

NATS
4000 Parkway,
Whiteley
Fareham
PO15 7FL
T: 01489 615 716

11th April 2019

Dear Matt,

NATS (Services) Limited (NSL) response to CAA consultation on "Draft UK Reference Period 3 Performance Plan proposals" (CAP 1758)

This letter sets out NSL's response to the TANS element (chapter 10) of the CAA's document "Draft UK Reference Period 3 Performance Plan proposals" (CAP 1758). We welcome the opportunity to help inform the CAA's plan and set out below our responses to the specific consultation question 10.27.

London City

We support the CAA's proposal to keep London City in scope for the performance and charging scheme in RP3. The CAA's justification is that it forecasts London City will exceed 80,000 IFR movements, and therefore come within scope, at some point during RP3 due to traffic growth and there might be consistency benefits from including it throughout the period. The consequence of the CAA's proposal is clear inclusion of London City in the Performance Scheme at outset of RP3. We support this approach.

Capacity targets (ATFM delay – all causes)

We do not support the CAA's proposed capacity targets (ATFM delay – all causes) as they do not take sufficient account of traffic growth. As a consequence, we believe some of these targets will be unachievable from the outset.

The CAA has proposed targets that are consistent with historical performance (2014-17). The CAA acknowledges that there will be traffic growth in RP3 and recognise that traffic tends to increase delay but they believe that competitive market pressure and partnership working will counter-act this. We believe the CAA places undue weight on the theoretical possibilities that could be offered from competitive pressures and partnership working compared to the practical reality of capacity constraints created by physical and/or airspace infrastructure. In particular we believe that the CAA has taken insufficient account of the high traffic growth forecast at Stansted and Luton which are affected by capacity constraints in Essex airspace as highlighted in our Business Plan submission.

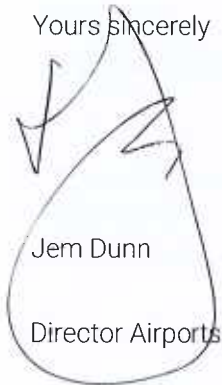
Essex airspace is already at full capacity during the morning and afternoon peaks of demand. Stansted and Luton airports share the Essex airspace and one holding facility for their arriving

traffic. Actual ATFM delay (all causes) in 2018 was 1.24 minutes at Stansted and 0.55 minutes at Luton which are both already higher than the CAA's proposed targets for RP3 and we are predicting further traffic growth at these airports of c. 4% or more each year to the end of RP3. The Essex capacity constraint is not expected to be relieved without the airspace change known as SAIP AD6 which cannot be delivered before late 2020 and is outside of NSL's control.

We believe that RP3 targets that are merely consistent with average delay for the period 2014-17 does not properly recognise increasing levels of delay during that period (ie 2016 and 2017 are above the average), 2018 performance (even higher delay) or forward growth forecasts. The consequence being that the targets proposed for Stansted, Luton will be impossible to meet from the outset.

We request that the CAA reconsiders the proposed capacity targets and takes account of the rationale put forward in our Business Plan to increase these targets to 2.0 minutes for Stansted and 1.0 minute for Luton.

Yours sincerely



Jem Dunn
Director Airports