



Position Paper on Single European Sky (SES)

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ATCEUC position on Single European Sky (SES)

CONTEXT

The Air Traffic Management (ATM) Industry plays a key role in the air transport system. It is responsible for delivering its most precious asset - **Safety**.

Air Traffic Controllers (ATCOs) across Europe, who work 24 hours a day, 365 days a year and control more than 10 million flights annually throughout the European airspace, are proud of the remarkable European ATM Safety record.

ATCEUC, representing more than 14000 ATCOs in Europe, acknowledges the daily effort ATCOs are doing to increase performance and to better serve our customers, sometimes under very hard conditions. However, while striving to improve Safety, ATCOs are seriously concerned about the European Commission's (EC) constant neglect of Safety in the SES regulations.

Increasing Safety by a factor of 10 by 2020, as the EC points out, is an achievable objective only if we can identify and measure the starting point, which has not been done yet.

In fact, a clear sign of the importance given by the EC to Safety is the nonexistence of Safety targets since 2004, when the first SES package was put in force. After 9 years of the SES we still don't have a real measurement of Safety in the system nor a single target as opposed to the ones for capacity or costs, which have been defined and refined over the years.

ATCEUC has been very critical of the purely economic approach made by the EC and urges the EC to endorse a Safety based approach instead. Moreover, the trade-offs between Safety, Costs and Capacity are still far from being measured, which will definitely compromise the current ATM model in a near future.

The performance of the ATM system is a goal that ATCEUC and ATCOs also pursue each and every day. We are ready to achieve realistic and flexible targets that take into account the economic crisis in Europe and traffic downturn. Nevertheless, ATCEUC is

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very sceptical of traffic forecasts produced by Eurocontrol and stresses that ever since the implementation of the Performance Scheme, Eurocontrol has constantly failed to correctly predict, within reasonable limits, the number of IFR flight movements across the European airspace. To illustrate this, let's take into account the traffic forecasts for the year 2014. In 2008 the forecasted traffic for 2014 was 12,8 million flights, in 2009 that number was 11,2M, in 2010 reduced to 10,9M and more recently, in 2013 only 9,7M. In five years' time, 3 million less flights, a difference of -25%! During this time, a reference period was set (RP1 - 2012 /2014) and a target for costs fixed. Based on these imprecise and unrealistic traffic predictions, millions of Euros of revenues were lost by Air Navigation Service Providers (ANSPs), hence increasing the pressure over ANSPs and their staff.

The EC indicates that the European airspace will reach 14.4M flights by 2035! In 2008 this number was expected to be achieved by 2018, 17 years sooner! How can a company in any Industry plan a business case with such a range of numbers?

In the ATM Industry, that's even worst! ANSPs have invested in new systems and in human resources to cope with the predicted traffic demand and to improve performance. Now after five years of traffic downturn, Eurocontrol still forecasts a traffic growth of 3,5% to 7% for 2014 in countries, under heavy macroeconomic scenarios. Are these the numbers which will be used to set new targets for RP2 (2015-2019)? Is this realistic? Does the EC suggest that a safety related Industry should plan their investments and train their human resources in the most efficient way, without really knowing the scope?

Although the SES is composed of five pillars, for the EC only Performance matters. What about Airports and the inefficiencies generated by them? Some of these structures are out of date and compromising performance targets as well. And SESAR, that after 10 years of SES it is still a mirage for most of ATCOs. The same ATCOs that continue to improve performance using the same processes and the same technological tools that existed in the beginning of the century, although traffic continues to rise.

The EC has chosen ANSPs as an easy target, accusing them of contributing to all the inefficiencies in the European airspace, being also responsible for the economic underperformance of airlines. Indeed, it even suggests that if ANSPs were more cost effective, many European Airlines would become profitable again. Healthy airlines are as important as healthy ANSPs in the Air Transport System, but surely the competition that European airlines are facing and their poor profit results are not the ANSPs' responsibility. The European economic crisis, the price of fuel and the competition of airlines with different economic regulations sharing the same market, with European Airlines banned from state aid, are undoubtedly the main factors contributing to the actual situation.

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Systematically, the EC compares the European Airspace with the US airspace, using figures to conclude that fragmentation in Europe is responsible for €5 billion in inefficiencies¹, that are borne by the airlines and ultimately by passengers. This is an entirely wrong conclusion based on false facts! The USA is a single country whilst the EU has to deal with 28 states, different realities and necessities. One cannot say that the Congress is more efficient than the European parliament just because it is less expensive and it has less people. If the model of a single Pan-European provider is what the EC wants, then why not apply it by giving to this ANSP staff the statute of the European worker, like those employed at the EC? In this way many of the actual problems of mobility and training would be solved.

But, if the US system is less fragmented and consequently more efficient, how can delays arise to a staggering \$7.1B² in 2012 when compared with €850M in EU airspace for the same period? And what about the sequestration law in the beginning of 2013 that almost led to the collapse of the entire US ATM system due to an automatic 5% cut in FAA budget, which caused unbearable delays all across the USA? This is what the EC should take as a lesson and carefully analyse before establishing targets for RP2.

Moreover, the US data used by the EC in its propaganda just serve to manipulate public opinion against ANSPs and their staff. For example, nothing is said about the fact that a large part of the US system is paid by taxpayers³, in contrast to what happens in the EU, where the ATM system is fully financed by the users, i.e. airlines and passengers. Also, the figures presented by the EC regarding the percentage of ATM cost borne by customers are completely manipulated. According, to the PRR 2012, the share of air navigation charges in airline operating costs, represents only 6,2%, far behind the 14% in US⁴. To illustrate, for a flight departing Barcelona to Copenhagen each passenger would pay about €9.80 considering an Airbus 320 with normal configuration.⁵

Finally, the EC intentionally omits the fact that the US ATM system is 35% more expensive when compared with EU according the ACE2010 report.

Furthermore, the EC SES2+ package requires full organisational and budgetary separation of National Supervisory Authorities (NSAs) from the ANSPs they supervise, despite the fact that such separation is lacking in the US ATM system, where the FAA is both regulator and provider. Once again the EC uses the comparison with the US to its political advantage, regardless of any coherence in its reasoning and omitting what does not serve its purpose.

1 http://europa.eu/rapid/press-release_IP-13-523_en.htm

2 <http://www.airlines.org/Pages/Annual-and-Per-Minute-Cost-of-Delays-to-U.S.-Airlines.aspx>

3 http://www.faa.gov/about/office_org/headquarters_offices/apl/aatf/media/AATF_Fact_Sheet.pdf

4 <http://www.airlines.org/Documents/comm/TicketBreakDown.pdf>

5 <http://www.eurocontrol.int/documents/customer-guide-route-charges>

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In all the communications about the SES, the EC insists in declaring that fragmentation of EU airspace is responsible for airlines in Europe to fly 42km⁶ more on average, and has a total cost of €5 billion. This number has been spread around although it is wrong again. The fact that airlines are flying longer routes does not necessarily mean they are flying for a longer time and consequently burning more fuel. Anyone in the airline industry knows that most of the time airlines choose to fly longer routes to avoid headwinds or to benefit from tailwinds, therefore giving them a potential advantage in flight time. From this €5 billion, what is the percentage due to airlines inefficient flight planning, due to military activities and due to weather? The EC does not really know but prefers to blame the usual suspects!

So again, numbers are used with a clear intention to beef up the political intentions of the European Commission.

To justify a third package of regulation (SES2+) the EC concludes that Functional Airspace Blocks (FABs) are not progressing as expected and are not delivering as fast as they were supposed to. One must remember that FABs establishment deadline was only 8 months ago and, as in any other Industry, synergies will naturally appear without the need to enforce them. From the EC point of view, FABs were supposed to be the ultimate solution for fragmentation. ATCEUC has reminded several times that operational inefficiencies can only be solved with an operational approach and not with a political one. Disappointment can only be found in those who expected great and fast achievements from FABs.

The EU Commission acts like a “law enforcer of SES”, pursuing Member States and proposing to create a sanction mechanism for those who do not comply. ATCEUC reminds that the SES can only deliver in a total cooperative and collaborative way between all the stakeholders. Trying to push in a different direction can only lead to resistance from Member States, ANSPs and ultimately, staff.

Despite the amount of resources, the EC was unable to cope with all the challenges of the European airspace which proves that it is not competent enough. Since the European airspace is not an exclusive competence of the EC but also of the Member States, the Principle of Subsidiarity that regulates the relations between the EU and the Member States shall be applied and it must not be acceptable that Member States cannot be part of the solution or put outside of the decision process. The intention of dismantling ANSPs by unbundling the support services in a mandatory way by 2020, and to open them to market competition, can only compromise the actual safety chain and endanger all the ATM system. It is well known that any service

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can be replicated but not entirely, which means that more fragmentation will be added and more inefficiencies generated, this time at service provision level.

At the same time the EC proposes to centralize a package of services in Eurocontrol, which means that ANSPs will lose their own support services and then will have "to buy" them back from Eurocontrol without any alternative in the market. It seems that in this "game" there are different kinds of monopolies, the forbidden ones and the EC approved ones!

ATCEUC cannot accept that highly trained staff with an incomparable know-how on ATM can be discarded overnight, just to serve the supposed EC objectives. The most precious asset of any company is its human resources but for the EC those are just costs to be reduced. It is clearly displayed how the fifth pillar, the human factor, is treated in SES regulations.

Job creation in the air transport system, as in any other Industry, is something that every social partner, such as ATCEUC, welcomes and encourages in such a deep economic crisis. But the sacrifice of almost 10.000 employees of the ATM Industry is completely unacceptable and displays the total lack of consideration of the EC towards the human factor. This conclusion is also stated by the large amount of responses in the survey launched by the EC indicating which policy area of the Single European Sky initiative was considered necessary to be further developed. The Human factor scored the second place in the number of answers!

Regarding the intention to create a super-agency like the one proposed – the European Aviation Agency (EAA), we consider that it will add an extra burden over ANSPs and Airspace Users (€ 18 million/year). It seems that for the EC safety means EASA (or EAA) as a big and bureaucratic structure that constantly requires to be fed due to its "artificial" needs. Believing that Safety will increase by a factor of 10, just because the same factor is used to increase the number of human resources, the budget or the size of the headquarters, will end the same way as other overregulated Industries, where complying with all the rules does not guarantee a safer product. The important role of NSAs cannot be reduced or substituted by the creation of this mighty agency.

Finally, what to say about the social dialogue inside EU. The last few months ATCEUC has assisted a completely unacceptable attitude from the EC, disregarding all contributions from the professional representatives, denying any clarification about the proposed regulation and promoting surveys, workshops and other forums just to comply with EU regulations. In the end, and after a lot of patience, ATCEUC registered that none of our concerns were taken into account, reflecting once again, how "motivating" the social dialogue inside EU is.

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ATCEUC POSITION:

On the Performance Scheme

- ATCEUC asks for a realistic and flexible approach to target setting for RP2, considering the actual economic depression in Europe.
- ATCEUC calls the regulator to freeze the actual targets of RP1 on costs and capacity, until traffic reaches the threshold used for the calculation of RP1 targets. If these targets are now overambitious, that is due to unrealistic traffic forecasts made by the Agency in support of the EC.
- ATCEUC asks for an assessment period during the RP2, to evaluate and correct the targets, if the assumptions in which they were defined are not being fulfilled.
- ATCEUC asks the Performance Review Body (PRB) to clearly identify the percentage of inefficiency of EU airspace attributed to ATM and to other "actors" (airlines, military, and environment restrictions). Without knowing the starting point it is impossible to set a target and to establish a strategy. The definition of an environment target, like the one proposed by the PRB, will create even more pressure on ATCOs during their daily duties without bringing any environmental added value.
- ATCEUC rejects the approach made on Safety KPA, which simply does not measure how the system is performing on safety. It is clearly an attempt to buy time before reforming the ATM system and without measuring the trade-off between safety, costs, capacity and the environment. It is a clear sign of incompetence that will take 10 years of Performance Schemes and two Reference Periods before achieving to measure safety.
- ATCEUC suggests a collaborative and comprehensive approach on target setting that can motivate staff, instead of overly ambitious plans that usually are doomed to failure. Thus, staff representatives shall be consulted at national and FAB level during the elaboration of PP –Performance Plans and at EU level before the adoption of RP2 targets.
- An effective incentive scheme must be created to motivate and accelerate some structural reforms in the ATM Industry by opposition to a proposed model based on penalizations, in clear contrast of the European traditional approach to other sectors.

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- ATCEUC urges the political actors to push forward on other SES pillars like Airports and SESAR. It's about time that SESAR program starts to contribute for the efficiency of Airspace and not only to consume hundreds of millions of Euros of EU budget, without generating any benefit for performance and ATCOs.

On SES2+

- ATCEUC fully rejects the liberalization process and market competition proposed by the new SES2+ regulation, which will undoubtedly reduce safety, increase inefficiencies and cause loss of jobs and social unrest.
- Inefficiencies and costs can be reduced by a better operational effectiveness, instead of unbundling support services and outsourcing them.
- ATCEUC opposes the attempt made by the EC to reduce Member States' involvement in the decision making process related to the SES regulation, which is in clear violation of basic EU principles.
- ATCEUC rejects the planned sacrifice of almost 10.000 ATM jobs to satisfy the greed of a handful airline CEOs with direct impact on the Safety chain and service quality. ATCEUC calls the regulator attention to the fifth pillar of SES regulation – the Human Factor and how it is still being neglected.
- ATCEUC Refuses the clear attempt made by the EC to downgrade labour and social conditions in the ATM Industry that can only lead to lower quality of service with inherent costs for airlines and passengers. ATCEUC urges the political actors to put again social dialogue as a top priority and not merely an agenda item. Social Dialogue should involve and motivate every participant in finding the right answer to the problems regarding the different expertise and not like it's happening today where preconceived ideas from EC are blocking any stakeholder's contributions and concerns.

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On Centralized Services

- ATCEUC doesn't accept the destruction of jobs at national level to leverage the intentions of Eurocontrol and other actors, to create super-monopolies at European level.
- ATCEUC doesn't understand why at national level support services have to be open to market rules but some other services can be centralized at Eurocontrol only by EC decision.



ATCEUC was created in 1989 and is currently composed of 28 professional and autonomous trade unions representing more than 14000 Air Traffic Controllers throughout Europe.

More informations: www.atceuc.org