

Victoria Cox, Acting Vice President, ATO Operations Planning Services,
FAA
NEXTOR NAS Performance Workshop Dinner Speech:

“International Leadership – Measuring Progress on a Global Scale”

Thank you very much for the opportunity to speak this evening about a topic of much interest to me
INTERNATIONAL LEADERSHIP – MEASURING PROGRESS ON A GLOBAL SCALE.

As you all know, International Leadership is one of four key areas addressed in the FAA Flight Plan. Of the four - this is the most *esoteric*. We clearly understand the need for Safety and no one can argue with investments to improve in this area. We can also measure safety advances in terms of reduced accidents, fatalities, runway incursions, operational errors, etc. The demand for increased Capacity is also well understood and increases can be measured in terms of airport capacity, on-time arrivals and so forth. Improvements in Organizational Excellence can be expressed in terms of improvements on employee attitude surveys, accuracy of financial data, increased productivity,

reduced unit cost, a healthier aviation trust fund. All of these are measurable and expressible in terms of rates, percentages and hard numbers. International Leadership is a bit harder to measure – or even define.

I think that we all agree that it is important to maintain and – in some areas, some would say – achieve International Leadership.

We may feel this because of our sense of patriotic pride or economic pragmatism. In fact, we know that we operate the safest air traffic system in the world – one fatal accident per 5.9 million flights over the last 3 years.

We are a leader in terms of sheer size and volume. We provide air navigation services to approximately **66 million square kilometers of domestic and oceanic airspace** delegated to the U.S. by the International Civil Aviation Organization, or ICAO. This equates to **approximately 15% of the earth's surface area.**

Australia is second with 51 million km², the Republic of South Africa is third with 31 million km², and Russia is fourth with 29 million km².

The air traffic management system that we employ to manage this vast area is by far the most complex and the most heavily used in the world.

As an integral part of our responsibility to provide air navigation services to this airspace, we directly interact on a range of issues with some **18 foreign air navigation service providers (ANSPs)** that control **29 adjacent flight information regions**. Our daily interactions with these foreign entities range from cooperation on live air traffic control operations and aircraft hand-offs, to coordinating new route structures and procedures, to supporting new and modernized infrastructure linkages, like voice and data communications.

All of this says that we have the *lead* in a very important way. But does it define **International Leadership?**

The Flight Plan tells us to expand our safety and regulatory oversight to the global community. The Air Traffic Organization, the ATO, does this by providing technical assistance and training, we establish and work with international entities to implement safety enhancements and enable the transfer of aeronautical products, technologies and services. We support ICAO and other international and regional organizations via our participation in and leadership of meetings and panels. The ATO has an initiative to baseline and then reduce the number of filed differences with ICAO Standards and Recommended Practices (SARPs) and to provide leadership in the development of new SARPs.

The ATO also supports the Flight Plan's International Leadership goal of promoting seamless operations around the globe by advocating the global implementation of ATM concepts and supporting harmonization and interoperability of emerging technologies. We are doing this with Global Navigation Surveillance Systems, ADS-B, performance

based navigation, automation tools and operational procedures.

We can measure our success in achieving these objectives by counting the number of WAAS or ADS-B installations or RNAV/RNP implementations around the globe – or by measuring reduced accident rates internationally. With this approach, we achieve International Leadership by exporting our safety culture and systems and technologies.....and it is good for the American public because we can fly more safely and efficiently around the globe.

I believe that *this* group would say that we can improve the FAA's International Leadership by allowing and, indeed encouraging, more international students to study aviation in our colleges and universities – thereby importing new ways of thinking and new talent into our system and exporting our best practices to the rest of the world. I agree with you. I wish the advantages of this approach were better understood.

But let me step for a minute into the shoes of the Chief Operating Officer of the ATO. How do I make a *business case* for International Leadership by the ATO? What do I achieve in terms of value to the ATO by the activities I've just described? How do I measure that value?

Russ Chew's vision for the ATO is a performance-based organization that will improve the delivery of air traffic services and increase accountability for producing results. The ATO uses a Balanced Scorecard approach to improve the way we run our business. The Balanced Scorecard is a well-known framework for helping organizations focus and align themselves to successfully formulate and execute strategies to achieve break-through results. The ATO calls its Balanced Scorecard approach the Strategic Management Process or "*SMP*." The ATO's SMP has four focus areas or "Pathways" which comprise our "Strategy Map." You will see the Strategy Map prominently displayed in the offices of ATO Vice Presidents, Directors and Managers as a way of keeping us on the strategic path. Of the four Pathways on the Strategy

Map, the first three are closely aligned with Flight Plan goals. Pathway 1 is Achieve Operational Excellence – Safety objectives reside here; Pathway 2 is Enhance Financial Discipline – this one narrows the focus of organizational excellence to a focus on fiscal issues – key to the ATO; Pathway 3 – Increase Capacity Where Needed – is obvious; Pathway 4 is Ensure a Viable Future – this is where the ATO’s international objectives lie. I think that it is very appropriate – the future is **GLOBAL**.

The ATO’s Strategic Objectives, Initiatives, Performance Targets and Measures are defined within the ATO’s Strategy Map – along the four Pathways. Russ likes to see key measures reported on what we call the ***Dashboard***. ATO – level measures for Pathway 4 focus on future customer needs and maintaining a healthy financial position - to ensure a viable future. Dashboard measures for Pathway 4 are the ATO Net Budget Margin and scheduled block-time index.

As you will have noted – the focus is on ***measurable*** performance targets. There are no international targets or

measures on the ATO- level Strategic Map. In Operations Planning we do have International performance measures, but they don't appear on the dashboard. They are measures related to Flight Plan objectives and are focused on export of technologies and procedures. And again I come to the problem of finding international objectives and measures that support the value question for ATO.

Think of the international value proposition as I list the Pathway 4 Objectives:

Objective 4.1 Assure a sustainable and affordable air traffic system for the future

4.2 Deliver a future air traffic system that meets customers' operational needs

4.3 Develop and execute ATO business plan

4.4 Collaborate with customers, owners, and other strategic partners

4.5 Develop alternative business concepts for the future

4.6 Enhance business measurement and predictive capability

4.7 Foster value-driven workplace

Today in ATO International, we focus on 4.4 – Collaborate with customers, owners and other strategic partners. The emphasis is on exporting our systems and procedures. I believe we need to put an international spin on a couple of other Pathway 4 Objectives. We must have a global view to Ensure a Viable Future.

The ATO is striving to be more businesslike in its operations. Currently there are over forty countries who have commercialized their Air Navigation Service Provision functions including Canada, Australia, The UK, and Germany. We might benefit from a focus on learning some “best practices” from our international partners who are actually operating like a business and put an international focus on Objective 4.5 – Develop alternative business concepts for the future.

To this end the ATO has a personnel exchange ongoing with DFS, Germany. We hope that mutual benefits will accrue from the experience these individuals have in each other's facilities and from the lessons that they learn.

We can also look toward Objective 4.6 – Enhance business measures and predictive capability for an international focus. Russ Chew has proposed to the Civil Air Navigation Services Organization (CANSO) that performance data be shared in a confidential data collection and benchmarking effort. Measures proposed for the benchmarking trial include revenues, total IFR flights controlled for en-route navigation services, total Air Traffic Control Officers in Ops for en route and terminal navigation services, average annual working hours for Air Traffic Control Officers for en-route and terminal navigation services (including breaks and overtime), total IFR airport movements controlled, total staff in payroll and on contract, total cost base for en-route navigation services,

total employment costs for Air Traffic Control Officers in Ops and total operating costs that are non-staff related.

There are challenges in this effort:

- 1) Confidentiality and avoidance of data misuse
- 2) Comparability of data
 - a. Flight hours vs flight movement
 - b. Revenues
 - c. Definition of terminal
- 3) Timely availability and accuracy of data
- 4) Mechanisms for data capture
- 5) Cost Allocation
- 6) Measures of delay – of key interest to us is not of general interest
 - a. Delay is not an issue for some – Vital though it is for us, it is not a universal measure

The ability to monitor and measure performance is a key requirement for any business or industry if we are to understand global industry performance and develop future business concepts. Common performance parameters are the key to setting global performance standards. Ultimately the goal must be to develop credible, globally harmonized, high-level, business performance indicators for ANSPs that are supported by cost efficient and effective processes for data collection and analysis.

Access to global performance data will assist the ATO in understanding its performance relative to the rest of the world and help us to see ways that we can perform more efficiently. It will let us know in what ways we are indeed **“World Class.”** It will also help us understand how we can most effectively deal with current challenges to our 66 Million square kilometers of airspace.

The Government of the Commonwealth of the Bahamas is proposing to establish its own flight information region, thus taking control of a block of oceanic airspace that we currently control. From an

operational standpoint, there are efficiency, safety and security considerations if we lose control of that airspace. We are coordinating a proposal to the Bahamas whereby we continue to control upper airspace over the islands. In addition to security and safety considerations, this will allow us to avoid disruptions to the operational efficiencies that we currently enjoy in that region. We also face potential competition from other ANSPs who might offer their services to the Bahamian government. In order to effectively counter this possibility, we need a clear understanding of and means to measure our costs to provide services to the Bahamas and we need to be able to clearly articulate this as a business proposition that is viable to the FAA and the Bahamas.

Air Services Australia has already made a proposal to the Federated States of Micronesia to manage airspace that the ATO currently controls. Again, there are U.S. security considerations as well as operational efficiencies to be considered. In this case, we face an immediate need to be competitive with another ANSP.

We know in our hearts that we are the best. We offer an unmatched safety record, modern systems with skilled implementation abilities, a 50,000 strong workforce with reliable support systems, qualified aviation experts, economies of scale and the faith and support of the U.S. Government. However, these are just words. To be truly competitive in a global market we need to be able to cite performance data to support these words.

I challenge this group to consider ways that you can help us to measure ourselves on a global scale.

QUESTIONS

