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Dear Sir/Madam

ATNS Tariffs: Proposed refinements resulting from further consultations with General Aviation

In December 2004 ATNS published its annual tariff revision within the parameters of the ATNS Act and the Regulating Committee's current Permission which instructed a revamp of the existing tariff structure in line with three overriding objectives:

- Substantially reduce the existing cross-subsidisation of lighter aircraft by heavier aircraft (including the rationalisation of exceptions and exemptions)
- Reduce structural differentiation in the tariffs, specifically phasing out route based differentiation
- Protect congested (and soon to be congested) airspace by sending an appropriate price signal as a deterrent to potential users.

The revised tariff structure, as published, came about through a comprehensive consultation process since mid 2004 in which ATNS engaged the industry through their representative bodies to the point where most issues had been addressed. A proposal was then made to the Regulating Committee for decision.

Despite the involvement of the General Aviation (GA) representative groups, Aeroclub, CAASA and the Aviation Action Forum, in the consultation process, it became clear to ATNS after the December publication that GA was quite uninformed about the new tariff structure and the extent to which the new tariff affected them.

Understanding the diverse and widespread nature of this sector of the industry, ATNS undertook to conduct information sessions at five GA centers to increase awareness of the tariff and to allow an opportunity for questions to be asked. At these sessions, various issues were raised which had not been as clearly articulated in the pre-December consultations. GA was encouraged to submit these concerns, in writing, to ATNS so that they could be more carefully considered by both ATNS and the Regulating Committee.

The two key issues raised by GA have been:

- *Affordability.* GA users maintain that the charges are unaffordable and that weight as an “ability to pay” indicator does not adequately address this issue. A special case of affordability in training was also raised as was the position of users who make use of the ACSA airfields where no other alternatives exist.
- *Safety.* It was pointed out that the new charges would encourage GA users to avoid using the services of air traffic control, where not forced to by law, by avoiding radio contact or even broadcast, not filing flight plans and avoiding controlled airspaces. This increase in “unknown” air traffic operations could potentially negatively impact on the safety of our skies.

Further issues raised included:

- dissatisfaction with the consultation process;
- that the tariffs discriminate unduly against GA resulting in a compromised right to participate in and to make a living out of aviation;
- that the barrier to entry into aviation, particularly for previously disadvantaged individuals, would become insurmountable thus negatively affecting the transformation of the industry;
- that the contribution of GA to the industry is being ignored. This is particularly relevant in the case of training. The inconvenience and cost due to GA operations receiving lower priority in traffic flow was also highlighted;
- that charges were being unfairly levied in instances where no perceived use of ATNS services takes place.

Without sacrificing the basic principles of the new tariffs, ATNS believes that there is merit in exploring the possible refinement of the new tariffs to provide GA weight aircraft some relief and to encourage the safe use of airspace.

The Regulator has therefore agreed to our consideration of some refinements. The following three adjustments are under consideration for recommendation to the Regulating committee for decision:

- *Increasing the 5000kg hinge point to 15000kg.*
- *Re-defining the area (en route) flight distance to exclude that distance which is considered to be the distance flown inside of a TMA.*
- *Reducing the training discount to 70%, rather than the published 50% with the phasing out of the discount no longer taking place.*

These three changes provide certain relief to GA type aircraft. For example;

Aircraft type	Departure	Destination	Total ATNS charge as of 1 April 2005	Total ATNS charge with proposed amendments
Learjet 45	Wonderboom	Plettenbergbay	R 547.55	R 468.48
C208	Kruger Mpumalanga	Lanseria	R 223.23	R 132.45
C182	Brakpan	Skukuza	R 44.33	R 32.91
BE 58	Vereeniging	George	R 250.22	R 167.38
C210	Pilansberg	Alexanderbay	R 89.09	R 63.54
C152	Lanseria (training flight routing Parys Heilbron Potchefstroom)	Lanseria	R 109.42	R 70.62

* Note: Charges quoted are inclusive of applicable TMA access fees which will not apply when TMA services are not used.

These refinements are likely to negatively impact the international and larger domestic and regional carriers and hence their agreement will be necessary in order for the changes to be affected.

To ensure that all stakeholders are clear about how ATNS is mandated by the Regulator to proceed with the refinement of the tariff, we confirm the following key principles and dates:

- The new tariff structure as published in December 2004 and updated on 1 April 2005 will remain in force until modified based on further consultation
- A statutory three-month notice period between the publication of the revised tariff and its implementation is required. Therefore, in an effort to limit the duration of application of the published current tariff, and under the understanding that the process cannot be open-ended, it is our intention to conclude discussions around the new tariff by the end of April 2005. This will enable the revised tariffs to come into force in August 2005.

ATNS is committed to the sustainability of safe aviation in South Africa and the consideration of the concerns of GA. We acknowledge its diverse composition, needs and geographic spread.

Meetings have already been conducted with all of the industry representative bodies including the Aeroclub, CAASA and the Aviation Action Forum, on this matter. In addition, you are hereby informed of our intentions with regard to the refinements.

Any comments on the proposed tariff may be submitted to the General Manager Finance, Ms Soemaya Boomgaard at soemayab@atns.co.za or via fax (011) 392 3968

for consideration in the submission to the Regulator. Comments should be received no later than close of business on 20 April 2005.

We look forward to resolving any outstanding matters regarding the new tariffs as quickly as possible for the benefit of the industry as a whole.

I urge all of our clients to plan and conduct their flights to the highest levels of safety, without compromise, and to maximise the value which they receive from ATNS by making use of the benefits that our skilled personnel and state of the art infrastructure can provide.

Yours sincerely

Wrenelle Stander
Chief Executive Officer

This letter has been distributed as follows:

- Chairman, Aeroclub
- Chairman, CAASA
- Chairman, Aviation Action Forum
- Chairman, Power Flying Association of South Africa
- Chairman, AWAC
- Editor, SA Flyer Magazine
- Editor, African Pilot Magazine
- Editor, World Airnews Magazine
- Attendees of the ATNS tariff presentations
- Writers of submissions regarding the tariff structure
- file2fly registered users
- ATNS center management for further distribution to their clients

And posted as follows:

- ATNS web site (18/04/05)

A shortened version of the letter referring readers to the full version available on the ATNS web site has been distributed as follows:

- Editor, African Pilot e-mail newsletter

And posted as follows:

- AVCOM aviation forum
- Aviation Watch South Africa