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Ref DAP/Ofcom/AIP/VHFConsult

Dear Michael

**BESPOKE LICENCE FEES FOR AERONAUTICAL VHF COMMUNICATIONS
FREQUENCIES - FURTHER CONSULTATION**

The CAA provided a comprehensive response to the previous Ofcom consultation on applying spectrum pricing and we acknowledge Ofcom's recognition of the many issues raised by us and aviation stakeholders. This response does not provide answers to the specific questions in the latest consultation as these are considered to be more appropriate to stakeholders rather than the CAA as a regulator. That said, it is appropriate for the CAA to provide more general comment.

Although the CAA view that AIP is unlikely to deliver any significant material benefit as a driver for greater spectrum efficiency remains unchanged by this further consultation, these revised proposals are an improvement. The increased granularity in the algorithms to more accurately quantify spectrum use for some types of assignments provides greater clarity and will probably benefit some users. However, the responses to the specific questions contained in the consultation will be key in gauging stakeholder reaction.

However, it must be re-stated that the size of a DOC to meet a communications requirement is driven primarily by safety and operational requirements and a stakeholder's ability to reduce the DOC and thus the AIP cost, may be constrained. Whilst the revised approach proposed by Ofcom does go some way to addressing the potential for unintended consequences which the CAA raised previously, the risk undoubtedly remains. Consequently, the CAA will need to monitor the situation as the AIP charges are phased in.

The consultation document correctly highlights the potential for subsequent impacts on CAA resources as a consequence of these proposals. Whilst the impact directly related to the WTA licensing task will fall within the existing CAA/Ofcom contract, the cost of increased CAA resources necessary to address revised DOC arrangements will inevitably fall to the industry.

Finally, it should be noted that whilst the proposed approach by Ofcom in applying a bespoke approach to specific services/licence types is understood, it may be necessary to

keep the application of the “bespoke” approach under review so that no artificial pricing anomalies across the VHF band arise.

As previously stated, the CAA will continue to provide operational and technical advice on issues affecting aeronautical spectrum management to Ofcom.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Andy Knill', written in a cursive style.

Andy Knill
Head Surveillance and Spectrum Management