



International Civil Aviation Organization

The Combined Sixth Meeting of the FANS Implementation Team, Bay of Bengal (FIT-BOB/6) and the Third Meeting of the FANS Implementation Team, South-East Asia (FIT-SEA/3)

Bangkok, Thailand, 22 – 25 November 2005

Agenda Item 4: Central Reporting Agency – Bay of Bengal

REVIEW OF THE SPECIAL ATS COORDINATION MEETING ON FUNDING OF A CRA FOR THE BOB ADS/CPDLC OPERATIONAL TRIAL

(Presented by the Secretariat)

SUMMARY

This paper provides a summary of progress towards establishing CRA services for the Bay of Bengal, including the review of the Special ATS Coordination Meeting on Funding of a Central Reporting Agency for the Bay of Bengal ADS/CPDLC Operational Trial (SCM BOB CRA) held in Bangkok, Thailand from 2 to 3 June 2005.

1 INTRODUCTION

1.1 In reviewing the circumstances that had led to the convening of the Special ATS Coordination Meeting on Funding of a Central Reporting Agency for the Bay of Bengal ADS/CPDLC Operational Trial (SCM BOB CRA), the meeting recalled that the combined Thirteenth Meeting of the Bay of Bengal ATS Coordination Group (BBACG/13) and the Second Meeting of the FANS Action Team (now FANS Implementation Team) for the Bay of Bengal Area (FAT-BOB/2), held in September 2003, had recognized that in order to meet ICAO safety management provisions a Central Reporting Agency (CRA) was required to provide the airspace safety monitoring for ADS and CPDLC systems. The combined meeting had also recognized that CRA would need to be funded and noted that until suitable funding arrangements were established, implementation of ADS and CPDLC operational ATC services could not be carried out for the international airspace over the Bay of Bengal area.

1.2 BBACG/13 recognized that the establishment of a CRA was critical to enabling States to meet the Annex 11 safety monitoring provisions required to implement operational ADS and CPDLC systems. The CRA performs the essential technical analysis of the performance of these systems and undertakes the investigation of system failures and other technical malfunctions. This was essential to trace the cause of problems whether in the aircraft or ground systems, and to initiate remedial action by the responsible parties. In this regard, the tasks performed by a CRA were highly specialized and required test equipment and simulation capability that was not readily available. Also, it was important that expertise was continuously available to support the ADS/CPDLC programme.

2. DISCUSSION

2.1 As a CRA was part of the safety requirements for the implementation and ongoing operation of ADS and CPDLC services, BBACG/13 recognized that the responsibility for the setting up and operation of a CRA for the Bay of Bengal area should be borne by the States or ATS service providers providing the ADS and CPDLC services. In this regard, recovery of these costs could be met through user charges.

2.2 IATA had informed previous related meetings that, in the interest of overcoming the delays in ADS/CPDLC implementation, it was prepared to consider collecting a levy directly from the airlines to fund the CRA services. The meeting expressed its appreciation to IATA and agreed that this would be the simplest and most efficient way to obtain funding for the CRA, and would not involve any cost or participation by States in the collection process.

2.3 Accordingly, a modified version of a Joint Financing arrangement was agreed which provided for IATA to collect a levy on the airspace users and to include provision for contributions to be made from other sources.

2.4 The combined BBACG/14 and FIT-BOB/3 meeting (February 2004) studied and endorsed the recommendations that had been proposed. In addition, FIT-BOB/3 accepted an offer by the Boeing Company to provide CRA services for the Bay of Bengal operational trial, noting that Boeing would not be able to commence the CRA operation until a contract was in place, and agreed that the operational trial could commence as planned on AIRAC date 19 February 2004. Accordingly, IATA and Boeing were requested to pursue the establishment of a contract on behalf of the FIT-BOB States participating in the operational trial for Boeing to set up and operate the CRA. IATA agreed to the arrangements and would work with Boeing to evaluate the costs of operating the CRA, arrange for a contract with Boeing, and collect the funds from the airspace users concerned.

2.5 IATA provided FIT-BOB/5 (April 2005) with details of the contract with Boeing and how the funding mechanism would work. The contract would be effective for 18 months. IATA would be a principal contracting partner with Boeing, and as such would be responsible for meeting the cost incurred by Boeing for operating the CRA in accordance with the defined requirements. Boeing would be paid in arrears and it should be possible to commence CRA services as soon as the contract was signed. All users of the data link services would be required to pay for the CRA services and a single charge would be levied on airlines by IATA in accordance with agreements with the States concerned. States would not bear any expense in this process and would not be required to participate in the invoicing and collection of charges other than providing the data and publishing their AIP Supplements (SUP).

2.6 Although the initial contract between IATA and Boeing would be for 18 months, it would be possible to extend the arrangement on an annual or triennial basis thereafter, should this interim approach to funding the CRA prove successful for the parties concerned.

2.7 IATA reported that to bring the CRA into operation, it would be necessary for IATA to also enter into formal arrangements with the States concerned to ensure provision of the necessary data and to enable IATA to collect charges from the users of the data link services. This would require States to notify users that charges would be levied for the provision of ADS and CPDLC and that IATA was authorized by the States concerned to invoice and collect charges specifically for the operation of the CRA. In regard to the notification to be issued by States on user charges and operation of the CRA, IATA would provide an example of wording that could be used in an AIP SUP and coordinate with the States concerned to complete the arrangements.

2.8 Arising from the discussions in regard to the funding of the CRA, the FIT-BOB/5 meeting requested the Regional Office under the guidance of the Air Transport Section to convene a special coordination meeting specifically to finalize the arrangements for funding and setting up of the BOB-CRA. The meeting was expected to finalize arrangements between IATA and India for the provision of funding. Accordingly, arrangements were made for the conduct of a 2-day SCM (the SCM BOB CRA) during the 2nd and 3rd of June 2005.

2.9 The Secretariat drew attention to the relatively modest sum of money that was involved in funding the CRA on an annual basis and that therefore any funding arrangements needed to be simple and easily administered, rather than complex and cumbersome. The meeting was referred

to Chapter 2, Section F of Doc 9161 – *Manual on Air Navigation Services Economics* for appropriate guidance on this matter.

2.10 It was noted that the primary reason for establishing such multinational facilities or services is to enable two or more States to carry out the services each has accepted responsibility for under the regional plan more efficiently and in a more cost effective manner than each of them could achieve on its own. The Secretariat drew attention to the basic financial and legal implications that need to be considered in establishing multinational facilities and services and welcomed the representation at this meeting of both technical and legal experts to ensure that progress could be made on financing aspects.

2.11 The meeting considered a draft legal agreement between IATA and relevant States, which comprised the legal arrangements necessary to enable and facilitate the collection by IATA of a specific 'CRA Charge' from operators for the purposes of funding CRA services in the Bay of Bengal area. The meeting took into account that IATA would be entering into a separate legal agreement with Boeing in respect of the operation of the CRA and that the arrangements in this respect would therefore not be included in the agreements between States and IATA. IATA advised that the arrangements with Boeing had been finalized to the point that, once agreement was reached in regard to the arrangements between IATA and States, the contract with Boeing could be implemented and Boeing could commence providing CRA services.

2.12 The draft legal agreement between IATA and States was thoroughly reviewed and updated by the meeting, addressing many of the concerns raised at this and previous meetings. In recognition that India and Sri Lanka would be the two States initially involved in supporting the provision of data to IATA in order to facilitate the collection of a specific 'CRA Charge' from airspace users, the meeting drafted separate agreements between IATA and India, and IATA and Sri Lanka, for consideration by the parties involved as final agreements suitable for implementation.

2.13 In considering the draft agreement, the Secretariat drew the attention of the meeting to the potential duration of the circumstances in relation to the provision of CRA services. In light of the technical complexity of ADS/CPDLC service provision it was anticipated that technical problems would continue to arise in the context of ongoing operations, as well as in regard to an initial implementation. As an example, the meeting was advised that the Informal South Pacific ATS Coordination Group (ISPACG) had explored a number of CRA related issues at its last FIT meeting in March 2005, despite ADS and CPDLC operations having commenced in the South Pacific a number of years ago. The meeting was advised that although the need for a CRA for the Indian Ocean area was expected to be of a temporary nature, States would be well served to consider a temporary time frame in the order of 8-10 years, in order to accommodate the staggered implementation of ADS/CPDLC services throughout area.

2.14 The Secretariat clarified the roles of the respective parties to the proposed agreement, recognizing that under the terms of the Chicago Convention States retained responsibility for meeting ICAO provisions. In this respect, IATA was essentially acting to assist States to meet their responsibilities by providing an enabling mechanism to collect funds on behalf of a number of States for use in providing the CRA services required to be provided by States in respect of their responsibilities under Annex 11 safety management provisions.

2.15 India and IATA undertook to continue close coordination with a view to finalizing the IATA ⇔ India agreement as soon as possible. The meeting recognized that although India and Sri Lanka would be the two States involved in providing data to IATA for charging purposes, the remaining States surrounding the Bay of Bengal should also be alerted to the imminent commencement of CRA services and requested that the Regional Office provide suitable advice to Thailand, Malaysia Indonesia and Myanmar in this respect. The meeting drafted a generic AIP Supplement in this regard.

2.16 The SCM BOB CRA noted that the agreements between IATA and India and Sri Lanka were substantially complete and that, following final editorial scrutiny by IATA, the agreements could be presented to State organizations and Governments as the final step before implementation. This represented a big step forward in providing CRA services in support of the ADS/CPDLC operational trial in the Bay of Bengal and was therefore a significant step towards implementing the provisions of the regional CNS/ATM plan in respect of the provision of ADS/CPDLC services. The meeting thanked IATA for their role in these developments and congratulated India for their ongoing initiatives and proposals to expand the operational trial into the Delhi and Mumbai FIRs in early 2006.

2.17 In order to ensure that the work toward implementation of CRA services continued at best speed, the meeting agreed to the following steps:

- 1) IATA to complete the fine detail and editorial work to the Agreements and provide ‘execution’ copies of the agreement documents to India and Sri Lanka as soon as possible;
- 2) IATA to coordinate with Sri Lanka in respect of progressing the Agreement to signature through State approval processes;
- 3) Airports Authority of India (AAI) to present the Agreement to the Board of AAI as soon as possible;
- 4) Subject to AAI Board approval, AAI to present the Agreement to the Government of India as soon as possible;
- 5) AAI to advise IATA immediately when Board and Government approval had been granted; and
- 6) AAI to coordinate with IATA to conduct formal signing of the Agreement.
- 7) Regional Office to coordinate with surrounding States in respect of the issuance of suitable AIP SUP notifying the implementation of CRA services.

2.18 The Regional Office notes that despite the positive work completed by the June SCM BOB CRA, contracts for the provision of CRA services have not yet been signed.

3. ACTION BY THE MEETING

3.1 The meeting is invited to:

- a) Review the work undertaken towards establishing the CRA for the Bay of Bengal Operational ADS/CPDLC Trial, and
- b) Identify reasons for the delay in progress on this matter and attempt to provide solutions.

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