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19th April 2010

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

Dear Mr Richardson

Re: Applying spectrum pricing to the Aeronautical sector, A second consultation:

I am writing on behalf of the Association of International Courier and Express Services (AICES) in response to the consultation that Ofcom issued on 22 December 2009: **Applying spectrum pricing to the Aeronautical sector, A second consultation**.

AICES is the trade organisation in the UK for companies handling international express documents and package shipments. The current membership ranges from companies such as DHL, FedEx, TNT and UPS, to medium sized and smaller operators and is responsible for 95% of the international courier and express shipments moved through the UK every day.

Express services enable UK companies to implement best international business practice in terms of speed and efficiency, improve their customer service and compete effectively in the global economy. Our members enable UK businesses to achieve rapid, time-definite delivery of high value goods and documents to customers throughout the world. A recent study by Oxford Economics, commissioned by AICES estimated that the express industry directly contributes £1.15 billion to UK GDP and accounts for around 5% of overall UK exports of goods by value (2007 current prices). It directly employs around 37,000 people and indirectly supports a total of almost 84,000 UK jobs. Express international volume is transported by air and therefore any proposed spectrum pricing

on the aeronautical sector would have a direct cost burden on our industry and UK business in general.

AICES has contributed to the CBI submission in response to the Second Consultation along with other key industry stakeholders. However, our members would like to highlight the need for further consideration to be given by Ofcom to alternative methods to achieve greater efficiency in spectrum use for the maritime and aeronautical sectors. AICES would strongly support Ofcom developing an integrated approach to the management of spectrum allocation which could be carried out by the Department for Transport. AICES believes that further evaluation by Ofcom is needed in order to properly assess whether alternatives can be found to achieve efficiencies in spectrum use in the maritime and aeronautical sector which are more effective than fees applied directly to end users.

AICES would welcome further dialogue with Ofcom on this issue, following the consultation process.

Yours sincerely,

and of

Anne de Courcy Secretary General

AICES