

Initial 3D Inefficiency Consultation Response

United Airlines

Question: Do you consider that NERL has used best endeavors to develop a flight efficiency regime?

United Airlines Response: NERL has made a considerable step forward by combining the vertical profile with the horizontal track extension within the metric which, together with the delay metric, is essential in monitoring the efficient use of airspace.

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

United Airlines Response: Yes. This will give the opportunity to tweak the parameters and finer details. In addition, the metric should be applied to other European ANSPs as soon as possible.

Par Value and Deadband

NERL proposes to set the par value at 25.5 units based on the average value of the 3Di metric between 2006 and 2010. NERL proposes that the deadband, where no payments would be made should be at 21 to 30 units. This would be symmetric around the par value and accounts for changes in traffic volume and unanticipated events in each of the preceding five years. It therefore limits the risk/opportunity of paying bonuses and penalties.

Question: 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.

United Airlines Response: As discussed at the consultation meeting, the scores for the period 2006-2011 were fairly stable and moreover, NERL is trying to strike a balance between improving flight efficiency and the risk of underserved bonuses or penalties. Besides, NERL is committed to their own business plan to improve the service. It is most important that the deadband be set to reflect forecast traffic growth.

Payment Rates

NERL proposes a financial payment rate for both bonuses and penalties at £0.2 million per unit. NERL has estimated that 1 unit of the metric is equivalent to 110,000 tonnes of CO2 and around £20 million of fuel based on 2010 data. NERL recognizes that there is significant uncertainty in this estimate.

NERL's proposal includes the full capped payments at £2.4 million for bonuses and £4.8 million for penalties (20% of the available money at risk and the maximum proposed by CAA) at 2006 prices. If the money at risk on flight efficiency is reduced then this money would transfer pro-rata to the other performance metrics.

Question: Do you agree that flight efficiency incentive rate 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?

United Airlines Response: As was discussed and agreed at the meeting, airlines are primarily interested in the actual improvement in efficiency which results in fuel cost savings, rather than the extent of any penalty/bonus.

Adjustments to the Regime

NERL proposes that the metric should be adjusted for changes in the proportion of overflight traffic and that the 2.5 month period of the Olympics and Paralympics should be excluded.

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

United Airlines Response: Yes. However, it is well understood that the relationship between the 3Di metric and traffic is complex, because as traffic increases so does the complexity of airspace. Nevertheless traffic fluctuations affect the metric and so this should reflect forecasted traffic growth.

Annual Review

NERL has proposed an annual review of the metric to allow for removal of the bonus/penalty should the metric prove to be unstable during CP3. The threshold for the test would be a maximum error of the metric of approximately ± 1.5 3Di units.

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

United Airlines Response: The par value and deadband should be subject to an annual review, as this would encourage performance improvement in line with traffic growth.

It may also be helpful to outline three key elements within United Air Lines' stated environmental goals and requirements that relate to CO2 reduction for flight activity:

1. **The Corporate Go Forward Plan 2011**
 - Reduce fuel burn per available seat mile and reduce United's carbon footprint
2. **The Corporate Environmental Commitment Statement**
 - Reduce fuel use and improve fuel efficiency of our aircraft and vehicles through technology and process innovation.
3. **The international aviation industry climate change commitment under the Global Sectoral Approach**
 - A collective industry goal of 1.5% fuel efficiency goal through 2020
 - A collective industry goal of Carbon Neutral Growth from 2020
 - A collective industry goal of a 50% reduction in CO2 by 2050

**United Airlines
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