

FABEC ANSPs

Three thoughts on the future of the Single European Sky

In view of the ongoing discussion concerning the future of the European air transport infrastructure and in full support of the objectives of the Single European Sky initiative, we – the seven FABEC air navigation service providers ANA (Luxembourg), Belgocontrol (Belgium), DFS (Germany), DSNA (France), LVNL (Netherlands), MUAC (EUROCONTROL), and skyguide (Switzerland) have proposed that three central strategic considerations be taken on in any future development of SES in a letter to the European Commission. The impetus for this was, on the one hand, the stagnation of flights that we have been experiencing for the past eight years as well as during the first reference period. On the other hand, it has been shown that the location FAB Europe Central at the geographic heart of Europe has special requirements due to its high traffic volume. The seven FABEC ANSPs placed these considerations under the overriding motto "*Sustaining a robust air navigation infrastructure to secure the European economy in 20XX.*"

A two-fold strategy based on realistic targets is needed for the Single European Sky (SES)

SES is based on targets quoted in 2005 by the Commission for 2020 and beyond which rely on assumptions such as a 50% increase in traffic by 2020. As these assumptions are no longer valid, the targets have become unrealistic. Based on the experience of dropping traffic figures over the past few years, it is not possible to make extrapolations to 2035 as has been done by the last published forecast which once again anticipates an increase in traffic volume of 50%.

Today, the service level of air navigation services in the FABEC States is high. Air traffic is safe, punctual and uses nearly direct routes. That is why we must concentrate on maintaining this level of performance and not destabilise the whole system by imposing overambitious performance targets – especially in the area of cost efficiency. FABEC ANSPs are convinced that a two-fold strategy addressing both growth and stagnation/saturation would avoid repeating mistakes made in the past. Additionally, SES needs new, realistic targets which reflect the developments of the recent past. The old targets set in 2004 should no longer function as the yardstick and ought to be revised in its entirety immediately.

Regional differences have to be respected

There is a wide variation in traffic growth depending on which region in Europe one examines. At the geographic heart of Europe, the number of flights is basically stagnating or growing only moderately, while in other countries, such as the Baltic States or Turkey, air traffic is booming as it did in central Europe twenty years ago. Although the business models of the air navigation service providers (ANSPs) vary greatly, they are subject to the same regulatory objectives, which do not, or only inadequately, consider regional/local differences (such as pension schemes, VAT, specific airport requirements etc.).



Thus, FABEC ANSPs are convinced that targets and the corresponding measures should be developed at the regional level and not at the European level to enable regional differences to be adequately taken into account.

The implementation of the Single European Sky must not compromise running operations

Deficiencies and immaturities in the existing regulations have seriously destabilised the financial stability of the ANSPs. In the first reference period (2012-2014), a decline of €226 million in revenues is expected in FABEC because of unexpected and not planned drop of the traffic volume. Initial calculations for the years 2015-2019 predict a risk of about €0.5 billion for FABEC ANSPs. As a consequence, necessary projects have to be postponed due to a lack of funds. Additionally, shifts in traffic flows to improve the European network impose an unacceptable financial burden on individual air navigation service providers.

We are convinced that there is a need for a robust, independent economic regulation not only based on traffic forecasts, but also taking into account cost evolution and controllability. This economic regulation has to have the flexibility to react to volatilities in the short term without endangering the long-term stability of the infrastructure. In addition, a model is needed that lays out how shifts in financial flows can be adequately compensated for and how negative effects which impact individual ANSPs due to measures that benefit the network can be adjusted.

The airspace of the six FABEC States of Belgium, France, Germany, Luxembourg, the Netherlands and Switzerland is one of the busiest and most complex in the world. The majority of major European airports, civil airways and military training areas are located in this area. FABEC airspace covers 1.7 million km² and handles about 5.5 million flights per year – 55% of European air traffic.

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