



Fee Schedule

ECS 25/2011

Revised: 30 December 2011

UTILITIES REGULATION & COMPETITION AUTHORITY

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Introduction

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 published December 10, 2010 (“the Fee Schedule”) such that this Revised Fee Schedule now amends the URCA Application/Administrative Fees as contained in Table 1 and the level of annual URCA **Fee as contained in Table 2.**

The URCA Application/Administrative Fees as contained in the Revised Fee Schedule of December 10, 2010 were established under the legacy licensing regime and were adopted on September 1, 2009 under the new licensing regime. The amendment to Table 1 of this Revised Fee Schedule now provides a more comprehensive listing of the services for which a licence application form can be submitted to URCA for a licence under the Comms Act and details the level of URCA fees charged for the processing of each licence application.

The amendment to Table 2 of this Revised Fee Schedule is consequential to URCA’s budgeted costs for the financial year January 1 to December 31, 2011 charged to Licensees in accordance with the Comms Act in order to fund URCA’s operations and planned activities over this period. With the expiration of this period, URCA is required under the Comms Act to publish an Annual Plan which will, *inter alia*, set out URCA’s strategy for the forthcoming financial year and its budget based on targeted activities. Therefore, the level of annual URCA Fee stipulated in Table 2 has been set to cover URCA’s annual budgeted costs of performing its functions and exercising its powers under the Comms Act specifically for the financial year January 1 to December 31, 2012.

This document now contains the level of **fees applicable from January 1, 2012** as follows:

- 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.urcabahamas.bs).
- 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).

- 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).
- Under Section 93 of the Comms Act, URCA will impose charges for radio spectrum (these are set out in Table 6).
- Under Section 76 of the Comms Act, URCA can, by regulation, require the payment of a fee for processing merger control applications and making an adjudication 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.

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

1. The annual URCA Fee and other URCA Fees

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 Utilities Regulation and Competition Authority Act, 2009 (URCA Act) and to recover any deficit from previous years.

The annual URCA Fee funds the operations of URCA and is charged annually in respect of the forthcoming financial year. URCA's financial year runs from January 1 to December 31. URCA publishes its Annual Plan that includes its objectives and targeted activities for the 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.

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 will attract a statutory interest under Section 94 of the Comms Act at a daily rate of four per centum (4%) per annum over the prime lending rate as published by the Central Bank of The Bahamas.

URCA may exercise its discretion to permit payment arrangements of the annual URCA Fee by Licensees. 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.

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.

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 a licence application is submitted under the Comms Act or for the supply or making of copies of documents. All licence applicants are required to pay the licence application fee under this Fee Schedule upon submission of a licence application form in order for URCA to commence processing of the application. Where an applicant fails to pay the requisite licence application fee, the statutory application processing time under the Comms Act will not start until such payment has been made.

Where a licence 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.

The fees detailed in Tables 1 and 3 below are set to cover the URCA licence application processing and administrative costs, and the costs for the supply or making copies of URCA documents, respectively.

The fees detailed in Table 2 below are the annual URCA Fees for the financial year January 1, 2012 to December 31, 2012 and have been set to cover URCA’s annual budgeted costs for performing its functions under the Comms Act.

Table 1 – Application / Administrative Fees

| 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 |

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| 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 |
| Request for additional/reduction of spectrum | \$100 |
| Resale services (Voice/Data) | \$1000 |
| Ship Radiocommunications (vessels with GMDSS) | \$10 |
| Submarine Cable Networks | \$1000 |
| Wi-Fi Networks (Public) | \$1000 |
| Very Small Aperture Terminal (VSAT) | \$100 |
| Wireless Local Loop | \$1000 |

Please refer to the Licensing Guidelines, available on the URCA website (www.urcabahamas.bs) and the Communications Act 2009 for further information relating to application / administrative fees.

Table 2 – URCA Annual Fee – Operating Licence

See the Final Determination on Class Licences, Exemptions and Types of Fees ECS – 24/2009 which is available at www.urcabahamas.bs

| Licence Type | URCA Fee ¹ (per annum) |
|--------------|--------------------------------------|
|--------------|--------------------------------------|

¹ Payable under s 92(1)(c) of the Communications Act 2009

| | |
|---|-----------------------------------|
| Individual Operating Licence | |
| Less than \$0.5m annual relevant turnover | \$3000 |
| Greater than or equal to \$0.5m annual relevant turnover. | 1.22% of annual relevant turnover |
| Registrable Class Operating Licence | |
| Less than \$0.5m annual relevant turnover | \$3000 |
| Greater than or equal to \$0.5m annual relevant turnover. | 1.22% of annual relevant turnover |

Table 3 - URCA Publications

See the Final Determination on Class Licences, Exemptions and Types of Fees ECS – 24/2009 which is available at www.urcabahamas.bs

| | Fee |
|---------------------------|------------|
| Copy of URCA Publications | \$5 |

2. The Communications Licence Fees

Licensees 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.

In each subsequent year, the Comms Fee must be paid to URCA by Licensees 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 Licensees for the Comms Fee at the end of each calendar year. Licensees are 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.

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.

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 Licensees.

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

Table 4 - Communications LicenceFee

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

3. The Tribunal Fee

All 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 the level of Tribunal Fee payable by Licensees. 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 Utilities Appeal Tribunal Act, 2009, URCA will invoice and collect the Tribunal Fee from all Licensees in a regulated sector at the end of each calendar year.

Table 5 - Tribunal Fee

| | UAT Fee (per annum) |
|---|----------------------------|
| Every person required to pay an URCA fee pursuant to section 92(1)(c) of the Communications Act | |
| Utility Appeals Tribunal Fee | TBD ² |

4. Spectrum Fee

All Licensees that have been allocated or use radio spectrum under a 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 commences activities under its licence and in each subsequent year. URCA acts on behalf of the Government to administer the

² 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 has been determined.

billing and collection of the Spectrum Fee and will invoice Licensees for the Spectrum Fee in accordance with the Fee Schedule, as revised from time to time, at the end of each calendar year.

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. The level of spectrum fees has been stipulated in Table 6 below and is currently the same level of fees that the legacy regulator, the Public Utilities Commission (PUC), charged for spectrum. The spectrum fees should be considered in conjunction with the National Spectrum Plan (ECS 06/2010) as published by URCA on March 12, 2010.

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 Licensees.

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 after a public consultation process. 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.

Table 6 - Annual Spectrum Fee

PREMIUM SPECTRUM

| Spectrum Allocation | Spectrum Fee (per annum) |
|---|---------------------------------|
| Broadband Wireless Access (Fixed Services) | |
| 1.7/2.1 GHz Bands (5 MHz bandwidth blocks) | \$3,000 |
| 2.3 GHz Band (5 MHz bandwidth blocks) | \$3,000 |
| | |
| Cellular Mobile Services | |
| 850 MHz A & B Bands (per 30 kHz channels) | \$300 |
| 1900 MHz Band (10 MHz bandwidth) | \$50,000 |

STANDARD SPECTRUM

| Spectrum Allocation | Spectrum Fee (per annum) |
|---|-------------------------------------|
| <u>Aeronautical</u> | |
| Aeronautical Fixed Ground Station | \$300 |
| <u>Marine</u> | |
| Ship Radio Telephone Station – fitted with GMDSS equipment | \$150 |
| <u>Land Base Station (Fixed Services)</u> | |
| Private Land Base Station (single frequency assignment) (per 25 kHz RF channel) | \$250 |
| Private Land Base Station (duplex frequency assignment) (per 25 kHz RF channel pair) | \$500 |
| <u>Otherservices</u> | |
| Amateur Radio Station (Local/Reciprocal) | \$25 |
| Earth Stations with dishes larger than 3 meters, with multiple channels | \$4500 |
| Experimental Radio Station | \$100 |
| Private Paging (25 kHz bandwidth) | \$100 |
| Private Trunking – per five 25 Khz RF channel pairs | \$390 |
| Public Paging (25 kHz bandwidth) | \$1300 |
| Public Trunking – per five 25 Khz RF channel pairs | \$1300 |
| VSAT systems with dishes less than 3.8 meters with one 64 kbs channel | \$500 |
| VSAT systems with more than one 64 kbs channels – per channel | \$500 |
| <u>Broadcast Services (AM/FM/Television)</u> | |
| FM Radio Broadcast (200 kHz bandwidth) | \$500 |
| Studio to Transmitter Links (STL) (Below 1GHz, 100 kHz bandwidth) | \$250 |
| TV Broadcast Station (6 MHz bandwidth) | \$3000 |
| <u>Fixed Wireless Stations Operating Above 1 GHz (Point-to-point)</u> | |
| Bandwidth Per Radio Link - Up to 50kHz (per radio link) | \$450 |
| Bandwidth Per Radio Link - 50kHz to 3.5MHz (per radio link) | \$620 |
| Bandwidth Per Radio Link - 3.5 MHz but less than 30 MHz (per radio link) | \$800 |
| Bandwidth Per Radio Link - 30MHz or more (per radio link) | \$1200 |

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|--|---------|
| Fixed Radiocommunications | |
| <u>Point-to-Multipoint</u> | |
| 2.5 GHz Band Per each 6MHz bandwidth channel | \$800 |
| 3.5 GHz Band Per the first pair of 1 MHz bandwidth channels | \$4,000 |
| Per each additional pair of 1 MHz bandwidth channels | \$2,000 |