

Response by KLM Royal Dutch Airlines to the Consultation Paper regarding Radio Spectrum Management Review, prepared by professor Martin Cave.

KLM appreciates the opportunity provided by the UK government to contribute to the discussion regarding the future of organisation and management of radio spectrum in the UK. Without examining all issues for discussion in detail, KLM would like to make the following comments.

- Although the paper briefly mentions that part of radio spectrum supports ‘the wider public benefit of safety of life for passengers, other transport users and the population at large’, in our opinion this very important basic principle is rather underexposed. The use of radio spectrum can and should be divided into two distinct categories: commercial use and non-commercial use. Commercial use is voluntary and can be limited or expanded, according to availability. Non-commercial use is obligatory. It concerns safety. Demand does not adapt to availability. The introduction of market mechanisms to this use of spectrum is therefore not appropriate. It will not lead to improved efficiency. The only goal it will achieve is increased revenues for the government and possibly an increased number of safety-incidents.
- Since the aim of the review is to improve efficiency in the use of spectrum and not to maximise proceeds to the Exchequer from ongoing spectrum usage fees, non-commercial use should not be asked to pay a ‘scarcity value surcharge’. The aviation community has always paid for the use of spectrum through usage fees. The levels of those fees are based on internationally acknowledged ICAO Principles of cost-recovery. This means that all actual costs, connected to the use of spectrum by the aviation community, are covered.
- Efficiency of the use of spectrum, allocated to aviation, has improved a great deal over the past decades. Air traffic has tripled since the 1970’s within the existing allocated spectrum. The paper does not examine possibilities to further improve efficiency in non-commercial use, other than to introduce market elements. KLM feels this is a missed opportunity and encourages the UK government to further explore other possibilities to improve efficiency.

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