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CANSO MEMBERS RESPOND TO THE ECONOMIC CRISIS

CANSO, the Global Voice of ATM, has written an open letter to the world's aircraft operators expressing solidarity with them during this time of economic crisis in the aviation industry and to highlight the short term actions of the Air Navigation Service Providers.

In a letter to be published in CANSO News next week, CANSO Secretary General Alexander ter Kuile expresses his "deep concern" on behalf of his members for the situation facing air carriers during an unprecedented downturn. He goes on to point out that ANSPs themselves are not immune to the effects of the crisis, and that some are facing serious cash flow problems. He also reports that all ANSPs have launched "aggressive short-term action programs to seek efficiencies within their organisations".

Ter Kuile explains that in order to keep charges steady, ANSPs have two options; cut operating expenses or change the level of service. Despite their best efforts, as operators of fixed infrastructure, it is near impossible for ANSPs to cut expenses in line with the current exceptional fall in air traffic. Therefore, if charges are to remain steady, it is imperative that airlines enter into consultations on new levels of service. If there is no significant change in operations, the ATM funding model will dictate "major" increases in future charges.

The letter notes that ANSPs have delivered significant fuel savings in recent years and that further airspace efficiency improvements will offer the best opportunity for airlines to save more money. In order to deliver further improvements, CANSO is to raise its support for operational efficiency as a matter of urgency.

Commenting on the letter, ter Kuile said: "We felt it was important that ANSPs expressed their solidarity with aircraft operators during this difficult economic time, and listed the measures Members are taking to reduce their costs. But ultimately the greatest gains will come with reforms to both the ATM institutional environment and airspace design, and I call on airlines to support our campaign for the accelerated transformation of Air Traffic Management."

ENDS (Notes follow)

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CANSO – The Civil Air Navigation Services Organisation – is the global voice of the companies that provide air traffic control, and represents the interests of Air Navigation Services Providers worldwide. CANSO members are responsible for supporting over 80% of world air traffic, and through our Workgroups, members share information and develop new policies, with the ultimate aim of improving air navigation services on the ground and in the air. CANSO also represents its members' views in major regulatory and industry forums, including at ICAO, where we have official Observer status.

NOTES

List of actions undertaken by ANSPs to reduce costs, outlined in the CANSO Open letter:

- Strong focus on internal cost-efficiencies
- Reduction of non-discretionary expenditure
- Reduction of staff overtime and/or (external) staff numbers.
- Negotiate price reductions with suppliers
- Freeze salaries where possible
- Adjust retirement ages and consider pension schemes where practical
- Delay or extend capital expenditure when possible.
- Reduce travel expenses
- Review training programs, when this does not impact future capacity.
- Optimise rosters and shift planning
- Consider revised ATM services at night.
- Delay projects
- Seek energy efficiencies
- Extend depreciation period
- Find new alternative sources of revenue