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Your Ref:

14 May 2009

Rt. Hon Patricia Hewitt MP
House of Commons
London
SW1A 0AA

ED RICHARDS
Chief Executive

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Dear Pat,

1) To ask the Secretary of State for Business, Enterprise and Regulatory Reform, what estimate he has made of the cost to East Midlands Airport of the introduction of administered incentive pricing for aeronautical radio spectrum. [272230]

2) To ask the Secretary of State for Business, Enterprise and Regulatory Reform, what estimate he has made of the cost to passengers using East Midlands Airport of administered incentive pricing for aeronautical radio spectrum if the full cost is passed on by airlines. [272231]

I am writing in response to your questions (above) to the Secretary of State for Business, Enterprise and Regulatory Reform tabled on 27 April 2009. They have been forwarded to Ofcom for a reply as the independent regulator for the UK communications industry.

We have a statutory duty to ensure efficient use of spectrum to the benefit of citizens and consumers. Fees for the use of spectrum can provide incentives to ensure that scarce spectrum resources are used efficiently.

In July 2008 we published outline proposals for applying administered incentive pricing (AIP) fees to maritime and aeronautical spectrum. In this publication, we explained that we would publish more detailed proposals, including full impact assessment, once we had considered responses to the initial round of consultation.

Following further extensive dialogue with stakeholders, we now expect to make modified proposals in June this year. Independent consultants working for us have also analysed, amongst other things, the likely impact of a range of different fees on airports and passengers. I can confirm that the impact on East Midlands Airport was included in this analysis and we will publish the analysis along with the forthcoming second consultation in June.

Best wishes

Ed.

Ed Richards

Happy to discuss further if at all helpful. Ed