

2019 Drone Registration Scheme: Charge Proposal Consultation Document

CAP 1775



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Chapter 1

Executive Summary

- 1.1 In 2018, the UK Government decided to mandate a drone registration and education scheme in the UK to strengthen the accountability of drone users and their awareness of how to fly their drones safely. This requirement is now established in UK law and followed a Government consultation on a range of drone policy proposals. A number of other countries worldwide already have or are developing a drone registration scheme. It is also expected to become a requirement under wider international law shortly.
- 1.2 All those in the UK operating drones or model aircraft between 250 grams and 20 kilograms must register by the end of November 2019. From the same period, remote pilots will be required to take an online safety test. Failure to comply with these rules could lead to a fine of £1,000¹.
- 1.3 The CAA has been tasked by the Government with developing and operating this registration and education scheme. Since summer 2018, the CAA has been developing the technology solution for the registration scheme, with input from stakeholders and the Department for Transport (DfT). The design principles and core processes for the registration scheme are explained in more detail in chapter 2 of this document. The registration scheme will require drone users and model aircraft operators, whether professional or leisure user, to register and undertake on-line education and testing about drone safety rules. The requirement to register will not replace CAA's existing processes for commercial drone users to securing relevant permissions (Permission for Commercial Operation)².
- 1.4 The CAA is planning to open the registration scheme with effect from 1 October 2019. This will enable all those that need to register to do so by the 30 November 2019 as required under the UK Air Navigation Order (the legal instrument that creates the legal obligation to register).
- 1.5 This consultation is about the proposed charge on drone users and model aircraft flyers to cover the costs of running the service. The Government has provided a significant amount of taxpayer funding to cover the costs of developing the scheme up until 1 October 2019. From that date onwards, the

¹ Paragraph 1.20, Taking Flight: The Future of Drones in the UK Government Response Department for Transport, January 2019, link to full document is [here](#)

² PfCO – A Permission for Commercial Operation, the legal document you need to operate a drone commercially

costs of running the scheme will be borne by those who use it under the “user pays” principle. This is because as a statutory body, the CAA has to recover its costs from those it regulates and is the funding model used for its other aviation regulation functions, for example regulation of pilots, engineers, general aviation, airlines and airports.

- 1.6 The CAA is proposing an annual charge of £16.50 for each operator. This is to cover the costs of running the registration scheme, which includes the IT hosting and security costs, CAA personnel and helpdesk, identity verification, a national education and awareness campaign and costs of further upgrades to the initial drone registration service. We have based our costs on an assumption of 170,000 assumed registrations over the initial 18 month period, though we would welcome through this consultation any additional information about the numbers of drone and model aircraft users. We will review the drone registration charge after its introduction and implement any changes from April 2021, including whether a three year rather than annual renewal period is more appropriate. More information about the proposed charge, and what we will do if the volumes of users are significantly different from those assumed, is set out in chapter 3 of this document.
- 1.7 Chapter 3 also sets out some comparators for other registration like services, for example fishing, passports, pilot licences and the costs of taxpayer subsidised schemes in other countries. Overall, the proposed charge of £16.50 is more than some of these services, but significantly less than other similar schemes.
- 1.8 We believe our charging proposal represents a balance between keeping the charge for registration low and ensuring that the scheme covers its costs. We welcome feedback on this charging proposal. In particular, we are seeking answers to the following questions from drone users, model aircraft operators, relevant industry stakeholders and the public:
 - a) What is your view on the CAA’s proposed charge, in terms of the level and structure of the charge?
 - b) Do you have alternative ideas about how the CAA could cover the costs of running the registration scheme?
 - c) Are the CAA’s estimated volumes appropriate for the make-up of drone operators in the UK, based on existing sources of data and your own observations?
- 1.9 Please use the CAA Drone Registration Scheme Consultation online submission form: <https://consultations.caa.co.uk/finance/drone-registration>
The consultation will close on 7 June 2019.

- 1.10 Utilising these responses, the CAA will make a final decision on the registration scheme charges in July 2019. Further information on the Drone Registration Scheme will be communicated to the public from September 2019, through a dedicated Communications campaign. These activities will be carried out ahead of the registration opening date, 1 October 2019 with registration of drone operators becoming mandatory from 30 November 2019.
- 1.11 It is planned that this charge will be contained within the General Aviation Scheme of Charges which will be published on 16 September with an effective implementation of 1 October 2019.
- 1.12 Further information and guidance in relation to the ANO requirements and the CAA's role for drones can be found on the CAA's website:
www.caa.co.uk/drones

Chapter 2

Drone Registration Scheme – design principles and core processes

Drone Registration Scheme design principles

- 2.1 The registration process will be an entirely digital service that will not require human processing by the CAA other than resolving individual queries or problems.
- 2.2 The registration process will be designed to be accessible via mobile devices as well as personal computers.
- 2.3 The service is being developed using the Government Digital Service design principles and governance. This includes identifying user needs by talking directly to users and interested parties, analysing outputs and iterating designs throughout the product development. At present, the project has completed its Discovery (user research) and Alpha (prototyping and user testing) phases and is about to start its Beta (system build) phase prior to launch on 1 October 2019.
- 2.4 In this consultation document, the following definitions are used:
 - “Drone operator” - the person responsible for the drone and managing its use (who may be the owner), referred to under the ANO Amendment 2018 as Small Unmanned Aircraft (SUA) operator.
 - “Remote pilot” - the person flying the drone, referred to as such in the ANO Amendment 2018.

Drone Registration Scheme – overview

- 2.5 Under the current development plan for the registration scheme, it will deliver:
 - a) A registration service for all operators, notably, those who are responsible for drones or model aircraft, and those who fly drones or model aircraft or both (please see additional notes under paragraph 2.7 on model aircraft and under paragraph 2.8 on operator age limit). All operators will be required to register in addition to securing any relevant

CAA-issued permissions, operational authorisations and exemptions for drone operations (including commercial)³.

- b) A knowledge base of content to support those who fly drones or model aircraft (please see additional note under paragraph 2.7 on model aircraft). This product will contain the rules and guidance that users need to know to pass the CAA test and to fly safely and legally;
- c) A service that allows flyers of drones or model aircraft to undertake a CAA knowledge test that demonstrates a minimum level of understanding to fly safely and legally;
- d) A “check my registration” service that allows the registration status of drone and model aircraft flyers or those responsible for drone and model aircraft to be checked;
- e) “Renew my registration” service that allows renewal of your registration;
- f) An “update my registration” service allowing users to make changes to key details.
- g) A service that enables operators once registered to operate multiple drones (marked with a single operator number that will be generated as part of the registration process).

2.6 Please see [attached infographic](#) that provides further explanation of the core processes for the user and the steps to be taken.

2.7 The CAA’s implementation plan for the Registration system is based on the principle that model aircraft operators will be required to register alongside other drone operators; and that model aircraft remote pilots will complete the online test alongside other remote pilots. This is on the basis that:

- The Government’s consultation response published in January 2019 highlighted its intent to continue working with model aircraft associations, but that it does not look likely a blanket exemption would meet the necessary criteria envisaged by the Government’s policy⁴;
- The EU’s drone regulation, which is close to being finalised, includes model aircraft operations within its scope.

³ More information for recreational and commercial drone operations can be found on the CAA’s website here www.caa.co.uk/Consumers/Unmanned-aircraft-and-drones/

⁴ Paragraph 2.29, Taking Flight: The Future of Drones in the UK Government Response Department for Transport, January 2019, link to full document is [here](#)

2.8 The CAA's development plan for the Drone Registration Scheme sets the minimum age of registering for operators as 18. This is on the basis that:

- The Government's consultation response published in January 2019 highlighted that it supports the introduction of a minimum age of 18 for operators and no minimum age for remote pilots.⁵

2.9 The initial release of the drone registration scheme is a Minimum Viable Product (MVP) i.e. the minimum scope and level of service for the launch phase. In common with best practice and the Government Digital Service framework, we plan to make both minor improvements to the service as well as major improvements to its functionality. Such major improvements may include:

- Improvement to the service based on user feedback.
- Renewal invite process.
- Incorporate existing UAS commercial service.
- Direct digital access for enforcement to access personal data on Drone operators and Remote Pilots.
- Link to the digital validation checker which allows an automated validation of the Registration numbers.
- Analytics on test answers to improve the content and test material.
- 'Lost my drone' service.

⁵ Paragraph 2.19, Taking Flight: The Future of Drones in the UK Government Response Department for Transport, January 2019, link to full document is [here](#)

Chapter 3

Drone Registration Scheme Charge

Drone Registration Scheme charge objectives

- 3.1 The Government has provided significant taxpayer funding for the development costs of the Drone Registration Scheme. The CAA is responsible for providing a charging scheme for users to cover all running costs from the point of operation on 1 October 2019. Under the “user pays” principle, and as a statutory corporation, the CAA must recover the costs from those it regulates. In putting forward this proposal, the CAA is seeking to balance the interests of users to keep charges as low as possible, whilst ensuring that the charges cover the costs of running the scheme.
- 3.2 Thus, the CAA objectives for setting the drone registration charge are:
- a) To set a charge at the lowest possible level, in particular to avoid the charge being set at a level that would act as a deterrent for operators to register;
 - b) To set a charge at a level that enables the CAA to recover the costs of running the service; improve the service year on year based on user feedback and to enable the CAA to respond to legislative changes;
 - c) To avoid unacceptable aggregate financial risk to the CAA given the uncertainty about the number of drone operators who should and will register.

Drone Registration Scheme charging principles

- 3.3 The CAA’s proposed charge is based on the following key principles:
- a) There will be a charge for all drone and model aircraft operators and drone operators with CAA-issued permissions, operational authorisations and exemptions (in accordance with Chapter 2: Registration Scheme Overview);
 - b) There will be no charge for remote pilots to take the required test, thereby, encouraging remote pilots to educate themselves (our research has shown that 85% of remote pilots are also drone operators);

- c) Registration charges from 1 October 2019 will be paid annually (in line with operator renewal requirements), with the intention that this frequency may move to 3 years once the system has been established long enough to enable predicted income to meet its running costs and therefore there is greater confidence in its financial sustainability⁶;
- d) The CAA does not seek to profit from the scheme's charges, but to recover running costs to enable its long-term sustainability and to cover improvements, to be defined in accordance with user feedback.

Analysis

Volumes:

- 3.4 The most challenging aspect of setting the charge is uncertainty about drone operator registration volumes. There is no single, reliable evidence base concerning the volumes of drone ownership and use within the UK. Consequently, our proposed charge is estimated on the basis of adoption rates for other national registration schemes (USA and Ireland) against the UK population and available research on drone use and attitudes.
- 3.5 Based on this analysis, our assumption is that there will be 170,000 registered drone operators in the first 18 months of operation. To reach this estimate, we have looked at adoption of drone registration in both the USA and Ireland and applied these registration rates to UK population levels.
- USA – 18-month uptake provided by the Federal Aviation Administration (FAA) was 770,000 registrations, refactoring on UK population this equates to ~202,000 (including model aircraft association members).
 - Ireland – 3+ years uptake provided by Irish Aviation Authority (IAA) was 9000 registrations, refactoring on UK population this equates to ~128,000 (including model aircraft association members).
- 3.6 This gives us a mid-point estimate of potential UK registrations of 170,000 and the assumption we have used for this consultation.
- 3.7 This estimate will be reviewed and updated for actual volumes when charges are considered in future years. As part of this consultation, we would welcome

⁶ The rationale for this principle is that it will significantly de-risk CAA's financial exposure to the registration service caused by uncertainty about volumes by allowing the charge to be adjusted more frequently initially.

any additional information from stakeholders about the actual level of drone usage in the UK, so we can improve the reliability of our volume estimates.

Costs:

3.8 We estimate that the running costs for the period 1 October 2019 to 31 March 2020 will be £1.3m with an ongoing annual cost of approximately £2.8m (including irrecoverable VAT at 19%).

3.9 These costs include:

- Fixed costs such as: IT service hosting; IT security package; CAA's drone registration team members (c £1m per annum);
- A major national drone safety and registration requirement campaign (c £0.3m per annum).
- Variable costs that will be linked to user volumes e.g. cost of identity verification, payment processing and direct user digital communication and call centre support, particularly during the initial set up phase (c£0.55m per annum).
- On-going upgrade of drone registration service to provide additional functionality and service improvements described in paragraph 2.2 above (c £0.95m per annum).

3.10 The proposed charge for drone registration is separate from and unaffected by the CAA's existing charges for Permissions for Commercial Operations and other drone permissions.

Charging proposal

3.11 The CAA proposed charge is £16.50 per drone operator registration on an annual basis, subject to review of registration volumes, any refinement of cost estimates and with the intention of moving to a 3-year period at a later date (subject to sustainability of running costs). This is based on the estimate of 251,000 registrations (initial registrations and renewals) in the first 18-month period to 31 March 2021 that includes both drone operators and model aircraft operators. To reach this estimate, we have looked at the volume of registrations in the USA and Ireland over a comparable period and against UK population levels.

3.12 The volume uncertainty means that there is some financial risk to the CAA depending on how close the above assumption is to the actual level of volumes. If the actual volumes were half the level assumed, the under-recovery and loss to the CAA would be around £1.8m over an 18-month period.

Conversely, should the actual volume level of registrations be twice that assumed, the over-recovery would be approximately £3.8m over an 18-month period.

3.13 Should the CAA significantly over-recover its running costs, then we may reduce charges over subsequent years. Conversely, should we significantly under-recover we may review whether we defer some of the costs associated with improving the system until such time that the volumes attain the 170,000 level. Any further changes to the Drone Registration fee will be consulted on through the CAA's regular charging proposal process.

3.14 For similar registration schemes in other sectors, the charges are as follows:

- Fishing licence: between £30 to £82 per annum;
- Driving Licence: first provisional licence, £34, 10-year renewal charge, £14;
- Passport: £75.50 every 10 years;
- Shotgun licence: Grant payment £80 and 5-year renewal charge of £49;
- Other firearms licence: Grant payment £88 and 5-year renewal charge of £62;
- FAA (USA) drone registration, \$5 (subsidised by other UAS activities);
- IAA drone registration €5 (unknown of funding model).
- Light aircraft pilot licence initial issue £161.

3.15 Compared to some of the registration like services above, for example fishing and firearms licences, the proposed annual drone registration charge is lower, in some cases substantially so. In respect of some services, particularly passports and driving licences, there are large volumes of activity and therefore economies of scale in the costs of providing those services. Compared to the FAA and IAA drone registration charge, the proposed UK charge is higher, but the FAA charge is heavily subsidised, and we also understand that the IAA charge is under-recovering its associated costs. The UK CAA is required to recover the costs from those it regulates (section 8, Civil Aviation Act 1982 (as amended))

Chapter 4

Conclusion and next steps

Conclusion

- 4.1 The CAA is proposing an annual charge for the UK Drone Registration Scheme of £16.50. The CAA welcomes the views of stakeholders on:
- a) What is your view on the CAA's proposed charge, in terms of the level and structure of the charge?
 - b) Do you have alternative ideas about how the CAA could cover the costs of running the registration scheme?
 - c) Are the CAA's estimated volumes appropriate for the make-up of drone operators in the UK, based on existing sources of data and your own observations?
- 4.2 It is planned that this charge will be contained within the General Aviation Scheme of Charges which will be published on 16 September with an effective implementation of 1 October 2019.

Next steps

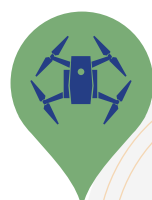
- 4.3 This consultation will run until 7 June 2019, through the consultation portal as detailed in chapter 1.
- 4.4 Utilising these responses, the CAA will make a final decision on the registration scheme charges in July 2019. Further information on the Drone Registration Scheme will be communicated to the public from September 2019, through a dedicated Communications campaign. These activities will be carried out ahead of the registration opening date, 1 October 2019 with registration of drone operators becoming mandatory from 30 November 2019.

A change is coming to using drones or model aircraft in the UK

In November 2019 new laws will be introduced for the use of drones and model aircraft

The law asks all users of aircraft between 250g and 20kg to register with the CAA

HOW TO REGISTER



If you are responsible for drones or model aircraft:

VISIT CAA.CO.UK 1

TELL US WHO YOU ARE 2

PAY AN ANNUAL FEE 3

GET YOUR REGISTRATION NUMBER 4

LABEL YOUR DRONE 5

You only need a single registration if you both fly and are responsible for a drone or model aircraft



If you fly drones or model aircraft:

1 VISIT CAA.CO.UK

2 READ THE RULES

3 PASS THE TEST

4 TELL US WHO YOU ARE

5 GET YOUR FLYER NUMBER

Congratulations! You are now registered to be responsible for a drone or model aircraft for 1 year!

Congratulations! You are now registered to fly a drone or model aircraft for 3 years!

FLY!

You've got everything you need and you're all set to enjoy your drone or model aircraft safely. Happy flying!