



## A6 Alliance Position on CEF Funding

*This paper provides feedback and recommendations from the A6 Alliance to the European institutions on the observations made with regard to the practicability of the financial support of the EU towards incentivizing ANSPs to implement the SES and the SESAR technologies and operational procedures.*

### **Basic assumption: CEF funding in the context of SES will:**

1. Help to ensure timely, coordinated and synchronized deployment of new and innovative SESAR technologies and operational procedures in order to implement a new and more performant European ATM system which in turn enables economic growth and sustains European competitiveness.
2. Incentivize and foster the long-term and sustainable achievement of the overall economic benefits of SESAR as outlined within the European ATM Master Plan. These economic benefits reflect both air traffic management becoming significantly more efficient as well as new operational procedures and systems enabling the ANSP to reduce its cost of service provision. This increase in efficiency will result in ANSPs achieving the targets of the Performance Plans and CEF funds utilized for the deployment of SESAR benefits therefore result in a stable, continuous and sustainable reduction of airspace user charges. In total the implementation of the European ATM Master Plan will generate economic benefits for airspace users and the European community of up to EUR15bn by 2035 (economic benefits greater EUR1bn per year from 2027). As SESAR Deployment is mainly driven and enabled by ANSPs, these shall also be the ultimate beneficiaries of CEF funds.
3. Incentivize and enable ANSPs to invest following European priorities in order to increase flexibility in service provision also at network level and to further improve their customer focus as well as gain the technological and financial capability to modernize continuously. The common agenda outlining the European priorities to be invested in are manifested through the PCP IR and the Deployment Programme of the SESAR Deployment Manager which ensures consultation and alignment with all relevant stakeholders.
4. Enable ANSPs to increase the speed of SESAR deployment program implementation by providing the necessary financial means and flexibility. By means of the CEF funding, the ANSPs have additional motivation to actively undertake the planned investments and to



move investments forward in time, as the investment plans are backed by public funds (eg CEF) and implementation is secured via the Specific Grant Agreements (“voluntary” contractual framework).

5. Treat SESAR stakeholders equally including ANSPs.
6. Empower ANSPs to implement SESAR technologies and operational procedures contributing to achieving the expected performance increases in all four Key Performance Indicators (Safety, Capacity, Cost Efficiency and Environment) within the scope of the area of responsibility of the ANSP and their ability to deliver at the direct benefit of the airspace users and the European economy. In addition, these performance increases constituting a sustainable improvement will also positively manifest themselves within the airspace user charges as well as in contributions to Performance Plans.

**However, the current regulatory framework:**

1. Does not incentivize ANSPs to invest according to the coordinated deployment roadmaps (i.e. the Deployment Programme) of the SESAR Deployment Manager. This leads to putting at risk the timely, coordinated and synchronized deployment and jeopardizing the implementation of manifold operational benefits towards airspace users and subsequently to the European economy and its citizens. Therewith,, the provisions on “other revenues” defined in EU No. 391/2013 being in contradiction to the political spirit of the regulations facilitating the deployment of SESAR as political incentivization for ANSPs is envisioned but is currently not adequately provided for (specifically EU No. 409/2013 and EU No. 716/2014).
2. Utilizes CEF funds not strictly for the implementation of the trans-European transport network as funds are funneled via ANSPs towards the airline industry and thus misusing ANSPs as management companies for the distribution of EU subsidies directed at the airline industry. Contrary to the perception of the airline industry and political stakeholders, a sustainable reduction in cost for the provision of air navigation services shall and can to a major extent only be achieved through an increase in productivity. The main driver for productivity is the implementation of new SESAR developed operational procedures and technologies as outlined within the European ATM Master Plan. New and advanced operational procedures and technologies enable simultaneously achievement of cost and technology leadership. Not directing CEF funds at the deployment of these sustainable productivity increases but funneling CEF funds towards the airline industry on behalf of the EU therewith constituting a questionable and ineffective use of taxpayer’s money.



3. Establishes airline industry subsidies which are funneled to the industry via lower air navigation charges. Conversely and in the spirit of the Performance Scheme EU No. 390/2013, air navigation charges shall be gradually reduced as a result of the implementation of SESAR envisioned operational benefits. Reducing the air navigation charges shall thus not be achieved artificially via industry subsidies. Furthermore, lower air navigation charges shall be achieved sustainably via a true lower Determined Cost base resulting from the operational performance gains which contrary to airline industry subsidies represent a sustainable improvement of the cost-effectiveness of ANSPs.
4. Discriminates ANSPs compared to airports in utilizing CEF funds to implement SESAR who within the current regulatory framework are ultimate beneficiaries of CEF funding and thereby leading to a non-level-playing field.

**Concluding, the future regulatory framework shall ensure that**

1. A principle of non-discrimination amongst SESAR stakeholders on the handling of CEF funds is achieved.
2. CEF funds are not utilized as EU subsidies towards the airline industry but to invest in EU priorities such as the implementation of the European ATM Master Plan yielding a win-win situation through economic growth and sustaining European competitiveness.
3. Equally, ANSPs are established for their investments and deployment activities undertaken as ultimate beneficiaries of CEF funds.