



Government of
The Republic
of Vanuatu



Telecommunication &
Radiocommunication
Regulator

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DECISION 01 OF 2015

AMENDMENT TO DECISION 2 OF 2014

ON THE PRESCRIBED RADIO APPARATUS LICENCE FEES FOR AERONAUTICAL GROUND STATIONS, AERONAUTICAL COMMERCIAL AIRCRAFT

Background

There were two consultation processes related to the revision of the Radio Apparatus License Fees, dated 3 May 2013 and 20 August 2014. This resulted in TRR's Decision 2 of 2014, dated 7 November 2014. As requested TRR held a third consultation (sector industry consultation only) on 18 December 2015 with the aviation industry and this has resulted in this decision; Decision 1 of 2015, repealing TRR's earlier decision of 7 November 2014, Decision 2 of 2014, specifically in respect of the prescribed fees for Aeronautical Radio Apparatus Licence Fees.

The consultation process that TRR conducted in 2014 was, like the 2013 consultation process and all TRR consultations, made widely, in an open, fully transparent and public manner, and involved all stakeholders. It included Public Notices in newspapers, emails, TRR website notices and news bulletins, and radio announcements; as well as reminder notices through some of those channels that the consultation period was open for feedback and again when it was closing. All Stakeholders had the opportunity to make comments on the proposed new fees in both consultation processes. However, no comments were received from the Aviation industry for either of those consultations.

After the first two consultations TRR received some adverse comments from the aviation sector arguing and showing great concern that the Radio Apparatus Fees set for the sector in Vanuatu were too high.

TRR has accepted their formal request for review of Decision 02 of 2014 particularly on the aeronautical apparatus fees, listened to the views of the aviation sector, conducted further research and has reconsidered its decision. TRR now proposes a lower fee for aeronautical apparatus licences set out in Schedule 1.

This Decision (the amended decision) is Decision 01 of 2015 and it is an amendment of Decision 02 of 2014 to set new fees for the aviation sector in Vanuatu for 2015 and onwards.

Legal Basis

The primary legislation for the establishment of Radio Apparatus License Fees is the *Telecommunications and Radiocommunications Regulation Act No. 30 of 2009* (the Act), and the supporting subsidiary legislation is the *Radio Apparatus License and Spectrum License (Fees) Regulation Order No. 153 of 2012* (the Regulation).

The Act gives TRR the powers and function to enforce the Act in order to achieve an objective of the Act which is to manage radio–frequency spectrum to promote national social and economic development, and mandates TRR to manage radiofrequency spectrum, ensuring that there is no interference with any use of such radio spectrum enabling safety. This enables all industries and users to be able to use spectrum and their Radiocommunications equipment fairly, efficiently and effectively.

Subsection 7(2)(e) of the Act applies and permits TRR to *“allocate, assign and manage the radio spectrum”*.

Further powers are given under subsections 7(4)(a) (b) (c) of the Act to TRR to:

- “ (a) prescribing standard terms in various licences and exemptions; or*
- (b) prescribing procedures, forms and fees in respect of any licence or exception or anything which might be done by any person under this Act, except the provision of reasons for any decision by the Regulator;*
- (c) or providing for the methodology by which any calculation required to be made under this Act is to be made;”*

The Regulation states that person who operates equipment that emit radio waves or a Radiocommunications device or radio device in an aircraft must apply to TRR for a radio apparatus licence and pay the prescribed fee for the licence.

In addition, the Spectrum Planning, Allocation and Assignment Practices dated 20 December 2011 is a practice document effectively used by TRR to ensure proper management of the frequency spectrum.

The amended decision - Decision 1 of 2015 - amends Decision 2 of 2014 only in respect of aeronautical ground station apparatus license fees and aeronautical commercial aircraft apparatus license fees. There are no other changes to or amendment of Decision 2 of 2014.

This decision must be read in conjunction with Decision 2 of 2014.

Reasons for the amended decision

The reasons for the revision of the fees in accordance with this decision are set out in Schedule 3 of this amended decision.

Decision

Based on the above and the reasoning contained in Schedule 3 of this decision, after assessing feedback from the aviation industry and in the exercise of the powers and duties conferred to me under the Act and the Regulation I, the Regulator, hereby make the following decisions:

1. The amended Annual fees for Radio Apparatus Licence for aeronautical ground stations and aeronautical commercial aircraft are hereby prescribed as set out in Schedule 1.
2. The addition of a charge for issuance of a new Radio Apparatus Licence for aeronautical ground stations, aeronautical commercial and non-commercial aircraft is hereby prescribed as set out in Schedule 2.
3. The addition of a processing fee for transfer of any Radio Apparatus license is hereby prescribed as set out in Schedule 2.
4. The amended fees for Radio Apparatus Licences for the aviation sector, charge for issuance of a new Radio Apparatus Licence for the Aviation Sector, and the new processing fee for the transfer of any Radio Apparatus license will come into effect as of 1 January 2016.
5. For persons who wish to apply for a new Radio Apparatus licence related to aeronautical, the fees in Schedule 1 and 2 and calculation in Schedule 3 shall apply.
6. For persons who wish to apply for any modification of a current licence, transfer of licence and for late payment of fees, the fees in Schedule 2 shall apply.
7. TRR will review the fees set for Radio Apparatus Licences, as prescribed in Decision 2 of 2014 and Decision 1 of 2015, in 2017.

This amended decision – Decision 1 of 2015 - is effective on the day it is made.

Made at Port Vila this 24th day of December 2015

Dalsie Baniala
Telecommunications and Radiocommunications Regulator



SCHEDULE 1

Table 1: New Radio Apparatus Licence Fees

Amended Annual Radio Apparatus License Fees

Description	Fee (Vatu)
Aeronautical Ground Station	28,000
Aeronautical Commercial Aircraft	28,000
Aeronautical Non-Commercial Aircraft	20,000
Amateur	3,000
Amateur Visitor's Permit	1,500
Broadcast Station Sound	45,000
Broadcast Station-Community Radio	10,000
Broadcast Station TV	108,000
Civil Aviation beacon/Signals or Indicators	25,000
Earth Station Large	30,000
VSAT Receive Only	5,000
VSAT Receive Transmit	20,000
Experimental	4,800 per MHz or part thereof
Fixed Link or Telemetry Transmitter	
Bandwidth 7Mhz or below (one way/2 way)	8,000/16,000
Bandwidth more than 7Mhz up to 14Mhz (one way/2 way)	15,000/30,000
Bandwidth more than 14Mhz (one way/2 way)	30,000/60,000
Land Mobile Station Duplex 12.5Khz/25Khz	9,000/18,000
Land Mobile Station Simplex 12.5Khz/25Khz	5,000/10,000
Land Mobile HF Radio	9,000
Private Mobile Radio	9,000
VHF Teleradio	9,000
Fixed Price Channel (Fixed price channel Port Vila or Luganville only)	25,000
Maritime Commercial	20,000
Marine Water taxi, Local Fishing Craft	6,000
Marine Coastal Station HF only	12,000
Marine Coastal Station VHF only	10,000
Marine Coastal Station HF and VHF	22,000
Marine Coastal Station (Dedicated frequency)	30,000
Paging Base Station	10,000
Point to Multipoint Services	4,800 per MHz or part thereof

Note: Fees Published here do not include Government VAT.

SCHEDULE 2

Table 2: Other fees

Type of Fee	Fee Level
Application Fee (New License Only)	1000 Vatu non-refundable, where no frequency needs to be assigned;
Charge for Issuing a New License for Aeronautical Commercial, non-Commercial Aircraft Radio Apparatus and Ground Stations	21,000vt issue charge including, processing fee, and issuance of a new License in respect of Aeronautical Commercial, non-Commercial Aircraft Radio Apparatus and Ground Stations.
Processing Fee of License (Modification of License)	5000 Vatu for modification of license, where frequency assignment is required
Processing fee (Transfer of License)	5000 Vatu for transfer of license to a new owner
Late Payment Fee	$\text{Late Fees} = \frac{\text{Number of Days the payment is late}}{365} \times \text{Total fee for the service}$ <p>The minimum late payment fee will be 2000 Vatu</p>

SCHEDULE 3

This section sets out the reasons for the decision, the principles adopted, as well as the calculation of the fees.

Reasons for Decision

The decision was made following a formal request of the aviation industry for a review and need to establish revised radio apparatus fees particularly for aeronautical fees in Vanuatu and to harmonise the fees with and against appropriate benchmarking of relevant countries.

TRR observed that some licensees use spectrum as part of their business activities and that the spectrum contributes significantly to their ability to earn income. Some spectrum bands are more valuable than others, particularly where they are used for commercial purposes. This is especially true for bands in the lower part of the spectrum; like those used by the aviation sector.

The decision recognises that in a developing country like Vanuatu, some licensees have a greater ability to pay fees than others. Further, fees are necessary for TRR to recover its costs and move to a self-sustainable entity. In setting these revised fees, TRR has taken into account the relative value of the spectrum and the ability of the industry to use the spectrum to derive income.

Principles

The prime principle applicable to the setting of radio apparatus licence fees is that of cost recovery. The current fees set fall short of recovering all of the costs reasonably attributed to activities in connection with radio apparatus licensing.

Further, the radio frequency spectrum is a national resource and must be managed carefully, responsibly and in the best interests of the country. This justifies the need for TRR to assign, allocate and manage this precious resource appropriately and carefully. In order to assign, allocate and manage this resource, TRR requires resources in terms of equipment, human resources, international and regional obligations and fees. Hence, it is necessary for TRR to recover its costs and move to a self-sustainable entity. There is a need for TRR to become self-sustaining in funding its operations in the medium and then ongoing longer term as current funding from other sources terminate. The level of all Radio Apparatus fees in Vanuatu is still well below the level required for full recovery of TRR's costs. Nevertheless, on balance, TRR considers that the newly proposed fees for the aviation sector represent a fair and appropriate current contribution from the aviation industry towards the cost of managing such spectrum in Vanuatu.

It is also important to note that New Zealand and Australia have a much wider variety of sources of fee revenue than is available to a developing country like Vanuatu. In that respect, other sectors are contributing much more to recovery of costs than is the case in Vanuatu. As such, it is deemed not a useful comparison for the view that the fees for the sector in Vanuatu are higher than in New Zealand and Australia.

Fees have been set on the principle of a fee formula, with values set for the different bands and for the different services. In particular, fees for the aviation sector reflect the fact that the bands used by the sector are valuable bands, and the industry is using the spectrum for commercial purposes and to derive income.

The user pays principle is adopted widely across the world in many sectors and, in setting these fees, TRR has taken this principle into account.

Another principle used in setting the fees is the principle that those who benefit from the use of the spectrum should bear the cost of managing the spectrum resource, rather than this cost falling on the community as a whole.

Calculation

TRR has used a formula to help it set Radio Apparatus licence fees. That formula means that fees will vary according to the amount of spectrum used and the band that the spectrum is located in. The formula is: $\text{Fee} = V \times \text{BW} \times \text{Band} \times \text{SF} \times T$.

V is Base Value of Spectrum for wide area services, BW is bandwidth in MHz, Band is the Band factor, SF is the service factor.

For a new Radio Apparatus Licence for an aeronautical ground station, aeronautical commercial and/or aeronautical non-commercial aircraft, sum of the following fees in Schedule 1 and 2 will apply:

- Application fee (New Licence only) in Schedule 2;
- Charge for issue of Radio Apparatus for new Aeronautical Commercial, non-Commercial Aircraft and Ground Stations in Schedule 2; and an
- Annual Apparatus license Fee; in Schedule 1.

For renewal of a Radio Apparatus Licence for aeronautical ground station, aeronautical commercial and/or aeronautical non-commercial aircraft, only the annual apparatus fee in Schedule 1 will apply.