



BAA's Response to Ofcom's Consultation  
"Award of available spectrum: 2500-2690MHz, 2010-  
2025MHz" dated 1 August 2007

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BAA welcomes the opportunity to respond to Ofcom's consultation "Award of available spectrum: 2500-2690MHz, 2010-2025MHz" dated 1 August 2007.

BAA is the world's leading private airport operator, with seven UK airports including the three London airports Heathrow, Gatwick 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 140 million passengers travel through our UK airports annually, however the UK Government forecasts that passenger numbers will double over the next 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. Airport expansion and the provision of new wireless-based services will lead to increasing demands on the radio spectrum. The lack of available spectrum, especially at Heathrow, is a significant constraint on airport operations and the provision of services.

BAA therefore welcomes the release of this spectrum and is strongly supportive of Ofcom's proposals for technology neutral awards. BAA is considering use of the spectrum for safety, security and operational applications. However BAA is concerned that Ofcom's current proposals will not result in sufficient competition and diversity of services. In our view the proposed spectrum cap of 90 MHz is far too high.

Ofcom's revised interference assessment appears to be comprehensive and we have no comments on Questions 1 to 3.

Regarding Question 4, "*Do stakeholders agree with the proposed changes to the auction design set out in the December 2006 consultation?*", BAA supports Ofcom's proposal to delay award of the 2290 MHz band until after the award of the 2.6 GHz, although we believe that Ofcom should reconsider award of the 2290 MHz band as soon as sufficient stakeholder interest emerges.

However as stated in our response to the December consultation, we strongly believe that the proposed cap of 90 MHz is too large. Ofcom's own research suggests that no single organisation requires more than 60 MHz, so any bids over that amount are presumably designed to restrict competition. One possible consequence of a large spectrum cap is that the spectrum is awarded to a small number of stakeholders, which we believe would stifle the secondary market and limit spectrum availability and the opportunities for innovation and diversity of services. We note that in the DECT-GSM Guard Band auction Ofcom specified a minimum of 7 winners to increase competition and innovation rather than maximise revenue.