

Sent on: Monday, January 6, 2025 8:59:57 AM

To: Economic Regulation <economicregulation@caa.co.uk>

Subject: [External] CAP 3063 response

Hello

Please see below the response from Farnborough Airport Limited to CAP 3063. Each of the questions asked are copied below with a response.

- a. our overall approach to establishing licence modifications for NERL that will enable it to successfully provide the Airspace Design Service: **No comment**
- b. the views set out in chapter 1 that this approach is consistent with our statutory duties, including in relation to safety, furthering the interests of customers and consumers, economy and efficiency, and NERL's finance ability: **No comment**
- c. the prospective obligation on NERL to perform the Airspace Design Service and the approach to setting the geographic scope of these activities: **We agree that NERL "holds the pen" but they must be transparent and accountable in decision making. It is sensible to have a way to progress statewide/mandated changes. We agree with the prospective obligation and that the geographic scope should start with the LTMA, this scope must only increase if appropriate resources are in place. Regarding the prospect of UKADS taking on all UK ACP's it could be argued that "simple" ACPs would not need UKADS, but as UKADS is likely to have all the expertise, either directly or through subcontractors it will hold all the "knowledge", and it could pose a risk for airports (and others) to go elsewhere. However, the one stop shop for all ACPs means that there is no competition in the market, UKADS (NATS) is a monopoly, if this happens and the aviation consultancies no longer have the capacity/knowledge/appetite for non-ACP APDO work (due to them all being involved in UKADS, or "costs" charged by UKADS prohibit the work) where will airports go for these other elements? e.g., the 5Yearly IFP check. CAA must ensure that this work, that they dictate is carried out by airports is actually achievable by airports. Additionally UKADS1 ability to fully deliver in the LTMA (Delivery has to include the outcome of any PIR) must be evident before the scope extends to all UK ACPs. Also the prospect that the LTMA definition extends to include smaller London Airports (e.g. Brighton City) must not increase the timeline to deliver the change the larger airports have been working on for years.**
- d. the prospective obligations on NERL with respect to its relations with third parties, including through the Advisory Board and working arrangements with partner organisations; **The governance from DFT and CAA appears sound however, while information on the Advisory Board functionality seems reasonable, this is dependent on the membership of the Advisory Board and information on this is insufficient/inadequate. As a "partner" airport we would expect to be involved in regular meetings/discussions/workshops in a similar way that we are today with ACOG. Undoubtedly within these discussions sensitive information would be shared that would be subject to a nondisclosure agreement, this element of the**

ACOG current set up works well and should not be lost and would be part of UKADS1 taking the partner airports on the journey with them, which must happen. This does not feel like the Advisory Board as described. These working arrangements are vital to the success of UKADS1, and it is difficult to comment on the function and makeup of the Advisory Board without understanding what sort of communication/involvement there will be at the working level. We suggest that All partner airports in the LTMA must have a seat on the Advisory Board due to the diverse ownership and operation. We have the following questions: Who are the Independent members?, How will commercial airlines and business aviation be represented? Who are the “other” key stakeholders? Community groups? Airport Consultative Committees? Who is the consumer? The airport? The operators? The passengers? The impacted by noise individual? How will the individuals given seats on the Advisory Board actually be chosen? Will the process be transparent?

- e. the approach to NERL’s new obligations and those existing obligations relating to ACOG: **Agree**
- f. We welcome stakeholders’ views on the approach set out above in relation to possible consequential changes to NERL’s licence: **It would be better to get a mechanism in place once that has the flexibility to enable future related changes**
- g. the estimates of costs of providing the Airspace Design Service and the Airspace Design Support Fund: **As an estimate these seem reasonable. The caveat being that no airport involved in the AMS has as yet undertaken the most expensive elements of CAP 1616.**
- h. any other information stakeholders have on costs or the assumptions it is reasonable to make in projecting costs for the period 2025 to 2035: **These do not appear to have any contingency for Judicial Review or re-working, for instance after consultation, or for any modifications required subsequent to a PIR.**
- i. whether the cost pass through approach for recovering costs related to the Airspace Design Service and the Airspace Design Support Fund is appropriate: **No comment**
- j. whether these costs should be recovered from users in the year that they are incurred: **No comment**
- k. the duration of the initial charge control for the Airspace Design Service and Airspace Design Support Fund should be 2½ years and then be aligned with NERL’s main price control reviews: **Agree**
- l. the illustrative charges set out in table 5.1: **Given the information available this seems reasonable**
- m. any comments on illustrative drafting of the licence modifications set out in Appendix B and Appendix C: **Appendix B Part C says that the Licensee shall appoint an Advisory Board which is entirely necessary but again there is no information regarding how this will be done and this is of fundamental importance. Without specifics on the makeup of the Advisory Board and the working arrangements for partner airports there is inadequate information to enable a full understanding of the responsibilities of the Board and the way NATS propose to discharge them.**

Regards,

Rachel Thomas

Future Airspace Strategy Oversight Manager

Farnborough Airport