

Applying Spectrum Pricing to the Aeronautical Sector: A Second Consultation

A Consultation by Ofcom

Introduction

The British Air Transport Association (BATA) welcomes the opportunity to respond to the consultation '*Applying Spectrum pricing to the Aeronautical Sector: a Second consultation*' carried out by Ofcom.

BATA is the trade body for UK registered airlines. Our ten members cover all sectors of the airline industry – including freight, charter, low fare, regional operations and full service. In 2009, BATA members directly employed over 71,000 people, operated two thirds of the UK commercial aircraft fleet and were responsible for some 80% of UK airline output, carrying 81 million passengers and 1 million tonnes of freight.

We understand that a number of BATA's member airlines intend to make their own, detailed submissions to Ofcom, highlighting their own individual perspective and sharing data where possible.

BATA has attempted in this submission to provide responses where it can, after discussion with and input from our member airlines.

This response is separate from the industry wide paper submitted by the CBI to which BATA, along with a number of other trade bodies, has given its support and endorses.

Summary

BATA supports the need for efficient use of spectrum in the aeronautical sector.

We are aware that the industry is already developing international strategies and management approaches to achieve this objective.

We do not believe that the proposals contained in this consultation will deliver the benefits advanced by Ofcom. The imposition of AIP would do nothing to increase more efficient use of the spectrum or provide any value or benefit to airlines; indeed airlines would effectively be taxed as AIP costs are passed through to them, with UK based carriers being hit hardest.

We remain convinced that the only major beneficiary of this proposal would be the UK Treasury.

We therefore oppose the imposition of AIP to spectrum in the aeronautical sector.

We believe that the management of the spectrum being considered by this consultation should be the responsibility of the UK Department for Transport (DfT) as they are best placed to interact and coordinate with the various international and intergovernmental initiatives already working towards more effective spectrum usage.

Question 1: Do you consider that our proposed fee rates for licences in the aeronautical VHF frequencies are appropriate?

We fundamentally disagree with the proposal to introduce AIP and therefore oppose the very concept of fees, no matter what rates they are set at.

Question 2: In devising our revised proposals, have we identified all of the aeronautical uses of VHF communications frequencies which require a distinct approach to fee setting, as set out in tables 5 and 6?

We do not accept AIP being imposed on aeronautical VHF usage.

Question 3: Do you agree with our proposal not to charge any fees for Fire assignments?

While retaining our total opposition to the concept of AIP, we would agree that it would be ludicrous to charge fees for Fire assignments.

Question 4: Do you agree with our proposal to set a £75 fee for license in any of the sporting frequencies?

No comment.

Question 5: Do you agree with our proposals to set an annual fee of £19,800 per ACARS or VDL assignment, with no variation related to the number of transmitters?

No. This penalises the use of more efficient communications technology and is surely a perverse and counterproductive effect of the proposal when set against its objectives.

Question 6: Do you consider that our proposed general approach to phasing in fees for the use of the aeronautical VHF communication channels are appropriate? If there are particular reasons why you consider that any user or group of users would need longer phasing-in periods, please provide any supporting evidence for us to consider. Specifically, do you have any evidence for us to consider that would support either of Options 1 and 2 for the highest proposed fee in this sector?

We are opposed to the very principle of AIP being imposed for the use of aeronautical VHF frequencies. Therefore the degree to which fees are proposed to be phased in and the design of such a phasing in process is for us of secondary concern to that of the imposition of AIP itself.

Question 7: Do you have any further quantified information to contribute to the analysis of financial impacts of the proposed fees on particular spectrum users, as set out in Annex 5? We would like to publish all responses, but will respect the confidentiality of any material which is clearly marked as such.

We do not, but are sure that individual carriers and airports in particular, as well as third party service providers will be able to provide detailed assessments with figures of how the proposals will impact on their operations.

Question 8: Do you consider that our assessment of the impacts of our proposals has taken full account of relevant factors? If you consider that there is additional evidence that would indicate particular impacts we should take into account, we would be grateful if you could provide this.

No. We believe that AIP will impose a financial penalty on the UK air transport industry and that the assessment fails to account for the fact that application of AIP in one EU state will not impact on the management of aeronautical spectrum usage across the rest of the Europe. The Department for Transport should be invested with strategic management of these frequencies

Roger Wiltshire
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British Air Transport Association

April 2010