

The challenges of the regulatory approach in a privatised organisation

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Balance

- *The problem: Balancing the tensions between economic and safety regulators, the Commission, EASA and Airline customers*
 - **Value** is more important to our customers than pure cost reduction
 - **Regulation** to cut cost sometimes hampers our ability to add value



Balance

- Safety Regulators want to add more rules
- More rules do not make us safer – they may distract us from tackling key risks
- Environmental pressures will become increasingly important in the next few years

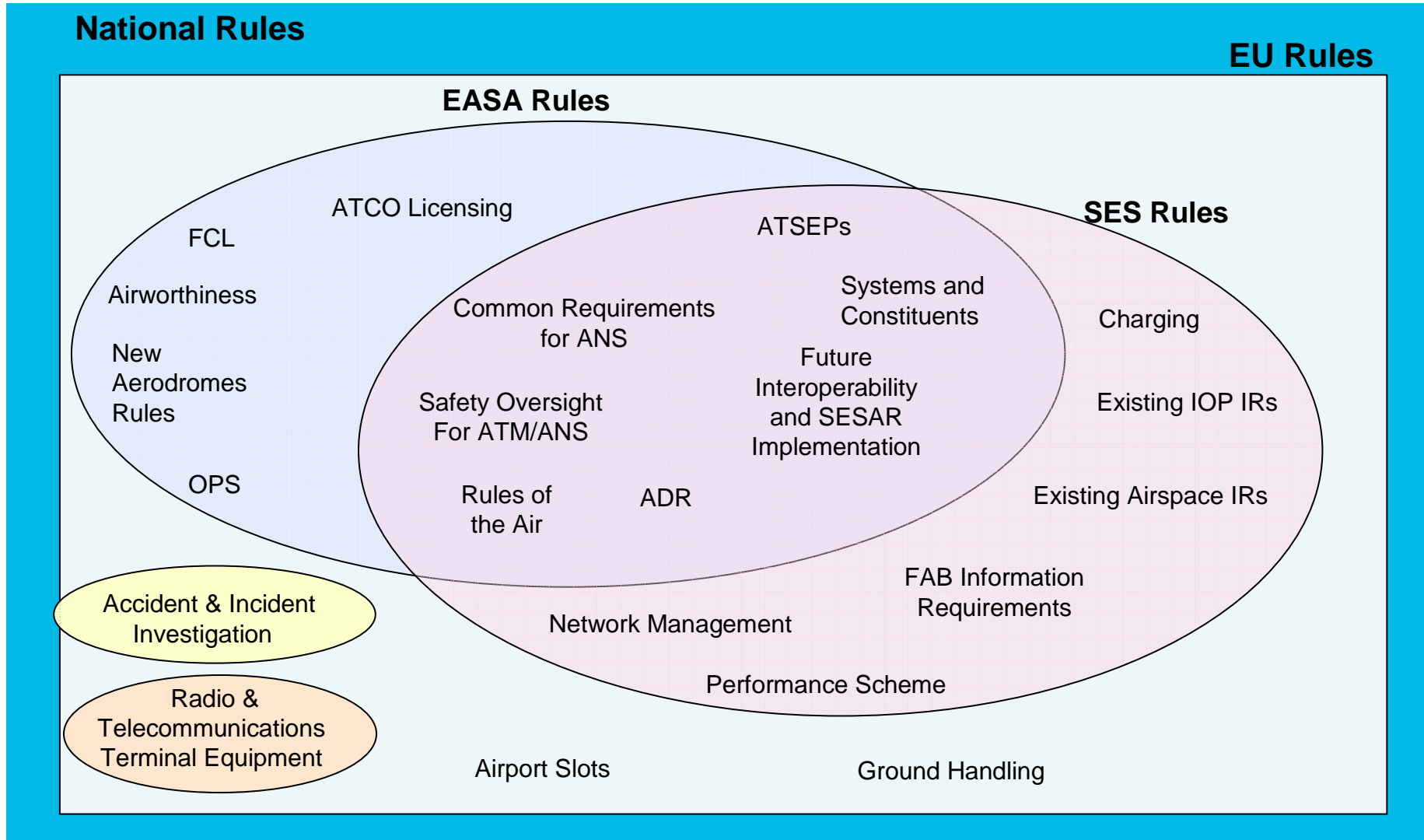


Politically or Business driven targets?

- Politically driven change through legislation [SES and EASA]
 - **Good:** Achieves a level playing field across Europe
 - Better standardisation for Airlines
 - **Bad:** Makes us expensive compared with some parts of the world
 - One size does not fit all

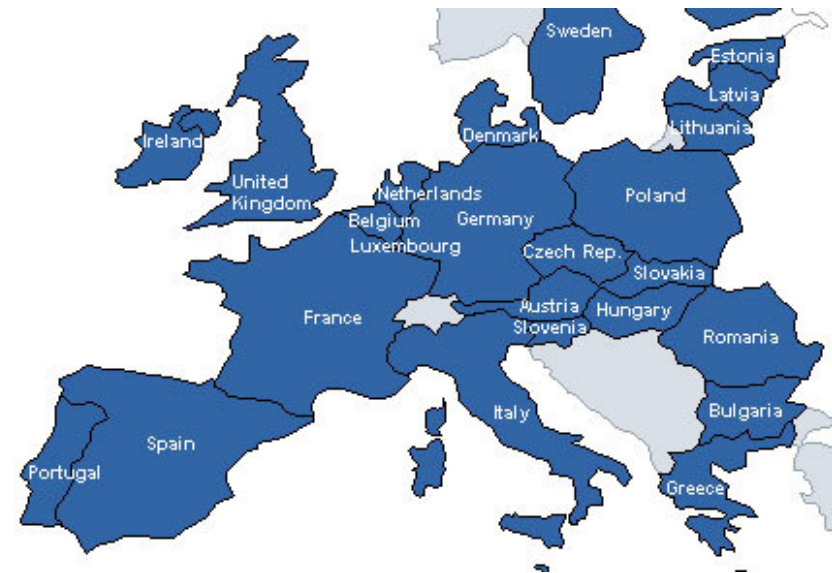


EASA and SES Regulation – what we have



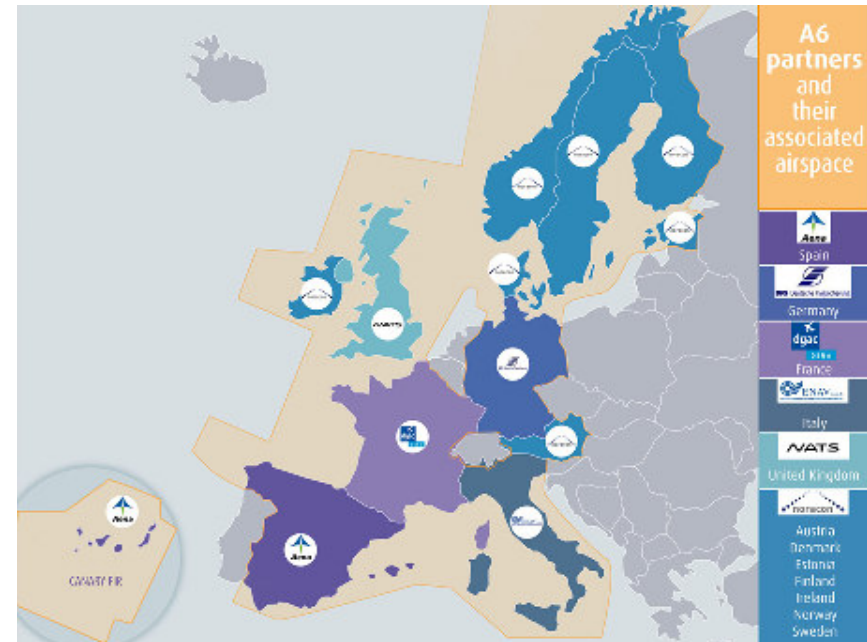
EASA and SES Regulation – what we want

- One set of simple rules for the industry under one rulemaking body



Politically or Business driven targets?

- Business driven change [SESAR, A6 or FABs]
 - Change driven from within the industry will always be more effective than legislation.
 - The reduced bureaucracy means that benefits can be delivered more cost effectively.



Challenges of running a privatised organisation

➤ **Good:**

- Freedom to make decisions about the direction the business takes
- Freedom to be able to explore commercial opportunities



➤ **Bad:**

- Running a business on a cost-down formula
- Costly additional Rules without a change in income



What next?



- Privatisation has been of significant benefit to us
- New regulation should add value to our airline customers
- We need to make our own future by influencing new rules and regulations
- We need to ensure that any governance structure understands the safety challenges we all face