

## RNLI Response to: Applying spectrum pricing to the Maritime and Aeronautical sectors

<p>Question 1: How should Ofcom manage the process of taking advice from users, regulators and government on efficient apportionment of AIP fees in the maritime and aeronautical sectors? Are any new institutional arrangements needed?</p>	<p>While the current consultation is within guidelines The RNLI believes that OFCOM has not done enough to ensure that all SAR charities and agencies are informed of the consultation. There are far-reaching implications for safety and the international harmonisation of maritime VHF channels. The RNLI is endeavoring to make the consultation known to many of it's supporters particularly in response to Question 6, and feels that OFCOM should apply more resource to this consultation process for a much wider distribution. The RNLI is concerned that OFCOM released an update on its website on the 20<sup>th</sup> October, indicating that the current discount would not change but that charities such as the RNLI could benefit from a blanket licence reducing costs to £20000. This seems to be an arbitrary proposal to which the RNLI had one hour to consider before it was published on the OFCOM website. The RNLI is not able to comment on whether new institutional arrangements are needed based on the evidence supplied thus far by OFCOM</p>
<p>Question 2: If you consider that our proposals for pricing ground station users for any spectrum would be likely to have a detrimental impact on safety, please let us know. In order for us to understand your assessment fully, it would be helpful if you could outline the mechanisms whereby this might happen.</p>	<p>The potential to decrease safety through AIP charges to ground station users is very evident. Forcing users and providers of spectrum to other area of the spectrum is a non-starter because all maritime radio spectrum is internationally harmonised whether its use is for communications, port operations, navigational aids or SAR and distress. Therefore providers and users are forced to use what they already have and with a substantial increase in charge, services may be reduced or, even worse, removed.</p>

Question 3: Do you have any evidence which indicates that AIP charged to ground stations could have a material detrimental impact on UK competitiveness?	The impact on maritime trade will be immense. Ports and navigation services pass on costs to shipping. Shipping has the choice to go elsewhere to load/ discharge cargo. It is a very simple relationship of cost burden to ship owners.
Question 4: Taking into account the information available in this document, including that set out in Annex 5, our initial views on VHF radiocommunications licence fees and on the reference rates for bands in other uses, and any information you have about the organisations to whom we are proposing to charge fees, please provide any evidence that you think is relevant to us in considering the financial impact of the fees we intend to propose for VHF radiocommunications, or for other uses.	The pricing model, if applied, has the potential to increase fees applied by OFCOM to the RNLI six fold. Given that the RNLI has no choice in location of its lifeboats stations to meet its Memorandum Of Understanding with Government agencies, nor can it use alternative channels which are internationally harmonised, the RNLI and other charities, that provide essential SAR and safety services, will be faced with massive increases in fees to OFCOM which will impact on the sole objective of the charity of saving life. The RNLI also believes that it is contrary to the objectives of OFCOM as clearly stated in its mission statement “protecting the interests of the UK Citizen”
Question 5: Do you agree that there is little to be gained, in terms of economic efficiency, from charging AIP to WT Act licences for aircraft?	This question is not linked to efficient use of the spectrum but more to do with whether OFCOM can afford to administer aeronautical licences. It is the RNLI view that this question has no place in this consultation. OFCOM should go direct to the aeronautical user as it did to maritime users some years ago to obtain the answer.
Question 6: Do you consider that we should discount fees for any particular user or type of user? Specifically, do you consider that there should be a discount for charities whose object is the safety of human life in an emergency?	Specifically the RNLI, and other charities, whose sole purpose is saving life, should not be charged at all for the use of any radio spectrum. If AIP is introduced then all radio spectrum used by maritime charities should be zero rated/ 100% discounted. The principle of adopting market forces to determine radio spectrum use in the charitable sector is flawed. Maritime SAR charities do not have a customer to pass charges on to. The charities have no option but to use the channels of communication that are imposed by international agreement – we cannot use alternative spectrum. It costs £124m to run the RNLI per year, all of which is raised entirely by voluntary contribution. If donors were aware that

	<p>substantial amounts of their charitable donation are going to the treasury via OFCOM this would have a disastrous effect on fundraising, which is difficult enough in the current economic climate.</p> <p>The RNLI launches its lifeboats over 8000 times a year saving many hundreds of lives. The RNLI also operates an extensive and increasing lifeguard service in the UK. Current research shows the impact of losing a life in the community has a social/economic impact in excess of £1m, therefore, the RNLI, which runs its vital SAR service entirely through voluntary donations, contributes to the UK economy saving an estimated £940m.</p> <p>The RNLI believes that safety would be compromised through AIP because some smaller charities would be faced with difficulty and their lifesaving operations could be compromised. OFCOM should exempt all agencies that operate SAR and safety services, from the application of AIP who have no choice but to operate within the internationally agreed radio spectrum. Finally the imposition of AIP on charities will inevitably impact on cost in running the charity through the additional fundraising burden, which would be better exercised in the provision of lifeboats, training and equipment.</p>
Question 7: Do you agree that Ofcom should apply AIP to ground stations' use of maritime and aeronautical VHF radiocommunications channels, to help manage growing congestion in current use and to ensure that the cost of denying access to this spectrum by potential alternative applications is faced by current users?	<p>No – there is no choice but to use internationally agreed and allocated channels.</p> <p>OFCOM should re-visit the way in which it could free up spectrum by encouraging change at international levels and in particular technological change which would reduce the amount of spectrum used – e.g. reduce maritime channel separation from 25khz to 6.25khz</p>
Question 8: Do you agree with our initial view that it would be appropriate to apply a pricing system similar to that already existing for Business Radio licences to maritime and aeronautical VHF communications? If not, what are your reasons for proposing that we should develop a fee structure for maritime and aeronautical VHF channels which is distinct from that already established for Business Radio?	<p>The RNLI does not agree with the application of business radio licence to the charity whose only licence is to operate its crew call out pager system which had to be put in place at great cost when BT national paging services were withdrawn.</p> <p>The RNLI wishes to see a more sympathetic view to the way business licences, and possible future maritime licences, are</p>

	<p>applied to the charity and to be exempt from the AIP process by virtue of its lifesaving contribution to the State and its charitable status.</p> <p>Also the RNLI believes that the methodology used is not sound. The proposed formula to be used bears no relation to real spectrum usage and, given that SAR services and port operations have no choice but to use what is agreed at international levels and operate from fixed positions – they simply cannot uproot and move to a low density area. OFCOM needs to understand that charities do not have the opportunity to pass on increased costs to a customer – there is no customer.</p>
Question 9: Are there any short term reasons specific to the sector(s) why it would be inappropriate to apply fees from April 2009?	<p>Given that there are so many questions raised about the viability of AIP and the methodology to be applied by OFCOM, the RNLI strongly recommends that any decision to apply AIP should be put on hold. The RNLI believes that freeing up spectrum for other uses would be better handled through international negotiations to ensure the integrity of international harmonisation, which if ignored, would compromise safety.</p>
Question 10: Ofcom would welcome stakeholders' views on the factors which should be taken into account when apportioning fees between individual users of radars and racons.	<p>Use of radar by VTS and port operations is vital to the safety case in order to control, shipping and prevent avoidable collisions. Again this is the subject for international agreement and the application of better technology.</p>
Question 11: Do you agree with our initial view that a reference rate of £126k per 1MHz of national spectrum for L band and S band radar spectrum would achieve an appropriate balance between providing incentives to ensure efficient use of spectrum while guarding against the risks of regulatory failure in setting the reference rate too high? If you consider a different rate would be more appropriate, please provide any evidence that you think we should take into account.	<p>High charges will impact on safety through some shore radar operators being unable to afford to continue. See answer to question 10.</p>

Question 12: Do you agree with our initial view that a reference rate of £25k per single MHz of national spectrum would be appropriate for deriving fees for licences to use X band radar?	As per question 11.
Question 13: Do you agree that, generally, spectrum used by aeronautical radionavigation aids is currently uncongested? Do you believe that this may change during the next few years and, if so, approximately when?	Not known
Question 14: Do you agree with the basis on which Ofcom has arrived at its initial view on reference rates for aeronautical radionavigation aids?	Not known