



London (Heathrow) Airline Consultative Committee (LACC)

Rod Gander
Consumer and Markets Group
Civil Aviation Authority
CAA House
45-59 Kingsway
London WC2B 6TE

Sent by email to rod.gander@caa.co.uk on 3/6/16

LACC Response to CAA Consultation Proposal to Modify NATS (En Route) Plc Licence in Respect of Certain Planning and Reporting Requirements Under Conditions 10 and 10a: Notice Under Section 11(2) of the Transport Act 2000

Dear Rod,

The London (Heathrow) Airline Consultative Committee (LACC), supported by the Heathrow Airline Operators Committee (AOC), welcomes this opportunity to respond to the consultation on proposals to modify NATS (En Route) Plc (NERL) licence in respect of certain planning and reporting requirements. Although we remain extremely disappointed with the factors which have led to a delay in the LAMP Phase 2 deliverables from RP2 into RP3, the Heathrow airline community believes that there is a stronger requirement on NERL to be fully transparent and provide an enhanced understanding of its capital investment plans going forward. We should also recognise that the factors which have led to this delay, namely political and regulatory uncertainty surrounding airspace policy and the airspace change process must be resolved as soon as possible. Airlines and their passengers – 75m passengers at Heathrow alone – must continue to receive a satisfactory level of service in terms of avoiding delays and enhancing resilience at Europe's most congested airport.

We remain extremely frustrated at the decision to delay modernisation programmes originally planned for delivery during RP2. Whilst we strongly supported the CAA's Future Airspace Strategy (FAS) and programmes such as Transition Altitude (TA's) and the London Airspace Management Programme (LAMP) we continue to remain

perplexed and concerned regarding the circumstances which have led to further delays. This will only impact on airline operations and our passengers who continue to exert their desire to depart and arrive on time. Annex 1 shows some of the earlier analysis regarding the financial consequences of delays to LAMP implementation at Heathrow.

We must emphasise that the implementation of all phases of the FAS at the earliest opportunity together with NATS delivery of LAMP Phase 2 is of utmost importance for airlines. Further prolonged delays cannot be accepted without a substantial decline in the performance of the UK's aviation system at its only hub airport. Some of the evidence to support this claim can be seen in the expected deterioration in the Summer 16 punctuality performance predicted by HAL and the concerns regarding capacity planning across the wider international network by Eurocontrol's Network Manager¹. We expect that the CAA will act to protect the medium term terms of UK passengers together with the wider optimisation of the European and address some of the underlying issues with rigour. The interests of future passengers – over 750m passengers using Heathrow alone over the next 10 years - require robust planning and delivery against a clear regulatory timeline until new airport capacity is delivered following a Government decision on the location of new capacity

With regards to this consultation, we agree that there is a need for greater transparency on NERL's airspace and technology programmes and monitoring of the progress against their delivery with clear targets in place. These targets should look not only at delays, but punctuality and resilience at the UK's only hub airport and ensure that a satisfactory level of service can continue to be provided to 75m passengers per year and the 30m passengers who rely on the transfer process across Heathrow's 4 terminals.

Consequently our particular requirements are as follows:

1. The CAA should identify a clear delivery date on NERL for LAMP Phase 2, or at the very least critical elements of the entire programme that can be independently worked on and delivered as early as possible. This situation must be addressed with a clear roadmap articulated for NERL delivery of all elements of LAMP Phase 2, overseen by the CAA, and agreed with the airline community.
2. NERL to comply with the proposed 31st March 2017 deadline to provide revised detailed technology and airspace programmes for the remainder of RP2. However paras 5, 6, 7, and 8 of the proposed Condition 10 should be amended to remove the ability of NERL and the CAA to bilaterally agree later dates for these programmes. As the airlines will face the consequences with their passengers for failure to deliver a certain service level, we request that the wording be changed as follows -- "By [date] the Licensee shall provide the CAA ..."

¹ Eurocontrol Network Operations Plan 2016 to 2019

3. The Heathrow airline community welcomes the requirement for NERL to report against SESAR implementation of ATM functionalities as set out in Commission Implementing Regulation (EU) No 716/2014 (revised Condition 10 para 4). Indeed some components could be brought forward from RP3 and CAA should progress a review with NERL.
4. Regarding the Transition Altitude (TA), the Heathrow airline community would also like to clarify if an official decision has been made to delay raising UK TA to 18,000 feet. If raising TA to 18,000 feet does not happen in RP2, we would query the benefit in raising, on an interim basis, the TA in controlled airspace to 6,000 feet. This was highlighted in the Interim SIP meeting held on 12th May 2016 and we have concerns that a capital spend of £4.5m would be either desirable or efficient.
5. We also welcome a more detailed scrutiny of the cost of NERL's programme delivery through the introduction of a new Condition 10(12) setting out the appointment of an Independent Reviewer (IR) in this process. It remains important that the IR chosen delivers value for money within their remit, actively coordinates with the airline community and understands the wider network issues including the interests of passengers and consumers.

We will welcome the CAA explaining the reasoning for the final chosen IR to ensure that an efficient and robust choice has been made. Whilst a one year contract has been mentioned, there is merit in the on-going participation of the IR, in an assurance role, once an assessment of the initial year has been conducted and deemed effective. In addition, we assume that the CAA will undertake a review of arrangements, prior to the commencement of RP3, to confirm how this will be dealt with for this next Review Period.

I remain at your disposal to answer any queries with regards to the comments made in this response.

Yours Sincerely

Gerry O Connell
Sec LACC
D'Albiac House
Heathrow Airport
Tel 07502
Oconnellg@iata.org
3 June 16

LAMP delays

A very low estimate of fuel cost savings lost to the Heathrow airlines based on the original LAMP FAS² calculations of 71,000 tonnes of fuel saving per annum equates to **£47,286,000**. with only **one year** slippage to NATS major enabler project LAMP.

At Heathrow, HAL's business case had originally provisioned for the beneficial use of Phase 2 LAMP within 2017 which therefore would lead to **£94,572,000.00** (two years) lost benefit to airlines.

This is a conservative figure and does not include the true "cost of delay"

- EU 261 consequences
- Air Traffic Flow Management (ATFM) delay
- Cancellation costs for airlines etc.

The effect of the above is that the figure would, at least, be doubled again. In simple terms an assumption has been made that LAMP and SID {Standard Instrument Departure} re-design will increase departure capacity @ Heathrow by 15% (48/ hour) which aligns to the Davies Commission report. This is critical to allow Heathrow to accept the Super fleet mix necessary to maintain the UK with a Hub status and protect and support growth of UK GDP

² Future Airspace Strategy, Deployment Plan, V1.1 Dec 2012