GENERAL AVIATION ALLIANCE

Partnership in Aviation

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Dear Mr Richardson,

Applying Spectrum Pricing to the Maritime and Aeronautical Sectors <u>A Second Consultation</u>

Thank you for inviting the various organisations which form the GA Alliance (GAA) to respond to your further proposals on applying spectrum pricing to the maritime and aeronautical sectors. These organisations represent the interests of the sport and recreational aviation sector which forms a substantial part of the UK General Aviation Industry (GA) and this is a consolidated response from those organisations which include:

British Balloon and Airship Club (BBAC) British Gliding Association (BGA) British Hang Gliding and Para Gliding Association (BHPA) British Microlight Aircraft Association (BMAA) British Parachute Association (BPA) Helicopter Club of Great Britain (HCGB) Light Aircraft Association (LAA) PPL/IR Europe – European Association of Instrument Rated Private Pilots Royal Aero Club of the United Kingdom (RAeC)

In all these bodies represent some 72,000 subscription paying members.

Your proposals in this consultation mainly concern the maritime sector but particularly in the summary section you touch on several fundamental issues relevant to the aeronautical sector and it is to these we address our response. In paragraph 1.4 you set out a proposal to manage Radar and Navaids in a different way although we cannot see that you have demonstrated that the current methodology is in anyway inadequate or inefficient. As this is intended to apply to the aeronautical sector we would be grateful for more details of the strategic management role that you propose government undertakes together with a clear reason that the present arrangements are inadequate. The material you present does not allow us to make a meaningful response at this stage although we do agree that AIP is not appropriate.

You state in paragraph 1.6 that "the use of spectrum for one purpose denies its availability to other users" but where supply is sufficient or where it is managed so as to satisfy demand, that statement has no useful meaning. Thus your further statement that "AIP is intended to apply market disciplines to the holding and use of spectrum rights, by prompting users to consider their spectrum needs in light of the AIP fees payable" does not follow. In the aeronautical sector the intention of AIP cannot be delivered because of the global management system that is already in place to ensure safety and equitable access and because denial of access does not arise. There are significant disciplines enforced by the current international system which are incompatible with the market disciplines you espouse. AIP can only be effective in this area if it is adopted on the same basis throughout the World

You note in paragraph 1.8 that "... applications which use frequencies which are in short supply often attract similar fees to applications which use less popular frequencies". We are not aware that any particular aeronautical frequency is more attractive or popular than another. You go on that "powerful transmitters ... prevent others from using the same spectrum over a very wide area" but you know that because of their altitude, it is potential interference between aircraft that limits reuse of a VHF com frequency rather than the power of the ground transmitter. Moreover, your proposition that spectrum is more valuable in areas of high demand around airports than in remote areas does not seem to have relevance to the aeronautical sector where the use of VHF com ground stations in remote areas is unusual.

Paragraph 1.9 is a treatise on the principles of AIP but much or all that you say cannot apply to the aeronautical sector as we shall show. We note that you now propose that AIP can improve the value obtained by society from spectrum without any change in its use but although there may be circumstances where that can apply, we disagree that it applies to the aeronautical sector. Although you go on to describe how excess demand excludes potential users, you are aware of the international management arrangements that deal with this in a safe, reliable and consistent manner. You also know that contrary to your statement, aeronautical spectrum is not dealt with on a first come first served basis but by a well established process flowing from the World Radio Conference. In other areas where first come first served does apply, it may be that AIP is appropriate as a management tool but in this case it is not. There is no excess demand of the sort that you describe as demand is satisfied or managed by the World Radio Conference process. Thus your description of trading to derive revenue, or as you put it value, from the aeronautical spectrum cannot arise for the same reason. Spectrum given up cannot be reallocated but is given back to the international pool thereby reducing its value to society to nil and reducing the value to UK society of spectrum as a whole. Thus AIP applied to aeronautical frequencies would reduce the value of spectrum contrary to the objectives of AIP, much as Professor Cave has written in his reports to Government.

We trust that if you decide to go forward with a further consultation on applying AIP to the aeronautical sector you will address these issues, meanwhile we do not accept as fact the statement you have made in this consultation.

Yours Sincerely

John Brady

Vice-Chairman The Light Aircraft Association For the General Aviation Alliance

Please send any reply to the Facilitator at the above address