

Speech of Mr. Fernando Conte (CEO of Iberia and AEA Chairman)

Eurocontrol CFMU Event, July 2007

Ladies and Gentlemen,

I am very glad to be here today to celebrate the inauguration of the new Central Flow Management Operations Room and would like to seize the opportunity given to me and to AEA to evaluate the importance of the event in the light of the recent ATM trends and their impact on our industry.

Let me begin with some factual numbers. Today's European Air Traffic Management (ATM) results in costs to its airspace users (through respectively charges, delays and flight inefficiencies) of around €9.4 billion per annum. It could be some €3.4bn lower if the system was operated in a more efficient, i.e. less fragmented, way.

Indeed, fragmentation is having important side effects, most notably on productivity and support costs. In 2005, these direct cost inefficiencies have been calculated to amount to around €2bn. Other inefficiencies, such as en-route, are estimated to cost airspace users an additional €1.4bn per annum. As you may imagine, all these inefficiencies also have a direct impact on the environment through additional fuel burn and emissions. A more rational airspace design could reduce environmental impact (i.e. CO₂ emissions per flight) and could save up to an estimated 12 million tones of CO₂.

AEA launched in 2004 an Action Plan to rebalance the aviation value chain for the period 2004-2009. Air Traffic Management is an important element of the document and at the same time also constitutes an important pillar of the AEA Emissions Containment Policy (less fuel burn reducing emissions per flight) along other measures. Therefore, as you have understood, ATM is now on the very top of the agenda for the AEA Presidents, who stress on the particular importance of the governance in Air Traffic Management in order to remove the inefficiencies mentioned previously. As the primary users of the system, airlines should seek and be ensured a greater say and involvement in the Air Traffic Management of tomorrow.

A push for a quick and efficient deployment of Functional Airspace Blocks based on operational need and cost efficiency targets will constitute the cornerstone of that involvement, together with the progressive unbundling of ancillary ATM services such

- Adria Airways
- Aer Lingus
- Air France
- Air Malta
- Air One
- Alitalia
- Austrian
- bmi
- British Airways
- Brussels Airlines
- Cargolux
- Croatia Airlines
- CSA
- Cyprus Airways
- Finnair
- Iberia
- Icelandair
- Jat Airways
- KLM
- LOT
- Lufthansa
- Luxair
- Malev
- Olympic Airlines
- SAS
- Spanair
- SWISS
- TAP Portugal
- TAROM
- Turkish Airlines
- Virgin Atlantic Airways

as Communication, Navigation and Surveillance (CNS), Training and Meteorology services in order to stimulate competition, and an independent economic regulator for monopoly services.

This, ladies and gentlemen, brings me to the very reason we are here today. The CFMU is an essential service provision task within the current ATM system, which regulates the flow management where capacity shortages exist. In an ideal world the ATM system would not face capacity shortages and would hence not need any flow management. But the world we are living in is unfortunately not perfect, and we are happy to be able to count on the CFMU's recognized efficiency in its daily management of more than 30,000 flights, making our business both safer and more punctual at the same time.

Ladies and gentlemen, please let me conclude by making a plea, as a prelude to the future tasks of this Operations Room, for the extension of the planning and control horizons in the future ATM network, in order to move from a "tactical" system primarily managing individual flights to a more "strategic" system managing trajectories and optimizing traffic flows, especially into and from airports and on the ground. In order to achieve that, a swift and instantaneous exchange of information is required to and from all stakeholders so that decision-making can be greatly facilitated. The role of a Collaborative Decision-Making Authority is definitely the kind of role that we would see the CFMU endorse, for the benefit of all.

Ladies and Gentlemen, it is now time for action. The airlines can and will not wait until 2020 for the full benefits of the Single European Sky to materialize. Let us move forward together towards a more efficient European ATM system, of which we believe this new Operations Room can constitute an important step.

Thank you.

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