

# IMSO



International  
Mobile Satellite  
Organization

To: IMSO Member States  
From: IMSO Director  
Subject: **LRIT START UP FUNDING**  
Reference: **IMSO/2007/LRIT/017**  
Date: 10 July 2007

Further to my recent correspondence relating to Long Range Identification Tracking of Ships, I am pleased to inform you that responses have been received to the Request for Proposals for the Establishment, Operation and Maintenance of the International Data Exchange (IDE) and/or International Data Centre (IDC) sent on 14 May 2007. They will be evaluated in accordance with the Performance Standards and the results submitted to the Eighty-third Session of the IMO Maritime Safety Committee in October for decision.

However, as indicated in the letter **IMSO/2007/LRIT/001** dated 21 March 2007, LRIT start up funding remains an issue for IMSO. I am sure I need not stress to you the importance and advantages of the LRIT system for maritime security and search and rescue operations.

Although some expenses relating to attendance at LRIT meetings and assistance in the establishment of a regional data centre are expected to be received from Canada, Malta and the European Maritime Safety Agency (EMSA), amounting to some £10,000 in total, no significant income for LRIT start up funding had yet been identified, and this could prejudice IMSO's ability to fulfil its functions as LRIT Coordinator.

It is estimated that an amount of **£1.5 million** would be needed for the next four years. I have approached a number of governments which had indicated to IMO MSC that they were willing to host regional national or international centres, as well as industry.

99 City Road, London EC1Y 1AX  
United Kingdom

Telephone: +44 (0)20 7728 1249  
Facsimile: +44 (0)20 7728 1172

Email: [info@imso.org](mailto:info@imso.org)  
Website: [www.imso.org](http://www.imso.org)

The principle has been established that the LRIT system should be at **no cost to either governments or ships**. This does not preclude any voluntary contributions from Parties and/or industry, along the lines indicated above, to develop the system.

At its recent Nineteenth Session, the IMSO Advisory Committee discussed the question of LRIT start up funding. The Report of that Session is being sent to you together with this letter. I would refer you to Section 6.4 of the Report as well as to the comments and suggestions made by members of the Committee. In particular, the Committee *"agreed that the Director should continue his efforts to identify possible sources of LRIT start up funding, and should write once again to Member States reiterating the need for start up funds for commencement of LRIT project and specifying the amounts sought"*.

You will also observe from Section 4.6 of the Report the financial procedures which have been set up to ensure that LRIT expenditure is identified separately from GMDSS expenditure.

The Committee has agreed the illustrative LRIT budget for 2007 of a maximum amount of **£314,108**, leading to a total budget for 2007 of £854,829 split between GMDSS (£540,721) and LRIT (£314,108). For convenience, details of the 2007 Budget as well as projections up to the years 2010 are attached. These will be refined by the Committee at its next meeting in December 2007.

As part of my efforts to identify possible sources of LRIT start up funding and taking into account the considerations of the Advisory Committee:

- I have written to the Secretary-General of the International Maritime Organization requesting that he emphasise to SOLAS Contracting Governments the need for LRIT funding, especially in the light of IMO's commitment to the success of LRIT.
- I will explore the possibility of obtaining external start up funding in the form of a loan, although the Advisory Committee considered that it could be premature to seek loans from outside the membership of the Organization.
- I stress the need for IMSO to preserve its independence in its role as LRIT Coordinator and, therefore, I once again seek the active assistance of IMSO Member States to identify and make available a contribution to the necessary funding in order to enable IMSO to begin its work of coordinating the global implementation of LRIT at the earliest possible moment. To contribute to this process, I would encourage you, as proposed during the Advisory Committee to consider any contribution to the fund, however small, to the LRIT budget.

I remain, as always, available to discuss with you any of the issues raised in this letter at any time.



Esteban Pacha  
Director

**BUDGET FOR THE YEAR ENDING 31 DECEMBER 2007**

	(1)	(2)	(3)	(4)
	<b>2007 GMDSS BUDGET</b>	<b>2007 ILLUSTRATIVE LRIT BUDGET</b>		
		<b>TOTAL</b>	<b>GMDSS</b>	<b>LRIT</b>
Gross salary	217,776	240,273	142,764	97,509
Post adjustments	35,310	45,198	17,655	27,543
<b><i>Total salary &amp; emoluments</i></b>	<b>253,086</b>	<b>285,471</b>	<b>160,419</b>	<b>125,052</b>
Parity adjustment	0	16,725	11,708	5,018
Non residents allowance	3,385	3,385	3,385	0
Rental allowance	20,071	24,820	11,591	13,228
Dependant allowance	2,115	2,330	1,058	1,273
Education allowance	29,142	33,714	14,571	19,143
<b><i>Total allowances</i></b>	<b>54,713</b>	<b>80,973</b>	<b>42,313</b>	<b>38,660</b>
Pension	56,071	62,464	35,605	26,859
Medical	20,805	23,193	14,371	8,822
Life assurance	6,955	6,063	3,279	2,784
Disability	5,359	5,692	2,927	2,765
Accident	597	597	368	230
National insurance	18,787	22,932	12,286	10,647
Language training	2,833	2,833	1,417	1,417
<b><i>Total employer costs</i></b>	<b>111,408</b>	<b>123,776</b>	<b>70,251</b>	<b>53,524</b>
<b><u>TOTAL SALARY COSTS</u></b>	<b><u>419207</u></b>	<b><u>490220</u></b>	<b><u>272,983</u></b>	<b><u>217,236</u></b>
Travel	42,600	47,600	34,450	13,150
Hospitality	3,000	3,000	2,250	750
Parking	2,000	2,000	1,500	500
Congestion charge	2,400	2,400	1,800	600
<b><i>Total travel and hospitality costs</i></b>	<b>50,000</b>	<b>55,000</b>	<b>40,000</b>	<b>15,000</b>
Office rent	25,561	27,159	19,810	7,349
Office service charge	19,600	21,198	15,190	6,008
Office insurance	1,479	1,571	1,146	425
<b><i>Total office premises costs</i></b>	<b>46,640</b>	<b>49,928</b>	<b>36,146</b>	<b>13,782</b>

	(1)	(2)	(3)	(4)
	<b>2007 GMDSS BUDGET</b>	<b>2007 ILLUSTRATIVE LRIT BUDGET</b>		
Accounting support	15,000	18,137	13,603	4,534
Payroll support	0	1,398	974	425
Audit fees	4,000	5,000	3,750	1,250
Pension provider fees	6,000	6,000	4,500	1,500
Printing and copying	5,000	5,000	3,750	1,250
Stationery	5,000	5,000	3,750	1,250
Postage	6,500	6,500	4,875	1,625
Telephones & fax	2,250	2,300	1,713	588
IT service charge	10,000	13,500	9,250	4,250
Web site & logo	6,000	6,000	4,500	1,500
Bank charges	700	700	525	175
<b>Total administrative costs</b>	<b>60,450</b>	<b>69,536</b>	<b>51,189</b>	<b>18,346</b>
Assembly	38,600	38,600	38,600	0
Advisory Committee	20,000	30,000	20,000	10,000
LRIT Coordination meetings		0	0	0
Translations	5,000	5,000	5,000	0
Interpretation	6,400	6,400	6,400	0
<b>Total meeting costs</b>	<b>70,000</b>	<b>80,000</b>	<b>70,000</b>	<b>10,000</b>
<b>TOTAL OPERATIONAL EXPENDITURE</b>	<b>646,297</b>	<b>744,682</b>	<b>470,318</b>	<b>274,364</b>
CONTINGENCY AT 1%	6,463	7,447	4,703	2,744
<b>TOTAL OPERATIONAL BUDGET</b>	<b>652,760</b>	<b>752,129</b>	<b>475,021</b>	<b>277,108</b>
Removal	15,000	25,000	15,000	10,000
Assignment grant	35,000	55,000	35,000	20,000
Relocation	2,000	4,000	2,000	2,000
Home leave	0	0	0	0
Repatriation	13,700	13,700	13,700	0
Recruitment costs	0	5,000	0	5,000
<b>Total one off costs</b>	<b>65,700</b>	<b>102,700</b>	<b>65,700</b>	<b>37,000</b>
<b><u>TOTAL BUDGET</u></b>	<b>718,460</b>	<b>854,829</b>	<b>540,721</b>	<b>314,108</b>

**ILLUSTRATIVE BUDGET INCLUDING LRIT 2008 TO 2010**

	2008 ESTIMATE			2008 ESTIMATE (FULL YEAR FULL STAFF)			2009 ESTIMATE			2010 ESTIMATE		
	TOTAL	GMDSS	LRIT	TOTAL	GMDSS	LRIT	TOTAL	GMDSS	LRIT	TOTAL	EXISTING	LRIT
Total salary & emoluments	423,142	179,037	244,106	461,094	182,613	278,481	484,149	191,743	292,405	508,356	201,330	307,026
Total allowances	158,081	60,161	89,920	163,855	60,161	103,694	172,048	63,169	108,879	180,650	66,328	114,323
Total employer costs	178,459	77,117	101,342	194,300	78,792	115,508	204,015	82,732	121,283	214,216	86,869	127,347
Total travel and hospitality costs	82,500	26,250	56,250	82,500	26,250	56,250	96,500	28,250	68,250	99,000	28,500	70,500
Total office premises costs	72,875	30,025	42,850	81,620	31,482	50,138	85,701	28,567	57,134	89,986	29,995	59,991
Total admin. Costs	85,483	37,741	47,741	85,483	37,741	47,741	81,698	35,599	46,099	85,783	37,379	48,404
Total meeting costs	98,000	46,500	51,500	98,000	46,500	51,500	33,000	13,500	19,500	102,900	48,825	54,075
TOTAL OP. EXPENDITURE	1,090,540	456,840	633,710	1,166,852	463,540	703,312	1,157,111	443,561	713,550	1,280,891	499,226	781,665
1% Contingency	10,905	4,568	6,337	11,669	4,635	7,033	11,571	4,436	7,135	12,809	4,992	7,817
TOTAL OP. BUDGET	1,101,446	461,399	640,047	1,178,521	468,175	710,346	1,168,682	447,996	720,686	1,293,700	504,218	789,482
Total one off costs	33,000	2,500	30,500	33,000	2,500	30,500	3,000	0	3,000	9,000	3,000	6,000
<b>TOTAL BUDGET</b>	<b>1,134,446</b>	<b>463,899</b>	<b>670,547</b>	<b>1,211,521</b>	<b>470,675</b>	<b>740,846</b>	<b>1,171,682</b>	<b>447,996</b>	<b>723,686</b>	<b>1,302,700</b>	<b>507,218</b>	<b>795,482</b>