ICB
Industry Consultation Body

Annual Status Report
2015

Introduction

The publication of the ICB's vision for SES in early 2015 was a major milestone for the ICB. It demonstrated, to the Commission and the wider sector, the commitment of industry stakeholders to work together in order to achieve a better future.

2015 has been a year of strengthening our vision through a proactive and strategic work programme – continuing our solid baseline of core work whilst dedicating time to tackling big, challenging topics that shape the core of the industry, and that are at the heart of our vision. This is an ambitious target for our work: identifying meaningful consensus on complex topics such as an Independent Performance and Economic Regulator, balanced with the pressures members are naturally under from their own organisations.

The ICB's vision for SES has also been a catalyst in the sector for reinvigorated work on a framework for SES policy direction at EU level. This started with the Commission workshop in May 2015 which brought together stakeholders – industry, SES-related bodies, member states and military – to discuss what the Single European Sky should look like in twenty to thirty years. As Chair of the ICB, I was proud to present our vision at this workshop and was also pleased to participate in group discussions which were based around the three frameworks in the ICB's vision. The Single Sky Committee is likely to finalise its own SES Vision in 2016. Together with reflection on the new EU Aviation Strategy, we eagerly anticipate the beginning of an important process of dialogue with Member States and the Commission.

For 2016, the ICB must try to keep the momentum of our vision alive and be ambitious to have our say in shaping the future of SES.

This Annual Status Report provides an overview of the main activities and achievements of the ICB in 2015, and the challenges for the ICB in 2016.
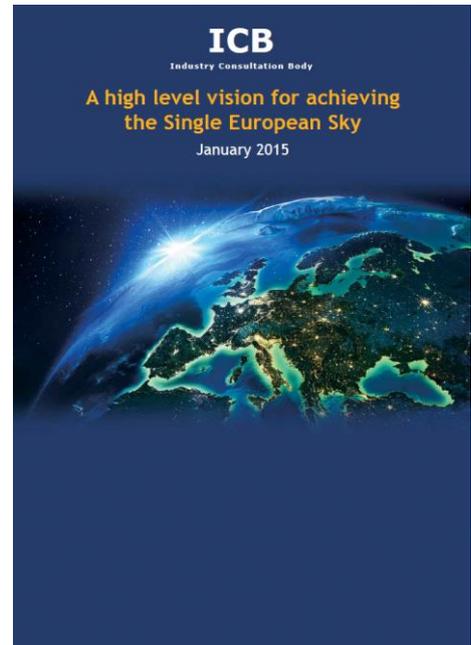
Reviewing the Year: The ICB in 2015

EU policy and legislation

The topics that have been at the forefront this year have been the development of the EU Aviation Strategy, the extension of the EASA Basic Regulation, the progression of SES2+ and the update of the European ATM Master Plan. However, from an ICB perspective it has not been necessary to devote much time to these topics in 2015 – further work is planned for 2016.

The EU Aviation Package was published in December 2015...

The goal of the Aviation Strategy is to strengthen the competitiveness and sustainability of the entire EU air transport value network. The Strategy supports the full implementation of SES. It is expected that the ICB will reflect on the strategy in early 2016.

... and a legislative proposal amending the EASA BR was released in December as part of the Aviation Strategy.

The proposals continue the process of strengthening EASA in line with the ICB vision. The ICB will also need to reflect on the detail of the proposals in early 2016.

The progression of SES2+ has stalled in 2015...

In 2014 the Council reached a general approach on the SES2+ proposals, and the Commission hopes that an agreement on the regulations may be reached via trilogue.

The progression, however, continues to be dependent on resolving the Gibraltar issue such that no work on the topic has been required of the ICB in 2015. The new Aviation Strategy highlights the need to adopt the SES2+ proposals.

...and the new European ATM Master Plan was released in the summer but consultation was primarily done at member level.

In 2015 the ICB provided short-turnaround high level comments on the ATM Master Plan. We acknowledged our appreciation that the SJU has reflected both the ICB's vision for SES and the risks the ICB has identified for the implementation of SES in this latest update of the ATM Master Plan.

The ICB will reflect on the process for updating and producing the ATM Master Plan as part of its general reflection on SESAR1 in Q2 2016.

An Independent Performance and Economic Regulator

The ICB Vision for SES is driven by '*performance-based ATM with independent economic and safety regulation'* (the regulatory framework). An important reform required in the short term to accelerate optimisation of the sector was highlighted in the vision as '*creation of an independent SES-wide economic and performance regulator and subsequent revision of the Performance Scheme to improve target setting and monitoring processes'*. This has been named by the ICB as the IPER

(Independent Performance and Economic Regulator); a name which is gaining traction throughout the sector, and highlights the need to monitor and improve operational performance and safety as economic targets are met.

Significant effort has been invested by ICB Members in 2015 on this most challenging of subjects, via workshop sessions and as part of the work of the ISG. Discussions have covered the principles and roles of an IPER, with the *target setting process* being at the heart of discussions – particularly as it also heavily influences the organisational design of the IPER.

These discussions have subsequently been progressed in bilateral meetings between CANSO and IACA/IATA, with the intention of bringing discussions back into the fold of the ISG in 2016. Delivery of a position to the Commission in Q1 2016 is anticipated to support the Commission's (ex-post) assessment of the impact, effectiveness and scope of the SES performance and charging schemes for air navigation services for RP1.

Members are urged to reach a consensus to support the development of a detailed position paper describing the potential role and responsibilities of an IPER which will be of considerable value to the Commission.

Reform of EUROCONTROL

The ICB vision recognises a need for further reform of EUROCONTROL to ensure greater alignment with the SES legislation as well as the emerging roles of EASA, the SJU and SESAR Deployment Manager.

The ICB produced a position paper on the reform of EUROCONTROL in April 2015. The paper recommends that EUROCONTROL should evolve to:

- a lean regulatory support function covering international relations, civil-military coordination, research and development and support to SES;

- deliver auxiliary operational services such as collection of route charges and provision of training products.

As part of this position, it was recommended that an industrial partnership should support/take over network management functions, and that a self-standing organisation should support the en-route Maastricht airspace. It concluded a new convention is required to reflect the organisational direction proposed.

Separately, in 2016 the ICB is tackling the future of network management. As EUROCONTROL are the current delegated Network Manager until the end of RP2, any position on the future of network management may also require the EUROCONTROL paper to be amended.

SESAR

The deployment phase of SESAR started in 2015 and has created considerable momentum in the industry. 2015 has seen the Deployment Manager take ownership of the coordination tasks to deploy SESAR. The development and consultation on the full Deployment Programme v1 was undertaken in the first half of the year, and the Deployment Programme 2015 was subsequently published in November 2015. This serves as the basis of the CEF 2015 Transport Call for Proposals for public funding for implementation projects related to the PCP; this call ends on February 16th 2016.

The CEF 2015 Transport Calls for PCP-related activities are being coordinated by the SESAR Deployment Manager, who have worked hard to produce a detailed timeline and support function to simplify this year's process. The Deployment Manager submitted three applications in response to the first CEF Transport Call, which closed in March 2015, containing 110 projects to the value of €836 million (€409 million CEF funds). Overall €325 million has been indicatively allocated towards PCP SESAR Deployment activities.

The main work of the ICB on the deployment of the PCP was completed in 2014 with the development of an ICB position on the contents of the PCP IR. In 2015 the ICB has focused on providing its view on DPv1, with the ICB commenting on the Commission's opinion on the DPv1 via letter on 4th September 2015. The ICB fully supported the comments of the Commission, and included specific recommendations such as the need to provide a plan on how to synchronise (not just sequence) implementation projects identified in the DP. Also this year the ICB raised concern to the Commission over the re-direction of CEF funds to the EFSI – this reduced the CEF envelope for grants, decreasing the funds available to ATM by €0.5 bn to €2.5 bn.

In 2016 a key work item for the ICB will be to provide a view on the definition of the next Common Project (CP2), as well as reviewing the next version of the Deployment Programme (DPv2) expected in June 2016 and supporting the Commission's review of the PCP CIR.

Regulatory response to technical challenges

A new focus for the TSG in 2015 has been on developing positions on the regulatory response to new technical challenges:

Cyber-security. Increasing reliance on inter-connected ATM systems, services and technologies increases the risk of cyber-attacks. Such risks undermine the vision of a safe, resilient and trustworthy European aviation sector, and would incur costs on the response to and recovery from cyber-attacks. Member States and operators are increasingly dependent on each other for their security, as cyber-attacks can easily propagate or be replicated across international borders. If information about previous attacks is not exchanged then neighbours cannot protect themselves and the industry cannot accurately assess the probability of a future attack.

The ICB published a position paper in September 2015 which supports a European response that first understands the risks and then establishes mitigating measures. Such a European response must support equivalent activity at national and operator levels.

The Commission's response is contained within the new Aviation Strategy, and the TSG will reflect on the proposal in 2016.

Global Aircraft Tracking (GAT). The loss of flights AF-447 and MH-370, both modern commercial aircraft, in oceanic and remote airspace has triggered an industry wide response to find solutions to track aircraft in operation globally. The objective of the initiative is to develop tools to enable airspace users to track the position of their aircraft to avoid further unexplainable disappearance of aircraft. In May 2014 ICAO Member States and the international air transport industry agreed on the need to track airline flights, regardless of global location and destination. The onus is now on industry to develop and adopt global flight tracking recommendations that airlines can implement in the near-future/now.

As part of this work, the TSG supports the ongoing ICAO and IATA initiatives, and has started developing a position paper on GAT which will be completed in 2016.

SWIM. The TSG has been working on an ICB position on SWIM which will be finalised in 2016. The SJU, CANSO, ACI Europe and IFATSEA provided briefings on their respective organisations' views on System Wide Information Management (SWIM) and the required regulatory response. Several key themes emerged around governance, compliance, trust, standards and guidance, and SWIM's potential impact on the market. It was agreed that SWIM needs to evolve in a well-managed, controlled manner and that a long term roadmap towards SWIM implementation would promote a better understanding of the deployment strategy. This would also provide confidence in the investment required for SWIM.

Remotely Piloted Aircraft Systems (RPAS). RPAS, or drones as they are more commonly known in the media, are a key topic in the new EU Aviation Strategy. The strategy recognises the opportunities for new services and applications created by RPAS, as well as the new challenges – today's aviation safety rules are not adapted to RPAS.

The TSG will continue its discussions on RPAS in 2016, taking account of the proposed role for EASA for the safe development of drone operations in the new EASA Basic Regulation.

Continuing the interoperability challenge

The main interoperability topics which have been addressed this year by the ICB are Datalink and Surveillance Performance and Interoperability (SPI).

SPI. The European Commission is following a two-step approach for the revision of the SPI Implementing Rule and has signalled that it is most likely to ask EASA to launch a rulemaking activity to work on the revision of the mandate. The ICB produced a position paper in September 2015 which supports this approach and urges the Commission and EASA to ensure the activity considers a range of regulatory tools to achieve a number of well-defined policy objectives.

The rulemaking activity must include a full Regulatory Impact Assessment and Cost-Benefit Analysis to consider the inclusion of GA and re-validate the target surveillance technologies. Crucially the activity must act quickly to minimise further delay in moving towards ADS-B whilst ensuring that sufficient consultation occurs throughout to maintain consensus. The ICB will continue to support the Commission in this area.

Data Link Services IR. In December 2014 the ICB adopted a position on the revision of the DLS IR, supported by an Information Paper in response to the EASA report. The ICB considers that data link remains a cornerstone of the future of ATM and the SESAR programme. It is therefore crucial that confidence is re-built in this critical infrastructure.

Over 2015 the ICB has been closely monitoring the progress with this IOP regulation, including obtaining briefings from the SJU, to support the Commission to mitigate any issues as they arise.

The Challenges Ahead

Building on the publication of the ICB's vision for SES at the start of the year, 2015 has again been a productive and proactive year for the ICB with all of the items in the 2015 work programme either closed or in progress. The ICB's work has covered:

- Dedicating time to tackling big, ambitious topics that shape the core of the industry – eg an Independent Performance and Economic Regulator.

- Providing rapid response on high priority and short-turnaround items from the Commission – eg opinions on the Deployment Programme and latest ATM Master Plan.

- Publishing position papers on key topics – eg cyber security.

2016 will again be a busy year for the ICB

The focus will be on supporting the realisation of the vision via a proactive work programme and bringing key topics such as the IPER to resolution, in addition to tackling new items.

As for 2015, working arrangements will be streamlined where possible to reduce the burden on Members in their engagement with the ICB, but a flexible approach will be maintained such that key topics can be given the full consideration that Members feel necessary (eg network management).
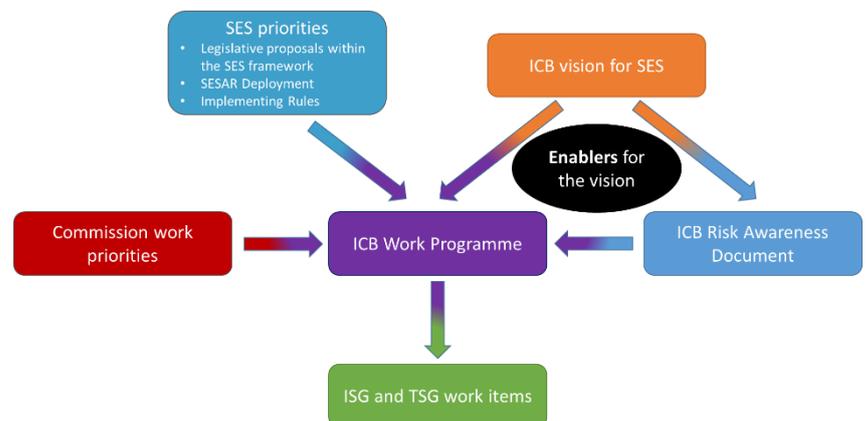
The inputs to the work programme are summarised in the diagram above. As ever, the Commission's work priorities for 2016 on which it has requested specific advice from the ICB will be a key input to the ICB's work programme.

The ICB's vision for SES will also be a key input to the work programme. Building on work started in 2015, the ICB will support the realisation of its vision by linking the vision with its risk activities.

A shift to risk 'awareness'

Risks to the implementation of SES have been identified and reviewed in the ICB via the 'Top 10 Risks' document for the past 2 years. A review highlighted that linking the risk activities to the ICB's vision would significantly increase the effectiveness of these activities.

The link is the identification of '*enablers*' for the ICB's vision, for each of the three vision frameworks. These enablers will then form the basis of a new living '*risk awareness*' document – what are the risks to the emergence of these enablers, who are the risk owners, and are the risks being mitigated appropriately?

The shift from 'risk management' in 2015 via the ICB's Top 10 Risks to 'risk awareness' is significant. It recognises that the ICB will not be the owner of any of the risks identified, but that it can maintain awareness of these risks and, via its work

programme, ensure that advice is provided to the Commission so that they are appropriately mitigated. This new approach will be further developed in 2016 and embedded as part of the strategic management of the ICB's work programme.

ICB Work Programme for 2016

As for previous years the work programme will consist of:

- **The standing items** representing work items within the normal course of ICB business. In particular, they include providing advice to the Commission on existing legislative proposals including finalisation of SES2+ and revision of the interoperability rules.

- **Items for proactive discussion** representing topics where the ICB should take a proactive role in establishing a mutual understanding and cross industry position prior to legislative proposals from the Commission. These work items will be facilitated by workshops within the ISG, TSG or plenary as appropriate.

    The following proactive items are proposed, and an indicative timeline is provided below (indicating the target schedule for delivery of advice to the Commission):

    - Continued development and monitoring of the ICB SES 'Risk Awareness' document, addressing key ICB mitigating actions.

    - Development of more detailed papers to support the industry vision of SES, including:

        i. Evolution of the Performance Scheme, lessons learned from RP1 and definition of an Independent Performance and Economic Regulator (IPER) (started in 2015 and to be concluded in 2016).

        ii. Review of the outcomes of SESAR1.

        iii. SESAR deployment: review of the PCP, comment on DP2016 and definition of the next Common Project.

        iv. Evolution of the Network Manager (started in 2015, following a scenario-based approach), evolution of EUROCONTROL.

        v. Extension of EASA.

    - Regulatory response to new technological challenges (such as RPAS, Cyber-Security, SWIM).

    - Response to the EU aviation strategy.

Conclusion

With a core set of management documents – the vision, the Work Programme and the systematic consideration of risks – combined with the committed and cooperative attitude of stakeholders the ICB has achieved the more structured and proactive approach desired. This will be further cemented in 2016 by linking the vision with risk activities to support the realisation of the ICB's vision for SES.

With the publication of the EU Aviation Strategy at the end of 2015 and the anticipated SSC SES vision document, the ICB looks forward to continued dialogue with the Commission on the framework for SES policy direction.

The ICB Chairs will continue to push ICB members to produce valuable common positions in 2016, particularly on critical topics of IPER and network management. It will be critical to identify areas of compromise to ensure that the ICB is part of shaping the future; this is an ambitious task.
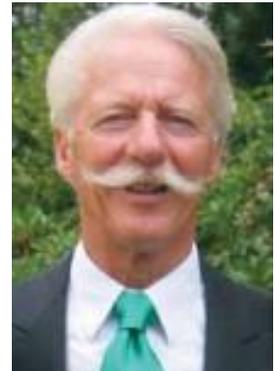
Annex A: ICB activities in 2015

Deliverables

During 2015, the ICB produced the following deliverables:

- ICB CEF position March 2015   5th March 2015

- ICB Position on EUROCONTROL reform   10th April 2015

- ICB Position on Code of Practice for Consultation   10th April 2015

- ICB Position on Regulatory Response to ATM Cyber-Security   10th September 2015

- ICB Position on EASA RMT on SPI   10th September 2015

- ICB Position on Future of Conformity Assessment   10th September 2015

- ICB Top 10 Risks – April 2015 and July 2015 releases. A full review of the approach to risks was initiated in Q3 2015 which will lead to a new 'risk awareness' document in 2016.

- ICB Information Digests were produced in April, July, September and December 2015.

Meetings

During 2015, the ICB held the following meetings:

Plenary meetings

- ICB/55   31st March 2015
- ICB/56   30th June 2015
- ICB/57   10th September 2015
- ICB/58   3rd December 2015

Institutional Sub-group meetings

- ISG 59   23rd February 2015
- ISG 60   27th May 2015
- ISG 61   23rd July 2015
- ISG 62   13th September 2015

Interoperability/Technical Sub-group meetings

- TSG 38   30th March 2015
- TSG 39   8th June 2015
- TSG 40   22nd July 2015
- TSG 41   26th October 2015

Workshops

- ICB Priorities Workshop   26th January 2015
- TSG Workshop   10th February 2015
- 4 workshops were held on the IPER in conjunction with ICB/55, ICB/56, ISG/60 and ISG/61.
- 2 workshops were held on network management in conjunction with ICB/57 and ICB/58.
- 1 workshop was held on ICB risk activities in conjunction with ISG/62.

Annex B: ICB Members & Observers 2015

Leadership

Mr Olaf Dlugi   Chairman and ISG Sub-group Chair

Mr Kurt Andreasen   Vice-Chairman

Mr Steve Williams   TSG Chair

Mr Michael Mowinski   TSG Vice-Chair

Members

Airports (2 members)

Airports are represented by ACI. The members are:

Mr Luc Laveyne   ACI Europe

Mr Panos Spiliotis   ACI Europe

Airspace Users (8 members)

Airspace users are represented by IATA, AEA (2 members), IACA, ERAA, ELFAA, EBAA and IAOPA. The members are:

Mr Jan Eriksson   AEA

Vacant   AEA

Mrs Vanessa Ruillier   EBAA

Mr John Hanlon   ELFAA

Mr Russel Dudley   ERAA

Ms Sylviane Lust   IACA

Mr Martin Robinson   IAOPA

Mr Stefano Baronci   IATA

ATSPs (4 members)

ATSPs are represented by CANSO. The members are:

Mr Guenter Martis   Director European Affairs CANSO

Mr Gudrun Held   DFS/CANSO

Ms Patricia Bier   LVNL/CANSO

Mr Danilo Pisciottu   Manager European Regulatory and Social Affairs CANSO

CNS Service Providers (2 members)

Communication Service Providers are represented by ARINC and SITA alternately:

Mr Patrick Geurts   SITA

Manufacturing Industry (4 members)

Manufacturing industry is represented by ASD. The members are:

Mr Yoann Viaouet   ASD

Mr Luc Lallouette   Thales/ASD

Mr Stefano Porfiri   SELEX/ASD

Mr Marc Hamy   Airbus/ASD

Meteorological Service Providers (1 member)

Meteorological Service Providers are represented by the Aviation Meteorology Group. The member is:

Mr Bart Nicolai   EUMETNET/AVIMET

Professional staff associations (5 members)

Professional staff associations are represented by 5 members:

Mr Mimoun Mokhtar   ATCEUC

Mr Loic Michel   ECA

Mr Daniel Liebhart   ETF

Mr Paul Neering   IFATCA

Mr Robert Schneebauer   IFATSEA

Observers

EASA (1 observer)

EASA is represented by:

Mr Jussi Myllarniemi   EASA

EUROCONTROL (2 observers)

EUROCONTROL holds two observer seats; one for a representative of the Agency, and one for a representative of the Network Manager (NM).

EUROCONTROL is represented by:

Mr Philippe Merlo   EUROCONTROL (DATM)

Mr Pascal Dias   EUROCONTROL (NM)

European Defence Agency (1observer)

The observer is:

LtCol Denis Bouvier   EDA

Military (1 observer)

Military interests are represented by MilHAG. The member is:

Col Christophe Vivier   MilHAG

Non-European Interests (3 observers)

Non-European Interests are represented by the FAA, AIA and GAMA. The members are:

Mr Cortney Robinson   AIA

Mr Jens Hennig   GAMA

Ms Maria Dipasquantonio   FAA

Research Establishments (1 observer)

The interests of research establishments are represented by EATRADA. The member is:

Nicolás Suárez   EATRADA

SESAR JU (1 observer)

The SESAR JU is represented by:

Ms Fiona McFadden   SESAR JU

Standardisation Bodies (1 observer)

The Standardisation bodies are represented by ATMSCG. The member is:

Mr Terry Dunford   ATMSCG

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