



## **FOURTH MEETING OF THE SAT FANS 1/A INTEROPERABILITY TEAM**

**(Sal, Cape Verde, 8 to 9 June 2009)**

### **Agenda Item 3: Review of SAT/FIT/3 Report**

#### **Creation of a Task Force to formalize actions to implement a cost recovery model for SATMA/CFRA in EUR/SAM Corridor (Presented by SATMA)**

##### **SUMMARY**

This WP proposes the creation of a Task Force to take actions to decide the financial model for CFRA in EUR/SAM Corridor

### **1. INTRODUCTION/BACKGROUND**

#### **FIT 3 meeting**

- 3.1 Regarding Recommendation 2/4: Creation of Central FANS Reporting Agency (CFRA), and in agreeing that a CFRA be created, the meeting considered draft Terms of Reference and proposed duties and responsibilities of the CFRA, including the purpose of the agency.
- 3.2 In relation with the above, the meeting noted the offer of SITA to provide technical assistance to the CFRA. The meeting also analysed a proposal of Brazil to invite other potential CFRA service providers, like SITA, BOEING and CRASA, to present their proposals in the next SAT/FIT meeting, to be the CFRA Agency and have alternatives for the best choice. However, the meeting was of the opinion that SATMA could host the Agency with the technical support of any of the above-mentioned service providers.
- 3.3 In that sense, the service providers will be invited to make presentations regarding the technical support that could be best provided to SATMA.
- 3.4 Also, it was agreed that during the SAT/FIT/4 SATMA presents information with respect to the funding of the CFRA and issues surrounding the hosting of the agency. Keeping all the above in mind, the meeting agreed to the following Conclusion:

#### **Conclusion SAT/FIT/3-2: Hosting of the Central FANS Reporting Agency, (CFRA) by SATMA**

That SATMA host the CFRA, according with the terms of reference and duties and responsibilities approved with the technical support of a service provider, to be selected in the forthcoming SAT/FIT/4 Meeting.

## 2. DISCUSSION

Since it was agreed the conclusion mentioned above , SATMA has explored several ways to create, implement and perform the CFRA Agency.

As July 2009 was targeted as initial date to begin with FANS operations in EURSAM Corridor it seems to be that no later than 2010 this CFRA should start its monitoring activities.

Trying to move forward , SATMA has contacted with FANS service providers to find the best way to develop and perform a global CFRA service including operative, administrative and technical support for EUR/SAM corridor States regarding ADS/CPDLC services. SATMA tried to explore all aspects to be taken into account so SATMA (proposed EURSAM Corridor CFRA) is provided with an external technical support as recommended in the conclusion reached in FIT/3

Although the conclusion reached in FIT3 appoints to an external technical support to be provided , before choosing and develop a CFRA model some questions should be raised and answered.

It is clear to all that any service provider that may offer a technical support will only work with a formal contract specifying all services and costs. Taking this point into account , it becomes necessary to agree a funding model for the CFRA based on “cost recovery”

Point 3.10 of FIT3 report : *“Also, it was agreed that during the SAT/FIT/4 SATMA presents information with respect to the funding of the CFRA and issues surrounding the hosting of the CFRA”*

In this particular issue , SATMA has been extremely insistent and has contacted with a service provider (formally acting as CFRA manager in other points of the world) in order to get information related to cost recovery models , but no response has been received up to day.

In this context is important to be practical as it's in everybody's mind that contracting an external technical support brings a financial cost. Moreover, although we try to move just on a cost recovery basis, it becomes complex to implement a model in which all States monitored contribute with economic responsibilities to sustain the CFRA costs.

Since SATMA was created and emplaced in Canary Islands, all tasks and duties of the South Atlantic (EUR/SAM Corridor) Monitoring Agency, has been performed just with the contract of “responsibility and best wishes” to improve our EUR/SAM Corridor. SATMA , pushed and helped by all States when necessary, was able to coordinate all States for EURSAM Corridor to be the first AFI Area to implement RVSM/RNP....and keep it working .

It is true that this model of an Internal Agency (operated by an nominee State) that works and offers resources for the profit of the whole Corridor, as SATMA has done, has limitations . And the first limitation itself is that only internal resources should be involved to avoid extra charges . The other way is to adopt a cost recovery mechanism . This is the only two ways to move in this scenario. And even if adopting the second one we should manage move some unanswered questions : who is going to sign a contract with a service provider?, who is going to collect the money from States? , who is going to decide the contribution of everyone?,..

## 3. ACTION BY THE MEETING

The SAT FIT4 Meeting is invited to discuss this WP and take a decision about the model to be adopted by SATMA regarding CFRA technical support and financial model.