



Evaluation of FAB initiatives and their contribution to performance improvement

JATMWG

Brussels, 08 July 2008



Objective of the meeting

- Brief recall of PRC study objectives
- Review of each FAB initiatives
- Example of cross-FAB analysis
- Emerging policy issues and possible suggestions to European Commission

Study objectives and overview of interim report

European Commission: Terms of reference of the study

- Production of a '**Fact Sheet**' for each FAB initiative
- Description of '**best practices**' for the drawing up of safety and business cases
- Establishment of a framework for **evaluating performance improvements**:
 - within a FAB area over time and against a chosen timeline
 - aggregated performance improvements from FAB initiatives at a European level
- Identification of **key constraints and difficulties** experienced so as to make suggestions for mitigation of these
- Suggestion for **opportunities to amend** the current governance, legal and regulatory arrangements to facilitate creation of FABs

Work to date and timetable for completion of study

- **August 2007:** Started study
- **October-December 2007:** First round of FAB consultation and data collection
- **February 2008:** Issued interim report for consultation
- **May-June 2008:** Second round of FAB consultation and data collection
- **July 2008:** Drafting of final report
- **September 2008:** Release of draft report for consultation
- **25 September 2008:** Open stakeholder meeting on report
- **October 2008:** Release of final report

Overview of FAB initiatives

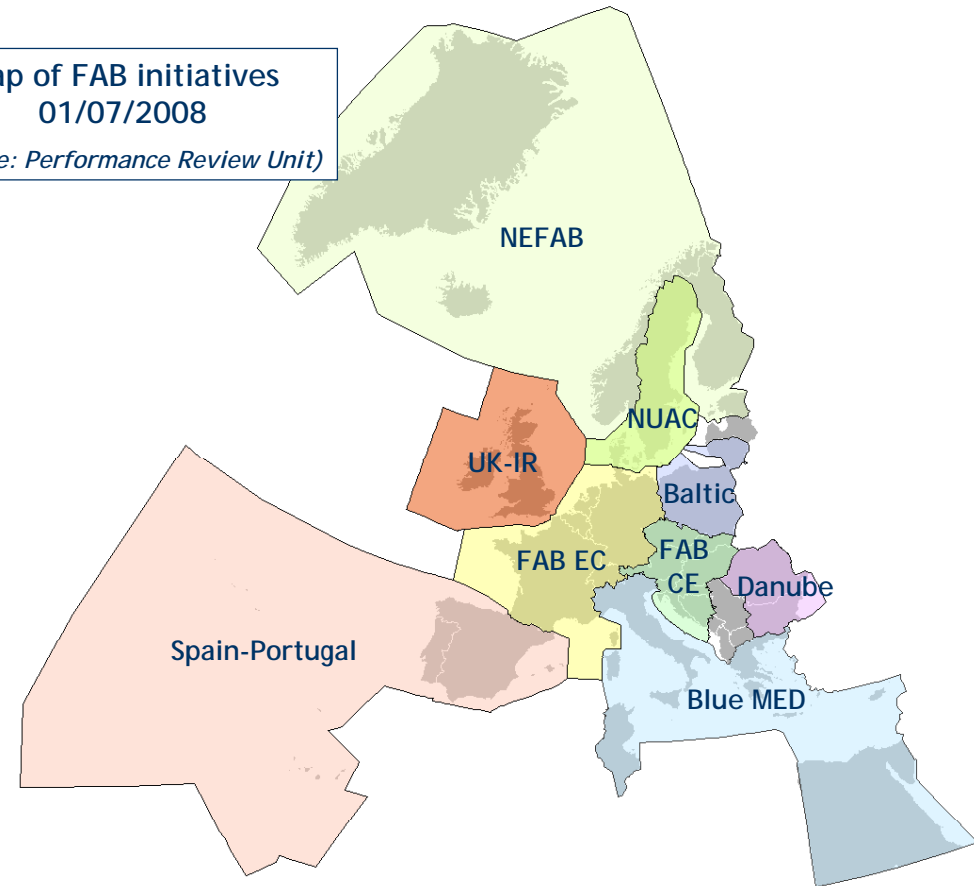
Overview of FAB initiatives

■ Current initiatives being investigated (Nine)

- **Baltic**
- **Blue Med**
- **Danube**
- **FAB CE**
- **FAB EC**
- **NUAC**
- **NEFAB (New)**
- **Spain Portugal**
- **UK-Ireland**

■ ISIS (formerly SEE FABA) will not cover FAB creation and therefore propose not to cover in the final report

Map of FAB initiatives
01/07/2008
(Source: Performance Review Unit)



Proposed performance framework for regular monitoring of FABs

Safety	Efficiency		
	Economic	Operational	Technical
<p>Airspace events per flight-hour</p> <p>Safety maturity of Regulators and ANSPs</p> <p>Compliance with ESARRs</p>	<p>Financial cost-effectiveness KPIs</p>	<p>Capacity/delays</p> <p>Routing extension</p> <p>Environmental impact</p> <p>Airspace use and design:</p> <ul style="list-style-type: none"> • Delegation of ATM services provision • Implementation of SES FUA • Airspace design process • Capacity planning process 	<p>Interoperability of ATM systems</p> <p>Commonality of ATM systems</p>

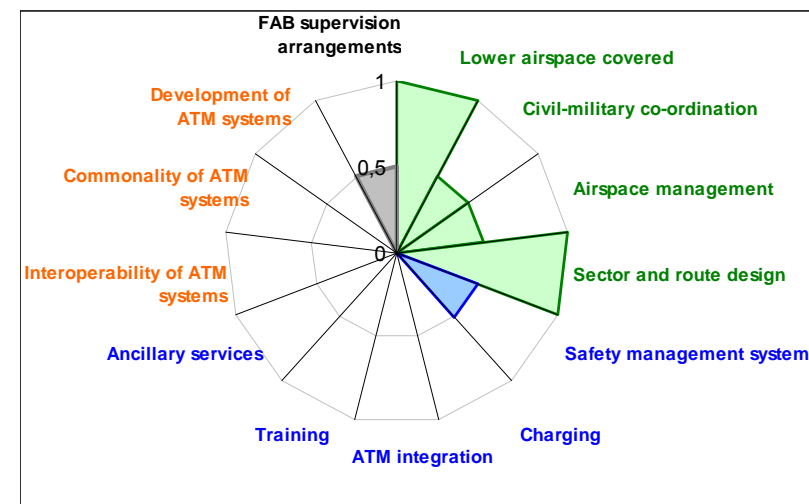
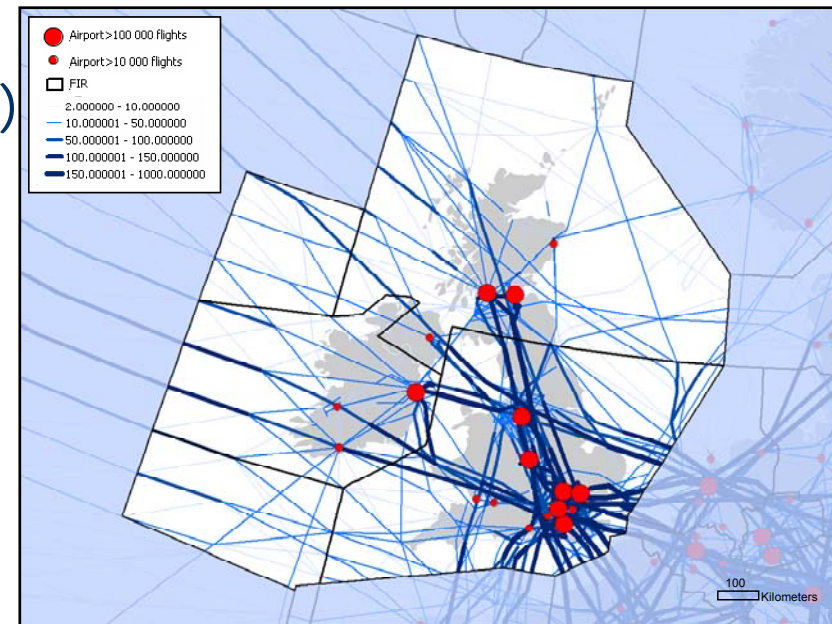
FAB UK-Ireland - Description (1/4)

(United Kingdom, Ireland)

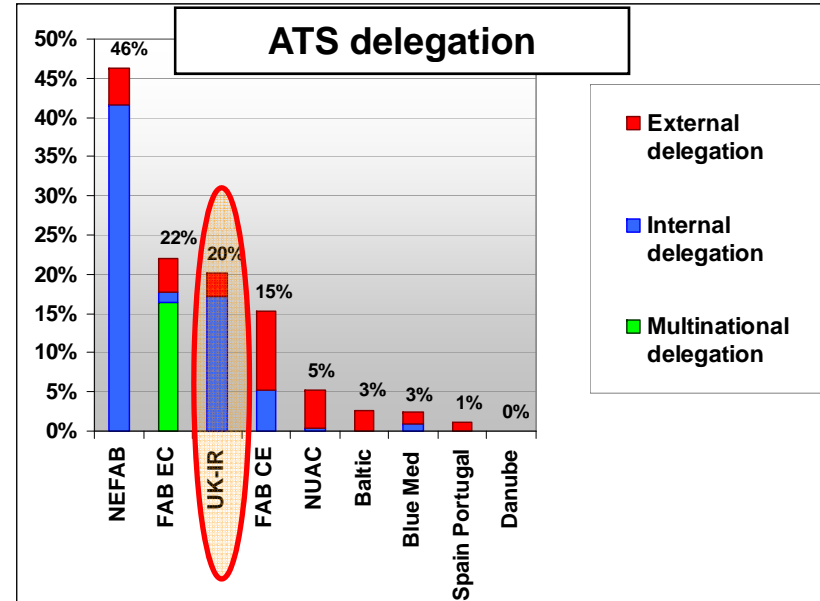
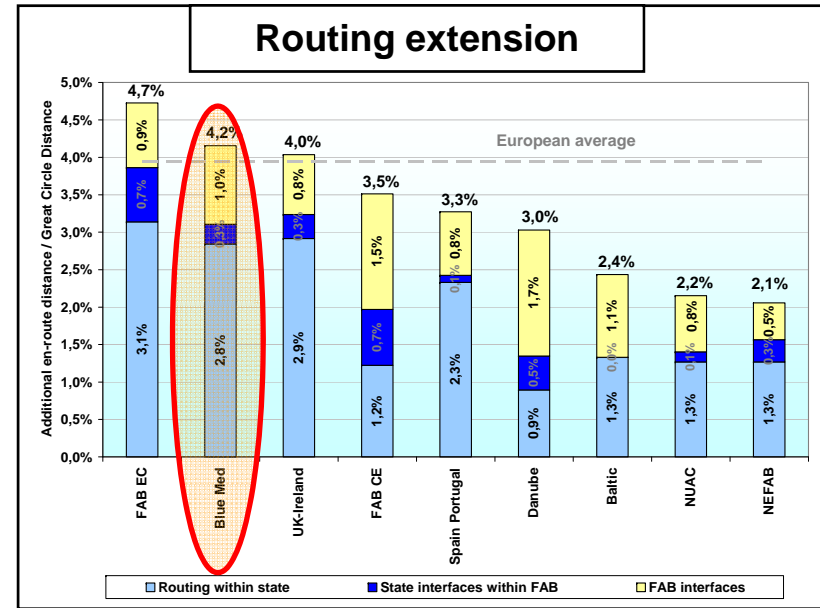
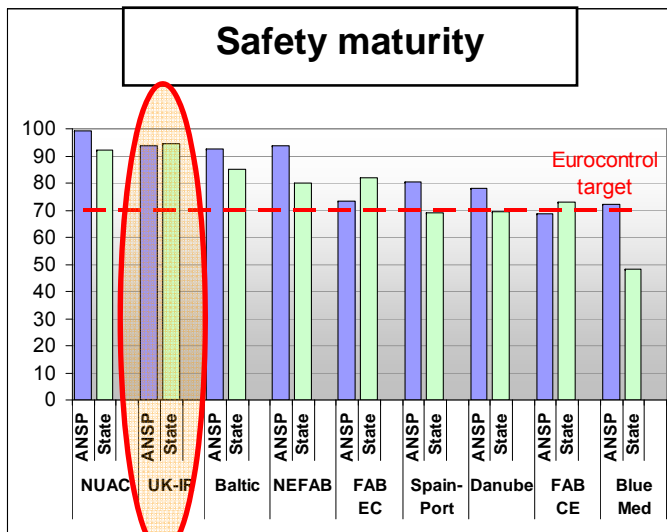
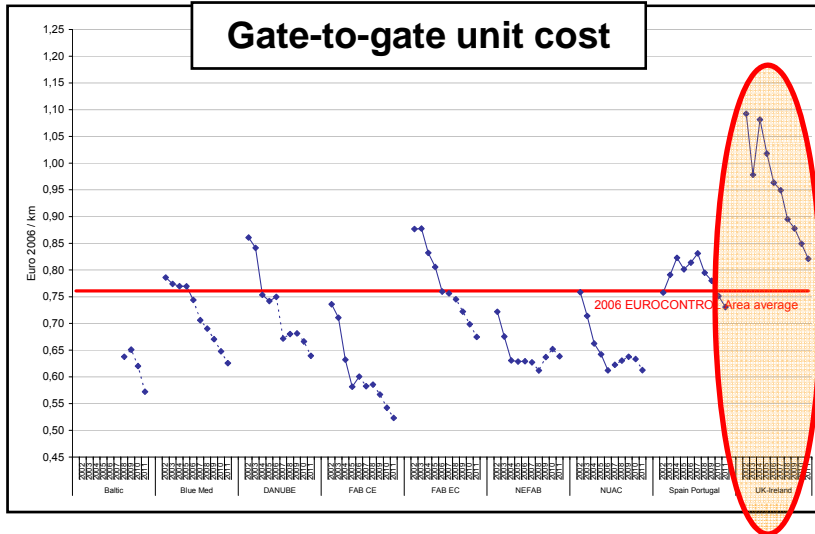
■ **Bilateral meeting: 8 May in Dublin**

Key steps

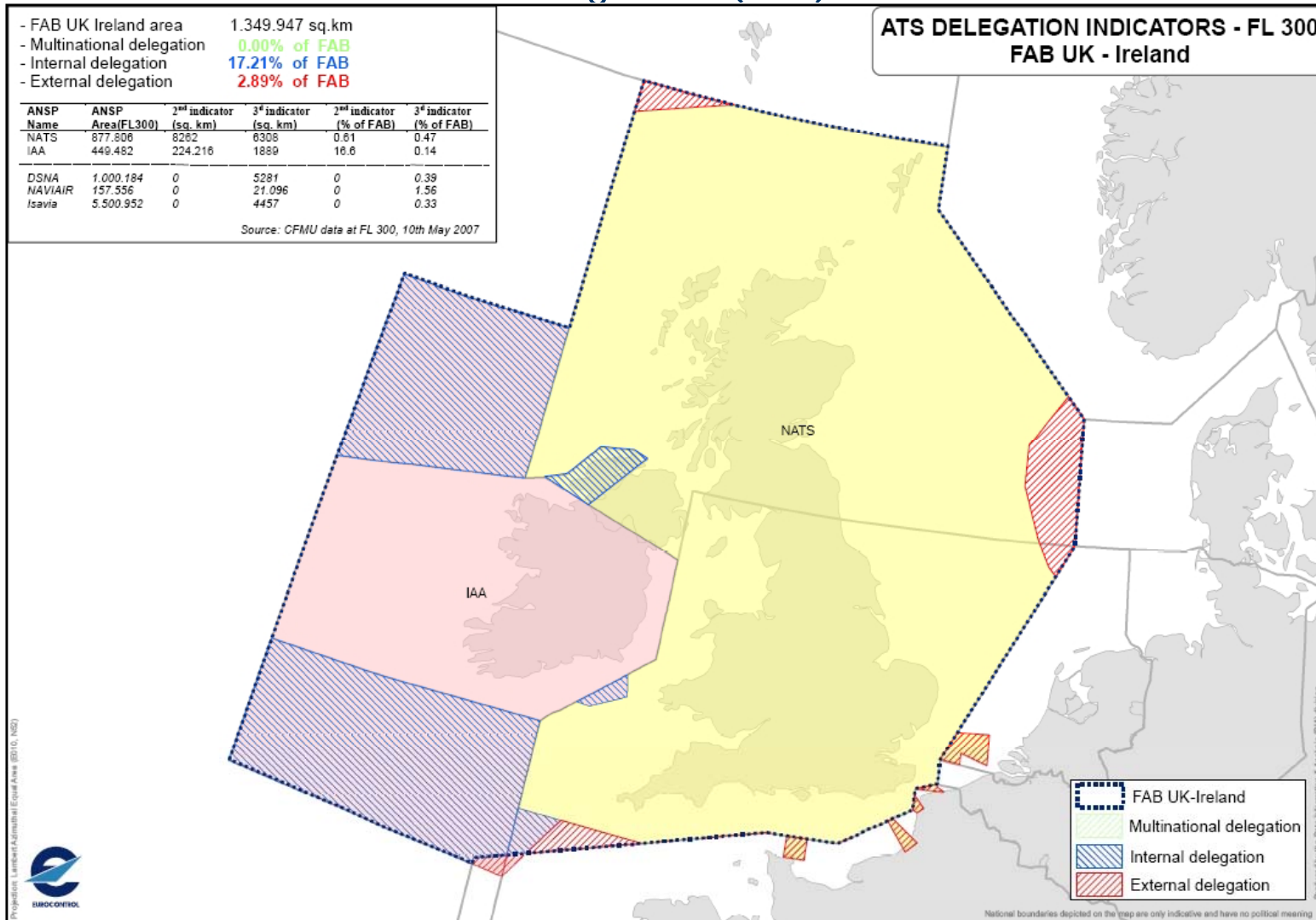
- Presentation to Single Sky Committee 21 May and to Transport Council on 12 June ("Council took note")
- MoU between States, ANSPs and NSAs (3) in June 2008
- 30 days for designation
- Start operations in Summer 2008



FAB UK-Ireland - Metrics (2/4)



FAB UK-Ireland - ATS Delegation (3/4)



FAB UK-Ireland - Description (4/4)

Ambition

- This FAB initiative is “Operationally Driven”:
 - “Design and Build” FAB with involvement of airspace users in the process
 - Business Cases will be produced for each project, and reviewed by the NSAs
 - Generic key priority areas identified for three working groups (airspace design, service provision and safety)
- Benefits estimated are not substantial (1% of FAB UK-IR cost base until 2013) but potential for more depending on development of specific projects.
- Institutional setup in place (no major change). Content to be defined later.
- Formal performance plans to be established and reviewed by NSAs.

Involvement of staff (ETF view)

- Minimal involvement of workers in the FAB initiative (TUs from the 2 countries)

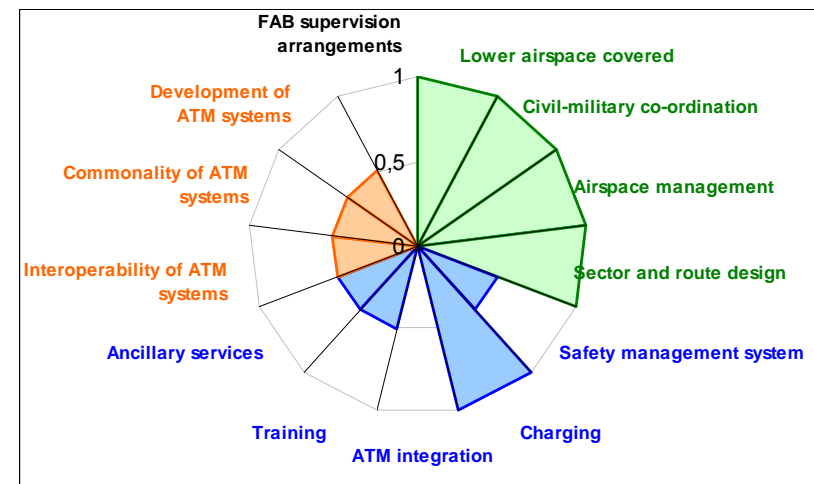
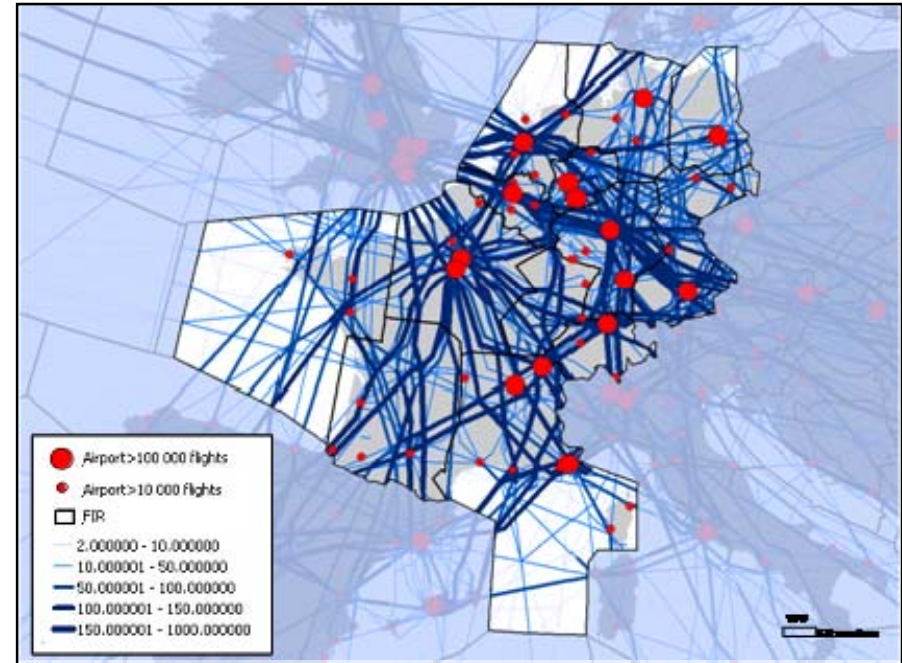
FAB EC - Description (1/3)

(France, Belgium, Luxembourg, Netherlands, Germany, Switzerland, MUAC)

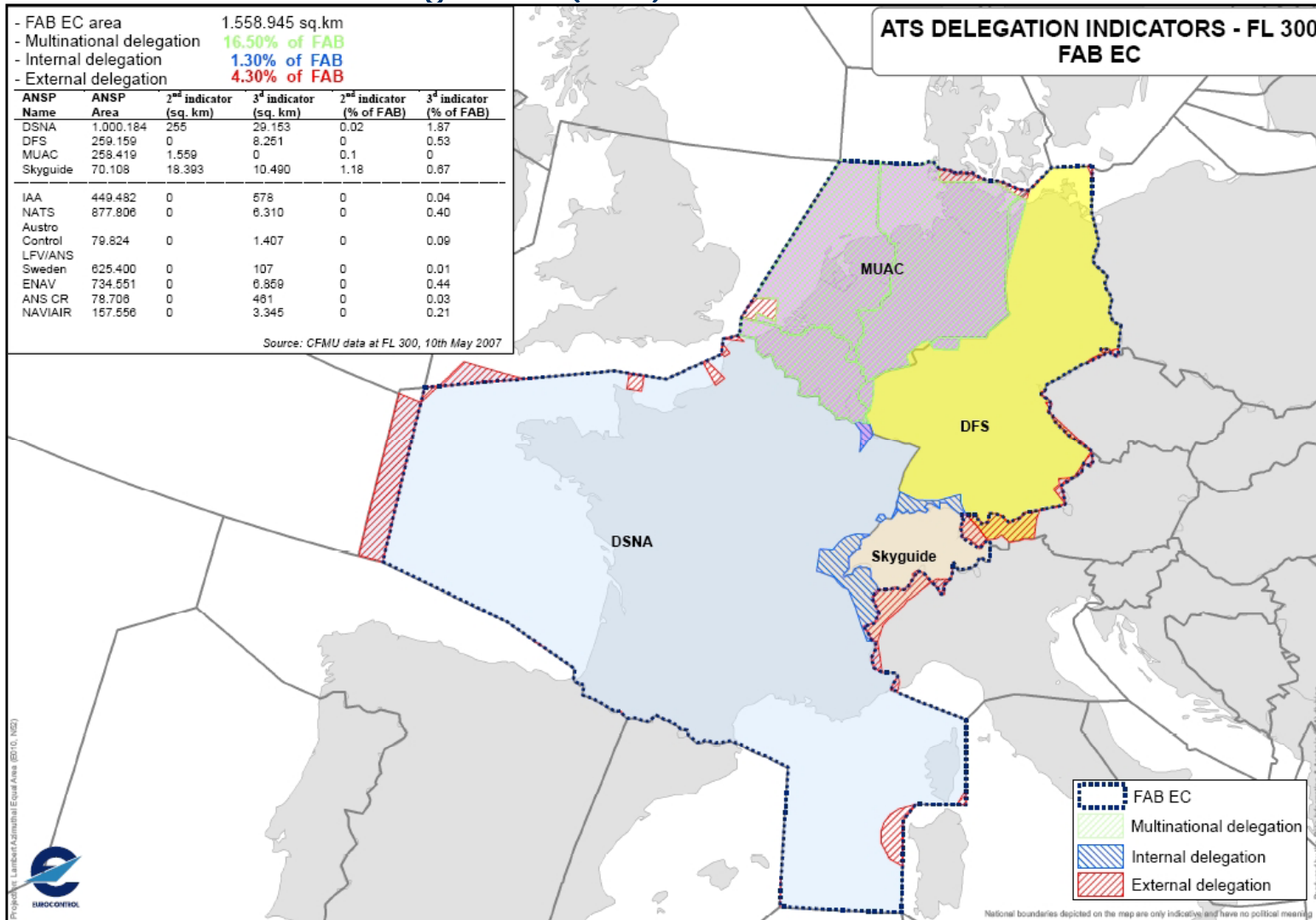
■ Bilateral meeting: 2 May in Brussels

Key steps

- 26 June High level group approved feasibility study and CBA
- Implementation to address hot spots expected to commence in 2009 (operational 2013), phased implementation thereafter
- South East England has recently been considered as one additional hotspot



FAB EC - ATS Delegation (2/3)



FAB EC - Description (3/3)

Ambition

- Operational concept has been developed but the institutional and regulatory arrangements to support this are still unclear
- Describe themselves as taking a “Functional Approach”
- Implementation would be phased
 - start work on airspace changes in 2009 for implementation in 2013
 - final stage (tailored route system) not until at least 2018
- CBA not yet released to us. Contain performance targets.

Involvement of staff (ETF view)

- ??

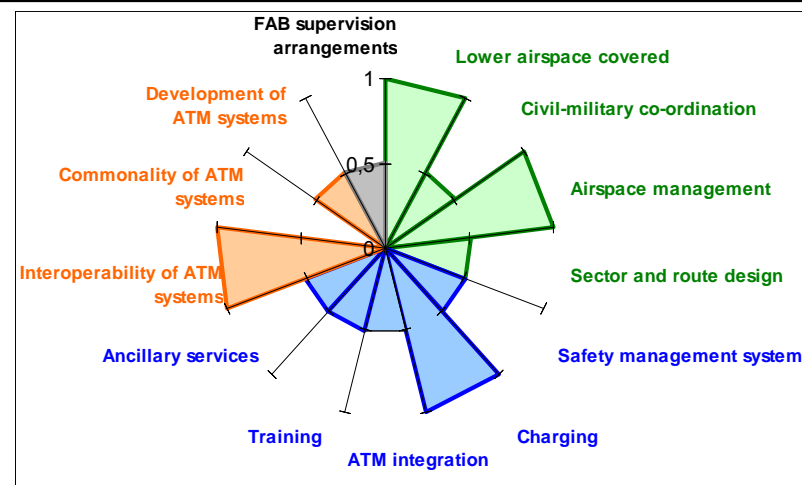
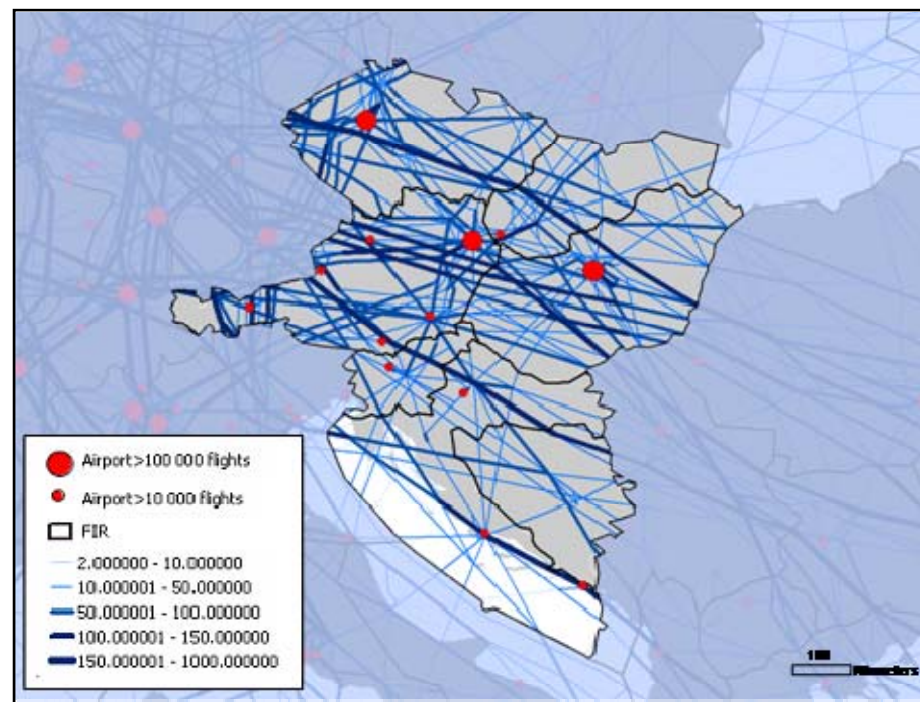
FAB CE - Description (1/3)

(Czech Rep, Slovakia, Austria, Hungary, Slovenia, Croatia, Bosnia-Herzegovina)

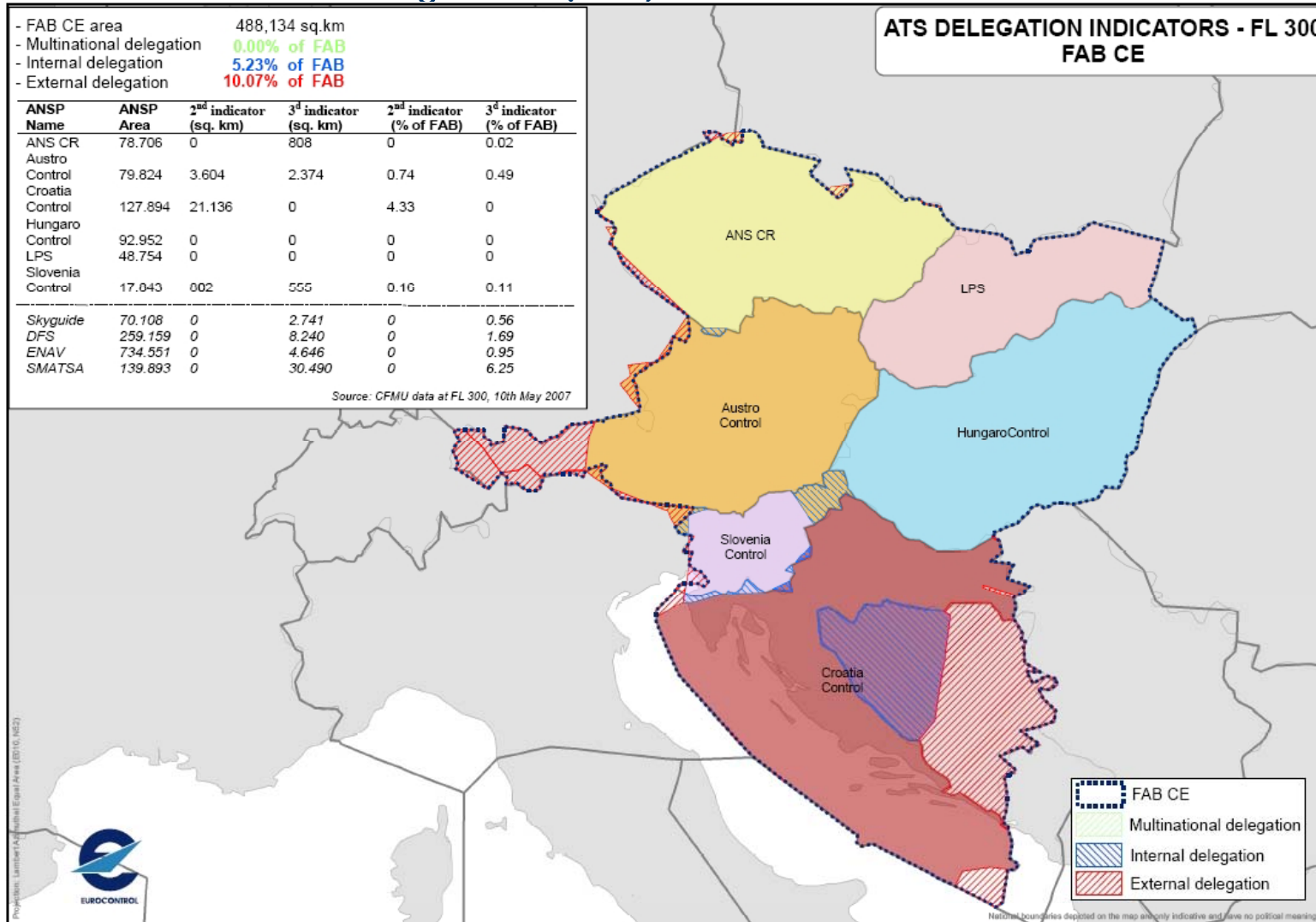
■ **Bilateral meeting: 24 June**

Key steps

- Master Plan and Cost Benefit Analysis produced
- The 7 CEOs signed on 30 May 2008 a MoC and established the CEOs' Committee, as a further step towards the FAB CE implementation
- The next phase consists in developing a FAB CE Implementation Plan. A Charter is being prepared for this phase.



FAB CE - ATS Delegation (2/3)



FAB CE - Description (3/3)

Ambition

- Feasibility study delivered - examining a range of options
- Three phase implementation plan
 - An Initial Scenario
 - A Static Area of Responsibility (AoR) Scenario
 - A Dynamic AoR Scenario
- CBA finalised with some direct financial benefits: but primary benefits reductions in delays

Involvement of staff (ETF view)

- National TUs were never involved. After national and European pressure, a Stakeholder meeting was organized in March 2008 to receive some PowerPoint presentation. Only few (or one) countries at national level are more in the information loop

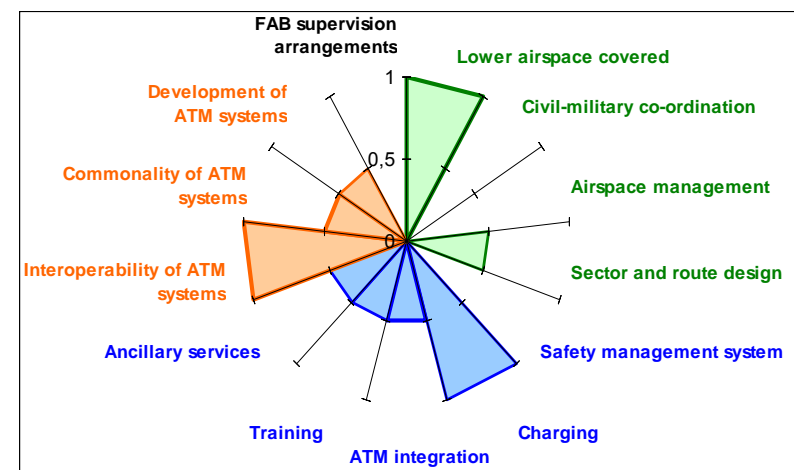
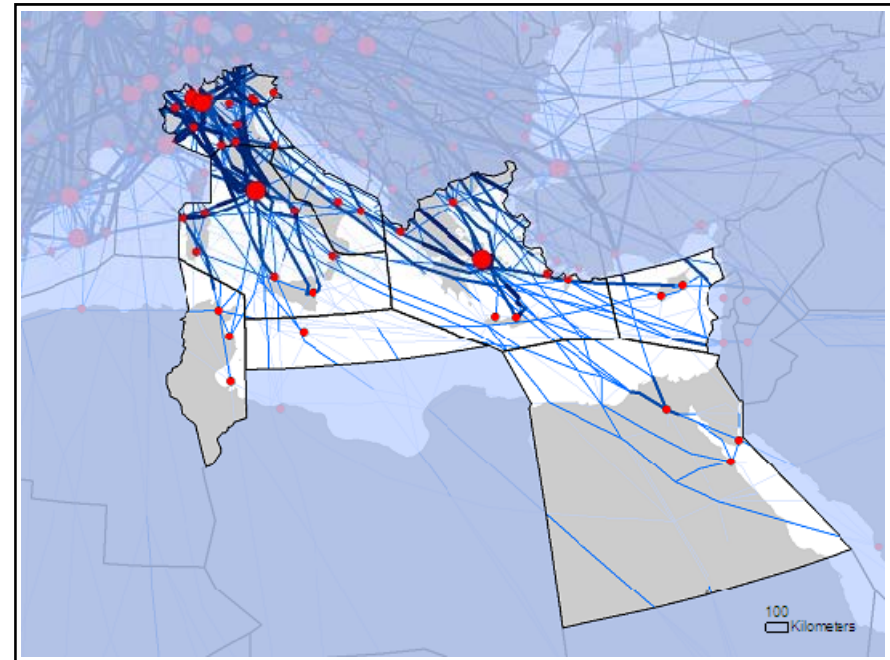
FAB Blue Med -Description (1/3)

(Italy, Malta, Greece, Cyprus,
Tunisia, Egypt -Jordan, Albania observers)

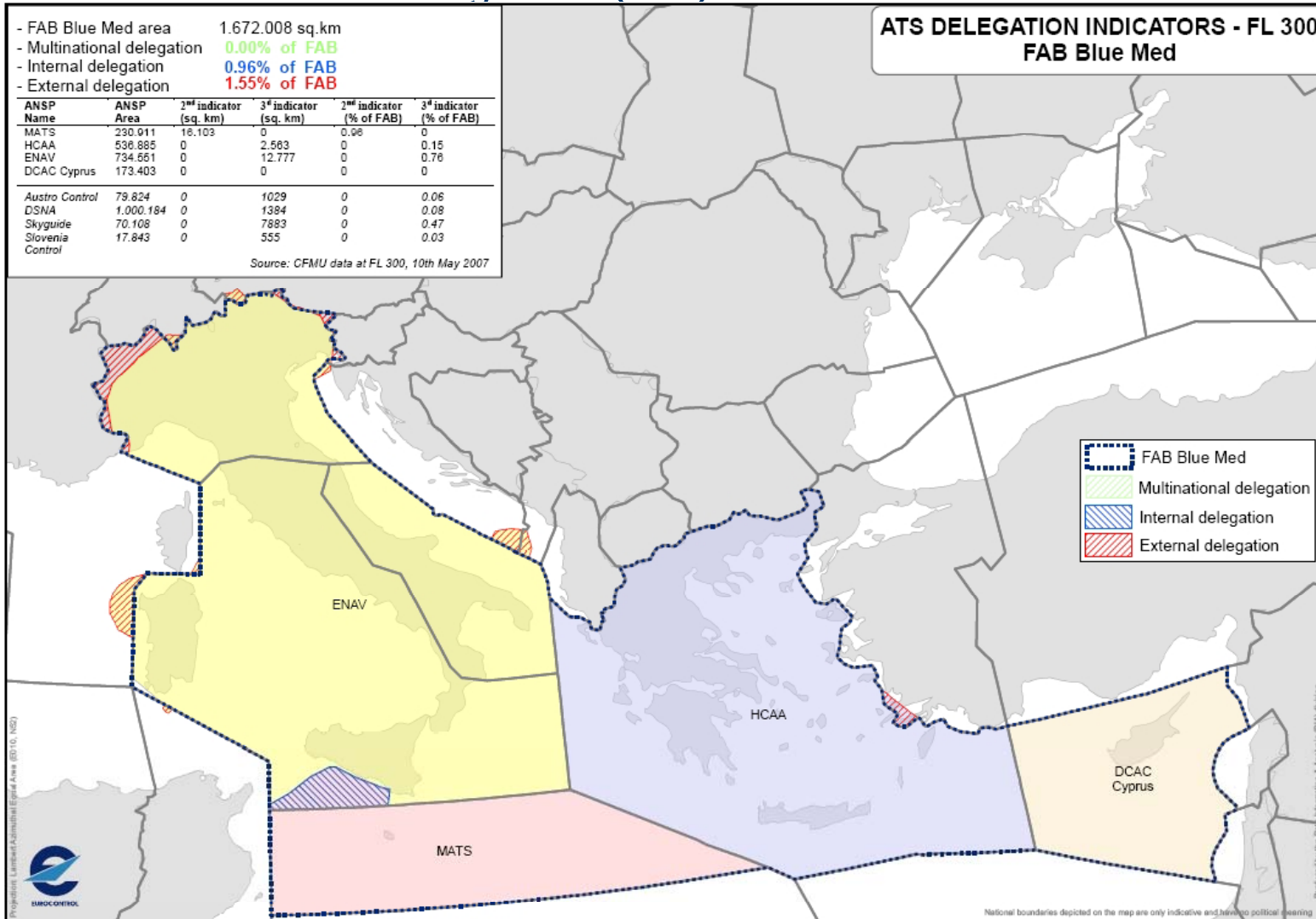
■ **Bilateral meeting: 22 May in Brussels**

Key steps:

- June 2008: Feasibility report completed
- June 2008: CAAs meeting
- October 2008: Intention to hold a Ministerial conference to agree the next steps and the potential selection of preferred option for definition phase



Blue Med - ATS Delegation (2/3)



FAB Blue Med -Description (3/3)

Ambition

- Range of options being examined between “Minimum FAB and Maximum FAB”
- Conception of “Virtual Centres” and “Sector Families” key to development of airspace design
- Convergence of ATM systems
- Targets for improvements being developed
- High level economic evaluation developed (full CBA only in definition phase)

Involvement of staff (ETF view)

- Since the begin of the study no Staff Reps have been involved. During April 2008 a first Social Forum was hold. It was the only example of TU involvement.
- Also at national level the information sharing was very poor (the best situation was in Italy with only one ad-hoc meeting).
- The situation seems to improve (workshop in June and 2nd Social Forum in September, both TBC). Also about TUs involvement in the next phase, we have received some promise about a deeper TUs involvement.

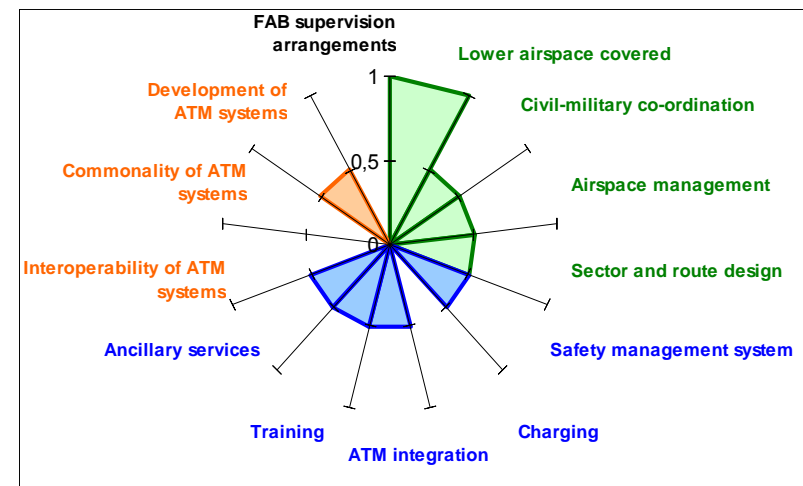
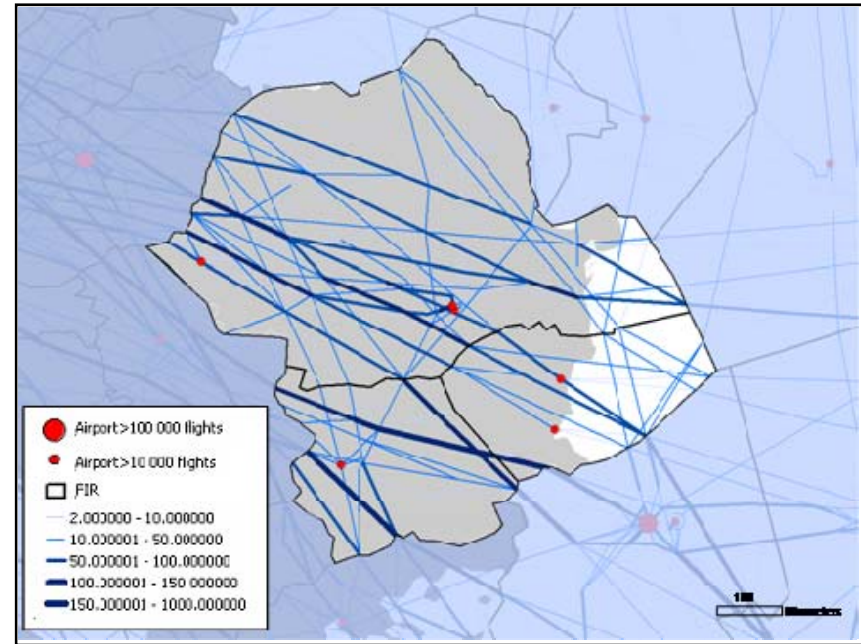
FAB Danube -Description (1/3)

(Bulgaria, Romania)

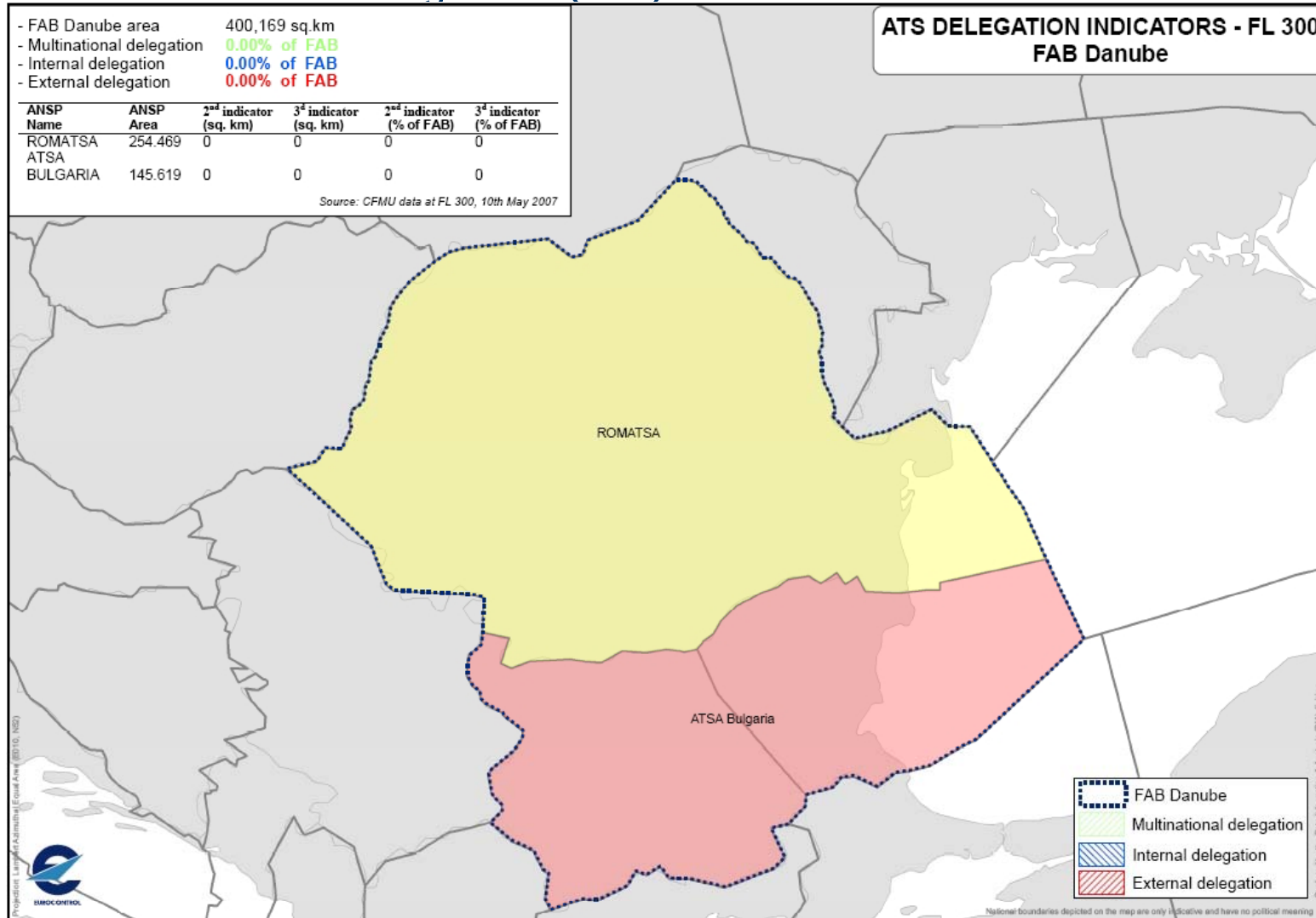
- **Bilateral meeting: 28 May open stakeholder meeting**

Key steps

- Reported the second stage of the feasibility study at the May stakeholder meeting, with an initial and general economic appraisal
- Second stage of feasibility study to be completed by end June 2008, further stakeholder meeting on 1 July in Bucharest
- Possible decision of CEOs concerning the launch of next phase in August.



Danube - ATS Delegation (2/3)



FAB Danube -Description (3/3)

Ambition

- ANSPS have indicated their preference to develop a “partial integration” co-operation mode.
- Current “feasibility study” limited (and not comparable to more detailed feasibility studies undertaken by other FABs).
- For the time being, the “feasibility study” is conducted by external consultant: ANSPs are not at all leading it. No real buy-in.
- Initial indicative economic appraisal rests on few questionable assumptions (expected improvements in routing extension greater than maximum possible within the FAB...) and shows limited direct financial benefits

Involvement of staff (ETF view)

- After a good start about Staff Involvement, in the last year the situation went down. During 2007, before the stakeholders meeting on December, there was nothing. Even after it was difficult to find information. At the moment TUs are not happy about the consultation process, and say “According to the materials TUs are consulted but on practice this is very minimum. we receive only information on our request”.

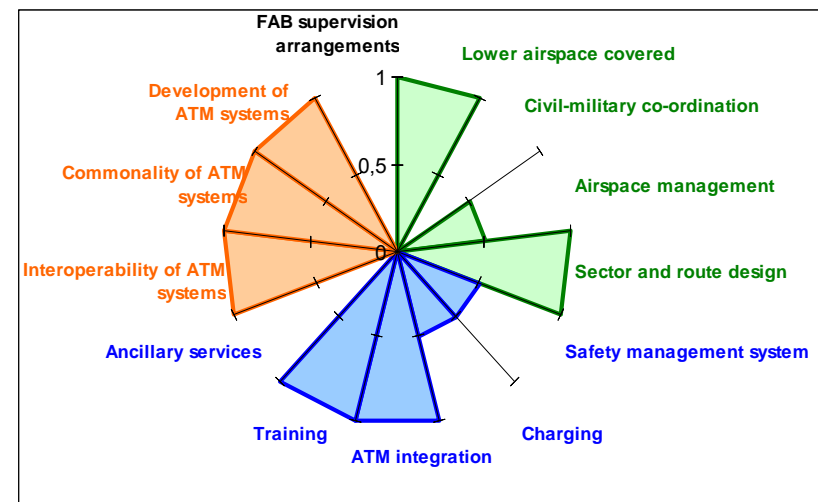
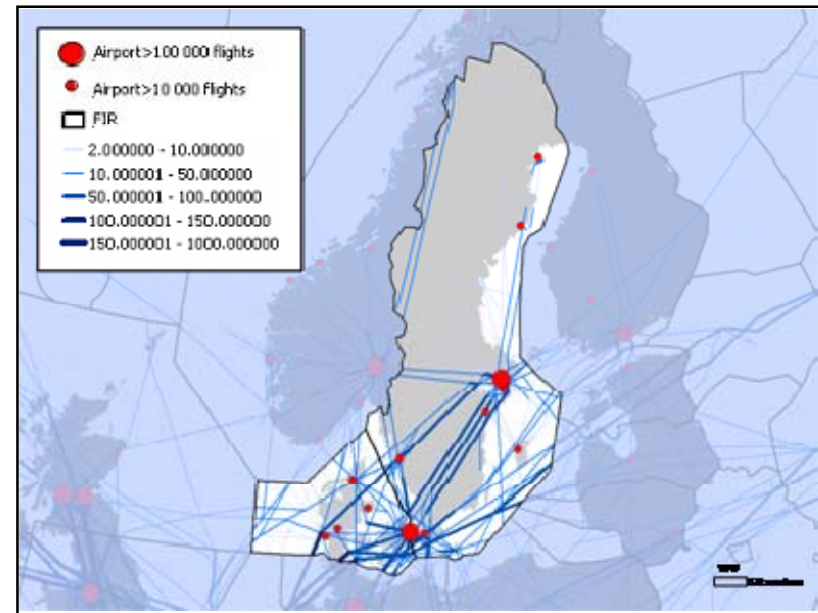
FAB NUAC -Description (1/3)

(Denmark, Sweden)

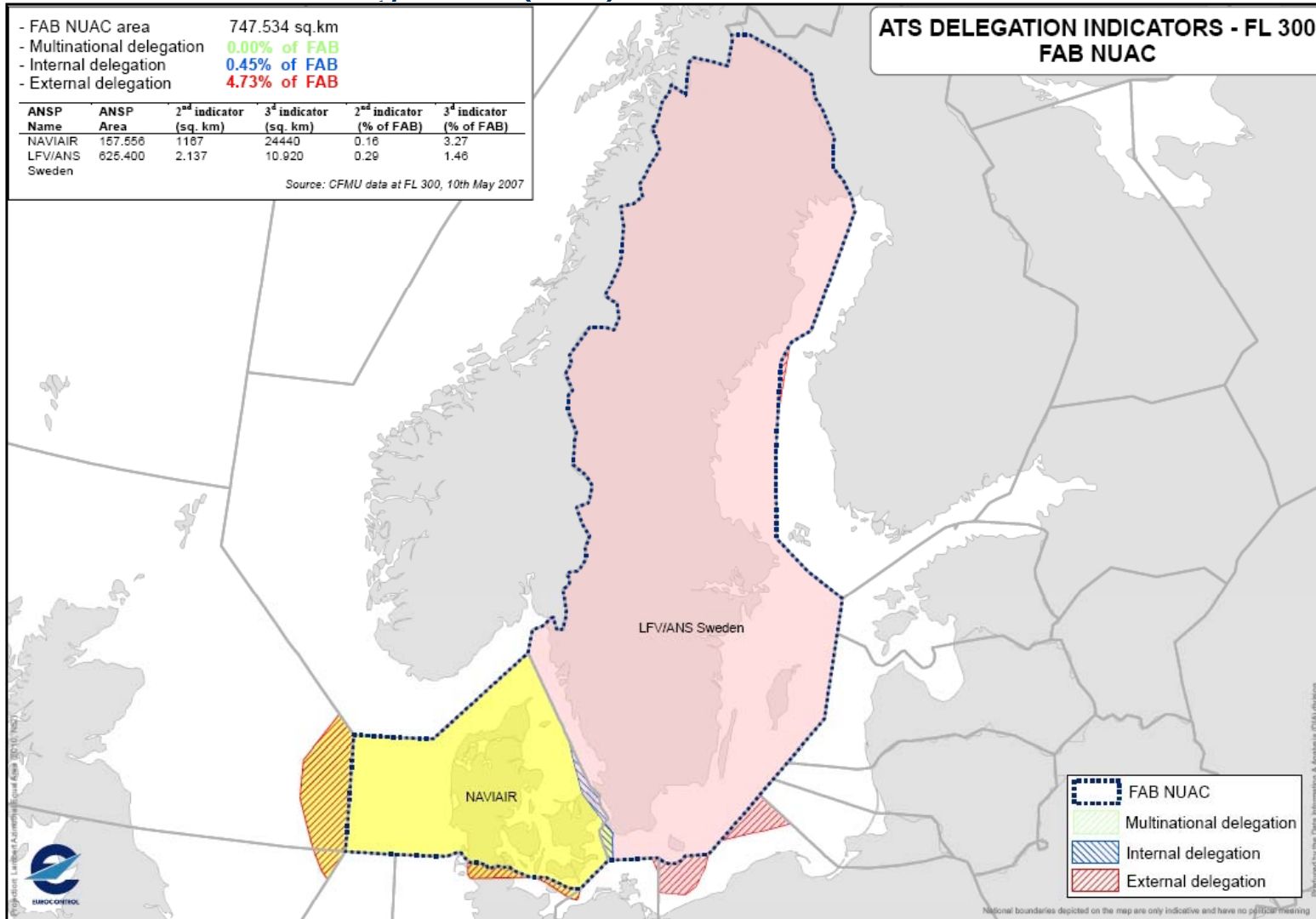
■ Bilateral meeting: 26 June

Key steps

- Denmark and Sweden have decided to go for the Operational Alliance scenario with the creation of a NUAC Company in 2009
- NUAC company to start operations in early 2010



NUAC - ATS Delegation (2/3)



FAB NUAC - Description (3/3)

Ambition

- The NUAC Company shall be certified and possibly designated to deliver ATS.
- The NUAC Company (~800 people) shall run the 3 ATCC's (Stockholm, Malmö and Copenhagen) Initially "as is" (2010), during 2011 airspace changes are carried through to establish a fully integrated Swedish/Danish airspace
- The NUAC Company shall be contracted by the Parent Organisations to deliver and perform its services
- Parent Organisations shall own infrastructure and systems

Involvement of staff (ETF view)

- The involvement of staff reps have been through a "reference group" that met once every month, participants are the unions and program management.
- TUs have had no reps in steering groups. Following the ETF-CANSO Report on FABs, the TUs involvement at working group and at Management level are very important, to build trust. Both the level are important and necessary, complementary.

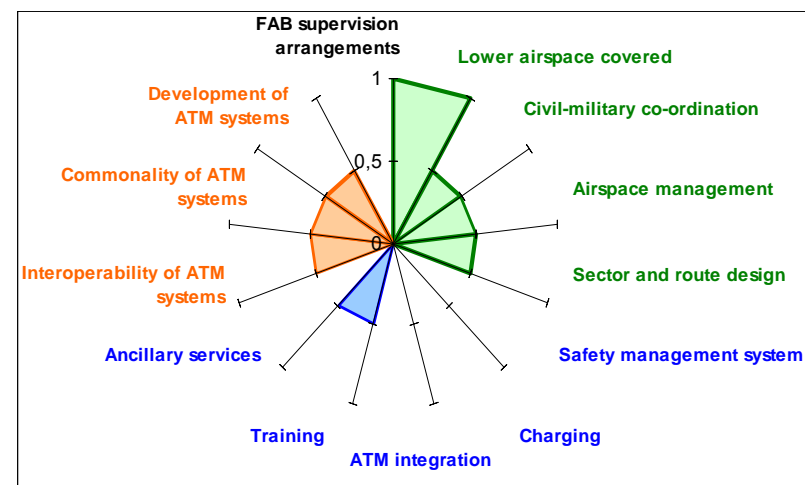
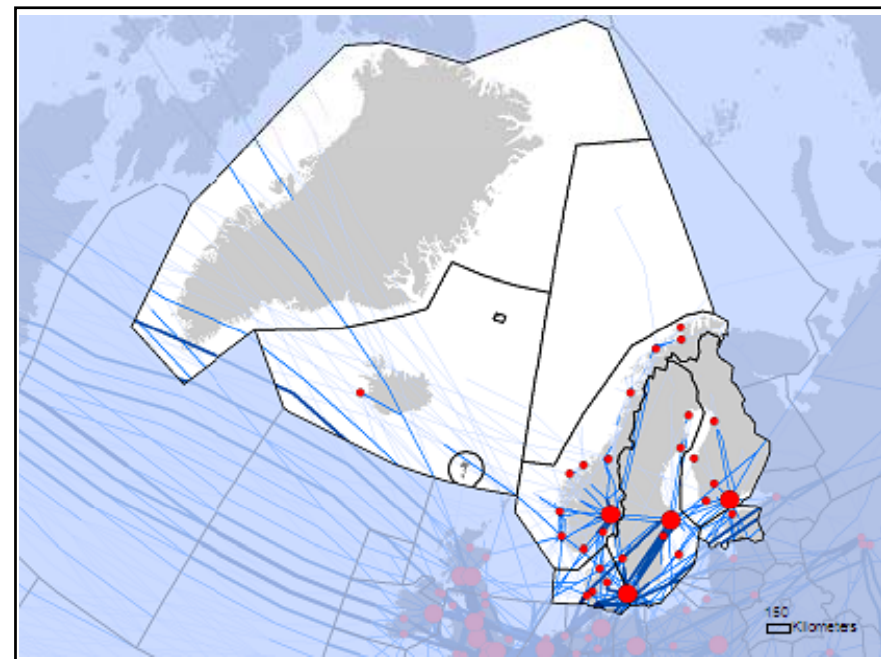
FAB NEFAB -Description (1/3)

(Denmark, Sweden, Norway, Finland
Estonia, Iceland, Greenland)

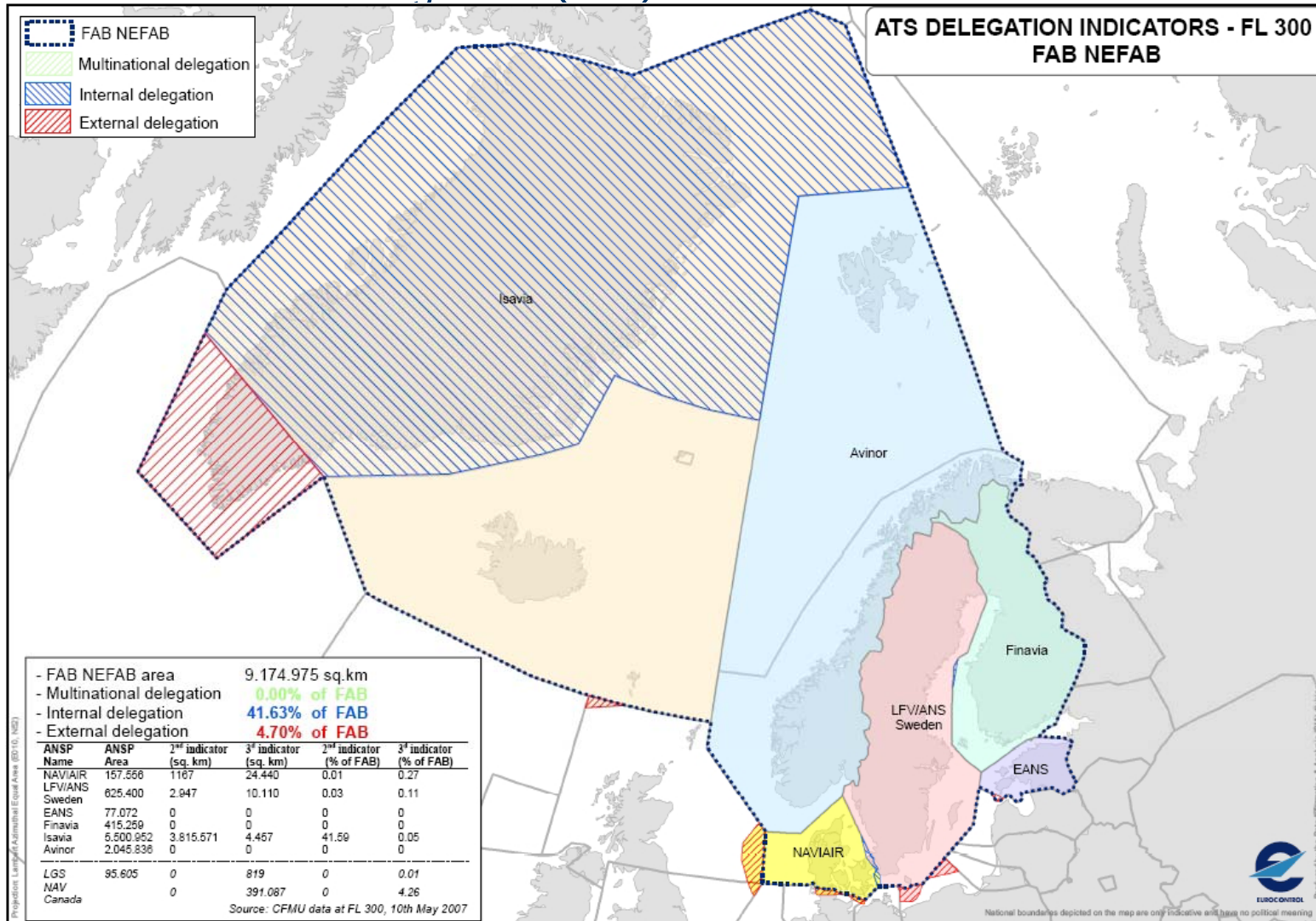
- **Bilateral meeting: 2 June in Brussels**

Key steps

- New FAB, that has produced a “pre-feasibility study”
- Next steps to be progressed - planned end of feasibility study by December 2008



NEFAB - ATS Delegation (2/3)



FAB NEFAB - Description (3/3)

Ambition

- In early stages of development so unclear
- Examining route sector configuration and design

Involvement of staff (ETF view)

- ??

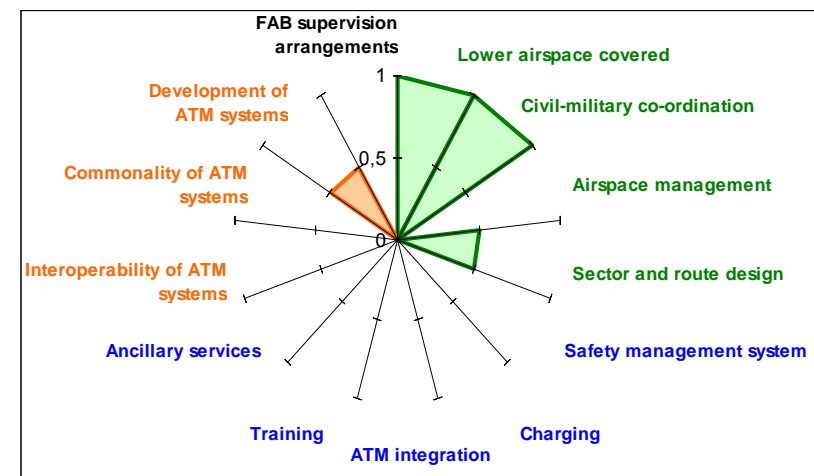
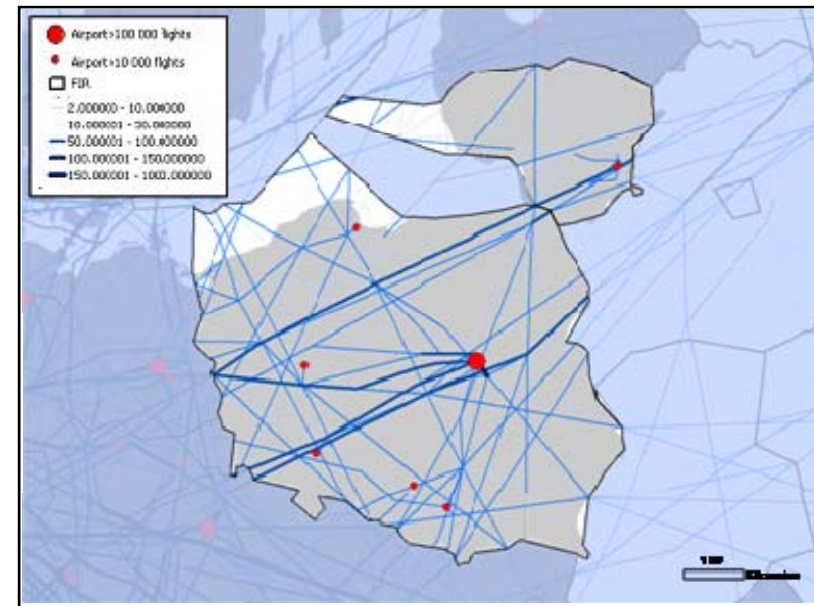
FAB Baltic -Description (1/3)

(Poland, Lithuania)

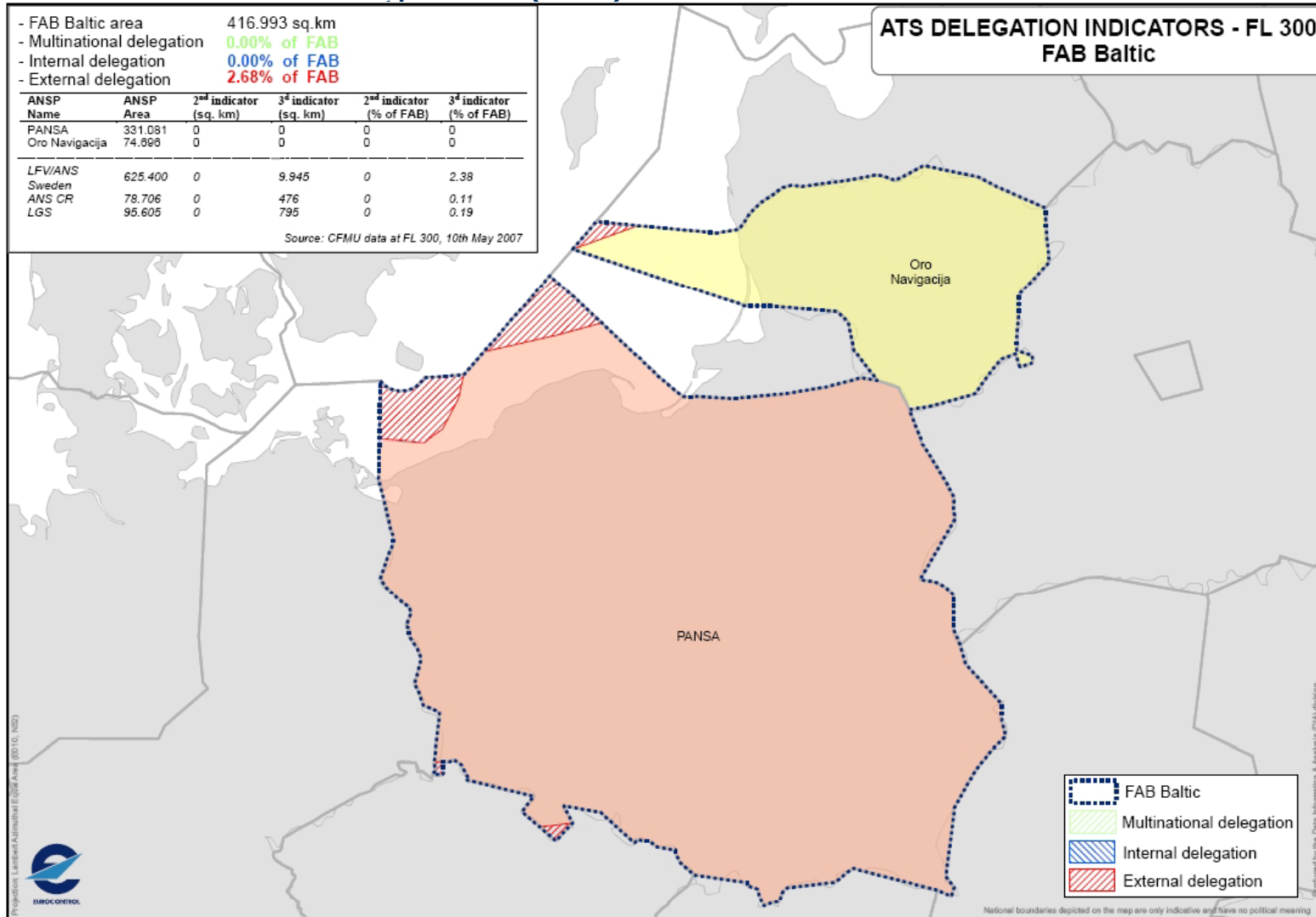
■ No bilateral meeting requested

Key steps

■ Are making the case to the European Commission to provide TEN-T funding for a feasibility study



Baltic - ATS Delegation (2/3)



FAB Baltic -Description (3/3)

Ambition

- Airspace harmonisation, but very limited benefits without the Kaliningrad FIR being included

Involvement of staff (ETF view)

- ??

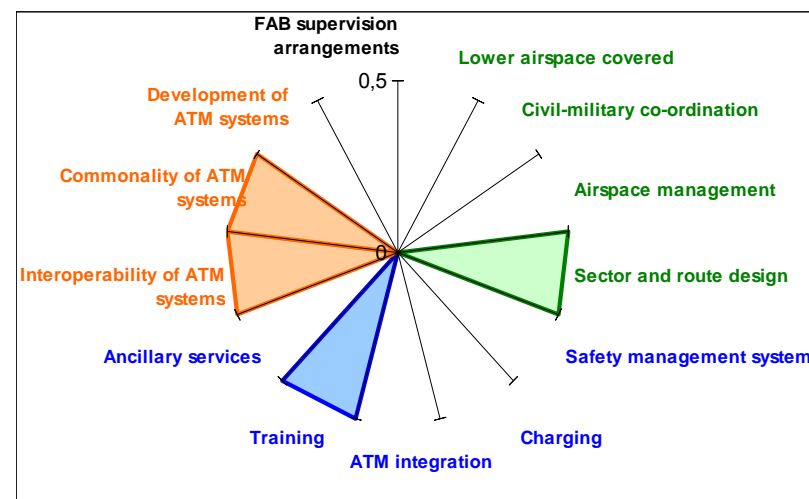
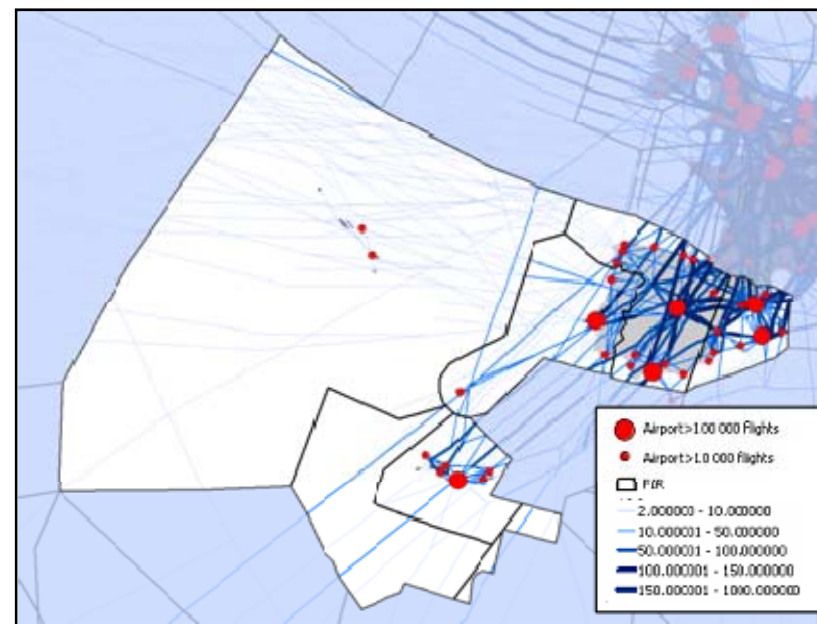
FAB Spain-Portugal -Description (1/3)

(Spain, Portugal)

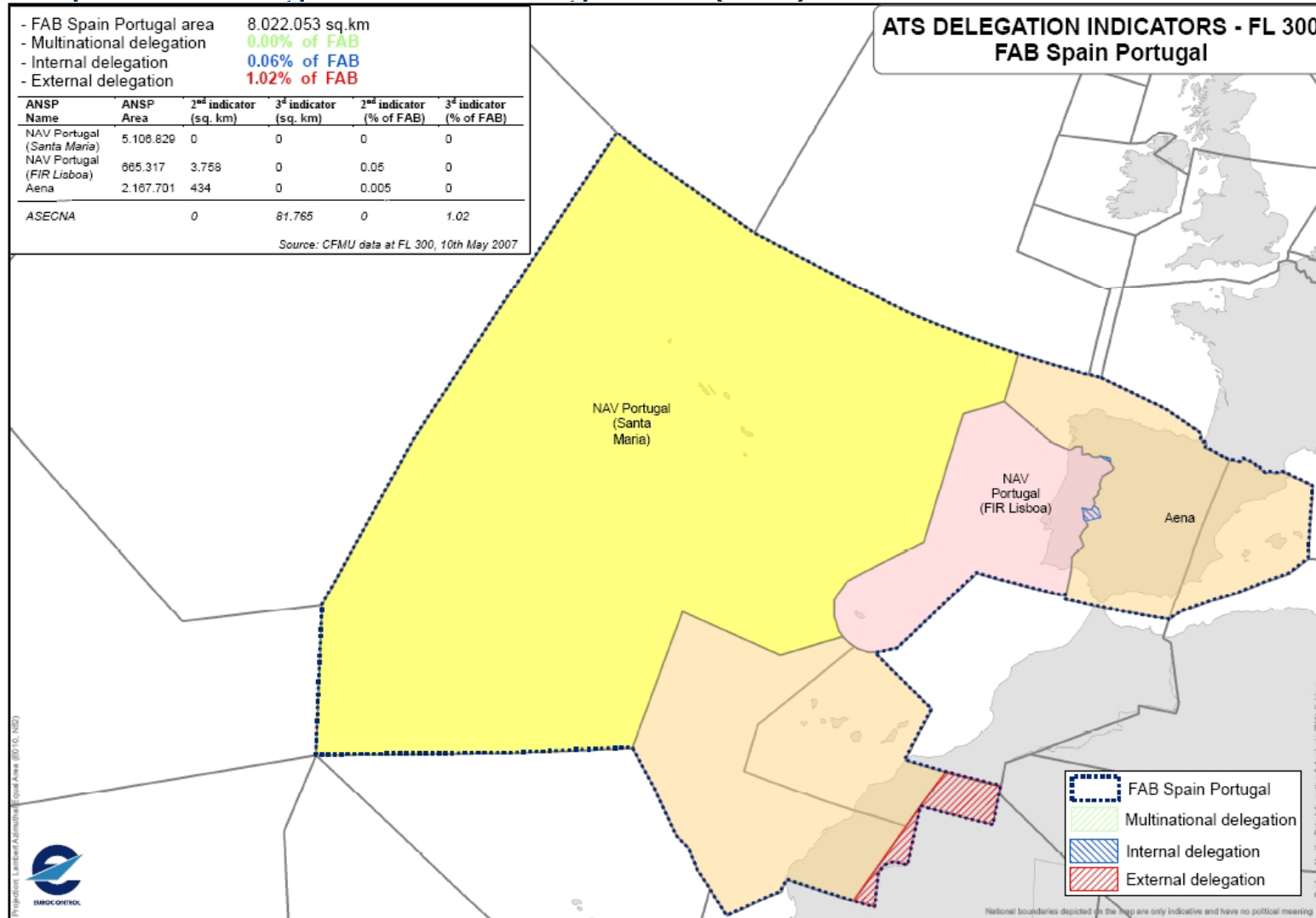
■ No bilateral meeting requested

Key steps

- Santa Maria to be included in the scope of the FAB
- A revision of the MoU between Spain and Portugal has been produced
- Progress and next steps in project otherwise unclear



Spain-Portugal - ATS Delegation (2/3)



FAB Spain-Portugal - Description (3/3)

Ambition

- Further discussion taking place - not currently agreed between parties

Involvement of staff (ETF view)

- ??

Emerging policy issues and possible suggestions to European Commission

Initial assessment (1/2)

- Progress until end 2007 was disappointing
 - EC communication, airspace users, PRC interim report
- In 2008, intensive work in several FABs
 - Blue Med, FAB-EC, FAB-CE, NUAC, UK-IRL (Millions of euro invested in feasibility studies)
 - Detailed plans, CBAs becoming available
 - States more and more involved
 - Innovative initiatives (civil-Mil, NSA cooperation, etc)
 - Significant momentum being created
- But little progress in others
 - Spain-Portugal, Danube, Baltic
 - NEFAB just starting
 - Latvia has no initiative

Initial assessment (2/2)

I CBAs/Business Cases

- Performance improvements don't always show clearly
- Generally low, slow or uncertain performance improvements
- Very little information on safety gains
- Highest claimed savings often arise from delay reduction in far future
- Potential for significant savings in fuel burn, flight time
- But little information on environmental benefits, while politically important
- Generally no cost-effectiveness improvement beyond current ANSP plans. No scale effects?
- Is NUAC an exception?

I Cross FAB issues are not or marginally addressed

- No view on European route network optimisation
- Inter-FAB operational interface (London/FAB-EC)?

I Bottom-up approach results in State groupings

- Limits benefits and does not follow operational logic in SES

Impediment to progress (1/2)

- Different operational concepts: Barrier to integration
- Different business models as well: (e.g., PPP vs. state owned)
- 'Big bang' changes difficult: Small incremental steps possible
- Liability and sovereignty:
 - Not an insurmountable issue?
 - Common SES regulatory regime for delegation of ATS
 - Or simply guidance or "best practice"
- Constitutional blockages in some States:
 - Sweden, Germany, Austria, Romania
 - Delegation of ATS Provision in their airspace or provision of ATS in other airspaces
 - Need to be overcome

Impediment to progress (2/2)

I Slow progress may result from

- Loose definition of FAB requirements in SES regulation
- Wide scope of initiatives (operational, technical, financial human, civil-military, etc), beyond SES requirements (operational)
- All fragmentation issues (operational, institutional/service provision, systems) addressed through same tool
- External political issues (Kaliningrad)
- FAB-Internal political issues (imbalance, culture, no commitment...)
- Lack of incentives
- Difficulties in agreeing financial arrangements

Possible suggestions to European Commission (1/6)

■ Ensure State support

- States to reaffirm their commitment with 2012 implementation deadline (at Transport Council during co-decision on SES2)
- States to ensure active engagement of military where appropriate

■ Facilitate the creation of FABs by:

- Improved definition of FAB and objectives
- Alleviating legal difficulties by developing a European regulatory framework for delegation of ANS
- Developing minimum requirements for FABs, CBAs
- Common NSA

■ Ensure inter-FAB cohesion and consistency with European programmes

- Ensure consistency of European network design/operation and FAB initiatives
- Formalised coordination process between FABs

■ Reinforce momentum created by FABs in terms of regional cooperation

- Incentives through TEN-T or other EC instrument

■ Target setting at FAB level?

Possible suggestions to European Commission (2/6)

- **Develop minimum requirements for CBAs:**
 - Have a clear and justified “reference case”
 - Business Case by initiative (precise and identified initiatives, detailed deliverables and timescales)
 - Business Case reviewed ex-post by NSA, check consistency with the FAB performance plan
 - Have key dates and measures to monitor
 - Relies on facts and plans rather than assumptions

Possible suggestions to European Commission (3/6)

- **Develop minimum operational requirements for FABs**
 - Common Operational Concept
 - Common approach to safety
 - Common approach for charging (apply art 4.4 charging regulation)
 - FAB-level ASM/ATFCM fully consistent with European level and supersedes national level
 - Interoperable ATM Systems
- **Target setting and accountability at FAB level?**
 - Common framework for FAB performance indicators and targets
 - Performance planning and target setting at FAB level
 - Transparent performance reporting at FAB level
 - Collective role of NSAs or unique FAB Supervisory Authority
 - Application of regulation, local target setting, supervision
 - Appropriate ANSP governance arrangements within FAB

Possible suggestions to European Commission (4/6)

Which principles should govern target setting?

- Some targets should be at FAB and/or national level;
- Each ANSP should have its own targets for short-medium term;
- Targets should be approved by NSA and published;
- Targets should be set where there is a point of accountability;
- ANSPs (or States) should have a collective responsibility to meet the FAB targets;
- States should have clear view of potential improvements;
- Parties involved in the FAB should develop measures to ensure that targets are met within the FAB.

Timetable for completion of study

- **July -August** Drafting of final report
- **12 September** Release of draft report for consultation
- **12 Sept to 30 Sept** Open to stakeholder comments
Possible bilateral meeting with stakeholders
- **25 September** Open stakeholder meeting on report
- **2-3 October PRC 53** Adoption of final report and recommendations
- **October** Release of final report