



BAA's Response to Ofcom's Consultation "Applying
spectrum pricing to the maritime sector, and new
arrangements for the management of spectrum used for
radar and aeronautical navigation aids - a second
consultation"

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BAA welcomes the opportunity to respond to Ofcom's consultation "Applying spectrum pricing to the maritime sector, and new arrangements for the management of spectrum used for radar and aeronautical navigation aids - a second consultation" published on 13th August 2009 (the "August consultation").

BAA is the world's leading private airport operator, with six UK airports including Heathrow and Stansted. Heathrow is the world's busiest international airport in terms of passenger numbers, and number two for air cargo. BAA also operates the Heathrow Express rail link. Currently over 110 million passengers travel through our UK airports annually. The UK Government predicted in 2003 that passenger numbers would double over the following 20 years.

BAA's airports are some of the most complex radio environments in the UK, with a large number of service types and a heavy demand on spectrum. Radio communications are critical to airport operations, helping to ensure the safety and security of all airport users.

BAA currently hold 10 aeronautical licences, all of them at Southampton Airport. NATS hold the aeronautical licences at BAA's other five airports.

BAA is supportive of trading and liberalisation and other measures to improve spectrum efficiency, provided these measures are demonstrated to be effective.

BAA responded to Ofcom's 2008 consultation "Applying spectrum pricing to the Maritime and Aeronautical sectors" (the "2008 consultation"), expressing significant concern about the proposals to apply AIP to the aeronautical sector. BAA therefore welcomes Ofcom's proposal in the August consultation not to apply AIP to aeronautical radar and navaid spectrum. A more detailed response to the relevant question (Question 18) is given below.

BAA has no comment on questions 1 to 17 in this consultation as they concern maritime spectrum.

Question 18: If the Government were to assume the strategic management role for the radar and aeronautical navigation aids spectrum that we propose, do you agree that we should not develop proposals for AIP licence fees?

Yes. As we stated in our response to the 2008 consultation, we do not believe that AIP would improve spectrum efficiency in the bands used by aeronautical radar and nav aids, and should therefore not be applied to this spectrum. We are pleased therefore that Ofcom now propose not to implement AIP fees.

We remain concerned nevertheless that DfT may decide to adopt AIP and the rates proposed in the 2008 consultation and recommend that:

- AIP should not be applied unilaterally without international coordination, and certainly not before the impact of SESAR is understood
- Where AIP is used then rates should be derived from recent auctions of L band spectrum and the 10-40 GHz band, giving prices which are a tiny fraction (1-3%) of the rates Ofcom proposed in the 2008 consultation
- DfT should carry out a consultation including a thorough impact assessment of their proposals to ensure that the benefits outweigh the costs