

Adding value to infrastructure

Investing in ATM would allow governments to reap the full benefits of aviation. But more must be done to get the message across.

Aviation is a facilitator of growth in the world economy and an important glue in social and cultural cohesion. The latest figures from the Air Transport Action Group, of which CANSO is a Board Member, put the industry's economic contribution at \$2.4 trillion. Additionally, aviation supports 58 million jobs and carries \$6.4 trillion worth of goods. The knock-on effects if reliant industries such as tourism are included put even these impressive numbers in the shade.

Airlines and airports are visible components of this success story. Few politicians are unaware of the need for good airline services and a modern airport with ample capacity, even if they are sometimes slow in assisting these developments.

But air traffic management is another story. Not only does it suffer from a lack of funding but also it struggles to attain a discernible presence in the minds of politicians. ATM is fundamental to airline and airport operations but largely remains an invisible highway.

Building an advocacy plan

CANSO Director General, Jeff Poole, says that the ATM sector has to work harder to get its funding message across to governments. He stresses that if the message fails to register in the minds of politicians, the problem resides as much with the industry as with governments.

"Many ANSPs have difficulty in adequately funding the modernisation and expansion of infrastructure," he says. "But that just means we have to make a better business case. The onus is on us to convince governments of the strong benefits of ATM modernisation."

One strategy is to begin advocacy long before any final negotiation arrives. If a government has a long-standing awareness of the issue and the arguments have been successfully and repeatedly communicated, positive decisions are that much easier to obtain. It is rarely the case that funding for a major infrastructure project is acquired following a one-off presentation of the business case. Rather, it is constant advocacy that wins the day.

A recent example shows that the constant pressure of a conclusive business case can provide the funding required to improve the safety and efficiency of airspace. In Brazil, the World

Cup and Olympics have effectively provided a constant stream of communication about the need to upgrade the country's facilities. The business case was solid and the government responded. A new air traffic control centre successfully guided the extra flights put on during the World Cup.

Expanding horizons

While not every country will be able to fall back on major sporting events to support their upgrade plans, two elements of advocacy could make all the difference to ATM funding.

First, the wider effects of aviation are important. That means emphasising the industry's economic impact and job creation benefits as well as its social impact.

Second, the industry must widen its audience horizons. A major ATM upgrade could combine several different facets of government, not all of them directly related to transport. Finance ministers are an obvious example, but often a foreign affairs representative may be needed to guide discussions on a regional level or an environment minister may need to be persuaded of the green credentials of a project.

"Every step the ATM industry takes to improve performance also has an environmental benefit," adds Poole.

"Enhancements such as performance-based navigation and continuous descent and climb operations result in reduced emissions and often lower noise as well," he adds. "Our task is to communicate the environmental benefits of ATM investments to decision-makers. So why not get environment ministers onside?"

Making the business case

As the Brazil case highlights, constant advocacy must be supported by a water-tight business case. Every case will have its own specifics but a few fundamentals are clear.

For a start, if revenues generated by the civil aviation sector are re-invested in the sector then future funding will be more straightforward. So a note of the revenues earned to date and the revenue potential of a future project will help solidify an argument in these cost-conscious times. No business case will survive without a rigorous cost-benefit analysis.



Just as with advocacy, ANSPs must also get used to expanding the boundaries of the business case. "Regional cooperation and integration should be explored as the best way to secure cost-effective investments and achieve better returns," says Poole.

The CANSO Director General accepts that the organisation has an important role to play in this regard. It is, for example, helping ANSPs by providing expertise in and understanding of the Aviation System Block Upgrade programme, ICAO's technology roadmap. "CANSO is working with ANSPs as an effective and knowledgeable partner to transform airspace," he says. "In turn, this helps governments prioritise and invest wisely."

Assistance can come from other stakeholders too. If an airline or airport is to realise the potential in its investments then it should support ATM infrastructure upgrades. An airport, for instance, may find its battle to improve capacity on the ground count for nothing if the skies above remain congested. A beautiful new terminal will only pay its way if there are enough passengers using it.

Testing the waters

Some governments have got the message and are investing. Latin America, where air traffic is growing strongly and governments are slowly realising the positive catalytic effects of the industry, provides a good test bed for the current funding environment.

Private finance

Obtaining funding is not always about going to a government cap in hand. NATS in the United Kingdom is part privatised and as such has access to private capital. It generates its income entirely from charges to customers and has consistently made a profit in recent years with revenues and assets also rising.

The last injection of public funds followed the collapse of air traffic in the wake of 9/11. NATS Services Limited competes for contracts and works with a number of other leading service providers.

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Peru, Panama and Santo Domingo have each invested in a new Air Traffic Control Centre (ACC) while Mexico continues to upgrade its ACCs and other equipment. Meanwhile, Brazil is working on the implementation of the second phase of its SIRIUS programme, improving approach and departure tracks throughout the country.

In Argentina ILS improvements have received funding and in Ecuador there is a new training facility and an ATC virtual simulator. Colombia is working with Airbus Prosky on a new ATFM system. Trinidad and Tobago as well as Haiti is working on its airspace redesign.

"The investments mentioned are quite significant for the ANSPs," says Javier Vanegas, CANSO Director, Latin America and Caribbean Affairs. "It's rare that they get to invest several millions of dollars so the funding is very welcome. They are training their staff to utilise the new equipment and doing further training to meet the increase in demand."

More budget still needs to be made available though. "We need to persuade States to allow ANSPs to invest in staff," says Vanegas. "In other words, they need set up a plan to replace those who are retiring and hire more air traffic controllers, engineers, meteorologist, and the like."

Vanegas also says that more collaborative efforts will be made to drive home the funding message to States through a concerted advocacy campaign across the region.

"We can't let up because given the growth of air traffic there will be a constant demand for more staff and better technology," Vanegas concludes. "Everybody wins in the end. ATM will improve, airlines will get a better service, passengers and businesses will be happier and the government will see the substantial increase in GDP that aviation inevitably generates." ➔