

# "We want you to fly punctually again"

*Six-point programme presented by the air transport partners of the German Transport Forum (Deutsches Verkehrsforum) to reduce delays in European air transport*

**The implementation of this six-point programme leads to a reduction in delays in air transport and the harmonisation of the European air navigation services:**

- Point 1** Strengthen the regulatory function of Eurocontrol
- Point 2** Separate the regulatory function and the service provider function
- Point 3** Develop a common European airspace management
- Point 4** Create a common European capacity planning process
- Point 5** Develop performance-oriented and competitive air navigation services
- Point 6** Establish a performance-linked charges system

This is a **position paper of the following companies and associations** in Germany:

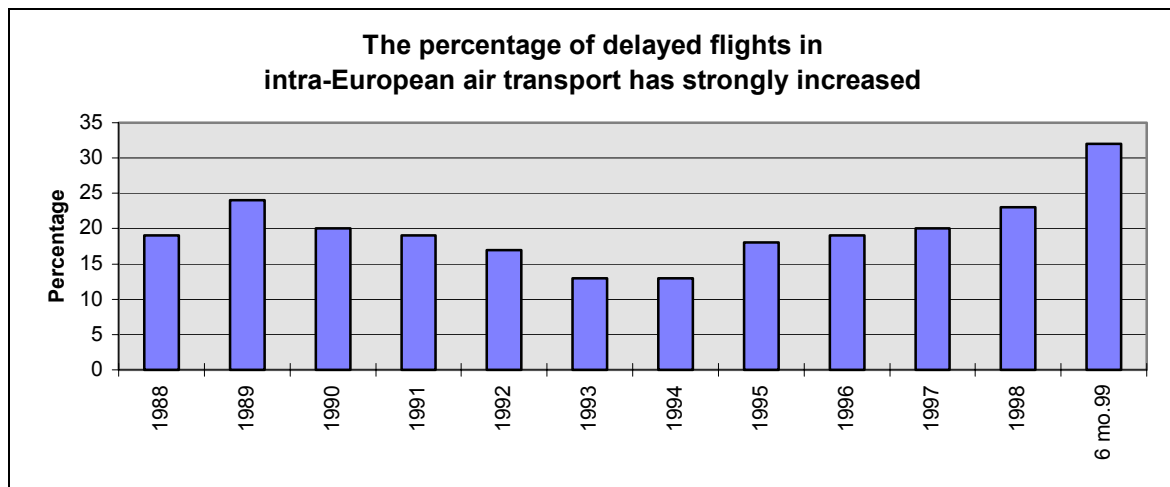


**"Reducing delays in European air transport  
through harmonisation of air traffic management"**

**In a six-point programme, the air transport partners of the German Transport Forum  
(Deutsches Verkehrsforum) demand rapid and comprehensive political measures**

**Delays in air transport have significantly increased -  
what are the effects and what are the causes?**

Since 1994, **punctuality in European air transport has been continuously decreasing**, particularly over the past 24 months. According to the European Organisation for the Safety of Air Navigation, Eurocontrol, 32 per cent of all intra-European flights departed with a delay in the first six months of 1999; in June 1999, 37 per cent of the flights were delayed. In 1998, 23 per cent of all flights were delayed; the cumulated delays caused by air traffic control reached a record high of 450,000 hours. A flight is considered to be delayed if the departure at the gate is at least 15 minutes later than the scheduled departure time.



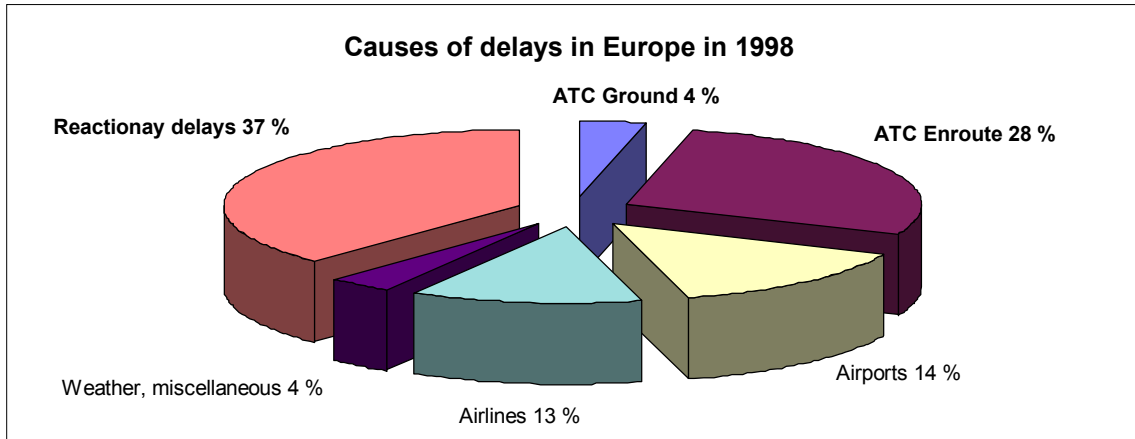
Source: Eurocontrol, German Transport Forum

Unsatisfactory performance of air traffic control in Europe is the major **individual cause of delays**. Since air transport in Europe was liberalised, the existing European systems which continue to be oriented towards national boundaries have not been able to cope with the predicted increase in demand. These shortcomings are to be attributed to differences in the efficiency of the individual control centres and numerous interface problems.

Despite their positive results, European action programmes like EATCHIP (European Air Traffic Control Harmonisation and Integration Programme) and the air traffic flow management (ATFM) measures of the CFMU (Central Flow Management Unit) could not stop the significant increase in delays. Following the expansion of the membership of the European Civil Aviation Conference (ECAC), the number of area control centres (ACCs) in Europe has risen to 68, all of which have to be included in the planning.

In 1999, 17 of the 68 area control centres were unable to ensure the required increase in capacity. The insufficient capacity of a few centres has had significant repercussions on the overall air

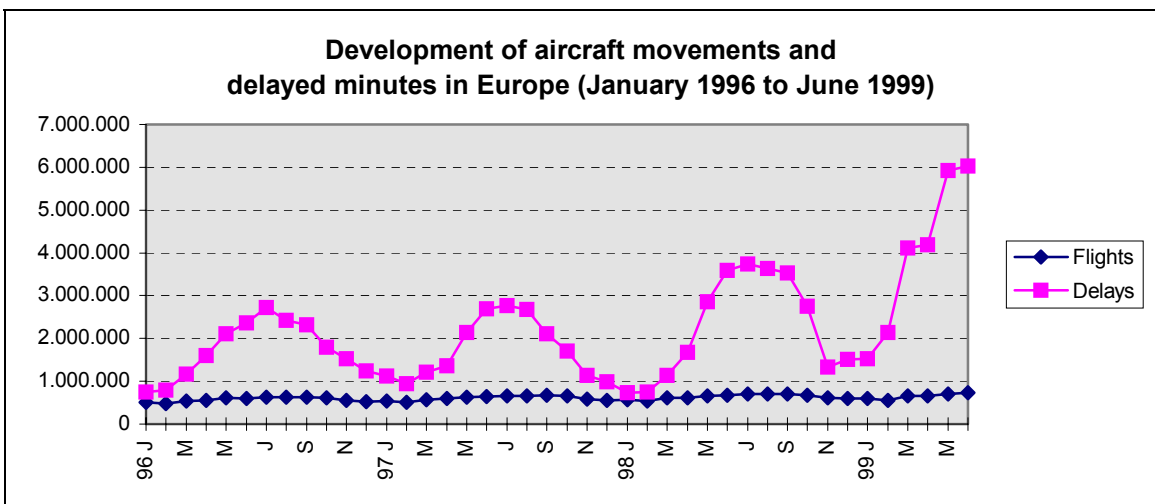
transport system in Europe. About 90 per cent of the air traffic control-induced delays was to be attributed to bottlenecks in approximately 25 per cent of the European airspace. Deficiencies in the overall European capacity planning as well as in the capital expenditure and human resources planning of individual air navigation services organisations have led to this increase in delays. Another reason is the fact that, in some countries, considerable airspace portions are permanently reserved for military operations.



Source: Eurocontrol, German Transport Forum

Delays already account for an **economic damage** of several billion euros, which are induced to passengers, cargo shippers, the air transport industry and the environmental sector. In 1998, the direct operating costs of the European airlines increased by more than 500 million euros. As a result of the unnecessarily long flight times, the environment is polluted by avoidable engine emissions. According to Lufthansa estimates, the additional burden caused by the holdings in 1999 could amount to approximately 320,000 tons of carbon dioxide. The report of the Intergovernmental Panel on Climate Change (IPCC) of 23 June 1999 concludes that the fuel consumption could be reduced by 6 to 12 per cent if the air traffic control systems were modernised.

As a result of continuous economic growth and increased private travel, the **demand in air transport** is expected to continue to grow over the next few years. According to Eurocontrol forecasts, the average growth in air traffic movements will be between 4 and 5 per cent per annum. Liberalisation of air transport and globalisation of the economy have led to increased competition; traveling by air has thus become more attractive and less expensive. The liberalisation, which was to bring about efficiency improvements, must not be restricted to airlines and airports; the pertinent principles adopted by the European Commission and the states of the European Union must also be applicable to air navigation services providers who up until now could claim local monopolies.



Source: Eurocontrol, German Transport Forum

The **responsibility for resolving** the current delay situation, as far as it is air traffic control-related, lies primarily with the European governments. Each individual state claims sovereignty of its airspace and, therefore, is also responsible for the currently inadequate provision of air navigation services. The economic and political integration towards a Europe of Nations must not be limited to the ground but needs to include the airspace. The problems of European air traffic management must be solved by a co-operative effort by the states, the European Commission and Eurocontrol. All institutions have to contribute to this effort; airlines and airports also have to fulfil their duties to rigorously reduce the delays caused by themselves.

In order to be in a position to make the necessary decisions by the end of this year, the **EU Ministers of Transport** on occasion of their meeting on 17 June 1999 therefore adopted a resolution inviting the EU Commission to submit a report on the causes of delays and the associated remedial action. The objective of safe, punctual and efficient air transport in Europe can only be achieved by a common plan of action which is supported and implemented by all stakeholders.

### **Return to punctuality as a quality indicator in air transport - what are the required actions?**

Over the past years, companies and politicians have made many suggestions to improve the delay situation in European air transport. **Numerous studies, proposals and resolutions** offer solutions to the problem:

- Nov. 93 "The Need for a Single ATM System in Europe" (Association of European Airlines)
- March 96 "Air Traffic Management - Freeing Europe's Airspace" (White Paper EU Commission)
- April 99 "Air Traffic Management 2000+ Strategy" (ECAC)
- June 99 "Action Plan to Optimise the Use of Existing ATM Capacity" (Eurocontrol)
- Sept. 99 "Five-Point Action Plan for ATC Delays" (International Air Transport Association)

A **comprehensive action programme** now needs to be developed on the basis of existing and new proposals and – this is our major demand - the measures have to be implemented gradually and consistently. The result should be a European air traffic management system which ensures safety in air traffic while providing sufficient capacity in an economic and competitive way. The target value to be used as a quality indicator by many airlines is a departure punctuality of at least 90 per cent of their flights.

The following **six-point action programme** will bring about a European air traffic management system which can meet these requirements. The programme is based on the recognised principle of separating the regulatory functions in ATM from those of the service provision. Standardisation and regulation in Europe must mainly be the responsibility of the experts at Eurocontrol, while the provision of air navigation services should remain the responsibility of regional, or preferably supra-regional, air navigation services providers.

#### **Six-point action programme of the air transport partners of the German Transport Forum**

- Point 1 Strengthen the regulatory function of Eurocontrol**
- Point 2 Separate the regulatory function and the service provider function**
- Point 3 Develop a common European airspace management**
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"One Airspace for Europe" should be the guiding principle for all developments.

### Point 1 Strengthen the regulatory function of Eurocontrol

The decisions by Eurocontrol are currently not directly binding in Member states without going through the national legislative procedures. This often leads to delays and inconsistencies in the implementation. There is only a "moral" commitment to implement the actions of decisions made by Eurocontrol.

Regulations of the EU and the European Communities, however, are binding and directly applicable in the Member states. The planned Eurocontrol membership of the European Communities should, therefore, entail the agreement that Eurocontrol decisions become directly applicable in the Member states as Community law, since the decisions are actually made in cooperation with the states of the Community. The binding force would apply both to the air navigation services organisations and the airspace users. This could considerably improve the currently unsatisfactory planning and implementation processes, for example, in the field of capacity-increasing programmes.

Proposed action:	The EU Transport Ministers should expand the negotiating mandate of the European Commission for the accession to EUROCONTROL such that EUROCONTROL resolutions become directly applicable in EU Member states.
Implementation:	Meeting of the EU Transport Ministers on 9 and 10 December 1999

### Point 2 Separate the regulatory function and the service provider function

It is generally agreed that the regulatory functions (planning, development and definition of standards) and the service provider functions (implementation of standards and provision of air navigation services) should be organisationally separated. A strong regulatory function takes account of the sovereignty of the states and their responsibility for air traffic. The provisions contained in the Revised Eurocontrol Convention should be consistently applied, taking into account the measures proposed in the ATM 2000+ Strategy. The Eurocontrol Convention should be amended as far as necessary to reflect the required division of tasks.

Eurocontrol must take on regulatory functions in areas where:

- it is necessary to define international standards and procedures for compliance with pre-determined safety targets in order to ensure **safety**;
- it is required for the planning, development and adherence to certain **technical and operational standards** in order to guarantee the compatibility of the systems; in addition, it must be ensured that European plans to optimise the airspace and route structures are complied with.

The implementation of standards and the provision of air navigation services are carried out by the national or supra-regional service companies.

Air traffic flow management should be provided centrally in order to regulate the traffic flow with regard to the overall optimum. Eurocontrol should issue an invitation to tender for this service so that it can be performed by efficient air navigation services organisations.

All other remaining operational air navigation services should also be provided by efficient, preferably supra-regional service providers. A decentralised organisation can adapt better to different regional requirements and the development of the market. Organisational structures under private law

are best suited to these functions; any continuance of regional air navigation services monopolies must be subjected to a competition supervision on a European level.

Proposed action:	The ECAC Transport Ministers' Meeting MATSE/6 should call upon the Eurocontrol Agency to use the possibilities of the Revised Eurocontrol Convention consistently. In connection with the requested separation of functions, the Eurocontrol Agency should adapt its working programme and, if necessary, devise changes to the Eurocontrol Convention in co-operation with the states.
Implementation:	The ECAC Transport Ministers' Meeting MATSE/6 on 28 January 2000; adopted measures to be implemented by the middle of 2001

### **Point 3    Develop a common European airspace management**

The organisation of the airspace in Europe continues to be oriented towards national boundaries, which conflicts with the operational requirements in many ways. For the planning and use of airspace, the ATM 2000+ Strategy as a basic principle, therefore, considers the European airspace to be a continuum; this continuum may not be restricted through national boundaries. In order to implement this principle, a clear political decision must be made by the Transport Ministers to transfer certain national competencies in airspace planning to Eurocontrol to achieve greater cooperation. The sovereignty of the individual states in their airspace is not infringed upon in doing this. A lasting solution to the capacity problems requires that Eurocontrol co-ordinates the planning procedures.

The states are required to establish coherent airspaces independent of national borders. Improved airspace utilisation also includes flexible and joint use of airspace for both civil and military flights. The developments in some countries have shown that the integration of civil and military air traffic control has contributed to significant efficiency improvements.

Proposed action:	Within the framework of the ECAC Transport Ministers' Meeting MATSE/6, the proposed ATM 2000+ Strategy should be adopted; the basic principle "One Airspace for Europe" must be firmly established.
Implementation:	The ECAC Transport Ministers' Meeting MATSE/6 on 28 January 2000

### **Point 4    Create a common European capacity planning process**

In 1998, Eurocontrol presented for the first time a general overview of the interconnected structures of European traffic flows and their dependency on the performance of individual control centres. Insufficient capacity of a few control centres has serious repercussions on the entire air traffic in Europe; the enhancement of capacities must therefore take account of this interconnected nature of air traffic. The capacity planning process which includes Eurocontrol, the airlines and the air navigation services organisations must be further pursued in order to increase the planning reliability. The planned targets must be defined in good time and in a binding form.

Centrally defined planning premises, which the decentralised air navigation services organisations fulfil by means of adequate planning in the fields of capital expenditure and human resources, are suited to create a future-oriented and efficient European air traffic management system.

Proposed action:	The Eurocontrol Agency must further develop the capacity planning process for Europe. Capacity targets should be defined in good time and in a binding form, and the states should undertake to comply with the agreements. The ECAC Transport Ministers should adopt a resolution at the MATSE/6 meeting in support of these measures.
Implementation:	The ECAC Transport Ministers' Meeting MATSE/6 on 28 January 2000

### **Point 5 Develop performance-oriented, competitive air navigation services**

The fact that many national air navigation services organisations are still embedded in public-service structures makes the swift adaptations to the requirements of the air transport market more difficult. Decisions are in many cases made on the basis of national policies and budgetary restrictions. Performance orientation and adaptation to pan-European needs are often of minor importance. The developments in the United Kingdom and Germany, for example, have shown that the organisational privatisation of the air navigation services increases their efficiency and their responsiveness to market requirements.

The governments of the European states should transform their air navigation services into organisations under private law and invite the European air navigation services organisations to tender for the provision of air navigation services. The principles of free competition contribute to enhancing efficiency. This basic condition concerning the structure of air navigation services organisations is yet to be fulfilled in many cases. Naturally evolved monopolies could continue to exist with respect to the provision of the core functions of the air navigation services, but other air navigation services functions should be subject to the general principles of competition.

Further cost reductions and performance improvements will only be possible if the state-run air navigation services organisations are transformed into companies organised under private law, thus ensuring the necessary cost transparency and efficiency increases.

A European competition supervision will be required to avoid abuse of a monopolistic position of the air navigation services in the form of unjustifiably high prices or unsatisfactory performances.

Proposed action:	The EU Transport Ministers should task the EU Commission on 9 and 10 December 1999 to develop a concept for performance-oriented and competitive air navigation services and submit it to the EU Council of Transport Ministers for adoption.
Implementation:	by the end of 2000

### **Point 6 Establish a performance-linked charges system**

Today's charges system guarantees the air navigation services organisations in Europe full cost recovery. As a result of the monopolistic structures, there are hardly any economic incentives for quality improvements or efficiency enhancements. Only a few air navigation services organisations have an effective controlling and cost management.

Up to now, airlines and their customers have even covered the costs arising from the unsatisfactory provision of air navigation services. For this reason, mechanisms should be developed which permit airlines to make deductions from the user charges if capacity bottlenecks are not eliminated

in time and if avoidable delays occur. Particularly well-performing air navigation services organisations should be financially rewarded by means of a bonus system. Performance-linked bonuses are common practice in many business sectors and should also become established in the air navigation services.

Proposed action:	The ECAC Transport Ministers' Meeting MATSE/6 should task Euro-control to prepare a concept for the development and introduction of a performance-linked charges system.
Implementation:	by the middle of 2001

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**Further information** may be obtained from the participating companies and associations or from:

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