

The Shuttleworth Collection
Old Warden Aerodrome
Biggleswade
Bedfordshire
SG18 9EP

Michael Richardson
OFCOM
Riverside House
2A Southwark Bridge Road
London
SE1 9HA

22 March 2010

Dear Mr Richardson,

Applying Spectrum Pricing to the Aeronautical Sector – Formal Response to Consultation on behalf of the Shuttleworth Collection

The Shuttleworth Collection is a registered charity that maintains a world famous collection of airworthy historic aircraft. Public flying displays are given fortnightly between May and October each year. Its airfield (Shuttleworth Old Warden) is maintained to licensed standard and has a dedicated air to ground radio frequency. The licence, and the radio, is activated in the interests of safety for the purpose of flying displays. Our organisation would be profoundly affected if OFCOM's proposals for the application of spectrum pricing to the aeronautical sector were to be implemented. Our formal response to the consultation follows.

Your proposal rests on a number of flawed propositions:

- It asserts repeatedly, but without proof at any stage, that there is excess demand for frequencies. We understand that there are currently no unfulfilled requests held by the CAA for new VHF frequency assignments. Moreover, frequency allocation is done internationally in response to requirements; thus frequency availability is closely linked to, and responsive to, need. Moreover, such needs change slowly because the aviation infrastructure in this country is mature and well established.
- OFCOM's alternative argument that there is congestion in the UK is also flawed. The number of channels required is determined by separation of functions in the interests of safety. Individual channels are not "congested". Density of allocation is determined by the requirement for geographic separation before a given channel can be reallocated and the determining factor for the UK is the influence of requirements on the nearby European mainland.
- OFCOM asserts that channels could be reassigned if users reduced their requirements in response to AIP. This, too, is based on a false premise. Frequencies that do not belong to the UK (because of the need to avoid interference by international regulation) would, if given up, have to be returned to Europe for reallocation. Two conclusions flow from this:

- There can be no internal UK market in such frequencies
- Frequencies would actually be lost to the UK
- For those channels that remain within the control of the UK, for example an AFIS or A/G frequency such as at Old Warden, the interference issue means that it could only be reassigned locally or a long way from the original site. In either case, it is extremely unlikely that an alternative use would exist, and the frequency would in all probability remain unused. Once again, there will in effect be no market to create and there will be loss, not gain to the overall system.
- The proposition that aeronautical spectrum released might be reallocated for alternative (non-aviation) use is also, we believe, untenable, as such reallocation would be governed by international agreements and it is most unlikely that the UK would be permitted to make such reassignments. Once again, the public would be the losers, and, what is more, would be paying under the proposed new arrangements for the disbenefit.
- Allowing the market to determine frequency allocation rather than the CAA as regulator would be a recipe for incoherence. Current frequency holders would act according to individual commercial imperatives without any overall view of the communications infrastructure needed for the safe conduct of aviation in this country. **The financial impact of the new regime would be so disproportionately heavy on the Shuttleworth Collection that it would have no alternative but to give up its dedicated frequency, cease to maintain a licensed airfield and manage the consequent safety issues as best it could.** As argued earlier, there would be no public benefit from this outcome, as no alternative use for the surrendered frequency would be found. There would be disbenefit through loss of frequencies and reduced safety
- Your proposal that in such cases the CAA should legislate to prevent the surrender of frequencies simply gives the lie to the proposition that AIP will unleash beneficial market forces. If legislation is required to underpin AIP, then there is no market, and AIP is merely a tax.

The Shuttleworth Collection therefore submits that this proposal is wholly unjustified by the arguments presented by OFCOM, if those arguments are examined in the light of the true facts of the position. Moreover, AIP would, if implemented, be detrimental not only to the interests of the Collection, but would bring reduced value to the taxpayer through loss of spectrum to Europe and would reduce aviation safety in the UK.

Yours sincerely,



Sir John Allison

Operations Director
The Shuttleworth Collection