

UK Space Agency

Department of Business, Energy and Industrial Strategy

Non-qualifying regulatory provision assurance statement: **confirmed**

The Regulatory Policy Committee (RPC) is content that, based on the summary information provided by the regulator, none of the measures or activities covered in the summary document should be considered as a qualifying regulatory provision for the purposes of the business impact target (BIT). This statement does not provide a detailed view of any specific activity in the regulator's summary document. Nor does it comment on any activities not covered in the summary. Some activities might, however, have been the subject of separate assessments of qualifying regulatory provisions.

Comments on the non-qualifying regulatory provision summary

The regulator has included, in its statement, measures that fall within the *de minimis* excluded category, which is the only category currently available under the 2017-2022 BIT. In addition, the regulator has, helpfully, identified the exclusion categories from the 2015-17 BIT framework to which the measures would apply if those categories applied to the current BIT reporting period. The regulator's summary includes a number of helpful statements, such as activities not representing a change in the burden of regulation placed on business and, in relation to workshops with industry, confirmation that attendance was not compulsory and that none of the material produced created a new regulatory standard that businesses is expected to follow. This, too, is helpful in providing further re-assurance that none of the measures could, potentially, be qualifying regulatory provisions.

The regulator, in considering whether the measures fall within the *de minimis* exception, has estimated the cost to business of applying for, and obtaining insurance, in respect of 14 Outer Space Act licences granted by the UK Space Agency during the reporting period. Although it is possible that additional applications for such licences could be made, the total number of applications (or the cost per licence) would need to increase by a factor of more than six before the total estimated annual cost to business would exceed the *de minimis* threshold of £5 million.

The RPC is, therefore, content that all of the measures listed would fall within the *de minimis* exclusion category and are, therefore, non-qualifying regulatory provisions.

Regulatory Policy Committee

Regulator: UK Space Agency

Business Impact Target Reporting Period Covered: 8 June 2017 to 20 June 2018

Excluded Category*	Summary of measure(s), including any impact data where available
De minimis (measures with an EANDCB below +/- £5 million)	<p><u>Casework</u></p> <p>The UK Space Agency is an Executive Agency of the Department for Business, Energy and Industrial Strategy.</p> <p>The Outer Space Act (OSA) is the legal basis for the regulation of activities in outer space carried out by organisations or individuals established in the UK or one of its Crown Dependencies or Overseas Territories. The Act confers licensing and other powers on the Secretary of States for Business, Energy and Industrial Strategy, which are carried out through the UK Space Agency. The aim of the Act is to ensure the UK meets its obligations under UN Space Treaties and that activities do not pose risks to public health and safety or UK national security.</p> <p>The UK Space Agency has granted 14 OSA licences during the reporting period. The Agency has also written to 9 space operators to check they are complying with their licence conditions. There have been no non-compliance notices issued. Apart from writing to space operators, the UK Space Agency obtains independent validation of satellite orbital location details from other sources.</p> <p>Space missions are generally bespoke and licence applicants are required to complete an application form and associated paperwork (detailed on the UK Space Agency website). Under the UN Space Treaties, UK Government assumes unlimited liability for UK-licensed missions. Some of this liability is offset by requiring operators to obtain third party liability insurance cover of €60m Euro (for standard missions) for the duration of the mission.</p> <p>The cost of applying for (and obtaining insurance) for the 14 licences detailed above is significantly within the De minimis threshold. This has been calculated by estimating the time taken to complete the application paperwork and the cost of obtaining the insurance.</p> <p>Although the time taken to complete the application paperwork would vary between applicants, the Agency estimate that a standard mission would require one day from a Regulatory Manager (8 hours x £15 per hour = £120) and one day from a Technical Manager (8 hours x £30 per hour = £240). Therefore, the approximate cost to complete the paperwork for one licence is £360.</p>

Excluded Category*	Summary of measure(s), including any impact data where available
	<p>Calculating the cost of obtaining third-party liability insurance is more difficult. This is because this is commercially sensitive information and often not shared with the Agency.</p> <p>However, it is possible to give a top end estimate of likely costs using a known rough guide to premium rates of 0.1% of the sum insured. Therefore, the cost of purchasing insurance for launch plus one year of in-orbit operations would be in the region of €60,000 (or £52,840) (exchange rate 8 May 2018, source: OANDA).</p> <p>Given the above, the cost to an applicant of applying for one licence (which would be for one satellite) would be in the region of £53,200 (£360 + £52,840). Multiplying this x14 (the number of licences issued during the reporting period) gives a figure of £744,800.</p> <p>No activities listed in this section represent a change in the burden of regulation placed on business. There have been no changes in policy or practice, although there have been activities relating to policy development (see the relevant section below).</p> <p><u>Education, communications and promotion</u> The UK Space Agency co-chaired a Regulatory Advisory Group meeting with representatives of the space industry, which, amongst other things, discussed the merits of potential future regulatory reforms.</p> <p>During the period, the UK Space Agency has developed emerging policy to streamline aspects of its in-orbit licensing regime via a traffic light licensing system and new third-party liability insurance requirements. This work culminated in a workshop with industry to test the policy framework in February 2018. Feedback from this event was invited from participants. More details are included in the 'activity related to policy development' section below.</p> <p>Attendance at these events was not compulsory and to date none of the material produced creates a new regulatory standard that businesses will be expected to follow. This means that none of these measures will impose additional costs to business and savings are expected in the future.</p> <p><u>Activity related to policy development</u> The UK Space Agency has continued work to develop a 'traffic light' system to simplify satellite licensing under the OSA. The limited trials of certain aspects of the system that have been undertaken as part of this policy development</p>

Excluded Category*	Summary of measure(s), including any impact data where available
	<p>have elicited positive feedback from industry so far. The traffic light system is designed to offer greater transparency and predictability for applicants, whilst ensuring the space environment is protected and the UK continues to meet its international obligations.</p> <p>In conjunction with the traffic light system, the Agency has also developed a new 'sliding scale' policy for the third-party liability insurance requirements it places on operators through its licence conditions. This is designed to maintain a proportionate balance of risk between Government and operators without placing disproportionate cost on larger operators.</p> <p>These innovative approaches to licensing and insurance were presented to stakeholders at a recent workshop and were positively received. The UK Space Agency is now finalising these policies, taking feedback into account, and is expecting to implement them later in 2018.</p> <p>In addition, the UK Space Agency continued to work on the Department for Transport led Space Industry Bill, which gained Royal Assent in March 2018 and is now the Space Industry Act 2018 (SIA).</p> <p>During the next reporting period the Agency will continue to develop secondary legislation and new policy necessary to enable the Act to come into force. To help with this the Agency, together with partners, issued a call for evidence in March 2018 to inform policy development of the Act's provisions on liability, insurance and charging.</p> <p>During the reporting period no activities listed in this section represent a change in the burden of regulation placed on business. Therefore, there is no additional cost to business.</p>

*This column will be updated with the other exemption categories once the Business Impact Target has been announced. Complete the summary box as 'Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.' where this is appropriate.