

Charge Proposal for the UK Drone and Model Aircraft Registration and Education Scheme Consultation - CAA Response Document

CAP1804



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Overview

On 26 April 2019, we set out a consultation for our proposed registration charge for the new UK Drone and Model Aircraft Registration and Education Scheme that becomes law on 30 November 2019 ([CAP1775](#) consultation document).

The key proposals under this consultation were:

- A charge of £16.50 for small unmanned aircraft¹ operators to register online through the drone registration system on an annual basis.
- The income from this fee would be used to cover the CAA's costs to deliver the following:
 - A registration service for all operators who are responsible for drones or model aircraft, and who fly drones or model aircraft or both;
 - A knowledge base of content to support those who fly drones or model aircraft. This product will contain the rules and guidance that users need to know in order to pass the CAA test and to fly safely and legally;
 - 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; and
 - 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).

The CAA's principles for setting the drone registration charge are:

- 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;
- To set a charge at a level that enables the CAA to recover the costs of running the service and to improve the service based on user feedback; and
- To avoid unacceptable aggregate financial risk to the CAA given the uncertainty about the number of drone operators who should and will register.

¹ This refers to drones and model aircraft between the weight of 250g and 20kg, under the Air Navigation Order called "Small Unmanned Aircraft".

The consultation ended on 7 June 2019, by which time we had received over 11,000 submissions. The main concerns have been highlighted at chapter 2 of this document.

The CAA has discussed the comments received, and due consideration has been given by the CAA Board to the points detailed above. The Secretary of State for Transport has also been consulted on the responses and the way forward for the scheme. The CAA has also continued to engage with some key stakeholder groups, including the British Model Flying Association (BMFA) and ARPAS-UK.

In light of the above, the CAA's approach has been revised as follows:

- The charge for operators has been reduced from £16.50 to £9 per operator. This is to be implemented on the launch of the registration system on 5 November 2019 and payable at the time of registration on an initial annual basis; and
- The charge calculated is based on an estimate of around 130,000 operators registering over the period from 5 November 2019 to 31 March 2021, down from an estimate of 170,000 operators, reflecting views from some respondents that the initial volume estimate was too high.

In addition, the CAA will offer BMFA, Large Model Association (LMA), Scottish Aeromodellers Association (SAA), FPV UK and ARPAS-UK two bulk uploads of members' details to fulfil the operator registration requirement before June 2020. The first bulk upload will be at the end of January 2020 and the second will be in mid-April 2020. Members of these associations will be exempted from the requirement to register as a SUA operator until 31 January 2020. We will work with the five organisations to establish the arrangements that would apply to those not captured by the January bulk upload, between the end of January 2020 and the second bulk upload in mid-April 2020. Other organisations are also able to apply for this arrangement from Monday 28th October 2019 to midnight on Sunday 3rd November 2019. The following criteria will be used to select organisations:

1. Eligibility: Who is eligible?

Organisations that are:

- a representative organisation of drone operators who have a UK membership number of 200 at the time of this publication;
- a UK based company or association; and
- already established at the time of this publication

2. Eligibility: Who is not eligible?

Unfortunately, the following groups are not eligible to apply:

- Facebook groups;
- Internet forums;
- Insurance providers;
- National Qualified Entities;
- Representative organisations of drone operators who have a membership number of less than 200; and
- Organisations that are established after the date of this publication

Details on what is required to become a bulk uploader will be sent to all our exemption, permission and authorisation holders at the same time as publication of this document.

The CAA will offer general exemptions for competency regimes that are already established by UK Model Flying Associations (SAA, LMA, BMFA, FPV UK) and to remote pilots operating under a CAA permission, exemption or operational authorisation that has been issued to a named UAS operator by the CAA. A parallel competency regime being proposed by FPV UK will be covered by a separate general exemption once it has been accepted. These general exemptions will apply until 30 June 2020. At this point, remote pilot competency requirements will be subject to the new set of EU UAS Regulations that become applicable from 1 July 2020. If a modeller does not hold any appropriate competency award, they need to either complete one of the established schemes or the free online test under the UK Drone and Model Aircraft Registration and Education Scheme.

Chapter 1

Consultation submissions

- 1.1 Over 11,000 responses were received through the consultation. Within these responses there were two predominant respondent types: model aircraft community (58%); and drone hobbyists (32%).
- 1.2 In addition to the formal consultation responses, around 400 letters were received directly by the CAA from a variety of stakeholders within the model aircraft community. These letters covered a range of issues, beyond those covered in the charging consultation and therefore will not be specifically responded to in this document.
- 1.3 The CAA has noted the strong feelings of the model aircraft community and other drone users. A significant proportion of the stakeholders from the model aircraft community were consulted throughout the UK Drone and Model Aircraft Registration and Education Scheme design and implementation process. Since the consultation the CAA has continued to engage directly with representative groups BMFA (on behalf of other associations including SAA, LMA, FPV UK) and ARPAS-UK.
- 1.4 It is the CAA's intention to continue to welcome engagement with unmanned aircraft representatives. More broadly, model aircraft supervision and regulation is now being managed under the CAA's Unmanned Aircraft Systems (UAS) Unit. This will enable representatives of the community to work more closely on matters of new or revised regulation in the future.
- 1.5 Chapter 2 of this document summarises the main issues raised by the respondents and the CAA decision making processes on the UK Drone and Model Aircraft Registration and Education Scheme.

Chapter 2

Our responses to the consultation submissions

Small Unmanned Aircraft Operators will be charged an annual fee of £9 for registration

A significant number of respondents felt that the running costs of the scheme and the proposed charge of £16.50 should be lowered.

- 2.1 The CAA is mandated to manage the new registration system for unmanned aircraft operators in the UK. 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.
- 2.2 Following the receipt of responses we reassessed the projected running costs, estimated for the first 18 months of the scheme and detailed in the consultation. We identified savings in the projected running costs, which enabled us to reduce our estimates.

We estimate the running costs for the period from 5 November 2019 to 31 March 2020 will be c.£724K with an ongoing annual cost after that of approximately £1,011K (including 5% contingency and 2% inflation).

A further breakdown of the annual running costs is detailed below:

- Fixed costs such as: IT service hosting; IT Service Operations Support; IT security package; CAA's drone and model aircraft registration team members (c.£480K 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.£90K per annum);
- On-going upgrade of drone registration service to provide additional functionality and service improvements (c.£375K per annum);
- 5% contingency and 2% inflation (c.£66K per annum); and
- The costs associated with the major national drone safety and registration requirement campaign will now be funded by other means.

- 2.3 The CAA has agreed to significantly reduce the budget allocated to improving the drone and model aircraft registration system. For example the following improvements will require alternative funding solutions:
- implementing changes to the system to align with the new EU UAS regulations in 2020;
 - making additional functionality available to the enforcement community; and
 - building additional functionality to better meet the requirements of specific groups of users.
- 2.4 Where there is a requirement for the projects referenced in paragraph 2.3 to be implemented, alternative funding solutions may entail a change to the registration price or taxpayer funding.
- 2.5 The CAA will review the £9 annual fee periodically to ensure it covers the costs of running the scheme in light of actual rather than forecasted volumes of registered users and actual costs, and in the event that the scheme runs either at a material loss or profit, adjust the fee accordingly following stakeholder consultation.

Many respondents felt strongly that model aircraft association members should be recognised as existing operators.

- 2.6 Members of BMFA, LMA, FPV and SAA will have to register and pay the fee but will be able to do so through their respective association. Following the initial trial, we will consider extending this arrangement in subsequent iterations of the scheme.

Some respondents expressed a preference for the validity period to be increased from one year and to bring in cheaper renewal fees.

- 2.7 The CAA supports the principle of a validity period for longer than a year. For the first year however, until the actual volumes of registered users and related financial costs are known, and the requirements of the new EU UAS Regulations established, the CAA does not think it is prudent to move to a longer validity period. At present the charge is based on estimated numbers of drone operators in the UK, and therefore there is a risk that these will prove to be higher or lower than the true volumes of operators.
- 2.8 The CAA will review the charges against income over the first 12 months with a view to extending the validity period in future years. Should the actual income levels be sufficient to sustain the scheme, charges will be reviewed in accordance with the CAA's Scheme of Charges practices - including consultation with stakeholders.

The online remote pilot competency theory test must be completed by all remote pilots with the exception of specific individuals as detailed here.

Respondents felt strongly that the requirements for Permission holders and for aeromodelling association members who obtain voluntary RC Achievement Scheme certificates should not be required to sit the online test, under the UK Drone and Model Aircraft Registration and Education Scheme.

2.9 The CAA will issue general exemptions from the requirement to undertake the online test for:

- remote pilots flying in accordance with a permission, exemption or operational authorisation that has been issued to a named UAS operator by the CAA; and
- members of a UK Model Aircraft Association that already has an established 'competency scheme', or subsequently establishes one to the CAA's satisfaction, and who hold an appropriate achievement certificate or award under one of these schemes (such as the BMFA 'A' certificate).

This decision is in line with the CAA's review of safety and legal requirements.

2.10 In addition to the above, the CAA will be introducing an exemption for Control-line model aeroplane flying from the scheme requirements, due to the reduced risks under this specific activity. Full details of this exemption will be made publicly available on the CAA's website ahead of the 30 November 2019 legislative timeline.

The registration fees will be collected through the online registration system under a 'user pays' model that the CAA will use to recover its running costs.

Some respondents wanted the drone registration fee to be paid as part of their existing payments related to their unmanned aircraft flying operations (e.g. to be included under their membership fee to a model aircraft association).

2.11 As stated above, we have accepted this request by enabling a bulk upload mechanism and joined up registration payment option for members of the BMFA, SAA, LMA, FPV UK and ARPAS-UK and further approved organisations.

2.12 The scheme is being run in accordance with the Government Digital Service principles, which means that system improvement will be part of its management on an ongoing basis. Consideration will be given to all options including integration with other existing systems, contingent on there being sufficient funds to carry out such improvement.

Other suggestions for alternative ways for the CAA to cover the running costs of the Drone and Model Aircraft Registration and Education Scheme were made by respondents including the following:

Government (taxpayer) funding

2.13 There is currently no Government funding available.

At the Point of Sale (purchasing a drone)

2.14 The CAA does not have powers to implement this. Additionally, in practical terms this would likely be unworkable given the high numbers of purchases made online and to non-UK registered companies.

2.15 Under the Government's mandate, all current operators in the UK should be registered. The above suggestion would only enable new owners or new operators to register thereby not enabling the CAA to fulfil its mandate.

The aviation sector (through the CAA's existing Scheme of Charges)

2.16 Aviation sector users pay varying fees and charges to the CAA through its Scheme of Charges.

2.17 The policy rationale for the scheme arises because of the existence of unmanned aircraft and therefore it is the CAA's view, that the operators of these aircraft bear the costs of that scheme, comparable to charges levied against other specific aviation sector stakeholders (e.g. airlines) in areas that arise due to their respective operations. The CAA does not think there is a strong rationale for asking other aviation users to pay the costs of the drone and model aircraft registration and education scheme.

Commercial drone operators

2.18 There are a number of different groups of UAS operator, some of which are already part of the UAS regulated community and are subject to other permission and exemption fees. It is the CAA's view that it would not be appropriate to expect one group to pay for this service, and subsidise it for other user groups.

2.19 Commercial drone operators will pay the same fee as all other types of operators under the scheme.

There will be no charge for remote pilots to use the system to complete the online test to obtain an acknowledgement of competency

Respondents welcomed there being no charge for remote pilots to complete their online test to obtain the legally required acknowledgement of competency.

- 2.20 There will be no charge for remote pilots to take the required test. The CAA encourages remote pilots and anyone else interested in learning how to safely fly a drone to educate themselves through the free and easy access to the educational materials and online test provided under the scheme.

Almost a quarter of respondents felt the CAA's estimate of 170,000 drone operators in the UK was too high, although the majority of respondents (51%) said they had no idea what the volumes were.

- 2.21 The CAA has revised its estimate of unmanned operators (end-users) down to 130,000 to reflect the more cautious views offered by some respondents. We will keep the volume assumption under review and adjust charges accordingly in consultation with stakeholders.
- 2.22 The scheme will provide further clarity on the volumes of UK unmanned aircraft activity, to better inform future CAA decision making and the industry as a whole.

Conclusion

- We would like to thank all 11,000 respondents for their comments on the charging proposals and the separately submitted letters to the CAA. The CAA recognises the significance of the large number of responses received and that the topic of drone registration is an emotive one, particularly for operators with a long history of engaging in relevant activities such as the model aircraft community.
- The CAA has discussed the comments received and due consideration has been given by the CAA Board to the points detailed above. The Secretary of State for Transport has also been consulted on these responses and on the way forward for the implementation of the UK Drone and Model Aircraft Registration and Education Scheme.
- The charge of £9 per operator will be implemented from the launch of the registration system on 5 November 2019. The legal requirement to register by 30 November 2019 remains unchanged, other than for members of BMFA, SAA, LMA, FPV UK and ARPAS-UK and further selected organisations who will benefit from general exemptions to allow their registrations to be completed as part of their association membership process until 31 January 2020. With support from these associations, we will take the necessary steps to enable a bulk upload of members to register them as operators. Further details on this and confirmation on whether you are eligible will be provided by these associations.
- We will issue general exemptions from the requirement to complete the online competency test ahead of 30 November 2019 to:
 - remote pilots flying in accordance with permissions, exemptions or operational authorisations issued to named UAS operators by the CAA; and
 - qualifying members of the UK Model Aircraft Associations.

These general exemptions will apply until 30 June 2020.