

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?:

As an independent regulator Ofcom is right to take decisions on the basis of advice from other government departments. However for a coherent public policy Ofcom needs also to be aware of how the other departments are acting and the relevant decisions they are making. The potential for conflict exists if some of those decision makers were themselves to be independent regulators: decisions are then effectively joint.

Independence also implies that all other externalities, including the environmental impacts, need to be considered. This is an area that could be well addressed by the ongoing review of the EU Telecoms package.

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.?:

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:

Not to charge for the use of spectrum by the aircraft would amount to a subsidy. The fact that non-UK aircraft would not be charged is something that clearly needs to be addressed, but does not make the charging of UK aircraft inefficient. Furthermore, other countries are likely to follow the UK lead in reciprocal way.

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:

While it is true that there is a case to incentivise even charities to use spectrum efficiently they should only be charged if government (in the case of RNLI) undertakes to make an equivalent subsidy. All charities with specific need for spectrum should be entitled to apply for either a 100% discount or this subsidy. Charities cannot be expected to compete for spectrum with commercial operations. In an update 20 October Ofcom stated that national 'bulk discounts' should enable fees for RNLI to be less than the existing £40 000 (previously an Ofcom spokesman had implied that the fee was likely to be about £100 000 per year.) While this news is a most welcome result for RNLI, a problem will still exist for smaller charities and the concerns above remain unchanged. A question also arises as to why 'bulk discounts' apply to the incentive price for national [commercial] licences. A discount for the administrative cost element would be understandable, but from a market price perspective we would expect a discount to be applied to smaller licences which are likely to be worth less (per unit area.)

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?:

Yes

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?:

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

No. The fees should have been charged to commercial operations several years ago. While it is true that fuel costs have been rising fast recently this is a long term trend that is going to continue and therefore cannot be a reason to delay further.

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:

On the matter of timing, government had stated that spectrum charging was expected to start for radar in 2008. That is already about 8 years after most radio users, and there seems to be no reason for a further delay. If the issue is how much to charge it would be better that a start is made sooner rather than later so as to ease the transition.

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?:

Comments: