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London Southend Airport Co Ltd response to 'Applying spectrum pricing to the Aeronautical sector: A second consultation'

This is the response of **London Southend Airport Co Ltd** 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.

London Southend Airport Co Ltd is a small regional airport that exists on very little airline generated income, and yet however manages to provide a comprehensive range of Air Traffic Control safety enhancing services to aircraft flying outside controlled airspace.

London Southend Airport Co Ltd welcomes Ofcom's abandonment of its proposals to apply AIP to nav aids, however we remain opposed to the principle of applying spectrum pricing to the use of aeronautical VHF spectrum. London Southend Airport has found the relationship with the CAA and OFCOM on the matter of obtaining frequencies in the past to be realistic and practical. Indeed, our last two ATC frequency allocations have been models of how you have expected the system to work on frequencies that have services on them that potentially carry 'safety of life' services on them. The first was a replacement Approach frequency, in which Southend actively switched frequencies with another ATS agency, Southend undertaking to complete pay for the change in order to facilitate it. The second was a replacement ATIS frequency. Both of these changes were required in order that the correct D.O.C. required for the task were implemented as required by the CAA. (Previous frequencies did not have the required DOC for task).

London Southend Airport Co Ltd maintains that the whole issue of frequency pricing is against the overriding interest of aviation safety, and agree with the AOA standpoint on this issue.

DISCRIMINATES AGAINST SMALL, FULL ATC SERVICE AIRPORTS/IMPACT ON SAFETY

Looking deeper it also seems to discriminate massively in favour of larger airports, many of which no longer provide meaningful ATC services to General Aviation aircraft flying outside CAS. Therefore in particular it could be counter productive to aviation safety levels provided to GA aircraft flying outside controlled airspace, on what are already often at capacity (and sometimes overloaded), ATC frequencies. If certain ATC services or frequencies are withdrawn outside CAS, ultimately this could lead to a mid-air collision that would probably not have happened if a certain ATC service or frequency had NOT been given up on cost grounds. Of course this would never be directly provable in relation to this OFCOM proposal, and it would almost certainly at an inquest be found to reflect badly on, or even directly be the cause of, the ATC unit concerned that surrendered a frequency on cost grounds. This is not in the interest of aviation safety!

Please also remember that many of the larger airports no longer provide meaningful ATC services to General Aviation aircraft flying outside CAS. Another way that larger airports 'benefit' over smaller airports, is as follows.:

Many of the larger airports controlled by NATS have centralised Approach radar functions with overlapping frequencies and responsibilities for several airports. In effect, London TMA sectors are often providing Approach services for the NATS airports. Because these have been centralised in one position and NATS having the monopoly on ATC services inside CAS, they are able to use less frequencies than otherwise would be required by an independent ANSP to provide the equivalent services to individual airports. It can be seen then that it is weighted heavily in the favour of the near monopoly ATC provider.

Similarly, NATS enroute services uses several Nav aids (VOR's) for transmission of ATIS information for their NATS Services Ltd airports, (an accounting cross subsidisation if ever there was one!) As Nav aids do not attract a charge, it means that a frequency is being used to transmit ATIS information with no charge for it. Yet smaller ANSP's at independent airports have to pay nearly £10,000 a year for providing pilots with safety essential information! Again, the AIP is drastically weighted in favour of the predominant ANSP at the expense of the smaller ANSP's.

As it stands in the consultation, Southend would have to pay a massive amount of £42,550 per annum just to maintain the services it provides at present. In the present financial climate, it would be impossible for us to afford this, and the only option would be to surrender frequencies. There is no price elasticity at this end of the market, if we increase our prices, it is followed very directly by a loss of fee paying traffic as they default to much lower cost airfields with limited or no safety services. This is a very direct decrease in the safety level that is provided to General Aviation, and an invidious one at that, that will not be realised except gradually over a period of time as accident statistics rise, but no one will directly make the link with traffic no longer flying at airports with better safety records and provisions.

In summary, the charges are totally out of proportion to small and very small airports/airfields, and there is no operational flexibility to surrender any of the frequencies without surrendering ATC safety services that use these frequencies.

Other Points

- Aviation spectrum is mandated internationally to ensure the safety of aircraft. These proposals would have a detrimental effect on the safety of UK aviation.
- The basis of the proposals is flawed. Any spectrum released by AIP will be handed back to the EU aviation pool.
- It also would encourage many small strips to rescind their Air Ground frequency in order to save costs.

International obligations

The radio spectrum that is used by aviation is allocated internationally at the ITU World Radiocommunication Conferences and these Final Acts have treaty status. These international agreements exist because of the need to ensure safety in the use of air traffic control and

navigation and communication systems. The rules are designed to prevent this spectrum being reused by other sectors without international agreement.

On this basis, our understanding is that, AIP will not deliver any efficiency savings because any frequencies, that are so released will be returned to the overall European aviation pool. The CAA would not agree to the release of any frequencies for non-aviation purposes in the UK as this would be contrary to the UK's international obligations and the need to protect its European neighbours from interference, even if a frequency wasn't used in the UK. In the south and east, the frequency use is heavily constrained by the need to honour and respect international obligations and processes.

In the original work done by Professor Martin Cave on the subject, AIP was based on opportunity cost - i.e. the value of the spectrum to other users. Therefore, even if AIP resulted in the release of a frequency, it does not remain in the UK necessarily but is released into the European pool for the benefit of aviation generally. Therefore the proposals bring no additional benefit or value to any other user or sector of the economy.

Cost

Ofcom's view that the cost of '10p per passenger for AIP is negligible' shows little understanding of the aviation industry. This figure represents a significant amount to all airports, disproportionately so for smaller airports. At Southend the cost per passenger based on 2009 passenger figures is NOT 10 p per passenger, but a discriminatory £10.77 per passenger (Southend had 3,948 passengers in 2009 and OFCOM want to charge £42,550 for the use of existing frequencies that facilitate this) . This clearly is weighted in favour of already developed airports and serves to maintain the status quo of a limited band of large airports continuing to dominate the passenger market. This I believe is against the Government airports policy outlined in the Aviation white paper 2003 and subsequent updates, that states that more use of existing smaller regional airports is to be facilitated, rather than creating demand for new runways at existing large airports.

Per movement it works out at not £1.07 per movement but based on 2009 figures of 31,785 movements, £1.34 per movement. This would be a 6% increase per typical GA movement to cover this, followed by further loss of traffic, and further increase required to the remaining flights. This is weighted massively against struggling regional airports with low movements and full ATC services including radar services and ATIS.

Southend and similar units such as Farnborough and Manston, actually believe in providing safety services in the interests of all aviation users, because they long experience of, and recognise the risks endemic in Class G operation. Out of necessity being located in Class G airspace, they operate these services as it mitigates the risks of operations in Class G airspace.

To have to give up a frequency allocation in order to save money, not only goes completely against the ethos of safety management, it also directly increases safety related incidents by taking away vital services that have proven the test of time, at the same time as magnifying the risk and potentially overloading the frequencies that remain. This is the reason that it is an unethical and unjust proposal from OFCOM.

LSA remains opposed to the imposition of any new costs during a difficult time for the industry, especially when the benefits of such proposals are not clear. Adding a price mechanism is unlikely to result in any behavioural change that would enhance efficiency.

The OFCOM proposal would also provides a massive financial barrier to any airfield with plans to develop capacity from there previous low level of aviation activity. This in itself is clearly a major economic disincentive to the country making the best use of our existing facilities in the U.K.

Congestion

Aeronautical spectrum is certified and harmonized for the purposes of ensuring that there is adequate protection from interference to ensure safety and regularity of flight. Other users of spectrum do not require or have this level of integrity, therefore it seems illogical to introduce non aviation users to this spectrum. This is a cogent and overriding reason why aviation spectrum should be treated differently from other elements of the 'market' for spectrum as is the case in the Netherland and United States of America.

Yours sincerely

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