



RYANAIR

Ryanair Dublin Office
Airside Business Park
Swords
County Dublin
Ireland
Telephone: +353 1 945 1212
Website: www.ryanair.com

04 August 2023

UK Civil Aviation Authority
Aviation House
Beehive Ring Road
Crawley
West Sussex
RH6 0YR

By email: economicregulation@caa.co.uk

Re: UKCAA Provisional Decision for the next price control review (“NR23”)

Dear Madam/Sir,

The provisional decision for the next price control review (“NR23”) published in July 2023 and associated CAA request for feedback refers.

As the carriers are tasked with restoring traffic in a particularly challenging economic and operational environment, the need for transparency and a cost-efficient plan is crucial. We appreciate invitation to give our feedback and see that our previous comments were considered. We summarise our views on the CAA’s provisional decision below:

- **Traffic forecast**

We appreciate that the updated traffic forecast has been taken into account, making sure the latest macroeconomic scenario leading to a recovery of 2019 traffic in 2024 is being used.

- **Service quality**

Overall, we support the more challenging targets set by the UKCAA on the service quality. It should be noted that the modulation of NERL attributable delay raises concern as the justification provided is the uncertainty of forecast, even though the UK is showing a stable level of recovery and is the busiest state in Europe.

- **Determined Costs**

We support the reduced determined cost in NR23 from £3,238 million to £3,055 million as a consequence of the adjustment based on the new economic data.

We also welcome the decision to commission Egis to undertake a review of the changes made by NERL on the DP En route and legacy programmes. Nevertheless, we remain concerned by the impact this delay will have on the cost efficiency and delivery of airspace developments of this much needed improved operational efficiency.

- **Overall revenues/ Benchmarking charges**

The increase in the UK must be viewed in the context of the bigger picture faced by the airlines because the rises across Europe as a whole are penalising us. It is imperative to bear in mind the fact that airlines are still being held responsible for fully mitigating the revenue gap, whilst also needing to restore traffic to its pre-covid level.

We want to reiterate that we strongly object to the principle of penalising airlines for a traffic downturn that was entirely outside their control. ANSPs, as wholly owned entities of the state, should be assisted financially by their government, supporting its own service provider and moving away the financial burden of the crisis from the airlines.

- Regulatory mechanisms

We continue to support the appropriate airspace developments and beneficial changes and welcome the decision of continuing the AMS Support fund.

Regarding the inflation adjustments, we believe such adjustments should be applied only on materialised cost as to not to allow NATS to earn a return on a project that never saw the light of day.

We welcome the set of a higher baseline expectation for the CAPEX engagement incentive and believe it will be beneficial in terms of driving continuous improvement.

We remain available for any further clarifications you may require.

Yours sincerely,



Mathilde Dorfsman
ATM Manager