdf>

- i) to make the Proposed Regulations that introduce new fees for certain licence classes and change others; or
- ii) to do nothing (not making the Proposed Regulations and maintaining the fees in the 2011 Regulations as amended).

Analysis of the different options

A5.11 The following assesses the impact of options open to Ofcom by reference to the principal changes that would be made by the Proposed Regulations.

Make Proposed Regulations

A5.12 The Proposed Regulations will have important benefits for all persons applying for a WT Act licence, including both domestic and overseas applicants, particularly in terms of increased transparency and legal certainty.

Aeronautical licence classes

The benefits of AIP based fees for certain aeronautical licence classes.

- A5.13 Where the supply of spectrum is sufficient to meet demand, without recourse to prescriptive command and control of assignments, there is little to be gained in efficiency terms from setting fees other than to recover some or all of our relevant administrative costs. However, where there is excess demand for spectrum, we believe the cost to others and to the wider UK economy should be recognised by the current users so that they can make appropriate decisions. AIP based licence fees are intended to achieve this outcome.
- A5.14 There is excess demand for these frequencies from within the aeronautical sector and it is often very difficult to meet new requests for aeronautical VHF frequencies required by aerodromes and air traffic controllers. Europe is reviewing a number of measures to alleviate VHF congestion, including an extension of the use of narrower 8.33 kHz channels at additional flight levels. However, in our view it is too early to conclude that these measures will result in additional capacity such that use of aeronautical frequencies no longer has an associated opportunity cost.
- A5.15 We recognise that there are operational and regulatory constraints on the ability of spectrum users to respond to fees by using spectrum more efficiently in the short term. However, we consider that there is scope to respond in the long term, even if a change of spectrum use necessitates significant changes to the way operations are conducted or changes to the services provided in some cases.
- A5.16 There is also potential excess demand from other sectors of the economy which face shortages of spectrum which could be overcome if spectrum currently used by the aeronautical sector were made available to them. We recognise that it is not feasible to use aeronautical VHF communications frequencies for other applications today as this is likely to cause unacceptable interference with the current applications, in contravention of the UK's obligations under international treaties. Whether this situation might change in future, and in what timeframe, is unclear. In determining the appropriate level of fees, therefore, no account has been taken of potential use of these frequencies by other sectors of the UK economy.
- A5.17 In conclusion, we consider that licence fees based on opportunity costs will help manage excess demand for these frequencies, and promote efficiency

improvements where possible, making it more likely that those who provide spectrum dependent services which are highly valued by UK citizens and consumers will have access to the frequencies which they need to deliver those services. We conclude that this will generate net benefits for UK citizens and consumers.

- A5.18 We have phased-in fee increases to mitigate the transitional financial impacts that specific licensees may experience. This should reduce risks of inefficient responses to the new fees, including from smaller organisations which proportionately may be more affected. A phased introduction of fees enables us to identify the impacts of incremental changes for particular operators prior to full fees applying. By gradually introducing fees over time, this will ensure that Ofcom can respond quickly, as and when appropriate, during this period.
- A5.19 Our analysis explicitly recognised the critical importance of safety in the aeronautical sector and the relevant duties of the Civil Aviation Authority (CAA) as safety regulator. Where services which are provided using spectrum support the provision of public goods, the appropriate policy interventions to maximise such social value, or minimise social dis-benefits, take the form of targeted subsidies and taxes for the outputs concerned, or direct regulation, rather than subsidies for the required inputs (including spectrum). The CAA has confirmed that it has adequate powers to respond to any safety concerns arising from Ofcom's proposals to apply AIP to the aeronautical sector, and that the adequacy of VHF communications provision will be subject to safety regulation by the CAA using appropriate regulatory instruments taking into account safety justification provided by the service providers via, for example, safety cases.

The incremental benefits of bespoke pricing compared with generic pricing

- A5.20 The objective of applying bespoke pricing, instead of generic pricing, to some types of aeronautical radio licences, is to provide more effective incentives for licensees to use spectrum efficiently. The more closely charges reflect opportunity costs, the larger the gains from more efficient usage are likely to be. Generic fees will cause spectrum users to review the volume of each assignment type that they require, potentially releasing frequencies for other aeronautical users who place a higher value on that resource. However bespoke fees which vary according to the geographic impact of different assignments can provide additional incentives for licensees to consider using the minimum Designated Operational Coverage (DOC) consistent with their operational and regulatory requirements, thereby potentially releasing spectrum for other aeronautical users, and making it easier over time for the CAA to accommodate current and future demand for assignments.
- A5.21 Bespoke pricing may also have the advantage over generic pricing in so far as it may help to ensure that some users may decide to continue using spectrum which, otherwise, at generic prices, they would have given up, rationally (in response to the price set) but inefficiently (in relation to the value they derive from the use).
- A5.22 We recognise that bespoke pricing may be more complex and costly to administer than generic pricing. We forecast that most of the additional costs will take the form of one-off up-front costs incurred in implementing the IS system needed to calculate bespoke fees. We estimate that the on going costs of generic and bespoke pricing will be similar as licence records would need to be maintained and invoices generated under either arrangement.

- A5.23 In the light of this analysis, we concluded that the cost of implementing and operating bespoke pricing for some licence classes is outweighed by the benefits in terms of more efficient use of scarce frequencies.

Impacts on different types of stakeholders

- A5.24 As set out in the December 2010 and June 2011 statements, we took care to review the distribution of financial impacts of the fee changes on different types of licensees. The impact of imposing AIP based licence fees for VHF on aviation users will fall on a wide variety of users. The impact on the industry as a whole will be an increase of about £3.5m per year at the end of the five years during which increases will be phased in. (The precise amount will depend on how licensees respond to pricing signals).
- A5.25 The largest individual financial impact falls on NATS En-Route plc (NERL) the regulated UK air navigation service provider. The total extra costs amount to 0.24% of NERL's regulated cost base. We understand that, although there may be intervening cash consequences, these costs are likely to be passed through to airlines under the next regulatory price review.
- A5.26 At the large airports where charges are regulated by the CAA, AIP charges are also unlikely to be able to be passed through in the short term so the airports affected will experience a cash impact in the relevant intervening periods before costs are potentially passed onto airlines. However, particularly in the light of our phasing proposals, such cash impacts are likely to amount to only a fraction of a penny per passenger movement. The larger commercial competitive airports will also face AIP charges amounting to a relatively small proportion of their aeronautical revenue which (because the proposed licence fees are industry-wide) are likely to be passed on to users. Charges amount to no more than a few pence per passenger movement at such airports.
- A5.27 The impact on smaller airports becomes proportionately larger, although at typically around 6p per passenger, in the more extreme cases, these impacts are small both in absolute terms and relative to overall costs in the aviation value chain. Furthermore, phasing will mitigate significantly any specific transitional issues.
- A5.28 Other impacts fall on a wide range of different types of licensee including airlines, aeronautical clubs, flying schools, private individuals, oil companies operating offshore installations, and research establishments. In our analysis of impacts of our overall fees policy we assumed that the great majority of licensees holding Air/Ground and Aerodrome Flight Information Service (AFIS) assignments which would attract a bespoke fee of £3350 will opt to reduce their DOC and reduce the fee to £650. We confirm that if, in practice, a substantial proportion of these licensees are unable to reduce their fees liability in this way, we will consult on implementing additional transitional arrangements before bespoke fees would otherwise exceed the equivalent generic fee of £2600 set out in the December 2010 statement but superseded by the bespoke fees algorithm set out in the June 2011 statement. We will consult with stakeholders if less than half of these assignments have had their DOC reduced in this way by May 2015.
- A5.29 As a result of our overall fees policy small aerodromes will typically see annual cost increases of 20p/movement or less (assuming a fee of £2600 payable for a DOC greater than 10nm radius and 3000ft service height). We note that per movement charges for sampled non-reporting aerodromes are low when compared to the cost of renting a small single engine craft (i.e. £80-£130 per hour before additional fees

including fuel, landing fees, and parking). Furthermore, the same charges are very low when compared against the variable per hour operating cost of a business jet (e.g. between £526 and £5,482 total cost per hour). We also note that many small aerodromes may choose to operate with a more localised DOC which will attract an annual fee of £650 instead of £2600.

- A5.30 We are phasing in fee increases to mitigate the transitional financial impacts that specific licensees may experience. We concluded that we should implement a phasing scheme where fee increases are relatively small in the early years and proportionately greater in the later years. We concluded that this was appropriate because it will be in the early years that uncertainty about scope to respond in a manner consistent with safe and efficient operation will be greatest. Our proposals were intended to reduce the risk of inefficient responses to the new fees, including from the smaller organisations which are proportionately more affected.

High Duty Cycle Network Relay Points

- A5.31 The Proposed Regulations would set the fees for High Duty Cycle Network Relay Point licences in the UK. This follows on from our decision, as set out in the NRP Statement, to licence High Duty Cycle Network Relay Points in the 870 to 873 MHz band in the UK. The licensing regime was developed in a way which would minimise the regulatory burden, cost for stakeholders and resource requirements to implement the process by Ofcom. To do this we decided to use a national shared licence with an annual fee of £75.
- A5.32 High Duty Cycle Network Relay Points are used to collate information gathered from other devices and transfer the information back to the network. They are used in Smart Metering networks and are an important element in the Internet of Things (IoT) where many devices will be transmitting information back to a central hub or network. These new developing technologies can assist with operational efficiency and resource management in a number of areas including transportation, logistics and energy.

Point to Point Fixed Links in 7.9 to 8.5 GHz band

- A5.33 The Public Sector Spectrum Release programme involves plans to enable sharing of public sector spectrum with civil users. Ofcom and the Ministry of Defence (MOD) have started initial investigations to look at the potential for sharing in a number of bands including spectrum above 7900 MHz as noted in the Government's recent Public Sector Spectrum Release programme update. As a result of this work MOD has indicated that the band 7.9 to 8.4 GHz may be able to be shared with Fixed Links subject to certain conditions being met. This band is next to an existing Fixed Link allocation at 7.42 to 7.9 GHz. In order to facilitate this, the Proposed Regulations would extend the Fixed Link charging regime for the existing 7 GHz band to adjacent bands less than 8.5 GHz.
- A5.34 Our proposal would increase the supply of spectrum that can be used by stakeholders to provide services. By extending the existing charging regime in line with the adjacent frequency will ensure that the fee paid for spectrum is in line with the AIP rate for a similar band. This additional supply will assist government towards its policy objectives of making more spectrum available and Ofcom in its duties of promoting the efficient use of spectrum.

Business Radio

- A5.35 The emergency services have agreed to make some spectrum in the 450 to 470 MHz band available for Ofcom to assign on a temporary basis for short term use. For spectrum pricing reasons the 2011 Regulations defined UHF Band I as 410 to 449.49375 MHz and UHF Band II as 453.00625 to 466.08750 MHz. Given that the spectrum between 450 and 453 MHz will be made available we can now rationalise the UHF definition into a single UHF Band covering the entire band.

Public Wireless Networks

- A5.36 Our proposals to simplify the way that the fees are described for Public Wireless Networks licence for the Channel Islands and Isle of Man. This would allow Ofcom to charges spectrum fees taking into account a variety of approaches available to the islands as technologies change. The Proposed Regulations would cover Frequency Divisional Duplexing (FDD), Time Divisional Duplexing (TDD) and variable channel sizes. The Proposed Regulations will be able Ofcom to facilitate current and potential future spectrum uses in the Channel Islands and Isle of Man.

Cost to Ofcom

- A5.37 There are one-off administrative costs associated with making a Statutory Instrument. We consider the implementation costs to be low and offset by the benefits. There may be a slight reduction in spectrum management costs in certain areas.
- A5.38 As previously explained in the preceding paragraphs, the most efficient route to compliance with our statutory obligations is to make the Proposed Regulations.

Do Nothing

- A5.39 The main alternative amongst the specific options open to us would be to do nothing. By doing nothing, we mean not making the Proposed Regulations and maintaining the fees in the 2011 Regulations as amended for all relevant licence classes. This would mean that we would not be implementing policy changes that Ofcom had previously consulted and decided upon and in relation to which we had published statements.

Aeronautical licence classes

- A5.40 If we do not adopt new fees regulations, the sector would not be subject to an overall increase of around £3.5m in licence charges (based on the full rate of AIP applicable after 5 years). A significant proportion of the proposed increase would fall on NATS En-Route plc (NERL), the regulated UK air navigation service provider. This additional cost would likely to be passed onto airlines under the next regulatory price review.
- A5.41 There is excess demand from within the aeronautical sector. It is often very difficult to meet new requests for aeronautical VHF communications frequencies required by aerodromes and air traffic controllers. Failure to implement the Proposed Regulations would mean that the issue of spectrum scarcity continues to not be addressed.
- A5.42 The decision Ofcom made to adopt AIP for certain classes of Aeronautical licence is consistent with Ofcom's duties under sections 3 of the 2003 and WT Acts. Not

giving effect to that decision by adopting the Proposed Regulations risks continued inefficient use of spectrum that would be inconsistent with our duties as set out in sections 3 of those Acts.

Other licence classes

- A5.43 Without the Proposed Regulations the fees for High Duty Cycle Network Relay Points, Fixed Links in the 7.9 to 8.5 GHz band and Business Radio use in the UHF bands would need to continue to be applied under Regulation 6 of the 2011 Regulations¹⁸ leading to a lack of consistency in presentation of the fees and confusion about the fees payable.
- A5.44 By doing nothing, the existing fee description for Public Wireless Networks on the Channel Islands and Isle of Man will remain. This could potentially reduce the ability of the island Authorities in making decisions to authorise use in certain bands or require Ofcom to develop new licence products to implement these.

The preferred option

- A5.45 In order to continue to meet our spectrum management duties, and in light of the assessments referred to above, our preferred approach is to implement the Proposed Regulations.
- A5.46 Although they are difficult to quantify, we believe, for the reasons set out in more detail in the assessments referred to above, that these benefits are likely to exceed the costs to stakeholders of the increases in fees that will apply in some cases. Moreover, if we did not update our spectrum fees – for example, to reflect the value of the spectrum in appropriate cases, and reduce charges to reflect administrative costs in others - it might harm the efficient use of spectrum. We would not be acting consistently with our wider spectrum management duties, which would have repercussions in terms of economic efficiency.
- A5.47 For the reasons identified in the preceding paragraphs we consider the benefits of making the Proposed Regulations outweigh the costs. We therefore propose to make the Wireless Telegraphy (Licence Charges) (Amendment) Regulations 2015.

Equality Impact Assessment

- A5.48 Following an initial assessment of our policy proposals we consider that it is reasonable to assume that any impacts on consumers and citizens arising from the Proposed Regulations would not differ significantly between groups or classes of UK consumers and citizens, all of whom would have access to these services, potentially at end-user prices reflective of all general input costs, including opportunity costs of spectrum used.
- A5.49 In addition, we note that there is no available evidence to suggest the decision to apply the further phases of AIP charging would have a significantly greater direct financial impact on groups including based on gender, race or disability or for consumers in Northern Ireland relative to consumers in general. We do not consider that there is evidence to suggest that costs imposed on operators, would differ significantly by these aforementioned groups of consumers and citizens relative to consumers in general. This is because one would not expect the impact of supplying these consumers and citizens to differ significantly between these groups

¹⁸ <http://www.legislation.gov.uk/uksi/2011/1128/made/data.pdf>

and consumers in general. Nor would cost reflective end-user prices therefore be expected to impact significantly differently on these groups as a result of charging for WT Act licences.

- A5.50 We have not carried out a full Equality Impact Assessment in relation to race equality or equality schemes under the Northern Ireland and disability equality schemes at this stage. This is because we are not aware that the proposals being considered here are intended (or would, in practice) have a significant differential impact on different gender or racial groups, on consumers in Northern Ireland or on disabled consumers compared to consumers in general.

Draft Wireless Telegraphy (Licence Charges) (Amendment) Regulations 2015

STATUTORY INSTRUMENTS

2015 No.

ELECTRONIC COMMUNICATIONS

The Wireless Telegraphy (Licence Charges) (Amendment) Regulations 2015

Made - - - - - ***

Coming into force - - - - - ***

The Office of Communications (“OFCOM”), in exercise of the powers conferred by sections 12, 13(2) and 122(7) of the Wireless Telegraphy Act (2006)^(a)^(b) (the “Act”), makes the following Regulations:

Before making these Regulations, OFCOM have given notice of their proposal to do so in accordance with section 122(4)(a) of the Act, published notice of their proposal in accordance with section 122(4)(b) of the Act, and have considered the representations made to them before the time specified in the notice in accordance with section 122(4)(c) of the Act.

Citation and commencement

1. These Regulations may be cited as the Wireless Telegraphy (Licence Charges) (Amendment) Regulations 2015 and shall come into force on [] 2015.

Amendment of the Wireless Telegraphy (Licence Charges) Regulations 2011

2. The Wireless Telegraphy (Licence Charges) Regulations 2011^(c) (“the principal Regulations”) shall be amended in accordance with the following provisions of these Regulations.

Amendment of Regulation 2

3.—(1) In regulation 2 of the principal Regulations—

(a) in the definition of “high usage bands”, for “UHF Band I, UHF Band II” substitute “UHF Band”;

^(a) 2006 c.36

^(b) Sections 12, 13(2) and 122(7) were extended to the Bailiwick of Guernsey by article 2 of the Wireless Telegraphy (Guernsey) Order 2006 (S.I. 2006/3325); to the Bailiwick of Jersey by article 2 of the Wireless Telegraphy (Jersey) Order 2006 (S.I. 2006/3324); and to the Isle of Man by article 2 of the Wireless Telegraphy (Isle of Man) Order 2007 (S.I. 2007/278).

^(c) S.I. 2011/1128 as amended by S.I. 2012/1075, S.I. 2013/917 and S.I. 2014/1295.

- (b) for the definition of “UHF Band I” substitute the following definition—
““UHF Band” means that part of the electromagnetic spectrum between 410 MHz and 470 MHz
”; and
- (c) omit the definition of “UHF Band II”.

Amendment of Schedule 2

4.—(1) Schedule 2 to the principal Regulations shall be amended in accordance with the following paragraphs of this regulation.

(2) Under the heading “**Aeronautical**”—

- (a) in relation to the licence class “Aeronautical Station (Aeronautical Broadcast)” –
 - (i) for “exceeds £1000, the sum payable is £1000” substitute “exceeds £2000, the sum payable is £2000”; and
 - (ii) for “exceeds £3000, the sum payable is £3000” substitute “exceeds £6000, the sum payable is £6000”.
- (b) in relation to the licence class “Aeronautical Station (Aircraft Communications Addressing and Reporting System)” –
 - (i) for “exceeds £1000, the sum payable is £1000” substitute “exceeds £2000, the sum payable is £2000”; and
 - (ii) for “exceeds £3000, the sum payable is £3000” substitute “exceeds £6000, the sum payable is £6000”.
- (c) in relation to the licence class “Aeronautical Station (Air/Ground, Aerodrome Flight Information Service and Tower)” –
 - (i) for “exceeds £400, the sum payable is £400” substitute “exceeds £600, the sum payable is £600”; and
 - (ii) for “exceeds £1200, the sum payable is £1200” substitute “exceeds £1900, the sum payable is £1900”.
- (d) in relation to the licence class “Aeronautical Station (Approach)” –
 - (i) for “exceeds £1000, the sum payable is £1000” substitute “exceeds £2000, the sum payable is £2000”; and
 - (ii) for “exceeds £3000, the sum payable is £3000” substitute “exceeds £6000, the sum payable is £6000”.
- (e) in relation to the licence class “Aeronautical Station (Area Control)” –
 - (i) for “exceeds £1000, the sum payable is £1000” substitute “exceeds £2000, the sum payable is £2000”; and
 - (ii) for “exceeds £3000, the sum payable is £3000” substitute “exceeds £6000, the sum payable is £6000”.
- (f) in relation to the licence class “Aeronautical Station (Very High Frequency Data Link)” –
 - (i) for “exceeds £3000, the sum payable is £3000” substitute “exceeds £6000, the sum payable is £6000”; and
 - (ii) for “exceeds £6000, the sum payable is £6000” substitute “exceeds £12000, the sum payable is £12000”.

(3) Under the heading “**Fixed Links**” in relation to the licence class “Point to Point Fixed Links (71.125 – 73.125GHz and 81.125 – 83.125GHz)” —

- (a) for the variable sum specified in paragraph (a), for “£100 for each channel with a bandwidth of less than 250 MHz.”, substitute “£100 for each bi-directional channel pair with a bandwidth of less than 250 MHz.”; and

- (b) for the variable sum specified in paragraph (b), for “£225 for each 250 MHz of bandwidth within a channel, where the channel has a bandwidth of 250MHz or more.”, substitute “£225 for each 250 MHz of bandwidth within a bi-directional channel pair, where the bi-directional channel pair has a bandwidth of 250MHz or more.”

(4) Under the heading “**Public Wireless Networks**” —

- (a) in relation to the licence class “Public Wireless Networks (Guernsey)” for “£320 for each 2 x 200 kHz channel or slot. £4000 for each 1 x 5 MHz channel or slot. £8000 for each 2 x 5 MHz channel or slot” substitute “£80 for each 100 kHz channel or slot”.
- (b) in relation to the licence class “Public Wireless Networks (Jersey)” for “£320 for each 2 x 200 kHz channel or slot. £4000 for each 1 x 5 MHz channel or slot. £8000 for each 2 x 5 MHz channel or slot” substitute “£80 for each 100 kHz channel or slot”.
- (c) in relation to the licence class “Public Wireless Networks (Isle of Man)” for “£320 for each 2 x 200 kHz channel or slot. £4000 for each 1 x 5 MHz channel or slot. £8000 for each 2 x 5 MHz channel or slot” substitute “£80 for each 100 kHz channel or slot”.

(5) Under the heading “**Science and Technology**” after the entry for “Ground Probing Radar” add the following entry —

High Duty Cycle Network Relay Points	£75		12 months
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Amendment of Schedule 3

5.—a) In Part 2 of Schedule 3, in Column 1, substitute “ $7.42 \leq fb < 7.90$ ” with “ $7.42 \leq fb < 8.50$ ”.

(1) In Part 4 of Schedule 3, in Column 1 of Table 2, substitute “ $7.42 \leq fb < 7.90$ ” with “ $7.42 \leq fb < 8.50$ ”.

[Name]

[]

[Date]

For and by the authority of the Office of Communications