

Ofcom - 'Applying Spectrum Pricing to the Maritime Sector, and New Arrangements for the Management of Spectrum Use for Radar and Aeronautical Navigation Aids' - 2nd Consultation

Nautilus International, the trade union professional and organisation representing 24,000 (18,000 in the UK) Masters, Officers, Officer Trainees (cadets) and other maritime professionals including those employed in Maritime Pilotage and Vessel Traffic Management, welcomes this opportunity to comment on this 2nd round consultation concerning, 'Applying Spectrum Pricing to the Maritime Sector, and New Arrangements for the Management of Spectrum use for Radar and Aeronautical Navigation Aids'.

General Comments

Having regard to the responses to the initial consultation and the further information supplied, Nautilus International remains of the opinion that the application of spectrum pricing to the maritime sector will neither serve the sector nor the nation in ensuring effective use of the spectrum.

The illustrations in Section A Economic Framework, whilst persuasive, are somewhat simplistic and make the presumption that spectrum pricing would automatically provide an efficient allocation of scarce resources. It is noted that spectrum pricing would be most effective at motivating spectrum efficiency when it is applied to those whose behaviour most directly impacts upon spectrum demand. However, this is a presumption of rational behaviour and without the consideration of other factors.

It is important not to lose sight that this spectrum is utilised for the benefit of the community, adding to prosperity and ensuring safety, including protection of the marine environment. There is the potential that a pricing regime as proposed would fail to identify these important issues. In essence, there is a strong potential for market failure so bringing about an undesirable allocation of resources that is detrimental both to safety and to the prosperity of the nation.

It must be recognised that shipping could play an increasingly important role in satisfying a considerable amount of this island's transport needs with significant environmental improvements. However, Nautilus is concerned that there is a very strong chance that these proposals could both directly and indirectly dissuade the expansion of short sea (coastal) shipping.

Nautilus therefore would prefer a system of intelligent allocation of resources based upon the best information available so as to ensure the effectiveness in the utilisation of the spectrum. Nautilus does not believe that the market can allocate resources for the effective benefit of marine users and the nation. Therefore Nautilus would wish to see retention of the existing Ofcom pricing structure with different licensing types recognising industry and societal need.

Nautilus reaffirms the position that spectrum pricing should not be applied to the marine sector; however, there should be intelligent use of the available spectrum for communication, radar and navigational aids.

Nautilus also opposes the introduction of any secondary trading of the radio spectrum resulting in further speculation with potential detriment to the effective allocation of resources to the detriment of all marine users, including the shipping industry and the general community.

Allan Graveson
Senior National Secretary
Nautilus International
22 December 2009