

Mr Iain Stewart MP
Chair of Transport Committee
House of Commons

REF: CB/106798
17 Oct 2023

Sent by email: iain.stewart.mp@parliament.uk; [REDACTED]

Dear Iain,

I look forward to meeting with you and your Transport Committee in Westminster tomorrow morning at 10am.

In the interest of efficiency, and to avoid timewasting, I enclose herewith a summary of Ryanair's position on the UK NATS system failure on 28th Aug last. I also attach a copy of our recent exchanges with the NATS CEO, which will highlight for your Committee the extent to which NATS continues to evade, mislead and obfuscate rather than transparently explaining its failures of 28th Aug last, its continuing mismanagement of staffing, and its unacceptable refusal to reimburse its UK airline customers for the very significant direct costs they suffered in passenger care expenses as a result of NATS system failure on 28th Aug last. In the case of Ryanair, this amounts to £15m.

NATS position that such reimbursement "*is not within its remit*" is both dishonest and disingenuous. NATS don't need a remit to do the right or honourable thing for its customers and our passengers.

Yours sincerely,



Michael O'Leary
Group CEO

Ryanair Briefing notes for House of Commons Transport Committee.

1. UK NATS system failure on 28th Aug remains unexplained. 1 duplicate flight plan cannot and should not collapse an entire ATC system, and also its backup system.
2. Other EU ATC's have confirmed they receive duplicate and inaccurate flight plans on a regular basis. These are individually rejected and dealt with manually. This is what should have happened in NATS on 28th Aug last. They do not break the system.
3. The NATS preliminary report is inaccurate, dishonest and incomplete.
 - a. It fails to explain why the system failed at 08.30am, yet NATS did not advise its airlines or the travelling public for many hours later. Ryanair was only notified at 11:00am, more than 2½ hours later, and by Eurocontrol, not NATS.
 - b. The report fails to explain why the NATS system did not simply reject the one duplicate flight plan as other ATC's do.
 - c. The report fails to explain why NATS shut down the entire system.
 - d. It fails to explain why the backup system was running on the same system, which also failed, rendering the backup system useless.
 - e. The report dishonestly claims 1,500 cancellations when Eurocontrol have confirmed over 2,000 flight cancellations.
 - f. The report ludicrously and falsely claims only 575 delays when Ryanair alone suffered 1,000 flight delays on the 28th, 348 cancellations & 20 aircraft out of base. Ryanair estimate that over 4,000 flight delays occurred over the UK on 28th and 29th Aug as airlines struggled to recover their schedules.
 - g. The NATS report fails to explain why the NATS engineer team were sitting at home "*working remotely to reduce travel time*" instead of being on site ready to respond to a system collapse.
 - h. NATS claim that the refund of airlines EU261 costs "*is not within its remit*" is dishonest and disingenuous. NATS don't need a remit to do the right thing.
 - i. NATS claim that safety wasn't compromised is misleading and a distraction. NATS is not responsible for air safety, but safety cannot be protected by grounding all flights. This is the equivalent of a hospital cancelling all operations and then claiming that patient safety wasn't compromised.
4. The NATS preliminary report tries to excuse the failure on 28th Aug as a one off. It is not. NATS suffered a technical failure in Dec 2014, which collapsed the system. Ryanair has submitted a list of previous NATS system IT failures over the last decade to the Committee.
5. Despite an annual income of £750m, and staff expenditure of £450m, NATS continues to mismanage its staffing and rostering. Airlines repeatedly suffer capacity restrictions due to NATS sickness and staffing shortages. These typically occur at weekends during the summer season, and even as we emerge out of the summer season, NATS continues to impose capacity restrictions at airports like Gatwick, which on 25th Sept imposed a daily movement cap of 800 flights "*due to NATS sickness and staffing shortages*".
6. NATS CEO Martin Rolfe confirmed at the first UK Aviation Council Meeting in Feb 2023 that "*NATS staffing would be sufficient to manage the summer 2023 seasons*". These assurances have repeatedly proven to be worthless. In the first 9 months of 2023, Ryanair has suffered 20% more NATS flight delays (affecting 1.5m Ryanair passengers) due to NATS short staffing and capacity restrictions.
7. NATS is not short of money, it is simply short of competent management. Over the last decade, NATS has paid more than £550m in dividends to its shareholders, led by

the UK Govt at 49%, and the airline group (BA, EasyJet, Pension Protect Fund, and USS Sherwood Ltd). Heathrow also owns 4%. How much better would NATS service if £50m p.a. was spent on improving its computer systems and its staffing?

8. The Board of NATS comprises many of the great and good of the UK regulatory regime. 2 of the Directors, including the Chairman, are former E-ON executives. The majority of the Board are dominated by Min. of Defence and Min. of Transport supporters and ex-CAA Regulator Harry Bush. This is not a Board capable of delivering efficiency or reform. These are UK establishment insiders who live and work within the UK's failed Regulatory regime.
9. The NATS failure on 28th Aug cost Ryanair £15m in right to care expenses. It is right and just that these real costs be reimbursed by NATS. NATS excuse that such reimbursement "*is not within its remit*" is dishonest and bogus. It does not need a remit to do the right and honourable thing. Instead of spending £50m a year on shareholder dividends, it should reimburse the airlines for the real right to care costs which the airlines suffered as a direct result of NATS incompetence and mismanagement on 28th Aug last.
10. The current CEO has repeatedly demonstrated his incompetence and mismanagement. He should be removed. He is vastly overpaid at £1.3m p.a. despite delivering routine staff shortages and repeated system failures. NATS urgently needs new/outside management to implement reform and efficiency. The current CEO is more interested in rewarding his shareholders with excessive dividends rather than delivering an efficient or industry leading ATC services to airlines and our passengers using UK air space.

NATS DIVIDENDS

Year	Dividends Paid	Cumulative Total
2011	£40m	£40m
2012	£50.7m	£90.7m
2013	£42m	£132.7m
2014	£62m	£194.7m
2015	£77m	£271.7m
2016	£81.7m	£353.4m
2017	£24m	£377.4m
2018	£56m	£433.4m
2019	£59m	£492.4m
2020	£59m	£551.4m

NATS SHAREHOLDERS:	UK GOVT	49%
	AIRLINES GP	42% (BA/EASYJET/USS/PPF)
	HEATHROW	4%
	NATS EMPS.	5%



RYANAIR

Ryanair Dublin Office
Airside Business Park
Swords
County Dublin
Ireland
Telephone: +353 1 945 1212
Website: www.ryanair.com

Mr Martin Rolfe
Chief Executive Officer
NATS
4000 Parkway
Whiteley
Fareham
Hampshire, PO15 7FL

REF: CB/106814
17 Oct 2023

Sent by email: martin.rolfe@nats.co.uk

Dear Martin,

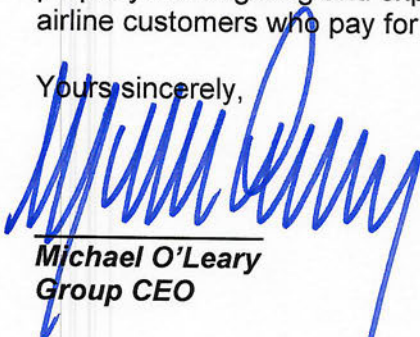
Thank you for your letter dated 16th Oct, which as usual, is another example of obfuscation and avoidance of responsibility for your mismanagement and incompetence. I regret you find our approach "*abrasive*". It is unacceptable that you continue to distract and mislead, but then your system failure of 28th Aug cost Ryanair over £15m in right to care expenses. We are fully entitled to be "*abrasive*", which does not excuse your repeated failure to answer the simple customer questions put to you. Please now do so.

1. Why you personally assured the UK Aviation Council – repeatedly – at its meeting on 1 Feb that "*NATS staffing would be sufficient to manage the summer 2023 season*" yet we and other airlines are repeatedly subject to NATS staff shortages and capacity restrictions most recently and currently in Gatwick.
2. We reject your attempt to deflect from your shambolic failure of the 28th/29th Aug with your pathetic claim that you are "*answerable to individual airport customers*". This evades the factual reality that your airport customers don't pick up the cost for your system failure, your backup system failure, on 28th Aug, rather it was we, the airlines, who had to cancel or delay thousands of our flights and millions of passengers. In Ryanair's case alone, we paid £15m to customers in right to care expenses. Since we are paying all of the costs of your mismanagement and incompetence, the least we are entitled to is a reasonable explanation of same. NATS should also reimburse these actual costs since your claim that this is "*not within your remit*" is dishonest and untrue. You don't need a "*remit*" to do the right or honourable thing.
3. Your whitewash preliminary report is factually inaccurate. Eurocontrol have confirmed there were over 2,000 cancellations. Ryanair alone suffered 1,000 flight delays, 348 flight cancellations, and 20 aircraft out of base overnight. Your bizarre claims that "*safety wasn't compromised*" is a distraction when grounding all flights to/from the UK for over 6 hours due to your complete system failure, is no way to "*protect safety*".
4. You fail to explain why NATS system collapsed as a result of 1 duplicate flight plan, despite the fact that ATC systems all over Europe deal with duplicate flight plans on a routine basis. They regularly reject such duplicate flight plans and deal with them manually. You fail to explain why your backup system also completely failed, and you have failed to explain why your system engineers were sitting at home drinking tea instead of being onsite and ready to deal with a total system failure which you presided over on 28th Aug.

5. Your preliminary report fails to explain that NATS system was shut down at 08.30am, yet your airline customers were kept in the dark by NATS. Ryanair were only advised of the NATS system collapse at 11:00am, over 2½ hours later and even then this notice was received from Eurocontrol and not for NATS. Why did you keep your airline customers (and our passengers) in the dark?

Please now desist from obfuscating and evading your responsibility and instead answer these simple questions from your largest airline customer in the UK. We pay you over €100m p.a. Your total income is £750m p.a. and so we are entitled to transparent and honest answers to these simple questions and not more misinformation and or distractions from you. Better still, why don't you resign and let somebody competent do your job given your repeated failure to demonstrate any competence either in managing the NATS system, rostering NATS staffing, or properly investigating and explaining your shambolic system failures on 28th Aug last to your airline customers who pay for your substandard 3rd rate service.

Yours sincerely,



Michael O'Leary
Group CEO

Cc: Mark Harper – DoT
Eddie Wilson – Ryanair DAC
Iain Stewart – Chair Transport Committee

Hefty n Fye

NATS

Mr Michael O'Leary
Group CEO
Ryanair Dublin Office
Airside Business Park
Swords, Co. Dublin
Ireland

NATS
4000 Parkway
Whiteley
Fareham
Hampshire
PO15 7FL

16th October 2023

Sent by e-mail

Dear Michael,

I refer to your letter dated 10th October. I acknowledge that Ryanair is a large customer of NATS (En Route) plc and has its own way of communicating. However, this abrasive approach is not acceptable. For me to respond directly would normalise this behaviour as a way of doing business, which is not something that any responsible business leader would want to do.

Ryanair's correspondence and recent statements to the press repeatedly misrepresent information to create a false narrative. They conflate the economically regulated service NATS (En Route) plc provides to airlines with the commercial tower services NATS (Services) Limited provides to airports. Under the latter, we are answerable to individual airport customers, who are free to choose how to provide air traffic control, as well as setting the terms of our service and level of resilience. This forms no part of the fees Ryanair pays to NATS (En Route). Such is the level of the inaccuracies, that Ryanair has even blamed NATS for perceived shortcomings at Edinburgh airport, where we do not have a contract and the ATC service is provided by ANSL.

Independent data published by Eurocontrol clearly demonstrates that NATS' en route service consistently provides the lowest network delay among its European peers, with no strike action and ever reducing prices in real terms. These facts are the result of the hard work, pride and professionalism of all the staff at NATS.

Yours sincerely



Martin Rolfe
Chief Executive Officer

Copy to: Mark Harper, DfT
Eddie Wilson, Ryanair



RYANAIR

Ryanair Dublin Office
Airside Business Park
Swords
County Dublin
Ireland
Telephone: +353 1 945 1212
Website: www.ryanair.com

Mr Martin Rolfe
Chief Executive Officer
NATS
4000 Parkway
Whiteley
Fareham
Hampshire
PO15 7FL

REF: CB/106797
10 Oct 2023

Sent by email: martin.rolfe@nats.co.uk

Dear Martin,

I refer to your letter dated 6th Oct to Eddie Wilson. Its content is unacceptable. Ryanair is your largest customer paying NATS almost €100m p.a. and we are entitled to expect responsive and transparent answers to reasonable questions.

NATS system failure of 28th Aug will be the subject of separate legal proceedings, but that does not relieve you of the obligation to reply to simple queries relating to your mismanagement and repeated staff shortages, which continues to delay our operations and our customers flights.

1. You personally assured the UK Aviation Council, at its first meeting on 1 Feb, that "*UK Air Traffic Control would operate effectively in Summer 2023*". You have failed to deliver on this assurance.
2. When Ryanair at this meeting questioned your assurances, you again confirmed to the entire UK industry that "*NATS staffing would be sufficient to manage the Summer 2023 season*". Once again, your personal assurances have proven to be worthless.
3. In recent weeks, Ryanair's flights have been repeatedly delayed by inadequate NATS staffing and mismanagement in Gatwick for example on Thurs 14th Sept, in Bristol on Sun 17th Sept, and across UK air space generally in Sept and Oct.
4. Gatwick Airport continues to request airlines to cancel daily flights due to NATS short staffing. The recent excuse from NATS is that "*up to 30% of your ATC controllers are out sick*" without explaining why the other 70% cannot cover NATS Gatwick ATC services.

As your largest single UK customer, Ryanair is entitled to explanations as to why your assurances about staffing adequacy are worthless and what steps you are taking to ensure that NATS is fully staffed to provide not just summer, but also winter services.

We note from your recent accounts that NATS income is over £750m, your staff costs are £450m, so you have more than sufficient resources to hire additional controllers, if that is what is required. We believe that NATS isn't short staffed rather it is badly managed with inadequate and defective rosters.

Please now confirm what action you intend to take to honour your personal assurances that short staffing will not be an issue in UK NATS. Your continuing mismanagement of NATS, despite receiving over £1.3m in pay and bonuses, is unacceptable. Either do your job, or leave and let someone competent do it instead. In the meantime, please reply to our 19 Sept letter (copy attached).

Yours sincerely,

Michael O'Leary
Group CEO

Cc: Mark Harper – DoT
Eddie Wilson – Ryanair DAC



Eddie Wilson
Chief Executive Officer
Ryanair Dublin Office
Airside Business Park
Swords, Co. Dublin
Ireland

NATS
4000 Parkway
Whiteley
Fareham
Hampshire
PO15 7FL

6th October 2023

Sent by e-mail

Dear Eddie

Thank you for your letter dated 19th September in which you reference the incident of 28th August. On the basis that Ryanair's CEO, Michael O'Leary, has made clear that Ryanair is contemplating legal proceedings against NATS it would be inappropriate for us to enter into correspondence on matters concerning our operations and performance at this time.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Martin Rolfe', is written over a light blue horizontal line.

Martin Rolfe
Chief Executive Officer



RYANAIR

Ryanair Dublin Office
Airside Business Park
Swords
County Dublin
Ireland
Telephone: +353 1 945 1212
Website: www.ryanair.com

Strictly Private & Confidential

19 September 2023

Mr. Martin Rolfe
Chief executive Officer
NATS
UK

By email only: martin.rolfe@nats.co.uk

Dear Mr. Rolfe,

Our passengers continue to have their travel plans unnecessarily disrupted because of NATS mismanagement of both the en route and terminal airspace across the UK.

NATS have failed to correctly resource their business, this is evident by the consistent staffing / capacity delays endured throughout the Summer as well as the complete system meltdown on Monday 28 August, which brought UK aviation to its knees. A mess that still has not been explained.

Ryanair is NATS' largest customer, paying in excess €100,000,000 (one hundred million euro) each year. This self-inflicted collapse would have been avoided had these funds being correctly managed by investing in the adequate infrastructure. NATS have a track record that runs as far back as 2004 regarding IT failures, which clearly have not been addressed by the current management team.

In just the past week, UK citizens holidays have been delayed as a result of NATS poor staffing levels and mismanagement in airports right across the UK:

- **Gatwick:** Thursday 14 September, the airport was brought to a standstill causing chaos in London airspace. Mass diversions occurred and airlines were forced to burn tonnes of unnecessary fuel due to NATS mismanagement of their staff. Ryanair with a modest operation in LGW, had multiple diversions and 10 lines of flying delayed for up to 3 hours.
- **Bristol:** Sunday 17 September, arrivals reduced to just 10 per hour again due to NATS understaffing. This staffing issue led to a failure to operate dual radar resilience, which is unacceptable, especially when it requires only planning and staff, the most basic management functions.
- **UK Airspace:** In the last 7 days, over 230 flights were delayed due to ATC Capacity / Staffing across the UK, impacting 41,500 Ryanair passengers

You need to take urgent action to guarantee that the airspace and airports are correctly managed. Please confirm in writing the steps and timeline being undertaken to deliver this critical improvement plan.

Yours sincerely,

Eddie Wilson
Chief Executive Officer