

## Reaching air navigation goals in Europe

Professor Klaus-Dieter Scheurle, CEO of DFS Deutsche Flugsicherung, GmbH, argues for improvements in European regulations.



Credit: DFS

**The Single European Sky (SES) is an initiative by the European Commission (EC) to create common safety standards, increase cost-efficiency, reduce delays and benefit the environment.**

Functional airspace blocks (FABs) and performance plans form the foundation on which the regulatory framework is built. The ANSPs are entrusted to control their own country's airspace as a sovereign duty.

While this arrangement has not changed for the last decade, cooperation among the ANSPs has improved considerably in the last few years. ANSPs have formed industrial partnerships, such as the Deployment Manager for the implementation of the technology developed within SES ATM Research (SESAR).

Some ANSPs have formed the iTEC collaboration for the common development of core components for the next-generation of air traffic control systems.

Various direct routes reaching beyond national borders have been introduced throughout Europe, which helps save fuel and thus protects the environment.

However, when looking at Europe as a whole, one has to admit that fragmentation by national borders is the reason for the current sub-optimal use of airspace. Various parties in air traffic believe that the current regulatory framework needs adjustments. The question is, which approach to the regulatory framework would be more suitable to improve efficiency in air traffic over Europe?

The idea that a national ANSP could take over the control of its neighbouring country's airspace in the case of a strike does not make sense from an operational or economic point of view.

### Unreliable forecasts

The challenge for most European ANSPs is bridging the gap between compliance with the EU's strict financial regulatory targets and efficient corporate management to handle the large expenditures needed for the implementation of technologies as well as personnel. Circumstances and specific local requirements vary considerably.

The regulation targets set by the EC are linked with traffic forecasts. These forecasts, however, have proven to be quite unreliable. In fact, traffic volatility impacts the four key performance areas (KPAs) set in the performance plan. The reference periods underlying regulation are extremely long in view of the unreliability of the forecasts. In addition, ANSPs have no influence on traffic numbers. This puts their financial situation at risk.

The regulatory framework is obstructed by overlapping responsibilities among the EC, the Performance Review Body, the Member States and the national supervisory authorities. The framework aims primarily to reduce the cost base but fails to recognise local circumstances and the existing interdependencies between the KPAs and key performance indicators (KPIs) defined in the FAB Europe Central (FABEC) Performance Plan. The EC's prolonged assessment of the performance plans means inconsistencies also exist between the 2015 and 2016 unit rates.

I strongly advocate a new approach for the third reference period. The capacity target has considerable influence on the cost base. Thus, the right balance between capacity and costs must be found. It is also necessary to find an appropriate means of taking national and local requirements into account. Cost elements caused by national legal requirements should not be negotiable within the Performance Plan development.

We need a common European regulatory framework that takes account of realistic operational requirements at a cost that adequately reflects national circumstances instead of a centralised European one-size-fits-all regulation. Overall, ANSPs need to have a clear, goal-oriented strategy and must be able to create sustainable, cost-effective structures. In

addition, it is essential for them to secure and boost service quality in close dialogue with their customers.

## Strict efficiency

DFS strives for these goals and focuses intently on fulfilling the ambitious targets set by the EC. In 2015, 98.2% of flights in German airspace reached their destination without delays caused by ATC and the flown route was only 3.7 km longer than the direct route, a deviation of only 1.2.

In 2016, Germany lowered its en-route charges by about 8.4% and terminal charges by 12.3%. In fact, when the cost cuts at DFS are looked at in isolation – without the charges for the weather service and the Federal Air Traffic Controlling Office – the reductions were even higher than stated (10.6% for en-route charges and 12.7% for terminal charges). In the last FABEC customer satisfaction survey, 84% of the airlines we serve were very satisfied or satisfied with our performance.

We have set up a strict efficiency programme with the goal of reducing our cost base by €100 million by 2019. Along with general budget reductions, workforce costs have already been reduced significantly by natural staff turnover. Simultaneously, we are also focusing on technology modernisation and invest €80 million annually in more innovative systems and more efficient operational concepts.

With our commercial division, DFS aims to actively increase revenues. We are expanding this business, which is independent of the regulated core business. The division offers air navigation services, training, consulting and system development internationally. In 2017, the commercial business of DFS will be bundled in a new subsidiary, DFS Aviation Services GmbH (DAS).

## Minimum service levels

In the context of adjustments to the current European regulatory framework another topic comes into discussion; minimum service levels (MSL) in case of a strike. While it

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is understandable that airlines would like to reduce flight cancellations due to strikes in Europe, we believe that the introduction of MSLs is not the right method.

In Germany, for example, MSLs conflict with the constitutional right to strike and the collective bargaining law's framework. Interestingly, there have been no strike-related cancellations of overflights in Germany in recent years. It is unclear that MSLs would even be able to reduce the risks of strikes or prevent the effects of strikes. They might likely have the opposite effect and lower the barrier to staging a strike in the first place.

The idea that a national ANSP could take over the control of its neighbouring country's airspace in the case of a strike does not make sense from an operational or economic point of view. The basic precondition for this would be to repeal the sovereign responsibility of the ANSPs.

In addition, air navigation services personnel would have to receive extra training and licencing for the neighbouring country's airspace. The air traffic controllers' proficiency would need to be maintained, even during times when these operations are not required. This would result in exorbitant costs. Furthermore, the technical infrastructure needed to provide these services would also be very costly.

Overall, I believe that trying to find ways to handle temporary disruptions in air traffic management by implementing MSLs is the wrong way. Currently, when a strike takes place in a neighbouring European country, the standard procedure is for ANSPs to work with the Network Manager to reroute traffic flows and to provide additional capacity. This reduces the number of cancellations and amount of delay caused by the strikes as much as possible.

It is conceivable if strikes were announced well in advance that this would help the air transport sector to take measures accordingly and to reduce the number of cancellations. It might also be helpful to introduce a meaningful arbitration process before declaring a strike.

Ultimately, the only way to avoid actions like strike-related flight cancellations or contingency measures is to create a corporate culture where personnel do not see any reason to strike. I am convinced that we can minimise the impact of disruptions and that it is our obligation to do everything possible to prevent such actions from happening in the future. ➔



Credit: DFS

Technology modernisation is just one area of focus for DFS.