



# High Level Group on the Future of European Aviation Regulation

Meeting report 26.1.2007

## 1. Objectives of the meeting

This meeting of the High Level Group was devoted to discussing information papers on key issues presented by experts and theme papers presented by group members in order to get a better understanding of the issues to be addressed in the report to Mr Barrot.

## 2. Information papers by experts

### SESAR – Olaf Dlugi and Bo Redeborn

SESAR is at the point of moving from the definition to the implementation phase. Mr Dlugi explained that the future system should be seen as an integrated system, encompassing ground infrastructure, as well as airborne components and operational procedures. The SESAR consortium is currently working on assessing the targets in the D3 phase leading to the establishment of an operational concept. The targets are of a political nature: capacity x3, safety x10 and unit cost /2.

He sees fragmentation both in technology and service provision as one of the major obstacles, whereby the Member States, as owners of the service providers, have an important role to play. He is convinced that national NSA's are unsustainable. Mr Dlugi saw a need to change from technical intervention to strategic management and identified a lack of political will to implement existing regulations. The safety dimension needs to be strengthened in the form of proactive safety management. Another challenge is preserving the consensus amongst stakeholders, including the professional staff. The military are quite willing to accommodate change as long as the military dimension is duly taken into account. He expects that further liberalization is necessary to incentivise industry to contribute funding. Mr Redeborn added in conclusion that the institutional set-up should facilitate system approval and effective oversight.

The discussion concentrated on getting a clearer picture of the current level of progress, the level of ambition of the safety and capacity objectives (too high?), the role of airports in achieving the SESAR objectives, and the role of NSA's.

### Performance – Keith Williams

The work of the Performance Review Commission has identified that the challenge is to increase cost-efficiency of the ATM system. To date targets have not been formulated. The European air traffic management system should target 3% efficiency improvement per year for the next 5 years.

Mr Williams explained the low productivity by the high percentage of non-operational staff and the small economies of scale of many service providers. Functional airspace blocks are the tools devised to overcome fragmentation. However, ongoing initiatives, at least in their current status, are not yielding the expected results. States seemed to be hiding behind security and military arguments. He identified uniform application of EU Regulations as major problem and stated that half the Regulatory Authorities are not mature enough. Obstacles to performance improvement are the absence of interim targets, the absence of strong (economic) regulators and the absence of incentives.

The discussion focused on the different perceptions of HLG members regarding the progress with FAB's, and how to build in more incentives for cost reduction.

#### **Safety in the total aviation system – Patrick Goudou**

Mr Goudou highlighted the benefits of the regulatory system of EASA which delivers a method capable of delivering solutions to safety issues which would not be solved in consensus driven forums. He stressed the need to separate safety regulation from other domains of regulation and from design, although coordination at the political level to make the appropriate trade-offs is clearly necessary.

As issues he highlighted the vague objectives for the European safety system and the limited opportunities for EASA to ensure compliance.

The discussion focused on the role of the NAA's in relation to the NSA's, the importance of occurrence reporting, and the need to involve all stakeholders, in particular general aviation and non-EU members, in the decision-making process.

#### **Safety from the ATM perspective – Ron Elder**

Mr Elder stressed the need for a single regulatory framework to ensure better planning and management towards a high standards safety culture. The challenge is to preserve the right balance between centralized rulemaking and local implementation by nationally nominated/established authorities. He expressed a concern about the level of expertise in some NSA's and pointed to the need for more training. A just culture needs to be developed, but significant legal constraints exist in many Member States.

### **3. State of play on overall information**

The chair, Ms Tammenoms Bakker, updated members on her information sessions with the Single Sky Committee and the Industry Consultation Body. In the coming period information sessions will be organised with other stakeholders. Ideally the chair will be accompanied by one other HLG member.

Mr Luc Tytgat informed the HLG on the adoption of the so-called "airport package" composed of a Commission communication on "An action plan for airport capacity, efficiency and safety in Europe"; a proposal for a directive on airport charges; and a report on the implementation of the 'groundhandling' directive.<sup>1</sup>

Mr Thilo Schmidt, on behalf of the German presidency, expressed his regret not being able to elaborate, in the Council working group, any element of the airport package. He also stressed the importance of keeping momentum in the establishment of functional airspace blocks.

### **4. Theme papers by HLG members**

A first discussion on the theme papers took place. In general, HLG members were pleased with the high quality of the papers and the issues raised. The purpose of the papers is to develop and clarify HLG thinking on specific issues. The material –incorporating the suggestions made by HLG members - will be discussed again at the next meeting.

#### **Description of the regulatory framework: Raymond Cron and Victor Aguado**

The paper has the merit of providing an overall framework for analysis, based on the total system perspective. Mr Cron agreed to add what type of regulation should be made at

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<sup>1</sup> Council Directive 96/67/EC of 15 October 1996 on access to the groundhandling market at Community airports, Official Journal L 272 , 25/10/1996 P. 0036 - 0045

national, EU and global levels, and to indicate where is change required versus the current way of working.

**Delivery of the ATM network: Victor Aguado and David McMillan**

This paper was seen to be a cornerstone for the HLG thinking. It was proposed to focus more on three distinct layers involved in delivering the ATM network (regulation, network management and service provision). This would facilitate identifying the different functions before discussing their appropriate governance structures. The grey zones between these three layers also need to be identified and addressed.<sup>2</sup> For the next meeting, the HLG asked Mr Aguado to prepare several options with different network structures to deliver the ATM network across these layers.

**Safety objectives, safety chain and safety system: David McMillan and Michel Wachenheim**

This paper contains some important possible ‘headlines’ for the HLG, such as the role of EASA in ATM safety, the continued importance of NSA’s, and the possibilities for networked safety organisation. HLG members suggested integrating elements raised in the safety discussion during the morning session, in particular the total system approach, further defining the objectives, and developing occurrence reporting to feed into the safety management system.

**Relevant airport capacity issues in the system approach: Olivier Jankovec and Victor Aguado**

Airport capacity is a clear bottleneck in achieving the SES ambitions. The competence of Member States in airport capacity policy was recognized. However, the HLG can suggest actions to be taken, for instance raising awareness of the problem by asking for a ‘bilan’ on the state of airport capacity in Europe, pointing to the risks of non-solution, and increasing the urgency of standards to reduce noise emission.

**Governance principles: Alexander ter Kuile, Fritz Feitl and Jeff Poole**

The discussion concentrated on clarifying the need for a system design function and on ways to engage industry more effectively in aviation regulation.

**ANS Funding issues/ Public Private Partnerships: Alexander ter Kuile**

It was proposed to merge the ANS funding and the PPP papers in order to focus on the most urgent issues to be addressed. A key issue for the HLG is to define what incentives can be developed to commit industry to ATM developments. This will be addressed in the merged paper.

## **5. Outline of the report**

Members agreed in principle to the draft outline with the suggestion to bring the key messages forward, highlight the regulatory and institutional recommendations, and expand on safety and the roadmap.

## **6. AOB**

The next meeting will take place on **22-23 February**, starting at 16.00 p.m. in the CCAB, room 4D and continuing in the morning of 23.02 in the Berlaymont building, meeting room Jean Rey.

Papers are expected one week in advance.

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<sup>2</sup> Jeff Poole handed out a model with 5 layers.

## **Annex for preparing next meetings**

### *Hearings*

Hearings will be organised on the basis of questions with following stakeholders:

- Military: On the afternoon of 22 February
- Air Traffic controllers during the meeting of 22-23 March
- Pilots during the meeting of 22-23 March
- General aviation during the meeting of 22-23 March
- Engineers during the meeting of 22-23 March

Short presentations (20') will be followed by discussion (40'). The chair will issue invitations.

### *Theme papers*

For the next meeting Members will update their issue papers (max. 2p.) on basis of the HLG discussions, to be sent at least one week in advance to the secretariat:

- Description of the regulatory framework (structure, roles, accountability): Raymond Cron and Victor Aguado;
- Governance principles from a market perspective: Alexander ter Kuile, Fritz Feitl and Jeff Poole;
- Relevant airport capacity issues in the system approach: Olivier Jankovec and Victor Aguado;
- Delivery of the ATM network: Victor Aguado and David McMillan
- Safety objectives, safety chain and safety system: David McMillan and Michel Wachenheim;
- PPP's and Funding issues: Alexander ter Kuile;
- Key issues facing FAB's: New paper by Alexander ter Kuile, Michel Wachenheim, Thilo Schmidt and Jacqueline Tammenoms Bakker.