



NEFAB Programme Annual Report 2013
Section 1 NEFAB Programme

Version 1.0

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1. INTRODUCTION

1.1. This document

This document summarizes the NEFAB ANSP Programme activities in 2013. The document is divided in two sections:

- ▲ Section 1: NEFAB Programme
- ▲ Section 2: Financial

Section 1 is intended for general publicity to ensure transparency about NEFAB Programme activities for all NEFAB stakeholders. Section 2 is intended for ANSP internal use.

1.2. NEFAB ANSP Programme

NEFAB was formally established on 23rd December 2011 based on the NEFAB Feasibility Study and the formal agreements between the NEFAB States and the agreement between ANSPs Avinor, EANS, Finavia and LGS. The year 2013 was the first year of NEFAB Programme.

2. Objectives and organisation

2.1. NEFAB Objectives

The overall objectives for the North European FAB (NEFAB) are to deliver services tailored to customer requirements, contribute to increased flight efficiency, higher safety levels, a greener environment and cost reductions through an optimised use of air navigation infrastructure and harmonised services in Estonia, Finland, Latvia and Norway.

The objective of NEFAB is to achieve optimal performance in the areas relating to safety, environmental sustainability, capacity, cost-efficiency, flight efficiency and military mission effectiveness, by the design of airspace and the organization of air traffic management in the airspace concerned regardless of existing boundaries [Ref: State Level Agreement Article 2].

The objective and scope of NEFAB Programme is described in ANSP agreement [Ref: ANSP agreement Chapter 2 Objective and Scope]:

The purpose of the cooperation between the Parties is to contribute to the improvement the ANSP's performance, as well as the sustainability of the European aviation system through:

- a) Conducting a dialogue in order to establish initiatives that analyse and propose ways to enhance cooperation and increase performance in the North European Functional Airspace Block in order to provide an effective contribution to increase the overall European network performance, thereby delivering substantial benefits to the airspace users.
- b) Collaboration in developing a plan/road map for the stepwise implementation of initiatives in the following areas:
 - ▲ Airspace

- ▲ ATS Provision
- ▲ ANS Support
- ▲ Systems Support

c) Collaboration in developing a cost-benefit analysis and risk analysis for the implementation of the initiatives.

2.2. NEFAB ANSP Programme organisation

The key principle behind the NEFAB Programme is that the ANSPs are individual service providers, with individual responsibilities and accountabilities to the respective states and owners. Agreed common projects and activities are described and designed at FAB level, and implemented at ANSP level.

The NEFAB Programme structure is designed to govern, run and manage the programme and joint project activities at FAB level. Governance of the NEFAB Programme is by the NEFAB CEO Board, the NEFAB Management Board is responsible for programme execution. Joint Projects are executed as separate activities reporting to Management Board. The NEFAB Programme Office is facilitating the programme and supporting the projects managing the budget, resources, costs, risks and issues.

In August 2013 the programme was reorganised introducing Business Development Areas [Ref chapter 2.3]. Figure 1 below presents the organisation structure before and after the reorganisation.

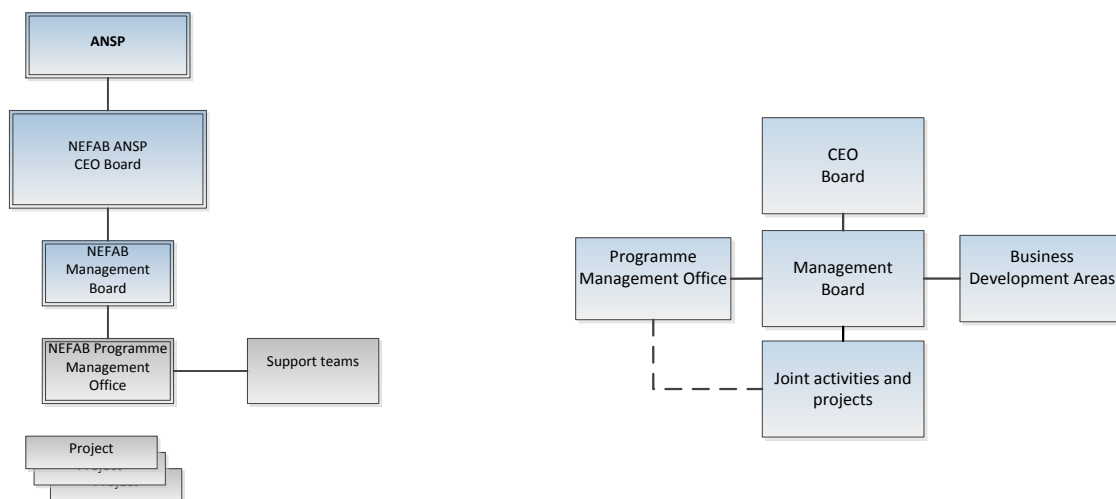


Figure 1: NEFAB ANSP Programme organisation structure before (left) and after (right) Aug 2013

2.3. Business Development Areas

Business Development Areas (BDA) were established and mobilized during autumn 2013 to connect business functions and ensure business development in the NEFAB Programme.

The objective of Business Development Areas is to enhance cooperation in the NEFAB ANSPs programme, aiming at cost efficiency improvement, harmonization of services and sharing of best practices.

The Business Development area shall communicate, exchange views and identify areas and activities of for further exploration into common activities and projects:

- ▲ Sharing best practices
- ▲ Identifying possible areas for FAB wide cost efficiency improvements
- ▲ Common Business opportunities
- ▲ Harmonization of subject area
- ▲ Coordination of FAB wide activities in the subject area

Seven business functions have been defined for BDAs in the NEFAB Programme:

- ▲ Safety
- ▲ CNS
- ▲ Finance
- ▲ Training
- ▲ AIS/AIM
- ▲ Operations
- ▲ RP Performance

By end of 2013 Safety, CNS, Training and AIS/AIM were mobilized. The mobilized BDAs have been tasked to provide inputs to reference period 2.

3. Strategies and Business plans

3.1. Strategies

For the period 2013 – 2017 The NEFAB ANSPs defined strategic objectives within 4 key performance areas; Safety, Cost-efficiency, Capacity and Environment. The planned projects and activities are initiatives defined to ensure that the strategic objectives are met and user expectations fulfilled. Within this strategic planning period the focus is to a large extent on airspace and service provision where the benefit potential is considered to be the largest within the timeframe covered by this business plan.

New strategies were developed at strategy workshop with CEOs and MB members in Helsinki in August, with a strategy document as outcome. The strategy captures ambitions and expectations of the NEFAB partners by agreeing on common strategic targets for the ANSPs in light of the second Reference Period performance targets and intended SES2+ regulation. The document contains rationale for common future strategic targets for the NEFAB ANSPs and summarizes high level proposals to be further coordinated with the States.

The Strategy highlights the current deliverables of strategic importance in order to achieve the targets agreed by the ANSPs and is built upon the initiatives running through the entire business planning cycle, i.e., free-route airspace, cross-border services and collaborative

network management activities. The Strategy forms the basis for the future business plans that are mainly based on findings in NEFAB Feasibility Study and current regulatory requirements. SWOT analysis was used to capture strengths, weaknesses, opportunities and threats posed by the external environment. The results are used as a platform to set achievable strategies. The following element areas, both internal and external, were identified in the SWOT analysis:

- ▲ Partnership
- ▲ Competitiveness
- ▲ Contingency
- ▲ Diverging economics
- ▲ State and politics
- ▲ Outsourcing, Business and Marketing
- ▲ Stakeholders
- ▲ Communication
- ▲ European legislation requirements

The strategy document elaborates in detail each of the identified elements on which the strategic objectives were developed. The strategic objectives are arranged into three major blocks:

- ▲ financial,
- ▲ political/state,
- ▲ and business/development

The strategic objectives are encapsulating initiatives that will be introduced into day-to-day tasks to reach the objectives.

The strategies were presented at the NEFAB Council meeting in November.

3.2. Business plans

3.2.1. General

NEFAB cooperation is regulated by the NEFAB ANSP agreement and does not fall under the EC IR 1035/2011 requiring business plans. In order to have a systematic overarching planning tool for the partnership it is decided to develop 5 year and annual business plans for the NEFAB Programme. The NEFAB Business plans form basis for ANSP business and investment plans, and finally input to the FAB and state performance plan.

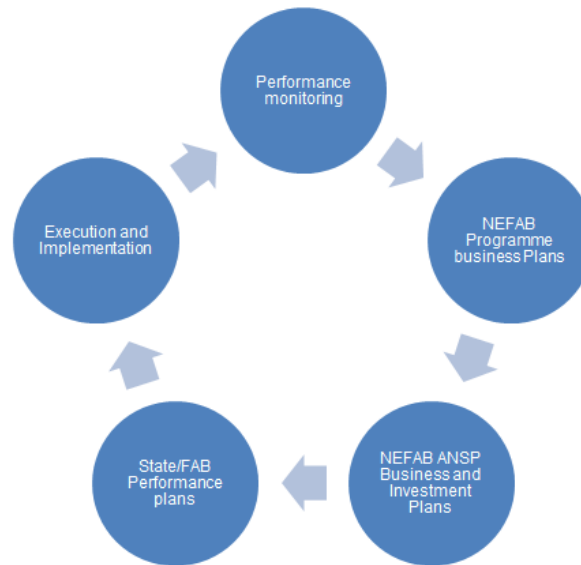


Figure 2: The Business Planning cycle

3.2.2. Annual plan 2013

The annual plan 2013 translates the strategies contained in 5 year business plan into concrete actions during 2013 and is used by the NEFAB Management Board to follow up NEFAB projects and activities. The implementation plans included in plan are derived from separate plans, mainly focused on project implementation plans for Airspace 2015 and ATS Service Provision 2015.

The Annual plan describes the concrete actions to be executed in 2013. The activities were divided in main areas with description of milestones and deliverables in each area:

- ▲ ATS Provision 2014
- ▲ Airspace 2015
- ▲ Harmonisation of Safety management System
- ▲ NEFAB Programme Management Office

The result/outcome of the actions is described more under subsequent chapter 4 Stakeholders and Communication and chapter 5 Programme activities 2013.

At a high level overview the actions under ATS Provision and Airspace 2015 areas were delivered as part of NEFAB Network Plan [ref: 5.1 Target Concept] . As the actions were reorganised in the Network Plan, the actions are not in all cases directly traceable, and some elements are postponed

Harmonisation of Safety Management System was initiated in 2013. Issues in the definition and mobilization process as well as unclear understanding of the actions have led to postponement of the actions into 2014, hence the project is late.

4. Stakeholders and Communication

4.1. Stakeholders

The NEFAB Programme has primarily been identified the following key stakeholders:

- ▲ ANSP management level
- ▲ States and NEFAB Council
- ▲ National NSAs and NEFAB NSA Committee
- ▲ States military
- ▲ ANSP trade unions and staff representatives
- ▲ Major airlines

4.2. Stakeholder communication

4.2.1. ANSP management level

ANSPs are the owners of the NEFAB ANSP Programme. All communication between the NEFAB Programme and the activities has been executed via the NEFAB Management Board and NEFAB CEO Board.

During 2013 the NEFAB MB and the NEFAB CEOB have had regular monthly interactions, handling status and progress reports on common activities, costs and budget, risk and issue management as well as strategies on joint business opportunities and development.

The ANSPs are individually reporting their local NEFAB Target Concept Project activities and progress to NEFAB MB. The objective with the reporting is to ensure coordinated implementation, reduce risks, identify common issues and possible mitigation activities at FAB level, and also to share experiences. The reporting was initiated in June, however not fully implemented before November.

4.2.2. States and NEFAB Council

NEFAB ANSPs states and NEFAB Council are having regular meetings. Norway was chair of the NEFAB Council in 2013. Estonia has taken the chairmanship in 2014. The NEFAB Council is working under the terms stated in NEFAB State Level Agreement (SLA) and those requirements stated in the Rules of Procedures (RoP). Formal consultations with the Council are executed at the Air Navigation Services Consultative Board (ANSCB). In addition the ANSPs have state level meetings with the States Ministries.

An Informal State Level (ISL) meeting is established primarily to prepare the Council and the ANSCB.

The NEFAB Council has been requesting regular status reports from the NEFAB Programme regarding development and progress. Although no formalities or RoPs are established for the ISL, NEFAB ANSP programme is invited to and makes status reports to the ISL, forwarded as preparation material to the Council.

NEFAB MB and/or Programme Office have been representing in the ISL, while either MB Chair and/or CEOB chair have been representing in the Council and the ANSCB.

During 2013 the main issues communicated with the States have been:

- ▲ Responses to the European Commission regarding the Pilot letter responding to the establishment of NEFAB and the possible infringement process on EU law about NEFAB fulfilling the FAB requirements
- ▲ Development and progress of NEFAB Target Concept Project and implementation of NEFAB network plan
- ▲ Cooperation with DK SE FAB regarding the establishment of a seamless Free Route Airspace between NEFAB and DK SE FAB
- ▲ Exploration of business opportunities in the NEFAB ANSP Programme, and possible projects or activities proposed by the recently established Business Development Areas, including the revisit and review of NEFAB Feasibility Study Report
- ▲ ANSPs Strategy Plans and Business Plans and their influence on performance requirements in RP1 and RP2
- ▲ Possible cooperation areas with the Russian Federation

4.2.3. National NSAs and NEFAB NSA Committee

The NSA Committee has established several sub-committees and expert groups. NEFAB ANSP Programme have primarily communicated with the NSA Committee however responded to some of the expert groups on specific topics.

The MB Chair or the Manager of NEFAB PMO have been invited to and represented the NEFAB Programme in the NSA Committee meetings. Status and progress reports on the NEFAB ANSP Programme have been provided and presented.

During 2013 the main communications have been on:

- ▲ Performance planning and NEFAB ANSP Programme contribution to the RP targets
- ▲ Development and progress of NEFAB Target Concept Project and implementation of NEFAB network plan
- ▲ Cooperation with DK SE FAB regarding the establishment of a seamless Free Route Airspace between NEFAB and DK SE FAB
- ▲ NEFAB Target Concept implementation and formal approval process, hereunder discussions and clarifications of responsibilities and roles in the different steps of the Target Concept Project
- ▲ Development of the NEFB Safety Case on FRA implementation

4.2.4. States military and Civil Military Committee

The Civil Military Committee is a cooperation and coordination committee between NSAs and Military authorities. Normally NEFAB ANSP Programme has not been represented in this committee, however occasional representation have been requested in order to present the development and progress on NEFAB Target Concept, in particular ASM and FUA issues as well as implementation of FAB wide LARA and PRISMIL.

States military have been invited to and to some extent represented in some of the project activities by their expertise. However the Military have not been able to attend to all invitations, e.g.in the Safety Case activities.

4.2.5. ANSP Trade unions and staff representatives

NEFAB Programme is not directly communicating with ANSP staff, trade unions or other staff representatives. Communication with the staff and trade union representatives is the sole responsibility of the individual ANSPs. The NEFAB Programme have supported the ANSPs by developing presentation material on the NEFAB Programme.

4.2.6. Major airlines

There has been no direct communication or consultation with the airlines in 2013. The airlines have been informed about NEFAB Programme through the individual ANSP regular coordination and consultation meetings.

4.2.7. IDSG

A group of experts has been set up as SESAR Interim Deployment Steering Group. IDSG has a defined Rules of Procedure adopted by EC 29/02/12 with the central task to steer, coordinate and monitor short term implementation activities on the basis of the Interim Programme (IDP).

NEFAB is represented in the IDSG by EANS (Evija Leitlande) and the IDSG Expert Team by Finavia (Pekka Virtanen). NEFAB has coordinated internal IDSG activities between EANS/Finavia and the ANSP IDSG Focal Points.

4.3. NEFAB.EU

The web site Nefab.eu was established to make general communication about NEFAB in 2013. The States are the formal owner of the site however it is managed and maintained by the NEFAB Programme Office. Information about NEFAB, news and newsletter have been made available for those who are interested.

It has been realized that the layout and the communication on the site is not successful. The NEFAB Programme established in August a programme activity to explore the possibility to update the communication strategies and the web site to be more informative and attractive. It is expected that decision for a new web strategy have been agreed with the States during Q2 2014, and that a new web site can be operational in Q3.

5. Programme activities 2013

5.1. NEFAB Target Concept

5.1.1. General

NEFAB Airspace 2015 and ATS Provision 2015 projects were aligned and consolidated to one main project - NEFAB Target Concept Project.

5.1.2. ATS Provision 2015 and Airspace 2015

Deliverables from the two projects ATS Provision and Airspace 2015 were aligned into one delivery package: NEFAB Network Plan early 2013. As a consequence of alignment of the two projects into the Network Plan, the projects were reorganised into one main project: The

NEFAB Target Concept Project. The elements in the Network Plan are interconnected and form the NEFAB Target Concept. The elements are:

- ▲ ATS Routes
- ▲ FRA, MIL Areas, Sectorisation and FPL Routes
- ▲ ASM Tool and Processes
- ▲ Trajectory Management and Traffic synchronization
- ▲ Data Link
- ▲ ATFCM

The NEFAB Network Plan contains description of the concept and operational requirements to be implemented by the ANSPs at local level. The documentation was delivered to and accepted by NEFAB Management Board, and distributed to the ANSPs in April 2013 for implementation. Implementation is the responsibility of the individual ANSPs; hence the relative activity and resource distribution has shifted from NEFAB wide to ANSP local levels.

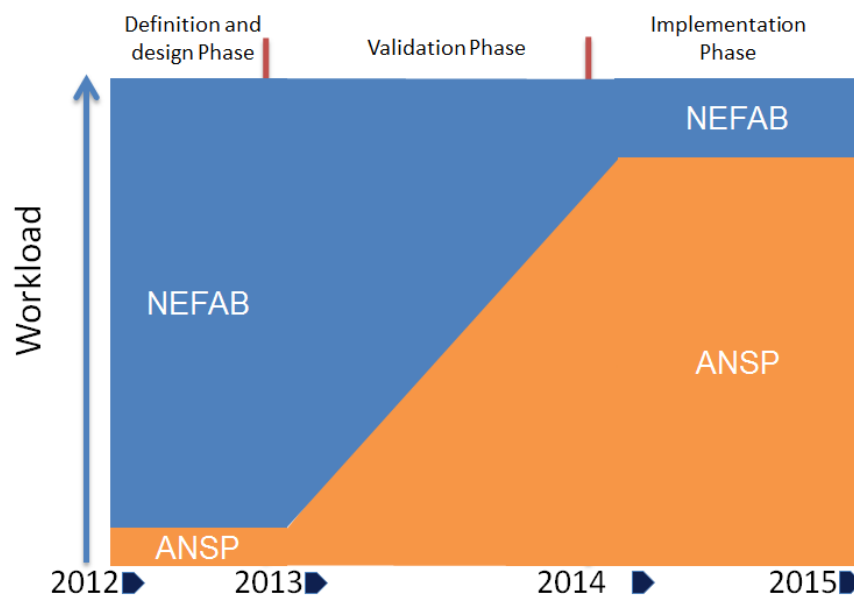


Figure 3: Illustrative presentation of change in activity distribution

The remaining main activities in the Target Concept Project are to finalise the airspace design, i.e. airspace classification, sectorisation and military structures. These activities will continue based on results of the validations in 2014 and into 2015 (fast time and real time simulations).

To ensure coordination and synchronisation of the implementation activities between the ANSPs, the ANSPs are reporting their progress, risks and issues to the NEFAB Management Board using a common reporting template and process. The process is also intended to identify common risks that require actions at FAB level, e.g. clarifications of operational requirements or changes in design if necessary. The process is supported by the Programme Office and the Project Managers in the Target Concept.

5.1.3. Safety Case NEFAB Free Route Airspace implementation

To enable a common approach for a Safety Case on implementation of FRA in NEFAB airspace, a joint activity for NEFAB Airspace 2015 and ATS Provision 2015 projects were established spring 2013. EUROCONTROL through the Network Manager has supported and facilitated the process. The objective of the Safety Case is to support the ANSPs in their local implementation activities of the Network Plan, and use the report in their own Safety Cases.

The NSA Committee and the NEFAB ANSP Safety Managers have been informed about the Safety Case development. The SAF BDA was also invited to comment on the FRA final report.

The report was completed in November and accepted by the NEFAB ANSPs through the Management Board. The report was also distributed to the NSA committee with the comments from the SAF BDA.

5.1.4. Cooperation with DK- SE FAB, LfV and Navair

On the basis of the Letter of Agreement between LfV, Navair, Isavia and the ANSPs in NEFAB, joint airspace development were agreed to be included in ANSP business plans. On this foundation a task was initiated between NUAC HB and NEFAB programme to connect the FRA in the two FABs to be continuous.

The states of NEFAB and DK SE FAB made a declaration in April 2013 stating that:

“the Ministers are committed to introducing a specific improvement of the functionality in the management of their airspace by the end of 2015. This functionality is called “Free Route Airspace”, and will facilitate shorter, more direct flight routes within the airspace of the six States. This measure has the potential of reducing flight times and the consumption of fuel, hence also the emission of CO₂.

Furthermore, the Ministers are committed to encourage cooperation between the State-owned air navigation service providers regarding provision of air traffic services across national borders. Such cooperation is expected to facilitate synergies and economies of scale, and hence can contribute to better quality of service and lower charges to the aircraft operators.”

In May the CEOs of NEFAB ANSPs, LfV and Navair agreed on the terms of reference for the North European Free Route Airspace (NEFRA) programme with objective to establish the continuous FRA over the two FABs above FL285 by connecting the concepts of DK-SE FAB and NEFAB.

The programme was organised in June with the steering group and expert group. A high level Project Management Plan was approved and the first version of Concept of Operations (CONOPS) was presented for the SG in August.

The CONOPS was to be approved by October, but delayed. A final version was approved by the NEFRA SG and endorsed by the CEOG in February 2014.

A phase two was agreed to ensure that implementation of NEFRA programme was achieved by November 2015, and that enhanced ATM system functionality would be implemented in phase two, by January 2018.

-End-