

Rt Hon John Hayes CBE MP Minister of State Department for Transport Great Minster House 33 Horseferry Road London SW1P 4DR Bay 3/30 Spring Place 105 Commercial Road Southampton SO15 1EG

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Dear Minister,

I undertook to write to you about the MCA fees uplift, which we would hope to bring to a conclusion in time for the Common Commencement date of 01 April 2018.

As you know, the Maritime and Coastguard Agency is under an obligation to ensure that it sets fees and other charges at a level which recovers costs in full. On that basis, you have accepted our recommendation that there should be an uplift in fees, albeit with some phasing in.

This fee increase is the first in 11 years. Although our fees and charges still remain competitive with other reputable flags and Certifying Agencies, the uplift is proportionately larger than would otherwise have been required if we had a process which delivered simpler and more regular changes in fees.

You have asked the MCA to consider ways to ensure that future changes to fees and charges occur more regularly and transparently, thus providing industry with greater certainty and avoiding the sort of more substantial uplift required on this occasion.

I can confirm that we will now be actively reviewing our processes in relation to fees to achieve that outcome. We will work with officials at the Department for Transport and HM Treasury to develop options including - as necessary - proposals to change the relevant statutory framework, should Parliamentary time allow. We would aim to introduce any changes in time to inform the next uplift, due in 2019.

I will be placing a copy of this letter on the MCA's website so that our intent on this issue is clear to industry and other interested parties. I will provide further updates as our work progresses.

Yours sincerely,

Sir Alan Massey Chief Executive



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