

Ms Judith Ross  
NATS/CAA Regulatory Appeal  
Competition & Markets Authority  
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London E14 4QZ

Sent by email to: [nats.caa@cma.gov.uk](mailto:nats.caa@cma.gov.uk)

1<sup>st</sup> July 2020

Dear Ms Ross

**Re: NATS En-route Limited (NERL) Price Determination – consultation on CMA approach to COVID-19**

Thank you for the opportunity to provide views on your consultation questions related to two specific provisional conclusions. We would like to deal with these in turn.

1. *“We should not make specific adjustments to our provisional findings to take account of the impact of the COVID-19 pandemic”*

In line with our previous observations in response to your provisional findings, we do not believe there is reason for these findings to be adjusted to take the impacts of COVID-19 into account. The duration of the pandemic is unknown and as such traffic demand volatility will remain a feature of the operating environment for quite some time. Even the most optimistic predictions for the period of recovery before traffic returns to previous levels spans several years.

Therefore, our position remains that NERL, the CAA and the airlines should work together during RP3 to address this issue, both through extant 6 monthly consultations and direct dialogue.

2. *“The period for the price control that will be determined in our final report should be limited to three years”*

We concur that the price control period should be adjusted to a revised period ending December 2022.

However, in line with CAA plans for an interim review starting in 2021 and through consultation, there should be flexibility permitted to adjust the length of the control period if deemed appropriate and feasible. This would be particularly relevant should stabilised traffic recovery occur earlier than currently envisaged during 2021, allowing for meaningful future projections to be made.

Yours sincerely



Ian Roy  
Manager – Aeronautical Services and Air Traffic Management