

Remarks by Eugene Hoeven, Director ICAO Affairs ICAO Air Transport Symposium, 7 May 2014

- Two years ago, during this event, I indicated that for air transport to be sustainable it must simultaneously and continuously contribute to socio-economic welfare while reducing its adverse effects on society and the environment
- That remains the case today
- However, as Raymond Benjamin, Secretary General of ICAO, so aptly observed, the main barrier to sustainability is fragmentation
 - based on geography
 - in approaches to policy and regulation
 - in service provision
 - and of the air transport value chain
- With 191 States responsible for air navigation services provision, and our global airspace divided up into hundreds of pieces
- Air traffic management is utterly fragmented
- This has an impact on safety, efficiency, capacity and environmental performance
- The new ATAG Report "Aviation: Benefits Beyond Borders" makes a direct link between growth in aviation and sustainable GDP growth in countries
- To cater for this growth in air transport we must have efficient infrastructure; a globally harmonised and interoperable air navigation system capable of delivering efficient seamless service

- Rising demand without commensurate increases in capacity would adversely impact the safety, efficiency and sustainability of air transport
- Yet today, airspace congestion and delays are already evident in many parts of the world
 - With potential safety implications
- Aircraft are still flying routes laid down 60 years ago on the basis of ground based navigation aids, government agreements and communications and surveillance limitations
- But the good news is that the need for change is increasingly recognised and there is a real opportunity to transform global ATM performance
- In the past year, there have been two major developments that give cause for optimism that we can make real progress towards seamless airspace globally and ensure that we can have the right infrastructure in place to support the growth in air transport
 - First, CANSO launched its Vision 2020 in June 2013
 - And second, States agreed the Global Air Navigation Plan in November 2013
 - And its Aviation System Block Upgrades (ASBUs) methodology
 - As well as the Global Aviation Safety Plan

Vision 2020

- CANSO's objective is to transform global ATM performance
- Our vision is of a globally harmonised and interoperable air navigation system

- Capable of delivering a safe, efficient and seamless service
- Through CANSO, the ATM industry – ANSPs, system manufacturers and solution providers – agreed a comprehensive strategic framework – Vision 2020
 - With 126 detailed actions, deliverables and timescales
 - At global and regional levels
- Importantly, this is not just a strategic aspiration, it provides a strong focus on the implementation of challenging but achievable deliverables, creating meaningful added value
- Vision 2020 is a very clear commitment from CANSO and the ATM industry to deliver what is necessary to transform global ATM performance
- Deliverables to make airspace more efficient and improve capacity include implementation of:
 - Collaborative Decision Making
 - Air Traffic Flow Management
 - Performance Based Navigation
 - ADS-B: Using satellites to more accurately track aircraft positions
 - Optimised flight trajectories that save fuel
 - Flexible routing – flying the shortest possible, wind-adjusted routes that save on fuel and time

ASBUs

- The umbrella under which many of these deliverables sit is ICAO's Aviation System Block Upgrades (ASBUs)

- The ASBUs give us a road map for planning airspace enhancements
 - To ensure a safe and globally harmonised aviation system over the next 15 years
- They offer a coordinated approach to the introduction of ATM solutions
 - That will deliver clearly defined and measurable operational improvements
- ICAO has given us the “what”; it is for industry to provide the “how” and deliver the results
- CANSO has been quick to get going
 - In December, CANSO launched its guide “Introduction to the ASBU Modules”
 - We are driving implementation through regional seminars and practical assistance
 - And we have just started delivery of training courses on ASBU implementation
- We hope all aviation industry stakeholders are equally committed and supportive to transform global ATM performance
- In particular, we need to ensure States are persuaded of the benefits of the block upgrades and are committed to implement them

What do air transport stakeholders expect to gain from further liberalization (sic)?

- Turning now to the questions we have been asked to consider in this panel

- First question: what do air transport stakeholders expect to gain from further liberalisation?
- For ANSPs liberalisation means:
 - States using their powers of sovereignty to delegate cross-border service provision where this makes sense;
 - Being allowed to operate like a business, with a focus on the customer – the airspace user; and
 - Separating service provision from the regulatory function
- I would just like to touch on each of these in turn

Liberalisation means moving away from the One State One ANSP model

- Airspace needs to be organised, and air navigation services need to be delivered
 - In line with the operational requirement of airspace users
 - Rather than according to national borders
- For too long our industry has suffered under the 'one State – one ANSP' model
- States can delegate service provision to other States and designate a service provider to provide service coverage for a larger airspace
- This has long been recognised by States in ICAO
- And it is a responsible and effective use of sovereignty
- Such cooperative arrangements among States need to be encouraged
 - And the capacity and efficiency opportunities to air navigation need to be explored

Liberalisation means allowing ANSPs to act as normal businesses

- Most ANSPs are still owned by States
 - But whether they are State-owned, corporatised, privatised or part-privatised
 - ANSPs should be allowed to operate with a focus on the customer and be judged on their performance in service delivery
- Rather than relying too heavily on regulatory oversight mechanisms,
 - Policy-makers must consider the various elements of governance that drive ANSP performance
- States should set the requirements and performance targets
- Focusing on outputs rather than prescriptive requirements
- They should avoid the temptation to micro-manage the operations of ANSPs
 - Such interference stifles the ability of ANSPs to change and to drive performance improvements based on normal business and operational practices
- A further advantage of removing the barriers to business-like approaches in ATM is that investments would be better supported by sound business cases,
 - Justifying moving forward with ATM improvements, and
 - Ensuring that the necessary funding is made available

Liberalisation means separating regulation from service provision

- Many ANSPs are still both owned and operated by the government bodies that also regulate them
 - Which can create conflicts of interest
 - And hinders the implementation of performance-driven air navigation services
- Proper separation between regulation and service provision unlocks value,
- Enabling ANSPs to concentrate on the delivery of efficient, cost-effective and customer-oriented air navigation services

How can connectivity be improved?

- The second question is: how can connectivity be improved?
- ANSPs can improve connectivity by increasing capacity and improving the efficiency of airspace to ensure airplanes can
 - Fly the most efficient routes
- But there are a number of barriers that need to be overcome
- Perhaps one of the most urgent is the inefficiency caused by military airspace restrictions

Military Airspace Restrictions

- Around the world large tracts of airspace are reserved for military use,
 - Even when the military is not actually using that airspace,
 - Thus forcing civil traffic into often congested corridors
- And in the Middle East (particularly the Gulf region), only about half of the airspace is open to civil aviation

- Aircraft therefore have to fly around military airspace preventing them from fully exploiting their sophisticated technologies to fly optimal routes
 - It is inefficient
 - It may pose safety implications
 - And it is not environmentally friendly
- However, there has been some improvement in certain parts of the world
- The progressive opening of military airspace to civilian operations in parts of Europe, the US, and Asia has been managed responsibly and efficiently to the benefit of all users of the airspace
- We have been working with ICAO on this, and have participated in a number of seminars on civil/military cooperation for a more flexible use of the airspace.

Conclusion

- In his presentation, Michael Gill will focus on five actions that governments should take to fully realise the economic and social benefits of aviation
- The fifth point is "...to recognise that environmental and capacity improvements are possible by reforming air navigation services provision and by adopting the ICAO ASBU methodology to secure operational improvements."
- This is absolutely right and my message today is that the aviation industry – as a global community – must carry this message to governments – the legislators, policy-makers and regulators

- To persuade them of the benefits of aviation
- To persuade them to take the necessary steps – including investments in infrastructure and better management and use of the airspace, and
- To ensure the sustainable growth of aviation
- For its part, CANSO is committed to transform global ATM performance and to meet the future challenges of sustainability
- Thank you

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