



# **Fee Schedule**

**1 January to 31 December 2016**

**ECS 02/2016**

Revised: 11 February 2016

## 1. Introduction

- 1.1 Under Part XVI of the Communications Act, 2009 (“Comms Act”), which came into force on 1 September, 2009 URCA has the power and duty to collect certain fees from licensees for itself and on behalf of other bodies. URCA has reviewed and hereby revises and amends the Fee Schedule, ECS 1/2015 published January 29, 2015 (“the Fee Schedule”).
- 1.2 This revision to the Fee Schedule implements the following changes to the fees levied under the Comms Act and collected by URCA:
- i. Spectrum Fees – Table 6 of the Revised Fee Schedule implements revised Spectrum Fees, consequent to URCA’s 2014 public consultation on a Spectrum Pricing Review, the Statement of Results and Final Decision on which was issued on 28 January 2015 as ECS 01/2016.
  - ii. URCA Fee - Table 2 of the Revised Fee Schedule has been amended consequential to URCA’s setting of its budget costs for the 2016 financial year, which will be charged to Licensees via the URCA Fee to fund URCA’s operations and planned activities over this period.
- 1.3 This document contains the level of **fees applicable from January 1, 2016 to December 31, 2016**, as follows:
- i. Under Section 92 of the Comms Act, URCA has determined to levy the fees and charges set out in Tables 2 and 3 respectively. (See URCA’s Final Determination on Class Licences, Exemptions and Types of Fees ECS – 24/2009 found on URCA’s website at [www.urbahamas.bs](http://www.urbahamas.bs)).
  - ii. Under Section 91 of the Comms Act, licensees will be required to pay a Communications Licence fee to the Government but collected by URCA (these are set out in Table 4).
  - iii. There will be an obligation for licensees to pay other fees, such as under the Utilities Tribunal Act, 2009 (UAT Act) (these fees will be set out in Table 5 once duly determined in accordance with the UAT Act).
  - iv. Under Section 93 of the Comms Act, URCA will impose charges for radio spectrum (these are set out in Table 6).
  - v. Under Section 76 of the Comms Act, URCA can, by regulation, require the payment of a fee for processing merger control applications, making

adjudications and if applicable, an order, in the exercise of its merger control functions. A regulation on merger control fees has been published on the URCA website at [www.urcabahamas.bs](http://www.urcabahamas.bs).

- 1.4 This Fee Schedule will be kept under review and will be revised from time to time.

## **2. The annual URCA Fee and other URCA Fees**

- 2.1 Under Section 92(2) of the Comms Act, fees levied by URCA must, amongst other things, be proportionate and be published in an appropriate and sufficiently detailed manner, so as to be readily accessible; and be set to cover URCA's annual budgeted costs of performing URCA's functions and exercising its powers under the Comms Act and the URCA Act and to recover any deficit from previous years.
- 2.2 The annual URCA Fee funds the operations of URCA and is charged annually in respect of the forthcoming financial year. URCA's financial year extends from January 1 to December 31. URCA publishes its Annual Plan that includes its objectives and targeted activities for the financial year and sets out URCA's budget based upon its activities and budgeted costs for the year. This is a requirement under Section 41 of the URCA Act.
- 2.3 The annual URCA Fee is calculated based on a Licensee's relevant turnover. Existing Licensees will be invoiced at the end of each calendar year for the annual URCA Fee and Licensees must make full payment within thirty (30) days of being invoiced. Late payment of the URCA Fee will attract statutory interest under Section 94 of the Comms Act daily at the lower of a rate of four per centum (4%) over the prime lending rate as published by the Central Bank of The Bahamas; and any maximum applicable rate specified in the Rate of Interest Act.
- 2.4 URCA may exercise its discretion to permit payment arrangements by Licensees respect in respect of the annual URCA Fee. However, payments by a Licensee made outside the required 30 day period for full payment, as invoiced by URCA, will attract interest at the level stated above. URCA encourages all Licensees to make full payment of the annual URCA Fee as prescribed in the URCA invoice. URCA emphasizes that it must bill and collect the annual URCA Fee in a manner that ensures it will have the necessary funding to be able to effectively and efficiently achieve its projected targets and activities for the year.

- 2.5 The annual URCA Fee becomes payable before a Licensee commences activities within a regulated sector. This is particularly applicable to a new Licensee that has been issued an Individual Operating Licence or a Class Operating Licence Requiring Registration by URCA under the Comms Act. Where URCA issues a new Comms Act licence, the Licensee will be invoiced for the annual URCA Fee in accordance with this Fee Schedule and will be required to pay the fee within the period as prescribed in the invoice.
- 2.6 URCA may also levy other URCA fees and charges under Section 92(1)(a) and (b) of the Comms Act for particular services rendered by URCA in the performance of its functions and the exercise of its powers under the Comms Act. The URCA fees are payable each time an application is submitted under the Comms Act or for the supply or making of copies of documents. All applicants are required to pay the application fee under this Fee Schedule upon submission of an application form in order for URCA to commence processing of the application. Where an applicant fails to pay the requisite application fee, any statutory application processing time under the Comms Act will not start until such payment has been made.
- 2.7 Where an applicant intends to provide multiple services under a licence, the application fee will be charged based on the highest fee amount of the services being applied for. For example, URCA will only charge a single application fee of \$5,000 where the applicant has submitted an application for a licence to provide Pay Television, Fixed Voice and Internet services.
- 2.8 The fees detailed in Tables 1 and 3 below are set to cover the URCA's application processing and administrative costs, and the costs for the supply or making copies of URCA documents, respectively.<sup>1</sup>
- 2.9 The fees detailed in Table 2 below are the annual URCA Fees for the financial year January 1, 2016 to December 31, 2016 and have been set to cover URCA's annual budgeted costs for performing its functions under the Comms Act and the URCA Act for this period, as set out in URCA's draft Annual Plan 2016 (ECS 13/2015) published on December 31, 2015.<sup>2</sup>

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<sup>1</sup> Please refer to the Licensing Guidelines, available on the URCA website ([www.urcabahamas.bs](http://www.urcabahamas.bs)) and the Communications Act 2009 for further information relating to application / administrative fees.

<sup>2</sup> See the Final Determination on Class Licences, Exemptions and Types of Fees ECS – 24/2009 which is available at [www.urcabahamas.bs](http://www.urcabahamas.bs)

**Table 1 – Application / Administrative Fees<sup>3</sup>**

Type of electronic communications service for which application form is submitted	Application/ Administrative Fees
Amateur Radio (Local/Reciprocal)	\$10
Broadband Wireless	\$100
Broadcasting (AM/FM Radio)	\$100
Broadcasting (Studio to transmitter link [STL])	\$100
Broadcasting (Television)	\$100
Backhaul	\$100
Cellular/Mobile Networks	\$5000
Fixed Voice	\$5000
Fixed Wireless Access	\$1000
Fixed Wireless Service	\$1000
Internet Service Provider	\$100
Numbering resources	\$100
Pay Television (Pay TV)/Cable TV	\$5000
Prepaid Calling Card Services (Own Branding)	\$1000
Private Landbase (simplex/duplex/narrow band transmission)	\$100
Private Paging	\$10
Private Trunking	\$10
Public Fixed Network (Voice/Data/Video)	\$5000
Public Paging	\$100
Public Trunking	\$100

<sup>3</sup> Please refer to the Licensing Guidelines, available on the URCA website ([www.urcabahamas.bs](http://www.urcabahamas.bs)) and the Communications Act 2009 for further information relating to application / administrative fees.

Type of electronic communications service for which application form is submitted	Application/ Administrative Fees
Request for additional/reduction of spectrum	\$100
Resale services (Voice/Data)	\$1000
Ship Radiocommunications (vessels with GMDSS)	\$10
Studio Transmitter Link (STL)	\$100
Submarine Cable Networks	\$1000
Type Approval	\$100
Wi-Fi Networks (Public)	\$1000
Very Small Aperture Terminal (VSAT)	\$100
Wireless Local Loop	\$1000

**Table 2 – URCA Annual Fee – Operating Licence<sup>4</sup>**

Licence Type	URCA Fee <sup>5</sup> (per annum)
<b>Individual Operating Licence</b>	
Less than \$0.5m annual relevant turnover	\$3000
Greater than or equal to \$0.5m annual relevant turnover.	1.367% of annual relevant turnover
<b>Class Operating Licence Requiring Registration</b>	
Less than \$0.5m annual relevant turnover	\$3000

<sup>4</sup> See the Final Determination on Class Licences, Exemptions and Types of Fees ECS – 24/2009 which is available at [www.urbahamas.bs](http://www.urbahamas.bs)

<sup>5</sup> Payable under s. 92(1)(c) of the Communications Act 2009

Licence Type	URCA Fee <sup>5</sup> (per annum)
Greater than or equal to \$0.5m annual relevant turnover.	1.367% of annual relevant turnover

**Table 3 - URCA Publications**

Service	Fee
Copy of URCA Publications	\$5

### 3. The Communications Licence Fees

- 3.1 A Licensee required to pay the URCA Annual Fee must also pay the Communications Licence Fee (“Comms Fee”). This fee becomes payable before a Licensee commences its licensed activities under the Comms Act. The Comms Fee is a statutory fee set in Schedule 3 of the Comms Act at 3% of the Licensee’s relevant turnover. This amount may only be changed by an amendment to the Comms Act.
- 3.2 In each subsequent year, the Comms Fee must be paid to URCA by a Licensee on or before April 30 of each year. Under the Comms Act, URCA acts on behalf of the Government to administer the billing and collection of the Comms Fee and must account to the Treasury of The Bahamas on or before June 30 of each year for all Comms Fees it collects. URCA will invoice a Licensee for the Comms Fee at the end of each calendar year. The Licensee is encouraged to pay the Comms Fee as soon as possible after receiving an invoice from URCA, but must make full payment no later than April 30 of each year.
- 3.3 Late payment of the Comms Fee will attract statutory interest under Section 94 of the Comms Act daily at the lower of a rate of four per centum (4%) over the prime lending rate as published by the Central Bank of The Bahamas; and any maximum applicable rate specified in the Rate of Interest Act.
- 3.4 As the Comms Fee is a “pass through” fee payable to the Government of The Bahamas and only billed and collected by URCA, **URCA has no discretion to permit payment arrangements of this fee** by a Licensee.

3.5 The fee detailed in Table 4 below is the Comms Fee for which URCA will invoice a Licensee annually until the prescribed level of fee has been changed by an amendment to the Comms Act.

**Table 4 - Communications Licence Fee**

	Communications Licence Fee (per annum)
Every person required to pay an annual URCA fee pursuant to section 92(1)(c) of the Communications Act	3% of annual relevant turnover

#### **4. The Tribunal Fee**

4.1 Licensees in a regulated sector will be required to pay the Tribunal Fee. Once determined by the Registrar of the Tribunal, URCA will publish in its Fee Schedule or collect any Tribunal Fee payable by a Licensee for future periods. As soon as reasonably practicable and in any event within three (3) months after the publication of the Registrar’s estimate in accordance with the UAT Act, URCA will invoice and collect the Tribunal Fee from Licensees.

**Table 5 - Tribunal Fee**

Every person required to pay an URCA fee pursuant to section 92(1)(c) of the Communications Act	Tribunal Fee (per annum)
Utility Appeals Tribunal Fee	TBD <sup>2</sup>

#### **5. Spectrum Fee**

5.1 All Licensees that have been allocated or use radio spectrum under a spectrum licence issued by URCA are required to pay the Spectrum Fee. The Spectrum Fee must be paid to URCA on behalf of the Government before the Licensee

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<sup>2</sup> Schedule 3 of the UAT Act provides for URCA to bill and collect the Tribunal Fee on behalf of the Tribunal. The Registrar of the Tribunal, acting under the direction of the President of the Tribunal, must firstly publish and certify the anticipated relevant expenditure of the Tribunal before a Tribunal Fee can be determined and billed. URCA will accordingly bill licensees once the Tribunal Fee for 2016 has been determined.



- commences activities under its licence and in each subsequent year. URCA acts on behalf of the Government to administer the billing and collection of the Spectrum Fee and will invoice Licensees for the Spectrum Fee in accordance with this Fee Schedule, as revised from time to time, at the end of each calendar year.
- 5.2 Under the Comms Act, the Minister with responsibility for the Electronic Communications Sector (the Minister) may set the level of spectrum fees in the Premium Spectrum bands and URCA will impose charges for spectrum in the Standard Spectrum bands.
  - 5.3 On April 11, 2014 URCA issued a Consultation Document on the Review of Radio Frequency Spectrum Pricing which outlined for public comment URCA's proposed amendments and revision to the existing spectrum fee schedule in respect of spectrum in the standard spectrum bands, and URCA's proposed recommendations to the Prime Minister for revisions to the existing spectrum fee schedule in respect of spectrum in the premium spectrum bands. The Consultation Document also gave notice of the determination which URCA proposed to make in respect of levying fees and charges for the administration and allocation of radio spectrum in accordance with sections 91(1)(d) and 92(2) of the Comms Act.
  - 5.4 When formulating the 2015 Fee Schedule, URCA decided that in light of the current economic climate and considering the financial impact on the industry thereof, the revised Spectrum Fees and the Spectrum Management Fee would not be charged to licensees in the 2015 billing period, but that the revised fees would be implemented from January 1, 2016 moving forward.
  - 5.5 To that end, having reviewed all responses and comments received during the consultation period, on 28 January 2016, URCA issued its Statement of Results and Final Decision on the Spectrum Pricing Review. This revised Fee Schedule for 2016 therefore reflects the revisions to Spectrum Fees for standard spectrum bands reflected in that document. Continuing to be mindful of the impact of the changes on licensees, URCA has decided to delay the implementation of the Spectrum Management Fee for an additional year. Any Spectrum Management Fee finally decided upon by URCA will therefore be implemented for the 2017 calendar year. Any relevant regulatory documents required to implement a Spectrum Management Fee will be issued during 2016.
  - 5.6 In addition, while URCA is responsible for the setting of fees in respect of Standard Spectrum, fees in respect of spectrum in the Premium bands are

determined by the Minister. Accordingly, URCA has made recommendations that those fees should be adjusted as proposed in URCA's document, the implementation of any changes will be made once the Minister has made a decision. Fees for spectrum in the Premium bands for 2016 therefore remain at the levels charged for 2015.

- 5.7 The level of spectrum fees is set out in Table 6 below. The fees detailed in Table 6 below are the Spectrum Fees that are, with the exception of spectrum listed for Cellular Mobile Services, calculated and charged on a "per island" basis until revised by URCA. The Minister has determined the spectrum listed for Cellular Mobile Services to be Premium Spectrum and has set the level of such Spectrum Fee to be charged on a national basis. As the Spectrum Fee is also a "pass through" fee payable to the Government of The Bahamas and only billed and collected by URCA, **URCA has no discretion to permit payment arrangements of this fee** by a Licensee. It should also be noted that any previously existing arrangements for spectrum fees (whether by way of waiver, reduction or payment plan) must be supported by a direction to URCA in writing from the current Minister. Any arrangements that are not supported by such a direction will not be applied to Spectrum Fees in the January 1, 2016 to December 31, 2016 period. URCA will contact the relevant licensees individually to address this issue.

## **Table 6 - Annual Spectrum Fees**

### **Table 6-A – Premium Spectrum**

Spectrum Allocation	Spectrum Fee (per annum)
<u>Broadband Wireless Access (Fixed Services)</u>	
1.7/2.1 GHz Bands (5 MHz bandwidth blocks)	\$3,000
2.3 GHz Band (5 MHz bandwidth blocks)	\$3,000
<u>Cellular Mobile Services</u>	
850 MHz A & B Bands (per 30 kHz channels)	\$300
1900 MHz Band (10 MHz bandwidth)	\$50,000
700 MHz Spectrum Band:	
Blocks B, B', G and G'	\$8,000 per MHz
All other blocks	\$6,000 per MHz

### **Table 6-B – Standard Spectrum**

#### **Station fees<sup>6</sup>**

Service	Description	Spectrum fee (per annum)
Aeronautical	Fixed Ground Station	\$300
Amateur	Radio Station	\$25
Experimental	Radio Station	\$100
Maritime	Ship Radio Station equipped with GMDSS	\$150

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<sup>6</sup> Notes: For aeronautical, amateur, experimental, maritime and broadcast TV services, fees are charged per station. For satellite services where terminals have dish sizes of 3 metres or more, fees are charged per station. For satellite services where terminals have dish sizes smaller than 3 metres (i.e. VSAT), fees are charged per system.

Service	Description	Spectrum fee (per annum)
Satellite	Satellite terminals with dish size $\geq$ 3 metres	\$4,500
	Satellite terminals with dish size < 3 metres	\$500
Broadcast TV	Public Service TV station	\$3,000

**Bandwidth-related fees (annual fee in \$/MHz)<sup>7</sup>**

	Service	All services (Cellular Mobile Prohibited)		
	Island Factor	National/New Providence	Grand Bahama	Any other island
Frequency band factor	Up to 960 MHz	8,500	1,700	850
	960 - 2200 MHz	4,250	850	425
	2.2 – 6.7 GHz	425	85	42.5
	6.7 – 30 GHz	85	17	8.5
	Above 30 GHz	42.5	8.5	4.25

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<sup>7</sup> Notes: The values in this table are calculated using the bandwidth-related fee formula  $Fee = C * FBF * CF * TF * BW$ , based on Time Factor (TF) of 1 and Bandwidth (BW) of 1 MHz. There is a minimum fee of \$100.

How to derive the annual fee payable:

- i. Look up the corresponding fee/MHz value based on the relevant Frequency Band Factor (row) and Island Factor (column) for the assigned spectrum.
- ii. Multiply this value by the Bandwidth assigned in MHz (e.g. if 2x25 kHz is assigned then the Bandwidth is 0.05MHz ) and the Time Factor (if licence period is 1 calendar year, then  $TF = 1$ ; if licence period is less than 1 calendar year, the  $TF$  will be scaled pro-rata to licence duration, rounded up to the nearest month, i.e. if the licence period is 10 weeks, the fee will be calculated on the basis of 3 months, i.e.  $TF = 0.25$ ).

**Applied bandwidth-related fees (Common services/bandwidths)**

Service and bandwidth assumed	Revised fee (National/New Providence)	Revised fee (Grand Bahama)	Revised fee (any other island)
AM radio – 30 kHz (national)	255	NA	NA
FM radio – 200 kHz	1,700	340	170
Land mobile – 25 kHz (below 470 MHz)	212.50	100*	100*
Private paging – 25 kHz	212.5	100*	100*
Private trunking – 250kHz	2,125	425	212.50
Public paging – 25 kHz	212.50	100*	100*
Public trunking – 250 kHz	2,125	425	212.50
STL – 100 kHz	425	100*	100*
TV – 6 MHz (commercial)	5,100	1,020	510
<b>Point to multi-point</b>			
At 2.5 GHz – 6 MHz	2,550	510	255
At 3.5 GHz – 2 MHz (first)	850	170	100*
At 3.5 GHz – 2 MHz (others)	850	170	100*
<b>Point to point links 2.2-6.7 GHz with bandwidth of:</b>			
2x 50 kHz	100*	100*	100*
2x3.5 MHz	1,487.50	297.50	148.75
2x14 MHz	5950	1190	595
2x30 MHz	12,750	255	1275
<b>Point to point links 11 GHz with bandwidth of:</b>			
2x 50 kHz	100*	100*	100*
2x3.5 MHz	297.50	100*	100*

Service and bandwidth assumed	Revised fee (National/New Providence)	Revised fee (Grand Bahama)	Revised fee (any other island)
2x14 MHz	1190	238	119
2x30 MHz	2550	510	255