

AEA Position Paper on the Single European Sky

April 2003

Airlines fully support the establishment of a true Single European Sky

For many years now, the AEA has urged political decision-makers to reinvent air traffic management in Europe in order to cope with present deficiencies and future demands. The AEA fully supports the initiative to establish the Single European Sky. It is the most promising project to achieve the necessary quantum leap in the improvement of European aviation infrastructure.

The value chain in air transport must be improved

Air transport is a catalyst of economic growth in Europe, but the value chain in air services is strikingly unbalanced. While airlines operate in a highly competitive market, other sectors providing inputs to airlines - including air navigation service providers - are not, or almost not, subject to any market forces. Air traffic management in Europe is only half as cost-efficient as air traffic management in North America. This is of serious concern in times of economic or geopolitical crises that has, in particular hit the airline industry since early 2001, more than any other part of the air transport system. The Iraq war will delay and deepen the crisis to an unpredictable extent.

Keep the right track and speed in order to achieve the Single European Sky

The legislative procedure of the Single European Sky so far reveals a tendency to water down and deviate from initial objectives as identified by the High Level Group in 2000. The guiding principles in the development of the Single European Sky remain: Airspace capacity should meet demand so that airlines and passengers no longer suffer from air traffic delays, allowing significant cost reductions through improved efficiency of flight operations, whilst increasing safety. By all means, an increase of cost and bureaucracy through the establishment of the Single European Sky must be avoided.

What are the main elements of the Single European Sky, as seen by the airlines?

- ▶ A European airspace and routes designed from an overall European perspective while paying due regard to overall capacity aspects and user preferences;
- ▶ Improved efficiency and cost reduction of air navigation services through economic regulation, performance indicators and economies of scale;
- ▶ User involvement in decision-making and consultation not only on technical matters, but also on regulatory and policy matters and on capacity planning and related investments/charges;
- ▶ A fair and transparent charging system in which the user pays for the services it gets, excluding additional costs for the users for the implementation of the Single European Sky.

Single European Sky Amendments by the European Parliament are most welcome

Based on the above objectives, the AEA fully supports a number of amendments (see attachment) that the EU Parliament (EP) adopted in its First Reading. The EP is invited to adhere to these amendments, while the European Commission and the Council are requested to accept these amendments in the further legislative procedure on the Single European Sky.

Attachment: Amendment Proposals

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Reference is made to the documents of the Council of the European Union no. 15851/02 AVIATION 207 CODEC 1678 OC 10 (Framework Regulation), no. 15852/02 AVIATION 208 CODEC 1679 OC 11 (Airspace Regulation), no. 15853/02 AVIATION 209 CODEC 1680 OC 12 (Service Provision Regulation), no. 15854/02 AVIATION 210 CODEC 1681 OC 13 (Interoperability Regulation) of 11 March 2003 (Common Position), as well as the documents of the European Parliament, PE 319.920 (Texts Adopted at the Sitting of Tuesday, 3 September 2002) and of the European Commission, COM (2002) 658 final of 26 November 2002.

1. Airspace and Route Design:

In order to eliminate the problems of the fragmented airspace in Europe and to achieve a truly integrated ATM system that provides an optimal operational environment, an overall European perspective is crucial. Therefore, Amendments 51 and 56 proposed by the European Parliament (EP) in its 1st Reading, are urgently needed and are backed by the AEA.

a) In Amendment 51, the EP proposes to amend Art. 5 of the Draft Regulation on the organisation and use of the airspace in the Single European Sky (SES) by adding a new para 1 a, reading:

Where disputes arise between two or more Member states with regard to the definition of a cross-border functional airspace block, the matter shall be referred to the Commission for a final decision. Any such decision shall be taken on the basis of the principle of optimising airspace capacity, with due consideration for the maintenance of a high level of safety....

b) In Amendment 56, the EP proposes to amend Art. 8 para 1 of the Draft Regulation on the organisation and use of the airspace in the SES as follows:

The structuring, division and categorising of airspace together with the planning of routes shall rely on a uniform, efficient and effective design process within the agreed concept of operation and shall be developed centrally. ...

c) In order to best cope with the needs of airspace users, the establishment of user-preferred routes should prevail over direct routings. Therefore, the AEA is strongly in favour of Amendment 55 adopted by the EP 1st Reading.

Amendment 55 proposes to amend Art. 7 of the Draft Regulation on the organisation and use of the airspace in the SES as follows:

Subject to safety analysis and taking account of overall capacity aspects, air navigation service providers shall organise the phased implementation of user-preferred routings in the EUIR as the optimum economic and environmentally friendly usage of Community airspace.

2. Consultation of Stakeholders

The involvement of airspace users in all decision and rulemaking on the SES, is an indispensable element for the successful establishment, administration and operation of the SES.

The AEA, therefore, wishes to support the European Parliament that has adopted Amendments that foresee the establishment of an Industry Consultation Body (ICB) in all four elements of the SES Draft Regulations package in its 1st Reading.

Amendment 28 to Art. 7, p. 3b of the Draft Framework Regulation, Amendment 32 to Art. 19 of the Draft service Provision Regulation, Amendment 64 to Art. 16 of the Draft Airspace Regulation as well as Amendment 73 to Art. 16 of the Draft Interoperability Regulation propose to include into the Draft Regulations the following new para:

In addition to the committee, an 'Industry Consultation Body', to which associations of airspace users, flight-safety organisations and the manufacturing industry shall belong, shall be established to advise the Commission on technical aspects of the implementation of the Single European Sky.

This amendment is also supported in principle by the Commission. The function of the ICB can easily be defined in a way that meets the requirements of its members and that does not affect the right of initiative of the Commission.

The Draft SES Regulations should explicitly specify that the ICB must be consulted by the Single Sky Committee on all rulemaking regarding the establishment and implementation as well as related amendments of the SES – including, but not restricted to performance data, definition of FBA and user-preferred routes.

3. Performance Review

One of the major objectives pursued through the establishment of the SES is the improvement of the overall efficiency of the air transport system.

a) Therefore, the AEA strongly supports the introduction of performance indicators as an element defining the measures relating to the provision of air navigation services, as explicitly proposed by the European Parliament in its 1st reading and explicitly supported by the European Commission. Amendment 18 to Art. 5 (c) of the Draft Framework Regulation reads as follows:

Air navigation service providers ensure appropriate transparency in air navigation services, in the form of publication of financial accounts and annual reports, and performance indicators, and regularly undergo an independent audit.

b) In addition, the AEA proposes to include a stipulation providing access of airspace users to performance data and mandatory consultation on performance matters with the ICB.

4. Early Realisation of SES Benefits and Extension to Lower Airspace

The benefits of the SES should be achieved as soon as possible, extended as far as is possible to the lower airspace and take into account the requirements of airspace users as well. Therefore, the AEA highly recommends adhering to the Amendments 10, 47 and 48 adopted by the EP in its 1st Reading.

a) Amendment 10 of the EP to the Draft Framework Regulation proposes the inclusion of a new para 3a to Art. 1 of the Draft Framework Regulation, reading as follows:

The decision on measures to create the Single European Sky, the introduction of which is possible before 31 December 2004, shall be adopted without delay in order to derive the first beneficial effects before the end of 2004.

b) Amendment 47 of the EP to the Draft Airspace Regulation proposes a change in the wording of Art. 4 para. 2 of the Draft Airspace Regulation as follows:

The division level between upper and lower airspace shall be defined on the basis of operational requirements.

c) Amendment 48 of the EP to the Draft Airspace Regulation proposes a change in the wording of Art. 4 para. 3 of the Draft Airspace Regulation as follows:

Within five years after the establishment of the EUIR, the European Parliament and the Council shall, on the basis of a proposal from the Commission, extend the concept referred to in paragraph 1 to include the creation of a European Flight Information Region in the lower airspace.

5. Strengthening the Role of Airspace Users

In order to achieve the economic objectives of the SES, the role of airspace users has to be strengthened. The AEA, therefore, expresses its strong support for Amendments 14, 29 and 30 as adopted by the EP in its 1st Reading.

a) Amendment 14 proposes the inclusion of a new para 4 a) to Art. 3 of the Draft Service Provision Regulation, reading as follows:

An airspace user which disputes a decision of a national supervisory authority may refer that decision to the commission. If the commission finds that the requirements of this Regulation have not been fulfilled, it shall state its views on the correct interpretation of the Regulation without prejudice to Art. 226 of the Treaty.

b) Amendment 29 proposes the inclusion of a new Art. 13 a into the Draft Service Provision Regulation, reading as follows:

The charges and conditions for using air navigation services provided in non-competitive circumstances must be set by national supervisory authorities, after consulting airspace users, with due regard for best practice.

This amendment is also principally backed by the Commission.

c) Amendment 30 proposes the inclusion of an additional sentence to sub point d) or para. 3 of Art. 3 of the Draft Service Provision Regulation, reading as follows:

Cross-subsidy between different air navigation services shall be permitted only in exceptional cases and shall be clearly identified.

In principle, the AEA opposes any cross-subsidy. The Council decision in December 2002, however, allowed it in general, subject to clear identification. If cross-subsidy cannot be ruled out generally, the AEA proposes to add a requirement to elaborate in substance, why an exceptional case is to be permitted.

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