Position Paper

Proposed Changes to RP3 Performance and Charging Schemes

Overview

The European Commission (EC) requested input from the Expert Group on the Human Dimension (EGHD) on the human dimension regarding the changes being implemented to the Performance Scheme and Charging Schemes for Reference Period 3 (RP3). The intention of this paper is to inform the Commission of the EGHD's position with regards to the proposed changes for RP3.

This paper focuses on specific recommendations from a human dimension perspective and aims to complement other work being done from other stakeholder groups (e.g. the Industry Consultation Body). The paper is based on views of stakeholders on the human dimension of performance at EGHD teleconferences in January and February 2018.

The EGHD supports, in principle, the sixth RP3 policy objective set out in Working Paper 4 from the Ad-Hoc SSC in March 2017. This stated that ‘the ATM industry is built on people and the human dimension cannot be underestimated. Engagement and buy-in is necessary to ensure high-level objectives can be translated in a safe and efficient manner into every day operations’.

Summary of Observations

As the fifth pillar of SES, the human aspect is a key factor to consider throughout the process of performance improvements. The achieving of the targets set within the Performance Scheme has a direct effect on human factors; it is often difficult to identify these effects in the planning process. However, it is important to consider these effects for several reasons, but most importantly in case of any safety implications.

Some of the current challenges that have been discussed in the industry include the organisation of staffing, change management, increasing performance whilst reducing cost and allowing greater flexibility in the target-setting and performance-planning processes. Human factor challenges have already arisen in RP1 and RP2 through an increase in the downwards pressure on costs. Should this continue in RP3, the EGHD foresees increased adverse impacts on the human dimension.

It is the objective of this paper to address some of the EGHD’s concerns and how these issues can be adequately addressed in the upcoming RP3 legislations.

Specific Considerations

The EGHD recognises that the proposed changes (SSC/67 paper) to the Performance and Charging Schemes for RP3 have already been put forward. This aims to seek opinions on the RP3 legislations at a future meeting of the Single Sky Committee (SSC). This paper offers the EGHD position with the intention of informing any consultation processes prior to the vote on the RP3 Regulations. The Group has considered three topics that will have the greatest impact on the human dimension during RP3. These topics are:

1. Target-setting and performance-planning processes;
2. Flexibility and predictability during RP3; and,
3. Financial incentives and sanctions.

Specific considerations of each of these areas are presented in the proceeding sections.

Target-setting and performance-planning processes

Greater bottom-up coordination

It is recognised that the responsibility of setting targets at local level has been delegated to the individual State’s National Supervisory Authority (NSA). The EGHD endorses an iterative approach for RP3 at a local level. Local targets should be based on a collaborative and balanced top-down bottom-up approach whilst ensuring engagement with local conditions and local staff. Greater Air Navigation Service Provider (ANSP) staff involvement is important to ensure targets are achievable (e.g. taking into account staff capabilities and operational constraints when setting targets, including effects on staff, workload, fatigue). This approach should be extended beyond target setting for State-level to Union-wide.

Furthermore, an increase in involvement of operational staff would make for a more effective and realistic target-setting process. The EGHD are thus in support for strengthened consultation mechanisms between stakeholders that have been proposed for RP3 (SSC/67). This will help to:

* Complement the top-down approach with bottom-up input from the operational staff being affected by the performance improvements;
* Increase transparency of the decision-making process; and,
* Increase trust and reduce the possibility of misinformation between stakeholders.

As well as the definition of targets, EGHD believes that staff experience and feedback from the operational perspective should be actively incorporated into the monitoring processes at State level. The feedback will also provide value to any revision to performance plans within a reference period, when applicable.

The EGHD thus believes that staff should be actively involved in the process of setting targets, revising targets and monitoring the achievement of targets. For example, through dedicated operational groups setup at local level.

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| *Recommendation 1**The EC should actively involve staff in the process of setting targets, revising targets and monitoring the achievement of targets.*  |  |

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| *Recommendation 2**The EC should consider strengthening the consultation mechanisms between stakeholders, including the specific mention of professional staff representative bodies within legislation.* |  |

Recognise the interdependencies between KPAs

The relationship and interdependencies between KPAs is an important issue. This needs to be recognised such that appropriate and coherent performance targets are set at EU-wide and State level. The interdependencies between KPAs will need to be identified by assessing the combination of KPIs to ensure a safe, efficient and sustainable European ATM service.

The EGHD thus supports the ninth RP3 policy objective set out in Working Paper 4 from the Ad-Hoc SSC in March 2017. This stated that regulatory processes of target setting and performance planning need to improve, through the better consideration of interdependencies between the different KPAs.

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| *Recommendation 3* *The EC should identify and assess the specific interdependencies and trade-offs between KPIs (e.g. between risks and opportunities, safety being protected). This will help streamline performance and improve the efficiency of the ATM system.*  |  |

Flexibility and predictability during RP3

Target-setting process

The ATM environment is dynamic, with the operational situation changing unpredictably on a daily basis, and even long-term trends are very difficult to predict due to changes in traffic, economic and social parameters. This includes:

1. Shortage of frontline operators and appropriate competencies (e.g. pilots, controllers, ATSEPs, dispatchers, airline operators etc.);
2. Short-term traffic flows from unusual circumstances can change traffic quickly and unexpectedly;
3. Long-term traffic flows can change dramatically by external factors such as geopolitical events; and,
4. Delivering daily peaks in demand with no delay, and unscheduled events that require the operator to perform tactical ‘workarounds’, can result in increased workload downstream in the system.

These factors can ultimately affect how local targets within performance plans can be achieved.

The EGHD recommends that unplanned factors are recognised, at national and local level, in the process for achieving targets such that no unwanted burden is placed upon operational staff.

Furthermore, if a five-year reference is chosen, the EGHD recommends that more flexibility is provided in the process of revising performance plans to reflect any significant changes in circumstances that deviate from an ANSP’s original planning assumptions.

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| *Recommendation 4* *The EC should consider that unplanned factors are recognised, at national and local level, in the process for achieving targets. This will ensure that no unwanted burden is placed upon operational staff.*  |  |

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| *Recommendation 5* *The EC should provide greater flexibility during the reference period to reflect any significant changes in circumstances that deviate from an ANSP’s original planning assumptions.*  |  |

Unintended airspace user behaviours

During RP2, charges for ANS have been based according to the last filed plan trajectory rather than the actual trajectory flown. Recently, several issues have been highlighted regarding the use of last filed flight plans to determine the charges imposed upon airspace users (AUs). Notably, AUs are not charged on the service received should an alternative routing be taken.

AUs generally plan for the shortest and lowest cost route available. Nevertheless, recent evidence has suggested that AUs are not necessarily planning to fly the shortest available routes. The main reasons for this include:

1. e;
2. Planned deviations for operational reasons (e.g. weather, areas with high ATFM restrictions); and,
3. Planned deviations due to unforeseen circumstances (e.g. industrial action, political crises).

This behaviour reduces the predictability of the overall system. For instance, ACCs determine their daily rostering depending on expected traffic, which depends on AUs’ flight plans. Therefore, deviations could cause unexpected traffic fluctuations that either increase or decrease an Air Traffic Controller’s (ATCO) productivity and rostering. It is also worth noting that the late filing of a flight plan can also result in reduced predictability of the overall system, which can have adverse impacts on ATCO workload.

The EGHD understands that the proposed change to shift the current charging mechanism from the last filed flight plan to the actual trajectory flown has certain benefits. This will increase transparency and accountability in the system such that AUs will pay for what they use and ANSPs receive revenue for the service they provide. This will enhance the overall predictability of the system and subsequently reduce the adverse impacts on the human dimension.

Alert mechanism

The EGHD supports the application of an alert threshold as outlined in Article 19 of the Performance Scheme. This alert threshold should be appropriately defined to reduce the adverse impacts of increased workload on staff when it is apparent that performance targets may not be met.

Nevertheless, the EGHD considers the timing between the triggering of an alert mechanism and when a performance plan can start to be revised as the most important issue. The EGHD believes that the response to an alert threshold should be dealt with in a timely manner. EGHD also recommends that the responsibility for triggering the alert should be managed at a local level with staff involvement.

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| *Recommendation 6**The EC should ensure that the responsibility for triggering the alert mechanism should be managed at the local level with staff involvement.* |  |

Change-management process

The EGHD supports the proposed change outlined in the Commission’s SSC/67 paper relating to improvement of how change management is managed within the reference period. A new section in the Performance Scheme that encourages a greater focus on change management and best practice is a significant improvement and a pragmatic short-term approach whilst the maturity of the Change Management Indicator is developed for RP4. This will help ensure a greater focus on change management and the use of best practice, as well as to assess the impact on the proposed changes on staff working methods and relationships.

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| *Recommendation 7* *The EC should encourage a greater focus on change management and the use of best practice within performance plans in RP3.*  |  |

Financial Incentives and Sanctions

Financial incentives

The current incentive scheme only applies to ANSPs. It does not take into the account the performance of other operational stakeholders, such as AUs and airport operators. The EGHD believes that ANSPs are only partially responsible for the performance of the network, and that AUs and airport operators at local level also have a major and direct impact on network performance. The focus on ANSPs may create pressure on controllers to achieve their local targets which could create workload issues, for example in response to significant increases in traffic. This could impact the ability for an ASNP to achieve their performance targets. This could also affect an ATCO’s decision-making processes.

 The EGHD believes that the incentives scheme should incorporate all operational stakeholders that have an impact on network performance.

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| *Recommendation 8**The EC should ensure all operational stakeholders that impact network performance are incorporated into the incentives scheme.*  |  |

Sanctions

The application of NSA sanctions is discussed under SSC/67 proposed change to Article 18 of the Performance Scheme. There is a proposed change to introduce enforcement measures in circumstances where the NOP is not consistent with the Union-wide targets. In this process, the NOP will first provide a trigger for enforcement at the discretion of the NSAs. NSAs would have the power to impose financial penalties in the event that corrective measures set out in the NOP were not implemented.

The EGHD believes that the principle objective of the Network Manager (NM) through the Network Operations Plan (NOP) is to facilitate the short to medium vision of the network. The EGHD believes the NM does not have regulatory powers as such, even if corrective measures outlined in the NOP are not met. Sanctions on ANSPs could result in indirect effects on the human dimension ie to avoid being penalised, frontline operator decision making could be influenced. Furthermore there is a risk that certain information is not reported to the NM (should it be given regulatory power), in the case where corrective measures set out in the NOP were not met.

Looking ahead to RP4

The EGHD has also looked ahead to RP4 and has provided observations on the following:

1. Change-management indicator;
2. Cruise-to cruise approach; and,
3. Human Performance Alert Mechanism.

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| *Recommendation 9**The EC should consider investigating the viability of the following proposals for RP4.*  |  |

Change-management indicator

In RP4, the Performance Scheme should investigate the possibility of a change-management indicator to take into account empirical data on human impacts in their working environments. There is currently limited information to assess whether the targets laid down by the Performance Scheme are actually achievable by operational staff. In response to ongoing technological changes (e.g. SESAR) and operational improvement projects (e.g. free route airspace), a change-management indicator will help encourage greater focus on change management, best practice, and the impact of any changes on staff working methods and relationships.

Cruise-to-cruise approach

To ensure all stakeholders are represented in the assessment of performance, it is recommended that the Performance Scheme is assessed based on a cruise-to-cruise concept rather than a gate-to-gate approach that is proposed for RP3. This means that all aviation stakeholders (e.g. AUs, airports, ATCOs, ground handlers etc.) will be subject to review, monitoring and potentially targets being set as part of the Performance Scheme.

Human Performance Alert Mechanism

The EGHD recommends the investigation of the viability of a Human Performance Alert Mechanism to help provide earlier signalling when thresholds for safe operations are exceeded. The investigation should include the contribution that existing voluntary reporting schemes of occurrences in civil aviation provide, under Regulation (EU) No 376/2014.

Summary

The EGHD recognises that the proposed changes to the Performance and Charging Schemes for RP3 have already been put forward. Nevertheless, the EGHD requests the European Commission to note of the nine recommendations that concern the human dimension with the intention of informing any consultation processes prior to the vote on the RP3 Regulations at a future SSC.

Recommendations

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| *Recommendation 1* |  |
| *Recommendation 2* |  |
| *Recommendation 3* |  |
| *Recommendation 4* |  |
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| *Recommendation 6* |  |
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| *Recommendation 9* |  |