



**Airlines for America®**

*We Connect the World*

July 24, 2025

Civil Aviation Authority  
Westferry House  
Westferry Circus  
London E14 4HD

Sent via email: [economicregulation@caa.co.uk](mailto:economicregulation@caa.co.uk)

Re: UKADS: NERL License – Consultation on Initial proposals

Dear Sir or Madam,

Airlines for America (A4A), on behalf of our members<sup>1</sup>, responds to the UK Civil Aviation Authority (CAA) proposals contained in the above-captioned consultation. Several of our members operate extensive services to the UK and have a vested interest in the outcome of this consultation.

As an initial matter, A4A supports the creation of a UK Airspace Design Service (ADS) and hopes that the CAA can expedite its implementation. ADS is crucial for advancing airspace modernization that will improve utilization of UK airspace by enabling aircraft to fly more direct routes with optimized climb and descent profiles to and from energy-efficient cruising altitudes. This will benefit UK consumers through greater system capacity and better resilience to disruptive events. It will also improve the environmental performance of airspace users and help achieve the UK's commitment to net zero GHG emissions by 2050.

The CAA should ensure that the charges imposed upon airlines for use of ADS are cost related consistent with the U.S. - UK Air Transport Agreement (ATA). Specifically, pursuant to Article 10 of the ATA, which says user charges "may reflect, but shall not exceed, the full cost to the competent charging authorities or bodies of providing the appropriate airport, airport environmental, air navigation and aviation security facilities." Under this provision, it is incumbent on the CAA to ensure that the charges levied to provide ADS reflect the actual costs incurred. A number of safeguards would help achieve compliance with this international commitment.

First, to ensure that airspace users are charged only for en route air traffic services actually delivered, the government should defray National Air Traffic (En Route) Services (NERL) early costs of standing up the ADS, i.e., costs incurred in advance of formal license modifications coming into effect. In this regard, we believe that the government should defray these costs by using proceeds collected from Air Passenger Duty and the Emissions Trading Scheme.

Second, if the CAA uses a cost pass-through approach in the initial phase, it should ensure that NERL does not allocate to ADS costs that should be allocated to its other services. In this regard, we support CAA's proposal to require NERL to report these costs separately in its

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<sup>1</sup> A4A's members are Alaska Air Group, Inc.; American Airlines Group, Inc.; Atlas Air Worldwide Holdings, Inc.; Delta Air Lines, Inc.; FedEx Corp.; JetBlue Airways Corp.; Southwest Airlines Co.; United Airlines Holdings, Inc.; and United Parcel Service Co. Air Canada is an associate member

regulatory accounts. In addition, the CAA should reconsider the use of the cost-through approach once the ADS is fully functional.

Third, to avoid cross-subsidization and overcharging, all airspace users, including new entrants, should be required to defray the costs of ADS. In this regard, the CAA and NERL should closely monitor airspace usage so that all airspace users pay their fair share of ADS costs.

Finally, we welcome the CAA's proposal to introduce a correction mechanism to deal with any under- or over-recovery of actual costs that result for example, from differences between forecast and actual traffic volumes. This will ensure that NERL recovers its actual costs over time and is consistent with the cost-based principle enshrined in the ATA.

We thank you for your kind attention and look forward to receiving your response. In the meantime, please do not hesitate to contact me if you have any questions or require further information.

Sincerely,

A handwritten signature in black ink, appearing to read "Keith Glatz". The signature is fluid and cursive, with the first name "Keith" and last name "Glatz" clearly distinguishable.

Keith Glatz  
Senior Vice President, International Affairs  
Airlines for America