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11 March, 2002

At the end of last year the European Commission presented Communications to the Council and the European Parliament on the **Single European Sky, COM (2001) 123 final/2** of 30 November 2001 a *Framework Regulation* and **COM (2001) 564 final/2** of 11 December 2001 containing *three Regulations for Air Navigation Services, Air Space and Interoperability*. The AEA airlines had been waiting for such a comprehensive Blueprint for European air traffic management and they are grateful to the Commission for having produced it at long last.

Meanwhile, the political debate is under way and it seems to us as if the Commission's Blueprint is being watered-down in the process. In order to help keep it on course, the AEA has produced the enclosed paper, now entitled the AEA Blueprint.

In the general part of the AEA Blueprint recipients are reminded of the basic principles behind the concept. The paper also contains detailed proposals for amendments meant to safeguard the principles of the Single European Sky.

We would ask all recipients for their help to preserve the concept advocated by the airlines and successfully communicated by the Commission.

Yours sincerely,

K-H. Neumeister

Sent to: COREPER Transport Attachès + Secretariat; ECAC DGCA's + Secretariat; MEPs RETT + Secretariat; European Commission: Mr. D. Calleja, Mr. M. Ayrat and Mr. B. Van Houtte

[Adria Airways](#), [Aer Lingus](#), [Air France](#), [Air Malta](#), [Alitalia](#), [Austrian Airlines](#), [British Airways](#), [BMI British Midland](#), [Cargolux](#), [Croatia Airlines](#), [CSA](#), [Cyprus Airways](#), [Finnair](#), [Iberia](#), [Icelandair](#), [JAT](#), [KLM](#), [Lufthansa](#), [Luxair](#), [Malev](#), [Olympic Airways](#), [SAS](#), [Spanair](#), [Swissair](#), [TAP Air Portugal](#), [Tarom](#), [Turkish Airlines](#).

The Single European Sky

Reinventing Air Traffic Management in Europe

A Blueprint by the Association of European Airlines

The Association of European Airlines (AEA) fully supports the initiative to establish the Single European Sky. With regard to the proposals submitted by the Commission in the Communications to the Council and the European Parliament COM (2001) 123 final/2 of 30 November 2001 and COM (2001) 564 final/2 of 11 December 2001, AEA communicated its Initial Comment to the political stakeholders (see <http://www.aea.be/Topics&Views/Downloads/sesInitComm.pdf>). Regarding the political discussion underway and the comments made on the Commission proposals in the meantime, AEA considers it important to reiterate its views in a Blueprint for the Single European Sky, as follows.

From the air carriers' view the basic objectives of the Single European Sky are to **increase capacity and efficiency as well as eliminate delays and significantly reduce cost**. These basic objectives should remain the guiding principles of all proposals.

A. Procedural Principles

In order to attain the basic objectives for the airlines, as mentioned above, the Single European Sky should reflect the following main Procedural Principles throughout its concept:

1. Early Finalisation of the Single European Sky

The deficiencies of the present air traffic management structure in Europe in terms of capacity and economic efficiency are clearly identified. The realisation of the Single European Sky will contribute significantly to improving the situation. AEA insists on retaining the deadline of 31 December 2004 for the full implementation of the Single European Sky, as stipulated in Article 1 of the Framework Regulation. In view of the potential service benefits for the passengers and the economic improvements involved for the industry, it is essential to use every opportunity to **speed up the process of establishing the Single European Sky**. In order to realise the benefits of the Single European Sky as soon as possible, advance measures and early start of implementation procedures should be considered.

2. Airline Involvement and User Consultation

The Single European Sky will thoroughly change the operational environment for the users of European airspace. Therefore, in order to safeguard the operational and economic viability of the Single European Sky, it is vitally important to **closely involve the airspace users at all levels of rule- and decision-making**. This involvement should be separated from the consultations with social parties.

The Single European Sky proposal should recognise that airlines are the primary customers paying for the services of the Air Traffic System. Therefore, explicit involvement of the airlines in matters such as capacity planning and financial planning by the ATS providers, should be guaranteed.

Currently existing consultative groups within the framework of Eurocontrol do not provide an appropriate basis for consulting the stakeholders on the development of regulations.

B. Essential Elements of the Single European Sky

In order to achieve the basic objectives of the airlines, as mentioned earlier, the Single European Sky should consist of the following Essential Elements, in addition to the Procedural Principles mentioned above.

These Essential Elements and the Procedural Principles form the basis of the specific proposals as listed under C.

1. An Efficient Design of Airspace

The Single European Sky should be extended to the lower airspace and a specific deadline should be set for this as soon as possible. The procedure for establishing implementation rules should be started as quickly as possible and not after the adoption of the Single European Sky Community Regulations.

2. An Effective Performance Regulation and a Cost-Effective Charging Regime

Users must be consulted properly and, in cases of doubt or conflict, have recourse to an independent arbitrator. European standards of performance for delays, safety or service levels have to be established by an independent European regulator, taking into account the achievements of the Eurocontrol Performance Review Commission and the economic regulation model established in the UK.

3. An Effective Rationalisation and Relocation of Military Airspace

Under the present concept of Flexible Use of Airspace, which only allows the use of airspace by airlines on an ad hoc basis, airlines cannot structurally plan their flight

schedules. Airspace should therefore be made available on a structural basis for civilian use. In case of need for military use the airspace may be restricted on an ad hoc basis (i.e. a reversal of the present Flexible Use concept). There should be an objective measurement of the use and need of military airspaces. Last but not least, for optimisation of airspace, most urgently needed in core Europe, the Single European Sky must facilitate the re-allocation of military training areas at no cost to civilian users.

4. Ultimately, Institutional Separation of Service and Regulatory Function

The provisions of the Single European Sky Regulations should ultimately ensure the separation of regulation and service provision on a national and a Community level in order to avoid conflicting interests and create equal opportunities for all air navigation service providers and Eurocontrol.

5. Institutional Clarity and Cooperation with Other International Bodies

There should be no duplication or conflict of competences or activities of the Community and Eurocontrol. Secondly, the Single European Sky should explicitly detail how it can be extended to third countries. In this context, reference is made to the agreements concluded by the Community regarding the extension of the aviation acquis communautaire to third countries. Thirdly, the AEA supports the ratification of the Revised Eurocontrol Convention.

C. Specific Proposals for Amendments of the Draft Regulations

With regard to the Draft Regulations submitted by the Commission, the Essential Elements and Procedural Principles of the Single European Sky, as seen by AEA, transpose into the following proposals for amendments:

Proposed Regulation of the European Parliament and of the Council Laying Down the Framework for the Creation of the Single European Sky

Article 1: Objective

To be inserted at the end:

All measures to create the Single European Sky, including implementation measures, which can be taken before 31 December 2004 will be taken as soon as possible so as to ensure early benefits of the Single European Sky as quickly as possible.

Justification: In order to achieve the benefits of the Single European Sky, its finalisation should be speeded up as far as possible.

Article 4: Organisation and use of the airspace

To be inserted after (b)

(c) Sufficient capacity is made available to accommodate demand.

Justification: self explanatory

Article 4: Organisation and use of the airspace

Change wording in (d)

- (d) most flights take a straight line between the points of departure and destination or take the route closest to this straight line, **and can operate at their optimum flight level**, subject to safety, **capacity**, environmental protection **and** the air traffic **management**;

Justification: Trade-offs exist between different objectives and they should not be limited to safety, environment protection and ATM. Straight line is not sufficient, aircraft should be capable of reaching their optimum flight level if requested as fast as possible.

Article 5: Provision of air navigation services

Change wording in (c)

- (c) air navigation service providers ensure appropriate transparency in air navigation services, in the form of publication of financial accounts, **performance indicators** and reports, and regularly undergo an independent audit;

Justification: Transparency should not be limited to the publication of financial accounts.

Article 5: Provision of air navigation services

Change wording in (e)

- (e) cooperation between civil air navigation service providers is reinforced, in particular by facilitating the establishment of groupings of two or more service providers **and delegation of service provision**;

Justification: Facilitation of groupings is not sufficient.

Article 5: Provision of air navigation services

Paragraph g should be deleted

Justification: This paragraph is ambiguous and it is better to delete it.

Article 6: Air navigation and equipment

Add at the end of (b)

- (b) creation of the Single European Sky favours the introduction of new technical and operational solutions for air navigation **that are operationally and commercially beneficial for airspace users.**

Justification: The introduction of new technical and operational solutions should not be pursued as a goal of its own merit but upon the proof that such introduction is indeed operationally and commercially beneficial for airspace users.

Article 6: Air navigation equipment and systems

Change wording in (c)

- c) the development and validation of technical and operational solutions meet airspace users' needs and take account of the demand from such users with regard to **safety, capacity, flight efficiency, cost-effectiveness and operational flexibility.**

Justification: Airspace users recognise that different needs coexist and that this may lead to different solutions. Their expectations go far beyond the choice of routes and flight profiles

Article 7: Single Sky Committee

To be inserted after 3.

- 4. Airspace users' associations recognised by the Provisional Council of Eurocontrol will be permanently involved in the activities of the Single Sky Committee**

Justification: Airspace users are not represented in the Single Sky Committee. However, involvement of the airline industry in that Committee should be mandatory. A systematic consultation of the airspace users was recommended by the High Level Group. The complexity of the decisions on ATM matters requires their presence if and when decisions are taken. Airspace users accept that only Member State' representatives have the right to vote but they require the right to comment and inform the Commission.

Article 7: Single Sky Committee

To be inserted after 4.

- 5. A formal rule-making procedure based on best practice and involving close user consultation will be established.**

Justification: Close user consultation will improve and safeguard the quality of rule-making regarding the Single European Sky and, thus, its success.

Article 7: Single Sky Committee

To be inserted after 5. (new)

- 5. An Industry Consultation Body consisting of air navigation service providers, airlines and/or their representative organisations shall be established. This Body will be consulted on all rule- and decision-making processes of the Committee and the Commission.”**

Justification: As the stakeholders have a direct interest and expertise on the subject, their involvement will add to the quality of rule- and decision-making. Social consultation will require a different approach.

Article 10: Performance Review

Add the sentence:

Service providers shall make available operational and financial performance data as may be necessary for this purpose.

Justification: This is necessary in order to allow a proper performance review.

Proposed Regulation of the European Parliament and of the Council on the Provision of Air Navigation Services in the Single European Sky

Article 3: National supervisory authorities

Change wording in Para. 1:

1. A national supervisory authority shall be established by each Member State in order to assume the relevant responsibilities and obligations under the requirements of this Regulation. The national authorities shall be independent of the air navigation service providers. This independence shall, **ultimately, be achieved through institutional separation**, between the national supervisory authorities and such providers.

Justification: A separation at functional level is not sufficient. In principle, a system of national authorities is contrary to the Single European Sky objectives and will neither allow cost-efficient administration nor equal opportunities for the air navigation service providers. The establishment of national authorities must not, by any means, lead to more bureaucracy or additional cost for airspace users.

Article 3: National supervisory authorities

Change Para 5.

- 5. The European Commission shall ensure the consistency and effectiveness of the oversight of the air navigation service providers by the national**

supervisory authorities. Airspace users may address claims to the European Commission in case of dispute regarding the interpretation of the Regulation with the national supervisory authority.

Justification: The Community should have an oversight function if the fragmented approach is to disappear. This body would be permanent and could ultimately replace the PRC. The Community should have an oversight regulatory function protecting users against monopoly abuse and granting recourse to the users associations in case of dispute with national regulators

Article 7: System of authorisation

Add (e) to Para. 5:

- (e) protect the legitimate interest of users who pay for the service and are entitled to receive guarantees of service levels**

Justification: This is necessary to maintain service quality.

Article 8: Designation of service providers

Change wording of Para. 1:

1. The provision of air traffic services shall be subject to a system of designation allowing the service provider to operate on an exclusive basis within specific airspace blocks and defining the obligations and requirements of the operation. Member States shall designate service providers to provide air traffic services in respect of the airspace over their territory, **according to transparent procedures and objective criteria regarding safety, cost-effectiveness and efficiency as consulted with airspace users, for a period of maximum five years. These transparent procedures and objective criteria shall be established after consultation with airspace users.** For this purpose, Member States may designate any service providers holding a valid authorisation within the Community.

Justification: Transparent procedures and objective criteria are necessary to safeguard the quality of service provision. The designation should be limited in time – we propose 5 years as a maximum – so that the State is allowed to maintain pressure on the air traffic service providers.

New Paragraph 1 in Article 12: Access to and protection of data

1. Operational data shall be **made available for exchange between** service providers and between such service providers and airspace users **whenever required for performance enhancing, efficiency increasing functionality (i.e. Collaborative Decision-Making).**

Justification: Availability of data shall serve a purpose. Unlimited data provision causes overload and unnecessary cost.

New Article 13a: Economic Regulation

Insert a new article

Charges and conditions for the use of air navigation services offered on a non-competitive basis will be settled by independent national supervisory authorities after consultation of airspace users and taking into account best practices.

Justification: Air navigation services offered by monopoly providers need to be regulated in order to achieve a balance of interest.

New Article 13 b: User Consultation on Charges

The charging scheme shall guarantee the participation of airspace users in the determination of capacity planning, investments and the establishment of charges.

In the case of disagreement, the users shall have the right of referral to an independent third party.

Justification: Under the present charging scheme of ICAO and Eurocontrol, the proposed participation and recourse to a third party is not sufficiently guaranteed

Article 14: General Principles

Para. 2. (d) to be changed:

(d) Cross-subsidy between different air navigation services shall be prohibited.

Justification: Cross-subsidisation is inconsistent with the other charging principles mentioned.

Article 14: General Principles

Para. 2. (e) to be deleted

Justification: External cost pricing is inconsistent with ICAO; it has an immediate effect on intermodal competition. As shown by the SAS/COWI study, with all external costs taken together, air transport is a better “contributor” to society than other modes. While other modes do not fall under any similar system, air should not be singled out as the only mode urged to pay for its external costs.

Article 14: General Principles

Para. 2. (f) to be changed:

(f) Air navigation services may produce sufficient revenues to meet direct and indirect operating costs based on efficient operation (cost-efficiency).

Justification: Excess revenues as proposed are not justified.

Article 14: General Principles

The second sentence in Para. 3. (d) to be deleted:

Justification: AEA Members reject incentives and deterrents as an element of air navigation services charges because they would allow manipulation of traffic. Incentives and deterrents are acceptable for AEA only in the context of Service Level Agreements (see hereunder).

Article 14: General principles

New Para. 3. (e) to be inserted

- 3. (e) the Commission will encourage air traffic service providers and airspace users to enter into arrangements for quality of service management such as Service Level Agreements, with the aim of promoting a robust service partnership by clarifying the key operational targets and sharpening accountabilities within the air navigation services operations. Service Level Agreements may provide incentives and deterrents consisting of financial advantages and disadvantages which apply to air navigation service providers.**

Justification: Self-explanatory

Article 15: Review of Charges

Insert in the first sentence of Para. 2:

2. At the request of one or more Member States, **or of an airspace user**, which consider(s) the principles and rules”.

Justification: As Member states might, in the beginning, only establish an (undefined) functional separation between the regulator and the ANSP, airspace users should also be entitled to initiate a Commission investigation on any issue of non-compliance or non-application of the charges principles.

Article 16: Performance regime

A new second sentence to be added:

Detailed rules for the submission of information required pursuant to Article 10 of Regulation (EC) No XXX/XX [framework regulation] shall be established in accordance with the procedure referred to in Article 19(2) of this Regulation, with a view to allowing the comparison and improvement of air navigation service provision within the Single Sky. **Such rules shall include compliance with standard management accounts developed on the basis of a Commission proposal and the production of a set of performance indicators by an independent body**

Justification: Management accounts should be based on similar rules unless benchmarking is difficult to achieve. IAS are not sufficient to ensure consistency.

Benchmarking is only effective at EC level. Benchmarking is a effective management tool, as demonstrated by the FAA-Europe benchmarking exercis.

Proposed Regulation of the European Parliament and of the Council on the Organisation and Use of the Airspace in the Single European Sky

Article 4: Creation of a European Upper Flight Information Region

Change wording of Para. 2:

- (2) The division level between upper and lower airspace shall be **defined on the basis of operational requirements.**

Justification: The flight level should be indicative at this stage. Possibilities include a number of potential levels such as level 245

Article 4: Creation of a European Upper Flight Information Region

Change wording of para.3:

- (3) **By 31 December 2006 at the latest**, 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.

Justification: Achieve a common airspace as early as possible

Article 5: Reconfiguration of the upper airspace

Change wording of Para. 1:

- (1) The EUIR shall be reconfigured into functional airspace blocks of minimum size on the basis of safety and efficiency. The borders of such functional airspace blocks do not need to coincide with national boundaries **or with the division between the lower and upper airspace.** Functional airspace blocks shall be created to support the **optimal** provision of air traffic services **in both the lower and upper airspace.**

Justification: Clarifies the meaning and allows airspace blocks to include both upper and lower airspace, on the basis of operational requirements.

Article 5: Reconfiguration of the upper airspace

Change wording of Para. 2 (d):

- 2 (d) minimise the **total cost of the air navigation service function;**

Justification: Not limiting reductions in costs to reducing transaction costs.

Article 5: Reconfiguration of the upper airspace

Delete Para. 2 (e):

Justification: Such coherence may not be justified by operational needs. The need for common and coherent rule making for lower airspace is covered in new article 9

Article 8: Uniform airspace design

Change wording of the first Para.:

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 for the entire ATM network in the Community airspace.**

Justification: Introducing the concept of a central body and of coherent pan-European airspace planning

Article 9: Consistency with the design for lower airspace

Add a sentence to Para. 1:

On the basis of the criteria specified in Article 5(2), as regards the concept of functional airspace blocks, the planning and design of lower airspace shall be harmonised to be consistent with upper airspace and shall take account of the environment at and around airports in accordance with the procedure referred to in Article 16(2). The concept shall be extended to establish similar blocks in the lower airspace, particularly to address cross border problems for short to medium flights. **To this end, airspace rules, common principles and criteria for sector design, especially the design of cross-border sectors, and route design shall be established.**

Justification: The same criteria as the criteria set for the upper airspace apply to the lower airspace. The functional airspace blocks in the lower airspace should also be harmonised and consistent.

Article 10: Civil-Military Co-ordination

Change the wording of Para. 1:

- 1. Member States shall ensure optimisation of airspace use as well as an efficient allocation and use of airspace by civil and military airspace and the uniform and full application of the concept of Flexible Use of Airspace, which allows civilian airspace users to structurally plan their flight schedules.**

Justification: Civil airspace users must be able to plan their flight schedules on a structural basis. Military cooperation should also include relocation of military airspace.

Article 10: Civil-Military Co-ordination

Change the wording of sentence 1 of Para. 2:

- 1. Member States shall facilitate the full integration of civilian and military airspace management and air-traffic flow management.**

Justification: Organisation of civil-military cooperation only will fail to realise the full potential of benefits of the Single European Sky approach.

Article 10: Civil-Military Co-ordination

Change the wording of Para. 3:

- 3. Subject to** the general conditions for air traffic flow management, as defined under Article 13, criteria shall, in accordance with the procedure referred to in Article 16(2), be established:

Justification: Stronger words, better protection of civil interests.

Article 10: Civil-Military Co-ordination

Change the wording of Para. 4:

- 4. Member States shall ensure** the full integration of air defence in airspace management ensuring full exploitation of airspace under certain agreed conditions and arrangements, taking into account national security requirements.

Justification: Self-explanatory

Article 13: Air Traffic Flow Management

Delete the proposed text after sentence 3.

Justification: The particular rules mentioned in (a) through (e) are too specific to be included in a regulation but should be established at the technical rule-making level.

Proposed Regulation of the European Parliament and the Council on the Interoperability of the European Air Traffic Management network

Preamble at Para. (8)

Change the wording by deletions

- (8)** It is therefore in the interest of all those involved in the air traffic management to develop a new partnership approach allowing the balanced involvement of all, stimulating creativity and the sharing of knowledge, experience and risks; such partnership should aim at defining a coherent set of Community specifications that can fulfil the widest possible range of needs.

Justification: First deletion because the manufacturing industry is already covered by “those involved in ATM”. Second deletion because the text as it stands gives the local ATS exclusive rights to choose.

Article 2: Objectives

Add to the 1st Para:

The main objective of this Regulation is to define the conditions to be met in order to achieve interoperability within Community territory between the different systems and constituents of the air traffic management network, including their seamless operation and development and upgrading to new technology, **always taking into account the objective of achieving interoperability beyond the Community territory.**

Justification: Self-explanatory

Article 6: Implementation rules

Change the wording of Para. 5:

- (5) **In the case of shortcomings in** an implementation rule that does not ensure compliance with the essential requirements referred to in Annex II which the said implementation rule is intended to cover, the procedure referred to in Article 16(2) shall apply.

Justification: Wording is similar to wording of following Article 6.6. As a consequence, airspace users’ associations recognised by the Provisional Council can take the initiative in conformity with article 16(2).

HB 110302

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