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22<sup>nd</sup> April 2010

By email: [AeroVHFconsult@ofcom.org.uk](mailto:AeroVHFconsult@ofcom.org.uk)

Dear Sir,

**Re Virgin Atlantic's Response OFCOM Consultation: Applying Spectrum Pricing to the Aeronautical Sector**

Virgin Atlantic welcomes the opportunity to respond to OFCOM's consultation "Applying spectrum pricing to the aeronautical sector". Whilst Virgin Atlantic offers only brief comments in relation to the consultation, we fully support the position of IATA and look forward to the response from OFCOM to address the concerns raised.

Virgin Atlantic is strongly opposed the proposals set out by OFCOM to apply Administered Incentive Pricing (AIP) to the use of aeronautical VHF communications frequencies.

Driving efficient use of spectrum and revenue generation should not undermine the requirement to protect 'safety of life'. Aeronautical spectrum is allocated to the aeronautical industry by international treaty for the purpose of 'safety of life'. The highest priority in aviation is safety. Anything that has, or potentially, has a negative impact on safety is not acceptable. Our ability to operate safely is dependent on access to clean, interference-free radio spectrum.

It is not that Virgin Atlantic disagrees with the need for efficient use of radio spectrum for aviation services. However, the effectiveness of applying AIP to deliver these presumed efficiencies depends on the ability of users to change their behaviour in response to pricing. This approach is not valid for aviation – an individual user such as Virgin Atlantic is unable to adjust frequency requirements. As such, AIP would do nothing to increase the efficient use of spectrum. We believe that any improvements necessary to the use of the aeronautical spectrum can be achieved through strategies being developed through the Single European Skies and other international initiatives. These require national and international government coordination.

Virgin Atlantic does not believe that the application of AIP will increase the efficiency of spectrum usage and will simply increase UK government revenue. Virgin Atlantic is extremely concerned that AIP application to VHF could amount to £1.3m per year for which airlines might be required to pay, despite their inability to alter frequency requirements/allocation. In addition, such costs are currently not levied in other states, therefore users of airspace in the UK will be placed at a competitive disadvantage thus undermining the competitiveness of UK aviation and resulting in wider economic

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disadvantages. Virgin Atlantic supports the strategic management of aeronautical spectrum by the UK Department for Transport, not Administered Incentive Pricing.

I hope you find these comments useful. If you have any queries, please do not hesitate to get in touch.

Yours sincerely,

A handwritten signature in black ink, reading "G. Kwaszenko".

Georgina Kwaszenko

Manager, Competition and Economic Regulatory Affairs

Virgin Atlantic Airways