



**UNITED KINGDOM
CIVIL AVIATION AUTHORITY**

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**Decision under Section 11 of the Transport Act 2000 on modifications to the
Air Traffic Services Licence for NATS (En Route) plc**

The Proposals

On 10 September 2003 the CAA published a proposal to modify Conditions 1, 5, 6, 10, 20, 21, 23, 24 and Schedule 1 of the air traffic services licence held by NATS (En Route) PLC. The proposals, which were generally technical in nature or corrected minor errors and omissions in the Licence, were published in the CAA's Official Record Series 7 Number 26.

Representations

There were two responses to the proposal. The British Microlight Aircraft Association had no comments to make on the proposal. BAA expressed strong support for the proposed modification to Condition 23 in relation to the advance notification of charges for Terminal Approach Services.

Decision

In the absence of objections to any of the specific modifications in the proposal the CAA has decided to make the modifications as proposed. They take immediate effect.

The detail of the modifications is attached. The CAA intends to re-publish the full Licence shortly to incorporate these changes.

P K Taylor
Licence Manager
23 October 2003

ATTACHMENT**Condition 1 (3)**

The following definition is inserted:

“ **“financial year”** means both the financial year in respect of which the Licensee prepares its accounts for the purposes of the Companies Act 1985 and that in respect of which it prepares its accounts for the purposes of Condition 6.”

Condition 1(3)

In the definition of “Licensee”, “NATS (En Route) Limited” is amended to “NATS (En Route) PLC”

Condition 1 (3)

In the definition of “Permitted Purpose”, the reference in (b) to “sub-paragraphs (i) to (vii) of paragraph 5(b) of Condition 5” is changed to “sub-paragraphs (i) to (vii) of paragraph 19(b) of Condition 5”.

Condition 5 (19) (b) (v)

The reference to “sub-paragraph 0” is changed to “sub-paragraph (a)”.

Condition 6 (8)

The definition of “financial year” is deleted.

Condition 10 (3)

Replace: “Every year, not later than the anniversary of the business plan in each year, the Licensee shall submit:

- (a) a service and investment plan fulfilling the requirements of Paragraph 5 of this Condition; and
- (b) a business plan report fulfilling the requirements of Paragraph 6 of this Condition which shall relate to the period since the previous date on which a business plan or business plan report was submitted.”

With: “Every year the Licensee shall submit:

- (a) not later than the anniversary of the business plan in each year, a service and investment plan fulfilling the requirements of Paragraph 5 of this Condition”
- (b) not later than 4 months after the end of the financial year, a business plan report fulfilling the requirements of Paragraph 6 of this Condition which shall relate to the previous financial year.”

Conditions 20 and 21

(a) Condition 20(3)(b)

Replace: "For the year starting on 1 January 2003; and if the CAA has published a statement in particular terms on or before 30 September 2003, for the years starting on 1 January 2004 and 1 January 2005;"

With: "For the years starting on 1 January 2003, 1 January 2004 and 1 January 2005,"

(b) Condition 20(3)(c)

Delete all of this section.

(c) Condition 21(3)

Delete the following from the beginning of this section:

"If the CAA has published a statement on or before 30 September 2003 in the following terms:

"The CAA considers that the licensee has achieved the following objectives:

- (a) to provide a robust financial structure for NERL;
- (b) to place control of NERL with management and shareholders; and
- (c) to demonstrate that equitable contributions have been made by NATS' investors and shareholder."

Replace: "Then the Maximum ..."

With: "The Maximum ..."

(d) Condition 21 (4)

Delete all of this paragraph and renumber paragraph 5 as paragraph 4. Consequently all references in Condition 21 to paragraph 5 are modified to refer to paragraph 4.

Condition 21 (3)

Replace:

" I_t means the average of the Treasury Bill Discount Rate (expressed as an annual percentage interest rate) published weekly by the Bank of England, during the 12 months from the 1st September in Relevant Year $t - 1$ where the value of $((Q_{t-1}M_{t-1}) - TR_{t-1})$ is positive, or 3 per cent per annum above this average rate where the value is negative."

With:

" I_t means the average of the yield (expressed as an annual percentage interest rate) on 3 month Treasury Bills published weekly by the UK Debt Management Office, during the 12 months from the 1st September in

Relevant Year $t - 1$ where the value of $((Q_{t-1}M_{t-1})-TR_{t-1})$ is positive, or 3 per cent per annum above this average rate where the value is negative.”

Condition 23 (1)

Replace “ two months” with “one month”.

Condition 23 (2)

Replace “ two months” with “one month”.

Condition 24 (3)

Replace: “not later than one month prior to the date the CAA publishes the charges in accordance with sections 74-81 of the Act”

With: “not later than one month prior to the date it intends to give effect to such change”

Schedule 1 (1)

Replace: “in section 2-1-1”

With: “in sections 2-1-1 and 2-1-2”