

Commissioner, ministers, ladies and gentlemen,

NATS shares the Commission's vision for the SES and for a more efficient provision of air navigation services focused on European rather than National interests.

Like the Commission, we believe that the liberalisation of air navigation services is ultimately the best way to reduce costs, remove inefficiencies and innovate through the deployment of new technologies.

However, since SES was conceived, progress to realise these benefits has been slow.

In part this can be attributed to the financial crisis of the last five years, but we believe that there has also been a failure to clearly articulate the scale and impacts of the benefits in a compelling way, as well as a rush to regulate before the benefits and impacts have been widely accepted.

As a result, there remains a lack of clarity on what a final Single European Sky would look like and what tangible benefits it would bring to our customers (the airlines) and their customers (EU citizens)... as well as how these would outweigh any negative impacts, such as social issues...

Ten years in, we would urge the new Presidency to take time to reflect on what has not worked and adjust our approach by clearly identifying exactly what we want SES to deliver.

- Firstly we need the Presidency to recognise that 10 years of increasing regulation, has not delivered the results our customers expect.
- We need to recognise that regulation is not the only tool – that there are benefits from flexibility through commercial and industrial partnerships, through competition and through market liberalisation.

Where European countries have been brave enough to take those steps such as in the UK and Spanish Towers markets, we have seen progress in lowering costs and increasing performance that a regulated approach could never deliver.

Too many ANSPs use the bureaucracy that surrounds them as an excuse to make no progress.

For example, we have ANSPs actually increasing their prices whilst at the same time, blocking competition from other more efficient service providers in their own markets.

- However, regulation does have an important role to play through the harmonization of ATM standards as an enabler for competition.
- It's one thing to set-up FABs...but frankly you will only achieve the results if you have harmonised regulatory standards to go with them...

Today the regulation of every tiny detail of ATM, which is different in every country, holds up progress and gives National Regulators the opportunity to move further away from common European standards.

Not forgetting of course that this isn't just about ANSPs, but airports and airspace users too....its once we have a SHARED and agreed vision for the Single European Sky, based on a solid evidence with clarity on the benefits it will deliver; can we focus on working together to deliver a SES.

So in summary,

- We need to think about a framework that removes barriers to progress, .....and that encourages a more market-based approach in line with other aspects of EU aviation policy, rather than relying on ever-more prescriptive regulation.
- We've already seen the positive effect of competition in the airline industry and,
- We urgently need to recognize that liberalisation and a market-based approach, where possible, will always deliver a better and faster result than regulation;
- This will encourage ANSPs to think differently; to put customers ahead of politics and will therefore incentivise performance improvements that deliver against the policy objectives of SES II+
- That after all is what the EU's own external trade policy is based on - competition!