

Consultation on a proposal for a Council Regulation on the establishment of a Joint Undertaking to develop the new generation European Air Traffic Management (ATM) System (SESAR = Single European Sky ATM Research)

RESPONSE FORM

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Is this response on behalf of an organisation?		YES <input type="checkbox"/> NO <input type="checkbox"/>
If YES, please give the name of the organisation		General Aviation Alliance (GAA)
Please tick the following box if you are requesting non-disclosure of your response, subject to our obligations under the Freedom of Information Act		<input type="checkbox"/>
Questions on SESAR Consultation Paper		
1	Bearing in mind the problems of fragmentation, ageing equipment and lack of uniformity, do you consider a SESAR-type project is necessary to coordinate and expedite the delivery of a new generation European ATM system that can keep pace with air traffic growth?	

Yes, in principle, and provided the governance and costs are properly managed. Regrettably experience of such major projects managed by Government agencies is poor.

New equipment should not be installed such that improvements made by independent States / ANSPs are not summarily discarded.

Given the emphasis on "the rapid and efficient movement of people and goods" and "providing essential access to remote regions" [Para 1], any proposed system should take full and equal account of the ATM needs of General Aviation, which is well placed to facilitate more efficient movement of high value added people and goods to a more diverse range of locations than possible with Commercial Air Transport, thus enabling Europe to be more likely to be the "dynamic knowledge based economy" envisaged in the Lisbon accord.

The new system principles adopted therefore must recognise the key role of all aspects of European GA and recreational/sports aircraft. Their needs for equal access to airspace and airfields at a reasonable price need to be accommodated. It also needs to be explicitly recognised that many parts of European GA cannot necessarily incorporate new and additional equipment/systems within their aircraft in any economically viable manner.

As this new system is mainly required to accommodate the forecast growth of commercial air passenger activity, enabling revenue generating airlines to carry more leisure fare paying passengers for profit, they should bear any costs associated with its implementation (including any requirements placed upon GA and recreational/sports aircraft). It should be the case that "the beneficiary pays" principle should be the criteria adopted not the "user pays", suggesting that the marginal revenue extracted from the ATM system should be the main charging model.

Indeed, the rapid growth of CAT in Europe in the last two decades, compared with the stagnation of European GA suggests that CAT has been "undercharged" for its use of European airspace, while European GA and sports/recreational users have been overcharged.

<p>2</p>	<p>Do you consider a Joint Undertaking to be an appropriate governance structure for SESAR - If not, what alternative would you suggest?</p>
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	<p>Not necessarily for experience suggests such is not the most efficient. A normal commercial management company board might well be a better basis for Phase 2 post the Definition Phase whereby proven commercial principles are adopted to drive the project forward and minimise costs / timescales. EC com 2005 states (Page 6, 4) "SESAR IS A MAJOR EUROPEAN INDUSTRIAL PROJECT" with "a net present value of €20 billion for developing SESAR". As such this is a very ambitious project with vital milestone objectives to be met. It needs dedicated project management by experienced personnel that can report to and accept objectives from such a Board. The Board could be comprised of members as proposed by Article 3 of com 2005 and it would appoint an Executive Director who in turn would appoint Operating Directors (non main Board) responsible for the various aspects of the project. There would need to be a mechanism for input by affected industry whereby their requirements and observations can be made known; this should involve wider consultation than is currently the case via the ICB, and might best be via appointing non-executive Directors to the Board. In terms of the voting rights of the Board there appears an incorrect nomination in Article 4(2): "However, the Community and Eurocontrol shall each have at least 30% of the total number of votes and the air passengers' representative referred to in point (b) of Article 3(1) shall have at least 10% of the total number of votes." Article 3(1)(b) refers to "an airspace users' representative", which is not an "air passenger's representative" and should clearly be from the industry using the airspace.</p>
<p>3</p>	<p>Should the scope of the JU be limited to the co-ordination of research and development activities or should it also include responsibility for implementation of agreed measures (ie. extend to the end of the Deployment Phase - 2020)</p>
	<p>The structure proposed in 2 above should be adopted for the whole project post the Definition Phase.</p>
<p>4</p>	<p>Do you agree with the proposed sources of financing of the SESAR JU - if not, what other means of financing would you suggest?</p>

Clearly there will need to be some form of levy on air navigation charges by Eurocontrol to pay for the system. However it is of concern that in Article 4- Sources of Financing - there is mention of "a possible levy on the air navigation charges..." and no other mention of how the funds provided from the various sources mentioned will be recouped. The founding members, the EC and Eurocontrol have to provide €10m within 1 year of the establishment of the Joint Undertaking (or its equivalent) and therefore Eurocontrol will have to provide these monies; it presumably has only one source from which to do it, namely the users. The principles should be established clearly before then, and thereafter before the "implementation" stage commences; the GA industry cannot accept an open ended commitment to fund the costs by way of charges not determined, at least in principle, at the outset. It would seem reasonable to specify the principles including the effective rate of return required on the investment. A system of charging that places more weight on the marginal revenue generated from using the system would be more economically efficient. A combination of a "fuel tax" and a "passenger tax" would more accurately reflect the economic benefit gained from any new system rather than Eurocontrol charges or annual levies.

5

What are your views on the proposed structure of the JU with respect to:

- Member State involvement - eg. should they sit on a Supervisory Board?
- Eurocontrol involvement
- Commission involvement
- The Executive Director's appointment, role and accountability
- Vote distribution between members, and the basis on which decisions should be made

Member State involvement - We do not believe effective management of the project can be achieved if 25 Member states were to sit on a Supervisory Board. See 2 above for our alternative proposal.

Eurocontrol involvement - We have concerns that based on past performance Eurocontrol will not be an effective member.

Commission involvement - As the Commission is providing a major share of the funds required it has a right to be involved.

The Executive Director - His appointment, role and responsibility needs to be via the structure proposed in 2 above.

Vote Distribution - This should be in proportion to the financial input except that Eurocontrol should not have 30% voting rights as the source of its finances is from the users.

General comments on the SESAR Consultation Paper

Incorporated within the individual section comments. In addition it does seem that there are few, if any effective channels, through which representations can be made by airspace user groups such as GA and Recreational/Sport groups.

Questions on the SESAR Partial Regulatory Impact Assessment	
6	Which option would you/your organisation most favour (please tick one box)?
	Option 1 - do nothing (rely on interoperability standards) <input type="checkbox"/>
	Option 2 - set up SESAR Joint Undertaking <input type="checkbox"/>
	Option 3 - set up SESAR "centralised agency" <input type="checkbox"/>
	<p>Comments:</p> <p>Proceed per answer 2 above ie amended form of Commercial Management Company Board.</p>
7	Is SESAR likely to have an impact on your business/organisation? - if so how?
	<p>Yes, if it results in airspace user charges and/or changes in aircraft equipment requirements or reduced airspace for GA and Recreational/Sport aircraft. The "beneficiary pays" should be the principle adopted. The recent history of ATM changes in Europe (and especially in the UK) is that GA has been squeezed out of both airspace and airports via a combination of increased controlled airspace and increased charges. If the EU Commission wishes to forward the aims of the Lisbon accord, such a trend needs to be reversed.</p>
8	If a SESAR Joint Undertaking were to be set up would your organisation join it?
	YES <input type="checkbox"/> NO <input type="checkbox"/>
	The financial contribution limits are too high for our group which is non profit making.
General Comments on the SESAR Partial Regulatory Impact Assessment	
No comment	

Thank you for taking the time to reply. We do not intend to acknowledge individual responses unless requested