

Prospect ATCOs' Branch
Interim response (Jan. 2017)
on the future of
UK Air Traffic Management
after the June 2016
European referendum



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Introduction

In September 2016, Prospect ATCOs' Branch produced its *Initial response on the future of UK ATM after the June 2016 European referendum*.

As stated in that paper, this position presented at an early stage in the process - although key to ensuring our members are represented from the start - was likely to evolve to become more robust and rigorous as further details and information became evident, and as consultation with appropriate persons and institutions continued. As a result, the Branch feels that in order for its position to remain current, an interim position as of January 2017 was deemed necessary.

Some of the information detailed in the *Initial response* paper that does not require to be repeated (such as a description of current non-EU states' relationships with the EU itself) has been removed from the body of this *Interim response* so that it remains concise. This information can now be found in the annex.

Chapter 1

A new model for the relationship between the UK and the EU

Given the UK's unique relationship with Europe, not only in geographic terms, it would be detrimental for the UK to leave the EU without having established a meaningful relationship with it in terms of industry agreements before an exit is finally made. ATM is advancing at a rapid rate year on year and the UK has not only helped shape that future within the EU, but it will continue to benefit from many areas of the EU SES program such as SESAR. It is vital that the UK ATM model is closely integrated with that of Europe in the future to ensure that it progresses and grows with neighbouring markets and is able to take advantage of arrangements that are made available to them.

The most ideal model for a new relationship between the UK and the EU based on existing structures is that of Switzerland. In this model, both parties have negotiated a range of opt-ins and opt-outs that suit their operating structure.

This model would allow the UK some access to the EU aviation market but each individual aspect would have to be negotiated. Additionally, the UK's ability to influence policy would be limited.

However, the UK would be less defined by its ability to propose or enact any legislation or regulation within the EU and more defined by the unburdening of itself from arrangements that have presented significant challenges witnessed in recent years such as the Performance Scheme. It would be able to tailor its relationship with the EU to the aspects that will provide most value to UK ATM, its staff and the industry such as technological advances.

Chapter 2

Individual aspects of the practicalities of operational, regulatory, and technological interactions between the UK and the EU

There are several key areas that impact UK ATM at a European level. The Branch wishes to highlight these areas and will be campaigning for a successful outcome in each of the following.

Single European Sky (SES)

The Single European Sky project presents many advantages and challenges to the future of UK ATM. The concept of integration and reduction of fragmentation is one that will benefit the industry as a whole provided that key stakeholders including ATM workers are involved in the planning and implementation of it. SES itself has many streams and ideally the UK would be in a position to strongly negotiate its relationship with the most advantageous parts of it. The UK must negotiate a cooperative model of support to SES where outcomes are in the interest of UK ATM, its staff and the wider industry.

Single European Sky ATM Research Project (SESAR)

SESAR is a major public-private cross-industry initiative and is the technical arm of SES. NATS as the sole operator of overflights in the UK is a full member of the SESAR Joint Undertaking which sets-out to improve technologies within ATM. The UK has already seen benefits in terms of interoperability with our European neighbours as well as for the customer, for example in the XMAN trial. On the other hand, benefits that might otherwise have been seen have not always been possible due to the fragmented nature of the UK ATM market – a direct result of European influence. It is crucial that the UK maintains a key link to technological advances and projects at a European level to ensure that the benefits for the industry - such as skilled work for ATCOs, technical improvements or economic benefits to the customer - continue to help it grow.

Regulatory Framework & the Performance Scheme

Since 2012, the European Commission has introduced a regulatory framework in support of the Single European Sky. This regulatory framework aims at setting and implementing targets in the areas of safety, airspace capacity, environment and cost efficiency, typically known as the 'performance scheme'. The Branch calls for the UK to exit the Performance Scheme. This aspect of SES has seen overly burdensome requirements placed on the industry in recent years. The scheme is unwieldy, too complicated and not tailored

enough to individual countries' needs and unique situations. Furthermore, the scheme is skewed in favour of airspace users (particularly regarding cost of service provision) and does not adequately take in to account other areas that would benefit traveling citizens.

The Performance Scheme model does not fit with the UK's aviation structure and economic regulation should be conducted solely by the UK government. Given the potential conflict of interest between two bodies where one is promoting safety oversight and the other deals with economic aspects, there is a concern that safety decisions might be influenced by financial matters. To ensure that safety is never compromised, this economic regulator should be independent of the CAA.

Functional Airspace Blocks (FABs)

The Branch acknowledges that some customer savings and environmental improvements have been gained as part of the FAB project. However, in exiting the performance scheme, it goes hand in hand that the UK must exit the FAB which sets increasingly demanding targets on the industry and its employees. The Branch affirms its commitment to helping make savings in terms of cost reduction to customers where it is not at the expense of our members and to meeting environmental targets, and so as a viable alternative the UK is called to concentrate on industrial partnerships and other alliances such as Borealis or A6 which can provide the industry with the technological and operational advances it requires to succeed and expand, yet does not bind it by overly difficult targets set at an EU level. The Branch also wishes to stress that the UK should continue to maintain its relationship with Ireland for control of that portion of airspace in the North Atlantic delegated by ICAO (Shanwick). Service provision for this airspace is under agreement from ICAO and is not within the European Union's competence.

EASA

The European Aviation Safety Agency (EASA) is an agency of the European Commission that oversees regulation and safety & environmental protection in Europe. Its members include the 28 EU member states as well as the members of the European Free Trade Association (Iceland, Switzerland, Norway and Lichtenstein). These four non-EU members retain as their prerogative the ability to conclude international / bilateral agreements with third parties but they must not contradict the interests of EASA. These four members do not have the full range of EASA membership entitlements which includes being members of the Management Board without voting rights.

Prospect ATCOs' Branch notes the concerns with remaining a member of EASA as a non-EU member state, particularly in being unable to directly influence rulemaking. The Branch will continue to lobby alongside its European affiliate the European Transport Workers' Federation (ETF) on behalf of the interests of its members.

Furthermore, the Branch believes that a common approach in terms of legislation and regulation in this manner will have a positive effect in that it will reduce certification and other regulatory costs for operators. Such an aligned approach across Europe will be advantageous to the wider aviation industry and will in turn benefit UK ATM.

Additionally, there are concerns about the ability of the UK CAA to return to a full enforcement role considering its already strained resources. Much of the work it would be undertaking would either be a duplication of efforts within Europe or would be at risk of diverging and thus causing an increase to certification and regulatory costs for operators.

The Branch sees the value in the European ATCO licence in that it is closely aligned to existing UK regulation and the regulatory burden to revert would be unnecessary.

Network Management

The Network Manager is an entity created by the European Commission and delegated to Eurocontrol to ensure the European air traffic capacity and flow management systems work efficiently. When we consider that the flow of traffic to the UK from Europe and vice versa forms a critical part of the industry, it is essential that the UK continues to be able to provide meaningful input into this project. Although current representation to the Network Management Board is under the auspices of the FAB which the Branch is calling for the UK to leave, the UK must campaign to remain a vital part of a system that will directly impact the success of future ATM. The UK's continued membership of Eurocontrol would ensure that the coordination and day to day operation of the network would continue through the Network Management Operations Centre.

Chapter 3

The Social dimension and European affiliation

Prospect ATCOs' Branch is committed to the protection of the rights and skilled jobs of the members it represents at a national level and at a European level.

At a European level, it is affiliated with the European Transport Workers' Federation (ETF). The ETF represents more than 3.5 million transport workers from more than 230 transport unions and 41 European countries and so it represents not only members from EU states but also the wider European context (e.g. geographically).

The ETF is also a recognised Social Partner in European Social Dialogue, lobbying the European Commission and the Council of Europe on matters affecting our members and through the International and Government affairs team, the Branch is proud to note that it has strongly supported the ETF in these efforts and more whilst participating in various forums, workshops, committees and other bodies.

The Branch will work closely with the ETF in the coming years to fully understand the implications of developments in UK ATM whilst the UK leaves the EU, and it is committed to remaining a full and influential member with the ETF, continuing to assist it in its work where appropriate.

Chapter 4

Conclusion

Through this *Interim response*, Prospect ATCOs' Branch has set out a summary of the key aspects that are likely to be affected as the UK moves forward. Much of the Branch's position has remained the same but has simply become more developed over time.

We believe that the model that may have the best potential to achieve this is a 'Swiss-style' integration where the UK government will negotiate aspects of the relationship that suits the market conditions best. Additionally, the Branch calls for UK to:

1. **exit** the Performance Scheme and the FAB project, returning to UK domestic economic regulation
2. **concentrate** on individual partnerships in lieu of point 1
3. **negotiate** a new relationship with the SES
4. **remain** within EASA, SESAR and Network Manager

Finally, the Branch will continue to represent its members and champion their rights and considerations at a European level through the ETF. As an active affiliate in the ETF's work, our interests at a national level with regards to the protections of the rights and the skilled jobs of our workers is in line with that of ETF itself. It is via this platform that we will be in the best position to influence and lobby on those matters that most concern us and our members, and to build upon the work that it has achieved to date in both a political and social context across the European continent.

International & Government Affairs team
Prospect ATCOs' Branch
January 2017

Annex I

Supplementary information contained in *Prospect ATCOs' Branch Initial response on the future of UK ATM after the June 2016 European referendum*

Background information:

On June 23rd 2016, the UK voted to leave the European Union by popular vote. Prospect's Air Traffic Control Officers' Branch (ATCOs' Branch) represents approximately 2000 controllers working in an industry that is impacted to a significant degree by its current interaction with the EU.

The EU is the single biggest destination from the UK which accounts for 49% of total passengers and 54% of scheduled flights. The UK is also an important destination for air travel across Europe and thus a source of business for major European airlines.¹ Approximately 80% of all North Atlantic travel flies over the UK or Ireland, an entity known as the UK-Ireland FAB and set-up because of a European project to deliver amongst other things, cost savings for the customer. It is therefore incumbent that we present our position that will not only best represent and protect our members as ATCOs, but the air traffic management (ATM) industry as whole in a future outside of the EU.

There are many variables when it comes to considering the options for UK ATM in the years ahead. Additionally, as of September 2016, it is still very unclear what type of relationship the UK government will try to pursue in a future outside the EU. The government's Department for Exiting the European Union is yet to set-out any sort of clear strategy to negotiate a new relationship with the EU and this will have a significant impact on the response that the Branch will be keen to pursue when we understand and know more. In lieu of any tangible measures and as an interim measure to address the developments in a timely manner irrespective of the lack of direction from the government, the Branch has decided to produce this interim response. As the political situation becomes more clear with time, we will be in a stronger place to provide a more robust position.

There are three basic structures that the UK might wish to pursue in negotiating to leave the EU. These options are loosely based on models already being employed by countries inside and outside the EU. However, the outcome of each structure may differ a great deal from that which is initially put forward as it is impossible to say what might be successfully negotiated by each side.

¹ The impact of 'BREXIT' on UK Air Transport, IATA June 2016

http://www.iata.org/whatwedo/Documents/economics/impact_of_brexit.pdf?utm_source=&utm_medium=&utm_campaign=

Three models for the relationship between the UK and the EU

Option 1:

No agreements made with the EU

In this option the UK would revert to World Trade Organisation policies and principles, and would apply standard ICAO rules.

This version of the UK ATM industry after an exit from the EU seems most unlikely. The UK has been closely integrated in European ATM and involved in shaping the future of its aviation industry over many decades that it would seem improbable that it would cut all ties with it. Additionally, there are many other advantages that come with a close interaction with the EU such as market and economic benefits and for the UK to remove itself completely from the EU aviation market without having negotiated any form of a relationship could well leave the future of the industry in a precarious position. Therefore, we would argue this would be an untenable position for the UK government to adopt.

Option 2:

European Common Aviation Area (ECAA) membership

The European Common Aviation Area is a membership group of European countries (not necessarily EU members) that is defined by bilateral agreements between the countries dealing with a single market for aviation services.

One model within the ECAA that is easily identified is the relationship that Norway currently has with the EU and its aviation industry – that is full access to the aviation market but with that comes the requirement to apply all EU regulation and legislation with no voting rights on either.

This model presents an improvement on option 1 in that it will continue to allow the industry access to the key aspects of the relationship that will permit UK ATM to continue to grow. However, it is much less democratic in that the UK will have no ability to influence or negotiate with the EU in the proposing and enacting of any regulatory or legislative aspects. This is clearly seen as less than ideal and may not present the most positive way forward for the future of UK ATM.

Option 3:

UK-EU bilateral agreement

This final option is like the model used in Switzerland where both parties have negotiated a range of opt-ins and opt-outs that suit their operating structure.

This model would allow the UK some access to the EU aviation market but each individual aspect would have to be negotiated. This is more time-consuming than the previous option and presents the possibility that the UK would have to concede on items it might otherwise have wished to avoid to make gains in other areas. Once more, the UK's ability to influence policy would be limited.

