



ATM Social Partners Position on the Implementing Rules of the Performance Scheme

18 March 2010

I - Key Performance Areas and Indicators

The ATM Social Partners see the necessity for a total system approach in the handling of performance indicators. The four key performance areas of safety, capacity, environment and cost-efficiency are strongly interconnected amongst each other. It is necessary to see and understand those relationships. Areas and indicators cannot be considered unrelated.

Safety is paramount and must be treated as the first priority. The ATM Social Partners believe everything must be done to avoid trade-offs between Safety and other Key Performance Areas. Safety performance must not be compromised to compensate for the need to improve performance in other areas. Care is necessary to ensure that the targets of capacity, environment and cost-efficiency cannot, intentionally or otherwise, act against the achievement of safety targets. Therefore, the ATM social partners believe that safety indicators must be set as a priority and give the framework for setting targets in the other key performance areas. This implies that safety indicators must be well developed and mature. Safety performance indicators should be considered inter alia as learning points, giving an indication of improvement or deterioration of the safety performance, and as basis for other indicators.

As a priority, proper occurrence reporting and safety management systems based on a Just Culture shall be introduced in all European States.

The ATM Social Partners are strongly committed to Just Culture. Just Culture shall be a strongly weighted indicator in the Safety KPA, as the implementation of other safety indicators and measurement requires a full non punitive and learning environment that allows for the collection of reliable and meaningful safety data. The ATM Social Partners believe that safety targets can only be set and achieved, once occurrence reporting and safety management systems have been introduced in all European states. Due to different legal systems across Europe, the data currently collected is incomplete.

The ATM Social Partners support the idea to adopt at European level an harmonised way to measure safety KPIs using both, a quantitative approach for independent safety measurement, based on metric targets, and a qualitative approach based on safety maturity scores. These two approaches must be complementary.

There will be trade-offs between capacity, environment and cost-efficiency targets. The level of service needed, e.g. the capacity demand, and the cost to deliver these services should be subject to negotiations between stakeholders

The ATM Social Partners are convinced that the 4 KPAs must be properly balanced and priorities clearly set. Further effort in developing KPIs is necessary to ensure appropriate balance.

II - Target Setting

A wide consultation process at European and national/FAB level is important to be sure that targets that would be adopted at European and national/FAB level will be realistic and understood by all stakeholders.

Before the beginning of each reference period for the performance scheme, the European ATM Social Dialogue committee should be formally consulted in order to give the possibility for the European social partners to formulate a formal opinion on the targets proposed by the EC.

Targets should be binding only when the key performance indicators (KPIs) are mature enough.

The reference to all ATFM delay causes at European level is supported but it should be recognised that the ability to meet certain targets is in some cases only partly within the control of the ANSPs; therefore, the KPI related to ATFM delay should be broken down to identify only that part specifically attributable to, and therefore controllable by ANSPs.

States should be responsible for the delivery of the national/FAB targets.

National /FAB performance plans should reflect an appropriate break-down of the objectives at national /FAB level. Targets on ANSPs must be set in areas accountable to them.

States can define performance plans either at national or FAB level.

The ATM Social Partners doubt the legitimacy of the process of aggregating individual national plans and targets in order to consolidate and weight performance targets at FAB level, as this is not provided by the framework regulation. Aggregation of the national plans should not be mandatory for States.

The ATM Social Partners do not consider the “unit rate for en route air navigation services” to be a good measure of cost-efficiency, as it is only a price indicator. However, if the en-route unit rate is used as a KPI for national/ FAB target setting it must be recognised that a proportion of the ANSP cost-base is not within the control of ANSPs. The cost-efficiency indicator chosen should not be a measure which is subject to excessive variation due to factors outside the service providers’ control, such as traffic volume.

The ATM Social Partners recommend that appropriate KPIs on environment are developed in time for the second reference period.

III - Acknowledging the human factor as the overriding enabler of change

The social partners are a key contributor factor to the achievement of the Single European Sky and need to be effectively associated. The ATM Social Partners acknowledge the necessity to:

- 1) Promote the involvement of staff representatives in the implementation of the Single European Sky at all levels
- 2) Ensure the adequate level of competence and training of the professionals in charge of delivering safety
- 3) Build the performance scheme on a genuine safety culture, integrating effective incident reporting and ‘just culture’ as the basis for safety performance.

IV - Alert mechanisms

The ATM Social Partners support the need for a mechanism to address the review of targets during a reference period if targets become unfeasible or unrealistic due to unforeseen circumstances. In this respect, Article 16 on alert mechanisms (of the draft text of 12th February) provides a first basis, and is considered a significant step forward from previous drafts. It needs however to be strengthened.

V - Performance Review Body

The ATM Social Partners believe that the Performance Review Body (PRB) should be established on basis of the following conditions:

- The PRB should act impartially and independently
- The PRB should have the right governance to ensure independence

- Only one performance review process should exist in Europe
- Ensure inclusion of operational and technical expertise in order for the PRB to have the appropriate competence
- Ensure proper transparency in the nomination and selection processes
- The PRB must have appropriate EU funding mechanisms and be appropriately resourced.
- Consultations and reporting processes must be focussed on performance outcomes and be transparent.
- Consultations should be supported by an appropriate appeals mechanism.

The Performance Review Body shall ensure the collection, examination and validation of performance related data.

VI - Incentive Scheme

Continuous operation and necessary investments in the ATM infrastructure have to be ensured, based on continued financial soundness of ANSPs.

Risk-sharing is replacing the existing cost-recovery system, which will affect the financial standing of the ANSPs, leading f.e. to higher interest costs and a higher demand for return on equity. A transition phase is required to prepare the implementation of the changes to the current system. The ATM social partners shall be consulted to give guidance to this process.

The ATM Social Partners propose to give the Member States complete control over defining the percentages for risk-sharing and for the financial incentives for the first reference period (2012-2014), after having consulted the national social partners. This complies with the principle laid down in the SES regulation to let the Member States decide whether to introduce financial incentive systems.

ANSPs provide an infrastructure requiring investments of a very long term nature, operated by highly specialised people for whom no real market exists. This should be recognised in any scheme.

An isolated consideration of cost and risk-sharing would lead to a rudimentary performance scheme facing the risk to have uncontrollable negative effects on operational performance and long-term investments and is likely to increase unit rates.

- The ATM Social Partners do not support financial compensation at the benefits of the airspace users when targets on environment and capacity are not met.
- The ATM Social Partners do agree that incentives on safety should not be of financial Nature.
- The ATM Social Partners believe that the implementing rule should deal with “measures” instead of “penalties” for capacity and environment.

Financial stability of the Air Navigation Service Providers should be accepted by all as a priority. Therefore, incentives and penalties, if implemented, must remain reasonable and shall not jeopardise the reliability of European ATM services.

VII - National Supervisory Authorities

Member States will have the responsibility to ensure that their respective NSAs have sufficient financial and human resources and competence to fulfil their new tasks as they move from a safety supervisor role to a performance regulator role. NSAs shall play the key role for successful stakeholder consultation, including social partners, prior target setting.