

Memorandum for Executive Council

SUBJECT

Approval of the Policy Statement on the Licencing of Permanent Earth Stations and Receive Only Earth Stations

Memorandum by the Chairman of the Economic Development Committee

ADVICE SOUGHT

1. **Executive Council is asked to consider and advise whether the Policy Statement on the Licensing of Permanent Earth Stations and Receive Only Earth Stations [Annex A] should be approved.**

BACKGROUND & CONSIDERATIONS

2. For the business case for more affordable fibre optic cable connectivity to stack up, the existence and contribution of satellite ground stations (also known as earth stations) on St Helena are imperative.
3. Annex D is a presentation which introduces the concept of satellites and earth stations, what they are for and how they work.
4. St Helena's Digital Strategy sets the direction of digital development on St Helena. The document states that 'The benefits of basing satellite stations on a small Island has been realised by Svalbard, a Norwegian Island, and would contribute to the business case in a number of ways, including: paying a licence fee; small levels of employment; land purchase and investment; purchase of large amounts of bandwidth and the purchase of large amounts of power (both of which could be used to cross subsidise costs to other users on the Island)'.
5. St Helena's Sustainable Economic Development Plan 2018-2028 adds 'Because of St Helena's remote location between the African and South American continents, political stability, low risk of natural or manmade disasters and the rule of UK style law, St Helena is an attractive place to host a satellite ground station when it attains improved internet bandwidth through St Helena's Digital Strategy. The business case for a sub marine cable and improved internet is robust when part of that bandwidth can be sold to a significant user, so there is mutual benefit to the Island by encouraging satellite ground stations to develop on the Island. In order for

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ground stations to be possible, land will need to be ring-fenced for development’.

6. A number of work streams are being developed to ensure smooth facilitation of Ground Stations on St Helena. The work streams are monitored by the Fibre Optic Cable and Satellite Ground Station Board, chaired by the Chief Secretary, and the work streams are being led by the Chief Economist.
7. The work streams include:
 - a. *Development of a licencing regime for earth stations*
 - b. *Designation of a space park/s for the location of earth stations through award of outline planning permission and recognition of the site by ExCo.*
 - c. *Working directly with earth station companies to follow the processes to locate on St Helena.*
8. This Memorandum is in regard to the first work stream only: the licencing regime.
9. In August 2019 SHG enlisted AB5 Consulting to assist with the development of a Policy to licence satellite ground stations on St Helena. The main provisions in the Policy are to:
 - a. *Recognise the International Laws by the International Telecommunications Union (ITU), the Council of the European Union and the International Commission on Non-Ionizing Radiation Protection particularly on frequency co-ordination within space, technology use and radiation.*
 - b. *allocate permissions to use certain frequencies for both receiving and transmitting of information with the aim of ensuring that users do not interfere with other user’s transmitting and receiving; and*
 - c. *Charging a licence fee which contributes to SHG’s costs and revenue receipts.*
10. The Policy was consulted between November 2019 and January 2020 and the updated final version was endorsed by the Economic Development Committee on 26 March 2020. It is now requested for Executive Council to advise whether the Policy should be endorsed. Whilst normally Policies would be agreed at Committee level, it was felt that because this is a

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new Policy, and a Policy of National Importance it would benefit from agreement at Executive Council level.

11. The final Policy is attached as Annex A, with the application form attached as Annex C.
12. We recommend that the Policy comes into force after agreement by Executive Council. This means that licences can be issued and fees will be payable at the rates set in the Policy.
13. The Telecommunications Ordinance (1989) already makes provision for 'other licences' therefore the Policy can come into effect immediately after Executive Council endorsement. However, it would be prudent to add more specific Regulations which legally protect earth stations from interference. We recommend the regulations covering the licensing of PES and ROES at fixed locations on St Helena are to be developed at the same time as other drafting requirements for the Policy for Communication Networks and Services which shall lead to the modernisation of the Telecommunications Ordinance. The Policy for Communication Networks and Services is being developed currently, and therefore it would be expected that the Regulations under the Telecommunication Ordinance are drafted and will come into force after endorsement by Executive Council later in 2020 at the same time as changes required under the new Policy for Communication Networks and Services. Waiting for the Regulations to come into force before enacting the Policy Statement on the Licencing of Permanent Earth Stations and Receive Only Earth Stations would cause unnecessary delay and antennae could be set up in the interim without any licence; hence the request for the Policy to be enacted once agreed by Executive Council.
14. AB5 Consulting will be undertaking training with the Registrar, Customer Services Manager, Mrs Karen Yon, and other members of SHG to assist application of the Policy.
15. Currently VHF (radio) licence holders pay £23 per annum. As these are members of the public, it is not proposed to increase this fee significantly except for a small less than inflationary update to round the fee to £25 per annum.
16. The fees for satellite ground stations will be new. There is currently one small antennae applying for a new licence, which will earn SHG around £750 in year 1 and £500 per annum thereafter. If, for example, one site was agreed to allow development of earth stations, it is expected that these

FINANCIAL IMPLICATIONS

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could generate upwards of £15,000 per annum in licence fees.

17. Not agreeing the Policy will mean that SHG will not be able to collect sufficient licence revenues from satellite ground station providers in order to subsidise the work SHG is undertaking on the Island's digital development. Therefore agreement of the policy is an important step to improve revenue collection.

ECONOMIC IMPLICATIONS

18. Further economic development on St Helena is conditional on affordable internet access and satellite ground stations are an important part of the Island's digital development. St Helena's remoteness is a challenge in many sectors, however in the satellite ground station sector, the remoteness is St Helena's asset.

19. Some small antennae already exist on St Helena; for example one located at the Met Office collects data which helps to monitor climate change variables such as sea level rise and temperature. St Helena's orbit and location is ideal for this purpose. The fibre optic cable means that grander antennae downloading significantly more data can locate here. This data can be used across the world by governments, academia and companies to help monitor environmental happenings and world affairs. By developing a clear and transparent licencing framework, we can ensure that satellite ground stations will not interfere with each other, will be compliant with International Laws whilst SHG can also benefit from licence fees which can help fund further digital development on-Island.

20. Earth Stations will require the use of bandwidth. This provides income to internet service providers and will further help utilise the capacity of the fibre optic cable. When more customers use bandwidth, this allows the unit costs to go down. In effect, the presence of more Earth Stations on St Helena using bandwidth means that average prices may be able to go down for customers in the future. Without Earth stations, there is unlikely to be much change on internet package prices in the future.

CONSISTENCY WITH INVESTMENT POLICY PRINCIPLES

21. This is consistent with the following principles:

1. Make St Helena a desirable and competitive destination to do business by removing barriers to investment.
3. Support an economy which is accessible to all potential investors and promote investments across the economy.
4. Support the locally based private sector to compete in an open economy but, where possible, avoid being overly

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PUBLIC/SOCIAL IMPACT

- protective.
22. Negligible. VHF Radio users within the public will be subject to this Policy but we are not intending to vary fees significantly from what they already pay (change from £23 to £25 per annum). VHF Radio users have been consulted.

ENVIRONMENTAL IMPACT

23. Ensuring that the Policy includes the requirement for Earth Stations to comply with the International Commission on Non-Ionizing Radiation Protection ensures that the operation of Earth Stations will not negatively affect people or animals. The environmental impacts of any construction of Earth Stations will be assessed through the normal planning process.

PREVIOUS CONSULTATION/ COMMITTEE INPUT

24. Executive Council endorsed the Sustainable Economic Development Plan 2018-2028 in 2017 which included 'satellite ground stations' as a targeted export sector.
25. The Economic Development Committee (EDC) was given a presentation on satellite ground stations by AB5 Consulting in October 2019. This is included in Annex D.
26. AB5 Consulting supported SHG to develop the draft consultation document 'Consultation on the licensing process for permanent earth stations (PES) and receive only earth stations (ROES) in St Helena'. EDC endorsed the consultation in November 2019.
27. After EDC consultation endorsement, on 29 November, a press release informed the public that the draft was out for consultation. The public consultation was held between 29 November 2019 and 13 January 2020.
28. SHG contacted companies in the satellite and telecommunications industry directly who may be interested in installing earth stations on St Helena, and also directly contacted SHG departments and members of the public who use radio frequencies and are currently on the Register.
29. The consultation team had one meeting with Sure and one public meeting on 8 January whereby three people attended. The size of the turnout of the public meeting was unsurprising because the Policy is a technical policy and the requirement for licensing does not directly affect many members of the public. Responses to the Consultation Questionnaire were also collected online through Survey Monkey and by email. SHG received seven responses to the consultation from the satellite and telecommunications industry. The detail on the comments received and decisions made are outlined within Annex B, the 'Response from SHG

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to Consultation on Licensing of Permanent Earth Stations and Receive Only Earth Stations in St Helena’.

30. The updates to the Policy, as a result of the consultation in summary were:
 - a. To include more information on the regulatory compliance requirements for air safety in the “wedge shaped area originating at the departure and arrival end of the runway and extending for three nautical miles from the runway over which the aircraft would normally track”
 - b. To agree that a licence application form for such installation will be made available for applicants on the SHG webpage;
 - c. To agree that a Table of Allocation and Licence Registry will be made available on the SHG webpage to assist new applicants in coordinating frequency use with existing licence holders;
 - d. To update the fees so that they reflect other competitive locations and are more comparable to other public fees by SHG;
 - e. To make clear that Receive Only Earth Stations, although not required to be licenced, will have an option to be licenced if it is of benefit that their uses are recognised formally within the Register and so that they can be protected from interference from other services using the same frequency.
31. On 26 March 2020, Economic Development Committee was asked to endorse the Policy Statement. The following is an extract from the minutes.
 - a. *The Chairman welcomed the attendees and invited the Chief Economist to introduce the memo. EDC was asked to approve the Policy Statement on the licencing of Permanent Earth Stations and Receive Only Earth Stations (as per Annex A) so that it could be put into practice immediately.*
 - b. *Members felt the policy was very technical therefore whilst appreciating the detailed overview, felt that each section of the policy needed to have been discussed separately or alternatively in future the detail should be delivered through a presentation.*
 - c. *Following discussion it was agreed the fee schedule should be removed and set in Regulations and the Policy should be processed through Executive Council. It was also felt the underlying policy (the policy on Communications Networks and Services) should reflect that the bandwidth should be sold through SHG to the Earth Stations rather than to by the*

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public Communications licence holder. EDC endorsed the Policy Statement with these caveats.

PUBLIC REACTION

32. The relevant Policy which considers how bandwidth from the fibre optic cable should be sold to the public communications licence holder and earth stations is the Policy for Communication Networks and Services. The point raised by EDC will be addressed in that Policy and not the Policy Statement on the Licencing of Permanent Earth Stations and Receive Only Earth Stations, because the remit of the latter Policy covers earth to space and space to earth transmissions, not on Island nor Cable Landing Station connectivity.

PUBLICITY

33. Public reaction is likely to be positive. This will demonstrate to the public that real things are occurring with respect to the digital sector growth.

34. Executive Councils decisions will be covered in the radio briefing following the meeting.

35. If Executive Council approves the Policy Statement a separate press release will be issued and consultation respondents will be informed directly

SUPPORT TO STRATEGIC OBJECTIVES

36. Link to the 10 Year Plan:
Altogether Wealthier goal and Strategic Objective 3.3 Ensure Digital Strategy and Fibre Optic Cable delivers intended benefits to the whole community.

LINK TO SUSTAINABLE ECONOMIC DEVELOPMENT PLAN GOALS

37. Link to goal 9: Develop the Digital Economy: Open up St Helena to new economic markets by investing in broadband services and infrastructure, work towards delivering a fibre optic cable for the island.

OPEN/CLOSED AGENDA ITEM

38. Recommended for the Open Agenda.

LAH

Corporate Support
Corporate Services

22nd April 2020

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