

CAP3121 – Economic Regulation of NERL: Initial proposals for modifying the Licence to support the implementation of a UK Airspace Design Service
DOCUMENT SUMMARY

On the 2 June 2025, the Government announced that it has decided to proceed with the creation of a UK Airspace Design Service and Airspace Design Support Fund, to be provided by NATS (En Route) plc (“NERL”). This consultation sets out our initial proposals for the modifications to the Licence to support implementation of the Airspace Design Service in the manner set out in the Government’s announcement. We have developed these initial proposals in the light of the responses to both the Joint Consultation and the November 2024 Consultation.

Name:	<i>Enter the name of the person completing this review:</i>
Organisation:	<i>The name of the organisation or department you represent.</i> MOD - DAATM
Section / Team:	<i>Your specific team, section or project group.</i> Airspace
Date:	<i>Date the review was completed.</i> 22 Jul 25
Document Being Reviewed:	<i>Full title of the document under review, with reference or version if applicable.</i> CAP3121

Guidance to completing the document review process.

1. Use objective language: avoid emotional words; stick to factual impacts or improvements.
2. Keep suggestions proportional to the scope of the document. Don’t over-edit style if it’s mainly a technical or regulatory piece.
3. When raising questions, indicate if it’s a showstopper, clarification, or future consideration.
4. Maintain traceability by referencing section numbers, page numbers, or clause IDs wherever possible.

PART 1: COMMENTS, SUGGESTIONS & QUESTIONS

Section	Clause Reviewed Comments	Observations	Suggestions for Amendments	Questions / Clarifications Needed
<i>Introduction and summary, Para 14</i>	<i>The first of these is to bring the activity of airspace design within the scope of the definition of “air traffic services” in section 98(1) TA00. This is needed so that: ■ other parties would be excluded from providing these services unless they benefit from an exemption (such as airports).</i>	<i>This gives NERL a monopoly on airspace design but i can see no reference to this being confined to the UKADS 1 defined volume – ie London cluster in the Transport Act 2000 (ATS) (Amendment)</i>		<i>How does this impact the delivery of airspace change and airspace design conducted by other parties outside on the FASl London cluster?</i>
<i>Para 2.31 - Option 4</i>	<i>Option 4 – providing for NERL to provide the Airspace Design Service for the whole of the UK, but, in doing so, requiring it to deliver strategic objectives set by the CAA or Secretary of State which could prioritise sponsoring airspace change proposals in particular geographic</i>	<i>This approach does not separate UKADS 1 from the future design service to be rolled out across the UK.</i>		<i>Would CAA issue a blanket exemption for all other airspace design providers for activity outside of the LTMA? And would this exemption need to be revoked when UKADS 2 is rolled out?</i> <i>Does this pre-empt the decision on which entity will deliver UKADS 2 if the licence already includes NERL providing ADS for the whole of the UK?</i>

	areas, such as the LTMA region:			
<i>Para 2.48</i>	In providing the Airspace Design Service, NERL will be required to use its best endeavours to achieve strategic objectives set by the CAA. The strategic objectives will be set after consultation with NERL and other relevant parties, including airports and the MoD.	<i>The tallies with AMS Part 3 recognition of MoD as a Strategic Partner in the AMS</i>		
<i>Para 2.62</i>	The MoD requested membership of the Advisory Board and was keen to ensure that priorities for airspace change proposals would be executed without unreasonably favouring particular stakeholders	<i>MoD comments included, thank you, but board members will be identified by NERL then approved by CAA (see next line in this table)</i>		
<i>Stakeholders' views on Governance: paras 2.58 - 2.63</i>		<i>These generally highlight stakeholders' desire for transparency and representation by stakeholders. It is</i>		

		<i>good to see this included at para B13, with CAA approval of the advisory board membership referred to at para B14</i>		
2.103no longer be required to be provided by a separate impartial unit (that is, ACOG) so that NERL can resource these residual tasks within the part of the business providing the Airspace Design Service	<i>So ACOG would be funded through the Airspace Design Support Fund in the future?</i>		
5.89Under the Eurocontrol Principles, “Determined Unit Costs” (charges) are required to be expressed using Total Service Units (“TSUs”), which include both civil and military flights. However, as it is proposed that military and other exempt flight service units do	<i>Useful detail on whether MoD will pay</i>		

	not pay the Charge (nor do they pay the en route charge), NERL can only receive revenue from Chargeable Service Units (“CSUs”).....			
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Guidance on filling out the above table

1. Comments / Observations – Highlight any issues, inaccuracies, or risks you have identified in the reviewed document.
2. Suggestions for Amendments – Provide practical, constructive edits that could strengthen or clarify the document.
3. Questions / Clarifications Needed – List any queries that need to be resolved by the document author(s).
4. Use clear, concise language. Number complex comments or split into bullet points for clarity.

PART 2 – DETAILED PAGE-LEVEL CHANGES

Page Number	Requested Change	Correction Reason for Change
<i>No detailed comments submitted</i>		

Guidance on using this table

1. Use this table for precise page or paragraph-level edits, which helps document owners track and implement your suggestions efficiently.
2. Always give a short justification; it helps prioritise and decide on acceptance.

PART 3: GENERAL COMMENTS

Insert any additional comments within this section, these will be passed verbatim to the document owner as part of the review process.