



**FIFTEENTH MEETING ON THE IMPROVEMENT OF AIR TRAFFIC SERVICES OVER THE  
SOUTH ATLANTIC (SAT 15)**

**(LISBON, PORTUGAL 17- 18 MAY 2.010)**

**Agenda Item 4 : Air Traffic Management (ATM)**

(Presented by SATMA)

**SUMMARY**

This WP presents a Cost Analysis to implement a cost recovery model for CFRA in EUR/SAM corridor

**1. INTRODUCTION/BACKGROUND**

1.1 Conclusions SAT/FIT/3-1 (SAT14) and SAT/FIT4/2 concluded that SATMA would host the Central FANS Reporting Agency (CFRA) under the principle of cost recovery supported by FIT

1.2 After debate, the meeting was of the opinion that SATMA could host the Agency for the first year till a cost recovery plan is approved and implemented.

1.3 In that sense, SAT/FIT4/2 committed SATMA to present information regarding the funding of CFRA and issues surround the hosting of the agency.

**2. DISCUSSION**

Following this task, SATMA has studied several ways to implement the agency and to develop and perform a global service including operative, administrative and technical support to EUR/SAM corridor States regarding ADS/CPDLC services. So it gets necessary to agree a funding model for the CFRA based on a cost recovery base.

A Cost Analysis, tasked to SATMA, is annexed of this document in order to debate the best way to impulse CFRA works in the benefit of EUR/SAM corridor

**Action by THE MEETING**

The SAT14/TF1 Meeting is urged to agree a conclusion on financial issues so CFRA may continue the work.



## **ANNEX**

# **Cost Analysis for the Implementation of the CFRA for the EUR / SAM Corridor**

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## 1. BACKGROUND

### 1.1. Implementation of ADS / CPDLC plans by SAT States

The SAT *Conclusion 13/TF/1/09* (Cape Town, South Africa, 21 - 23 February 2007) agreed by states at the SAT/13-TF/1 meeting states:

*Implementation of ADS / CPDLC plans by SAT States:*

*a) That SAT be apprise Members of the Various Conclusions related to the Need of an Implementation / Operational application of ADS / CPDLC in the SAT area by the end 2010 or before.*

*b) Note; Canarias FIR, SAL Oceanic FIR, Dakar Oceanic FIR and Atlantic (EUR / SAM Corridor), will take the Appropriate Measures Aiming at Full Operational Implementation by December 2008, in compliance with SAT previous conclusions.*

This conclusion, pursued by several states over the past few years, put the threshold for operational implementation of ADS / CPDLC in the EUR / SAM corridor in December 2008.

### 1.2. Creation of Central FANS Reporting Agency (CFRA)

In the SAT 13/TF/1/14, (Cape Town, South Africa, 21 - 23 February 2007) the following conclusions were reached:

*Conclusion SAT 13/TF/1/14: Creation of Central FANS Reporting Agency (CFRA). That a Central FANS Reporting Agency (CFRA) be created. The purposes and funding of the CFRA will require further studies.*

*Conclusion SAT 13/TF/1/15: Development of terms of reference Central FANS Reporting Agency (CFRA) in the SAT REGION. That ATNS develop terms of reference of the SAT CFRA taking cognizance of the Fans Operation Manual (FOM) and present to the next FIT meeting.*

In SAT/FIT 4<sup>th</sup> meeting, held in Sal, Cape Verde, from 8 to 9 June 2009 the *Conclusion SAT FIT 4/2 "Hosting of the Central FANS Reporting Agency (CFRA)"* stated:

1. *The CFRA be in place by 2010*
2. *The CFRA Cost recovery is supported by the FIT in principle.*
3. *Technical service providers be invited by Secretariat to present their proposals to the FIT by SAT FIT5*
4. ***SATMA provide a business case, including financial implications and funding options:***
  - a) for review by the FIT in order to ensure full transparency of the process*
  - b) to assist SAT States in making a final and informed decision.*

To this regard, Brazil was not committed to this conclusion as the Brazilian delegation needs approval from Brazilian authorities regarding the issue of funding.

It is also important to highlight that SATMA (Spain) offered to discharge CFRA function for one year, pending final conclusion about financial implications.

## **2. DURATION OF THE PROJECT**

Indefinite duration under costs recovery mechanism on the basis of yearly liquidations meanwhile there would not be another agreement in place.

## **3. DESCRIPTION OF WORK**

### **3.1. Objectives and Scope of work**

The main objective of this project is to perform a quantitative and qualitative assessment of the EUR/SAM corridor as follows:

- a) Establish and maintain a systems incident database. Track resolutions, review and analyze data obtained.
- b) Monitor and report on system incidents and resolutions of incidents and system problems.
- c) Institute procedures to obtain monthly status reports from FIT members.
- d) Compile de-identified review reports from monthly FIT status reports for circulation to FIT members and other stakeholders on a regular basis.
- e) Identify and report on chronic system errors and trends, utilizing monthly FIT status reports.
- f) Produce annual reports on FANS1/A activity within the area of interest to the CFRA for review by the FIT and appropriate PIRGS, relating to trends and problems identified, together with progress on problem resolutions and trend mitigation.
- g) Monitor and report on ADS/CPDLC compliance with common procedures agreed to.
- h) Promote interaction between Service Providers and other Stake Holders, including FIT interoperability Teams in adjacent airspaces and Airline Operators.
- i) Harmonize ADS/CPDLC procedures within the CFRA area of interest and also with adjacent airspaces.

### **3.2. Requirements**

To this regard, there is a Working Paper (Central FANS 1/A Reporting Agency) detailing all the

necessary requirements.

#### 4. PROJECT RESOURCES

##### 4.1. Personnel Requirements

The establishment of the CFRA for the EUR / SAM Corridor would imply a long-term international engagement between all the States involved and ICAO which means the management and coordination of all the tasks allocated for the Agency.

To fulfil the project, it will be necessary dedicated operational staff with experience and appropriate qualified technical personnel, as well as administrative staff and the corresponding budget for possible tools.

To this regard, the analysis of costs estimated, in order to carry out a precise coordination and monitoring of the EUR / SAM Corridor, contemplates the best possible scenario. It has been considered the optimal involvement from the different necessary resources, as the best mechanism to fulfil all the expectations for the tasks of the Agency.

##### 4.2. Tasks and Effort for full duration of the project

The following table summarises the percentage of the different efforts assigned to each task.

ID	Tasks	Weight
01	Establish and maintain a systems incident database. Track resolutions, review and analyze data obtained	8%
02	Monitor and report on system incidents and resolutions of incidents and system problems	8%
03	Institute procedures to obtain monthly status reports from FIT members	13%
04	Compile de-identified review reports from monthly FIT status reports for circulation to FIT members and other stakeholders on a regular basis	14%
05	Identify and report on chronic system errors and trends, utilizing monthly FIT status reports	5%
06	Produce annual reports on FANS1/A activity within the area of interest to the CFRA for review by the FIT and appropriate PIRGS, relating to trends and problems identified, together with progress on problem resolutions and trend mitigation.	20%
07	Monitor and report on ADS/CPDLC compliance with common procedures agreed to	9%
08	Promote interaction between Service Providers and other Stake Holders, including FIT interoperability Teams in adjacent airspaces and Airline Operators	8%
09	Harmonize ADS/CPDLC procedures within the CFRA area of interest and also with adjacent airspaces	15%
	<b>TOTAL</b>	100%

#### 4.3. Tasks cost Breakdown

Cost distribution - whole duration of the project	
<b>01</b>	13.331 €
<b>02</b>	13.331 €
<b>03</b>	21.663 €
<b>04</b>	23.329 €
<b>05</b>	8.332 €
<b>06</b>	33.327 €
<b>07</b>	14.997 €
<b>08</b>	13.331 €
<b>09</b>	24.995 €
<b>TOTAL</b>	<b>166.636 €</b>

#### 4.4. Total Cost Breakdown

<b>Direct Cost</b>	P. Operational	68.933 €	166.636 €
	P. Technical	97.703 €	

#### 4.5. Funding Mechanism

This analysis of costs is initially done on the scenario to coordinate and monitor the EUR/SAM Corridor. It is proposed the funding option should be based on a cost recovery mechanism whereby all parties involved contribute. This should be formalized through the corresponding agreement (Letter of Intent, Memorandum of Understanding, etc) to be signed by the all the parties involved and committed to.