



# **Telecommunications Decision 2019-9**

## **Decision on Telecommunications (Fee Structure) Regulations**

**issued by the**

**Turks and Caicos Islands  
Telecommunications Commission**

**September 25, 2019**

# 1 Introduction

On 20 February 2018, the Turks and Caicos Islands Telecommunications Commission (the “Commission”) issued a Consultation Document on the *Telecommunications (Fee Structure) Regulations 2016* (the “Fee Regulations”). The Consultation Document included a number of proposed amendments to the Fee Regulations, including proposed changes to the telecommunications network and service fees (Regulation 3) and spectrum licence fees (Regulation 4).

By way of background, Regulation 3 sets out that in relation to a telecommunications network or service four types of fees:

- a) on application, a non-refundable application fee (the “Application Fee”)
- b) on granting of the licence, an initial licence fee (the “Initial Licence Fee”)
- c) the renewal of licence fee, annually (the “Annual Licence Fee”)
- d) the annual regulatory fee (the “Annual Regulatory Fee”)

Schedule 1 of the Fee Regulations sets out the fees corresponding to Regulation 3. Specifically, the Application Fee and Initial Licence Fee are set out in fixed dollar amounts that generally vary in magnitude by category of network or service. The Annual Licence Fee and Annual Regulatory Fee depend on the specific category of network or service. For the more substantive network and service categories listed in Schedule 1 (the “Major Services”), the corresponding fees are defined as the greater of a fixed minimum amount (the “Fixed Minimum Amount”) or 7% (Annual Licence Fee) or 1.8% (Annual Regulatory Fee) of gross revenue, respectively (the “Variable Amount”). The Fixed Minimum Amount is the same as the Initial Licence Fee for all the Major Services. For the remaining categories listed in Schedule 1 (the “Minor Services”), these fees are set out in fixed dollar amounts or fixed dollar per unit amounts.

Regulation 4 sets out similar provisions for spectrum licence fees, including in each case an Application Fee, an Initial Licence Fee and an Annual Licence Fee for annual renewal purposes. Spectrum Licence fees are listed in Schedule 2 of the Fee Regulations.

The Consultation Document included a number of specific proposed amendments to the Fee Regulations, i.e.:

- i) proposed changes to the Initial Licence Fees and the Fixed Minimum Amounts of the Annual Licence Fees for three Major Services: Full Telecommunications Network / Service (“FTNS”), Triple-Play Providers (“TPL-3”) and Quadruple-Play Providers (“QUAD-4”) (the “Multiple Services”);
- ii) the definition of “gross revenue” used in the calculation of the Annual Licence Fee and the Annual Regulatory Fee; and
- iii) other relatively minor fee revisions, administrative matters and corrections relating to various fees listed in Schedules 1 and 2 of the Fee Regulations.

Other than these noted revisions, the Consultation Document did not propose to amend other aspects of the Fee Regulations, including, the Application Fees, the Variable Amounts (i.e., applicable percentage of gross revenue rates), the Annual Regulatory Fees or other provisions.

The Commission received Responses on the Consultation Document from Cable & Wireless (TCI) Limited (referred to herein as “Flow”) dated 16 March 2018 and from Digicel TCI Ltd. (“Digicel”) dated 21 March 2018<sup>1</sup>.

In what follows, the Commission sets out its Decision on its proposed amendments to the Fee Regulations. In preparing this Decision the Commission has taken the comments and suggestions included in Flow’s and Digicel’s Responses into account in reaching its conclusions. Specifically, in the balance of this Decision, the Commission addresses parties’ comments and suggestions. In each case, the Commission provides its response to and, as necessary, its conclusions on concerns raised and/or suggestions made by Flow and Digicel in their Responses.

This Decision forms the basis of the Commission’s “Recommended” amended version of the Fee Regulations that it plans to submit to the Government for its approval with the objective of having them enacted on or before 1 December 2019. The Recommended Fee Regulations are attached in the Annex to this Decision.

## **2 Fixed Minimum Amounts of the FTNS, TPL-3 & QUAD-4 Annual Licence Fees**

The Commission has historically established the Fixed Minimum Amounts and Variable Amounts of the Annual Licence Fees based on the relative value of the telecommunications networks/services and spectrum licences under consideration as well as current and expected market developments, with a view to internal consistency and subject to Government budget considerations. Specifically, for the Multiple Services the Commission’s general expectation was that the Variable Amount would generally apply in mature markets and that the Fixed Minimum Amount would serve as a budgetary back-stop or trigger-warning.

As noted in the Consultation Document, the Commission received a complaint from Flow that due to market developments, the Fixed Minimum Amount of its Annual Licence Fee for its FTNS licence has been greater than the corresponding Variable Amount. When this occurs, Flow would be liable for an Annual Licence Fee that is greater than 7% of its gross revenues.

This “trigger-warning” has raised a significant issue relating to the internal consistency of the Fixed Minimum Amounts for the Multiple Services versus individual services.<sup>2</sup> That is to say, a Multiple Services licensee subject to Fixed Minimum Amount can be required to pay an effective Annual Licence Fee well above 7% of gross revenue. In contrast, a similarly situated licensee providing multiple services but holding multiple individual network/service licences

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<sup>1</sup> On 16 March 2018, the Commission granted a 5 day extension to Digicel for the submission of its comments.

<sup>2</sup> The Commission is aware that similar complaints regarding the Fee Structure Regulations have also been made to the Government.

could be required to pay no more than 7% of gross revenue or, where applicable, far lower Fixed Minimum Amounts.

It has been argued that this imbalance between combined individual versus Multiple Services licensees is discriminatory and unfair in that it can impose a disproportionately high licence fee cost on a Multiple Services licence holder and thereby constrain its ability to compete in the market.

The Commission considers that the noted imbalance-related concerns are in fact well founded. As the fees currently stand, they can have the potential effect of requiring similarly situated and sized licensees to pay significantly different Annual Licence Fees as a percentage of gross revenue simply because of the nature of licence or set of licenses each holds. The Commission agrees that such an outcome is discriminatory as well as unfair. In addition, a proportionately higher licence fee applied to one operator relative to another can be anticompetitive since it would constrain that operator’s ability to compete effectively in the market and, as a result, reduce the benefits of competition to end users.

In the Consultation Document the Commission therefore proposed to amend the levels of Initial Licence Fees and Fixed Minimum Amount of the Annual Licence Fees for FTNS, TPL-3 and QUAD-4 licences with the objective of establishing a more appropriate degree of internal consistency. The proposed changes are as summarized in Table 1 below (note that several individual licence categories are included in the table to illustrate their relative licence fee levels compared to those for Multiple Services).

<b>Table 1: Current and Proposed Fixed Minimum Amounts of Annual Licence Fees</b>		
<b>Selected Network/Service Categories</b>	<b>Current Fixed Minimum Amounts *</b>	<b>Proposed Fixed Minimum Amounts *</b>
Fixed Public Telecommunications	\$250,000	\$250,000
Public Mobile Telecommunications	\$250,000	\$250,000
Internet (over 500 subscribers)	\$75,000	\$75,000
Submarine Cable (international)	\$50,000	\$50,000
Submarine Cable (domestic)	\$5,000	\$5,000
Triple Play (TPL-3)	\$1,000,000	\$300,000 (r)
Quad Play (QUAD-4)	\$1,500,000	\$500,000 (r)
Full Telecommunications (FTNS)	\$2,000,000	\$1,000,000 (r)

Note: \* These are also the corresponding Initial Licence Fees.  
(r) means revised

In its Response, Flow supported the proposed Fixed Minimum Amounts, arguing that the current Fee Regulations can impose an unfair and disproportionate cost on Multiple Services licensees relative to those with one or more individual licences. Flow claimed that such a burden hampers an operator’s ability to compete and, as such, is anticompetitive.

Flow also argued that when restructuring the Multiple Services license fees, the Commission should ensure that levels of the resulting fees are proportionate to one another (i.e., include relatively similar incremental premiums). According to Flow, such an approach would be more equitable and would also eliminate an incentive to hold a set of individual licences rather than a Multiple Services license in cases where an operator in fact offers such multiple services.

While Flow supported the Commission's proposed TPL-3 and QUAD-4 licence fee amendments, it argued that the proposed Fixed Minimum Amount for the FTNS remained disproportionately high. It suggested that they be reduced from the proposed level of \$1,000,000 to \$750,000 arguing that in this manner there is greater internal consistency.<sup>3</sup>

The Commission notes Flow's general support for the proposed amendments to the Multiple Service licence Fixed Minimum Amounts. However, the Commission disagrees with Flow's suggestion that the Fixed Minimum Amount for the Annual Licence Fee for the FTNS licence be further reduced from the proposed level of \$1,000,000 to \$750,000. The Commission considers that, for now, the proposed Fixed Minimum Amount of \$1,000,000 better reflects the minimum value of a FTNS licence relative to the other Multiple Service licence categories given the added flexibility it provides (e.g., eliminating the need by a holder of such a licence to apply for additional new telecommunications network and service licences over time when it decides to provide a new telecommunications service).

In its Response, Digicel took issue with the fact that the Consultation Document indicates that a complaint regarding the current licence fee structure motivated the proposed amendments. Digicel noted that changes to the Fee Regulations can affect the industry as a whole, not just an individual operator and argued that any such complaint that could result in changes to the Fee Regulations should be subject to public consultation. In addition, Digicel claimed that not knowing the full nature of the complaint, including the specific rationale for claims that the current fees are potentially discriminatory or anticompetitive, hindered its ability to comment on the proposed changes. At the same time, Digicel also suggested that if a Multiple Services licensee found it was paying too much, then it could simply reapply and replace its multiple service licence with individual licences to suit "commercial exigencies" – i.e., in other words, avoid the licence fee structure problem by shifting to individual network and service licences.

In sum, claiming an absence on information regarding the "crux of the problem" being addressed with the proposed amendments, Digicel stated that it does not support the proposed changes. Digicel added that since, in its view, the proposed changes would only seemingly benefit one other licensee in TCI (not itself), it also considered the proposed amendments to be discriminatory.

In response, the Commission first notes that the purpose of this consultation is to seek public input on proposed changes to the Fee Regulations. While Digicel claims to be unaware of the rationale for the proposed amendments, it did nevertheless suggest that licensed operators could rely on individual rather than Multiple Service licences to avoid apparent problems with the current minimum licence fee structure. Consequently, it would appear that Digicel is in fact aware of problem with the current minimum licence fee structure. In any event, Digicel was provided an opportunity to provide its views on the proposed changes to the current licence fee structure in this public consultation process. It offered no rationale for maintaining the current structure, and its suggestion that licensed operators avoid using Multiple Service licences is counter-productive.

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<sup>3</sup> I.e., \$300,000 to \$500,000 minimum fee represents a 67% premium, \$500,000 to \$750,000 minimum fee represents a 50% premium, whereas a \$500,000 to \$1,000,000 represents a 100% premium, which Flow considers excessive.

The Commission also disagrees with Digicel’s suggestion that the proposed amendments to Fee Regulations are discriminatory. To the contrary, the changes are intended to bring about greater consistency between the Fixed Minimum Amounts for individual and Multiple Service licensees. Once implemented, the new Fixed Minimum Amounts would better ensure all licensees are paying fair and proportionate Annual Licence Fees relative to their respective scale and scope of operations, and would also better support and encourage the use of Multiple Service licences in cases where a services provider offers multiple services.

In conclusion, the Commission intends to recommend to Government that is proposed amendments to the Fixed Minimum Amounts for the Multiple Services licences (i.e. TPL-3, QUAD-4 and FTNS) be adopted. These new Fixed Minimum Amounts are included in the Recommended Fee Regulations attached to this Decision.

### **3 Definition of Gross Revenue**

Gross revenue serves as the basis for determining the Variable Amount Fees and is defined as follows:

*"gross revenue" means revenue of reporting year received by, or due to the licensee and its affiliates, from whatever source derived before any deductions for expenses, discounts, returns or offsets of any kind, except domestic interconnection payments*

As noted in the Consultation Document, the Commission had reviewed the effect of excluding domestic interconnection payments from gross revenue and, on this basis, proposed that the deduction for “domestic interconnection payments” from the definition of “gross revenue” in the Fee Regulations be eliminated.

#### **3.1 Treatment of Domestic Interconnection Payments**

In their Responses, both Flow and Digicel opposed this proposed amendment to the Fee Regulations. Flow agreed with the Commission that domestic interconnection payments are factored into the prices for off-net calls, but claimed that interconnection payment deduction should be retained to avoid a “double dip” on revenue or, in effect, “double taxation”. It explained how such an effect could occur through an example included in its Response.

For its part, Digicel offered several reasons for retaining the domestic interconnection payment deduction. First, it suggested that while on-net and off-net retail pricing differentials are common in the industry, this did not imply that higher off-net prices necessarily reflect the recovery of interconnection costs. Digicel claimed that interconnection costs must be paid and, as such, there is no financial benefit to an operator even if these costs are passed on in retail prices. Second, like Flow, Digicel also argued that interconnection payments are deducted from revenues to avoid the licence fee being effectively applied twice. Third, Digicel noted that a number of countries in the Caribbean region follow the practice of deducting interconnection payments from gross revenue when determining regulatory fees. It listed nine countries in this regard,

including the five Member States under the Eastern Caribbean Telecommunications Authority's ("ECTEL") jurisdiction.

The Commission appreciates Flow's and Digicel's concerns on this matter, but remains of the view that the definition of gross revenue should be simplified by eliminating the deduction for domestic interconnection payments. The Commission holds this view for several reasons.

First, as noted in the Consultation Document, the Commission considers that the retail prices of domestic calls take into account operators' total costs of those provisioning such calls, including interconnection costs (i.e., on-net origination and termination costs as well as off-net termination costs). Effectively, both Digicel and Flow confirmed this in its comments. Therefore, the Commission considers that it is appropriate to include total domestic call revenues in an operator's gross revenue, as applicable, without any deduction for domestic interconnection payments.

Second, the Commission considers that the objective of administrative simplicity and efficiency also supports the elimination of the domestic interconnection payments deduction. As it stands, interconnected telecommunications operators typically deal with interconnection payments on a settlement basis under which one carrier pays the other solely for call or SMS traffic imbalances, as applicable. Call and SMS traffic can often be close to symmetric, which means that settlement payments made by one operator to another may be relatively small on a monthly or quarterly basis. In any event, payments for "actual" rather than "settled" termination costs may not be made between operators. This makes verifying and, more importantly, auditing each operator's domestic interconnection payments relatively difficult. Moreover, interconnection payments between operators should in principle be cross verified to ensure accuracy (i.e., by matching up one operator's domestic interconnection payments with the other's receipts), which further complicates measurement and verification of domestic interconnection costs. The Commission considers that eliminating the current domestic interconnection payments would simplify the process of determining licence fees, while also ensuring better accuracy in their calculation.

Third, while both Flow and Digicel raised concerns of potential "double taxation" if the deduction for domestic interconnection payments were eliminated, no estimate of the size of this impact was provided. In the Commission view, any such affect would be minimal in magnitude. Based on trend analysis based past submissions, the Commission is of the view that future domestic interconnection payments are likely to be relatively very small compared to gross revenue, likely in the order of 2% of gross revenue.<sup>4</sup> Accordingly, the Commission considers that eliminating the current domestic interconnection payments from gross revenue would have a minimal impact at best on licence fee amounts.

Fourth, while Digicel listed several countries in the Caribbean region that adhere to a definition of gross revenue for licence fee determination purposes that is very similar to the current Fee

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<sup>4</sup> Given the substantial reductions in domestic interconnection rates since the Fee Structure Regulations were first issued the significance domestic interconnection payments have declined substantially For instance, in 2011, with Telecommunications Decision 2011-2, the Commission reduced the domestic mobile termination rate (MTR) from \$0.15 to \$0.085 per minute over a three-year transition period and, in 2014, with Telecommunications Decision 2014-4, the Commission further the domestic MTR \$0.06 per minute over a three-year transition period. The latter Decision also involved significant reductions in domestic fixed termination and transit rates.

Regulations, the Commission notes that there is no standard practice in this regard. Therefore, the fact that a handful of other Caribbean countries permits the deduction of domestic interconnection payments for the determination of gross revenue for licence fee calculation purposes does not imply that the same approach must be followed in TCI.

Therefore, for all the above reasons, the Commission has decided to recommend the Government adopt the following amended version of the definition of gross revenue in the Fee Structure Regulations:

*"gross revenue" means revenue of reporting year received by, or due to the licensee and its affiliates, from whatever source derived before any deductions for expenses, discounts, returns or offsets of any kind.*

### **3.2 Other Factors**

In its Response, Flow proposed that the definition of gross revenue be amended to allow for the deduction of bad debt. It argued that an operator should not be required to pay licence fees on revenues that have not been collected or are uncollectible. Flow suggested that this proposed deduction would be fair and reasonable for regulatory purposes.

The Commission disagrees with Flow's proposal. It considers that it would not be appropriate to deduct bad debt when determining gross revenue. For one, bad debt is a standard cost of doing business and would normally be factored into an operator's pricing strategy. Moreover, verifying and auditing bad debt amounts would add administrative burden and complexity for what would likely amount to a negligible effect on licence fees payable. Therefore, the Commission has decided not to recommend that such a change be made to the definition of gross revenue.

## **4 Other Administrative Changes and Revisions**

The Consultation Document also includes a number of other minor fees and administrative amendments to the Fee Regulations, primarily to add new licence categories and to modify or correct a number of existing licence fee rates. These include in the case of Schedule 1 of the Fee Regulations, the following licence categories:

- Inclusion of a new Automated Meter Reading licence category, with associated licence fees
- Private Network or Service licence category fee modification
- Aeronautical Mobile Radio, Based/Fixed, licence category fee correction

In the case of Schedule 2, revisions and corrections to the following Spectrum Licence categories:

- Very Small Aperture Terminal (channel) licence category corrections



- Cellular Microwave Backhaul links licence category corrections
- Broadband Wireless Access licence category corrections
- Fixed Wireless Access (Point to point and Multi point to point) licence category corrections
- Public Mobile Telecommunications Frequency (1710-1755MHz/ 2110-2155MHz (AWS-1) licence category added with associated licence fees
- Prime Broadcasting FM (88 MHz – 95MHz) licence category added with licence fees
- Broadcast FM Radio station licence category corrections
- Broadcast Television (6 MHz link) licence category fee modification
- Radio STL Microwave licence category corrections

The Commission notes that no comments were received on any of these proposed amendments. The Commission takes this as implying that there is no opposition to the proposed amendments. It has therefore included all the above-noted changes, as set out in the Consultation Document, in the Recommended Fee Structure Regulations attached to this Decision.

The Commission also notes that its authority to licence and regulate broadcasting and subscriber television services is under review. Until this matter is resolved, the Commission is of the view that all licence fees relating to broadcasting and subscriber television services should be removed from Schedule 1 of the Fee Regulations:

- Broadcast AM Radio station (Commercial) Nationwide Coverage
- Broadcast FM Radio station (Commercial) Nationwide Coverage
- Broadcast Radio station (Commercial) Regional Coverage
- Subscriber Television Nationwide Coverage
- Subscriber Television Regional Coverage

The Commission notes that these licence categories have been excluded from Schedule 1 of the Recommended Fee Regulations attached to this Decision.

## 5 Other Matters

Annex 2 of the Consultation Document provided a full version of the Commission's proposed amended Fee Regulations. In its Response, Digicel raised several concerns regarding the wording and potential implications of some of the provisions in the proposed Fee Structure Regulations.

Digicel raised two concerns relating to the initial “Citation and Commencement” section of the proposed Fee Structure Regulations, where paragraph 1 states:

*These Regulations may be cited as the Telecommunications (Fee Structure) Regulations 2018, and shall come into operation on 1st December 2016, except that the fees in respect of subscriber television and broadcasting shall take effect on April 2019.*

Digicel raised two concerns with this paragraph. First, Digicel noted that it implies that the Fee Regulations would come into effect retroactively as of 1 December 2016. Digicel expressed opposition to the retroactive application of amended licence fees and added that no justification was provided by the Commission their retroactive application. Second, it took issue with the reference to the April 2019 effective date for subscriber television and broadcasting licence fees given that matters relating to the regulatory treatment of subscriber television services, including IPTV services, are currently subject to a separate public consultation process. Digicel suggested that this reference gives the appearance of an element of pre-judgement on the Commission’s part in respect of the ongoing consultation process.

The Commission notes that the December 2016 effective date included in the proposed amended Fee Structure Regulations is an error. There was no intention on the Commission’s behalf to set licence fee changes on a retroactive basis. The Commission has revised the effective date to in paragraph 1 of the attached Recommended Fee Regulations to 1 December 2019.

With regard to Digicel’s second point on the effective dates for subscriber television and broadcasting licence fees, the Commission notes that this additional clause simply replicates the text from the current Fee Regulations. That said, as noted in Section 4 above, the Commission’s authority to authority to licence and regulate broadcasting and subscriber television services is under review, and therefore the Commission has decided to remove the licence fees applicable to broadcasting and subscriber television services from the Fee Regulations. Therefore, Digicel’s concern in this regard is now moot.

Digicel also raised concerns with the wording of the definition of a “full telecommunications network or service” included in the current Fee Structure Regulations, which states:

*“full telecommunication network or service” means a network or service that provides users the ability to use all the telecommunication services defined as “telecommunications service” in Section 2 of the Ordinance.*

Digicel noted that this definition does not include reference to networks or services included in Schedule 1 of the Fee Regulations (as is the case for the definitions of “triple play” and “quadruple play” licences). It also noted that the definition of “telecommunications service” in Section 2 of the Telecommunications Ordinance (“Ordinance”) is limited to strictly telecommunications services. Therefore, Digicel suggested that it is unclear whether a “full telecommunications network or service” would necessarily include broadcasting or subscriber TV services. Digicel suggested that the definition be amended to include broadcasting or subscriber TV services and, therefore, be revised as follows:

*“....any and all telecommunications network, telecommunications service, broadcasting network and broadcasting service identified in Schedule 1 and or as defined in Section 2 of the Ordinance”*

Again, as noted in Section 4 above, the Commission has decided to remove reference to broadcasting and subscriber television services from Schedule 1 of the Fee Regulations. Therefore, Digicel’s proposed changes to the definition of a full telecommunications network or service are no longer applicable. Accordingly, the Commission has maintained the existing definition of the licence.

**Annex: Recommended  
Telecommunications (Fee Structure) Regulations 2018**

## ANNEX 1

### DRAFT

## TELECOMMUNICATIONS FEE STRUCTURE

### REGULATIONS 2019

MADE by the Governor under section 65 of the Telecommunications Ordinance.

#### Citation and commencement

1. These Regulations may be cited as the Telecommunications (Fee Structure) Regulations 2019, and shall come into operation on 1st December 2019.

#### Interpretation

2. (1) In these Regulations-

“carrier” Means a person who has been granted a licence under this Ordinance to own and operate a telecommunications network.

“Fixed Public Telecommunications Network or Service” means a network or service that provides users the ability to transmit signals over a distance for the purpose of communications where the end points are fixed.

“Full Telecommunication Network or Service” means a network or service that provides users the ability to use all the telecommunication services defined as “telecommunications service” in Section 2 of the Ordinance.

“gross revenue” means revenue of reporting year received by, or due to the licensee and its affiliates, from whatever source derived before any deductions for expenses, discounts, returns or offsets of any kind.

“Internet Networks or Service” means a network or service that provides users the ability to access the Internet.

“Mobile Virtual Network Operator (MVNO)” means a wireless telecommunications network or service provider that does not own the network infrastructure over which the services are provided.

“Private Telecommunications Network or Service” means a network or service for the provision of telecommunications by a person for the exclusive use of that person and not for resale, directly or indirectly.

“Public Mobile Telecommunications Network or Service” means a network or service that provides users the ability to communicate with a mobile device.

“Public Radio Paging Network or Service” means a network or service that provide users with the ability to send messages to the subscriber over a paging service.

“Quadruple Play Providers” means the grouping together of four of the telecommunications network and services licences, except a Full Telecommunication Network or Service licence, in Schedule 1.

“regulatory fee” means the regulatory fee referred to in section 47 of the Ordinance “Studio to Transmitter Link (STL)” means a radiocommunications link used for the transmission of broadcast material from a studio to a transmitter.

“Special Licence” means a licence for the use of spectrum issued to a person who wishes to carry out an experiment in relation to radiocommunications or to cover an emergency or special event.

“Submarine Cable” is a cable laid beneath the sea to carry telecommunications. “Subscriber Television” means a business or organisation that uses a telecommunication system for broadcasting and receiving moving pictures and sound over a distance.

“Triple Play Licence” means the grouping together of three of the telecommunications network and services licences, except a Full Telecommunication Network or Service licence, in Schedule 1.

“Value Added Service” means a service added by a person on the network of a telecommunications network or service licensee to provide additional services with separate equipment.

(2) Unless otherwise specified, terms used in these Regulations shall have the meanings assigned to them under the Ordinance.

### **Application for telecommunications network or service licence**

3. A person applying for a telecommunications network or service licence shall to pay the appropriate fees specified in Schedule 1, as follows-

- a) on filing of the application, the non-refundable application fee;
- b) on grant of the licence, the initial licence fee;
- c) after the first calendar year, the renewal of licence fee, annually;
- d) the regulatory fee, annually.

### **Application for spectrum licence**

4. A person applying for a spectrum licence shall pay the appropriate fee specified in Schedule 2, follows-

- a) On the filing of the application, the non- refundable application fee; and
- b) On grant of the licence, the initial fee;
- c) after the first calendar year, the renewal of licence fee, annually.

### **Application for special licence**

5. A person applying for a special licence shall pay the appropriate fee specified in Schedule 3, as follows-

- a) on the filing of the application, the non- refundable application fee;
- b) on grant of the licence, the initial licence fee.

### **Miscellaneous Fees**

6. Any fees not covered under regulation 3, 4, or 5 which may be applicable to a licence shall be paid annually by the licensee in accordance with the fees listed in Schedule 4.

### **Time for payments of fees**

7. (1) Any initial fee payable pursuant to these Regulations shall be paid within two weeks of the licensee being informed in writing of the grant of licence.

(2) The renewal of licence fee shall be payable in each year following the grant of the licence.

### **Revocation**

8. The Telecommunications Fee Structure Regulations 2016 are hereby revoked.

**SCHEDULE 1**

**TELECOMMUNICATIONS NETWORK OR SERVICE**

**(Regulation 3)**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>APPLICATION FEE</b>	<b>INITIAL FEE (On grant of licence)</b>	<b>RENEWAL OF LICENCE FEE</b>	<b>REGULATORY FEE (anually)</b>
FTNS	Full Telecommunication Network / Service	\$25,000.00	\$1,000,000.00	\$1,000,000.00 or 7% of gross revenue whichever is greater	\$75,000.00 or 1.8% of gross revenue whichever is greater
FPTNS	Fixed Public Telecommmunicati on Network or Service	\$2,500.00	\$250,000.00	\$250,000.00 or 7 % of gross revenue whichever is greater	\$75,000 or 1.8% of gross revenue whichever is greater
INS-1	Internet Networks /Service	\$2,500.00	\$75,000.00	\$75,000.00 or 7% of gross revenue whichever is greater	\$25,000 or 1.8 % of gross revenue whichever is greater
INS-2	Internet Network /Services (>50<500 subscribers)	\$1,000.00	\$5,000.00	\$5,000.00 or 7 % of gross revenue whichever is greater	\$5,000.00 or 1.8 % of gross revenue whichever is greater is greater
INS-3	Internet Network/ Services (15<=50 subscribers)	\$1,000.00	\$1,000.00	\$1,000.00 or 7 % of gross revenue whichever is greater	\$1000.00 or 1.8 % of gross revenue whichever is greater
MVNO	Mobile Virtual Network Operator	\$1,000.00	\$2,000.00	\$2,000.00 or 7 % of gross revenue whichever is greater	\$2,000.00 or 1.8 % of gross revenue whichever is greater



PMTNS	Public Mobile Telecommunication Network / service	\$5,000.00	\$250,000.00	\$250,000.0 or 7% of gross revenue whichever is greater	\$75,000.00 or 1.8 % of gross revenue whichever is greater
PRPNS	Public Radio Paging Network / Service	\$1,000.00	\$2,000.00	\$2,000.00 or 7% of gross revenue whichever is greater	\$2,000.00 or 1.8 % of gross revenue whichever is greater
SC-I	Submarine Cable (international)	\$2,500.00	\$50,000.00	\$50,000.00 or 7% of gross revenue whichever is greater	\$75,000 or 1.8 % of gross revenue whichever is greater
SC-D	Submarine Cable (domestic)	\$1,000.00	\$5,000.00	\$5,000.00 or 7 % of gross revenue whichever is greater	\$5,000.00 or 1.8 % of gross revenue whichever is greater
TPL-3	Triple Play	\$15,000.00	\$300,000.00	\$300,000.00 or 7% of gross revenue whichever is greater	\$75,000.00 or 1.8 % of gross revenue whichever is greater
QUAD-4	Quadruple Play Providers	\$20,000.00	\$500,000.00	\$500,000.00 or 7% of gross revenue whichever is greater	\$75,000.00 or 1.8 % of gross revenue whichever is greater
VAS	Value Added Services	\$1,000.00	\$2,000.00	\$2,000.00 or 7 % of gross revenue whichever is greater	\$1,000.00 or 1.8 % of gross revenue whichever is greater

LICENCE CODE	DESCRIPTION	APPLICATION FEE	LICENCE FEE		REGULATORY FEE (ANUALLY)
			On grant of licence (Initial fee)	Anually	
AMR	Automated Meter Reading	\$1000.00	\$2,000.00	\$2,000.00	\$2,000.00
PNS	Private Network or Service	\$1000.00	\$5,000.00	\$4,000.00	\$4,000.00
<b>MM</b>	<b>Maritime mobile Licence (per transceiver)</b>				N/A
MMB	Based Station (fixed)	\$50.00/unit	\$50.00/unit	\$50.00/unit	
MMM	Mobile Station (mobile)	\$50.00/unit	\$50.00/unit	\$50.00/unit	
MMR	Repeater	\$50.00/unit	\$150.00/unit	\$150.00/unit	
MMP	Portable/Handheld	\$50.00/unit	\$15.00/unit	\$15.00/unit	
MMFY	Maritime Mobile Radio (Ferry Boats / Charter)	\$50.00/unit	\$50.00/unit	\$50.00/unit	
MMFH	Maritime Mobile Radio (Fishing Boats)	\$50.00/unit	\$30.00/unit	\$30.00/unit	
<b>MMS</b>	<b>Ship/Cargo Station Licence</b>				N/A
“	less than 1600 tons	\$150.00/ship	\$150.00/ship	\$150.00/ship	
“	exceeding 1600 tons	\$300.00/ship	\$300.00/Ship	\$300.00/Ship	
<b>LM</b>	<b>Land mobile Licence</b>				\$1000.00
LMB	Base Station	\$500.00	\$100.00/unit	\$100.00/unit	
LMR	Repeater	\$500.00	\$150.00/unit	\$150.00/unit	
LMM	Mobile	\$500.00	\$30.00/unit	\$30.00/unit	
LMP	Portable/handheld	\$500.00	\$15.00/unit	\$15.00/unit	

<b>AMA</b>	<b>Aircraft Radio (each aircraft)</b>				N/A
AMA-TC1	Maximum take-off weight (>20,000LBS < 60,000LBS)	\$200.00	\$200.00	\$200.00	\$0
AMA-TC2	Maximum take-off weight (>12,500LBS < 20,000LBS)	\$150.00	\$150.00	\$150.00	\$0
AMA-TC3	Maximum take-off weight (>6,000LBS<12,500LBS)	\$100.00	\$100.00	\$100.00	\$0
AMA-TC4	Maximum take-off weight (<6,000LBS)	\$50.00	\$50.00	\$50.00	\$0
AMA-TC5	Transportable Radio Licence	\$40.00	\$40.00	\$40.00	\$0
<b>AM</b>	<b>Aeronautical mobile Radio</b>				\$1000.00
AMR	Repeater	\$500.00	\$150.00/unit	\$150.00/unit	
AMB	Based/fixed	\$500.00	\$100.00 /unit	\$100.00/unit	AMB
AMM	Mobile	\$500.00	\$30.00 /unit	\$30.00 /unit	
AMP	Portable/handheld	\$500.00	\$15.00/unit	\$15.00/unit	
<b>AR</b>	<b>Amateur Radio Licence</b>				N/A
ARN	Novice class	\$10.00	\$15.00	\$15.00	\$0
ARG	General class	\$10.00	\$15.00	\$15.00	\$0
ARA	Advanced class	\$10.00	\$15.00	\$15.00	\$0
ARF	Temporary Call-Sign	\$15.00	\$15.00	\$15.00	\$0
CBR	Citizen Band Radio	\$25.00			\$0

Note: AMA = Aircraft Station, TC = Tier Code

**SCHEDULE 2**

(Regulation 4)

**SPECTRUM LICENCE**

<b>LICENCE CODE</b>	<b>DESCRIPTION</b>	<b>APPLICATION FEE</b>	<b>INITIAL FEE (On grant of licence)</b>	<b>SPECTRUM FEES</b>
<b>VST</b>	<b>Very Small Aperture Terminal (channel)</b>	\$1000.00		
VST1	Dish $\leq$ 3.0 meter with one 64kbs CH		\$500.00	\$500.00/channel
<b>CMBL</b>	<b>Cellular Microwave Backhaul links</b>	\$1,000.00		
	$\leq$ 28 MHz Bandwidth		\$5,000.00/frequency	\$5,000.00/frequency
	$>$ 28 $\leq$ 56MHz Bandwidth		\$8,500.00/frequency	\$8,500.00/frequency
	$>$ 56MHz Bandwidth		\$15,000.00/frequency	\$15,000.00/frequency
<b>BWA</b>	<b>Broadband Wireless Access</b>	\$1000.00		
	$\leq$ 5 MHz Bandwidth		\$5,000.00/paired	\$5,000.00/paired
	$>$ 5 $\leq$ 15 MHz Bandwidth		\$10,000.00 / paired	\$10,000.00 / paired
	$>$ 15 $\leq$ 30 MHz Bandwidth		\$30,000.00 /paired	\$30,000.00 /paired
	$>$ 30 MHz Bandwidth		\$50,000.00/paired	\$50,000.00/paired

<b>FWA</b>	<b>Fixed Wireless Access (Point to point)</b>	\$1,000.00		
	≤ 5 MHz Bandwidth		\$500.00/frequency	\$500.00/frequency
	>5 ≤ 15MHz Bandwidth		\$800.00/frequency	\$800.00/frequency
	>15 ≤ 30 MHz Bandwidth		\$1500.00/frequency	\$1500.00/frequency
	>30 MHz Bandwidth		\$2000.00/frequency	\$2000.00/frequency
<b>FWA</b>	<b>Fixed Wireless Access (Multi point to point)</b>	\$1,000.00		
	≤ 5 MHz Bandwidth		\$600.00/frequency	\$600.00/frequency
	>5 ≤ 15MHz Bandwidth		\$1,500.00/frequency	\$1,500.00/frequency
	>15 ≤ 30 Mhz Bandwidth		\$2,000.00/frequency	\$2,000.00/frequency
	>30 MHz Bandwidth		\$2,500.00/frequency	\$2,500.00/frequency
<b>PRP</b>	<b>Public Radio Paging</b>			
<b>PRC</b>	Commercial (25 KHz bandwidth)	\$1,000.00	\$500.00/frequency	\$500.00/frequency
<b>PRN</b>	Non-Commercial (25KHz bandwidth)		\$150.00/frequency	\$150.00/frequency
<b>PMTF</b>	<b>Public Mobile Telecommunications Frequency</b>			
	800 MHz	\$1,000.00	\$30,000.00/10MHz (paired)	\$30,000.00/10MHz (paired)
	900 MHz	\$1,000.00	\$30,000.00/10MHz (paired)	\$30,000.00/10MHz (paired)
	1800 MHz	\$1,000.00	\$40,000.00/10MHz (paired)	\$40,000.00/10MHz (paired)

	1900 MHz	\$1,000.00	\$78,000.00/5MHz (paired)	\$78,000.00/5MHz (paired)
	700 MHz Prime	\$1,000.00	\$60,000.00/22MHz (paired)	\$60,000.00/22MHz (paired)
	1710-1755 MHz / 2110-2155 MHz (AWS-1)	\$1,000.00	\$5,000/5MHz (paired)	\$5,000/5MHz (paired)
	<b>2.5 GHz (2500 MHz- 2690 MHz)</b>			
	2500-2570MHz / 2620-2690MHz	\$1,000.00	\$30,000.00/20MHz (paired)	\$30,000.00/20MHz (paired)
	2575 MHz -2620 MHz	\$1,000.00	\$30,000.00/20MHz (unpaired)	\$30,000.00/20MHz (unpaired)
<b>SES</b>	<b>Satellite Earth Station</b>			
	SES (> 3 meters with multiple channels)	\$1,000.00	\$4500.00/Dish	\$4500.00/Dish
<b>LM</b>	<b>Land Mobile</b>			
LMF	Land Mobile radio (12.5 KHz bandwidth)	\$200.00	\$200.00/frequency	\$200.00/frequency
<b>MM</b>	<b>Maritime Mobile</b>			
MMF	Maritime Mobile Radio (12.5KHz bandwidth)	\$200.00	\$200.00/frequency	\$200.00/frequency
MMSR	International/Nation Search and Rescue	Free	Free	Free

MMFH	Maritime Mobile Radio (fishing Boats)	\$50.00/unit		
<b>AM</b>	<b>Aeronautical Radio Frequency</b>			
AMF	Aeronautical Mobile Radio (12.5KHz bandwidth)	\$200.00	\$200.00/frequency	\$200.00/frequency
<b>BS</b>	<b>Broadcasting Station</b>			
BAM	Broadcast AM Radio station	\$500.00	\$3000.00/frequency	\$3000.00/frequency
PBFM	<b>Prime Broadcasting</b> FM (88 MHz - 95MHz)			
PBFM-1	Broadcast FM Radio station ( $\leq 100$ Watts)	\$500.00	\$1000.00/Frequency	\$1000.00/Frequency
PBFM-2	Broadcast FM Radio station ( $\geq 250 \leq 500$ Watts)	\$500.00	\$1500.00/frequency	\$1500.00/frequency
PBFM-3	Broadcast FM Radio station ( $\geq 500W \leq 1K$ Watts)	\$500.00	\$2500.00/frequency	\$2500.00/frequency
BFM-1	Broadcast FM Radio station ( $\leq 100$ Watts)	\$500.00	\$500.00/Frequency	\$500.00/Frequency
BFM-2	Broadcast FM Radio station ( $\geq 250 \leq 500$ Watts)	\$500.00	\$1000.00/frequency	\$1000.00/frequency
BFM-3	Broadcast FM Radio station ( $\geq 500W \leq 1KWatts$ )	\$500.00	\$2000.00/frequency	\$2000.00/frequency

BTV	Broadcast Television (6 MHz link)	\$1000.00	\$2000.00/frequency	\$2000.00/frequency
STL-1	Television STL Microwave (6 MHz link)	\$500.00	\$1000.00/link	\$1000.00/link
STL-2	Radio STL Microwave	\$500.00		
	≤ (25 KHz link)		\$200.00/link	\$200.00/link
	> (25 KHz link)		\$500.00/link	\$500.00/link



**SCHEDULE 3**

(Regulation 5)

**SPECIAL LICENCE**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>APPLICATION FEE</b>	<b>ON GRANT OF LICENCE (Initial fee)</b>
<b>SL</b>	<b>Special Licence</b>		
SLE	Emergencies	Free	
SHT	Short term ( $\leq 30$ days)	\$500.00	\$2,000.00
SHT1	Short term ( $>30 \leq 90$ days)	\$500.00	\$5000.00

**SCHEDULE 4**

(Regulation 6)

**MISCELLANEOUS**

<b>CODE</b>	<b>DESCRIPTION</b>	<b>LICENCE FEES</b>	
		<b>APPLICATION FEE</b>	<b>INITIAL FEE</b>
CPE	Customer Premises Equipment Dealers Registration Fee	100.00	\$250.00
	Customer Premises Equipment Wiring Registration fee	\$100.00	\$100.00
ROL	Radio Operators Licence	\$100.00	\$100.00
TAC	Type Approval Certification	\$500.00	\$500.00
EXM	Examination Fees For Radio Operators	\$30.00	N/A

Note: Radio Operators Licence, to include Aircraft and Ship Station Operators Licence