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Draft UK Reference Period 3 Performance Plan proposals

We have reviewed the Draft UK Reference Period 3 Performance Plan and the majority of feedback will be coordinated through IATA. The proposals related to section 11 - Oceanic Services are however of specific concern and we believe it important to address individually. This also to reinforce the collective airline position through IATA.

In general, we are comfortable with the principles outlined in section 11 with the exception of those related to ADS-B.

Firstly, just to be clear, Emirates has no specific concerns about the potential of technology such as SB ADS-B. Rather it is the associated costs and structure of the charging mechanism that are of concern. For the purpose of the UK consultation, fundamentally we believe the extent of the instantaneous increase in cost remains unjustified against the purported benefit.

While we acknowledge the UK CAA draft contains a more balanced approach of presenting benefit, this also reinforces the view that the true benefits will likely manifest over time once the technology and processes have matured. For this reason we believe a more structured approach should be considered whereby the technology is phased in and the associated charges are related directly to the provision of demonstrated benefits.

Likewise while we recognise the Safety enhancement enabled from the provision of full surveillance, the arbitrary establishment of a charge overnight suggests an urgent need for action. Rather, we would propose a more balanced approach whereby the costs are established over a period of time and with a direct relationship to defined benefits. Interestingly during previous discussions in the RP2 period, the Safety benefit was being promoted as secondary but has now suddenly become the driving motivation.

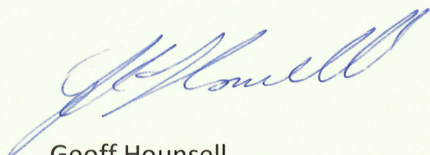
One anomaly with the above suggested approach is the contracted arrangement with the sole vendor Aireon. While UK NATS have been relatively open as part of the consultation process (as legally allowed), they are also constrained by stringent contractual arrangements. This clearly limits the ability to truly negotiate without imposing additional costs which will need to be borne elsewhere.

Lastly and while unrelated specifically to the UK consultation, we remain concerned that the charges associated with North Atlantic operations are significantly different to those proposed elsewhere. While the nature of these operations do vary significantly, the basic principle of cost benefit also need

to be applied. This should be based on a value add analysis involving the wider aviation community rather than simply charges structure imposed by a commercial vendor.

We are happy to provide further details/ comments as required.

Regards



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