

## **Infratil Airports Europe Limited's response to 'Applying spectrum pricing to the Aeronautical sector: A second consultation'**

This is the response of Infratil Airports Europe Limited (IAEL) to '*Applying spectrum pricing to the Aeronautical sector: A second consultation*'. We welcome the opportunity to respond to this consultation however, we strongly oppose all proposals put forward by Ofcom in this consultation.

We fully support and adopt the consultation response submitted by the Airport Operators Association (AOA) to this consultation. We set out below further evidence with respect to our airports, Glasgow Prestwick Airport (GPA) and Kent International Airport (KIA), which inform our conclusion that Ofcom's proposals are fundamentally misconstrued.

Ofcom's consultation questions presume an underlying acceptance of the imposition of AIP – IAEL does not concur with Ofcom's conclusions in Table 2 (and the relevant sections of chapter 5) that the application of AIP to aeronautical VHF communications spectrum is in accordance with Professor Cave's analysis. This consultation is riddled with assertions that the aeronautical VHF communications spectrum is "congested" and that demand exceeds supply, where it seems that the evidence base for these assertions is simply that if there is high demand, there must be congestion. Whilst we acknowledge that there may be little spare capacity in the relevant frequencies, we understand that there are currently no outstanding frequency requests either, nor have we encountered any spectrum congestion issues at our airports. This points to an already efficient management of the system. Busy does not mean congested.

This consultation proceeds on the basis that market mechanisms are the only efficient basis on which spectrum can be allocated, notwithstanding that Ofcom acknowledges that non-market co-ordination is necessary for other spectrum management, such as the S-band radar spectrum. We argue that the current aeronautical VHF communications spectrum allocation process, together with the adoption of 8.33kHz channels, is evidence that a qualitative coordinated approach to this issue is more effective in delivering spectrum efficiency and positive externalities (such as aviation safety and airspace efficiency) than a slavish commitment to market processes, which may then require additional regulation by the CAA to ensure that positive externalities continue to be delivered.

Our airports currently use the frequencies set out in the table below. We have considered the extent to which we could limit our frequency use, and the consequences of such a reduction in frequency use.

<b>Frequency (Mhz)</b>	<b>Designation</b>	<b>Purpose</b>	<b>Core to ATS function?</b>	<b>Consequences of non-use of this spectrum</b>
KIA 132.450 GPA 124.625	Radar Approach	Communicate with and pass instructions / information to inbound and outbound aircraft to / from the airport. Also, provide a Lower Airspace Service (LARS) to aircraft as needed at KIA.	Yes	Could not provide an air traffic control service
KIA 119.925 GPA 118.150	Tower	Aerodrome Control – control of aircraft within the Air Traffic	Yes	Could not provide an air traffic control

Frequency (Mhz)	Designation	Purpose	Core to ATS function?	Consequences of non-use of this spectrum
		Zone and on the ground.		service
GPA 127.150	Ground	For the control of aircraft on the ground (note: KIA does not have a dedicated ground frequency but would need to acquire one in future if movements increase in accordance with the master plan)	Yes	As is evidenced by KIA not currently having a Ground channel, this is only something required for busier airports. GPA has the requisite number of ground movements to require this channel. Merging this channel with Tower would result in increased controller work load.
KIA / GPA 121.500	Distress	Internationally recognised distress frequency. Monitoring during open hours is required as is the ability to transmit and communicate on this channel.	Yes	Exempt from AIP
KIA / GPA 121.600	Fire	Aircraft to aerodrome emergency services communications channel required in the event of an emergency.	Yes	Exempt from AIP
KIA 133.675 GPA 121.125	Automatic Terminal Information Service (ATIS)	Broadcasts automated weather and general aerodrome information to pilots i.e. temperature, runway in use etc.	No	Weather & aerodrome information would need to be passed to each aircraft. Result would be long transmission periods decreasing a pilot's 'opportunity' to establish communications (will have consequences in an emergency), and increases controller workload.
KIA 126.350	Director	Used for radar overload and training it is also sometimes utilised as the Surveillance Radar Approach (SRA) frequency.	No	ATC will loose their overload capacity i.e. the ability to safely offload traffic onto another frequency e.g. emergency situation. Also, reduces unit's ability to provide adequate training for non radar qualified controllers whilst maintaining LARS.

Frequency (Mhz)	Designation	Purpose	Core to ATS function?	Consequences of non-use of this spectrum
KIA 130.600 GPA 129.700	Operations / Handling	Aircraft to the airports' ground handling operation	No	Such frequencies are necessary for the operation of ground handlers at the airport. Each ground handler will have its own frequency. It is not the role of ATC to undertake ground handling communications.

The consequence of increasing controller workload would be to severely compromise our ability to provide a safe ATS over an extended period of time. Removal of ATIS would be unpopular among our users.

In short, our conclusion is that we are not “inefficient operators” which so exercise Ofcom in paragraph 5.74, nor would we be minded to reduce our current spectrum usage as it is necessary to deliver our current services in a safe and efficient manner.

Considering the Ofcom assertions that AIP for this spectrum could allow for its more efficient allocation to other aviation stakeholders, we can only envisage ground handlers seeking more spectrum with which to communicate with their customers on approach. The AIP proposal values all aeronautical spectrum uses equally and relies on further regulation to rebalance any untoward impacts on safety. This would appear to us to be contrary to common sense and better regulation.

As to the cost of AIP to our existing spectrum allocation at GPA and KIA, we have calculated the cost of the AIP on a per inbound passenger and movement basis (given that we charge landing fees). We are precluded by our current (long term) commercial arrangements from passing on these charges to our airlines. It should be borne in mind that we have already had to absorb cost increases relating to security and policing.

	Present	AIP Y1	AIP Y2	AIP Y3	AIP Y4	AIP Y5 +
<b>KIA</b>	<b>£ 875</b>	<b>£ 5,300</b>	<b>£ 10,600</b>	<b>£ 17,600</b>	<b>£ 25,400</b>	<b>£ 34,900</b>
<i>cost per ATM (2009)</i>	<i>£ 0.09</i>	<i>£ 0.56</i>	<i>£ 1.12</i>	<i>£ 1.85</i>	<i>£ 2.67</i>	<i>£ 3.68</i>
<b>GPA</b>	<b>£ 925</b>	<b>£ 5,700</b>	<b>£ 11,400</b>	<b>£ 18,900</b>	<b>£ 27,300</b>	<b>£ 37,500</b>
<i>cost per pax (2009)</i>	<i>£ 0.001</i>	<i>£ 0.006</i>	<i>£ 0.01</i>	<i>£ 0.02</i>	<i>£ 0.03</i>	<i>£ 0.04</i>
<i>cost per ATM (2009)</i>	<i>£ 0.05</i>	<i>£ 0.33</i>	<i>£ 0.66</i>	<i>£ 1.10</i>	<i>£ 1.59</i>	<i>£ 2.18</i>

It should be noted that we have not included the AIP costs for other aeronautical VHF spectrum users at our airports, such as the independent ground handlers and flying clubs, as these would not be recovered by the airport but rather by the relevant service provider / club.

Finally, we note that smaller non-licensed airfields, such as Maypole near KIA, have indicated that any increase in charges for ground/air VHF spectrum will result in them forgoing their radios. Since KIA operates in uncontrolled airspace, there is no obligation for Maypole pilots to talk to our ATC, notwithstanding that they take off into the final approach path. Our controllers on occasion have had to break off aircraft on

approach to KIA due to confliction with Maypole aircraft. The availability to radio to Maypole's pilots contributes to the safety of the Kent airspace.