Question 1: How should Ofcom manage the process of taking advice from users, regulators and government on efficient apportionment of AIP fees in the maritime and aeronautical sectors? Are any new institutional arrangements needed?:

Question 2: If you consider that our proposals for pricing ground station users for any spectrum would be likely to have a detrimental impact on safety, please let us know. In order for us to understand your assessment fully, it would be helpful if you could outline the mechanisms whereby this might happen.?:

Question 3: Do you have any evidence which indicates that AIP charged to ground stations could have a material detrimental impact on UK competitiveness?:

Question 4: Taking into account the information available in this document, including that set out in Annex 5, our initial views on VHF radiocommunications licence fees and on the reference rates for bands in other uses, and any information you have about the organisations to whom we are proposing to charge fees, please provide any evidence that you think is relevant to us in considering the financial impact of the fees we intend to propose for VHF radiocommunications, or for other uses:

Question 5: Do you agree that there is little to be gained, in terms of economic efficiency, from charging AIP to WT Act licences for aircraft:

Question 6: Do you consider that we should discount fees for any particular user or type of user? Specifically, do you consider that there should be a discount for charities whose object is the safety of human life in an emergency:

Question 7: Do you agree that Ofcom should apply AIP to ground stations? use of maritime and aeronautical VHF radiocommunications channels, to help manage growing congestion in current use and to ensure that the cost of denying access to this spectrum by potential alternative applications is faced by current users?:

Question 8: Do you agree with our initial view that it would be appropriate to apply a pricing system similar to that already existing for Business Radio licences to maritime and aeronautical VHF communications? If not, what are your reasons for proposing that we should develop a fee structure for maritime and aeronautical VHF channels which is distinct from that already established for Business Radio?:

Question 9: Are there any short term reasons specific to the sector(s) why it would be inappropriate to apply fees from April 2009?:

Question 10: Ofcom would welcome stakeholders? views on the factors which should be taken into account when apportioning fees between individual users of radars and racons:

Question 11: Do you agree with our initial view that a reference rate of £126k per 1 MHz of national spectrum for L band and S band radar spectrum would achieve an appropriate balance between providing incentives to ensure efficient use of spectrum while guarding against the risks of regulatory failure in setting the reference rate too high? If you consider a different rate would be more appropriate, please provide any evidence that you think we should take into account.:

Question 12:Do you agree with our initial view that a reference rate of £25k per single MHz of national spectrum would be appropriate for deriving fees for licences to use X band radar?:

Question 13: Do you agree that, generally, spectrum used by aeronautical radionavigation aids is currently uncongested? Do you believe that this may change during the next few years and, if so, approximately when?:

Question 14: Do you agree with the basis on which Ofcom has arrived at its initial view on reference rates for aeronautical radionavigation aids?:

## **Comments:**

Where Airline Associations have already stated their consolidated member airline position, KLM would like to enter its additional individual comment herewith:

Airspace users, airlines, are forced to use the spectrum that is available for aviation. ICAO, the International Civil Aviation Organizations (ICAO) prescribes what frequency bands shall be used for aviation communication, navigation and surveillance purposes and the aircraft is certified for use (airworthiness certification) in compliance with ICAO requirements.

Charging the end-user of aviation spectrum for use of this spectrum through AIP will not incentivise this end user, the airline. The airline is not in a position to choose an alternative, there is no alternative. Subsequently, the net effect of AIP for the end-user is taxation.

The UK Government should, instead of considering aviation spectrum as a national asset, stimulate the implementation and associated Research and Development of the SESAR, Single European Sky ATM Research, programme to achieve the goal of

spectrum use optimization on a global basis. Local optimization, if any, as a result of PIA, could even result in suboptimization from a global/worldwide perspective, including its national repercussions.