

**Opinion of the European Economic and Social Committee on the Proposal for a Council Regulation on the establishment of a Joint Undertaking to develop the new generation European Air Traffic Management System (SESAR)**

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(2006/C 309/27)

On 4 January 2006 the Council decided to consult the European Economic and Social Committee, under Article 171 of the Treaty establishing the European Community, on the abovementioned proposal.

The Section for Transport, Energy, Infrastructure and the Information Society, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 30 May 2006. The rapporteur was Mr McDonogh.

At its 428th plenary session, held on 5 and 6 July 2006 (meeting of 6 July 2006), the European Economic and Social Committee adopted the following opinion by 37 votes to one with three abstentions.

## 1. Introduction

1.1 SESAR is the technological part of the single European sky initiative, launched in 2004 to reform the organisation of air traffic control. It will introduce new communication, control, and computing technologies between the ground and aircraft which will optimise the work of air traffic controllers and pilots. Today, while the cockpit is becoming increasingly automated, controllers and pilots still communicate by radio.

1.2 SESAR is a new generation air traffic management system, which will be vital for managing the growth in air traffic. SESAR will boost the safety and the environmental performance of air transport and will ensure that Europe remains at the forefront of the world aviation market. The Commission will develop this major industrial project together with Eurocontrol and with industrial partners.

1.3 Europe will have the most effective air traffic control infrastructure in the world. By making air transport more efficient SESAR is estimated to have a net present value of EUR 20 billion. The direct and indirect effects of the project are estimated to EUR 50 billion. The project will create almost 200 000 highly skilled jobs.

1.4 Growth forecasts for air traffic in Europe show that traffic will increase significantly by 2025. This growth will not be possible without a complete overhaul of the air traffic control infrastructure to optimise air routes and eliminate congestion. SESAR will also enhance air transport safety, which today is hampered by ageing technologies and fragmented air traffic control.

1.5 The European Commission and Eurocontrol jointly funded the EUR 43 million (US \$50,5 million) contract, awarded to a consortium of 30 airlines, air navigation organisations and aerospace manufactures. The contract covers the definition phase of the Single European Sky ATM (Air Traffic Management) Research, previously known as SESAME but now renamed SESAR. The two-year definition phase will include not only the design of the future ATM system, but also a timeline for its introduction through 2020.

1.6 The total cost of the definition phase, including the EUR 43 million contract will be EUR 60 million. The EC and Eurocontrol are each providing half of the cost, with Eurocontrol's contribution including cash, staff expertise and research. The EC stated that the development phase will require about EUR 300 million a year, with funding to come from the Commission, industry and Eurocontrol. EUR 200 million a year is already spent on ATM research and development, and this will be channelled to SESAR.

1.7 The definition phase is fully funded by the Commission and Eurocontrol. For the development phase, it is foreseen that industry at large will fund one third of the programme, which represent something like EUR 100 million per year for seven years. The EU will contribute EUR 100 million per year and Eurocontrol will contribute EUR 100 million per year.

1.8 It is not clear yet who will fund how much of the industry EUR 100 million per year. The contribution from industry has to be defined, but first we will have to solve difficult issues such as IPRs (Intellectual Property Rights), competition clauses, etc.

1.9 An indication of the amount of money that industry will contribute to SESAR is, however, provided by the current level of R&D expenses in ATM. EUR 200 million per year, from which around EUR 75 million is provided by ANSPs (Air Navigation Service Providers). A substantial part if not all of this money will go into SESAR instead of being used in a fragmented manner.

1.10 The Project Associates are Air Traffic Management Research and Development (ATM R&D) Centres, Eurocontrol Military Domain (EURAMID), United Kingdom Civil Aviation Authority (UK CAA), Non-European Industry (Boeing, Honeywell, Rockwell-Collins) professional organisations International Federation of Air Traffic Controllers Associations (IFATCA), European Cockpit Association (ECA) and European Transport Workers Federation (ETF).

1.11 The following are the list of companies involved in the definition phase:

USERS: Air France, Iberia, KLM, Lufthansa, Association of European Airlines (AEA), European Regional Airlines Association (ERAA), International Airline Transport Association (IATA), International Aircraft Owners and Pilots Association (IAOPA).

Air Navigation Service Providers (ANSPs): Aeropuertos Españoles y Navegación Aérea (Spain) (AENA), Austrocontrol, DFS, Directorate of Air Navigation Services (France) (DSNA), Italian Company for Air Navigation Services (ENAV), Luftfartsverket (Swedish Airport Operator) (LFV), Luchtverkeersleiding Nederland (Dutch Air Traffic Control Provider) (LVNL), National Air Traffic Services (UK) (NATS), NAV.

AIRPORTS: Aeroports de Paris, BAA, Fraport, Amsterdam, Munich, AENA, LFV.

INDUSTRY: Airbus, BAE Systems, European Aeronautic Defence and Space Company (EADS), Indra, Selex, Thales ATM, Thales Avionics, and Air Traffic Alliance.

## 2. Recommendations and comments

2.1 Any initiative which would modernise Air Traffic Control in Europe, has to be welcomed as a constructive move.

2.2 It should result in more efficient routing, enhanced fuel savings and reduce flight times for the travelling public.

2.3 The establishment of functional airspace blocks (FAB) should enable optimum use of airspace while at the same time respecting regional agreements and taking into consideration the living conditions and interests of local communities (cities, towns and villages) under the FABs.

2.4 By avoiding the duplication of research and development activities, the SESAR project should not lead to an increase in the overall volume of air users' contribution to research and development efforts.

2.5 Following the Community's accession to Eurocontrol, the Commission and Eurocontrol have signed a cooperation framework agreement for the implementation of the Single

European Sky and for research and development activities in the field of ATM. This should improve both safety and the operational effectiveness of ANSPs.

2.6 The Joint Undertaking must take an integrated approach, with the combined effort of the public/private partnership on all issues (technical, operational, regulatory and institutional) ensuring a seamless transition from the Definition Phase to the Implementation Phase and from Research and Development to Deployment.

2.7 The scope of financing for the Joint Undertaking should be reviewed when the Definition Phase is completed. All parties will need to consider the impact of any additional costs to be financed by the Private sector through the User Charges mechanism, as this could lead to knock on effects for the travelling public.

2.8 The public budget for the implementation phase of the SESAR project should be supplemented by contributions from the private sector.

2.9 Taking into account the number of players who will need to be involved in this process, and the financial resources and technical expertise needed, it is vital to set up a legal entity capable of ensuring the coordinated management of the funds assigned to the SESAR project during its implementation phase.

2.10 The companies involved in the definition phase are limited and not representative of the European Aviation Industry as a whole. The European Commission should extend participation in the definition phase to smaller size holders, and in particular to the new EU Member States.

2.11 SESAR will require a step-by-step implementation. The final, implementation phase should be fully implemented as quickly as possible. The Commission should establish clear milestones in order to accelerate the realisation of the project and reduce the length of implementation.

2.12 European Air Traffic charges should be reduced, because of increased efficiency brought about by SESAR.

Brussels, 6 July 2006.

The President  
of the European Economic and Social Committee  
Anne-Marie SIGMUND