



PSOs Position on Incentives

The Professional Staff Organisations (PSOs)¹ following the workshop on 21st June with respect to the European Commission study on performance framework incentives submit the following comments as requested.

Overview

The PSOs position is that incentives are not required within the performance scheme and we do not support their inclusion. Progression on this topic should be halted as the concept is not consistent with the aims of the scheme.

Within the performance scheme, and each Member States performance plan, a level of safety and service is agreed against a set cost. This, by virtue of the fact that it has been submitted by the State concerned and then approved by the European Commission should be sufficient to ensure compliance and deliver the agreed level of performance.

ATM is an infrastructure industry. Incentives often induce unintended consequences, resulting in a short-term approach, which can detriment longer term progress. Decision making (influenced by incentives) for 'now' rather than long term planning could lead to an overall deterioration in performance or could compromise future performance.

Incentives are counterproductive and/or a distraction in Member States with very little or no delay, and can reward, through bonus payments, service levels which would have been delivered anyway. Whilst this may allow greater income for an ANSP to reinvest in staff or technology it provides for an easy way of discrediting the performance scheme by airspace users. This also places an additional administrative burden, complicates the performance scheme unnecessarily, and at FAB level can either benefit or penalise some Member States by virtue of another FAB State's performance.

Incentives usually fail to deal with and tackle the origins of problems (where they exist) and this technical pressure on personnel can mask the real situation. Incentives would only have a meaning in every country if the ideal working conditions were in order and all of the stakeholders were adhering to the rules, procedures and regulations. In such a case if we wanted to improve performance over that approved in the performance plan, incentives might be considered, however as this ideal world does not exist the concept is not valid.

¹ The Professional Staff Associations are ATCEUC, ETF, IFAIMA, IFATCA, and IFATSEA, together representing ATM workers and professionals across Europe.



PSO Proposal

The PSO position is that incentives should not be included in the performance scheme. However, following the contributions to the study and the workshop held on 21st June, the PSOs offer the following comments on the High-Level description of ideas, without prejudice to any of their endorsement.

Incentive Mechanism Reliability

Incentives, if introduced, should demonstrate enough reliability. During RP2, the level of maturity of the incentive mechanism on delays was not sufficient enough. If incentives are still in place for RP3, this lack of reliability can no longer be maintained for RP3. PSOs are opposed against the continuation of situations experienced during RP2 where the performance pressure on operational staff reached an all-time high.

Symmetric Incentive

Incentives should be symmetrical if they are introduced. One sided incentives that would typically entail a penalty only are not sufficiently balanced and it is unfair to only penalise poor performance but not reward excellence.

Use of Incentivisation

The substitution of penalty incentives for inadequate enforcement of performance plans is not an appropriate use of incentives. Enforcement should be tackled through legislative means and examined with proper due process, rather than an arbitrary financial penalty based on a European wide policy decision, without taking in to account local specifics.

Clear Identification of the Responsibilities of Different Actors

Any incentive should take into consideration the real influence of different actors. It is clearly visible with incentives on delay that airlines have a great influence on the situation. Airlines often decide to plan routes that are not the shortest. Their choices can create overloads in certain areas and as a consequence cause delays. There are examples where delays could be reduced to zero if only the airlines would have planned the shortest routes. PSOs do see ANSPs being penalised in such situations and consider it an unhealthy work method. Similar situations occur with flight levels chosen by airlines.

In some airports, curfews are imposed by local regulation. The consequences are resulting delays: all airlines want to depart and land around the edges of the curfew. It is obvious that local circumstances create those delays, not the ANSPs.

Incentives and Forecast Traffic



Incentives should have a link to traffic levels, and the parameters or dead bands should be reset, or connected to actual traffic levels. It is grossly unfair to incentivise ANSPs on targets that have become disconnected with traffic levels due to these being different to forecast. Increases of traffic can be localised in very specific areas creating difficulties that cannot be solved rapidly and easily. During RP2 there were increases of more than 25% between N and N+1. To fully obtain new staff, 4 years of recruitment and training is needed. Implementing change in airspace design requires a process that cannot be shorter than 24 months (safety case, noise issues, public consultation, simulations, training, negotiation among different ANSPs). Even if ANSPs are informed precisely and well in advance of changes in local situations the incentive mechanism is totally counterproductive.

Role of NSA

The most coherent idea tabled should incentives continue to be included in the performance scheme would be idea 6 – Design of incentives left to NSAs, allowing any incentives to be tailored to the state concerned.

FAB Level

As the PSOs have referenced in other consultation responses there are significant local variances within Europe and a ‘one size fits all approach’ is not appropriate. A local approach would allow NSAs to ensure incentives (if any) are targeted properly taking in to account the specific circumstances faced by an ANSP, and would remove the issue of incentives for states with very little or no delay.

This idea should also be considered with the issue of ‘FAB shielding’ which involves intra fab ANSPs from being either advantaged, or more importantly disadvantaged by other ANSP performance within their FAB. As described in other consultation responses FAB level targets create an additional and unnecessary administrative burden, this is a case in point.

No Incentivisation on Capital Expenditure

It is not appropriate to incentivise capital expenditure. These are often long term investment planning cycles which need a coherent and well thought through approach, and short term incentivisation would damage this.

Conclusion

ATM is an infrastructure industry that needs to supply a stable system to aviation. Incentives are built-in in daily operations. All ATM workers perform, supported by tools, in a way where they endeavour to find the most efficient way to handle air traffic and ATM associated tasks. Extra capacity will be found as a consequence. It is a natural process driven by dedicated and professional staff that would be disturbed by financial incentives that drive wrong behaviours within an ANSP.

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