



Decision to make Wireless Telegraphy Licence Charges Regulations

This document sets out Ofcom's decision to make
Wireless Telegraphy Licence Charges Regulations in
relation to Satellite Services licences

Statement

Publication date: 24 January 2008

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Section 1

Summary

- 1.1 On 13 November 2007, Ofcom published a Statutory Notice¹ entitled “Notice of Ofcom’s proposal to make Wireless Telegraphy Regulations relating to Satellite Services licences” (“the statutory notice”) which was a consultation on the regulations that would modify the charges for some classes of satellite licence. This followed a policy consultation, published on 6 July 2006, which proposed modifications to Wireless Telegraphy Act licence charges (“the policy consultation²”). The policy consultation set out a number of proposals for modifying licence charges imposed in accordance with the powers granted to us under the Wireless Telegraphy Act 2006 (“the WT Act”). We carefully considered the responses to the policy consultation and on 10 January 2007 issued a statement, “Modifications to spectrum pricing” (“the policy statement”) ³, explaining our decisions.
- 1.2 In order to make or change fees for Wireless Telegraphy licences we are required to make regulations. The statutory notice, gave statutory notice of our intention to amend the Wireless Telegraphy (Licence Charges) Regulations 2005. This statement explains Ofcom’s decision to make the Wireless Telegraphy (Licence charges) (Amendment) Regulations 2008 (“the regulations”).
- 1.3 We received three responses to the statutory notice. These responses have been published on the Ofcom website⁴ and we have carefully considered them in reaching our decisions. The responses were mainly favourable but some respondents raised objections to the policy which will be put into effect by the introduction of the regulations. We have already consulted on, made and explained our policy decisions in relation to the Satellite Services licences. We received a request to increase the time that we are allowing for phasing in the changes by one year. We have already considered the issue of phasing in the introduction of the changes and have announced our decisions on this in the policy statement in addition we have already given stakeholders over a year’s notice from the time that we published our policy statement in January 2007 to the introduction of the changes in March 2008. As a result, we do not intend to change the decisions that we have already made on this issue.
- 1.4 We have made a number of minor editorial changes to the amendment regulations to improve the presentation and clarity of the regulations. These changes will not have any material effect on the regulations. We made no changes to the regulations as a result of the responses to the statutory notice.
- 1.5 The regulations were made on 23 January 2008 and have been submitted for registration and publication. They will come into force on 13 February 2008.
- 1.6 Section 2 of this document provides a general background to the policy and regulatory framework for WT Act licence charges.
- 1.7 Section 3 of this document explains the general effect of the regulations.

¹ <http://www.ofcom.org.uk/consult/condocs/wt/summary/>

² <http://www.ofcom.org.uk/consult/condocs/pricing06/>

³ <http://www.ofcom.org.uk/consult/condocs/pricing06/statement/>

⁴ <http://www.ofcom.org.uk/consult/condocs/wt/summary/>

- 1.8 A Regulatory Impact Assessment (“RIA”) setting out the benefits, costs and risks of the regulations is included at Annex 4.
- 1.9 The regulations (in draft) can be found at Annex 5. A final version will shortly be published by the Office of Public Sector Information⁵. Further hard copies of the draft pricing regulations are available from Diana Kennedy at 2a Southwark Bridge Road, London SE1 9HA.

⁵ <http://www.opsi.gov.uk/si/si-2008-index>

Section 2

Decision

- 2.1 This statement explains our decision to make the regulations. The following section of the statement explains; the background to the making of the amendment regulations, the main issues raised in the responses to the statutory notice and the next steps for the implementation of the regulations.

Background

- 2.2 On 10 July 2006, we published a consultation document concerning Wireless Telegraphy Act licence fee proposals for Satellite Services licences. The consultation set out a number of proposals for simplifying the satellite licensing structure and encouraging more efficient use of the radio spectrum.
- 2.3 In order to bring the proposals detailed in the policy consultation into effect, we are required to make regulations to make fee charges for Wireless Telegraphy Licences (the licences under which use of radio spectrum equipment is authorised)..
- 2.4 The statutory notice consulting on these regulations was published on 13 November 2007 and the consultation period for the statutory notice ended on 14 December 2007. We received three responses to the consultation. We have carefully considered these responses before deciding to make the licence charges regulations.

Effect of the new Regulations

- 2.5 These regulations will amend the fees payable for Satellite Services licences by:
- adjusting Satellite (Transportable Earth Station) (TES) and Satellite (Permanent Earth Station) (PES) licence fees in order to introduce Administrative Incentive Pricing (AIP) at a rate comparable to that paid by other sectors (for example fixed links, which use the same or similar spectrum);
 - removing the Satellite (Earth Station on Board Vessel) licence class from the fees regulations;
 - introducing cost-based fees for Satellite (Aircraft Earth Station) and Satellite (Earth Station Network) licences; and
 - introducing fees for the Satellite (Transportable Very Small Aperture Terminal) and Satellite (Earth Station on Board Train) licence classes that have been created in response to demand for new services.

Responses to the statutory notice

- 2.6 We received three responses to the statutory notice from satellite operators and stakeholders, these responses are published on the Ofcom website. In general, the responses were in favour of the introduction of the proposed regulations. We have already consulted on, made and explained our policy decisions in relation to the Satellite Services licences however some respondents re-iterated concerns raised in the original policy consultation. . The statutory notice sought to consult on the content of the regulations and not the policy implications.

- 2.7 Most respondents welcomed the introduction of a flat-rate fee for certain network earth station licence types. These respondents believed that lower fees and a de-regulated approach to licensing is likely to promote the availability of satellite services in the UK. Some respondents advocated a licence-exempt approach or no fee for these licences. We agree that that a light-touch regulatory approach is appropriate for these licences but licence exemption was not considered as part of the statutory notice or the policy consultation. Therefore, at this stage, we have made significant reductions to licence charges for these licences and introduced a flat-rate fee of £200, intended to recover, at least in part, the cost of administering the licences.
- 2.8 Two respondents requested that the fees for the Satellite (Permanent Earth Station) licences were phased in over a longer period than the proposed two years. As discussed in the policy statement we consider that phasing the charges in over two years to be appropriate for the levels of increase (typically an increase of 100-200%) that will result from the introduction of the regulations. Moreover, since the publication of the policy statement on 10 January 2007, we have already given stakeholders a year's notice before proceeding to make the regulations. Finally it should be noted that, before the last modifications to satellite earth station charges in 2002, fees were set higher than the level that we now plan to implement. Therefore, we do not expect that the phasing the introduction of fees for Satellite (Permanent Earth Station) licences will significantly impact on businesses.
- 2.9 One respondent was of the view that it is not necessary to introduce fees for the Satellite (Transportable Very Small Aperture Terminal) and Satellite (Earth Station on Board Train) licences as there is demand for these new types of services. However high demand is not of itself a reason not to charge licence fees. We consider that there is a need for these services to be licensed so we have introduced a light-touch regulatory approach for these new service types in response to demand from operators. The approach involves the application of an AIP-based fee for the Satellite (Transportable Very Small Aperture Terminal) licence and a cost-recovery fee for the Satellite (Earth Station on Board Train) licence. This aligns with the approach taken for similar satellite licence products.
- 2.10 One respondent sought clarification on the distinction between the Satellite (Transportable Earth Station) and (Transportable Very Small Aperture Terminal) licence products. The fees for these two licence products are identical, however the regulatory approach is slightly different because a Transportable Very Small Aperture Terminal operates as part of a network, whereas a Transportable Earth Station is controlled locally. The requirements for licensing are therefore different but the method for co-ordination is the same.
- 2.11 We have made some minor changes to the formula for calculating the appropriate sum for a satellite (Permanent Earth Station) licence. These changes are presentational and do not have any material effect on the content of the regulations. The changes are intended to better explain the terms used in the formula.

Next Steps

- 2.12 We made the regulations on 23 January 2008; they will come into force on 13 February 2008. A draft of this statutory instrument is annexed to this statement in the form submitted for indicative purposes. The statutory instruments will be published on OPSI's website at www.opsi.gov.uk

Section 3

General Effect of the Wireless Telegraphy (Licence Charges) (Amendment) Regulations 2008

- 3.1 When the regulations (copy in draft at Annex 2) come into force they will amend the existing legal framework for the spectrum pricing arrangements that apply to some WT Act Satellite Services licence classes. In making the regulations, we have had regard to the matters specified in section 3 of the WT Act and are exercising our powers under sections 12 and 13 of the WT Act and section 403 of the Communications Act.

Extent of application

- 3.2 The regulations will apply in the United Kingdom.

Proposed changes to the existing pricing regulations

- 3.3 The regulations will set out the relevant licence charges for Satellite Services licence classes. They will amend the existing pricing regulations.

Regulations 1 and 2

- 3.4 Regulation 1 sets out the citation and commencement of the regulations.
- 3.5 Regulation 2 provides for the amendment of the existing pricing regulations.

Regulation 3

- 3.6 Regulation 3 amends Schedule 2 to the existing pricing regulations.
- 3.7 Regulation 3(2) removes the Satellite (Earth Station on Board Vessel) licence class and inserts new licence classes for Satellite (Earth Station on Board Trains) and Satellite (Transportable Very Small Aperture Terminal). This change has effectively resulted in the removal of Part 1 of Schedule 8 to the existing pricing regulations.
- 3.8 Regulation 3(3) provides for the interpretation of Regulation 3.

Regulation 4

- 3.9 Regulation 4 replaces Schedule 8 to the existing pricing regulations.
- 3.10 Regulation 4(1) and 4(2) insert a new algorithm for the Satellite PES licence class.
- 3.11 Regulation 4(3) inserts a fee table to be used for the calculation of the Satellite TES licence and the Satellite (Transportable Very Small Aperture Terminal) licence.

Annex 1

Regulatory Impact Assessment relating to the Wireless Telegraphy (Licence Charges) (Amendment) Regulations 2008

Introduction

- A1.1 In accordance with Government practice, where a statutory regulation is proposed, a Regulatory Impact Assessment (“RIA”) must be undertaken. The analysis presented here, when read in conjunction with the rest of this document, represents an RIA as defined by section 7 of the Communications Act 2003 (“the Communications Act”) for amending the Wireless Telegraphy (Licence Charges) Regulations 2005.
- A1.2 RIAs 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 Communications Act, which means that generally we will carry out impact assessments where 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. In accordance with section 7 of the Communications Act, in producing this RIA, we have had regard to such general guidance as we consider appropriate including related Cabinet Office guidance. 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

- A1.3 In the UK, we are responsible for the authorisation of civil use of the radio spectrum and achieve this by granting licences under the Wireless Telegraphy Act 2006 (“WT Act”). Section 12 grants us the power to recover charges, as determined by us and prescribed by regulations, for the grant of a WT Act licence. This power enables us to recover the cost of administering and managing WT Act licences. However, we also have a range of duties under section 3 of the WT Act which require us to promote the efficient management and use of the part of the electromagnetic spectrum available for wireless telegraphy. Accordingly, in order to provide incentives to licensees to use their spectrum more efficiently, section 13(2) of the WT Act permits us to prescribe and recover sums for WT Act licences greater than those necessary to recover the costs that we incur in undertaking our spectrum management functions. This is known as Administrative Incentive Pricing (“AIP”).
- A1.4 We issued a consultation document (“the policy consultation”)⁶ and subsequent statement (“the policy statement”)⁷ concerning modifications to spectrum pricing on 6 July 2006 and 10 January 2007 respectively. The policy consultation concerned changes to a number of WT Act licence charges and categories, namely those

⁶ <http://www.ofcom.org.uk/consult/condocs/pricing06/>

⁷ <http://www.ofcom.org.uk/consult/condocs/licencecharges/statement/wtstatement.pdf>

applicable to Broadcasting, Business Radio, Community Radio, Fixed Links, Fixed Wireless Access, Maritime, Programme Making and Special Events, Public Wireless Networks, Satellite Earth Stations and Science and Technology. The majority of these changes were implemented by the Wireless Telegraphy (Licence Charges) (Amendment) Regulations 2007⁸ which came into force on 27 August 2007. This RIA relates to the decisions made in relation to Satellite Services licences. The decision made in relation to the Business Radio sector will be implemented via a separate statutory notice that is planned to be issued later in 2008.

Decision

A1.5 This RIA relates to the decisions we set out in the policy statement to update and modify WT Act licence charges for Satellite Services licences, introduce new licence products for new services and remove a service where deregulation is desirable. The modifications will be effected by way of an amendment to the Wireless Telegraphy (Licence Charges) Regulations 2005⁹ (“the existing pricing regulations”) in the form of the Wireless Telegraphy (Licence Charges) (Amendment) Regulations 2008 (“the regulations”). The nature of the changes broadly fall into the following three categories:

- adjusting WT Act licence charges in order to introduce AIP at a comparable rate paid by other sectors (for example fixed links, which use the same or similar spectrum);
- simplifying and deregulating licence classes; and
- introducing fees for licence classes that have been created in response to demand for new services.

The citizen and/or consumer interest

A1.6 We take account of the impact of our decisions on both citizen and consumer interests in the markets we regulate. In proposing changes to the existing pricing regulations we have considered the wider impact beyond immediate stakeholders in the radiocommunications community. We believe that the decision to make the regulations will be of benefit to citizens and consumers for the following reasons:

- i) extended application of AIP will encourage more efficient use of the radio spectrum, potentially making more available to potential new uses and users;
- ii) simplified licence charges will facilitate fee payment and reduce costs to licensees by reducing the number and complexity of transactions; and
- iii) the introduction of new licence classes will improve choice for consumers and industry.

Ofcom’s policy objective

A1.7 Given our statutory duties and powers described above, we are amending charges for specified WT Act licence products in order either to recover the increased costs of administering and managing those licences or to encourage more efficient use of

⁸ <http://www.opsi.gov.uk/SI/si2007/20072326.htm>

⁹ S.I. 2005/1378 as amended by S.I. 2006/2894

the radio spectrum. Additionally, we seek, wherever possible, to reduce the regulatory burden on our stakeholders, in this instance users of the radio spectrum. One way in which we can do this is to simplify and rationalise the WT Act licence products available to users. We are simplifying certain categories of licence and charging mechanisms in order to further this objective.

Options considered

A1.8 The options open to us in relation to the categories of WT Act licence offered generally fall into the following categories:

- i) maintain existing licence classes and categories of licence products;
- ii) create new licence classes and products in order to satisfy demand; or
- iii) licence exempt the equipment.

A1.9 The options open to us in relation to the charges for WT Act licences generally fall into the following categories:

- i) not charge for licences;
- ii) maintain existing charges for licences;
- iii) charge for licences on a cost recovery basis only;
- iv) charge for licences based on AIP; or
- v) adopt a mixture of these options.

Analysis of the different options in relation to the categories of WT Act licence offered

Maintain existing licence classes and categories of licence products

A1.10 By maintaining existing licence classes and products we may not be acting to reduce regulatory burdens in areas where it is possible for us to do so. In addition, we may be failing to consider whether existing licence classes and products are adequate or necessary to meet the needs of stakeholders.

Create new licence classes and products in order to satisfy demand

A1.11 By creating new licence classes we are seeking to ensure that licence products are adequate to satisfy stakeholder demand.

Licence exempt the equipment

A1.12 It is not appropriate to make equipment licence exempt where that would create a significant risk of harmful interference. Licences have only been proposed where such a risk exists.

Analysis of the different options in relation to the charges for WT Act licences

Not charge for licences

- A1.13 By issuing free licences we may not be complying with our duty to promote efficient use and management of spectrum. Further, in not, at the very least, recovering our costs of undertaking our spectrum management functions, we may indirectly impose additional costs on other stakeholders.

Maintain existing charges for licences

- A1.14 By maintaining existing charges for licences we may not be complying with our duty to promote the efficient use and management of spectrum. Further, where our costs of undertaking our spectrum management functions have increased and we do not seek to recover these costs, we may indirectly impose additional costs on other stakeholders.

Charge for licences on a cost recovery basis only

- A1.15 In relation to some classes of licence it may be appropriate to recover from licensees those costs incurred by us in undertaking our spectrum management functions. However, this approach may not be appropriate for all licence classes as it does not necessarily reflect the value of spectrum as a scarce resource and may not promote the efficient use and management of spectrum.

Charge for licences based on AIP

- A1.16 It may be appropriate to charge some licensees on the basis of AIP, in order to reflect the value of spectrum as a scarce resource and promote efficient use and management of spectrum.

A mixture of these options

- A1.17 We consider that it is appropriate to recover costs from licensees on the basis of either cost recovery principles or AIP, as appropriate in the circumstances.

The preferred options

- A1.18 In relation to the categories of WT Act licence available to licensees and the charges associated with these categories, our preferred options are to:
- adjust licence charges in order to introduce AIP at a comparable rate paid by other sectors (for example fixed links, which use the same or similar spectrum) specifically in relation to Satellite (Permanent Earth Station) (PES), Satellite (Transportable Earth Station) (TES) and Satellite (Transportable Very Small Aperture Terminal) licences;
 - simplify some licence charges and classes and categories of licence product as necessary, specifically in relation to Satellite (Aircraft Earth Station) licences, Satellite (Earth Station on Board Train) licences and Satellite (Earth Station Network) licences; and
 - introduce charges for new licence classes, specifically in relation to Satellite (Transportable Very Small Aperture Terminal) licence and Satellite (Earth Station

on Board Train) licences, that have been introduced to satisfy demand for new services.

A1.19 Holders of Satellite PES and Satellite TES licences will pay increased licence charges as a result of the introduction of the regulations. These licence charges, as well as charges for the new Satellite (Transportable Very Small Aperture Terminal) licence class, are based on the AIP rate identified by Indepen in the 2004 Spectrum pricing report.¹⁰

A1.20 The holders of licences in the Satellite (Aircraft Earth Station), Satellite (Earth Station on Board Train) and Satellite (Earth Station Network) licence classes will pay WT Act licence fees which are based on the costs incurred by us in undertaking our spectrum management functions related not just to issuing and administering these licences but also enforcement and other indirect costs associated with the licences.

Benefits

A1.21 The benefits of these preferred options are a reduction in the regulatory burden on stakeholders arising from the simplification of licence charges and removal of the Satellite (Earth Station on Board Vessel) licence class. The introduction of new licence classes will also benefit stakeholders by responding to demand for new services. The regulations will also provide incentives for licensees to use spectrum more efficiently.

Costs to business

A1.22 While the cost of certain WT Act licences will increase as a result of the introduction of the regulations, these costs will be offset against the benefits to the UK economy as a whole from more efficient use of spectrum.

Costs to Ofcom

A1.23 There are one-off administrative costs associated with making regulations. We consider the implementation costs to be low and offset by the benefits outlined in section 2 of the policy consultation. There may be a slight reduction in spectrum management costs in certain areas.

Conclusion

A1.24 We consider that promoting more efficient use of spectrum and reducing the regulatory burden on some licensees brought about by the introduction of the regulations outweigh the costs of their introduction. We have therefore decided to amend the existing pricing regulations. We will continue to monitor the effect of the regulations as part of our ongoing review of spectrum pricing policy. We usually review the pricing regulations themselves every two years.

¹⁰ http://www.independ.co.uk/panda/docs/spectrum_pricing_review.pdf

Annex 2

The draft Wireless Telegraphy (Licence Charges) Regulations 2008

2008 No. 0000

ELECTRONIC COMMUNICATIONS

**The Wireless Telegraphy (Licence Charges) (Amendment)
Regulations 2008**

Made - - - - *23rd January 2008*

Coming into force - - *13th February 2008*

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

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, commencement and interpretation

1.—(1) These Regulations may be cited as the Wireless Telegraphy (Licence Charges) (Amendment) Regulations 2008 and shall come into force on 13 February 2008.

(2) In these Regulations “the principal Regulations” means the Wireless Telegraphy (Licence Charges) Regulations 2005(b).

Amendment of the Wireless Telegraphy (Licence Charges) Regulations 2005

2. The principal Regulations shall be amended in accordance with the following provisions of these Regulations.

Amendment of Schedule 2

3.—(1) Schedule 2 (licence charges and payment intervals) shall be amended in accordance with the following paragraphs of this regulation.

(2) Under the heading “Satellite Services”, for all entries in Columns 1 to 4, substitute the following entries—

“Satellite (Aircraft Earth Station)	£200		12 months
		For each terminal requiring technical coordination by Ofcom resulting in the variation of a licence, £200.	

(a) 2006 c.36

(b) S.I. 2005/1378 as amended by S.I. 2006/2894 and S.I. 2007/2326

Satellite (Earth Station Network)	£200		12 months
		For each terminal requiring technical coordination by Ofcom resulting in the variation of a licence, £200.	
Satellite (Earth Station on Board Train)	£200		12 months
		For each terminal requiring technical coordination by Ofcom resulting in the variation of a licence, £200.	
Satellite (Earth Station – Non-Fixed Satellite Service)	£500		12 months
Satellite (Earth Station – Non-Geostationary)	£500		12 months
Satellite (Permanent Earth Station)		For the site (the area contained within a circle of a radius of 500 metres centred on a point defined by the licensee), the appropriate sum calculated in accordance with the formula set out in Part 1 of Schedule 8.	12 months
Satellite (Transportable Earth Station)		For each earth station operating in the 13.78-14.5 GHz band, the appropriate sum payable in accordance with Part 3 of Schedule 8 as determined by the power and bandwidth of the earth station.	12 months
Satellite (Transportable Very Small Aperture Terminal)		For each earth station operating in the 13.78-14.5 GHz band, the appropriate sum payable in accordance with Part 3 of Schedule 8 as determined by the power and bandwidth of the earth station.	12 months”

(3) In this regulation—

- (a) the column headed “Class of licence” in Schedule 2 to the principal Regulations shall be designated as “Column 1”;
- (b) the column headed “Fixed sums” in Schedule 2 to the principal Regulations shall be designated as “Column 2”;
- (c) the column headed “Variable sums” in Schedule 2 to the principal Regulations shall be designated as “Column 3”;
- (d) the column headed “Prescribed payment interval” in Schedule 2 to the principal Regulations shall be designated as “Column 4”; and
- (e) the four columns of the grid in regulation 3(2) of these Regulations are to be inserted as Columns 1 to 4 of that Schedule.

Amendment of Schedule 8

4. For all of the entries in Schedule 8, substitute the following entries—

“SCHEDULE 8

FEES PAYABLE FOR SATELLITE (PERMANENT EARTH STATION), (TRANSPORTABLE EARTH STATION) AND (TRANSPORTABLE VERY SMALL APERTURE TERMINAL) LICENCES

PART 1

FORMULA FOR CALCULATING THE APPROPRIATE SUM FOR A SATELLITE (PERMANENT EARTH STATION) LICENCE

4. In this Part, subject to paragraph 6, “the appropriate sum” means the amount in pounds sterling, which is payable for a Satellite (Permanent Earth Station) Licence, calculated in accordance with the formula set out in paragraph 5.

5. The formula is –

$$AS = \sum_{bands} \left[28 \times BF_{band} \times \sqrt{\sum_{paths_{band}} (P_{path} \times BW_{path})} \right]$$

where –

“AS” means the appropriate sum;

“bands” mean the numbers listed in Column 1 of the table set out in Part 2, corresponding to the range of frequency band listed in Column 2 of that table which are authorised by the licence;

“ BF_{band} ” means the band factor applying to each band, being the number in Column 3 of the table set out in Part 2 corresponding to the band listed in Column 1 of the same table;

“ $paths_{band}$ ” means the set of those transmission paths authorised by the licence for which the authorised transmission frequency lies within the frequency range of each band as set out in Column 2 of the table set out in Part 2;

“ P_{path} ” means the authorised peak transmit power (in Watts) at the flange of the antenna of the earth station for each transmission path;

“ BW_{path} ” means the authorised transmit bandwidth (in MHz) for each transmission path; and

“transmission path” means a combination of a satellite earth station transmitter, a satellite receiver, a transmission frequency, and polarisation for which transmissions are authorised by the licence.

6. Where the amount in pounds sterling calculated in accordance with the formula set out in paragraph 5 is less than £500, the appropriate sum shall be £500.

PART 2

BAND FACTOR FOR CALCULATING THE APPROPRIATE SUM FOR A SATELLITE (PERMANENT EARTH STATION) LICENCE

<i>Column 1: band</i>	<i>Column 2: Range of frequency band (fb) (in GHz)</i>	<i>Column 3: Band factor</i>
1	$fb < 5$	1.54
2	$5 \leq fb < 10$	1.23
3	$10 \leq fb < 16$	0.87
4	$16 \leq fb < 24$	0.70
5	$fb \geq 24$	0.60

PART 3

FEES PAYABLE FOR SATELLITE (TRANSPORTABLE EARTH STATION) AND (TRANSPORTABLE VERY SMALL APERTURE TERMINAL) LICENCES

7. The appropriate sum is the amount in pounds sterling, which is payable for each earth station of a Satellite (Transportable Earth Station) and a Satellite (Transportable Very Small Aperture Earth Station) Licence, specified in Column 2 of the table below as determined by the range of p specified in Column 1 of that table in which the licensee's network falls.

8. In this Part –

- (a) “OMP” means the number corresponding to the number of the Operational Maximum Power (in Watts) as declared by the licensee on application for the earth station licence;
- (b) “ p ” means the product of OMP multiplied by WBW ; and
- (c) “ WBW ” means the number corresponding to the number of the widest bandwidth (in MHz) as declared by the licensee on application for the licence.

<i>Column 1: Range of p</i>	<i>Column 2: Fee (£) per earth station</i>
$0 < p \leq 100$	300
$100 < p \leq 2,500$	1,400
$p > 2,500$	4,300”

23rd January 2008

Ed Richards
Chief Executive of the Office of Communications
For and by the authority of the Office of Communications

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Wireless Telegraphy (Licence Charges) Regulations 2005 (S.I. 2005/1378 as amended by S.I. 2006/2894 and S.I. 2007/2326) (the “Principal Regulations”).

For the Satellite sector, the Regulations introduce fixed charges for the Satellite (Aircraft Earth Station) and (Earth Station Network) licence classes. The Regulations also introduce charges for two new licence classes (Satellite (Earth Station on Board Train) and (Transportable Very Small Aperture Terminal) licences), and increase existing charges for the Satellite (Permanent Earth Station) and (Transportable Earth Station) licence classes.

A full regulatory impact assessment of the effect that these Regulations will have on the costs to business is available to the public from the OFCOM Library at Riverside House, 2A Southwark Bridge Road, London SE1 9HA (Tel: 020 7981 3000) or on OFCOM’s website at www.ofcom.org.uk. Copies of this assessment have also been placed in the libraries of both Houses of Parliament.