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January 16, 2020

**Ms. Judith Ross**

NATS/CAA regulatory appeal  
Competition and Markets Authority  
The Cabot  
25 Cabot Square  
London, United Kingdom, E14 4QZ

**RE: Referral from the Civil Aviation Authority ("CAA") to the Competition and Markets Authority ("CMA"): -NATS En-route Limited ("NERL") Price Determination – Third Party Representations**

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Dear Ms. Ross,

This letter is provided in support of the International Air Transport Association's ("IATA") submission to the Competition and Markets Authority ("CMA"). Air Canada understands that this letter will be submitted to the CMA in its public record.

Air Canada, as a member of IATA and a user of UK NATS services, fully supports IATA's arguments and wishes to add the following:

Air Canada strongly opposes the proposed SB ADS-B charges for transatlantic routes, as they are neither justified at this time, nor are they determined accordingly in relation to cost benefit analysis or the worldwide Standards and Recommended Practices applicable to the provision of air traffic services, as elaborated in ICAO Doc. 9082, *ICAO's policies on charges for airports and air navigation services*.

The introduction of SB ADS-B technology, as claimed by UK NATS, will allow increased traffic density through reduced required longitudinal and lateral separation. As a result, UK NATS claims that navigation will be safer and more efficient.

However, at this time, there is insufficient justification for charges associated with the introduction of SB ADS-B surveillance technology in UK NATS' air traffic control operations with regards to the NAT airspace. Although Air Canada does not contest that SB ADS-B related surveillance could, at some point, provide operational benefits,

when compared to the technologies currently used, those benefits will not be realized until: (i) the NAT airspace reaches a point of saturation in terms of the volume of air traffic, and (ii) SB ADS-B includes improved communication/voice capabilities between pilots and air traffic controllers.

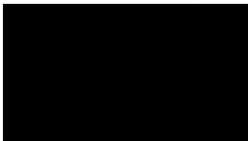
Moreover, Air Canada believes that the imposition of the proposed charges by UK NATS will have a highly negative impact on its operations and place it at a disadvantageous position in comparison to other airlines operating internationally that do not require UK NATS' services.

In fact, the proposed charges represent an increase of GBP 31.65 per flight. For Air Canada this translates into the excessive impact of more than GBP 750 000 (approximately CAD \$1 275 485) increase for the year 2020 alone.

In addition, Air Canada strongly believes that, as SB ADS-B technology is still at its infancy, it is expected other suppliers will enter the market in the foreseeable future and may be able to deliver similar or better services at lower prices.

Thus, Air Canada contends that not only is the SB ADS-B technology not mandated at this time, but it is being imposed by UK NATS at an unreasonable charge, which is neither justified, non cost base related nor benefit related.

Sincerely yours,

A black rectangular redaction box covering the signature of Louise-Hélène Sénécal.

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**Louise-Hélène Sénécal**  
Assistant General Counsel – Litigation