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**International Mobile Satellite Organization**  
**ADVISORY COMMITTEE**  
Twentieth Session  
11 – 13 December 2007

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Advisory Committee  
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**REPORT OF THE TWENTIETH SESSION OF THE  
IMSO ADVISORY COMMITTEE**

11 – 13 DECEMBER 2007

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## **REPORT OF THE TWENTIETH SESSION OF THE ADVISORY COMMITTEE**

### **OPENING OF THE MEETING**

The Advisory Committee met at the Headquarters of the International Coffee Organization, London from 11 to 13 December 2007, under the chairmanship of Mr William Azuh of Nigeria. The Chairman welcomed participants to the Twentieth Session, as well as observers from the International Maritime Organization and the European Commission.

### **1 APPROVAL OF AGENDA**

The Committee approved the Agenda. The Agenda, List of Participants, List of Documents and Terms of Reference are attached at Annexes I to IV, respectively, to this Report.

### **2 OUTCOME OF THE NINETEENTH SESSION OF THE ADVISORY COMMITTEE**

The Committee noted the report of its Nineteenth Session, which was held on 4 and 5 July 2007. The report was sent to all IMSO Member States on 9 July 2007. In relation to paragraph 8.3.2 of the Report, the Committee noted that the Government of Poland had nominated Mr Jerzy Vonau, the previous IMSO Director, for the World Maritime Prize 2007.

### **3 MATTERS ARISING FROM THE EIGHTEENTH AND NINETEENTH (EXTRAORDINARY) SESSIONS OF THE IMSO ASSEMBLY**

The Committee noted document AC/20/3 "Matters Arising from the Eighteenth and Nineteenth (Extraordinary) Sessions of the IMSO Assembly" which were held in September 2006 and March 2007, respectively. At its Nineteenth Session, the Committee had requested members of the

Committee to review revised texts of the Terms of Reference for the Advisory Committee, the Rules of Procedure for the Assembly and the Functions of the Director and submit proposals for further refinement to the Director by 1 November 2007; the Director was requested to consolidate a new text for the next session of the Committee for agreement, before submission to the next regular Session of the Assembly. No comments had been received to date.

3.1 **Terms of Reference for the Advisory Committee**

The Committee reviewed the Terms of Reference for the Advisory Committee, as submitted by the Director, as follows:

- (a) paragraph 1.2 Membership of the Committee: the Assembly should be requested to decide on the size of the Committee taking into account the need to ensure participation by as many Member States as wished to participate, either as full members or as observers, balanced against the need for efficiency; once elected, members of the Committee should be encouraged to participate fully in the meetings; the Chairman reminded the Committee of the financial implications of enlarging the membership; and
- (b) paragraph 3.2 Quorum: the quorum for the Committee should be reviewed by the Assembly in the light of its decision regarding the membership of the Committee;

The view was expressed that the Advisory Committee could be strengthened to extend its terms of reference/more executive role. The Director advised that there would be Convention and legal implications in expanding the role of the Committee.

The Committee agreed the revised Terms of Reference for the Advisory Committee, as set out in Annex V to this Report, for submission to the next regular Session of the Assembly for approval.

The Committee also noted that further amendments to the Terms of Reference of the Committee may be needed as issues related to the reference Public Services Agreement and LRIT progress, and that these

matters will continue to be included in the work programme for the Committee.

**3.2 Rules of Procedure for the Assembly**

The Committee reviewed the Rules of Procedure for the Assembly as submitted by the Director as follows, and agreed that Rule 15: Quorum: should be amended to cover the possibility of a lack of quorum.

The Committee will consider the revised Rules of Procedure for the Assembly at its next session, for submission to the next regular Session of the Assembly for approval, noting that further amendments may be needed as issues related to the reference Public Services Agreement and LRIT progress, and that these matters will continue to be included in the work programme for the Committee.

**3.3 Functions of the IMSO Director**

The Committee noted that no proposals for further amendments to the Functions of the Director have been received.

The Committee will consider the revised Functions of the Director at its next session, for submission to the next regular Session of the Assembly for approval, noting that further amendments may be needed as issues related to the reference Public Services Agreement and LRIT progress, and that these matters will continue to be included in the work programme for the Committee.

**4 DIRECTORATE ACTIVITIES**

4.1 The Committee noted document AC/20/4 and its Addendum "Directorate Activities", which provided information on substantive activities of the Directorate.

4.2 The Committee noted with appreciation information provided on the participation by the Director and/or Deputy Director in various international meetings

4.3 The Committee agreed that IMSO will co-sponsor the submission by IHO of revised texts of Resolutions A.705 and A.706 to IMO.

4.4 The Committee also noted with appreciation the development of the IMSO website which would be available imminently and will continue to be enhanced over the coming months and updated on a regular basis. The Committee agreed that the website would contain a public area and a members area, for which Member States would be allocated a password to permit access to a separate area for Assembly and Advisory Committee documents.

4.5 The Committee requested the Director to provide brief reports on Directorate activities to each session of the Committee.

## 5 GLOBAL MARITIME DISTRESS AND SAFETY SERVICES (GMDSS)

### 5.1 GMDSS Services and Public Services Committee

The Committee noted document AC/20/5.1 which provided information on GMDSS services, as follows:

5.1.1 In relation to GMDSS Services provided by Inmarsat, the Committee noted that:

- (a) the Directorate has been working with IHO, WMO and Inmarsat, and called in one major Land Earth Station Operator (LESO) in relation to a specific incident reported to the Nineteenth Session of the Committee, which was expected to be resolved early in 2008, and that full operational service had been restored in the meantime;
- (b) the Directorate has been working with the IHO Commission on Promulgation of Radio Navigational Warnings, to develop and promulgate specific detailed guidance to all Maritime Safety Information Providers as to the contingency arrangements they should put in place to avoid any such difficulty arising in future;

- (c) the Director and Deputy Director attended programmed Contingency Exercises for the POR (July 2007) and AOR-E (October 2007) Regions.

5.1.2 In relation to the use of C-band for certain satellite monitoring and control purposes by Inmarsat, the Committee noted that radio regulations governing the use of the radio-frequency spectrum, including in the C-band, were reviewed and updated by WRC-07, and a globally harmonized spectrum was identified for use by International Mobile Telecommunications (IMT) which is not expected to affect the present use of C-band by Inmarsat, and therefore not expected to affect the provision of GMDSS services.

5.1.3 In relation to Inmarsat-A Services, the Committee noted that the programme to close Inmarsat-A is proceeding satisfactorily, and the service will close at 23:59 on 31 December 2007, in accordance with the information provided to, and agreement of IMO.

5.1.4 The Committee also noted that, as provided for in the Public Services Agreement, the Director attended a meeting of the Public Services Committee with the Inmarsat Chief Executive Officer on 6 September 2007.

## 5.2 **GMDSS Draft Reference Public Services Agreement**

5.2.1 The Committee noted document AC/20/5.2; in particular that:

- (a) the IMO Assembly had adopted Resolution A.1001(25) on Criteria for the provision of Mobile Satellite Communication Systems in the Global Maritime Distress and Safety System (GMDSS), which revoked previous Resolution A.888(21) and MSC/Circ.1077.
- (b) the Director will review the present texts of the Draft Reference Public Services Agreement (Draft Reference PSA) and the present PSA in force between IMSO and Inmarsat, make any consequential amendments that may be necessary to accommodate the texts with the content of the new Resolution A.1001(25), and circulate those texts to the Advisory Committee for consideration and subsequent

submission to the Assembly, as requested by the Assembly at its Eighteenth Session.

5.2.2 The Committee noted that the Directorate has been working to encourage other mobile satellite operators providing mobile communications services to the maritime sector to seek entry to the GMDSS. Currently only one company is continuing low level discussions in this regard.

5.2.3 The Director informed the Committee that he considered that there is a small but significant risk to GMDSS as long as there is only one maritime mobile satellite communications service provider approved to provide GMDSS services. The Director is therefore keen to work with other potential providers to facilitate their entry into the GMDSS.

5.2.4 The United States reiterated its view that the present text of the draft Reference PSA does not encourage new mobile satellite service providers to participate in the GMDSS.

5.2.5 The Directorate has also worked actively with the IMO MSC Intersessional Working Group on LRIT and the ad Hoc Engineering Group on LRIT.

## 6 LONG RANGE IDENTIFICATION AND TRACKING OF SHIPS (LRIT)

### 6.1 LRIT: outcome of IMO MSC 83, the LRIT Strategic Plan and Business Plan, and contractual arrangements with the International Data Exchange (IDE) and Data Centres (DCs)

The Committee noted document AC/20/6.1, which provided information on the outcome of IMO MSC 83, the LRIT Strategic Plan and Business Plan, and contractual arrangements with the IDE and DCs.

#### 6.1.1 Outcome of IMO MSC 83

The Committee noted that MSC 83 and the Working Group on LRIT Matters had not discussed in detail the role of IMSO as LRIT Coordinator nor the submission on this issue put forward by IMSO.

The Director evaluated the proposal received in response to the RFP issued by the Director in accordance with the Performance Standards and submitted the results of the evaluation to MSC 83 for decision (MSC 83/6/11). MSC 83 considered the evaluation by IMSO and, after lengthy and rather difficult discussions, decided not to accept the proposal by the Consortium submitted through the Marshall Islands to establish an International Data Centre (IDE) and/or International Data Exchange (IDC), but, instead, to accept an interim contingency proposal by the United States to establish and operate an IDE only. The report of MSC 83 states:

*"6.96 The Committee adopted resolution MSC.243(83) on Establishment of the International LRIT Data Exchange on an interim basis... ."*

The Committee noted the opinion of the Director that the wording in the Performance Standard that defines the role of the LRIT Co-ordinator (IMO resolution MSC 210(81), section 14) is somewhat weak, and that this could lead to difficulties in the future. The Committee requested the Director in his next submission to MSC on LRIT matters, to invite the MSC to strengthen the definition of the Co-ordinator's role, so as to clarify the functions of the Co-ordinator and avoid any uncertainty on the part of either IMSO or those who would be subject to audit and review. In this regard, it was also noted that the decision of MSC 83 not to establish an International Data Centre at this time had led to the consequence that there would be no oversight or review of any ASPs in the LRIT system.

#### 6.1.2 Contractual Arrangements with IDE and DCs

The Committee noted that the Director had written formally to the United States as nominated interim IDE operator, and those countries which have notified IMO of their intention to operate an LRIT Data Centre, either nationally, co-operatively, or regionally, to establish contact with their nominated point-of-contact and begin the process of developing the relevant legal framework and documentation (Public Services Agreement). Information had also been requested on updated information on their plans for implementing the LRIT Data Centres and offering IMSO's assistance in the implementation process. In this regard, the Director intended to develop, with the assistance and advice of the Advisory Committee, a draft model PSA for use between IMSO and the LRIT Data Centres, as well as a parallel draft model contract or clauses with the interim IDE operator.

A number of countries had informed the Director that they could have difficulties accepting a PSA drafted by IMSO, within their existing national procurement processes and regulations, and encouraged the Director to consider draft model clauses that could be incorporated into national model procurement contracts. The Directorate will explore this possibility. The Director invited members of the Committee to submit proposals for such draft model clauses that could take account of any specific national requirements.

The Director has also continued to assist other Governments interested in establishing regional or national LRIT centres, including appropriate visits to Member States, at their expense. A recent visit had been made to Chile for the purpose of reviewing the existing national ship reporting facilities and providing advice as to what changes or further preparations need to be made in order to bring them into line with the international requirements for LRIT and permit Chile to make an early entry into the international LRIT system.

#### 6.1.3 Cost Recovery by IMSO

The Committee noted that the Director's latest proposals on cost-recovery mechanisms, developed after discussing the issue with SOLAS Contracting Governments and other interested parties during and since MSC 83, are discussed in Section 6.2 of this Report.

In relation to cost recovery, the Committee noted the Director's expectation that income from audit fees will not begin until the fourth quarter of 2008. The Director had expected that some fees could be available from the integration audit and approval of ASPs providing services to the IDC but this possibility had been removed by the decision of MSC 83 not to appoint an IDC at this time. The Committee also noted that this decision means that there will no international audit of ASPs in the LRIT system. The Director agreed to bring this to the attention of IMO in his next submission relating to LRIT matters.

#### 6.1.4 Strategic Plan

The Committee noted that draft LRIT budgets 2008 and beyond are discussed in Section 7 of this Report.

MSC 83 had considered the need for further development of certain aspects of the international LRIT system between MCS 83 and MSC 84 (May 2008), and re-established the Technical Ad Hoc Group as follows:

*"6.87 Having established an ad hoc LRIT Group with terms of reference set out in annex 3 to document MSC 83/WP.6, the Committee authorized it to deal with certain technical matters during the period between MSC 83 and MSC 84 with a view to ensuring the timely establishment of the LRIT system."*

The Directorate intends to participate fully in the work of the Ad Hoc LRIT Group, to the extent that funds are available.

#### 6.1.5 Draft Business Plan

The Committee noted that the Director's further proposals in relation to charges for LRIT Audit and Review are discussed in Section 6.2 of this Report. The Director was requested to draft a business/project plan, as appropriate, for the next session of the Committee, based on discussions at this session.

#### 6.1.6 LRIT Start up Funding

The Committee noted information provided by the Director regarding his efforts to identify possible sources of LRIT start up funding, including Member States, commercial banks and Inmarsat. This issue is further discussed in paragraph 7.4.4(d) of this Report.

#### 6.1.7 Turkey – Technical Assignee

The Committee noted that the Government of Turkey, as a contribution to the Organization and to assist the start-up of LRIT, has offered to provide a Technical Assignee for a period of one year. The Director has therefore signed a Memorandum of Understanding with the Government of Turkey, which provides for the appointment of the Technical Assignee, as well as the letter of appointment and job description. The Assignee, Captain Ozkan Istanbulu, had now joined the Directorate.

The Government of Turkey will meet all salary, allowances and employer costs pertaining to the assignment of the Technical Assignee. The cost of office space and equipment will be borne by IMSO, utilizing LRIT funds.

The Committee expressed its appreciation to the Government of Turkey for this welcome contribution to the LRIT project.

## 6.2 **Charging for LRIT Audit and Review**

6.2.1 The Committee noted document AC/20/6.2 “LRIT: Charging for LRIT Audit and Review”.

6.2.2 The Committee noted that the Director intended to base cost-recovery proposals for the first and immediately succeeding years of LRIT operation entirely on charges for participating Data Centres and the International Data Exchange.

6.2.3 The Committee further noted the Director’s consideration of three possible basic models for developing IMSO’s charging regime for LRIT audit and review, and that the Director proposes a composite charging scheme designed to fit the needs of the maximum number of Contracting Governments. The Director believes it will be prudent to take a conservative view of the number of audits that will be undertaken in the first year of LRIT operation (2009), bearing in mind that the number of data centres in operation during that year is unknown at this stage in the development of the system. However, any fees paid to IMSO during 2009 that exceed the amount needed for simple cost recovery will be carried forward to the next year and used to reduce the fee levels in that year. This principle will be applied throughout the life of the LRIT business of the Organization.

6.2.4 The Committee also noted information provided by the Director regarding charges for evaluation and testing of new and modified elements in the international LRIT system, and that a formal proposal for 2009 will be provided to the Advisory Committee after the decision on principles has been finalised.

6.2.5 The Committee reviewed the Director’s proposals for consequential preliminary Fee levels for 2009.

6.2.6 The Committee noted some presentations to illustrate different possible charging mechanisms and held lengthy discussions. The Committee discussed the following six potential options for charging mechanisms:

- Option 1: volume - based on number of ships associated with any DC, recognizing that this option will lead to a large difference in cost between small and large centres;
- Option 2: effort only – based on a daily rate, recognizing that the cost to small and large centres would be broadly the same;
- Option 3: fixed – based on the number of DCs, recognizing that this may be the simplest option whereby the cost would be the same for all DCs;
- Option 4: composite (80% fixed + 20% effort related as per document AC/20/6.2), proposed by the Director and supported by some members as the most balanced solution;
- Option 5: composite (based on actual audit costs plus actual usage of the IDE, not based on flag), recognizing the complexity of implementing such an option;
- Option 6: volume related – measured by the number of times a DC interacts with the IDE – not based on flag; the most complicated system because of the inherent uncertainties in knowing usage in advance; funds would need to be received in advance, and the variable element would have to be based on forecasting with a financial adjustment/transaction at year end;
- Option 7: actual audit cost plus general overheads divided by number of DCs.

6.2.7 In relation to the basis on which IMSO Charges for LRIT Audit and Review should be established, the Committee requested the Director to develop a model, containing the elements of fixed costs, usage and effort, taking into account the discussions during this Session, particularly relating to the need that the mechanism should be simple, predictable, easy to

understand, fair, equitable, at no risk to IMSO, and internationally acceptable.

6.2.8 In this regard, the Committee advised the Director that the "volume-related" element of the model used for establishing Data Centre charges should be based on the actual measured number of messages each Data Centre exchanges through the International Data Exchange (IDE). In developing the model, the Director was requested to take into account the need to avoid "double counting" of messages, and ensure that each message only attracts a single charge each time it is requested and passed through the IDE.

6.2.9 The Committee also expressed concern that the model should take into account the need to ensure that some Data Centres do not delay their entry into the LRIT system specifically in order to avoid high charges for audit and review during the start-up period of the system, when there is likely to be only a small number of Data Centres in operation.

6.2.10 The Committee also requested the Director to develop a short term interim simple solution start up model (cost divided by number of DCs), followed by a detailed, more sophisticated model that could be developed and applied when the system has been in operation for some time and the number of DCs and ships and usage of the system is known with some accuracy.

6.2.11 The Committee agreed that the Committee will keep the Charging Mechanism under review and will refine the mechanism in the light of experience, with a view to introducing a more sophisticated charging model from 2011 onwards, if necessary. The Committee noted that the Director would endeavour to submit his proposals on this matter for the next session of the Committee as early as possible to give members of the Committee sufficient time to analyse the details.

6.2.12 The Committee also recalled that development of the charging regime is a matter for IMSO and that the Director will inform IMO when the initial charges have been decided.

## 7 IMISO DRAFT BUDGET FOR 2008: GMDSS AND LRIT

The Committee noted document AC/20/7 "IMSO Draft Budget for 2008, GMDSS and LRIT".

### 7.1 2007 GMDSS Budget Forecast Outcome

The Committee noted the 2007 year to end forecast outturn (column (1) of Annex VI) which consisted of eight months of actual expenditure (January to August) and four months indicative forecast (September to December), and that it was anticipated that the budget for 2007 will be underspent by approximately £60,938, as follows:

- (a) Salaries – expected to be underspent by £26,451
- (b) Office Maintenance – expected to be overspent by £12,024
- (c) Rental – on budget
- (d) Travel and Hospitality – expected to be underspent by £6,943
- (e) Assembly and Committee Meetings – expected to be underspent by £19,478
- (f) Contingency Fund: an agreed contingency fund of one percent of the total budget, i.e. £6,463, has not been expended and will be returned to Inmarsat.
- (g) One Off Costs: relate to the repatriation package for the previous Director and the installation of the current Director; as agreed, unexpended funds of £13,627 will be returned to Inmarsat as part of the surplus underspend.
- (h) Amount to be credited back to Inmarsat at year end  
The forecast for 2007 indicates a forecast underspend of approximately £60,938. As agreed, unexpended funds relating to allowances, one off costs and the contingency fund will be returned to Inmarsat. It is stressed that the figures set out in the 2007 budget forecast are subject to change once actual figures are available. The

actual financial transaction will be made after the accounts are audited.

The Committee noted:

- (a) the forecast financial outturn for the GMDSS Budget for 2007 (Annex VI, column (1)), totalling **£657,522**;
- (b) that, based on the forecast financial outcome, it is anticipated that an amount of **£60,938** will be refunded to Inmarsat; and
- (c) that the 2007 accounts will be audited early in 2008.

## 7.2 **2008 GMDSS Budget**

7.2.1 The Committee noted the Director's proposed 2008 GMDSS Budget, as set out in Column (4), as follows:

- (a) at its Seventeenth Session, the Committee agreed that the UK RPI as at November of each year should also be used in the preparation of future budgets. On the advice of the Accountant, for the purposes of preparation of the draft 2008 budget, an indicative RPI of 4.5 percent has been used which will be adjusted, if necessary, once the November 2007 figure is published by the UK Government in mid-December 2007 \*.
- (b) **Salaries** – an increase over 2007 of **£12,894**
- (c) **Office Maintenance** – an increase over 2007 of **£2,572**;
- (d) **Rental** – same levels as for previous years.
- (e) **Travel and Hospitality** – increased by **£3,017**

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\* on 18 December 2007, the UK RPI has been published by the UK Government at 4.3%. The rounded up figure of 4.5% has therefore been maintained

- (f) **Assembly and Committee Meetings** –
- (i) **Assembly** – the regular Assembly session will be held in 2008 and the budget has been predicated on a five day meeting attended by 120 delegates; many of the charges relating to meeting rooms, interpreters, refreshments are fixed; refreshments will continue to be provided for delegates free of charge but no provision has been made for lunches;
  - (ii) **Advisory Committee** – ten days of meetings attended by 40 delegates have been assumed; refreshments will continue to be provided for delegates free of charge but no provision has been made for lunches;
- (g) **Contingency Fund:** a contingency fund for 2008 of one percent of the total operational expenditure budget of **£699,002**, i.e. **£6,990**, is proposed.
- (g) **One off costs** – a provision of £5,000 has been made relating to home leave for the Director during 2008.
- (h) **Total Proposed GMDSS Budget** for 2008, including contingency fund and one off costs, amounts to £705,992.

7.2.2 The Committee noted that, on the basis of the draft 2008 budget presented to it, Inmarsat is comfortable to confirm its agreement to the 2008 proposed GMDSS Budget, subject to the reimbursement of any LRIT costs which were covered from GMDSS funding paid in 2007 and 2008 being made as quickly as possible after LRIT funding is received and on the understanding that at the end of 2008, any underspend against the GMDSS budget will be reimbursed to Inmarsat.

7.2.3 For illustration, columns (6), (7) and (8) of Annex VI show the resulting GMDSS only budget for 2008, 2009 and 2010, if LRIT funding is secured and assuming agreement with the proposed LRIT budget. The LRIT budget is discussed in Sections 7.3 and 7.4 and is detailed in Annex VII. Although no calculations have been made for a GMDSS-only

budget for 2009 and 2010, a rough estimate would be an RPI only increase (of 5 percent), with adjustments made for an Assembly Session in 2010 only.

7.2.4 The Committee:

- (a) agreed the GMDSS Budget for 2008 (Annex VI, column (4)), totalling **£705,992**; and
- (b) noted that Inmarsat has confirmed its agreement to the 2008 draft GMDSS budget, subject to appropriate reductions in relation to LRIT spending.

7.3 **2007 LRIT Costs**

7.3.1 The Committee noted that, due to the lack of significant start up funding, there has been limited activity apart from some travel which was paid for separately and charges made for evaluation work, totalling **£4,506**.

7.3.2 Some funding has been received and the Director is still hopeful that further funds will be provided during 2007. These funds, expected to total **£13,601**, have been separately accounted for and have been used to cover identified LRIT activities referred to in paragraph 7.3.1. The surplus of **£8,995** is held in a separate LRIT bank account and will be carried over to 2008 to compensate for financial liabilities. The Director is in the process of negotiating donations from other countries.

7.3.3 As notified to all Member States and discussed in Section 6.1 of this Report, the Government of Turkey has provided a technical assignee to work on the LRIT project with effect from 10 December 2007, and will cover all travel and salary costs. IMSO will, however, cover the cost of office rental and services (estimated to be around £1,000 per month) utilizing LRIT start up funding, but only with effect from January 2008. There is therefore no impact on the 2007 budget.

7.3.4 In relation to the contractual obligations relating to the redesignations of current staff with effect from 1 July 2007, the relevant amounts will

continue to accumulate until LRIT funding is obtained, and are indicated in the LRIT budget for 2008.

7.3.5 The Committee noted:

- (a) that an amount of **£13,601** has been received for LRIT start up funding, and that the Director is in the process of negotiating further donations;
- (b) the forecast outturn for the LRIT budget for 2007 totalling **£4,506** (Annex VII, Column (2)); and
- (c) the forecast surplus of **£8,995**, which will be used to offset LRIT costs in 2008.

#### 7.4 **2008 LRIT Budget**

7.4.1 The Committee noted the draft budget for 2008 relating to LRIT which has been developed by the Director which built upon the 2007 LRIT budget agreed by the Committee (Column (3) of Annex VII). The LRIT Budget for 2008 totals **£555,732**, a reduction of **£114,815** compared to the illustrative budget noted by the Committee at its Eighteenth Session.

7.4.2 The Committee noted that some of the assumptions have been refined, as follows:

- (a) **Total salary costs**  
Relate to the P4, P5 (non local) and G7 (local) posts as well as the split indicated in item (e) above from 1 July, 1 September and 1 December 2008, respectively. The salary costs for current staff are split from 1 July only. There are no salary costs relating to the technical assignee as they are covered by the Government of Turkey.
- (b) **Office Maintenance**  
Provision has been made relative to new LRIT staff with effect from the above mentioned dates, and costs have been shared

accordingly, again with effect from 1 July. There are no additional costs relating to the technical assignee.

(c) **Rental**

Provision has been made for rental (which now includes associated service charge and insurance) for 2008 for the Technical Assignee to be covered by LRIT and from 1 July, 1 September and 1 December 2008 for the new P4, P5 and G7 posts, respectively. Provision has also been made for a meeting room with effect from 1 September 2008; rental costs are shared on the agreed basis proportional basis between GMDSS/LRIT from 1 July.

(d) **Meetings**

A provision of £10,000 has been made to cover a two day LRIT Coordination meeting, assumed to be attended by 50 delegates, all of which is allocated to LRIT. Costs of Committee meetings after 1 July 2008 and of the Assembly in September/October 2008 are split 50/50 between GMDSS/LRIT.

(e) **Travel and Hospitality**

A provision of £30,000 for travel and £2,000 for hospitality has been made which will relate specifically to LRIT. Travel by the Director and Deputy Director after 1 July have been split proportionately.

(f) **One off costs**

The one off costs relating to home leave for the Director have been split 50/50, as they are assumed to accrue after 1 July. Recruitment costs for the P4 and P5 posts will be covered by LRIT.

7.4.3 The Committee requested the Director to continue to explore alternative accommodation, including discussions with IMO, potential office space identified in the building of the headquarters of the International Coffee Organization, the UK Government which had responsibilities to assist IMSO under the Headquarters Agreement, and other possibilities, in the light of the planned expansion relating to LRIT. Members of the Committee were invited to submit suggestions in this regard. The Director was requested to report to the Assembly on this matter.

7.4.4 The Committee noted the following statements by the Director in response to issues and concerns raised by members of the Committee: follows;

- (a) it was fundamental that there is no cross subsidization between GMDSS and LRIT; separate accounting systems had been established;
- (b) although there was no formal contingency plan, some contingency arrangements were in place, for example assistance from Inmarsat;
- (c) some voluntary contributions to the LRIT start up fund had been received both in monetary terms and through services undertaken for Governments which have indicated that they will host a DC; the Director intended to reiterate to those governments that IMSO's experience and staff were available to assist them in implementation; other fees may be received which can contribute to process – i.e. evaluation, testing, integration. The intention would be to charge for this on basis of effort – at a daily rate to be calculated.
- (d) other income was in hand such as the provision by Turkey of a Technical Assignee and the offer by Spain to host the Advisory Committee meeting in February; funds had been received from Canada, EMSA and Australia and an amount of £8,000 had been invoiced to Pole Star; the Director welcomed in particular the intended offer of the Government of Canada to provide a contribution in 2008; income would be shown in the budgets;
- (e) the Director was continuing to explore start up funding for LRIT and welcomed the advice of the Committee; he had continued to write to Member States and SOLAS Contracting Governments regarding the critical need for start up funding and discussed this regularly at the highest level at IMO; private equity funding would also be explored;
- (f) it was important to link the budget with the functions to be carried out, which were based on the decisions of IMO;

- (g) the Director was continuing to work on the business/project plan, including income estimates, a draft of which would be submitted to the next Session of the Advisory Committee; and
- (h) IMO has already arranged four regional LRIT seminars to be held in February 2008 in which the Directorate will participate, and it was anticipated that further seminars will be held.

7.4.5 The Committee:

- (a) agreed, in principle, the LRIT Budget for 2008 of **£555,732** (Annex VII, Column (3)), a reduction of **£114,815** compared to the illustrative budget noted by the Committee at its Eighteenth Session;
- (b) noted the resulting total IMSO budget for 2008 of **£1,046,589** (Annex VII, Column (4)), and that the GMDSS budget thereby reduces to **£490,857** (Annex VII, Column (5));
- (c) noted the illustrative draft LRIT Budget for 2009 and 2010 totalling **£701,845** and **£795,442** (Annex VII, Columns (6) and (9) respectively);
- (d) noted the illustrative total IMSO budget for 2009 and 2010 totalling **£1,181,840** and **£1,346,268** (Annex VII, Columns (7) and (10) respectively); and
- (e) to note the resulting illustrative GMDSS Budget for 2009 and 2010 totalling **£479,994** and **£550,826** (Annex VII, Columns (8) and (11) respectively).

7.4.6 The Committee noted that it will consider the 2008 LRIT budget further at its next session in the light of the business plan to be presented by the Director.

7.5 **Illustrative LRIT Budget for 2009 and 2010**

7.5.1 The Committee noted that illustrative costs for the years 2009 and 2010 have previously been noted by the Committee and were based on the

principles discussed above. The following additional assumptions have been applied:

- (a) staffing: full year costs for the P4, P5 and G7 posts (assuming that the technical assignee will be for a one year period only)
- (b) office maintenance - all items shared on a proportional basis between GMDSS/LRIT;
- (c) rental has been increased for the three new posts, then shared on a proportional basis between GMDSS/LRIT;
- (d) a 5 percent global increase annually.
- (e) 10 days of Advisory Committee meetings, split equally between GMDSS and LRIT, attended by 40 delegates
- (f) a two day annual meeting of LRIT Coordinators, attended by 50 delegates, all costed to LRIT ;
- (g) a regular Assembly session in 2010, split equally between existing and LRIT;
- (h) home leave for the Director in 2010, for the P4 and P5 posts in 2010.

## 8 ANY OTHER BUSINESS

### 8.1 Committee Work Programme for 2008

The Committee noted document AC/20/8.1 containing the Committee's work programme and that this will be updated in the light of the outcome of this session of the Committee.

8.2 **Proposed Amendments to the IMSO Convention and Proposed Assembly Resolution (United States)**

8.2.1 The Committee noted document AC/20/8.2 regarding the legal opinion received from IMO, as Depositary of the IMSO Convention, as requested at the Nineteenth Session of the Committee, and agreed to discuss the legal advice and procedural matters only regarding further amendments to the Convention as proposed by the United States at its next session.

8.2.2 The Committee noted that the Assembly had, at its Nineteenth (Extraordinary) Session, *“noted a proposal made by the United States that the Assembly should consider a draft Resolution or further amendments to the Convention in order to cover the LRIT functions to be carried out by IMSO as well as financing of LRIT. Several Parties expressed the need for further amendments to the Convention to address this issue, while others considered that the principles could be taken care of in an Assembly Resolution, which could be developed by the Advisory Committee”* (Assembly/19/Record of Decisions, paragraph 7.9 refers).

8.2.3 The Committee suggested that members of the Committee should consider ensuring participation by their legal experts/advisors at the next Session of the Committee. The Committee noted that the United States had established an informal correspondence group in which it had invited all IMSO Member States to participate.

8.3 **Date of next meeting of the Committee**

8.3.1 The Committee noted document AC/20/8.3.

8.3.2 The Committee noted with appreciation the invitation of the delegation of Spain to host the Twenty-First Session of the Advisory Committee in Spain.

8.3.3 The Committee agreed to accept the kind invitation of the delegation of Spain and agreed that this meeting would be held on 27 to 29 February 2008.

8.3.4 The Committee also agreed on the following dates for its future Sessions during 2008:

Twenty-Second Session - Week of 7 July

Twenty-Third Session – 18 and 19 September

Twenty-Fourth Session - Week of 17 November

8.4 **Date of next Regular Session of Assembly**

8.4.1 The Committee noted document AC/20/8.4

8.4.2 The Committee noted that the United States had formally requested that the regular 2008 Assembly Session be held earlier in the year. The Committee discussed potential dates for the Assembly taking into account the extremely busy conference schedule for 2008 as well as the workload for the Assembly Session.

8.4.3 The Committee agreed to recommend that the Twentieth Session of the IMSO Assembly should be held from 29 September to 3 October 2008, and noted that arrangements had been made at IMSO Headquarters.

9 **APPROVAL OF REPORT**

The Committee approved the Report of its Twentieth Session.

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