

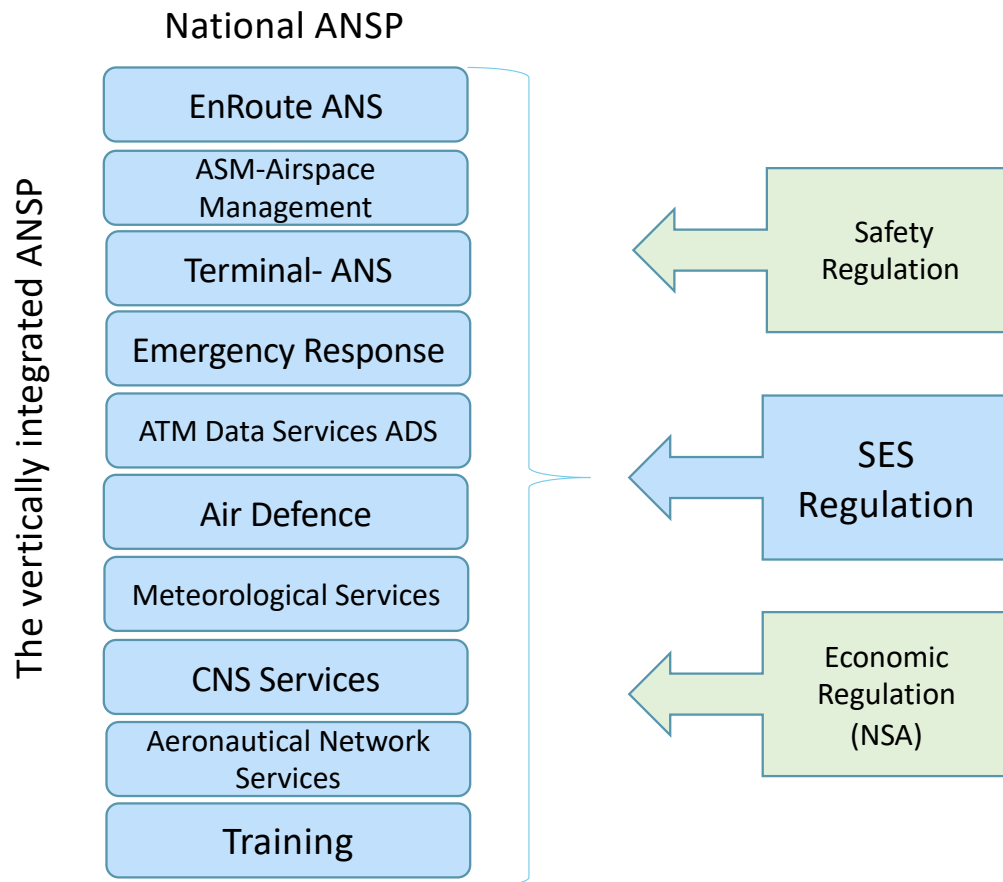


The cooperation between the PRB and the national
supervisory authorities

The View of a Commercial Terminal ANS Provider

15th Florence Air Forum
26.03.2021

Why do the regulations not achieve their target?



SES regulation has the ambition to **improve the overall European ATM performance by**

regulating the provision of certain services

Member states often reserved to enforce implementation and ‘touch’ their national ANSP

SES regulations **interpreted to be in conflict with national sovereign interests** – ANSP often close to governments:

- ❖ Ownership models of ANSP: state agencies, govt-owned corporations, semi-private forms (NATS, ENAV, MUAC, skyguide)
- ❖ ANSP revenues in public budgets
- ❖ No ‘arm’s-length’ distance between State and Provider: strong influence/lobbying from ANSP (and unions) on political decisions

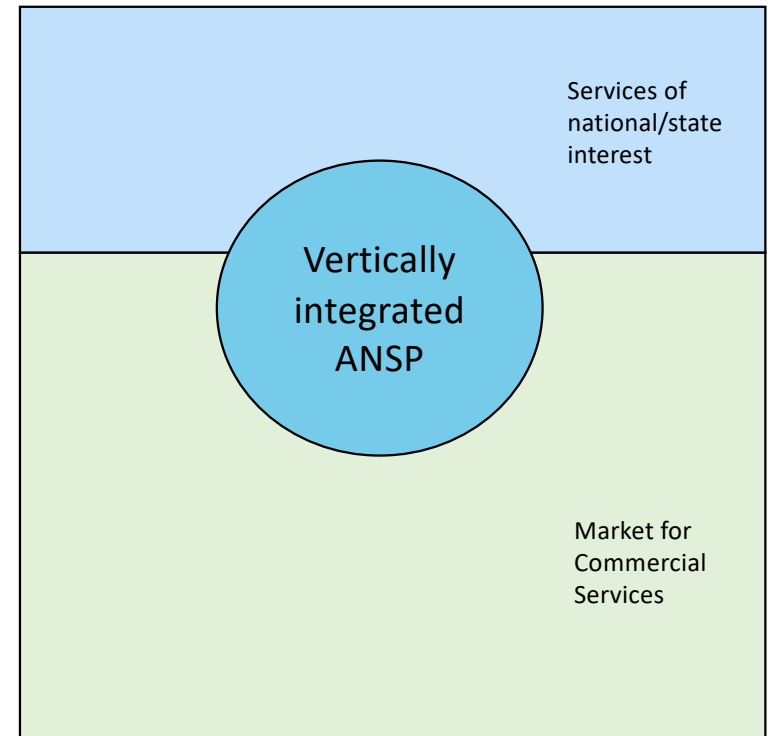
Why are states reluctant to regulate the ANSP?

State owned ANSP execute **services of sovereign and national (infrastructure) interest**

But also many **services that are not connected to national sovereignty and are not of monopolistic nature**

Vertical integration and monopoly nature of ANSP as outlier structure in the aviation value chain (Suppliers-Airports-Airlines- ANSP) and

Not in line with Business models and the regulatory framework of other public utility industries (rail, electricity, telecom, hospitals, etc.)



Unbundling of services to unlock industry potential

National ANSP

Regulated Business Area

EnRoute ANS

ASM-Airspace
Management

Emergency Response

Air Defence

Aeronautical Network
Services

Geofencing

A separation of services of sovereign national interest from services offered in a commercial context will **unlock market mechanisms for some services**

A regulated services can – over time – become commercial service

National ANSP can offer commercial services but:

Accounting Unbundling between Business areas as a precondition

Commercial Business Area

Terminal- ANS

ATM Data Services ADS

Meteorological Services

CNS Services

Aeronautical
Information Services

Training

Effects of unbundling – does it work?

Example TANS:

Country	Service	Cost Savings
Spain	TANS	46.7%
USA	TWR service at 253 VFR Airports	74%
Sweden	TANS	30-50%
Norway	TANS	Between 30 and 35%

Source: ATM Policy Institute 2018



Data on UK and Germany not available but estimated to **be in the range of between 30 % and 40%**

In addition, airports report **increased customer focus, innovation and price transparency** as result of competitive process

Outcomes **in line with experiences from other deregulated industries (and ANS training)**

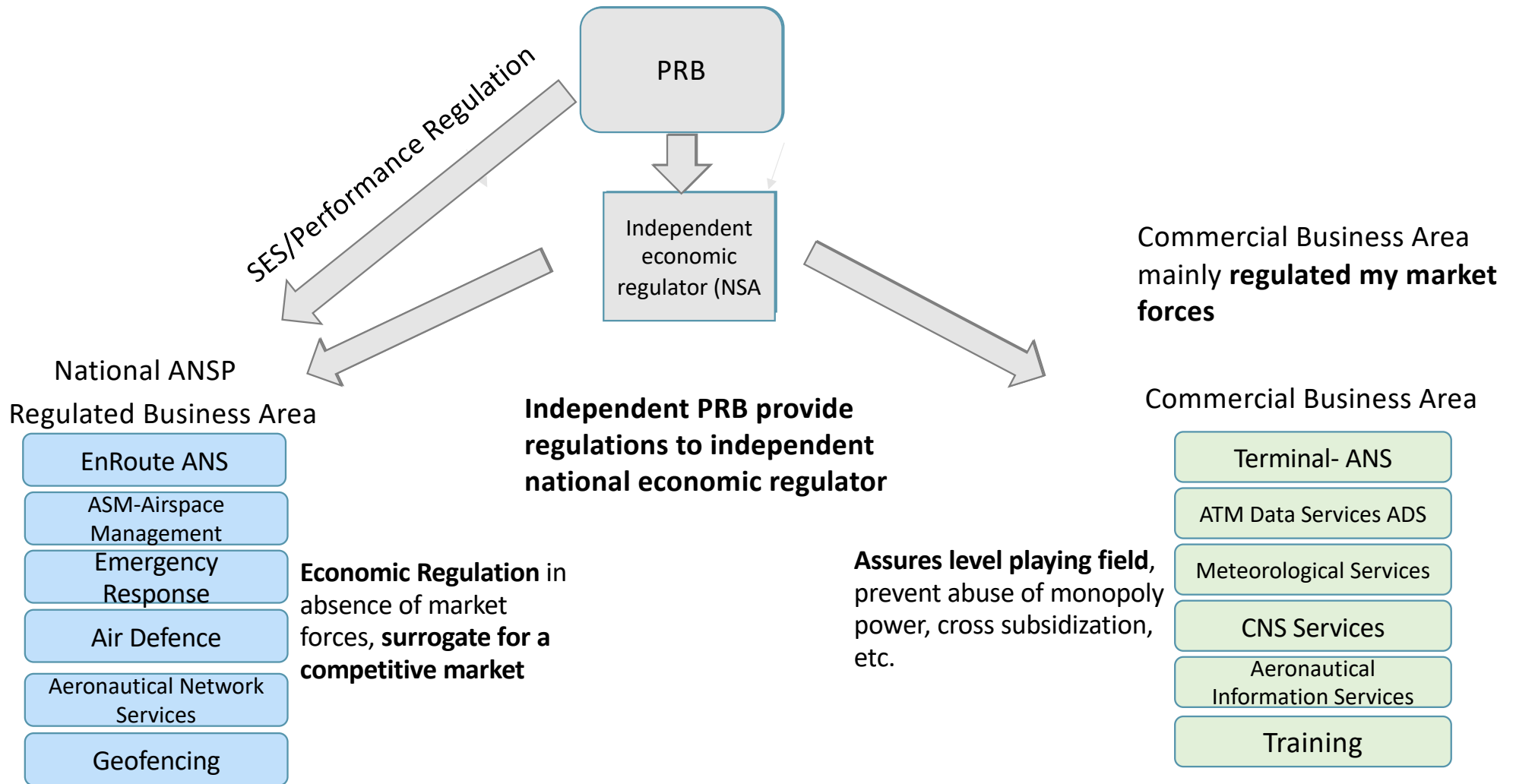
Overhead/support costs drive system costs: 69% of ANS costs (European avg 2016: ACE Benchmark Report)

Savings are achieved through **lean structures and focus on Business Model: analogue LCC**

Allows for **competitive compensation packages** (staff transfer rate >90%)

Aiming for innovative /flexible staff contracts

The regulatory perspective: the ideal world





THANK YOU

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