Introducing CANSO

- Civil Air Navigation Services Organisation
- Represents ‘Corporatised’ ANS providers
- Founded 1998, based in Geneva
- Worldwide 25 Full & 29 Associate Members
- Promote safe, efficient, cost effective ANS
Introducing CANSO

• Members control 56% of world’s airspace
• Members control 82% of world’s air traffic
• Members handled 43 Million flights in 2001
ATM issues today

When the air transport industry is fine:

– Nav Charges go DOWN

When the air transport industry is sick:

– Nav Charges go UP
High growth rates resulted in ‘over-recovery’ and significant paybacks. Since 2001 the reverse is true.

Sudden ‘under recovery’ is offset by:
- Cost cutting - hurt organisation
- Higher charges - hurt industry
Fewer movements must cover rising costs, leading to higher Nav. Charges. Higher charges could lead to fewer movements ...etc...etc.
Additional Lessons of 2001

- Fewer flights demand same number of ATCOs
- Smaller aircraft, same workload, lower revenue
- ANSPs forced to service insolvent customers
- Airline bankruptcies, paid by remaining carriers
Problem = ANS Financial Framework

- Financial framework predates service separation
- ANSPs lack standard financial & business tools
- In-complete separation of Provision & Regulation
- Regulatory charge elements still in ANSP budget
- Limited control over Regulatory costs
Each ANSP is Unique

• Many different ANSP economic models

• Range from ‘Privatised’ - ‘Corporatised’ – ‘State’

• Ranging from ‘For-Profit’ to ‘Non-Profit’

• Small & Large ANSPs; Oceanic or High density
Different ANSP Models

- **Privatised For Profit**
  - NATS

- **Privatised Non-profit**
  - Nav Canada

- **Corporat. For Profit**
  - Airways NZ Airservices Australia

- **Corporat. Non-Profit**
  - Continental Europe

- **Other**
  - SCTA France FAA
A N S Structure

Outsourcing
Suppliers
Partnership

Monopoly
Licensing
Designation

Infra structure
Ownership

Service Provision
Regulation

States
Customers
Third parties

Safety
Quality
Economic
Air Transport

ANS

Infra structure  Ownership
Service Provision  Regulation

Airlines

Infra structure  Ownership
Service Provision  Regulation

Airports

Infra structure  Ownership
Service Provision  Regulation
Segmentation ANS Customers

ANS

- Infrastructure
- Owner ship
- Service Provision
- Regulation

Military

General Aviation

Business

Others

Infrastructure
Owner ship
Service Provision
Regulation

Infrastructure
Owner ship
Service Provision
Regulation

Infrastructure
Owner ship
Service Provision
Regulation

Infrastructure
Owner ship
Service Provision
Regulation
ATM issues today

- Recognise ATM deficiencies, develop solutions
- Establish open relationship with all players
- Support joint approach on system deficiencies
- Next steps require full ‘Stakeholder’ support
Our Message to the Audience

- Recognise current ATM system has flaws
- Cost recovery designed for growth, not a downturn
- ATM a patchwork of many national approaches
- The future requires more ‘global’ approach
Our Message to the Audience

- Corporatisation introduced ANSP independence
- But not **full** financial independence
- Full separation of State & ANSP budgets
- Greater transparency of all individual charges
- Like every other industry, ANSPs require proper financial instruments & incentives
Conclusions

- ATM industry changing
- National -> Global
- Overcome differences
- Invest today in tomorrow’s solutions