NUAC Programme
Definition Phase Final Report

Appendix 13
Strategic Framework

FEBRUARY 2007

Table of Contents

1. Mission and Vision for NUAC Programme.....3
2. Strategic Rationales behind NUAC Vision and Mission 4
3. Selected Neighbouring Air Navigation Service Providers.....6

1. Mission and Vision for NUAC Programme

NUAC Mission:

In close dialogue with our customers and through dedicated and competent employees, NUAC delivers and develops safe, cost effective and flexible Air Navigation Services

NUAC Vision:

By 2015 the best service provider based on our commitment to serving our customers' needs

We will achieve our vision by:

- Being recognised by our customers for our dedication to safety, quality, cost effectiveness and a true sense of pride for our business and services
- Being established as the most attractive partner to service providers in the European airspace
- Being an attractive workplace with a constant focus on developing our employees, their skills and competences
- Continuously strengthening our competitiveness by a constant focus on improvement and by developing our performance trough harmonisation and standardisation

2. Strategic Rationales behind NUAC Vision and Mission

Strategic Rationale

Cost Efficiency

Greater efficiency in management and support functions

Better use of control-centre capacity in periods of low demand

Standardisation of processes, procedures and codes of practice

Reduction in need for CNS equipment

Reduction in cost for assets (renting, leasing, operation, maintenance, etc.)

Reduction in other direct operational costs (IT, software licenses, telecommunication, systems maintenance, software development, hardware purchase and maintenance)

Joint purchase of training and AIS

Joint systems development

Safety

Higher safety level through uniform procedures, more consistent rules and consequently smaller risk of errors and misunderstandings

Connected control centres offer better opportunities for contingency and thus increased safety level

Military-civilian co-operation across borders improves safety level in relation to unintentional intrusion of airspace

Improved exchange of data at technical level as a consequence of improved interoperability between technical systems

Strategic Rationale

Flight Efficiency

Optimisation of direct routing through the use of a larger airspace

More flexible use of airspace

More efficient and economic profiles for entering and leaving airspace

Develop procedures and tools which support en-route to en-route processes

Improved possibility of establishing civilian and military "Cross Border Areas"

Quicker release and hand-over of military/civilian airspace

Capacity improvement

Optimised use of airspace structures

Consistent and optimised route network

Improved operational co-operation

Lower radar separation minima in hand-overs between sectors

Strategic Rationale

Environment

Improved environment through more direct flights and thus less emission of CO2, SO2 and NOX

Optimised profiles for entering and leaving airspace and thus reduced emission

Attraction and bargaining power

Better position of negotiation through size and strategic importance (of airspace) in relation to customers, suppliers as well as alliance partners

Better opportunity for carrying out acquisitions

Strategic Rationale

Operations flexibility

Higher degree of flexibility through uniform processes and procedures

Higher degree of flexibility in relation to use of common resources and systems

Alignment of business model

Greater coherence between strategy and business model

Clearly determined and communicated business model based on the needs of customers and other stakeholders

Strategic Rationale

Strategic readiness

Clear focus on coherent value chain consisting of:

Research & Development – Technique - Airports,

Air Traffic Management – Airlines – Passengers.

Higher degree of agility and readiness to adapt opportunities in the market (new services, acquisitions, etc.)

Customer orientation

Focus on the use of commercial possibilities in the market

Market orientation of processes, systems, resources, services and strategy

Uniform customer experience at operational and administrative level

3. Selected Neighbouring Air Navigation Service Providers

Service Provider	Ownership Structure	Key Facts	Financials
Avinor, Norway 	Avinor AS was established 1 January 2003 as a state owned limited company	Avinor AS owns and runs 46 airports and airfields in Norway. The company is self-financing with approximately 2/3 of the revenue coming from air traffic service provision (i.e. the airspace users) and 1/3 from other commercial activities on the airports and airfields such as parking charges, shop rental etc. Avinor AS mans control towers and control centres and is responsible for keeping air traffic safety on the mentioned 46 airports and airfields and in the airspace over Norwegian territory. Avinor AS has its own technical division, responsible for the operation of control towers, area control centres, and equipment for communication, navigation, radar stations etc.	Avinor AS' total annual turnover amounts to NOK 5.075 million with a balance of + NOK 379 million. (Source: Avinor AS - Annual report of the board 2004). Avinor AS has 2.732 full time equivalent employees. (Source: Avinor AS Annual Report of the Board 2004).
DFS, Germany 	DFS was founded as a state owned limited company (GmbH) and separated from the civil aviation authorities and regulatory bodies in Germany in 1993. The company is self-financing.	DFS is represented on 19 airports in Germany and supervises all other airports and airfields in the country. DFS is exercising the air navigation service from the 19 mentioned airports and from 6 area control centres. Note, that the air navigation service provision for part of the upper airspace in the northern part of Germany is handled by the EUROCONTROL area control centre in Maastricht, Holland. DFS' organisation is divided into separate "profit centres" having own responsibility for the individual economy.	DFS' total turnover is € 1.514.788.000 with a balance of + € 36.287.000. Of the total turnover, € 1.191.700.000 come from air navigation service provision and the rest from several other activities like operation of airports, education/training facilities, research and development etc. (Source: DFS Annual Report 2004). DFS has 5.370 full time equivalent employees including staff allocated the area control centre in Maastricht. (Source: DFS Annual Report 2004). In 2004, The Federal German Government decided to sell 74,9 % of DFS and thereby privatise the organisation. Preparation for this sale/privatisation has been ongoing since 2004 and the necessary legislation is in place, but the actual sale has not taken place at the time this is written.

Service Provider	Ownership Structure	Key Facts	Financials
Estonian Air Navigation Services, Estonia	EANS was established in 1992 as a state owned limited company separated from the civil aviation authorities and regulatory bodies.	The company is self-financing and the revenue is coming from air navigation service provision in control towers and from the control centre located in Tallinn. EANS operates and owns the control centre in Tallinn and operates control towers at airports, but does not own any airports. EANS has its own technical division that maintains EANS owned CNS infrastructure.	EANS total turnover is EEK 193,5 million with a balance of + EEK 68,6 million. (Source: EANS Annual Report 2005) On 1 January 2005, EANS employed 107 full time equivalent employees. (Source: EANS Annual Report 2005).
LGS, Latvia	LGS was established in 1991 as a state owned limited company and was separated from the civil aviation authorities and regulatory bodies in 1997.	LGS owns and operates 3 control towers and one area control centre in Latvia. The company is self-financing, and the revenue is obtained from the provision of air navigation service provision in the above mentioned control towers and the area control centre.	LGS total turnover is LVL 10.314.970 with a balance of + LVL 2.517.410. (Source: LVL Annual Report). At the end of the year 2004, LVL had 218 full time equivalent employees. (Source: EUROCONTROL PRU/ACE 2004 benchmarking).
Oro Navigacija, Lithuania	ON was established in 1991 as a state owned limited company and was functionally separated from the civil aviation authorities and regulatory bodies in 2004.	ON operates three control towers, one area control centre and a training centre. ON has its own technical division for maintenance of the above premises. The main part of ON revenue comes from air navigation service provision and a smaller part from other sources like the training centre.	ON's total turnover is LTL 55.096 million, with LTL 418,9 million from other sources. No balance is given in the Annual report. (Source: Oro Navigacija, Annual Report 2004). At the end of the year 2004, ON had 323 full time equivalent employees. (Source: EUROCONTROL PRU/ACE 2004 benchmarking).
NATS, United Kingdom	NATS was established as a Private Public Partnership (PPP) in the year 2001 and is Europe's only fully privatised ANSP. NATS was at the same time separated from the civil aviation authorities and regulatory bodies.	NATS provides air navigation services for the 15 largest aerodromes in the United Kingdom and in the airspace above state territory from four area control centres	NATS total turnover in 2005 was GBP 638 million with a balance of + GBP of 68,8 million which made 2005 the first year where NATS had a positive balance since the privatisation in 2001. (Source: NATS Financial and Business Report 2005). At the end of the year 2004, NATS had 4.868 full time equivalent employees. (Source: EUROCONTROL PRU - ACE 2004 benchmarking).