

SADIS COST RECOVERY ADMINISTRATIVE GROUP

FIFTH MEETING

(Paris, 8th and 9th November 2004)

ESTIMATED SADIS COSTS : 2 to 5 YEARS

(Presented by the United Kingdom)

REFERENCES

SADIS Agreement

SCRAG/1/2/3/4 Reports

SADISOPSG/9 Executive Summary

1. INTRODUCTION

1.1 The medium term (two to five years) forecast of the expected costs of operating the SADIS Services are provided in this Working Paper. Resource requirements will vary due to changing demand and these have been anticipated where possible and identified in the Tables presented. The SADISOPSG identified potential changes to the SADIS inventory as a result of new projects and these have been reflected where possible.

2. DISCUSSION

2.1 **TABLE 1** identifies expected budgets for the years 2005, 2006, 2007 and 2008 based on expected trends for expenditure by the United Kingdom Met Office and NATS.

2.2 The following notes should be read in conjunction with Table 1.

- a. Message switch costs for the WAFS FTP service are included with effect from 1 July 2005 in accordance with SADISOPSG/9 report.
- b. ISP bandwidth costs for the WAFS FTP service are included with effect from 1 July 2005.
- c. FTP equipment running costs include Infrastructure and service delivery costs (server hall usage, network connection, WAN costs), platform support team costs, hardware maintenance costs and Application support costs (5% software engineer).
- d. The existing satellite bandwidth lease expires at the end of 2004. Quotes for extending the lease have been received and accepted by the chair of SADISOPSG and the revised costs are included in Table 1.

- e. Additional maintenance and rack costs are included here for the operational SADIS 2G service. No allowance has been made for any ad-hoc maintenance that may be required.
 - f. Capital costs of the new SADIS 2G operational equipment are now included.
 - g. A rate of return of 10% has been applied as the cost of capital.
- 2.3 **TABLE 2** identifies the agreed inventory headings (SADISOPSG/6) for the SADIS Gateway: the values identified in this Table are provisional and subject to amendment after the completion of the contractual action being taken by the UK National Air Traffic Services.
- 2.4 The SADIS Gateway became operational in early July 2003. The depreciation figures shown in **TABLE 2** assume that additional bandwidth is procured in order to extend the SADIS operation until December 2006. Total capital costs of the SADIS Gateway are £227,462. The cost of capital is calculated on the average net book value for the period using a regulatory rate of return of 7.75%.

TABLE 1 : UKMO Cost and manpower resource projections until Year 2008 (at 2004 prices).

INVENTORY REF	<i>note</i>	2005	2006	2007	2008
1. Equipment					
<i>ii) Principally procured for SADIS</i>					
<i>b) communications between Whitehill and Met Office</i>	Comms EGRR-Whitehill	4709	4709	4709	4709
	ISDN Back-up Link	372	372	372	372
Not procured principally for SADIS					
<i>a) message switch (TROPICS/FROST)</i>	Message Switch-1G	14630	14630	14630	14630
	Message Switch-2G	14630	14630	14630	14630
	<i>a</i> Message Switch FTP	5720	11440	11440	11440
	<i>b</i> Bandwidth - FTP-ISP	13000	26000	26000	26000
<i>c) Communication Link SADIS Gateway and Met Office</i>	NATS Links	3340	3340	3340	3340
	<i>c</i> FTP Equipment Running Costs	11000	22000	22000	22000
	Equipment sub total	67401	97121	97121	97121
2. Procured services					
<i>a) space segment annual lease</i>	<i>d</i> Satellite Segment	78264	121957	121957	121957
<i>b) annual maintenance</i>	1G C&W Maintenance	9816	9816	9816	9816
	1G Facilities Management	6300	6300	6300	6300
	<i>e</i> 2G Maintenance	16750	16750	16750	16750
	<i>e</i> 2G Facilities Management	6300	6300	6300	6300
	Procured services sub total	117430	161123	161123	161123

3. Annual Staff Requirements

Help Desk		Help Desk	25519	25519	25519	25519
Additional Support						
		Systems Integration Team				
		Network Comp Eng	12685	12685	12685	12685
	Administrator	Executive Officer	55640	55640	55640	55640
		Aviation Manager	13712	13712	13712	13712
Development & enhanced two-way field trial support and other projects						
		Data Traffic Manager	3823	3823	3823	3823
		Staff sub total	111379	111379	111379	111379
		Sub total	296210	369623	369623	369623
Cost of depreciated capital	<i>f</i>	SADIS 2G	17485	17485	17485	17485
		sub total	313695	387108	387108	387108
	<i>g</i>	Cost of Capital	31370	38711	38711	38711
Total UKMO SADIS		Total	345065	425819	425819	425819

Table 2. NATS and other SADIS Cost Projections until 2008

<u>NATS GATEWAY</u>	Year 2005 Projected Costs at 2004 prices	Year 2006 Projected Costs at 2004 prices	Year 2007 Projected Costs at 2004 prices	Year 2008 Projected Costs at 2004 prices
Operational Staff Support: Air Traffic Services Assistant	48793	48793	48793	48793
Engineering Staff Support: Systems Engineer	19775	19775	19775	19775
SADIS Administration Support	13287	13287	13287	13287
SUB TOTAL	81855	81855	81855	81855
Communication Link to UKMO	0	0	0	0
System maintenance	3132	6264	6264	6264
SUB TOTAL	3132	6264	6264	6264
<u>COST OF DEPRECIATED CAPITAL</u>				
OPMET Gateway Function	45492	45492	45492	12999
Cost of Capital	9821	6296	2770	504
<u>TOTAL FOR GATEWAY</u>	140300	139907	136381	101622
CAA Admin	20000	20000	20000	20000
ICAO Admin	20000	20000	20000	20000
TOTAL Costs	525365 (note 2)	605726	602200	567441

Note 2. This amount does not include the under-recovery and non payment from States for 2003.

3. CONCLUSIONS

3.1 The annual running costs are subject to change. Costs may change as a result of changes in satellite bandwidth, maintenance and communication costs, new requirements and technological developments agreed by the PIRGS and SADISOPSG.

3.2 These figures should therefore be treated as first guess to give guide to trends for the **2 to 5 year period** and are subject to change.

4. ACTION

4.1 The SCRAG/5 is requested to note these provisional figures for the SADIS Costs.