

Consultation on NATS (En Route) plc (NERL) flight efficiency performance regime

[Do you consider that NERL has used best endeavours to develop a flight efficiency regime?](#)

It is certainly apparent that NERL have developed a possible framework for measuring flight efficiency and an associated bonus/malus scheme, therefore it is impossible to argue against the subjective 'best endeavours'. However if the question were to be rephrased as: "Has NERL endeavoured to develop the best flight efficiency regime?", the answer would have to be in the negative; there are no attempts to derive what the user considers to be the optimum flight profile beyond what is contained in the flight plan, which is heavily influenced by vertical restrictions imposed at NERL's request.

Moreover, the indicator is measured with reference to a model, which makes the indicator dependent on the validity of the model. Information on this model is too limited to take a view on its validity.

[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?](#)

The horizontal flight efficiency appears straight forward and could certainly be applicable from 2012, being a variation (albeit considerable) of the KPI established as part of the SES II Performance scheme.

The vertical aspects are fundamentally different. Considering the 2395 standing level agreements in the UK RAD, will these be considered as the optimum levels requested by the users or will these simply be removed from the vertical efficiency analysis? If aircraft are subject to level capping then how will their optimum level be known to compare with the flight profile? The difference in profiles for these flights could be substantial and this will impact arriving traffic, departing traffic, and especially domestic UK traffic, together comprising the vast proportion of UK traffic.

[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?](#)

The par value is set with reference to historical performance in years for which there was little strategic ambition, or incentive, to improve flight efficiency. Furthermore, there is no incentive to improve year on year, as all improvements appear to be related to the historical par value. The EU-wide target for environment in RP1 (2012-14) progressively improves. In order for the UK target to be consistent with the EU-wide target, it would appear reasonable to lower the par value and associated deadband annually.

The deadband proposed is based on the anticipated increase in 3Di to c.30 units by 2014 simply due to the increase in traffic, together with unexpected events. The latest STATFOR forecasts for the UK predict traffic levels in 2014 lower than the traffic levels in 2006, where the 3Di has been calculated as 28.2 units. As for the unexpected events, it is difficult to explain why a permanent allowance should be allowed for an event which cannot be anticipated.

Therefore it would appear reasonable that the upper limit of the deadband should be initially a maximum 28 units and that the par value should be set at the 2010 value of

24 units but should decrease annually. A symmetrical band around the par value appears reasonable for determining the merit of a bonus.

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?

This a matter for the UK regulator to consider. One would expect that the financial incentive is enough to encourage the required behaviour from the ANSP whilst being commensurate with the financial burden/benefit on the users.

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

The adjustment based on traffic mix appears reasonable although it is important to note that the impact of vertical flight efficiency is more prevalent on arriving and departing traffic than on overflights; therefore there should be an added incentive to provide solutions for this traffic instead of providing justifications for the increase in par value. It seems reasonable to exempt the Olympics / paralympics period from the scheme.

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

There is a fundamental issue with a body being subject to financial incentives being responsible for gathering and presenting the data on which its revenue depends. Dependence on a model which is designed and maintained by NATS is a specific issue.

It is essential that all performance indicators should be totally independent and should be seen to be independent. It is also suggested that the end users, the airlines, should be involved in the annual review of performance and especially on decisions on disregarding or adjusting the metric.