



International Mobile Satellite Organization

ADVISORY COMMITTEE

Twentieth Session

11 to 13 December 2007

Agenda item 6

IMSO/AC/20/6.1

Origin: Director

Date: 28 November 2007

LONG RANGE IDENTIFICATION AND TRACKING OF SHIPS (LRIT)

**OUTCOME OF IMO MSC 83, STRATEGIC PLAN, BUSINESS PLAN
AND CONTRACTUAL ARRANGEMENTS WITH IDE AND DCS**

Executive Summary:	This document discusses the following issues relating to LRIT: Outcome of IMO MSC 83; LRIT Strategic Plan; Draft LRIT Business Plan; and Contractual Arrangements with IDE and DCs.
Action to be taken:	to note the information provided
Related documents:	MSC 83/28

1 OUTCOME OF IMO MSC 83

1.1 At its Nineteenth Session, the Committee noted the IMSO contributions to IMO MSC 83 "Analysis as to How IMSO Intends to Undertake the Role of LRIT Co-ordinator, Based on the Performance Standard, Technical Specifications and other Published Requirements of IMO" (MSC 83/6/7).

1.2 Discussions at MSC 83 were protracted and detailed. Because of the volume and complexity of the work it had to undertake, there was no substantive discussion in the Working Group on LRIT Matters concerning the role of IMSO as LRIT Co-ordinator, and the above document was not properly reviewed or considered. The report of MSC 83 (MSC 83/28) comments:

"6.88 The Committee noted the discussions of the group relating to the performance by IMSO of the functions of the LRIT Co-ordinator."

2 REQUEST FOR PROPOSALS

2.1 At its Nineteenth Session, the Committee also noted that a proposal for the establishment, operation and maintenance of the International LRIT Data Centre and International LRIT Data Exchange, Request for Proposals for the Establishment, Operation and Maintenance of the International Data Exchange (IDE) and/or International Data Centre (IDC) had been submitted in response to the RFP issued by the Director; and that the United States had submitted an offer to host, build and operate the International LRIT Data Centre and International LRIT Data Exchange on an interim basis until such time as there is a viable alternative.

2.2 The Director evaluated the proposals in accordance with the Performance Standards and submitted the results of the evaluation to MSC 83 for decision (MSC 83/6/11). 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. The Directorate has also worked actively with the IMO MSC Intersessional Working Group on LRIT.

2.3 MSC 83, after lengthy and rather difficult discussions, decided not to accept the proposal by 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... ."

2.4 The text of Resolution MSC 243(83) is attached at Annex I.

3 CONTRACTUAL ARRANGEMENTS WITH IDE AND DCs

3.1 Following MSC 83, the Director has contacted the relevant point of contact in the United States, inviting US participation in discussions concerning contractual arrangements between IMSO and the US as IDE operator, and is awaiting a response.

3.2 The Director has now also written formally to the United States as IDE operator, and those countries who 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 has 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 intends to develop, with the assistance and advice of the Advisory Committee, a draft model PSA for use between IMSO and the LRIT Data Centres.

4 COST RECOVERY BY IMSO

4.1 At its Nineteenth Session, the Committee noted that any mechanism to recover costs and ensure compliance should not interfere with transmission of LRIT data from ships to LRIT data centre.

4.2 The Committee also noted that the Director will prepare details of the IMSO charges and fees taking into account the principles and decisions taken by MSC 83.

4.3 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 included in document AC/20/6.1

5 STRATEGIC PLAN

5.1 Document AC/20/7 provides draft LRIT budgets 2008 and beyond. These budgets have been developed on the basis of certain key assumptions, which are included in section 4 of that document. These assumptions give a clear view of the Director's strategy for introducing and implementing the new LRIT business stream in IMSO.

5.2 In addition, MSC 83 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."

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

6 DRAFT BUSINESS PLAN

The Director's further proposals in relation to charges for LRIT Audit and Review are contained in document AC/20/6.1.

7 LRIT START UP FUNDING

7.1 At its Nineteenth Session, 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 to allow commencement of the LRIT project and specifying the amounts sought. Accordingly, the Director wrote to all IMSO Member States on 10 July 2007.

7.2 In addition, the Director invited two commercial banks to consider the possibility of providing a loan to the organization for this purpose. One of the banks declined to consider the opportunity, while the other would only do so in exchange for major equity share in the organization. Since then, the world-wide credit squeeze has taken effect and it is considered extremely improbable that it could prove possible to obtain LRIT start-up funding from commercial sources.

7.3 The Director has also invited Inmarsat to consider making a loan or direct contribution to funding the start-up of LRIT operations by the organization. Inmarsat considered the issue but has declined to make any

such loan or contribution in addition to its current level of tacit support for the Directorate's LRIT activities.

7.4 Meanwhile, the Director has taken every opportunity to attract funding for LRIT start-up purposes, either as grants, loans or fees for the provision of assistance to Member States. The current situation, as indicated in document AC/20/7, is that an amount of £13,601 is expected to be received by the end of 2007, leading to a surplus of around £8,995. Further funding has been pledged for 2008.

8 TURKEY – TECHNICAL ASSIGNEE

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, will join the Directorate in the middle of December 2007.

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 the funds indicated in section 7.
