

LRIT CHARGING FORMULA
FOR THE ANNUAL REVIEW AND AUDIT OF
LRIT DATA CENTRES AND THE INTERNATIONAL LRIT DATA EXCHANGE

1 The International Maritime Organization (IMO) has appointed the International Mobile Satellite Organization (IMSO) as the LRIT Coordinator and delegated the function of auditing the performance of LRIT Data Centres and of the International LRIT Data Exchange to IMSO, acting on behalf of all SOLAS Contracting Governments. (Resolution MSC 275(85))

2 IMO has, in addition, adopted resolution MSC.263(84): Revised Performance Standards and Functional Requirements for the Long-Range Identification and Tracking of Ships (LRIT) which provides, *inter alia*, that:

“The LRIT Coordinator should establish ... the charges it would be levying in order to recover the expenditure it incurs for providing the services specified ... “. (MSC.263(84) paragraph 14.7).

3 Paragraph 14.8 of resolution MSC.263(84) also provides detailed guidance on who is liable to pay for which services.

4 The IMSO Assembly, at its Twenty-Third Session (London, 25 - 28 November 2014), approved a new LRIT charging formula to establish the annual audit and review fees for 2015 and 2016. The principles and concept of the new LRIT charging formula are illustrated at the annex.

5 The new formula will be kept under review by the IMSO Advisory Committee until the next regular session of the Assembly in 2016.

Annex

LRIT CHARGING FORMULA

The LRIT charging formula is used by IMSO to calculate the fees for the annual review and audit of LRIT Data Centres (DC) and the International LRIT Data Exchange (IDE).

The LRIT charging formula distributes the total LRIT costs amongst the existing LRIT DCs and the IDE through a mathematical matrix taking into account the number of flags and ships associated with DCs.

For the purposes of the formula, DCs are grouped according to the size of their assets and participation in the LRIT system. A mathematical matrix is prepared to calculate the audit unit fees payable by each DC size.

The **base unit fee**, which is payable by the smallest size of DC, is considered to be 1 and is logarithmically increased by a certain percentage as the DC size grows. The increase rates for flag and ship can be set separately. DCs with 20 or fewer ships, irrespective of the number of flags associated with the DC, will pay the base unit fee. The IDE will pay the same fee as a DC with one flag and 21 to 250 ships.

An illustration of the matrix with the “flag” and “ship” factors set at 40% and 25% respectively is provided below.

		<u>DCs by SHIP number</u>			
		0 to 20	21 to 250	251 to 1000	> 1001
<u>DCs by FLAG number</u>	1 Flag	1	1.25	1.56	1.95
	2 Flags	1	1.75	2.19	2.73
	3 Flags	1	2.45	3.06	3.83
	4 Flags	1	3.43	4.29	5.36
	5 Flags	1	4.80	6.00	7.50
	6-15 Flags	1	6.72	8.40	10.50
	> 16 Flags	1	9.41	11.76	14.71

The **base unit fee** is calculated by dividing the annual LRIT budget of the Organization by the total unit fees payable by all of the DCs and the IDE expected to be audited in the year.