

Keynote speech of European Commission Vice-President Siim Kallas

Warsaw, 28.11.2011

Implementing and extending the Single European Sky: recent state of achievements and new challenges

Ladies and Gentlemen

- I would like to thank the Polish EU Presidency and the European Economic and Social Committee for organising and hosting this conference in Warsaw, to focus on how far we have progressed in implementing the Single European Sky and extending it to non-EU countries.
- Next year will be pivotal for assessing the work we have undertaken since 2004.
- It will also be critical for the credibility of the Single Sky project, one of the best examples where Europe can make a huge difference to the lives of its citizens. To be blunt, we are still a long way off from creating a single European airspace and there is a lot of work to be done. Air traffic control is still far too expensive and we are still hampered by a high level of delays.
- In short, we run a serious risk of lagging behind and not being able to meet the rising demands of air travel in the years ahead. That would be catastrophic. But I am genuinely worried.
- So we will not let this project fail – it is too important for Europe.
- While this conference is a very opportune time to take stock of developments, to assess the extent to which political objectives have been met and to discuss what else should be done, it is also a time for **decision and delivery**. The accelerated implementation of this vital project is crucial for the European air transport system as a whole: its competitiveness, its growth and its sustainability. It is, however, true

that we have made a lot of progress since 2004 with the Single European Sky, one of the European Union's most ambitious transport policies.

- Take developments in technology, essential for delivering the performance improvements that are needed.
- This is why the SESAR programme was set up, to modernise ageing technologies to meet air traffic's requirements for 2020. The programme also enhances Europe's capacity for innovation worldwide; it creates highly specialised knowledge in engineering, air traffic control and aircraft manufacturing.

- Let me now address the key challenges ahead. Despite these and other achievements, there is still **a lot** to be done before we are close to efficient implementation.
- Inefficiencies related to the fragmentation of service provision and airspace cost around 4 billion euros a year. This is a shocking waste of resources and an additional burden on the environment. And aircraft fly an average 49 kilometers longer than necessary because of this fragmentation, which causes longer routing and extra fuel burn.
- At the heart of the Single Sky project are the Performance Regulation and the EU-wide performance targets. These should be seen as tools for progressively reducing and reforming the costs of service provision and making it more cost-efficient, making ATM operations safer, increasing capacity and reducing environmental impact.
- Last week, I presented our "traffic light" colour-based assessment of Member States' national or functional airspace block performance

plans. The progress to date is really not enough: only 5 States¹ have achieved an overall positive assessment and get a "green light".

- One year from now, I would dearly like to be able to present a performance table that is predominantly – if not completely – "green", not mostly "red". I am not here today to "name and shame" particular countries but it is worryingly clear that we really need to work together now – all of us, and urgently.
- There is a genuine risk that we will lag behind and find ourselves unable to satisfy the rising demands of air travel, set to nearly double by 2020.
- Capacity, in the air and on the ground, is the key problem. The capacity crunch we are facing needs to be addressed urgently, given that air transport is vital for the mobility of European citizens and businesses. Our existing airport capacity is now close to the limit of what is acceptable and to what will be needed in the next few years.
- This brings me to a second problem area – setting up the Functional Airspace Blocks, or FABs, before the end of 2012. National fragmentation is putting the entire Single Sky project at risk. We are still thinking of a collection of national airspaces, rather than a much more efficient single coordinated European airspace.
- As we know, the main aim of the FABs is to improve airspace management and better link airspaces together.
- But at the moment, there are only two FABs formally notified² - Danish-Swedish and UK-Ireland – and seven more in various stages of progress. They are not progressing nearly as quickly as they should

¹ Luxembourg, Belgium, the Netherlands, Lithuania and Denmark at the level of FAB

² Notified means - signed agreements and declarations sent to the Commission ... this is about entry into force of the agreements (ANSP, MS and NSA) ... normally the date should be 01.12.2012
UK 7.2008 D 07.2010 ... in all other cases the agreement is not in force although!!!!

be. This is a major concern, since the operational deadline of December 2012 is fast approaching.

- Regarding technology, I mentioned SESAR earlier, whose development phase is well on track. To make the Single Sky successful, we need to lay down right conditions for deploying technologies coming from SESAR that can address the needs of aviation in 2020.
- Synchronising deployment is essential for achieving economies of scale, because the ATM business is operated globally.
- And financing deployment is urgent, given that the investments needed are estimated at some 30 billion euros. We must also focus on projects that have a real added European value.
- Let us be clear: if we do not invest in new technologies, then the existing technologies dating from the 1950s will not be able to cope with the doubling in traffic volume forecast. Here, there are benefits as well: deploying a new generation of technologies will help the EU's economy and create many thousands of jobs. It can help us achieve carbon-neutral growth by removing CO₂ emissions and also have a positive net effect on air pollution and noise up to 2030.
- Ladies and gentlemen, let me conclude.
- Looking back at almost a decade since the foundation of the Single Sky project, the time of reflection is over. It is now urgent to deliver and as I said earlier, failure to do this is not an option. We need the 100 percent cooperation of everyone involved - to improve our poor cost-efficiency, bring our average flight delays up to an acceptable standard and work harder towards creating a common airspace instead of today's inefficient fragmentation.
- As a key part of the European Union's internal market, the Single European Sky project must be implemented fully and rapidly.

- There is a lot at stake. Reducing air traffic costs and delays is worth billions of euros. The US already controls the same airspace area, with more traffic, at 40% less cost. If Member States fail to deliver, then passengers, businesses and our economy all suffer.
- There is still a window of opportunity in the coming months for Member States to meet the 2012 targets. But if necessary, we will take further action. The Single Sky is too important to fail. The clock is ticking.

Thank you for your attention.