

**PROPOSAL TO MODIFY NATS (EN ROUTE) PLC LICENCE IN
RESPECT OF REPORTING OF CERTAIN PLANS UNDER CONDITION
10A: NOTICE UNDER SECTION 11(2) OF THE TRANSPORT ACT
2000 (CAP 1352)**

NERL RESPONSE

1. Summary

- 1.1 On 12 November 2015, the CAA published CAP 1352, which invited views on a proposal to modify the date by which NATS (En Route) plc (NERL) has to submit certain plans to the CAA in respect of raising the UK Transition Altitude (TA) and implementing the terminal airspace redesign under the London Airspace Modernisation Programme (LAMP), from 31 December 2015 to 30 June 2016.
- 1.2 This response document confirms NERL's support for the proposed Licence modification to extend the plans' submission dates by six months.

2. Background

- 2.1 The CAA first proposed a new Licence condition in relation to Future Airspace Strategy (FAS) incentivisation in the Draft UK-Ireland Reference Period 2 (RP2) Performance Plan (PP) in February 2014. In its response to the Draft PP (in April 2014) NERL expressed its concern over this proposal, noting the following:
- The delivery of TA and LAMP is outside the direct control of NERL because it depends on actions by other parties;
 - NERL therefore considered that the new Licence Condition would severely increase the risk of a Licence breach in circumstances that could not readily be rectified;
 - The proposal constituted a departure from the CAA's performance, output-based regulatory approach which had been a previous strength; and
 - It was unclear how the proposed reporting requirements associated with the new Licence condition would fit in with NERL's enhanced Service and Investment Plan (SIP) process¹.
- 2.2 Despite the misgivings raised by NATS about a FAS condition, the CAA still pushed for its adoption, which became Licence Condition 10a in the January 2015 NERL licence for RP2 (2015-19).

¹ NATS 2014, NATS Response to Draft UK-Ireland RP2 Performance Plan, April, pp. 65-66.

3. Licence Modification Proposal

- 3.1 Condition 10a requires NERL to submit project plans for both TA and LAMP by 31 December 2015. The development of both projects has been delayed by the following:
- Planned public consultation on both the Airspace Change process and the UK Government policies including the treatment of noise;
 - The impending Government decision on runways in the South East; and
 - Other reasons discussed with airline customers as part of the SIP process during autumn 2015.
- 3.2 In view of these challenges to FAS, NERL considers it is in airspace users' interests to take longer and work in partnership with all stakeholders to produce an achievable plan. As noted in CAP 1352, an additional SIP consultation meeting was arranged, at airlines' request, to focus on the airspace aspects and the response deadline was extended. NERL therefore supports the proposal to extend the plan submission deadline from 31 December 2015 to 30 June 2016.

NERL
11 December 2015