

rod.gander@caa.co.uk

**NATS**  
**Brettenham House**  
5th Floor South  
Lancaster Place  
London  
WC2E 7EN

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Dear Rod

## **NSL response to CAA consultation on its approach to terminal air navigation service regulation in RP2**

Thank you for the opportunity to respond to your consultation on the approach to terminal air navigation service (TANS) regulation in RP2. The Draft RP2 Business Plan for TANS that was submitted to you on 9 December represents NSL's careful analysis of what goals are challenging but achievable for its business in RP2. We would like to draw your attention to how it:

- reflects excellent working relationships that exist between NSL and airports, which are backed by strong commercial incentives to deliver outstanding service
- honours existing contracts in place between NSL and its airport customers and
- is consistent with SES requirements.

Given this, we encourage the CAA to set the following capacity and cost efficiency targets for the UK TANS market in RP2:

1. Average airport arrival ATFM delay - NSL attributable (S&T Causes) of 0.05 and
2. Average annual real reduction in unit costs of 2%.

These targets reflect the likely impact of increasing traffic over the period and capture those areas over which NSL has more control.

It remains NSL's strong belief that the UK TANS market is contestable now, which has been shown by the recent public procurement exercises at Birmingham and Luton airports as well as the on-going one at Gatwick airport. We support the CAA's and DfT's objective of developing this market further, which is the best delivery mechanism for efficiency and service quality improvements that will benefit airports, their airline customers and ultimately UK passengers. We look forward to continuing to work with the CAA on our proposed commitments to enhance market conditions and we will respond to their requests to help to develop the UK-Ireland FAB Performance Plan.

Yours sincerely,



Thea Hutchinson  
Head of European Performance Regulation.