

**Title:**

Mr

**Forename:**

Conor

**Surname:**

McAuliffe

**Representing:**

Organisation

**Organisation (if applicable):**

United Air Lines, Inc.

**Email:**

**What do you want Ofcom to keep confidential?:**

Keep nothing confidential

**If you want part of your response kept confidential, which parts?:**

**Ofcom may publish a response summary:**

Yes

**I confirm that I have read the declaration:**

Yes

**Ofcom should only publish this response after the consultation has ended:**

You may publish my response on receipt

**Additional comments:**

United appreciates the opportunity to comment on Ofcom's second consultation concerning the application of Administered Incentive Pricing (?AIP?) to aeronautical communications spectrum.

OfCom does not specify how the aviation industry is using its allocated spectrum

inefficiently. Nor does it identify or quantify the efficiencies that AIP will generate. To the contrary, OfCom admits that there is no guarantee that AIP will generate efficiencies. Specifically, the Helios/Plus impact statement acknowledges that "the purpose of pricing is to promote efficiencies that cannot all be anticipated in advance. It is not therefore possible or meaningful to attempt to fully anticipate the efficiency responses to pricing." Absent proof that AIP will improve the efficient use of spectrum, its introduction is not justified.

Even if OfCom could identify inefficiencies in current use, the introduction of AIP would not eliminate these inefficiencies for at least two related reasons. First, the spectrum under consideration is assigned exclusively to aviation. As a result, efficiencies could not be generated through use by other sectors. Second, the industry itself has little flexibility to change how it uses aviation spectrum internally. The World Radiocommunications Conferences allocates spectrum aviation uses and airlines cannot unilaterally change how they use radio spectrum.

The introduction of AIP in the UK also risks interference with ongoing efforts to improve the safety and efficiency of air traffic management ("ATM"). Aeronautical spectrum is central to these efforts. The Single European Sky programme includes a Spectrum Strategy for spectrum utilization, efficiency and management. Equally, the U.S. government is developing a parallel reform of its ATM system called NextGen and the U.S. and EU governments are engaged in discussions on how their two systems can most efficiently interoperate. United fully supports industry views that OfCom should avoid unilateral introduction of any measures that could interfere with the ability of governments to enhance safety and develop system efficiencies and capacity through ATM improvements.

**Question 1: Do you consider that our proposed fee rates for licences in the aeronautical VHF frequencies are appropriate?:**

No, fees at any level are inappropriate. The consultation does not adduce convincing evidence that the airlines are using spectrum inefficiently or that AIP will generate more efficient use. The proposed fees therefore represent thinly-veiled taxes on airlines and passengers at a time when they can least afford additional financial burdens. Moreover, to ensure the safe and efficient operation of the global aviation system, spectrum use and allocation are traditionally negotiated and should continue to be negotiated at the international level.

**Question 2: In devising our revised proposals, have we identified all of the aeronautical uses of VHF communications frequencies which require a distinct approach to fee setting, as set out in tables 5 and 6?:**

For the reasons given in response to question 1, AIP should not be imposed upon any part of the aeronautical spectrum.

**Question 3: Do you agree with our proposal not to charge any fees for Fire assignments?:**

**Question 4: Do you agree with our proposal to set a £75 fee for licences in any of the sporting frequencies?:**

**Question 5: Do you agree with our proposal to set an annual fee of £19,800 per ACARS or VDL assignment, with no variation related to the number of transmitters?:**

No. These technologies are designed to improve the safety and efficiency of airline operations. Governments should encourage their development rather than discouraging it through the imposition of new taxes.

**Question 6: Do you consider that our proposed approach to phasing in fees for use of the aeronautical VHF communications channels are appropriate? If there are particular reasons why you consider that any user or group of users would need longer phasing-in periods, please provide any supporting evidence for us to consider. Specifically, do you have any evidence for us to consider that would support either of Options 1 and 2 for the highest proposed fee in this sector?:**

No. It is inappropriate to impose these fees whether phased-in or not.

**Question 7: Do you have any further quantified information to contribute to the analysis of financial impacts of the proposed fees on particular spectrum users, as set out in Annex 5? We would like to publish all responses, but will respect the confidentiality of any material which is clearly marked as such.:**

**Question 8: Do you consider that our assessment of the impacts of our proposals has taken full account of relevant factors? If you consider that there is additional evidence that would indicate particular impacts we should take into account, we would be grateful if you could provide this.:**

Before proceeding with the introduction of AIP, OfCom should meet with stakeholders and officials from UK transport authorities to discuss the impact of its introduction on the UK's international obligations and ongoing efforts to improve the safety and efficiency of ATM.