



SOUTH AFRICAN POWER FLYING ASSOCIATION
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Ms W Stander
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19 April 2005

Dear Ms Stander

ATNS TARIFFS

We acknowledge receipt of your open letter dated 15 April 2005.

We would like to place on record that your letter was only distributed from 16 to 18 April 2005. You require a response by 20 April 2005 and therefore we had only 3 working days to formulate our response. This short period made it almost impossible for me to consult properly with our members or with general aviation pilots and other interested parties. In addition we do not have full detail of the proposals and have had to make some assumptions.

In your letter you have accurately identified the issues raised but it is our opinion that the response is totally inadequate in that it does not address the issues raised.

You have proposed three refinements and we would like to comment on these items individually.

The first refinement is to increase the 5 000 kg hinge point to 15 000 kg. As you are well aware this has only increased the charges to those aircraft. We fail to understand why this is regarded as a refinement that addresses the issues raised by general aviation.

The adjustment downwards of the Area fee by reducing the distance to exclude the distance flown in the TMA has the result of reducing the fees by a minimal amount. This amendment was, in any case, required as the tariff structure resulted in an Area fee and a TMA fee being charged for a single service while in the TMA.

As far as the third refinement is concerned we assume you meant an increase in the discount to 70% and not a reduction. Once again this has little effect when compared to the tariff structure published in December 2004 (the only one we had at the time of our original submission). A new Gazette was issued in April 2005 where certain amendments have been made. In particular the April

Gazette introduced the concept of a fee per circuit and, in the case of instrument training when the TMA is entered, a fee per let-down. The effect of the April Gazette combined with your further proposed refinement will only result in increased fees when compared with those published in December. A training session will normally comprise more than one circuit and will definitely comprise more than one let down in the case of instrument training. In other words a multiple fee discounted by 70% is likely to be higher than a single fee discounted by 50%.

As indicated above the refinements therefore seem to be only a token gesture and have had little effect in eliminating the issues raised by us in our previous submission. A significant number of issues raised have not been addressed at all.

We raised the issue of pilots based at ACSA airfields for which there are no alternatives. There is no relief for these pilots at all. They can avoid other fees by avoiding controlled airspace but cannot avoid the Aerodrome fee. What is concerning to us is that you obviously regard all ACSA airfields as being in congested (and soon to become congested) airspace. This is not correct as the airspace above the majority of ACSA airfields is not congested for the major part of weekdays and weekends. Apart from a few peak hours, normally in the early morning and afternoon on weekdays the airspace above these airfields is uncongested.. We believe that as a responsible company, owned by the State, ATNS has to take into account the macro economic issues in the cities where there is little or no congestion, and where it does not make economic sense to force general aviation to leave these airports and create a duplicate infrastructure simply to avoid penalising ATNS tariffs. We would like the Regulating Committee to take specific notice of this issue.

The proposed refinements do also not address the major issues as we see it. General aviation does not need the sophisticated services provided by ATNS. This is clearly demonstrated by the smooth flow of traffic at airfields where there are only general aviation aircraft and no ATNS services. General aviation is a user of ATNS services because we believe that it will enhance aviation safety. It is far better for aircraft to part of the system than fly outside the system. For this reason we believe that general aviation should be regarded as incremental income to ATNS and not a prime source of income. We are quite sure that, once general aviation pilots start receiving invoices for services, there will be a dramatic drop off of general aviation movements recorded by ATNS. In the short term this will not be a reduction in the number of flights but an increase in flights were the pilots choose not to contact ATNS to avoid charges. In the long term we believe that it will result in a reduction in the actual number of flights. Once again we must stress that, as a company wholly owned by the State, ATNS must look at the macro economic issues relating to a reduction of flights and the resultant loss in employment in a part of our economy.

The exemption of aircraft under 1 200kg was introduced to give relief to recreational pilots. As stated in our submission this arbitrary cut off has resulted in the exemption of commercial aircraft on one hand and given no relief to other aircraft that can only be used for recreational purposes. Examples have been quoted in our original submission.

What is of great concern is the effect these fees will have on safety. We are already seeing pilots flying illegally to avoid charges. While ATNS cannot be held responsible for this behaviour ATNS must accept partial responsibility as being the cause of this behaviour. Only one mid air collision with an airliner will make the fees that ATNS is trying to recover from general aviation seem very insignificant. We repeat our feelings as expressed in our initial submission. Do not let a bad tariff structure compromise aviation safety.

You have also not addressed the fact that different levels of service are given to the different users of ATNS. An aircraft flying at FL100 will spend the majority of its time out of controlled airspace whereas an aircraft at FL200 will be subject to ATNS service from take off to landing. The assumption that the level of service is related to the weight of the aircraft is faulty. General aviation accepts that scheduled flights must take preference but then those flights should bear additional costs for that service.

You have not addressed the issue of transformation in the aviation industry being impeded by your tariffs even though you have highlighted it as an issue.

Your letter has raised another issue which we have not commented on before. There is the perception that there is significant subsidisation of lighter aircraft by heavier aircraft. We do not see it this way. We believe that the ATNS infrastructure has been developed to meet the requirements of heavy aircraft and not light aircraft. Heavy aircraft require little or no delays as their hourly running costs are large and therefore require sophisticated ATNS service to ensure their flights are expedited. Lighter aircraft are far less costly on an hourly basis and would be happier with lower levels of service. In fact recreational pilots fly because they enjoy it and do not mind delays and diverted routings. This means that it is incorrect to allocate costs to flight on a movement basis. Costs should be allocated on the basis of the requirements of the different customers of ATNS. General aviation has a low level of requirement and therefore the costs of a basic ATNS infrastructure should be allocated to this part of aviation. Heavier airlines should bear a significant part of the costs of providing the more sophisticated levels of service.

From the above it can be seen that we do not accept the refinements proposed as a solution to the issues we have raised. We therefore still reject the new tariff structure and request that you submit our submissions to the Regulatory Committee. Our proposed solution remains as in our first submission dated 29 March 2005.

I look forward to your urgent response.

Yours sincerely



Chris Booysen
Chairman