

The challenges of the regulatory approach in a privatised organisation

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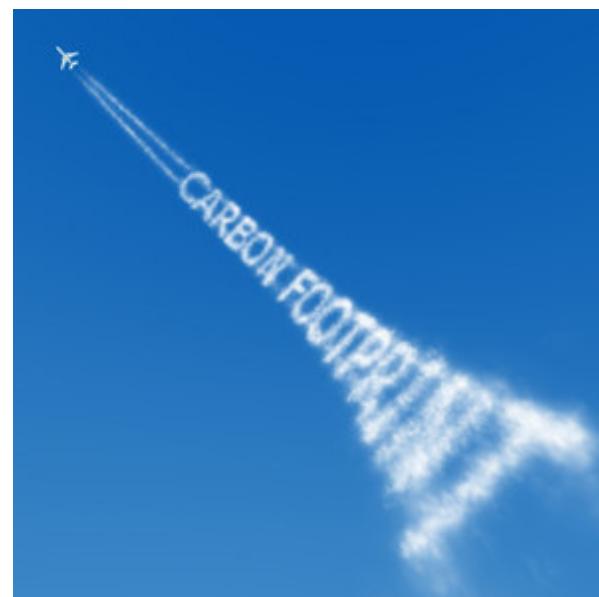
Balance

- › *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



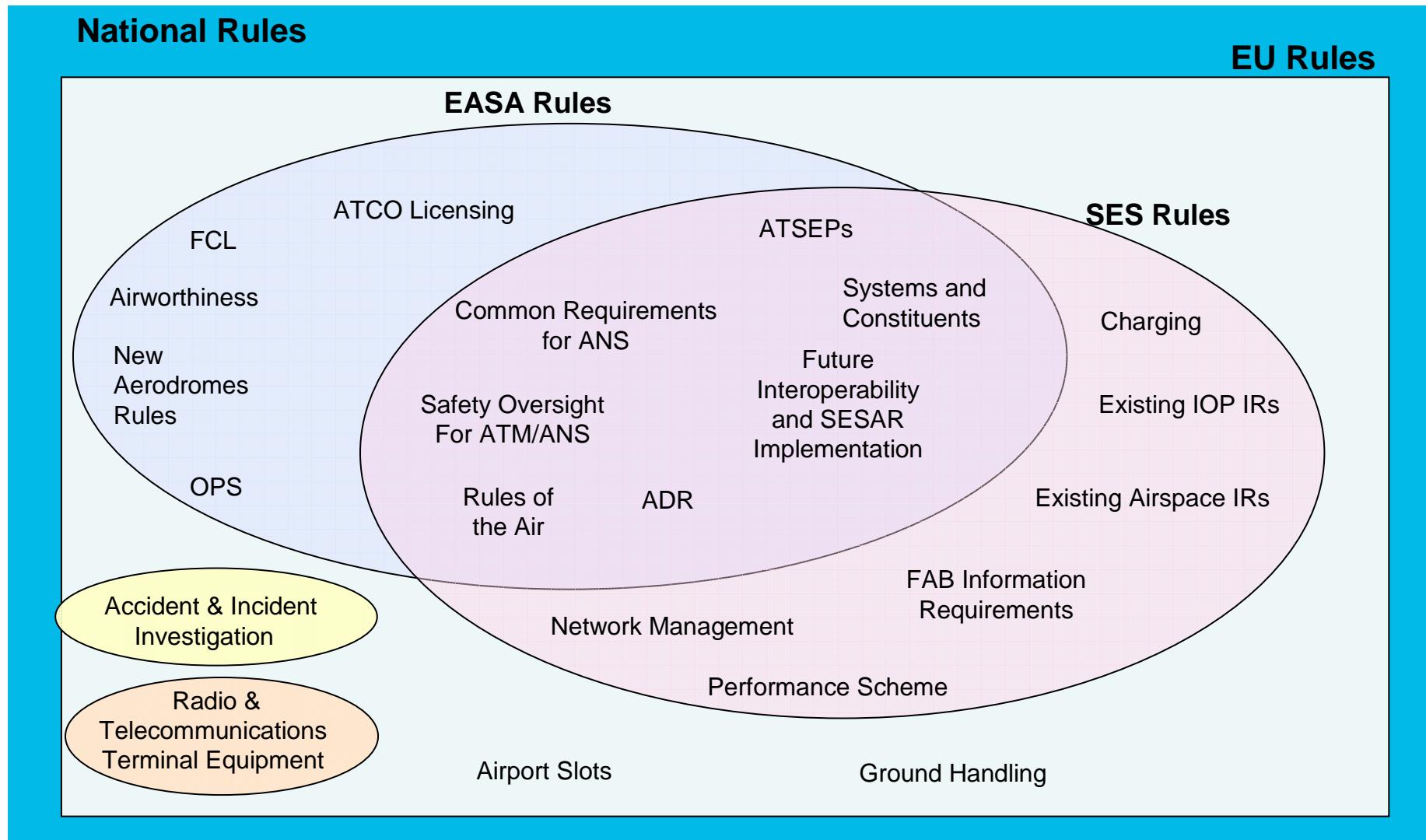
Politically or Business driven targets?

- › 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



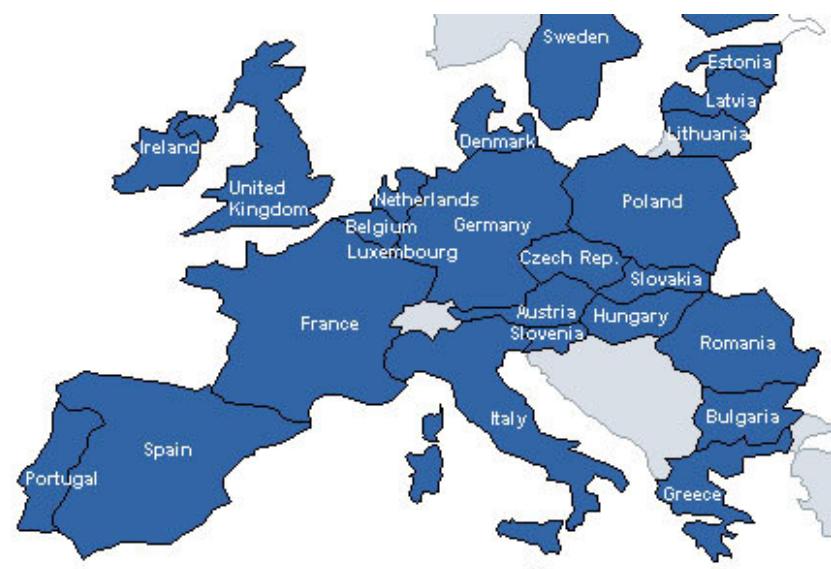
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EASA and SES Regulation – what we have



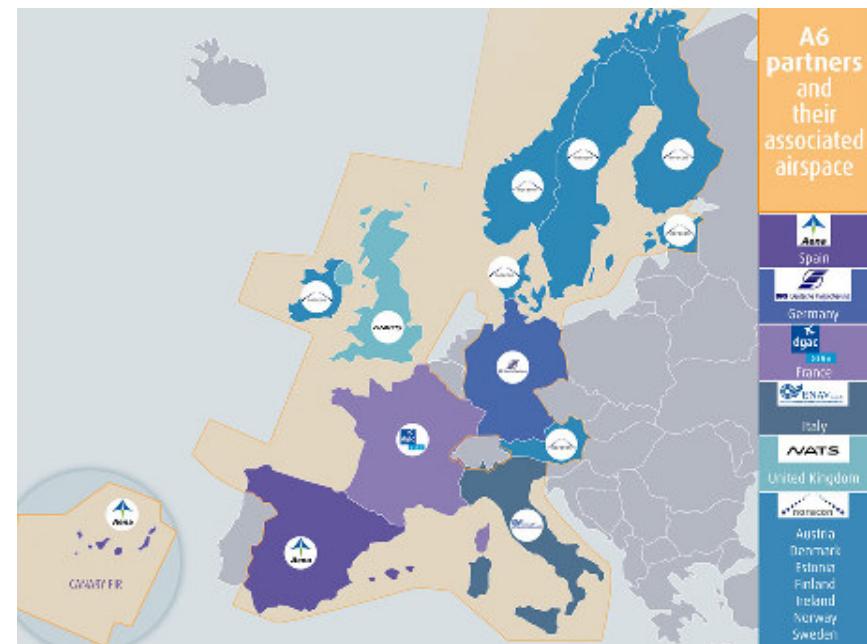
EASA and SES Regulation – what we want

- › 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



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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