

**Title:**

Mr

**Forename:**

Andrew

**Surname:**

Wood

**Representing:**

Organisation

**Organisation (if applicable):**

ARINC

**Email:**

**What do you want Ofcom to keep confidential?:**

Keep nothing confidential

**If you want part of your response kept confidential, which parts?:**

**Ofcom may publish a response summary:**

Yes

**I confirm that I have read the declaration:**

Yes

**Ofcom should only publish this response after the consultation has ended:**

You may publish my response on receipt

**Additional comments:**

**Question 1: Do you consider that our proposed fee rates for licences in the aeronautical VHF frequencies are appropriate?:**

Absolutely not. The 117.975 to 137 MHz Aeronautical Frequency band has long been reserved for the air-to-air and air-to-ground aviation navigation and communications.

These frequencies provide world-wide critical, safety-of-flight services which the entire world benefits. Charging additional fees for use will discourage use and decrease safety.

We consider the AIP logic presented in this consultation to be an attempt to rationalise the execution of a new policy for the generation of increased tax revenues. ARINC is already paying significant per ground station licensing fees to the UK CAA. This proposal will result in double taxation to service providers.

**Question 2: In devising our revised proposals, have we identified all of the aeronautical uses of VHF communications frequencies which require a distinct approach to fee setting, as set out in tables 5 and 6?:**

No you have not identified all current and future applications intended for use on the Aeronautical VHF band.

**Question 3: Do you agree with our proposal not to charge any fees for Fire assignments?:**

Similar to the use of VHF spectrum for the aviation industry, the Fire department is a public safety service and should not be charged fees for essential communications.

**Question 4: Do you agree with our proposal to set a £75 fee for licences in any of the sporting frequencies?:**

It is not ARINC's place to comment specifically on Governmental rules and fees for the recreational use of VHF spectrum and the question to be answered by those that are closer to this activity.

**Question 5: Do you agree with our proposal to set an annual fee of £19,800 per ACARS or VDL assignment, with no variation related to the number of transmitters?:**

Absolutely not; the annual fee should be zero and without regard to the number of transmitters.

Because of international laws that prevent the collection of AIP fees per aircraft, your proposal then has shifted to the extraction of funds from the operators of ground stations. However, in the case of ARINC, the sole purpose of these ground station is for the exchange of flight critical, safety-of-flight communications to the aircraft, such as ATC clearances and weather products. If aircraft are exempt, the supporting ground stations should likewise be exempt.

Furthermore, the logic presented in this proposal is flawed because the stated purpose is to incentivize the efficient use of VHF spectrum. While voice communications are essential, particularly during in-flight and emergencies, data communications are the norm for routine communications and make significantly more efficient use of spectrum.

The fees set forth in this proposal are the same for both standard voice (25 kHz) and

ACARS data and each require the same VHF channel assignments, yet, ACARS data communications are at least 10 times more efficient than voice. The same discussion can be applied when comparing VDL Mode 2 channels with that of ACARS channels, a VDL channel is 15 to 20 times more efficient than an ACARS channel or frequency.

In review, this proposal changes the same fees for voice and ACARS channels and twice as much for a VDL channel. If the proposal is intended to incentivize the efficient use of the VHF band then there should be clear incentives to move toward data communications.

**Question 6: Do you consider that our proposed approach to phasing in fees for use of the aeronautical VHF communications channels are appropriate? If there are particular reasons why you consider that any user or group of users would need longer phasing-in periods, please provide any supporting evidence for us to consider. Specifically, do you have any evidence for us to consider that would support either of Options 1 and 2 for the highest proposed fee in this sector?:**

No. See question #7.

**Question 7: Do you have any further quantified information to contribute to the analysis of financial impacts of the proposed fees on particular spectrum users, as set out in Annex 5? We would like to publish all responses, but will respect the confidentiality of any material which is clearly marked as such.:**

Yes.

Over the last decade, the airline community has been severely impacted by economic events and many are, or are nearing the verge of bankruptcy. In response, ARINC has continually reduced communications fees to assist in the survival of our airline partners, despite rising infrastructure costs. Consequently, ARINC's operating margins are extremely tight and we cannot simply absorb new costs (without benefit) as are being proposed in Annex 5.

Inevitably, these new costs should be passed onto the aircraft and airlines that use the data link communications service. In the final analysis, these taxes are borne by the consumer.

**Question 8: Do you consider that our assessment of the impacts of our proposals has taken full account of relevant factors? If you consider that there is additional evidence that would indicate particular impacts we should take into account, we would be grateful if you could provide this.:**

No.

ACARS has been used over the last 30 years and improved efficiencies of the VHF

spectrum, with VDL a further step in that direction.

With the slow certification and evolution of avionic and ATC systems, there is no alternative to replace current datalink systems at least for the next decade and in reality, much longer.

What is Ofcom trying to incentivise users to change to?