

MCA RESPONSES TO OFCOM AIP CONSULTATION DOCUMENT

Question 1: Do you consider that the fee rates set out in Table 8 for assignments in the eight core international maritime simplex channels are appropriate?

As these channels are used commercially by UK ports and the MCA has no involvement in their management, no comment is made.

Question 2: Do our revised proposals reflect appropriately the distinctions between the different uses of particular internationally allocated maritime channels, as set out in Table 9

Yes the distinctions are clear. Comments on the proposals made for each of these are made in Question 3 on the AIS channels and search and rescue channels. The recommended management arrangements are discussed in Question 9.

Question 3: Do you agree with our proposals not to set any fees for use of the calling and distress channels, the search and rescue channels, the AIS channels, or for exceptional shore-based use of the intership channels?

The proposal not to set fees for the intership channels is welcomed. These channels are designated internationally and the MCA view is that fees would not lead to any spectrum efficiency.

The three channels (10, 67 and 73) are designated as SAR channels in table 9 however the international designation of these is as intership channels which may be used for SAR operations or counter pollution purposes within Europe. The MCA view is that from a fee setting perspective these three channels should be treated no differently to other intership channels.

It is noted that the two AIS channels are included in the future VHF management role proposed for the MCA also with the MCA paying a licence fee for these. Whilst in the past the MCA has had a role in the allocation of time slots for equipment requiring Fixed Access timing, this is changing with an increasing tendency to move toward self allocation through Random Access arrangements. The MCA future management role such as it is would therefore decrease. This, coupled with the capability of the system to endure a significantly higher workload than at present suggests that pricing of these channels would not achieve any further efficiency. The MCA view is that these two channels should be made free of charge.

Question 4: Do you agree with our proposals to set administrative cost-based fees for licences to use the package of 3 marina channels?

As these channels are used commercially by marinas and the MCA has no involvement in their management, no comment is made.

Question 5: Do you agree with our proposal to set administrative cost-based fees for licences to use the internationally-allocated duplex channels?

Yes, providing that there is transparency as to how these fee levels are to be developed.

Question 6: Do you consider that the fee rates set out in Tables 10 and 11 for assignments in the UK-allocated working channels (that is, not including the search and rescue or marina channels) are appropriate?

The UK has an international obligation to provide navigational information and medical advice by radio, both of these are safety and/or environmentally critical and in this respect acquire an importance analogous to search and rescue operations. The argument advanced in paragraph 7.36 of the Condoc is that although there is no excess demand for UK simplex channels, as effectively reserving these for maritime use denies their alternative use by shorebased commercial users, they should face the full opportunity cost. In effect this equates commercial business use with safety critical functions. The MCA considers this philosophy to be inappropriate and whilst accepting that some opportunity cost may arise for safety channels, considers that tables 10 and 11 should reflect a distinction between UK VHF channels used for safety critical functions and those used for commercial purposes.

Question 7: Do our revised proposals correctly identify all of the UK allocated maritime channels which are assigned to specific applications which require a specific approach to fee setting, as set out in table 12

Yes. However the MCA queries the need for an additional channel to be provided for emergency working. Existing assignments are considered adequate for current and projected usage and an excess of these could be counterproductive in that it would increase the burden of monitoring traffic by the MCA.

Question 8: Do you agree with our proposal to set no fees to licensees for use of the two UK-allocated search and rescue channels?

The MCA understands from the consultation document that as the licence holder for these two channels no fee would arise and on this basis would support this proposal.

Question 9: If you are a maritime organisation with the safety of human life in an emergency as your sole or main objective, would you be interested in accessing spectrum for working purposes (ie other than SAR or other emergency response uses) under a private commons basis, shared with other users with the same objectives and co-ordinated by the MCA, and free of any spectrum fee?

The MCA will be interested to see the responses of other parties to this question, but would wish it to be clear that the Agency would be concerned if there were any risk that additional channels provided for non- SAR working purposes might in principle be used, whether frequently or infrequently, for emergency purposes thereby increasing the burden on the MCA in monitoring frequencies as we previously indicated in Question 7. In addition any decision on whether the Agency could, in practice agree to take on a coordination role in such allocation of frequencies would depend on the level of resources available to the Agency under future Spending Review Settlements.

Question 10: Do you consider that our proposed fee rates for area-defined licences (where feasible) in the eight core internationally-allocated maritime simplex channels are appropriate?

The MCA believes that the basis for the proposed fee rates requires some further clarification. The consultation document derives the area defined licence fee rates from a national per MHz fee rate of £371,000, however the argument which develops this national rate is not fully available and as such we cannot determine whether the fees are appropriate. The position is made more confusing by the publication of two versions of the international maritime radio density map and the lack of a visible connection between either of these and the fee rate.

Question 11: Do you agree that area-defined licences in the international duplex channels should be based on a minimum cost of £75 for 4 squares, with larger areas priced on a case by case basis?

The justification for this proposal is, in the Agency's view, also unclear for similar reasons to those set out in an answer to Question 10

Question 12: Do you consider that our proposed fee rates for area-defined licences in the UK allocated working channels (that is, not including the search and rescue channels or the marina channel) are appropriate?

No. As set out in Question 6 the MCA considers that UK VHF simplex channels that are used for safety critical functions should face an alternative fee structure to working channels that are used for commercial purposes, this structure should recognize the importance that not only maritime but UK stakeholders in general place upon these

functions. This reasoning should apply irrespective of whether fees are to be set through an area defined licence or the business radio model.

Question 13: Do you agree with our proposal to set an administrative fee of £75 for maritime radio (suppliers and demonstration) licences?

We have no comment on this.

Question 14: Do you agree with our proposal to bring the arrangements for temporary maritime licences into line with those in other sectors?

We have no comment on this.

Question 15: Do our proposals for phasing in some of the proposed fee increases provide sufficient time for you to accommodate the additional costs, without undue disruption to your operations which could reasonably be avoided by a phasing arrangement? We would like to be able to publish all responses to this question. However, if you wish your response to this question to remain confidential, please provide your response on a separate sheet clearly marked to that effect. Your request for confidentiality will be respected

When the fee levels have been agreed, the proposed phasing in arrangements seem acceptable.

Question 16: Do you consider that our phasing proposals for the maritime licences for which we propose to set AIP-based fees are appropriate? If there are particular reasons why you consider that any user or group of users would need longer phasing-in periods, please provide any supporting evidence for us to consider.

When the fee levels have been agreed, the proposed phasing in arrangements seem acceptable.

Question 17: Do you have any further quantified information to contribute to the analysis of financial impacts of the proposed fees on particular spectrum users, as set out in Annex 7? We would like to publish all responses, but will respect the confidentiality of any material which is clearly marked as such.

The MCA considers that given the uncertainty surrounding the development of the fee structure as indicated in previous questions, further information should be made publicly available to support the intended fee structure.

Question 18: If the Government were to assume the strategic management role for the radar and aeronautical navigation aids spectrum that we propose, do you agree that we should not develop proposals for AIP licence fees?

The MCA understands that the Department for Transport will be considering further the proposed management role for Government in respect of radar and aeronautical navigational aids in the light of the responses to this consultation and other relevant factors. As the future management of maritime navigational aids seems unclear from the consultation document, the MCA assumes that the current licensing arrangements and fee structure will remain.