



CEATS
Regional Meeting Report
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Agenda Item 9.6

1. Meetings attended

15th CEATS CGSO, Brussels Eurocontrol HQ 24-25 November 2003;
16th CEATS CGSO, Ljubljana 5-6 April 2004;
17th CEATS CGSO, Brussels Eurocontrol HQ 17 June 2004;
8th CEATS CHRG, Forlì 7-8 October 2004.

2. General overview

The main fact occurred during this year on the institutional side is the achievement of the fifth ratification of the CEATS Agreement by the Bosnian Parliament. So Bosnia is ranking now Austria, Czech and Slovak Republic and Hungary, determining the conditions for the Agreement itself to come into force.

This fact occurred after the Eurocontrol attempt to forge ahead, trying to impose to the CEATS ANSPs the conclusion of the Definition Phase of the Project in favour of the subsequent Acquisition Phase¹. An attempt, this, refused by a consistent part of the ANSPs which asked to Eurocontrol to realistically take note about the missed achievement of the last ratification by the end of 2003, that inevitably provoked at least a six month of delay in the implementation process and admit the immaturity of some of the most important documents (Airspace Plan, OCD-Operational Concept Document, Manpower Plan), considered "key deliverable" in the proceedings and containing a relevant number of issues not yet resolved and/or completed.

What occurred was direct consequence even of the official submission of an Italian proposal to reduce the portion of the national airspace formerly reported within the Annex 1 to the Agreement itself, a request formulated by the Italian CAPIG representative, still object of negotiation with Eurocontrol and having a direct impact on both the Airspace Plan and Manpower Plan, while, with regard the OCD-Operational Concept Document, Eurocontrol tried to obtain from the CGSO 17 its endorsement without having, as hierarchically foreseen, previously submitted some of the HR contained issues to the validation of the CHRG, the CEATS Group having direct responsibility on the evaluation of HR related matters.

What highlighted by some ANSPs is here reported:

¹ (Definition Phase: 2001/2004, Acquisition Ph.: 2004/2006, Pre-OPS Ph.: 2006/2007, Initial Operations: 2007/2010, Full Operations: 2010/2012).

- the UAC construction hasn't yet started due the delay occurred for the achievement of the last ratification;
- the CEATS Airspace Plan is affected by the unstable scenario deriving from the Italian proposal to redefine the South-West SG-Sector Group size causing then an impact even on the Croatian Mid-South SG;
- the Long-term Operational MPP-ManPower Plan is still missing of a part of the necessary data and however needing on the whole to be verified as soon as the general picture, with regard to the airspace structure, will become much more clear;
- the CEATS UAC OCD/ORD-Operational Concept/Requirement Documents² contain then parts (*OCD Attachment on "Required Professional Profile of ATM Operational Staff & Training Requirements"*) having a direct impact on the HR field and resulting not having been submitted first to any evaluation/analysis by the group "ad hoc" created for this scope: the CHRG.

This last attempt has even been criticised by IFATCA, actually resulting unacceptable because proved to be formally incorrect and representing a **violation** of the established **procedures**.

Coming back to the institutional side, the project received from the last ratification further emphasis and I guess the final political legitimation that is expected to be formalized during a Ministerial meeting that Eurocontrol is intentioned to organise by the end of this year or latest by Jan-Feb 2005. Notwithstanding this, what occurred during the last CGSO 17th meeting give an idea of the **great instability of the relationships still existing among the main institutional actors and stakeholders, fighting one against the another for the achievement of the own interests and/or a different management model of the future Centre.**

As still pending is resulting the **role within the project of Eurocontrol:**

1. staying to the Agreement, beneficiary of the ATS Services provision by the CEATS Contracting States, but questioned by some national ANSPs, now more and more putting pressure on the political authorities (as already happened in occasion of some former Ministerial resolutions) to obtain the direct involvement in a different Centre management model;
2. candidate, with Austria, to become the CEATS regulator, notwithstanding the restrictions imposed on this side by the new SES European Law (Art. 4 of the Regulatory Framework), where the two functions of ANS provision and regulation cannot simply coexist within the same Organisation;
3. beneficiary, through the European Commission, of some "technical" mandates, one of which is related to the definition of the FABs principles, a position this, that could rise the question of the conflict of interest, taking into account the institutional Eurocontrol role within the project and the Eurocontrol interpretation of CEATS as a first example of these new entities of the new European Airspace architecture, well in advance the identification of any FABs' principles definition;
4. intentioned to step down from the CEATS direct management, staying at least to the Italian CAA statements reported during bilateral meeting held with

² besides the specifications and some general principles and concepts CPDLC-AAGDI-FRAC-MSP-SADR (CPDLC- Controller Pilot Data Link Communication; AAGDI- Automated Air Ground Data Interchange; FRAC- Free Route Airspace Concept; MSP- Multi Sector Planner; SADR- Systematic Application of Direct Route), most of which expected to be implemented not before of the Full Operations.

ANACNA and coming from direct talks between the mentioned CAA and the DG Aguado.

3. **Social and professional repercussions potentially stemming from the application of some HR/MP principles as enounced within the related Concept/Plan ans Social Dialogue.**

IFATCA, since the last CGSO 16, was forced to undertake actions against the establishment of **unilateral measures** by Eurocontrol on the HR side and risking to provoke unacceptable social and professional repercussions on the ATCOs community currently employed within the CEATS nations.

IFATCA, first produced comments to this meeting outcomes, then directly submitted the contents to Eurocontrol during a bilateral meeting held before the CGSO17. Notwithstanding the assurances received to take the indications on board, IFATCA had to take note that no one of the given inputs resulted having been supported or taken into the expected consideration, being the contents of the two important documents³, commented by the Federation and brought by Eurocontrol to the attention of the CHR8, left unchanged.

For this reason IFATCA prepared an **Information Paper**, then submitted to the CHR8, to at least get the national representatives of the Group acquainted about the situation, with the precise scope to exploit and achieve the best solutions on a field that should be jointly taken in due consideration because guessed of paramount importance and to announce the IFATCA intention to prepare, jointly with the other workers representation Organisations, **a letter** to be addressed to the SSC-Single Sky Committee to highlight the CEATS social concerns.

The above mentioned CEATS IFATCA initiative presented to CHR8 is attached to this report (I invite all the CEATS concerned ATCOs to carefully read it).

What is important to highlight and seriously take into due consideration is that:

1. all the Eurocontrol milestone expressions used to motivate the personnel as “moving ATCOs with airspace”, “...we’ll only use experienced ATCOs”, “proportional representation”, risk to result as mere slogans because contradicted right from the establishment of **principles** where unacceptable is resulting the absence of any Eurocontrol commitment (to be supported at Provisional Council level) in favour of the **establishment of special measures to derogate from the Eurocontrol hiring rules** to grant a legal basis for the recognition of a priority to the concerned CEATS staff, before to disclose the hiring scenario to any external competition open to all the Eurocontrol members;
2. the Eurocontrol establishment, within the CEATS UAC HR Concept document, of the “**mobility**” together with the related “**staffing deployment**” **principles** in absence of any counterbalancing “mechanism” introduced in favour of the workforce currently employed (as the already mentioned recognition of any guarantee and/or priority), are resulting as binding mechanisms to prevent any potential risk of “disruption” coming from both the involved ATCOs and the

³ the CEATS UAC HR Concept and Long-Term CEATS OPS Staff MPP

CEATS ANSPs and therefore perceived as **unilateral measures** in favour of the Eurocontrol business;

3. what already appears as a clear and unequivocal indication of scarce attention with regard to the CEATS national social aspects, is then worsen by the Eurocontrol interpretation of the **Social Dialogue**, lately often mentioned within any document, again resulting an unilateral instrument not taking into account any potential national social repercussion stemming from the application of the enounced principles especially during the first initial and very delicate phases of Transition towards the Full Operations where **is regrettably unacceptable the exclusion of the workers representation Organisations from the possibility to play a proactive role in protecting the interests of the CEATS area workforce, resulting indeed deprived of any social consultation.**

Again on the social side I have to recap that the last month of March, IFATCA attended a first joint meeting in Wien with ETF and IFATSEA that brought to the definition of the following final statement:

“ In order to avoid any misunderstanding we reiterate our support for all cooperation and integration agreements that are in accordance with the SES regulations.

The professional organizations and the trade unions will use all their means to prevent the creation of cross border airspace blocks such as CEATS and NOTA that are not in line with the SES regulations.

In the first place, because the CEATS project was not ratified by the time of the enactment of the SES regulations it should be withdrawn;

Secondly we believe the project is completely at odds with the bottom up approach as it was triggered by a State initiative based only on political motivation and did not involve ANSPs and workers representatives in its developments.

We urge the Commission to use its authority to ensure that any integration and cooperation agreement for this region is in line with the SES regulations”.

and to the preparation of a letter that was then addressed to the European Commission Vice President, Madame De Palacio.

The following meetings have then seen Patrick Roose involved to bring the Federation contribute on this subject.

Since this first meeting the workers representation Organisations, through the Joint ATM Working Group and its components, are moving own steps to react in some way to what is happening and proposing to Eurocontrol an **European CEATS Social Forum (ECSF)** on the model of the **European Framework Agreement (EFA)**, an initiative that provoked at the beginning an harsh reaction by Eurocontrol and the CEATS Project Manager. In a second meeting, ETF discussed with Ben Van Houtte the Eurocontrol attitude in the CEATS project to refuse to get the project in line with the SES legislation and the intention not to engage in social consultation, although the mandate provides for proper consultation.

For the evident reason that Eurocontrol was not familiar with the “Social Dialogue” concept, the JATMWG decided to draft **Terms of Reference** for the CEATS consultation process, with the intent to put in place a **CEATS Social Forum** with all the actors involved.

Eurocontrol confirmed then the intention to look for the best workable solution for the CEATS agreement, for this reason organised a further meeting involving IFATCA and ATCEUC, but not inviting ETF...

I don't intend fatherly enter into the labyrinth of discouraging details that have been already reported by our precious LO Patrick and that could better explained by him. I can only express, I guess on behalf of the CEATS involved community, all our appreciation for the support and collaboration since now offered by Patrick on this delicate and "not so familiar" front.

4. CEATS: Operational and costs evaluations

The excellent results obtained at national level in terms of drastic reductions of delays and the increase of productivity granted by the investments carried in some of the CEATS States under the umbrella of the "early benefits" phase, as Eurocontrol defined the pre-implementation needs of some of the CEATS States to assure the planned continuous upgrade of the national ATM system before the start of the CEATS implementation, demonstrate how this serious commitment could alone offer the achievement of the highest level of benefits, with mutual satisfaction of all the aeronautical components of the ATM environment⁴.

What is sustained by Eurocontrol is that the Central Europe is soon expected to cope with a further increase of the traffic demand and that the CEATS UAC is the answer.

But still remains the doubt, in general, if the numerical reduction of the ACCs would represent the only possible answer, staying to the fact that this option is thought not to grant an higher level of efficiency because the number of sectors however bound to increase.

The first example is offered right by the CEATS project, planned by the Cost-Benefits Analysis, to cover the 2010-2020 traffic demand (about+50%) with a number of sectors (**30**), almost the 50% less of those currently in service.

The word I used since the first reports was: **realism!**

The confirm came directly after the long series of simulations carried: **48 sectors** (plus 5 spare) **resulted needed to handle the CEATS Centre!** A number of sectors not so far from that one currently on service within the region.

A misunderstanding quite often diffused is then that one deriving from the conviction that the creation of a reduced number of FABs, necessarily implies the concentration of the ANS functions within a larger multinational Centre. Unfortunately as already demonstrated by Eurocontrol itself, the economies of scale and benefits for the airspace users result much more deriving from the significant delays reductions and the capacity increases that the ATM system is able to offer, than from any numerical ACCs' reduction.

Not taking into consideration single national economical evaluations that came to define this project as not anymore "economical viable", what is a reality is the increase of the project costs due to the activities carried by the onerous structure of facilities created "ad hoc" to please each involved country and the increasing number of managers and personnel so far hired within this collateral heavy structure ranking an UAC Centre yet to be built.

IATA, after having challenged the Cost-Benefits Analysis because a number of the key benefits (direct routing, free route concept) "...no longer robust or convincing", because expected to be achieved first through the current system or only after the

⁴ ...and how any political initiative should instead oriented to only provide external coordination contributes, promoting the application of the sole harmonisation and integration principles without directly enter, with all the deriving negative consequences, within fields needing an high level of specific competence.

completion of the Full-Operations Phase (2010-12), is now pointing the attention upon the UAC project costs. IATA is in fact paying Euro 16M per year, while the total CEATS costs are now estimated to come close to EUR 500M with a break-down not expected before 2018 and the loans paying off expected for the 2043! IATA is then “very concerned that the estimated impact of CEATS, when operational, will be a 10% increase in charges”

The “contingency planning”, as the complex measures to be applied in the event of a catastrophic outage or disruption in the UAC unit and implying the moving of staff towards the subjacent units, represent then an extra-cost for the national providers, expected so to continue maintaining the perfect state of integrity and workability of the national structures, sectors and equipments to cope with these events. All this while any national ATC Plan and investment should instead be reduced to compensate the CEATS developments...

Some ANSPs are so challenging whether the UAC management or the project costs and, afraid of the consequences, are now trying to put pressure on the political Authorities to reconsider the participation to the project.

Then we have to add the results of a “Study on the implementation rules of economic regulation within the framework of the SES”, carried by the Oxford Regulatory Policy Institute that, talking about CEATS, confirming the IATA fears, report:

“...although en-route unit costs and charges in upper airspace can be expected to fall, unit costs and charges for ATM in lower space will simply rise⁵, and, on average, network users may be no better off, and possibly worse off, than before”.

Again, the final results of a study conducted by a well known international financial consulting firm, the Booz-Allen-Hamilton that, analysing the CEATS, reported how the signed CEATS Agreement, will cause a 12% of costs increase to be charged to the airspace users. Only a different and more vast integration reached through the revolutionary involvement of all the lower airspaces could lead to savings identified in a 7%. What is very interesting within this study is the identification of what is called a “transition scenario” (Virtual Centre) able to grant, through the use of the existing structures, a costs reduction of 13%.

This would bring the **Virtual Centre option** to assure to the airspace users and ANSPs a total **costs reduction of 25%** (12+13) if compared to the current CEATS Agreement option (Single Centre). Any comment?

5. The enlarged front

The promulgation of the European SES law is then doing the rest.

The incompleteness and the shadows of the approved law text, so far not more than a regulation initiative, a theoretical model more close to a philosophy⁶ than to a

⁵ “Even if such large upper airspace blocks are created, and if *en-route* charges in upper airspace are substantially lowered, there is the further question of whether this will, in reality, lead on to effective and efficient restructuring of ATM at lower levels of altitude. There is, for example, the possibility that the creation of new, upper airspace centres will simply give rise to extra assets and extra costs, without leading to offsetting reductions in assets in lower airspace provision (which is one of the concerns surrounding CEATS)”.

⁶ Still unresolved risks for instance to be the already existing uncertainty in cross-border arrangements, where lack of legal commonality in the different national legislation, as summarised within the following main questions: “*Who shall be liable for damages caused by an ANSP outside the national borders of the State from which it is operating? Which (national?) jurisdiction applies in that*

rigorous discipline is then risking to unchain the foolish ambitions, the national appetites of ANSPs and Organisations interested in doing profits even when the company structure is officially no-profit and therefore acting as a whatever company on the market rather than to act as providers of a public service of general interest within one of the most important “safety sensitive” environments, ready now to sell through Europe, their own interpretation and vision of the future.

A future of Airspace Blocks, if not correctly driven, not much “Functional”, for sure “an Economic airspace”, where the optimal airspace reconfiguration strictly deriving from operational needs could make room to the become priority financial reasons that could lead to the creation of **Economic Airspace Blocks** able to rise up boundaries more insuperable than the geographical national ones.

A perspective this that results confirmed also:

- by some of the statements and speeches given during the works of the last joint CANSO-ETF Palermo Conference, where some greater European and more representative ANSP, is promoting its own view on the matter;
- by the CEATS project developments, staying at least to the witnessed ongoing processes, that could even worsen if the CEATS-Corporation option will prevail, with the possibility that some States could receive an higher level of benefits to the disadvantage of the others;
- by the attempts to develop and implement other projects on the model of CEATS one, well before the identification of any FAB specification.

One of these possible options is represented by the SEECAS-South East Europe Cooperation on ATM Services project. Italy is, as a matter of fact, candidating the national ACC of Brindisi to become a multinational unit involving Italy, Albania, Bulgaria, Macedonia, Greece as current members and Malta, Cyprus, Serbia Montenegro, Romania and Turkey as potential partners, forgetting to make a precious use of the CEATS experience.

What asked at the end of the IFATCA FAB policy presentation at the Cyprus RM, has remained valid. We need to deeply monitor the evolution of the current situation and, taking into the due consideration the CEATS scenario, to maintain our eyes and minds open enough to recognise that, what is now happening to some of us, could affect you or someone else in the next future.

It could result a nightmare discover that the European ATCOs licence hasn't been thought to offer better professional opportunities but only to allow to the newcomer employers the forced transfer of the personnel, as well as could result frightening to discover ourselves on a train rushing in the wrong direction, together with passengers (the airspace users) delighted for the speed but unaware of the destination.

Attachments:

- 1) The CEATS IFATCA Flimsy brought to the attention of the CHRG8 meeting.

case for liability issues? Which (national?) law apply to liability issues?” and needing States to adapt national law prior to the final establishment of any multinational FAB, hasn't been resolved by the SES law.