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CANSO SETS RECORD STRAIGHT ON EUROPEAN AIR NAVIGATION CHARGES

CANSO, the Global Voice of ATM, has responded to airline criticism of a proposed 2.7 percent increase in European navigation charges, by “setting the record straight” on how charges are set, and what ANSPs have done to reduce costs.

CANSO Secretary General Alexander ter Kuile said:

“IATA blaming ANSPs for proposed increases in State Air Navigation charges is wholly inappropriate and inaccurate. Let us set the record straight. The European ANS charges are set by government and include many State costs. These charges are not set by the ANSPs themselves.

ANSPs have made great efforts to reduce their costs, and IATA’s own figures clearly indicate that the overall cost of European navigation charges is falling by 3.8 percent in 2010. The real issue is that in this extraordinary crisis, the severe downturn in flights – 6.3 percent on average – has simply outstripped the ability of ANSPs to cut costs faster, resulting in some States having to increase navigation charges per flight. Judging by the losses suffered by many IATA members, airlines have similarly been unable to cut costs faster than the decline in their revenues.

In response to the crisis, ANSPs have accelerated the trend of reducing European ATM costs, which has seen average charges fall by 3 percent each year since 2003. Measures have included headcount reduction, deferment of investment, and internal budget cuts. ANSPs are reluctant to make further cuts as it might delay investment in the Single European Sky and SESAR, which we know IATA continues to urgently call for. It is a few States, acting in accordance with the long-established cost recovery principle, who have proposed the 2.7 percent nav charge increase.

So although IATA is wrong to criticize ANSPs for not responding to the crisis, I welcome their comments, as they confirm CANSO’s belief that the cost recovery system, which is not designed to cope in times of crisis, needs urgent reform. I look forward to IATA’s support for this process.”

ENDS

Notes:

- IATA press release 24.11.09 called for the cost cutting burden to “be shared across the value chain – including our ANSP partners”.
- European ANSPs have cut costs by 2.9 percent per annum 2003-2006. Source: Eurocontrol PRC Performance Review Report, May 2008.

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CANSO – The Civil Air Navigation Services Organisation – is the global voice of the companies that provide air traffic control, and represents the interests of Air Navigation Services Providers worldwide. CANSO members are responsible for supporting over 85% of world air traffic, and through our Workgroups, members share information and develop new policies, with the ultimate aim of improving air navigation services on the ground and in the air. CANSO also represents its members’ views in major regulatory and industry forums, including at ICAO, where we have official Observer status.