

PREM 19/2989

Confidential Filing

UK Air Transport Policy in Europe.

EUROPEAN POLICY

November 1979

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		17. 4. 90					
		8. 5. 90					

PREM 19/2989

TO BE RETAINED AS TOP ENCLOSURE

Cabinet / Cabinet Committee Documents

Reference	Date
CC(85) 24 th Meeting, item 3	11/07/1985
CC(84) 23 rd Meeting, item 3	21/06/1984
EQO(82) 120	18/08/1982
EQS(81) 10	20/05/1981
CC(80) 36 th Meeting, item 4 (extract)	23/10/1980
EQO(80) 90	24/07/1980
EQ(O)(79) 84	08/11/1979

The documents listed above, which were enclosed on this file, have been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate **CAB (CABINET OFFICE) CLASSES**

Signed _____ *J. Gony*

Date _____ *20/8/2016*

PREM Records Team



THE DEPARTMENT
OF TRANSPORT

FROM THE SECRETARY OF STATE

The Rt Hon Norman Lamont MP
Chief Secretary to the Treasury
HM Treasury
Treasury Chambers
Parliament Street
LONDON
SW1P 3AG

MARSHAM STREET LONDON SW1P 3EH
TELEPHONE 01-276 3000

My Ref:

Your Ref:

n.5. P.M.

BTH
9/5

8 MAY 1990

INTEGRATING EUROPE'S AIR TRAFFIC CONTROL

Thank you for your letter of ~~30~~ April. I fear that I cannot be responsible for everything printed in the newspapers, least of all by Harvey Elliott. I wish it were otherwise.

On the ECAC strategy, I have made it clear to journalists that the integration proposals do not in themselves mean extra UK spending; what they do mean is that equipment which the CAA would have installed anyway should be technically compatible with the equipment of our ECAC partners. I was at pains to put this forcibly at the press briefing after the ECAC Ministerial meeting last week.

The only interpretation I can put on the £400 million figure in Harvey Elliott's article is that it represents CAA's spending continuing at about the present rate to the end of the decade. I expect Harvey Elliott is as capable as the Treasury of drawing a straight line.

I am sending copies of this letter to the Prime Minister, Douglas Hurd, Nicholas Ridley and Sir Robin Butler.

CECIL PARKINSON

Euro Pol : Air Transport, NOV 99.



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AP



Treasury Chambers, Parliament Street, SW1P 3AG

The Rt Hon Cecil Parkinson MP
Secretary of State for Transport
Department of Transport
2 Marsham Street
London
SW1P 3EB

n b. P.M.
BTP
215

30th April 1990

Dear Secretary of State,

INTEGRATING EUROPE'S AIR TRAFFIC CONTROL

I have seen your letter of ~~17~~^{Har} April to Tom King.

2. When you first proposed an initiative to increase the integration of Air Traffic Control in Europe, I said that I was content, provided it would lead to no additional public expenditure. Your officials have assured mine that the ECAC strategy document has no additional public expenditure implications, and on that basis I am content for you to endorse it.

3. I am, however, concerned by the report in "The Times" that you would be looking for an additional £400 million for CAA investment over the next decade. I understand that the proposed investment is for a project that has not been seen by your officials, let alone by the Treasury. It is clearly unacceptable that there should have been statements to the press proposing public expenditure for which there is no provision, and for which no approval has even been sought, still less given. I need not spell out the massive pressure on public expenditure at present. I must ask you to ensure that there are no more statements of this nature on this, or any other project.

4. I am copying this letter to the Prime Minister, Douglas Hurd, Nicholas Ridley and to Sir Robin Butler.

Yours sincerely

Aileen Campbell

NORMAN LAMONT

Approved by the Chief Secretary
and signed in his absence

Eslo 104 - Au Transport, 1979



dti

the department for Enterprise

cc/pl

The Rt. Hon. Nicholas Ridley MP
Secretary of State for Trade and Industry

n. b. p. m.
BHP
25/4

The Rt Hon Cecil Parkinson MP
Secretary of State for Transport
Department of Transport
2 Marsham Street
LONDON SW1P 3EB

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Our ref PB5ADH
Your ref
Date 23 April 1990

Dear Cecil

INTEGRATING EUROPE'S AIR TRAFFIC CONTROL

Thank you for a sight of the ECAC report. I am pleased that you are making progress on this complex issue. Air traffic congestion already costs us millions and is likely to cost us more by the end of the 1990s. The sooner integration and harmonisation of ATC systems is achieved, the better. You have my full support for the line you are proposing.

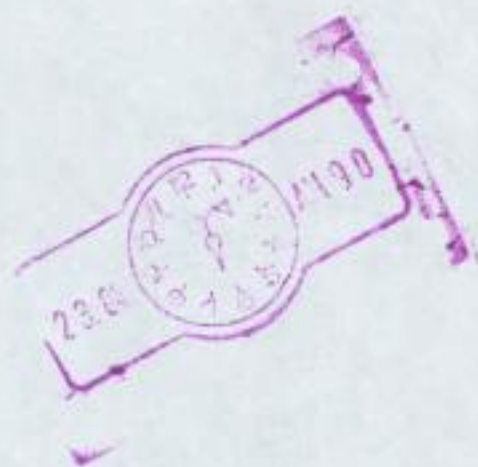
I am sending a copy of this letter to the Prime Minister, Tom King, Douglas Hurd, John Major and Sir Robin Butler.

James
Andrews



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Enloke: Au Transpat, 12/11/99





THE DEPARTMENT
OF TRANSPORT

n. b. p. m.
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ccfu.

FROM THE SECRETARY OF STATE

2 MARSHAM STREET LONDON SW 1P 3EB
TELEPHONE 01-276 3000

The Rt Hon Tom King MP
Secretary of State for Defence
Ministry of Defence
Whitehall
LONDON
SW1A 2AS

My Ref:

Your Ref:

17 APR 1990

Dear Sir,

INTEGRATING EUROPE'S AIR TRAFFIC CONTROL

I wrote to you on ~~18~~¹⁹ October ^{Hap.} about the measures my Department and the Civil Aviation Authority had been taking to tackle the problem of air traffic control congestion.

As a result colleagues agreed to the UK playing a crucial role in the Task Force, which had been set up by the European Civil Aviation Conference (ECAC), to consider the scope for integration of European air traffic control systems. I attach a copy of my earlier letter for ease of reference.

I am now writing to let you know that good progress has been made in the work on integration and ECAC has produced the enclosed report (Air Traffic Control in Europe - ECAC Strategy for the 1990s), which is consistent with the plans we envisaged for the future integration of air traffic control in Europe. A copy of an Executive Summary of the report is also enclosed. The report will be considered at a meeting of ECAC Transport Ministers on 24 April.

The report contains helpful objectives on the progressive integration of air traffic control systems in Europe. It includes a clear cut plan and specific recommendations on the management of an integration programme through Eurocontrol. I believe that this is a major step forward in the management of air traffic in Europe. I am particularly pleased that this was as a result of a UK initiative and we have played a leading role in pushing it through. We can justifiably be proud of the result.

There is a high chance that the report will be unanimously agreed on 24 April. I hope you and colleagues agree that I should endorse the report on behalf of the UK on 24 April. If I do not hear from you by midday on 23 April I will assume that you are content.

/ I am sending a copy of this letter to the Prime Minister,
Douglas Hurd, John Major, Nicholas Ridley and to Sir Robin
Butler.

Yours Sincerely,
Cecil

CECIL PARKINSON



THE DEPARTMENT
OF TRANSPORT



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FROM THE SECRETARY OF STATE

The Rt Hon Tom King MP
Secretary of State for Defence
Ministry of Defence
Whitehall
LONDON
SW1A 2AS

18 OCT 1989

INTEGRATING EUROPE'S AIR TRAFFIC CONTROL

I am writing to seek your agreement to a major new initiative for dealing with shortcomings in Europe's air traffic control systems.

Over the last year my Department and the Civil Aviation Authority have been pursuing vigorously the strategy agreed between Paul Channon and George Younger last summer for tackling the serious problem of air traffic control congestion. Domestically, the Civil Aviation Authority has devised and published short and medium term plans for increasing the capacity of the UK's system during the 1990s. The Government has played its part by approving a doubling of the investment programme of the National Air Traffic Services. The CAA is now implementing its programme at full speed and evolving its long term proposals to provide facilities to support UK air traffic services into the next century. These will be published next summer.

Internationally, the UK has played a leading role in the European Civil Aviation Conference and Eurocontrol in galvanizing political commitment to improving co-ordination and co-operation between air traffic control authorities across Europe. Under our Presidency last year, the process of revitalizing Eurocontrol was begun and the organisation was given a key role in setting up the Central Flow Management Unit for the whole of Western Europe. A number of other practical initiatives within Eurocontrol were successfully initiated.

Since the beginning of August, my Department has been reviewing the whole air traffic control strategy to see how best to carry it forward. Domestically, we feel the Civil Aviation Authority's proposals now represent a satisfactory recovery programme, though we recognize that until the mid 1990s the National Air Traffic Services will be very stretched in coping with the expected traffic levels. The key question here is whether the management of the National Air Traffic Services will be able to deliver the very ambitious investment programme now in the pipeline. I will be writing to you separately about this.

Internationally, it is clear that much more must be done to improve co-ordination between the national systems. At the beginning of September, my Department set up a Working Group comprising officials from your Department, the Department of Trade and Industry, the Foreign and Commonwealth Office and from the Civil Aviation Authority to develop a consensus on the way forward in Europe. I attach a copy of the Group's report.

There was unanimity within the Group that current initiatives in Europe, though very helpful, would not be sufficient to provide adequate air traffic control capacity in the years ahead. A greater political commitment and drive towards the planning and provision of air traffic services will be needed if Western Europe's systems are to be able to handle the predicted traffic levels. The Group looked at three alternative strategies - intensifying co-operation between national air traffic control authorities, integrating Europe's air traffic control systems whilst retaining separate national authorities, and creating a unified European supranational air traffic control system under one management. The Group favoured the second option - integration.

I strongly support the integration option. Under this option, states would enter into a specific commitment to integrate their systems to an agreed timetable and to effect the changes to the institutional framework to achieve this. The integrated system would be operated from a series of area control centres, which would have compatible systems and equipment and would be connected by a common communications network. Some changes of airspace boundaries might be agreed, but we would expect most control centres to continue to be operated by national authorities. The system would function irrespective of state boundaries, which would become transparent to airspace users. More details about the concept are given in Annex II of the Group's report.

I am not attracted to the option of seeking the early establishment of one supranational air traffic control organisation for the reasons set out in the Group's report. I believe such a move would delay progress rather than advance it at this stage, and the practical obstacles would mean that this approach would be unlikely to succeed. Nevertheless there may be substantial benefits from unification in specific areas. The states of Western Europe have already agreed,

as a result of the UK's initiative last year, to unify flow management under Eurocontrol. There may well be other elements of the system (the communications network, for instance) where the arguments for unification are particularly strong and those against are weak. In any event I see a greatly enhanced role for Eurocontrol in developing a single integration plan for Western Europe and in helping the national authorities to implement it. We may need to consider further institutional changes, given that Eurocontrol's membership does not at present cover the whole of Western Europe.

There is now a window of opportunity for the UK to play a crucial role in influencing events over the next six months. In response to a UK proposal, the European Civil Aviation Conference recently established a Task Force to examine the scope for further integration of air traffic control systems in Europe. The Task Force is required to report to member governments by the end of February, in preparation for a meeting of Transport Ministers probably next April. I want the UK to play a leading role in the Task Force and to put forward the integration option as set out in the Group's report. The likely timetable for action over the next six months is given at Annex III of the Group's report. The culmination will be the meeting of European Transport Ministers, at which we would hope the Governments of Western Europe would commit themselves to integrating their systems and to making the institutional changes needed to achieve this.

I should be grateful for your confirmation that you are content for my Department to proceed as proposed above, keeping your officials in touch as the negotiations unfold.

I am sending a copy of this letter to the Prime Minister, Nigel Lawson, John Major, Nicholas Ridley and to Sir Robin Butler.

James Earl
Earl

CECIL PARKINSON

**AIR TRAFFIC
CONTROL
IN EUROPE**

***ECAC
STRATEGY
FOR THE
1990s***

Presented to

**MEETING OF
ECAC TRANSPORT MINISTERS
Paris, 24 April 1990**

AIR TRAFFIC CONTROL IN EUROPE

ECAC STRATEGY FOR THE 1990s

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Meeting of
ECAC TRANSPORT MINISTERS
Paris, 24 April 1990

Decisions of ECAC Transport Ministers

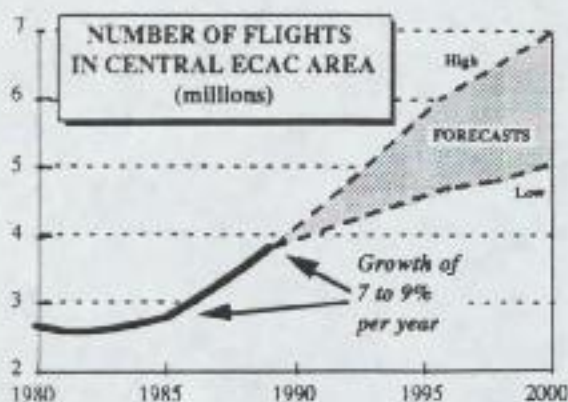
In the final edition of this document, to be issued after the ECAC Ministerial meeting of 24 April 1990, this page and the next will reproduce the decisions taken by Transport Ministers at that meeting.

A draft of such decisions is presented in MATSE/2-WP/3 for amendment as necessary and approval.

In the final edition of this document, to be issued after the ECAC Ministerial meeting of 24 April 1990, this page and the previous one will reproduce the decisions taken by Transport Ministers at that meeting.

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An ECAC Strategy — Why?



Demand is growing fast, and could double by the end of the century

Much has already been done to meet the challenge but ...

... a multilateral strategy is needed

Air traffic in Europe is increasing fast. Its rate of growth is now much higher than forecast by airlines and authorities in the early 1980s.

This trend is likely to continue in the 1990s. Both the completion of the Single Market in the EC and current developments in Eastern Europe should increase trade and tourism, and therefore traffic demand, throughout the continent. While high-speed rail services may absorb part of the traffic growth on some shorter routes, strong demand for air transport can be expected on most routes linking the wider Europe now in prospect, as well as on the expanding inter-regional network.

As decided jointly by ECAC Ministers in October 1988, air traffic flow management is being progressively centralized into a single unit which will be fully operational by 1993 — a vital step forward in making the best use of available airspace capacity. Eurocontrol is playing a key role in this. As more and more ECAC States join it, in line with the joint recommendation of ECAC Ministers, Eurocontrol's importance in the future organization of air traffic in Europe is assured.

Regarding air traffic control — as distinct from flow management — ECAC Administrations have made major efforts individually to expand the capacity of the system to meet the increased demand, while maintaining a high level of safety. Investment in equipment has been stepped up, and is now running at a total ECAC level of more than 700 million ECU a year. New communication and data links have been installed, new control sectors added, crisis management cells established and staff recruitment and training increased. The full benefit of these measures is only beginning to be felt, as many of them require several years to take complete effect.

Important as these national initiatives are, they need urgently to be united and accelerated. The system requires the synergy of multilateral action to reach a harmonized level of performance and to move towards integration. This is the key to making the European system more efficient and thus to finding a lasting solution to the congestion which occurs especially at peak times in parts of the system. Greater efficiency will also help to reduce pollution and preserve finite resources.

The need for urgent multilateral commitment is strikingly illustrated in the eight charts at the end of this document. They show the huge variations in the traffic density and air traffic control facilities in the continental ECAC area¹ as well as the boundary problems which exist between neighbouring air traffic control areas.

ECAC offers the optimal framework for deciding on this multilateral action. It presents a coherent geographical basis to tackle air traffic congestion. As more East European countries may soon be joining ECAC, it should be able in due course to evaluate the effects of their closer links with Western Europe on the major traffic flow patterns and on new routings. →

¹ The area covered by this report includes the airspace of all ECAC Member States with the exception of Iceland, which geographically forms part of the North Atlantic air navigation system.

How the Strategy was developed

The strategy presented to ECAC Ministers by their Directors General of Civil Aviation has been developed by a Task Force set up in the autumn of 1989 to explore the scope for harmonizing and progressively integrating ECAC's air traffic control systems. The Task Force was chaired by Mr V.K.H. Eggers (Director General of Civil Aviation, Denmark). It comprised high-level policy and air navigation experts from many ECAC States, received substantial input from Eurocontrol, and worked with the active collaboration of ICAO, the NATO Committee for European Airspace Co-ordination and the EC Commission as well as with advice from organizations representing air traffic controllers and airspace users. The advice of the Director General of Eurocontrol was taken on institutional arrangements.

The strategy for the 1990s has been kept compatible with existing plans by ECAC States, ICAO and Eurocontrol (See "Existing Plans"). Compatibility with the ICAO Future European Air Traffic Management System (FEATS) concept is important to ensure that efforts are not duplicated and that the strategy remains coherent with longer-term perspectives. The Eurocontrol Common Medium-Term Plan (CMTP) provides an essential framework within which all technical development, even on a sub-regional basis, should take place. The various associated functional and technical specifications and standards in course of elaboration will also need to be taken into account.

In preparing the strategy, particular attention was paid to the views of airspace users, for example in studies published last year on airspace capacity by the Association of European Airlines (AEA) and The German Airspace Users' Association and in another, commissioned by the International Air Transport Association (IATA), on airspace and airport capacity in Europe. Although the results of the latter had not yet been published when the ECAC strategy was completed, useful briefings were received on its progress, particularly on the questions of the need for airspace restructuring and of airport capacity.

Some of these studies propose a new single air traffic control system operating a small number of trans-national centres in the continental ECAC area. This proposal has not been followed in the ECAC strategy because it raises major problems — including some of national sovereignty — and because the time needed to resolve them might delay the urgent practical improvements which could and should be made in the system. Nevertheless, the value of these studies is recognized. →

A think-tank of eminent experts

Coherence with existing plans

Airline views taken into account

EXISTING PLANS

- **The FEATS concept.** The ICAO Future European Air Traffic Management System (FEATS) concept provides a foundation for harmonized planning throughout the ICAO European Region and at the interface with adjacent regions, in order to develop a coherent regional system, fully compatible with the world-wide one, in the medium to long term (1995—2010/2015).
- **The CMTP.** The Eurocontrol Common Medium-Term Plan (CMTP) identifies operational and technical measures required in the next 5 to 15 years for individual Eurocontrol States' plans to evolve coherently towards future developments, and provides commonly-agreed objectives and lines of action within the framework of the FEATS concept.
- **The 4-States/Eurocontrol Integration Project** is progressively integrating five civil and three military control centres functionally by 1994, and aims at operating them as if the service throughout Benelux and Northern Germany was provided by a single system. Such integration is to be achieved by raising each system to an equivalent level of development and by developing common facilities for extensive inter-centre co-ordination and data exchange for uninterrupted service throughout the area. Common functional specifications for the acquisition of future system components are being devised.

The basis for the ECAC Strategy

*Two key issues :
en-route ATC and
airports*

*A pragmatic and
comprehensive
approach*

A realistic timeframe

*Ready for the
technology of the
21st century*

The capacity of the air traffic system depends on two main elements :

- the en-route air traffic control system
- the operational airport infrastructure.

In order to provide practical solutions to defined problems within a fixed period, the strategy outlined in the present document concentrates as a first priority on completing the harmonization and progressive integration of the en-route air traffic control system in the 1990s. It also recognizes the need to develop in parallel a concerted systems planning approach to the airport/en-route air traffic system interface.

The ECAC strategy for the 1990s is pragmatic. It is based on deriving the maximum benefit from the present air traffic control systems in this area and ensuring that future planning is co-ordinated through mechanisms such as the Eurocontrol CMTF. The strategy is comprehensive, covering equipment, procedures and the human element. It is designed to achieve a marked improvement, though it does not imply that all congestion will be eliminated at all times because such a system would not be cost-effective.

The ECAC strategy concentrates on the period up to the end of the century. Within that period, a comparable level of system performance through harmonized procedures can be completed before 1995 in most areas and shortly after in others. Before the end of that period, new advanced systems¹ now under development are expected to become operational.

The ECAC strategy has been developed with an eye to preparing for the introduction of these advanced systems. Detailed plans for introducing this new technology would be premature at this stage, but it is important to press ahead with the relevant study programmes, to step up applied research and to make the necessary funding available — for example, through EC channels. Particular emphasis is to be placed on:

- enhancing air traffic control with advanced air/ground data links (Mode S);
- developing high-performance data exchange systems for the Aeronautical Telecommunication Network ; and
- integrating the air and ground elements of the air traffic management system.

ECAC States will also be working to implement the ICAO Future European Air Traffic Management System (FEATS) concept within the shortest possible timeframe, in co-operation with other European States in the framework of the ICAO European Region Air Navigation Plan. These important activities will be conducted in the closest possible association with Eurocontrol.

¹ e.g. Aeronautical Telecommunication Network (ATN), Mode S data link, satellite data link, extended automated assistance to the controller, etc.

The overall objective and approach

Having regard to the growth forecast in air traffic demand in the ECAC area to the end of the century and beyond, the overall objective is to provide increasing airspace and control capacity urgently, in order to handle the traffic expeditiously while maintaining a high level of safety.

The overall objective

Completion of harmonization and operational integration throughout the continental ECAC area are identified as the essential means to achieve this objective. For the purposes of the ECAC strategy, these terms are defined as follows:

Harmonization and operational integration ...

- **harmonization :** *the attainment of a comparable level of operational system performance throughout a given area by utilization of compatible standards, specifications and procedures;*
- **integration :** *the operation of the whole system in a given area in such a manner that, from the user's perspective, it functions as if it were a single unit, and that optimal use is made of airspace. Taking account of the existing and developing degree of integration in parts of the area, this can be achieved by applying common standards, specifications, and procedures¹ throughout the area, and by common implementation of new systems to attain an identical level of sophistication through use of a common data source.*

The ECAC strategy recognizes that some geographical areas are of higher priority than others when it comes to selecting dates for implementing its various elements. Therefore, rather than seeking to impose a single timeframe on the whole of the continental ECAC area, the strategy provides for a certain flexibility in the timeframe envisaged.

... to be completed by target dates which take account of varying priorities within the area

The whole strategy is based on defining minimum specifications for the various areas identified in order to ensure that each area concerned completes its move to a specified level of technical development within a given timeframe. However, as individual States and groups of States are encouraged to maintain and if possible accelerate national programmes coherent with the operational and implementation objectives of the strategy, many will achieve that specified level at an earlier date. →

¹ The expressions "common standards", "common specifications" and "common procedures" are understood to mean standards, specifications, and procedures of such uniformity as is required to enable the whole system to work together, e.g. in respect of the exchange, processing and presentation of data.

Operational objectives

Many results expected well before the target dates

To satisfy its overall objective, the ECAC strategy is designed to achieve the following broad operational objectives throughout the area no later than the target dates indicated, though in all cases many of them will be achieved in parts of the area well before those dates. Substantial benefits may thus be expected earlier than each target date.

- The air traffic services route network and airspace structure is to be optimized, supported by a widespread application of area navigation from 1993 onwards.
- Comprehensive radar coverage is to be completed throughout the continental ECAC area by 1995 at the latest.
- En-route radar separation of 5NM is to be applied throughout high-density areas by 1995 at the latest. Elsewhere, en-route radar separation of 10NM is to be applied by the same date.
- Air traffic control systems are to be progressively integrated, after being harmonized in high-density areas by 1995 at the latest, and elsewhere not later than 1998.
- Automatic data communication between air traffic control centres is to be completed by 1998 at the latest.
- Mode S air/ground data link is to be operational in a central area from 1998 onwards.

Civil/military co-operation

Dialogue between the civil and military authorities on the use of the available airspace is a long-standing feature of the European aviation scene. The development of this dialogue through the appropriate channels in pursuit of a better use of airspace must remain an important element in the ECAC strategy. There remains scope for improving co-operation in the use and, where possible, integration of the facilities of the civil and military authorities.

→ → →

To achieve these operational objectives, the ECAC strategy sets the implementation objectives shown on the opposite page, each of which is detailed in Appendices 1 to 5.

Implementation objectives

- 1** Optimize the provision and use of the radar surveillance function by installing new facilities or sharing radar data.

Radar

Radar installations provide positional data information which constitutes the basic tool for the execution of air traffic control. The capacity of the air traffic control system could be materially increased by the availability of such data throughout the continental ECAC area, since, in its absence in some sectors, procedural separation has to be applied, with resultant reduction in capacity. Continuous radar information throughout the area is therefore essential for achieving optimum separation of aircraft.

- 2** Make air traffic control communications more efficient and extend the exchange of data between air traffic control computers by applying common specifications and installing new equipment.

Communications

Reliable and efficient communications are vital to the global air traffic control system. Voice communications will continue to constitute an essential tool in the execution of air traffic control, both for co-ordination between controllers and for instructions from controllers to pilots. In addition, it is essential to extend the exchange of data between air traffic control computers, as this decreases the direct workload of the controllers. Air/ground data exchange will also permit enhanced automation of air traffic control functions.

- 3** Improve airspace management by implementing new airspace and route structures, common procedures and adequate system support.

Airspace management

Efficient airspace management is fundamental to increasing the capacity of the air traffic services system, to providing the optimum response to various user requirements and to achieving the most flexible use of airspace. The optimization of the air traffic services route network and airspace structure, supported by the implementation of area navigation, is considered as a key element in obtaining the required system capacity. Common procedures throughout the continental ECAC area are needed in order to ensure that the air traffic services system can cope efficiently with the future demands of users whilst maintaining or improving the existing level of safety.

- 4** Harmonize the development and implementation of the various technical components of air traffic control systems by adopting common standards and specifications.

Common standards and specifications

Data processing systems constitute a key element in providing automated assistance to the controller. The information derived from flight-plan and radar-data processing is combined and presented on the controller display. It is of prime importance to harmonize and integrate these systems through the use of common standards and specifications.

- 5** Define guidelines for the selection, training and licensing of air traffic services staff in ECAC Member States

The human element

The human element is a key issue in air traffic services. International guidelines on selection, training and licensing of air traffic services staff would be of considerable assistance to national ECAC Administrations or Agencies in planning the development and staffing of their air traffic control systems. →

Institutional arrangements

The programme outlined on the previous pages will require :

- ❑ the full commitment and active participation of all States in the continental ECAC area, who will remain individually responsible for the necessary investments to ensure the implementation of the programme, as amplified on the next page
- ❑ centralized management in order to ensure the timely implementation of each of its four phases.

Eurocontrol is invited to undertake this central management function under the following arrangements enabling all States in the continental ECAC area to participate.

Central management by a Project Board

Overall management control of the programme is to be vested in a Project Board, whose responsibility will be :

- ❑ to determine the broad direction of the programme
- ❑ to decide on extension of the programme to further European States and on relations with other countries and international organizations.

THE PROJECT BOARD

COMPOSITION

- ❑ High-ranking officials of participating States
- ❑ The Director General of Eurocontrol
- ❑ Observers from inter-governmental organizations
- ❑ Observers representing user interests (e.g. airlines and airports)

SECRETARIAT : EUROCONTROL

Day-to-day management by a Project Team

Day-to-day management is to be carried out, under the direction of the Board, by a Project Team headed by a Project Leader, under staffing arrangements detailed in Appendix 6. In consultation with participating States, it will be the Team's responsibility :

- ❑ to work out the details of the programme and to monitor progress
- ❑ to draw up standards, protocols and procedures for software, hardware, product interfacing, man/machine interfaces and human factors
- ❑ to undertake project appraisals
- ❑ to develop proposals for financial policies and arrangements for the implementation of the programme.

THE PROJECT TEAM

HEAD : Project Leader

COMPOSITION

- ❑ Eurocontrol staff on permanent and fixed-term contracts, including some on secondment from participating States
- ❑ Suitably qualified personnel from all sectors of industry and relevant institutions, on a contractual basis

TOTAL STAFF (BY 1991) : 90

Collaboration with organizations by a Consultative Committee

The Project Team is to be assisted in its task by a Consultative Committee, whose function will be to establish close collaboration between the Project Team and other organizations concerned and to identify their needs and requirements.

THE CONSULTATIVE COMMITTEE

CHAIRMAN : Project Leader

COMPOSITION

- ❑ Representatives drawn, at Chairman's discretion, from airspace user, airport, consumer and professional organizations as appropriate for the matter under discussion

Further details of central management arrangements are shown in Appendix 6.



Costs and financing

The costs of the management structure outlined opposite are estimated at some 5.8 million ECU per year once the project is running. This figure takes account of the staffing, administrative and organizational support, office accommodation and equipment, setting-up costs and mission and other expenses of the project team. Further details are shown in Appendix 6.

Project management costs will be met by Eurocontrol. This will increase Eurocontrol Member States' contributions, which will subsequently be offset by the en-route receipts paid over to the Member States. The impact of the estimated total annual cost of the programme on user charges in the years after 1991 represents, on average, about 0.35% of the national cost basis for route charges of Member States of Eurocontrol.

Proposals now under consideration in Eurocontrol will, if approved, provide all ECAC States that are members of Eurocontrol with new possibilities for funding both the project management costs and their national investments (See "New Eurocontrol Funding Proposals").

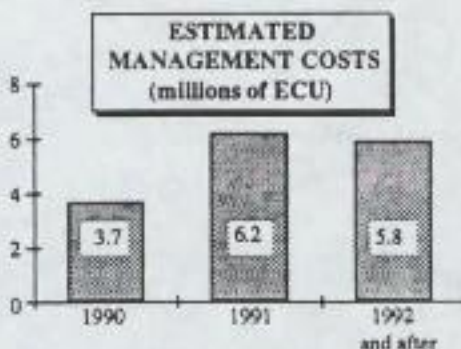
NEW EUROCONTROL FUNDING PROPOSALS

Proposals now under consideration in Eurocontrol for alternative funding would enable a Member State's contribution, if its administrative system permits, to be recovered direct from route charges receipts collected by the Eurocontrol organization on its behalf.

Eurocontrol Member States are also responsible for the funding of any investments in Eurocontrol facilities. Again, under the new proposals, the contributions could be recovered from route charges receipts collected by Eurocontrol.

The new proposals would also give Eurocontrol Member States the option of authorizing Eurocontrol to fund national investments from bank loans and recover revenue to service the loans out of route charges receipts due to the State.

The costs referred to above do not cater for a progressive evolution of the integrated system towards the future air traffic management system based on advanced technologies and on a higher degree of system automation, as foreseen in Phase IV. Eurocontrol will require adequate means to support the development of specific advanced research programmes. Funds will need to be made available for this purpose, preferably within the framework of Studies, Tests and Applied Research (STAR) and of the Programme of Harmonized Air Traffic Management Research in Eurocontrol (PHARE). The Agreement for co-operation between the Commission of the EC and Eurocontrol provides the appropriate framework for EC contributions to these programmes. →



Management costs will add less than 0.35% to route charges

Average of less than 1% extra national investment needed

Funding of advanced research programmes

Airport aspects

The proposals in this report concentrate on the en-route air traffic control system. However, the ability of the whole air transport system to meet demand depends not only on the capacity of the en-route system but also on the capacity of the airport infrastructure and on the interface between the two.

Whilst many aspects of airport planning need to be addressed at a national or even local level, the interface between the en-route system and airport facilities, including terminal area air traffic control and the operational side of airport activity, must work in unison because failures also in this respect have repercussions on the whole system. To improve the capacity of the en-route system, while leaving unattended bottlenecks at ground level, would not produce a satisfactory answer. Accordingly, it is envisaged that, side by side with the strategy on en-route control, parallel work will be undertaken on a concerted systems approach to the airport/air traffic system interface. →

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Appendix 1

OBJECTIVE 1: OPTIMIZE THE PROVISION AND USE OF THE RADAR SURVEILLANCE FUNCTION BY INSTALLING NEW FACILITIES OR SHARING RADAR DATA

INTRODUCTION

1. Radar positional data information constitutes the basic tool for the execution of air traffic control. The capacity of the air traffic control system could be materially increased by the availability of such data throughout the continental ECAC area, since, in its absence in some sectors, procedural separation has to be applied, with resultant reduction in capacity. Continuous radar information throughout the area is therefore essential for optimal use of the radar surveillance function and, in particular, for generalized application of radar separation.

GENERAL REQUIREMENTS

2. Full radar coverage, from which the radar information is derived, can be achieved either by installing new radar facilities or by sharing the use of radar stations.

Radar coverage

3. New radar stations should be installed according to the criteria adopted to define radar coverage requirements, i.e. :

- en route coverage: secondary surveillance radar (SSR) (duplicated)
- major terminal area coverage : primary radar (PR) (single) SSR (duplicated)
- SSR stations will be of the monopulse type for later upgrading to Mode S.

4. To the maximum extent possible, the use of SSR monopulse stations should be shared in order to minimize costs.

5. To optimize the surveillance function, processed radar data should be transmitted :

Radar data processing

- to ATC units not fully equipped with full data processing systems (e.g. approach control units at major regional airports);
- to already equipped ATC units in order to improve the quality of the radar information presented to the controllers.

6. To support the wider exchange of radar data, the necessary transmission procedures and networks need to be developed according to common functional/technical specifications.

7. Initially, the use of adequate interfaces could provide an interim solution, e.g. radar message converter and distribution equipment (RMCDE) or equivalent.

ACTION

8. The following action is to be completed by the target dates indicated to optimize the provision and use of the radar surveillance function:

ACTION	TARGET DATES
a) Identification of existing deficiencies in radar coverage is to be completed.	1990
b) Remedies for these deficiencies are to be defined, based on the installation of new radar facilities or by the shared use of radar stations.	1991
c) Using as a basis the All-Purpose Structured Eurocontrol Radar Information Exchange (ASTERIX), as already developed within Eurocontrol and applied by a number of States, a common format is to be adopted for the transmission of radar information.	1991
d) A comprehensive implementation programme for completing radar coverage is to be drawn up for agreement and adoption by the national Administrations concerned.	1992-93
e) Suitable interfaces are to be developed and used as an interim solution (e.g. RMCDE or similar).	1993
f) The programme agreed under d) above for installation of new radar facilities or sharing radar stations is to be implemented.	1993-95
g) Common en-route separation standards of 5NM in high-density areas and of 10NM elsewhere are to be applied.	1995
h) Monopulse radars are to be upgraded to Mode S capabilities.	1995-2000

Appendix 2

OBJECTIVE 2: MAKE ATC COMMUNICATIONS MORE EFFICIENT AND EXTEND THE EXCHANGE OF DATA BETWEEN ATC COMPUTERS BY APPLYING COMMON SPECIFICATIONS AND INSTALLING NEW EQUIPMENT

INTRODUCTION

1. Reliable and efficient communications are an important element of the global air traffic control system.
2. In particular, voice communications constitute a vital tool in the execution of air traffic control, for contact both between controllers (co-ordination actions) and between controllers and pilots (ATC instructions).
3. In addition, it is essential to extend the exchange of data between ATC computers, as this decreases the direct workload of the controllers. The implementation of air/ground data exchange will also permit enhanced automated ATC functions.
4. The development of the aeronautical telecommunications network (ATN) based on ICAO standards will permit the interoperability of ground/ground and air/ground data communications.
5. The development of more sophisticated means of communications, whether air/ground or ground/ground, will not, however, change the basic requirement for fast and reliable direct voice communications in the years to come.

GENERAL REQUIREMENTS

6. Although generally adequate, radiotelephony (R/T) coverage could still be improved in some areas. As a first step, the weak points of R/T coverage need to be highlighted through the provision of R/T coverage maps.
7. Full R/T coverage could then be implemented in accordance with functional/technical specifications which could be quickly drafted for the complete R/T system (from transmitters/receivers to the working position). The possibility of sharing transmitter/receiver installations should also be explored.
8. An ATC telephone system must include very specific features due to its impact on flight safety and, in particular, must be able to provide rapid and high quality communications, which are a necessity.
9. Functional specifications have been elaborated recently by Eurocontrol and should be applied to a modernization programme which would ensure the rapid harmonization of the ATC telephone system within the timeframe considered.
10. On-line data interchange (OLDI) of messages such as ACT (activation) and ABI (advanced boundary information) have already been demonstrated as being very efficient in decreasing routine co-ordination workload, and thus increasing control capacity.
11. It is extremely desirable to extend exchange of such data between ATC centres, as this is a valuable means of increasing the total control capacity.
12. A set of operational rules has already been elaborated and agreed by Eurocontrol as standards, and these are used by the units for further data exchange implementation.

Radiotelephony coverage

Telephone system for ATC

Ground/ground data exchange

- Air/ground data exchange*
13. The corresponding technical means (i.e. direct links between ATC computers or dedicated networks) need to be deployed. Developments already planned within ICAO — the Common ICAO Data Interchange Network (CIDIN) — or more specifically within the 4 States/Eurocontrol Integration Project — the integrated network for flight data exchange (INTNET) — should be taken into consideration, with a view to accelerating the implementation of data exchange where necessary.
14. With regard to the air/ground communications system, the linking of airborne and ground-based computers by an automatic data link is required to support the development of an improved ATC system based on advanced automation functions.
15. A detailed programme for enhanced ATM and Mode S implementation in Europe (EASIE) has been developed within Eurocontrol, initially for a central area. This programme should be used as the basis for further extension to the continental ECAC area.
- ACTION**
16. The following action is to be completed by the target dates indicated, to make ATC communications more efficient:
- | | ACTION | TARGET DATES |
|------------------------------------|---|--------------|
| <i>R/T coverage</i> | a) Identification of existing deficiencies in R/T coverage and their consequences for the execution of air traffic control is to be completed. | 1991 |
| | b) Remedies for these deficiencies are to be defined within the framework of functional specifications to be elaborated as a consequence of a) above. | 1992 |
| | c) A comprehensive improvement and implementation programme is to be drawn up for agreement and adoption by the national Administrations concerned. | 1992-93 |
| <i>ATC telephone system</i> | d) Identification of the present shortcomings of voice communication systems, in particular for controller-to-controller communication, is to be completed. | 1991 |
| | e) Existing functional and technical specifications, adapted to the various shortcomings identified, are to be applied. | 1991 |
| | f) A programme to modernize the systems identified for improvement is to be drawn up for agreement and adoption by the national Administrations concerned. | 1992-93 |
| <i>Ground/ground data exchange</i> | g) Identification of areas where application of automatic data exchange between ATC centres could improve capacity is to be completed. | 1991 |
| | h) The description of the operational procedures to be followed when applying such on-line data exchange is to be finalized. | 1991 |
| | i) The corresponding networks and, when necessary, suitable interfaces are to be defined. | 1992 |
| <i>Air/ground data exchange</i> | j) Plans are to be drawn up for the further development of data exchange to improve co-ordination between ATC units. | 1992-93 |
| | k) Plans are to be drawn up for the implementation of air/ground data links in the continental ECAC area. | 1992 |
| | l) Common functional specifications for data link applications are to be completed and endorsed. | 1994 |

Appendix 3

OBJECTIVE 3: IMPROVE AIRSPACE MANAGEMENT BY IMPLEMENTING NEW AIRSPACE AND ROUTE STRUCTURES, COMMON PROCEDURES AND ADEQUATE SYSTEM SUPPORT

INTRODUCTION

1. The development and implementation of an efficient airspace management system is a prerequisite for increasing the capacity of the air traffic services (ATS) system and for meeting various user requirements.

2. Efficient airspace management should also achieve the most flexible use of airspace and avoid, as far as possible, any permanent segregation of parts of the airspace for one particular category of user.

3. The present structures need to be made more flexible to cope with the increase in traffic and with changes in its pattern. The airspace structure and the various elements of the ATS system ought to be matched to the volume and characteristics of the traffic. The optimization of the ATS route network is considered as a key element in obtaining the required system capacity. The implementation of area navigation (RNAV) routes will offer a powerful means of optimizing the ATS route network and airspace structure with a view to achieving these objectives.

4. In keeping with such developments, common procedures should be devised and applied throughout the continental ECAC area in order to ensure that the ATS system can cope efficiently with the future demands of users whilst maintaining or improving the existing level of safety.

GENERAL REQUIREMENTS

5. The airspace structure and organization should be improved and brought more closely into line with air traffic operations requirements. Influenced at present by flight information region (FIR) boundaries, it should be made to adapt more readily to varying traffic patterns.

*Adaptation of the
airspace structure of
traffic flows*

6. The operational division of airspace should be optimized for the tasks to be performed by the controllers, having regard to the automation level, the route network structure and the traffic volume. At the same time, the methods, and therefore the different working positions in control centres, should be harmonized.

7. This would make it easier to review the airspace sectorization with the aim of defining the most suitable sector organization to fulfil the operational requirements. Re-sectorization of airspace should, ideally, always be proven through use of simulation tools prior to operational implementation.

8. Particular efforts should be made to dissociate the limits of the sectors from national boundaries, whenever this is operationally beneficial. To this end, a standard protocol taking account of national sovereignty and defence needs should be developed and applied, defining responsibility (bilaterally) for delegated airspace, and taking into consideration as necessary possible consequences for en-route charges arrangements.

9. Work in hand within Eurocontrol, in co-operation with ICAO, to develop an optimization plan for the ATS route network and airspace structure should be extended to cover the ECAC area with the aim of producing first operational benefits in the timeframe 1992-1994.

Flexible use of airspace

10. A more flexible use of airspace is an aim which needs to be vigorously pursued. It is essential for airspace use to be carefully coordinated and monitored in order to cater for the conflicting legitimate requirements of all users and to minimize any constraints on operations. Airspace use has to be as flexible as possible in order to satisfy increasing traffic demand. When the reservation of airspace for one category of user is necessary for safety-related reasons, it must be limited in space and time.

11. Flexible airspace use will require civil and military ATS units to co-operate at national level even more closely than in the past in performing the following functions :

- collecting and evaluating all requests which may require temporary airspace segregation;
- where segregation is necessary, planning the allocation of the required airspace to the users concerned;
- activating and de-activating such airspace within adequately narrow time tolerances - an area where particularly close co-ordination between the civil and military units concerned is required;
- transferring the necessary data to all parties concerned.

12. To perform these functions efficiently, it will be necessary to provide rapid communication facilities and to develop agreed priority rules appropriate to local conditions. Communications between military and civil controllers and systems should be extended, or physical integration - even on a partial basis - introduced, in order to improve the tactical flexibility of operations.

13. A precise analysis of airspace user requirements would provide an accurate basis for civil and military authorities to discuss the geographical extent of reserved airspace areas and the times at which they have to be activated. Harmonization within the timeframe under consideration is more likely to be achieved through improved procedures taking account of existing system capabilities. This action requires to be carried forward in continuing close co-operation with the military authorities through the appropriate channels.

Implementation of area navigation

14. The proportion of aircraft fitted with area navigation (RNAV) equipment is already very high and is expected to exceed 90% for commercial aircraft in a few years' time. RNAV applications are now possible but legal steps are needed to allow their use, in particular on conventional (VOR) routes. To this end, ECAC States should complete by 1 January 1993 all steps needed for RNAV equipment certification, operational approval and aeronautical information publication.

15. RNAV operations would have the advantage of making it possible to:

- add routes in some cases, thus making more routes available, and/or enabling congested points to be avoided;
- replace existing routes when the current network cannot accommodate additional ones;
- create parallel routes or use off-set routings to ease traffic handling on busy routes.

16. Implementing RNAV routes will require close co-ordination between adjacent ATC centres as well as corresponding improvements in airspace structure and airspace management procedures.

17. The controller will need to be provided with system support in respect of data display and conflict prediction functions so that he can properly plan the traffic that is proceeding on RNAV routings rather than on the conventional point-oriented routes.

18. It has been agreed with operators that any major mandatory change in airborne equipment requirements must be declared at least 7 years before it enters into force. Therefore, in order to prepare for the future, ECAC States should notify operators that the carriage of RNAV equipment (the detailed requirements for which are in course of definition) will become mandatory by 1 January 1998.

ACTION

19. The following action is to be completed by the target dates indicated, to improve airspace management:

ACTION	TARGET DATES
a) The structure and organization of airspace in the continental ECAC area are to be critically assessed in order to identify in which respects they may adversely affect traffic handling capacity.	1991
b) A standard protocol defining responsibility for delegated airspace is to be developed.	1991
c) Optimum airspace structure commensurate with air traffic operations requirements is to be defined and tested by simulation techniques.	1992-94
d) Airspace structures and management procedures are to be improved and system support functions are to be developed in order to make widespread implementation of RNAV routes possible.	1992-94
e) Harmonized ATC working methods are to be developed for application throughout the continental ECAC area.	1992-95
f) Legislation on RNAV equipment certification and operational approval is to be completed and published.	1993
g) Carriage of on-board RNAV equipment by aircraft is to become mandatory.	1998

Appendix 4

OBJECTIVE 4: HARMONIZE THE DEVELOPMENT AND IMPLEMENTATION OF THE VARIOUS TECHNICAL COMPONENTS OF ATC SYSTEMS BY ADOPTING COMMON STANDARDS AND SPECIFICATIONS

INTRODUCTION

1. Data processing constitutes a key element in air traffic control, providing automated assistance to support the work of the controller.
2. Regarding the prime sources of basic data, the two main data processing functions are:
 - flight-plan processing (FPP)
 - radar-data processing (RDP).
3. These two systems should be interconnected and make use of common data.
4. The information derived from these two elements is then suitably combined for presentation to the controller. The increasing use of refined information has led to a need to specify the future controller operating environment.
5. Within the continental ECAC area, the processing and display systems fulfilling these various functions are widely different in their functional and technical levels of performance, thus affecting the efficiency of the global ATC system.
6. It is therefore of prime importance to harmonize these different systems, through the elaboration and generalized adoption of common functional and technical standards and specifications.

GENERAL REQUIREMENTS

7. The general architecture of this system — aiming at functionally integrating a certain number of centres within a given airspace — is still to be defined. Various existing or planned solutions provide a basis for developing such a functional architecture.
8. A first step has already been taken within the continental ECAC area with the design of the initial integrated flight-plan processing system (IFPS) initially for central flow management unit (CFMU) purposes. Other steps, also to be based upon an analysis of all functions to be performed by this FPPS, have to be taken to embrace the full functional system design (standard design).
9. Common technical standards and specifications could then be elaborated, possibly leading to common procurement together with adequate financing arrangements.
10. These common standards should, if possible, be tailored to offer different levels of complexity (i.e. they should be modular). This would make it easier to adapt them to the particular requirements and development possibilities of different traffic-density areas (i.e. not implementing too complex a system where not required or where no suitable infrastructure yet exists).

Flight-plan processing system (FPPS)

Radar-data processing system (RDPS)

11. As a natural complement of full radar coverage and associated with a modular FPPS, this system will bring a very substantial increase in ATC capacity in areas where data processing is not yet fully implemented and could include such features as conflict alert systems.

12. Common functional and technical specifications should be prepared and applied on the basis of existing solutions.

Controller operating environment

13. The future controller operating environment will not only improve the presentation of different types of information to the controller (current traffic information, flight-plan information, etc...) but also provide, through suitable man-machine interfaces, specific decision-making aids (conflict prediction, traffic-load estimation, etc.).

14. The development of Common Operational Performance Specifications (COPS), which has started within Eurocontrol and is due to be completed by early 1991, should be applied to the continental ECAC area, in order to define common specifications for controller workstations, making use of advanced technology and relieving the controller of routine and time-consuming tasks.

ACTION

15. The following action is to be completed by the target dates indicated, to harmonize the various technical components of ATC systems:

	ACTION	TARGET DATES
<i>Flight-plan processing system</i>	a) Identification of existing deficiencies in flight-plan processing systems and their consequences for the execution of air traffic control is to be completed.	1991
	b) The functional design of the standard FPPS is to be completed and the corresponding technical specifications are to be elaborated.	1992-93
	c) A comprehensive improvement and implementation programme for IFPS/FPPS is to be drawn up for agreement and adoption by the national Administrations concerned.	1993-94
<i>Radar-data processing system</i>	d) Existing deficiencies in radar-data processing systems and their consequences for the execution of air traffic control are to be identified.	1991
	e) Standards for RDPS are to be developed, for implementation on the basis of proven techniques.	1992
	f) A comprehensive improvement and implementation programme for RDPS is to be drawn up for agreement and adoption by the national Administrations concerned.	1992-93
<i>Controller operating environment</i>	g) Common specifications for the controller operating environment are to be completed and endorsed.	1991
	h) These specifications are to be used, where applicable, for any national programmes related to the controller operating environment and implementation of controller workstations.	1992-95

Appendix 5

OBJECTIVE 5: DEFINE GUIDELINES FOR THE SELECTION, TRAINING AND LICENSING OF AIR TRAFFIC SERVICES STAFF IN ECAC MEMBER STATES

INTRODUCTION

1. Human resources and their related activities are a key issue in air traffic services, and are possibly the most important one. Up to now the issue has mainly been dealt with on a national basis because of its close relationship with national rules, laws and practices.
2. Internationally, a framework of common regulations already exists in Annex 1 to the Chicago Convention (Personnel Licensing) but these regulations apply only to a limited range of jobs in aviation. The Standards and Recommended Practices (SARPS) of Annex 1 contain some guidance on mutual recognition of licences and general conditions for the issue of licences.
3. More generally, mutual recognition of licences and other qualifications in the air transport industry has also been discussed in other fora, for example by the EC in the context of free movement of labour within the Single European Market, and the resulting material will need to be taken into account when formulating conditions to be applied on a wider European basis.
4. Although attention has recently focused on adequate provision of air traffic controllers, and much has been done to increase recruitment, it must be borne in mind that other categories of air traffic services staff - such as electronics and maintenance engineers - are also vital to the system as a whole. The current and future well-being of the system depends upon adequate staffing, a stable industrial relations climate and flexible working arrangements among this spread of disciplines.
5. Careers within air traffic services must be attractive enough to ensure sufficient good quality candidates, and must be rewarding enough to retain valuable staff. Continuity of staff is an important element in the successful implementation of projects.
6. Social conditions for air traffic services staff are known to differ widely within the ECAC area. These conditions include remuneration and other financial rewards such as pensions, as well as non-monetary conditions such as hours of work, annual leave entitlement and retirement age.
7. Whilst consensus has not yet been achieved on the harmonization of such social conditions, it is widely recognized that general international guidelines on selection, training and licensing of air traffic services staff would be of considerable assistance to national Administrations or Agencies in planning the development of their air traffic control systems. Moreover, a common approach to selection criteria, staff training and licensing are a natural prerequisite for labour mobility across national borders.

GUIDELINES

8. The paramount criterion for setting of guidelines must, at all times, be safety considerations.
9. Staffing levels for air traffic services have been under discussion between national Administrations and representatives of staff organizations for some time now, and many ECAC administrations have substantially increased their recruitment of air traffic controllers to cope with the growth in air traffic. Adequate staffing levels are also essential to healthy staff relations, to balanced

Staffing levels for air traffic services

*Criteria for selection,
training and licensing*

negotiation between managers and unions, and to opportunities for flexible deployment of staff. In estimating required staffing levels it is usual to use formulae derived from known working practices, and several models exist.

10. Functions within air traffic services have changed and will continue to do so with the advent of new technology. Greater attention needs to be paid to this phenomenon in selection and training policy. Jobs need to be defined in the light of present and future conditions, taking account of expected developments in the area of man/machine interface. Selection criteria must be determined by essential skills and aptitudes and training must concentrate on developing knowledge and skills known to be crucial to the relevant tasks. Proven national selection techniques and training methods could form the basis for guidelines for adoption by all ECAC States.

11. Training syllabuses and programmes should be harmonized by identification and definition of a common core of items directly following from job descriptions. In addition, this would enable national facilities such as training schools and simulator equipment to be used more flexibly.

12. Adoption of well-defined and appropriate guidelines for training of all staff, and for licensing of air traffic controllers, should lead to a more harmonized level of performance in control centres throughout the ECAC area. Guidelines on licensing standards should include application of regular and independently conducted proficiency checks.

13. In matters of standards for training and licensing, regard must be paid to the progress of EC policy for a mobile labour force.

Working conditions

14. In view of the considerable disparities in the social and economic environment of ECAC States, it is doubtful whether the harmonization of social conditions for air traffic services is a feasible objective within the time-span under consideration. However, there may be scope for international co-ordination in this area, concentrating on safety-related aspects to ensure that standards are broadly compatible when it comes to working conditions, the proportion of working and rest time and the ability of the staff member to discharge his duties satisfactorily. The concern should be to provide for transparent and consistent application of regulations.

15. Given equitable working conditions, professional obligations must be acknowledged and honoured by ATS staff. This should entail, in particular, a more flexible approach to working schedules, tied to a fair definition of the working week in order to cope with the varying demands of air traffic.

ACTION

16. The following action is to be completed by the target dates indicated with regard to air traffic services staff:

ACTION	TARGET DATES
a) The survey of manpower requirements currently being undertaken by Eurocontrol is to be extended to all ECAC States in order to identify shortages.	1991
b) Guidelines are to be defined for selection, training and licensing (where appropriate) of air traffic services staff by ECAC States.	1992

Appendix 6

INSTITUTIONAL ARRANGEMENTS AND ASSESSMENT OF REQUIRED RESOURCES

1. The following proposals on institutional arrangements for the management of the envisaged programme, and the accompanying assessment of required resources, are based on the implementation objectives set out in Appendices 1 to 5 and on the timescales set under each phase of programme outlined on pages 10 and 11 of this document.

2. It should be noted that, in addition to the resources assessed in this Appendix as necessary for the management of the programme, participating States will remain responsible for the necessary investments to ensure the implementation of the programme.

3. The harmonization and progressive integration of European ATC systems should be managed as a single overall programme. Eurocontrol would be responsible for its management, subject to broad policy direction by participating countries. The planning, development and monitoring of the programme would be undertaken jointly by Eurocontrol and participating countries, whose full co-operation would be essential, and the operation of the resulting system would continue to be undertaken by participating countries on the basis of common procedures.

4. The following management structure is therefore proposed :

a) Project Board

OBJECTIVE	Overall management control of the programme
COMPOSITION	High-ranking officials of participating States, the Director General of Eurocontrol, observers from inter-governmental organizations (e.g. the EC Commission, ICAO and NATO (CEAC)) and from other international organizations (e.g. IACA, IATA and ICAA (Europe)) representing user interests.
RESPONSIBILITIES	Broad direction of the programme. Decisions on extension of the programme to any further European States wishing to participate in it. Relations with other countries and international organizations.

b) Project Team

OBJECTIVE	The implementation of the project to the agreed time-scale and the day-to-day management of the programme under directions given by the Project Board.
COMPOSITION	Directed by Project Leader, reporting through the Director General of Eurocontrol to the Project Board. Composed of Eurocontrol staff on permanent and fixed-term appointments, including some on secondment from States participating in the programme, and suitably qualified personnel drawn from all sectors of industry and relevant institutions. Numbers of such staff are detailed under "Staffing" below.
RESPONSIBILITIES	In consultation with participating States, elaboration of detailed measures to implement the programme, monitoring of progress, drawing up of standards, protocols and procedures for software, hardware, product interfacing, man/machine interfaces and human factors. Development of proposals for financial policies and arrangements for the implementation of the programme. Project appraisals.

Introduction

Institutional arrangements

c) Consultative Committee

- OBJECTIVE** Liaison between Project Team and representative airspace user, airport, consumer and professional organizations.
- COMPOSITION** Drawn at the discretion of the Project Leader from representatives of airspace user, airport and consumer organizations as appropriate for the matter under discussion.
- RESPONSIBILITIES** To establish under the authority of the Project Team close collaboration with organizations concerned and to identify their needs and requirements.

Staffing

5. The envisaged programme would require the Project Team to :
- complete an analysis of the shortcomings and deficiencies in European ATC;
 - building up on this, to undertake the detailed planning necessary to overcome these problems, taking into account the specific requirements of individual groups of ECAC States;
 - initiate concrete operational or technical implementation measures for the task areas, as well as functional specifications and common standards; and
 - carry out the preliminary operational and technical work required for the harmonisation of future systems beyond the period 1995/1998, and to compile common operational and technical specifications, coordinated with ICAO and the ECAC Member States.
6. These tasks would have to be carried out within the phased timetable envisaged, namely :

PHASE	TASKS	DURATION	TIME-SCALE
I	Inventory forming phase. Completion of appraisal and evaluation of today's systems	9 months	Between last quarter 1990 and mid-1991
II	Programme forming phase. Elaboration of programmes, specifications and recommendations	24 months	Mid-1991-1993
III	Specification and implementation phase. Purchase and implementation of equipment. Adjustment of airspace structure. Harmonization and progressive integration of procedures.	24 (60) months	1993-1995 (with final completion of certain elements in 1998)
IV	Definition of transition programmes. Implementation of future ATM systems	Continuing	1995-2000 and beyond

7. The requisite staff and financial implications are assessed in the light of Eurocontrol's experience in producing the Common Medium Term Plan and its Studies Tests and Applied Research Programme, as well as its initial experience in the preparation of the '4 States/Eurocontrol Integration Project' the European Co-ordination Team (ECT) and participation in individual States ATC developments.

8. For Phase I, it is estimated that some 23 operationally experienced staff with knowledge of technical requirements and planning factors will be needed to manage the Programme. These would include the 5 ECT staff members already involved with tasks of a similar nature. About half of the total would be involved in situation analysis, while the other half would tackle specific boundary-crossing co-ordination needs.

9. For Phase II and in particular for Phase III, the team would require to be extended by a further 20 technically qualified persons with operational understanding of air traffic control functions. Given the scope and nature of the task, they would probably be allocated in the following way :

- a) 5 persons for radar installations, transmission systems and procedures;
- b) 5 persons dealing with receiver/transmitters for voice and data communication facilities and for voice and data communication procedures;
- c) 5 persons for radar data processing systems (RDPS) and for flight-plan processing systems (FPPS) and for the associated software applications; and
- d) 5 persons for the compilation of functional specifications and for the development of common standards as an upgrade and harmonization office.

10. The Project Team of some 23 persons with operational experience and technical knowledge and 20 technically qualified persons with operational knowledge would be drawn from a mixture of Eurocontrol career staff, staff on secondment from the administrations of participating States, persons employed on a contractual basis and persons from suitable firms and institutions on engineer support contracts. Initially a mixture consisting principally of Eurocontrol staff on permanent or fixed-term appointments would be used but at a later date, especially as a longer term objective, the team would consist principally of persons from industry and organizations on an engineer support contract basis. This arrangement would also assist in disseminating knowledge of progress in implementing the programme among industry and organizations, and in obtaining the support of industry for a wide range of implementation tasks.

11. A staff of 7 administrative and organizational personnel is estimated to be required in support of the Project Team.

12. Total staffing requirements are thus estimated as follows :

	1990	1991	LATER YEARS
Number of Eurocontrol and seconded staff	23 ¹	38	38
Number of external staff	6	12	12

13. The corresponding cost estimates are set out on the next page. They have been prepared on the basis of Eurocontrol's experience with tasks of comparable effort and, as far as expenditure for accommodation, and equipment and miscellaneous expenses are concerned, on the same assumptions as those used for the establishment of its budget for 1990.

Resources

14. Project management costs will be met by Eurocontrol. This will increase Eurocontrol Member States' contributions, which will subsequently be offset by the en-route receipts paid over to the Member States. The impact of the estimated total annual cost of the programme on user charges in the years after 1991 (i.e. 5.8 million ECU) represents, on average, about 0.35% of the national cost basis for route charges of Member States of Eurocontrol.

Financing

15. If proposals now under consideration in Eurocontrol for alternative funding are approved, a Member State's contribution could, if its administrative systems permits, be recovered direct from route charges receipts collected by the Eurocontrol organization on its behalf.

¹ Includes present 5 ECT staff members.

16. Eurocontrol Member States are also responsible for the funding of any investments in Eurocontrol facilities. Again, under the new proposals, the contributions could be recovered from route charges receipts collected by Eurocontrol.

17. Responsibility for funding national investments made within the integration programme will lie with the State concerned. The volume of such investments (excluding personnel costs) is provisionally evaluated to require an increase of less than 1% in the national investments already budgeted, which are running at an annual level of at least 700 million ECU for the whole of ECAC. A refined cost assessment would be performed under Phase I of the programme and could be further reviewed by a Ministerial meeting in late 1991. Under the new proposals, Eurocontrol Member States would have the option of authorizing Eurocontrol to fund the investment from Bank loans and recover revenue to service the loans out of route charges receipts due to the State.

18. The new proposals would be available to all ECAC States that are members of Eurocontrol.

19. The costs referred to above do not cater for a progressive evolution of the integrated system towards the future air traffic management system based on advanced technologies and on a higher degree of system automation, as foreseen in Phase IV. Eurocontrol will require adequate means to support the development of specific advanced research programmes and funds should be made available for this purpose, preferably within the framework of Studies, Tests and Applied Research (STAR) and of the Programme of Harmonized Air Traffic Management Research in Eurocontrol (PHARE). The Agreement for co-operation between the Commission of the EC and Eurocontrol provides the appropriate framework for EC contributions to these programmes.

COST ESTIMATE OF MANAGEMENT ARRANGEMENTS

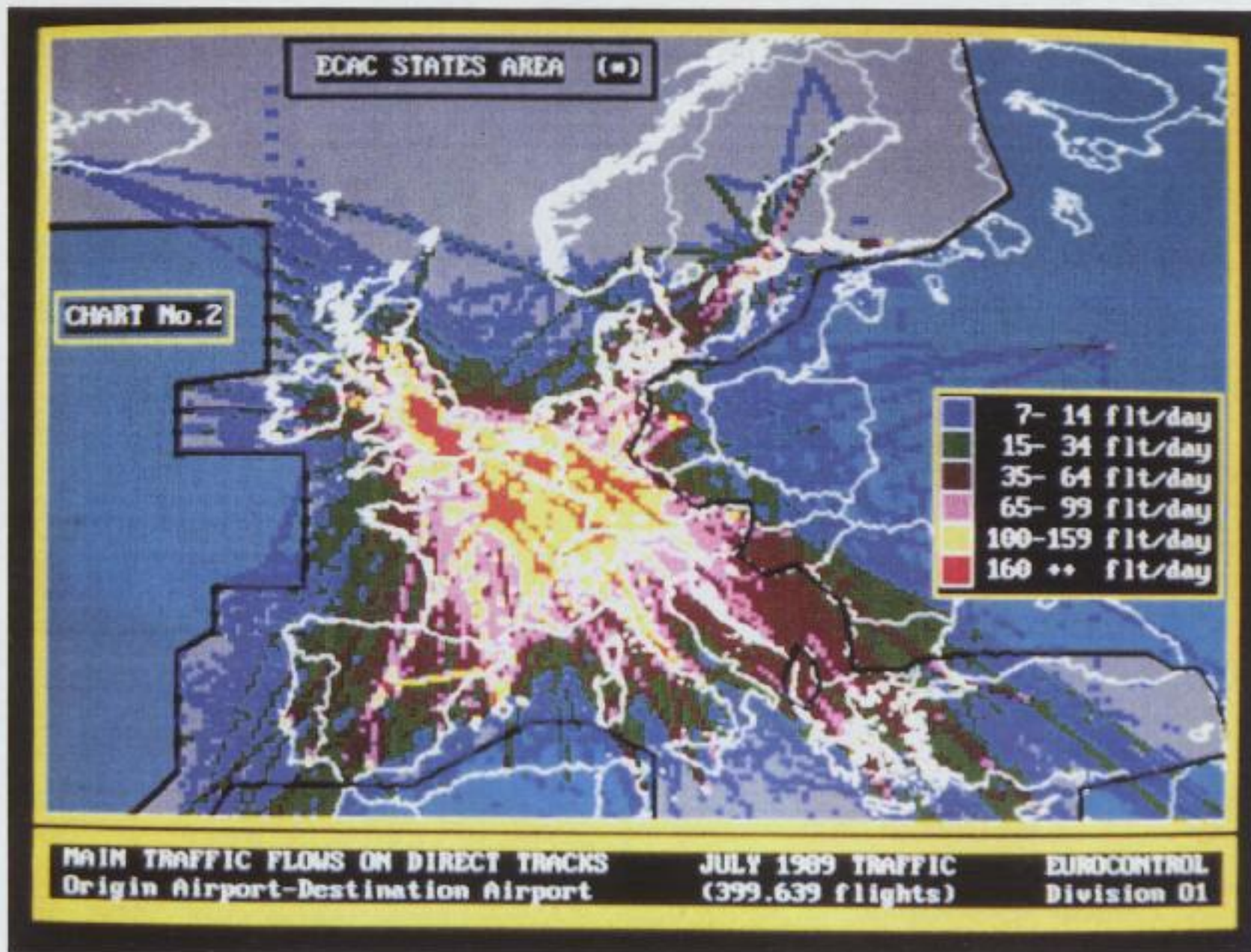
	1990	1991	ANNUALLY THEREAFTER
	(IN 000 ECU)		
1. Remunerations	2263	3746	3746
2. Allowances	135	391	-
3. External staff	480	960	960
4. Assistance of national experts	150	-	-
5. Mission expenses ¹	220	420	420
6. Accommodation (office rental)	386	497	497
7. Miscellaneous operating expenses	82	104	104
8. Investments (amortization for office and other equipment)	34	95	121
Total	3750	6213	5848

¹ Based on assumption that about 20 different ATC authorities would need to be visited in the course of the work.



DISTRIBUTION OF AIR TRAFFIC IN JULY 1989 FOR THE MAIN AIRPORTS AND OCEANIC TRANSFER POINTS
 REPARTITION DU TRAFIC AERIEN DE JUILLET 1989 POUR LES PRINCIPAUX AEROPORTS ET POINTS DE TRANSFERT OCEANIQUES

(*) Domestic air traffic in FINLAND, ICELAND, NORWAY and YUGOSLAVIA is not included as data-collection could not be completed on time



DISTRIBUTION OF AIR TRAFFIC ALONG THE MAIN TRAFFIC AXES WITH HIGHEST TRAFFIC DENSITIES SHOWN AS BRIGHTER COLOURS
 REPARTITION DU TRAFIC AERIEN SUR LES PRINCIPAUX AXES AVEC LES PLUS FORTES DENSITES DE TRAFIC EN COULEURS VIVES

(*) Domestic air traffic in FINLAND, ICELAND, NORWAY and YUGOSLAVIA is not included as data-collection could not be completed on time

CHART Nr 2
 CARTE No 2



DISTRIBUTION OF AIR TRAFFIC ON ATS ROUTES WITH HIGHEST TRAFFIC DENSITIES SHOWN AS BRIGHTER COLOURS
 REPARTITION DU TRAFIC AERIEN SUR LES ROUTES AERIENNES AVEC LES PLUS FORTES DENSITES DE TRAFIC EN COULEURS VIVES

(*) Domestic air traffic in FINLAND, ICELAND, NORWAY and YUGOSLAVIA is not included as data-collection could not be completed on time

CHART No 3
 CARTE No 3



DIFFERENT DENSITIES OF AIR TRAFFIC IN EUROPE WITH THE BUSIEST GEOGRAPHICAL AREAS SHOWN WITH BRIGHTER COLOURS
 DIFFERENTES DENSITES DE TRAFIC AERIEN EN EUROPE AVEC LES ZONES GEOGRAPHIQUES LES PLUS CHARGES EN COULEURS VIVES





(*) Domestic air traffic in FINLAND, ICELAND, NORWAY and YUGOSLAVIA is not included as data-collection could not be completed on time

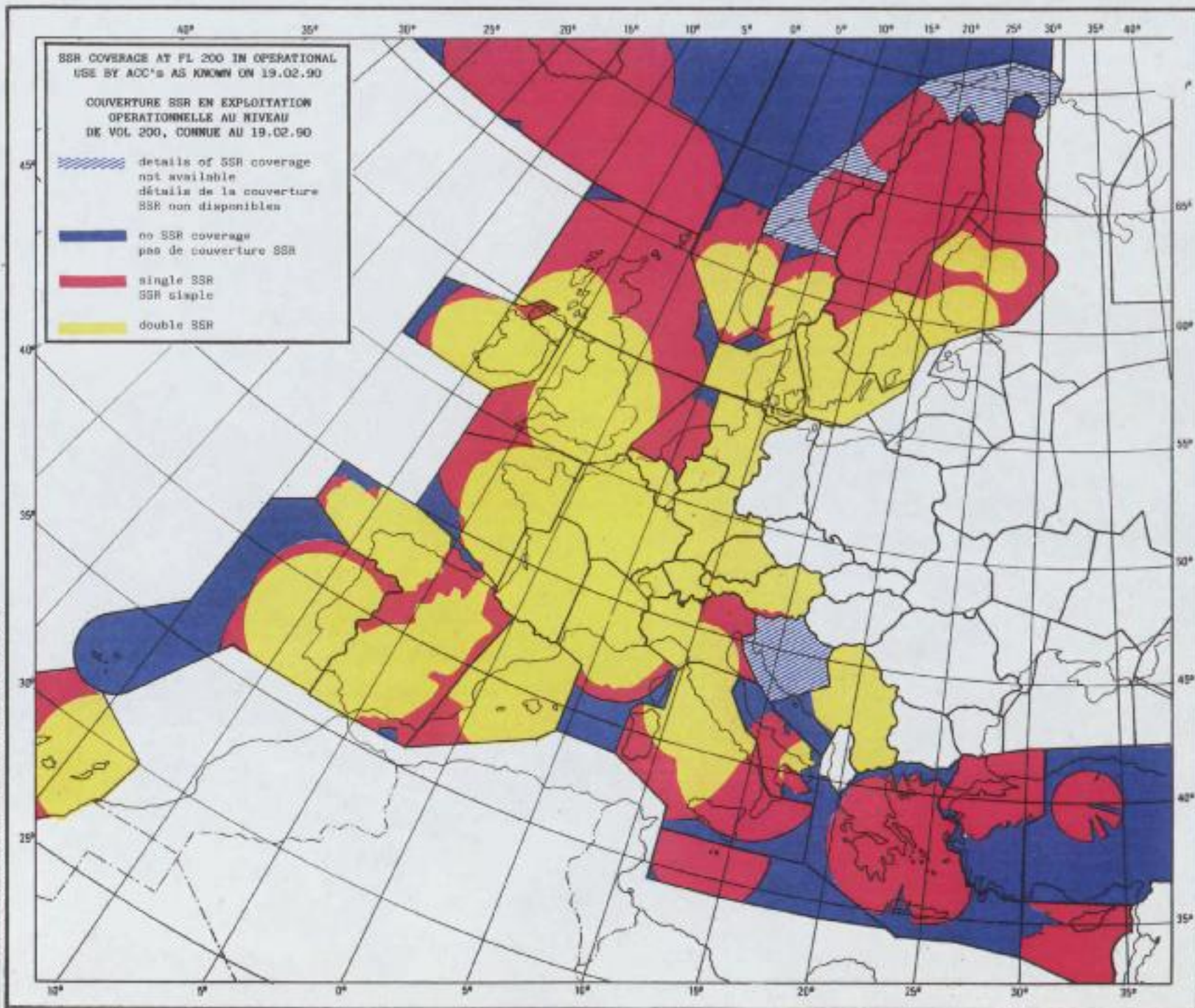
CHART No. 4
 CARTE No 4

CARTE 6
CHART

SSR COVERAGE AT FL 200 IN OPERATIONAL
USE BY ACC'S AS KNOWN ON 19.02.90

COUVERTURE SSR EN EXPLOITATION
OPERATIONNELLE AU NIVEAU
DE VOL 200, CONNUE AU 19.02.90

-  details of SSR coverage
not available
détails de la couverture
SSR non disponibles
-  no SSR coverage
pas de couverture SSR
-  single SSR
SSR simple
-  double SSR



Ed. E 19/2/90 D. V.D. Buiick
L'IMPRESION: 18-904-

CHART 6
CARTE

CARTE
CHART 7

RADAR SEPARATION SEPARATION RADAR	
	5-10 NM
	10 NM
	15-20 NM
	30 NM
	30 NM/Procedural

Carte établie d'après les
informations disponibles au
19 février 1990

according information as
available by the 19th
February 1990

Ed. E 18/2/90 D. V. D. BALICK - EUROCONTROL - 12-2094 -

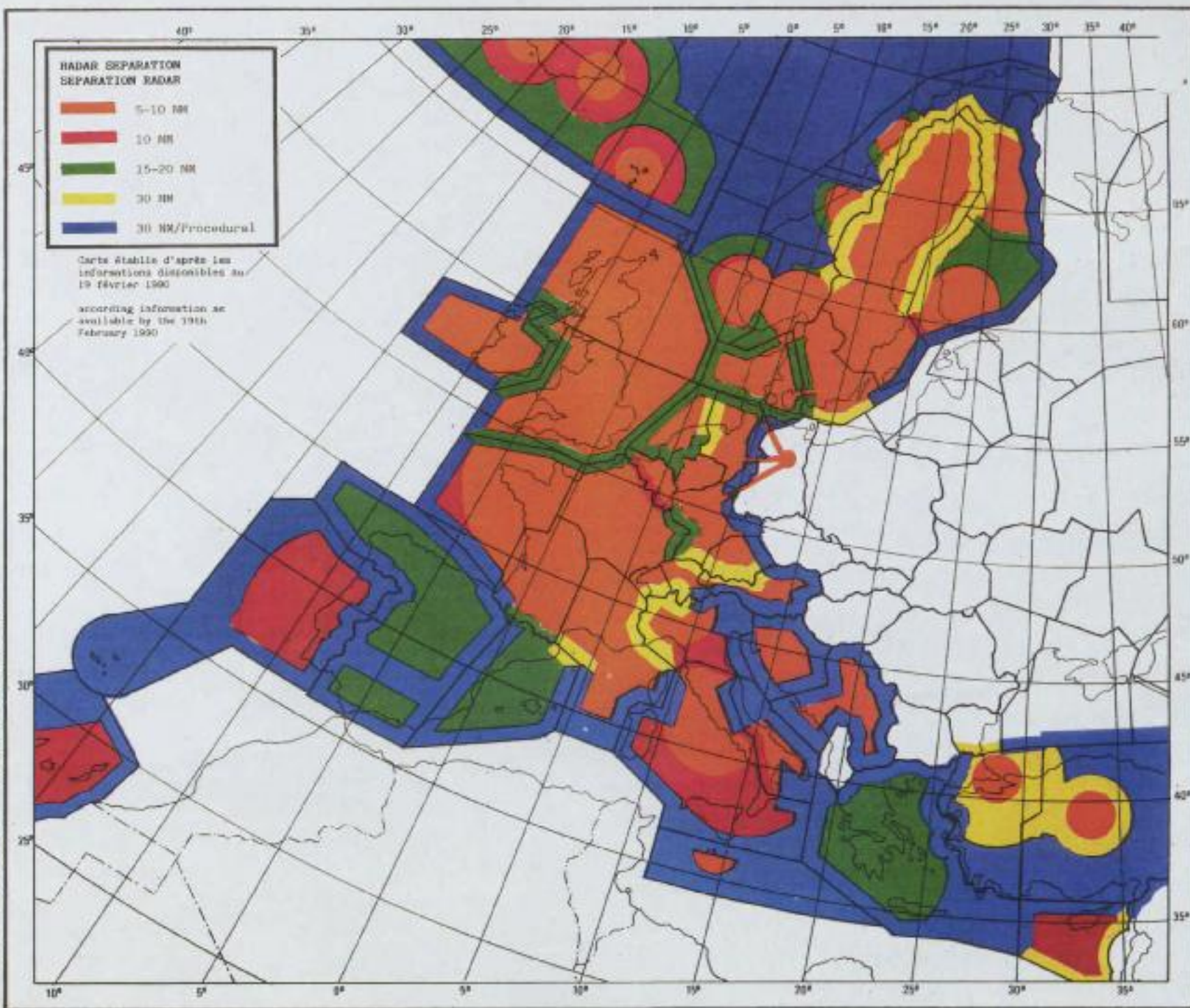


CHART 7
CARTE 7

CARTE 8
CHART 8

ON LINE DATA INTER-
CHANGE (OLDI) BETWEEN
AREA CONTROL CENTRES IN
THE ECAC STATES

ECHANGE DE DONNEES EN
TEMPS REEL ENTRE LES ACC DES
ETATS MEMBRES DE LA CEAC

(FORMAT EUROCONTROL)

Existing data links
(ACT/LAM MESSAGES)
February 1990

— Liaissons existantes
(MESSAGES ACT/LAM)
Février 1990

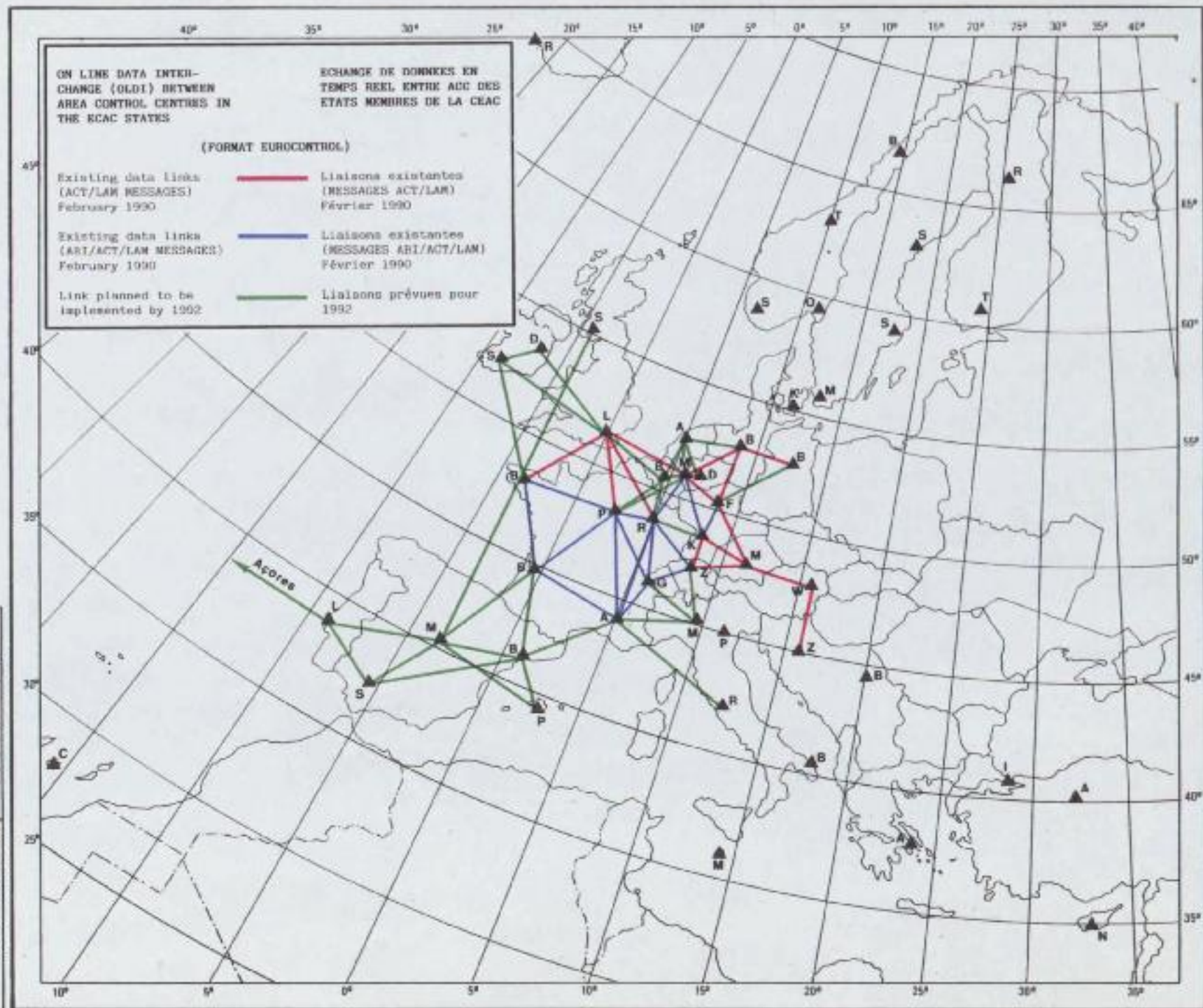
Existing data links
(ARI/ACT/LAM MESSAGES)
February 1990

— Liaissons existantes
(MESSAGES ARI/ACT/LAM)
Février 1990

Link planned to be
implemented by 1992

— Liaissons prévues pour
1992

ES-E 8/2/90 O.V.G./Balck EUROCONTROL 12-204-



Executive Summary of ECAC Strategy

Air traffic demand in Europe is growing fast, and could nearly double by the end of the century. The last meeting of ECAC Ministers, in October 1988, took a vital step in deciding on a single air traffic flow management unit which will be fully operational by 1993. ECAC Administrations have also done much individually to increase the capacity of their air traffic control systems. Those efforts now need to be united and accelerated in a multilateral approach. This is essential to easing congestion as well as to reducing pollution and preserving finite resources.

The strategy has been prepared, under the instructions of Directors General of Civil Aviation, by a high-level Task Force drawn from ECAC States and the international organizations concerned. The strategy is fully compatible with the longer-term planning of ICAO and Eurocontrol. It also takes account of the concern of the airlines for a rapid improvement in the efficiency of the system.

Having regard to the growth forecast in air traffic demand in the ECAC area to the end of the century and beyond, the overall objective is to provide increasing airspace and control capacity urgently, in order to handle the traffic expeditiously while maintaining a high level of safety.

The strategy concentrates, as a first priority, on completing the harmonization of the systems through most of the ECAC area well before 1995 as a basis for achieving operational integration by the time advanced-technology systems become available towards the end of the decade.

The aim is to achieve the following six operational objectives throughout the continental ECAC area no later than the dates indicated — and in many cases much earlier.

- The air traffic services route network and airspace structure is to be optimized, supported by a widespread application of area navigation from 1993 onwards.
- Comprehensive radar coverage is to be completed throughout the area by 1995 at the latest.
- En-route radar separation of 5NM is to be applied throughout high-density areas by 1995 at the latest. Elsewhere, en-route radar separation of 10NM is to be applied by the same date.
- Air traffic control systems are to be progressively integrated, after being harmonized in high-density areas by 1995 at the latest, and elsewhere not later than 1998.
- Automatic data communication between air traffic control centres is to be completed by 1998 at the latest.
- A new high-precision air/ground data link system (Mode S) is to be operational in a central area from 1998 onwards.

The long-standing dialogue between the civil and military authorities should be developed to improve co-operation in the use and, where possible, integration of their facilities, to their mutual advantage.

Need for multilateral strategy for air traffic control systems

PAGE 4

High-level and broad-based approach

PAGE 5

Overall objective and approach

PAGES 6 AND 7

Operational integration of air traffic control through harmonization

Operational objectives

PAGE 8

More civil/military co-operation

PAGE 8

Implementation objectives

PAGE 9

The strategy identifies five main implementation objectives in the fields respectively of :

- Radar
- Communications
- Airspace management
- Common standards and specifications
- The human element

Action required to achieve each of these implementation objectives is specified, with target dates, in Appendices 1 to 5 of the ECAC strategy.

A phased action programme

PAGES 10 AND 11

An action programme of four overlapping phases is proposed :

PHASE	TASK	TIMESCALE
I	Completion of appraisal and evaluation	Before mid-1991
II	Programme development and initial implementation	Before mid-1993
III	Acquisition and implementation	Before mid-1995 (mid-1998 for certain elements)
IV	Implementation of the future air traffic management system	1995—2000 and beyond

Central management

PAGE 12

It is proposed to invite Eurocontrol to undertake the central management of the action programme under arrangements enabling all ECAC States concerned to participate, as detailed in Appendix 6 of the ECAC strategy :

- a Project Board for general direction and overall management
- a Project Team for day-to-day management
- a Consultative Committee for collaboration with other organizations concerned.

Costs and financing

PAGE 13

It is proposed that central management costs should be met by Eurocontrol, offset by a negligible increase in en-route charges.

States will remain individually responsible for the necessary investments to ensure the implementation of the programme. These costs are provisionally estimated to require an increase of less than 1% in the 700 million ECU or more per year which ECAC States collectively are investing in air navigation installations and equipment.

Funding for advanced research

PAGE 13

Funding should be provided — for example, through EC channels — for advance research programmes to develop the new technology on which the last phase of the action programme depends.

Airport aspects

PAGE 14

In parallel, a concerted systems approach needs to be developed to the airport/air traffic system interface, to ensure that airport facilities, including terminal area air traffic control and the operational side of airport activity, are in unison with the en-route air traffic control system. →

Euro Pol: Air Transport. 12079



CC PM



MINISTRY OF DEFENCE WHITEHALL LONDON SW1A 2HB

TELEPHONE 01-218 9000

DIRECT DIALING 01-218 2111/3

MO 13/8D

13th November 1989

- 1. NBRM
- 2. COP - to sur.

Dear Cecil

BCCG
14/11

Thank you for your letter of 18th October about the initiatives you are taking to improve air traffic control systems in Europe. To enable early action to take place, my office has already given yours notice of my general support for what you propose.

There is clearly a need to improve the efficiency with which the airspace is handled in Europe, and as a major user it is right that Britain should take a lead; I welcome the initiative that you are planning. The paper from officials attached to your letter seems to offer a constructive approach.

The argument in favour of pursuing integration of national systems in Europe, based upon the existing Eurocontrol arrangements is well made, and I agree that this option appears to offer most promise and has the best chance of being adopted by other nations. It is right to start by concentrating on the upper airspace which seems to have the greatest potential for increasing capacity. Changes in the control and structure of the upper airspace would have little impact on military operations; but any changes to middle or lower would, and it is essential that the Ministry of Defence is fully involved in the discussion about the arrangements to be set up

The Rt Hon Cecil Parkinson MP



there. I do wonder however whether it is practicable to expect a working European system covering the lower levels also by the turn of the century.

The paper makes clear the disadvantages of a unified system, but from the defence point of view there would be fundamental and grave objections. Arrangements covering airspace control for Europe must extend well beyond the NATO boundary; any system giving potentially hostile nations a degree of control over operations within British airspace or visibility of defence procedures would not be acceptable, neither would anything which interfered with the effective policing in peacetime of our sovereign air space and the wider United Kingdom Air Defence Region.

I am sending a copy of this letter to the Prime Minister, John Major, Douglas Hurd, Nicholas Ridley and to Sir Robin Butler.

2
→
lan

Tom King

Eulo pa: Transport Adun, Nanyang



CPA



NBRM

ARC6

3/11

Treasury Chambers, Parliament Street SW1P 3AG

The Rt Hon Cecil Parkinson MP
Secretary of State for Transport
Department of Transport
2 Marsham Street
London
SW1P 3EB

2 November 1989

Dear Cecil

INTEGRATING EUROPE'S AIR TRAFFIC CONTROL

I have seen your letter of 18 October to Tom King.

2 Your proposed initiative would do much to benefit the UK economy. As your officials have assured mine that public expenditure would not arise, I would be content for you to pursue your proposals.

3 I am copying this letter to the Prime Minister, Douglas Hurd, Tom King, Nicholas Ridley and Sir Robin Butler.

NORMAN LAMONT

EURO Bc: Av
Thurspt
Nov 89





Foreign and Commonwealth Office

London SW1A 2AH

From The Minister of State

27 October 1989

cc/p
MB
file 6
3.1.0
Patric

I have seen Cecil Parkinson's letter of 18 October to Tom King about integration of Europe's air traffic control.

I agree that much more needs to be done if air traffic is not to suffer from increasing congestion in the years ahead. If delays to flights using British airports continue there will inevitably be mounting pressure for action from the public, parliament and industry. We also need to bear in mind the likelihood that passengers may choose to fly from other European airports if delays at British airports become intolerable. Moreover, more congestion would undermine the benefits we hope to gain from liberalisation of air transport within the EC and provide an argument for those who oppose it.

I welcome the constructive approach which you have outlined. I agree with the paper's overall strategy of pursuing the option of integration whilst not closing the door on the possibility of unification.

I also strongly support your suggestion that the UK should play a leading role among European countries in dealing with the problems of air traffic control. I fully endorse your plan of action. Also we see advantage in lobbying selected ECAC states, including Ireland which currently holds the Eurocontrol Presidency, as well as the Secretary-General of Eurocontrol itself. I think it would also be helpful if we could ensure that the meeting of Eurocontrol Ministers in December is informed of progress in the Task Force considering ATC.

I am sending copies of this letter to the Prime Minister, Norman Lamont, Archie Hamilton, Douglas Hogg and to Sir Robin Butler.

John ...
hm

THE LORD BRABAZON OF TARA

Patrick McLoughlin Esq MP
Parliamentary Under-Secretary of State
Department of Transport
2 Marsham Street
LONDON SW1P 3EB

EURO POL - Air Transport Nov 79



THE DEPARTMENT
OF TRANSPORT

FROM THE SECRETARY OF STATE

The Rt Hon Tom King MP
Secretary of State for Defence
Ministry of Defence
Whitehall
LONDON
SW1A 2AS

2 MARSHAM STREET LONDON SW1P 3EB
TELEPHONE 01-276 3000

My Ref:

Your Ref:



*N.B. AIR TRAFFIC 1023
= "NO COMMENTS" Error
NO.10 (P).*

*PM
Pine Mistle 2
R206
18/10*

celo

18 OCT 1989

INTEGRATING EUROPE'S AIR TRAFFIC CONTROL.

I am writing to seek your agreement to a major new initiative for dealing with shortcomings in Europe's air traffic control systems.

Over the last year my Department and the Civil Aviation Authority have been pursuing vigorously the strategy agreed between Paul Channon and George Younger last summer for tackling the serious problem of air traffic control congestion. Domestically, the Civil Aviation Authority has devised and published short and medium term plans for increasing the capacity of the UK's system during the 1990s. The Government has played its part by approving a doubling of the investment programme of the National Air Traffic Services. The CAA is now implementing its programme at full speed and evolving its long term proposals to provide facilities to support UK air traffic services into the next century. These will be published next summer.

Internationally, the UK has played a leading role in the European Civil Aviation Conference and Eurocontrol in galvanizing political commitment to improving co-ordination and co-operation between air traffic control authorities across Europe. Under our Presidency last year, the process of revitalizing Eurocontrol was begun and the organisation was given a key role in setting up the Central Flow Management Unit for the whole of Western Europe. A number of other practical initiatives within Eurocontrol were successfully initiated.

Since the beginning of August, my Department has been reviewing the whole air traffic control strategy to see how best to carry it forward. Domestically, we feel the Civil Aviation Authority's proposals now represent a satisfactory recovery programme, though we recognize that until the mid 1990s the National Air Traffic Services will be very stretched in coping with the expected traffic levels. The key question here is whether the management of the National Air Traffic Services will be able to deliver the very ambitious investment programme now in the pipeline. I will be writing to you separately about this.

Internationally, it is clear that much more must be done to improve co-ordination between the national systems. At the beginning of September, my Department set up a Working Group comprising officials from your Department, the Department of Trade and Industry, the Foreign and Commonwealth Office and from the Civil Aviation Authority to develop a consensus on the way forward in Europe. I attach a copy of the Group's report.

There was unanimity within the Group that current initiatives in Europe, though very helpful, would not be sufficient to provide adequate air traffic control capacity in the years ahead. A greater political commitment and drive towards the planning and provision of air traffic services will be needed if Western Europe's systems are to be able to handle the predicted traffic levels. The Group looked at three alternative strategies - intensifying co-operation between national air traffic control authorities, integrating Europe's air traffic control systems whilst retaining separate national authorities, and creating a unified European supranational air traffic control system under one management. The Group favoured the second option - integration.

I strongly support the integration option. Under this option, states would enter into a specific commitment to integrate their systems to an agreed timetable and to effect the changes to the institutional framework to achieve this. The integrated system would be operated from a series of area control centres, which would have compatible systems and equipment and would be connected by a common communications network. Some changes of airspace boundaries might be agreed, but we would expect most control centres to continue to be operated by national authorities. The system would function irrespective of state boundaries, which would become transparent to airspace users. More details about the concept are given in Annex II of the Group's report.

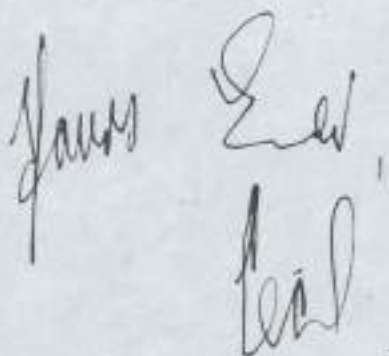
I am not attracted to the option of seeking the early establishment of one supranational air traffic control organisation for the reasons set out in the Group's report. I believe such a move would delay progress rather than advance it at this stage, and the practical obstacles would mean that this approach would be unlikely to succeed. Nevertheless there may be substantial benefits from unification in specific areas. The states of Western Europe have already agreed,

as a result of the UK's initiative last year, to unify flow management under Eurocontrol. There may well be other elements of the system (the communications network, for instance) where the arguments for unification are particularly strong and those against are weak. In any event I see a greatly enhanced role for Eurocontrol in developing a single integration plan for Western Europe and in helping the national authorities to implement it. We may need to consider further institutional changes, given that Eurocontrol's membership does not at present cover the whole of Western Europe.

There is now a window of opportunity for the UK to play a crucial role in influencing events over the next six months. In response to a UK proposal, the European Civil Aviation Conference recently established a Task Force to examine the scope for further integration of air traffic control systems in Europe. The Task Force is required to report to member governments by the end of February, in preparation for a meeting of Transport Ministers probably next April. I want the UK to play a leading role in the Task Force and to put forward the integration option as set out in the Group's report. The likely timetable for action over the next six months is given at Annex III of the Group's report. The culmination will be the meeting of European Transport Ministers, at which we would hope the Governments of Western Europe would commit themselves to integrating their systems and to making the institutional changes needed to achieve this.

I should be grateful for your confirmation that you are content for my Department to proceed as proposed above, keeping your officials in touch as the negotiations unfold.

I am sending a copy of this letter to the Prime Minister, Nigel Lawson, John Major, Nicholas Ridley and to Sir Robin Butler.

A handwritten signature in dark ink, appearing to read 'Cecil Parkinson', written in a cursive style.

CECIL PARKINSON

REPORT OF THE EUROPEAN AIR TRAFFIC MANAGEMENT WORKING GROUP

INCREASING EUROPEAN AIR TRAFFIC CONTROL CAPACITY

1. Inadequate Air Traffic Control (ATC) capacity over Europe as a whole has been a major cause of international air traffic delays in recent years. Although the CAA/NATS are making substantial efforts, through increased investment and recruitment, to increase ATC capacity in the UK these efforts alone will not eliminate international delays whilst there is a shortfall in the overall capacity of the European system. Since the shortage of capacity is a European problem it requires solutions on a European scale. The problem cannot be solved by unilateral action in the UK.

2. It must also be emphasised that maintaining and where possible improving safety of the ATC system is of paramount importance and efforts to increase capacity must be consistent with that objective.

UK INTERESTS

3. The UK has a substantial interest - probably larger than any other European country - in ensuring that there is adequate ATC capacity. Major aspects are:

Trade and Industry: due to its geographic position, British business is particularly dependent on air transport to communicate and compete effectively in continental markets.

Defence: the UK Armed Forces have substantial requirements for airspace, particularly for operations, trials, exercises and training. Their requirements for airspace must not be jeopardized by the increasing requirements of air transport for controlled airspace.

Leisure: the UK is particularly dependent on aviation to transport much of the population abroad for leisure purposes.

Air Transport: the UK has achieved a leading position in the European air transport industry. Shortage of ATC capacity in Europe will seriously impede its development.

THE PROBLEM

4. ATC systems in Europe have developed at different rates and, to some extent, independent of one another. Much has been achieved through interfacing of different systems, but taking Europe as a whole there is a patchwork of systems at different levels of automation and intercommunication. Radar sensors, radar data processing and display, flight plan processing and display, and data and voice communications are quite different in their technology between States across Europe. This patchwork of

systems hinders the flow of traffic across national frontiers. For example, good radar coverage in some States can permit a minimum separation between aircraft of 5 nautical miles (nm) for domestic flights; but the separation between aircraft travelling from one State to another frequently needs to be extended to say 30 nm. Resolution of these problems would need to begin by exposing the weak points in the existing system and identifying necessary remedies.

5. For the UK, a recent report, carried out as part of the New En Route Centre (NERC)* investment evaluation, estimated the cost of delays to UK airlines as being in excess of £40 million per annum. A substantial factor in causing these costs was held to be UK en-route ATC delays. For Europe as a whole a recent AEA report estimated that the present ATC system cost US \$4.2 billion more in 1988 than an "ideal" system. About US \$1.5 billion of the excess cost to airlines and passengers was due to ATC delays while the remainder represented inefficiencies in providing the present level of ATC service and indirect effects on Europe's economy which are not necessarily associated with congestion. The accuracy of some of these estimates is open to question but it is clear that the costs are substantial compared to the likely cost of providing additional capacity.

6. Air Traffic Flow Management has been necessary in Europe in recent years to smooth demand by spreading traffic over the day. The techniques and facilities for flow management have been developed and further improvements are in hand, particularly the establishment of the Central Flow Management Unit (CFMU) under Eurocontrol management in Brussels. These improvements will lead to a better utilisation of available ATC capacity, but of themselves they will not expand it across Europe.

7. Apart from work on flow management there are several technical initiatives in hand to increase European ATC capacity. These include:

- the European Co-ordination Team (ECT), focussing on measures which can be implemented in the short term, such as harmonisation of ATC procedures of neighbouring states;

- the Eurocontrol Common Medium Term Plan (CMTF), which invites states to harmonise the development of their ATC systems;

- the ICAO Future European Air Traffic Management System Concept (FEATS), which is a long term initiative and not expected to be fully implemented until well into the next century; and

- the Programme of Harmonised ATM Research in Eurocontrol (PHARE) aimed at researching new European ATM systems based on FEATS concepts.

8. Although each of these initiatives will increase capacity, collectively they will be insufficient to provide adequate ATC capacity in the short to medium term. A greater political commitment and technical drive towards the planning and provision of air traffic services will be needed if Western Europe's system

* A glossary of terms used in this report is at Annex I.

is to be able to handle the traffic growth predicted by bodies such as Eurocontrol, ICAO, IATA and the AEA. They forecast passenger growth of around 6% a year until 2000. Growth in air transport movements is likely to be somewhat below passenger growth but there is less consensus on this. To handle this growth a strategy needs to be agreed at a high political level by Western European governments through ECAC.

9. Sufficient controllers must be provided to cope with rising demand. But that alone will not solve the problem. In areas of dense traffic capacity gains can normally only be achieved by complementary improvements in systems and equipment. In addressing the European problem it is therefore necessary both to increase the number of controllers and to improve ATC systems and equipment across Europe.

OPTIONS

10. There would seem to be three broad ways of improving the efficiency and increasing the capacity of the European ATC system:

- Intensify co-operation;
- Integrate the ATC systems;
- Create a unified system.

These options are not mutually exclusive: all three could be implemented in part at the same time.

Intensify co-operation

11. With this option we would seek to intensify the co-operation undertaken through the existing initiatives. In the short term there seems to be little that could be done to intensify the work of the European Co-ordination Team (ECT). Intensifying the work on FEATS, an ATM concept that will not be introduced fully until the next century, would not lead to short to medium term improvements since it would not be feasible to bring forward its implementation to such an extent. Some capacity improvement in the short term might, however, stem from reorganisation of the existing route and airspace sector organisation. It is suggested, therefore, that Eurocontrol explore this possibility as soon as possible (see Annex II). There is however scope for intensifying co-operation through the Common Medium Term Plan. At present the 'plan' merely comprises a loose compilation of existing national plans. The Eurocontrol CMTMP could be made into a more effective plan by securing agreement of member States to implement projects with clear milestones and completion dates and including standards and specifications to be adopted by Member States. We would envisage a rolling plan within a 20-year timeframe. Commitment by Member States to develop a more thoroughgoing planning process and to increase staff in Eurocontrol so that it can draw up the plan and monitor its implementation would be a major step towards increasing ATC capacity in Europe.

Integrate ATC systems

12. Under this option Member States would make a specific commitment to integrate their systems to an agreed timetable and to effect the changes to the institutional framework to achieve this. Upper airspace traffic mainly comprises public transport cruising at similar altitudes and speeds and military aircraft under positive control in a regulated environment. By contrast, traffic in the lower airspace comprises a more heterogeneous mix of aircraft, whose varying types, flight paths, avionics, performance envelopes and requirements result in a much more complex airspace and ATC system structure. For this reason the first priority should be given to developing an integrated system for the upper airspace but moving to incorporate, if possible, more critical congested areas of lower airspace by the end of the century. The upper airspace is likely to be an area where worthwhile capacity gains could be achieved throughout the whole region by improving flows across State boundaries in the medium term.

13. The integrated system would be operated from a series of Area Control Centres (ACCs) which would have compatible ATC systems and equipment and are integrated through a common network interchanging speech, flight plans and surveillance data. Some changes of airspace boundaries may be agreed but we would expect most ACCs to continue to be operated by national authorities. However, the system would function irrespective of State boundaries, which would be entirely transparent to the airspace user.

14. The capabilities of modern airborne avionics would be used to bring about an ATC system whose objectives include:

- the provision of 5 nm radar separation minima across Europe;
- the provision of 1000' vertical separation minima across Europe (currently 2000' above 29 000');
- reduced lateral separation between fixed routes for aircraft with RNAV capability;
- procedures to permit national defence providers to discharge their responsibility effectively.

15. An outline of the proposed system and its implications for air transport is at Annex II. To achieve the capacity gains from the reduced separation described above, access to the system would need to be restricted to aircraft equipped to comply with a specified minimum performance standard, based on current altimetry and on navigation equipment similar to that on board many public transport aircraft currently operating over the North Atlantic. Special arrangements could be made for the small number of aircraft which do not comply with this standard but which nonetheless wish to operate in upper airspace.

16. Given the experience in the USA with large scale integration of ATC systems it would seem to be technically feasible to integrate European systems along the lines proposed even though they are currently much less homogeneous than those in the USA.

The pace of integration in Europe would inevitably be somewhat slower than that in the US although it should be achievable in the medium term (1995-2005). Four countries in Europe (Belgium, Luxembourg, Netherlands and part of West Germany) are already planning to capitalize on the experience gained at Eurocontrol's Upper Airspace Control Centre (UACC) at Maastricht - itself a good example of multinational co-operation - and integrate significant parts of their ATC systems. If the UK were to come out strongly in favour of integration it would seem likely that many of the remaining countries in West Europe would follow.

17. The CAA have indicated that they they are confident the results of the proposed integration of ATC systems could be incorporated in the NERC. The plans for the Centre already emphasise the need for harmonisation with adjacent ACCs.

Create a unified supranational ATC system

18. The Association of European Airlines (AEA) has proposed, as a long term objective, the creation of a unified ATC system, comprising a small number of ATC centres (around 6). These would be managed by a central body which would be responsible for planning, financing, technical services, system maintenance and ATC operations. The central body would be controlled by a Board comprising representatives of governments and airlines. The AEA proposal does not however describe the system which would be operated.

19. The main advantages of a system with unified management (such as that operating in the USA) are that the number and location of the ATC centres could be established in response to traffic demand (rather than by the aspirations of individual countries), airspace could be more easily restructured, and equipment and systems made compatible, thereby increasing capacity. The main disadvantage is that the effects of industrial action within a large central organisation could be more widespread and severely felt they would be for a decentralized system. The latter may experience more frequent disruptions from its many different bargaining units but the effects of these can be more easily contained by re-routeing aircraft. Furthermore, unification would raise substantial political, defence, administrative and legal problems which would need to be resolved. For example, a new international convention would need to be drawn up, superseding the Eurocontrol Convention; the UK would probably need to enact primary legislation. Participating States would need to agree to cede day-to-day control of some of their airspace to a supranational body, and would have to agree on the location of supranational ACCs.

20. Notwithstanding the advantages of a unified system, we recognise that seeking now to establish such a system is unlikely to succeed because of the practical obstacles described above. Nonetheless we accept that there can be substantial benefits from unification in specific areas. We have for example agreed to unification for the collection of route charges and for flow

management. And in future we could well find other areas where we can reap the benefits of unification. Indeed as systems become ever more integrated it will be easier to move towards unification.

WAY AHEAD

21. The above analysis indicates that the first significant window of opportunity for increasing European ATC will be in the medium term (1995-2005). In view of the pressing need to reduce air traffic delays we should give priority to measures that can be implemented in this timeframe, whilst at the same time keeping an eye on the longer term. The most realistic option for increasing ATC capacity is therefore to develop an integrated ATC system supported by an enhancement of the Eurocontrol CMTF. This would leave open the possibility of unification in the longer term.

22. An integrated ATC system for the upper airspace would provide a platform for the widespread application in European airspace of more advanced technology for communications, navigation and surveillance during period 2010-2020, as is envisaged in FEATS. The technical means and operational techniques used in upper airspace should be introduced to the lower levels as the Central Control Function (CCF) type of operation consolidating airfield approach and departure control proliferates across Europe. It will be necessary to ensure that the ATC capacity in the lower airspace is commensurate with that at higher levels and that runway capacity is progressively enhanced to match airspace capacity increases.

INSTITUTIONAL FRAMEWORK

23. Our initial view on institutional change is that we must build on the technical capability of Eurocontrol. We recognise that the agency does not, at present, have sufficient human or financial resources to drive forward the CMTF and an integration plan on the scale required. This matter will therefore need to be addressed urgently by the States. We consider that three main changes are needed:

- The Eurocontrol agency will need additional staff to undertake detailed planning, develop functional specifications, and to co-ordinate the implementation of the plans. We envisage the creation of a new Directorate in Eurocontrol to carry out this work. The broad direction of work should be undertaken by a Steering Committee with representation from national administrations.

- There will be a need for much greater involvement of the private sector to support Eurocontrol's technical capability. Machinery for involving airspace users and manufacturing industry will need to be enhanced.

- Arrangements will need to be made to ensure that projects are funded. Some Governments may wish to fund projects through the public sector. But it may help other Governments if

CONCLUSIONS

35. The main conclusions are as follows:

A. Inadequate ATC capacity over Europe as a whole is a major cause of international air traffic delays. The UK has a substantial interest in the solution of this problem which will require action on a European scale. Any action taken must at least maintain existing levels of safety.

B. The current initiatives to increase ATC capacity, though helpful, will not be sufficient to provide adequate ATC capacity in the short to medium term. A greater political commitment and drive towards the planning and provision of air traffic services will be needed if Western Europe's system is to be able to handle predicted traffic levels.

C. The first window of opportunity to increase substantially ATC capacity will be in the medium term (1995-2005). The most realistic option for increasing capacity in this timeframe is to develop an integrated European ATC system, initially for the upper airspace supported by an enhancement of Eurocontrol's Common Medium Term Plan.

D. We will need to keep an eye on longer term developments. Integration will provide a sound platform for the widespread application in Europe of more advanced technology for communications, navigation and surveillance in the early part of the next century. It will also keep open the possibility of unification at a later stage.

E. Practical implementation of the strategy should be undertaken through Eurocontrol. To undertake this task the agency would require considerable strengthening through the provision of additional staff, greater involvement of the private sector and financial provision for projects to be made from loans to Eurocontrol, which would be repaid by users through the Eurocontrol route charging mechanism.

F. Whilst we are not at present convinced that there is a significant role for the EC Commission to play in the ATC field, we do not rule it out as a possibility in the future if other mechanisms fail to deliver the necessary results.

G. The proposed European integrated ATC system should present no defence difficulties provided sensitive information in the system is protected.

H. The cost of an integrated European system has been estimated to be of the order of US \$2-5 billion in new equipment and systems. The full involvement of European industry will be essential for the successful implementation of this project in time. There may be a need for Eurocontrol to fund substantial research contracts. Involvement by UK industry in the development of the integration plan should help it to take full advantage of the commercial opportunities.

I. A recently established ECAC Task Force on the integration of European ATC Systems provides an excellent vehicle for developing our strategy. It is required to report to governments by the end of February in preparation for a meeting of ECAC Transport Ministers next April. If Ministers agree, the proposals set out in this report will provide the main UK input to the Task Force.

October 1989

GLOSSARY

- ACC** Area Control Centre
- Each of the 45 centres (including sub-centres and upper airspace control centres) from which Western European airspace is controlled.
- AEA** Association of European Airlines
- An organisation consisting of 21 major European airlines.
- ATC** Air Traffic Control
- ATM** Air Traffic Management
- CCF** Central Control Function
- A reorganisation of air traffic management in South-East England, by which capacity will be increased 30% by 1995.
- CFMU** Central Flow Management Unit
- The unit which will manage the flow of air traffic throughout western Europe. It is to be located in Brussels and should be fully operational by 1993.
- CMTF** Common Medium-Term Plan
- A set of specifications being drawn up by Eurocontrol for the future provision of ATC in Europe.
- EANPG** European Air Navigation Planning Group
- The ICAO body responsible for co-ordinating the development of ATC in Europe.
- ECAC** European Civil Aviation Conference
- An organisation of 23 Western European states which develops European policy and practice on aviation issues, both technical and economic.

- ECT European Co-ordination Team
- A team of experts in Eurocontrol who work to make improvements in the co-ordination between ACCs which can be carried out in the short term.
- EUROCONTROL European Organisation for the Safety of Air Navigation
- The organisation which provides ATC for the upper airspace of Benelux and northern Germany, collects en-route charges for member states, is developing the CFMU and is drawing up the CMTF.
- FAA Federal Aviation Administration (USA)
- FEATS Future European ATM System Concept
- A concept description drawn up by EANPG for the period 1995-2010 which, when implemented, will greatly expand ATC system capacity.
- IATA International Air Transport Association
- An association of most international airlines which represents their views on matters relating to air transport.
- ICAO International Civil Aviation Organisation
- A specialised agency of the United Nations.
- NERC New En-Route Centre
- An ACC, planned to come into operation in 1996, which will provide ATC to en-route traffic over England and Wales.
- PHARE Programme of Harmonised Air Traffic Management Research in Eurocontrol
- An R&D programme to which the main UK contribution is research at the Royal Aeronautical Establishment in Bedford into automatic data links between air and ground.

- PNAV Precision Area Navigation
- A form of area navigation which uses multiple ground-based navigational aids to achieve higher accuracy.
- RNAV Area Navigation
- Navigation by aircraft using on-board equipment which permits them to fly virtually independently of the location of ground stations.
- UACC Upper Airspace Control Centre
- A centre which controls upper airspace such as the one at Maastricht covering Benelux and northern West Germany.
- VHF Very High Frequency
- The frequency at which, in future, all radio communications between air and ground will be carried out.

AN INTEGRATED EUROPEAN AIR TRAFFIC CONTROL (ATC) SYSTEM

For the reasons set out in paragraph 11 of the body of this report, a practical approach towards integration of ATC services across Europe would initially be to harmonise services in the upper airspace (ie above 25-30,000 ft) moving as quickly as possible to incorporate the more critical congested areas of the lower airspace. Harmonisation in this context means that surveillance, navigation and communications facilities for ATC within the most congested parts of Europe (ie the 11 Eurocontrol States and Austria, Italy, Spain, Switzerland and Yugoslavia) should be of a common capability enabling a minimum distance of 5nm between aircraft to be achieved, using radar, both within and between ACC areas of responsibility. Full radar cover to a very high accuracy and integrity (to monopulse secondary standard) and automatic exchange of flight plan data between those ACCs providing the service would be a necessary prerequisite. Air-ground communication would be VHF-based. Surveillance and communications systems would be further enhanced by the progressive introduction in the longer term of automatic air-ground (Mode S) and subsequently satellite-based data links. Radar and flight data processing and display systems would be fully harmonised with compatible interfaces between adjacent systems. High levels of system integrity and reliability would need to be assured.

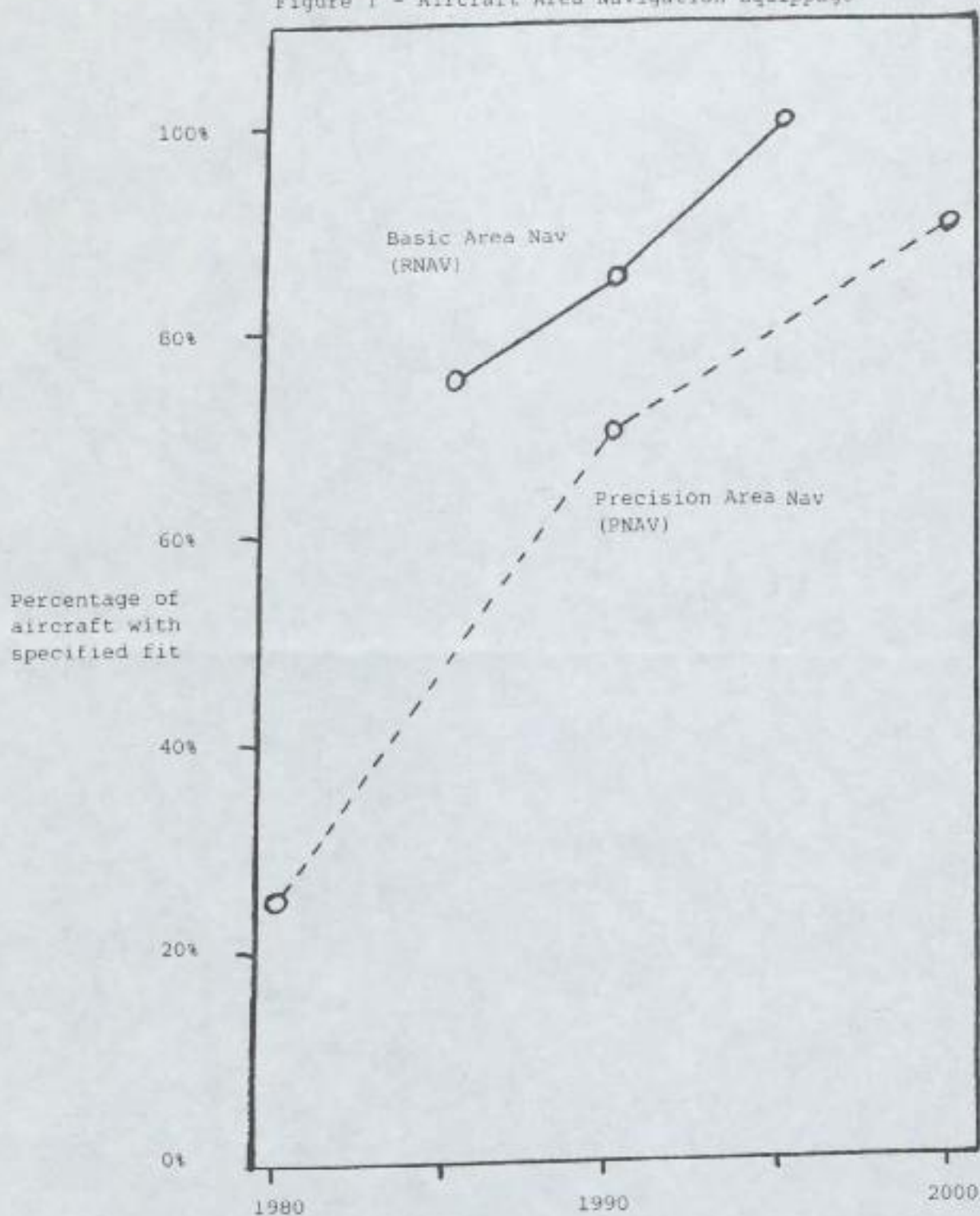
Routes and sectors

2. The route structure and associated ATC sectorisation would be suited to major traffic flows. The pattern of ATC would need careful analysis. To provide a technical basis for this analysis the Eurocontrol Experimental Centre fast-time simulation team should be used to produce optimum planning of ATC sectors. This would indicate the ideal number and disposition of high level sectors to manage the traffic demand (including military traffic) effectively. The number of ACCs responsible for handling this traffic could then be determined in the light of the results of this analysis and taking into consideration political and defence interests. It is possible that fewer ACCs, not necessarily with areas of responsibility coincident with State boundaries, could handle the traffic efficiently. Operational interfaces with lower levels and the bordering regions should be developed using Eurocontrol expertise.

Airborne equipment standardisation

3. Since Area Navigation (RNAV) is very much less dependent on ground navigational aids than are conventional navigational systems, air route systems can be designed virtually free of ground siting constraints, thus enabling air traffic planners to implement route systems which not only offer higher capacity but which also align more closely with aircraft operators' desired flight paths. In addition, the use of Precision Area Navigation (PNAV) as the basis for route planning is expected to permit a significant reduction in the required minimum distance between route centrelines, compared with conventional navigation means. This would enhance still further the capacity potential of the airspace, provided that all aircraft flying therein were suitably equipped. A projection of the Area Navigation (basic and precision) equipment that is expected in the air transport fleet to 2000 is at Appendix A.

Figure 1 - Aircraft Area Navigation Equippage



Data Source: IATA 1981 and 1986 estimates.
RNAV and PNAV are explained in the glossary.

TIMETABLE FOR ACTION

- 1989 Oct - Ministerial approval to outline proposal
- Oct - DTp to lobby other countries
- Nov - First meeting of ECAC Task Force
- 28 Nov - CAA Conference on Air Traffic Control (Park Lane Hotel)
- 5 Dec - Eurocontrol Permanent Commission
- 1990 End Feb - Report of ECAC Task Force
- April - ECAC Meeting of Ministers



THE DEPARTMENT
OF TRANSPORT



FROM THE SECRETARY OF STATE

2 MARSHAM STREET LONDON SW1P 3EB
TELEPHONE 01-276 3000

Paul Gray Esq
Private Secretary
10 Downing Street
LONDON
SW1

My Ref:

Your Ref:

Prime Minister²

30 AUG 1989

Dear Paul

AIR TRAFFIC CONTROL

Last weekend my Secretary of State mentioned to the Prime Minister the good job that the National Air Traffic Services (NATS) were doing in coping with air traffic over the United Kingdom. They also had to deal with the consequences of industrial action by the air traffic control engineers in France, which I understand is likely to happen again.

1 Mr Parkinson thought that the Prime Minister might be interested to see the attached exchange with Christopher Tugendhat, Chairman of the Civil Aviation Authority, under whose tutelage, jointly with MOD, the NATS come.

Yours Roy

R J GRIFFINS
Private Secretary



FROM THE SECRETARY OF STATE

2 MARSHAM STREET LONDON SW1P 3EB
TELEPHONE 01-278 5001

Christopher Tugendhat Esq
Chairman
Civil Aviation Authority
CAA House
45-59 Kingsway
LONDON
WC2B 6TE

My Ref:

Your Ref:

30 AUG 1987

Dear Christopher,

Russell Sunderland brought to my attention the two telexes attached to your letter of 3 August to him. I was pleased to see set down in black and white the appreciation of your "customers". I believe that the airlines continue to acknowledge that the NATS have done a very good job in minimising the effects of industrial action in France and generally in coping with the peak season movements. Well done.

Yours Esq,
Cecil

CECIL PARKINSON



Civil Aviation Authority
CAA House
45-59 Kingsway
London WC2B 6TE

Christopher Tugendhat
Chairman

Telephone: 01-379 7311

3 August 1989

Mr G R Sunderland
Deputy Secretary
Aviation, Shipping and International
Department of Transport
2 Marsham Street
LONDON SW1P 3EB

You and your colleagues are often on the receiving end of complaints from airlines about the CAA. I felt therefore that these two "Thank You's" might be of interest to you. In fact they are not as rare as all that, but are usually expressed orally rather than in writing.

Encs

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ATTN SCHEUVER/MARKS/DE LOS COBOS/BERMAN/RUSSO

I SHOULD LIKE TO PLACE ON RECORD ~~RECORD~~ APPRECIATION
FOR ALL THE WORK YOU AND YOUR UNITS AND STAFF PUT IN OVER
THE LAST THREE DAYS TO MINIMISE THE DELAYS CAUSED BY THE
PROBLEMS IN FRANCE AND THE PROBLEMS WE ALL FACE ON PEAK SUMMER
WEEK-ENDS STP THE COOPERATION AND GOODWILL OF THE STAFF ON
DUTY WAS OBVIOUS FOR US TO SEE AND IT IS SATISFYING TO SEE
SUCH GOOD TEAMWORK STP ON BEHALF OF DAN-AIR THANK YOU AND
CONGRATULATIONS - WE HAD A GOOD WEEKEND

BEST RGDS

BOB WILLIS

OPERATIONS MANAGER, DAN-AIR LGW

Elapsed time 00:00:26

Elapsed time 00:00:31

PRINTED AT 1618 UTC 31-JUL-89

R920

RX-LN1 1618 UTC 31-JUL-89
CFA124 311622
FF EGTTZDZX
311623 EBBRAABO

ATTN:BERMAN/LFAA SCHEUVER/EDDF LOS COBOS/LEAC RUSSO/LIRR EGTT/MARKS

THIS IS TO PLACE ON RECORD THE APPRECIATION OF THE MANAGEMENT AND STAFF OF THE 40 MEMBER AIRLINES OF THE ~~INTERNATIONAL AIR CARRIER ASSOCIATION (IACA)~~ FOR THE SUPERB EFFORT MOUNTED BY YOU AND YOUR STAFF IN THE COURSE OF THIS PAST WEEKEND TO COPE WITH PEAK AIR TRAFFIC DESPITE THE SEVERE HANDICAP OF INDUSTRIAL ACTION AFFECTING THE REGION STP CLOSE CO-OPERATION ON YOUR PART PARTICULARLY IN LIAISON WITH IACA CRISIS CELL (EGGW) WAS A CRUCIAL FACTOR IN THE SUCCESS ACHIEVED IN LIMITING ADVERSE EFFECTS OF THE WEEKEND'S INDUSTRIAL ACTION

GRATEFUL IF YOU WOULD PLS RELAY IACA'S DEEPELT APPRECIATION TO ALL CONCERNED AMONGST YOUR STAFF AND ALL SECTORS CONCERNED

REGARDS / HOLUBOWICZ / IACA DIRGEN EBBRAABO

Elapsed time 00:00:31

PRINTED AT 1618 UTC 31 JUL 89



CCPS
DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

My ref:

Your ref:

Lyn Parker Esq
Private Secretary to
The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign
and Commonwealth Affairs
Foreign & Commonwealth Office
Downing Street
LONDON
SW1A 2AI.

19 DEC 1988

Dear Lyn

The Foreign Secretary may wish to be aware that this Department is tomorrow afternoon publishing new UK passenger air traffic forecasts, covering the period to 2005. I enclose for information an advance copy of the related press notice, containing the text of a written reply that my Secretary of State will be making.

During the summer my Secretary of State asked the Civil Aviation Authority to advise him by next July on the UK airport capacity needed to cope with demand to 2005. He will be neither taking nor endorsing decisions in this area before he has considered that advice.

At the end of November he received the Authority's interim advice on good use of airspace to 1995. The Authority is to publish that advice tomorrow, and I am also enclosing, again for information, an advance copy of the related press notice.

I am sending a copy of this letter and attachments to the private secretaries to members of the Cabinet.

Yours ever
Roy

R J GRIFFINS
Private Secretary



THE DEPARTMENT OF TRANSPORT

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USE ON CLUB TAPES BEFORE

20 DECEMBER 15-30

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condition that no approach is
made to any organisation or person about
its contents before the time of publication.

PRESS NOTICE NO:

610

DATE:

20 December 1988

ADVICE RECEIVED ON AIRSPACE STRATEGIES TO 1995

Paul Channon, Secretary of State for Transport, today welcomed the Civil Aviation Authority's clear statement on the steps being taken to improve air traffic control services, pending the significant increase in the airspace capacity of the London Terminal Area planned for 1995.

Making the announcement in answer to a Parliamentary Question from Michael Colvin MP [Romsey and Waterside] Mr Channon said:

"I received the advice at the end of November. The Authority is publishing it today and copies are being placed in the Library.

"I welcome the advice, which contains a clear statement of the steps the National Air Traffic Services are taking to improve the provision of air traffic control services, pending the significant increase in capacity which will result from the reorganisation of the London Terminal Area airspace due to be completed in 1995. The advice also explains the important initiatives the UK has been taking internationally to increase cooperation and coordination between air traffic control authorities in Europe.

"The Government's public expenditure plans, announced in the Autumn, already make provision for a two-thirds increase in the Authority's investment next year. The Government will continue to approve individual projects within the Authority's investment programme where they are financially

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justified, as in the past. The Government also fully supports the Authority in introducing flexible working practices and in increasing recruitment of air traffic controllers to handle growing traffic levels.

"I look to the Chairman of the Authority to pursue the strategy vigorously. I have asked him to consider any new ideas that may be put to him and to take further steps to relieve air traffic control congestion where these prove practicable."

NOTES TO EDITORS

1. Copies of the Report (CAP 546 - "Advice to the Secretary of State for Transport; Strategies for making good use of Airspace 1989-1995") are available by post from the Civil Aviation Authority, P O Box 41, Cheltenham or to personal callers at CAA Central Library, CAA House, 45-59 Kingsway. Price £4.00 plus £1 postage.
2. The CAA's advice on airspace strategies is in response to the Secretary of State's letter of 6 July 1988 to the Authority's Chairman, Christopher Tugendhat. (DTp Press Notice 352). The letter also asked Mr Tugendhat to make recommendations on the UK airports capacity needed to cope with demand through to 2005. The Authority's advice on that is expected next July.
3. Mr Channon is also announcing today new forecasts of air traffic demand at United Kingdom airports for the period to 2005. (See Press Notice 611).

Press Enquiries: 01-276 0888 Out of Hours: 01-276 5999
Public Enquiries: 01-276 3000 ask for Public Enquiry Unit

THE DEPARTMENT
OF TRANSPORT

PRESS NOTICE NO. 611

DATE: 20 December 1988

CONTINUED STRONG GROWTH FORECAST FOR UK AIR TRAFFIC TO 2005**Regional Airports Expected to Increase Their Share**

The Department of Transport today published new forecasts of passenger air traffic demand at United Kingdom airports to 2005*. Continuing strong growth in demand is predicted both at London and regional airports, with the proportion of passengers using regional airports increasing significantly, to reach over 37% in 2005. The forecasts are published about every two years, most recently in 1986.

Announcing the new forecasts in answer to a Parliamentary Question from Alan Haselhurst MP (Saffron Walden), Paul Channon, the Secretary of State for Transport, said:

"The latest forecasts cover the period to 2005. For United Kingdom airports they predict higher volumes of traffic than those estimated in 1986, with a significant increase in the

*"Air Traffic Forecasts for the United Kingdom, 1988", (ISBN 0 11 550879 1), available from HMSO, price £4.00

1

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20 DEC 1988 15-30

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proportion of passengers using regional airports, whose share is projected to rise from 33 to over 37 per cent. Continuing strong growth is expected both at London and at regional airports, relying on the availability of sufficient air traffic control capacity. This reflects among other factors the sustained economic performance of this country and our strength in business and tourism. The new forecasts take account on the one hand of lower air fares which are expected to result from further liberalisation; and on the other of the effects of the Channel Tunnel.

"In the 1985 White Paper "Airports Policy" (Cmd 9542) the Government stated that one of the objectives towards which UK airports policy should be directed was the fostering of a strong and competitive British airline industry through the provision of enough airport capacity where it is needed. In respect of the London airports the White Paper concluded that the developments then in hand or planned should provide both sufficient capacity to meet air transport demand in the South East into the mid 1990s, and the necessary flexibility to enable decisions to be taken at the appropriate time for any development needed thereafter. On regional airports my predecessors and I have consistently affirmed our encouragement for their maximum use and development to meet demand arising locally, and have said we look to them to attract more traffic and so help with the pressure on the South East.

"The Government's commitment has most recently been evidenced by my announcement yesterday of capital expenditure allocations for municipal airports and public airport companies for 1989-90 totalling £23 million. These include an allocation towards the cost of the first phase of a major new passenger terminal at Manchester Airport, thus allowing the airport company to proceed.

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20 DEC 1989 15-30

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"Earlier this year I judged that the time had come to review the strategy set out in the White Paper in the light of subsequent events. I therefore asked the Civil Aviation Authority for formal recommendations, under section 16(2) of the Civil Aviation Act 1982, on the UK airport capacity needed to cope with demand through to 2005. At the same time, I asked the Authority for interim advice on strategies for making good use of the available air traffic control capacity until the planned reorganisation of the London Terminal Area (LTMA) airspace produces additional capacity in 1995. I received the Authority's interim advice at the end of last month and it is being published by the Authority today. The Authority's main advice is due in July of next year and I shall neither take nor endorse any decisions on airport capacity until I have considered that advice.

"The present outlook is as follows. Although Heathrow and Gatwick are now operating for much of the time at close to the capacity of their runways, their passenger throughput can be expected to go on increasing gradually over the years with the growth in size of aircraft and with some further peak-spreading. Moreover, the London area still has substantial spare runway capacity at Stansted: the runway there is at present handling only about one million passengers per annum, though its potential capacity is of the order of 25 million passengers per annum. Runways at Luton and London City airports and at other existing airports accessible to passengers to and from the South East can also be expected to make some contribution to the handling of London's traffic growth. But of course runway capacity cannot be realised without improvements in airspace capacity over south eastern England, and the corresponding development of sufficient passenger terminal capacity.

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20 DEC 1983 15-30

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In its interim advice on airspace strategies, the CAA explains that in 1995, with the completion of the planned reorganisation of London Terminal Area airspace, it expects LTMA air traffic control capacity to be adequate to handle the runway capacities of Heathrow, Gatwick and Stansted, in addition to 16 movements per hour at Luton.

"As to terminal capacity, a number of new developments are either planned or possible. The first phase of Stansted's new terminal is already under construction and is planned to open in 1991. Outline planning permission has been given for completion of the terminal to a capacity of 15 million passengers per annum, though Parliamentary approval would be needed to raise the current limit on air transport movements at the airport. Moreover, as envisaged in the 1985 White Paper, further terminal development to the capacity of Stansted's runway would also be possible, subject to planning permission and to Parliament's decision over the airport's current air transport movement limit. The White Paper also left open the possibility of a fifth passenger terminal at Heathrow; again, any proposal would be subject to planning permission.

"There are therefore a number of ways in which airport capacity in the South East can continue to meet demand, without the commissioning of new runways. I now await the CAA's main advice, due in July. Meanwhile, in view of the long lead-times necessary for seeking planning approval and for construction, it is right that those responsible for operating and developing airports should review the options for any new terminal developments that traffic forecasts indicate are likely to be needed."

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USE ON CLUB TAPES BEFORE:

20 DECEMBER 1985

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Notes for Editors

1. The forecasts of London, regional and total UK airport terminal traffic are as follows:

millions of passenger movements*

	1987	1995		2000		2005	
	Base year	Low	High	Low	High	Low	High
London area Airports**	57.4	77.9	87.9	88.9	113.6	101.4	147.1
Regional Airports	28.6	42.1	51.0	52.4	68.2	62.6	87.4
UK total	86.0	120	138.9	141.3	181.8	164.0	234.5

*On round trips, each person is counted twice, once out and once in.

**Heathrow, Gatwick, Luton, Stansted, London City

2. The critical factor in forecasting air traffic is the choice of assumptions of future economic growth. These forecasts, like those published previously by the Department, have been prepared on the basis of "high" and "low" scenarios, corresponding to "high" and "low" economic growth in the UK, Europe and the rest of the world. The scenarios represent long term average growth rates, and do not seek to identify cyclical or short term influences.

3. Regional airports are forecast to increase their share of total UK traffic from 33.2% in 1987 to between 37.3 and 38.2% in 2005, and their share of international traffic from 24.8% to between 28.8 and 31.1% over the same period. Average annual growth rates projected for air traffic over the period remain strong, in the range 3.7% to 5.7%, with little difference between the rates for domestic and international traffic. Of the components of international traffic, business traffic is predicted to grow at a faster rate than leisure traffic over most of the period.

NOT FOR PUBLICATION, BROADCAST OR
USE ON CLUB TAPES BEFORE:

20 DEC 1988 15-30

This document is issued in advance on the
strict understanding that no approach is
made to any organization or person about
its contents before the time of publication.

4. The forecasts allow for three factors not taken into account in the Department's earlier projections:

- an estimate of the reduction in air traffic likely to be caused by diversion to the Channel Tunnel;
- the assumption that congestion at the main UK tourist sites will have some damping effect on incoming tourist traffic; and
- an allowance for the expected impact on air fares of further liberalisation of European air travel.

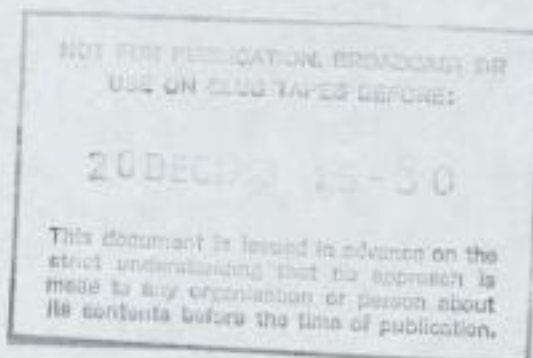
Broad guidance on the first two of these factors has been offered in earlier forecast reports, but here for the first time they are integrated with the arithmetic of the forecasts themselves.

5. The forecasts are of unconstrained demand. The Secretary of State has asked the Civil Aviation Authority for advice on the UK airport capacity needed to meet demand to 2005, taking into account runway, airspace and terminal capacity constraints. That advice is due in July of next year.

6. Forecasts for the end of the period do of course have to be treated with particular caution. Estimates of the linkage between air traffic growth and economic factors must by then be at their most vulnerable, and any error will compound with factors presently unrecognised or not considered significant, to increase the overall uncertainty.

7. The Civil Aviation Authority's interim advice on use of airspace to 1995 (CAP 546) is being published today by the Authority, and is available by post from CAA Printing and Publications Services, PO Box 41, Cheltenham, Glos GL50 2BN; or to personal callers at CAA Central Library, CAA House, 45-59 Kingsway, London WC2B 6TE (price £4.00 plus £1 postage). The Secretary of State commented on this advice in a Parliamentary Reply today (see Press Notice 610).

Press Enquiries: 01-276 0888 Out of Hours: 01-276 5999
Public Enquiries: 01-276 3000 ask for Public Enquiry Unit





case

MINISTRY OF DEFENCE WHITEHALL LONDON SW1 2HB

MO 13/8E

TELEPHONE 01-218 9000

29th September 1988

DIRECT DIALING 01-218 2111/3

*CDP
3074.*

Dear Paul,

UNIFIED EUROPEAN AIR TRAFFIC CONTROL SYSTEM

Thank you for your letter of 15th September. *top enc*

As you say, officials of my Department have kept in close touch upon this issue with yours, and I am grateful for the degree of consultation that has taken place. I am happy to confirm that I entirely agree with your judgement that it would be counter-productive to divert the efforts and energies of those working in the air traffic control field towards the establishment of a unified air traffic control system. Indeed, as you recognise, there are strong defence objections to any proposal which calls into question our ability to ensure the integrity of the United Kingdom Air Defence Region (and within it national airspace) in the face of potentially hostile intrusion. To split the responsibilities for the management of military and civil air traffic control would be a retrograde step for the reasons you mention, and one which could have adverse consequences for air safety as a whole.

As to your proposed initiative at the November meeting of Eurocontrol's Permanent Commission to seek agreement to the establishment of a Eurocontrol flow management unit, I agree with you that there is an urgent requirement to tackle the problems we

The Rt Hon Paul Channon MP



face. Such an initiative would present no problems from the defence point of view. I am therefore content with the way forward you propose.

I am sending copies of this letter to the Prime Minister and Sir Geoffrey Howe, and to Sir Robin Butler.

Yours war,

A handwritten signature in cursive script that reads "George".

George Younger

EUROPOL: Air transport policy

Nov '79



cc/c

025



DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

My ref:

Your ref:

The Rt Hon George Younger TD MP
Secretary of State for Defence
Ministry of Defence
Whitehall
LONDON
SW1A 2AS

NBPM
CDP 1579

Dear George

15 SEP 1988

UNIFIED EUROPEAN AIR TRAFFIC CONTROL SYSTEM

Suggestions are being made in the European Parliament and elsewhere, that the European countries should now seek to establish a unified air traffic control system. I am writing to agree with you the line we should take in response.

This matter has been considered by a group of officials: chaired by my Department, which included representatives from your Department, the Foreign and Commonwealth Office and the National Air Traffic Services. The conclusion which I draw from the Group's work is that, while something should be done to improve air traffic services for civil aviation in Europe, the objective of establishing a unified air traffic control system is neither a practicable nor a desirable one at the present time. It should not, however, be ruled out as a possibility at some time in the future.

The group explored a number of the implications of setting-up a unified system (by which is meant a single organisation under one management and supranational control). They concluded that there were strong defence objections to handing-over the control of UK air traffic control to a supranational body, especially in relation to the prevention of hostile intrusion into our airspace. The only conceivable way to achieve it in the UK would be to split the management of civil and military air traffic control. Not only would this reduce the efficiency with which the airspace is used, but it would be contrary to the principle adopted by the UK's integrated organisation which was specifically designed to resolve the conflicting requirements of airspace users.

It was not apparent to the group that a single large organisation covering the whole range of air traffic control services would be more efficient than a number of well-co-ordinated smaller ones. A single organisation would be very vulnerable to industrial action. And whatever the organisational framework, Europe's airspace would continue for operational reasons to be

split into numerous sectors, controlled by different teams of controllers located at control centres throughout the continent.

Even without those objections, the process of reaching agreement between 10 and 20 European countries on how the organisation should be managed and controlled, would be a major and time-consuming task with only slender prospects of success.

I should be grateful for your confirmation that you share my view that it would be counter-productive to divert the efforts and energies of those working in the air traffic control field towards this goal of doubtful value and attainability.

None of this should be taken to imply that all is well with the present air traffic control services provided for civil aviation in Europe. Many countries, including the UK, face serious capacity gaps in a number of areas, and these must be tackled vigorously by the national authorities. It is also widely recognised that Europe now needs far better co-ordination and harmonisation between national services than in the past. To achieve this we must use the existing international organisations much more effectively in the future. The International Civil Aviation Organisation, the European Civil Aviation Conference, NATO, and Eurocontrol all have their part to play.

I foresee a particularly important role for Eurocontrol, of which we hold the Presidency this year. Eurocontrol already has its own internal expertise - in the operational, research and training fields - and it has the means of raising the necessary finance from the airlines through the route-charging system. I envisage that, increasingly, Eurocontrol will be in a position to identify the shortcomings in the existing airspace infrastructure, and to advise and assist countries directly in making the necessary improvements. Eurocontrol could also extend its operational role where agreement can be reached between member states.

Using the UK's Presidency of Eurocontrol's Permanent Commission this year, we secured agreement to a package of reforms at the July meeting, which we hope will lead to the organisation's becoming more effective than in the past. We are also seeking to expand the membership of Eurocontrol to include, at the very least, all EC countries, and I wrote to Transport Ministers in Spain, Italy and Denmark about this in July.

At the November meeting of Eurocontrol's Permanent Commission, I propose to take a further major initiative in seeking agreement for the establishment of a central Eurocontrol flow management unit to assume many of the functions now carried out by separate national units throughout Europe. If we can secure agreement in principle in November to this radical proposal, we should be able to increase significantly the effective use which can be made of Europe's airspace capacity. The central unit will also be a powerful tool in strengthening Eurocontrol's ability to

identify the shortcomings in present airspace infrastructure and to give member countries more effective help in putting things right.


This initiative has been considered by our group of officials. It is the one area where the arguments for unification are particularly strong and where the defence and sovereignty arguments do not raise significant problems.

I am sending copies of this letter to the Prime Minister, Sir Geoffrey Howe and Sir Robin Butler.



PAUL CHANNON

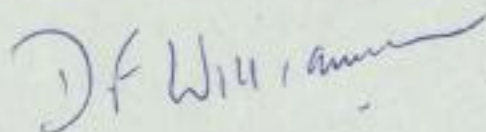
Qz.05705


MR POWELL (10 Downing Street)

EUROPEAN COMMUNITY: air transport

The Commission has decided in favour of action under Article 89 against three airlines - Alitalia, Lufthansa and Olympic Airways. This action will be suspended for three weeks in order to bring the airlines to negotiate. The Commission has also decided that, if a satisfactory result on access and capacity and on fares is not achieved in the Council, they will withdraw at the end of June their proposal on group exemptions. We do not want the group exemptions proposal withdrawn. But the Commission's tactics of stick and carrot closely follow the line discussed between Commissioner Sutherland and the Secretary of State for Transport.

I am sending a copy to Sir Robert Armstrong.



D F WILLIAMSON

18 March 1987

bc: PERSONAL

Mr Powell, 10 Downing Street

RESTRICTED

Qz.05690

MR BUDD

cc: Mr Holroyd

*Airfrans - to let you know
that this seems to be
generally stirring*

*CDP
11/3*

*D.F. Williamson
10/3/87*

European Community Aviation Package

UKREP telegram No.825 of 10 March.

I have discussed with Mr Moss (DTp). I am glad to say that Department of Transport is supporting the view of Mr Sutherland (ie is favourable) and not that of Mr Clinton Davis in relation to the proposal for an article 89.2 Reasoned Decision against Air France, Lufthansa, Alitalia, SAS and Olympic Airways for violating article 85.1 of the Treaty. I think that if this goes through in the Commission next week, it will get quite high profile treatment in the European press and will accelerate moves to reach an agreement in the Council.

I understand that the proposal for withdrawal of the Commission's 85.3 proposal for group exemptions for inter-airline agreements, ie pulling the rug from under the whole system, is not as simply stated in telegram No.825. Mr Sutherland's idea is that he should hold this as a sword of Damocles over the Council in order to ensure that a result in the Council is satisfactorily liberal. He has told the Secretary of State for Transport that he is not intending to simply withdraw the Commission's proposal out of the blue. This will, however, need watching.

I have told Mr Moss that we would expect to put a note to 10 Downing Street as soon as we know what the Commission's decision might be.

D.F. Williamson

D F WILLIAMSON

10 March 1987

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EC AVIATION PACKAGE.

SUMMARY.

1. INTERNAL COMMISSION DEBATE IN PROGRESS ON SUTHERLAND PROPOSAL FOR TOUGH ACTION ON COMPETITION IN AIR TRANSPORT.

DETAIL.

2. COMMISSION IS EXPECTED TO CONSIDER NEXT WEEK TWO PAPERS FROM SUTHERLAND:

I. A PROPOSAL FOR AN ARTICLE 89.2 REASONED DECISION AGAINST AIR FRANCE, LUFTHANSA, ALITALIA, SAS AND OLYMPIC AIRWAYS FOR VIOLATING ARTICLE 85.1 OF THE TREATY IN RESPECT OF, INTER ALIA, FARE-FIXING, CAPACITY SHARING AND REVENUE POOLING AGREEMENTS;

II. A PROPOSAL (TEXT MUFAXED TO DEPT OF TRANSPORT) FOR WITHDRAWAL OF THE COMMISSION'S ARTICLE 85.3 PROPOSAL FOR GROUP EXEMPTIONS FOR INTER-AIRLINE AGREEMENTS.

3. BRITISH AIRWAYS, KLM, AER LINGUS AND SABENA ARE TO BE SPARED FROM THE ARTICLE 89.2 ACTION FORMALLY ON THE GROUND THAT THEY HAVE BEEN READY TO ENGAGE IN A DIALOGUE WITH THE COMMISSION ON THEIR RESTRICTIVE AGREEMENTS. BCAL HAVE ALREADY HAD A COMFORT LETTER. (NOTHING IN ALL THIS, HOWEVER, WOULD RULE OUT FUTURE ACTION AGAINST BA).

LETTERS TO THE SELECTED AIRLINES WOULD BE PARALLELED BY LETTERS TO THEIR RESPECTIVE GOVERNMENTS REQUIRING THEM NOT TO APPROVE FARES PROPOSALS FROM THE AIRLINES CONCERNED. THESE LETTERS WOULD ALSO OFFER CONSULTATIONS WITH THE GOVERNMENTS ON THE ACTION TO BE TAKEN.

4. SUTHERLAND AND CLINTON DAVIS CABINETS HAVE BOTH SOUGHT OUR SUPPORT IN LOBBYING FOR THEIR RESPECTIVE POSITIONS IN THE INTERNAL COMMISSION DEBATE. MEADOWS (CLINTON DAVIS CABINET) ASKED ELLIOTT IF WE COULD LOBBY LORD COCKFIELD AGAINST THE ARTICLE 89.2 PROCEDURE ON THE GROUND THAT IT WAS AN IRREVERSIBLE ACTION THAT WOULD KILL THE NEGOTIATIONS. ELLIOTT'S PRELIMINARY AND PERSONAL RESPONSE WAS THAT THE UK WOULD WANT TO SUPPORT TOUGH COMMISSION ACTION TO HELP GET THE NEGOTIATIONS BACK ON THE RIGHT LINES. THE WISDOM OF THE ARTICLE 89 ACTION WAS LESS OPEN TO QUESTION THAN SUTHERLAND'S IDEA OF WITHDRAWING THE COMPETITION PROPOSAL AT THIS STAGE. SUTHERLAND CABINET DENY THAT THE ARTICLE 89 ACTION IS IRREVERSIBLE. IT WOULD BE SUPERCEDED AUTOMATICALLY BY THE COUNCIL'S ADOPTION OF A REGULATION

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/UNDER

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UNDER ARTICLE 87, EITHER THE PROPOSED PROCEDURAL REGULATION, WHICH WOULD PERMIT INDIVIDUAL EXEMPTIONS, OR ADOPTION OF THE GROUP EXEMPTIONS REGULATION. THEIR PROPOSAL FOR WITHDRAWAL OF THE GROUP EXEMPTIONS REGULATION SEEMS TO REFLECT A VIEW THAT THE PROSPECTS FOR A REASONABLE LIBERALISING PACKAGE ON FARES, CAPACITY AND MARKET ACCESS IS NOW HOPELESS DESPITE THE WAY THINGS LOOKED DURING THE BRITISH PRESIDENCY. THEY ARGUE NONETHELESS THAT THEIR PROPOSED ACTIONS WOULD NOT RULE OUT A NEGOTIATED SETTLEMENT IN THE COUNCIL.

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DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

CDP 14 Ki

Colin Budd Esq
Private Secretary to the
Foreign Secretary
Foreign and Commonwealth Office
Downing Street
LONDON SW1

13 November 1986

Dear Colin,

EEC AIR TRANSPORT LIBERALISATION

/ As promised by my Secretary of State at Cabinet this morning, I attach a short briefing note for Ministers encompassing the main points to make following the discussion of EEC Air Transport Liberalisation at the Council of Transport Ministers on 10 and 11 November.

/ I am sending copies of this letter and attachment to Charles Powell, to the Private Secretaries of other Cabinet Ministers and to Trevor Woolley.

Yours Sincerely,

Jon Cunliffe

JON CUNLIFFE
Private Secretary

Main points to make in light of Transport Council on 10-11 November 1986

- UK remains totally committed to getting a better deal for European air travellers. British Presidency has tried to break the deadlock by putting forward a package of proposals for a worthwhile first step in the framework of the already agreed target date of 1992 for general liberalisation.
- Our package - contrary to some reports - would be very well worth having. It would lead to opportunities for airlines to increase their existing services; to start new services; to open up new important routes; and to compete with each other. There would be much tighter control and scrutiny of anti-competitive agreements and practices. And above all there would be a wider range of cheap fares, more easily useable.
- British airlines, and especially the big ones - BA, BCAL, British Midland, - are fully behind our efforts. (campaign raises no problems for privatisation).
- Most recent Council in Brussels was disappointing because others would not agree. But it was not a failure. A large majority - nine or ten, now support us on everything except the vital issue of fares. On fares, 6 countries and the Commission are with us. France, Italy, Greece, Denmark, Spain, Portugal still want to deny the people of Europe cheaper travel.
- Negotiations are tough but we will not give up: next step is a renewed bilateral effort with the reluctant Member States. We are on strong ground because our liberal arrangements with Netherlands, Belgium, Luxembourg and W Germany prove we are right. Cheaper fares mean more passengers and fuller aeroplanes, as well as being good for the public.

[IF ASKED:

- If negotiations fail we can attack the problem through the European Court - which would be slower and therefore mean no immediate benefits - but it is an entirely practicable option. J



DEPARTMENT OF TRANSPORT
2 MARSHAM STREET LONDON SW1P 3EB

01-212 3434

OUR REF : JM/PSO/13449/86

The Rt Hon Sir Geoffrey Howe QC MP
Secretary of State for Foreign
and Commonwealth Affairs
Foreign and Commonwealth Office
Downing Street
LONDON SW1

November 13. 86.

Dear Geoffrey,

EUROPEAN COMMUNITY NEGOTIATIONS

As I reported at this morning's Cabinet meeting, discussion at the Transport Council on Monday and Tuesday was better than our worst fears, though there is still a long way to go.

I was able to secure formal Council Conclusions recording large majorities in favour of my proposals on capacity and on market access, but on tariffs there is deadlock. I managed to attract some extra support for our tariffs proposals during the discussion, but six Member States still stick to a very restrictive line - which is being pushed on them by most of the European airlines (though not British airlines!) and which is completely unacceptable from our point of view.

I had to make it clear that from the UK viewpoint there could be no further concessions on the tariffs issue. The aviation measures fit together as a package (including, as Paul Channon mentioned in his letter of 7 November, transitional exemptions from the competition rules) and we cannot let it proceed unless there is satisfactory agreement on all its elements.

I also made it clear to the Council that I was not at all convinced that it would be worthwhile bringing aviation back to the December Council: it might be better to take other subjects where the chances of success were better. But before deciding on that, I propose a further series of bilaterals with the countries who still need converting: Denmark and Greece on the whole package, joined by France, Italy, Portugal and Spain on tariffs; and also, with advice from our Embassies in the relevant capitals, to bring pressure to bear through other channels. The Anglo-French Summit has been referred to in earlier letters; I have had further bilaterals with my French opposite number and see no purpose in a further one at this stage associated with the Summit, but it could be valuable to get a simple political message across to other French Ministers at the Summit and we are preparing suitable briefing.

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If there had to be deadlock somewhere in the package, tariffs is probably the best place because the case for cheaper fares is the most easily understood and the most politically compelling. I shall be very grateful if you, and colleagues to whom I am copying this letter, would take any opportunity to get this message across - particularly in any meetings with Ministers in the countries concerned but also in any relevant public discussions. My Private Secretary has circulated a short briefing note which you might find helpful.

We will need to consider in due course what line to take at the European Council; but I think that may be a question to return to when we can begin to judge whether our new bilateral efforts are making any progress.

I am copying this letter to members of Cabinet and to Sir Robert Armstrong.



JOHN MOORE

CONFIDENTIAL

Qz05018

MR POWELL (10 Downing Street)

DDP
30/4

CEPC

EUROPEAN COURT OF JUSTICE: FRENCH AIR TARIFFS
CASES (209-213/84)

The European Court of Justice gave judgement this morning in these cases, which were essentially about whether airlines can be required to agree fare levels with their competitors before filing them with the aviation authorities. The United Kingdom was not directly concerned in these cases but intervened in opposition to the French Government, as part of our campaign for greater liberalisation and for application of the Community's competition rules to air transport. We have not yet received the full text of the judgement but the Department of Transport takes the view that it is helpful to the United Kingdom position, supporting our case that the Council should adopt competition rules under Article 87 of the Treaty and generally taking an adverse attitude to price fixing.

I am sending copies to Colin Budd (Foreign and Commonwealth Office) and to R A Allan (Department of Transport), and to Sir Robert Armstrong.

D F Williamson

D F WILLIAMSON

30 April 1986

CONFIDENTIAL



JO ISC
C. NOWAN

10 DOWNING STREET

From the Private Secretary

25 June 1984

UK/Netherlands: Air Services

The Prime Minister has seen and noted, with satisfaction, your Secretary of State's minute of 22 June reporting on the outcome of the agreement between the UK and the Netherlands. She very much hopes it will soon be possible to extend arrangements of this kind to other EC countries.

(ANDREW TURNBULL)

Miss Dinah Nichols,
Department of Transport.

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PRIME MINISTER

Prime Minister:

UK/NETHERLANDS AIR SERVICES

Mr Ridley hopes that the Dutch deal will be the precursor as others he hopes the Belgians will be next.

You mentioned in Cabinet on Thursday the new agreement which I signed with the Dutch on 20 June. This will allow much greater freedom for airlines on services between the UK and the Netherlands. It will provide the basis for our further efforts to obtain the co-operation of all European countries in promoting greater competition and cheaper air fares. I thought you might like to know the details.

Included in the deal are the following:

- a) **Liberal route entry:** In future each side will be able to authorise its airlines to fly on any route. Under the present system only certain routes are available. Additions will no longer need to be specially negotiated.
- b) **Freedom for the airlines to decide frequency and capacity of services:** At present this freedom is available only on certain routes. In future there will be no requirement for prior consultation with other airlines or for prior Government approval on any route.
- c) **Tariffs will no longer require the approval of both Governments:** At present each new tariff has to be approved by both the UK and the Dutch authorities. In future only the home authorities will need to approve the fares sold.

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- d) The airlines of each country will be able to match those of the other on routes serving third countries. At present airlines do not have access to all the low fares available on direct services when they carry passengers on indirect services involving a change of aircraft at their home base. In future, for example, KLM will be able to match on their London-Amsterdam/Amsterdam-Johannesburg service all the fares which BA and South African Airways offer on their direct London-Johannesburg services, provided the South African authorities also agree. At present KLM may not offer the low advance purchase fare, although they have been doing so illicitly.
- e) Consistent with our views, and those of the Dutch, and our obligations under the Treaty of Rome, airlines will no longer be required to consult together before submitting fares for approval. At present, the agreements require that airlines should consult and if possible reach agreement before filing fares for approval.

The above arrangements contain certain safeguards, for example, against predatory pricing and excess capacity, in the form of provisions for consultation; but the home country of the airline concerned has the final word in every case.

The first outcome of the new arrangements will be the introduction of the new £49 return fare between London and Amsterdam on 1 July. There will be two competitive versions. BA and KLM will guarantee confirmation of reservation only on the day before the flight. BCal and Air UK will each offer a limited number of seats (500 a week) but they will be bookable without restriction. If the CAA licence them, Virgin Atlantic intend to fly London-Maastricht at a return fare of £40.

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There has been some resistance from BA and BCal to our agreement to allow fares to be matched worldwide (para 2(d)) because they fear the extent of diversion of traffic via Amsterdam. We consulted them fully in advance and, on the best information available, we estimate that a loss of revenue (not profit) of no more than £2 to 3m will be involved. If, as we expect, the new arrangements with the Dutch lead to lower fares and greater competition throughout Europe this will be a small price to pay. But I shall certainly be monitoring the effect of the new arrangements, and have the right to terminate them if they are not operated fairly.

It is possible that this agreement will lead to liberal arrangements with other Community countries. I will keep pressing; and the Belgians are probably the next most likely. After that we will have to pressurise the Germans and the French, who will be recalcitrant.

I am copying this to the other members of Cabinet and to Sir Robert Armstrong.

NICHOLAS RIDLEY
22 June 1984

CONFIDENTIAL

Ewo BL



Foreign and Commonwealth Office

London SW1A 2AH

The Lancaster

5 May 1981

Mr Alexander

you may wish to
see this. wh 6/5

Dear John.

LEGAL ACTION BY LAKER AIRWAYS AGAINST THE DEPARTMENT OF TRADE

Thank you for sending Roderic Lyne a copy of your letter of 15 April to Mike Pattison.

Sir Freddie Laker's decision to take your Secretary of State to Court over the applicability of the Treaty of Rome's competition rules to air services is clearly an important development. We believe that it may well have an implication for the various measures HMG are promoting or supporting within the Community for the liberalisation of air services, although it is not certain that the case will work to our advantage. Sir Ian Gilmour is also a little concerned at the possibility that the case may be referred to the European Court for a preliminary ruling during our Presidency. This could have implications which go beyond the immediate air services questions involved. He would therefore be most grateful for an opportunity to comment on the tactics which Mr Biffen proposes to adopt in defending this action. Indeed, if Mr Biffen sees no objection, the draft brief for Counsel on our policy might be considered by OD(E).

I am copying this letter to Mike Pattison (No 10), Peter Jenkins (Treasury), Jim Buckley (Lord President's Office), James Ninsaw (Law Officers' Department) and David Wright (Cabinet Office).

Yours as ever
S. J. Gomersall

S. J. Gomersall
Private Secretary to the
Lord Privy Seal

John Rhodes Esq
Private Secretary
Department of Trade



cc Mr Gaffin

TL to see O/R.

Euro PM

MRP
16/4

From the Secretary of State

CONFIDENTIAL

Mike Pattison Esq
Private Secretary
10 Downing Street
London, SW1

15 April 1981

Dear Pattison,

LEGAL ACTION BY LAKER AIRWAYS AGAINST THE DEPARTMENT OF TRADE

My Secretary of State met Sir Freddie Laker yesterday and learned that his company will shortly bring an action in the Chancery Division against the Department of Trade and the Civil Aviation Authority (CAA). He will seek declarations from the Court that, in effect, restrictions on air services within the Community are contrary to the Treaty of Rome. It is likely, but not certain, that the writ will be served next Wednesday, 22 April. Laker Airways have promised to give this Department 24 hours notice and that there will be no advance publicity. Mr Biffen would be grateful if you would arrange for the Prime Minister to be informed.

You may recall that last year the CAA turned down an application by Laker to serve a large number of new routes in Europe. Mr John Nott, as Secretary of State for Trade, upheld the CAA decision when Laker Airways appealed. Laker Airways' case and his appeal rested in part on the argument that the provisions of the Treaty of Rome overrode our own licensing system and the existing bilateral agreements between ourselves and the various other Community governments. The Secretary of State's decision on the appeal and the line he took was based on advice from the Department's own lawyers and the Attorney General, which took account of the present point of development of Community law and policy. This was that he would not be justified in concluding that there was anything in the EC Treaty, or in the instruments made under it, which displaced any of the statutory duties of the CAA in exercising its licensing functions. The same held for the Secretary of State's exercise of his appellate functions. On the general issue he expressed agreement with the view that the present regulatory system for international air transport should change. But he pointed out that he had to pay regard to the practical implications of attempting unilaterally a revision of the system when most other countries had shown reluctance, in varying degrees, to change the existing arrangements. Further background is set out in Mr Nott's minutes of 17 and 20 October 1980 to the Prime Minister.

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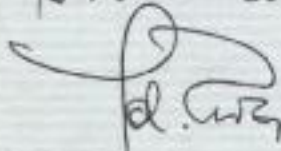
From the Secretary of State

CONFIDENTIAL

Sir Freddie keeps in close touch with this Department over his European case, as on other matters. He has asked that the Prime Minister should be informed that, while he judges it to be in the interest of his company and of the traveller to bring this case, he does not want to give the impression of a confrontation between Sir Freddie and this Government. We have therefore agreed with him that both Laker Airways and the Department will say that, although there are differences to view over the way in which the Treaty of Rome applies to civil aviation, the aim of liberalising air services in Europe is one we both share, and we both think it helpful that clarification of these important legal issues should be sought from the courts.

Mr Biffen obviously does not welcome being taken to Court by Sir Freddie. But while the presentation of the Government's position both to the Court and in the Press will have to be handled with considerable care, in his view it may well be possible to secure positive benefits from the Laker Airways' initiative. We do not believe that the Treaty of Rome applies to civil aviation in as comprehensive a way as Sir Freddie claims. But both we and the Commission's own lawyers think that it probably does apply to a more limited degree, notably in respect of fare-fixing by airlines and governments within the Community. Our aim will therefore be to use the Laker Airways' case to secure a definitive interpretation of the relevant provisions of the Treaty which accords with our own views. This could result in a significant degree of liberalisation of air fares and air services within the Community. It is, however, likely to be some time before the case is decided.

I am sending copies of this letter to Roderic Lyne (Foreign and Commonwealth Office), Peter Jenkins (Treasury), Jim Buckley (Lord President's Office), James Nursaw (Law Officers' Department) and David Wright (Cabinet Office).

Yours sincerely,


JOHN RHODES
Private Secretary

CONFIDENTIAL



PRIME MINISTER

LAKER AIRWAYS: APPEAL AGAINST THE CIVIL AVIATION AUTHORITY

I have before me the papers on several appeals by airlines against decisions by the Civil Aviation Authority. The only difficult case is the appeal by Laker who applied for 600 routes in Europe. I am clear that my decision must be to reject the appeal.

2. Laker's initial application rested on the argument that the provisions of the Treaty of Rome overrode our own licensing system and the existing bilateral agreements between ourselves and several European governments. My legal advisers' view, with which the Attorney General agrees, is that Laker is wrong. It is of course open to him to test his interpretation in the European Court.

3. The second main issue, which emerged strongly at the appeal stage, was whether Laker had provided sufficient information under the 1971 Act about the impact his proposals would have on other UK operators. I am satisfied that the CAA was right to turn down his application on the basis that his evidence was inadequate.

4. I expect that our decision will be no surprise to Sir Freddie. However, he is a skilful user of the media and may well seek to oversimplify the position (i.e. by ignoring the fact that we cannot force other European governments to let him in): he will ask why this Government, above all, is preventing him from competing with other airlines in Europe and bringing benefits to the air traveller. On the other hand I shall have the opportunity of announcing at the same time a decision in favour of Laker on another appeal which will allow him to provide scheduled services from Manchester and Prestwick



to Miami in addition to the Gatwick-Miami service granted to him earlier this year by the CAA; this should be popular in the North of England and Scotland and will be seen as a valuable reinforcement of our regional airports policy. •

5. In view of the importance of the case you will wish to know how I propose to handle the presentation of my decision. Fortunately I am regarded by the aviation correspondents as an economic liberal on these questions, which will help. The line I propose to take is as follows. We believe in competition. Our earlier decision on Hong Kong, where exceptionally no other Government was involved, and our new decision on Manchester and Prestwick to Miami provide evidence of that. We want to help Laker. But we are constrained by the attitude of the rest of the world: we cannot discard overnight and unilaterally the international regulatory system. We are taking vigorous action to try to change the system but, in the meantime, on most routes we are stuck with it.

6. I am enclosing the draft press statement which I propose to use when I hold a press conference next Tuesday to announce my decision publicly.

7. I am copying this minute to Peter Carrington, Geoffrey Howe, Norman St John Stevas and Angus Maude.

J. N.

CONFIDENTIAL



From the Secretary of State

PRIME MINISTER

Following our discussion this morning on the Laker appeal I have considered the matter further with my officials and have consulted again the Attorney General. The Attorney General is as sure as it is possible to be that the advice which he gave on the legal position is sound, namely that there is no provision of Community law which affects the exercise of my duty under the Civil Aviation Act 1971 to determine Laker's appeal. This being the case I will of course place the whole emphasis on the legal aspects of the appeal at the Press Conference. My statement will make it clear that the Government is in favour of more competition (as our Hong Kong decision makes clear) but that the main constraint is the international regulatory system; I cannot, however, avoid altogether referring to the adequacy of evidence on the economic aspects, since this was the other key issue in the case and I have a statutory duty to address myself to it. Laker will be invited at the Press Conference to re-apply for his chosen European routes. You are also aware that we are already overturning the CAA in favour of Laker's requested services from Manchester and Prestwick to Miami. This will be popular, particularly in the regions.

The question remains whether we should take the whole of this problem back and reconsider it with a view to making an announcement in several weeks time. I must tell you that I do not think there is any possible way in which we would come to a different conclusion on the wording of the 1971 Act under which this appeal is made. This being the case I think it is better to get this matter out of the way whilst the Commons is still in Recess and Norman Tebbit and I will put the best possible gloss on the decision when we see the Press tomorrow.



From the Secretary of State

Freddie Laker is in Hong Kong this week and will be informed of our intention to make an announcement, and I am inclined to believe that he will not be too difficult in view of the fact that we have helped him on Manchester and Prestwick.

I am copying this minute to Peter Carrington, Geoffrey Howe, Norman St John Stevas, Angus Maude and Michael Havers.

SW
J. N.

Department of Trade
20 October 1980

CONFIDENTIAL

Mr Ingham

Suro PA



PRIME MINISTER

M5

24/10

PRIME MINISTER

Laker

ms

LAKER: EUROPEAN APPEALS

I thought that you might like to know that Sir Freddie Laker called me on the telephone this morning on his return from Hong Kong where he has been attempting to persuade the licensing authority there to accept Skytrain services. He told me that he was absolutely delighted with my decision on the European routes! He was thankful that I did not award him a number of routes, which in any event he would not have wanted. His whole application was geared to the destruction of the European regulatory system and not to the right to fly from A to B in Europe. The sentiments expressed in our Press Release and my own TV comments enabled him to say that the Conservative Government and the Secretary of State for Trade were "on his side" and that he could now launch an attack on the European situation without holding the British Government responsible. He said that if he took anyone to the European Court it would not be the British Government.

Incidentally, I should report to you that another reason for his call was to ask me if I could intervene with the Hong Kong Government on his behalf. I have already spoken to the Governor several times on this subject and indeed the Hong Kong Government has supported his application towards the independent appeal authority in the Colony. However, it seems very likely that Freddie Laker will be rejected by Hong Kong, and it would not be sensible for me to take an overt public posture in his favour in view of the fact that he is being opposed by BCal and other British independents.



If Hong Kong does reject Freddie Laker, although it will be a pity, it will be something of a help in my wider trade problems since Hong Kong will no longer be able to pose as the great bastion of free trade on textiles and the rest.

I am copying this minute to Angus Maude.

J. N.

Department of Trade
24 October 1980

CONFIDENTIAL

PRIME MINISTER

Community Affairs

The Chancellor of the Exchequer might report on the 20th October Finance Council, which agreed some details on the Ortoli loan facility but put off decisions on export credits and a new loan facility for Member States in balance of payments difficulties.

2. The Secretary of State for Industry, who is meeting the German Economics Minister (Count Lambsdorff) after the German Cabinet meeting on 22nd October, might report on the latest state of play on the proposal to introduce mandatory production quotas in the European steel industry.

3. The Secretary of State for Trade might be invited to inform the Cabinet of the background to his decision to reject applications for cheap fares to Europe from Laker Airways and British Caledonian.

4. Next week there is a Fiscal Council on 27th October (a propos of which you have said the Minister of Agriculture's letter of 21st October to the Chancellor of the Exchequer on the harmonisation of excise duties should be discussed in OD in the afternoon, not in Cabinet in the morning) and a Fisheries Council on 28th October. Mr. Thorn will visit London on 27th October for talks in his dual capacity as President of the Council and President elect of the new Commission.

RA

(Robert Armstrong)

22nd October 1980

CONFIDENTIAL

Enrol

cc - Envo Budget
- Mat Ind Steel
- Envo UKAW
Transport

Lord Gifford's statement
Final version

[Handwritten initials]
[Handwritten initials]



My Lords, with the permission of the House I will now make a statement concerning air transport licensing appeals.

My Rt Hon Friend the Secretary of State for Trade has just taken decisions on four appeals from airlines against licensing decisions of the Civil Aviation Authority.

The first was a request from British Caledonian to give them exclusive licences to operate out of Gatwick to several destinations which they, but not British Airways, already served. In responding to BCal's appeal submission to the Secretary of State, the Civil Aviation Authority accepted that it had acted inconsistently and agreed with the appellant that its own decision should be reversed. British Airways made no representation on the appeal and, accordingly, my Rt Hon Friend has decided to allow the appeal.

The second case concerned BCal's application for twenty routes from Gatwick to the continent - their "miniprix" services. The CAA granted licences for six destinations but felt unable to grant the rest. The airline appealed in respect of five routes. Under the statute we have to pay regard to the likely outcome of the negotiations which would need to take place with the foreign countries concerned. The Authority came to their assessment of the likely outcome of the negotiations with other European governments, in terms of the effect on the UK's aviation interests as a whole.



Having carefully considered the evidence my Rt Hon Friend decided there were no grounds for disagreeing with the Authority's assessment.

The third case is Laker Airways' appeal against the CAA's decision on their application for routes to Miami. The CAA granted a licence to operate from Gatwick but not from Manchester or Prestwick. The bi-lateral Agreement with the US allows us to designate two UK airlines for London-Miami and one each for Prestwick and Manchester to Miami, so there is no need for further international negotiations.

The CAA thought that to allow Laker to fly from Manchester and Prestwick would harm the development of services from London. My Rt Hon Friend considered this point very carefully. He appreciates the Authority's reluctance on this score but does not believe that in this case the overall balance of advantage lies in denying Laker, and his potential passengers, the benefits of operating from Manchester and Prestwick. He also considered that the Authority paid insufficient attention to the important airports policy implications - in particular the advantages of developing services outside the London area. Accordingly, the Secretary of State decided to allow Laker's appeal on this case. My Rt Hon Friend attaches considerable importance to developing regional services and he hopes and expects that the Laker services will benefit the North of England and Scotland.



The fourth case concerns Laker's appeal in respect of six hundred or so European routes. The key issues in this case were:

- whether our domestic licensing system and the series of bilateral agreements with foreign governments are incompatible with the provisions of the Treaty of Rome - rendering the whole of the regulatory machinery redundant;
- whether the applicant provided sufficient evidence to satisfy the economic requirements of the legislation.

On the first point, Sir Freddie Laker argued strongly that the whole system is incompatible with the Treaty of Rome. The Government's legal opinion is that there is no provision of Community law which overrides the regulatory systems of member Governments, though if Sir Freddie wants to test his interpretation of the Treaty of Rome in the European Court he is free to do so. Under the Civil Aviation Act 1971 my rt hon Friend also had to examine whether a proper economic assessment has been made for each of the many routes involved. He agreed with the CAA's suggestion that, if Sir Freddie Laker wishes to reapply for those of the European routes which are of particular interest to him, the Authority will consider it with care.

Formal letters giving the Secretary of State's decisions on these four cases are being sent to the Civil Aviation Authority today, with copies to the appellants and the parties to each appeal.



EURO (RD)

10 DOWNING STREET

From the Private Secretary

21 October, 1980.

Laker Airways

This is just to confirm that the Prime Minister is content for Mr. Nott to announce his rejection of Sir Freddie Laker's appeal against the Civil Aviation Authority at a Press Conference this afternoon on the basis of the further minute which he sent over last night.

I am sending copies of this letter to George Walden (Foreign and Commonwealth Office), John Wiggins (HM Treasury), Robin Birch (Office of the Chancellor of the Duchy of Lancaster), Richard Prescott (Paymaster General's Office), Jim Nursaw (Law Officers' Department), and David Wright (Cabinet Office).

T. P. LANKESTER

Stuart Hampson, Esq.,
Department of Trade.

CS

CONFIDENTIAL



From the Secretary of State

PRIME MINISTER

Following our discussion this morning on the Laker appeal I have considered the matter further with my officials and have consulted again the Attorney General. The Attorney General is as sure as it is possible to be that the advice which he gave on the legal position is sound, namely that there is no provision of Community law which affects the exercise of my duty under the Civil Aviation Act 1971 to determine Laker's appeal. This being the case I will of course place the whole emphasis on the legal aspects of the appeal at the Press Conference. My statement will make it clear that the Government is in favour of more competition (as our Hong Kong decision makes clear) but that the main constraint is the international regulatory system; I cannot, however, avoid altogether referring to the adequacy of evidence on the economic aspects, since this was the other key issue in the case and I have a statutory duty to address myself to it. Laker will be invited at the Press Conference to re-apply for his chosen European routes. You are also aware that we are already overturning the CAA in favour of Laker's requested services from Manchester and Prestwick to Miami. This will be popular, particularly in the regions.

The question remains whether we should take the whole of this problem back and reconsider it with a view to making an announcement in several weeks time. I must tell you that I do not think there is any possible way in which we would come to a different conclusion on the wording of the 1971 Act under which this appeal is made. This being the case I think it is better to get this matter out of the way whilst the Commons is still in Recess and Norman Tebbit and I will put the best possible gloss on the decision when we see the Press tomorrow.

From Minister

The Atty. has confirmed the legal point. The Atty intends to concentrate on this aspect but he can't avoid referring to the economic aspects because he has a statutory duty under the 1971 Act. (The Civil Aviation Bill will change the economic criteria). He wants to go ahead with his

press conference at 4.30 pm today. Are you content?

12



From the Secretary of State

Freddie Laker is in Hong Kong this week and will be informed of our intention to make an announcement, and I am inclined to believe that he will not be too difficult in view of the fact that we have helped him on Manchester and Prestwick.

I am copying this minute to Peter Carrington, Geoffrey Howe, Norman St John Stevas, Angus Maude and Michael Havers.

sw
J. N.

Department of Trade
21 October 1980



10 DOWNING STREET

From the Private Secretary

20 October, 1980

Dear Stuart,

The Prime Minister had a word with your Secretary of State this morning about his minute which came in over the weekend concerning Laker Airways.

The Prime Minister said she was very concerned about Mr Nott's proposal to turn down Sir Freddie Laker's appeal against the Civil Aviation Authority. If Mr Nott felt obliged to turn the appeal down, it would be far better to do so solely on legal grounds: to invoke the second argument concerning the adequacy or otherwise of Laker's economic assessment of each route would be unnecessarily controversial. But before announcing his decision, Mr Nott should first consult the Attorney-General once again on the question of whether our domestic licensing system really is compatible with the provisions of the Treaty of Rome. Unless the Attorney-General was absolutely confident that this was so, she doubted whether it would be right for the appeal to be rejected.

Mr Nott promised to proceed accordingly, and to report back to the Prime Minister before taking a final decision on the announcement.

I am sending copies of this letter to George Walden (Foreign and Commonwealth Office), John Wiggins (HM Treasury), Robin Birch (Chancellor of the Duchy of Lancaster's Office), Richard Prescott (Paymaster General's Office) and to Bill Beckett (Attorney-General's Office) and David Wright (Cabinet Office) together with a copy of Mr Nott's minute.

Tim Laker

Stuart Hampson, Esq
Department of Trade



D. 2/81.
Foreign and Commonwealth Office

London SW1A 2AH

20 October 1980

Dear Stuart,

Laker Airways: Appeal Against The
Civil Aviation Authority

Mr Nott sent Lord Carrington a copy of his minute to the Prime Minister giving his reasons for turning down Laker's appeal in pursuit of their application for a number of points in Europe. As I said on the telephone, we are concerned about the specific references to bilateral negotiations in the fourth paragraph of Mr Nott's draft statement. Since the published press statements following the Paris summit did not refer to talks on liberalising air fares, we should prefer it if Mr Nott did not now mention that these discussions took place. The timing of the Bonn talks is now very uncertain: while this uncertainty remains it would seem prudent not to refer to this meeting. If these two references are excised, we would see advantage, in drafting terms, in leaving out the references to Austria and Spain as well. The whole paragraph would then need to be redrafted in general terms only, but we do not think that this would weaken Mr Nott's argument.

I am copying this letter to Michael Alexander (No 10), John Wiggins (Treasury), Robin Birch (Chancellor of the Duchy of Lancaster's Office), Richard Prescott (Paymaster General's Office) and to Bill Beckett (Attorney-General's Office) and David Wright (Cabinet Office).

yours ever
R M J Lyne

(R M J Lyne)
Private Secretary

Stuart Hampson Esq
PS/Mr Nott
Department of Trade
1 Victoria St
London SW1



PRIME MINISTER

Can I have word with J.N. first. I don't understand why he has to turn it down. And this

Prime Minister

John Nott reports that he will turn down Freddie Laker's appeal over his application for 600 European routes, although he will grant Laker's appeal on two new routes to Miami. His proposed press statement saves this news to the end - content? MAF 11/1x

LAKER AIRWAYS: APPEAL AGAINST THE CIVIL AVIATION AUTHORITY

I have before me the papers on several appeals by airlines against decisions by the Civil Aviation Authority. The only difficult case is the appeal by Laker who applied for 600 routes in Europe. I am clear that my decision must be to reject the appeal.

2. Laker's initial application rested on the argument that the provisions of the Treaty of Rome overrode our own licensing system and the existing bilateral agreements between ourselves and several European governments. My legal advisers' view, with which the Attorney General agrees, is that Laker is wrong. It is of course open to him to test his interpretation in the European Court.

3. The second main issue, which emerged strongly at the appeal stage, was whether Laker had provided sufficient information under the 1971 Act about the impact his proposals would have on other UK operators. I am satisfied that the CAA was right to turn down his application on the basis that his evidence was inadequate.

4. I expect that our decision will be no surprise to Sir Freddie. However, he is a skilful user of the media and may well seek to oversimplify the position (i.e. by ignoring the fact that we cannot force other European governments to let him in): he will ask why this Government, above all, is preventing him from competing with other airlines in Europe and bringing benefits to the air traveller. On the other hand I shall have the opportunity of announcing at the same time a decision in favour of Laker on another appeal which will allow him to provide scheduled services from Manchester and Prestwick



to Miami in addition to the Gatwick-Miami service granted to him earlier this year by the CAA; this should be popular in the North of England and Scotland and will be seen as a valuable reinforcement of our regional airports policy.

5. In view of the importance of the case you will wish to know how I propose to handle the presentation of my decision. Fortunately I am regarded by the aviation correspondents as an economic liberal on these questions, which will help. The line I propose to take is as follows. We believe in competition. Our earlier decision on Hong Kong, where exceptionally no other Government was involved, and our new decision on Manchester and Prestwick to Miami provide evidence of that. We want to help Laker. But we are constrained by the attitude of the rest of the world: we cannot discard overnight and unilaterally the international regulatory system. We are taking vigorous action to try to change the system but, in the meantime, on most routes we are stuck with it.

6. I am enclosing the draft press statement which I propose to use when I hold a press conference next Tuesday to announce my decision publicly.

7. I am copying this minute to Peter Carrington, Geoffrey Howe, Norman St John Stevas and Angus Maude.

J. N.

Department of Trade

17 October 1980



DRAFT 14.10.80

A major objective of my Department's civil aviation policy is to secure a greater degree of freedom of competition on international air routes - providing cheaper fares for passengers. My decision on the London/Hong Kong route is evidence of our determination to achieve greater liberalisation of the present system.

The UK is playing a leading part in easing the present international regulatory system and the momentum towards liberalisation is increasing.

Progress in the past 18 months has been substantial:

- considerable liberalisation of routes to the United States, with vigorous fare competition
- the opening of Western Canada, hitherto a Canadian monopoly, to British airlines, both over the North Atlantic and over the Pacific from Hong Kong
- vigorous competition on the London-Hong Kong route where, exceptionally, we and the Hong Kong authorities can determine the outcome without reference to any other Government
- the European initiatives by Norman Tebbit, Parliamentary Under Secretary in this Department. First, a European Community study of air fares. Second a further study



of how to make it easier to start new air services on routes where at least one point is not a capital city.

- a new Civil Aviation Bill which puts much greater weight on the interests of the airline passenger in our licensing policy.

It is to British-led initiatives, in particular in Europe, that we look for progress in the near future.

In Paris last month, in the presence of President Giscard; in Austria last week; in Bonn shortly; in Spain in December; and in other meetings with our opposite numbers at home and abroad, Ministers are doing - and will continue to do - their very best to encourage change. In parallel, officials of my Department will continue to press for new routes and fares in a series of bilateral negotiations with European administrations.

Our goal is a Europe in which air travel is as unrestricted and cheap as possible - subject, of course to the fundamental requirements of safety.

Thus this Government is not wedded to the present international regulatory system. But most of the countries with whom we have to deal do believe in it and uphold it. At the present moment it is a fact of life in European civil aviation. All the other European countries are wedded to this system in varying degrees. And our airlines can only operate to these countries with their consent. There is no country in the world that has actually



abandoned the economic regulatory system altogether - even the USA.

We cannot therefore act unilaterally on European routes because every one of them involves a deal between two parties. Often the attitude of the authorities in the other countries means that we cannot get more than one British carrier onto a route, or if we can, we are able to do so only at an unacceptable cost to British airlines as a whole.

It is not just BCal, Laker and the independents who are pressing for lower fares. British Airways have been at the forefront of an attempt to liberalise fares within Europe. The responsibility of the Secretary of State when he looks at appeals to assess the impact on airlines, under the law as it now stands (and will continue to stand), is to do his best for the British airline industry - not for BCal, not for Laker, not for British Airways, but for our airlines generally. We have to look at the overall UK interest within the system that exists.

I have just taken decisions on four appeals from British airlines. The first was a request from BCal to give them exclusive licences to operate out of Gatwick to several destinations which they, but not British Airways, already served. British Airways made no representations on this and I agreed to BCal's request.

The second case concerned BCal's application for twenty routes from Gatwick to the continent - their "miniprix" services. The



The CAA granted licences for six destinations but felt unable to grant the rest. The airline appealed in respect of five routes. Under the statute we have to pay regard to the likely outcome of the negotiations which would need to take place with the foreign countries concerned. The Authority came to their assessment of the likely outcome of the negotiations with other European governments, in terms of the effect on the UK's aviation interests as a whole. Having carefully considered the evidence I have decided there are no grounds for disagreeing with their assessment.

The third case is Laker Airways' appeal against the CAA's decision on their application for routes to Miami. The CAA granted a licence to operate from Gatwick but not from Manchester or Prestwick. The bi-lateral Agreement with the US allows us to designate two UK airlines for London-Miami and one each for Prestwick and Manchester to Miami, so there is no need for further international negotiations.

The CAA thought that to allow Laker to fly from Manchester and Prestwick would harm the development of services from London. I appreciate the Authority's reluctance on this score but I do not believe that in this case the overall balance of advantage lies in denying Laker, and his potential passengers, the benefits of operating from Manchester and Prestwick. I also consider



that the Authority paid insufficient attention to the important airports policy implications - in particular the advantages of developing services outside the London region. Accordingly, I am allowing Laker's appeal on this case.

The fourth case concerns Laker's appeal in respect of six hundred or so European routes. The key issues in this case are:

- whether our domestic licensing system and the series of bilateral agreements with foreign governments are incompatible with the provisions of the Treaty of Rome - rendering the whole of the regulatory machinery redundant;

- whether the applicant provided sufficient evidence to satisfy the economic requirements of the legislation.

On the first point, Sir Freddie Laker for reasons which I entirely respect, does not see the regulatory system as being in his interest and he argued strongly that the whole system is incompatible with the Treaty of Rome. Our own legal opinion is that there is no provision of Community law which overrides the regulatory systems of member governments. But if Sir Freddie wants to test his interpretation of the Treaty of Rome in the European Court he is free to do so. Given that I consider the legal opinion of the CAA to be correct, namely that there is no provision of Community law which overrides the regulatory system,



I then have to consider the second point. Under the Civil Aviation Act 1971 I have to examine whether a proper economic assessment has been made for each of the many routes involved. On this point I also confirm the view of the CAA that Laker had not produced adequate evidence in this important respect. Accordingly, I have no option but to turn down the Laker appeal.

Unfortunately we have to accept the facts of life in the field of international air transport. But I stress that where it is realistic to make progress on individual routes, if BCal, Laker Airways or any other British airline submit applications in full and proper form, supported by adequate evidence, where it is in our power - legally and in terms of what can be achieved in the real world - we will respond sympathetically.

END





Prime Minister

Dept of Trade declare
their enthusiasm for Sir
Faker, but point
out that other European
govts are still very
resistant to changes
which might affect
their state airlines.

From the Secretary of State

Michael Alexander Esq
Private Secretary
10 Downing Street
London, SW1

Top Copy on
Euro Pr: Pt 2,
Mtg with Laker-Hopkins

M

5 August 1980

MAD
5/8

Dear Michael,

NEW AIR SERVICES WITHIN EUROPE

In your letter to me of 21 July, which arose originally from the Prime Minister's meeting with the European Democratic Group, you recorded her hope that we should do nothing to stop Sir Freddie Laker starting a service between Paris and Rome.

In a case of this kind the decision does not of course rest with the United Kingdom alone. We would need the permission of the French and Italian Governments, who are most unlikely to agree that Laker or any other British airline should start up a new service between Paris and Rome in direct competition with Air France and Alitalia. In general, rights to run air services between two other countries in Europe are a great deal more difficult for us to obtain than rights between Britain and points in Europe outside Britain.

The proposed Paris-Rome service is one of a very large number of new European services for which Laker sought licences from the Civil Aviation Authority. The CAA turned the applications down, on the grounds that in their view the evidence put forward by Laker failed to satisfy the criteria to which the Authority is obliged by statute to have regard. Laker then appealed to my Secretary of State; the normal statutory procedures for allowing interested parties to put in written evidence have been followed; and the papers are likely to come to Mr Nott within a week or two. Until Mr Nott has seen the papers, and received advice both on the policy and legal implications of alternative courses, he can, of course, take no view on the appeal.

Nevertheless my Secretary of State fully agrees with the thought underlying the Prime Minister's comment. He is keen that Laker and the other British airlines should have greater opportunities to compete, both in terms of access to routes and of the fares they offer. It was with this objective in mind that he decided to licence all four applicant airlines on the London-Hong Kong route.



From the Secretary of State

Europe is now the area where there is the most pressing need for a more liberal regime in civil aviation. However, we need to carry other European Governments with us, and they give much greater weight than we do to the interests of airlines, and particularly State airlines, against those of travellers. We are currently pursuing the argument in various different contexts - in the European Civil Aviation Conference, in Brussels, and in bilateral exchanges. It has recently been raised with German and French Ministers, and my Secretary of State intends to bring up civil aviation issues in the course of visits which he hopes to make to various West European countries during the autumn. If, as we fear, little progress results from all these approaches, there may be occasions during the coming months when we shall wish to suggest that civil aviation could appropriately be mentioned at meetings between the Prime Minister and other European Heads of Government. Indeed, if my Secretary of State was to accompany the Prime Minister to Bordeaux in September he would like to use that opportunity to raise the question with French Ministers.

The last paragraph but one of my letter to you of 15 July, which gave rise to the Prime Minister's comment on Laker, described the action we are taking on air fares within Europe. Over the coming months we will also be negotiating new routes in Europe for British airlines, although the precise objective of these negotiations must depend on the outcome of cases currently before the CAA or under appeal to the Secretary of State.

I am sending a copy of this letter to Paul Lever (FCO).

Yours ever,

Nicholas McInnes

N McINNES
Private Secretary

European Policy
Top copy on
Enno PA July 79
PM's meetings with Mr
Scott-Hopkins.



CC FCO

10 DOWNING STREET

From the Private Secretary

21 July 1980

Meeting with the European Democratic Group

The Prime Minister has seen your letter of 15 July to me on this subject.

As I have informed your office, the Prime Minister has given a copy of that section of your letter dealing with the dumping of Soviet Christmas cards to Mr. Scott-Hopkins who called on her this afternoon.

The Prime Minister has commented on that part of your letter dealing with European airfares that she understands that Sir F. Laker wants to run a service from Paris to Rome and that he has an appeal pending on this. She has expressed the hope that we shall do nothing to stop Sir F. Laker.

I am sending a copy of this letter to Paul Lever (Foreign and Commonwealth Office).

M. O'D. B. ALEXANDER

Nicholas McInnes, Esq.,
Department of Trade.

vLB



WEEKEND BOX

Prime Minister

(2)

From the Secretary of State

16/7

Dear Sir,

Michael Alexander Esq
Private Secretary to the Prime Minister
10 Downing Street
London, SW1

① Could we forward copies
of the Times and section 1 15 July 1980
this letter to Jim S. Hopkins &
Mr. Welsh please. Do I have no objection
(i.e. case 3, Nov)

Dear Michael,

② On air issues I understand F. Baker wants
to run a series for Paris to Rome. I have the
impression that we have
agreed pending to J. Nott - I hope
do nothing to
F. Baker.

MEETING WITH THE EUROPEAN DEMOCRATIC GROUP

In your letter of 3 July you asked for information about the anti-dumping case against Russian Christmas cards and the Department's initiatives to reduce European airfares.

As far as the anti-dumping case is concerned, Mr Welsh's remarks to the Prime Minister totally misrepresented the situation. First, the staff of case officers in the anti-dumping unit do not amount to anything like the figure of 80 given by Mr Welsh. The total is, in fact, 17, broadly comparable to the Commission level which we understand to be 18, but our departmental figure includes 4 working on the Davignon steel anti-crisis measures, which are handled elsewhere in the Commission. In addition, both we and the Commission have around 7 clerical and support staff working in the anti-dumping field. Although responsibility for taking anti-dumping action on behalf of the Community now rests with the Commission, the Government has undertaken in its manifesto, as you will be aware, to give every support to industry against unfairly priced imports and this is why we have retained an active anti-dumping unit whose services are much in demand in the present economic climate.

Second, the Department did not delay the submission of the anti-dumping complaint to the Commission nor did it advise the industry to do so: rather it devoted a great deal of time and effort to attempts to put a realistic case together. The facts are that the Department held a number of meetings with the British Printing Industries Federation, beginning in August 1979, to help and advise it on the preparation of a complaint to put to the European Commission. It soon became apparent, however, that the main interest of the BPIF was less in anti-dumping action and more in bringing pressure to bear on HMG to regulate imports of Soviet cards by other means. Its delays in handling the anti-dumping complaint ultimately became so embarrassing in relation to the weight of pressure from MPs and other correspondents that the Minister for Trade had personally to write to the Federation urging it to get a move on and we let it be known publicly that he had done so.



From the Secretary of State

When the application eventually reached the Commission last month, so far from acting effectively, as Mr Welsh puts it, they decided that they could not recommend opening an investigation immediately but that the BPIF should be asked to provide further information to ensure that there was a sound basis for taking action under the terms of Community legislation. In particular they were not convinced that the imports were large enough to be causing real damage. This is how matters now stand.

As it happens, by way of response to public hostility in the press and Parliament and following behind-the-scenes pressure from officials of this Department, the Soviet authorities have now decided to withdraw from the Christmas card trade after fulfilling the remainder of the existing contract. In the light of this it is possible that the anti-dumping complaint may not get off the ground but we here are willing to go on helping the BPIF if it wishes to continue with its application.

We therefore consider that Mr Welsh's criticisms are unjustifiable. This is all the more disappointing to us as a number of senior officials here have personally taken time to brief Mr Welsh on anti-dumping matters to help him in his work as rapporteur in the European Parliament's External Economic Relations Committee.

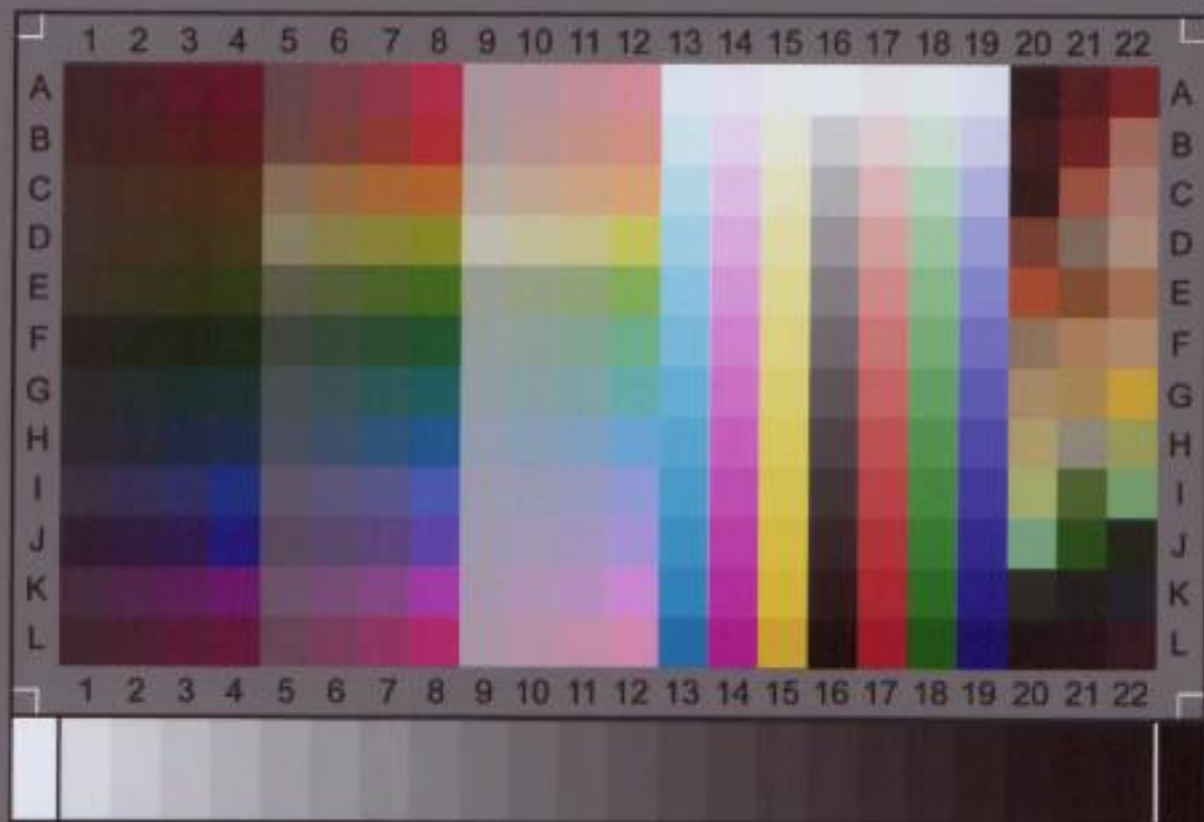
As far as European airfares are concerned, my Secretary of State and Mr Tebbit have taken a number of opportunities to make it clear that they believe that a better deal is needed for the air traveller. In the European Community we have taken a leading part in a study of methods to liberalise regional cross-border services and we expect the Commission to bring forward firm proposals for discussion in the Council during the next few months. As a result of a United Kingdom proposal the Council of Transport Ministers in Luxembourg on 24 June instructed the Commission to examine the level of scheduled passenger airfares in Europe and to report back. This is of course only a first step and we are having great difficulty in persuading our Community partners of the need for change. Nevertheless it is an important step forward and in welcoming the Council's instruction Mr Tebbit said that he hoped that the examination could be done quickly and confirmed that the United Kingdom would take a full part in it. Our bilateral agreements do not allow us to unilaterally reduce airfares but we have taken action in a number of cases to reduce or refuse proposed increases where we thought that the proposed level was too high. In advance of any multilateral agreement in the Community we shall continue to take bilateral action where we have the power in appropriate cases.

A copy of this letter goes to the recipients of yours.

Yours ever,

Nicholas McInnes

N. McINNES
Private Secretary



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