

All NATMAC Representatives

1 August 2008

NATMAC INFORMATIVE LETTER

Dear Colleagues,

OFCOM CONSULTATION – ADMINISTRATIVE INCENTIVE PRICING

You will recall from the last NATMAC where a paper on spectrum reform and the introduction of Administered Incentive Pricing (AIP) was presented, it was noted that Ofcom intended to publish a consultation paper on the introduction of AIP this year.

Yesterday, Ofcom published the consultation paper and issued the following statement:

"In 2004, the Government commissioned Professor Martin Cave to review the UK's spectrum holdings. The Cave Review considered what action could be taken to release the maximum amount of spectrum to the market and increase opportunities to develop new and innovative services. One of the review's recommendations was that Administered Incentive Pricing (AIP) should be extended to the use of spectrum by the maritime and aeronautical sectors on a similar basis to other sectors. The Government agreed with this recommendation in 2006.

Following those recommendations, Ofcom commissioned consultants Indepen and Aegis to consider how AIP might be applied to the maritime and aeronautical sectors. Their report was published by Ofcom in March 2007 and can be found here:

<http://www.ofcom.org.uk/research/radiocomms/reports/spectrumaip/>

As a result, Ofcom today published an initial consultation document setting out proposals to introduce AIP to the maritime and aeronautical sectors. Proposals include implementing AIP from 2009 for some use, with the majority of uses becoming subject to AIP not before 2010. The consultation closes on 30 October 2008 and can be found here <http://www.ofcom.org.uk/consult/condocs/aip/> "

Whilst the CAA will be responding in due course, I would like to draw your attention to this consultation and urge you to participate in the consultation.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'J C Walker', with a stylized, cursive script.

J C Walker
NATMAC Secretary