

Proposal to modify NATS (En Route) plc licence in
respect of reporting and Specified Services:
Notice under section 11(2) of the Transport Act 2000

CAP 1242



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Contents

Contents	3
Chapter 1: Introduction	4
Purpose of this document	4
Views invited	4
Next steps	5
Chapter 2: Background	6
Regulatory reporting	6
Reporting requirements	8
Consequential change	10
Specified services	10
Chapter 3: The CAA's proposals	12
Appendix A: Reporting requirements	13
Appendix B: Specified services	20

CHAPTER 1

Introduction

Purpose of this document

- 1.1 This document invites representations on proposals by the CAA:
- to modify a number of conditions in the licence held by NATS (En Route) plc ('NERL') so that NERL's regulatory reporting is generally moved from a financial year to a calendar year basis;
 - to modify certain conditions in NERL's licence to harmonise more closely CAA and EC reporting requirements; and
 - to modify Schedule 4 of the NERL licence. Schedule 4 defines a number of Specified Services that NERL is required to make available under its licence.

Views invited

- 1.2 Under section 11(1) of the Transport Act 2000 (the Act) the CAA may modify the conditions of a licence if its holder consents to the modifications. NERL, as licence holder, has given its consent to the modifications proposed in this document.
- 1.3 Under section 11(2) of the Act, before making modifications to a licence the CAA must publish a notice setting out the proposed modifications, their effect and the reasons for the proposal, and must state the period (of not less than 28 days) within which representations may be made regarding the proposed modifications. This document constitutes such a notice.
- 1.4 Any representations about the proposals in this document should be sent, if possible, by e-mail to economicregulation@caa.co.uk by **12:00 on Monday 15 December 2014**. Alternatively, comments may be sent by post to:

Stephen Gifford
Markets and Consumers Group
Civil Aviation Authority
4th floor
CAA House
45-59 Kingsway
London WC2B 6TE

- 1.5 The CAA expects to make representations available on its website for other interested parties to read as soon as practicable after the period for written representations expires. Any material that is regarded as confidential should be clearly marked as such. Please note that the CAA has powers and duties with respect to information under section 102 of the Transport Act 2000 and the Freedom of Information Act 2000.
- 1.6 If you have any questions on this document please contact Paul Taylor on 020 7453 6232 (or by e-mail to paul.taylor@caa.co.uk).

Next steps

- 1.7 Once it has considered representations the CAA will decide what modifications, if any, to make to NERL's licence. It will publish notice of its decision which is proposed to take effect on 1 January 2015.

Chapter 2

Background

Regulatory reporting

- 2.1 Currently, NERL's reference date for the purposes of its statutory and regulatory accounts is 31 March. For regulatory accounts this reference date is a condition of NERL's licence. NERL currently reports financial performance (including regulatory accounts) and provides related certificates to the CAA on the basis of a 31 March year end. NERL also produces its multi-year Business Plans and annual Service and Investment Plans on a financial year basis.
- 2.2 At the same time NERL also provides an increasing amount of financial information to the European Commission on the basis of a 31 December year for a substantial part of its business. The UK is also required to provide performance plans on the basis of a 31 December year end. This reporting period is mandated by EC legislation.
- 2.3 The current arrangements duplicate work and make reconciliations more difficult. For the purposes of transparency, efficiency and ease of monitoring and enforcement the CAA sees considerable merit in aligning the reporting arrangements for UK and EC regulatory purposes. It would also help to reduce the reporting burdens on NERL and so satisfy the new duty placed on the CAA through section 104 of the Civil Aviation Act 2012 not to maintain unnecessary burdens in its regulation of air traffic services under the Transport Act 2000.
- 2.4 The CAA understands that NERL has no present intention to modify its statutory reporting period for Companies Act purposes so its financial year will remain at April/March. Consequently, the CAA is not proposing to change the periods of the availability of resources statement or the financial gearing reports that NERL produces under Condition 5 of its licence but proposes to modify paragraph 26(b)(i) of Condition 5 so for reports on gearing this refers to the future period of 1 April 2015 to 31 March 2020 and to delete paragraph 27 as this relates to a past period. For the purposes of gearing measurements, the value of the Regulatory Asset Base (RAB) will be based on the RAB as at 31 December each year rolled forward as appropriate to March and September. The CAA is proposing to modify the definition of 'Value of the RAB' in paragraph 29 of Condition 5 accordingly.

- 2.5 The effect of the change being proposed is that the following documents produced under the licence would be moved to a calendar year basis with effect from 1 January 2015:
- The annual regulatory accounts (Condition 6);
 - The NERL Business Plan (Condition 10);
 - The annual Service and Investment Plan (Condition 10); and
 - The annual service standards statement (Condition 11).
- 2.6 As a consequence of these changes, the annual Business Plan Report under Condition 10 would also be prepared on a calendar year basis with effect from 1 January 2016.
- 2.7 There will need to be transitional arrangements in order to minimise any unnecessary burdens on NERL of moving from a financial to a calendar year for reporting purposes.
- 2.8 Annual regulatory accounts would be produced by NERL for the financial year 2014/15. NERL would ask its auditors to verify the RAB at 31 December 2014 and regulatory accounts would then be produced for the calendar year 2015 and onwards. NERL has proposed that for reasons of cost, internal workload and to avoid disruption, the audit of the regulatory accounts should continue to be undertaken during the same period as the audit of the NATS group's and NERL's statutory financial accounts. This would mean that while future regulatory accounts would be based on a 31 December year end, the audit of the regulatory accounts would be completed and the regulatory accounts signed off by 31 July. The CAA would be satisfied with such an arrangement.
- 2.9 For the annual Service and Investment Plan (SIP) the CAA has considered several options:
- Option 1. Run on the current 2014 SIP for the period from 1 April 2015 to 31 December 2015 with the next SIP covering the calendar year 2016.
 - Option 2. NERL to consult users on and produce a new SIP for the nine month period from 1 April 2015 to 31 December 2015 with the following SIP covering the calendar year 2016.
 - Option 3. NERL to consult users on and produce a new SIP for the period 1 January 2015 to 31 December 2015 recognising that this will overlap with the current 2014 SIP for the period 1 January 2015 to 31 March 2015.

- 2.10 The CAA was not attracted to Option 1 because it would give users less opportunity to comment on NERL's plans. The longer time period would also mean that NERL would not have a 2015 SIP that could be used as part of the annual plan required by EU legislation. Options 2 and 3 are broadly similar in effect although Option 3 is perhaps better aligned with EU legislation. The CAA's proposal in this document is based on Option 3. However, as a transitional arrangement to allow time for the necessary process of user consultation and review to take place NERL would be required to submit the SIP in respect of the period beginning on 1 January 2015 by no later than 28 February 2015. Subsequent SIPs would be submitted no later than 31 December in respect of the period beginning on 1 January the following year.
- 2.11 As far as NERL's charges are concerned, the CAA is consulting separately on moving charging periods for London Approach and Oceanic charges from a financial year to a calendar year basis from 1 January 2015.
- 2.12 The charging period for North Sea Helicopters is not specified in Condition 23 of NERL's licence. In the event that the modifications proposed for other of NERL's charges are confirmed as a result of consultation, NERL may wish to align the charging period for North Sea Helicopters with those other charges.
- 2.13 The CAA appreciates that the changes being proposed will impose some additional costs on NERL but considers that these costs are likely to be outweighed by the benefits to NERL of harmonising reporting and charging periods.

Reporting requirements

- 2.14 At the same time as aligning the reporting and charging periods, the CAA wishes to take the opportunity first, to harmonise more closely CAA and EC reporting requirements and second, to streamline some of the reporting requirements in NERL's licence.
- 2.15 Under Condition 10 of its licence NERL has to produce a 10 year Business Plan every five years. The equivalent European requirement under the Common Requirements Regulation is a Business Plan covering a minimum

of five years¹. Bearing in mind its duty to minimise regulatory burdens on NERL the CAA proposes that in future NERL should produce a Business Plan covering five years that is aligned with the Reference Periods for Performance Plans under Single European Sky legislation². Accordingly the first five year Business Plan would cover the RP2 period from 2015-2019. The CAA would not, however, expect NERL to produce a fresh Business Plan for this period but would instead treat the RP2 Revised Business Plan (2015-2019) delivered by NERL on 18 October 2013 and published on the CAA website³ (as amended subsequently for the purpose of producing the UK's RP2 Performance Plan and any further changes made as a result of the European Commission's assessment) as meeting the new requirement.

2.16 Currently, under Condition 24 NERL has to provide each year a separate audited statement of information on the operation of the price control conditions. The CAA considers that such information should in future be provided in the Regulatory Accounts produced by NERL under Condition 6 so that all information on NERL's financial performance during a price control period is available in a single audited document. This would be achieved by:

- deleting paragraphs 7 to 9 from Condition 24; and
- supplementing the Regulatory Accounting Guidelines produced each year under Condition 6.

2.17 So far as the annual business plan report is concerned, the CAA is proposing that this should in future be produced on a calendar year basis. In order to meet EU reporting requirements placed on national supervisory authorities, the CAA would expect NERL to provide relevant and timely information to the CAA that will enable the CAA to report to the European Commission by 1 June on its monitoring of performance plans and targets. The licence obligation on NERL would be to produce a business plan report by the end of July which would include audited financial information.

1 Paragraph 2.2.1 of Annex1 to the Commission Implementing Regulation 1035/2011 of 17 October 2011 laying down common requirements for the provision of air navigation services.

2 Commission Implementing Regulation 390/2013 of 3 May 2013 laying down a performance scheme for air navigation services and network functions.

3 <http://www.caa.co.uk/docs/5/20131018%20RP2%20Revised%20Business%20Plan%20-%20updated%20for%20PRB%20targets%2018%20Oct%20-%20se...pdf>

Consequential change

- 2.18 In condition 5.12(a)(vi) NERL may undertake other business within a limit of 4.5% of its en route turnover. As a consequence of the proposed change from a financial to a calendar year for regulatory purposes, the CAA is proposing that this should be measured on a calendar year basis in future.

Specified services

- 2.19 Under its air traffic services licence, NERL is obliged to provide a number of services (termed Specified Services) that either support or are ancillary to NERL's Core Services. The Specified Services are described in Schedule 4 of the licence and currently include:

- Aeronautical Messaging Network;
- Air Traffic Operational Telephone Network;
- Emergency Fixing Facility;
- Emergency Frequency Facility;
- Navigational Infrastructure Services;
- North Sea Helicopter Advisory Service;
- Surveillance Infrastructure Services;
- UK Aeronautical Information Services;
- UK Flight Information Service; and
- UK Meteorological Information Service.

- 2.20 The current definitions of the Specified Services in the licence are generally expressed in high-level terms and do not prescribe in detail how NERL is to provide them. In several cases, the definitions refer to the description of the particular service in the UK Air Pilot as amended from time to time by the CAA. With only minor exceptions, there have been relatively few changes to the Specified Services set out in Schedule 4 of NERL's licence since its creation in 2001. During the same period there have been a number of changes in technology and regulatory requirements brought about by both national and international legislation. The CAA and NATS have completed a comprehensive review of the Specified Services with a view to ensuring that the Schedule 4 activities properly reflect the current requirements and provide some degree of future proofing with particular regard to the

Navigation and Surveillance Infrastructure Services. As a consequence of that review and with NERL's agreement the CAA is proposing to make some modifications to the Specified Services in Schedule 4. The modifications would:

- remove the obligation on NERL to provide the Air Traffic Operational Telephone Network. Because of the changing nature of the telecommunications industry there is no longer a need for NATS to maintain a set of dedicated access lines. Users can now request the necessary connections from telephonic service providers; and
- update the descriptions of the Navigational Infrastructure Services, Surveillance Infrastructure Services and the UK Flight Information Service.

2.21 As part of the review the CAA and NATS have also agreed an operating specification to support the Navigation Infrastructure Services and a process to manage future changes to the Specified Services that fall short of a change within the scope of Condition 3 or 4 of NERL's licence. The CAA will publish these along with its final decision on the proposed licence modifications but they will not form part of NERL's licence.

Chapter 3

The CAA's proposals

- 3.1 Under section 11 of the Transport Act 2000 the CAA may modify the conditions of a licence if its holder consents to the modifications. Before making modifications the CAA must publish notice of its proposals and the reasons for them and allow at least 28 days for representations.
- 3.2 The CAA's proposals to modify NERL's licence to align reporting periods on a calendar year basis and to harmonise and streamline some of NERL's reporting obligations are in Annex A which shows the current and proposed text of the relevant parts of the conditions.
- 3.3 The CAA's proposals to modify Schedule 4 of NERL's licence are in Annex B which shows Schedule 4 with the current and the proposed wording marked. The specific proposals are:
- to remove the Air Traffic Operational Telephone Network from the list of Specified Services;
 - to update the description of Navigational Infrastructure Services;
 - to update the description of the Surveillance Infrastructure Services; and
 - to update the description of the UK Flight Information Service.
- 3.4 NERL has consented to these modifications, the reasons for which are set out in Chapter 2.

Appendix A

Reporting requirements

The CAA proposal to modify NERL's air traffic services licence in respect of reporting requirements with effect from 1 January 2015 (unless otherwise shown)

Condition	Current text	Proposed text
1: Definitions		
Condition 1.3 – definition of 'financial year'	Means both the financial year in respect of which the Licensee prepares its accounts for the purposes of the Companies Act 2006 and that in respect of which it prepares its accounts for the purposes of Condition 6	Means the financial year in respect of which the Licensee prepares its accounts for the purposes of the Companies Act 2006.
Condition 1.3 - new definition 'regulatory year'	N/A	Means the period of 12 months commencing on 1 January in respect of which the Licensee prepares its accounts for the purposes of Condition 6.
5: Availability of Resources and Financial Ring-Fencing		
Condition 5.12(a)(vi)	any other business not otherwise permitted pursuant to any of paragraphs 11 and 12(a)(i) to (v) inclusive of this Condition and which is a Connected Business, provided the turnover of such business when aggregated with that of any related undertaking of the Licensee does not in any financial year of the Licensee exceed four and a half per cent of the aggregate turnover of the En route Businesses;	any other business not otherwise permitted pursuant to any of paragraphs 11 and 12(a)(i) to (v) inclusive of this Condition and which is a Connected Business, provided the turnover of such business when aggregated with that of any related undertaking of the Licensee does not in any regulatory year of the Licensee exceed four and a half per cent of the aggregate turnover of the En route Businesses;
Condition 5.26(b)(i)	Its best estimate of expected average Gearing over the period from 1 April 2011 to 31 March 2015 as a whole (as a simple arithmetic average of the eight measurement dates within that period)	Its best estimate of expected average Gearing over the period from 1 April 2015 to 31 March 2020 as a whole (as a simple arithmetic average of the ten measurement dates within that period)
Condition 5.27	The Licensee shall provide no later	Delete

	<p>than 31 January 2011:</p> <p>(a) its best estimate of expected average Gearing over the period from 1 April 2011 to 31 March 2015 as a whole (as a simple arithmetic average of the eight measurement dates within that period); and</p> <p>(b) an explanation of any difference between expected average gearing in paragraph 27(a) and the target level of gearing of 60 per cent.</p>	
<p>Condition 5.29 'Value of the RAB'</p>	<p>Means:</p> <p>(a) at 31 March each year, the value of the Licensee's assets calculated in accordance with the Regulatory Accounting Guidelines prepared in accordance with Condition 6 of his Licence in force at the applicable time; and</p> <p>(b) at 30 September each year, the value interpolated between the value of the RAB at preceding 31 March and the forecast value for the following 31 March, taking into account the timing of material transactions affecting the RAB</p>	<p>Means:</p> <p>(a) at 31 December each year, the value of the Licensee's assets calculated in accordance with the Regulatory Accounting Guidelines prepared in accordance with Condition 6 of his Licence in force at the applicable time;</p> <p>(b) at 31 March each year, the value interpolated between the value of the RAB at the preceding 31 December and the forecast value for the following 31 December, taking into account the timing of material transactions affecting the RAB; and</p> <p>(c) at 30 September each year, the value of the RAB at the preceding 31 December and the forecast value for the following 31 December, taking into account the timing of material transactions affecting the RAB.</p>
<p>6: Regulatory reporting requirements</p>		
<p>Condition 6.4</p>	<p>The Licensee shall prepare on a consistent basis from the accounting records referred to in paragraph 3, in respect of the financial year commencing on 1 April 2001 and each subsequent financial year, regulatory accounts in conformity with the Regulatory Accounting Guidelines for the time being in force and identifying separately the amounts attributable to the UK Air Traffic Services Business, the En route (Oceanic) Business and the Licensee as a whole in accordance with this Condition and the Regulatory</p>	<p>The Licensee shall prepare on a consistent basis from the accounting records referred to in paragraph 3, in respect of the regulatory year commencing on 1 January 2015 and each subsequent regulatory year, regulatory accounts in conformity with the Regulatory Accounting Guidelines for the time being in force and identifying separately the amounts attributable to the UK Air Traffic Services Business, the En route (Oceanic) Business and the Licensee as a whole in accordance with this Condition and the Regulatory Accounting Guidelines.</p>

	Accounting Guidelines.	
Condition 6.6	<p>The Licensee shall:</p> <p>(a) procure, in respect of the regulatory accounts prepared in accordance with paragraph 4 in respect of a financial year, a report by the Auditors addressed to the CAA stating whether in their opinion those accounts have been properly prepared in accordance with this Condition and the Regulatory Accounting Guidelines and on that basis fairly present the financial performance of the UK Air Traffic Services Business and the En route (Oceanic) Business, and the financial position of the Licensee;</p> <p>(b) deliver to the CAA the Auditors' report referred to in sub-paragraph (a) and the regulatory accounts referred to in paragraph 4 as soon as reasonably practicable, and in any event not later than six months after the end of the financial year to which they relate; and</p> <p>(c) arrange for copies of the regulatory accounts and Auditors' report referred to in sub-paragraphs (a) and (b), respectively, to be made publicly available and, unless not reasonably practicable, to do so when the annual statutory accounts of the Licensee are made available.</p>	<p>The Licensee shall:</p> <p>(a) procure, in respect of the regulatory accounts prepared in accordance with paragraph 4 in respect of a regulatory year, a report by the Auditors addressed to the CAA stating whether in their opinion those accounts have been properly prepared in accordance with this Condition and the Regulatory Accounting Guidelines and on that basis fairly present the financial performance of the UK Air Traffic Services Business and the En route (Oceanic) Business, and the financial position of the Licensee;</p> <p>(b) deliver to the CAA the Auditors' report referred to in sub-paragraph (a) and the regulatory accounts referred to in paragraph 4 as soon as reasonably practicable, and in any event not later than seven months after the end of the regulatory year to which they relate; and</p> <p>(c) arrange for copies of the regulatory accounts and Auditors' report referred to in sub-paragraphs (a) and (b), respectively, to be made publicly available.</p>
Condition 6.7	<p>The first financial year of the Licensee shall run from 1 April 2001 to 31 March 2002 and thereafter each financial year of the Licensee shall run from 1 April to the following 31 March unless otherwise agreed with the CAA.</p>	<p>The regulatory year of the Licensee shall run from 1 January to 31 December unless otherwise agreed with the CAA.</p>

10: Business Plans, Service and Investment Plans and Periodic Reports		
Condition 10.1	<p>The Licensee shall prepare a full ten year business plan fulfilling the requirements of Paragraph 4 of this Condition. The business plan must be consistent with any overall business plan of the Licensee but, provided that it fulfils the requirements of paragraph 3, for the avoidance of doubt need not constitute the entirety of any such overall business plan.</p>	<p>The Licensee shall prepare a full five year business plan fulfilling the requirements of Paragraph 4 of this Condition. The business plan must be consistent with any overall business plan of the Licensee but, provided that it fulfils the requirements of paragraph 3, for the avoidance of doubt need not constitute the entirety of any such overall business plan.</p> <p>The Licensee's RP2 Revised Business Plan (2015-2019) delivered on 18 October 2013 and published on the CAA's website as amended subsequently for the purpose of producing the UK's RP2 Performance Plan and any further changes made and published by the European Commission following its own assessment process shall be deemed to meet this requirement.</p>
Condition 10.2	<p>Business plans prepared under paragraph 1 shall be submitted to the CAA as follows:</p> <p>(a) the first business plan shall be submitted as soon as practicable, and in any event not more than eight months, after the date of this Licence coming into effect and shall relate to the ten year period beginning 1 April 2001;</p> <p>(b) subsequent business plans shall be submitted not less than twelve months before each Plan Renewal Date and shall relate to the ten year period beginning on that Plan Renewal Date (or the period until expiry of the Licence whichever is the shorter period). Later business plans shall always supersede any earlier business plan in respect of a period which is covered by both.</p>	<p>Business plans prepared under paragraph 1 shall be submitted to the CAA not less than twelve months before each Plan Renewal Date and shall relate to the five year period beginning on that Plan Renewal Date (or the period until expiry of the Licence whichever is the shorter period). Later business plans shall always supersede any earlier business plan in respect of a period which is covered by both.</p> <p>Business plans shall also comply with the relevant requirements for a business plan in Annex 1 of Commission Implementing Regulation No 1035/2011 laying down common requirements for the provision of air navigation services (or in any successor legislation).</p>
Condition 10.3(a)	not later than the anniversary of the business plan in each year, a service and investment plan	not later than 28 February 2015 and subsequently not later than 31 December in each year, a service and

	fulfilling the requirements of Paragraph 5 of this Condition; and	investment plan fulfilling the requirements of Paragraph 5 of this Condition; and
Condition 10.3(b) - with effect from 1 January 2016	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.	not later than seven months after the end of the regulatory year, a business plan report fulfilling the requirements of Paragraph 6 of this Condition which shall relate to the previous regulatory year.
Condition 10.4 (i)	The implications of the licensee's business plans for the future course of charges.	Delete
Condition 10.11	In this condition, 'Plan Renewal Date' means 1 April 2006 and every fifth anniversary thereof.	In this condition, 'Plan Renewal Date' means 1 January 2015 and every fifth anniversary thereof.
11: Service Standards		
Condition 11.2	The Licensee shall, following consultation with Users and their representatives, revise the statement referred to in paragraph 1 and re-submit it to the CAA for approval no later than six weeks before the beginning of the financial year to which it relates. Where the Licensee has re-submitted the statement to the CAA for approval no later than six weeks before the beginning of the financial year to which it relates, and the CAA has not responded to the Licensee before the end of the financial year, the revised statement shall have effect from the start of the following financial year.	The Licensee shall, following consultation with Users and their representatives, revise the statement referred to in paragraph 1 and re-submit it to the CAA for approval no later than six weeks before the beginning of the regulatory year to which it relates. Where the Licensee has re-submitted the statement to the CAA for approval no later than six weeks before the beginning of the regulatory year to which it relates, and the CAA has not responded to the Licensee before the end of the regulatory year, the revised statement shall have effect from the start of the following regulatory year.
24: Information to be provided to the CAA in connection with the Charge Control Conditions		
Condition 24.7 to 24.9	7. On publication to any interested parties, and in any event not later than seven months after the end of a Eurocontrol Relevant Year or four months after the end of an Oceanic Relevant Year or four months after the end of a London Approach Relevant Year the Licensee shall send the CAA a statement, in respect of that year containing the items set out in paragraph 9. If this	Delete these paragraphs

	<p>statement does not also comply with the requirements of paragraph 8, the Licensee shall send a further statement at the time it is published to any interested parties, and in any event not later than seven months after the end of a Eurocontrol Relevant Year or four months after the end of an Oceanic Relevant Year or four months after the end of a London Approach Relevant Year meeting both the requirements in paragraph 8 and containing the items set out in paragraph 9.</p> <p>8. The requirements referred to in paragraph 7 shall be that the statement is:</p> <p>(a) accompanied by a report from the Auditors that in their opinion such statement:</p> <p>(i) fairly presents each of the specified items referred to in paragraph 9 in accordance with the requirements of the Charge Control Conditions and</p> <p>(ii) the amounts shown in respect of each of those specified items are in accordance with the Licensee's accounting records which have been maintained in accordance with Condition 6; and</p> <p>b) certified by a director of the Licensee on behalf of the Licensee that to the best of his knowledge, information and belief having made all reasonable enquiries:</p> <p>- there is no element included in its calculations under Conditions 21, 21a and 22 which represents other than:</p> <p>(aa) bona fide Eurocontrol Service Charges or Oceanic Charges or London Approach Total Controlled Revenue as appropriate; or</p> <p>(bb) an element permitted under the Charge Control Conditions to be so included;</p> <p>- all amounts which should</p>	
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	<p>properly be taken into account for the purposes of the Charge Control Conditions have been taken into account.</p> <p>9. The items to be contained in the statement referred to in paragraph 7 shall be the following:</p> <p>(a) the information relating to data for the relevant year specified in Annex II and Annex VI of the revised Charging Regulation (EC) No.1794/2006 as amended from time to time.</p> <p>(b) in relation to Eurocontrol Charges, an estimate of Service Units for relevant year t+1 and a forecast for relevant year t+2.</p> <p>(c) in relation to the Financial Incentives for Eurocontrol Charges:</p> <p>(i) actual data for flights in year t and estimates for the number of flights for years t+1 and t+2;</p> <p>(ii) a report on the calculation of each of the T1, T2 and T3 metrics for each of: the relevant year t, and an estimate for relevant year t+1 with a reconciliation to data collected by the Eurocontrol Central Flow Management Unit and a reconciliation of the actual performance in year t and the estimate made one year earlier.</p> <p>(d) in relation to the London Approach Charge(s), the actual Total Controlled Revenue from the London Approach Service in relevant year t and an estimate of Total Controlled Revenue for relevant years t+1 and t+2.</p> <p>(e) in relation to Oceanic Charges, the quantity of Oceanic flights which attract an Oceanic Charge and the Average Charge per Oceanic flight.</p> <p>(f) in relation to business conducted in accordance with Condition 5(12)(a)(vi), the broad sources of income from any such business.</p>	
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Appendix B

Specified services

The CAA's proposal to modify Schedule 4 of NERL's air traffic services licence

Schedule 4: specified services	
'Aeronautical Messaging Network'	<p>The making available of a system for the conveyance of messages, primarily in data form:</p> <p>(a) between providers and Users of air traffic services as members of a closed User group and relating to the intended flight paths of flights within the Licensed Areas; and</p> <p>(b) between other equivalent interconnected messaging networks and provided for a similar purpose pursuant to international arrangements.</p>
'Air Traffic Operational Telephone Network'	The making available of a system for the conveyance of messages, primarily in voice form, between providers of air traffic services in respect of the Licensed Areas, and to which other similar facilities may be connected.
'Emergency Fixing Facility'	The making available of radiocommunications facilities to enable the identification of the position within the Licensed Areas of aircraft communicating on very high frequency.
'Emergency Frequency Facility'	The making available of a dedicated radiocommunications facility operating at 121.5 MHz for the purpose of emergency air to ground to air communication.
'Navigational Infrastructure Services'	<p>The making available, to Users, of services other than Core Services, using the navigational infrastructure described in the AIP as amended from time to time by the CAA.</p> <p><u>The provision to all Users operating in the UK FIRs/UIRs of an appropriate navigation infrastructure which satisfies:</u></p> <p><u>(a) an operational specification, produced by the Licensee and approved by the CAA, governing the</u></p>

	<p>scope and nature of navigation coverage to be provided; and</p> <p>(b) the safety, regulatory and performance requirements, including accuracy, availability and integrity in each case relevant to the level of service to be provided to support agreed navigation performance as determined in international and national regulatory requirements as may be amended from time to time.</p>
'North Sea Helicopter Advisory Service'	<p>The giving of instructions or advice in connection with flights to, from and in the vicinity of, oil and gas installations situated in the North Sea (whether within or outside the United Kingdom) excluding the East Shetland Basin and associated mainland facilities, to helicopters and other aircraft as to their position or other aviation activity in the vicinity of the helicopter for the purpose of preventing collisions between aircraft and expediting search and rescue activities, as described in the AIP as at the date of the coming into effect of this Licence.</p>
'Surveillance Infrastructure Services'	<p>The making available, to Users, of services other than Core Services, using the surveillance infrastructure described in the AIP as amended from time to time by the CAA.</p> <p>The provision of an appropriate surveillance infrastructure which satisfies the safety, regulatory and performance requirements, including accuracy, availability and integrity relevant to the level of service to be provided to meet the separation standards required in respect of Users of services of the Licensee as determined in international and national regulatory requirements as may be amended from time to time.</p>
'UK Aeronautical Information Service'	<p>The preparation and dissemination of the United Kingdom Integrated Aeronautical Information Package, including the associated data management task and the production of aeronautical charts and other civil aviation information necessary to meet:</p> <ul style="list-style-type: none"> (a) relevant International and European requirements; (b) United Kingdom regulatory requirements as described in the AIP and as amended from time to time by the CAA; and (c) an operational specification, produced by the Licensee and approved by the CAA, governing the methods and standards (including for the

	<p>measurement and control of those standards) to be adopted for the collection and verification of the information.</p>
'UK Flight Information Service'	<p>The making available to flight crew by radio telephony on request information which:</p> <p>(a) was acquired from other flight crew in the course of providing the same service to such other flight crew; or</p> <p>(b) can reasonably be obtained in response to a specific request; or</p> <p>(c) the persons providing the service otherwise consider significant.</p> <p><u>London and Scottish Information Services</u></p> <p><u>The giving of advice and information to aircraft flying within the UK FIR for the purpose of supporting the safe and efficient conduct of flights. This may include weather information, changes of serviceability of facilities, conditions at aerodromes, general airspace activity information, and any other information likely to affect safety.</u></p>
'UK Meteorological Information Service'	<p>The making available, in accordance with relevant international requirements, of meteorological information (specified by the CAA in its capacity as the United Kingdom Meteorological Authority) supplied to the Licensee by third parties to:</p> <p>(a) Users;</p> <p>(b) air traffic service providers for their own use or for onward dissemination to civil aviation Users (including the Licensee); and</p> <p>(c) persons authorised by the United Kingdom Meteorological Authority.</p>