

Belgocontrol's comments on the RPI's draft final report on the implementation rules of economic regulation within the Single European Sky

General remarks

Belgocontrol thinks that the main objectives of the study (as listed on page 3) have not been reached.

1. the report contains a lot of interesting considerations, statements, remarks and criticism on the actual ATM system in Europe, but does not conclude nor ends up with clear-cut proposals
2. the terms of reference of the study talk about incentives **on both** air space users and service providers.
The report however focuses almost exclusively on the service providers' side. It is generally accepted that the supply side (= service provider) offers more margin for improvement, but this does not exclude efforts from the air space users side also.

Some concrete points

1. under point 2.3 recent developments in European ATM two developments are listed i.e. increased autonomy and unbundling of services.
These are referred to as increased "commercialisation" which we think is not the correct word : "corporatisation" seems more appropriate.
2. section 3 gives an overview of regulation issues in other network sectors such as communications, energy and rail.
It appears clearly that although some common trends can be revealed, "passe-partout" solutions can not be found and applied.
Therefore the search for implementation rules of economic regulation should be preceded by an in depth analysis of the actual characteristics of ATM (legal framework, public service, international obligations, ...). This has not been done.
3. The issue of contractualisation can -in our view- not go beyond information disclosure, reporting and consultation requirements.
The establishment of a Review body (at the European level) that has the power to impose its own target levels and incentive/compensation arrangements or even to propose recommendations in this field to a determinative political body is clearly a bridge too far. Even if appeal (to whom ?) remains possible.
4. The case for a European system operator and powerful infrastructure manager in order to make better use of existing capacity and to coordinate infrastructure projects that will increase capacity could not convince us.
It is a pure top-down approach which implies the creation of an extra layer in ATM-management.
Promoting harmonisation, integration and interoperability in the development of ATM infrastructure can in Belgocontrol's view also be achieved through the development of common European ATM infrastructure standards in combination with a European infrastructure fund.

5. The introduction of risk sharing in the ATM charging system is a very tricky matter.
Belgocontrol has serious doubts about the possibilities to identify the causes of traffic volatility and to attribute clearly defined responsibilities to the users on the one hand and the service provider on the other hand.
It should be clear to everyone that there are more than these two parties involved (f.i. airport managers, public authorities ...).
6. In order to smoothen the charges overtime the consultants suggest the creation of a Revenu Recovery Imbalance Account. This is an idea that should be further developed before we can pass a judgment.
7. The proposed charging framework that takes account of risk allocation and "encouragement" factors (page 112-118) remains pure theory as long as "allowed" unit costs, and "target" unit costs are not defined and the methodology for their determination are not explained in detail.
8. The comments made on the route charges system (section 7) can in majority be shared. Belgocontrol agrees to the criticism on two part tarification (fixed & variable costs), separate unit rates for upper and lower airspace, tarification by ACC, congestion charging, ...
The introduction of origin, destination and distance charges instead of en route and terminal charges should be examined in more detail.
This could indeed result in a simplification and avoid the more or less artificial distinction between en route and terminal costs.
This option however supposes that the service provider is the only charging body. Referring to the Belgian situation this is not always the case.
Our regional airport authorities for instance charge the users independently of the air navigation costs they pay to the service provider.