



Remarks of CANSO Director General, Jeff Poole, at the CANSO Latin America & Caribbean Conference in Mexico City on 2 December 2014

Welcome to Mexico City, for the 6th annual CANSO Latin America and Caribbean Conference; and many thanks to SENEAM for hosting this important event for the air traffic management industry.

Much has happened since we met in Curacao 18 months ago, not least of which was the Football World Cup this summer. I know I speak for all of us when I say how proud we are of the way that DECEA successfully handled the huge increase in domestic and international air traffic. It demonstrates the effectiveness of good planning, coordination and partnership and will act as a good rehearsal for the Olympics in 2016. CANSO is proud to represent the interests of such ANSPs in the region.

The CANSO Latin America and Caribbean region was established only four years ago. Since then, CANSO has worked vigorously to represent the best interests of its Members as the voice of air traffic management in the region. CANSO has been instrumental in promoting key ATM issues with regulators, governments and industry partners. It has also organised seminars and training; facilitated best practice exchange; and collaborated with partners to drive the transformation of ATM performance.

The region has many challenges, including: implementing key operational measures such as performance-based navigation (PBN), ICAO's top air navigation priority; fragmentation of airspace across the region; and securing investment to implement airspace modernisation and upgrade programmes. But the region also offers many opportunities, including the benefits that the rapid growth of aviation is bringing to the region.

Economic benefits of aviation in the region

At last year's conference in Curacao, now 18 months ago, I spoke about the importance of aviation in this region. Since then ATAG – the Air Transport Action Group, of which CANSO is a member – has updated its report, *Aviation: Benefits Beyond Borders*. In the LAC region, aviation has further increased its economic impact:

The air transport industry in the region directly generated an estimated 840,000 jobs in 2012. And if we take the catalytic impacts, including tourism, 4.9 million jobs are supported by aviation. These jobs will double to 9.8 million by 2032.

Aviation contributes \$153 billion in GDP in the region and GDP contribution will grow 155 percent to \$389 billion by 2032.

The region's air navigation service providers (ANSPs) handled 3.3 million flights in 2012, carrying 226 million passengers.

Over the next 20 years aviation will grow on average 5.4 percent a year. Growth in the region outpaced global growth by 60 percent in 2012.

What conclusions can we draw from these impressive figures? First, there is a direct link between growth in aviation and sustainable GDP growth. And, second, aviation has a vital role in providing the connectivity that drives economic and social development and provides access to markets.

Investing in infrastructure

These economic benefits should encourage governments to support aviation but many governments do not 'get it'. We therefore need to demonstrate clearly to governments and decision-makers that aviation provides connectivity; acts as a catalyst to boost their GDP growth, particularly for developing countries; helps the international community plan its sustainable development goals; boosts tourism; and provides access to markets.

We need to explain how investment in infrastructure, particularly ATM infrastructure, will improve efficiency. We have to speak to the right people in government: not just transport but economic and foreign affairs, including tourism departments. We must also enlist the support of our partners, including airlines and airports but also the travel and tourism industry.

In September I spoke at the World Travel and Tourism Council Americas Summit in Lima and last week I received an invitation to participate in the World Tourism Forum in Switzerland. Platforms like these are an important part of CANSO's advocacy – ensuring the ATM message gets out to a targeted audience. We are the invisible part of the aviation value chain so we must work twice as hard to get our messages across to decision-makers.

Vision 2020

As we promote the benefits of aviation and the impact its growth is having on economies, we must also ensure we can provide the means to manage this growth. Since the last LAC conference we launched Vision 2020, the first-ever strategic framework for the ATM industry, with 126 global and regional deliverables in the supporting Work Plan, of which 11 are specific to the LAC region.

Vision 2020 is the catalyst for CANSO's objective to transform global ATM performance, to enable airlines to fly in seamless airspace globally across 'invisible' borders. It is a very clear

commitment from CANSO and the ATM industry to deliver and to create value for Members and stakeholders.

But we cannot do it alone and we are pleased that we have the support and commitment of industry partners, governments and regulators to make it happen.

Aviation System Block Upgrades

One of the key elements in CANSO's Vision 2020 is the implementation of ICAO's Aviation System Block Upgrades known as ASBUs. The ASBU modules are also an important part of the Port of Spain Declaration that gives clear implementation targets with dates.

We fully understand that some ANSPs have more resources than others and that is why we are providing assistance on implementation to those ANSPs that need it. We are fully involved in training and educating States and ANSPs on the ASBUs. CANSO has organised several ASBU seminars that help States assess their level in relation to ASBUs and recommend their way forward. We have produced an ASBU Implementation Guide. At last year's conference, some of you will remember the session run by MITRE that focused on the needs and dependency analysis. And we are offering 5-day ASBU implementation training courses around the world. I would like to see one of these courses held in this region so if any ANSP is willing to host please let us know.

Importantly, we are working in partnership with ICAO, IATA, ACI, States and other organisations to ensure effective implementation across the region. For example, CANSO is working with RTCA and IATA on an initiative to use the RTCA Task Force methodology to existing ICAO Regional Plans. My good friend Carlos Cirillo of IATA will explain a little more on this in the next session.

Performance-based navigation

ASBUs provide additional focus on the implementation of performance-based navigation. PBN is ICAO's highest air navigation priority and benefits include: improved safety through more straight-in instrument approaches with vertical guidance; increased airspace capacity; increased airport accessibility; more efficient operations; reduced infrastructure costs; and reduced environmental impact.

We all need to do a better job of explaining these benefits and ensuring not only that ANSPs are PBN capable but also that airlines fully accept PBN and ensure they have the appropriate avionics and their crews are trained. This is where effective partnership and collaboration is essential.

States must also play their part. In the region the 2014 target set by ICAO for PBN implementation stands at 53.8%, well above the global average, but still some way to go. In order to improve this figure we need to focus on: training - not just in ATM but pilots, regulators and airspace designers; coordinate PBN implementation among all stakeholders; and

avoid duplication - there are still too many examples of overlapping and duplicative activities, tools and training.

CANSO will continue to play its part: we provide practical information on implementing PBN to States and ANSPs; organise seminars and workshops; and we are producing a "CANSO PBN Best Practice Guide" to be published shortly.

Collaborative decision making and air traffic flow management

Collaborative decision making (CDM) helps us roll-out more efficient techniques such as continuous climb and descent operations that improve efficiency, save fuel and reduce noise. And air traffic flow management (ATFM) optimises traffic flows according to air traffic control capacity while enabling airlines to operate safe and efficient flights. SENEAM has inaugurated its 'SMART' air traffic flow management unit at the Mexico ACC and is planning to introduce in other ACCs. SENEAM's coordination and collaboration with the FAA is a great example of regional flow management.

The operations workshop after this conference focuses on how airport-collaborative decision making boosts efficiency with a practical exercise, putting A-CDM into practice for city pairs. CANSO also helped with the recent global ATFM conference here in Mexico with Members including AEROTHAI and Metron Aviation providing best practice case studies.

Safety

Safety is our industry's number one priority. In this region CANSO has produced a number of programmes and tools to enhance safety in aviation. The CANSO Safety Management System Standard of Excellence has been produced by CANSO safety experts including Members. And I know that several Members are using it to enhance their safety, including SENEAM and DGCTA. DGCTA is auditing and measuring safety culture across the organisation and is working with the regulator to ensure there is an effective and efficient reporting system in place.

Associate Members have an important role to play in helping ANSPs with the practical steps to implement a safety management system. This also provides our Associate Members with commercial opportunities.

I know that other ANSPs that are not CANSO Members are also benefitting from CANSO's advice – I hope this will lead to them becoming CANSO Members.

And after this conference, the safety workshop will provide practical advice on establishing effective safety management systems. It will also focus on runway safety, providing guidance on setting up a runway safety team and using the CANSO runway safety tools.

This is an area where the CANSO global runway safety programme is already making a difference in reducing unstable approaches and runway excursions. ANSPs such as SENEAM are taking advantage of the programme. All this helps States achieve the targets in the Port of

Spain Declaration to reduce runway excursions in the region 20% by 2016 compared to the 2007-2012 regional average.

We will continue to do everything we can to promote our runway safety tools across the region via conferences, meetings, training courses and seminars.

Benchmarking is also an important benefit of CANSO membership and Members in the region have participated in the SMS Standard of Excellence Measurement and Safety Performance Benchmarking Data Survey. The results will enable ANSPs to measure their performance against global averages.

Allowing ANSPs to act as normal businesses

I have talked today about the measures that ANSPs are taking and need to take to transform ATM performance. These measures depend on the ability of an ANSP to make informed decisions based on a sound business case. But all too often such decisions are taken out of an ANSP's hands due to the ownership structure and business models of many ANSPs in the LAC region. Most ANSPs are still owned by States, and many are run by the military.

But whether they are State-owned, corporatised, privatised or part-privatised, ANSPs should be allowed to operate as normal businesses, with a focus on the customer and on performance. Rather than relying too heavily on regulatory mechanisms, policy makers should consider the various elements of good governance that drive ANSP performance, including the separation of regulation from service provision. States should set the requirements and performance targets, focusing on outputs rather than prescriptive requirements, to encourage the necessary changes based on normal commercial judgments, rather than stifle them through micro-management.

A further advantage of removing the barriers to business-like approaches in ATM is that investments would need to be supported by solid business cases, so funding could be obtained from the private sector rather than governments.

Flightyield

One benefit of enabling ANSPs to act as normal businesses is that they would be able to take a fresh approach to revenue management. Just as airlines and telecommunication providers have developed sophisticated yield management systems to provide user choice and optimise return on investments, ANSPs need a modern, sophisticated, and purpose-built solution to optimise yields on ATC investments and on the airspace assets being managed by them. Addressing the inefficiencies by implementing an effective billing, collection and revenue management system can deliver significant operational and financial benefits to ANSPs and their customers.

That is why we launched Flightyield as a next-generation "quality service from CANSO", with the capability to transform aviation billing, collection and revenue management, resulting in reduced costs and increased efficiency.

Instead of ANSPs manually collecting overflight fees from each airline separately, Flightyfield will provide a single point of contact to automatically capture, calculate, rate, invoice and collect overflight fees from all airlines. The good news is that Flightyfield is producing results for the ANSPs that are using it. These ANSPs are reporting higher returns and lower costs.

However, the most important benefit and key value propositions of the Flightyfield service is its ability to support the introduction of sophisticated charging regimes, without a resulting increase in cost and complexity. With Flightyfield, ANSPs can offer premium and performance-based services and increasingly granular 'user-pays' pricing. That's a significant financial and operational benefit to ANSPs whose existing systems don't allow for differential charging based on individual flight profiles.

Conclusion

In conclusion, there are quite a few challenges for air traffic management in the LAC region but a lot of opportunities. I am very pleased with the progress that has been achieved in the four years that CANSO has had an office in the region, and I look forward to other ANSPs in the region joining CANSO and taking advantage of the great benefits CANSO offers its Members

For the future, most importantly, we must continue the good work we are already doing in safety – encouraging more ANSPs to take advantage of the excellent CANSO tools on safety management systems and runway safety among others. But I believe strongly that we must also focus on three key areas to secure the benefits of improved ATM performance in the Latin America and Caribbean region:

Talking more to the real decision-makers about the economic benefits of aviation and convincing them of the importance of investing in ATM infrastructure.

Using the opportunities offered by the implementation of ASBUs to modernise and upgrade ATM in the region and in particular make progress in implementing PBN.

And further strengthening the partnership with ICAO, States and our industry colleagues to truly transform ATM performance in this important and growing region.

We hope you enjoy the Conference discussions and make full use of the numerous social and networking opportunities during your stay in Mexico City. Many thanks to SENEAM for hosting this conference as well as our various sponsors and exhibitors for their generous and invaluable support. Finally, please join me in thanking the staff of SENEAM and CANSO who have worked tirelessly to make this a successful, valuable and enjoyable Conference.