TEN/080
Action programme/
single European sky

TEN/098
Implementation of the single
European sky

Brussels, 17 July 2002

OPINION

of the

Economic and Social Committee

on the

Proposal for a Regulation of the European Parliament and of the Council laying down the framework for the creation of the single European sky

COM(2001) 123 final - 2001/0060 (COD)

Proposal for a Regulation of the European Parliament and of the Council on the provision of air-navigation services in the single European sky

Proposal for a Regulation of the European Parliament and of the Council on the organisation and use of the airspace in the single European sky

Proposal for a Regulation of the European Parliament and of the Council on the interoperability of the European air-traffic management network

COM(2001) 564 final - 2001/0235 (COD) - 2001/0236 (COD) - 2001/0237 (COD)

On 15 November 2001 the Council decided to consult the Economic and Social Committee, under Article 80 (2) of the Treaty establishing the European Community, on the

Proposal for a Regulation of the European Parliament and of the Council laying down the framework for the creation of the single European sky
COM(2001) 123 final – 2001/0060 (COD)

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The Section for Transport, Energy, Infrastructure and the Information Society, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 19 June 2002. The rapporteur was **Mr Tosh**.

At its 392nd plenary session of 17 and 18 July 2002 (meeting of 17 July 2002) the Committee adopted the following opinion by 119 votes to 1, with 2 abstentions:

1. Introduction

1.1 Community intervention is required to create the environment wherein air traffic will become more regular and punctual, whilst maintaining high levels of safety. This concerns all civil and military air-traffic movement. This will create environmental and social benefits for the Community. The proposals concern all air-traffic movements under civil control; including military movements. The action programme conceives that a single integrated airspace - a single sky - will emerge from these proposals. The reform of the management of all the components that contribute, in an holistic manner, to airspace usage, is believed to be at the root of any action to improve system efficiencies.

1.2 Conceptually these proposals seek for the first time to set up a single regulatory framework for airspace - **not** aviation - which has hitherto been subject to separate sets of regulations, but with whose basic principles, e.g. on safety, the new proposals are however aligned. The single sky proposals concerning airspace are distinct from "open sky" proposals concerning the wider provision of air-transport services by airlines.

1.3 The Communication introduces three draft Regulations that lay down general criteria for setting the management regime to be in place by 31 December 2004.

1.4 A High Level Group sought contributions from all elements of the industry for the report to the Commission in November 2000 on a Single European Sky. Its analysis dealt with the following features:

– regulation;
– institutions;
– technology;
– human resources.

1.5 The constituent proposals of the action programme on the creation of the Single European Sky consist of those setting out the framework - COM(2001) 123 final - and three draft Regulations presented under COM(2001) 564 final:

– provision of air navigation services 2001/0235 (COD);
– organisation and use of the airspace 2001/0236 (COD);
– interoperability of the European Air Traffic Management network 2001/0237 (COD).

These three proposals deal respectively with those organisations which provide air-traffic control services, the regulation of such provision and the organisation of airspace, and the technical requirements to secure interoperability of equipment and personnel.

1.6 The most productive method for the EESC's Opinion is to take the successive papers all together and structure its response thematically, as follows.

2. Context

2.1 The High Level Group's report pursued a rational evaluative process which in summary defined the following sequence of *aspects* and then further reflected upon the consequential ISSUES that distilled out:

	Aspects	**ISSUES**
-	Traffic growth	IMPERATIVE FOR CHANGE AND PERFORMANCE IMPROVEMENT
-	Fragmentation	DEFICIENCIES IN THE CURRENT SYSTEM
-	ATC organisation-reform process	NEED FOR REFORM
-	Regulation-safety-performance-sustainable design-economic domains	PROCESSES REQUIRED
-	Federal airspace-including military	COMMON AIRSPACE

-	Institutional framework	EUROCONTROL, PAN-EUROPEAN
-	Airspace management	COMPLEXITY
-	ATM systems and coordination	INTEGRATE MILITARY, COMMON STANDARDS
-	Social aspects	CERTIFICATION REQUIREMENTS
-	Regulator	RESOURCES, EXPERTISE AND AUTHORITY

2.1.1 The report sets out clearly the benefits expected to flow from the adoption of "single sky" regulations, but fails to include any quantitative analysis of the cost benefits or operational impacts flowing from the proposed initiatives. *Reports of the Performance Review Commission* do however provide quantified evidence of the problems inherent in the current approach.

2.2 **General comments**

2.2.1 These proposals are of particular significance for the Community as airspace is a common resource of general interest to all. Facilitating safe and efficient air transport is of particular economic importance to Europe. The EESC understands and supports the thrust of this initiative but the concept is complex, binding together many strands governing air-traffic movements. In view of this, there is a need for quantified measures and targets to ensure that the proposal for a community seamless airspace actually achieves its stated aims. Priorities, objectives and outcomes should be more clearly spelled out. In particular, safety must remain a first priority.

2.2.2 The Commission relies heavily upon the removal of fragmentation to support the proposals. The Commission's current proposals also rely heavily on the removal of bottlenecks and improvements to processes and procedures for the design, management and regulation of air space. Removal of fragmentation is not an end in itself and clear output targets need to be established. In particular, system capacity must be capable of sustaining the projected growth in demand for air transport of approaching 5% per annum.

2.2.3 Whilst the EESC accepts that common airspace management within non-national boundaries does not presume sovereignty, for already such examples exist inter-country, there remains the difficulty of defining the functional regional "blocks" where commercial pressures could obstruct their implantation.

For example, it will be important to ensure that the reconfiguration of upper air-space architecture actually improves sector design and routing performance and leads to improved capacity

and efficiency. The value to the air industry and the travelling public remains to be clarified. EUROCONTROL have estimated the benefits of route optimisation might only be a 5% improvement in operating costs. We urge the Commission to quantify and set targets for the effectiveness of their proposals.

2.2.4 There is a need to be clearer about the precise causes of the problems. For example, are the problems of air transport services' regularity, delay, safety, the outcome of disjointed uses of air space? Congestion, quoted by the Commission to be of "catastrophic proportions in 1999", also occurs in lower air space and can manifest itself most visibly at airports! 1999 was also an exceptional year, affected by military action in the Balkans. Is it not that upper level safety occurrences are extremely rare and that perhaps route coordination through full integration of all users, is the only certain winner for consumers from these interventions? Although the average delay per movement due to air-traffic management (ATFM) was only 3¼ minutes in 2001 (Source: Central Office for Delay Analysis), the average AFTM delay per delayed movement was approximately 20 minutes. The proportion of flights delayed for ATFM reasons was 15.7% in 2001, down from over 20% in 1999. Not all of these delays derive from congestion in upper air space as some arise from restrictions put in place due to constraints on airport capacity or from weather. There is, nonetheless, likely to be very significant advantage from coordination in the heavily congested central European air space.

2.2.5 The EESC is also concerned that there is insufficient detail in the proposal on how the Single Sky Committee will function. Whilst accepting that it will be made up of national experts, it is unclear how it will consult and seek the advice of industry experts. If the industry's human resource and technology shortcomings are to be overcome it will be vital for this Committee to have the necessary sectoral expertise and to establish procedures for gaining input from industry.

2.3 **Regulation**

2.3.1 The separation of powers with the creation of an independent European regulator, independent financially and with a clear remit and definition of responsibilities, is, as for other industries, a welcome concept. The framework of regulation should be clear and precise and focus on the key issues. The EESC believes it is extremely important to ensure regulation is not over proscriptive and assures the environment wherein providers can operate in an efficient competitive way.

2.3.2 It will be important to ensure that the regulator has a high quality information system to monitor the operation of the system. The quality of the design formats and supply lines of the information system for regulators will be crucial for the effectiveness and credibility of the intended harmonisation.

2.4 **Institutions**

2.4.1 To give more credence to the proposed institutional framework perhaps more emphasis should have been placed on its effects on efficiency and consistency in decision-making. The transition to give legislative powers for decision-making to Eurocontrol[1] is a major step forward.

2.4.2 Alongside the importance of ensuring that the framework by which the Single Sky Committee will consult and gain the advice of industry is clear, there is a need for clarification of the separate role and purpose of the Sectoral Dialogue Committee and when it will be consulted. EESC would want to stress the importance of full consultation on the implementation of these measures to ensure their appropriateness, efficiency and effectiveness. At present the consultation framework is not adequately set out.

2.4.3 Cooperational aspects are clearly beneficial for:

- safety and efficiency;
- resource optimality and integration;
- payments systemisation;
- innovating solutions with their wider marketing value.

2.4.4 The decision-making loop sets out to encompass all parties engaged with air-traffic management, not only ATC but those providing services such as weather reports or ground airport services as well as those supplying equipment. It would be very useful for the added value of such inclusive consolidation to be estimated and measured in practice since failure to realize such benefits should carry clear penalties.

2.4.5 A single sky, reliant on coordination of activity, cannot be as effective as that controlled by a single entity. Nonetheless, it would have been of value to see comparison made with practice in North America, where there is a "community" federal air-space entity, with some evaluation of the input there to regularity, safety and timekeeping. The Performance Review Commission have, however, indicated that the US system may be 50% more productive and 50% more cost effective. The US system might still provide a benchmark, despite the different circumstances.

2.4.6 The uniform accreditation regime for the network of organisations charged with providing effective inspection and monitoring of air-navigation services will be fundamental to the integrity of creating this seamless single sky and simultaneously and transparently to protect public interest.

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1 Currently numbers 31 Member States. Eurocontrol has as its primary objective the development of a seamless, pan-European air traffic management (ATM) system. Eurocontrol develops, coordinates and plans the implementation of short and long-term pan-European ATM strategies and their associated action plans in a collective effort involving national regulatory authorities, air-navigation service providers, the civil and military airspace users, industry, and other European institutions.

2.4.7 There are also many lessons to be gleaned from regulatory frameworks established in other sectors of general interest.

2.5 **Technology**

2.5.1 The critical mass and focus for EU technology has very strong resonance and should be a cornerstone of justification for these proposals. It is clear that Community designed and supplied equipment providers will see their hands strengthened in the international market place. It is therefore important that global agreement on the principles is urgently concluded. With such progress, cooperation to standardise on a worldwide scale will bring recognition and cost-benefit outcomes to EU suppliers who, for example, already enjoy leading status for ground-based equipment and, on a continuing basis, as technical upgrades roll out.

2.5.2 The value to these proposals of the European investment in GALILEO should be underscored and every opportunity extended to all facets of ATM providers to maximise its impact.

2.6 **Human Resources**

2.6.1 The anticipated interoperability of personnel is emphasised but indications of how to achieve this in practice needs fuller elaboration and case-study development. The amalgam of military and civilian personnel will create some unique operational procedural and perhaps remunerative dilemmas. However, identification and sharing of best practice and training will be key.

2.6.2 The clear message is that availability of qualified personnel is a key limiting factor for air-space development. This should prompt the requisite EU funding support to Member States for such skills and expertise development, to rank alongside funding for technology projects such as those evolving around Galileo. Recognition and developing of inter-personal skills, of languages, and of leading edge-operational competencies should be integral with the proposals.

3. **Conclusions**

3.1 The assertion in proposal 2001/0060 (COD) is that for safe, regular operation of air transport services and their impact for goods and mobility, a single sky is imperative. The adoption of the "gate-to-gate" concept would enhance adoption and comprehension.

3.2 However, the proposals in themselves cannot address the pressure of demand on major hubs. EESC would believe that supplementary action to develop additional runway capacity and other landside infrastructure, minimizing local environmental impacts, is essential if airspace capacity is to be optimised.

3.3 The premise that safety precedes in ranking order, all other aspects of these proposals, should be enshrined into every element of them. To this end it is expected that standards will be

established and continuously reviewed, and from which, funding requirements will stem, not the reverse of providing up to an "affordable" level of funding.

3.4 The occurrence reporting data framework should be designed to encourage elimination of incidents and avoid blame attribution.

3.5 There is an absence of cost-effectiveness measurements for these proposals. It would be reasonable to expect that such an evaluative framework had been developed and should have been published, to validate this intervention; e.g. the quantification of "regularity" of "air space safety" and of "congestion"; historically and then that expected as outcome from these instruments, would be set as good practice after due process! It would be expected that the legislative financial statements would require same for cost-benefit appreciation.

3.6 The assumption that straight line traffic routing is to be preferred might be better worded to underscore that the best economic route is best, given the impact of prevailing atmospheric, traffic and weather conditions.

3.7 There will be considerable investment and technology development in this industry. It will be important that the Community make available adequate instruments for front-end R&D input to assure the creation and retention of centres of excellence.

3.8 The charging regime to airspace users must be transparent to ensure that the right incentives are given for matching investments to user demand. It will be important that the framework gives the right incentives for investment in new technology and capacity. The EESC would like to see evidence that the charging regime for air-space users is comparable with the cost regimes for other transport modes such as railways, and that internalised external costs are clearly identified. Such identification will serve to encourage industry efforts to reduce environmental damage limitation. The key charging principles should be based upon transparency of costs and charges.

3.9 The amalgam within these proposals of both civil and military airspace users, is entirely logical, clarifying as it will the allocation of rights. It remains a concern that large areas of airspace reserved for military users may not be used effectively and consideration must be given to release of more air space for civilian use. Prospects for a more rational use of this airspace will doubtless be given a rough ride due to the security environment surrounding the military movements. Dispute resolution for such matters should take place in camera.

3.10 The integrity of the Regulator's role to rigorously enforce standards must be sacrosanct. The EESC notes the perceptions that service-provision modernisation, injecting as it does competition and commercial prerogative, can have mixed outcomes. Quality of delivery and user interests must not suffer in the transition nor should under-investment, as became apparent within the UK rail infrastructure. Investment in ATM will impact throughout the supply chain. Such beneficiaries could include e.g.:

– reduced airspace-unit usage times;
– lowered aircraft amortisation and fuel consumption as journeys shorten;
– improved passenger handling at airports and capacity improvement as congestion dissipates
– positive environmental impact.

3.11 The European Regulator must ensure that the payments' regime recognises and rewards the investors' impact wherever it occurs in the chain. There needs to be regulatory clarity to ensure that investment can be remunerated and that the investor, whether public or private, can achieve an appropriate return.

3.12 Given that very soon Europe's 450 airports will handle 1 billion passengers annually, the gains to consumers' costs, journey times, and punctuality and to their environment should be spelt out to enhance the legitimacy of the proposals.

3.13 The timescale for introduction for this new regime is short by any project standard. It will be important to get it right. In summary, the EESC supports the principles of the proposals set out by the Commission but there remains much detail to be worked out, particularly regarding the precise operation of the new framework, consultation arrangements and the setting and monitoring of targets.

Brussels, 17 July 2002.

The President of the Economic and Social Committee	The Secretary-General of the Economic and Social Committee
Göke Frerichs	**Patrick Venturini**