

Additional comments:

NATS welcomes the opportunity to comment on the proposed amendments to the Licence Charges Regulations 2011.

NATS notes the comments in paragraph A5.27 et seq. of the consultation document relating to Ofcom's understanding of the "likely" pass through to airlines of spectrum related costs and wishes to bring the following points to Ofcom's attention:

1) The final UK-Ireland Functional Airspace Block (FAB) Plan for Reference Period 2 (2015-19) has not yet been published (due for submission to Irish and UK Governments mid-May) and in any case will still be subject to European Commission/Performance Review Body review later this year - hence there can be no certainty about the final regulatory settlement for RP2.

2) In the UK section of the draft UK-Ireland FAB Plan for RP2 (published 19/2/14) the CAA proposed to limit another cost which is currently a pass-through, NERL's pension costs (even though NERL has already taken all available measures to minimise future cost risk from its DB pension scheme). This is a change in CAA policy from previous control periods and highlights the current uncertain environment regarding pass-through mechanisms for RP2.

Question 1: We would welcome any comments on the drafting of the Proposed Regulations, and in particular whether they give effect to what Ofcom intends (as outlined in this document).:

NATS has no comments on the amendments proposed in the Proposed Regulations as far as to their effect in implementing the next phase of AIP based fee increases for certain aeronautical station licence classes.

NATS notes that section 4 (Licence charges and time of payment) of The Wireless Telegraphy (Licence Charges) Regulations 2011 allows for the payment of licence fees by monthly instalments. This facility is available for licences in certain specified classes once the annual sum that would otherwise be due reaches a £100,000 threshold either for a single licence or for more than one licence where all of those licences are of the same class and meet certain other specified criteria.

The level of the combined fees due annually for some aeronautical licensees (such as NATS) now exceeds this £100,000 threshold for licences in the same class. It appears reasonable to NATS for the Regulations to allow for the same instalment payment facility in the aeronautical licence classes, subject to the other relevant criteria in section 4 of the 2011 Regulations being met.

NATS therefore proposes that wording be introduced as part of The Wireless Telegraphy (Licence Charges) (Amendment) Regulations 2014 to allow this facility for aeronautical licences. We believe that an appropriate amendment would be to add a new sub-clause referring to "the classes listed under the heading "Aeronautical" in Schedule 2" under section 4, paragraph 6(b) of the original 2011 Licence Charges Regulations.

Question 1: We would welcome any comments on the drafting of the Proposed Regulations, and in particular whether they give effect to what Ofcom intends (as outlined in this document).:

Further to our earlier "no comment" on the implementation of the policy implementing the next phase of AIP based fee increases for certain aeronautical station licence, NATS has identified a possible omission that if uncorrected would, we believe, adversely impact licensees of Air/Ground, AFIS and Tower stations where the DOC has been deemed to be "small" and we wish to bring this to Ofcom's attention.

Table 1 in the consultation document notes an increase in the cap for Air/Ground, AFIS and Tower to £1200 (25 kHz) along with the related 8.33 kHz fee and this is reflected in the Proposed Regulations.

The fees information for Air/Ground, AFIS and Tower stations contained in section 4.19, Table 1 of the Ofcom statement "Bespoke fees for aeronautical VHF communications frequencies" published in June 2011 introduces a division in this class starting from the 2014/15 year where the (25 kHz) fee cap for such stations with a DOC up to 10nm/3000ft reaches a plateau of £650 - remaining unchanged in future years, while the cap for those stations with a larger DOC increases to £1200 and further rises in subsequent years.

Assuming that the 2011 Statement hasn't been superseded on this point, this new division from 2014/15 in the A/G etc. licence class is missing in the Proposed Regulations amending Schedule 2 in section 3(2)(c) and would appear to require an appropriate amendment to the text currently proposed to properly reflect it.