

Comments on Ofcom Consultation “Spectrum Framework Review: the Public Sector”.

International Air Transport Association (IATA)

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The International Air Transport Association (IATA) welcomes the opportunity to respond to the Ofcom consultation “Spectrum Framework Review: the Public Sector“. The Ofcom proposals include assessing the potential for Administered Incentive Pricing (AIP) to promote release or band sharing of certain aeronautical spectrum.

IATA represents 243 of the world’s airlines carrying 94% of international scheduled traffic and 40% of manufactured goods. Some 130 of our members fly through UK airspace and 6 of our members are UK based.

Airlines need reliable air traffic management (ATM) services to operate safely and efficiently. New systems are being planned to support initiatives such as the Single European Sky, increasing efficiency and ensuring safe, secure and environmentally sustainable air transport. All of these depend on the availability of radio spectrum that can support the high integrity associated with aeronautical safety.

We therefore have a significant interest in this consultation, and welcome the drive to increase the efficiencies in spectrum management and use.

Spectrum issues: Aviation is a safety of life service and the spectrum it uses must be protected from harmful interference to ensure the high integrity of the systems that rely on it. As a result, such spectrum is allocated globally through the International Telecommunications Union (ITU) radio regulations to ensure harmonized agreements, which are essential for safety and interoperability. These are also in conformity with the UN International Civil Aviation Organization (ICAO) developed guidelines.

Economic Issues: Aviation generates 32 million jobs and its global impact is estimated at USD 3.6 trillion – equal to 8% of the world’s GDP. Aviation and tourism are closely linked with 40% of international tourists traveling by air. The Oxford Economics (Oct 2006) report on the Economic Contribution of the Air transport Industry in the UK highlights:

- The aviation industry directly contributed GBP 11.4 billion to UK GDP and employs 186,000 people.
- Over 520,000 jobs in the UK in total depend on the aviation industry.
- 55% by value of the UK’s manufactured exports to countries outside the EU are transported by air.

Any charge levied on airlines flying in UK airspace or to and from UK airports would have a substantial adverse impact on the wider economic development and growth benefits of air transport.

The Ofcom initiative proposes that charging airlines AIP would give them the incentive to become more spectrum efficient. However, IATA cannot accept that

this would result in more charges for our infrastructure.

Firstly, whilst airlines have already implemented, for example, the 8.33 kHz programme to relieve congestion in the VHF bands, they cannot independently make major changes to the use of the spectrum they are globally allocated. There is a complicated international process involved and the States themselves makes the decisions through the ITU.

Secondly, unlike other transport sectors, aviation covers all of its infrastructure costs and already pays more than USD 40 billion in worldwide charges per year. The consultation document recognizes that much of the detail of the proposals has yet to be finalized and will be subject to further consultation. On our part we recognize the complexity and difficulty in applying the proposals on the future management of civil aviation spectrum.

For the above reasons, we strongly oppose the application of AIP proposals to aviation since they are inappropriate and unnecessary. In our view the proposals are unaffordable and can seriously damage the civil aviation industry and the economic benefits it generates.

IATA would be pleased to provide any additional information Ofcom may require.