



## **CONFERENCE ON THE ECONOMICS OF AIRPORTS AND AIR NAVIGATION SERVICES**

**Montréal, 15 to 20 September 2008**

**Agenda Item 1: Issues involving interaction between States, providers and users**

**1.2: Economic performance and minimum reporting requirements**

**Agenda Item 3: Specific issues related to air navigation services economics and management**

**3.3: Cost allocation and charging systems**

**3.4: Economic and organizational aspects related to implementation of the global air traffic management (ATM) concept**

### **THE SECOND PACKAGE OF THE SINGLE EUROPEAN SKY (SES II)**

(Presented by the European Commission (EC))

#### **SUMMARY**

This paper aims at informing the Conference on the main content of the second package of the "Single European Sky" (SES II), which is based on four main pillars: Performance and sustainability, Technology, Safety and Airports.

Two legislative proposals (on Performance/sustainability and on Safety) have been approved by the European Commission on 25 June 2008. They will now be discussed, negotiated and adopted through the European Union's legislative process by the European Parliament and the Council of Ministers. The legislative proposal for a "more sustainable and performing aviation" aims at putting in place a performance-driven European Air Traffic Management system, tackling the issue of the airspace fragmentation and including the environmental performance. The legislative proposal on safety aims at ensuring that the complete aviation safety chain will be handled in a "total system approach", by a single body and with a single decision-making process.

The technological pillar (the SESAR programme) will be based on a European ATM Master Plan that will be submitted for endorsement by the EU Ministers of Transport in October 2008.

The airport pillar aims at ensuring a gate to gate approach to the setting up of the Single European Sky.

## INFORMATION PAPER

### 1. INTRODUCTION: FROM THE FIRST TO THE SECOND SINGLE EUROPEAN SKY PACKAGE

1.1 The first Single European Sky package was developed in the years 1999 to 2004, following the establishment of the EU Single Aviation Market in 1992, in a context of liberalisation of the aviation industry, and with the aim of addressing the inefficiencies of the European Air Traffic Management (ATM) system. At the time, the greatest problem in air traffic management was the congestion in the air generating costly delays. This first package therefore focused on capacity and on safety. To address the specific issue of the fragmentation of the European airspace, it developed in particular the concept of Functional Airspace Blocks, which aimed at stimulating the setting up of blocks of airspace that would follow operational needs rather than national borders. In addition this first package aimed at developing a more efficient institutional structure.

1.2 The main results achieved through the first package were:

- a) The strengthening of safety, through the separation between service provision and oversight functions, through the establishment of National Supervisory Authorities through the certification of the air navigation service providers, and through the adoption of Safety Regulatory Requirements in the Law of the European Union;
- b) The setting up of a more efficient institutional framework and decision-making process ensuring adequate involvement of all stakeholders: Creation of a Single Sky Committee, consisting of representatives from the civil and military authorities and with the participation of ICAO and third countries, to assist the Commission in adopting enabling legislation; creation of an Industry Consultation Body enabling all industry stakeholders and social partners to contribute to the legislation making; systematic involvement of Eurocontrol in the rule making process through mandates;
- c) The transparency and predictability of air navigation services cost bases and charges, associated with appropriate user consultation (on this item one can refer to the European working paper for CEANS on " *Europe: A "total system" approach to transparency and predictability of air transport infrastructure costs*").

1.3 However, in recent years the aviation world and its priorities have evolved. Whilst safety and capacity are still major issues, there is now also a strong emphasis on environment, and the crisis affecting aircraft operators, recently further aggravated by the increase in fuel prices, has highlighted the need to accelerate the defragmentation of the European airspace and to improve the performance of the ATM system. In 2007, various assessments<sup>1</sup> of the results obtained after three years of implementation of the first package confirmed the need to go further and to set up a second package if a "real" Single European Sky was to be created.

---

<sup>1</sup> Report dated 21 December 2006 from Eurocontrol's Performance Review Commission on the "*Evaluation of the impact of the Single European Sky initiative on ATM performance*"; Report from the second High Level Group, created in September 2006 by European Commission's Vice-President Barrot, published in July 2007 ("*European Aviation: A Framework for driving performance improvement*") ; European Commission's Communication of 20 December 2007 "*First report on the implementation of the Single Sky legislation: achievements and the way forward*" (COM/2007/0845 final).

## 2. THE SECOND SINGLE EUROPEAN SKY PACKAGE

2.1 The proposals relating to the second Single European Sky package are based on four pillars:

2.2 **First pillar: A legislative proposal for a "more sustainable and performing aviation".**

2.2.1 This pillar aims at putting in place a performance-driven European ATM system. This is the subject of a specific working paper for CEANS jointly prepared and presented by the European Commission and Eurocontrol. The main component of this system is the setting up of binding performance targets in key performance areas, at European and local levels, accompanied by adequate incentive schemes. This is fully in line with the conclusions contained in WP/5 presented by the Secretariat and which the European Commission fully supports.

2.2.2 In addition, a European Network Management function is proposed to be created to ensure optimum route design, better flight efficiency, a good allocation of scarce resources (such as radio frequencies and radar transponder codes) and to synchronise the deployment of new technologies across Europe. The creation of Functional Airspace Blocks will be accelerated and will focus on the quality and efficiency of the service provided.

2.2.3 The legislative proposal has been adopted by the European Commission on 25 June 2008. It will now be discussed, negotiated and adopted through the European Union's legislative process by the European Parliament and the Council of Ministers.

2.3 **Second pillar: Technology - SESAR (the Single European Sky ATM Research)**

2.3.1 The necessary leap in technology and management to provide for the required ATM infrastructure will be supported through SESAR, which constitutes the technological pillar of the second Single European Sky package. In order to overcome fragmentation in the development of new ATM systems and speed up the pace of technological innovation, the European Commission decided to pool research & development with a view to achieve a single future ATM system for Europe. This will be achieved by rationalising and concentrating public and private resources into one coherent programme with the full involvement of all aviation stakeholders.

2.3.2 The objectives of the SESAR programme are to achieve a future European ATM system for 2020 and beyond, targeting for 2020:

- A tripling of capacity as compared to 2000
- associated increase in safety
- 10% reduction per flight in environmental impact compared to 2005 and
- 50% reduction in cost per flight as compared to 2005 (i.e. from an average of 800 € to 400 € of ATM costs per flights).

2.3.3 The first phase of the SESAR project (the definition phase) has been completed and has brought together the stakeholders in European aviation to develop and commonly agree on a new ATM concept and on a ATM Master Plan establishing the research, development and deployment roadmap. This first phase represents the first major milestone towards the deployment of the new system. The Master plan will be presented in October 2008 by the European Commission to the Council of Ministers for endorsement, which will trigger the start of the second phase of the project (the development phase).

2.3.4 Once approved, the European ATM Master plan will accelerate the required technological evolution of the present ATM systems, thus constituting a key element for the successful implementation of the Single European Sky.

#### 2.4 **Third pillar: Safety - EASA (European Aviation Safety Agency)**

2.4.1 The European Aviation Safety Agency (EASA), which was set up in 2002, was first assigned with tasks and responsibilities in the areas of airworthiness and certification of aeronautical products, parts and appliances. In 2008, its role was broadened to include the areas of air operations, pilots' licenses and the safety of third-country aircrafts. The second Single European Sky package now proposes the extension of EASA's competence to airports and Air Traffic Management, thus ensuring that the complete aviation safety chain will be handled in a "total system approach", by a single body with a single decision-making process, independent from technological and economic considerations. In this way the European Commission endeavours to ensure the development of coherent and common safety rules, securing high and uniform safety standards in all of the European Union's Member States.

2.4.2 The legislative proposal has been adopted by the European Commission on 25 June 2008. It will now be discussed, negotiated and adopted through the European Union's legislative process by the European Parliament and the Council of Ministers.

#### 2.5 **Fourth pillar - the airports dimension**

2.5.1 Airport capacity and efficiency will be integrated in the second Single European Sky package, thus ensuring a gate to gate approach. The creation of an Airport Observatory will allow linking the airport dimension to the new ATM governance and will enable its incorporation into the European Network Management function.

#### 2.6 **Conclusions**

2.6.1 These four pillars are coherent and interrelated, and should therefore progress at the same pace. This is why they will be discussed simultaneously, as a package, with the European Parliament and the Council of Ministers. The European Commission is adamant that these four pillars be adopted and implemented in a coordinated manner. The political target of the European Commission is to get an approval of the proposals before the summer of 2009, which should allow the preparation of the appropriate implementing rules and a concrete entry into force by end 2010.

2.6.2 The European Commission is eager to discuss and exchange views with any interested party on its second package<sup>2</sup>.

— END —

---

<sup>2</sup> Air Transport portal of the European Commission: [http://ec.europa.eu/transport/air\\_portal/](http://ec.europa.eu/transport/air_portal/)