



Ships' radio licensing

Policy statement

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Section 1

Foreword

Reform of ships' radio licensing

- 1.1 On the 22 February 2005, Ofcom published a consultation document on ships' radio licensing. In that document, Ofcom proposed to reform ships' radio licensing in order to reduce the regulatory burden on both radio users and the regulator. Key proposals were as follows:
 - To make ships' radio licences valid for the life of the vessel (they are currently renewable annually);
 - To make electronic licences (probably issued as Adobe PDF®¹ documents) available free of charge.
- 1.2 These proposals are consistent with the level of regulatory intervention required to manage ships' radio spectrum and also with the UK's international obligations.
- 1.3 Views were also sought on three alternative options:
 - To transfer the licensing function to the Maritime and Coastguard Agency (MCA);
 - To make ships' radio WT Act licence exempt;
 - To maintain the existing licensing regime.
- 1.4 The 10 week consultation closed on 3 May 2005. Ofcom received 89 responses during the consultation period, the vast majority of which were in favour of Ofcom's key proposals.
- 1.5 Ofcom has carefully considered every representation about the proposals that it has received from stakeholders. Each consultation response was considered with equal weight, regardless of whether the response was attributed to an individual or organisation, published anonymously or submitted as a confidential response.
- 1.6 This policy statement summarises the views expressed during the consultation, provides Ofcom's response to these views and sets out our decision regarding the future of ships' radio licensing.
- 1.7 Ofcom is aware that ships' radio equipment exists primarily for the safety of human life and for the safe navigation of vessels at sea. We hope that the reforms set out in this document will encourage more boat users to fit licensed ship radio equipment.
- 1.8 Ofcom works closely with the MCA to ensure that spectrum management policy is consistent with maintaining the highest standards of maritime safety.

¹ The Adobe PDF® format produces graphically rich, platform-independent content. PDF® is a registered trademark of Adobe.

Section 2

The ship's radio licence

The requirement for the ship's radio licence

- 2.1 Ofcom, as the regulator, is responsible for the licensing and use of radio equipment on all ships registered in the UK, the Channel Islands and the Isle of Man and on all ships in UK territorial waters. The requirement for licensing stems from the International Telecommunication Union (ITU) Radio Regulations. Article 18 and in particular Recommendation 7 of the Radio Regulations, stipulate the requirement for a ships' radio licence. This requirement is incorporated within the Wireless Telegraphy Act 1949 (WT Act)² as amended. In addition, there are other Statutory Instruments relating to ships' radio and where relevant these are referred to in the subsequent sections of this document.
- 2.2 A similar requirement is made on all other administrations (regulatory authorities). This means that whether a vessel is operating within UK territorial waters, on the high seas or within the territorial waters of another administration, it is necessary to be in possession of a valid ships' radio licence.
- 2.3 Regulatory authorities may ask to inspect the ship's radio licence and have the power to detain the vessel if the documentation is not in order.

The purpose of the ship's radio licence

- 2.4 The purpose of the licence is:
 - To ensure that details of the licensee and of the vessel are recorded. This will include the call-sign and the Maritime Mobile Service Identity (MMSI) number (if requested). This information is potentially useful to Search and Rescue organisations and may also be used by law enforcement personnel when tracing owners of recovered vessels;
 - To ensure that ships' radio equipment satisfies relevant (internationally recognised) standards. This minimises the possibility of interference and ensures interoperability;
 - To ensure that only competent persons operate ship radio equipment. The ship's radio licence stipulates that the user of the radio must either hold the appropriate marine radio operator's certificate of competence and a valid Authority to Operate or be under the direct personal supervision of a holder of the appropriate marine radio operator's certificate of competence and a valid Authority to Operate. This ensures that distress and calling channels are used for their intended purpose and in accordance with internationally agreed operating procedures;
 - To provide documentary evidence that the radio equipment carried on board satisfies international requirements. This is particularly important when operating within the territorial waters of other administrations;
 - To provide a vehicle for capturing the name of the Maritime Radio Accounting Authority (MRAA) (this information does not currently appear on the ship radio licence).

² In accordance with Section 6 of the WT Act 1949 (c.54)

Ships' radio licence classes

- 2.5 The ships' radio licence covers the installation and use of all the maritime radio equipment carried on board the vessel. This ranges from MF/HF equipment through VHF/UHF and satellite communications equipment in the 1.6 GHz band, to radar frequencies in the 9 GHz band. In addition to details of the licensee and of the radio equipment carried, the licence also shows the name of the vessel, the call sign and the Maritime Mobile Service Identity number. The MMSI is currently required for some satellite terminals and also for radios using Digital Selective Calling (DSC).
- 2.6 The applicant is also asked to provide a 24 hour emergency contact Number, gross tonnage and the maximum number of crew and passengers (although these details do not currently appear on the licence). The ITU regulates international call signs and MMSI numbers and makes block allocations of these to each administration.
- 2.7 Whilst the licence is applicable only to one specific vessel, we also issue a Ship Portable radio licence which applies only to portable ship VHF radio equipment, Personal Locator Beacons (PLBs) and Emergency Position Indicating Radio Beacons (EPIRBs). Once licensed, these devices can be used on board any vessel operating within territorial waters. This licence product is primarily intended for use by Pilots and Delivery Skippers on vessels temporarily under their control. This licence is prescribed a "T" numbered call sign and is not part of the international series.
- 2.8 Licences are issued on application and must be amended whenever any licence details change (e.g. when the vessel changes hands, or the frequency band of the radio equipment changes or when new equipment is added). There is also a requirement to register EPIRBs and PLBs with the MRCC (Falmouth)³.

³ The Marine Rescue Coordination Centre (MRCC) is part of the MCA which is an executive Agency of the Department for Transport (DfT) and has overall responsibility for the safety of ships at sea. See also The Merchant Shipping (EPIRB Registration) Regulations 2000 SI 2000/1850.

Section 3

The consultation process

Summary

- 3.1 On 22 February 2005, Ofcom published a consultation document on ships' radio licensing. In that document, Ofcom proposed the reform of ships radio licensing in order to reduce the regulatory burden on radio users. Key proposals were as follows:
- To make ship radio licences valid for the life of the vessel (they are currently renewable annually);
 - To make electronic licences available free of charge.
- 3.2 Views were also sought on a number of additional options, those being:
- To transfer the licensing function to the Maritime and Coastguard Agency (MCA);
 - To make ships' radio WT Act licence exempt;
 - To maintain the existing licensing regime.
- 3.3 Ofcom discussed these proposals informally with a number of stakeholders before the formal 10 week consultation. Ofcom promoted the consultation in a number of sailing periodicals prior to and during the consultation period and also alerted further groups of the document's publication via email and post.
- 3.4 All non confidential consultation responses have been published on Ofcom's website at the following address: <http://www.ofcom.org.uk/consult/condocs/src/responses/>
- 3.5 Each consultation response was considered with equal weight, regardless of whether the response was attributed to an individual or organisation, published anonymously or submitted as a confidential response.

Section 4

Ofcom's policy decision

Summary

- 4.1 Ofcom received a total of eighty-nine responses before the consultation period closed on 3 May 2005, the vast majority of which were in favour of Ofcom's preferred proposal for the reform of ship radio licensing. However a number of respondents were concerned that the introduction of ships' radio licences which remained valid for the life of the vessel could lead to a reduction in the integrity of the ships' radio licence database which could be required by the Coastguard to support Search and Rescue (SAR) operations.
- 4.2 Following the consultation Ofcom held further informal discussions with several key stakeholders to ensure that plans were developed appropriately.
- 4.3 As a result of these discussions Ofcom has decided to implement the following reforms:
- To issue 'lifetime' ships' radio licences which shall remain valid for as long as the licence details remain correct or until such time as the licence is either revoked by Ofcom or surrendered by the licensee. There shall be no end date on the ships' radio licence. Such licences shall be personal to the licensee (whether individual or corporate) and will not be transferable (for example upon the sale of the vessel).
 - To issue 'lifetime' ships' portable radio licences which shall remain valid for as long as the licence details remain correct or until such time as the licence is either revoked by Ofcom or surrendered by the licensee. There shall be no end date on the ships' portable radio licence. Such licences shall be personal to the licensee (whether individual or corporate) and will not be transferable (for example upon the sale of the ships' portable radio equipment).
 - To provide an online, web-based, self-service licensing service as an alternative to the postal service;
 - To issue electronic licences (probably PDF® documents) to users of the online, web-based, self-service licensing service free of charge. The licensee would then print a hard copy of the licence which must be kept on board the vessel;
 - To continue to make paper licences available (but subject to an administrative charge);
 - To modify the original proposal by requiring licensees to confirm their licence details at least once every ten years in order to maintain their lifetime licence⁴;
 - To dispense with the licence disc.
- 4.4 These proposals are consistent with the level of regulatory intervention required to manage ships' radio spectrum, with the UK's international obligations and with the findings of the consultation process.

⁴ Licensees who confirm or amend their licence details within the ten year period will never receive a ten year reminder / cancellation notice from Ofcom.

Legal requirements

- 4.5 Operating marine radio without a licence or outside the conditions of a licence is an offence under wireless telegraphy legislation. Depending on the nature of the offence, a warning or official caution may be issued. For serious cases of misuse, Ofcom will prosecute, for which the maximum penalty on conviction is a £5,000 fine and/or six months imprisonment. The courts may also order forfeiture of any radio apparatus used in connection with an offence.
- 4.6 Apart from clauses establishing 'lifetime' licensing and the removal for the requirement to display a licence disc on the vessel, there will be no change to the current legal requirements.
- There will still be the requirement for radio operators to hold the relevant marine radio operator's certificate.
 - There will still be the requirement for the owner of a vessel equipped with ship radio equipment to ensure that a valid WT Act ships' radio licence is kept on board the vessel.
 - There will still be the requirement for the licensee to ensure that licence details are amended as and when necessary (upon a change of address for example).
- 4.7 Ofcom will retain the power to revoke the licence should the licensee breach the terms of the licence.

Publicity

- 4.8 Ofcom will ensure adequate publicity regarding the legal requirement for ensuring that licence details are kept up to date. Ofcom and the MCA plan to run external communications exercises regarding the need to keep licence details up to date. Such exercises will include the placement of flyers at appropriate locations such as on moored vessels and at marinas or clubhouses for example.

Enforcement

- 4.9 Ofcom's locally based Field Operations teams will carry out marine licensing campaigns and inspections at appropriate marinas, and harbours to ensure marine licence compliance and these will be programmed to occur at regular intervals under the proposed licensing regime.
- 4.10 Licences issued for the lifetime of the vessel will have no effect on the continuing ability of Ofcom to take effective enforcement action. Ofcom will still take action against operators who cause interference by using equipment outside the terms and conditions of the licence.
- 4.11 Operating ships' radio equipment without a licence or outside the conditions of a licence remains an offence under wireless telegraphy legislation. Depending on the nature of the offence, a warning or official caution may be issued. Subject to consultation, Ofcom is also proposing the introduction of fixed penalty, on-the-spot fines in the region of £100 for such offences. For serious cases of misuse, Ofcom will prosecute, for which the maximum penalty on conviction is a £5,000 fine and/or six months imprisonment. The courts may also order forfeiture of any radio apparatus used in connection with an offence.

- 4.12 Ofcom will continue to work in partnership with the MCA to ensure that Ofcom's resources are put to the most effective use for marine enforcement within Ofcom's remit.

Coastguard access to licence information

- 4.13 Ofcom's intention is for the Coastguard to have instant, secure access to the fields of all the licensing records which could be required to support Search and Rescue (SAR) operations. Data accessible to the Coastguard will include vessel details (such as call-sign, vessel name, gross tonnage for example) and licensee information (such as 24 hour emergency contact information). The Coastguard will also have access to historical licence records since this information could be useful during SAR operations in cases where a vessel or a vessel's radio equipment has recently changed hands.
- 4.14 Ofcom will work with the MCA to ensure consistency with the requirements of the Data Protection Act.

Data integrity issues

- 4.15 Ofcom estimates that 20% of ships' radio equipment is currently unlicensed nationally and is therefore not listed on the ships' radio licence database (approximately 12,000 vessels). Ofcom believes that the availability of electronic licences at zero cost to the licensee, together with carefully targeted enforcement campaigns and the appropriate application of fixed penalty, on-the-spot fines will encourage greater use of licensed ships' radio equipment and will increase the number of records available to the Coastguard.
- 4.16 Ofcom will establish user friendly, online help guides to ensure that users of the online licensing system are able to input information accurately and expediently. Telephone support will also be available. This will result in an increased level of data quality.
- 4.17 The licensing system will have enhanced error checking facilities which will greatly reduce the likelihood that erroneous data is entered. In some cases the system may not permit incorrectly formatted data to be entered whilst in others it may capture the data (which may still be of some value during SAR operations) but ensure that the user is made aware of the problem. A user entering a Maritime Mobile Service Identity (MMSI) number which has already been issued to another licensee may be an example of potentially erroneous data which should be captured. As well as notifying the user of any such problems the system will also flag these anomalies to enable MCA / Ofcom to investigate. The details of precisely how the system will behave will be agreed by MCA and Ofcom.
- 4.18 Where practicable Ofcom will cross check the ships' radio licensing database with other databases to identify erroneous ships' radio licence records. Ofcom will ensure that electronic licensees are sent e-notifications at regular intervals to serve as reminders that they are required to keep their licences up to date. Ofcom will consider sending postal reminders to those opting to apply and receive licences by post. These processes will help to ensure that the integrity of the ships' radio licensing database is maintained.

Development of the licensing system

- 4.19 Ofcom will commence work on the new electronic licensing system immediately, in order to ensure that the system is in place by the 1 October 2006.
- 4.20 A description of user requirements will be captured through meetings with key stakeholders.
- 4.21 Key stakeholders will also be invited to test the system during the Incremental User Acceptance Testing (UAT) phase of the project to ensure that the system satisfies user requirements. These tests will cover each part of the system build including user interface functionality, user interface look and feel, access to databases, failover processes etc.

Spectrum management

- 4.22 The change from annual to lifetime licences will not confer any other additional rights to the use of frequencies. Ofcom intends to continue to decide the allocation of maritime frequencies and bands in line with international agreements, which may also provide some reciprocal arrangements for radio use for vessels of other nations. The use of frequencies and bands may get changed from time to time, but it is currently normal practice to make such changes only where the relevant international discussions are held and we would anticipate adequate notice of any change to then be given, unless there is some urgent reason for making changes (such as a local or national emergency).
- 4.23 The change from annual to lifetime licences will not alter the way in which Ofcom deals with any breach of licence condition.

Spectrum pricing

- 4.24 In the consultation on spectrum pricing we indicated that any changes in spectrum pricing for maritime radio would be subject to further consultation. At this point Administrative Incentive Pricing (AIP) is not considered appropriate for vessels as these bands are allocated exclusively on an international basis and in addition, it is not possible to charge foreign vessels for use of the spectrum.

Determination of fees

- 4.25 Electronic licences (probably PDF® documents) will be issued to users of the online, web-based, self-service licensing service free of charge. Ofcom will continue to make paper licences available although the use of this service will be subject to an administrative charge.
- 4.26 The purpose of the administrative charge will be to cover the direct costs associated with providing the postal service - there will be no charge for the use of the radio spectrum. Ofcom will consider a range of factors when determining the administrative charge including the cost of providing a dedicated customer support team, the cost of processing licence fee payments and postal costs (both for the licence and for future notifications).
- 4.27 The level of the administrative fee will be the subject of a separate (Spectrum Pricing) consultation after which the administrative charge would be detailed in the WT (Licence Charges) Regulations 2006.

- 4.28 Whilst there will be some residual cost associated with the delivery of the online service, Ofcom believes that these costs will be sufficiently low that it will not be necessary to seek to recover these from licensees. This is in line with the wider policy to exempt smaller users from a fee except where it is necessary to expend significant effort on licensing.
- 4.29 We will of course continue to make special provision for disabled applicants so that they will not be disadvantaged by these new arrangements.

Section 5

Licence delivery

The delivery of ships' radio licences before 30 September 2006

5.1 Although Ofcom is responsible for ships' radio and for ships' portable radio licensing, the processing function has been contracted out to the Radio Licensing Centre (a wholly owned subsidiary of the Royal Mail Group plc.). The Radio Licensing Centre (RLC) will continue to issue ships' radio licences until 30 September 2006. Any licences which are due to expire on or before this date must be renewed by contacting the RLC. Licences issued, renewed or amended on or before 30 September 2006 will be subject to existing licence terms and conditions:

- The licence will remain valid for one year;
- The fee for a hand portable licence will be £15;
- The fee for a ships' radio licence will be £20
- There will be a requirement to display the licence disc until the 30 September 2006.

The delivery of ships' radio licences after 30 September 2006

5.2 From 1 October 2006, all ships' radio licences will be issued by Ofcom. Licences issued, renewed or amended after 30 September 2006 will be subject to revised licence terms and conditions:

- Ships' radio licences shall remain valid for as long as the licence details remain correct or until such time as the licence is either revoked by Ofcom or surrendered by the licensee. There shall be no end date on the ship's radio licence. Such licences shall be personal to the licensee (whether individual or corporate) and will not be transferable (for example upon the sale of the vessel).
- Ships' portable radio licences shall remain valid for as long the licence details remain correct or until such time as the licence is either revoked by Ofcom or surrendered by the licensee. There shall be no end date on the ships' portable radio licence. Such licences shall be personal to the licensee (whether individual or corporate) and will not be transferable (for example upon the sale of the ships' portable radio equipment).
- An online, web-based, self-service licensing service will be provided as an alternative to the postal service;
- Electronic licences (probably PDF® documents) will be issued to users of the online, web-based, self-service licensing service free of charge. The licensee will then print a hard copy of the licence which must be kept on board the vessel;
- Ofcom will continue to make paper licences available (but subject to an administrative charge);
- Licensees will be required to confirm their licence details at least once every ten years in order to maintain their lifetime licence;
- There will be no licence disc.

- 5.3 Ofcom will mail 'lifetime' ships' radio and hand portable ships' radio licences 6 weeks before the date when the licence is due to expire. These licences will be distributed free of charge. Ofcom will only mail these licences to licensees whose licence expires after 30 September 2006. Any licences which expire on or before 30 September 2006 must be renewed with the RLC.
- 5.4 Ofcom will mail user account information 6 weeks before the date when the ships' radio or hand portable ships' radio licence is due to expire. This user account information will enable the licensee to access the online, web-based, self-service licensing service.
- 5.5 Ofcom will not mail 'lifetime' licences or user account information to licensees who have allowed their licence to lapse.
- 5.6 Ofcom will support applicants and licensees with their application and licence queries through the Ofcom Contact Centre;
- 5.7 Paper based applications and amendment forms will be available to download from Ofcom's website, or they may be requested from Ofcom's Contact Centre.
- 5.8 Ofcom will continue to advise licence holders of changes to their licence terms and conditions where necessary. Those with a ship's radio or hand portable ship's radio licence which remains valid until after 30 September 2006 will continue to receive notifications of any changes to licence terms and conditions by post free of charge (although they will be free to switch to an electronic notification process if they prefer). Future licence holders will have the option to accept electronic notifications (in which case the licence would be issued free of charge) or to make a postal application for the licence and receive postal notifications (in which case an administrative charge would be payable).

Maintenance of licence details

- 5.9 Licensees will be required to confirm their licence details at least once every ten years in order to maintain their lifetime licence.
- 5.10 Ofcom will invoke the licence revocation procedure ten years after the date when the licensee last amends the licence or last confirms that the licence is still valid (depending on which of these events occurs last). Licensees who either amend their licence at least once every 10 years or who confirm that the licence is still valid at least once every 10 years should not receive a ten year reminder / revocation notice from Ofcom.
- 5.11 Ofcom will ensure that licensees with electronic licences are sent e-notifications at regular intervals to serve as reminders that they are required to keep their licences up to date. Ofcom will consider sending postal reminders to those opting to apply and receive licences by post. These processes will help to ensure that the integrity of the ships' radio licensing database is maintained.

The use of Agents

- 5.12 Ofcom may allow large organisations to act as agents on behalf of ships' radio licence holders.
- 5.13 Agents would have online access to the Ofcom's ships' radio licence database enabling them to create, amend and cancel ships' radio and hand portable ships'

radio licences. Agents would only be granted access to the licence records of licensees who have provided their consent for the agent to act on their behalf.

- 5.14 Ofcom would not charge the agent for any licences that are created, amended or cancelled by the agent providing these changes are made electronically.
- 5.15 The agent would be free to issue both electronic licences and hard copy licences (which would be printed by the agent) to its customers.
- 5.16 The agent would be entitled to charge its clients for providing this service.
- 5.17 When determining whether to provide an agent with secure, online access to the ships' licensing database Ofcom would have regard to the following:
- The impact on the integrity of licence data;
 - The impact on Ofcom's operational cost base.
- 5.18 Ofcom believes that this facility may be of value to those who do not have access to the internet or who prefer not to use the internet.
- 5.19 Licensees who employ an agent to ensure their licence details are maintained should not receive a ten year reminder / revocation notice from Ofcom.

MCA surveys

- 5.20 Fishing vessels over 24 m in length, SOLAS⁵ vessels and passenger carrying vessels which embark on international voyages are all subject to regular inspections by the MCA. The MCA also has plans to inspect fishing vessels of less than 24 m in length. The surveyor often checks radio equipment and the WT Act licence as part of these inspections.
- 5.21 Ofcom, together with the MCA, is exploring the possibility of using these checks to validate the ships' radio licence. This may mean that owners of vessels inspected by the MCA would never receive a ten year reminder / revocation notice from Ofcom.

⁵ The International Convention for the Safety of Life at Sea (1974) as amended. Also used to denote a class of vessels – in general, those over 300 gross tonnage and vessels carrying more than 12 passengers.

Section 6

Analysis of consultation responses

Question 1: Do you agree with the proposal to introduce a lighter, electronic licensing process? If not, please explain why.

- 6.1 Eighty-five out of the eighty-nine responses agreed in principle with Ofcom's proposal to introduce a lighter electronic licensing process, compared to only two that disagreed completely, and two that made no comment. Those in support thought that the introduction of an online licensing system would undoubtedly minimise bureaucracy and encourage more boat users, especially those who own small leisure craft to license their radios; which would in turn improve marine safety. According to the RNLI

“The proposal to introduce a lighter electronic licence is supported – anything that makes it easier for the sea user and encourages them to have appropriate safety equipment aboard is welcomed”.

- 6.2 Those who disagreed expressed a number of concerns. Firstly that the electronic system would rapidly become out of date, and that the accuracy of the information stored for search and rescue purposes would rely heavily on applicants submitting the correct information. This is because there would be less incentive for licensees to amend their details without the annual receipt of a renewal reminder. These respondents also felt that the gradual deterioration in accuracy of the database could lead to it becoming a vehicle for identity and web fraud. Indeed some of those who agreed with the proposal emphasised the need to implement processes to maintain contact details for policy updates and avoid licence forgery. Some respondents questioned whether foreign authorities would accept the validity of a licence document which had been printed on the licensee's own printer.
- 6.3 One respondent felt that the introduction of an electronic system resulting in an increase in the licensing of leisure craft would be a back-door route to creating compulsory registration of leisure craft for government organisations to use. Whilst another felt it was a back-door method of introducing deregulation without going through the necessary International discussions. Finally it was felt that the introduction of the e-system would lead to a deterioration of equipment standards and training.

Policy decision

- 6.4 Considering the high level of approval received for the proposal Ofcom has decided to proceed with the implementation of lighter, electronic licensing process. Ofcom believes that these reforms will encourage more boat users to fit licensed ship radio equipment, as well as increasing the level of information available to the Coastguard to support Search and Rescue operations.
- 6.5 Ofcom will take steps to ensure that the system satisfies user requirements and will liaise widely with stakeholders during the requirements capture, design and testing phases of delivering the new system.
- 6.6 Ofcom will work closely with the MCA to ensure that the integrity of the database is maintained.

Question 2: Do you agree with the proposal to issue licences which remain valid for the life of the vessel? If not, please explain why.

- 6.7 Seventy-nine out of eighty-nine respondents agreed with the proposal to issue licences that remain valid for the life of the vessel compared with five who disagreed completely, two that were not entirely supportive and three that did not answer the question specifically. Those in support thought that the issuing of licences valid for the life of the vessel would, as in the case of e-licensing, increase the numbers of boat users licensing their radios and encourage them to acquire appropriate safety equipment, thus improving maritime safety.
- 6.8 Some of those in support of this proposal did however express similar concerns to those who objected to it – that licensees would forget to update their details and that this may hamper search and rescue and enforcement operations. Support was dependent on the proviso that the system would ensure and encourage accuracy of information for search and rescue. It was also seen as vital for licensees to be aware of the importance of updating their records and renewing the licence when changing ownership or name of a vessel, an issue that some respondents said was already a problem in the current licensing regime. Another respondent stated that they would support the proposal providing that allowance was made for the call sign of a vessel to change, and for amendments such as a change of Accounting Authority or Service Provider.
- 6.9 Other respondents supporting the proposal stated that it would remove the problem of radio licences expiring during long-distance voyages; something that sometimes resulted in problems when arriving at overseas destinations. One respondent suggested the idea of scrapping licences for equipment and relying on the radio operators' licence instead. They claimed that this would have the added benefit of increasing the number of owners undertaking formal training and qualifications in radio procedure.
- 6.10 Those respondents who were completely against the idea of licences valid for the life of the vessel argued that once the annual processes and inspections are ended, commercial ship owners would have no incentive to fit or repair vitally important safety equipment. Three respondents indicated that a 5 year renewal period would be more suitable, as this would coincide with the renewal of registration documents and would ensure a better level of control. Finally one respondent questioned whether foreign authorities would accept a licence whose issue date could be some 40 years old.

Policy decision

- 6.11 The vast majority of responses to this question were in support of the proposal, so Ofcom has decided to introduce 'lifetime' licences for ships' radio and hand portable ships' radio equipment.
- 6.12 In order to address concerns relating to the integrity of the ships' radio licensing database Ofcom will modify the original proposal by requiring licensees to confirm their licence details at least once every ten years in order to maintain their lifetime licence. Other administrations that issue 'lifetime' licences include Denmark and Norway.
- 6.13 The mean life for a ships' radio licence before an amendment is required is currently 8 years or thereabouts. On this basis, requiring licensees to confirm their licence details once every ten years in order to maintain their lifetime licence would not

appear overly burdensome since most licensees will amend their licences well within this time frame. Licensees who confirm or amend their licence details within the ten year period will never receive a ten year reminder / revocation notice from Ofcom.

Question 3: Do you agree with the proposal to issue electronic ship radio licences free of charge? If not, please explain why.

- 6.14 Seventy-nine out of eighty-nine respondents agreed with the proposal to issue electronic ship radio licences free of charge, compared with four who disagreed and six who didn't answer the question specifically. Most of these respondents felt that free licences would increase the use of licensed ships' radio equipment which would improve marine safety. It was also noted that a free licence would be easier to obtain by vessels that were away from the UK for a long period of time.
- 6.15 Those who disagreed with the introduction of a free electronic licence felt that it was an unnecessary measure as they considered that the current fee was already minimal compared with the total cost of ship ownership. They believed that there will always be costs associated with the process, however streamlined it may become and that it only seems right for it to be covered by the applicant. In fact one respondent indicated that they would support an increase in the fee to ensure an effective inspection system. There was also some concern that a free licence would lead people to believe that there was no need to obtain a licence because Ofcom would be very unlikely to enforce the new regime. Some respondents stated that they would rather pay for the sake of database integrity and sea safety.

Policy decision

- 6.16 Subject to the outcome of the Spectrum Pricing consultation, Ofcom will implement the free online self-service licensing system for ships' equipment on 1 October 2006. These amendments will be included in the WT (Licence Charges) Regulations 2006.
- 6.17 Whilst there will be some residual cost associated with the delivery of the online service, Ofcom believes that these costs will be sufficiently low that it would not be necessary to seek to recover these from licensees. This is in line with the wider policy to exempt smaller users from a fee except where it is necessary to expend significant effort on licensing.
- 6.18 Ofcom's spectrum management and enforcement activities are not determined according to the level of the licence fee and will therefore not be affected. Ofcom is committed to Maritime safety and will continue to work closely with the MCA to ensure that Ofcom's spectrum management policies are consistent with maintaining the highest standards of marine safety. These factors will be unaffected by free online licensing.
- 6.19 Ofcom holds that the introduction of free licensing will not lead to an interpretation of a licence not being required, rather it is more likely to increase the numbers of ships' radio licensees. Ofcom estimates that 20% of ships' radio equipment is currently unlicensed nationally and hopes that this reform will encourage greater use of licensed ships' radio equipment by making it easier and cheaper to obtain a licence. This should increase the level of information held on the ships' radio licensing database which can be made available to the Coastguard in order to support Search and Rescue (SAR) operations.

Question 4: Do you agree with the proposal to apply an administrative charge when processing postal applications for ship radio licences? If not, please explain why.

- 6.20 Eighty out of eighty-nine respondents agreed with the proposal to apply an administrative charge when processing postal applications, compared to three that completely disagreed. Six respondents didn't answer the question specifically and one suggested charging a flat rate for all licence applications, whether via post or online. The majority of respondents felt that it was fair to pay for the additional work involved when processing postal applications, and felt that it would still be possible for those who did not have access to the internet at home to go to sailing clubs, internet cafés and libraries to avoid the extra cost if they so wished. One respondent asked if it would be possible for marinas and chandlery companies to offer a service for a small fee, and felt that this would benefit ship radio users with disabilities. It was generally held that the administrative charge should be minimal to cover costs, and one suggestion was that it should be waived completely if there were very few postal applications received.
- 6.21 Those who completely disagreed with the proposal to charge for postal applications argued that many elderly sailors don't have access to the internet and it seemed unfair to penalise them, especially when many have limited finances. Another felt that to accept postal applications (whether with a charge or not) was inconsistent with the proposal to provide an online licensing system.

Policy decision

- 6.22 Ofcom will implement an administrative charge for postal applications when the new electronic system is introduced in October 2006. The purpose of the administrative charge will be to cover the direct costs associated with providing the postal service. Ofcom will consider a range of factors when determining the administrative charge including the cost of providing a dedicated customer support team, the cost of processing licence fee payments and postal costs (both for the licence and for future notifications). The level of the administrative fee would be the subject of a separate (Spectrum Pricing) consultation after which the administrative charge would be detailed in the WT (Licence Charges) Regulations.
- 6.23 Ofcom will continue to make special provision for disabled applicants so that they will not be disadvantaged by any changes of this type. In response to the request to introduce a flat rate for both postal and online applications, Ofcom believes that this would be overly burdensome and would not encourage an increase in the use of properly licensed ships' radio equipment.
- 6.24 Ofcom notes that 53% of UK adults have internet access at home (equivalent to around 13 million homes), and that internet access is widely available in libraries and internet cafes. The suggestion that marinas and chandlery services could also offer the service for those who don't have access elsewhere is supported by Ofcom but obviously this would be a matter for those organisations to consider separately.

Question 5: Do you agree that the transfer of licensing to the MCA would not offer any significant advantage over the existing licensing system?

- 6.25 Sixty-eight out of the eighty-nine respondents agreed that transferring ship radio licensing to the MCA would not offer any significant advantages over the current system, compared with six that disagreed and fifteen that made no comment on the issue. The reasons for agreeing with the statement were varied but there was

general agreement that a transfer to the MCA would not be as cost effective as the proposed lighter touch approach.

- 6.26 Those who disagreed felt that transferring ship radio licensing to the MCA would be beneficial; and stated that they would support the transfer of the complete gamut of marine responsibilities (both nationally and internationally) to the organisation. Whilst others stated that a handover to the MCA would release much needed resources at Ofcom to deal with the needs of the British consumer. Finally one respondent stated that the primary purpose for fitting a radio in smaller vessels was safety, so it would be logical for the MCA to have administrative responsibility for the information relating to the licences. In addition they also felt that they would be better placed to undertake enforcement and education initiatives.

Policy Decision

- 6.27 Neither Ofcom nor the MCA believe that a transfer to the MCA would result in any substantial spectrum management benefits compared with the current system. Ofcom believes that the requirement to renew the ships' radio licence each year goes beyond what is required to satisfy policy objectives and results in an unnecessary regulatory burden for ships' radio users. A transfer to the MCA would not change this situation. Whilst Ofcom recognises that a 'one-stop-shop' for maritime affairs may bring some advantages to ships' radio users, it would not offer any benefit from a spectrum management perspective. In accordance with the Communications Act 2003, Ofcom is required to ensure that it does not impose or maintain unnecessary regulatory burden. Ofcom will therefore introduce a lighter licensing regime for ships' radio users since this system will be consistent with the minimum level of regulatory intervention required for the efficient management of ships' radio spectrum.

Question 6: Do you agree that WT Act licence exemption for vessels remaining within UK territorial waters is not currently practical?

- 6.28 Sixty-six out of eighty-nine respondents agreed that licence exemption for vessels remaining within UK territorial waters is not currently practical, whilst five thought this was not the case and that there was no reason for postponing exemption. Eighteen respondents did not wish to comment.
- 6.29 Among those that agreed it was not currently appropriate to exempt, some held the view that operating skills would not be maintained, and that it would be difficult for Ofcom to retain any regulatory control or discipline. Many respondents were concerned that exemption would result in the loss of information currently available to the Coastguard to support search and rescue operations.
- 6.30 Other respondents felt that exemption in UK waters only, would make it more bureaucratic for boat users to travel overseas as they would have to apply for a licence to do so. One respondent stated that vessels can be blown off course or may need to go to the aid of vessels in other waters, so an attempt to subdivide the sea nationally appears futile. Those in favour of WT Act licence exemption stated that a common approach should be taken internationally to ensure consistency in standards of equipment and licensing.
- 6.31 A number of respondents felt that the consultation did not present a case for the impracticality of licence exemption within UK waters, and in fact it highlighted the reasons why it would be desirable. Two respondents explained that vessels that restricted their movements to inland waterways and coastal areas no longer needed

to obtain a licence in Australia, New Zealand and the USA, so there seemed no logical reason for the UK to resist.

Policy decision

- 6.32 Ofcom has no plan to make ships' radio equipment WT Act licence exempt and believes that any marginal benefits that exemption may bring in the future can be achieved by the light licensing regime proposed.
- 6.33 Ofcom would like to clarify the way in which the licensing regime in New Zealand operates in order to ensure that the consultation document is not misinterpreted. Ships' radio equipment in New Zealand is currently licensed under a "General User Licence" but ships' radio licences are available for vessels that will travel outside territorial waters. The General User Licence is a form of General Authorisation. Ofcom has powers to provide a General Authorisation for particular radio equipment by including a description of the equipment in the Exemption Regulations which renders the use of the equipment WT Act licence exempt.

Question 7: Do you agree that WT Act licence exemption remains a worthwhile long term objective? If not, please explain why.

- 6.34 Fifty-three out of the eighty-nine respondents agreed that WT Act licence exemption remains a worthwhile long term objective. Eighteen felt it was not worthwhile and another eighteen provided no specific comment relating to the question.
- 6.35 Those who agreed with the concept of achieving licence exemption in the long term stated that the possible increase in vessels being fitted with radios was something that could actually improve safety. Others felt that exemption would be a good idea as long as there was a way of identifying legitimate radio operators so that abusers could be punished. Another respondent felt it would be more beneficial if it was adopted by the EU as a whole.
- 6.36 Those against exemption said many commercial vessels and a significant number of leisure vessels leave UK waters, so exemption would be impractical for them unless it was harmonized world-wide. They indicated that this would require extensive consultation and agreement, and even with this achieved, further education of other nation's enforcement organisations would be required. With this in mind the respondent felt the simple licensing system suggested in the consultation would be the preferred option. Others felt that there was no additional benefit to introducing exemption and that the proposal of the free, life long licence put forward in the consultation would offer the same benefits to users that exemption would, whilst maintaining a system with which to maintain equipment standards, operator certification and safety of life information.

Policy decision

- 6.37 Ofcom has no plan to make ships' radio equipment WT Act licence exempt and believes that any marginal benefits that exemption may bring in the future can be achieved by the light licensing regime proposed.

Question 8: Do you believe that WT Act licence exemption would have an impact on maritime safety? If so, please explain why.

- 6.38 Twenty-six out of eighty-nine respondents felt that WT Act licence exemption would have an impact on maritime safety, however three of these respondents felt that it would have a positive effect rather than a negative one. Forty-four respondents felt that it would not have an effect on marine safety whilst nineteen made no specific comment.
- 6.39 The majority of those who felt exemption would have a detrimental effect on maritime safety stated the loss of database information for search and rescue purposes as a particular concern. It was felt that exemption would mean that there would be no record of Emergency Position Indicating Radio Beacons (EPIRBS), MMSI numbers or Call signs and that this would hinder Ofcom's ability to trace interference on international distress frequencies. Most respondents agreed that the proposal detailed in the Ofcom consultation would allow all of the essential requirements for maritime safety to be met with a minimum level of regulatory burden.
- 6.40 Others indicated that exemption would lead to an increase in untrained radio operators which in turn would increase the number of false alarms arising within the GMDSS system; a rate that is already said to be high. It was stated that false alarms take up a considerable amount of time and effort on the part of search and rescue and communications services. In addition it was stated that a lack of training can prejudice the handling of distress signals and that training also impacts on the operation of other essential safety equipment such as EPIRBS, Search and Rescue Transponders (SARTs) and NAVTEX.
- 6.41 Some respondents felt that exemption would give owners no incentive to maintain equipment that was fit for purpose and so standards would deteriorate with an adverse affect on marine safety. It was also indicated that there would be a further trend to rely on satellite communications systems which are still unreliable in extreme weather conditions. Some respondents stated that exemption would cause unnecessary and life threatening interference.
- 6.42 Those who felt that exemption could benefit maritime safety stated that it would act as an incentive for small inshore boat owners to purchase and use safety equipment, as there would be no extra costs or complex licensing requirements to adhere to. They also suggested that exemption would require the removal or modification of type approval regulations that increase the cost of equipment in the UK/EU market.
- 6.43 In fact those that felt exemption would not have an impact on maritime safety found it hard to believe that the information collected through the licensing process has real value in maritime safety activities other than on the most exceptional basis, and the value derived would be small in comparison with the cost of administering the data.

Policy decision

- 6.44 Ofcom has no plan to make ships' radio equipment WT Act licence exempt and believes that any marginal benefits that exemption may bring in the future can be achieved by the light licensing regime proposed.

Question 9: Would you prefer to see the current licensing system maintained without change? If so, please explain why.

- 6.45 Three out of eighty-nine respondents felt that they would prefer the current licensing system to remain, whilst seventy-two felt that a change was definitely required. A further fourteen responses did not answer the question specifically.
- 6.46 The three that felt the system should remain the same stated strongly that losing the requirement to renew the licence would lead to degradation in the accuracy of the ships' radio licensing database. However one respondent felt that the renewal period could be extended to five years and that licences could be available online. Another respondent stated that the current system should be strengthened further to require stricter equipment requirements and prevent the increase in use of unlicensed private channels for communications and mobile phones in rescue circumstances. It was stated that the increase in use of these systems would suggest that the current system does not take enough care to enforce the law or provide adequately for safety.
- 6.47 Amongst the seventy-two that felt that a change to the current system was required, the proposals detailed within the Ofcom consultation document were strongly supported. It was felt that ships' radio equipment is primarily for marine safety and any thing that makes acquiring and licensing them easier should be welcomed. Many felt that a licence issued for the life of the vessel, especially free and available online would result in a better, more comprehensive record for search and rescue purposes. It was widely felt that reform of the system was required but not its complete removal.
- 6.48 A number of respondents supported the reform but felt that all changes should first be well thought out and fully agreed with all the relevant authorities, the MCA being mentioned in particular. They indicated that this would ensure that the integrity of Call signs, MMSI and SAR would be enhanced rather than undermined.

Policy decision

- 6.49 Ofcom agrees with the majority of respondents and will implement a free online licensing regime. Ofcom believes that the availability of self-service electronic licences at zero cost to the licensee, together with carefully targeted enforcement campaigns and the appropriate application of fixed penalty fines will encourage greater use of licensed ships' radio equipment and will result in an improvement in the quality of the ships' radio licence database.
- 6.50 Ofcom will continue to work closely with the MCA to ensure that spectrum management policy is consistent with maintaining the highest standards of maritime safety.

Annex 1

Glossary

AIP	Administrative Incentive Pricing
DfT	Department for Transport
EPIRB	Emergency Position Indicating Radio Beacon
ITU	The International Telecommunication Union. It has responsibility internationally for the Radio Regulations which govern the use of the radio spectrum.
MCA	The Maritime and Coastguard Agency. The MCA is an executive Agency of the Department for Transport.
MMSI	Maritime Mobile Service Identity. The MMSI is a nine digit number that uniquely identifies a ship and its country of registration.
MRAA	Maritime Radio Accounting Authority. These organisations collect and distribute telecommunication charges for non-emergency radio telephone and telex calls from ships into the international subscriber networks. They act as an intermediary between mobile subscribers and service providers/network operators.
MRCC	Maritime Rescue Coordination Centre
PLB	Personal Locator Beacon
RLC	The Royal Mail Radio Licensing Centre. The RLC act as Ofcom's agents for ships radio licensing.
SOLAS	The International Convention for the Safety of Life at Sea (1974) as amended. Also used to denote a class of vessels – in general, those over 300 gross tonnage and vessels carrying more than 12 passengers.