

CARTHUSIAN COURT, 12 CARTHUSIAN STREET, LONDON, EC1M 6EZ

10 January 2011

Paul Chapman
Ofcom
Riverside House
2A Southwark Bridge Road
London
SE1 9HA

Dear Mr Chapman

Consultation on ‘Notice of proposals to make the Wireless Telegraphy (Licence Charges) Regulations 2011’

This is a joint response from the **United Kingdom Major Ports Group (UKMPG)** and the **British Ports Association (BPA)**, which together represent the views of the vast majority of ports in the UK. We are grateful for the opportunity to comment on the consultation document issued on 19 November 2010 entitled “Notice of proposals to make the Wireless Telegraphy (Licence Charges) Regulations 2011”.

As highlighted in previous responses to Ofcom consultations, the UK ports industry plays an important role in the country’s economy. 95% of the UK’s international trade – imports and exports – is carried through UK ports. Our ports also handle 25million international passenger journeys each year. Ports are investing large sums – at no cost to the Exchequer – to expand facilities to cope with increasing demand particularly in the container and ro/ro sectors. Investment of this nature is crucial if the UK economy is to remain competitive internationally, particularly in times of a critical downturn in global economies. The use of radionavigational aids is paramount to port and shipping safety and we would again call on Ofcom not to place any additional financial pressures on these services.

Whilst the charging structure is noted, and the reductions in charges from those originally proposed in the 2008 consultation are appreciated, we are still of the opinion that one of the key policy objective that is restated at Annex 5 is not being met by these proposals. Specifically the aim to provide incentives through AIP to licensees to use the Maritime Coastal Station Radio (International) channels will not be achieved through the application of charges for their use. We have repeatedly drawn your attention to the fact that the application of AIP charges to channels in the internationally allocated part of the spectrum do not accord with the original Cave recommendations. We have also tried to demonstrate to you that, not only will such a charging regime have little influence on ports to change their current use of this part of the spectrum but, even if they did, there is no opportunity for this internationally allocated part of the spectrum to be put to alternative use without a change to international agreements. Furthermore, a specific review by the Port of London has recently indicated that the proposed pricing structure could provide an incentive to use a duplex circuit in place of a simplex circuit thus using 50MHz in place of the existing 25MHz allocation which is a perverse outcome.

CARTHUSIAN COURT, 12 CARTHUSIAN STREET, LONDON, EC1M 6EZ

Whilst we welcome indications of the first tentative steps to influence international opinion in the medium term, the aspirations appear to be modest and there appears to be little ambition to embrace new technologies and make proposals for more fundamental long-term changes. Even if these medium term proposals gain acceptance, there is no recognition in this document of the need to manage any resulting “spare frequency” and we believe the reluctance for either Ofcom or the Maritime Coastguard Agency/Department for Transport to effectively manage channel allocations except through market forces to be an untenable position in the longer term.

Minor observations are listed at Annex 1.

Yours sincerely



RICHARD BIRD
Executive Director UKMPG
enc



DAVID WHITEHEAD
Director BPA

ANNEX 1

Specific Comments

1. Page 12 – Sub-paragraph 3.20. It is not clear why channels 6, 8, 72 and 77 are mentioned as this gives the impression that these inter-ship only channels are available for ship-shore use.
2. Page 13 – Table 4. To align with the example below and Schedule 12 of the draft act, it is considered that the heading to the second column should be “Fee per 2 x 25 K Hz channels”.
3. Page 16 – Table 5 should identify that it relates to 6.25 K Hz channels
4. Page 18 – Sub-paragraph 4.19. Comment as for (1) above)
5. Page 20 – Paragraph 22. It is not clear why the duplex Channels 23, 84 and 86 have been singled out for zero end user fee. Could the allocations be identified and an indication given as to whether they are subject to restricted use.
6. Page 36 – Annex 5 – Sub-paragraph A5.4 i), Page 37 – Sub-paragraph A5.6, page 38 – Sub-paragraphs A5.12.1 & A5.12.2. All of these sub-paragraphs refer to the assessment that AIP will lead to increased efficiency in the use of this part of the spectrum We do not support this view as stated in the main body of this response.
7. Page 40 – Sub-paragraph A5.23. 2010 should probably read 2011?