



**UNITED KINGDOM
CIVIL AVIATION AUTHORITY**

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Modification to the Air Traffic Services Licence for NATS En-Route Limited

On 12 June 2003 the CAA published a decision which modified paragraph 5 of Condition 21 of the air traffic services held by NATS (En Route) Limited which specifies the delay term within the price cap for Eurocontrol charges. The effects of the modifications are:

- the average delay per flight in a year will have an effect on charges one year rather than two years later;
- for average annual delays greater than a par value of approximately 1.2 minutes:
 - a) the subsequent reduction in the allowable charge will be £0.59 per service unit per minute of additional delay rather than £0.27;
 - b) the maximum reduction to the allowable charge will be £1 per service unit rather than £0.49.

The level of bonuses for an average delay per flight lower than the par value will remain unchanged but will also take effect one year rather than two years after the delay performance to which it relates.

The CAA's full decision may be found on the CAA's website at www.caa.co.uk/erg/ergdocs/erg_ercp_natsdelayjun03.pdf. The modification to Condition 21, which took effect on 12 June 2003, is attached to this Notice.

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NERL Licence Manager

13 June 2003

Modifications to Condition 21

Replace paragraph 5 of Condition 21 with:

5. For the purpose of paragraph 1, the term S_t shall other than in the first two Relevant Years (when the value of S shall be zero) be calculated in accordance with the following formula:

$$S_t = \text{MAX}[F \cdot E_{t-1}, F' \cdot E_{t-1}]$$

provided that S_t may not in any event exceed the following maximums (which, for the avoidance of doubt, will be subject, in the case of delays occurring in Relevant Year 5, to revision at the end of the first five Relevant Years under the provisions of sections 11 to 19 of the Act):

In respect of delays occurring in Relevant Year 1	£0.19
In respect of delays occurring in Relevant Year 2	Not Applicable
In respect of delays occurring in Relevant Year 3	£1
In respect of delays occurring in Relevant Year 4	£1
In respect of delays occurring in Relevant Year 5	£1

where:

F	means £0.27
F'	Means £0.59
E_t	means the difference in the average minutes of delay per flight in the Relevant Year when compared with the specified permitted levels and calculated as follows: $RD_t - PD_t$

and where:

RD_t	means the recorded average minutes of air traffic flow management delay per flight attributable to the Eurocontrol Business in relation to Relevant Year t , to be calculated by reliance on figures reported to the CAA by the Central Flow Management Unit of Eurocontrol and subject to adjustment in accordance with methods approved by the CAA.	
PD_t	means the permitted minutes of delay per flight attributable to the Eurocontrol Business in relation to Relevant Year t , as specified by the CAA, and which in respect of delays occurring in the first five Relevant Years shall be as follows:	
	Relevant Year 1	1.21 minutes
	Relevant Year 2	1.20 minutes
	Relevant Year 3	1.19 minutes
	Relevant Year 4	1.17 minutes
	Relevant Year 5	1.16 minutes