

Question 1: How should Ofcom manage the process of taking advice from users, regulators and government on efficient apportionment of AIP fees in the maritime and aeronautical sectors? Are any new institutional arrangements needed?:

Question 2: If you consider that our proposals for pricing ground station users for any spectrum would be likely to have a detrimental impact on safety, please let us know. In order for us to understand your assessment fully, it would be helpful if you could outline the mechanisms whereby this might happen.?:

You seem to be suggesting that you would treat each frequency in the aeronautical VHF band as separate. You also suggest that since these frequencies are shared a discount of 50% on the fee payable would be appropriate

There is a small number of frequencies in the aeronautical VHF band that are assigned to the UK gliding community. These are not assigned exclusively to any one organisation or person. Although you are not proposing that aircraft using such frequencies should have to pay fees, you do seem to be proposing that ground station operators should. That would mean that every gliding club with a ground station would have to pay a fee for every frequency in the aeronautical VHF band that it was capable of using, regardless of whether it did. That would scarcely be reasonable, and if you did do so I imagine a lot of clubs would abandon the facility, particularly since the charge you seem to be suggesting (£1650/2 for each frequency?) is a lot of money to a gliding club. Even at your lowest "marina" rate example it would be a lot of money for most clubs.

The result would be to reduce safety because (a) one of the frequencies is normally used to control airfield operations (launching signals, gliders reporting their intention to land, etc) and in the absence of these messages the safety of operations would clearly be impaired, and (b) a club might miss a transmission from a glider in difficulties (the signal might be picked up by another glider, but how could he report it).

I imagine air traffic control will be making representations also about this, because on the face of it you would seem to be suggesting that each ground station owner would need to pay a fee for each frequency it could transmit on, even though a particular frequency might only be used to respond to a caller. It would certainly not help safety if ATC restricted the number of frequencies they could listen on in order to save fees.

Question 3: Do you have any evidence which indicates that AIP charged to ground stations could have a material detrimental impact on UK competitiveness?:

Question 4: Taking into account the information available in this document, including that set out in Annex 5, our initial views on VHF radiocommunications licence fees and on the reference rates for bands in other uses, and any information you have about the organisations to

whom we are proposing to charge fees, please provide any evidence that you think is relevant to us in considering the financial impact of the fees we intend to propose for VHF radiocommunications, or for other uses:

Question 5: Do you agree that there is little to be gained, in terms of economic efficiency, from charging AIP to WT Act licences for aircraft:

Yes - there is nothing to be gained and much to be lost.

Question 6: Do you consider that we should discount fees for any particular user or type of user? Specifically, do you consider that there should be a discount for charities whose object is the safety of human life in an emergency:

Yes. I don't think you should charge at all for emergency uses - it doesn't make any sense. Anything else would be pricing for the sake of it to the detriment of the public good.

Question 7: Do you agree that Ofcom should apply AIP to ground stations? use of maritime and aeronautical VHF radiocommunications channels, to help manage growing congestion in current use and to ensure that the cost of denying access to this spectrum by potential alternative applications is faced by current users?:

No

Question 8: Do you agree with our initial view that it would be appropriate to apply a pricing system similar to that already existing for Business Radio licences to maritime and aeronautical VHF communications? If not, what are your reasons for proposing that we should develop a fee structure for maritime and aeronautical VHF channels which is distinct from that already established for Business Radio?:

No. Spectrum has to be allocated to aeronautical uses. How much is a policy decision; it should not be a matter of who gets in first and has enough money.

Question 9: Are there any short term reasons specific to the sector(s) why it would be inappropriate to apply fees from April 2009?:

Question 10: Ofcom would welcome stakeholders' views on the factors which should be taken into account when apportioning fees between individual users of radars and racons:

Question 11: Do you agree with our initial view that a reference rate of £126k per 1 MHz of national spectrum for L band and S band radar

spectrum would achieve an appropriate balance between providing incentives to ensure efficient use of spectrum while guarding against the risks of regulatory failure in setting the reference rate too high? If you consider a different rate would be more appropriate, please provide any evidence that you think we should take into account.:

Question 12: Do you agree with our initial view that a reference rate of £25k per single MHz of national spectrum would be appropriate for deriving fees for licences to use X band radar?:

Question 13: Do you agree that, generally, spectrum used by aeronautical radionavigation aids is currently uncongested? Do you believe that this may change during the next few years and, if so, approximately when?:

Question 14: Do you agree with the basis on which Ofcom has arrived at its initial view on reference rates for aeronautical radionavigation aids?:

No. These are effectively safety installations and should not have to pay fees. Any other approach means that you are taxing a provider (invariably effectively a public body, even if not technically so) and the cost will get passed on to the traveller (which means virtually everyone). It's difficult to see much genuine public benefit in that.

Comments:

When you talk about fees you are really talking about taxes. Although the sale of spectrum to the highest bidder has gained the government large sums, at least in the case of mobile phone communications it put up the cost of calls, so the net benefit to the public is unclear (an individual may decide to make fewer calls but overall the provider has to recover his costs).

Charging for spectrum used for the public good is pure taxation. The amount of spectrum required is a matter of public policy and needs to allow for any reasonably foreseeable future requirement. It would be crazy if an emergency service ran out of bandwidth because the frequencies required had been sold off for a short term gain.

It is argued that making people pay for what they use makes them think about how much they really need, and makes them try to use it in the most effective manner. There is of course truth in this, but it is also true that the unavailability of spectrum forces users to find more efficient ways of using it - there don't need to be financial incentives.

My conclusion is that Ofcom should be cautious in introducing new fees for use of spectrum. Pricing doesn't always result in the best use, and in some cases may not be worth the administrative costs and increased bureaucracy.