

Thomson Airways Limited response to the consultation on NATS (En Route) plc (NERL) flight efficiency performance regime:

Thomson Airways Limited (TOM) appreciates the opportunity to comment upon the proposed NATS (En Route) plc (NERL) flight efficiency performance regime. Thomson Airways is the UK's third largest airline carrying 10m (?) passengers in 2010. Additionally TOM has set itself a target to reduce its CO₂ emissions by 6% by 2014, based upon the year 2008. Furthermore TOM has one of the UK's best airline environmental performances, currently 75g CO₂/RPK (revenue passenger kilometre) flown. On the 6th October 2011, Thomson Airways will be the first UK airline to carry passengers using a 50% blend of sustainable biojet on one engine, as part of our Biofuel operations. Daily flights will then commence early 2012 for a period of approximately 6 weeks. Thus demonstrating that reducing greenhouse gas emissions is one of our top priorities.

We believe that others within the aviation industry can, and should do more, to reduce aviation CO₂ emissions, thus we support the general direction that NERL are proposing to measure flight efficiency, in particular related to reducing aviations greenhouse gas emissions.

General Comment:

We also recognise that the proposed model 3Di is an international first and NERL is to be congratulated for the work it has done so far. We would like to see this methodology rolled out as an EU standard. However, we believe that NERL is being ultra cautious and that whilst the metrics will need some further validation during the early implementation period. We also believe that the metrics can be realigned to start off with and subsequently adjusted following an annual review, as proposed.

We will respond to each question as appropriate:

Do you consider that NERL has used best endeavours to develop a flight efficiency regime?

Yes, we believe that NERL has produced a workable solution and would urge the UK CAA and Department for Transport to support this approach as a model for use within Eurocontrol and other EU ANSP's.

Do you agree that there should be a flight efficiency performance regime from the start of 2012 and that it should be on the 3Di ?

Yes. We believe that it is important to introduce this performance regime as soon as possible.

Do you agree with NERL's proposals for the par value and deadband? If not, on what basis should the par value and deadband be set?

No. We believe that NERL has been over cautious in setting both the par value and the deadband. Either the Par value is set too high and should be lowered, or the deadband is set too wide and should be narrowed. We do not see the need to adjust both values. However a review of both the par value and the deadband should form part of the proposed annual review and adjusted by the CAA as necessary.

Do you agree that flight efficiency incentives should be set at £0.2 million per unit capped at 20% of available money at risk? If not, on what basis should payment rates be set?

We agree with this proposal, subject to the par value and deadband being revised so that there is a greater incentive for NERL to deliver real efficiencies.

Do you agree with the adjustments proposed by NERL? Are there any other adjustments that should be made?

Thomson Airways does not accept the need to exclude the Olympic period for 2.5 months. During planning meetings the CAA, NATS and DfT has impressed the need for business as usual. Additionally airlines are planning the need to uplift additional fuel as Southern airports of LHR, LGW, STN and LTN will not be available for diversions. This will add already to fuel burn and airline CO2 emissions during the first year of the introduction of EU Emissions Trading Scheme. Thus it would be iniquitous if NERL were to avoid having to ensure efficiency during that period, and our peak seasonal operations.

Do you agree with the annual review process proposed and the threshold for the test?

We agree that the annual review should verify the formulae used and only adjusted if ± 1.5 3DI units. However we also believe that the par value and the deadband should be reviewed so that NERL has a clear incentive to continually improve.

Thomson Airways would be pleased to respond to any further questions on this matter.

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