



Air Navigation Services
of the Czech Republic

Lessons learned *(not only from Covid)*

19th Florence Air Forum
„Is there a need for a new approach?“

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Which lessons did we learn and when?

- Current business, regulatory and charging model of ATM
 - **Failed to** work properly in the situation of the excess of demand 2018-2019
 - **Failed to** work properly in relative balance of supply and demand 2022
 - **Failed to** work properly in the extreme excess of supply in Covid 2020-2021

What do we expect from business, regulatory and charging model of ATM?

- Seamless airspace



- Capacity matching demand
- Value for money

What are the main constraints?

- Fragmented airspace given by national borders
- Heterogeneous environment
 - Size of ANSPs
 - Shape of ANSPs (national airspace)
 - Institutional and business setup
 - Conservative business culture
 - Political fragmentation
- EU level (driven by airline s lobbying – instead of citizens)
- National (national interests driven by lobbying of the industry)
- Regional level (supporting regional interests)

What are the features of current business, charging and regulatory model of European ATM?

- Fails to match to supply and demand for capacity
- Not supportive for the implementation of the advanced concepts
- Often resulting in the *“capacity trap situation”* – less traffic increases the price which leads to lower demand

What future approaches can we rely on?

- Altruism? *„FAIRY TAIL ONLY“*
- Overregulation and micromanagement by regulator? NO!
- Improvements which are in no conflict of interest?

„THEIR TIME HAS PASSED“

- Natural economic incentives? YES!

„WORK IN OTHER INDUSTRIES, WHY NOT IN ATM?“

What are we supposed to do?

Vision of future business model and change the charging and regulatory environment:

- Create pressure for consolidation leading to traffic driven organisation of the ATM
- Who is not delivering should be out of business in the long term
- Who is delivering may expect economic reward instead of administrative bonuses

What to focus on to make the transition realistic and acceptable?

- Define minimum level of service
- Create business environment
 - Fair competition
 - Compete by performance
 - Replace the constraints to cross border service provision
 - Economic regulation focused on to not abuse the monopoly position

Going beyond opinion of 1 ANSP

➤ CANSO Europe 2035 Vision (Position paper endorsed by 35 European ANSPs)

- ANSPs will operate successfully in a market-based environment
- Change from a charging to a pricing regime in European airspace is necessary to create markets

➤ CANSO Think Tank papers (...work in progress/not position paper yet)

- Think Paper #1: Resilience through “core services of general interest”
- Think Paper #2: Capacity Brokerage
- Think Paper #3: Environmentally Optimal Routes
- Think Paper #4: Incentives

Thank you

The background features a dark blue field with several white lines intersecting to form various geometric shapes. A large, bright blue polygonal shape is prominent in the lower-left and center. A smaller, teal-colored polygon is located in the bottom-right corner.