

Decision on modifications to NATS (En Route) plc licence in respect of certain planning and reporting requirements under Conditions 10 and 10a

CAP 1418

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Chapter 1

Introduction

Purpose of this document

1.1 This document sets out the CAA's decision to modify, as proposed in our consultation document CAP1405¹, the air traffic services licence held by NATS (En Route) plc (NERL). The modifications require NERL to produce detailed technology and airspace programmes for the remainder of the current Single European Sky Reference Period (RP2 (2015-19)), and outline programmes for the next Reference Period RP3 (2020-24). They also allow us to appoint an Independent Reviewer (IR) to report on the delivery of the milestones in the programmes. The modifications remove the current requirement in the Licence for NERL to submit plans in respect of:

- raising the United Kingdom Transition Altitude (TA); and
- implementation of the next phases of terminal airspace redesign under the London Airspace Modernisation programme (LAMP);

the specific requirements for which have been overtaken by events.

Our proposals and representations

1.2 With NERL's consent under section 11 (1) of the Transport Act 2000 we published on 6 May 2016, in CAP1405, proposals to modify condition 10 and delete condition 10a in NERL's licence by notice under section 11 (2) of the Act.

1.3 We invited representations on our proposals by 3 June 2016. Representations were received from:

¹ [CAP 1405 – proposal to modify NATS \(En Route\) plc licence in respect of certain planning and reporting requirements under Conditions 10 and 10a: Notice under section 11\(2\) of the Transport Act 2000](#)

- NERL;
- London (Heathrow) Airline Consultative Committee (LACC), supported by the Heathrow Airline Operators Committee (AOC);
- British Airways;
- Virgin Atlantic;
- Prospect (ATCO²'s Branch);
- a resident of Tunbridge Wells affected by Gatwick noise; and
- a resident of Isleworth affected by Heathrow noise.

1.4 NATS, British Airways, LACC, Virgin and Prospect supported our proposals overall. Although LACC and British Airways thought the proposals for Condition 10 (5), (6), (7) and (8) should be amended to remove the ability of the CAA and NERL to bilaterally agree later dates for the programmes and options. British Airways also said it did not have enough understanding of the proposal for an IR to support it. The individuals commenting on noise issues both wanted additional requirements on NERL to report on noise and one of them possibly on air quality as well.

1.5 Some respondents made additional points related to NERL's investment programme and CAA requirements, which were not relevant to the proposed modifications themselves but to how NERL would comply with and we would monitor and enforce the revised requirements. These are mentioned below.

1.6 NERL said it would work with us and airlines to ensure that it provides the required extra transparency around its capex plan. It also said that it would engage constructively and positively with an IR.

1.7 LACC emphasised the importance of implementing all phases of the Future Airspace Strategy (FAS) and LAMP Phase 2 to airlines and their passengers. It also set out some particular requirements:

- the CAA should identify a clear delivery date on NERL for LAMP Phase 2, or at the very least critical elements of the programme that

² Air Traffic Controllers.

can be independently worked on and delivered as early as possible. There should be a clear roadmap for NERL delivery of all elements of LAMP phase 2, overseen by the CAA and agreed with the airline community.

- Some components of the SESAR³ implementation of ATM functionalities should be brought forward from RP3 and the CAA should progress a review with NERL.
- There should be clarity around TA. If raising TA to 18,000 feet does not happen in RP2, LACC would query the benefit in raising, on an interim basis, TA in controlled airspace to 6,000 feet.
- It will be important that the IR delivers value for money, actively coordinates with the airline community and understands the wider network issues including the interests of passengers and consumers.
- The CAA should explain the reasoning for the final chosen IR. While a one year contract has been mentioned, there would be merit in the ongoing participation of the IR in an assurance role, once an assessment of the initial year has been conducted. The arrangements for the IR should be reviewed before the commencement of RP3.

1.8 Virgin made similar points to LACC.

1.9 British Airways agreed with many of LACC's points. It additionally said that as many of the components of NERL's airspace programme are already known, it expected NERL to present an overview of its thinking in the 2017 SIP, and take industry views into account in the plan due on 31 March 2017. British Airways also wanted more clarity on the proposal for an IR as it expected that we already had the capability to effectively oversee and challenge NERL on its programme reporting. It could be persuaded that there would be merit in having an independent view to provide us with assurance, but wanted clarity on the IR's role, responsibilities, the costs and benefits of the IR, and understanding of its Terms of Reference and the selection process. British Airways also

³ Single European Sky Air Traffic Management (ATM) Research.