



Department for
Business, Energy
& Industrial Strategy

BUSINESS IMPACT TARGET: SUMMARY TEMPLATE

Non-qualifying Regulatory Provisions
(NQRPs) summary reporting template

Regulator: UK Space Agency

Business Impact Target Reporting Period Covered: 21st June 2018 – 20th June 2019

Excluded Category*	Summary of measure(s), including any impact data where available**
<p>Measures certified as being below <i>de minimis</i> (measures with an EANDCB below +/- £5 million)</p>	<p>Please see the Casework section for background to Outer Space Act (OSA) licensing.</p> <p><u>Traffic Light Licensing system</u> The UK Space Agency introduced a Traffic Light licensing system on 1st October 2018. This is a new pre-application process to give prospective applicants an early indication of how likely it is that their mission would be granted a licence and, depending on the mission, can result in a streamlined application process (thereby reducing the administrative burden on the applicant).</p> <p>Prospective applicants are not obliged to use the Traffic Light system and could rely on the existing pre-application meeting (which informs the applicant in a similar way). Alternatively, they are free to just submit an application without having received a Traffic Light rating (which the more experienced operators often do). Given that the Traffic Light system is optional it does not represent a change on the burden of regulation placed on business.</p> <p>However, if a prospective applicant chooses to use the Traffic Light system, the UK Space Agency will ask them to answer 10 straightforward questions. In response they would receive a red, amber or green rating, which indicates the likelihood of a licence being granted. There is no charge for this service.</p> <p>The UK Space Agency was trialling the Traffic Light system before it was formally introduced on the 1st October 2018. Therefore, during this reporting period 5 Traffic Light assessments were carried out and 7 applications qualified for a streamlined application process. 2 of the applications that qualified for the streamlined process resulted from Traffic Light assessments carried out before this reporting period (during the trial period).</p> <p>In financial terms the costs to industry associated with the Traffic Light system are negligible. It is about giving greater transparency and providing a smoother, more tailored application process. For instance, the Agency estimates that it would take an applicant's Technical Manager 30 minutes to complete the 10 questions (0.5 hour x £30 per hour = £15). Multiplied by the number of assessments (5) equals a cost of just £75. The UK Space Agency's technical team also estimates that the savings associated with a streamlined application would be approximately a 2-hour reduction in the time taken for an applicant to answer</p>

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	<p>the licence question sets. Given 7 applications qualified for the streamlined process this gives a saving of £420 (14 hours x £30 per hour). Therefore, overall this represents a saving of £345 to industry.</p> <p><u>In-orbit third-party liability insurance</u></p> <p>In order to protect both operators and the UK Government from third-party claims, the UK Space Agency requires licensees to hold third-party liability (TPL) insurance for licenced activities. The minimum insurance cover required is determined at the discretion of the UK Space Agency, although operators have always been free to hold more than the UK Space Agency requires.</p> <p>In conjunction with the Traffic Light system the UK Space Agency also introduced, on the 1st October 2018, a new 'sliding scale' policy for licensees' in-orbit third-party liability insurance requirements. For missions such as a low-risk satellite deployed from or operating below the International Space Station this insurance requirement may be reduced or waived. On the other hand, it is likely that operators planning higher-risk missions will need to hold a greater level of insurance than that required for standard missions.</p> <p>Before the formal introduction of this policy the Agency already assessed insurance requirements on a case-by-case basis and could vary the amount (for example increase it for higher risk missions). However, in the majority of cases (which are standard missions) the insurance amount was set to €60m Euro.</p> <p>One of the key reasons for the introduction of this policy was to ensure alignment with standard practice in the insurance market. Therefore, officially recognising that a per-occurrence fleet policy may be acceptable (and in some cases with an aggregate).</p> <p>Since the introduction of the policy the majority of licensee's have seen no change in their insurance requirements. Most are standard missions (and the €60m Euro requirement for standard missions has remained the same) and many already had fleet policies in place. Operators of higher-risk missions licensed during this period had been notified of their insurance requirements before the implementation of this policy, but again saw no change after it was introduced.</p> <p>The policy gives prospective applicants greater transparency and a better indication of how insurance requirements are applied. It also makes it clear that for new types of future missions (for example 'very large</p>

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	<p>constellations'), an aggregate on a fleet policy may be possible and that the insurance amount may increase if deemed non-standard. It should be noted that before the introduction of this measure aggregate policies were deemed acceptable in certain cases.</p> <p>During the reporting period the new policy did allow the UK Space Agency to waive the insurance (which would have been €60m Euro) for one low-risk mission. Calculating this saving is difficult because the cost of insurance 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 saving would be a figure in the region of €60,000 (or £51,746) (exchange rate 10th April 2018, source: OANDA). On current activity the UK Space Agency only expect to grant waivers for a small number of missions, looking ahead possibly in the region of 2 – 3 per year.</p> <p>The UK Space Agency considers the administrative costs associated with the new website guidance for this change as negligible. For example, an insurance fact sheet was published on the Agency website which contains approximately 1200 words. At an average reading speed of 200 words per minute it would take approximately 6 minutes to read it. Although the UK Space Agency issued 28 licences during this reporting period it only issued them to 6 space operators. It also estimated that another 30 potential applicants may have read the fact sheet. This gives a total of 36 and multiplied by 6 minutes reading time for each entity equals 216 minutes. In monetary terms this equals £54 (216 minutes x £15 per hour for an operators Regulatory Manager).</p> <p>It is clear that the estimated costs associated with the Traffic Light licensing system and the sliding scale insurance policy fall significantly within the de minimis threshold. Overall, for this reporting period it represents a saving of approximately £52,037.</p>
<p>EU Regulations, Decisions and Directives and other international obligations, including the implementation of the EU Withdrawal Bill and EU Withdrawal Agreement</p>	<p>Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.</p>

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Measures certified as concerning EU Withdrawal Bill operability measures	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
Pro-competition	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
Systemic Financial Risk	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
Civil Emergencies	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
Fines and Penalties	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
Misuse of Drugs	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
Measures certified as relating to the safety of tenants, residents and occupants in response to the Grenfell tragedy	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.
Casework	<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 State 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>Space missions are generally bespoke and entities to which the OSA applies are required to apply for a licence (as detailed on the UK Space Agency website).</p> <p>The UK Space Agency has granted 28 OSA licences during the reporting period. The Agency has also written to 12 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>

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	<p>No activities listed in this section represent a change in the burden of regulation placed on business. There was a small change in policy which is detailed in the de minimis section. Also, there have been activities relating to policy development (see the relevant section below).</p>
<p>Education, communications and promotion</p>	<p>The UK Space Agency co-chaired two Regulatory Advisory Group meetings with representatives of the space industry, which, amongst other things, discussed the merits of potential future regulatory reforms.</p> <p>The UK Space Agency Spaceflight Programme has held 3 engagement events during the reporting period. These included conversations on forthcoming secondary legislation to be enacted under the Space Industry Act 2018. Regulations are not expected to be in place until after the next reporting period and the aim of the conversations is to understand potential impacts of developing policy.</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.</p>
<p>Activity related to policy development</p>	<p>The UK Space Agency finalised work on a ‘traffic light’ system for OSA licensing and a new ‘sliding scale’ policy for the in-orbit third-party liability insurance requirements it places on operators through its licence conditions. These measures were introduced on the 1st October 2018 and are addressed in the de minimis section.</p> <p>The Agency also started work on its policy approach to enable the future licensing of In-Orbit Servicing and Manufacturing (IOSM) and Active Debris Removal (ADR) missions. Work is on-going to ensure readiness in time for the first such applications that are expected.</p> <p>Furthermore, the UK Space Agency has begun engagement with other Government Departments and Industry to consider the future regulation of Earth Observation data. Coherent and transparent regulation of this activity is perceived as an enabling driver for Industry.</p> <p>In addition, the UK Space Agency continues to work with partners to develop the Secondary Legislation and guidance necessary to enable the Space Industry Act 2018 to come into force. The Agency’s Spaceflight Programme are aiming to launch a statutory consultation on proposals</p>

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	<p>in the next reporting year, and for regulations to be in place by 2021.</p> <p>The Traffic Light system and new insurance requirements are dealt with under the de minimis section. During the reporting period none of the other 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>
Changes to management of regulator	Following consideration of the exclusion category there are no measures for the reporting period that qualify for the exclusion.

* For detailed guidance on the exclusion categories, please see <https://www.gov.uk/government/publications/better-regulation-framework>

** 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.