



**LIETUVOS RESPUBLIKOS SEIMO
EKONOMIKOS KOMITETAS**
**SEIMAS OF THE REPUBLIC OF LITHUANIA
COMMITTEE ON ECONOMICS**

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Concerning the information note and questionnaire Single European Sky

Dear Rapporteurs,

We would like to thank you for your dedication to and efforts in bringing together representatives of all Parliaments to deal with the issues related to the Single European Sky (SES) and for initiating the questionnaire on behalf of the Dutch House of Representatives, which will help to better assess the practices of EU Member States and to identify the obstacles to creating SES.

We truly welcome your plans to host an event for national parliamentarians to discuss this issue in June or after the summer. We are convinced that the interparliamentary discussion would serve as an excellent tool for assessing the progress in moving towards SES and for eliminating related obstacles. Therefore, we believe that participation in the event would be important and would certainly interest us.

Please find below the answers to your questionnaire.

Question 1. Can you state the extent to which issues of sovereignty in your member state, of whatever kind, are hindering further integration of European airspace, and in particular in the FAB in which your member state is active? Can you say where exactly the areas of sensitivity lie, and what could or should be done in order to eliminate such areas?

As regards the functional airspace blocks (FABs) and, more specifically, the Baltic FAB that includes the Republic of Lithuania and the Republic of Poland, the FAB has been established with the following main objectives:

- To enhance the current air traffic safety standards, to contribute to the sustainable development of the air transport system, and to improve the performance of air traffic management and air navigation services intended for general air traffic in Europe;
- To ensure the maximum capacity, efficiency and effectiveness of the air traffic management network while maintaining a high level of safety;
- To fully respect the principle that each Contracting Party has complete and exclusive sovereignty over the airspace above its territory and that each state may impose requirements concerning its national airspace security and defence.

Please note that the establishment and development of the Baltic FAB are not affected by sovereignty matters.

Question 2. Can you describe the role of the air traffic control organisation(s) in your member state, and their willingness to quickly reach agreements concerning the consistent and prompt implementation of existing EU regulations and to take other steps that will bring unification of the European airspace closer? Can you state which factors affect the degree of such willingness, including with regard to the FABs in which every member state is working with its neighbouring member states on achieving the current Single European Sky performance targets?

In this context, can you describe any social aspects in your member state that constitute an obstruction to further development of the Single European Sky? Possible examples here include the risk of job losses as a result of changes to the structure of air traffic control organisations.

The State Enterprise *Oro navigacija* (SE *Oro navigacija*) is the sole provider of air traffic services, communications, navigation and surveillance services and aeronautical information services in the airspace of the Republic of Lithuania for the needs of civil aviation in peacetime. The enterprise is

also involved in organising and coordinating search and rescue operations in the event of an aircraft accident or emergency.

It should be noted that the FABs are complex transnational projects involving at least two countries at political, regulatory, supervisory and operational levels and a major tool for strengthening the cooperation between air navigation service providers in order to improve their performance and create synergies. The FABs have been formally operational in Europe since the end of 2012.

It was namely the cooperation within the Baltic FAB that allowed the Lithuanian and Polish Air Navigation Service Providers (ANSPs) (*Oro navigacija* and *PANSA*) to be the first in the EU to launch a joint procurement procedure for purchasing air traffic management systems. The single system will enable the optimisation of costs and ensure the interoperability of Lithuanian and Polish services. In order to meet the qualification requirements for participation in EUROCONTROL's calls for tender relating to centralised services, the Lithuanian *SE Oro navigacija*, the Polish *PANSA* and the Ukrainian *Uksatse* established a consortium. Moreover, the Baltic FAB ANSPs will cooperate with the German air navigation service provider *DFS* and the Dutch air navigation service provider *LIVNL* in developing new generation air traffic management systems. The Baltic FAB ANSPs actively participate in the Single European Sky Air Traffic Management Research (SESAR) project. To this end, the Baltic FAB ANSPs, in cooperation with the Slovak and Czech ANSPs, established the B4 Consortium. In 2013, the Lithuanian and Polish ANSPs also joined the agreement of the *GATE ONE* strategic alliance involving the three FABs operating in Europe — the *FAB Central Europe* including Austria, Bosnia and Herzegovina, Croatia, the Czech Republic, Hungary, Slovakia and Slovenia; the *Danube FAB* including Bulgaria and Romania; and the *Baltic FAB* including Lithuania and Poland. The agreement is aimed at strengthening the cooperation among the ANSPs of its parties, thus improving the effectiveness of air traffic management in Europe.

These efforts are paying off. The *SE Oro navigacija* became the first air navigation service provider in the EU to implement the project on the mobile Air Traffic Control Tower, which allows the continuous provision of air navigation services in case of contingencies. Involvement in SESAR projects is expected to offer more opportunities for research and development and to place the *SE Oro navigacija* among the most progressive air navigation service providers in the EU. The *SE Oro navigacija* also makes every effort to involve all the staff in the FAB activities by encouraging their participation in the projects of the Baltic FAB Implementation Programme.

Question 3. Can you describe the status of military-civil collaboration in your member state, with regard to the Single European Sky? In doing so, can you say whether there are any obstacles to further military-civil collaboration, and if so what they are, including in the FAB in which your member state is active?

Although the Single European Sky, an initiative of the European Commission, is aimed, first and foremost, at restructuring the regulation of the single airspace and mostly relate to civil aviation, the latter has to take account of the need for working together with military aviation, for example, the need for investing in additional equipment on board military aircraft to comply with the regulations on the Single European Sky.

In Lithuania, civilian and military sectors cooperate in accordance with the following provisions of the Aviation Law of the Republic of Lithuania:

- The Civil Aviation Administration (CAA) along with the Commander of the Armed Forces drafts the organisation of the airspace of the Republic of Lithuania and flight regulations, while the Government approves them. The Commander of the Armed Forces determines special requirements applied to the flights of military aircraft alone.
- For military necessity or public safety considerations the Minister of Transport and Communications may deem certain parts of airspace as prohibited, restricted or dangerous zones to civil aviation, in which special procedures apply. Such decisions are adopted at the recommendation of the CAA, after harmonisation with the Commander of the Armed Forces.
- In peacetime, the State Enterprise *Oro navigacija*, appointed by the Minister of Transport and Communications, provides air traffic services to civil and national aircraft.
- The requirements set forth by the CAA are relied upon in using installations for military aviation and tactical control, which could affect the safety of civil aviation aircraft.
- The CAA and the Commander of the Armed Forces, respectively, determine the types and extent of the meteorological information and the procedure of providing it.

In addition, to ensure efficient use of airspace by all users, Commission Regulation (EC) No 2150/2005 of 23 December 2005 laying down common rules for the flexible use of airspace also applies to the Republic of Lithuania.

The Agreement on the Establishment of the Baltic Functional Airspace Block between the Republic of Lithuania and the Republic of Poland (hereinafter referred to as the Agreement) contains the following main provisions on civil and military cooperation:

- The provisions of the Agreement will be without prejudice to the Contracting Parties' national requirements relating to public order, security and defence interests and each Contracting Party is entitled to apply any measure to safeguard its interests of national security and defence.
- With due regard for the Flexible Use of Airspace principles and in accordance with existing national arrangements relating to civil-military and military-military cooperation and applicable international agreements, the competent authorities of the Contracting Parties may conclude written arrangements to enable state aircraft to conduct military operations, training and exercises in the respective airspace regardless of the existing common boundary between the Contracting Parties.
- The Contracting Parties allow the provision of cross-border ATS to state aircraft operating as general air traffic as well as operational air traffic by the appropriate ATS provider of the other Contracting Party pursuant to appropriate written arrangements notified to the Baltic FAB Board.
- The Contracting Parties concerned may allow the provision of tactical air control services to operational air traffic by the air defence units and tactical air command and control service units of the other Contracting Party concerned (including other air command and control units of the NATO Integrated Air Defence System, responsible for providing tactical air command and control over the territory of the other Contracting Party concerned) pursuant to appropriate written arrangements notified to the Baltic FAB Board.
- For the provision of cross-border services in the airspace concerned, the Contracting Parties encourage close cooperation between the appropriate ANSPs and the respective air defence and tactical air command and control service units.
- The Contracting Parties strive to harmonise the relevant civil and military arrangements to facilitate civil-military cooperation, including safety, national security and defence.

The Ministry of National Defence of the Republic of Lithuania and the Lithuanian Air Force are engaged in the Baltic FAB activities by contributing to the implementation of the Baltic FAB projects and the drafting and enforcement of strategic documents.

Question 4. Can you give your views on the current lack of progress with regard to the SESII+ package? In doing so, can you state whether you also believe it important that progress should be made with regard to the package?

The European Commission submitted the Proposal for a Regulation of the European Parliament and of the Council on the implementation of the Single European Sky (the so-called SESII+ package)

on 11 June 2013. During the Lithuanian Presidency of the Council of the EU (from 1 July to 31 December 2013), the Package was presented to the Working Party on Aviation of the Council of the EU on 2 September 2013. At the Informal Meeting of Ministers for Transport of the EU held in Vilnius on 16 September 2013, the high-level discussions focused on this topic with a view to achieving a breakthrough as regards the SESII+ package. The EU Ministers for Transport expressed a strong political support for the objectives and continuity of the initiative on the Single European Sky. The Ministers highlighted that not only the environmental effects of aviation and reduction in air navigation costs, but also an increase in the efficiency of provision of air navigation services remained key priorities for Member States. The Ministers also agreed that a greater role of the European Aviation Safety Agency (EASA), SESAR contribution or effective performance of the air traffic management network are among the most important factors generating added value to further implementation of the Single European Sky. However, some proposals on further creation of the Single European Sky, as set out in the SESII+ package, caused certain concerns among some EU Member States. For example, different opinions were expressed on possible unbundling of ancillary activities of air navigation service providers from their core activities, integration of FABs, optimisation of the number of air traffic control centres, etc. The Ministers also highlighted that the key proposals on the implementation of the Single European Sky should take better account of specific characteristics of individual Member State, provide for sufficient flexibility as to the enforcement, and preclude the level of flight safety from deteriorating and the continuity of service provision from disruption. In this respect, a number of unanswered questions remained, in particular when emphasising the needs of small Member States in the long term. The social aspect related to the amendments proposed was also noted. In addition, a large part of speakers expressed doubts whether it was appropriate to submit new, sufficiently radical proposals for action at the stage when it was too early to assess the practical effect of the 2004 and 2009 regulations concerning the Single European Sky and the actual effect of the FABs, which were correctly formed though were beginning their operation with difficulty. Further consideration of the SESII+ package will also depend on the progress of the political dispute between the United Kingdom and Spain concerning Gibraltar airport.

Question 5. Can you state whether there are any other obstacles to the creation of a Single European Sky? If so, can you say where exactly these obstacles are located, and what the reason is for their being apparently insurmountable or, as the case may be, why they cannot be eliminated in the very short term?

Some possible obstacles to the smooth implementation of the Single European Sky were identified by the EU Ministers for Transport at the above-mentioned Informal Meeting in Vilnius on 16 September 2013. For example, the vision for achieving the Single European Sky, as presented by the European Commission, lacked greater involvement of Member States in establishing the FAB performance targets, which will be set by the Commission, but will have to be reached by Member States. However, while setting these targets, account may not necessarily be taken of the specific situation of individual EU Member States (for example, specific conditions in the peripheral EU Member States where the traffic is not intensive). Therefore, some Member States take the view that the EU should adopt the position that further targets relating to the Single European Sky and sanctions for non-compliance have to be proportionate taking into account air traffic flows, tariffs, EU objectives, effectiveness of the system, regional characteristics, etc.

At the Informal Meeting, the EU Ministers for Transport also underlined that the requirements laid down in EU legislation should not limit the scope for financing the introduction of SESAR technologies, which could play a key role in initial organisational, systemic, structural and operational transformations necessary for achieving the principle targets in connection with airspace management, safety, efficiency, and environmental and economic performance.

It should be noted that the EU Ministers for Transport were cautious about the Commission's proposal to unbundle ancillary services from general air traffic control services by imposing an obligation on Member States to establish an environment for providing these services under market conditions. The Ministers pointed out to the absence of full assessment of the impact of this step on the industry. A part of ancillary air navigation services (e.g. communications, navigation and surveillance, aeronautical information services, or meteorological services) are particularly important for flight safety, while the application of market principles to the provision of such services on the basis of the lowest price could endanger the safety of air traffic services and the continuity of service provision. Therefore, the proposals for structural changes should be implemented gradually taking into account flight safety and social factors and the specific nature of these services. However, the Ministers agreed that the gradual opening of the market for the provision of ancillary services would potentially create new business opportunities for the overall air traffic management sector and contribute to a speedier and cheaper introduction of new technologies and improve air traffic management.

The EU Ministers for Transport also highlighted the importance of social aspects in the implementation of the Single European Sky. The Commission's Proposal aroused certain opposition

from air traffic controllers' trade unions in Europe, because some staff of EU air navigation service providers may lose jobs following the implementation of the Proposal. In this context, the Ministers expressed the view that in this particular area the Commission would face the greatest challenges. Therefore, when submitting its proposals, the Commission should carefully examine all the circumstances and recommend only such good practices that could be realistically introduced in Europe.

Yet another important factor for the creation of the Single European Sky is the economic effect. In some Member States, reduction in the number of air traffic control centres and optimisation of air navigation service provision may lead to the disappearance of some air navigation service providers. This is particularly true for smaller EU Member States. Research centres and laboratories, training centres, and equipment manufacturing enterprises are closely connected to air navigation service providers. A Member State, which does not have an air traffic control centre, is not in a position to develop the above mentioned activities and increasingly contribute to its GDP through their development.

The Republic of Lithuania comprehensively and consistently supports the implementation of the Single European Sky. A single transport area is one of the conditions for effective economic growth in Europe. In order to ensure the economic growth and efficient functioning of the single market in the EU, it is necessary to create an efficient air transport system allowing the safe, regular and sustainable operation of air transport services, optimising capacity and facilitating the free movement of goods, persons and services.

Yours sincerely,

Remigijus Žemaitaitis
Chair of the Committee

