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VOLUME 2 – National Overviews

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1 Introduction

- 1.1.1 This report complements PRB's Volume I report and presents some more detailed information per State or FAB. This information is structured into four main parts:
- a safety part;
 - an en-route capacity part;
 - an airport capacity part; and,
 - a cost-efficiency part.
- 1.1.2 The information contained in the first three parts is self-explanatory. However, the PRB considered that the cost-efficiency part deserved a reader's guide to assist stakeholders in the reading and the understanding of PRB's analysis.
- 1.1.3 This reader's guide is presented in the following section.

2 Cost-efficiency monitoring at State level: Reader's Guide

2.1 Introduction

- 2.1.1 The objective of this Reader's Guide is to facilitate the reading and understanding of the analysis that is presented for the cost-efficiency KPI/PIs monitoring. It covers both en-route and terminal ANS cost-efficiency and comprises typically a five-page framework analysis which is consistently replicated for each State. The framework analysis has 13 specific "Items".
- 2.1.2 Page one of the cost-efficiency monitoring by State analysis begins with the presentation of contextual information (**Item 1**), in terms of the State's share in total EU-wide determined costs for 2014, the share of en-route and terminal ANS as covered by the SES in gate-to-gate ANS actual costs, identification of the State's main en-route Air Traffic Service Provider (ATSP) and FAB's membership and underlying information on the national currency and 2009 exchange rate to the Euro and change in exchange rate to the Euro between 2013 and 2014 (when relevant).
- 2.1.3 **Item 2** focuses on the examination of the en-route Determined Unit Rate (DUR) in 2014, comparing the actual performance (as per data submitted in the June 2015 State Reporting Tables submissions and the NSAs 2014 Monitoring Reports) and that stemming from the adopted National/FAB Performance Plans (NPPs). **Item 2** presents the different steps underlying the computation of the real en-route cost per Service Unit which is presented in both national currency and euros. A comparison is made between the determined en-route unit costs as forecast in the NPP and the actuals over 2009-2014. To ensure consistency with the determined costs data provided in the adopted NPPs, actual costs are expressed in real terms (2009 prices).
- 2.1.4 **Item 3** reviews the RP1 traffic situation (en-route SUs) in the State/Charging Zone, comparing planned with actual values.
- 2.1.5 **Item 4**, at the top of the second page, shows a comparison between the actual and the planned en-route costs by entity at State level and by nature at ATSP level, and a summary of the costs exempt from cost sharing (by factor/item and by entity). All the costs exempt from cost sharing listed here are as reported by the States through the Reporting Tables submitted in June 2015. These costs will be eligible for carry-over to the following reference period(s) in part or in whole, if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.
- 2.1.6 **Item 5** and **Item 6** on the 2nd page focus on the (main) en-route ATSP, the most significant contributor to the State's en-route costs and the only (or main) entity subject to the costs and traffic risk sharing mechanisms foreseen by the Charging Regulation. Note that the determined and actual costs for the main ATSP cover the total costs for the air navigation

services provided by the main designated ATSP, including Communication, Navigation, Surveillance and Aeronautical MET services if these are provided by this main ATSP.

- 2.1.7 2014 was the third year of application of the “determined costs” method, which comprises specific risk-sharing arrangements aimed at incentivising ATSPs’ economic performance (i.e. keep their costs under control). **Item 5** and **Item 6** provide an analysis of the impact of these risk-sharing arrangements on ATSP en-route economic performance in the calendar year.
- 2.1.8 This analysis uses the notion of overall estimated surplus, which reflects the results for the en-route activity of a given year taking into account the impact of the traffic risk and cost sharing adjustments, the financial incentives (bonus/penalty) associated with the quality of service generated during the year, as well as the surplus embedded in the cost of capital. It is important to emphasize that this is different from the net accounting profit disclosed by the ATSPs in their financial statements. Indeed, the latter include revenues and costs relating to the provision of terminal ANS, and other activities (e.g. consultancy services) which are not financed through user charges, as well as revenues and costs pertaining to other years of activity.
- 2.1.9 This estimated surplus, when expressed in percentage of the en-route revenues/costs, can be associated to a “profit margin” generated by the ATSP with respect to the en-route activity of the year, but it is not comparable to the profit margin that would be calculated straight from ATSPs financial statements.
- 2.1.10 More specifically, **Item 5** shows the various steps to calculate the net ATSP gain or loss on en-route activity, taking into account the impact of the cost sharing and traffic risk sharing arrangements and additional gains/penalties resulting from financial incentives linked to capacity and/or environment where applicable. This allows computing a net gain/loss for the ATSP with respect to the en-route activity in the year 2014. Note that the calculation of this net gain/loss takes into account the costs exempt from cost sharing as reported for the ATSP (in **Item 4**). However, as the confirmation by the EC of their eligibility has not yet taken place, it cannot be assumed that the reported exemptions will be allowed in part or in full. For this reason, the results without taking account of the costs exempt from cost sharing is also presented in the text for the ATSP in **Item 7** for those ATSPs having reported considerable exempted amounts likely to change the results significantly. Note, as well, that for a number of ATSPs the estimated economic surplus figures for 2012 and 2013 can be slightly different from those published in the 2012 and 2013 PRB monitoring reports. This may be due to one or more of the following reasons:
- a) revision of the 2012 or 2013 costs exempt from cost-sharing by the States/NSAs, as the NSAs were given the possibility to resubmit their annual report on cost exempt from cost sharing, following clarifications made by the EC during the SSC55 (14-15 January 2015) on the interpretation of the regulation in relation to these exemptions;
 - b) improved reporting and additional information provided by the States/ATSPs on the assumptions underlying the calculation of the cost of capital (in respect of gearing, pre-tax rates, etc.); and,
 - c) in few cases, updates in the actual 2012/2013 costs made after the June 2013/2014 submissions that served as a basis for the 2012/2013 monitoring reports.
- 2.1.11 **Item 6** calculates the estimated economic surplus of the ATSP for the en-route activity and compares planned with actual data for the three years of RP1. It is important to emphasise that the economic/financial analysis focuses on the ATSP results entitled to the activity in the year. The cash flow position and liquidity balance at the end of the year is impacted by the charging mechanism whereby the eligible under-recoveries (for traffic, etc.) are to be recovered in year N+2 or later. The analysis developed in **Item 6** is based on assumptions (in particular for the share of equity and debt used to compute the weighted average cost of capital-WACC). The provision of more detailed information on the computation of the cost of capital since the June 2014 submissions has improved the PRB understanding and monitoring analysis.

- 2.1.12 **Item 7** on the 3rd page provides a commentary and general conclusions on the State and ATSP en-route cost-efficiency performance for the year 2014 and for RP1 as a whole. This includes a qualitative and quantitative summary of the activity along with any drivers for a divergence from the NPP and comments where relevant.
- 2.1.13 The first en-route DUR analysis on the 4th page, **Item 8**, provides an explanation of the incremental changes to the DUR (in national currency in nominal terms) to obtain the Chargeable (National) Unit Rate (CUR) – which is the actual en-route unit rate charged to airspace users and takes into account, where applicable, factors such as exempted VFR flights, bonuses and penalties arising from incentives, and over- or under-recoveries from previous years. These costs and adjustments are divided by the forecast total Service Units for 2014 as laid out in the NPP. Note that both the DUR and the CUR presented in **Item 8** are before the addition of the administrative unit rate for the billing and collection of route charges on a regional basis.
- 2.1.14 **Item 9** provides an explanation of the incremental changes to the DUR (in national currency in nominal terms) to obtain the actual en-route unit cost for airspace users (AUC-U) for 2014 (also referred to as the “true cost for users”). This reflects the unit cost that airspace users genuinely incur in respect of the activities performed in 2014 and comprises:
- the adopted DUR;
 - the deduction of the costs for services to exempted VFR in 2014 (if any);
 - the deduction of 2014 other revenues that have already been billed to the users through the chargeable unit rate (if any); and,
 - the adjustments generated from activities of 2014, which will be charged or reimbursed to users in future years such as the inflation adjustment, the adjustments resulting from the implementation of the traffic risk-sharing (ATSP), the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing), the bonus/penalty for the current year and the costs exempt from cost sharing (if deemed eligible).
- These costs and adjustments are divided by the actual total Service Units in 2014.
- 2.1.15 **Item 10** (on the 5th page) focuses on the examination of the terminal ANS costs in 2014, comparing the actual terminal costs (based on the June 2015 State Reporting Tables) with those planned in the NPPs. It also provides information on the formula used to calculate the total Terminal Navigation Service Units, the total number of airports per terminal charging zone and the number of airports with over 50 000 commercial air transport movements. **Item 11** provides comments and conclusions with respect to the terminal ANS costs in 2014 and over RP1 as a whole.
- 2.1.16 Finally, the analysis concludes with a short section (**Item 12**) on the monitoring of gate-to-gate ANS costs in 2014. NPP data and actual data are presented along the same lines as for en-route costs (in **Item 2**) and terminal ANS costs (in **Item 10**). The share of en-route costs in gate-to-gate ANS costs is also presented so as to detect if significant changes in the relative shares of en-route/terminal have occurred, perhaps as the result of a change in cost allocation. A concise commentary and conclusions on gate-to-gate ANS costs complete the analysis under **Item 13**.
- 2.1.17 Note that the format of the analysis is slightly different for Spain (to enable the monitoring of the DUR for the two en-route charging zones, Spain Continental and Spain Canarias) and for France (to reflect the application in RP1 of the DCs method to terminal ANS services).

2.2 Detailed reader's guide for the cost-efficiency monitoring analysis

1. Contextual economic information	
<p>Contextual information:</p> <ul style="list-style-type: none"> • Presents the State's size in the context of the SES total (i.e. the State en-route ANS determined costs in 2014 as a % of the total en-route determined costs for the SES area). • Identifies the State main ATSP, State FAB membership, national currency, and exchange rate to the Euro in 2009 and change in exchange rate to the Euro between 2013 and 2014 (when relevant). 	<p>Pie chart showing the share of en-route and terminal in gate-to-gate ANS actual costs with respect to the year 2014.</p>
2. En-route DUR monitoring (2014)	
<p>State/charging zone - Data from RP1 national performance plan (NPP).</p> <p>Table presenting RP1 NPP data covering the years 2009-2014 (2009 & 2010 data is actual), as included in the European Commission Notification letters to the States dated July 2012, including:</p> <ul style="list-style-type: none"> • Determined en-route costs as provided in adopted NPP, in nominal national currency. • Inflation in percentage increases per annum and indexed (to 100 in 2009). • Determined en-route costs in real 2009 national currency. • Total en-route Service Units as provided in adopted NPP. • Determined en-route unit costs (en-route costs per Service Unit) presented in real 2009 national currency and real 2009 Euros (€₂₀₀₉). 	
<p>State/charging zone – Actual data from June 2015 Reporting Tables, covering the years 2009-2014, including:</p> <ul style="list-style-type: none"> • Actual en-route costs, in nominal national currency, as reported by the States in their en-route Reporting Tables in June 2015. • Inflation in percentage increases per annum and indexed (100 in 2009). The inflation rates are those reported by the States in their en-route Reporting Tables in June 2015. • Actual en-route costs in real 2009 national currency. • Actual en-route Service Units, as reported by the States in their June 2015 en-route Reporting Tables. • Actual en-route unit costs (en-route costs per Service Unit) presented in real 2009 national currency and real 2009 Euros (€₂₀₀₉), using the 2009 Reuters average exchange rate shown in Item 1. 	
<p>Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)</p> <p>The table compares 2012, 2013 and 2014 actual data to the forecast presented in the NPP, in value and percentage terms.</p> <p>→ Identifies whether the actual real en-route unit cost is lower (improvement of the performance indicator) or higher (deterioration of the performance indicator) than the cost-efficiency target set in the NPP, and what were the drivers for the improvement or deterioration (difference in costs and difference in traffic).</p>	
<p>Chart: comparing actual en-route unit costs and traffic to NPP (in €₂₀₀₉)</p> <p>This chart presents the data provided in the three tables above:</p> <ul style="list-style-type: none"> • DURs, as planned in the adopted NPP, in €₂₀₀₉ [bar chart]. • Actual en-route unit costs in €₂₀₀₉ [bar chart]. • Forecast and actual Total Service Units (TSU), indexed to 2009 = 100 [line chart]. • Determined and actual en-route costs, indexed to 2009 = 100 [line chart]. <p>Illustrates the planned and actual trends in TSUs, real en-route costs and real en-route unit costs.</p>	

3. En-route traffic monitoring (Actual 2012-2014 TSUs compared to NPP)

Chart: en-route traffic monitoring

This chart presents actual traffic data covering the years 2009-2014 for the State/charging zone.

- Actual TSUs covering 2009 – 2014.
- Planned TSUs as presented in the NPP, with error bars showing the $\pm 2\%$ dead band and the $\pm 10\%$ threshold of the traffic risk sharing mechanism.

The error bands on the chart show cases where actual 2012, 2013 and 2014 traffic may fall outside the determined traffic (as forecast in the NPP) with respect to the $\pm 2\%$ dead band, or the $\pm 10\%$ threshold.

→ Shows the trends in actual TSUs vs. NPP to assess the likelihood of the traffic alert mechanism to be activated during RP1.

4. En-route costs monitoring (2014 actuals compared to NPP)

Chart: costs by nature at State level and by entity at ATSP level, differences between the actual 2014 costs and the national performance plan (in €₂₀₀₉).

The first part of chart compares the actual 2014 en-route costs against the planned costs stemming from the adopted NPP at State level (in €₂₀₀₉) broken down by entity (ATSP, other ANSPs, METSP, NSA/EUROCONTROL). The ATSP is the “main” ATSP of the State concerned (as identified in Item 1). The other ANSPs are the other services providers in the State/Charging zone, if any (e.g. MUAC in Germany, Netherlands and Belgium/Luxembourg, ITAF in Italy, etc.).

The second part of the chart compares the actual 2014 en-route costs against the planned costs stemming from the adopted NPP at ATSP level (in €₂₀₀₉) broken down by nature (staff, other operating costs, depreciation, cost of capital and exceptional costs).

The 2014 actual costs are those reported in the June 2015 Reporting Tables. Note that for some States, adaptations had to be made. These are described in a specific box at the top of Item 7.

The results are presented in a bar chart that shows the differences between planned and actual in absolute terms. The percentage difference is also shown in the chart.

→ Identifies the main elements driving the differences between 2014 actual costs and determined costs established in the NPP for 2014.

Table: Costs exempt from cost sharing

This table lists all costs reported by the State as being exempt from cost sharing (i.e. formerly labelled as “uncontrollable costs”).

Costs are listed by factor/item and by entity, with their estimated value in 2014, presented in €₂₀₀₉, using the actual inflation index for 2014 as shown in Item 2.

The total costs exempted from cost-sharing are summed at the bottom of the table. If the total is negative, the costs are to be recovered from airspace users in future years; if costs are positive, they are to be reimbursed.

Note that all costs exempt from cost sharing listed here are as reported by the State in the June 2015 Reporting Tables. These costs will be eligible for carry-over to the following reference period(s) in part or in whole, if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

→ Presents the costs exempt from cost sharing, as reported by the States.

5. Focus on ATSP – “net” ATSP gain/loss on en-route activity in 2014

Cost sharing table: This table presents in €₂₀₀₉:

- Determined costs as presented in the NPP for 2014 for the main ATSP, converted into €₂₀₀₉ using the inflation index of the NPP (as shown in Item 2).
- Actual 2014 costs for the main ATSP, as reported in the June 2015 Reporting Tables, converted into €₂₀₀₉ using the actual inflation index (as shown in Item 2). Note that for some States, adaptations had to be made. These are described in the box at the top of Item 7.
- Difference between determined and actual, showing the gain (+) or loss (-) retained/borne by the ATSP in 2014.
- any amounts reported as costs exempt from cost sharing for the ATSP, as shown in Item 4, that are to be recovered from (+) reimbursed to (-) airspace users,

Chart: combined effect of variations in costs and revenue for 2014

This chart shows the impact of the gain/loss to the ATSP in 2014 with respect to each of the items in the tables to the left:

- Revenues (\pm) arising from cost sharing;

<p>provided they are deemed eligible by the EC.</p> <ul style="list-style-type: none"> the total Gain (+)/Loss (-) to be retained by the ATSP under cost sharing arrangements, taking into account the costs exempt from cost sharing. Note that, as the confirmation by the EC of their eligibility has not yet taken place, it cannot be assumed that the reported exemptions will be allowed in part or in full. For this reason, the results without taking account of the costs exempt from cost sharing is also presented in the text for the ATSP in Item 7 for those ATSPs having reported considerable exempted amounts likely to change the results significantly. <p>In Item 5, the inflation adjustment that ATSPs can carry-over is taken into account in the cost-sharing element, through the following way:</p> <ul style="list-style-type: none"> DCs for the ATSP are converted in €₂₀₀₉ using the forecast inflation index of the NPP; while actual costs for the ATSP are converted in €₂₀₀₉ using the actual inflation index. <p>In this way, the inflation adjustment ensures consistency and a direct correspondence with the adopted cost-efficiency target expressed in real terms for the airspace users. Hence, the inflation adjustment corresponds to the difference between the determined costs converted in €₂₀₀₉ using the inflation forecast of the NPP and the determined costs converted in €₂₀₀₉ using the actual inflation rate.</p>	<ul style="list-style-type: none"> Revenues (±) arising from traffic risk sharing; Revenues (±) arising from financial incentives; Net ATSP gain/loss. <p>Figures are presented in €₂₀₀₉.</p>
<p>Traffic risk sharing table. This table presents the impact of the traffic risk sharing mechanism and the sharing of this impact between the ATSP and airspace users.</p> <ul style="list-style-type: none"> Difference in total service units (actual vs NPP) in percentage terms. Determined costs of the main ATSP in 2014 (in NPP) after deduction of costs for exempted VFR flights, as these are the basis for the calculation of the traffic risk sharing. These are expressed in €₂₀₀₉, using the 2014 actual inflation index (as shown in Item 2). The next four lines show the ATSP gain or loss under the traffic risk sharing mechanism. If actual traffic is ±2% when compared to the NPP, this is the 'dead band' and the gain/loss in revenue is borne entirely by the ATSP. The gain or loss in revenue relating to actual traffic that is between 2% and 10% (higher or lower) than the NPP is shared between the ATSP and airspace users: with the ATSP bearing 30% and the airspace users 70%. If the difference between actual and planned traffic exceeds ±10%, the gain/loss relating to traffic beyond ±10% is entirely borne by the airspace users and has therefore no impact on the ATSP gain/loss from traffic risk sharing. <p>For the traffic risk sharing element of Item 5, the DCs after deduction of costs for exempted VFR flights are converted in €₂₀₀₉ using the actual inflation rate. This is justified by the fact that the gain/loss retained by the ATSP for the current year is an actual gain/loss, so converting this value into €₂₀₀₉ has to be done using the actual inflation rate.</p>	
<p>Incentives table: This table shows the gain/loss to the ATSP in 2014 with respect to the financial incentives, as provided in either the Additional Information to the State Reporting Tables, or the annual NSA Monitoring Report. These are expressed in €₂₀₀₉, using the 2014 actual inflation index.</p>	
<p>The final net gain/loss to the ATSP is the sum of:</p> <ul style="list-style-type: none"> the gain/loss with respect to cost sharing; the gain/loss with respect to traffic risk sharing; and, the gain/loss with respect to financial incentives, as noted in the tables above. <p>These figures are also presented in the chart on the right-hand-side of the page.</p> <p>→ Shows the impact of the cost sharing and traffic risk sharing arrangements and additional gains/penalties resulting from financial incentives linked to capacity and/or environment where applicable with respect to the en-route activity in the year 2014. It is important to emphasise that this analysis focuses</p>	

on the ATSP results entitled to the activity in the year 2014. It does not consider the cash flow position and liquidity balance at the end of the year which are impacted by the charging mechanism whereby the eligible under-recoveries (for traffic, etc.) are to be recovered in year N+2 or later.

6. En-route ATSP estimated surplus

ATSP estimated surplus table. This table presents the component data and final conclusions on the main ATSP overall estimated surplus generated in 2014 with respect to the en-route activity.

The overall estimated surplus reflects the results for the en-route activity of a given year taking into account the impact of the traffic risk and cost sharing adjustments, the financial incentives on quality of service generated during the year as well as the surplus embedded in the cost of capital. It is important to emphasize that this is different from the net accounting profit disclosed by the ATSPs in their financial statements. Indeed, the latter include revenues and costs relating to the provision of terminal ANS, and other activities (e.g. consultancy services) which are not financed through user charges, as well as revenues and costs pertaining to other years of activity. Then, the **surplus in percent of the en-route revenue/cost** can be associated to a “profit margin” generated by the ATSP with respect to the en-route activity of the year, but it is not comparable to the profit margin that would be calculated straight from ATSPs financial statements.

Planned data (as per the NPP) is presented for each year of RP1, all in €₂₀₀₉, using the inflation index of the NPP (as shown in Item 2). Actual data is also presented for each year of RP1 and is expressed in €₂₀₀₉, using the actual inflation index (as shown in Item 2).

- a. total asset base, as per the NPP and the June 2015 Reporting Tables.
- b. estimated proportion of financing through equity (in value and percentage terms).
- c. estimated proportion of financing through debt (in value and percentage terms).

As a general rule, the proportion of financing through equity and debt were retrieved from the reported values for the cost of capital (d), the asset base (a) and the rates of RoE (g) and debt (e), using the following formula:

= $(d - (a * e)) / ((a * g) - (a * e))$. For some ATSPs however, such a computation was not possible as it did not give “realistic” results. For these ATSPs, research was made through the available documentation (NPP, Additional Information to the en-route Reporting Tables, NSA 2014 Monitoring Report, ACE submissions, ATSP Annual Reports, etc.) and assumptions have been taken, which are detailed in a specific note presented in a box at the top of Item 7. These assumptions, as well as the results from the standard formula would need to be confirmed by the States concerned or amended where necessary.

- d. cost of capital, as reported in the NPP and the June 2015 Reporting Tables. Note that for some ATSPs, adaptations had to be made as a result of the assumptions taken for the proportion of financing through equity and for the pre-tax RoE (see g below). These are described in a specific note box at the top of Item 7.
- e. average interest on debt (percentage).
- f. the interest on debt is calculated as the *average interest on debt* multiplied by the *value of the debt financing*.
- g. The determined RoE (pre-tax) rate is the planned rate of Return on Equity, as reported in the NPP and the June 2015 Reporting Tables. In some cases, through the analysis of the different documentation referred to above, it was found that the rate of RoE reported by the ATSP in the NPP and/or the Reporting Tables was not the pre-tax rate used for calculating the cost of capital as foreseen by the Charging Regulation. In these cases, the cost of capital (d above) and RoE were recomputed and the details of the adjustments/corrections made are described in the note on top of Item 7.
- h. the estimated surplus embedded in the cost of capital for en-route is calculated as the *determined RoE (pre-tax) rate* multiplied by the *value of the equity financing*.
- i. the net ATSP gain/loss on en-route activity is as presented in the conclusion to the above Item 5 – i.e. the sum of the ATSP gain/loss with respect to cost sharing, traffic risk sharing, and incentives.

Table presenting a summary of the surplus and ex-post return on equity (RoE) for the ATSP in respect of the en-route activity:

This table presents, in €₂₀₀₉, the following:

- the overall estimated surplus (+/-) for the en-route activity, which is the sum of the *estimated surplus embedded in the cost of capital for en-route* (h above) and the *net ATSP gain(+)/loss(-) on en-route activity* based on actual performance (i above).

- the planned revenues/costs for the en-route activity corresponds to the determined costs for the ATSP as per the NPP (converted into €₂₀₀₉ using the inflation index of the NPP as shown in Item 2). The actual revenues/costs for the en-route activity is the sum of the *actual costs for the ATSP* and the *Net ATSP gain(+)/loss(-) on en-route activity* (both as presented in Item 5).
- the estimated surplus (+/-) as a percentage of en-route revenues/costs.
- the estimated ex-post RoE pre-tax rate (in %) is calculated as the ratio of the *overall estimated surplus to estimated proportion of financing through equity*. This value should be compared to the determined RoE (pre-tax) presented a few rows above in the same table.

→ Shows the direct implications of the risk sharing arrangements on the ATSP economic surplus and financial strength, focusing on the ATSPs results for the en-route activity performed in 2014.

Chart: estimated surplus for en-route activity

This chart shows, for each year of RP1, the actual and estimated surplus (+/-) for the en-route activity as calculated in Item 6 compared to the estimated surplus embedded in the cost of capital for en-route (as per the NPP). For each year the estimated surplus (+/-) as a % of en-route revenues/costs is also shown.

7. General conclusions on the monitoring of the 2014 en-route DUR

Notes on the information provided by the State

These notes, if any, present specificities reported by the State and issues to be highlighted. They also detail specific adjustments made to the data provided by the State for the purpose of the monitoring analysis (in particular in relation to Items 5 and 6).

At State/Charging zone level:

Analysis and general conclusions on the 2014 en-route DUR at State/Charging zone level, including:

- Comparison of actual costs and actual traffic to the costs and traffic forecast in the NPP.
- Comment on the application of the traffic risk sharing mechanism in the State: whether the 2014 difference between actual and planned traffic falls within the $\pm 2\%$ dead band or the $\pm 10\%$ threshold.
- Comment on the differences between the 2014 actual costs and those planned in the NPP, including an analysis of which entity is driving this difference and, when applicable, about the specific cost drivers of this difference (excluding ATSPs costs which are analysed in a dedicated section – see box below).
- A note on the costs exempt from cost sharing reported by the State. Note that all costs exempt from cost sharing listed here are as reported by the State in the June 2015 Reporting Tables. These costs will be eligible for carry-over to the following reference period(s) in part or in whole, if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.
- Comment on RP1 as a whole analysing what is the cumulative difference (%) for the number of TSUs and determined costs (% and M€₂₀₀₉) and what is the difference between the weighted average actual unit cost over RP1 and the level planned in the NPP.

At Air Traffic Service Provider (ATSP) level

The State's (main) ATSP is the most significant contributor to total State en-route costs, so ATSP costs are therefore discussed in a standalone section. Note that the determined and actual costs for this main ATSP cover the total costs for the air navigation services it provides, including Communication, Navigation, Surveillance and MET services if applicable.

This section provides an analysis and general conclusions on the 2014 en-route DUR at ATSP level, including, if available:

- comparison of actual 2014 en-route costs to those planned in the NPP, noting the key drivers for the observed differences.
- comments on actual capital expenditure and asset base as compared to that forecast in the NPP, with reasons for any divergence from the plan if known.
- a summary of the net result (positive or negative surplus) for the ATSP with respect to the en-route activity in 2014 (cf. Items 5 and 6).

A conclusion for the en-route 2014 monitoring analysis is presented at the bottom of Item 7. As part of this conclusion, comments on RP1 as a whole are also provided looking at the net cumulative gain/loss over RP1 (M€₂₀₀₉), with an analysis of the traffic risk effect and the cost sharing effect.

8. En-route DUR 2014 vs 2014 unit rate charged to users

Chart: 2014 Chargeable Unit Rate (CUR) vs 2014 DUR in national currency in nominal terms.

This bar chart provides a breakdown of the various components added to the 2014 Determined Unit Rate (DUR) to obtain the unit rate charged to airspace users, i.e. the Chargeable Unit Rate (CUR). These components include adjustments detailed below.

The blue bar on the far left hand side of the chart presents the 2014 DUR. Each of the incremental bars following the 2014 DUR from left to right show the contribution (in nominal terms) of each adjustment to reach the 2014 CUR, presented in the yellow bar on the right-hand-side of the chart.

→ Shows the difference between the 2014 DUR (in nominal terms and national currency) and the unit rate charged to airspace users in 2014.

Notes to the chart outlining the difference between the DUR and the Actual en-route unit rate charged to users:

The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of: the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues; as well as adjustments relating to the activities of previous years that are carried-over to 2014. These adjustments include:

- the inflation adjustment;
- the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
- the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
- the bonus/penalty from previous year(s); and,
- the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by the **forecast total service units** for 2014 as laid out in the performance plan.

Summary of information presented in the chart above with indication of the drivers of the observed difference between the DUR and the Actual en-route unit rate charged to users (CUR).

9. En-route DUR 2014 vs 2014 actual unit cost for users

Chart: 2014 actual unit cost for users vs 2014 DUR in national currency in nominal terms.

This bar chart provides a breakdown of the various components added to the 2014 Determined Unit Rate (DUR) to obtain the actual unit cost for airspace users (AUC-U) for 2014 (sometimes referred to as the "true cost for users"). These components include adjustments detailed below.

The blue bar on the far left-hand-side of the chart presents the 2014 DUR (similar to item 8 above). Each of the incremental bars following the 2014 DUR from left to right show the contribution (in nominal terms) of each adjustment to reach the 2014 AUC-U, presented in the yellow bar on the right-hand-side of the chart.

→ Shows the difference between the 2014 DUR (in nominal terms) and the actual unit cost for users in 2014

Notes to the chart outlining the difference between the DUR and the actual unit cost for users.

The DUR for 2014 (expressed in nominal terms) can also be compared to the actual en-route unit cost for users (AUC-U) for 2014, which reflects the unit cost that airspace users genuinely incur in respect of the activities performed in 2014.

The AUC-U comprises: the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate, as well as adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years. These adjustments include:

- the inflation adjustment;

- the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
- the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
- the bonus/penalty for the current year; and,
- the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by the **actual total service units** in 2014.

Summary of information presented in chart above with indication of the drivers of the observed difference between the DUR and the actual en-route unit cost for airspace users (AUC-U).

10. Terminal costs and unit rates monitoring (2014)

Table providing an overview of the situation in the State, including:

- the exponent (x) applied in the Terminal Service Unit formula (MTOW^x) for each year from 2009 to 2014;
- the number of airports in the terminal charging zone(s); and,
- the number of airports with over 50 000 movements.

Table showing State data provided in the RP1 NPP:

- Terminal ANS costs for the charging zones, in nominal national currency.
- Inflation index applied to NPP data (100 in 2009).
- Real Terminal ANS costs in both 2009 national currency and €₂₀₀₉.

Table showing actual data as reported in the June 2015 Reporting Tables:

- Terminal ANS costs in nominal national currency.
- Inflation index applied to actual 2014 State data (100 in 2009).
- Real terminal ANS costs, in both 2009 national currency and €₂₀₀₉.
- Total Terminal Service Units – actual 2009-2014.
- Actual real unit costs (in real 2009 national currency).
- Actual unit rate applied, as reported in the 2014 NSA Monitoring Report or in other documentation if not available through the NSA Monitoring Report.

Table showing the difference between actual and planned data (for the years 2012-2014) in absolute value and in percentage terms, for all the elements listed above.

11. General conclusions on the Terminal ANS costs and unit rates monitoring

The conclusions provide:

- an overview of the Terminal ANS situation in the State and the airports included, as well as the exponent applied in the State's formula for TNS and whether the harmonised SES formula $[(MTOW/50)^{0.7}]$ applies;
- comments on the difference between actual 2014 terminal ANS costs and the forecast presented in the NPP, and the driver(s) of this difference, if known;
- comments on RP1 as a whole, comparing cumulative actual costs (% and M€₂₀₀₉) with costs planned in the NPP.

→ **Identifies whether the differences in actual terminal ANS costs is comparable to the differences observed in en-route costs, so as to identify transfers (if any) between the “regulated” en-route costs established with the determined costs method and the “non-regulated” terminal ANS costs which are still subject to full cost recovery until 2015 (except for France).**

12. Monitoring of gate-to-gate ANS costs (2014)

Table showing the gate-to-gate costs from the NPP.

It covers all years of RP1 as well as 2009-2011 when data is available. The table includes:

- En-route costs (determined costs 2012-2014), presented in real 2009 national currency.
- Terminal ANS costs, presented in real 2009 national currency.
- Gate-to-gate ANS costs (i.e. sum of en-route and terminal costs), presented both in real 2009 national currency and €₂₀₀₉.
- Share of en-route costs in total gate-to-gate ANS costs.

Table showing the actual gate-to-gate costs as submitted by the State in the June 2015 Reporting Tables.

It covers all years of RP1 as well as 2009-2011 when data is available. The table includes:

- En-route actual costs (2009-2014), presented in real 2009 national currency.
- Terminal ANS actual costs (2009-2014), presented in real 2009 national currency.
- Gate-to-gate ANS actual costs (i.e. sum of en-route and terminal costs) for the period 2009-2014, presented both in real 2009 national currency and €₂₀₀₉.
- Actual share of en-route costs in total gate-to-gate ANS costs.

Table showing the difference between the actual and the planned data (for the years 2012-2014) in absolute value and in percentage terms, for all the elements listed above.

13. General conclusions on the gate-to-gate ANS costs

The conclusions provide:

- a comparison between the State's actual 2014 gate-to-gate ANS costs and those presented in the NPP, along with any drivers for the difference, if known.
 - any changes in the proportion of en-route costs in total gate-to-gate ANS costs over the period.
- Identifies whether the actual share of en-route and terminal ANS costs is in line with the share foreseen in the NPP, to identify any change in cost-allocation methodology and identify transfers (if any) between en-route and terminal ANS costs (as in 12 above).



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Austria

Working Draft 2.0

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Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management																																						
	2012	2013	2014	State level Observations																																		
State level	42	42	52																																			
ANSP [Austro Control]	81	84	85																																			
<table border="1"> <caption>Data for Effectiveness of Safety Management Bar Chart</caption> <thead> <tr> <th>CO</th> <th>Category</th> <th>Self-assessment</th> <th>EASA verification</th> </tr> </thead> <tbody> <tr> <td rowspan="2">CO1</td> <td>< Level C</td> <td>1</td> <td>1</td> </tr> <tr> <td>≥ Level C</td> <td>15</td> <td>15</td> </tr> <tr> <td rowspan="2">CO2</td> <td>< Level C</td> <td>4</td> <td>4</td> </tr> <tr> <td>≥ Level C</td> <td>4</td> <td>4</td> </tr> <tr> <td rowspan="2">CO3</td> <td>< Level C</td> <td>9</td> <td>9</td> </tr> <tr> <td>≥ Level C</td> <td>9</td> <td>9</td> </tr> <tr> <td rowspan="2">CO4</td> <td>< Level C</td> <td>3</td> <td>2</td> </tr> <tr> <td>≥ Level C</td> <td>1</td> <td>2</td> </tr> </tbody> </table>							CO	Category	Self-assessment	EASA verification	CO1	< Level C	1	1	≥ Level C	15	15	CO2	< Level C	4	4	≥ Level C	4	4	CO3	< Level C	9	9	≥ Level C	9	9	CO4	< Level C	3	2	≥ Level C	1	2
CO	Category	Self-assessment	EASA verification																																			
CO1	< Level C	1	1																																			
	≥ Level C	15	15																																			
CO2	< Level C	4	4																																			
	≥ Level C	4	4																																			
CO3	< Level C	9	9																																			
	≥ Level C	9	9																																			
CO4	< Level C	3	2																																			
	≥ Level C	1	2																																			
Application of the severity classification of the Risk Analysis Tool (RAT)																																						
		2012		2013		2014																																
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)																															
Separation Minima Infringements (SMIs)	ATM Ground	38	100%	30	100%	40	100%																															
	ATM Overall		100%		90%		100%																															
Runway Incursions (RIs)	ATM Ground	28	0%	10	100%	7	100%																															
	ATM Overall		0%		60%		100%																															
ATM Specific Occurrences (ATM-Specific)	ATM Overall	64	100%	56	100%	97	100%																															
Source of RAT data:		Austro Control																																				
Just culture																																						
Number of questions answered with Yes or No		State																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	7	3	7	3	8	1																															
	Legal/Judiciary	4	4	4	4	6	1																															
	Occurrence reporting and Investigation	2	0	2	0	2	0																															
	TOTAL	13	7	13	7	16	2																															
Number of questions answered with Yes or No		ANSP [Austro Control]																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	13	0	13	0	13	0																															
	Legal/Judiciary	2	1	3	0	3	0																															
	Occurrence reporting and Investigation	6	2	6	2	6	2																															
	TOTAL	21	3	22	2	22	2																															

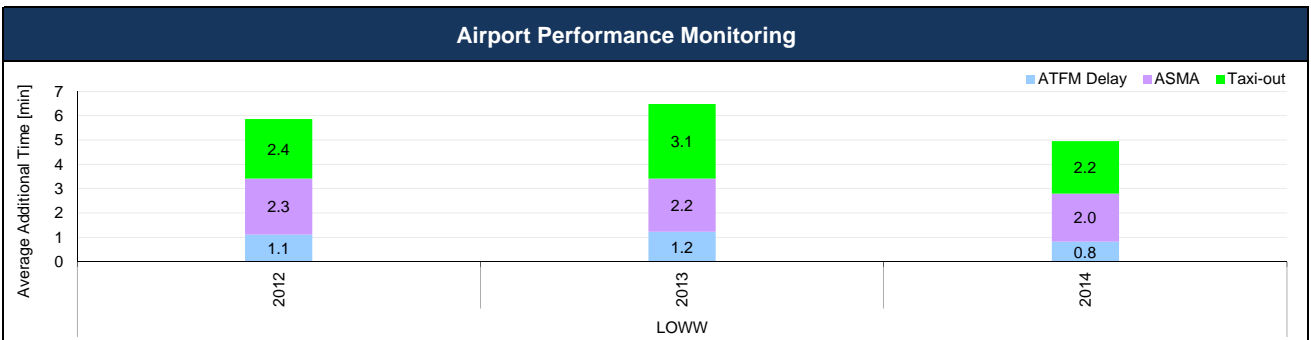
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Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.3	0.24	0.23	
National Target	0.85	0.98	0.23	
Actual performance	0.13	0.21	0.02	
National capacity assessment				
In line with the expectations and the improvements seen in 2013, Austro Control delivered better results than expected in the Performance Plan.				
Military dimension of the plan				
Although specifically requested in IR 691/2010 Annex II, Template for Performance Plans, paragraph 4: the Performance Plan for Austria did not contain any description of how FUA would be applied to increase capacity.				
PRB Capacity assessment				
Austria has provided an excellent level of capacity that is better than both the national target and the level of performance required to be consistent with the EU-wide target for 2014. Austria provided a positive contribution to the Union-wide targets in each year of the first reference period.				
Effective booking procedures				
The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 66%				
No information was provided regarding the allocation of airspace at H-3, so it is impossible to determine how much restricted or segregated airspace, that was surplus to requirements, was released for GAT use.				
Previous recommendations				
Annual Monitoring Report 2013: Austria is requested to provide additional information on effective booking procedures, namely the allocation of airspace at H-3.				
NSA report on follow-up to recommendations				
Follow up to Annual Monitoring Report 2013: No information on the allocation of airspace at H-3 was provided in the national monitoring report.				
Recommendations				

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Monitoring of CAPACITY indicators for 2014



Airport Data									
Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Vienna	LOWW	2012	1.1	147 760	2.3	294 272	2.4	290 409	732 441
		2013	1.2	153 171	2.2	254 176	3.1	343 094	750 441
		2014	0.8	102 920	2.0	239 221	2.2	241 489	583 630
Total		2012	1.1	147 760	2.3	294 272	2.4	290 409	732 441
		2013	1.2	153 171	2.2	254 176	3.1	343 094	750 441
		2014	0.8	102 920	2.0	239 221	2.2	241 489	583 630
Absolute Difference		2014-2013	▲ -0.4	▲ -50 251	▲ -0.2	▲ -14 955	▲ -0.9	▲ -101 605	▲ -166 811
		2014-2012	▲ -0.3	▲ -44 840	▲ -0.3	▲ -55 051	▲ -0.3	▲ -48 920	▲ -148 811

Critical Issues

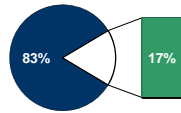
• None

Specific Analysis

- Data regularly provided on schedule.
- Both the new terminal Skylink and the Collaborative Arrival Regulation Avoidance (CARA) process operated from 2012 at Vienna Airport were expected to result in better performance.
- Performance at Vienna airport indeed noticeably improved since 2012. Although, performance slightly degraded in 2013, it has been improved again in 2014.
- In average over RP1, total additional time decreased by 20% for a decrease of traffic by 6%.

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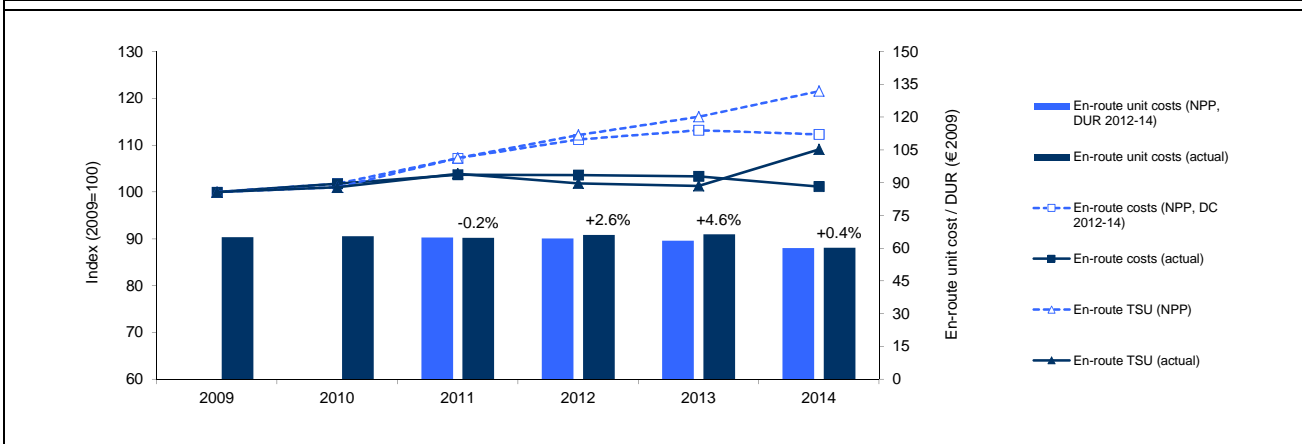
Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> AUSTRIA represents 2.8% of the SES en-route ANS determined costs in 2014. ATSP : Austro Control FAB : FAB CE National currency: EUR 	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p>  <p>■ En-route ■ TNC</p>

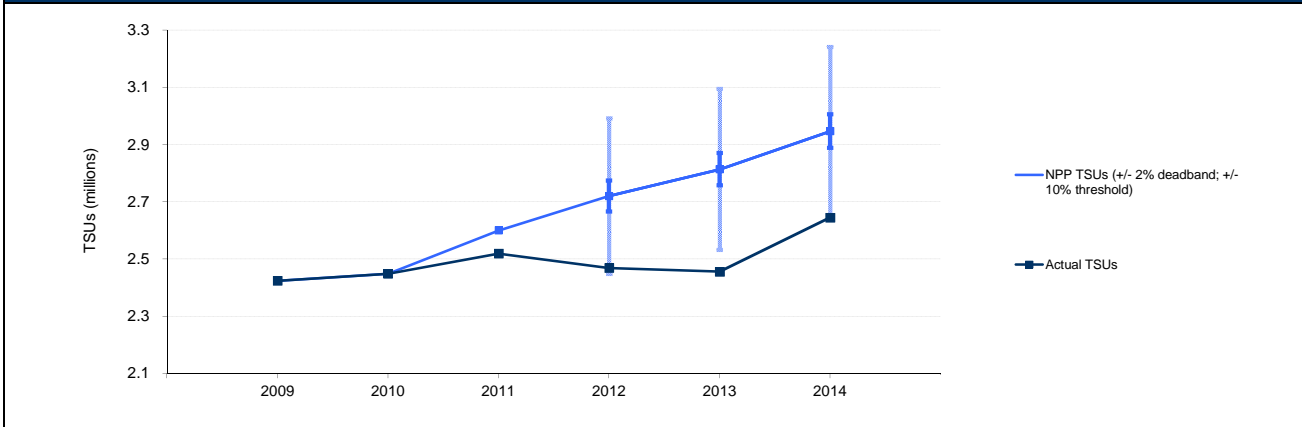
2. - En-route DUR monitoring (2014)						
AUSTRIA - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	157 658 313	163 593 000	175 739 000	186 854 000	194 975 000	198 234 000
Inflation %		1.9%	2.0%	2.5%	2.5%	2.5%
Inflation index (100 in 2009)	100.0	101.9	103.9	106.5	109.2	111.9
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	157 658 313	160 542 689	169 080 606	175 389 738	178 548 762	177 105 559
Total en-route Service Units	2 423 824	2 448 711	2 600 000	2 720 000	2 814 000	2 947 000
Real en-route unit costs per Service Units - (in EUR2009)	65.05	65.56	65.03	64.48	63.45	60.10

AUSTRIA - Actual data from Jun-2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	157 658 313	163 593 000	172 598 000	176 965 100	180 251 105	179 083 235
Inflation %		1.9%	3.6%	2.6%	2.1%	1.5%
Inflation index (100 in 2009)	100.0	101.9	105.6	108.3	110.6	112.2
Real en-route costs - (in EUR2009)	157 658 313	160 542 689	163 494 000	163 382 797	162 993 728	159 544 503
Total en-route Service Units	2 423 824	2 448 711	2 519 384	2 469 156	2 456 012	2 645 392
Real en-route unit costs per Service Units - (in EUR2009)	65.05	65.56	64.89	66.17	66.37	60.31

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
En-route costs - (in nominal EUR)	in value	-9 888 900	-14 723 895	-19 150 765
	in %	-5.3%	-7.6%	-9.7%
Inflation %	in p.p.	0.1 p.p.	-0.4 p.p.	-1.0 p.p.
Inflation index (100 in 2009)	in p.p.	1.8 p.p.	1.4 p.p.	0.3 p.p.
Real en-route costs - (in EUR2009)	in value	-12 006 941	-15 555 034	-17 561 055
	in %	-6.8%	-8.7%	-9.9%
Total en-route Service Units	in value	-250 844	-357 988	-301 608
	in %	-9.2%	-12.7%	-10.2%
Real en-route unit costs per Service Units - (in EUR2009)	in value	1.69	2.92	0.21
	in %	2.6%	4.6%	0.4%



3. - En-route traffic monitoring (Actual 2012-2014 TSU compared to NPP)



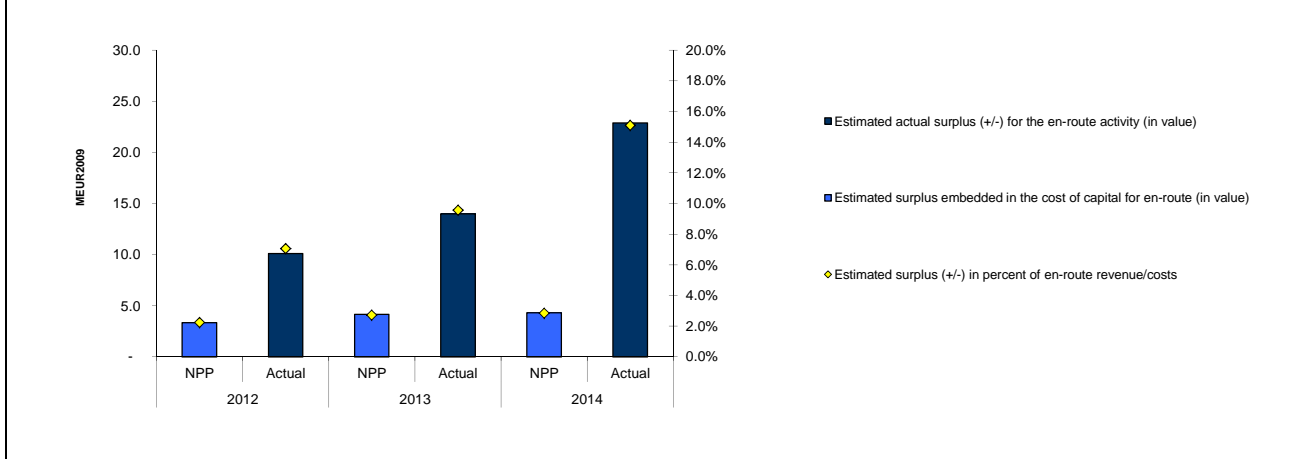
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Monitoring of en-route and terminal COST-EFFICIENCY for 2014

4. - En-route costs monitoring (2014 actuals compared to NPP)																										
<p>By entity at State level</p>	<p>Costs exempted from cost sharing (by factor/item)</p> <table border="1"> <tr> <th colspan="2">2014 ('000€2009) Estimate</th> </tr> <tr> <td>Pension</td> <td>6 356</td> </tr> <tr> <td>Interest rates on loans</td> <td>-</td> </tr> <tr> <td>National taxation law</td> <td>-</td> </tr> <tr> <td>New cost item required by law</td> <td>-</td> </tr> <tr> <td>International agreements</td> <td>-414</td> </tr> <tr> <td>Costs exempted from cost sharing (by entity)</td> <td>2014 ('000€2009) Estimate</td> </tr> <tr> <td>ATSP</td> <td>6 356</td> </tr> <tr> <td>Other ANSP</td> <td>-</td> </tr> <tr> <td>METSP</td> <td>-</td> </tr> <tr> <td>NSA/EUROCONTROL</td> <td>-414</td> </tr> <tr> <td>Total costs exempted from cost sharing to be recovered from (+)/reimbursed to (-) users if eligible after EC verification</td> <td>5 941</td> </tr> </table>	2014 ('000€2009) Estimate		Pension	6 356	Interest rates on loans	-	National taxation law	-	New cost item required by law	-	International agreements	-414	Costs exempted from cost sharing (by entity)	2014 ('000€2009) Estimate	ATSP	6 356	Other ANSP	-	METSP	-	NSA/EUROCONTROL	-414	Total costs exempted from cost sharing to be recovered from (+)/reimbursed to (-) users if eligible after EC verification	5 941	
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<p>By nature at ATSP level</p>																										

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2014																	
<p>Cost sharing ('000€2009)</p> <table border="1"> <tr> <th colspan="2">2014A</th> </tr> <tr> <td>Determined costs for the ATSP (NPP)</td> <td>151 739</td> </tr> <tr> <td>Actual costs for the ATSP</td> <td>133 252</td> </tr> <tr> <td>Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP</td> <td>18 487</td> </tr> <tr> <td>Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users</td> <td>6 356</td> </tr> <tr> <td>Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing - See note 2</td> <td>24 843</td> </tr> </table>	2014A		Determined costs for the ATSP (NPP)	151 739	Actual costs for the ATSP	133 252	Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	18 487	Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	6 356	Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing - See note 2	24 843		<p>Combined effect of variations in costs and traffic for 2014 ('000€2009)</p>			
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<p>Traffic risk sharing ('000€2009)</p> <table border="1"> <tr> <th colspan="2">2014A</th> </tr> <tr> <td>Difference in total service units (actual vs NPP)</td> <td>-10.23%</td> </tr> <tr> <td>Determined costs after deduction of costs for exempted VFR flights</td> <td>149 707</td> </tr> <tr> <td>ATSP gain (traffic between 0 and +2% higher than NPP)</td> <td>-</td> </tr> <tr> <td>ATSP gain (traffic between +2% and +10% higher than NPP)</td> <td>-</td> </tr> <tr> <td>ATSP loss (traffic between 0 and -2% below NPP)</td> <td>-2 994</td> </tr> <tr> <td>ATSP loss (traffic between -2% and -10% below NPP)</td> <td>-3 593</td> </tr> <tr> <td>Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing</td> <td>-6 587</td> </tr> </table>	2014A		Difference in total service units (actual vs NPP)	-10.23%	Determined costs after deduction of costs for exempted VFR flights	149 707	ATSP gain (traffic between 0 and +2% higher than NPP)	-	ATSP gain (traffic between +2% and +10% higher than NPP)	-	ATSP loss (traffic between 0 and -2% below NPP)	-2 994	ATSP loss (traffic between -2% and -10% below NPP)	-3 593	Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	-6 587	
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2014A																	
ATSP bonus (+) / penalty (-)	-																
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	-																
Net ATSP gain(+)/loss(-) on en-route activity	18 255																

6. - En-route ATSP estimated surplus*						
*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.						
ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	74 257	82 211	92 491	95 237	96 092	102 427
Estimated proportion of financing through equity (in %)	100%	100%	100%	100%	100%	100%
Estimated proportion of financing through equity (in value)	74 257	82 211	92 491	95 237	96 092	102 427
Estimated proportion of financing through debt (in %)	-	-	-	-	-	-
Estimated proportion of financing through debt (in value)	-	-	-	-	-	-
Cost of capital pre-tax (in value) - See note 1	3 342	3 699	4 162	4 286	4 324	4 609
Average interest on debt (in %)	-	-	-	-	-	-
Interest on debt (in value)	-	-	-	-	-	-
Determined RoE pre-tax rate (in %)	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%
Estimated surplus embedded in the cost of capital for en-route (in value)	3 342	3 699	4 162	4 286	4 324	4 609
Net ATSP gain(+)/loss(-) on en-route activity	6 402	6 402	9 705	9 705	18 255	18 255
Overall estimated surplus (+/-) for the en-route activity	3 342	10 101	4 162	13 991	4 324	22 865
Revenue/costs for the en-route activity	149 402	143 349	152 893	146 322	151 739	151 507
Estimated surplus (+/-) in percent of en-route revenue/costs	2.2%	7.0%	2.7%	9.6%	2.8%	15.1%
Estimated ex-post RoE pre-tax rate (in %)	4.5%	12.3%	4.5%	14.7%	4.5%	22.3%



AUSTRIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by AUSTRIA

Note 1: ATSP estimated surplus

Based on information provided in the additional information enclosed to the en-route Reporting Tables, the capital structure considered by Austro Control to compute its Weighted Average Cost of Capital (WACC) rate over RP1 was 85% of debt and 15% of equity. However, it is understood that the proportion of debt financing reflects Austro Control pension obligations.

Therefore, for the purposes of analysing Austro Control economic surplus with respect to the en-route activity in 2014, the estimated proportion of financing through equity (both planned and actual) has been adjusted to 100%. Accordingly, the rate of RoE that was considered in this monitoring analysis is equal to the WACC rate (i.e. 4.5%). This implies that the whole cost of capital (4.6 M€2009 in 2014) is considered as the estimated surplus embedded in the cost of capital.

Note 2: Net ATSP gain in respect of the cost sharing without costs exempted

Note that if the costs exempted from cost sharing reported by Austria for the year 2014 (+6.4 M€2009) are not deemed eligible by the European Commission, the net gain generated by Austro Control on its en-route activity would amount to +11.9 M€2009 instead of +18.3 M€2009.

At State / Charging Area level

The actual 2014 traffic measured in total Service Units (TSUs) is significantly lower (-10.2%) than the figure planned in Austria's National Performance Plan for RP1 (NPP). On the other hand, the actual en-route costs at State level for the year 2014 are -9.9% below the determined costs published in the NPP, in real terms (€2009). As a result, Austria's actual real en-route unit cost (60.31 €2009) is slightly higher (i.e. +0.4%) than the Determined Unit Rate (DUR) (60.10 €2009) for 2014.

The difference between actual and planned TSUs (-10.2%) exceeds the -10% threshold foreseen in the traffic risk sharing mechanism. The loss of en-route revenues is shared between the ATSP and airspace users, with the loss borne by the ATSP amounting to some -6.6 M€2009.

Actual 2014 costs vs. NPP

For Austria, real en-route costs when expressed in real terms are substantially lower (-9.9% or some -17.6 M€2009) than planned in the NPP for the year 2014. Among the different entities which are part of Austria's en-route cost-base, only the METSP shows higher costs than planned (i.e. +10.7%). Indeed, actual 2014 en-route costs are significantly lower than planned for Austro Control (-12.2%) and the NSA/EUROCONTROL (-5.1%). A detailed analysis of the deviation between Austro Control actual and planned en-route costs for the year 2014 is provided in the box below.

In 2014, costs exempt from cost sharing are reported for a total of +5.9 M€2009 to be passed on to users for the en-route activity. Of these, +6.4 M€2009 are related to changes in pension obligations, while a negative amount (-0.4 M€2009) is linked to EUROCONTROL Agency costs. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

RP1 summary

When considering the whole of RP1 (2012-2014), for the Austrian en-route charging zone, actual en-route costs were -8.5% lower than planned (some -45.1 M€2009) while the number of actual en-route TSUs was -10.7% lower than the amount provided in the NPP. As a result, over RP1 the actual weighted average unit cost (64.19 €2009) was +2.5% higher than planned in the NPP (62.62 €2009).

At ATSP level**Actual 2014 Austro Control costs vs. NPP**

In 2014, the deviation observed between Austro Control actual and determined costs (-12.2% or -18.5 M€2009) mainly reflects lower staff costs (-10.6% or -11.6 M€2009), other operating costs (-22.1% or -4.2 M€2009) and depreciation costs (-15.8% or -3.0 M€2009) than foreseen in the NPP. In the meantime, the cost of capital is slightly higher (+6.6% or some +0.3 M€2009) than planned. As indicated in the additional information enclosed to the June 2015 en-route Reporting Tables, the lower than planned staff costs reflect "*reduced overtime and optimized training planning*", while the lower other operating costs are the result of "*cost optimization program including training, external services, optimization of maintenance contracts, travel costs*". It is understood that the lower actual depreciation costs observed in 2014 mainly reflect the fact that the actual capex is -23.3% lower (some -5.0 M€2009) than planned in the NPP for RP1.

Austro Control net gain/loss and estimated surplus on en-route activity in 2014

Austro Control generated a net gain of +18.3 M€2009 for en-route activity for the year 2014. This result is a combination of two contrasting elements:

- a gain of +24.8 M€2009 mainly reflecting the fact that actual 2014 en-route costs were lower than planned; and,
- a loss of -6.6 M€2009 in revenues since actual 2014 traffic was significantly lower than planned.

Note that if the costs exempted from cost sharing reported by Austria for the year 2014 (+6.4 M€2009) are not deemed eligible by the European Commission, the net gain generated by Austro Control on its en-route activity would amount to +11.9 M€2009.

Ex-post, the overall estimated economic surplus for the year is computed by adding the surplus embedded in the cost of capital (+4.6 M€2009) to the net gain for the en-route activity in 2014 (+18.3 M€2009). As a result, the overall estimated economic surplus for the en-route activity in 2014 amounts to +22.9 M€2009 which corresponds to 15.1% of 2014 en-route revenues (compared to 2.8% as planned in the NPP).

Conclusion

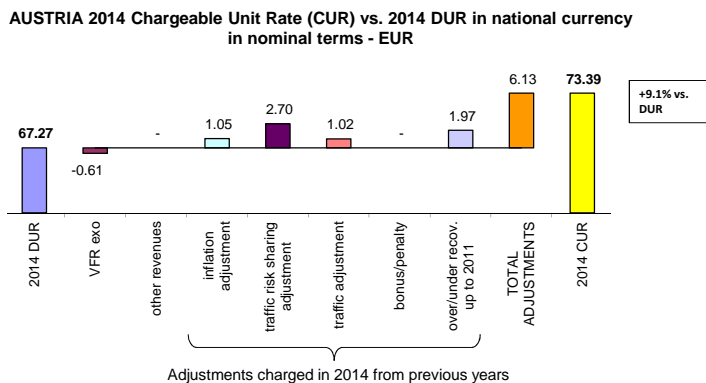
In the context of substantially lower actual traffic than planned in 2014 (-10.2%), Austro Control was able to significantly revise downwards actual en-route costs in real terms (-12.2%) compared to the amount planned in the NPP and generate a net gain of +18.3 M€2009 for the en-route activity. When considering the surplus embedded in the cost of capital through the return on equity, the overall estimated surplus generated in 2014 amounts to +22.9 M€2009 (or 15.1% of total en-route revenues).

When considering the whole of RP1 (2012-2014), Austro Control generated cumulative gains of +53.6 M€2009 in respect of cost sharing, as actual costs were lower than planned for all years of RP1. These gains more than compensated for the cumulative loss of -19.2 M€2009 in respect of the traffic risk sharing, since actual traffic was consistently lower than planned during the period (-10.7% as a whole over RP1). As a result, the cumulative gains amounting to +34.4 M€2009 could be retained by Austro Control on the en-route activity over RP1. Accounting for the estimated surplus embedded in the en-route cost of capital (+12.6 M€2009 over RP1) leads to an overall estimated surplus of +47.0 M€2009, which corresponds to an average ex-post return on equity of 16.8% (compared to 4.5% as initially planned in the NPP).

AUSTRIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



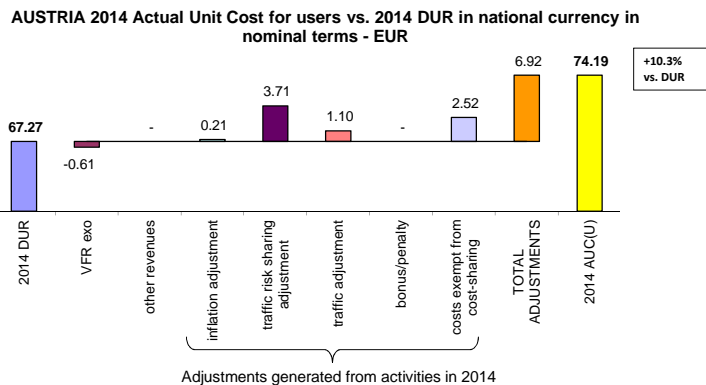
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

In 2014, the actual chargeable unit rate (CUR) charged to airspace users (73.39 €) is +9.1% higher than the determined unit rate (67.27 €). The difference between these two figures (+6.13 €) mainly reflects the traffic risk sharing adjustment (+2.70 €) and under-recoveries incurred until 2011 under the full cost-recovery regime (+1.97 €).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The unit cost that the users incur in respect to the activities performed in 2014 amounts to 74.19 €, which is +10.3% higher than the nominal DUR (67.27 €). The difference observed between the two figures (+6.92 €) reflects the traffic risk sharing adjustment (+3.71 €), an amount related to costs exempt from cost-sharing (+2.52 €), the traffic adjustment (+1.10 €), the inflation adjustment (+0.21 €) and the adjustment associated to exempted VFR flights (-0.61 €).

AUSTRIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) ^{0.7}	0.7	0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone	6	6	6	6	6	6
of which, number of airports over 50 000 movements	1	1	1	1	1	1
AUSTRIA - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	34 240 000	37 020 000	38 702 000	41 107 000	43 427 000	44 360 000
Inflation index (100 in 2009)	100.0	101.9	103.9	106.5	109.2	111.9
Real terminal ANS costs - (in EUR2009)	34 240 000	36 329 735	37 235 660	38 584 916	39 768 366	39 631 963
AUSTRIA - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)	34 240 000	37 020 000	36 486 000	36 689 000	39 089 938	37 016 767
Inflation index (100 in 2009)	100.0	101.9	105.6	108.3	110.6	112.2
Real terminal ANS costs - (in EUR2009)	34 240 000	36 329 735	34 561 479	33 873 071	35 347 438	32 978 083
Total terminal service units	172 644	183 493	187 122	182 127	176 345	180 113
Actual real unit costs - (in EUR2009)	198.3	198.0	184.7	186.0	200.4	183.1
Unit rate applied - (in EUR)				209.00	209.00	215.00
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value			-4 418 000	-4 337 062	-7 343 233
	in%			-10.7%	-10.0%	-16.6%
Inflation index (100 in 2009)	in p.p.			1.8 p.p.	1.4 p.p.	0.3 p.p.
Real terminal ANS costs - (in EUR2009)	in value			-4 711 845	-4 420 928	-6 653 881
	in%			-12.2%	-11.1%	-16.8%

11. - General conclusions on the Terminal ANS costs and unit rates monitoring

Austria counts one terminal charging zone comprising six airports of which one above 50 000 movements per year (i.e. Vienna airport, LOWW). The harmonised SES formula (MTOW/50)^{0.7} already applies in the Austrian Terminal Charging Zone.

The actual terminal ANS costs in 2014 are -16.8% (some -6.7 M€2009) lower in real terms than planned in the NPP. This difference is mainly driven by lower staff costs (-7.4% or some -1.9 M€2009) and significantly lower cost of capital (-86.9% or some -1.9 M€2009).

Terminal Unit rate

The terminal ANS unit rate applied in 2014 in the terminal charging zone is 215.00 €.

RP1 summary

When considering the whole of RP1 (2012-2014), actual terminal ANS costs are significantly lower (-13.4% in real terms, some -15.8 M€2009) than forecasted in the NPP. It is important to note, that Austria terminal ANS costs were consistently lower than planned during the whole RP1 (-12.2% in 2012, -11.1% in 2013 and -16.8% in 2014)

12. - Monitoring of gate-to-gate costs (2014)

12. - Monitoring of gate-to-gate costs (2014)						
AUSTRIA - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	157 658 313	160 542 689	169 080 606	175 389 738	178 548 762	177 105 559
Real terminal ANS costs - (in EUR2009)	34 240 000	36 329 735	37 235 660	38 584 916	39 768 366	39 631 963
Real gate-to-gate ANS costs - (in EUR2009)	191 898 313	196 872 424	206 316 265	213 974 654	218 317 127	216 737 522
Share of en-route costs in gate-to-gate ANS costs	82.2%	81.5%	82.0%	82.0%	81.8%	81.7%
AUSTRIA - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	157 658 313	160 542 689	163 494 000	163 382 797	162 993 728	159 544 503
Real terminal ANS costs - (in EUR2009)	34 240 000	36 329 735	34 561 479	33 873 071	35 347 438	32 978 083
Real gate-to-gate ANS costs - (in EUR2009)	191 898 313	196 872 424	198 055 479	197 255 868	198 341 166	192 522 586
Share of en-route costs in gate-to-gate ANS costs	82.2%	81.5%	82.5%	82.8%	82.2%	82.9%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in EUR2009)	in value			-12 006 941	-15 555 034	-17 561 055
	in %			-6.8%	-8.7%	-9.9%
Real terminal ANS costs - (in EUR2009)	in value			-4 711 845	-4 420 928	-6 653 881
	in %			-12.2%	-11.1%	-16.8%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-16 718 786	-19 975 961	-24 214 936
	in %			-7.8%	-9.1%	-11.2%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			0.9 p.p.	0.4 p.p.	1.2 p.p.

13. - General conclusions on the gate-to-gate ANS costs

The actual gate-to-gate ANS costs for the year 2014 (192.5 M€2009) are -11.2% (or some -24.2 M€2009) lower than planned in the NPP, as a result of significantly lower actual costs for en-route (-9.9% or some -17.6 M€2009) and terminal ANS (-16.8% or some -6.7 M€2009).

The relative share of en-route costs in gate-to-gate ANS costs is slightly higher (82.9%) than the proportion planned in the NPP for 2014 (81.7%).



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Bulgaria

Working Draft 2.0

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BULGARIA

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management																																						
	2012	2013	2014	State level Observations																																		
State level	58	71	70																																			
ANSP [BULATSA]	74	77	86																																			
<p>The bar chart displays the number of questions answered by Self-assessment (dark blue) and EASA verification (light blue) for four categories (CO1, CO2, CO3, CO4). For each category, questions are split into those below Level C (< Level C) and those at or above Level C (≥ Level C). The Y-axis represents the number of questions.</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Level</th> <th>Self-assessment</th> <th>EASA verification</th> </tr> </thead> <tbody> <tr> <td rowspan="2">CO1</td> <td>< Level C</td> <td>1</td> <td>1</td> </tr> <tr> <td>≥ Level C</td> <td>16</td> <td>15</td> </tr> <tr> <td rowspan="2">CO2</td> <td>< Level C</td> <td>1</td> <td>2</td> </tr> <tr> <td>≥ Level C</td> <td>3</td> <td>2</td> </tr> <tr> <td rowspan="2">CO3</td> <td>< Level C</td> <td>5</td> <td>5</td> </tr> <tr> <td>≥ Level C</td> <td>9</td> <td>4</td> </tr> <tr> <td rowspan="2">CO4</td> <td>< Level C</td> <td>1</td> <td>2</td> </tr> <tr> <td>≥ Level C</td> <td>3</td> <td>2</td> </tr> </tbody> </table>							Category	Level	Self-assessment	EASA verification	CO1	< Level C	1	1	≥ Level C	16	15	CO2	< Level C	1	2	≥ Level C	3	2	CO3	< Level C	5	5	≥ Level C	9	4	CO4	< Level C	1	2	≥ Level C	3	2
Category	Level	Self-assessment	EASA verification																																			
CO1	< Level C	1	1																																			
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CO3	< Level C	5	5																																			
	≥ Level C	9	4																																			
CO4	< Level C	1	2																																			
	≥ Level C	3	2																																			
Application of the severity classification of the Risk Analysis Tool (RAT)																																						
		2012		2013		2014																																
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)																															
Separation Minima Infringements (SMIs)	ATM Ground	2	100%	2	100%	4	100%																															
	ATM Overall		100%		100%		0%																															
Runway Incursions (RIs)	ATM Ground	0	N/A	0	N/A	0	N/A																															
	ATM Overall		N/A		N/A		N/A																															
ATM Specific Occurrences (ATM-Specific)	ATM Overall	0	N/A	10	100%	20	100%																															
Source of RAT data:		BULATSA																																				
Preliminary results updated after coordination with the AST-FP in August 2015.																																						
Just culture																																						
Number of questions answered with Yes or No		State																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	4	6	5	5	6	3																															
	Legal/Judiciary	4	4	3	5	3	4																															
	Occurrence reporting and Investigation	2	0	2	0	2	0																															
	TOTAL	10	10	10	10	11	7																															
Number of questions answered with Yes or No		ANSP [BULATSA]																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	9	4	11	2	11	2																															
	Legal/Judiciary	1	2	2	1	2	1																															
	Occurrence reporting and Investigation	6	2	5	3	6	2																															
	TOTAL	16	8	18	6	19	5																															

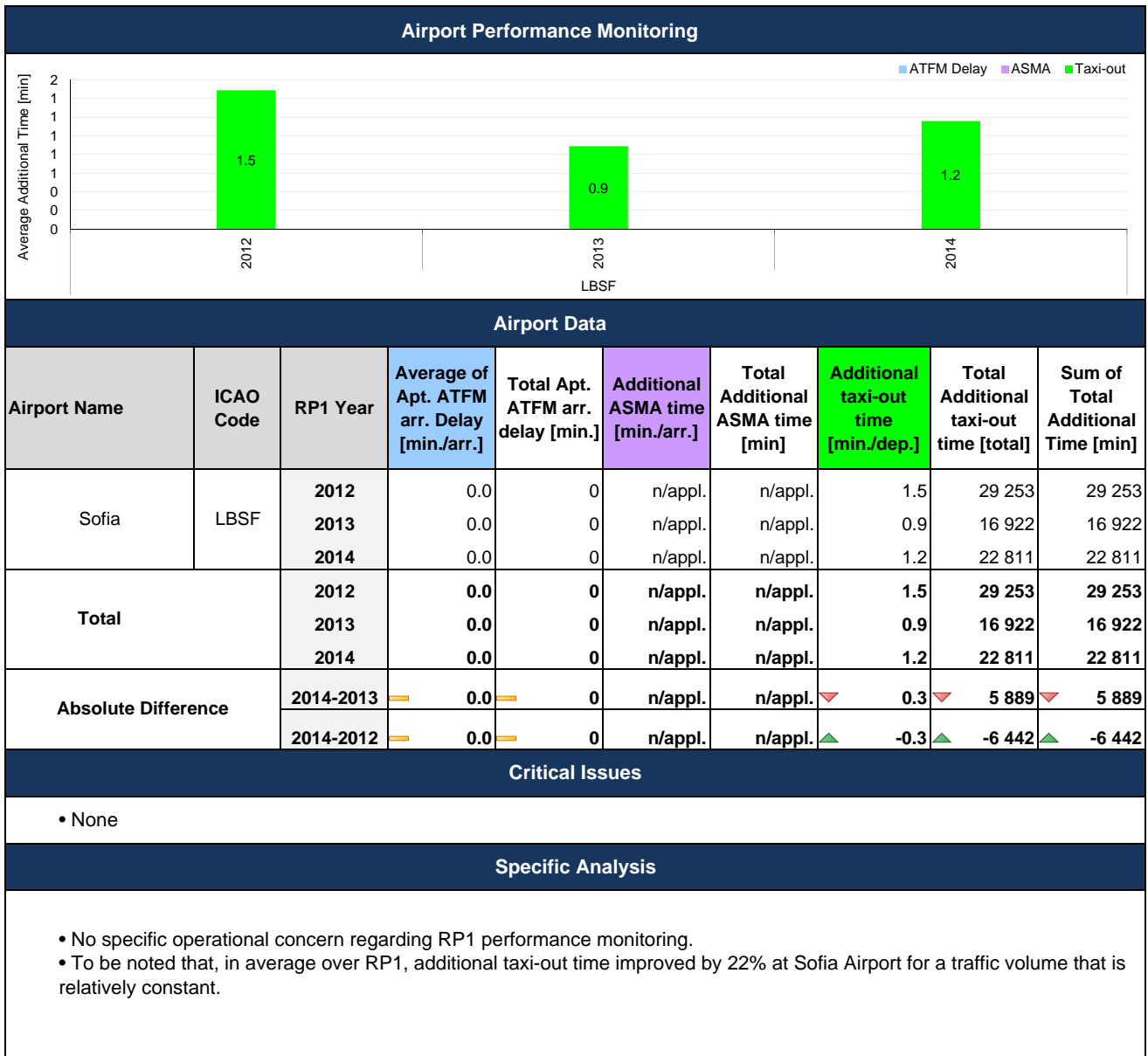
BULGARIA

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.11	0.14	0.12	
National Target	0.11	0.13	0.11	
Actual performance	0	0	0	
National capacity assessment				
<p>The Bulgarian ANSP has outstanding performance in capacity terms, considering the reference value provided by Eurocontrol and the contribution of Bulgaria to capacity targets at FAB and European level. During the RP1, the monitoring of the capacity performance of the ANSP shows that the zero ATFM delay per flight should not be taken as granted.</p> <ul style="list-style-type: none"> - Measures, taken to improve overall capacity revealed the highly stochastic distribution of some of the main traffic flows in the region. - Quality of tactical information provided at network level is considered insufficient. <p>It is therefore necessary that the proactive measure implementation continues. Nevertheless an ATFM delay figure around the cost-optimum one should also be available. In particular in 2014, in response to the traffic increase, a new sector configuration was introduced within very short timeframe. The efforts made by Bulgaria in order to meet capacity demand was recognised in the PRR 2014 report.</p>				
PRB Capacity assessment				
<p>Bulgaria has provided excellent capacity performance since 2012. In 2014, the Ukrainian crisis affected civil aviation both in Ukraine and neighbouring states: despite the considerable increase in traffic, the Bulgarian ANSP handled the demand with minimum delay to airspace users. Such tremendous effort resulted in a positive contribution to the EU-wide target.</p>				
Effective booking procedures				
<p>The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was notified as being restricted on the day of operations: 39%</p> <p>No information was provided regarding the allocation of airspace at H-3, so it is impossible to determine how much restricted or segregated airspace, that was surplus to requirements, was released for GAT use.</p>				
Previous recommendations				
<p>Annual Monitoring Report 2013: Bulgaria is requested to provide additional information on effective booking procedures, namely the allocation of airspace at H-3.</p>				
NSA report on follow-up to recommendations				
<p>Follow up to Annual Monitoring Report 2013: No information on the allocation of airspace at H-3 was provided in the national monitoring report.</p>				
Recommendations				

BULGARIA

Monitoring of CAPACITY indicators for 2014

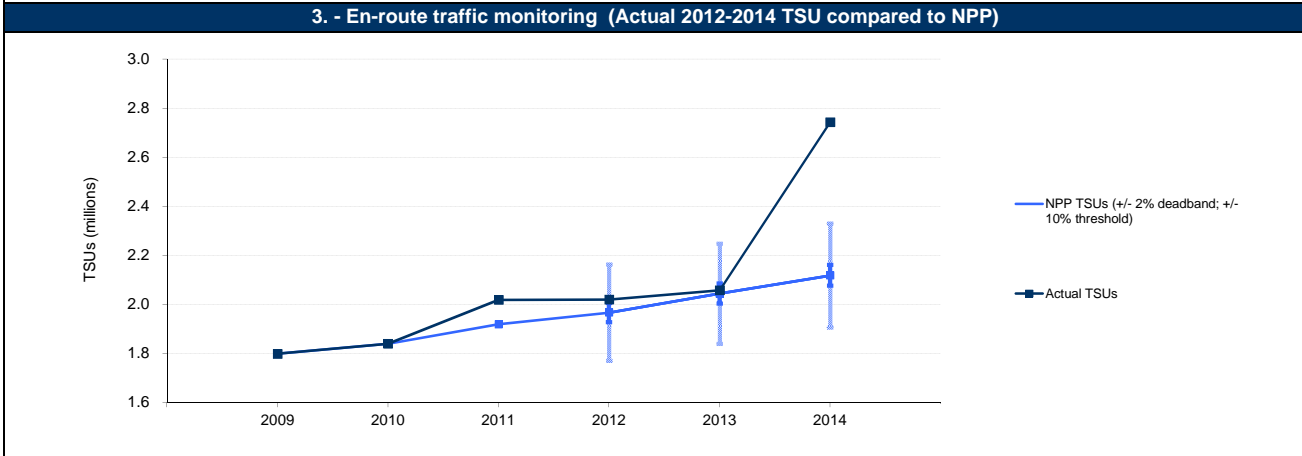
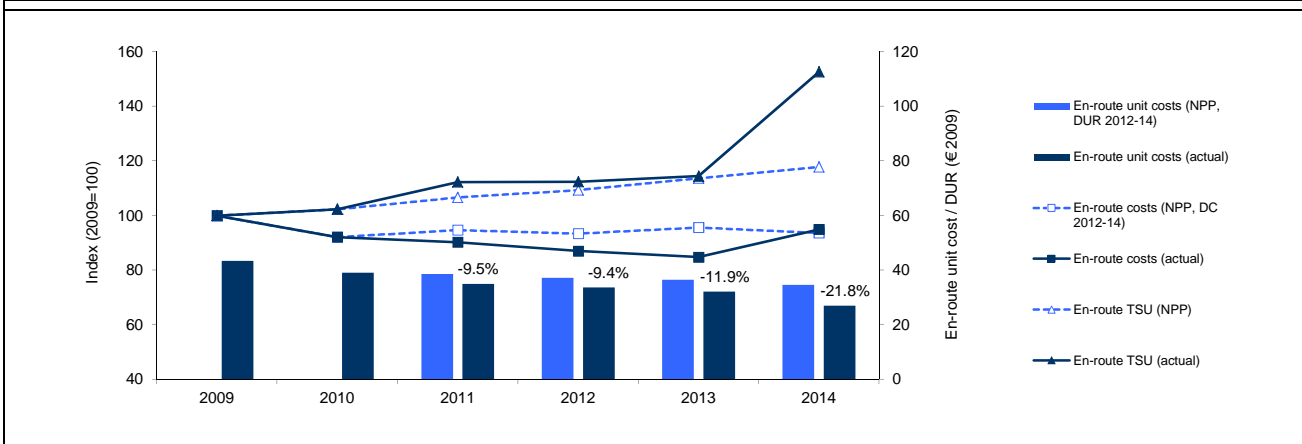


BULGARIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

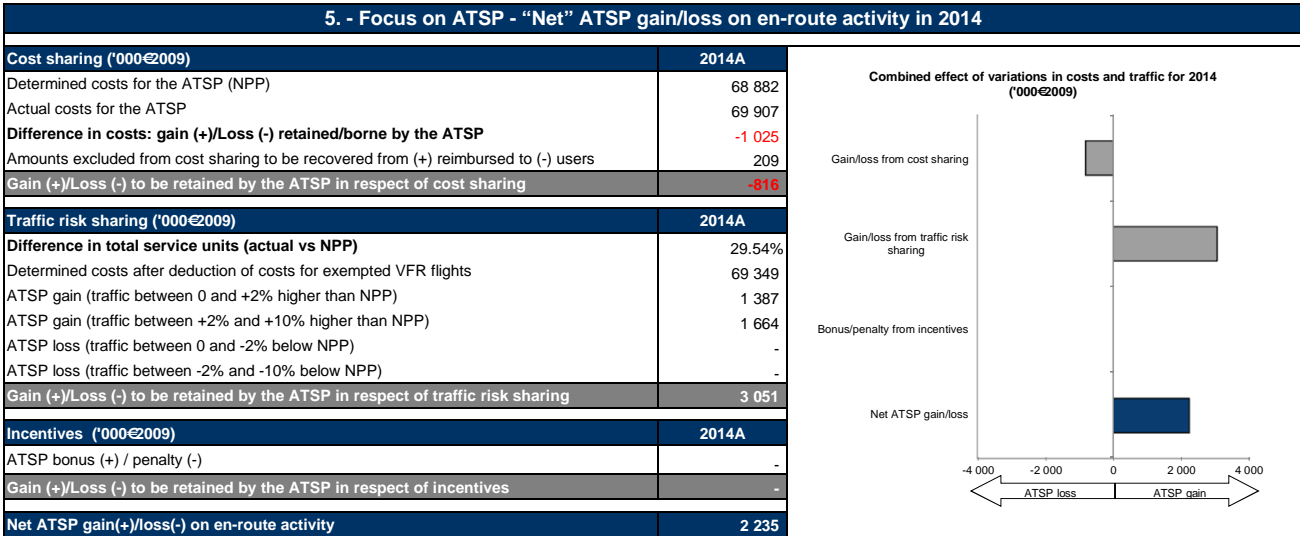
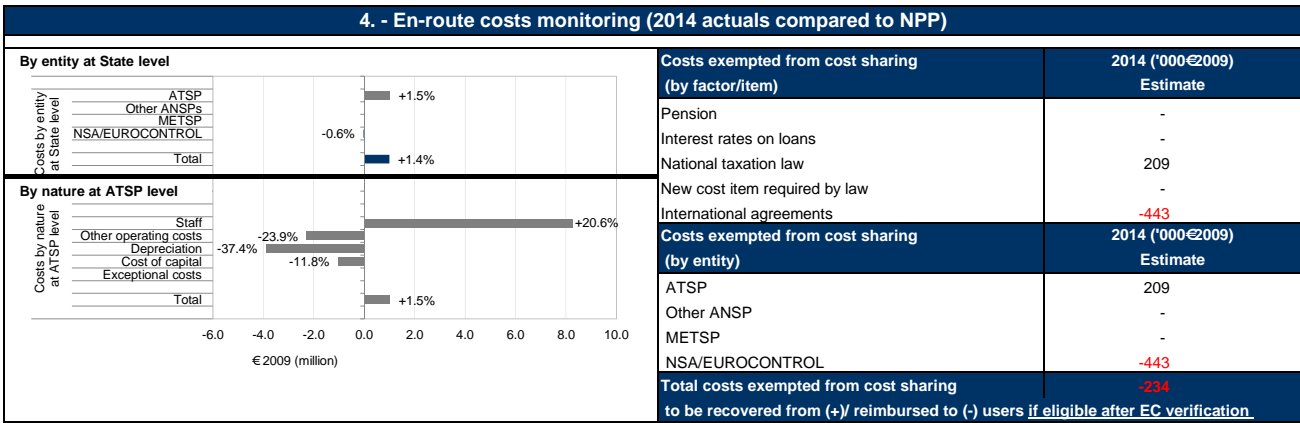
1. - Contextual economic information	
<ul style="list-style-type: none"> BULGARIA represents 1.2% of the SES en-route ANS determined costs in 2014. ATSP : BULATSA FAB : DANUBE National currency: BGN Exchange rate 2009: 1 EUR= 1.9553 <p>Note on the actual exchange rate 2014 The BGN exchange rate to the EUR remained stable in 2014 compared to 2013.</p>	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p> <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
BULGARIA - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal BGN)	152 872 468	145 025 362	156 321 724	159 874 507	167 981 280	169 542 886
Inflation %		3.0%	4.8%	3.7%	2.7%	3.0%
Inflation index (100 in 2009)	100.0	103.0	107.9	111.9	115.0	118.4
Real en-route costs (determined costs 2012-2014) - (in BGN2009)	152 872 468	140 801 322	144 817 428	142 824 251	146 121 183	143 184 049
Total en-route Service Units	1 798 292	1 839 757	1 918 500	1 966 102	2 043 942	2 117 995
Real en-route unit costs per Service Units - (in BGN2009)	85.01	76.53	75.48	72.64	71.49	67.60
Real en-route unit costs per Service Units - (in EUR2009)	43.48	39.14	38.61	37.15	36.56	34.57
BULGARIA - Actual data from Jun-2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal BGN)	152 872 468	145 025 362	146 918 540	145 071 417	141 926 169	156 370 365
Inflation %		3.0%	3.4%	2.4%	0.4%	-1.6%
Inflation index (100 in 2009)	100.0	103.0	106.5	109.1	109.5	107.7
Real en-route costs - (in BGN2009)	152 872 468	140 801 322	137 949 090	133 022 202	129 619 710	145 133 583
Total en-route Service Units	1 798 292	1 839 757	2 018 783	2 020 149	2 057 979	2 743 606
Real en-route unit costs per Service Units - (in BGN2009)	85.01	76.53	68.33	65.85	62.98	52.90
Real en-route unit costs per Service Units - (in EUR2009)	43.48	39.14	34.95	33.68	32.21	27.05
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal BGN)	in value			-14 803 090	-26 055 111	-13 172 521
	in %			-9.3%	-15.5%	-7.8%
Inflation %	in p.p.			-1.3 p.p.	-2.3 p.p.	-4.6 p.p.
Inflation index (100 in 2009)	in p.p.			-2.9 p.p.	-5.5 p.p.	-10.7 p.p.
Real en-route costs - (in BGN2009)	in value			-9 802 049	-16 501 473	1 949 534
	in %			-6.9%	-11.3%	1.4%
Total en-route Service Units	in value			54 047	14 037	625 611
	in %			2.7%	0.7%	29.5%
Real en-route unit costs per Service Units - (in BGN2009)	in value			-6.80	-8.51	-14.70
	in %			-9.4%	-11.9%	-21.8%
Real en-route unit costs per Service Units - (in EUR2009)	in value			-3.48	-4.35	-7.52
	in %			-9.4%	-11.9%	-21.8%



BULGARIA

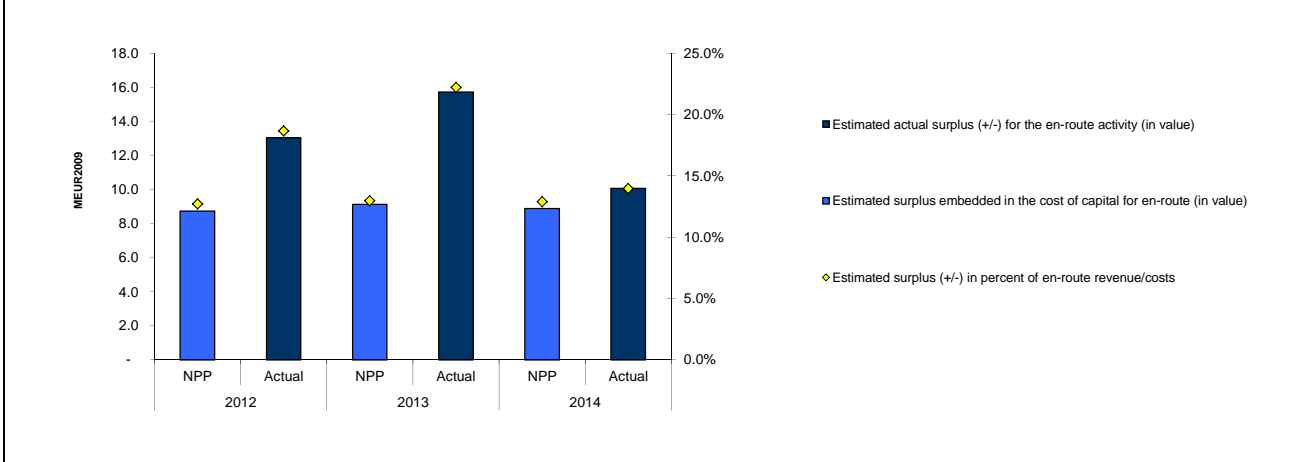
Monitoring of en-route and terminal COST-EFFICIENCY for 2014



6. - En-route ATSP estimated surplus*

*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	124 584	99 596	130 394	96 692	126 823	111 915
Estimated proportion of financing through equity (in %)	100%	100%	100%	100%	100%	100%
Estimated proportion of financing through equity (in value)	124 584	99 596	130 394	96 692	126 823	111 915
Estimated proportion of financing through debt (in %)	-	-	-	-	-	-
Estimated proportion of financing through debt (in value)	-	-	-	-	-	-
Cost of capital pre-tax (in value)	8 721	6 971	9 127	6 768	8 878	7 834
Average interest on debt (in %)	-	-	-	-	-	-
Interest on debt (in value)	-	-	-	-	-	-
Determined RoE pre-tax rate (in %)	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Estimated surplus embedded in the cost of capital for en-route (in value)	8 721	6 971	9 127	6 768	8 878	7 834
Net ATSP gain(+)/loss(-) on en-route activity		6 070		8 960		2 235
Overall estimated surplus (+/-) for the en-route activity	8 721	13 041	9 127	15 728	8 878	10 069
Revenue/costs for the en-route activity	68 633	69 915	70 341	70 796	68 882	72 142
Estimated surplus (+/-) in percent of en-route revenue/costs	12.7%	18.7%	13.0%	22.2%	12.9%	14.0%
Estimated ex-post RoE pre-tax rate (in %)	7.0%	13.1%	7.0%	16.3%	7.0%	9.0%



BULGARIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by BULGARIA

There is a minor inconsistency between the total 2014 actual nominal en-route ANS costs reported in the NSA Monitoring Report (156 370 347 BGN) and in the Reporting Tables (156 370 365 BGN). However, this difference is not deemed to significantly impact the monitoring analysis.

At State / Charging Area level

In 2014, Bulgaria's real en-route unit cost (27.05 €2009) is -21.8% lower than planned in the NPP (34.57 €2009). This difference is due to the fact that 2014 actual en-route costs in real terms are only +1.4% higher than the determined costs, while the actual number of total en-route service units (TSU) is much higher than planned (+29.5%). According to the "Additional Information" provided through the June 2015 "Reporting Tables", this substantial deviation from the plan in terms of traffic is mainly due to route network knock-on effects in Ukraine, Kosovo, Turkey, Syria and Iraq airspace in 2014. It should also be noted that Bulgaria did not pass the individual "traffic forecast" check in the assessment of its RP1 Performance Plan as its TSU forecast was always substantially lower than the STATFOR May 2011 base case scenario and even below the low scenario over RP1.

The difference between the actual and planned total en-route service units (+29.5%) falls way outside the +10% threshold, above which 100% of the revenue collected is carried forward and comes in deduction of chargeable costs within the unit rate eventually charged to airspace users (in 2016).

Actual 2014 costs vs. NPP

Real en-route costs for Bulgaria are +1.4% higher in 2014 than planned as a combination of -7.8% lower nominal en-route costs and -10.7 percentage point lower than planned inflation index. The cost excess is mostly attributable to BULATSA (+1.5% in real terms, +1.0 M€2009). A detailed analysis of BULATSA's costs is provided in the box below.

Costs exempt from cost sharing to be reimbursed to the users for the en-route activity are reported for a total of -0.2 M€2009, corresponding mostly to unforeseen changes in EUROCONTROL costs (-0.4 M€2009) and partly to "unforeseen changes in national pension regulations and pension accounting regulations" (+0.2 M€2009).

RP1 summary

When considering the whole of RP1 (2012-2014) the aggregated actual number of TSUs is +11.3% higher than planned (mostly due to the significant increase in 2014) while actual costs in real terms are -5.6% lower than the determined costs for 2012-2014 (some -12.5 M€2009). As a result, the weighted average en-route unit cost over RP1 is -15.2% lower than the level planned in the NPP.

At ATSP level

Actual 2014 BULATSA costs vs. NPP

BULATSA 2014 actual en-route costs are +1.5% higher than planned in real terms. This mainly results from higher than planned staff costs (+8.2 M€2009 or +20.6%) partially counterbalanced by lower than planned other operating costs (-2.3 M€2009 or -23.9%), depreciation costs (-3.9 M€2009 or -37.4%) and cost of capital (-1.0 M€2009 or -11.8%). According to the additional information provided along with the en-route reporting tables in June 2015, staff costs were negatively affected by the substantial and unexpected increase in traffic while the savings in other operating costs are attributable to improvements in "the internal organisation of the processes as well as the coordination and the cooperation with the external institutions". The lower than planned level of depreciation costs and cost of capital is due to the delay of procurement of some investments from previous years (mainly related to surveillance provision). With that said, in 2014, BULATSA significantly improved the fulfilment of the capex plan as it spent more on capex than foreseen (+127%) which resulted in an increase in the total asset base and in the cost of capital compared to 2013. As a result, in 2014 the total asset base and cost of capital are both -11.8% lower than planned (while in 2013 this difference was -25.8%).

BULATSA net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, in 2014, BULATSA generated a net gain of +2.2 M€2009 from its en-route activity. This is the combination of two separate elements affecting BULATSA in 2014:

- a loss of -0.8 M€2009 as a result of the cost-sharing mechanism; and
- a gain of +3.1 M€2009 as a result of the traffic risk sharing mechanism.

To calculate the overall economic surplus of the ATSP (BULATSA), it is also important to add the surplus embedded in the cost of capital through the return on equity. Based on the figures planned in the NPP, the return on equity amounted to +8.9 M€2009, corresponding to an estimated surplus of +12.9% of the en-route costs/revenues for 2014. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+7.8 M€2009) and the net gain from the en-route activity in 2014 (+2.2 M€2009), gives a total of some +10.1 M€2009, corresponding to +14.0% of the 2014 en-route revenue. The resulting ex-post rate of return on equity for 2014 is +9.0% (compared to +7.0% planned in the NPP).

Conclusions

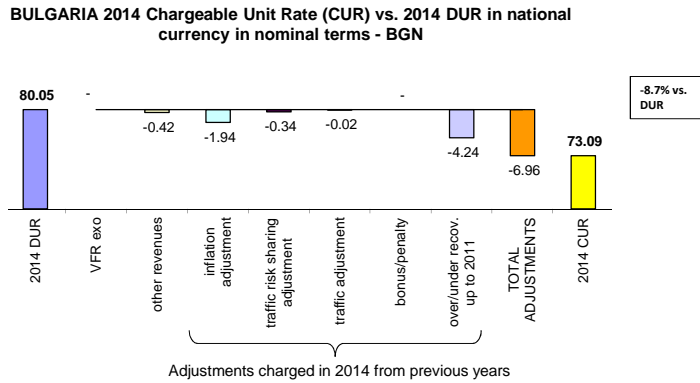
In 2014, BULATSA's actual en-route costs are slightly higher than planned (+1.5%) while TSU are substantially higher than foreseen in the NPP (+29.5%). The en-route activity for the year 2014 generated a net gain of +2.2 M€2009 for BULATSA which resulted in an estimated actual surplus of some +10.1 M€2009 (or +14.0% of the en-route revenue for 2014, up from the +12.9% planned in the RP1 PP).

When considering the whole of RP1 (2012-2014), BULATSA could retain a cumulative gain of +12.3 M€2009 in respect of cost sharing and a cumulative gain of +5.0 M€2009 in respect of traffic risk sharing. The overall cumulative net gain for the en-route activity over RP1 was +17.3 M€2009.

BULGARIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



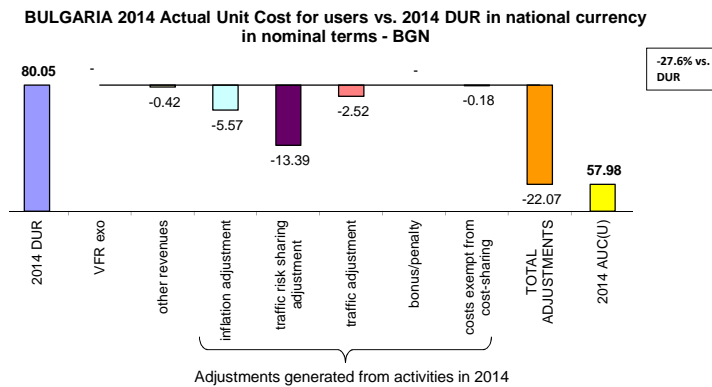
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The actual Chargeable Unit Rate (CUR) charged to users in 2014 was 73.09 BGN. This is -8.7% lower than the nominal DUR (80.05 BGN). The difference observed between these two figures (-6.96 BGN) reflects mainly the over-recoveries carried over from previous years (-4.24 BGN) and the inflation adjustment (-1.94 BGN) in addition to smaller adjustments for other revenues (-0.42 BGN), traffic risk sharing (-0.34 BGN) and traffic not subject to risk sharing (-0.02 BGN).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The unit cost that the users incurred in respect of the activities performed in 2014 was 57.98 BGN. This is significantly lower than the nominal DUR (80.05 BGN). The difference observed between these two figures (-22.07 BGN) reflects mainly the traffic risk sharing adjustment (-13.39 BGN) and the inflation adjustment (-5.57 BGN) in addition to smaller adjustments for traffic (-2.52 BGN), other revenues (-0.42 BGN) and costs exempt from cost-sharing (-0.18 BGN).

BULGARIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) [^]	0.5	0.5	0.5	0.7	0.7	0.7
Number of airports in terminal charging zone	5	5	5	5	5	5
of which, number of airports over 50 000 movements						
BULGARIA - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in BGN)	23 662 105	22 822 664	20 500 000	21 800 000	22 500 000	23 600 000
Inflation index (100 in 2009)	100.0	103.0	107.9	111.9	115.0	118.4
Real terminal ANS costs - (in BGN2009)	23 662 105	22 157 926	18 991 329	19 475 079	19 571 982	19 930 907
Real terminal ANS costs - (in EUR2009)	12 101 522	11 332 238	9 712 744	9 960 149	10 009 708	10 193 273
BULGARIA - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in BGN)	23 662 105	22 822 664	22 923 652	22 938 087	21 068 329	19 945 151
Inflation index (100 in 2009)	100.0	103.0	106.5	109.1	109.5	107.7
Real terminal ANS costs - (in BGN2009)	23 662 105	22 157 926	21 524 151	21 032 915	19 241 488	18 511 891
Real terminal ANS costs - (in EUR2009)	12 101 522	11 332 238	11 008 107	10 756 874	9 840 683	9 467 545
Total terminal service units	40 222	40 474	42 454	42 376	43 110	45 498
Actual real unit costs - (in BGN2009)	588.3	547.5	507.0	496.3	446.3	406.9
Unit rate applied - (in BGN)				415.57	415.57	415.57
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in BGN)	in value			1 138 087	-1 431 671	-3 654 849
	in%			5.2%	-6.4%	-15.5%
Inflation index (100 in 2009)	in p.p.			-2.9 p.p.	-5.5 p.p.	-10.7 p.p.
Real terminal ANS costs - (in BGN2009)	in value			1 557 836	-330 494	-1 419 016
	in%			8.0%	-1.7%	-7.1%
Real terminal ANS costs - (in EUR2009)	in value			796 725	-169 025	-725 728
	in%			8.0%	-1.7%	-7.1%
11. - General conclusions on the Terminal ANS costs and unit rates monitoring						
<p>The terminal charging zone in Bulgaria comprises five airports (Sofia, Burgas, Varna, Plovdiv and Gorna/Oryakhovitsa) in 2014. Starting from 2012 the harmonised SES formula (MTOW/50)[^]0.7 is applied to determine the number of terminal navigation service units (TNSU), although Bulgaria decided not to fully apply all charging regulation requirements as none of their airport reached the threshold of 50 000 commercial air transport movements.</p> <p>The actual 2014 terminal ANS costs are some -0.7 M€2009 (-7.1%) lower than the forecast presented in the NPP in real terms. Between 2013 and 2014, actual terminal ANS costs decreased by -0.4 M€2009 (-3.8%) in real terms. According to the additional information provided along with the terminal reporting tables in June 2015 this is due to the "completion of the transfer of lighting service provision at the international airports from BULATSA to airport operators" and to the reallocation of some approach and tower ATCOs to the ACC taking into account the traffic developments.</p> <p>RP1 summary</p> <p>When considering the whole of RP1 (2012-2014), actual terminal ANS costs are -0.3% lower in real terms (or some -0.1 M€2009) than planned in the NPP.</p>						

12. - Monitoring of gate-to-gate costs (2014)						
BULGARIA - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in BGN2009)	152 872 468	140 801 322	144 817 428	142 824 251	146 121 183	143 184 049
Real terminal ANS costs - (in BGN2009)	23 662 105	22 157 926	18 991 329	19 475 079	19 571 982	19 930 907
Real gate-to-gate ANS costs - (in BGN2009)	176 534 573	162 959 249	163 808 756	162 299 330	165 693 165	163 114 956
Real gate-to-gate ANS costs - (in EUR2009)	90 285 160	83 342 325	83 776 789	83 004 823	84 740 534	83 421 959
Share of en-route costs in gate-to-gate ANS costs	86.6%	86.4%	88.4%	88.0%	88.2%	87.8%
BULGARIA - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in BGN2009)	152 872 468	140 801 322	137 949 090	133 022 202	129 619 710	145 133 583
Real terminal ANS costs - (in BGN2009)	23 662 105	22 157 926	21 524 151	21 032 915	19 241 488	18 511 891
Real gate-to-gate ANS costs - (in BGN2009)	176 534 573	162 959 248	159 473 241	154 055 117	148 861 198	163 645 474
Real gate-to-gate ANS costs - (in EUR2009)	90 285 160	83 342 325	81 559 475	78 788 481	76 132 153	83 693 282
Share of en-route costs in gate-to-gate ANS costs	86.6%	86.4%	86.5%	86.3%	87.1%	88.7%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in BGN2009)	in value			-9 802 049	-16 501 473	1 949 534
	in %			-6.9%	-11.3%	1.4%
Real terminal ANS costs - (in BGN2009)	in value			1 557 836	-330 494	-1 419 016
	in %			8.0%	-1.7%	-7.1%
Real gate-to-gate ANS costs - (in BGN2009)	in value			-8 244 213	-16 831 967	530 518
	in %			-5.1%	-10.2%	0.3%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-4 216 342	-8 608 381	271 323
	in %			-5.1%	-10.2%	0.3%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			-1.7 p.p.	-1.1 p.p.	0.9 p.p.
13. - General conclusions on the gate-to-gate ANS costs						
<p>The actual 2014 gate-to-gate ANS costs (the aggregation of en-route determined costs and terminal ANS costs subject to the SES regulations) are +0.3% higher in real terms than the forecast presented in the NPP.</p> <p>The relative share of en-route costs in the aggregated gate-to-gate ANS costs increased to 88.7% in 2014 after being relatively stable between 2009 and 2013 at around 86-87%. This would be due to a reallocation of staff and costs to en-route in 2014. Compared to the forecast in the National Performance Plan, the actual share of en-route costs in gate-to-gate costs is +0.9 percentage point higher in 2014.</p>						



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Cyprus

Working Draft 2.0

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CYPRUS

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management																																						
	2012	2013	2014	State level Observations																																		
State level	66	67	68																																			
ANSP [CYATS]	60	60	63																																			
<p>The bar chart displays the number of questions for four categories (CO1, CO2, CO3, CO4). For each category, there are two bars: a dark blue bar for 'Self-assessment' and a light blue bar for 'EASA verification'. The categories are further divided into two severity levels: '< Level C' and '≥ Level C'. The data points are as follows:</p> <table border="1"> <thead> <tr> <th>Category</th> <th>Severity</th> <th>Self-assessment</th> <th>EASA verification</th> </tr> </thead> <tbody> <tr> <td rowspan="2">CO1</td> <td>< Level C</td> <td>16</td> <td>10</td> </tr> <tr> <td>≥ Level C</td> <td>6</td> <td>0</td> </tr> <tr> <td rowspan="2">CO2</td> <td>< Level C</td> <td>4</td> <td>2</td> </tr> <tr> <td>≥ Level C</td> <td>2</td> <td>0</td> </tr> <tr> <td rowspan="2">CO3</td> <td>< Level C</td> <td>9</td> <td>2</td> </tr> <tr> <td>≥ Level C</td> <td>7</td> <td>0</td> </tr> <tr> <td rowspan="2">CO4</td> <td>< Level C</td> <td>4</td> <td>0</td> </tr> <tr> <td>≥ Level C</td> <td>4</td> <td>0</td> </tr> </tbody> </table>							Category	Severity	Self-assessment	EASA verification	CO1	< Level C	16	10	≥ Level C	6	0	CO2	< Level C	4	2	≥ Level C	2	0	CO3	< Level C	9	2	≥ Level C	7	0	CO4	< Level C	4	0	≥ Level C	4	0
Category	Severity	Self-assessment	EASA verification																																			
CO1	< Level C	16	10																																			
	≥ Level C	6	0																																			
CO2	< Level C	4	2																																			
	≥ Level C	2	0																																			
CO3	< Level C	9	2																																			
	≥ Level C	7	0																																			
CO4	< Level C	4	0																																			
	≥ Level C	4	0																																			
Application of the severity classification of the Risk Analysis Tool (RAT)																																						
		2012		2013		2014																																
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)																															
Separation Minima Infringements (SMIs)	ATM Ground	4	0%	7	71%	6	83%																															
	ATM Overall		0%		14%		0%																															
Runway Incursions (RIs)	ATM Ground	1	0%	1	100%	0	N/A																															
	ATM Overall		0%		0%		N/A																															
ATM Specific Occurrences (ATM-Specific)	ATM Overall	146	0%	115	0%	131	0%																															
Source of RAT data:		DCA																																				
Just culture																																						
Number of questions answered with Yes or No		State																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	9	1	9	1	8	1																															
	Legal/Judiciary	8	0	8	0	6	1																															
	Occurrence reporting and Investigation	2	0	2	0	2	0																															
	TOTAL	19	1	19	1	16	2																															
Number of questions answered with Yes or No		ANSP [CYATS]																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	12	1	11	2	11	2																															
	Legal/Judiciary	2	1	2	1	2	1																															
	Occurrence reporting and Investigation	6	2	6	2	5	3																															
	TOTAL	20	4	19	5	18	6																															

CYPRUS

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.93	0.59	0.3	
National Target	1.9	1.7	1.0	
Actual performance	1.59	2.16	1.91	
National capacity assessment				
<p>The main reasons for not achieving the performance target of 2014 were as follows:</p> <ul style="list-style-type: none"> • Political developments in the south-east Mediterranean and Ukraine which altered the usual flows of air traffic, increased airspace complexity and necessitated the downward revision of capacity so as to maintain a high level of safety. • The significant rise in air traffic demand which was much beyond what was forecast (at times, by 18%) • The limited response of air traffic control personnel to overtime work. This resulted in reduced sector opening times and hence in a limited capability to handle the increased traffic demand. <p>None of the reasons above were under the control of the ANSP, hence no additional measures could be taken to improve the situation further. It is worth noting however that the capacity performance was steadily improving since July 2014.</p>				
ANSP capacity plan				
PRB Capacity assessment				
<p>For the second year in a row, Nicosia did not provide sufficient capacity to meet either the national performance target, or the minimum level of performance to be consistent with the EU-wide target for 2014. Following the PRB's observation about consistently deteriorating capacity plans, the latest capacity plans show an increase in planned capacity, although still insufficient to meet the effort required to be consistent with the Union-wide targets for RP2. The inability of Nicosia to deploy existing staff to open sufficient sectors is worrying. The PRB is also worried that the Cyprus NSA considers staffing arrangements, especially rostering, to be outside the control of the ANSP.</p>				
Effective booking procedures				
<p>No information regarding booking and release procedures was presented in the national monitoring report.</p>				

Previous recommendations

Annual Monitoring Report 2012: Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the Performance Plan for Cyprus did not contain any specific details of how FUA would be applied to increase capacity.

Extract from notification letter from European Commission July 2012:

Cyprus's revised performance plan is assessed on the clear expectation that Cyprus will adopt and implement effective capacity enhancement measures in coordination with the Network Manager and the other BLUE MED FAB Member States to resolve any capacity shortfall and enable the 2014 reference value of 0.3 minute of average delay per flight to be met at the earliest possible date in the second reference period.

Annual Monitoring Report 2013: In light of the insufficient capacity performance in Cyprus for 2012 and 2013, and in accordance with Article 17 of EU Regulation 691/2010, Cyprus is requested to define, apply and communicate appropriate measures to achieve the targets set in the performance plan.

NSA report on follow-up to recommendations

Follow up to Annual Monitoring Report 2012: The Cyprus air navigation service provider has amended its capacity plans to enable sufficient capacity to be provided in order to meet the targets of the performance plans adopted.

The Cyprus air navigation service provider has not delivered its planned capacity mainly due to an alteration of traffic flows and increase in airspace complexity as a consequence of political developments in the area (events in Syria). Additionally, the austerity measures imposed on the ANSP as a result of the economic crisis has reduced the willingness and ability of ATC staff to work overtime, and hence to operate the required number of ACC sectors.

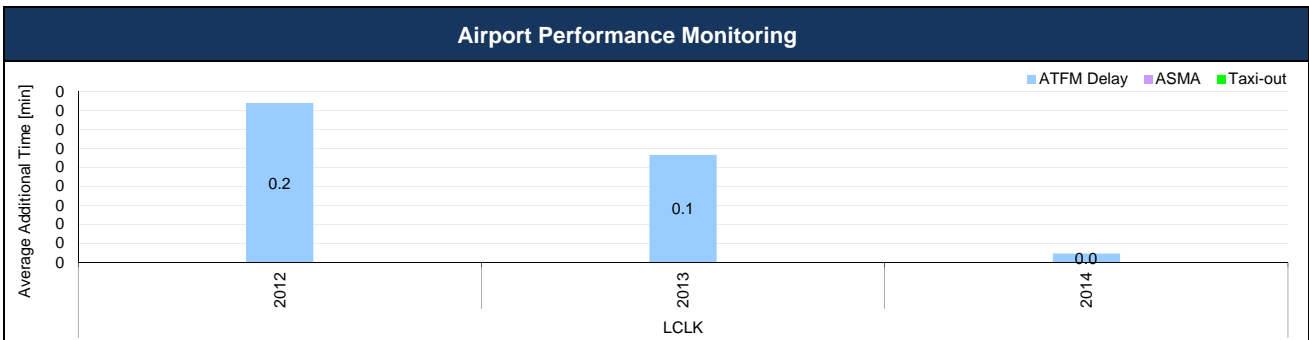
The cost-efficiency target has been achieved.

Follow up to Annual Monitoring Report 2013: NIL

Recommendations

CYPRUS

Monitoring of CAPACITY indicators for 2014



Airport Data

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Larnaca	LCLK	2012	0.2	3 909	n/appl.	n/appl.	n/a	n/a	n/a
		2013	0.1	2 307	n/appl.	n/appl.	n/a	n/a	n/a
		2014	0.0	208	n/appl.	n/appl.	n/a	n/a	n/a
Total		2012	0.2	3 909	n/appl.	n/appl.	n/a	n/a	n/a
		2013	0.1	2 307	n/appl.	n/appl.	n/a	n/a	n/a
		2014	0.0	208	n/appl.	n/appl.	n/a	n/a	n/a
Absolute Difference		2014-2013	▲ -0.1	▲ -2 099	n/appl.	n/appl.	n/a	n/a	n/a
		2014-2012	▲ -0.2	▲ -3 701	n/appl.	n/appl.	n/a	n/a	n/a

Critical Issues

- Mandatory data items partially missing (STATUS C.R);
- DRWY data not complete.

Specific Analysis

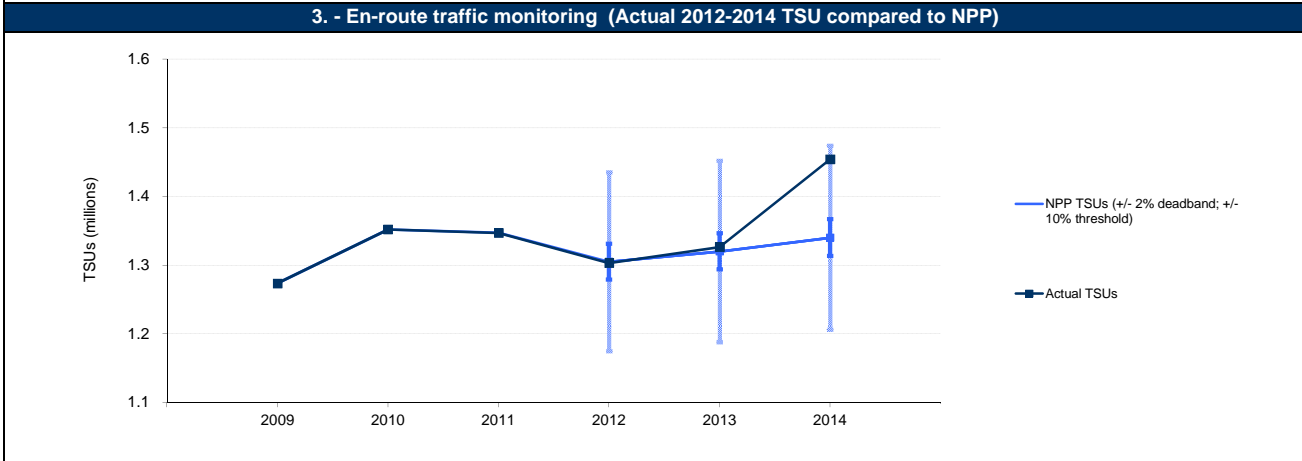
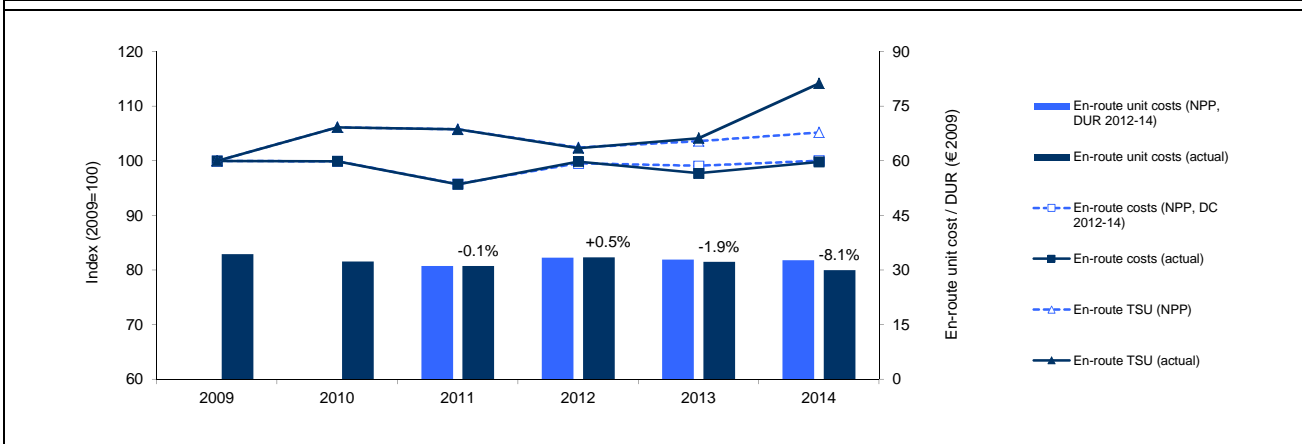
- No specific operational concern regarding RP1 performance monitoring.

CYPRUS

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> CYPRUS represents 0.7% of the SES en-route ANS determined costs in 2014. ATSP : DCAC Cyprus FAB : BLUE MED National currency: EUR 	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p> <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
CYPRUS - Data from RP1 national performance plan						
En-route costs (determined costs 2012-2014) - (in nominal EUR)	2009A	2010A	2011F	2012P	2013P	2014P
Inflation %		2.5%	3.4%	3.0%	3.0%	3.0%
Inflation index (100 in 2009)	100.0	102.5	106.0	109.2	112.4	115.8
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	43 799 792	43 774 391	41 958 827	43 606 147	43 403 173	43 824 563
Total en-route Service Units	1 273 476	1 351 886	1 347 369	1 305 000	1 320 000	1 340 000
Real en-route unit costs per Service Units - (in EUR2009)	34.39	32.38	31.14	33.41	32.88	32.70
CYPRUS - Actual data from Jun-2015 Reporting Tables						
En-route costs - (in nominal EUR)	2009A	2010A	2011A	2012A	2013A	2014A
Inflation %		2.5%	3.5%	3.1%	0.4%	-0.3%
Inflation index (100 in 2009)	100.0	102.5	106.1	109.4	109.8	109.5
Real en-route costs - (in EUR2009)	43 799 792	43 774 391	41 918 287	43 744 375	42 811 624	43 713 356
Total en-route Service Units	1 273 476	1 352 000	1 347 000	1 303 262	1 326 579	1 454 224
Real en-route unit costs per Service Units - (in EUR2009)	34.39	32.38	31.12	33.57	32.27	30.06
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal EUR)	in value			243 486	-1 789 268	-2 895 145
	in %			0.5%	-3.7%	-5.7%
Inflation %	in p.p.			0.1 p.p.	-2.6 p.p.	-3.3 p.p.
Inflation index (100 in 2009)	in p.p.			0.2 p.p.	-2.6 p.p.	-6.3 p.p.
Real en-route costs - (in EUR2009)	in value			138 228	-591 548	-111 207
	in %			0.3%	-1.4%	-0.3%
Total en-route Service Units	in value			-1 738	6 579	114 224
	in %			-0.1%	0.5%	8.5%
Real en-route unit costs per Service Units - (in EUR2009)	in value			0.15	-0.61	-2.65
	in %			0.5%	-1.9%	-8.1%



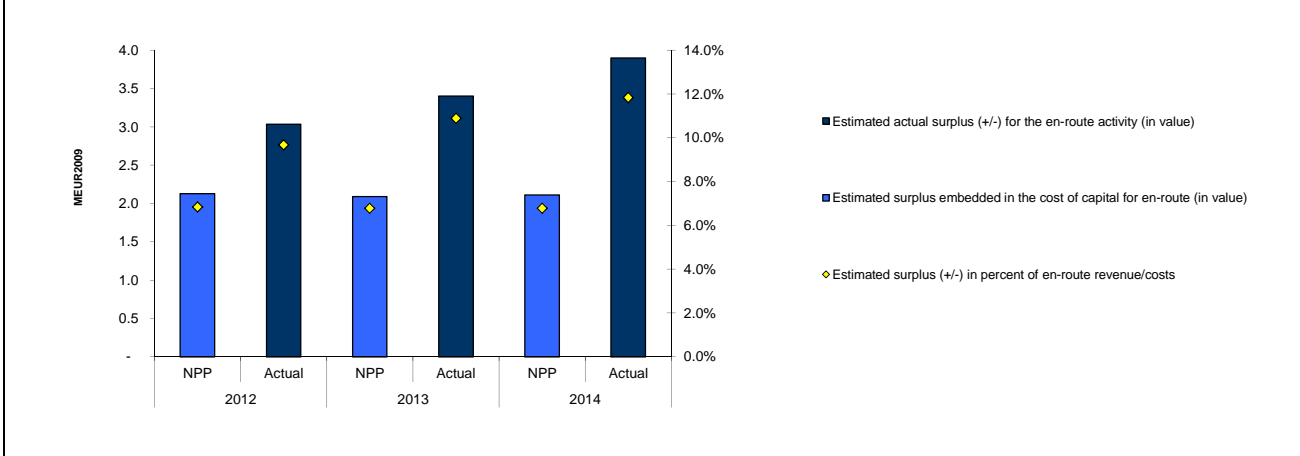
CYPRUS

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

4. - En-route costs monitoring (2014 actuals compared to NPP)		
By entity at State level 		Costs exempted from cost sharing (by factor/item) Pension: - Interest rates on loans: - National taxation law: 829 New cost item required by law: - International agreements: -145 Costs exempted from cost sharing (by entity) ATSP: 586 Other ANSP: - METSP: 60 NSA/EUROCONTROL: 38 Total costs exempted from cost sharing to be recovered from (+)/reimbursed to (-) users if eligible after EC verification : 684
By nature at ATSP level 		2014 ('000€2009) Estimate - - 829 - -145 - 586 - 60 38 684

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2014		
Cost sharing ('000€2009)		Combined effect of variations in costs and traffic for 2014 ('000€2009)
Determined costs for the ATSP (NPP)	2014A: 31 078	
Actual costs for the ATSP	30 893	
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	185	
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	586	
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	771	
Traffic risk sharing ('000€2009)		2014A - - - - 1 301 - - 2 072
Difference in total service units (actual vs NPP)	8.52%	
Determined costs after deduction of costs for exempted VFR flights	32 874	
ATSP gain (traffic between 0 and +2% higher than NPP)	657	
ATSP gain (traffic between +2% and +10% higher than NPP)	643	
ATSP loss (traffic between 0 and -2% below NPP)	-	
ATSP loss (traffic between -2% and -10% below NPP)	-	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	1 301	
Incentives ('000€2009)		2014A - - -
ATSP bonus (+) / penalty (-)	-	
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	-	
Net ATSP gain(+)/loss(-) on en-route activity	2 072	

6. - En-route ATSP estimated surplus*						
*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.						
ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	35 177	34 272	34 446	33 369	34 582	29 964
Estimated proportion of financing through equity (in %)	100%	100%	100%	100%	100%	100%
Estimated proportion of financing through equity (in value)	35 177	34 272	34 446	33 369	34 582	29 964
Estimated proportion of financing through debt (in %)	-	-	-	-	-	-
Estimated proportion of financing through debt (in value)	-	-	-	-	-	-
Cost of capital pre-tax (in value)	2 128	2 056	2 089	2 035	2 109	1 828
Average interest on debt (in %)	-	-	-	-	-	-
Interest on debt (in value)	-	-	-	-	-	-
Determined RoE pre-tax rate (in %)	6.1%	6.0%	6.1%	6.1%	6.1%	6.1%
Estimated surplus embedded in the cost of capital for en-route (in value)	2 128	2 056	2 089	2 035	2 109	1 828
Net ATSP gain(+)/loss(-) on en-route activity	976	976	1 365	1 365	2 072	2 072
Overall estimated surplus (+/-) for the en-route activity	2 128	3 033	2 089	3 401	2 109	3 899
Revenue/costs for the en-route activity	31 097	31 334	30 779	31 246	31 078	32 964
Estimated surplus (+/-) in percent of en-route revenue/costs	6.8%	9.7%	6.8%	10.9%	6.8%	11.8%
Estimated ex-post RoE pre-tax rate (in %)	6.1%	8.8%	6.1%	10.2%	6.1%	13.0%



7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by CYPRUS

Note: Return on equity (RoE)

DCAC is a Governmental Department and as such does not have any equity capital and therefore no return on equity. However, it is noted that Cyprus charges cost of capital and has reported cost of capital for 2014. For the purposes of this analysis, it is assumed that the cost of capital pre-tax rate of 6.1% is remuneration for the use of assets funded 100% by the State.

At State / Charging Area level

In 2014, Cyprus's real en-route unit cost (30.06 €2009) is -8.1% lower than planned in the NPP (32.70 €2009). This difference is due to the fact that 2014 actual en-route costs are -0.3% lower than the determined costs in real terms, while the actual number of total en-route service units (TSUs) is significantly higher than planned (+8.5%).

The difference between the actual and planned TSUs (+8.5%) falls outside the ±2% dead band but is still within the +10% threshold.

Actual 2014 costs vs. NPP

Real en-route costs for Cyprus are -0.3% lower in 2014 than planned as a combination of -5.7% lower nominal en-route costs and -6.3 percentage point lower inflation index. A detailed analysis of DCAC's 2014 costs is provided in the box below.

Costs exempt from cost sharing are reported for a total of +0.7 M€2009 to be passed on to airspace users for the en-route activity, corresponding to the combination of higher costs arising from an increased actual VAT rate (+0.8 M€2009), in accordance with the national regulation, and lower EUROCONTROL costs than planned (-0.1 M€2009).

Note on capacity

On the capacity side, Cyprus has not reached its planned target due to an increased traffic demand and higher airspace complexity as a consequence of political developments in the area (events in the South-East Mediterranean and Ukraine).

RP1 summary

When considering the whole of RP1 (2012-2014) the actual number of TSUs is +3.0% higher than planned while actual costs in real terms are -0.4% lower than the determined costs (some -0.6 M€2009). As a result, the weighted average real en-route unit cost over RP1 is -3.3% lower than the level planned in the NPP.

At ATSP level**Actual 2014 DCAC costs vs. NPP**

DCAC 2014 actual en-route costs are -0.6% (or -0.2 M€2009) lower than planned in real terms. This mainly results from a combination of lower depreciation costs (-1.0 M€2009 or -20.7%) and higher other operating costs (+1.3 M€2009 or +10.5%) than planned in addition to further savings in staff costs (-0.1 M€2009 or -1.0%) and in the cost of capital (-0.3 M€2009 or -13.3%). According to the additional information provided along with the en-route reporting tables in June 2015 the savings in depreciation costs are attributable to the postponement of several projects (AMHS, VCCS Acropolis upgrade and backup system, SSR Radar Paphos/Larnaca). This is in line with the fact that the actual 2014 total asset base is -13.4% lower than planned which also affected the actual value of the cost of capital for 2014. Regarding the cost excess in other operating costs, a 4 percentage point increase in VAT rate is provided as an explanation.

DCAC net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, in 2014, DCAC generated a net gain of +2.1 M€2009 for its en-route activity. This is the combination of two separate elements:

- a gain of +0.8 M€2009 as a result of the cost-sharing mechanism; and
- a gain of +1.3 M€2009 as a result of the traffic risk sharing mechanism for 2014.

To calculate the overall economic surplus of the ATSP, it is also important to add the surplus embedded in the cost of capital through the return on equity. Based on the figures planned in the NPP, the return on equity amounted to +2.1 M€2009, corresponding to an estimated surplus of +6.8% of the en-route costs/revenues for 2014. Ex-post, the estimated surplus for the year 2014 computed by adding the surplus embedded in the cost of capital (+1.8 M€2009) and the net gain from the en-route activity in 2014 (+2.1 M€2009), gives a total of +3.9 M€2009, corresponding to +11.8% of the 2014 en-route revenue. The resulting ex-post rate of return on equity for 2014 is +13.0% (compared to +6.1% planned in the NPP).

Conclusions

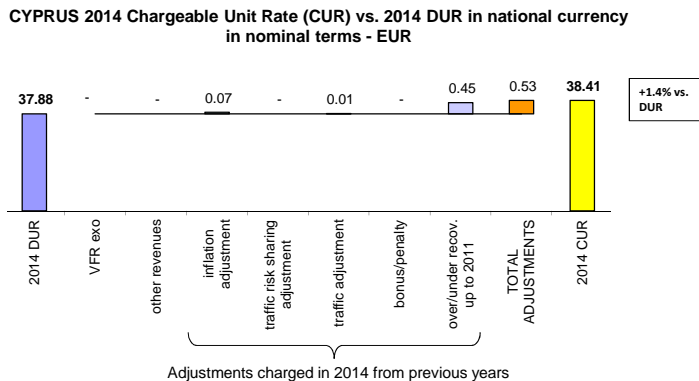
In 2014 DCAC's actual real en-route costs are slightly lower than planned (-0.6%) while traffic is significantly higher than foreseen in the NPP (+8.5%). In 2014, DCAC generated a net gain of +2.1 M€2009 from its en-route activity which resulted in an estimated actual surplus of +3.9 M€2009 (+11.8% of the 2014 en-route revenue, up from the +6.8% planned in the RP1 PP).

When considering the whole of RP1 (2012-2014), DCAC could retain a cumulative gain in respect of cost sharing of +3.0 M€2009 as actual costs were lower than planned for every year of RP1. Similarly, DCAC retained a cumulative gain in respect of traffic risk sharing amounting to +1.4 M€2009 (mainly due to the significant traffic increase in 2014), which resulted in a cumulative net gain for the en-route activity of +4.4 M€2009 over RP1.

CYPRUS

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



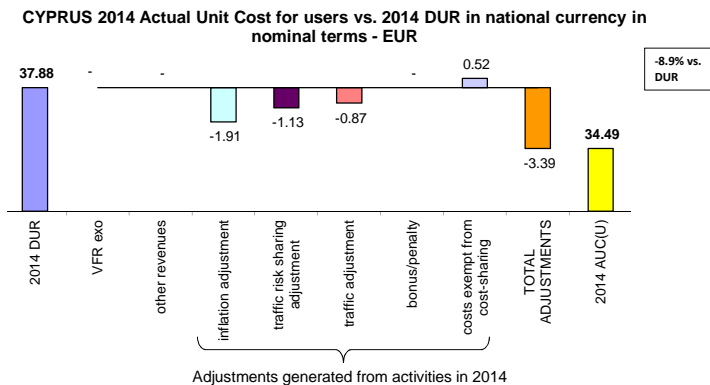
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The actual Chargeable Unit Rate (CUR) charged to users in 2014 was 38.41 €. This is +1.4% higher than the nominal DUR (37.88 €). The difference observed between these two figures (+0.53 €) reflects mainly the amount of under-recovery carried over to 2014 from the legacy (+0.45 €) in addition to small adjustments for inflation (+0.07 €) and for traffic (+0.01 €).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The unit cost that the users incurred in respect of the activities performed in 2014 was 34.49 €. This is substantially lower than the nominal DUR (37.88 €). The difference observed between these two figures (-3.39 €) reflects the adjustments made for inflation (-1.91 €), traffic risk sharing (-1.13 €), traffic (-0.87 €) and for costs exempt from cost-sharing (+0.52 €).

CYPRUS

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula						
Number of airports in terminal charging zone			2	2	2	2
of which, number of airports over 50 000 movements						
CYPRUS - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	0	0	7 434 000	7 850 000	7 781 000	8 004 000
Inflation index (100 in 2009)	100.0	102.5	106.0	109.2	112.4	115.8
Real terminal ANS costs - (in EUR2009)	0	0	7 014 200	7 190 979	6 920 167	6 911 161
CYPRUS - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)			7 433 823	7 647 203	7 484 639	7 547 638
Inflation index (100 in 2009)	100.0	102.5	106.1	109.4	109.8	109.5
Real terminal ANS costs - (in EUR2009)			7 007 256	6 991 651	6 815 760	6 893 810
Total terminal service units			43 902	42 500	39 000	40 000
Actual real unit costs - (in EUR2009)			159.6	164.5	174.8	172.3
Unit rate applied - (in EUR)				N/appl	N/appl	N/appl
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value			-202 797	-296 361	-456 362
	in%			-2.6%	-3.8%	-5.7%
Inflation index (100 in 2009)	in p.p.			0.2 p.p.	-2.6 p.p.	-6.3 p.p.
Real terminal ANS costs - (in EUR2009)	in value			-199 328	-104 407	-17 351
	in%			-2.8%	-1.5%	-0.3%

11. - General conclusions on the Terminal ANS costs and unit rates monitoring

Cyprus does not charge terminal air navigation services through a separate terminal navigation charge (TNC), since Cyprus has not yet defined a terminal charging zone with a single terminal unit rate but the government currently fully subsidizes terminal charges.

Nevertheless, Cyprus discloses in the reporting tables the costs related to the provision of terminal air navigation services at its two international airports (Larnaca and Paphos).

The 2014 actual terminal ANS costs are -0.3% lower than the forecast provided in the NPP in real terms (-0.02 M€2009) as a result of both lower nominal terminal ANS costs (-5.7%) and inflation index (-6.3 p.p.) than planned.

RP1 summary

When considering the whole of RP1 (2012-2014), actual terminal ANS costs are -1.5% (or some -0.3 M€2009) lower in real terms than planned in the NPP. Cyprus fully subsidized terminal ANS over RP1 therefore it did not charge airspace users through a separate terminal navigation charge (TNC).

12. - Monitoring of gate-to-gate costs (2014)

12. - Monitoring of gate-to-gate costs (2014)						
CYPRUS - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	43 799 792	43 774 391	41 958 827	43 606 147	43 403 173	43 824 563
Real terminal ANS costs - (in EUR2009)	0	0	7 014 200	7 190 979	6 920 167	6 911 161
Real gate-to-gate ANS costs - (in EUR2009)	43 799 792	43 774 391	48 973 027	50 797 126	50 323 339	50 735 724
Share of en-route costs in gate-to-gate ANS costs	100.0%	100.0%	85.7%	85.8%	86.2%	86.4%
CYPRUS - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	43 799 792	43 774 391	41 918 287	43 744 375	42 811 624	43 713 356
Real terminal ANS costs - (in EUR2009)	0	0	7 007 256	6 991 651	6 815 760	6 893 810
Real gate-to-gate ANS costs - (in EUR2009)	43 799 792	43 774 391	48 925 543	50 736 027	49 627 384	50 607 166
Share of en-route costs in gate-to-gate ANS costs	100.0%	100.0%	85.7%	86.2%	86.3%	86.4%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in EUR2009)	in value			138 228	-591 548	-111 207
	in %			0.3%	-1.4%	-0.3%
Real terminal ANS costs - (in EUR2009)	in value			-199 328	-104 407	-17 351
	in %			-2.8%	-1.5%	-0.3%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-61 100	-695 955	-128 558
	in %			-0.1%	-1.4%	-0.3%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			0.4 p.p.	0.0 p.p.	0.0 p.p.

13. - General conclusions on the gate-to-gate ANS costs

In 2014, Cyprus actual gate-to-gate ANS costs (50.6 M€2009) are lower than planned in the NPP (50.7 M€2009) by -0.3% in real terms.

The relative share of en-route costs in gate-to-gate ANS costs is in line with the figure planned in the NPP for 2014 (86.4%). Since 2011, this share has been relatively stable at around 86%.



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Czech Republic

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CZECH REPUBLIC

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management																																						
	2012	2013	2014	State level Observations																																		
State level	38	61	67																																			
ANSP [ANS CR]	81	81	82																																			
<p>Number of questions</p> <p>Legend: ■ Self-assessment, ■ EASA verification</p> <table border="1"> <thead> <tr> <th>CO</th> <th>Category</th> <th>Self-assessment</th> <th>EASA verification</th> </tr> </thead> <tbody> <tr> <td rowspan="2">CO1</td> <td>< Level C</td> <td>16</td> <td>16</td> </tr> <tr> <td>≥ Level C</td> <td>16</td> <td>16</td> </tr> <tr> <td rowspan="2">CO2</td> <td>< Level C</td> <td>4</td> <td>4</td> </tr> <tr> <td>≥ Level C</td> <td>4</td> <td>4</td> </tr> <tr> <td rowspan="2">CO3</td> <td>< Level C</td> <td>9</td> <td>9</td> </tr> <tr> <td>≥ Level C</td> <td>9</td> <td>9</td> </tr> <tr> <td rowspan="2">CO4</td> <td>< Level C</td> <td>4</td> <td>4</td> </tr> <tr> <td>≥ Level C</td> <td>4</td> <td>4</td> </tr> </tbody> </table>							CO	Category	Self-assessment	EASA verification	CO1	< Level C	16	16	≥ Level C	16	16	CO2	< Level C	4	4	≥ Level C	4	4	CO3	< Level C	9	9	≥ Level C	9	9	CO4	< Level C	4	4	≥ Level C	4	4
CO	Category	Self-assessment	EASA verification																																			
CO1	< Level C	16	16																																			
	≥ Level C	16	16																																			
CO2	< Level C	4	4																																			
	≥ Level C	4	4																																			
CO3	< Level C	9	9																																			
	≥ Level C	9	9																																			
CO4	< Level C	4	4																																			
	≥ Level C	4	4																																			
Application of the severity classification of the Risk Analysis Tool (RAT)																																						
		2012		2013		2014																																
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)																															
Separation Minima Infringements (SMIs)	ATM Ground	3	100%	19	100%	23	100%																															
	ATM Overall		100%		100%		100%																															
Runway Incursions (RIs)	ATM Ground	14	100%	15	100%	6	100%																															
	ATM Overall		100%		100%		100%																															
ATM Specific Occurrences (ATM-Specific)	ATM Overall	18	100%	20	90%	14	100%																															
Source of RAT data:		UZPLN																																				
Just culture																																						
Number of questions answered with Yes or No		State																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	2	8	3	7	4	5																															
	Legal/Judiciary	5	3	6	2	6	1																															
	Occurrence reporting and Investigation	2	0	2	0	2	0																															
	TOTAL	9	11	11	9	12	6																															
Number of questions answered with Yes or No		ANSP [ANS CR]																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	7	6	11	2	11	2																															
	Legal/Judiciary	2	1	2	1	2	1																															
	Occurrence reporting and Investigation	4	4	6	2	6	2																															
	TOTAL	13	11	19	5	19	5																															

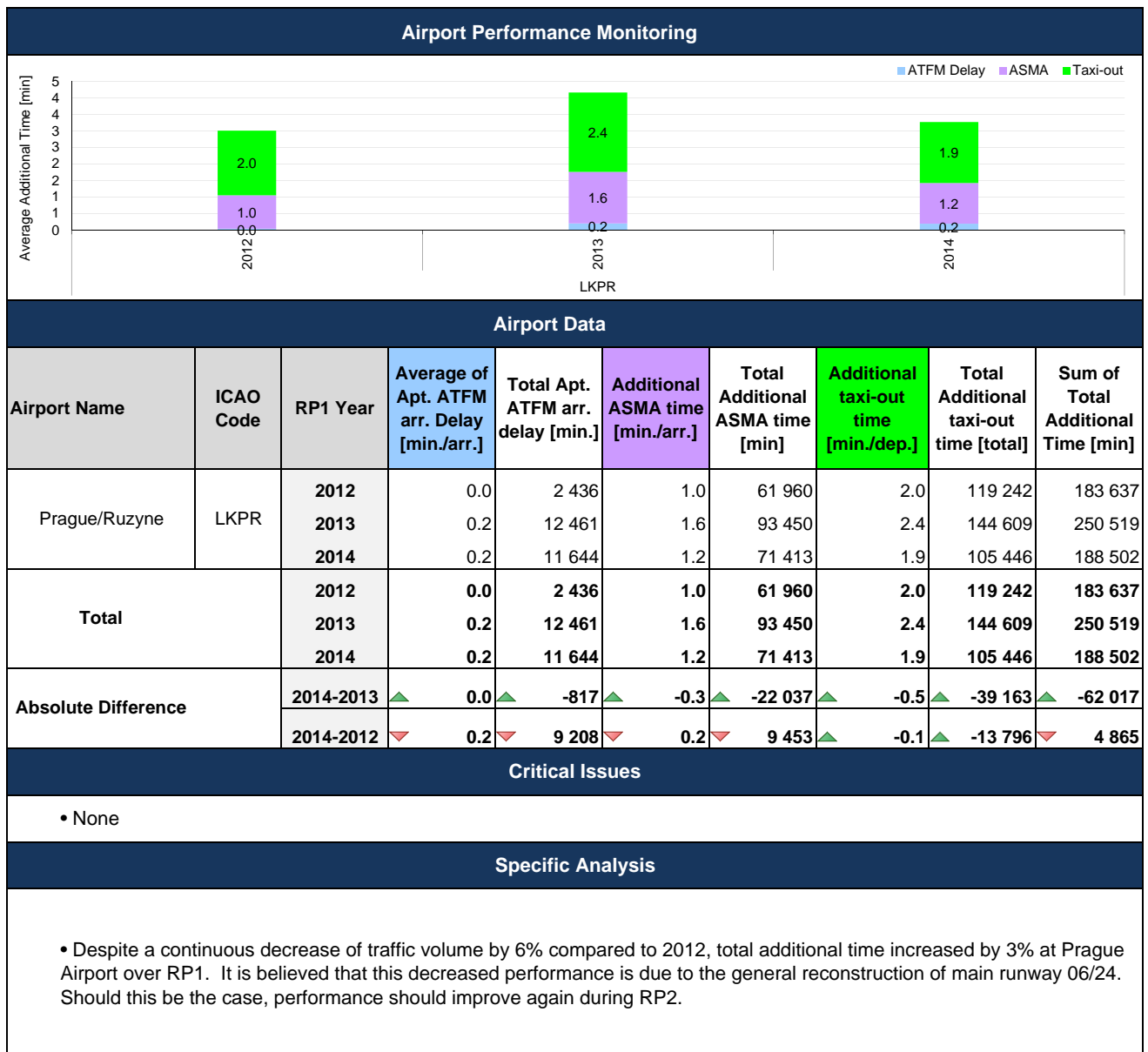
CZECH REPUBLIC

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.15	0.16	0.15	
National Target	0.15	0.16	0.15	
Actual performance	0	0.04	0.01	
National capacity assessment				
<p>The capacity target for the Czech Republic is surpassed while the cost-efficiency target is being met. In 2014 the Czech Republic has continuously improved the performance within all 4 KPAs and has successfully followed the level of performance of 2013.</p>				
PRB Capacity assessment				
<p>The excellent performance in 2012 and 2013 continued through 2014, with the Czech Republic surpassing both the national target and the level of performance required to be consistent with the EU-wide target for en-route capacity.</p>				
Effective booking procedures				
<p>The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 40%</p> <p>No information was provided regarding the allocation of airspace at H-3, so it is impossible to determine how much restricted or segregated airspace, that was surplus to requirements, was released for GAT use.</p>				
Recommendations				

CZECH REPUBLIC

Monitoring of CAPACITY indicators for 2014

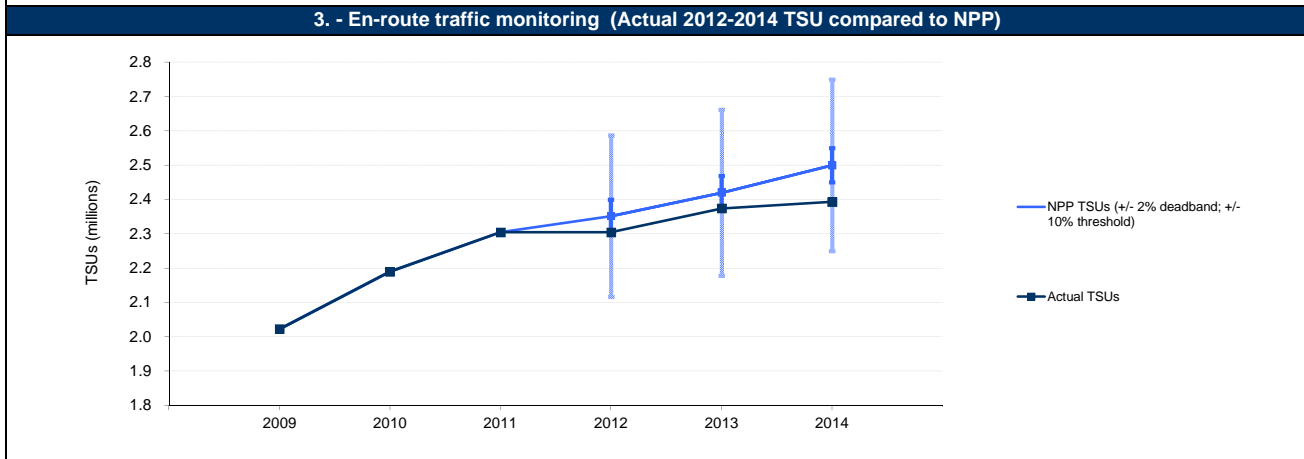
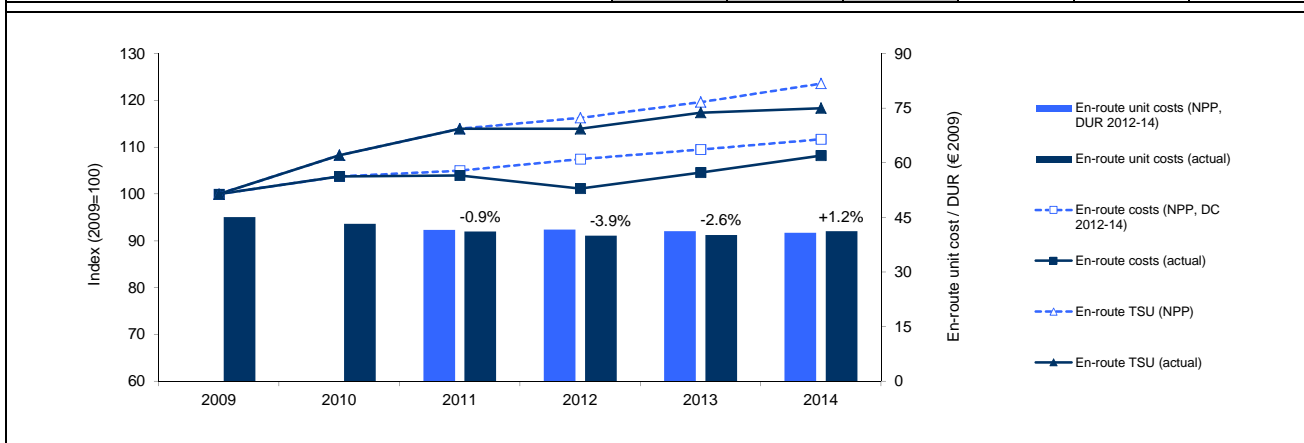


CZECH REPUBLIC

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

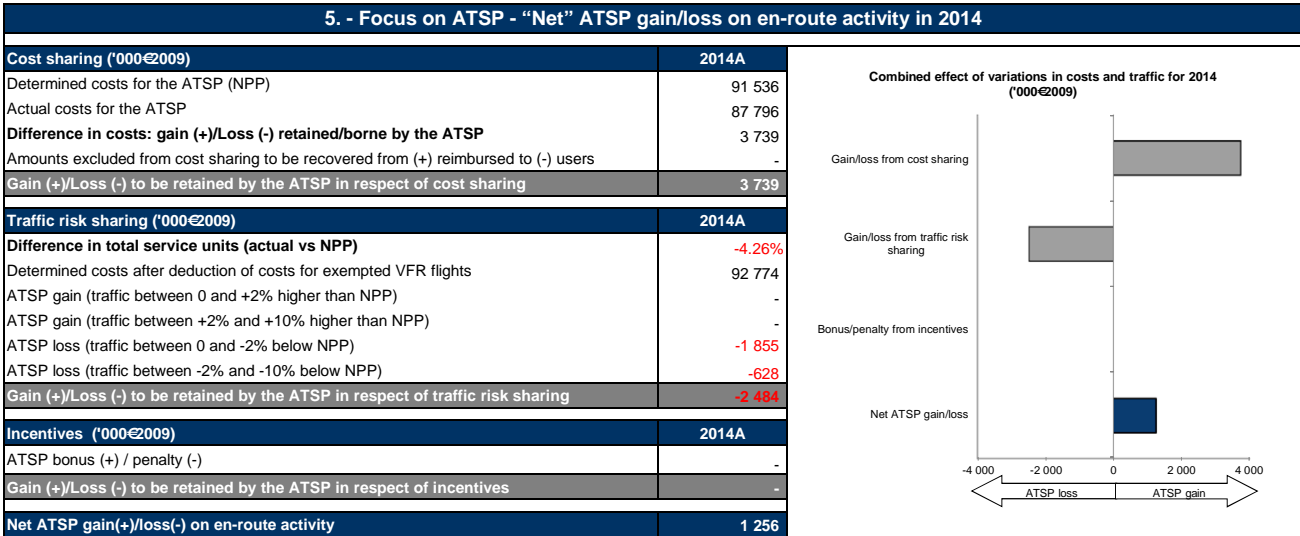
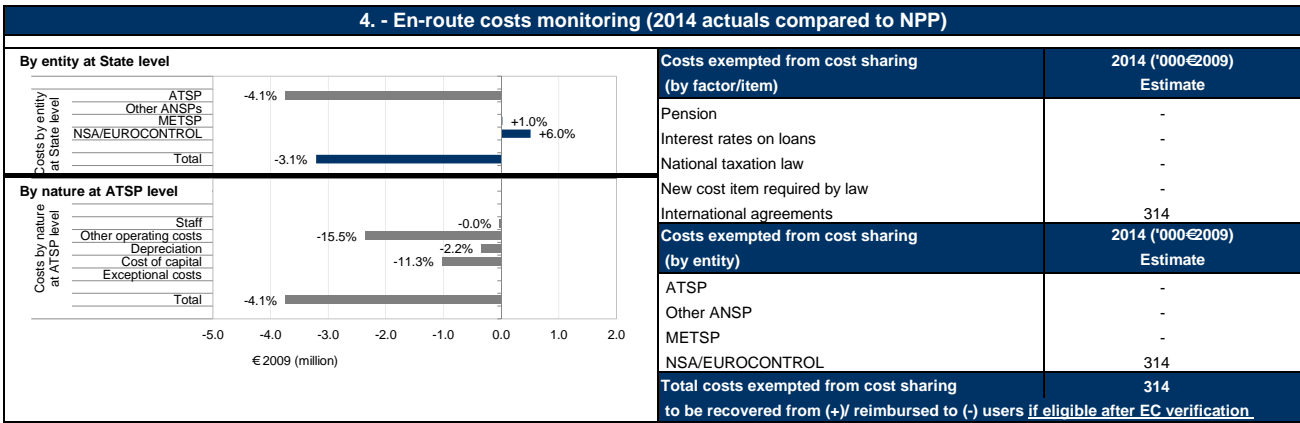
1. - Contextual economic information	
<ul style="list-style-type: none"> CZECH REPUBLIC represents 1.6% of the SES en-route ANS determined costs in 2014. ATSP : ANS CR FAB : FAB CE National currency: CZK Exchange rate 2009: 1 EUR= 26.4147 <p>Note on the actual exchange rate 2014 In 2014, the CZK depreciated by 6.1% compared to 2013.</p>	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p> <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
CZECH REPUBLIC - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal CZK)	2 410 997 795	2 540 591 834	2 623 618 675	2 771 863 500	2 880 339 446	2 997 726 999
Inflation %		1.5%	2.1%	3.2%	2.0%	2.0%
Inflation index (100 in 2009)	100.0	101.5	103.6	106.9	109.1	111.3
Real en-route costs (determined costs 2012-2014) - (in CZK2009)	2 410 997 795	2 503 046 141	2 531 680 691	2 591 793 272	2 640 413 951	2 694 140 585
Total en-route Service Units	2 022 528	2 190 096	2 304 924	2 351 760	2 419 960	2 499 820
Real en-route unit costs per Service Units - (in CZK2009)	1 192.07	1 142.89	1 098.38	1 102.07	1 091.10	1 077.73
Real en-route unit costs per Service Units - (in EUR2009)	45.13	43.27	41.58	41.72	41.31	40.80
CZECH REPUBLIC - Actual data from Jun-2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal CZK)	2 410 997 795	2 540 592 000	2 598 859 000	2 617 061 700	2 742 724 750	2 849 274 443
Inflation %		1.5%	2.1%	3.5%	1.4%	0.4%
Inflation index (100 in 2009)	100.0	101.5	103.6	107.3	108.8	109.2
Real en-route costs - (in CZK2009)	2 410 997 795	2 503 046 305	2 507 788 655	2 439 955 061	2 521 808 687	2 609 338 851
Total en-route Service Units	2 022 528	2 190 096	2 304 684	2 304 641	2 374 021	2 393 408
Real en-route unit costs per Service Units - (in CZK2009)	1 192.07	1 142.89	1 088.13	1 058.71	1 062.25	1 090.22
Real en-route unit costs per Service Units - (in EUR2009)	45.13	43.27	41.19	40.08	40.21	41.27
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal CZK)	in value			-154 801 800	-137 614 696	-148 452 556
	in %			-5.6%	-4.8%	-5.0%
Inflation %	in p.p.			0.3 p.p.	-0.6 p.p.	-1.6 p.p.
Inflation index (100 in 2009)	in p.p.			0.3 p.p.	-0.3 p.p.	-2.1 p.p.
Real en-route costs - (in CZK2009)	in value			-151 838 211	-118 605 264	-84 801 734
	in %			-5.9%	-4.5%	-3.1%
Total en-route Service Units	in value			-47 119	-45 939	-106 412
	in %			-2.0%	-1.9%	-4.3%
Real en-route unit costs per Service Units - (in CZK2009)	in value			-43.35	-28.85	12.49
	in %			-3.9%	-2.6%	1.2%
Real en-route unit costs per Service Units - (in EUR2009)	in value			-1.64	-1.09	0.47
	in %			-3.9%	-2.6%	1.2%



CZECH REPUBLIC

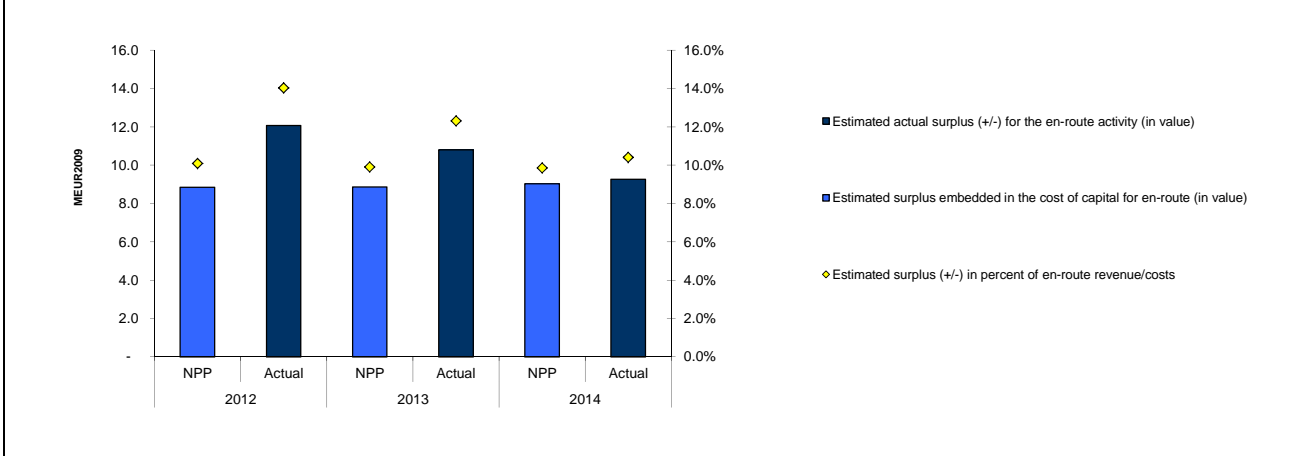
Monitoring of en-route and terminal COST-EFFICIENCY for 2014



6. - En-route ATSP estimated surplus*

*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	125 724	120 680	125 806	111 317	128 188	113 678
Estimated proportion of financing through equity (in %)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Estimated proportion of financing through equity (in value)	125 724	120 680	125 806	111 317	128 188	113 678
Estimated proportion of financing through debt (in %)	-	-	-	-	-	-
Estimated proportion of financing through debt (in value)	-	-	-	-	-	-
Cost of capital pre-tax (in value)	8 851	8 496	8 857	7 837	9 024	8 003
Average interest on debt (in %)	-	-	-	-	-	-
Interest on debt (in value)	-	-	-	-	-	-
Determined RoE pre-tax rate (in %)	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%
Estimated surplus embedded in the cost of capital for en-route (in value)	8 851	8 496	8 857	7 837	9 024	8 003
Net ATSP gain(+)/loss(-) on en-route activity	3 566	3 566	2 967	2 967	1 256	1 256
Overall estimated surplus (+/-) for the en-route activity	8 851	12 062	8 857	10 804	9 024	9 259
Revenue/costs for the en-route activity	87 734	85 993	89 488	87 793	91 536	89 052
Estimated surplus (+/-) in percent of en-route revenue/costs	10.1%	14.0%	9.9%	12.3%	9.9%	10.4%
Estimated ex-post RoE pre-tax rate (in %)	7.0%	10.0%	7.0%	9.7%	7.0%	8.1%



CZECH REPUBLIC

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by CZECH REPUBLIC

At State / Charging Area level

In 2014, the actual real en-route unit cost for Czech Republic (41.27 €2009) is +1.2% higher than the DUR provided in the NPP for RP1 (40.80 €2009). The difference is due to the actual en-route traffic (TSUs) being -4.3% lower than the NPP, only partly offset by the actual en-route costs in real terms being -3.1% lower than the 2014 determined costs.

The number of en-route total service units (TSUs) in 2014 (2.4 million) is -4.3% lower than the figure provided in the Czech Republic's Adopted NPP, which is outside the ± 2% dead band foreseen in the traffic risk sharing mechanism. Therefore, the resulting loss of revenue is shared between the ATSP and the airspace users, with the loss borne by the ATSP amounting to some -2.5 M€2009.

Actual 2014 costs vs. NPP

In 2014, the total actual en-route costs for Czech Republic are -3.1% (or -3.2 M€2009) lower than planned. This mainly reflects lower en-route costs in nominal terms (-5.0%), as actual inflation index for 2014 is lower than planned in the NPP (-2.1 p.p.).

The en-route cost-base includes costs from Czech Republic's ATSP (ANS CR), the MET Service Provider (CHMI) and its NSA. The reduction in overall costs is due to ANS CR, with its en-route costs being -4.1% lower than planned (-3.7 M€2009). More details on the cost reduction initiatives of ANS CR are described below. Although the actual en-route costs for both CHMI (+1.0% or +0.02 M€2009) and the NSA (+6.0% or +0.5 M€2009) are higher, these increases are relatively small as compared to the cost reduction made by ANS CR.

For the NSA, actual costs are +6.0% higher than determined costs due to a combined rise in other operating costs and depreciation costs. In the NPP, depreciation was bundled with other operating costs, whereas in the Reporting Tables it has been presented separately. Together other operating costs and depreciation costs are +0.5 M€2009 higher than planned.

Costs exempt from cost sharing are reported for an amount of +0.3 M€2009, corresponding to the difference between the planned and actual values for EUROCONTROL costs. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

RP1 summary

When considering the whole of RP1 (2012-2014) the actual number of TSUs is -2.7% lower than planned and actual costs are -4.5% lower than planned (some -13.5 M€2009). As a result, the weighted average unit cost over RP1 is -1.8% lower than planned in the NPP.

At ATSP level

Actual 2014 ANS CR costs vs. NPP

In 2014 ANS CR actual en-route costs are some -3.7 M€2009 lower than the determined costs, due to reductions in all cost items as compared to the NPP. According to the Additional Information to the June 2015 en-route Reporting Tables, the most significant savings come from lower other operating costs (-2.4 M€2009 or -15.5%), due to savings in maintenance, services and telecommunication fees.

The actual cost of capital was also lower than planned (-1.0 M€2009 or -11.3%). Based on the information provided in Czech Republic's Additional Information to the June 2015 en-route Reporting Tables, the lower actual cost of capital mainly reflects the use of a lower asset base, resulting from lower than planned investment, to calculate ANS CR's cost of capital.

In 2014, the actual total asset base is 113.7 M€2009, or -11.3% lower than planned.

In 2014, actual capex is 518 MCZK, which is -250 MCZK or -32.5% less than planned in the NPP, noted as being due to the tendering process delays in the Additional Information to the June 2015 en-route Reporting Tables.

ANS CR net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, the en-route activity for 2014 generated a net gain of +1.3 M€2009 for ANS CR. This is the result of a combination of two elements:

- a gain of +3.7 M€2009 for ANS CR as a result of the cost-sharing mechanism;
- a loss of -2.5 M€2009 as a result of the traffic risk sharing mechanism for 2014.

For the en-route activity, the estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +9.0 M€2009, corresponding to an estimated surplus of +9.9% of the en-route revenues for 2014. Ex-post, the overall estimated surplus for the year calculated by adding the surplus embedded in the cost of capital (+8.0 M€2009) and the net gain from the en-route activity in 2014 (+1.3 M€2009), gives a total of +9.3 M€2009 for 2014, corresponding to +10.4% of the en-route revenue in 2014. The resulting ex-post rate of return on equity for 2014 is +8.1% (compared to +7.0% as initially planned in the NPP).

Conclusion

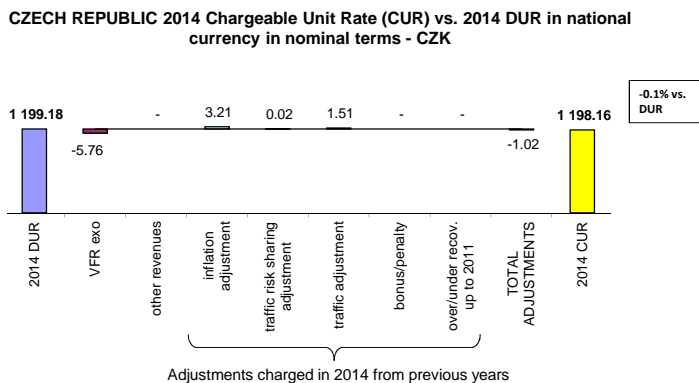
Whilst traffic volumes were lower than expected (-4.3%), ANS CR's actual en-route costs in 2014 were -4.1% lower than planned in the NPP, in real terms. The en-route activity for the year 2014 generated a net gain of +1.3 M€2009 for ANS CR, which results in an overall estimated surplus of +10.4% of the en-route revenue for 2014 (up from a planned +9.9% in the NPP).

When considering the whole of RP1 (2012-2014), ANS CR could retain a cumulative gain in respect of cost sharing of +13.7 M€2009 as actual costs were lower than planned for all years of RP1. However, ANS CR incurred a cumulative loss in respect of traffic risk sharing amounting to -5.9 M€2009, which resulted in a cumulative net gain for the en-route activity of +7.8 M€2009.

CZECH REPUBLIC

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



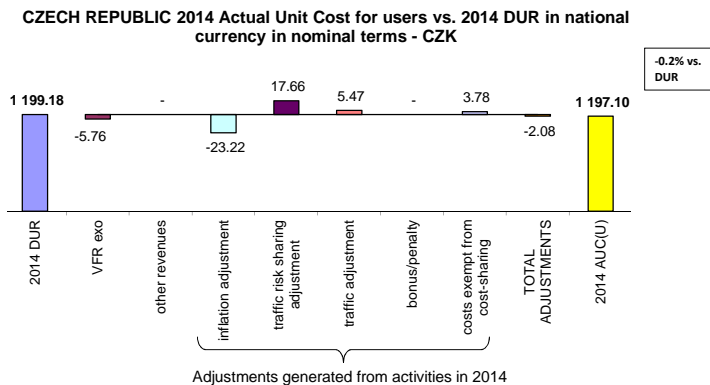
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The CUR charged to airspace users in 2014 was 1 198.16 CZK. This is slightly lower than the DUR (1 199.18 CZK in nominal terms). The small difference between these two figures (-1.0 CZK, -0.1%) relates to costs for services to exempted VFR (-5.76 CZK, or -0.5%) and adjustments on inflation, traffic risk sharing and traffic carry-overs incurred in 2014 from previous years (+4.74 CZK, or +0.4%).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en-route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The AUC-U for airspace users in 2014 was 1 197.10 CZK (nominal), which is similar to (-0.2%) to the DUR of 1 199.18 CZK. This is due to adjustments generated from activities in 2014:

- 5.76 CZK, or -0.5% deduction of costs for services to exempted VFR;
- 23.22 CZK, or -1.9% deduction for the inflation adjustment;
- +17.66 CZK, or +1.5% increase for the traffic risk sharing adjustment;
- +5.47 CZK, or +0.5% increase for the traffic adjustment; and
- +3.78 CZK, or +0.3% increase for costs exempt from cost-sharing.

CZECH REPUBLIC

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) [^]	0.7	0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone	4	4	4	4	4	4
of which, number of airports over 50 000 movements	1	1	1	1	1	1
CZECH REPUBLIC - Data from RP1 national performance plan						
Terminal ANS costs for the charging zones - (in CZK)	594 226 434	611 067 517	571 246 000	589 438 400	605 512 600	622 465 700
Inflation index (100 in 2009)	100.0	101.5	103.6	106.9	109.1	111.3
Real terminal ANS costs - (in CZK2009)	594 226 434	602 036 962	551 228 150	551 146 360	555 074 826	559 427 228
Real terminal ANS costs - (in EUR2009)	22 496 051	22 791 740	20 868 234	20 865 138	21 013 861	21 178 633
CZECH REPUBLIC - Actual data from June 2015 Reporting Tables						
Terminal ANS costs for the charging zones - (in CZK)	594 226 434	611 768 000	579 482 000	530 308 000	527 267 000	533 999 000
Inflation index (100 in 2009)	100.0	101.5	103.6	107.3	108.8	109.2
Real terminal ANS costs - (in CZK2009)	594 226 434	602 727 094	559 175 540	494 420 016	484 797 645	489 031 283
Real terminal ANS costs - (in EUR2009)	22 496 051	22 817 866	21 169 104	18 717 609	18 353 328	18 513 604
Total terminal service units	87 641	83 659	85 372	76 247	73 888	73 349
Actual real unit costs - (in CZK2009)	6 780.2	7 204.6	6 549.9	6 484.5	6 561.3	6 667.2
Unit rate applied - (in CZK)				6 800.00	6 800.00	6 800.00
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
Terminal ANS costs for the charging zones - (in CZK)	in value			-59 130 400	-78 245 600	-88 466 700
	in%			-10.0%	-12.9%	-14.2%
Inflation index (100 in 2009)	in p.p.			0.3 p.p.	-0.3 p.p.	-2.1 p.p.
Real terminal ANS costs - (in CZK2009)	in value			-56 726 344	-70 277 180	-70 395 945
	in%			-10.3%	-12.7%	-12.6%
Real terminal ANS costs - (in EUR2009)	in value			-2 147 529	-2 660 533	-2 665 029
	in%			-10.3%	-12.7%	-12.6%
11. - General conclusions on the Terminal ANS costs and unit rates monitoring						
The terminal charging zone of Czech Republic includes 4 airports, one of which (Praha-Ruzyně) handles over 50 000 movements. The harmonised SES formula (MTOW/50) [^] 0.7 already applies in Czech Republic's terminal charging zone.						
Actual terminal ANS costs are -12.6% lower than the forecast presented in the NPP for the year 2014 (some -2.7 M€2009). According to the additional information provided with the June 2015 terminal Reporting Tables, the main driver for this decrease is because actual traffic in 2014 was -19.9% lower than forecast, which as a result, led to ANS CR introducing cost-containment measures, that minimised the increase in staff cost, and reduced operating costs and depreciation.						
RP1 summary						
When considering the whole of RP1 (2012-2014), actual terminal ANS costs are -11.9% lower in real terms (or some -7.5M€2009) than planned in the NPP. This reflects the fact that terminal ANS costs are -10.3% to -12.7% lower than planned in real terms in each year of RP1.						
12. - Monitoring of gate-to-gate costs (2014)						
CZECH REPUBLIC - Data from RP1 national performance plan						
Real en-route costs (determined costs 2012-2014) - (in CZK2009)	2 410 997 795	2 503 046 141	2 531 680 691	2 591 793 272	2 640 413 951	2 694 140 585
Real terminal ANS costs - (in CZK2009)	594 226 434	602 036 962	551 228 150	551 146 360	555 074 826	559 427 228
Real gate-to-gate ANS costs - (in CZK2009)	3 005 224 229	3 105 083 103	3 082 908 841	3 142 939 632	3 195 488 777	3 253 567 813
Real gate-to-gate ANS costs - (in EUR2009)	113 770 901	117 551 330	116 711 863	118 984 491	120 973 881	123 172 620
Share of en-route costs in gate-to-gate ANS costs	80.2%	80.6%	82.1%	82.5%	82.6%	82.8%
CZECH REPUBLIC - Actual data from June 2015 Reporting Tables						
Real en-route costs - (in CZK2009)	2 410 997 795	2 503 046 305	2 507 788 655	2 439 955 061	2 521 808 687	2 609 338 851
Real terminal ANS costs - (in CZK2009)	594 226 434	602 727 094	559 175 540	494 420 016	484 797 645	489 031 283
Real gate-to-gate ANS costs - (in CZK2009)	3 005 224 229	3 105 773 399	3 066 964 195	2 934 375 077	3 006 606 332	3 098 370 135
Real gate-to-gate ANS costs - (in EUR2009)	113 770 901	117 577 463	116 108 235	111 088 715	113 823 225	117 297 192
Share of en-route costs in gate-to-gate ANS costs	80.2%	80.6%	81.8%	83.2%	83.9%	84.2%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
Real en-route costs - (in CZK2009)	in value			-151 838 211	-118 605 264	-84 801 734
	in %			-5.9%	-4.5%	-3.1%
Real terminal ANS costs - (in CZK2009)	in value			-56 726 344	-70 277 180	-70 395 945
	in %			-10.3%	-12.7%	-12.6%
Real gate-to-gate ANS costs - (in CZK2009)	in value			-208 564 554	-188 882 444	-155 197 678
	in %			-6.6%	-5.9%	-4.8%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-7 895 776	-7 150 656	-5 875 428
	in %			-6.6%	-5.9%	-4.8%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			0.7 p.p.	1.2 p.p.	1.4 p.p.
13. - General conclusions on the gate-to-gate ANS costs						
In 2014, Czech Republic's gate-to-gate ANS costs (117.3 M€2009) are -4.8% lower than planned in the NPP (123.2 M€2009). This difference is driven by lower actual costs than planned in both en-route and terminal ANS costs. The reduction in en-route costs is primarily from the reduction in other operating costs.						
The relative share of en-route costs in gate-to-gate ANS costs in 2014 (84.2%) is slightly higher than planned (82.8%). This is due to 2014 terminal ANS costs being significantly lower than forecast (-12.6%) while actual en-route ANS costs are also lower than planned, but to a lesser extent (-3.1%).						



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

DK-SE FAB

Working Draft 2.0

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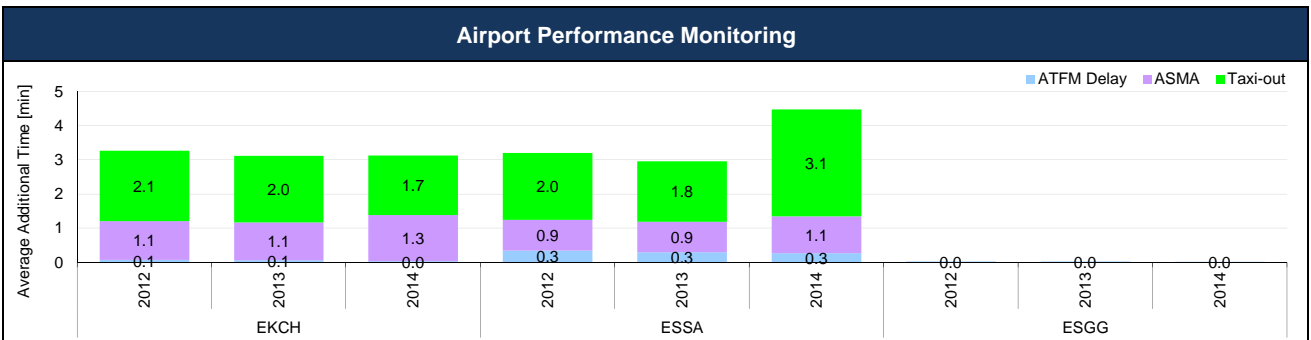
DK-SE FAB

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.04	0.05	0.08	
National Target	0.2	0.15	0.08	
Actual performance	0.03	0.02	0.02	
National capacity assessment				
The ANSPs in the Danish-Swedish FAB (LFV and Naviair) have delivered better results than expected in the Performance Plan.				
Military dimension of the plan				
No specific details were provided on how the FUA concept would be applied to provide additional capacity. Sweden states that all the capacity benefits of FUA have already been achieved.				
PRB Capacity assessment				
The Denmark-Sweden FAB surpassed the FAB target for capacity performance in 2014, as it did in 2013 and 2012. The level of capacity performance was also consistent with the level required to meet the EU-wide target of 0.5 minutes per flight in 2014.				
Effective booking procedures				
See the national reports for Sweden and Denmark.				
Recommendations				

DK-SE FAB

Monitoring of CAPACITY indicators for 2014



Airport Data									
Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Copenhagen/Kastrup	EKCH	2012	0.1	9 549	1.1	130 268	2.1	235 868	375 685
		2013	0.1	8 339	1.1	128 422	2.0	222 575	359 336
		2014	0.0	4 933	1.3	160 617	1.7	202 699	368 248
Stockholm/Arlanda	ESSA	2012	0.3	36 551	0.9	91 530	2.0	190 116	318 197
		2013	0.3	32 658	0.9	95 220	1.8	175 030	302 908
		2014	0.3	30 471	1.1	119 251	3.1	317 985	467 707
Göteborg/Landvetter	ESGG	2012	0.0	897	n/appl.	n/appl.	n/a	n/a	n/a
		2013	0.0	870	n/appl.	n/appl.	n/a	n/a	n/a
		2014	0.0	465	n/appl.	n/appl.	n/a	n/a	n/a
Total		2012	0.2	46 997	1.0	221 799	n/a	n/a	n/a
		2013	0.2	41 867	1.0	223 642	n/a	n/a	n/a
		2014	0.1	35 869	1.2	279 868	n/a	n/a	n/a
Absolute Difference		2014-2013	▲ 0.0	▲ -5 998	▼ 0.2	▼ 56 226	n/a	n/a	n/a
		2014-2012	▲ -0.1	▲ -11 128	▼ 0.2	▼ 58 070	n/a	n/a	n/a

Critical Issues

- Missing DRWY data at Göteborg Landvetter Airport since 2012. Data required for the calculation of taxi-out time.

Specific Analysis

- Most of delay at Copenhagen and Stockholm Arlanda airports is due to adverse weather conditions.
- The averages for additional taxi-out times could not be calculated due the missing data.



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Denmark

Working Draft 2.0

Edition date: 03/09/2015



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DENMARK

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management							
	2012	2013	2014	State level Observations			
State level	45	48	49				
ANSP [NAVAIR]	89	90	90				
<p>Number of questions</p> <p>Legend: ■ Self-assessment, ■ EASA verification</p> <p>CO1: < Level C (2), ≥ Level C (14); EASA verification: < Level C (3), ≥ Level C (13)</p> <p>CO2: < Level C (2), ≥ Level C (2); EASA verification: < Level C (2), ≥ Level C (2)</p> <p>CO3: < Level C (3), ≥ Level C (1); EASA verification: < Level C (6), ≥ Level C (8)</p> <p>CO4: < Level C (2), ≥ Level C (2); EASA verification: < Level C (2), ≥ Level C (2)</p>							
Application of the severity classification of the Risk Analysis Tool (RAT)							
		2012		2013		2014	
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)
Separation Minima Infringements (SMIs)	ATM Ground	8	0%	8	13%	17	100%
	ATM Overall		0%		0%		0%
Runway Incursions (RIs)	ATM Ground	38	0%	41	2%	2	100%
	ATM Overall		0%		0%		0%
ATM Specific Occurrences (ATM-Specific)	ATM Overall	664	0%	1067	0%	54	6%
Source of RAT data:		CAA					
Preliminary results updated after coordination with the AST-FP in August 2015.							
Just culture							
		State					
Number of questions answered with Yes or No	2012		2013		2014		
	YES	NO	YES	NO	YES	NO	
Policy and its implementation	4	6	4	6	4	5	
Legal/Judiciary	6	2	6	2	5	2	
Occurrence reporting and Investigation	2	0	2	0	2	0	
TOTAL	12	8	12	8	11	7	
		ANSP [NAVAIR]					
Number of questions answered with Yes or No	2012		2013		2014		
	YES	NO	YES	NO	YES	NO	
Policy and its implementation	9	4	9	4	9	4	
Legal/Judiciary	2	1	2	1	2	1	
Occurrence reporting and Investigation	7	1	6	2	6	2	
TOTAL	18	6	17	7	17	7	

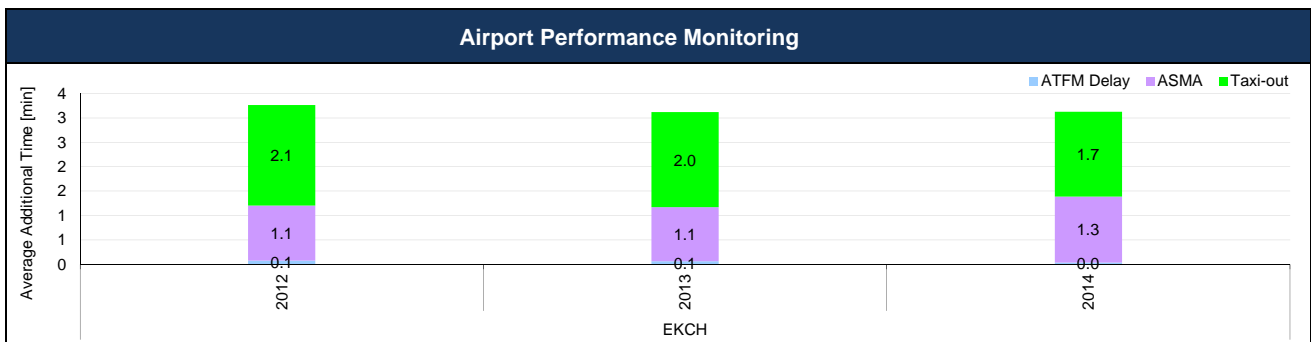
DENMARK

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.08	0.06	0.07	
National Target				
Actual performance	0	0	0	
National capacity assessment				
The ANSP in the Danish-Swedish FAB (LFV and Naviair) have delivered better results than expected in the Performance Plan.				
PRB Capacity assessment				
With excellent capacity performance since 2012, Denmark in 2014 has surpassed the level of performance required to be consistent with the EU-wide target.				
Effective booking procedures				
<p>Although the national monitoring report for 2014 did not contain any information regarding the effective booking procedures, Naviair had previously provided information on effective booking procedures for Denmark in 2014 for the Performance Review Report.</p> <p>The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 17%</p> <p>The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 9%</p> <p>The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 74%</p>				
Recommendations				

DENMARK

Monitoring of CAPACITY indicators for 2014



Airport Data

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Copenhagen/Kastrup	EKCH	2012	0.1	9 549	1.1	130 268	2.1	235 868	375 685
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		2014	0.0	4 933	1.3	160 617	1.7	202 699	368 248
Total		2012	0.1	9 549	1.1	130 268	2.1	235 868	375 685
		2013	0.1	8 339	1.1	128 422	2.0	222 575	359 336
		2014	0.0	4 933	1.3	160 617	1.7	202 699	368 248
Absolute Difference		2014-2013	▲ 0.0	▲ -3 406	▼ 0.2	▼ 32 195	▲ -0.2	▲ -19 877	▼ 8 912
		2014-2012	▲ 0.0	▲ -4 616	▼ 0.2	▼ 30 348	▲ -0.3	▲ -33 169	▲ -7 437

Critical Issues

- None

Specific Analysis

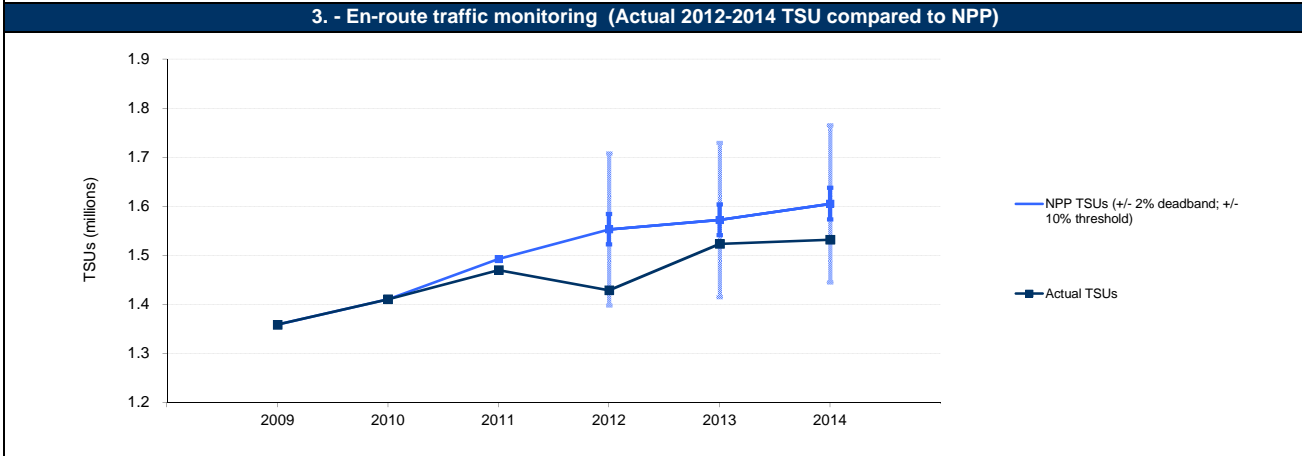
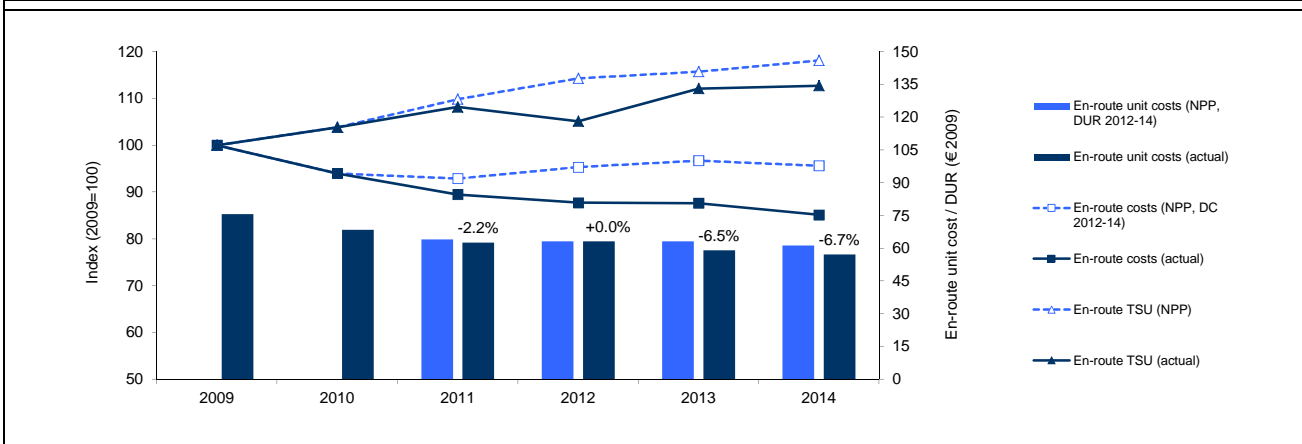
- Almost all delays at Copenhagen airport are due to weather conditions.
- No specific concern regarding RP1 performance monitoring.
- To be noted that, in average over RP1, total additional time improved by 2% at Copenhagen airport despite a traffic increase by 3%.

DENMARK

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

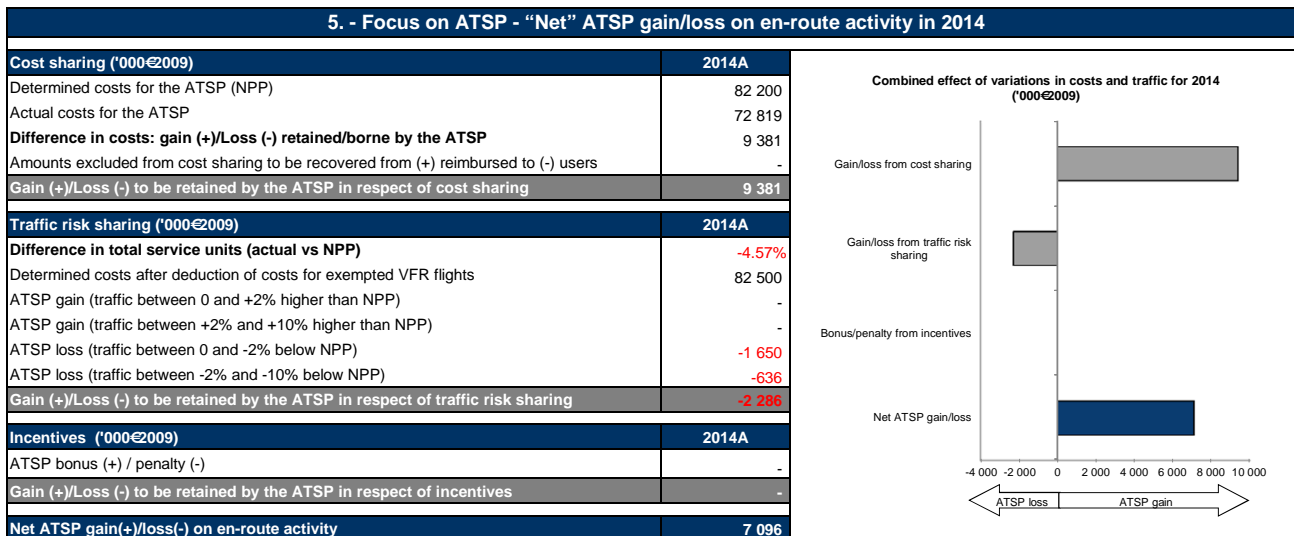
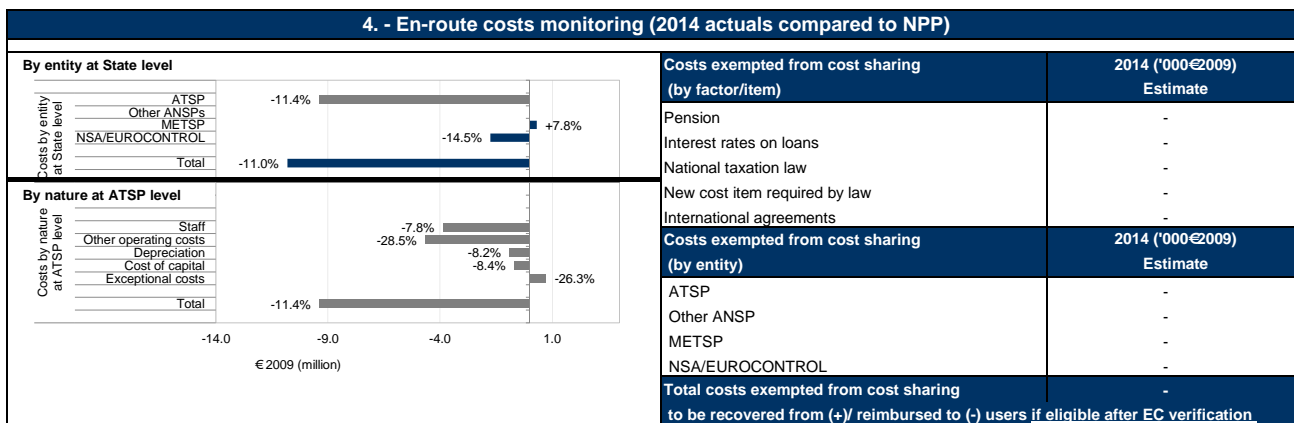
1. - Contextual economic information	
<ul style="list-style-type: none"> DENMARK represents 1.6% of the SES en-route ANS determined costs in 2014. ATSP : NAVIAIR FAB : DK-SE National currency: DKK Exchange rate 2009: 1 EUR= 7.44337 <p>Note on the actual exchange rate 2014 The DKK exchange rate to the EUR remained stable in 2014 compared to 2013.</p>	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p>  <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
DENMARK - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal DKK)	765 672 826	735 661 455	738 016 565	772 363 786	799 231 596	806 319 034
Inflation %		2.2%	1.5%	2.0%	2.0%	2.0%
Inflation index (100 in 2009)	100.0	102.2	103.7	105.8	107.9	110.1
Real en-route costs (determined costs 2012-2014) - (in DKK2009)	765 672 826	719 825 299	711 457 844	729 969 631	740 551 666	732 469 353
Total en-route Service Units	1 358 804	1 410 791	1 492 488	1 553 042	1 572 317	1 605 336
Real en-route unit costs per Service Units - (in DKK2009)	563.49	510.23	476.69	470.03	470.99	456.27
Real en-route unit costs per Service Units - (in EUR2009)	75.70	68.55	64.04	63.15	63.28	61.30
DENMARK - Actual data from Jun-2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal DKK)	765 672 826	735 661 455	718 962 626	722 109 707	724 607 426	706 352 930
Inflation %		2.2%	2.7%	2.4%	0.5%	0.3%
Inflation index (100 in 2009)	100.0	102.2	105.0	107.5	108.0	108.3
Real en-route costs - (in DKK2009)	765 672 826	719 825 299	684 991 173	671 864 798	670 834 551	651 978 779
Total en-route Service Units	1 358 804	1 410 791	1 470 012	1 428 735	1 523 724	1 532 003
Real en-route unit costs per Service Units - (in DKK2009)	563.49	510.23	465.98	470.25	440.26	425.57
Real en-route unit costs per Service Units - (in EUR2009)	75.70	68.55	62.60	63.18	59.15	57.17
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal DKK)	in value			-50 254 078	-74 624 170	-99 966 104
	in %			-6.5%	-9.3%	-12.4%
Inflation %	in p.p.			0.4 p.p.	-1.5 p.p.	-1.7 p.p.
Inflation index (100 in 2009)	in p.p.			1.7 p.p.	0.1 p.p.	-1.7 p.p.
Real en-route costs - (in DKK2009)	in value			-58 104 833	-69 717 114	-80 490 575
	in %			-8.0%	-9.4%	-11.0%
Total en-route Service Units	in value			-124 307	-48 593	-73 333
	in %			-8.0%	-3.1%	-4.6%
Real en-route unit costs per Service Units - (in DKK2009)	in value			0.23	-30.73	-30.70
	in %			0.0%	-6.5%	-6.7%
Real en-route unit costs per Service Units - (in EUR2009)	in value			0.03	-4.13	-4.12
	in %			0.0%	-6.5%	-6.7%



DENMARK

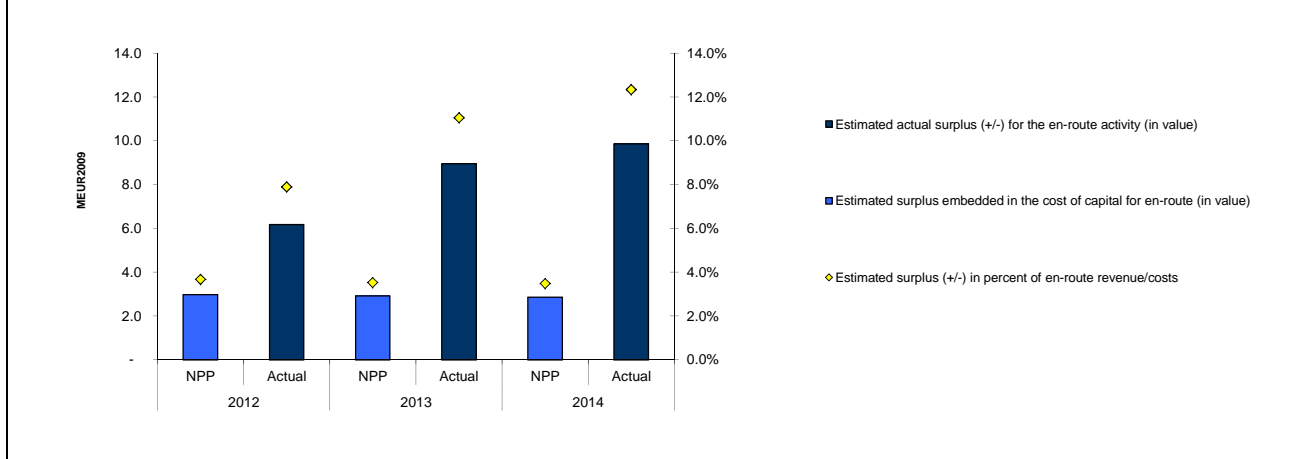
Monitoring of en-route and terminal COST-EFFICIENCY for 2014



6. - En-route ATSP estimated surplus*

*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base - See note 1	184 635	175 442	185 748	174 147	186 750	170 165
Estimated proportion of financing through equity (in %)	32.3%	41.2%	31.4%	33.5%	30.6%	32.5%
Estimated proportion of financing through equity (in value)	59 550	72 223	58 383	58 333	57 238	55 290
Estimated proportion of financing through debt (in %)	67.7%	58.8%	68.6%	66.5%	69.4%	67.5%
Estimated proportion of financing through debt (in value)	125 085	103 219	127 365	115 814	129 512	114 874
Cost of capital pre-tax (in value)	8 025	7 443	8 677	7 712	8 299	7 605
Average interest on debt (in %)	4.0%	3.7%	4.5%	4.1%	4.2%	3.9%
Interest on debt (in value)	5 047	3 832	5 757	4 795	5 437	4 517
Determined RoE pre-tax rate (in %)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Estimated surplus embedded in the cost of capital for en-route (in value)	2 978	3 611	2 919	2 917	2 862	2 765
Net ATSP gain(+)/loss(-) on en-route activity	2 564	2 564	6 041	6 041	7 096	7 096
Overall estimated surplus (+/-) for the en-route activity	2 978	6 175	2 919	8 958	2 862	9 860
Revenue/costs for the en-route activity	81 314	78 309	82 961	81 056	82 200	79 915
Estimated surplus (+/-) in percent of en-route revenue/costs	3.7%	7.9%	3.5%	11.1%	3.5%	12.3%
Estimated ex-post RoE pre-tax rate (in %)	5.0%	8.6%	5.0%	15.4%	5.0%	17.8%



7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by DENMARK

Note 1: Amended calculation of the 2014 actual Total Asset based.

Denmark has indicated in the fact validation process that, in the 2015 June Reporting Tables, the 2014 actual Total asset base (1.433.140 MDKK) was, by mistake, including financial assets not to be considered. Denmark has indicated that they will amend this error in the 2015 November Reporting Tables and that the right figure is (1.372.230 MDKK). Therefore the 2014 En-route ATSP estimated surplus has been calculated with the amended 2014 Total asset figure provided by Denmark in the fact validation process.

Note 2: Reporting of Terminal Service Units

Since Denmark did not report the total terminal service units in the terminal reporting tables, the number of chargeable service units is shown in item 10 and the "actual real unit costs" is calculated based on the chargeable service units.

At State / Charging Area level

In 2014, the actual en-route unit cost for Denmark (57.17 €2009) is -6.7% lower than planned in the Adopted NPP for RP1 (61.30 €2009). This difference is due to the fact that in 2014 actual en-route costs are -11.0% (or 80.5 MDKK2009) lower in real terms than the determined costs provided in the NPP, while the actual number of total service units (TSUs) is -4.6% lower than planned.

The actual en-route traffic (TSUs) is lower by -4.6% compared to the NPP for 2014, which falls outside of ± 2% dead band foreseen in the traffic risk sharing mechanism. Therefore, the resulting loss of revenue is shared between the ATSP and the airspace users, with the loss borne by the ATSP amounting to some -2.3 M€2009.

Actual 2014 costs vs. NPP

Total actual en-route costs for Denmark in 2014 are 652.0 MDKK2009, or -11.0% less than planned, due to a combination of lower costs in nominal terms (-12.4%, with actual costs of 706.4 MDKK compared to the determined cost of 806.3 MDKK) and the actual inflation index being -1.7 percentage points lower than forecast in the NPP.

The en-route cost-base includes costs relating to the Danish ATSP (Naviair), the Danish MET (DMI) and NSA-DK. The cost savings are mostly attributable to Naviair (-11.4% in real terms, or -9.4 M€2009). A detailed analysis of Naviair costs is provided in the box below.

For DMI, actual costs in 2014 are a small contribution to the en-route cost-base but are +0.3 M€2009 higher than planned. According to the additional information provided with the June 2015 Reporting Tables, this is due to an increase in IT costs, which includes general maintenance of facilities, updates of technical installations including observation stations, and an increased contribution to EUMETSAT. However, DMI have reduced depreciation costs for 2014 by delaying the upgrade of their supercomputer.

For NSA-DK, actual costs are -1.8 M€2009 lower than planned, due to the CAA-DK and the Danish Transport Authority merging together to cover rail, road and air transport, which has reduced staff and other operating costs.

No costs exempt from cost sharing are reported for the year 2014.

RP1 summary

When considering the whole of RP1 (2012-2014) the actual number of TSUs is -5.2% lower than planned and actual costs are -9.5% lower than planned (some -208.3 MDKK2009). As a result, the weighted average unit cost over RP1 is -4.5% lower than planned in the NPP.

At ATSP level

Actual 2014 Naviair costs vs. NPP

Naviair actual en-route costs in 2014 are 72.8 M€2009, -9.4 M€2009 (or -11.4%) lower than the determined costs. This is due to decreases in all cost categories. In particular, other operating costs are -4.6 M€2009 or -28.5% lower than planned. According to the Additional Information to the June 2015 en-route Reporting Tables this is due to the implementation of several cost containment measures, for example lower maintenance costs, insurance costs and also one-off savings in 2014, such as the cost of IT installations.

Actual staff costs are -3.9 M€2009 or -7.8% lower than planned in real terms due to a reduction in FTEs to adjust to the lower levels of traffic than planned throughout RP1. Depreciation and cost of capital are lower than planned in the NPP (-0.9 M€2009 and -0.7 M€2009 respectively). An amount of -2.8 M€2009 was planned in the NPP as an exceptional cost (i.e. a revenue). Actual exceptional costs in 2014 are -2.1 M€2009, -26.3% lower than planned, resulting in actual costs in this category being +0.7 M€2009 higher than planned.

In 2014, the actual total asset base is 170.2 M€2009, or -9.8% lower than planned. According to the 2014 NSA Monitoring Report, actual capex was 46.7 MDKK, -17.3 MDKK or -27.0% less than planned in the NPP. This is due to the postponement of replacing the hardware for COOPANS, which was initially intended to take place over several years from 2013 onwards. It will now take place later, along with the replacement of other related hardware. Other delays to capex projects include contractual delays and regulatory approvals.

Naviair net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, the en-route activity for the year 2014 generated a net gain of +7.1 M€2009 for Naviair. This is the result of a combination of two separate elements:

- a gain of +9.4 M€2009 as a result of the cost-sharing mechanism; and
- a loss of -2.3 M€2009 as a result of the traffic risk sharing mechanism for 2014.

For the en-route activity, the surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +2.9 M€2009, corresponding to an estimated surplus of +3.5% of en-route revenues for 2014. Ex-post, the overall estimated surplus for the year calculated by adding the surplus embedded in the cost of capital (+2.8 M€2009) and the net gain from the en-route activity in 2014 (+7.1 M€2009), gives a total of +9.9 M€2009 for 2014, corresponding to +12.3% of the en-route revenue in 2014. The resulting ex-post rate of return on equity for 2014 is +17.8% (compared to +5.0% as initially planned in the NPP).

Conclusion

In a context of actual traffic in 2014 that was -4.6% lower than planned, Naviair reduced its en-route costs by -11.4% compared to planned (in real terms). Despite the loss under the traffic risk sharing mechanism, this resulted in a net gain (+7.1 M€2009) on the en-route activity compared to the NPP. Naviair's overall estimated surplus in respect of 2014 en-route activity amounts to +9.9 M€2009, corresponding to 12.3% of en-route revenue.

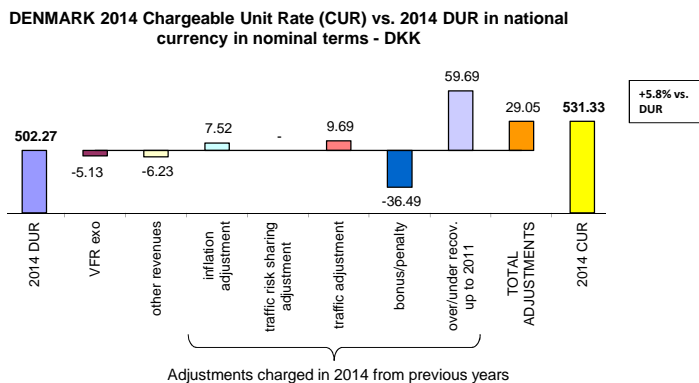
This indicates that in 2014, Naviair was in a position to retain the part of surplus embedded in the cost of capital and to generate extra gains arising from the lower costs than planned in 2014. This adds to the overall positive estimated surplus for the en-route activity generated by Naviair in 2013 of +9.0 M€2009 (or +11.1% of en-route revenues leading to an ex-post rate of return on equity of +15.4%) and in 2012 of +6.2 M€2009 (or +7.9% of en-route revenues in 2012 leading to an ex-post rate of return on equity of +8.6%).

When considering the whole of RP1 (2012-2014), Naviair could retain a cumulative gain in respect of cost sharing of +22.9 M€2009 as actual costs were lower than planned for all years of RP1. However, Naviair incurred a cumulative loss in respect of traffic risk sharing amounting to -7.2 M€2009, which resulted in a cumulative net gain for the en-route activity of +15.7 M€2009.

DENMARK

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

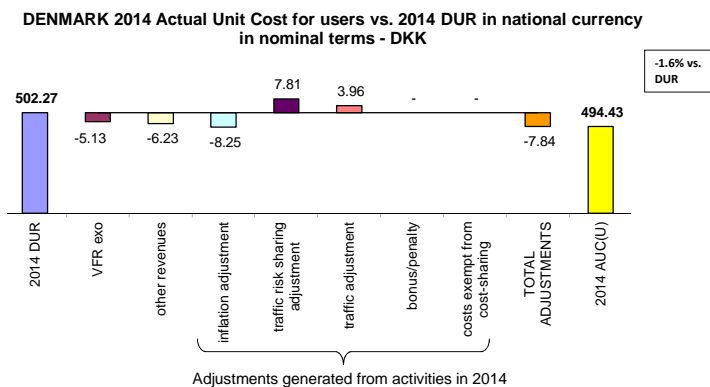
These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The CUR charged to airspace users in 2014 is 531.33 DKK in nominal terms, which is +5.8% more than the DUR of 502.27 DKK. The difference is due to:

- 5.13 DKK, or -1.0% to deduct costs for services exempt from VFR;
- 6.23 DKK, or -1.2% of other revenues;
- +7.52 DKK, or +1.5% to adjust for inflation;
- +9.69 DKK, or +1.9% to adjust for traffic;
- 36.49 DKK, or -7.3% recorded as a penalty* ; and
- +59.69 DKK, or +11.9% for legacy carry-overs incurred up to and including 2011.

* It is important to note that this amount does not relate to a performance incentive mechanism, since no such mechanism applied in Denmark during RP1. The amount recorded by Denmark under this item is to adjust for a Navair initiative to write-off amounts related to under-recoveries from before RP1, as part of Navair's commitment to decrease the CUR.

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en-route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The AUC-U for airspace users in 2014 is 494.43 DKK, which is -1.6% less than the DUR of 502.27 DKK. This is due to the deduction of costs for services to exempted VFR (-5.13 DKK, or -1.0%) and other revenues (-6.23 DKK, or -1.2%), and some adjustments generated from activities in 2014:

- 8.25 DKK, or -1.6% decrease for the inflation adjustment;
- +7.81 DKK, or +1.6% increase for traffic risk sharing adjustment; and
- +3.96 DKK, or +0.8% increase for the difference in traffic for costs not subject to traffic risk sharing.

DENMARK

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) [^]	0.7	0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone	1	1	1	1	1	1
of which, number of airports over 50 000 movements	1	1	1	1	1	1
DENMARK - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in DKK)	185 064 000	165 750 502	198 980 121	200 894 015	204 035 711	207 053 900
Inflation index (100 in 2009)	100.0	102.2	103.7	105.8	107.9	110.1
Real terminal ANS costs - (in DKK2009)	185 064 000	162 182 487	191 819 500	189 867 175	189 055 321	188 090 111
Real terminal ANS costs - (in EUR2009)	24 862 932	21 788 852	25 770 518	25 508 227	25 399 157	25 269 483
DENMARK - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in DKK)	185 064 000	166 550 502	197 620 000	196 482 414	172 723 143	169 986 150
Inflation index (100 in 2009)	100.0	102.2	105.0	107.5	108.0	108.3
Real terminal ANS costs - (in DKK2009)	185 064 000	162 965 266	188 282 326	182 811 027	159 905 416	156 900 832
Real terminal ANS costs - (in EUR2009)	24 862 932	21 894 017	25 295 307	24 560 250	21 482 933	21 079 273
Total terminal service units - See Note 2	133 215	138 576	145 828	144 110	148 264	154 763
Actual real unit costs - (in DKK2009)	1 389.2	1 176.0	1 291.1	1 268.6	1 078.5	1 013.8
Unit rate applied - (in DKK)				1 361.00	1 361.00	1 305.00
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in DKK)	in value			-4 411 601	-31 312 568	-37 067 750
	in%			-2.2%	-15.3%	-17.9%
Inflation index (100 in 2009)	in p.p.			1.7 p.p.	0.1 p.p.	-1.7 p.p.
Real terminal ANS costs - (in DKK2009)	in value			-7 056 148	-29 149 904	-31 189 279
	in%			-3.7%	-15.4%	-16.6%
Real terminal ANS costs - (in EUR2009)	in value			-947 978	-3 916 224	-4 190 209
	in%			-3.7%	-15.4%	-16.6%
11. - General conclusions on the Terminal ANS costs and unit rates monitoring						
The terminal charging zone in Denmark comprises one airport (Copenhagen), which has more than 50,000 airport movements per year. Denmark uses the harmonised SES formula (MTOW/50) [^] 0.7 throughout RP1.						
Actual terminal ANS costs in 2014 are 21.1 M€2009, which is -16.6%, or -4.2 M€2009 lower than planned in the NPP (25.3 M€2009). This difference is of a larger magnitude to that seen in the en-route costs (actual en-route costs were -11.0% lower than planned in real terms). Overall the reduction in total costs is due to lower costs at Naviair. According to the additional information provided with the June 2015 terminal Reporting Tables, there were lower staff costs (-10.6 MDKK) in order to adjust to the lower traffic volumes than initially forecast, lower other operating costs (-4.4 MDKK) by reducing utilities, and a reduction of -12.4 MDKK in cost of capital.						
RP1 summary						
When considering the whole of RP1 (2012-2014), actual terminal ANS costs are -11.9% lower in real terms (or some -67.4 MDKK2009) than planned in the NPP. This reflects the fact that terminal ANS costs are -3.7% to -16.6% lower than planned in real terms in each year of RP1.						

12. - Monitoring of gate-to-gate costs (2014)						
	2009A	2010A	2011F	2012P	2013P	2014P
DENMARK - Data from RP1 national performance plan						
Real en-route costs (determined costs 2012-2014) - (in DKK2009)	765 672 826	719 825 299	711 457 844	729 969 631	740 551 666	732 469 353
Real terminal ANS costs - (in DKK2009)	185 064 000	162 182 487	191 819 500	189 867 175	189 055 321	188 090 111
Real gate-to-gate ANS costs - (in DKK2009)	950 736 826	882 007 785	903 277 344	919 836 807	929 606 986	920 559 464
Real gate-to-gate ANS costs - (in EUR2009)	127 729 352	118 495 760	121 353 277	123 578 004	124 890 605	123 675 091
Share of en-route costs in gate-to-gate ANS costs	80.5%	81.6%	78.8%	79.4%	79.7%	79.6%
DENMARK - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in DKK2009)	765 672 826	719 825 299	684 991 173	671 864 798	670 834 551	651 978 779
Real terminal ANS costs - (in DKK2009)	185 064 000	162 965 266	188 282 326	182 811 027	159 905 416	156 900 832
Real gate-to-gate ANS costs - (in DKK2009)	950 736 826	882 790 564	873 273 500	854 675 826	830 739 968	808 879 611
Real gate-to-gate ANS costs - (in EUR2009)	127 729 352	118 600 925	117 322 328	114 823 773	111 608 044	108 671 154
Share of en-route costs in gate-to-gate ANS costs	80.5%	81.5%	78.4%	78.6%	80.8%	80.6%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in DKK2009)	in value			-58 104 833	-69 717 114	-80 490 575
	in %			-8.0%	-9.4%	-11.0%
Real terminal ANS costs - (in DKK2009)	in value			-7 056 148	-29 149 904	-31 189 279
	in %			-3.7%	-15.4%	-16.6%
Real gate-to-gate ANS costs - (in DKK2009)	in value			-65 160 981	-98 867 018	-111 679 853
	in %			-7.1%	-10.6%	-12.1%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-8 754 231	-13 282 561	-15 003 937
	in %			-7.1%	-10.6%	-12.1%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			-0.7 p.p.	1.1 p.p.	1.0 p.p.

13. - General conclusions on the gate-to-gate ANS costs						
In 2014, Denmark's actual gate-to-gate ANS costs (108.7 M€2009) are -12.1% lower than planned in the NPP (123.7 M€2009). This difference is driven by lower traffic volumes than planned and therefore lower actual costs than planned, primarily in Naviair staff costs and other operating costs.						
The allocation of gate-to-gate costs between en-route ANS and terminal ANS appears quite stable over RP1 (approximately 80% share to en-route) and did not change significantly with respect to the NPP.						



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Sweden

Working Draft 2.0

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SWEDEN

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management																																						
	2012	2013	2014	State level Observations																																		
State level	51	58	57																																			
ANSP [LFV]	76	72	73																																			
ANSP [ACR]	67	72	52																																			
ANSP [ESNX]	65	62	64																																			
<table border="1"> <caption>Data for Effectiveness of Safety Management Chart</caption> <thead> <tr> <th>CO</th> <th>Category</th> <th>Self-assessment</th> <th>EASA verification</th> </tr> </thead> <tbody> <tr> <td rowspan="2">CO1</td> <td>< Level C</td> <td>1</td> <td>1</td> </tr> <tr> <td>≥ Level C</td> <td>16</td> <td>15</td> </tr> <tr> <td rowspan="2">CO2</td> <td>< Level C</td> <td>1</td> <td>1</td> </tr> <tr> <td>≥ Level C</td> <td>4</td> <td>3</td> </tr> <tr> <td rowspan="2">CO3</td> <td>< Level C</td> <td>3</td> <td>3</td> </tr> <tr> <td>≥ Level C</td> <td>9</td> <td>6</td> </tr> <tr> <td rowspan="2">CO4</td> <td>< Level C</td> <td>2</td> <td>2</td> </tr> <tr> <td>≥ Level C</td> <td>2</td> <td>4</td> </tr> </tbody> </table>							CO	Category	Self-assessment	EASA verification	CO1	< Level C	1	1	≥ Level C	16	15	CO2	< Level C	1	1	≥ Level C	4	3	CO3	< Level C	3	3	≥ Level C	9	6	CO4	< Level C	2	2	≥ Level C	2	4
CO	Category	Self-assessment	EASA verification																																			
CO1	< Level C	1	1																																			
	≥ Level C	16	15																																			
CO2	< Level C	1	1																																			
	≥ Level C	4	3																																			
CO3	< Level C	3	3																																			
	≥ Level C	9	6																																			
CO4	< Level C	2	2																																			
	≥ Level C	2	4																																			
Application of the severity classification of the Risk Analysis Tool (RAT)																																						
		2012		2013		2014																																
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)																															
Separation Minima Infringements (SMIs)	ATM Ground	2	100%	34	47%	41	100%																															
	ATM Overall		0%		0%		0%																															
Runway Incursions (RIs)	ATM Ground	95	12%	99	5%	104	100%																															
	ATM Overall		0%		0%		0%																															
ATM Specific Occurrences (ATM-Specific)	ATM Overall	2264	1%	2396	1%	2246	0%																															
Source of RAT data:		STA																																				
Preliminary results updated after coordination with the AST-FP in August 2015.																																						
Just culture																																						
Number of questions answered with Yes or No		State																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	2	8	5	5	5	4																															
	Legal/Judiciary	1	7	4	4	5	2																															
	Occurrence reporting and Investigation	2	0	2	0	2	0																															
	TOTAL	5	15	11	9	12	6																															
Number of questions answered with Yes or No		ANSP [LFV]																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	7	6	8	5	9	4																															
	Legal/Judiciary	2	1	2	1	2	1																															
	Occurrence reporting and Investigation	5	3	5	3	6	2																															
	TOTAL	14	10	15	9	17	7																															

Number of questions answered with Yes or No	ANSP [ACR]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	7	6	9	4	13	0
Legal/Judiciary	1	2	1	2	2	1
Occurrence reporting and Investigation	5	3	6	2	7	1
TOTAL	13	11	16	8	22	2

Number of questions answered with Yes or No	ANSP [ESNX]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	8	5	8	5	8	5
Legal/Judiciary	2	1	2	1	2	1
Occurrence reporting and Investigation	4	4	4	4	4	4
TOTAL	14	10	14	10	14	10

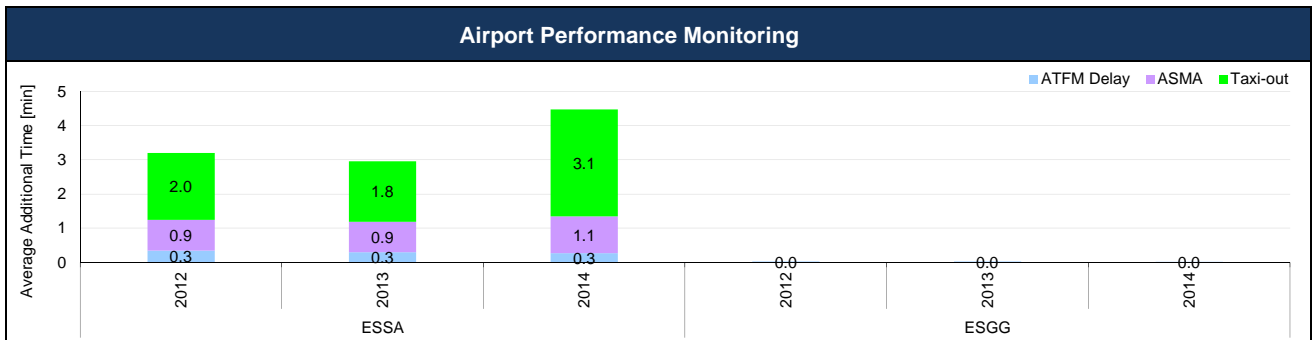
SWEDEN

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.02	0.03	0.06	
National Target				
Actual performance	0.04	0.03	0.03	
National capacity assessment				
The ANSPs in the Danish-Swedish FAB (LFV and Naviair) have delivered better results than expected in the Performance Plan.				
Military dimension of the plan (Opt.)				
Although requested by IR 691/2010, the Performance Plan for Denmark-Sweden FAB, in the part relating to FUA implementation in Sweden, did not contain details of how FUA would be applied to increase capacity. Sweden states all FUA capacity benefits have been achieved in the implementation since 1978.				
PRB Capacity assessment				
The level of capacity performance in Sweden surpassed the effort required to be consistent with the EU-wide target for capacity in 2014.				
Effective booking procedures				
<p>The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 42%</p> <p>The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 9%</p> <p>The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 49%</p>				
Recommendations				

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Monitoring of CAPACITY indicators for 2014



Airport Data									
Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Stockholm/Arlanda	ESSA	2012	0.3	36 551	0.9	91 530	2.0	190 116	318 197
		2013	0.3	32 658	0.9	95 220	1.8	175 030	302 908
		2014	0.3	30 471	1.1	119 251	3.1	317 985	467 707
Goteborg/Landvetter	ESGG	2012	0.0	897	n/appl.	n/appl.	n/a	n/a	n/a
		2013	0.0	870	n/appl.	n/appl.	n/a	n/a	n/a
		2014	0.0	465	n/appl.	n/appl.	n/a	n/a	n/a
Total		2012	0.3	37 448	0.9	91 530	n/a	n/a	n/a
		2013	0.2	33 528	0.9	95 220	n/a	n/a	n/a
		2014	0.2	30 936	1.1	119 251	n/a	n/a	n/a
Absolute Difference		2014-2013	▲ 0.0	▲ -2 592	▼ 0.2	▼ 24 031	n/a	n/a	n/a
		2014-2012	▲ -0.1	▲ -6 512	▼ 0.2	▼ 27 721	n/a	n/a	n/a

Critical Issues

- Missing DRWY data at Göteborg Landvetter Airport since 2012. Data required for the calculation of taxi-out time.

Specific Analysis

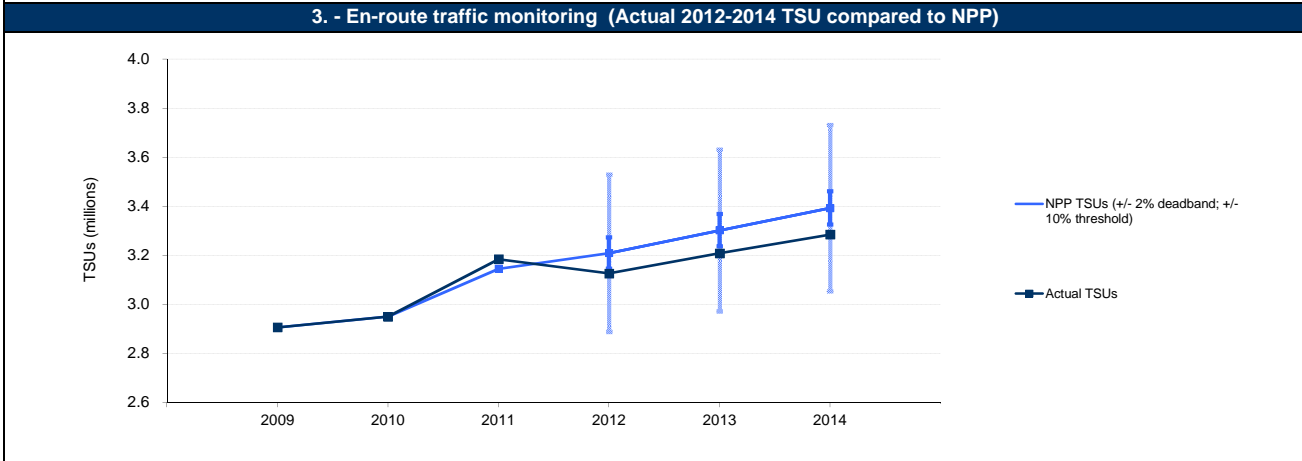
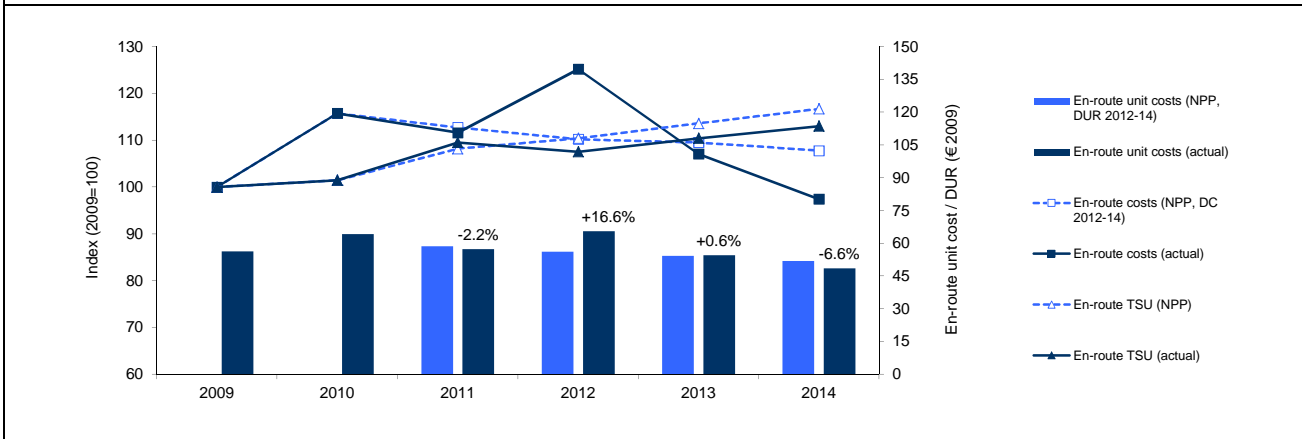
- The averages for additional taxi-out times could not be calculated due the missing data.

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Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> SWEDEN represents 2.8% of the SES en-route ANS determined costs in 2014. ATSP : LFV FAB : DK-SE National currency: SEK Exchange rate 2009: 1 EUR= 10.6102 Note on the actual exchange rate 2014 In 2014, the SEK depreciated by 5.2% compared to 2013. 	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p> <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
SWEDEN - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal SEK)	1 735 916 574	2 033 375 950	2 044 177 679	2 042 492 483	2 081 867 340	2 100 445 080
Inflation %		1.2%	3.2%	2.2%	2.6%	2.5%
Inflation index (100 in 2009)	100.0	101.2	104.4	106.7	109.5	112.2
Real en-route costs (determined costs 2012-2014) - (in SEK2009)	1 735 916 574	2 009 264 773	1 957 304 669	1 913 592 064	1 901 054 579	1 871 237 873
Total en-route Service Units	2 906 484	2 950 000	3 145 000	3 209 000	3 302 000	3 393 000
Real en-route unit costs per Service Units - (in SEK2009)	597.26	681.11	622.35	596.32	575.73	551.50
Real en-route unit costs per Service Units - (in EUR2009)	56.29	64.19	58.66	56.20	54.26	51.98
SWEDEN - Actual data from Jun-2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal SEK)	1 735 916 574	2 033 398 394	1 988 440 902	2 250 263 627	1 932 040 001	1 761 708 297
Inflation %		1.2%	1.4%	0.9%	0.4%	0.2%
Inflation index (100 in 2009)	100.0	101.2	102.6	103.5	104.0	104.2
Real en-route costs - (in SEK2009)	1 735 916 574	2 009 286 950	1 937 734 271	2 173 320 450	1 858 543 658	1 691 308 890
Total en-route Service Units	2 906 484	2 950 000	3 184 522	3 126 197	3 208 684	3 284 841
Real en-route unit costs per Service Units - (in SEK2009)	597.26	681.11	608.49	695.20	579.22	514.88
Real en-route unit costs per Service Units - (in EUR2009)	56.29	64.19	57.35	65.52	54.59	48.53
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal SEK)	in value			207 771 144	-149 827 339	-338 736 783
	in %			10.2%	-7.2%	-16.1%
Inflation %	in p.p.			-1.3 p.p.	-2.2 p.p.	-2.3 p.p.
Inflation index (100 in 2009)	in p.p.			-3.2 p.p.	-5.6 p.p.	-8.1 p.p.
Real en-route costs - (in SEK2009)	in value			259 728 386	-42 510 921	-179 928 983
	in %			13.6%	-2.2%	-9.6%
Total en-route Service Units	in value			-82 803	-93 316	-108 159
	in %			-2.6%	-2.8%	-3.2%
Real en-route unit costs per Service Units - (in SEK2009)	in value			98.88	3.49	-36.62
	in %			16.6%	0.6%	-6.6%
Real en-route unit costs per Service Units - (in EUR2009)	in value			9.32	0.33	-3.45
	in %			16.6%	0.6%	-6.6%



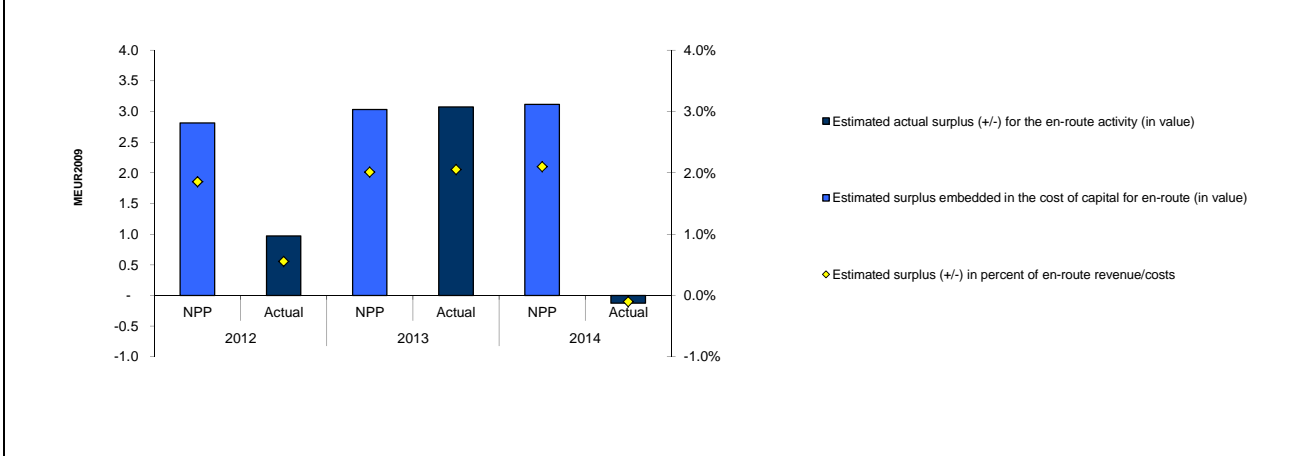
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Monitoring of en-route and terminal COST-EFFICIENCY for 2014

4. - En-route costs monitoring (2014 actuals compared to NPP)		
By entity at State level 		Costs exempted from cost sharing (by factor/item) Pension: -23 218 Interest rates on loans: - National taxation law: - New cost item required by law: 83 International agreements: 5 Costs exempted from cost sharing (by entity) ATSP: -23 135 Other ANSP: - METSP: - NSA/EUROCONTROL: 5 Total costs exempted from cost sharing to be recovered from (+)/reimbursed to (-) users if eligible after EC verification : -23 130
By nature at ATSP level 		

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2014		
Cost sharing ('000€2009)		Combined effect of variations in costs and traffic for 2014 ('000€2009)
Determined costs for the ATSP (NPP)	148 286	
Actual costs for the ATSP	124 773	
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	23 513	
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-23 135	
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	378	
Traffic risk sharing ('000€2009)		
Difference in total service units (actual vs NPP)	-3.19%	
Determined costs after deduction of costs for exempted VFR flights	159 798	
ATSP gain (traffic between 0 and +2% higher than NPP)	-	
ATSP gain (traffic between +2% and +10% higher than NPP)	-	
ATSP loss (traffic between 0 and -2% below NPP)	-3 196	
ATSP loss (traffic between -2% and -10% below NPP)	-569	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	-3 765	
Incentives ('000€2009)		
ATSP bonus (+) / penalty (-)	-	
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	-	
Net ATSP gain(+)/loss(-) on en-route activity	-3 388	

6. - En-route ATSP estimated surplus*						
*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.						
ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base - See Note 2	161 489	176 118	143 031	175 238	123 613	121 385
Estimated proportion of financing through equity (in %)	32.2%	27.0%	39.2%	28.0%	46.6%	49.7%
Estimated proportion of financing through equity (in value)	52 063	47 609	56 115	49 097	57 656	60 383
Estimated proportion of financing through debt (in %)	67.8%	73.0%	60.8%	72.0%	53.4%	50.3%
Estimated proportion of financing through debt (in value)	109 426	128 508	86 916	126 142	65 957	61 002
Cost of capital pre-tax (in value)	2 811	3 727	3 030	2 777	3 113	3 749
Average interest on debt (in %)	-	0.9%	-	0.1%	-	0.8%
Interest on debt (in value)	-	1 157	-	126	-	488
Determined RoE pre-tax rate (in %)	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%
Estimated surplus embedded in the cost of capital for en-route (in value)	2 811	2 571	3 030	2 651	3 113	3 261
Net ATSP gain(+)/loss(-) on en-route activity	-	-1 600	-	421	-	-3 388
Overall estimated surplus (+/-) for the en-route activity	2 811	971	3 030	3 072	3 113	-127
Revenue/costs for the en-route activity	151 608	174 451	150 814	149 524	148 286	121 385
Estimated surplus (+/-) in percent of en-route revenue/costs	1.9%	0.6%	2.0%	2.1%	2.1%	-0.1%
Estimated ex-post RoE pre-tax rate (in %)	5.4%	2.0%	5.4%	6.3%	5.4%	-0.2%



SWEDEN

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by SWEDEN

Note 1: Data in the 2014 NSA Monitoring Report and the Terminal June 2015 Reporting Tables are not consistent in the following areas:

- Actual 2014 terminal costs reported in the Reporting Tables are slightly below (-0.1%) those published in the 2014 NSA Monitoring Report. Sweden indicated during the "fact validation" process that the figures from the Reporting Tables were not correct since the Transport Agency supervision costs had been omitted. The figure used in this report for the actual 2014 terminal costs is therefore the one consistent with the NSA Monitoring Report.
- Total terminal service units are consistent for Sweden Arlanda but inconsistent for Sweden Landvetter. Sweden Landvetter - Reporting Tables 33 844, 2014 NSA Monitoring report 33 079.

Note 2: Total Asset Base for 2014

The planned total asset base presented by Sweden for its ATSP LFV in 2014, is significantly lower than that shown in previous years' monitoring analysis. In its June 2015 Reporting Tables Sweden has reported the planned asset base for LFV in a manner coherent to that used for reporting the actual asset base. Under this approach, only the asset base relevant for calculating the cost of capital is given, excluding the pensions liability that was previously included. The value of the planned Return on Equity has remained unchanged.

At State / Charging Area level

In 2014, the real en-route unit cost for Sweden (48.53 €2009) is -6.6% lower than planned in the Adopted NPP for RP1 (51.98 €2009). This difference is mainly due to actual en-route costs in real terms being -9.6% lower than the determined costs, with en-route Service Units -3.2% lower than planned. According to the Additional Information to the June 2015 en-route Reporting Tables, the decrease in costs is due to lower costs in administration and other areas, and benefits associated with increased cooperation with the Danish Meteorological Institute.

The number of en-route total service units (TSUs) in 2014 (3.28 million) is -3.2% lower than the figure provided in the Adopted NPP (3.39 million), which falls outside the ±2% deadband, but is below the -10% threshold foreseen in the traffic risk sharing mechanism. The resulting loss of en-route revenues is therefore shared between the ATSP and the airspace users, with the loss borne by the ATSP amounting to some -3.8 M€2009.

Actual 2014 costs vs. NPP

Total actual en-route costs for Sweden in 2014 (1 691.3 MSEK2009) are -9.6% lower than planned in the NPP (1 871.2 MSEK2009). This mainly reflects lower en-route costs in nominal terms (-16.1%) while the actual inflation index was significantly lower than planned in the NPP (-8.1 p.p.).

The en-route cost-base includes costs relating to Sweden's ANSPs (LFV and ACR), the MET Service Provider (SMHI), and the NSA (Swedish Transport Agency), which includes EUROCONTROL costs. While for LFV and SMHI, 2014 en-route costs are lower than planned (-15.9%, and -24.1% respectively), the costs of ACR and the NSAEUROCONTROL are higher than the amount reported in the NPP (+196.3%, and +11.2% respectively). A detailed analysis of LFV's costs is provided in the box below.

Costs exempt from cost sharing are reported for an amount of -23.1 M€2009, related to pension costs (-23.2 M€2009) and EUROCONTROL costs (+0.05 M€2009), as well as a new cost item required by law (+0.8 M€2009). These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

RP1 summary

When considering the whole of RP1 (2012-2014) the actual number of TSUs is -2.9% lower than planned and actual en-route costs in real terms are +0.7% higher than planned (some +3.5 M€2009). As a result, the weighted average unit cost over RP1 is +3.6% higher than the level planned in the NPP.

At ATSP level

Actual 2014 LFV costs vs. NPP

LFV actual en-route costs are some -23.5 M€2009 (-15.9%) lower than the determined costs planned for 2014. Staff costs are -16.0% lower than planned, noted in the Additional Information to the June 2015 en-route Reporting Tables as being mainly due to the fewer employees than planned. Other operating costs were -19.8% lower than planned, due to the cost cutting program, and lower training costs. Depreciation was also lower than planned, -14.0%, whereas cost of capital was significantly higher than planned in relative terms (+20.4%), though not in value (+0.6 M€2009).

In 2014, the actual total asset base was 121.4 M€2009, or -18.0% lower than planned as a result of delayed or cancelled investments due to cost saving measures (see **Note 2**). Sweden states in the Additional Information to the June 2015 en-route Reporting Tables that "*one important reason for why the investments are lower than earlier plans is that LFV has been restrictive in starting new investments and have looked deep into different alternatives due to the limitation in resources which is a consequence of saving costs*". Some IT investments have also been transferred to operating costs, as LFV has sought to buy services from external suppliers rather than in-source.

LFV net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, the en-route activity for the year 2014 generated a net loss of -3.4 M€2009 for LFV. This is the result of a combination of two separate elements:

- a gain of +0.4 M€2009 as a result of the cost-sharing mechanism; and
- a loss of -3.8 M€2009 as a result of the traffic risk sharing mechanism for 2014.

For the en-route activity, the estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +3.1 M€2009, corresponding to an estimated surplus of +2.1% of the en-route revenues for 2014. Ex-post, the overall estimated surplus for the year is calculated by adding the surplus embedded in the cost of capital (+3.3 M€2009) and the net loss from the en-route activity in 2014 (-3.4 M€2009), giving a total of -0.1 M€2009 for 2014, corresponding to -0.1% of the en-route revenue in 2014. The resulting ex-post rate of return on equity for 2014 is -0.2% (compared to +5.4% as initially planned in the NPP).

Conclusion

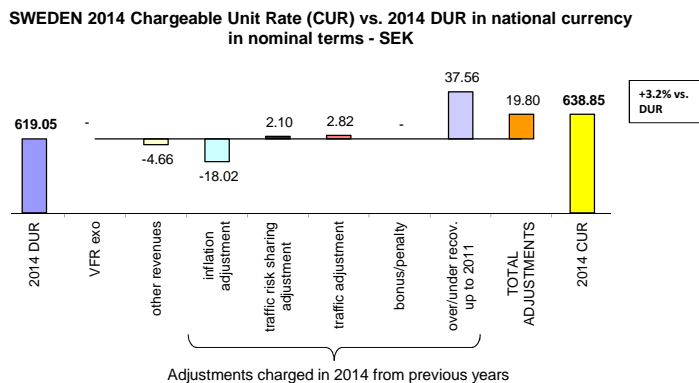
Traffic volumes were slightly lower than expected (-3.2%), and LFV's actual en-route costs in 2014 were -15.9% lower than planned in the NPP. The en-route activity for the year 2014 generated a net loss of -3.4 M€2009 for LFV, which results in an overall estimated surplus of -0.1% of the en-route revenue for 2014 (down from a planned +2.1% in the NPP).

When considering the whole of RP1 (2012-2014), LFV could retain a cumulative gain in respect of cost sharing of +6.2 M€2009 as actual costs were lower than planned in 2012, 2013 and 2014 of RP1. However, as the traffic was consistently lower than planned for each year of the RP1, LFV incurred a cumulative loss in respect of traffic risk sharing amounting to -10.7 M€2009, which resulted in a cumulative net loss for the en-route activity of -4.6M€2009.

SWEDEN

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



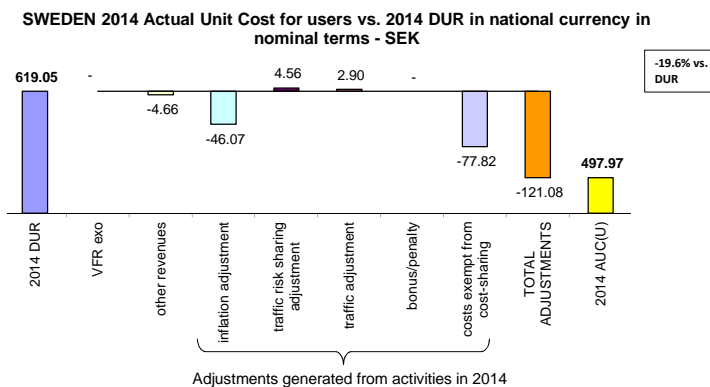
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The CUR charged to airspace users in 2014 is 638.85 SEK, which is +3.2% more than the DUR of 619.05 SEK. The CUR is higher due to an increase of legacy carry-overs incurred up to and including 2011 (+37.56 SEK, or +6.1%) and traffic adjustment and traffic risk sharing adjustment (+2.82 SEK and +2.10 SEK respectively). Deductions were made to reflect the inflation adjustment (-18.02 SEK) and other revenues (-4.66 SEK).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en-route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The AUC-U for airspace users in 2014 is 497.97 SEK, which is -19.6% less than the DUR of 619.05 SEK. This is due to adjustments generated from activities in 2014:

- 77.82 SEK, or -12.6% decrease for costs exempt from cost sharing;
- 46.07 SEK, or -7.4% deduction due to inflation adjustment;
- 4.66 SEK, or -0.8% deduction due to other revenues;
- +2.90 SEK, or +0.5% increase of costs for traffic risk adjustment; and
- +4.56 SEK, or +0.7% reflecting the difference in traffic for costs subject to traffic risk sharing.

SWEDEN

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) [^]		0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zones Arlanda		1	1	1	1	1
of which, number of airports over 50 000 movements		1	1	1	1	1
Number of airports in terminal charging zones Landvetter		1	1	1	1	1
of which, number of airports over 50 000 movements		1	1	1	1	1
SWEDEN - Data from RP1 national performance plan						
Terminal ANS costs for the charging zones - (in SEK)	202 043 813	222 209 064	212 883 782	219 860 656	226 192 945	231 619 470
Inflation index (100 in 2009)	100.0	101.2	104.4	106.7	109.5	112.2
Real terminal ANS costs - (in SEK2009)	202 043 813	219 574 173	203 836 694	205 985 388	206 547 807	206 344 421
Real terminal ANS costs - (in EUR2009)	19 042 413	20 694 631	19 211 390	19 413 902	19 466 910	19 447 741
SWEDEN - Actual data from June 2015 Reporting Tables						
Terminal ANS costs for the charging zones - (in SEK) - See Note 1	202 043 813	222 209 064	200 976 100	234 971 052	201 641 118	156 914 401
Inflation index (100 in 2009)	100.0	101.2	102.6	103.5	104.0	104.2
Real terminal ANS costs - (in SEK2009)	202 043 813	219 574 173	195 851 069	226 936 696	193 970 529	150 643 964
Real terminal ANS costs - (in EUR2009)	19 042 413	20 694 631	18 458 754	21 388 541	18 281 515	14 198 032
Total terminal service units - See Note 1	133 935	136 580	155 208	151 900	156 300	168 918
Actual real unit costs - (in SEK2009)	1 508.52	1 607.66	1 261.86	1 493.99	1 241.01	891.82
Unit rate applied - (in SEK) - Charging zone Arlanda				1 847.13	1 214.86	1 375.22
Unit rate applied - (in SEK) - Charging zone Landvetter				913.91	629.88	794.60
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
Terminal ANS costs for the charging zones - (in SEK) - See Note 1				15 110 396	-24 551 827	-74 705 069
				6.9%	-10.9%	-32.3%
Inflation index (100 in 2009)				-3.2 p.p.	-5.6 p.p.	-8.1 p.p.
Real terminal ANS costs - (in SEK2009)				20 951 308	-12 577 279	-55 700 457
				10.2%	-6.1%	-27.0%
Real terminal ANS costs - (in EUR2009)				1 974 638	-1 185 395	-5 249 708
				10.2%	-6.1%	-27.0%
11. - General conclusions on the Terminal ANS costs and unit rates monitoring						
<p>There are two terminal charging zones in Sweden: Sweden – Arlanda and Sweden – Landvetter. Both charging zones comprise one airport (Stockholm Arlanda and Göteborg Landvetter respectively), each with more than 50,000 airport movements per year. There has been no change to the terminal charging zone as compared to the NPP. The harmonised SES formula (MTOW/50)[^]0.7 is applied by Sweden.</p> <p>Actual terminal ANS costs in 2014 are -27.0%, or -5.2 M€2009 lower than planned in the NPP. This difference is larger than that for en-route costs (-9.6% in real terms lower than planned). Actual costs were lower than planned in the NPP in both of Sweden's terminal charging zones.</p> <p>RP1 summary When considering the whole of RP1 (2012-2014), actual terminal ANS costs are -7.6% lower in real terms (or some -47.3 MSEK2009) than planned in the NPP. This reflects the fact that terminal ANS costs were lower than planned in the 2013 and 2014 despite being higher in 2012.</p>						
12. - Monitoring of gate-to-gate costs (2014)						
SWEDEN - Data from RP1 national performance plan						
Real en-route costs (determined costs 2012-2014) - (in SEK2009)	1 735 916 574	2 009 264 773	1 957 304 669	1 913 592 064	1 901 054 579	1 871 237 873
Real terminal ANS costs - (in SEK2009)	202 043 813	219 574 173	203 836 694	205 985 388	206 547 807	206 344 421
Real gate-to-gate ANS costs - (in SEK2009)	1 937 960 388	2 228 838 946	2 161 141 363	2 119 577 452	2 107 602 387	2 077 582 294
Real gate-to-gate ANS costs - (in EUR2009)	182 650 693	210 065 686	203 685 262	199 767 908	198 639 270	195 809 909
Share of en-route costs in gate-to-gate ANS costs	89.6%	90.1%	90.6%	90.3%	90.2%	90.1%
SWEDEN - Actual data from June 2015 Reporting Tables						
Real en-route costs - (in SEK2009)	1 735 916 574	2 009 286 950	1 937 734 271	2 173 320 450	1 858 543 658	1 691 308 890
Real terminal ANS costs - (in SEK2009)	202 043 813	219 574 173	195 851 069	226 936 696	193 970 529	150 643 964
Real gate-to-gate ANS costs - (in SEK2009)	1 937 960 388	2 228 861 124	2 133 585 341	2 400 257 147	2 052 514 186	1 841 952 854
Real gate-to-gate ANS costs - (in EUR2009)	182 650 693	210 067 777	201 088 136	226 221 668	193 447 266	173 602 086
Share of en-route costs in gate-to-gate ANS costs	89.6%	90.1%	90.8%	90.5%	90.5%	91.8%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
Real en-route costs - (in SEK2009)				259 728 386	-42 510 921	-179 928 983
				13.6%	-2.2%	-9.6%
Real terminal ANS costs - (in SEK2009)				20 951 308	-12 577 279	-55 700 457
				10.2%	-6.1%	-27.0%
Real gate-to-gate ANS costs - (in SEK2009)				280 679 695	-55 088 200	-235 629 440
				13.2%	-2.6%	-11.3%
Real gate-to-gate ANS costs - (in EUR2009)				26 453 761	-5 192 004	-22 207 823
				13.2%	-2.6%	-11.3%
Share of en-route costs in gate-to-gate ANS costs				0.3 p.p.	0.3 p.p.	1.8 p.p.
13. - General conclusions on the gate-to-gate ANS costs						
<p>In 2014, Sweden's actual gate-to-gate ANS costs (173.6 M€2009) are -11.3% lower than planned in the NPP (195.8 M€2009). The major driver of this difference is lower actual en-route costs than planned, but lower than planned actual terminal costs also contribute.</p> <p>The relative share of en-route costs in gate-to-gate ANS costs (91.8%) is slightly higher than planned in the NPP (90.1%), due to the relatively greater reductions seen in en-route costs compared to terminal costs. The allocation of gate-to-gate costs between en-route ANS and terminal ANS is stable in 2012 and 2013, but increases from 90.5% to 91.8% in 2014.</p>						



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Estonia

Working Draft 2.0

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ESTONIA

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management																																						
	2012	2013	2014	State level Observations																																		
State level	50	51	57																																			
ANSP [EANS]	64	67	70																																			
<p>Number of questions</p> <p>Legend: ■ Self-assessment, ■ EASA verification</p> <table border="1"> <caption>Data for Effectiveness of Safety Management Chart</caption> <thead> <tr> <th>CO</th> <th>Category</th> <th>Self-assessment</th> <th>EASA verification</th> </tr> </thead> <tbody> <tr> <td rowspan="2">CO1</td> <td>< Level C</td> <td>6</td> <td>16</td> </tr> <tr> <td>≥ Level C</td> <td>10</td> <td>10</td> </tr> <tr> <td rowspan="2">CO2</td> <td>< Level C</td> <td>2</td> <td>3</td> </tr> <tr> <td>≥ Level C</td> <td>2</td> <td>1</td> </tr> <tr> <td rowspan="2">CO3</td> <td>< Level C</td> <td>1</td> <td>5</td> </tr> <tr> <td>≥ Level C</td> <td>8</td> <td>4</td> </tr> <tr> <td rowspan="2">CO4</td> <td>< Level C</td> <td>2</td> <td>4</td> </tr> <tr> <td>≥ Level C</td> <td>4</td> <td>2</td> </tr> </tbody> </table>							CO	Category	Self-assessment	EASA verification	CO1	< Level C	6	16	≥ Level C	10	10	CO2	< Level C	2	3	≥ Level C	2	1	CO3	< Level C	1	5	≥ Level C	8	4	CO4	< Level C	2	4	≥ Level C	4	2
CO	Category	Self-assessment	EASA verification																																			
CO1	< Level C	6	16																																			
	≥ Level C	10	10																																			
CO2	< Level C	2	3																																			
	≥ Level C	2	1																																			
CO3	< Level C	1	5																																			
	≥ Level C	8	4																																			
CO4	< Level C	2	4																																			
	≥ Level C	4	2																																			
Application of the severity classification of the Risk Analysis Tool (RAT)																																						
		2012		2013		2014																																
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)																															
Separation Minima Infringements (SMIs)	ATM Ground	14	21%	27	96%	17	100%																															
	ATM Overall		0%		96%		100%																															
Runway Incursions (RIs)	ATM Ground	0	N/A	2	100%	4	75%																															
	ATM Overall		N/A		100%		75%																															
ATM Specific Occurrences (ATM-Specific)	ATM Overall	3	0%	1	100%	10	10%																															
Source of RAT data:		ANSP																																				
Just culture																																						
Number of questions answered with Yes or No		State																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	2	8	1	9	2	7																															
	Legal/Judiciary	2	6	2	6	4	3																															
	Occurrence reporting and Investigation	1	1	1	1	1	1																															
	TOTAL	5	15	4	16	7	11																															
Number of questions answered with Yes or No		ANSP [EANS]																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	9	4	11	2	13	0																															
	Legal/Judiciary	2	1	3	0	3	0																															
	Occurrence reporting and Investigation	5	3	7	1	8	0																															
	TOTAL	16	8	21	3	24	0																															

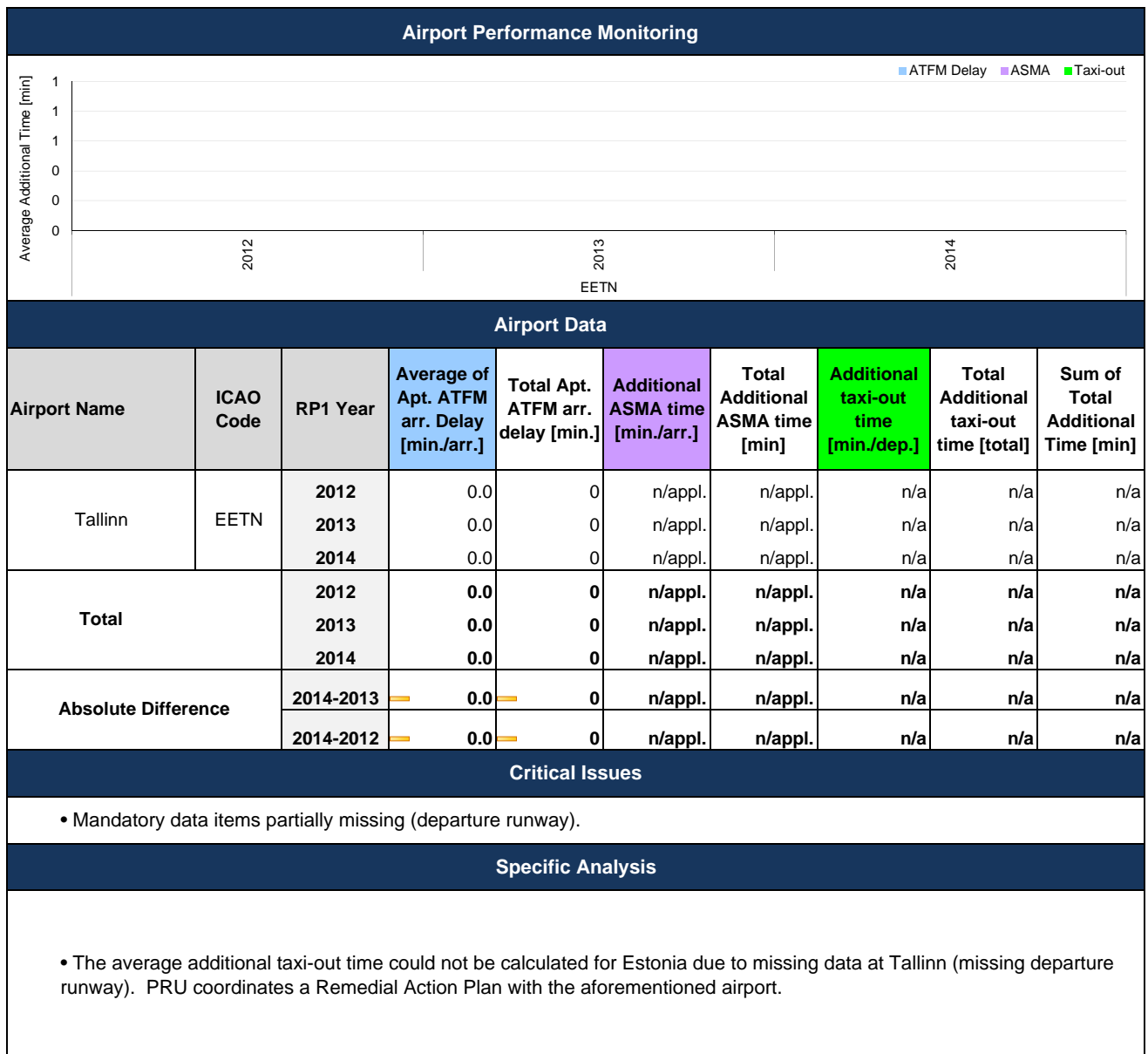
ESTONIA

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.11	0.16	0.22	
National Target	0.11	0.16	0.22	
Actual performance	0.11	0.02	0.03	
National capacity assessment				
Estonia was able to provide excellent results in capacity KPI. Target for 2014 was 0.22 min per flight. However, Estonia was able to perform better by reaching 0.03 min delay per flight.				
PRB Capacity assessment				
Continuing the excellent capacity performance of 2013, in 2014 Estonia surpassed both the national target and the effort required to be consistent with the EU-wide target for capacity.				
Effective booking procedures				
No information was provided about effective booking procedures in the national monitoring report.				
Previous recommendations				
<p>Annual Monitoring Report 2012: Estonia is invited to ensure that information on the allocation and actual use of airspace structures is made available to the Commission in accordance with IR 691/2010, and IR 2150/2005.</p> <p>Annual Monitoring Report 2013: The PRB reminds Estonia of the obligation to provide information on the allocation and use of civil/military airspace structures in accordance with EU regulation 691/2010 and EC Regulation 2150/2005.</p>				
NSA report on follow-up to recommendations				
No information was provided about the follow-up to previous recommendations.				
Recommendations				

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Monitoring of CAPACITY indicators for 2014

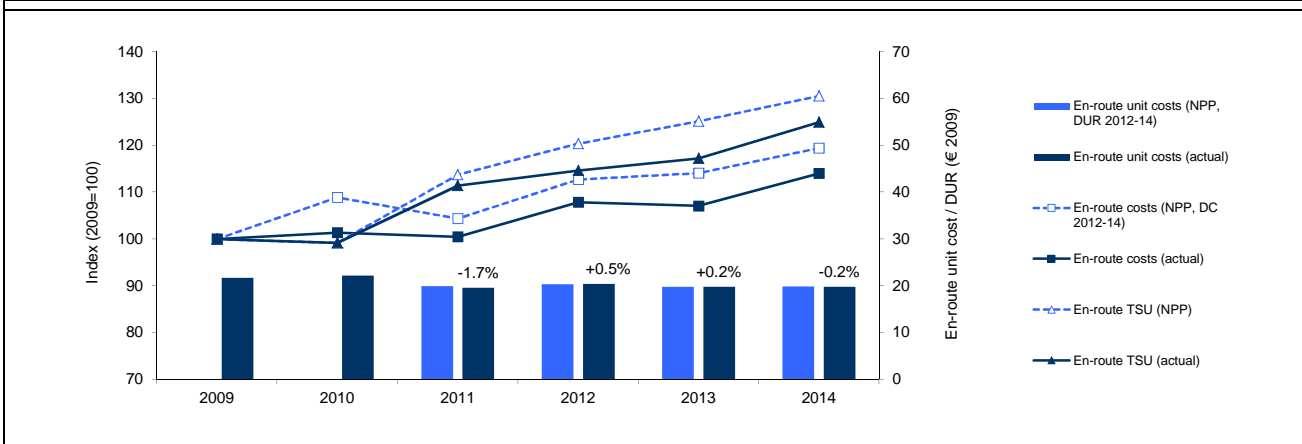


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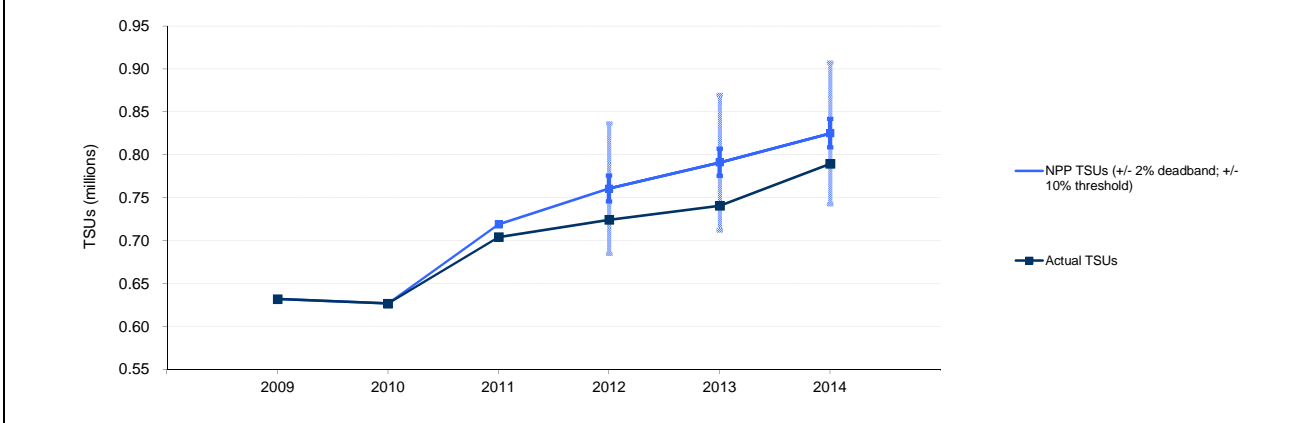
Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> ESTONIA represents 0.3% of the SES en-route ANS determined costs in 2014. ATSP : EANS FAB : NEFAB National currency: EUR 	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p> <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
ESTONIA - Data from RP1 national performance plan						
En-route costs (determined costs 2012-2014) - (in nominal EUR)	2009A	2010A	2011F	2012P	2013P	2014P
Inflation %		3.0%	4.5%	2.8%	3.0%	2.8%
Inflation index (100 in 2009)	100.0	103.0	107.6	110.6	114.0	117.2
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	13 715 440	14 935 470	14 317 161	15 453 845	15 648 936	16 372 402
Total en-route Service Units	632 129	626 875	719 000	760 800	791 232	825 255
Real en-route unit costs per Service Units - (in EUR2009)	21.70	23.83	19.91	20.31	19.78	19.84
ESTONIA - Actual data from Jun-2015 Reporting Tables						
En-route costs - (in nominal EUR) - See Note 1	2009A	2010A	2011A	2012A	2013A	2014A
Inflation %		3.0%	5.1%	4.2%	3.2%	0.5%
Inflation index (100 in 2009)	100.0	103.0	108.3	112.8	116.4	117.0
Real en-route costs - (in EUR2009)	13 715 440	13 899 477	13 781 881	14 795 616	14 684 470	15 635 356
Total en-route Service Units	632 129	626 898	704 211	724 536	740 986	789 800
Real en-route unit costs per Service Units - (in EUR2009)	21.70	22.17	19.57	20.42	19.82	19.80
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal EUR)	in value			-410 091	-740 742	-889 800
	in %			-2.4%	-4.2%	-4.6%
Inflation %	in p.p.			1.4 p.p.	0.2 p.p.	-2.3 p.p.
Inflation index (100 in 2009)	in p.p.			2.2 p.p.	2.4 p.p.	-0.2 p.p.
Real en-route costs - (in EUR2009)	in value			-658 229	-964 466	-737 046
	in %			-4.3%	-6.2%	-4.5%
Total en-route Service Units	in value			-36 264	-50 246	-35 455
	in %			-4.8%	-6.4%	-4.3%
Real en-route unit costs per Service Units - (in EUR2009)	in value			0.11	0.04	-0.04
	in %			0.5%	0.2%	-0.2%

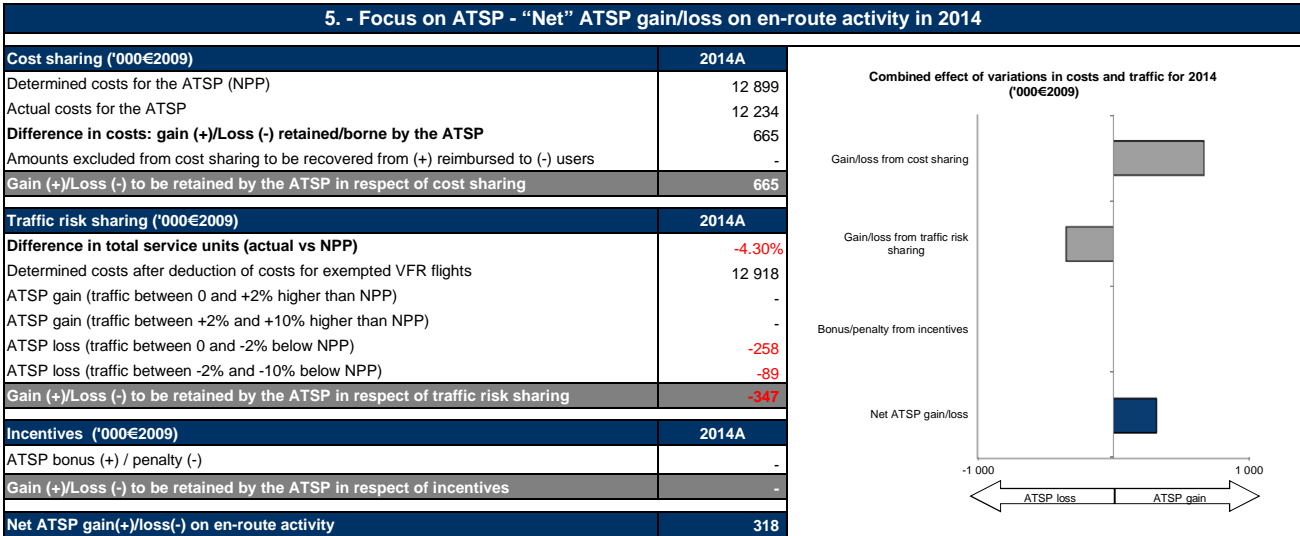
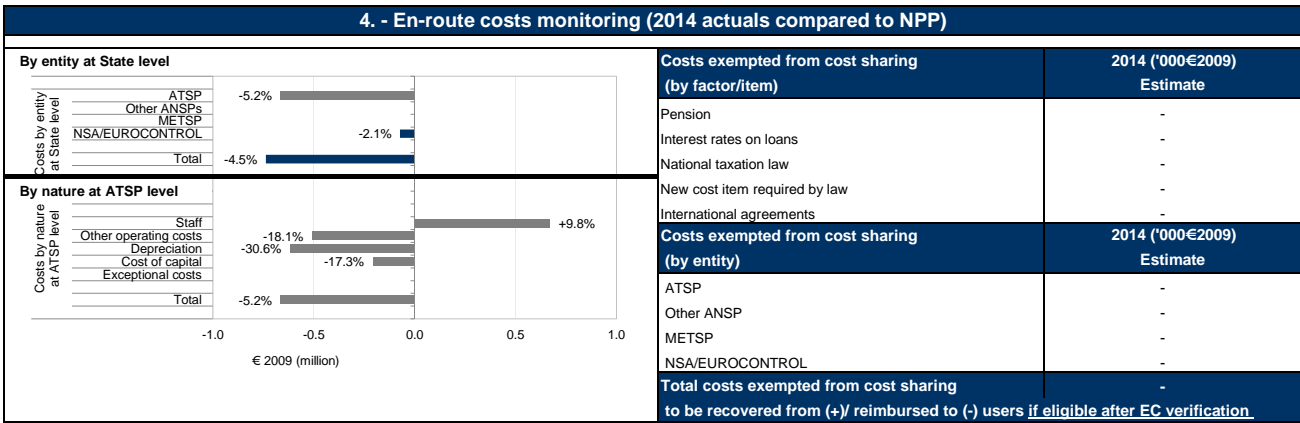


3. - En-route traffic monitoring (Actual 2012-2014 TSU compared to NPP)



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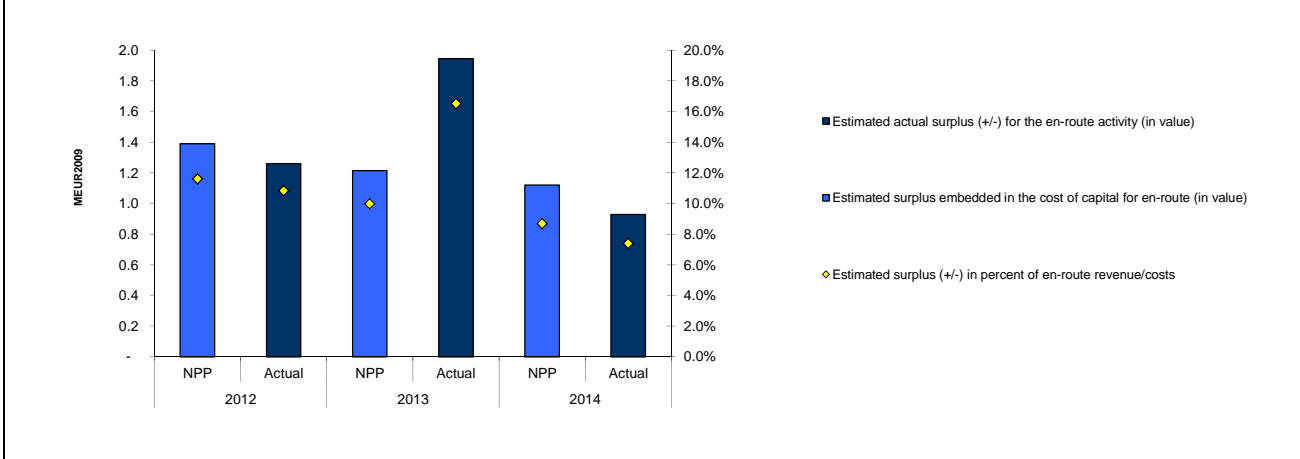
Monitoring of en-route and terminal COST-EFFICIENCY for 2014



6. - En-route ATSP estimated surplus*

*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.

ATSP estimated surplus ('000€2009) <i>See Notes 2 & 3</i>	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	16 422	17 496	16 306	17 561	14 795	17 176
Estimated proportion of financing through equity (in %)	95.1%	50.0%	83.7%	90.7%	85.0%	40.0%
Estimated proportion of financing through equity (in value)	15 610	8 742	13 650	15 923	12 580	6 863
Estimated proportion of financing through debt (in %)	4.9%	50.0%	16.3%	9.3%	15.0%	60.0%
Estimated proportion of financing through debt (in value)	812	8 754	2 656	1 638	2 215	10 313
Cost of capital pre-tax (in value)	1 419	1 098	1 312	1 477	1 200	992
Average interest on debt (in %)	3.7%	3.7%	3.7%	3.7%	3.7%	3.7%
Interest on debt (in value)	30	320	97	60	81	382
Determined RoE pre-tax rate (in %)	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%
Estimated surplus embedded in the cost of capital for en-route (in value)	1 389	778	1 215	1 417	1 120	611
Net ATSP gain(+)/loss(-) on en-route activity	483	483	528	528	528	318
Overall estimated surplus (+/-) for the en-route activity	1 389	1 261	1 215	1 945	1 120	928
Revenue/costs for the en-route activity	11 977	11 644	12 178	11 784	12 899	12 552
Estimated surplus (+/-) in percent of en-route revenue/costs	11.6%	10.8%	10.0%	16.5%	8.7%	7.4%
Estimated ex-post RoE pre-tax rate (in %)	8.9%	14.4%	8.9%	12.2%	8.9%	13.5%



ESTONIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by ESTONIA

Note 1: 2012 and 2013 NSA costs

Estonia has updated the 2012 and 2013 en-route actual costs in the June 2015 en-route Reporting Tables. The updated data reports higher NSA costs (+254 K€ in 2012 and +42 K€ in 2013) due to a combination of higher other operating costs and lower staff and depreciation costs. This increase does not have an impact on the surplus analysis for 2012 or 2013 since it relates to the NSA, not the ATSP. However, the data update has increased the real unit cost for 2012 from 20.11 €2009 to 20.42 €2009 and for 2013 from 19.77 €2009 to 19.82 €2009.

Note 2: 2013 NBV of fixed assets

Estonia has updated the 2013 NBV of fixed assets reported for 2013 in the June 2015 en-route Reporting Tables. The updated data reports a lower NBV of fixed assets leading to a lower total asset base (17.6 M€2009 compared to 17.7 M€2009 reported in the 2013 Monitoring Report). This has an impact on the surplus analysis in item 6, increasing the estimated surplus for the year (16.5% of en-route revenues, compared to 16.4% estimated in the 2013 Monitoring Report).

Note 3: ATSP cost of capital calculation

Following a note made in the context of the 2013 monitoring analysis Estonia has not provided clarification on the calculation of its cost of capital. The figures shown in item 6 for the estimated proportion of financing through equity and debt are the values implied by the data submitted in the reporting tables.

The planned gearing of 0.71 for all years of RP1, as stated in the Estonian NPP, is inconsistent with the data provided in the reporting tables regarding the cost of capital, return on equity (RoE) and rate of interest on debt. The figure for the 2012 estimated surplus embedded in the cost of capital is therefore different from the value stated in the 2012 Monitoring Report, which applied the planned gearing of 0.71.

At State / Charging Area level

In 2014, Estonia's real en-route unit cost (19.80 €2009) is -0.2% lower than planned in the NPP (19.84 €2009). This difference is due to the fact that actual en-route costs are -4.5% (-0.7 M€2009) lower than planned in real terms, while the actual number of total service units (TSUs) is -4.3% lower than planned.

The difference between the actual and the planned TSUs for the year 2014 falls outside the ± 2% dead band foreseen in the traffic risk sharing mechanism, although it does not exceed the -10% threshold. The related loss is therefore shared between the airspace users and the ATSP.

Actual 2014 costs vs. NPP

The Estonian en-route cost-base includes costs relating to: the en-route ATSP (EANS), the MET service provider (EMHI) and the Estonian NSA. Although the MET services are provided by the Estonian Meteorological and Hydrological Institute, the MET provider is not considered as a separate reporting entity and the MET costs are reported together with the EANS costs under "other operating costs".

In 2014, actual en-route costs for Estonia are -4.5% lower than planned in real terms, resulting from a combination of lower en-route costs in nominal terms (-4.6%) and a lower inflation index (-0.2 p.p.). The cost savings are mostly attributable to EANS (-5.2% in real terms, -0.7 M€2009). A detailed analysis of EANS's costs is provided in the box below. NSA costs are also lower than planned (-2.1% in real terms, -0.1 M€2009) due to lower than planned staff costs, offset by the addition of depreciation costs, for which no values were reported in the NPP.

Estonia do not report any costs for exemption from cost sharing for 2014.

RP1 summary

When considering the whole of RP1 (2012-2014) the actual number of TSUs is -5.1% lower than planned while actual costs in real terms are -5.0% lower than the determined costs (some -2.4 M€2009). As a result, the weighted average real en-route unit cost over RP1 (20.00 €2009) is +0.2% higher than planned.

At ATSP level

Actual 2014 EANS costs vs. NPP

EANS 2014 actual en-route costs are -5.2% (-0.7 M€2009) lower than planned in real terms, as a result of lower than planned costs in all categories, with the exception of staff costs. These are +9.8% above the level planned in the NPP (+0.7 M€2009 in absolute terms). According to the 2014 NSA Monitoring Report this is due to cost pressures arising from strong employment growth within the Estonian economy.

Other operating costs are -18.1% (-0.5 M€2009) lower than planned mainly due to cost containment measures implemented by EANS. Depreciation costs are -30.6% lower than planned, or -0.6 M€2009 in absolute terms, due to longer than planned operational lifetimes for assets.

The actual cost of capital is also significantly lower than planned in real terms (-17.3%, or -0.2 M€2009 in absolute terms). According to the information provided in the Estonian NSA Monitoring Report the actual capex spent by EANS over RP1 was -51.6% (-8.9 M€) lower than planned, mainly due to lower expenditures related to the ATM system. On the other hand, based on the information provided in the June 2015 Reporting Tables, the asset base used to calculate the actual cost of capital is +16.1% higher than planned in real terms, mainly due to higher net current assets. This is not fully intuitive considering the lower actual cost of capital in 2014 (-17.3%) and would imply a significant change in the gearing. This issue deserves clarification from Estonia, in particular to confirm whether the net current assets are taken into account to calculate the actual cost of capital.

EANS net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, the en-route activity for the year 2014 generated a net gain of +0.3 M€2009 for EANS. This is due to the combination of two separate elements:

- a gain of +0.7 M€2009 as a result of the cost-sharing mechanism; and
- a loss of -0.3 M€2009 as a result of the traffic risk sharing mechanism for 2014.

To calculate the overall economic surplus of the ATSP, it is also important to add the surplus embedded in the cost of capital through the return on equity. Based on the figures planned in the NPP, the return on equity amounted to +1.1 M€2009 corresponding to an estimated surplus of 8.7% of the en-route costs/revenues for 2014. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+0.6 M€2009) and the net gain from the en-route activity in 2014 (+0.3 M€2009), gives a total of +0.9 M€2009, corresponding to 7.4% of the 2014 en-route revenue. The resulting ex-post rate of return on equity for 2014 is 13.5% (compared to 8.9% planned in the NPP). Note that the outcome of the surplus analysis is impacted by the methodology used to estimate the proportion of financing through equity and the value of the asset base used to calculate the cost of capital. See also Note 3.

Conclusions

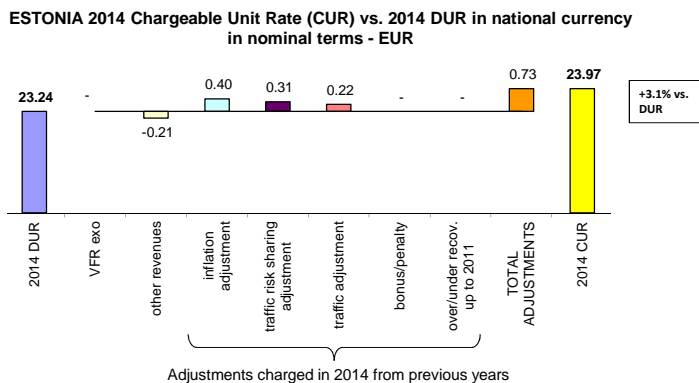
In 2014 EANS's actual en-route costs are lower than planned (-5.2%, or -0.7 M€2009 in absolute terms) while traffic is -4.3% lower than foreseen in the NPP. The en-route activity for the year 2014 generated a net gain of +0.3 M€2009 for EANS which results in an estimated actual surplus of 0.9 M€2009 (7.4% of the en-route revenue for 2014, down from the 8.7% planned in the RP1 PP).

When considering the whole of RP1 (2012-2014), EANS could retain a cumulative gain in respect of cost sharing of +2.4 M€2009, following lower than planned costs in all years of RP1. EANS also incurred a cumulative loss in respect of traffic risk sharing amounting to -1.1 M€2009, due to lower than planned traffic in all years of RP1. These two effects resulted in a cumulative net gain for the en-route activity of +1.3 M€2009.

ESTONIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



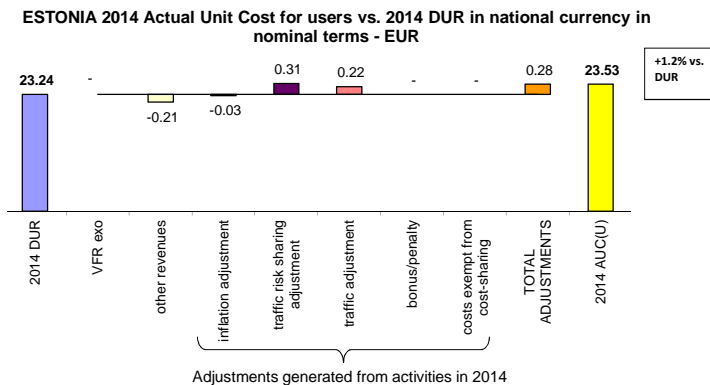
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The actual Chargeable Unit Rate (CUR) charged to users in 2014 is 23.97 €. This is +3.1% higher than the nominal DUR (23.24 €). The difference observed between these two figures (+0.73 €) reflects a combination of a positive adjustments from 2012 due to higher inflation than planned (+0.40 €) and lower traffic than planned: traffic risk sharing adjustment (+0.31 €) and the traffic adjustment for costs exempt from traffic risk sharing (+0.22 €). There is also a negative adjustment for other revenues (-0.21 €). According to the Additional Information provided with the June 2015 en-route Reporting Tables this is related to revenues from government grants received by EANS.

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The unit cost that the users incurred in respect of the activities performed in 2014 is 23.53 €. This is +1.2% higher than the nominal DUR (23.24 €). The difference observed between these two figures (+0.28 €) is due to positive adjustments for lower traffic than planned in 2014: traffic risk sharing adjustment (+0.31 €) and the traffic adjustment for costs exempt from traffic risk sharing (+0.22 €). These are offset by negative adjustments for other revenues (-0.21 €) and lower inflation than planned (-0.03 €).

ESTONIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) ⁿ		0.5	0.5	0.5	0.7	0.7
Number of airports in terminal charging zone		2	2	2	2	2
of which, number of airports over 50 000 movements						
ESTONIA - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)		1 382 080	1 741 900	1 864 537	1 917 758	2 050 763
Inflation index (100 in 2009)	100.0	103.0	107.6	110.6	114.0	117.2
Real terminal ANS costs - (in EUR2009)		1 341 825	1 618 340	1 685 095	1 682 713	1 750 405
ESTONIA - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)				1 987 200	2 067 000	2 052 100
Inflation index (100 in 2009)	100.0	103.0	108.3	112.8	116.4	117.0
Real terminal ANS costs - (in EUR2009)				1 761 708	1 775 633	1 754 063
Total terminal service units	12 000	13 000	15 726	19 717	14 337	15 341
Actual real unit costs - (in EUR2009)				89.4	123.8	114.3
Unit rate applied - (in EUR)				77.97	77.97	93.67
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value			122 663	149 242	1 337
	in%			6.6%	7.8%	0.1%
Inflation index (100 in 2009)	in p.p.			2.2 p.p.	2.4 p.p.	-0.2 p.p.
Real terminal ANS costs - (in EUR2009)	in value			76 613	92 920	3 658
	in%			4.5%	5.5%	0.2%
11. - General conclusions on the Terminal ANS costs and unit rates monitoring						
<p>The terminal charging zone of Estonia comprises 2 airports neither of which handles over 50 000 movements. The harmonised SES formula (MTOW/50)ⁿ 0.7 applies from 2013 onwards.</p> <p>Actual terminal ANS costs are slightly higher in real terms than planned in the Estonian NPP (+0.2%, +0.004 M€2009 in absolute terms). No Additional Information has been provided by Estonia with the terminal Reporting Tables.</p> <p>The real unit cost for terminal services is 114.3 €2009, -7.7% compared to the real unit cost for 2013. The Unit Rate applied in 2014 is 93.67€, which is +20.1% higher than the rate applied in 2012 and 2013 (77.97 €2009).</p> <p>RP1 summary</p> <p>When considering the whole of RP1 (2012-2014), actual terminal ANS costs are +3.4% higher in real terms (or some +0.2 M€2009) than planned in the NPP. This reflects the fact that terminal ANS costs were higher than planned in 2012 (+4.5%) and 2013 (+5.5%) and almost in line with the plan in 2014 (+0.2%).</p>						
12. - Monitoring of gate-to-gate costs (2014)						
ESTONIA - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	13 715 440	14 935 470	14 317 161	15 453 845	15 648 936	16 372 402
Real terminal ANS costs - (in EUR2009)		1 341 825	1 618 340	1 685 095	1 682 713	1 750 405
Real gate-to-gate ANS costs - (in EUR2009)	13 715 440	16 277 295	15 935 501	17 138 940	17 331 649	18 122 807
Share of en-route costs in gate-to-gate ANS costs	N/A	91.8%	89.8%	90.2%	90.3%	90.3%
ESTONIA - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	13 715 440	13 899 477	13 781 881	14 795 616	14 684 470	15 635 356
Real terminal ANS costs - (in EUR2009)				1 761 708	1 775 633	1 754 063
Real gate-to-gate ANS costs - (in EUR2009)	13 715 440	13 899 477	13 781 881	16 557 324	16 460 103	17 389 419
Share of en-route costs in gate-to-gate ANS costs	N/A	N/A	N/A	89.4%	89.2%	89.9%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in EUR2009)	in value			-658 229	-964 466	-737 046
	in %			-4.3%	-6.2%	-4.5%
Real terminal ANS costs - (in EUR2009)	in value			76 613	92 920	3 658
	in %			4.5%	5.5%	0.2%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-581 616	-871 547	-733 388
	in %			-3.4%	-5.0%	-4.0%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			-0.8 p.p.	-1.1 p.p.	-0.4 p.p.
13. - General conclusions on the gate-to-gate ANS costs						
<p>Actual 2014 gate-to-gate costs are -4.0% lower than planned in real terms due to lower than planned en-route ANS costs (-0.7 M€2009, -4.5%) while terminal ANS costs are almost in line with the NPP (+0.004 M€2009, +0.2%).</p> <p>The allocation of gate-to-gate costs between en-route ANS and terminal ANS appears quite stable over RP1 (approximately 90% share to en-route) and did not change significantly with respect to the NPP.</p>						



Performance Review Body
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the European Commission



PRB Annual Monitoring Report 2014

FABEC

Working Draft 2.0

Edition date: 03/09/2015



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Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.52	0.47	0.4	
FAB Target	0.77	0.68	0.5	
Actual performance	0.6	0.47	0.56	
FABEC's capacity assessment				
<p>In 2014, FABEC achieved the second best result ever recorded regarding En route ATFM delays, but the ambitious objective of an average 0.5 minutes of en-route air traffic flow management (ATFM) delay per controlled flight was slightly exceeded by 0.06 minutes or 3.6 seconds per flight. In total, delay minutes dropped from 4.13 million to 3.08 million – generating annual savings of EUR 85 million. Today, more than 97 per cent of all flights are on time, meaning that they have suffered no delay at all from ATM.</p> <p>A first analysis of the root causes of the remaining delay shows that most of them are local causes or, like weather, cannot be influenced (the breakdown of the 2014 achievements is given per FABEC ACC here after). Based on this FABEC has already taken actions to further improve its capacity performance in RP2 (see RP2 FABEC Performance Plan and justifications regarding target setting by NSA).</p>				
ANSP capacity plan				
See national capacity plans for Belgium and Luxembourg, France, Germany, the Netherlands and Switzerland.				
PRB Capacity assessment				
<p>Both the European Commission and the PRB had highlighted concerns that FABEC needed to improve capacity planning in some ACCs, if the binding target for en-route capacity was to be met in RP1. Despite these warnings, the FABEC did not implement remedial measures to improve capacity and the en route capacity target was not met.</p> <p>The assessment of capacity performance by the FABEC authorities refers to annual savings of €85 million for airspace users. However, when compared to the required reference value of 0.4 minutes per flight, the 2014 capacity performance of the FABEC (0.56 minutes per flight) represents an additional cost to the airspace users of €73 million. Using the FABEC adopted target shows a net cost to the airspace users of €27 million instead of the reported benefit.</p> <p>The FABEC authorities have presented no evidence of the actions they have taken to improve capacity planning and implementation. The reference to the improved capacity performance in RP2 is subjective since the PRB and the European Commission considered that the FABEC Performance Plan for RP2 was not consistent with the Union-wide targets for en-route capacity, and the FABEC was invited to review the capacity targets.</p>				
Effective booking procedures				
See national reports for Belgium and Luxembourg, France, Germany, the Netherlands and Switzerland.				

Previous recommendations

Annual Monitoring Report 2012: Extract from the EC Notification letter to FABEC States 19/07/2012:

The Commission considers that ...the capacity target of FABEC could have been further improved.
... FABEC's capacity target for the first reference period 2012-2014 is assessed on the clear expectation that:

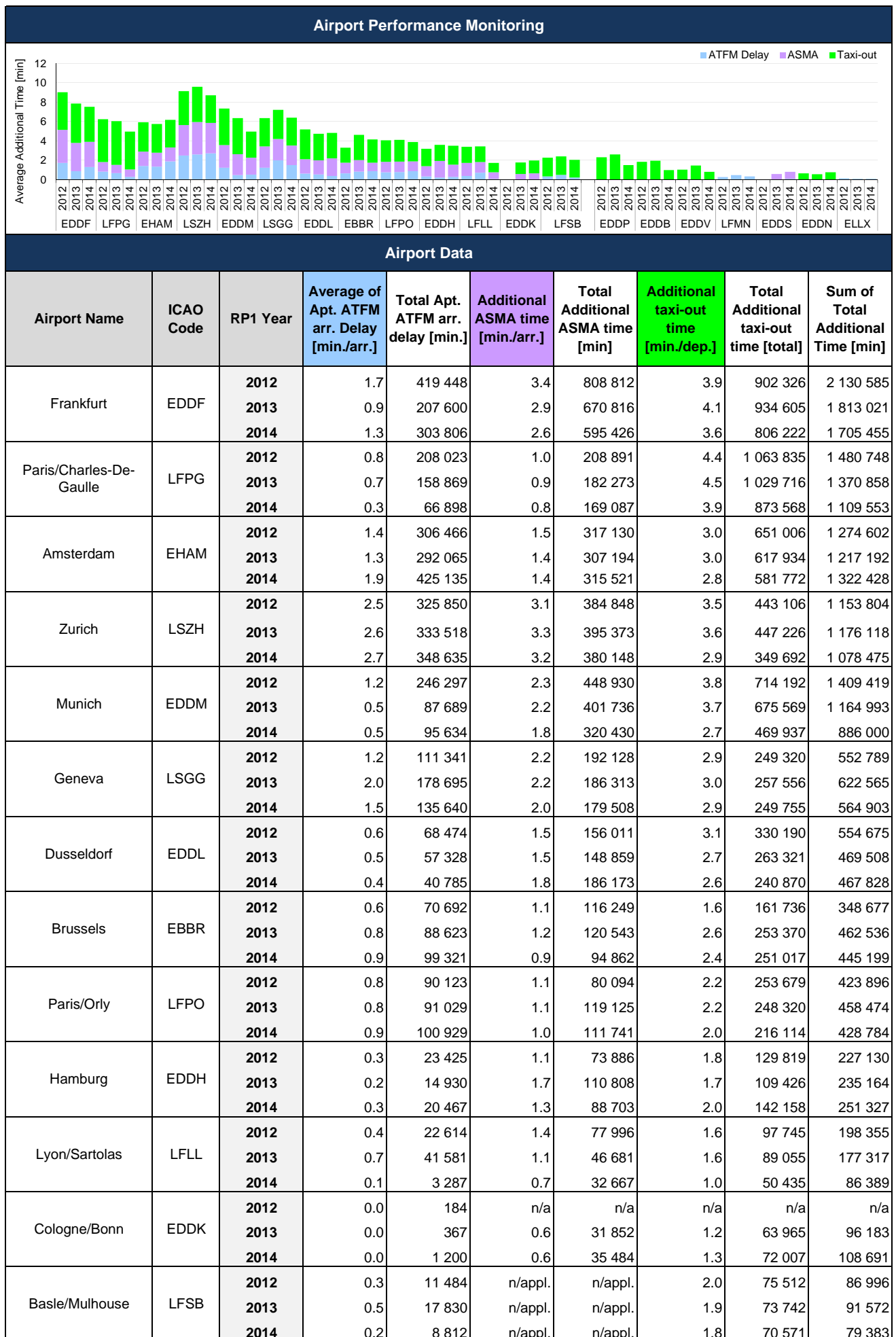
- a) the FABEC Member States (Belgium, Germany, France, Luxembourg, the Netherlands and Switzerland) will require their air navigation service providers to develop and implement capacity plans that allow meet the FABEC 2014 reference value of 0.4 minute of average delay per flight at the earliest possible date in the second reference period, with the assistance of the Network Manager;
- b) where these revised capacity plans shall also improve the 2014 national or functional airspace block capacity targets, the States concerned will adopt and communicate to the Commission, either directly or through FABEC institutions, revised capacity targets by the end of June 2013 at the latest.

Annual Monitoring Report 2013: The PRB requests the FABEC Member States to provide information on how the capacity planning of the FABEC ANSPs, is consistent with the existing recommendation of the European Commission that FABEC Member States require their ANSPs to develop and implement capacity plans that meet the FABEC reference value of 0.4 minutes per flight in 2014.

NSA report on follow-up to recommendations

See FABEC's capacity assessment above.

Recommendations



Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Leipzig/Halle	EDDP	2012	0.0	0	n/appl.	n/appl.	2.3	67 498	67 498
		2013	0.0	111	n/appl.	n/appl.	2.6	76 523	76 634
		2014	0.0	0	n/appl.	n/appl.	1.5	44 465	44 465
Berlin-Schoenefeld	EDDB	2012	0.0	633	n/appl.	n/appl.	1.8	62 355	62 988
		2013	0.0	423	n/appl.	n/appl.	1.9	59 835	60 258
		2014	0.0	250	n/appl.	n/appl.	1.0	32 735	32 985
Hanover	EDDV	2012	0.0	0	n/appl.	n/appl.	1.0	32 959	32 959
		2013	0.0	0	n/appl.	n/appl.	1.5	42 890	42 890
		2014	0.0	0	n/appl.	n/appl.	0.8	23 769	23 769
Nice	LFMN	2012	0.3	18 783	n/a	n/a	n/a	n/a	n/a
		2013	0.5	33 185	n/a	n/a	n/a	n/a	n/a
		2014	0.3	22 200	n/a	n/a	n/a	n/a	n/a
Stuttgart	EDDS	2012	0.0	1 805	n/a	n/a	n/a	n/a	n/a
		2013	0.0	782	0.6	29 258	n/a	n/a	n/a
		2014	0.1	4 531	0.7	35 906	n/a	n/a	n/a
Nuremberg	EDDN	2012	0.0	0	n/appl.	n/appl.	0.7	18 023	18 023
		2013	0.0	415	n/appl.	n/appl.	0.6	14 605	15 020
		2014	0.0	414	n/appl.	n/appl.	n/a	17 843	18 257
Luxembourg	ELLX	2012	0.1	3 710	n/appl.	n/appl.	n/a	n/a	n/a
		2013	0.1	2 426	n/appl.	n/appl.	n/a	n/a	n/a
		2014	0.1	2 279	n/appl.	n/appl.	n/a	n/a	n/a
Total		2012	1.0	1 929 352	n/a	n/a	n/a	n/a	n/a
		2013	0.8	1 607 466	n/a	n/a	n/a	n/a	n/a
		2014	0.9	1 680 223	n/a	n/a	n/a	n/a	n/a
Absolute Difference		2014-2013	▼ 0.0	▼ 72 757	n/a	n/a	n/a	n/a	n/a
		2014-2012	▲ -0.1	▲ -249 129	n/a	n/a	n/a	n/a	n/a
Critical Issues									
<ul style="list-style-type: none"> Mandatory data missing and poor data quality at Stuttgart, Nice and Luxembourg airports prohibited additional ASMA and taxi-out times from being fully calculated. 									
Specific Analysis									
<ul style="list-style-type: none"> In average over RP1, ATFM arrival delay decreased by 13% in FABEC, with Zurich (2.7 min/arr), Amsterdam (1.9), Geneva (1.5), and Frankfurt (1.3) which remain above the average. No average could be calculated for both additional ASMA and taxi-out times due to missing data at a few airports. To be noted that weather remains the predominant factor affecting Airport Arrival ATFM Delay in general. Zurich accumulated additional ASMA time (3.2 minutes per arrival) greater than the European average. Over RP1, the total additional time decreased by 20% at Frankfurt airport. The operations of the 4th runway were favourable to performance for inbound traffic, resulting in a decrease of both additional ASMA time and ATFM delay. The increase of additional taxi-out time observed in 2013 was recovered in 2014 to a level below 2012. 									



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PRB Annual Monitoring Report 2014

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BELGIUM

Monitoring of SAFETY indicators for 2014

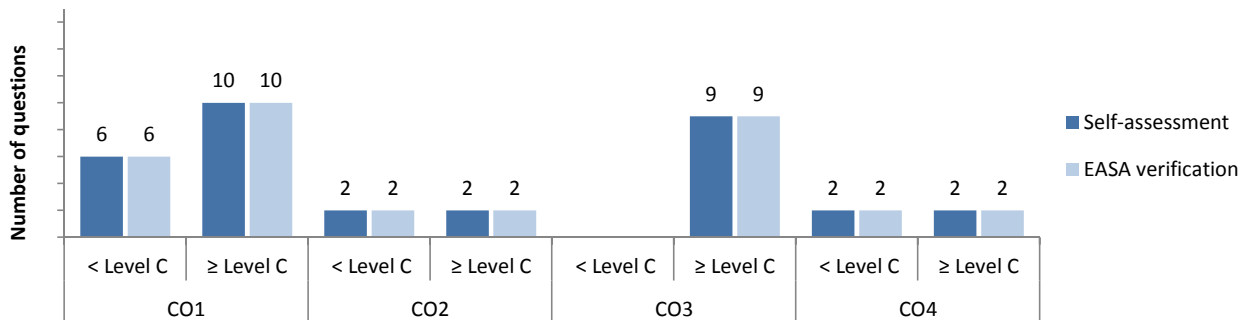
Effectiveness of Safety Management							
	2012	2013	2014	State level Observations			
State level	62	64	65				
ANSP [Belgocontrol]	73	72	72				
ANSP [MUAC]	86	86	81				
Application of the severity classification of the Risk Analysis Tool (RAT)							
		2012		2013		2014	
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)
Separation Minima Infringements (SMIs)	ATM Ground	52	58%	45	71%	45	100%
	ATM Overall		0%		31%		100%
Runway Incursions (RIs)	ATM Ground	9	33%	13	100%	44	100%
	ATM Overall		0%		100%		100%
ATM Specific Occurrences (ATM-Specific)	ATM Overall	78	100%	107	100%	115	100%
Source of RAT data:		BCAA					
Preliminary results updated after coordination with the AST-FP in August 2015.							
Just culture							
Number of questions answered with Yes or No		State					
		2012		2013		2014	
		YES	NO	YES	NO	YES	NO
Policy and its implementation		3	7	3	7	3	6
Legal/Judiciary		3	5	3	5	3	4
Occurrence reporting and Investigation		2	0	2	0	2	0
TOTAL		8	12	8	12	8	10
Number of questions answered with Yes or No		ANSP [Belgocontrol]					
		2012		2013		2014	
		YES	NO	YES	NO	YES	NO
Policy and its implementation		10	3	10	3	10	3
Legal/Judiciary		1	2	2	1	2	1
Occurrence reporting and Investigation		4	4	4	4	4	4
TOTAL		15	9	16	8	16	8

Number of questions answered with Yes or No	ANSP [MUAC]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	7	6	7	6	8	5
Legal/Judiciary	1	2	1	2	1	2
Occurrence reporting and Investigation	5	3	5	3	5	3
TOTAL	13	11	13	11	14	10

LUXEMBOURG

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	29	35	49	
ANSP [ANA LUX]	43	59	61	
ANSP [MUAC]	86	86	81	



Application of the severity classification of the Risk Analysis Tool (RAT)

		2012		2013		2014	
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)
Separation Minima Infringements (SMIs)	ATM Ground	1	0%	1	100%	7	43%
	ATM Overall		0%		100%		29%
Runway Incursions (RIs)	ATM Ground	1	0%	5	20%	2	100%
	ATM Overall		0%		20%		100%
ATM Specific Occurrences (ATM-Specific)	ATM Overall	3	67%	9	0%	52	100%
Source of RAT data:		DAC					

Preliminary results updated after coordination with the AST-FP in August 2015.

Just culture

Number of questions answered with Yes or No	State					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	2	8	2	8	2	7
Legal/Judiciary	1	7	1	7	1	6
Occurrence reporting and Investigation	1	1	1	1	1	1
TOTAL	4	16	4	16	4	14

Number of questions answered with Yes or No	ANSP [ANA LUX]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	11	2	9	4	12	1
Legal/Judiciary	2	1	2	1	2	1
Occurrence reporting and Investigation	4	4	4	4	6	2
TOTAL	17	7	15	9	20	4

Number of questions answered with Yes or No	ANSP [MUAC]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	7	6	7	6	8	5
Legal/Judiciary	1	2	1	2	1	2
Occurrence reporting and Investigation	5	3	5	3	5	3
TOTAL	13	11	13	11	14	10

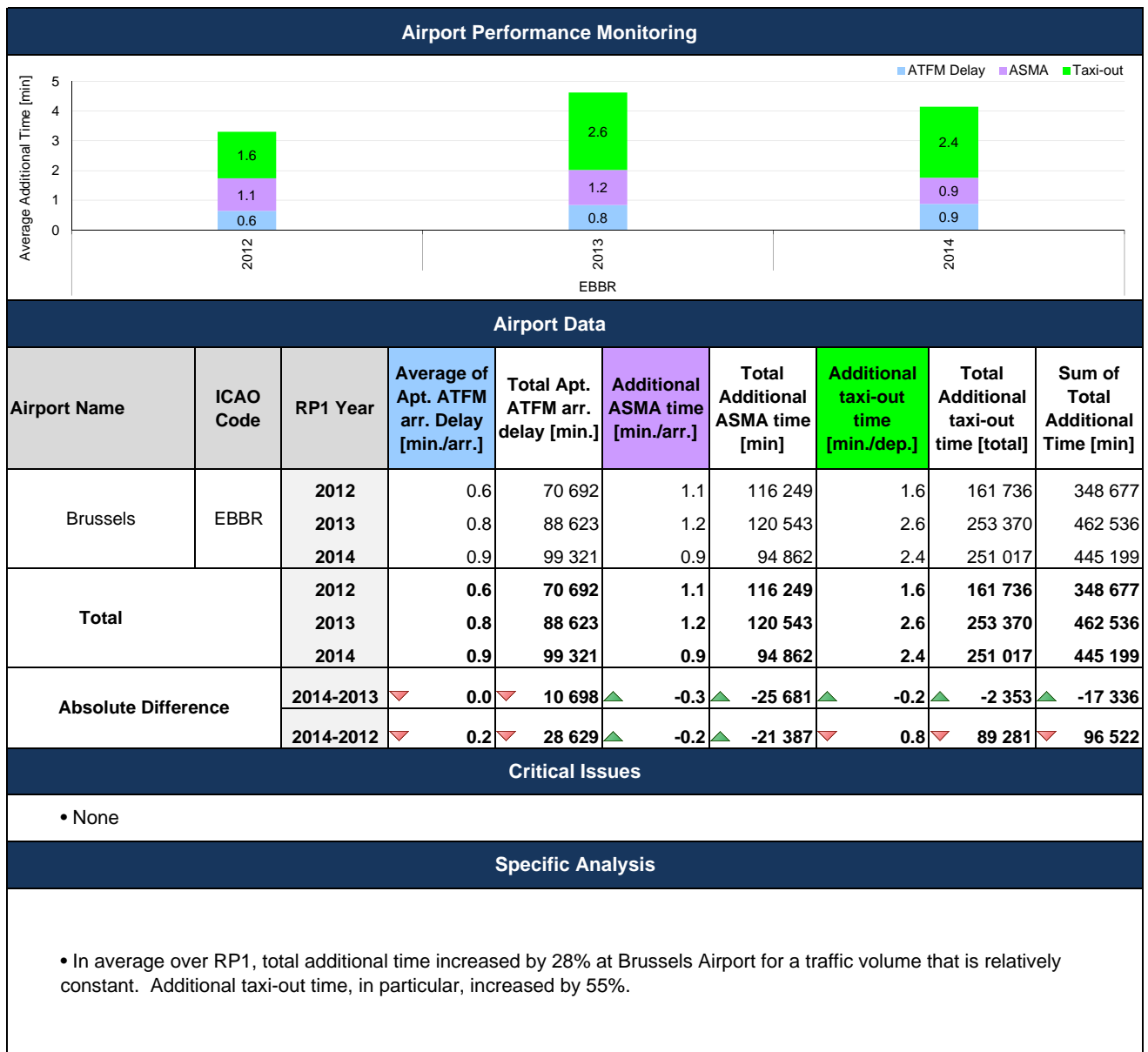
BELGIUM / LUXEMBOURG

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.25	0.27	0.21	
National Target				
Actual performance	0.03	0.08	0.02	
National capacity assessment				
The operational performances of both Belgocontrol and MUAC remain at a high level not only due to a lower traffic but also because of operational improvements in all domains.				
PRB Capacity assessment				
Belgium did not set a national target for capacity in RP1. Despite this, the provided level of capacity for 2014 was above the minimum requirement to be consistent with the EU-wide value for 2014.				
Effective booking procedures				
<p>The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was notified as being restricted on the day of operations: 69%</p> <p>The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was notified as being restricted on the day of operations: ≈0%</p> <p>The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was notified as being restricted on the day of operations: 31%</p>				
Previous recommendations				
<p>Annual Monitoring Report 2012: As a FABEC State, Belgium was requested to develop and implement capacity plans to meet the FABEC 2014 reference value of 0.4 minutes average delay per flight at the earliest possible date in RP2, with the assistance of the Network Manager. As the graphic above shows, the capacity plans for Belgium have been dis-improving rather than improving over the last two years.</p> <p>Annual Monitoring Report 2013: The PRB request Belgium to provide information on how the capacity planning of the ANSP, combined with the other FABEC ANSPs, is consistent with the existing recommendation of the European Commission that FABEC Member States require their ANSPs to develop and implement capacity plans that meet the FABEC reference value of 0.4 minutes per flight in 2014.</p>				
NSA report on follow-up to recommendations				
<p>Annual Monitoring Report 2012: Capacity plans are adapted yearly following the capacity planning process established by EUROCONTROL in view of LSSIP reporting. The Brussels ACC Capacity Plan is part of the LSSIP publication, and shows that the capacity planned to be delivered meets the reference capacity profile [for Brussels ACC]. Belgocontrol has provided in 2013 the necessary capacity to achieve its required contribution towards the achievement of the FABEC target, and intends to commit with its 2014 contribution.</p> <p>Annual Monitoring Report 2013: The Belgian NSA did not provide any additional information in follow-up to the recommendation stemming from the 2013 Annual Monitoring Report.</p>				
Recommendations				

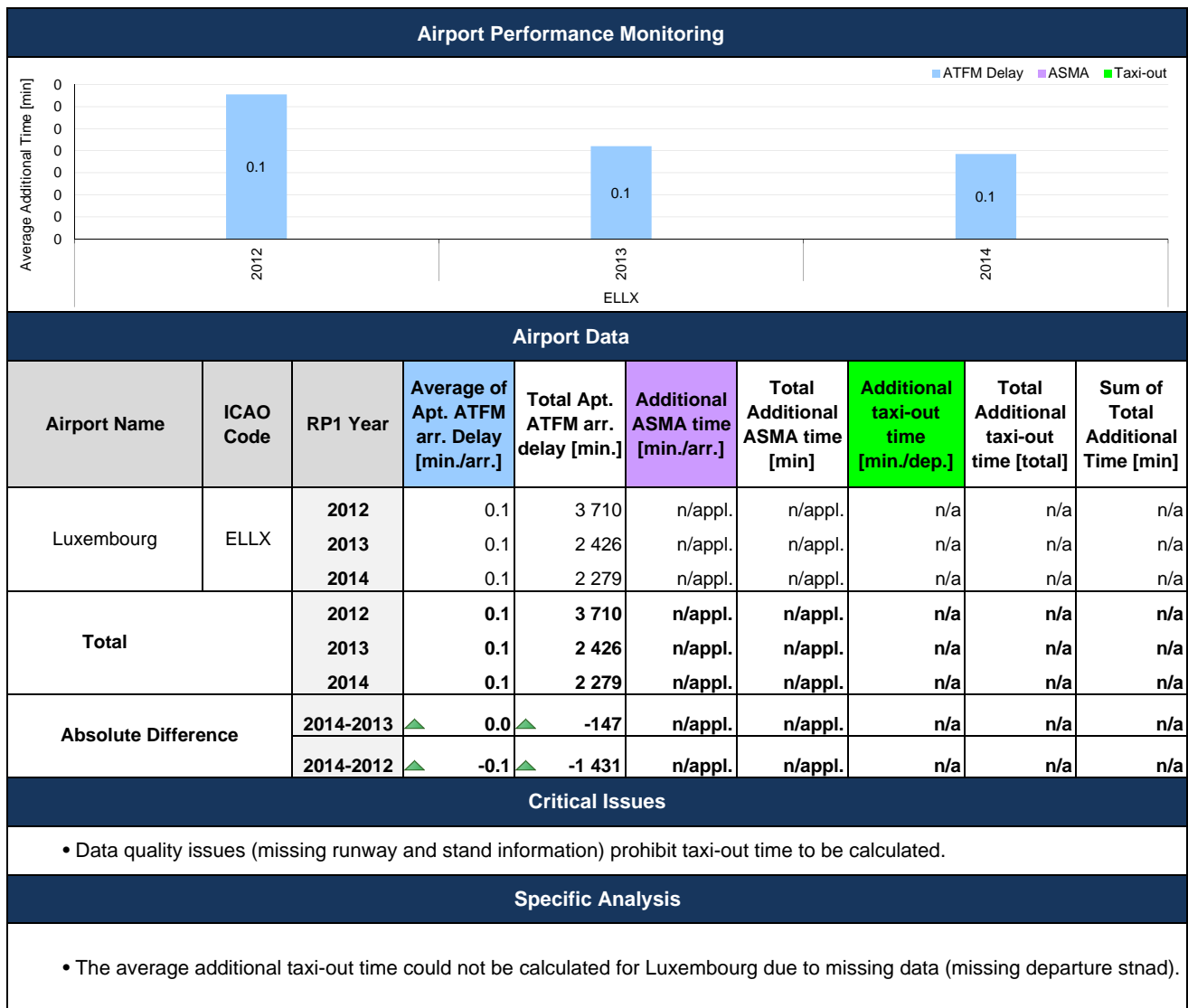
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Monitoring of CAPACITY indicators for 2014



LUXEMBOURG

Monitoring of CAPACITY indicators for 2014

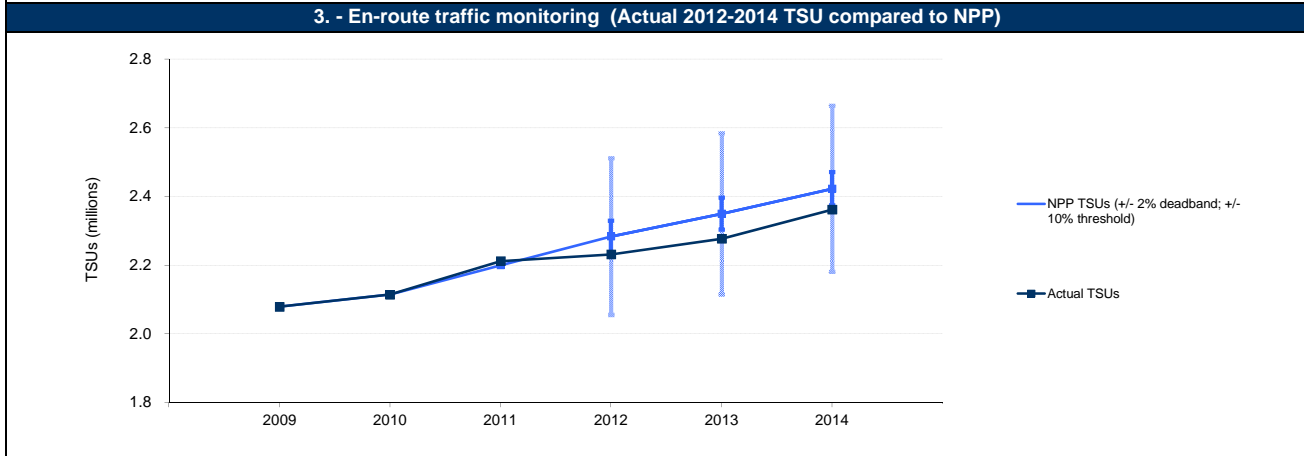
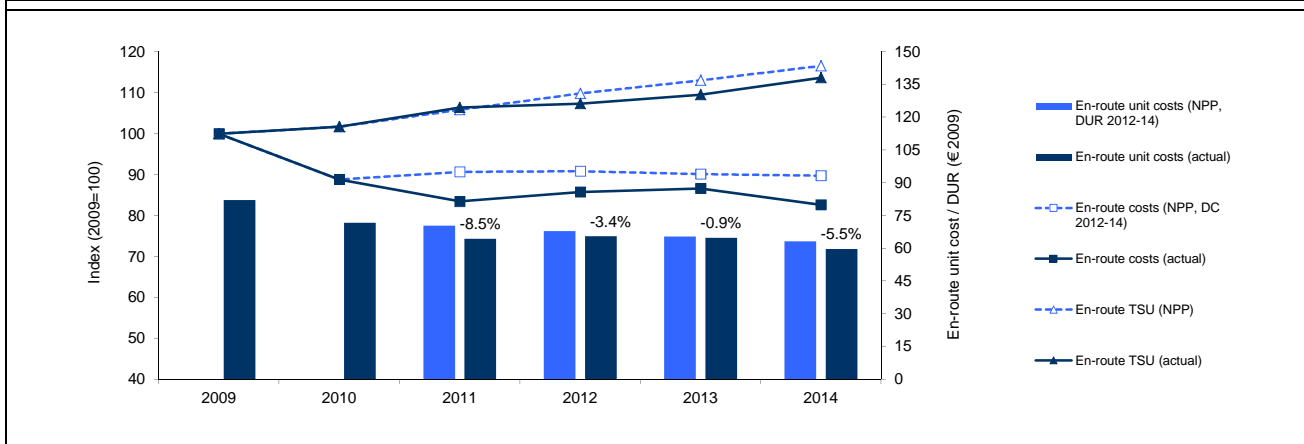


BELGIUM-LUXEMBOURG

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

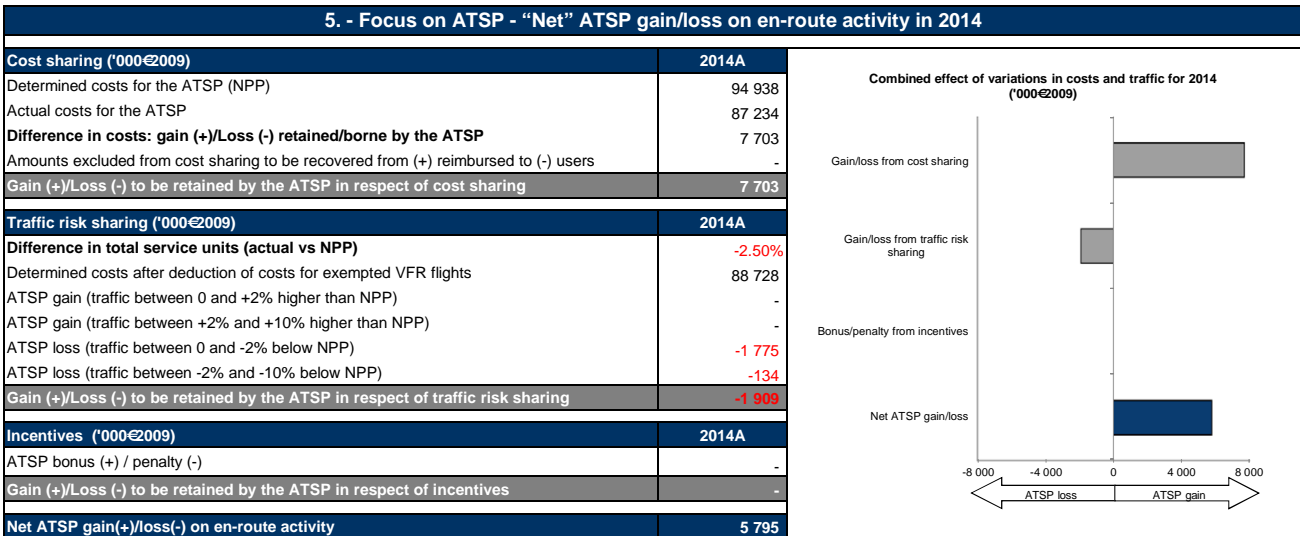
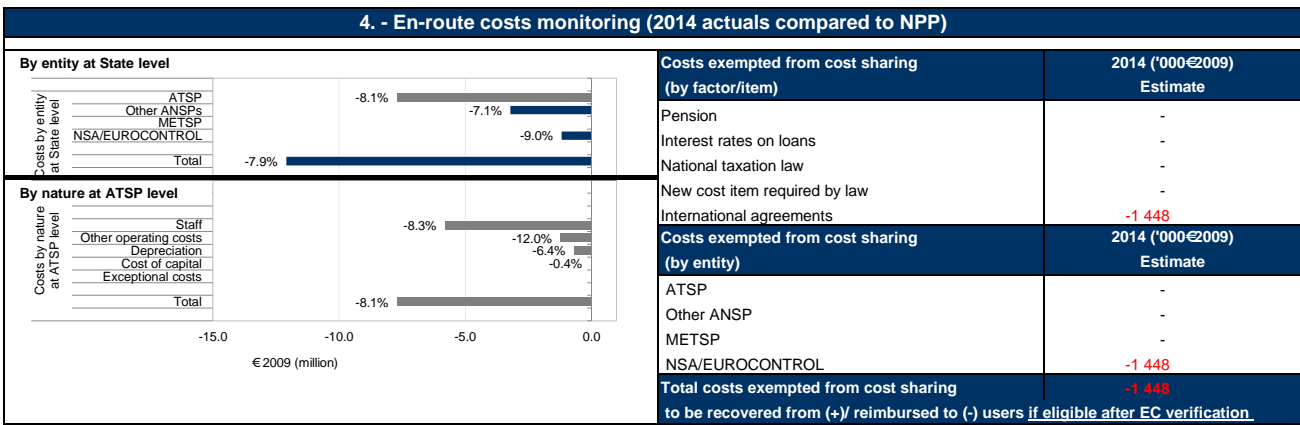
1. - Contextual economic information	
<ul style="list-style-type: none"> BELGIUM-LUXEMBOURG represents 2.4% of the SES en-route ANS determined costs in 2014. ATSP : Belgocontrol (Belgium-Lux) FAB : FABEC National currency: EUR 	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p> <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
BELGIUM-LUXEMBOURG - Data from RP1 national performance plan	2009A	2010A	2011F*	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	170 650 791	154 876 930	163 680 729	167 208 194	169 146 337	171 737 556
Inflation %		2.2%	3.5%	2.0%	1.9%	2.0%
Inflation index (100 in 2009)	100.0	102.2	105.8	107.9	109.9	112.1
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	170 650 791	151 542 984	154 741 323	154 976 604	153 849 821	153 143 830
Total en-route Service Units	2 078 793	2 114 555	2 199 997	2 283 649	2 349 875	2 422 721
Real en-route unit costs per Service Units - (in EUR2009)	82.09	71.67	70.34	67.86	65.47	63.21
* Excluding the effects of the one-off reduction in EUROCONTROL costs in 2011						
BELGIUM-LUXEMBOURG - Actual data from Jun-2015 Reporting Tables	2009A	2010A	2011A*	2012A	2013A	2014A
En-route costs - (in nominal EUR)	170 650 791	154 876 930	150 631 586	158 794 458	162 308 998	155 716 192
Inflation %		2.2%	3.5%	2.6%	1.2%	0.5%
Inflation index (100 in 2009)	100.0	102.2	105.8	108.5	109.8	110.4
Real en-route costs - (in EUR2009)	170 650 791	151 542 984	142 404 857	146 303 396	147 768 257	141 060 776
Total en-route Service Units	2 078 793	2 114 555	2 211 673	2 231 537	2 277 014	2 362 038
Real en-route unit costs per Service Units - (in EUR2009)	82.09	71.67	64.39	65.56	64.90	59.72
* Including the effects of the one-off reduction in EUROCONTROL costs in 2011						
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal EUR)	in value			-8 413 736	-6 837 338	-16 021 364
	in %			-5.0%	-4.0%	-9.3%
Inflation %	in p.p.			0.6 p.p.	-0.7 p.p.	-1.5 p.p.
Inflation index (100 in 2009)	in p.p.			0.6 p.p.	-0.1 p.p.	-1.8 p.p.
Real en-route costs - (in EUR2009)	in value			-8 673 207	-6 081 563	-12 083 055
	in %			-5.6%	-4.0%	-7.9%
Total en-route Service Units	in value			-52 112	-72 861	-60 683
	in %			-2.3%	-3.1%	-2.5%
Real en-route unit costs per Service Units - (in EUR2009)	in value			-2.30	-0.58	-3.49
	in %			-3.4%	-0.9%	-5.5%



BELGIUM-LUXEMBOURG

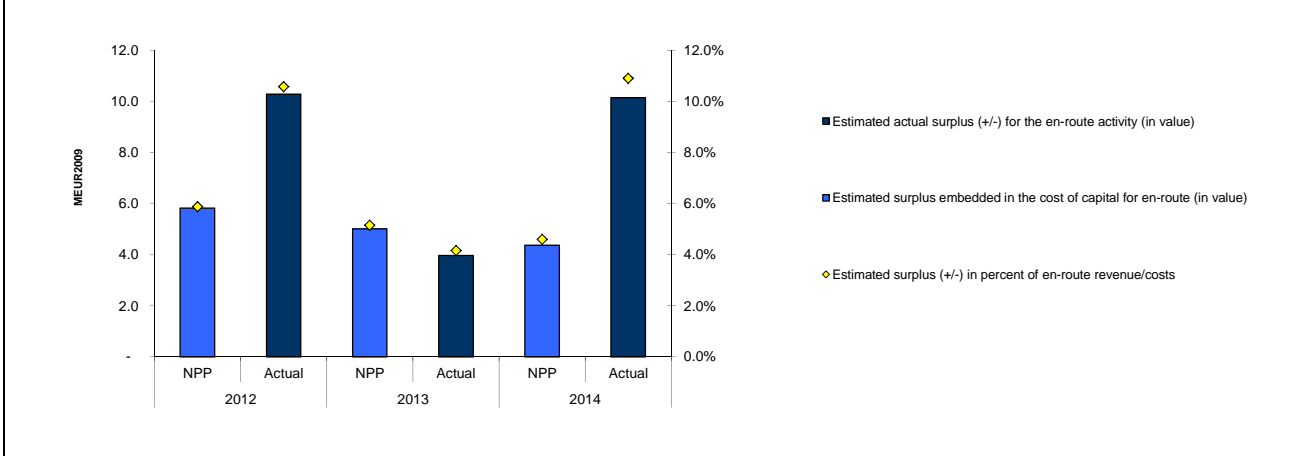
Monitoring of en-route and terminal COST-EFFICIENCY for 2014



6. - En-route ATSP estimated surplus*

**This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.*

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	106 672	103 655	96 992	95 356	88 019	87 645
Estimated proportion of financing through equity (in %)	90.7%	90.7%	96.9%	96.9%	100.0%	100.0%
Estimated proportion of financing through equity (in value)	96 804	94 066	94 009	92 411	88 019	87 645
Estimated proportion of financing through debt (in %)	9.3%	9.3%	3.1%	3.1%	-	-
Estimated proportion of financing through debt (in value)	9 868	9 589	2 983	2 945	-	-
Cost of capital pre-tax (in value)	6 117	5 944	5 101	5 015	4 360	4 342
Average interest on debt (in %)	3.0%	3.0%	3.0%	3.0%	-	-
Interest on debt (in value)	299	291	90	89	-	-
Determined RoE pre-tax rate (in %)	6.0%	6.0%	5.3%	5.3%	5.0%	5.0%
Estimated surplus embedded in the cost of capital for en-route (in value)	5 818	5 653	5 011	4 925	4 360	4 342
Net ATSP gain(+)/loss(-) on en-route activity	4 622	4 622	-964	-964	5 795	5 795
Overall estimated surplus (+/-) for the en-route activity	5 818	10 275	5 011	3 961	4 360	10 137
Revenue/costs for the en-route activity	99 108	97 219	97 315	95 231	94 938	93 029
Estimated surplus (+/-) in percent of en-route revenue/costs	5.9%	10.6%	5.1%	4.2%	4.6%	10.9%
Estimated ex-post RoE pre-tax rate (in %)	6.0%	10.9%	5.3%	4.3%	5.0%	11.6%



7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by BELGIUM-LUXEMBOURG

Note 1: One-off reduction in EUROCONTROL costs in 2011

The actual en-route costs for 2011 (i.e. 150.6 M€) differ from the figure published in the 2012 Monitoring Report (i.e. 156.6 M€). This is due to the fact that in the 2012 Monitoring Report, the actual en-route costs for 2011 were adjusted (some +6 M€) to exclude the effects of the one-off reduction in EUROCONTROL costs (implementation of IFRS in EUROCONTROL Agency and MUAC). Excluding the effects of this exceptional reduction, the Belgium actual real en-route unit cost for 2011 are 66.93 €2009 instead of 64.39 €2009 (cf. Table in Item 2), which is -4.8% below the forecast (instead of -8.5%, cf. Graph in Item 2).

At State / Charging Area level

In 2014, Belgium-Luxembourg actual en-route unit cost (59.72 €2009) is -5.5% lower than the DUR planned in the Belgium-Luxembourg National Performance Plan (NPP) for RP1 (63.21 €2009). This difference is due to the fact that in 2014 actual en-route costs are -7.9% lower than the determined costs provided in the NPP (some -12.1 M€2009) while the actual number of total service units (TSUs) is -2.5% lower than planned.

In 2014, the difference between actual and planned traffic (-2.5%) falls outside of $\pm 2\%$ dead band foreseen in the traffic risk sharing mechanism. Therefore, the loss of revenues is shared between the ATSP and airspace users, with the loss retained by the ATSP amounting to some -1.9 M€2009. It should be noted that MUAC costs, which are part of the Belgium and Luxembourg en-route cost-base, are not subject to traffic risk sharing in RP1.

Actual 2014 costs vs. NPP

For Belgium-Luxembourg, real en-route costs are substantially lower (-7.9% or some -12.1 M€2009) than planned. This mainly reflects lower en-route costs in nominal terms (-9.3%) while the actual inflation index was lower than planned in the NPP (-1.8 p.p.). All the entities which are part of the Belgium-Luxembourg en-route cost-base have reported significantly lower than planned en-route costs for 2014: Belgocontrol (-8.1%), MUAC (-7.1%) and NSA/EUROCONTROL (-9.0%). A detailed analysis of the deviation between Belgocontrol actual and planned en-route costs is provided in the box below.

For MUAC, the significantly lower actual costs than planned in the NPP for the year 2014 (i.e. -7.1% or -3.2 M€2009) reflect lower staff costs (-1.7% or some -0.6 M€2009), other operating costs (-25.6% or some -1.2 M€2009), depreciation costs (-27.2% or some -1.0 M€2009) and cost of capital (-72.2% or some -0.4 M€2009).

In 2014, costs exempt from cost sharing are reported for a total of -1.4 M€2009 to be reimbursed to the users for the en-route activity. This results from lower EUROCONTROL Agency costs than planned in the NPP. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

RP1 summary

When considering the whole of RP1 (2012-2014), for the Belgium-Luxembourg charging zone, actual en-route TSUs are -2.6% lower than planned, while actual costs in real terms are -5.8% lower than determined costs (some -26.8 M€2009). As a result, over RP1 the actual weighted average unit cost (63.33 €2009) is -3.3% lower than planned in the NPP (65.47 €2009).

At ATSP level

Actual 2014 Belgocontrol costs vs. NPP

In 2014, the difference between Belgocontrol actual and determined costs (-8.1% or some -7.7 M€2009) mainly reflects significantly lower staff costs (-8.3% or some -5.8 M€2009), other operating expenses (-12.0% or some -1.2 M€2009) and depreciation costs (-6.4% or some -0.7 M€2009). In the meantime, the cost of capital remained fairly in line (-0.4%) with the information provided in the NPP. According to the information disclosed in the Belgium NSA 2014 Monitoring report, the substantially lower actual staff costs (-8.3%) in 2014 mainly reflect the impact of a staff reduction programme (a reduction of 132 FTEs over RP1). Similarly, the lower other operating costs (-12.0%) are mainly due to the implementation of cost containment measures. The lower depreciation costs (-6.4%) mainly results from the postponement of capex to future years (i.e. the actual capex for 2014 was some -1.3 M€ lower than foreseen in the NPP).

Belgocontrol net gain/loss and estimated surplus on en-route activity in 2014

Belgocontrol generated a net gain of 5.8 M€2009 for the en-route activity for the year 2014. This result is a combination of two contrasting elements:

- a gain of +7.7 M€2009, mainly reflecting the fact that actual 2014 en-route costs were lower than planned; and,
- a loss of -1.9 M€2009 in revenues since actual 2014 traffic was significantly lower than expected.

Ex-post, the overall estimated economic surplus for the year is computed by adding the surplus embedded in the cost of capital (+4.3 M€2009) to the net gain for the en-route activity in 2014 (+5.8 M€2009). As a result, the overall estimated economic surplus for the en-route activity in 2014 amounts to +10.1 M€2009, which corresponds to 10.9% of 2014 en-route revenues (compared to +4.6% as planned in the NPP).

Conclusion

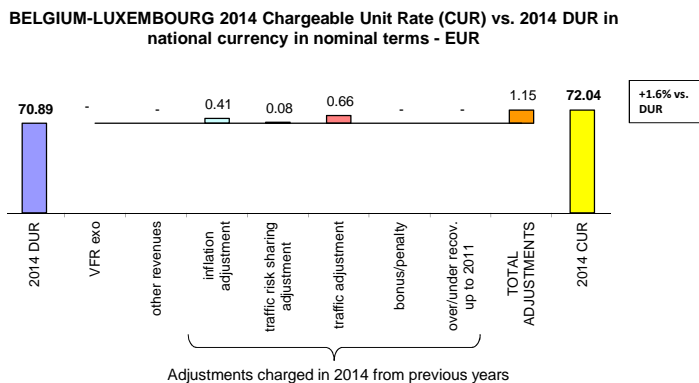
In the context of lower actual traffic than planned in 2014 (-2.5%), Belgocontrol was able to significantly revise downwards its en-route costs (-8.1%) compared to the determined costs provided in the NPP and generated a net gain of +5.8 M€2009 for the en-route activity. When considering the surplus embedded in the cost of capital through the return on equity, the overall estimated surplus generated in 2014 amounts to +10.1 M€2009 (or 10.9% of total en-route revenues).

When considering the whole of RP1 (2012-2014), Belgocontrol generated cumulative gains of +15.3 M€2009 as actual costs were significantly lower than planned for all the years of RP1 following the cost containment measures that were implemented during this period. These gains more than compensated for the cumulative loss of -5.9 M€2009 in terms of revenues which reflects the fact that actual traffic was consistently lower than planned during RP1 (-2.3% in 2012, -3.1% in 2013 and -2.5% in 2014). As a result, cumulative gains of some +9.5 M€2009 could be retained by Belgocontrol on the en-route activity over RP1.

BELGIUM-LUXEMBOURG

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



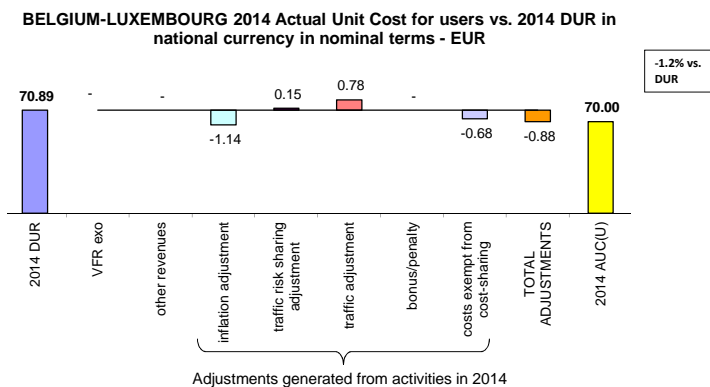
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

In 2014, the actual chargeable unit rate (CUR) charged to airspace users (72.04 €) is +1.6% higher than the determined unit rate (70.89 €). The difference (+1.15 €) mainly reflects the adjustment related to traffic (+0.66 €) and to inflation (+0.41 €).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The unit cost that the users incur in respect to the activities performed in 2014 is 70.00 €, which is -1.2% lower than the DUR (70.89 €). The difference observed between these two figures (-0.88 €) reflects the combination of the inflation adjustment (-1.14 €), the traffic adjustment (+0.78 €), the traffic risk-sharing adjustment (+0.15 €) and the amount related to costs exempted from cost-sharing (-0.68 €).

BELGIUM-LUXEMBOURG

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) [^]			0.9			
Number of airports in terminal charging zone			1	1	1	1
of which, number of airports over 50 000 movements			1	1	1	1
BELGIUM - Data from RP1 national performance plan[^]						
Terminal ANS costs for the charging zones - (in EUR)	35 552 346	34 481 353	36 832 379	39 255 539	37 501 825	37 027 975
Inflation index (100 in 2009)	100.0	102.2	105.8	107.9	109.9	112.1
Real terminal ANS costs - (in EUR2009)	35 552 346	33 739 093	34 820 783	36 383 924	34 110 399	33 019 021
BELGIUM - Actual data from June 2015 Reporting Tables						
Terminal ANS costs for the charging zones - (in EUR)	35 552 346	34 481 353	37 007 173	35 195 273	33 527 449	33 680 594
Inflation index (100 in 2009)	100.0	102.2	105.8	108.5	109.8	110.4
Real terminal ANS costs - (in EUR2009)	35 552 346	33 739 093	34 986 030	32 426 748	30 523 833	30 510 704
Total terminal service units						
Actual real unit costs - (in EUR2009)						
Unit rate applied - (in EUR)				N/A	N/A	N/A
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
Terminal ANS costs for the charging zones - (in EUR)	in value			-4 060 267	-3 974 377	-3 347 381
	in%			-10.3%	-10.6%	-9.0%
Inflation index (100 in 2009)	in p.p.			0.6 p.p.	-0.1 p.p.	-1.8 p.p.
Real terminal ANS costs - (in EUR2009)	in value			-3 957 175	-3 586 567	-2 508 317
	in%			-10.9%	-10.5%	-7.6%
11. - General conclusions on the Terminal ANS costs and unit rates monitoring						
The terminal charging zones for Belgium and Luxembourg each comprise one airport above 50 000 movements per year (i.e. Brussels-EBBR and Luxembourg-ELLX). The harmonised SES TNSU formula (MTOW/50) [^] 0.7 was not used in neither Belgium nor Luxembourg Charging Zone during RP1.						
The information on planned and actual terminal costs above only relates to Belgium since Luxembourg is subject to reduced reporting requirements during RP1 due to the exemptions based on Article 1(6) and Annex I of Regulation (EC) No 1794/2006. The actual terminal ANS 2014 costs for Belgium are -7.6% lower in real terms (or some -2.5 M€2009) than planned in the NPP. This mainly reflects the fact that higher other operating costs than planned (+14.1% or +0.5 M€2009) were more than compensated by lower staff costs (-7.2% or -1.7 M€2009), depreciation costs (-15.5% or -0.6 M€2009) and cost of capital (-45.6% or -0.7 M€2009).						
RP1 summary						
When considering the whole of RP1 (2012-2014), actual terminal ANS costs in real terms were consistently lower than planned in the NPP for each year of RP1 (-10.9% in 2012, -10.5% in 2013 and -7.6% in 2014). As a result, the cumulative actual terminal ANS costs are -9.7% (some -10.1 M€2009) lower than planned in the NPP for RP1.						
12. - Monitoring of gate-to-gate costs (2014)						
BELGIUM-LUXEMBOURG - Data from RP1 national performance plan						
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	170 650 791	151 542 984	154 741 323	154 976 604	153 849 821	153 143 830
Real terminal ANS costs - (in EUR2009)	35 552 346	33 739 093	34 820 783	36 383 924	34 110 399	33 019 021
Real gate-to-gate ANS costs - (in EUR2009)	206 203 137	185 282 077	189 562 106	191 360 527	187 960 220	186 162 851
Share of en-route costs in gate-to-gate ANS costs	82.8%	81.8%	81.6%	81.0%	81.9%	82.3%
BELGIUM-LUXEMBOURG - Actual data from June 2015 Reporting Tables						
Real en-route costs - (in EUR2009)	170 650 791	151 542 984	142 404 857	146 303 396	147 768 257	141 060 776
Real terminal ANS costs - (in EUR2009)	35 552 346	33 739 093	34 986 030	32 426 748	30 523 833	30 510 704
Real gate-to-gate ANS costs - (in EUR2009)	206 203 137	185 282 077	177 390 887	178 730 145	178 292 090	171 571 480
Share of en-route costs in gate-to-gate ANS costs	82.8%	81.8%	80.3%	81.9%	82.9%	82.2%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
Real en-route costs - (in EUR2009)	in value			-8 673 207	-6 081 563	-12 083 055
	in %			-5.6%	-4.0%	-7.9%
Real terminal ANS costs - (in EUR2009)	in value			-3 957 175	-3 586 567	-2 508 317
	in %			-10.9%	-10.5%	-7.6%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-12 630 383	-9 668 130	-14 591 371
	in %			-6.6%	-5.1%	-7.8%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			0.9 p.p.	1.0 p.p.	0.0 p.p.
13. - General conclusions on the gate-to-gate ANS costs						
The real 2014 gate-to-gate ANS costs (171.6 M€2009) are -7.8% (or some -14.6 M€2009) lower than planned in the NPP. This results from the combination of significantly lower actual en-route costs (-7.9% or some -12.1 M€2009) and terminal ANS costs (-7.6% or some -2.5 M€2009) in real terms for the year 2014.						
The relative share of en-route costs in gate-to-gate ANS costs (82.2%) is in line with the proportion planned in the NPP for 2014 (82.3%).						



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

France

Working Draft 2.0

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FRANCE

Monitoring of SAFETY indicators for 2014

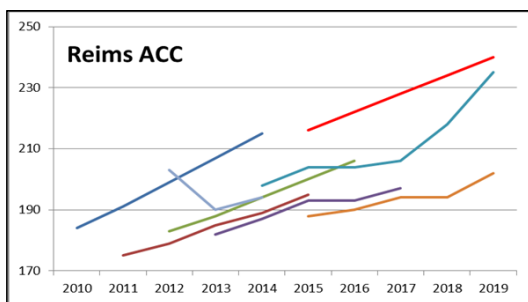
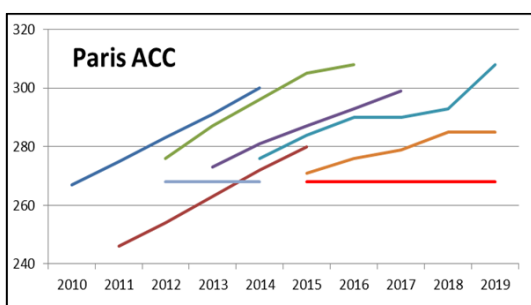
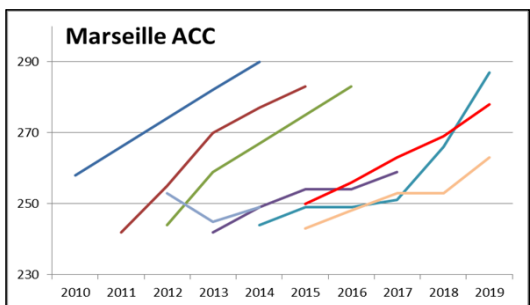
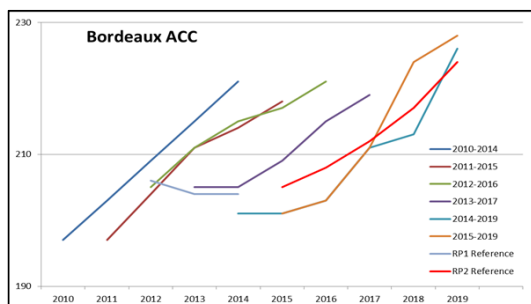
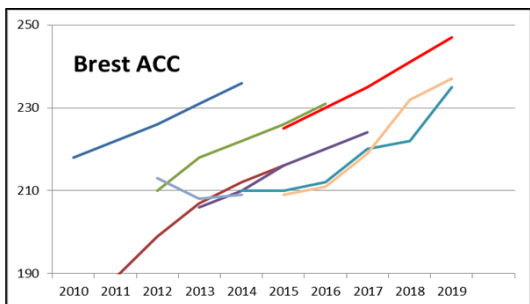
Effectiveness of Safety Management																					
	2012	2013	2014	State level Observations																	
State level	72	74	71																		
ANSP [DSNA]	80	87	88																		
<table border="1"> <caption>Number of questions by CO and assessment type</caption> <thead> <tr> <th>CO</th> <th>Self-assessment</th> <th>EASA verification</th> </tr> </thead> <tbody> <tr> <td>CO1</td> <td>15</td> <td>15</td> </tr> <tr> <td>CO2</td> <td>4</td> <td>4</td> </tr> <tr> <td>CO3</td> <td>9</td> <td>8</td> </tr> <tr> <td>CO4</td> <td>4</td> <td>4</td> </tr> </tbody> </table>							CO	Self-assessment	EASA verification	CO1	15	15	CO2	4	4	CO3	9	8	CO4	4	4
CO	Self-assessment	EASA verification																			
CO1	15	15																			
CO2	4	4																			
CO3	9	8																			
CO4	4	4																			
Application of the severity classification of the Risk Analysis Tool (RAT)																					
		2012		2013		2014															
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)														
Separation Minima Infringements (SMIs)	ATM Ground	737	96%	724	97%	706	93%														
	ATM Overall		96%		97%		93%														
Runway Incursions (RIs)	ATM Ground	120	98%	231	99%	238	92%														
	ATM Overall		98%		99%		92%														
ATM Specific Occurrences (ATM-Specific)	ATM Overall	2454	98%	1655	46%	1816	84%														
Source of RAT data:		DSAC																			
Preliminary results updated after coordination with the AST-FP in August 2015.																					
Just culture																					
		State																			
Number of questions answered with Yes or No		2012		2013		2014															
		YES	NO	YES	NO	YES	NO														
Policy and its implementation		7	3	7	3	6	3														
Legal/Judiciary		3	5	3	5	3	4														
Occurrence reporting and Investigation		2	0	2	0	2	0														
TOTAL		12	8	12	8	11	7														
		ANSP [DSNA]																			
Number of questions answered with Yes or No		2012		2013		2014															
		YES	NO	YES	NO	YES	NO														
Policy and its implementation		8	5	11	2	11	2														
Legal/Judiciary		2	1	3	0	3	0														
Occurrence reporting and Investigation		6	2	8	0	8	0														
TOTAL		16	8	22	2	22	2														

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.34	0.3	0.24	
National Target				
Actual performance	0.54	0.53	0.66	

National capacity assessment

No assessment of national performance on capacity was provided in the national monitoring report.

ANSP capacity plan



PRB Capacity assessment

France did not set a national target for capacity in RP1. The capacity performance in France for 2014, and for each year in RP1, was not consistent with the performance effort required to meet the EU-wide target. The PRB notes that the 2015-2019 capacity plans in three of the ACCs are continuously below the required level of capacity to meet the Union-wide target. In Marseille and Reims ACC, the latest capacity plans are even downgraded from the previous ones, which themselves were insufficient.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 63%

The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 5%

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 32%

[Note: the FABEC report contained inconsistent data in several instances, where the hours allocated at H-3 was greater than the hours initially allocated, and where the UUP process was not applicable.]

Previous recommendations

Annual Monitoring Report 2012: France is requested to implement remedial capacity measures at ACCs where capacity problems are expected, either due to a lack of existing capacity or an inability to deploy existing capacity according to traffic demand, to ensure that a suitable contribution can be made to network performance within the timeframe of RP1.

France is requested to provide evidence of how it is increasing capacity plans in response to the EC recommendation contained in the notification letter.

Annual Monitoring Report 2013: The PRB requests France to provide information on how the capacity planning of the ANSP, combined with the other FABEC ANSPs, is consistent with the existing recommendation of the European Commission that FABEC Member States require their ANSPs to develop and implement capacity plans that meet the FABEC reference value of 0.4 minutes per flight in 2014.

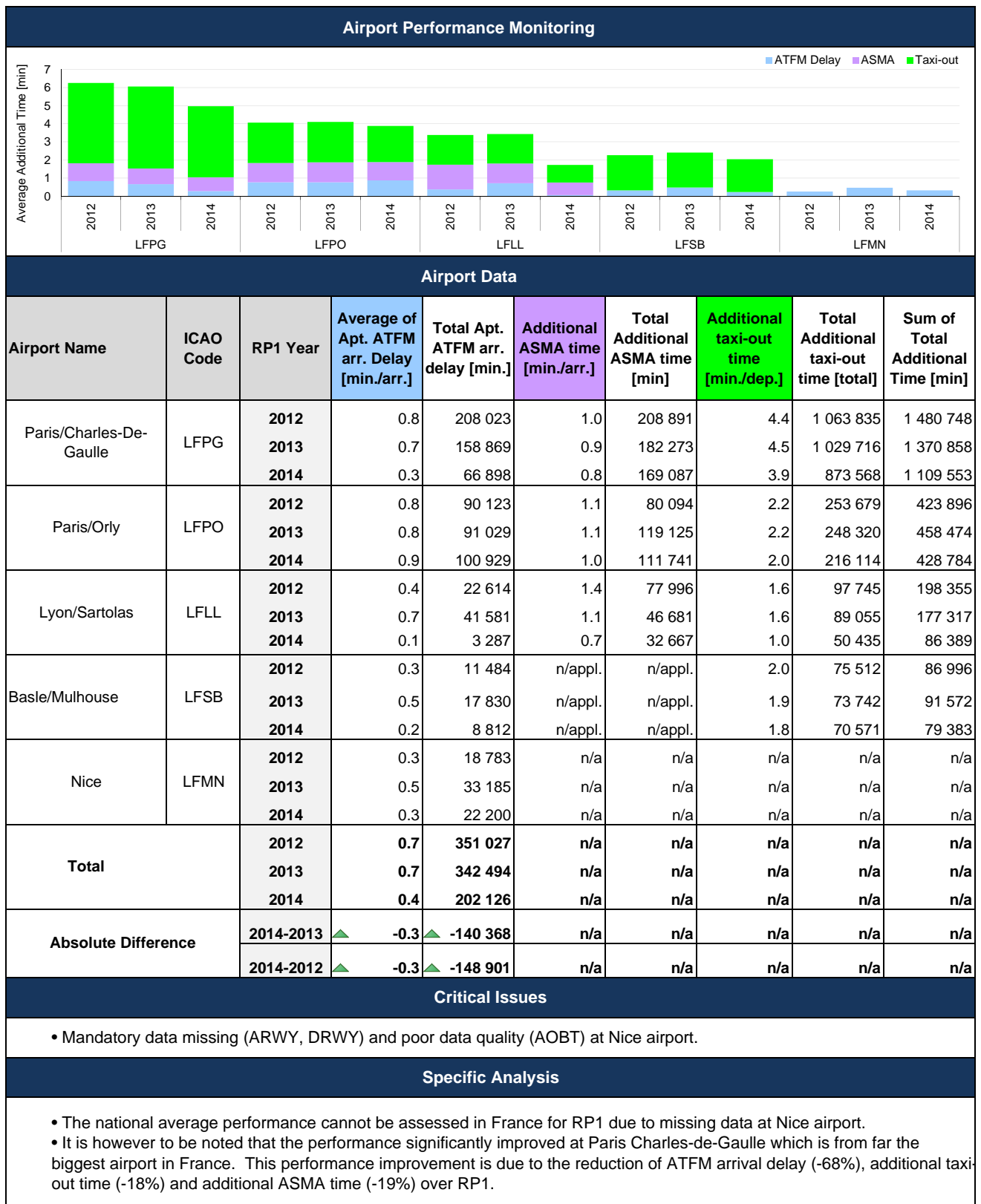
NSA report on follow-up to recommendations

No information was provided by the NSA about the previous recommendations.

Recommendations

FRANCE

Monitoring of CAPACITY indicators for 2014

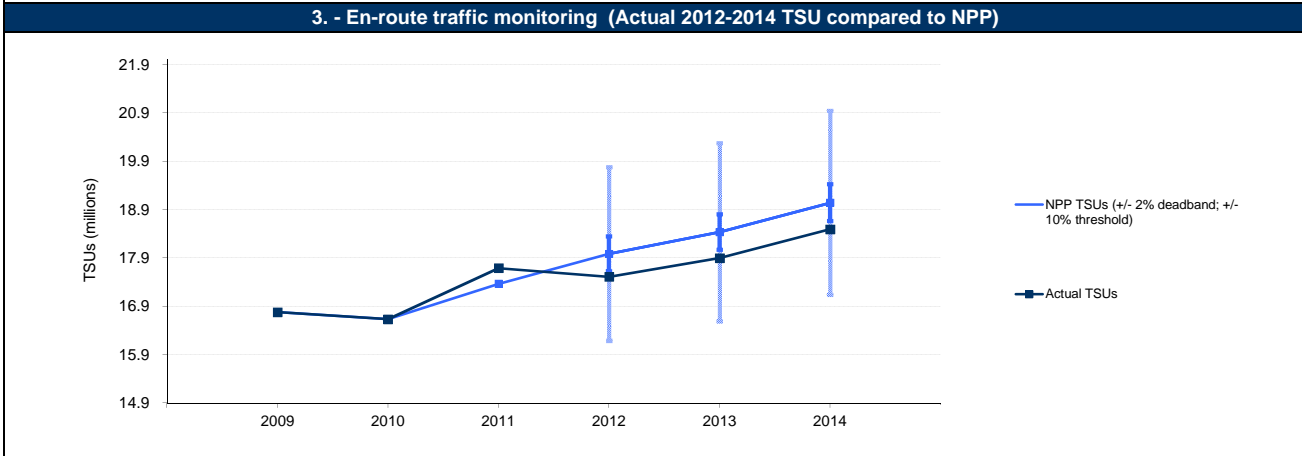
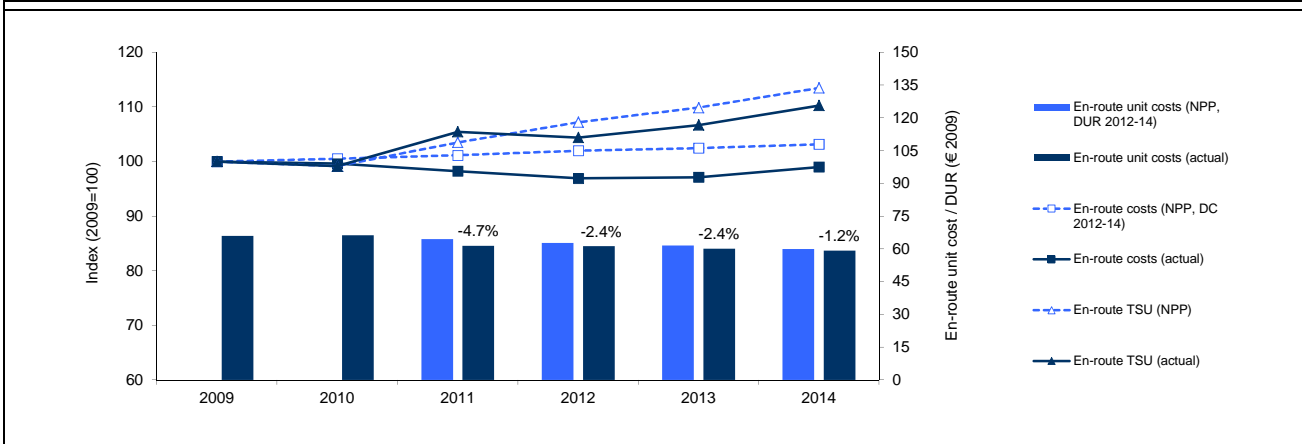


FRANCE

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> FRANCE represents 18.1% of the SES en-route ANS determined costs in 2014. ATSP : DSNA FAB : FABEC National currency: EUR 	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p> <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
FRANCE - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	1 107 192 099	1 132 478 865	1 156 387 966	1 186 455 378	1 212 968 380	1 242 760 065
Inflation %		1.7%	1.5%	1.7%	1.8%	1.8%
Inflation index (100 in 2009)	100.0	101.7	103.3	105.1	106.9	108.8
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	1 107 192 099	1 113 110 738	1 119 813 730	1 129 169 700	1 134 547 984	1 142 421 216
Total en-route Service Units	16 779 861	16 636 697	17 367 156	17 987 000	18 436 674	19 045 084
Real en-route unit costs per Service Units - (in EUR2009)	65.98	66.91	64.48	62.78	61.54	59.99
* See Note 1						
FRANCE - Actual data from Jun-2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	1 107 192 099	1 122 132 764	1 131 714 939	1 141 641 065	1 155 472 412	1 185 052 327
Inflation %		1.7%	2.3%	2.2%	0.99%	0.62%
Inflation index (100 in 2009)	100.0	101.7	104.1	106.4	107.4	108.1
Real en-route costs - (in EUR2009)	1 107 192 099	1 102 941 581	1 087 457 110	1 073 170 666	1 075 524 778	1 096 261 226
Total en-route Service Units	16 779 861	16 636 697	17 691 225	17 515 047	17 899 945	18 496 754
Real en-route unit costs per Service Units - (in EUR2009)	65.98	66.30	61.47	61.27	60.09	59.27
* See Note 1						
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal EUR)	in value			-44 814 313	-57 495 968	-57 707 738
	in %			-3.8%	-4.7%	-4.6%
Inflation %	in p.p.			0.5 p.p.	-0.8 p.p.	-1.1 p.p.
Inflation index (100 in 2009)	in p.p.			1.3 p.p.	0.5 p.p.	-0.7 p.p.
Real en-route costs - (in EUR2009)	in value			-55 999 034	-59 023 206	-46 159 990
	in %			-5.0%	-5.2%	-4.0%
Total en-route Service Units	in value			-471 953	-536 729	-548 330
	in %			-2.6%	-2.9%	-2.9%
Real en-route unit costs per Service Units - (in EUR2009)	in value			-1.51	-1.45	-0.72
	in %			-2.4%	-2.4%	-1.2%



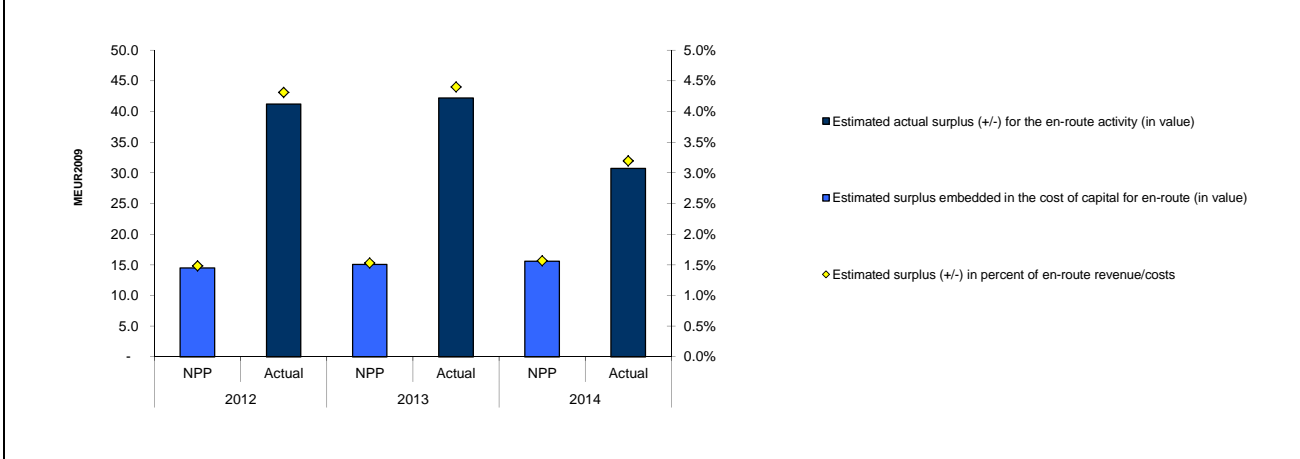
FRANCE

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

4. - En-route costs monitoring (2014 actuals compared to NPP)		
By entity at State level 		Costs exempted from cost sharing (by factor/item) Pension Interest rates on loans National taxation law New cost item required by law International agreements Costs exempted from cost sharing (by entity) ATSP Other ANSP METSP NSA/EUROCONTROL Total costs exempted from cost sharing to be recovered from (+)/reimbursed to (-) users if eligible after EC verification
By nature at ATSP level 		2014 ('000€2009) Estimate -4 193 -5 874 -4 640 -10 067 - - - -4 640 -14 707

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2014		
Cost sharing ('000€2009)		Combined effect of variations in costs and traffic for 2014 ('000€2009)
Determined costs for the ATSP (NPP)	2014A: 995 536	
Actual costs for the ATSP	954 123	
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	41 414	
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-10 067	
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	31 346	
Traffic risk sharing ('000€2009)		
Difference in total service units (actual vs NPP)	2014A: -2.88%	
Determined costs after deduction of costs for exempted VFR flights	1 001 832	
ATSP gain (traffic between 0 and +2% higher than NPP)	-	
ATSP gain (traffic between +2% and +10% higher than NPP)	-	
ATSP loss (traffic between 0 and -2% below NPP)	-20 037	
ATSP loss (traffic between -2% and -10% below NPP)	-2 642	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	-22 679	
Incentives ('000€2009)		
ATSP bonus (+) / penalty (-)	-	
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	-	
Net ATSP gain(+)/loss(-) on en-route activity	8 667	

6. - En-route ATSP estimated surplus*						
*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.						
ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	673 587	643 124	700 447	667 406	722 182	707 223
Estimated proportion of financing through equity (in %)	26.9%	34.6%	26.9%	27.0%	27.0%	39.0%
Estimated proportion of financing through equity (in value)	181 243	222 657	188 541	180 044	194 876	275 958
Estimated proportion of financing through debt (in %)	73.1%	65.4%	73.1%	73.0%	73.0%	61.0%
Estimated proportion of financing through debt (in value)	492 345	420 467	511 906	487 362	527 306	431 264
Cost of capital pre-tax (in value)	30 747	29 964	32 232	27 367	33 518	33 333
Average interest on debt (in %)	3.3%	2.9%	3.4%	2.7%	3.4%	2.6%
Interest on debt (in value)	16 247	12 151	17 149	12 964	17 928	11 256
Determined RoE pre-tax rate (in %)	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%
Estimated surplus embedded in the cost of capital for en-route (in value)	14 499	17 813	15 083	14 404	15 590	22 077
Net ATSP gain(+)/loss(-) on en-route activity		23 414		27 784		8 667
Overall estimated surplus (+/-) for the en-route activity	14 499	41 226	15 083	42 187	15 590	30 744
Revenue/costs for the en-route activity	978 962	955 823	986 356	958 600	995 536	962 790
Estimated surplus (+/-) in percent of en-route revenue/costs	1.5%	4.3%	1.5%	4.4%	1.6%	3.2%
Estimated ex-post RoE pre-tax rate (in %)	8.0%	18.5%	8.0%	23.4%	8.0%	11.1%



FRANCE

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by FRANCE

Note 1: Determined and actual costs for France

The determined and actual costs for France are considered after deduction of the costs for exempted VFR flights and after deduction of other income in order to ensure consistency with the NPP. The breakdown shown in item 4 presents these deductions as (negative) exceptional costs for the ATSP.

Note 2: Actual 2013 en-route and terminal costs

Actual 2013 en-route and terminal costs have been updated since the 2013 PRB Monitoring Report, as a result of the revision of the costs exempt from cost sharing submitted by France in respect of 2012 and 2013 and an update of the actual 2013 costs made after the June 2014 submission that served as a basis for the 2013 monitoring. For these reasons, the net ATSP gain/loss for the en-route activity reported in this document for 2012 and 2013 also differs from the information published in the PRB 2013 Monitoring Report.

At State / Charging Area level

In 2014, France's actual real en-route unit cost (59.27 €2009) was -1.2% lower than planned in the NPP for RP1 (59.99 €2009). This difference is resulting from lower actual real en-route costs (-4.0%) than planned in the RP1 NPP for 2014 and lower actual number of en-route TSUs in 2014 (-2.9%).

The difference in actual traffic compared to the NPP for 2014 (-2.9%) falls outside the $\pm 2\%$ dead band foreseen in the traffic risk sharing mechanism, although it does not exceed the -10% threshold. As a result, the related loss of en-route revenues is shared between the ATSP and airspace users, with the loss borne by DSNAs amounting to some -22.7 M€2009.

Actual 2014 costs vs. NPP

Real en-route costs for France were -4.0% lower in 2014 than planned, resulting from a combination of -4.6% lower nominal en-route costs and -0.7 percentage points lower inflation index.

DSNA and NSA/EUROCONTROL actual real en-route costs were lower than planned (by -4.2% and -6.7%, respectively), while the MET SP costs were slightly higher than the amounts planned in the NPP (+1.7%).

Costs exempt from cost sharing are reported for a total of -14.7 M€2009 to be reimbursed to the users for the en-route activity, corresponding to the sum of negative amounts in respect of changes in interest rates on loans, new costs required by law and differences linked to EUROCONTROL costs. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

RP1 summary

When considering the whole of RP1 (2012-2014), actual en-route TSUs are, for the French charging zone, -2.8% lower than planned, while actual costs in real terms are -4.7% lower than the determined costs (some -161.2 M€2009). As a result, the actual weighted average unit cost over RP1 (60.19 €2009) is -2.0% lower than planned in the NPP (61.41 €2009).

At ATSP level**Actual 2014 DSNAs costs vs. NPP**

In 2014, actual en-route costs were overall lower than planned (by -4.2%), as a result of:

- Lower staff costs (-35.9 M€2009, or -5.7%). The additional information to June 2015 en-route reporting tables states: "*While a part of this difference actually stems from a presentation issue, for the most part this difference results from the containment of staff costs, materialized by the under-consumption of DGAC staff cost budget.*"

- Higher other operating costs (+33.5 M€2009, or +16.0%). The additional information to June 2015 en-route reporting tables states: "*In addition to the presentation of the "Grand ENAC" costs mentioned above, one should mention the impact of a change in accounting rules that happened: some expenses that were until mid-2010 recorded as CAPEX are now recorded as operating expenses. This change in accounting policy has led to a massive under-consumption of the investment budget and a correlated over-consumption in other operating expenses. In terms of costs, this change translates into a gap in other operating expenses and, to a lesser extent, into a decrease in depreciation.*"

- Lower depreciation costs (-38.9 M€2009, or -27.9%) resulting from a lower actual capex than planned in 2014 and the change in accounting policy as described above.

- Lower cost of capital (-0.2 M€2009, or -0.6%). "*For the most part, due to the difference in the average interest on loans.*"

- Higher exceptional costs: this corresponds to slightly higher other revenues and lower costs for exempted VFR flights than planned.

DSNA net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, the en-route activity for the year 2014 generated a net gain of +8.7 M€2009 for DSNAs overall. This is the combination of two separate elements:

- a gain of +31.3 M€2009 for DSNAs resulting from the cost-sharing mechanism;
- a loss of -22.7 M€2009 resulting from the traffic risk sharing mechanism for 2014.

On the economic surplus side for the en-route activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +15.6 M€2009, corresponding to an estimated surplus of +1.6% of the en-route costs/revenues for 2014. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+22.1 M€2009) and the net gain from the en-route activity in 2014 (+8.7 M€2009), gives a total of +30.7 M€2009 for 2014, corresponding to +3.2% of the en-route revenue in 2014. The resulting ex-post rate of return on equity for 2014 is +11.1% (compared to +8.0% as initially planned in the NPP).

Conclusions

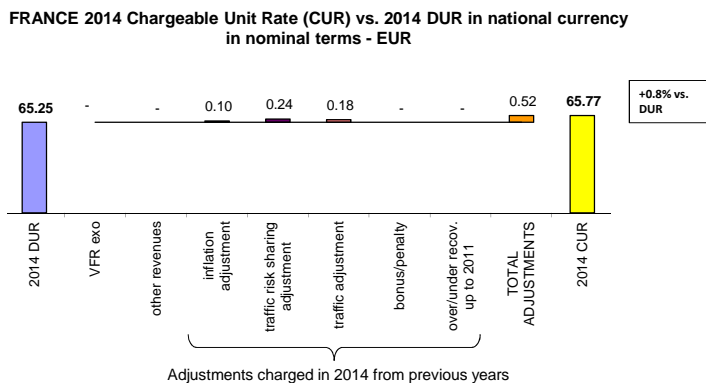
In spite of lower than expected traffic volumes (-2.9%), the en-route activity for the year 2014 generated an overall economic surplus of +30.7 M€2009, which results in an estimated actual surplus of +3.2% of the en-route revenue for 2014 (up from the +1.6% in the NPP).

When considering the whole RP1 (2012-2014), DSNAs could retain a cumulative gain of +59.9 M€2009 (i.e. a gain of +126.0 M€2009 in respect of cost-sharing and a loss of -66.1 M€2009 in respect of traffic risk-sharing).

FRANCE

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



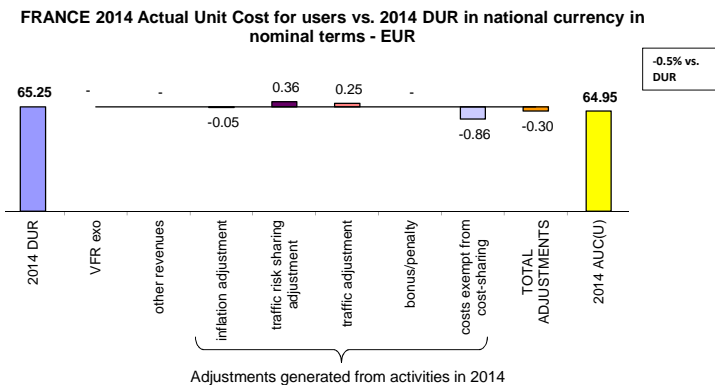
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The CUR charged to airspace users in 2014 was 65.77 €. This is higher than the DUR expressed in nominal terms (65.25 €). The difference between these two figures (+0.52 €, +0.8%) relates to traffic risk sharing adjustment (+0.24€), traffic adjustment for costs not subject to traffic risk sharing (+0.18 €) and inflation adjustment (+0.10 €).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en-route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The actual unit cost incurred by airspace users in respect of activities performed in 2014 (64.95 €) was lower than the DUR expressed in nominal terms (65.25 €) due to adjustments (mainly relating to the negative amount related to costs exempted from cost-sharing in 2014).

FRANCE

Monitoring of en-route and terminal cost-efficiency for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) ¹	0.9	0.9	0.9	0.8	0.8	0.7
Number of airports in terminal charging zone	64	64	61	61	60	61
of which, number of airports over 50 000 movements	9	9	9	9	9	9
FRANCE - Data from RP1 national performance plan						
Terminal ANS costs for the charging zones - (in EUR) *	227 649 904	233 081 583	237 569 586	242 632 818	248 209 170	254 048 236
Inflation index (100 in 2009)	100.0	101.7	103.3	105.1	106.9	108.8
Real terminal ANS costs (determined costs 2012-2014) - (in EUR2009)*	227 649 904	229 095 324	230 055 735	230 917 767	232 162 040	233 536 708
Total terminal Service Units		1 093 649	1 136 301	1 104 710	1 126 697	1 092 051
Real en-route unit costs per Service Units - (in 2009) *		209.48	202.46	209.03	206.06	213.85
* See note 1						
FRANCE - Actual data from June 2015 Reporting Tables						
Terminal ANS costs for the charging zones - (in EUR)	227 649 904	233 081 583	230 604 194	231 135 251	232 286 863	239 364 926
Inflation index (100 in 2009)	100.0	101.7	104.1	106.4	107.4	108.1
Real terminal ANS costs - (in EUR2009) *	227 649 904	229 095 324	221 585 986	217 272 818	216 214 835	221 430 296
Total terminal service units		1 093 649	1 147 108	1 093 192	1 091 822	1 031 423
Actual real unit costs - (in EUR2009) *		209.48	193.17	198.75	198.03	214.7
Unit rate applied - (in EUR)				219.63	220.30	233.23
* See note 1						
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
Terminal ANS costs for the charging zones - (in EUR)	in value			-11 497 567	-15 922 307	-14 683 310
	in%			-4.7%	-6.4%	-5.8%
Inflation index (100 in 2009)	in p.p.			1.3 p.p.	0.5 p.p.	-0.7 p.p.
Real terminal ANS costs - (in EUR2009)	in value			-13 644 949	-15 947 205	-12 106 412
	in%			-5.9%	-6.9%	-5.2%

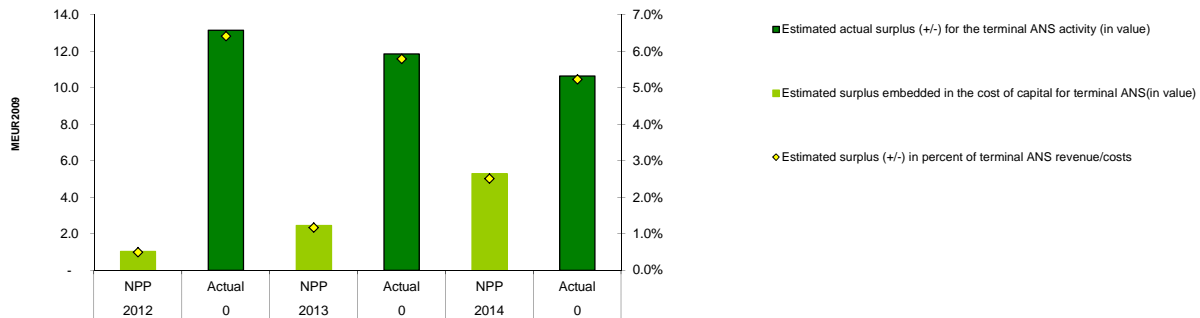
11. - Terminal ANS costs monitoring (2014 actuals compared to NPP)																									
<p>By entity at State level</p>	<table border="1"> <thead> <tr> <th>Costs exempted from cost sharing (by factor/item)</th> <th>2014 ('000€2009) Estimate</th> </tr> </thead> <tbody> <tr> <td>Pension</td> <td>333</td> </tr> <tr> <td>Interest rates on loans</td> <td>-965</td> </tr> <tr> <td>National taxation law</td> <td>-</td> </tr> <tr> <td>New cost item required by law</td> <td>-</td> </tr> <tr> <td>International agreements</td> <td>-</td> </tr> <tr> <th>Costs exempted from cost sharing (by entity)</th> <th>2013 ('000€2009) Estimate</th> </tr> <tr> <td>ATSP</td> <td>-632</td> </tr> <tr> <td>Other ANSP</td> <td>-</td> </tr> <tr> <td>METSP</td> <td>-</td> </tr> <tr> <td>NSA</td> <td>-</td> </tr> <tr> <td>Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification</td> <td>-632</td> </tr> </tbody> </table>	Costs exempted from cost sharing (by factor/item)	2014 ('000€2009) Estimate	Pension	333	Interest rates on loans	-965	National taxation law	-	New cost item required by law	-	International agreements	-	Costs exempted from cost sharing (by entity)	2013 ('000€2009) Estimate	ATSP	-632	Other ANSP	-	METSP	-	NSA	-	Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	-632
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	Other ANSP	-																							
METSP	-																								
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Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	-632																								

12. - Focus on ATSP - "Net" ATSP gain/loss on terminal ANS activity in 2014		
Cost sharing ('000€2009)	2014A	<p>Combined effect of variations in costs and traffic for 2014 ('000€2009)</p>
Determined costs for the ATSP (NPP)	210 954	
Actual costs for the ATSP	200 378	
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	10 576	
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-632	
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	9 944	
Traffic risk sharing ('000€2009)	2014A	
Difference in total service units (actual vs NPP)	-5.55%	
Determined costs after deduction of costs for exempted VFR flights	212 288	
ATSP gain (traffic between 0 and +2% higher than NPP)	-	
ATSP gain (traffic between +2% and +10% higher than NPP)	-	
ATSP loss (traffic between 0 and -2% below NPP)	-4 246	
ATSP loss (traffic between -2% and -10% below NPP)	-2 262	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	-6 508	
Incentives ('000€2009)	2014A	
ATSP bonus (+) / penalty (-)	-	
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	-	
Net ATSP gain(+)/loss(-) on terminal ANS activity	3 436	

FRANCE

Monitoring of en-route and terminal cost-efficiency for 2014

13. - Terminal ATSP estimated surplus (2014)						
ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	188 028	177 751	182 430	168 992	178 124	168 075
Estimated proportion of financing through equity (in %)	27.1%	34.6%	26.8%	27.0%	27.0%	39.0%
Estimated proportion of financing through equity (in value)	51 029	61 540	48 962	45 588	48 062	65 583
Estimated proportion of financing through debt (in %)	72.9%	65.4%	73.2%	73.0%	73.0%	61.0%
Estimated proportion of financing through debt (in value)	136 999	116 212	133 468	123 403	130 062	102 492
Cost of capital pre-tax (in value)	5 542	4 589	6 919	5 562	9 709	9 889
Average interest on debt (in %)	3.3%	2.9%	3.4%	2.7%	3.4%	2.6%
Interest on debt (in value)	4 521	3 359	4 471	3 283	4 422	2 675
Ex-ante RoE pre-tax rate (in %)	2.0%	2.0%	5.0%	5.0%	11.0%	11.0%
Estimated surplus embedded in the cost of capital for terminal ANS (in value)	1 021	1 231	2 448	2 279	5 287	7 214
Net ATSP gain(+)/loss(-) on terminal ANS activity		11 927		9 574		3 436
Overall estimated surplus (+/-) for the terminal ANS activity	1 021	13 158	2 448	11 853	5 287	10 650
Revenue/costs for the terminal ANS activity	207 402	205 146	209 025	204 661	210 954	203 814
Estimated surplus (+/-) in percent of terminal ANS revenue/costs	0.5%	6.4%	1.2%	5.8%	2.5%	5.2%
Estimated ex-post RoE pre-tax rate (in %)	2.0%	21.4%	5.0%	26.0%	11.0%	16.2%



14. - General conclusions on the Terminal ANS costs and unit rates monitoring

France has one terminal charging zone comprising 61 airports of which 9 are above 50 000 movements per year. The harmonised SES formula $(MTOW/50)^{0.7}$ was implemented in 2014.

France is the only State applying the determined costs method to the terminal ANS already in RP1. The total actual real terminal ANS 2014 costs for France terminal charging zone were -5.2% lower than planned in the NPP (-5.0% for DSNA, -7.6% for the METSP and +0.3% for the NSA).

As shown in item 12, the terminal activity for the year 2014 generated a net gain of +3.4 M€2009 for DSNA overall. This is the combination of two separate elements:
 - a gain of +9.9 M€2009 for DSNA resulting from the cost-sharing mechanism;
 - a loss of -6.5 M€2009 resulting from the traffic risk sharing mechanism for 2014.

On the economic surplus side for the terminal activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +5.3 M€2009, corresponding to an estimated surplus of +2.5% of the terminal costs/revenues for 2014. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+7.2 M€2009) and the net gain from the terminal activity in 2014 (+3.4 M€2009), gives a total of +10.7 M€2009 for 2014, corresponding to +5.2% of the terminal revenue in 2014. The resulting ex-post rate of return on equity for 2014 is +16.2% (compared to +11.0% as initially planned in the NPP).

RP1 summary

When considering the whole of RP1 (2012-2014), DSNA could retain a cumulative gain of +24.9 M€2009 (i.e. a gain of +38.4 M€2009 in respect of cost-sharing and a loss of -13.5 M€2009 in respect of traffic risk-sharing).

15. - Monitoring of gate-to-gate costs (2014)

FRANCE - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	1 107 192 099	1 113 110 738	1 119 813 730	1 129 169 700	1 134 547 984	1 142 421 216
Real terminal ANS costs (determined costs 2012-2014) - (in EUR2009)	227 649 904	229 095 324	230 055 735	230 917 767	232 162 040	233 536 708
Real gate-to-gate ANS costs - (in EUR2009)	1 334 842 004	1 342 206 062	1 349 869 465	1 360 087 467	1 366 710 024	1 375 957 924
Share of en-route costs in gate-to-gate ANS costs	82.9%	82.9%	83.0%	83.0%	83.0%	83.0%
FRANCE - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	1 107 192 099	1 102 941 581	1 087 457 110	1 073 170 666	1 075 524 778	1 096 261 226
Real terminal ANS costs - (in EUR2009)	227 649 904	229 095 324	221 585 986	217 272 818	216 214 835	221 430 296
Real gate-to-gate ANS costs - (in EUR2009)	1 334 842 004	1 332 036 905	1 309 043 096	1 290 443 484	1 291 739 613	1 317 691 522
Share of en-route costs in gate-to-gate ANS costs	82.9%	82.8%	83.1%	83.2%	83.3%	83.2%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in EUR2009)	in value			-55 999 034	-59 023 206	-46 159 990
	in %			-5.0%	-5.2%	-4.0%
Real terminal ANS costs - (in EUR2009)	in value			-13 644 949	-15 947 205	-12 106 412
	in %			-5.9%	-6.9%	-5.2%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-69 643 982	-74 970 411	-58 266 402
	in %			-5.1%	-5.5%	-4.2%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			0.1 p.p.	0.2 p.p.	0.2 p.p.

16. - General conclusions on the gate-to-gate ANS costs

In 2014, France's gate-to-gate ANS costs (1 317.7 M€2009) were -4.2% lower than planned in the NPP (1 376.0 M€2009).

The relative share of en-route costs in gate-to-gate ANS costs in 2014 (83.2%) was fairly in line with the planned share (83.0%).



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Germany

Working Draft 2.0

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GERMANY

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management																																						
	2012	2013	2014	State level Observations																																		
State level	51	55	59																																			
ANSP [DFS]	85	90	92																																			
ANSP [MUAC]	86	86	81																																			
<table border="1"> <caption>Number of questions by CO and assessment type</caption> <thead> <tr> <th>CO</th> <th>Category</th> <th>Self-assessment</th> <th>EASA verification</th> </tr> </thead> <tbody> <tr> <td rowspan="2">CO1</td> <td>< Level C</td> <td>1</td> <td>0</td> </tr> <tr> <td>≥ Level C</td> <td>16</td> <td>15</td> </tr> <tr> <td rowspan="2">CO2</td> <td>< Level C</td> <td>2</td> <td>3</td> </tr> <tr> <td>≥ Level C</td> <td>2</td> <td>1</td> </tr> <tr> <td rowspan="2">CO3</td> <td>< Level C</td> <td>1</td> <td>0</td> </tr> <tr> <td>≥ Level C</td> <td>9</td> <td>8</td> </tr> <tr> <td rowspan="2">CO4</td> <td>< Level C</td> <td>2</td> <td>2</td> </tr> <tr> <td>≥ Level C</td> <td>2</td> <td>2</td> </tr> </tbody> </table>							CO	Category	Self-assessment	EASA verification	CO1	< Level C	1	0	≥ Level C	16	15	CO2	< Level C	2	3	≥ Level C	2	1	CO3	< Level C	1	0	≥ Level C	9	8	CO4	< Level C	2	2	≥ Level C	2	2
CO	Category	Self-assessment	EASA verification																																			
CO1	< Level C	1	0																																			
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	≥ Level C	9	8																																			
CO4	< Level C	2	2																																			
	≥ Level C	2	2																																			
Application of the severity classification of the Risk Analysis Tool (RAT)																																						
	2012		2013		2014																																	
	No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)																																
Separation Minima Infringements (SMIs)	ATM Ground	192	85%	201	76%	237	100%																															
	ATM Overall		0%		0%		100%																															
Runway Incursions (RIs)	ATM Ground	114	11%	85	33%	73	100%																															
	ATM Overall		0%		0%		100%																															
ATM Specific Occurrences (ATM-Specific)	ATM Overall	299	100%	264	100%	266	100%																															
Source of RAT data:		BAF																																				
Preliminary results updated after coordination with the AST-FP in August 2015.																																						
Just culture																																						
Number of questions answered with Yes or No	State																																					
	2012		2013		2014																																	
	YES	NO	YES	NO	YES	NO																																
Policy and its implementation	8	2	4	6	4	5																																
Legal/Judiciary	4	4	3	5	4	3																																
Occurrence reporting and Investigation	1	1	1	1	1	1																																
TOTAL	13	7	8	12	9	9																																
Number of questions answered with Yes or No	ANSP [DFS]																																					
	2012		2013		2014																																	
	YES	NO	YES	NO	YES	NO																																
Policy and its implementation	11	2	11	2	12	1																																
Legal/Judiciary	2	1	2	1	2	1																																
Occurrence reporting and Investigation	6	2	6	2	4	4																																
TOTAL	19	5	19	5	18	6																																

Number of questions answered with Yes or No	ANSP [MUAC]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	7	6	7	6	8	5
Legal/Judiciary	1	2	1	2	1	2
Occurrence reporting and Investigation	5	3	5	3	5	3
TOTAL	13	11	13	11	14	10

GERMANY

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.35	0.32	0.29	
National Target				
Actual performance	0.51	0.24	0.26	

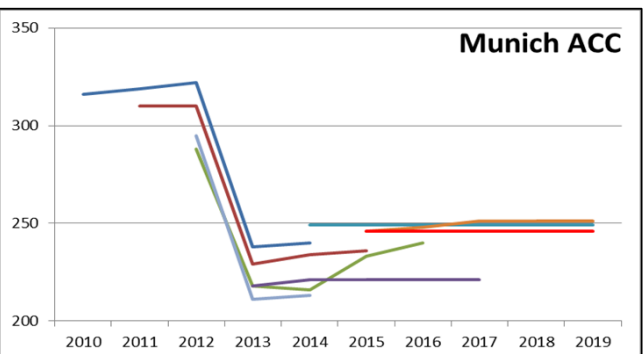
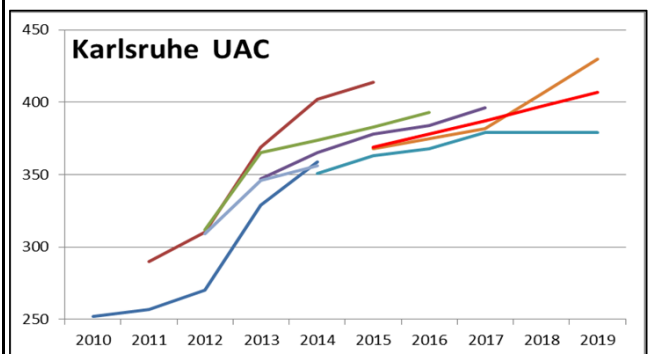
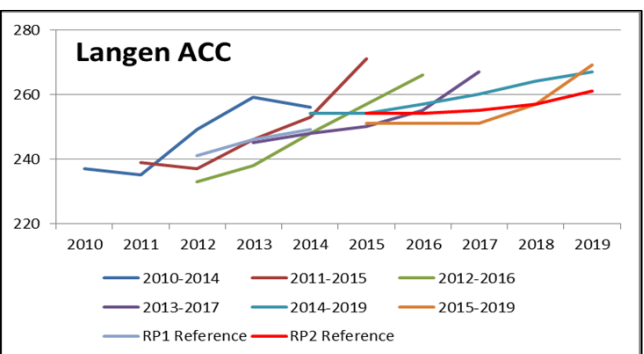
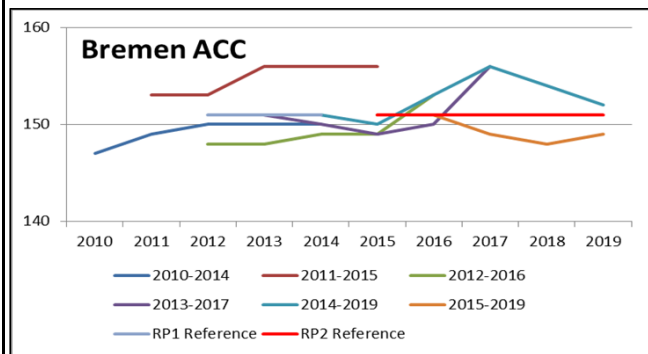
National capacity assessment

Whereas FABEC slightly missed the target in 2014, DFS stayed at a very good ADM level with a value of 0.26 min./fl., i.e. far below its target of 0.43 min./fl.

The main reasons for this positive evolution are related to the reduction of staff shortages and the increased capacity of the new ATC system (VAFORIT) in the upper airspace. "

The capacity developments in Germany in 2014 reflect a sustainable enhancement of capacity measures in the ACC Langen and UAC Karlsruhe.

ANSP capacity plan



PRB Capacity assessment

Germany did not set a national target for capacity in RP1. A good en-route capacity performance in 2014, has resulted in Germany meeting, and indeed surpassing, the performance required to be consistent with the EU-wide target for 2014, as it did also in 2013. However, the PRB notes that the latest capacity plans in Bremen ACC and Langen ACC have been downgraded to a level below the reference profile for RP2, which does not bode well for future capacity performance.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 52%

The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 2%

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 46%

When the use of 'Procedure 3' in Germany is analysed, (where airspace can be allocated on the day of operations using the UUP process), the ratio of time that airspace is actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated rises to 58%.

Previous recommendations

Extract from notification letter from EC July 2012:

FABEC's capacity target for the first reference period 2012-2014 is assessed on the clear expectation that:

- a) the FABEC Member States (Belgium, Germany, France, Luxembourg, the Netherlands and Switzerland) will require their air navigation service providers to develop and implement capacity plans that allow meet the FABEC 2014 reference value of 0.4 minute of average delay per flight at the earliest possible date in the second reference period, with the assistance of the Network Manager;
- b) where these revised capacity plans shall also improve the 2014 national or functional airspace block capacity targets, the States concerned will adopt and communicate to the Commission, either directly or through FABEC institutions, revised capacity targets by the end of June 2013 at the latest;

Annual Monitoring Report 2012: Germany is requested to implement remedial capacity measures at ACCs where capacity problems are expected, either due to a lack of existing capacity or an inability to deploy existing capacity according to traffic demand, to ensure that a suitable contribution can be made to network performance within the timeframe of RP1.

Germany is requested to provide evidence of how it is increasing capacity plans in response to the EC recommendation contained in the notification letter.

Annual Monitoring Report 2013 The PRB requests Germany to provide information on how the capacity planning of the ANSP, combined with the other FABEC ANSPs, is consistent with the existing recommendation of the European Commission that FABEC Member States require their ANSPs to develop and implement capacity plans that meet the FABEC reference value of 0.4 minutes per flight in 2014.

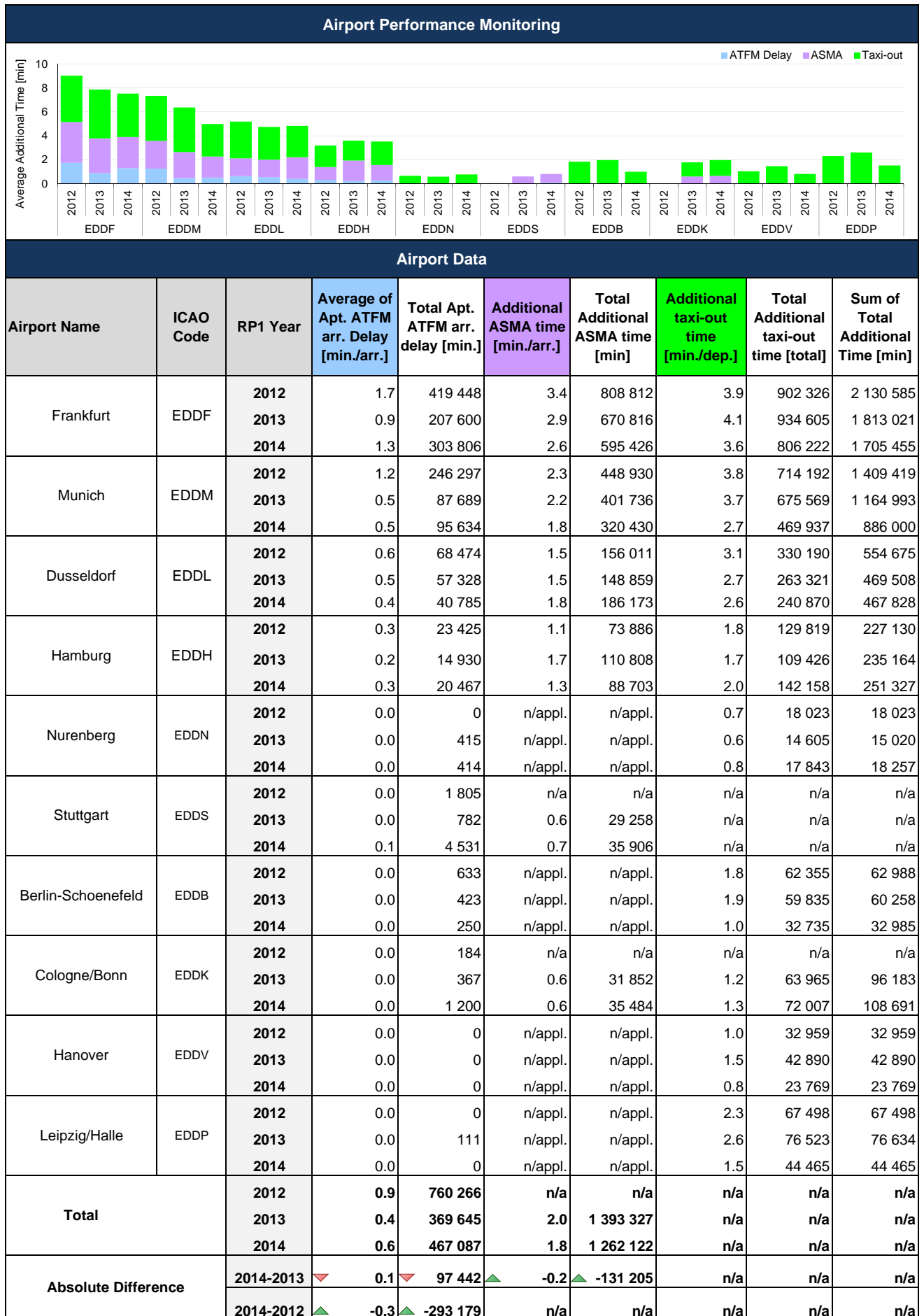
NSA report on follow-up to recommendations

Each year DFS updates its Capacity Enhancement Plan (CEP) based on traffic forecast, transition plans and expert judgement. This is done in close cooperation with the FABEC partners and the Network Manager. The results of the capacity planning process are published in the annual LSSIP Germany.

Recommendations

GERMANY

Monitoring of CAPACITY indicators for 2014



Critical Issues

- The average additional taxi-out time could not be calculated for Germany due to missing data at Stuttgart (missing departure stand). PRU coordinates a Remedial Action Plan with the aforementioned airport.

Specific Analysis

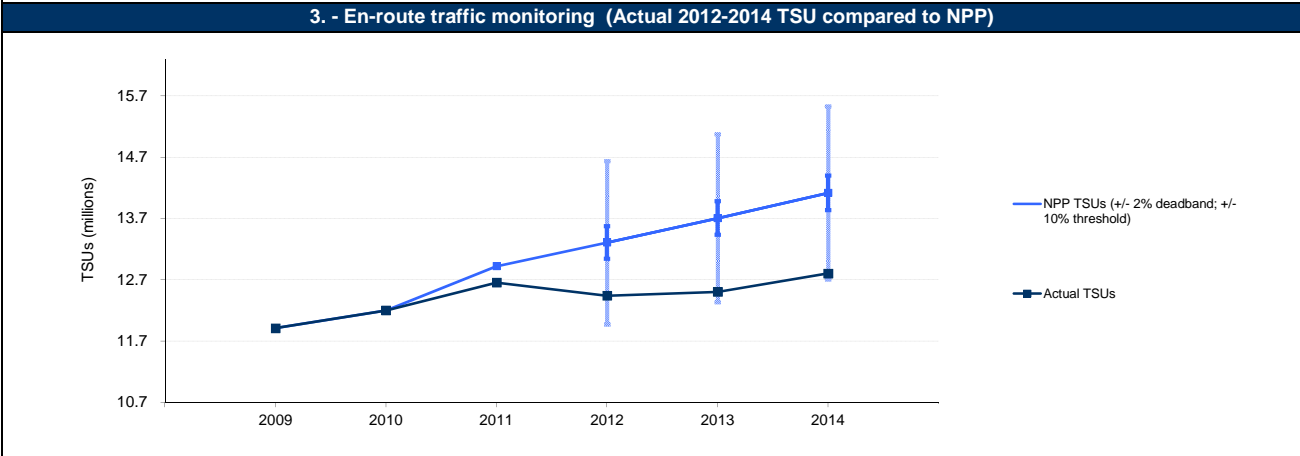
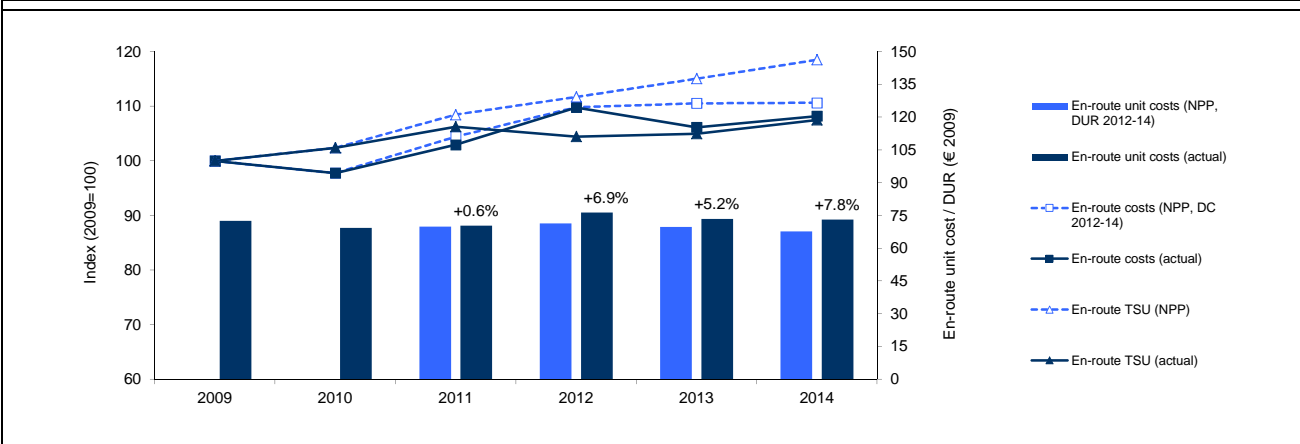
- Over RP1, the total ATFM arrival delay decreased by 39% in Germany. The national averages for additional ASMA and taxi-out times cannot however be assessed for RP1 due to missing data.
- It is however to be noted that the performance significantly improved at the two major airports in German: Frankfurt and Munich airports. Over RP1,
 - The total additional time decreased by 20% at Frankfurt airport. The operations of the 4th runway were favourable to performance for inbound traffic, resulting in a decrease of additional ASMA time and ATFM delay. The increase of additional taxi-out time observed in 2013 was recovered in 2014 to a level below 2012.
 - The total additional time decreased by 37% at Munich airport, whilst the ATFM delay and additional taxi-out times were reduced by 61% and 34% respectively.
- 381,903 movements were recorded through the MUN airport data flow in 2012 vs 356,035 in 2014, what represents a decrease of 7%. These data are available on the dashboard. However, this is to be noted that these figures are filtered based on additional ASMA and taxi-out time calculation, and therefore might slightly differ from the records available in NM.

GERMANY

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

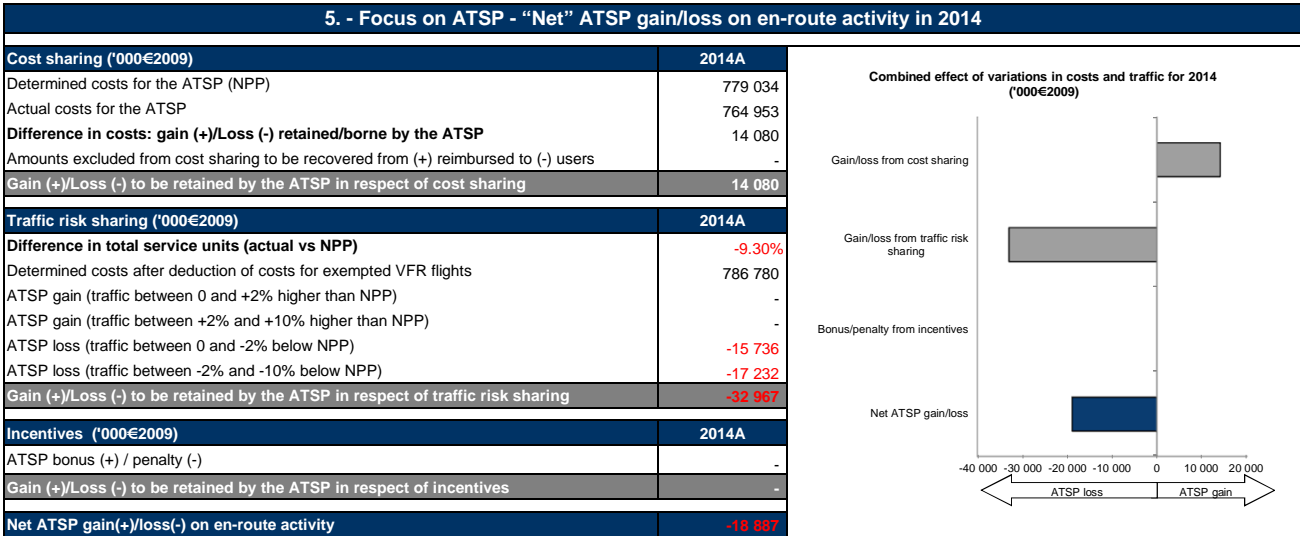
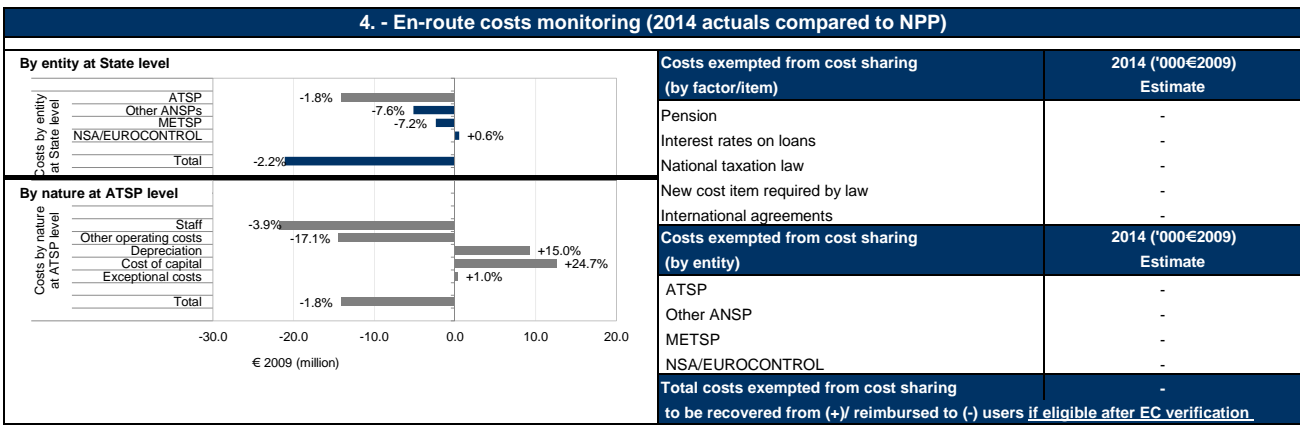
1. - Contextual economic information	
<ul style="list-style-type: none"> GERMANY represents 15.2% of the SES en-route ANS determined costs in 2014. ATSP : DFS FAB : FABEC National currency: EUR 	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p> <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
GERMANY - Data from RP1 national performance plan						
En-route costs (determined costs 2012-2014) - (in nominal EUR)	2009A	2010A	2011F	2012P	2013P	2014P
	865 464 580	856 264 028	933 313 742	1 000 821 853	1 027 719 867	1 048 860 894
Inflation %		1.2%	2.0%	2.0%	2.0%	2.0%
Inflation index (100 in 2009)	100.0	101.2	103.2	105.3	107.4	109.5
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	865 464 580	846 110 699	904 163 511	950 552 096	956 959 866	957 495 395
Total en-route Service Units	11 912 989	12 201 835	12 922 000	13 308 820	13 708 080	14 119 320
Real en-route unit costs per Service Units - (in EUR2009)	72.65	69.34	69.97	71.42	69.81	67.81
GERMANY - Actual data from Jun-2015 Reporting Tables						
En-route costs - (in nominal EUR) <i>See note 1</i>	2009A	2010A	2011A	2012A	2013A	2014A
	865 464 580	856 264 281	924 293 067	1 006 287 513	988 712 469	1 015 641 838
Inflation %		1.2%	2.5%	2.1%	1.6%	0.8%
Inflation index (100 in 2009)	100.0	101.2	103.7	105.9	107.6	108.5
Real en-route costs - (in EUR2009)	865 464 580	846 110 949	891 056 654	950 149 542	918 853 308	936 388 826
Total en-route Service Units	11 912 989	12 201 835	12 657 524	12 442 470	12 506 062	12 806 143
Real en-route unit costs per Service Units - (in EUR2009)	72.65	69.34	70.40	76.36	73.47	73.12
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal EUR)	in value			5 465 660	-39 007 399	-33 219 056
	in %			0.5%	-3.8%	-3.2%
Inflation %	in p.p.			0.1 p.p.	-0.4 p.p.	-1.2 p.p.
Inflation index (100 in 2009)	in p.p.			0.6 p.p.	0.2 p.p.	-1.1 p.p.
Real en-route costs - (in EUR2009)	in value			-402 553	-38 106 558	-21 106 569
	in %			-0.0%	-4.0%	-2.2%
Total en-route Service Units	in value			-866 350	-1 202 018	-1 313 177
	in %			-6.5%	-8.8%	-9.3%
Real en-route unit costs per Service Units - (in EUR2009)	in value			4.94	3.66	5.31
	in %			6.9%	5.2%	7.8%



GERMANY

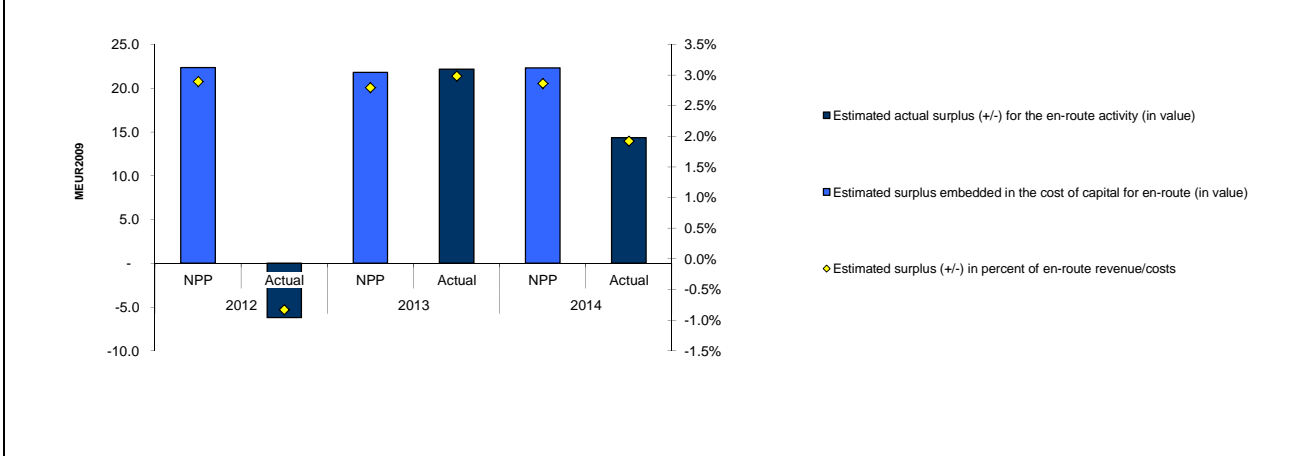
Monitoring of en-route and terminal COST-EFFICIENCY for 2014



6. - En-route ATSP estimated surplus*

*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	1 069 591	1 201 583	998 312	1 211 646	932 837	1 300 997
Estimated proportion of financing through equity (in %)	27.0%	32.6%	28.2%	33.8%	30.9%	32.9%
Estimated proportion of financing through equity (in value)	288 409	391 232	281 299	409 075	287 876	428 612
Estimated proportion of financing through debt (in %)	73.0%	67.4%	71.8%	66.2%	69.1%	67.1%
Estimated proportion of financing through debt (in value)	781 182	810 351	717 013	802 571	644 961	872 386
Cost of capital pre-tax (in value)	57 406	63 210	53 624	53 774	50 712	63 227
Average interest on debt (in %)	4.5%	4.1%	4.4%	2.8%	4.4%	3.4%
Interest on debt (in value)	35 054	32 889	31 824	22 071	28 402	30 010
Determined RoE pre-tax rate (in %)	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%
Estimated surplus embedded in the cost of capital for en-route (in value)	22 352	30 320	21 801	31 703	22 310	33 217
Net ATSP gain(+)/loss(-) on en-route activity	-	-36 516	-	-9 524	-	-18 887
Overall estimated surplus (+/-) for the en-route activity	22 352	-6 195	21 801	22 179	22 310	14 330
Revenue/costs for the en-route activity	773 032	745 068	780 345	743 760	779 034	746 066
Estimated surplus (+/-) in percent of en-route revenue/costs	2.9%	-0.8%	2.8%	3.0%	2.9%	1.9%
Estimated ex-post RoE pre-tax rate (in %)	7.8%	-1.6%	7.8%	5.4%	7.8%	3.3%



7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by GERMANY

Note 1: Revision of German NSA supervision costs for 2013

Germany slightly revised downwards the NSA actual supervision costs for 2013 after the 2014 June session of the enlarged Committee (-160 217 € for en-route and -10 454 € for terminal). The PRB 2013 monitoring analysis used the figures disclosed in the June 2014 Reporting Tables and therefore did not reflect this revision. The PRB 2014 monitoring analysis reflects the revised NSA supervision costs and as consequence the real en-route unit costs per service units reported in box 2 for 2013 (73.47 €2009) slightly differs from the figure disclosed in last year monitoring report (73.48 €2009).

At State / Charging Area level

The actual 2014 traffic measured in total Service Units (TSUs) is significantly lower (-9.3%) than the traffic planned in Germany's National Performance Plan for RP1 (NPP). On the other hand, the actual real en-route costs at State level for the year 2014 are -2.2% below the determined costs published in the NPP. As a result, Germany's actual real en-route unit cost (73.12 €2009) is +7.8% higher than the Determined Unit Rate (DUR) (67.81 €2009) for 2014.

The difference in actual traffic compared to the NPP plans for 2014 (i.e. -9.3%) falls outside the +/- 2% dead band foreseen in the traffic risk sharing mechanism, but it does not exceed the -10% threshold foreseen in the traffic risk sharing mechanism. The loss of en-route revenues is shared between the ATSP and airspace users, with the loss borne by the ATSP amounting to some -33.0 M€2009.

Actual 2014 costs vs. NPP

The German en-route cost-base includes costs relating to: the German ATSP (DFS), Maastricht UAC (MUAC), the METSP (DWD), the German NSA and the EUROCONTROL Agency. The actual 2014 en-route costs are -2.2% lower in real terms than planned in the NPP, or some -21.1 M€2009. This reflects the combination of lower en-route costs in nominal terms (-3.2%) and lower than planned inflation index (-1.1 p.p.).

In 2014, among the different entities, only the NSA/EUROCONTROL shows higher actual costs than planned (i.e. +0.6% or +0.5 M€2009). The other entities have lower en-route cost than planned in the NPP. The main contributions are observed for DFS (i.e. -1.8% or -14.1 M€2009) as described in the section below and to MUAC (-7.6% or -5.2 M€2009) which represents 6.7% of Germany en-route cost-base. Actual costs are also lower than planned for the METSP (i.e. -7.2% or -2.4 M€2009) mainly reflecting lower staff (-12.4%) and depreciation costs (-22.0%) in real terms than planned in the NPP for RP1.

At the time of writing this report, Germany did not report any costs exempt from cost-sharing for the year 2014.

RP1 summary

When considering the whole of RP1 (2012-2014) for the German charging zone, actual en-route TSUs are -8.2% lower than planned, while actual costs in real terms are -2.1% lower than the determined costs (some -59.6 M€2009). As a result, the weighted average actual unit cost over RP1 (74.31 €2009) is +6.7% higher than planned in the NPP (69.65 €2009).

At ATSP level**Actual 2014 DFS costs vs. NPP**

For DFS, actual 2014 costs are -1.8% lower in real terms (or some -14.1 M€2009) than planned in the NPP for the same year. This mainly results from significantly lower staff costs (i.e. -3.9% or -21.7 M€2009), but also from lower other operating costs (i.e. -17.1% or -14.4 M€2009). On the other hand, actual depreciation costs (+15.0% higher or +9.2 M€2009) and cost of capital (i.e. +24.7% or 12.5 M€2009) are substantially higher than the figures provided in the NPP. Details are provided below.

In October 2011, after the submission of the NPP, a new collective agreement has been signed between the DFS and trade unions. Germany elected to absorb these additional costs within the determined costs envelope from the NPP. In 2012, the additional costs arising from the implementation of this new collective agreement led to an increase in DFS staff costs which was not reflected in the NPP for RP1. Actual 2012 staff costs were overall +2.5% (+13.3 M€2009) higher than planned. The situation was different in 2013 and 2014. Indeed, actual staff costs were substantially lower in 2013 (-22.5 M€2009 or -4.1%) and in 2014 (-21.7 M€2009 or -3.9%). Germany has reported in June 2015 that this significant deviation mainly reflects a reduction of staff (full time equivalents) and therefore lower remuneration and social security expenses than planned.

Germany has also reported that lower other operating costs in 2014 (-17.1%) mainly reflects the impact of cost containment measure initiated by DFS in 2012 and 2013.

The higher actual depreciation costs in 2014 (+15.0%) are mainly due to the fact that (a) for some investment projects, the actual capex is significantly higher than planned in the NPP and, (b) that some investment projects carried out in 2014 where not foreseen in the NPP for the year 2014. The German 2014 NSA Monitoring Report indicates that DFS actual capex for 2014 (119.7 M€) is +33% higher than the amount planned in the NPP for that year (90.0 M€).

The 2014 actual cost of capital is +24.7% higher than planned in the NPP. This arises from the combination of two opposite factors: (a) the use of a significantly higher asset base to compute the cost of capital (+39.5% or some +368.2 M€2009) and (b) a lower actual WACC rate (i.e. 4.9%) than planned (i.e. 5.4%) since the actual interest rate on debt (3.4%) is lower than expected (4.4%). These two factors impact the computation of the estimated surplus as explained below.

DFS net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, DFS generated a net loss of -18.9 M€2009 on the en-route activity in 2014. This is the combination of two contrasting elements:

- a gain of +14.1 M€2009 as a result of the cost-sharing mechanism (due to lower actual costs than planned in the NPP for 2014), and
- a loss of -33.0 M€2009 in terms of revenues as a result of the traffic risk sharing mechanism for 2014 since actual traffic is significantly lower than planned.

The estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to 22.3 M€2009, corresponding to 2.9% of the en-route revenues for 2014. Ex-post, the estimated surplus for the year taking into account the net loss for the en-route activity in 2014 (-18.9 M€2009) and the surplus embedded in the cost of capital (33.2 M€2009) amounts to 14.3 M€2009 (1.9% of the en-route revenue). The resulting ex-post rate of return on equity for 2014 is 3.3% (compared to 7.8% as initially planned in the NPP).

The level of the surplus embedded in the cost of capital (33.2 M€2009) is affected by the fact that DFS asset base is in 2014 substantially higher (+39.5% or some +368.2 M€2009) than planned in the NPP. Germany indicates that the higher actual asset base in 2014 does not reflect higher fixed assets but is rather due to both higher net current assets (+180.9 M€2009) and higher "adjustments total assets" (+173.8 M€) which include pension-related assets. As a result, the cost of capital reported for DFS in 2014 includes an element related to the costs of DFS future pension obligations which cannot be directly interpreted as a genuine surplus retained by DFS for its en-route activity. The PRB reckons that if the original determined surplus embedded in the cost of capital as planned in the NPP was retained as a basis for computation (22.3 M€2009), then the DFS estimated surplus for the en-route activity in 2014 would be much lower and amount to 3.4 M€2009 (0.5% of the en-route revenue) instead of 14.3 M€2009.

Conclusion

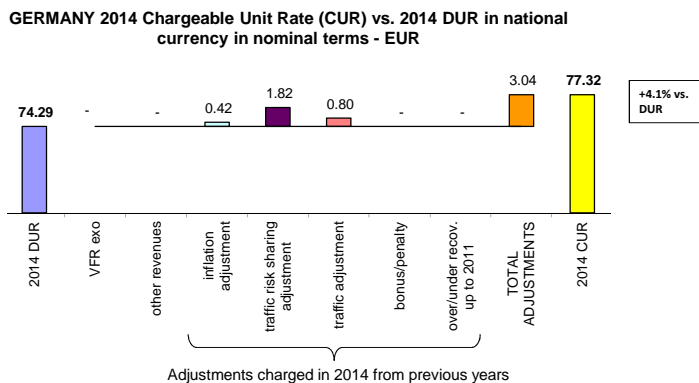
In a context of lower actual traffic than planned in 2014 (-9.3%), DFS was able to reduce actual en-route costs compared to plans and to generate an overall economic surplus (+14.3 M€2009 or 1.9% of the en-route revenue). This implies an ex-post rate of return on equity of 3.3% (compared to 7.8% as initially planned in the NPP).

When considering the whole of RP1 (2012-2014), DFS generated cumulative gains in respect of cost sharing of +25.2 M€2009, as actual costs were lower than planned for all the years of RP1 except 2012. These gains are not enough to compensate for the cumulative loss of -90.1 M€2009 in respect of the traffic risk sharing, which reflects the fact that actual traffic was consistently lower than planned during RP1 (-6.5% in 2012, -8.8% in 2013 and -9.3% in 2014). Adding the estimated surplus embedded in the en-route cost of capital (95.2 M€2009 over RP1) leads to an overall estimated surplus of 30.3 M€2009, which corresponds to an average ex-post return on equity of 2.5% (compared to 7.8% as initially planned in the NPP).

GERMANY

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



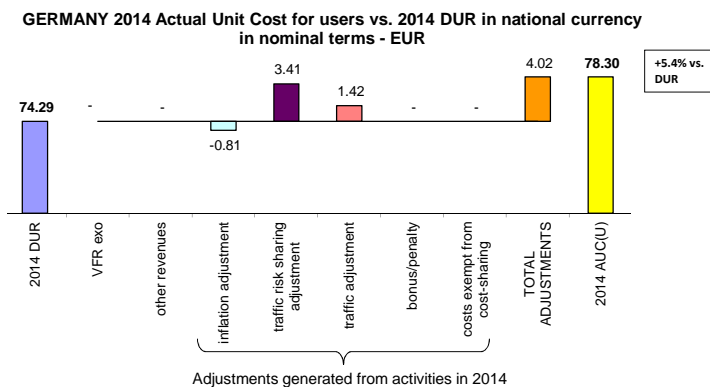
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by the forecast total service units for 2014 as laid out in the performance plan.

The unit rate charged to airspace users (CUR) in 2014 is 77.32 €. This is +4.1% higher than the DUR expressed in nominal terms (74.29 €). The difference observed between these two figures (+3.04 €) reflects the traffic risk-sharing adjustment (+1.82 €), the traffic adjustment related to the costs not subject to traffic risk sharing (+0.80 €), and the inflation adjustment (+0.42 €).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

The actual en route unit cost for airspace users in 2014 is 78.30 €. This is +5.4% or +4.02 € higher than the DUR expressed in nominal terms (74.29 €). This difference reflects the traffic risk-sharing adjustment (+3.41 €), the traffic adjustment related to the costs not subject to traffic risk sharing (+1.42 €), and the inflation adjustment (-0.81 €).

GERMANY

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) ⁿ	0.5	0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone	16	16	16	16	16	16
of which, number of airports over 50 000 movements	11	11	11	11	11	11
GERMANY - Data from RP1 national performance plan						
Terminal ANS costs for the charging zones - (in EUR)	208 967 510	222 598 151	221 953 226	231 313 525	233 663 196	241 148 746
Inflation index (100 in 2009)	100.0	101.2	103.2	105.3	107.4	109.5
Real terminal ANS costs - (in EUR2009)	208 967 510	219 958 647	215 020 950	219 694 999	217 575 147	220 142 456
GERMANY - Actual data from June 2015 Reporting Tables						
Terminal ANS costs for the charging zones - (in EUR)	208 967 510	222 128 938	225 935 662	236 279 260	218 161 946	224 950 288
Inflation index (100 in 2009)	100.0	101.2	103.7	105.9	107.6	108.5
Real terminal ANS costs - (in EUR2009)	208 967 510	219 494 998	217 811 301	223 097 900	202 747 343	207 396 868
Total terminal service units	1 122 291	1 272 339	1 327 797	1 310 562	1 287 989	1 316 131
Actual real unit costs - (in EUR2009)	186.2	172.5	164.0	170.2	157.4	157.6
Unit rate applied - (in EUR)				171.29	181.99	183.87
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
Terminal ANS costs for the charging zones - (in EUR)	in value			4 965 735	-15 501 250	-16 198 458
	in%			2.1%	-6.6%	-6.7%
Inflation index (100 in 2009)	in p.p.			0.6 p.p.	0.2 p.p.	-1.1 p.p.
Real terminal ANS costs - (in EUR2009)	in value			3 402 901	-14 827 804	-12 745 588
	in%			1.5%	-6.8%	-5.8%
11. - General conclusions on the Terminal ANS costs and unit rates monitoring						
In 2014, the German Terminal Charging Zone comprises 16 airports, of which 11 above 50 000 movements per year. The harmonised SES formula (MTOW/50) ⁿ already applies in the German Terminal Charging Zone.						
Actual terminal ANS costs in 2014 are -5.8% lower in real terms (or some -12.7 M€2009) than planned in the German NPP. This mainly reflects significantly lower staff costs (-7.7% or some-11.4 M€2009) and operating cost (-13.6% or some -3.6 M€2009) than planned for DFS.						
RP1 summary						
When considering the whole of RP1 (2012-2014), actual terminal ANS costs in real terms were lower than planned in the NPP for every year except 2012 (+1.5% in 2012, -6.8% in 2013 and -5.8% in 2014). As a result, the cumulative actual terminal ANS costs are -3.7% (some -24.2 M€2009) lower than planned in the NPP for RP1.						
12. - Monitoring of gate-to-gate costs (2014)						
GERMANY - Data from RP1 national performance plan						
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	865 464 580	846 110 699	904 163 511	950 552 096	956 959 866	957 495 395
Real terminal ANS costs - (in EUR2009)	208 967 510	219 958 647	215 020 950	219 694 999	217 575 147	220 142 456
Real gate-to-gate ANS costs - (in EUR2009)	1 074 432 090	1 066 069 347	1 119 184 461	1 170 247 095	1 174 535 013	1 177 637 851
Share of en-route costs in gate-to-gate ANS costs	80.6%	79.4%	80.8%	81.2%	81.5%	81.3%
GERMANY - Actual data from June 2015 Reporting Tables						
Real en-route costs - (in EUR2009)	865 464 580	846 110 949	891 056 654	950 149 542	918 853 308	936 388 826
Real terminal ANS costs - (in EUR2009)	208 967 510	219 494 998	217 811 301	223 097 900	202 747 343	207 396 868
Real gate-to-gate ANS costs - (in EUR2009)	1 074 432 090	1 065 605 948	1 108 867 954	1 173 247 442	1 121 600 651	1 143 785 694
Share of en-route costs in gate-to-gate ANS costs	80.6%	79.4%	80.4%	81.0%	81.9%	81.9%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
Real en-route costs - (in EUR2009)	in value			-402 553	-38 106 558	-21 106 569
	in %			0.0%	-4.0%	-2.2%
Real terminal ANS costs - (in EUR2009)	in value			3 402 901	-14 827 804	-12 745 588
	in %			1.5%	-6.8%	-5.8%
Real gate-to-gate ANS costs - (in EUR2009)	in value			3 000 347	-52 934 362	-33 852 157
	in %			0.3%	-4.5%	-2.9%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			-0.2 p.p.	0.4 p.p.	0.6 p.p.
13. - General conclusions on the gate-to-gate ANS costs						
Actual 2014 gate-to-gate costs are, in real terms, -2.9% (or some -33.9 M€2009) lower than planned, as a result of lower en-route and terminal ANS costs.						
The allocation of gate-to-gate costs between en-route and terminal ANS appears quite stable over RP1 and did not change significantly with respect to the information provided in the NPP.						



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

The Netherlands

Working Draft 2.0

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THE NETHERLANDS

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management							
	2012	2013	2014	State level Observations			
State level	41	65	50				
ANSP [LVNL]	76	82	87				
ANSP [MUAC]	86	86	81				
<p>The bar chart displays the number of questions for four categories (CO1, CO2, CO3, CO4). For each category, there are two bars: a dark blue bar for 'Self-assessment' and a light blue bar for 'EASA verification'. The categories are further divided into '< Level C' and '≥ Level C'. The data points are: CO1 (< Level C: 5, ≥ Level C: 11), CO1 (EASA verification: 6, ≥ Level C: 10), CO2 (< Level C: 1, ≥ Level C: 3), CO2 (EASA verification: 1, ≥ Level C: 3), CO3 (< Level C: 4, ≥ Level C: 5), CO3 (EASA verification: 5, ≥ Level C: 4), CO4 (< Level C: 3, ≥ Level C: 3), CO4 (EASA verification: 3, ≥ Level C: 1).</p>							
Application of the severity classification of the Risk Analysis Tool (RAT)							
		2012		2013		2014	
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)
Separation Minima Infringements (SMIs)	ATM Ground	34	18%	90	4%	86	8%
	ATM Overall		0%		0%		0%
Runway Incursions (RIs)	ATM Ground	75	0%	52	0%	56	0%
	ATM Overall		0%		0%		0%
ATM Specific Occurrences (ATM-Specific)	ATM Overall	2005	0%	2259	0%	1119	0%
Source of RAT data:		ILT					
Preliminary results updated after coordination with the AST-FP in August 2015.							
Just culture							
Number of questions answered with Yes or No		State					
		2012		2013		2014	
		YES	NO	YES	NO	YES	NO
	Policy and its implementation	6	4	7	3	6	3
	Legal/Judiciary	7	1	7	1	7	0
	Occurrence reporting and Investigation	1	1	2	0	2	0
	TOTAL	14	6	16	4	15	3
Number of questions answered with Yes or No		ANSP [LVNL]					
		2012		2013		2014	
		YES	NO	YES	NO	YES	NO
	Policy and its implementation	10	3	10	3	10	3
	Legal/Judiciary	3	0	3	0	3	0
	Occurrence reporting and Investigation	6	2	6	2	7	1
	TOTAL	19	5	19	5	20	4

Number of questions answered with Yes or No	ANSP [MUAC]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	7	6	7	6	8	5
Legal/Judiciary	1	2	1	2	1	2
Occurrence reporting and Investigation	5	3	5	3	5	3
TOTAL	13	11	13	11	14	10

THE NETHERLANDS

Monitoring of CAPACITY indicators for 2014

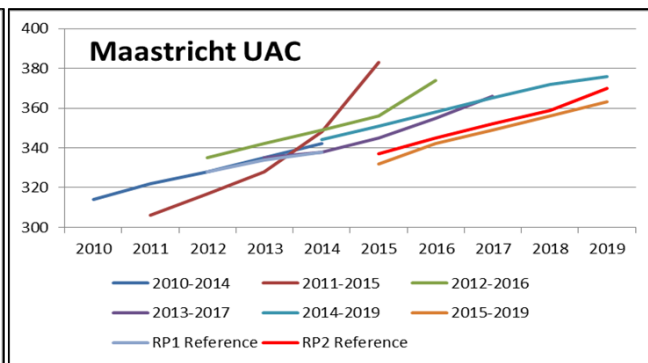
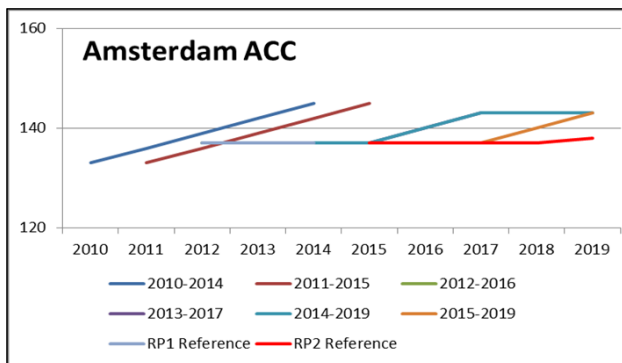
Minutes of ATFM en-route delay

	2012	2013	2014	Observations
Reference value	0.12	0.14	0.18	
National Target				
Actual performance	0.17	0.11	0.12	

National capacity assessment

The major part of the environment and the capacity performance is covered in the FABEC report. LVNL has performed well on its national environment and capacity targets. It even over performed. [No assessment made of MUAC performance]

ANSP capacity plan



PRB Capacity assessment

No national target for en-route capacity performance was established for the Netherlands for RP1. However, a good capacity performance has resulted in the Netherlands surpassing the effort required to be consistent with the EU-wide target for capacity in 2014. The PRB notes that there have been downgrades in the latest capacity plans for both Amsterdam ACC and Maastricht UAC, which for the latter predicts a capacity performance below what is required to meet the RP2 reference profile.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 88%

The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 0%

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 12%

Previous recommendations**Extract from notification letter from EC July 2012:**

FABEC's capacity target for the first reference period 2012-2014 is assessed on the clear expectation that:

a) the FABEC Member States (Belgium, Germany, France, Luxembourg, the Netherlands and Switzerland) will require their air navigation service providers to develop and implement capacity plans that allow meet the FABEC 2014 reference value of 0.4 minute of average delay per flight at the earliest possible date in the second reference period, with the assistance of the Network Manager;

b) where these revised capacity plans shall also improve the 2014 national or functional airspace block capacity targets, the States concerned will adopt and communicate to the Commission, either directly or through FABEC institutions, revised capacity targets by the end of June 2013 at the latest;

Annual Monitoring Report 2013: The PRB requests the Netherlands to provide information on how the capacity planning of the ANSPs, combined with the other FABEC ANSPs, is consistent with the existing recommendation of the European Commission that the FABEC Member States require their ANSPs to develop and implement capacity plans that meet the FABEC reference value of 0.4 minutes per flight in 2014.

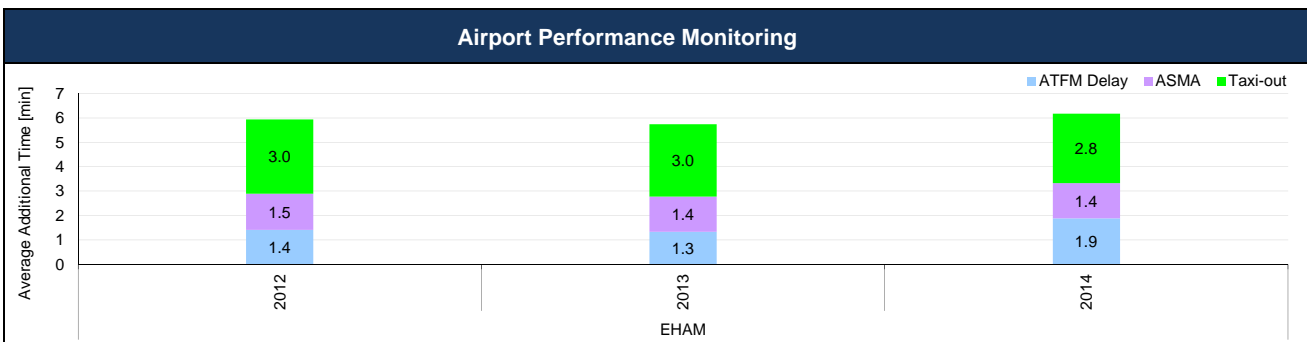
NSA report on follow-up to recommendations

No information on follow up of existing recommendations was provided in the national monitoring report.

Recommendations

THE NETHERLANDS

Monitoring of CAPACITY indicators for 2014



Airport Data

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Amsterdam	EHAM	2012	1.4	306 466	1.5	317 130	3.0	651 006	1 274 602
		2013	1.3	292 065	1.4	307 194	3.0	617 934	1 217 192
		2014	1.9	425 135	1.4	315 521	2.8	581 772	1 322 428
Total		2012	1.4	306 466	1.5	317 130	3.0	651 006	1 274 602
		2013	1.3	292 065	1.4	307 194	3.0	617 934	1 217 192
		2014	1.9	425 135	1.4	315 521	2.8	581 772	1 322 428
Absolute Difference		2014-2013	▼ 0.6	▼ 133 070	▼ 0.0	▼ 8 328	▲ -0.1	▲ -36 162	▼ 105 236
		2014-2012	▼ 0.5	▼ 118 669	▲ -0.0	▲ -1 609	▲ -0.2	▲ -69 234	▼ 47 827

Critical Issues

- As already recommended, The Netherlands should review the meta data available on the PRB dashboard, which provides the calculation methodologies.

Specific Analysis

- Additional time performance improved by 4% at Amsterdam airport, despite a slight 1% traffic increase.

NETHERLANDS

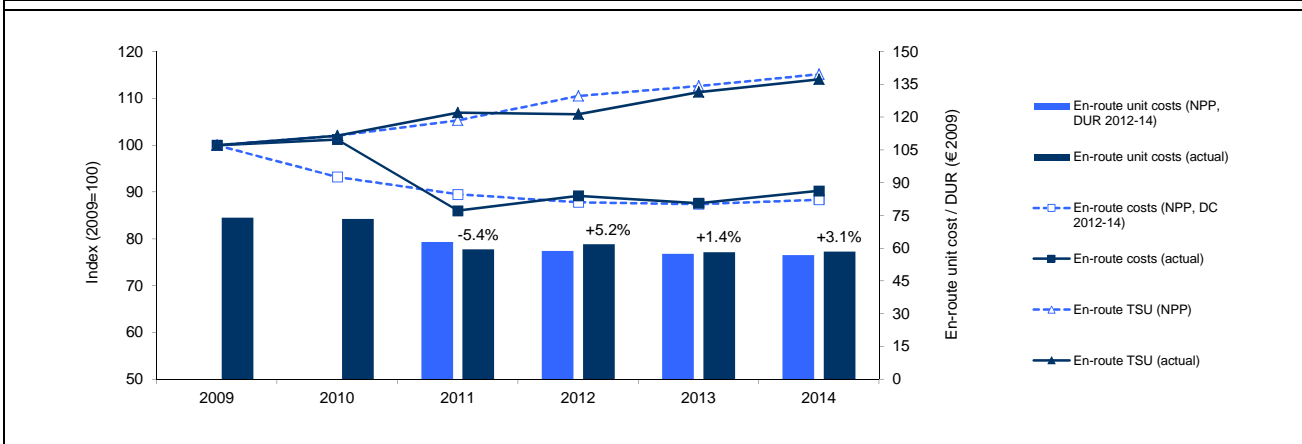
Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> NETHERLANDS represents 2.5% of the SES en-route ANS determined costs in 2014. ATSP : LVNL FAB : FABEC National currency: EUR 	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p> <p>■ En-route ■ TNC</p>

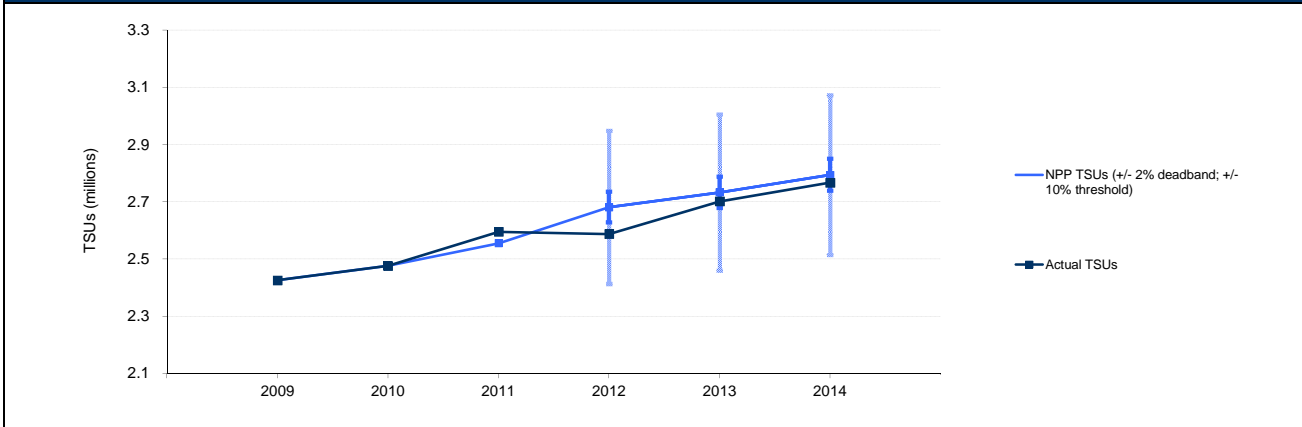
2. - En-route DUR monitoring (2014)						
NETHERLANDS - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	179 626 000	169 174 000	165 663 000	165 826 000	168 337 000	173 633 000
Inflation %		1.0%	2.0%	2.0%	2.0%	2.0%
Inflation index (100 in 2009)	100.0	101.0	103.0	105.1	107.2	109.3
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	179 626 000	167 499 010	160 806 639	157 808 687	157 057 143	158 821 835
Total en-route Service Units	2 425 841	2 476 000	2 555 000	2 681 000	2 733 000	2 794 000
Real en-route unit costs per Service Units - (in EUR2009)	74.05	67.65	62.94	58.86	57.47	56.84

NETHERLANDS - Actual data from Jun-2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	179 626 000	183 679 409	159 983 640	170 513 899	171 943 338	177 584 237
Inflation %		1.0%	2.5%	2.8%	2.6%	0.3%
Inflation index (100 in 2009)	100.0	101.0	103.5	106.4	109.2	109.5
Real en-route costs - (in EUR2009)	179 626 000	181 860 801	154 536 238	160 221 735	157 470 657	162 150 304
Total en-route Service Units	2 425 841	2 476 000	2 595 143	2 587 398	2 701 735	2 767 312
Real en-route unit costs per Service Units - (in EUR2009)	74.05	73.45	59.55	61.92	58.29	58.59

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014	
En-route costs - (in nominal EUR)	in value		4 687 899	3 606 338	3 951 237
	in %		2.8%	2.1%	2.3%
Inflation %	in p.p.		0.8 p.p.	0.6 p.p.	-1.7 p.p.
Inflation index (100 in 2009)	in p.p.		1.3 p.p.	2.0 p.p.	0.2 p.p.
Real en-route costs - (in EUR2009)	in value		2 413 048	413 513	3 328 469
	in %		1.5%	0.3%	2.1%
Total en-route Service Units	in value		-93 602	-31 265	-26 688
	in %		-3.5%	-1.1%	-1.0%
Real en-route unit costs per Service Units - (in EUR2009)	in value		3.06	0.82	1.75
	in %		5.2%	1.4%	3.1%

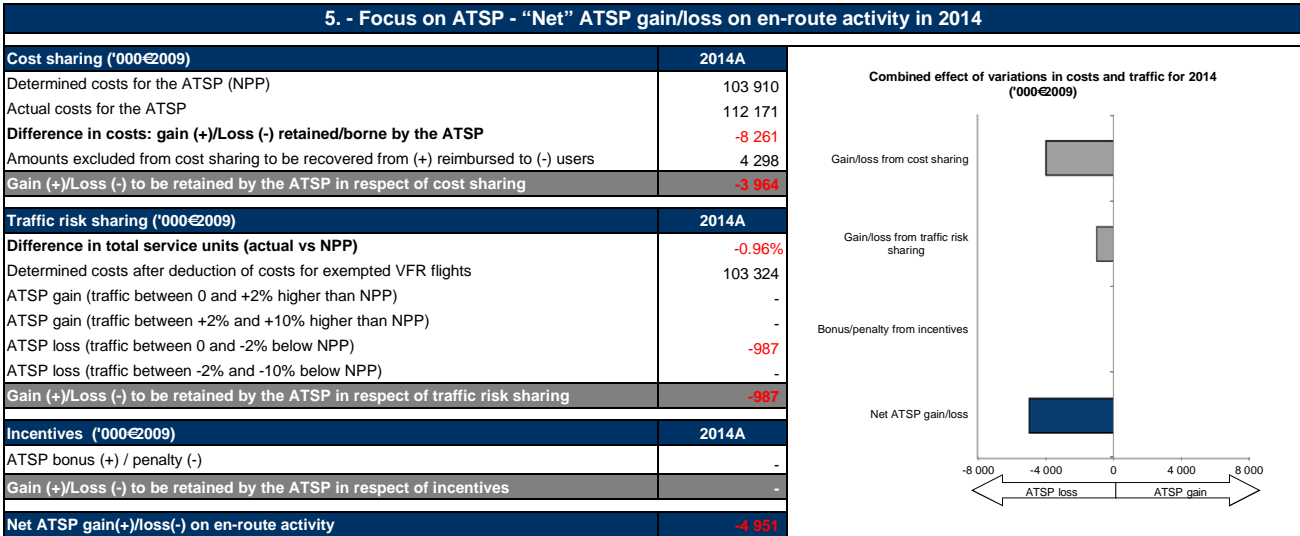
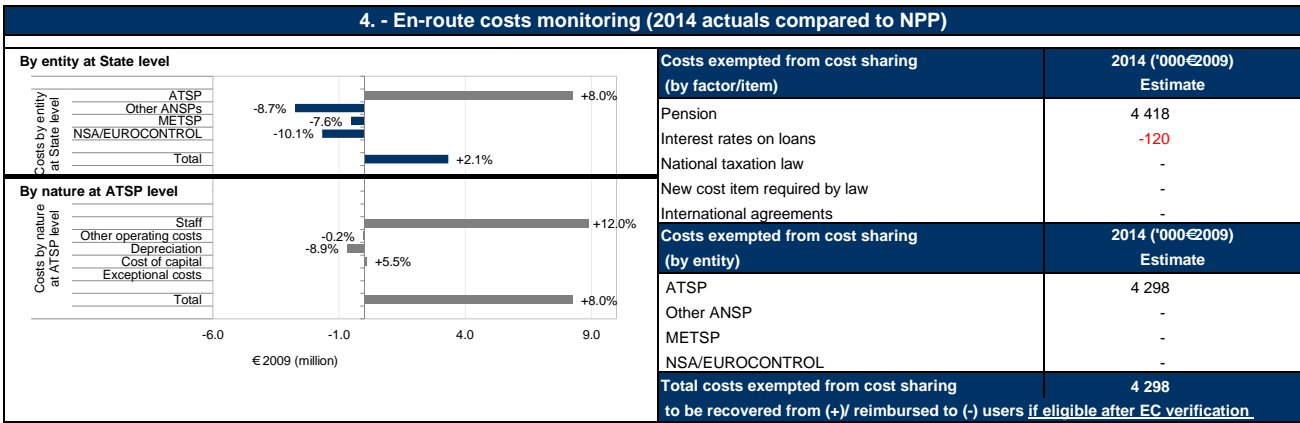


3. - En-route traffic monitoring (Actual 2012-2014 TSU compared to NPP)



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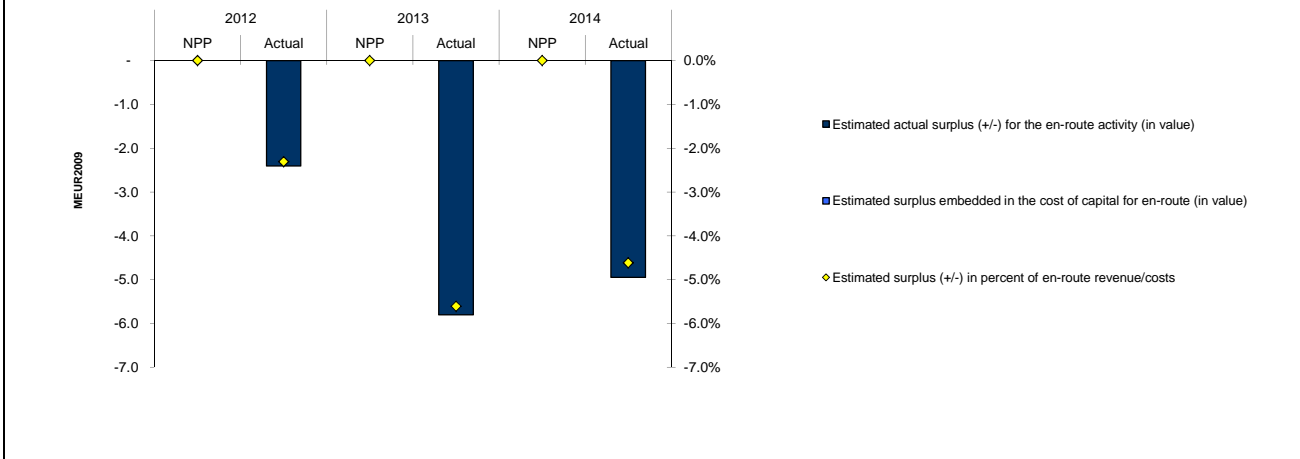
Monitoring of en-route and terminal COST-EFFICIENCY for 2014



6. - En-route ATSP estimated surplus*

*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	69 946	68 124	83 239	67 980	104 616	69 745
Estimated proportion of financing through equity (in %)	-	-	-	-	-	-
Estimated proportion of financing through equity (in value)	-	-	-	-	-	-
Estimated proportion of financing through debt (in %)	100%	100%	100%	100%	100%	100%
Estimated proportion of financing through debt (in value)	69 946	68 124	83 239	67 980	104 616	69 745
Cost of capital pre-tax (in value)	2 392	2 844	1 771	1 822	1 646	1 737
Average interest on debt (in %)	3.4%	4.2%	2.1%	2.7%	1.6%	2.5%
Interest on debt (in value)	2 392	2 844	1 771	1 822	1 646	1 744
Determined RoE pre-tax rate (in %)	-	-	-	-	-	-
Estimated surplus embedded in the cost of capital for en-route (in value)	-	-	-	-	-	-
Net ATSP gain(+)/loss(-) on en-route activity	-	-2 408	-	-5 806	-	-4 951
Overall estimated surplus (+/-) for the en-route activity	-	-2 408	-	-5 806	-	-4 951
Revenue/costs for the en-route activity	103 450	104 380	102 694	103 516	103 910	107 221
Estimated surplus (+/-) in percent of en-route revenue/costs	0.0%	-2.3%	0.0%	-5.6%	0.0%	-4.6%
Estimated ex-post RoE pre-tax rate (in %)	N/appl	N/appl	N/appl	N/appl	N/appl	N/appl



NETHERLANDS

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by NETHERLANDS

Note 1: Costs exempted from cost sharing

The Netherlands have adjusted the costs exempt from cost sharing (former "uncontrollable costs") for the years 2012 and 2013 following the EC recommendation communicated during the Single Sky Committee 55 meeting held on 14-15 January 2015. For this reason, the net ATSP gain/loss for the en-route activity reported in this document for 2012 and 2013 differs from the information published in the PRB 2013 Monitoring Report. During the "fact validation" process The Netherlands further explained that the data adjustments were of a technical nature and aligned with LVNL's Financial Accounts.

In addition, the information provided for the costs exempt from cost sharing relating to the year 2014 in the NSA Monitoring Report differs from the data provided in the en-route Reporting Tables (i.e. differences in the allocation of the costs exempt from cost sharing into the different categories).

Note 2: Discrepancies between NSA Monitoring Report and the en-route Reporting Tables

The actual en-route costs for 2014 provided by the Netherlands in the en-route Reporting Tables submitted in June 2015 marginally differ from the information reported in the NSA Monitoring Report (less than 0.1%). These marginal differences do not affect the result of this monitoring analysis.

Note 3: Discrepancies between NSA Monitoring Report and the terminal Reporting Tables

The actual terminal costs for 2014 provided by the Netherlands in the terminal Reporting Tables submitted in June 2015 slightly differ from the information reported in

At State / Charging Area level

In 2014, the Netherlands' actual en-route unit cost (58.59 €2009) were +3.1% higher than planned in the National Performance Plan (NPP) for RP1 (56.84 €2009). This difference is due to the fact that in 2014 actual en-route costs were +2.1% (or +3.3 M€2009) higher than the determined costs provided in the NPP, while the actual number of total service units (TSUs) was -1.0% lower than planned.

In 2014, the difference between the actual and planned TSUs (-1.0%) lied within the $\pm 2\%$ dead band foreseen in the traffic risk sharing mechanism. As a result, the loss in en-route revenues amounting to some -1.0 M€2009 was borne by the ATSP. It should be noted that the part of MUAC costs allocated to the Dutch en-route cost-base are not subject to traffic risk sharing in RP1.

Actual 2014 costs vs. NPP

For the Netherlands, actual en-route costs when expressed in real terms were higher (+2.1% or some +3.3 M€2009) than planned in the NPP for 2014. Among the different entities, only LVNL shows higher actual costs than planned (+8.0%). For MUAC (-8.7%), the MET provider (KNMI, -7.6%) and for the NSA/EUROCONTROL (-10.1%), actual 2014 en-route costs were significantly lower than planned in the NPP. A detailed analysis of the deviation between LVNL actual and planned en-route costs is provided in the box below.

For MUAC, the significantly lower actual en-route costs for the year 2014 (i.e. -8.7% or -2.7 M€2009) reflect lower staff costs (-3.4% or -0.9 M€2009), other operating costs (-26.9% or -0.9 M€2009), depreciation costs (-28.9% or -0.7 M€2009) and cost of capital (-71.3% or -0.3 M€2009).

In 2014, costs exempted from cost sharing were reported for a total of 4.3 M€2009 to be passed on to users for the en-route activity (see **Note 1** and **Note 2** above). Of these, 4.4 M€2009 are associated to pensions and an amount of -0.1 M€2009 is linked to changes in interest rates on loans. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

RP1 summary

When considering the whole of RP1 (2012-2014), for the Dutch en-route charging zone, actual costs were +1.3% higher than planned (some 6.2 M€2009), while the number of actual en-route TSUs was -1.8% lower than the amount provided in the NPP. As a result, over RP1 the actual weighted average en-route unit cost (59.56 €2009) is +3.2% higher than that planned in the NPP (57.71 €2009).

At ATSP level

Actual 2014 LVNL costs vs. NPP

In 2014, the difference between LVNL actual and determined costs (+8.0% or +8.3 M€2009) mainly reflects substantially higher staff costs (+12.0% or +8.9 M€2009) and cost of capital (+5.5% or some +0.1 M€2009). According to the additional information enclosed to the Netherlands June 2015 en-route Reporting Tables, the higher staff costs are primarily associated to higher pension costs than expected and to costs linked to new tax requirements. In the meantime, other operating costs remained fairly in line (-0.2%) with the information provided in the NPP, while depreciation costs were significantly lower (-8.9% or -0.7 M€2009) than planned. Based on the information provided in the NSA 2014 Monitoring Report, the latter mainly reflects the postponement of capex projects to future years (i.e. the actual capex for 2014 was some -36.8 M€ lower than that planned in the RP1 NPP).

LVNL net gain/loss and estimated surplus on en-route activity in 2014

LVNL generated a net loss of -5.0 M€2009 for the en-route activity for the year 2014. This loss results from a combination of two separate elements:

- a loss of -4.0 M€2009, mainly reflecting the fact that actual 2014 en-route costs were significantly higher than planned; and,
- a loss of -1.0 M€2009 in revenues since actual 2014 traffic was lower than expected.

Note that if the costs exempted from cost sharing reported by the Netherlands for the year 2014 (4.3 M€2009) are not deemed eligible by the European Commission, the net loss generated by LVNL on its en-route activity would amount to -9.2 M€2009.

On the economic surplus side, LVNL did not have any equity at the start of RP1 to properly cope with the traffic risk sharing. This has been the rationale for establishing a mechanism to build up an equity capital over RP1 (i.e. some 22 M€). It is understood from the NPP that a corresponding amount has been added to the 2010 en-route cost base, under "exceptional costs". This amount contributed to generate an under-recovery for the year 2010 that will be recovered through the 2012-2014 unit rates and recorded as equity in the LVNL balance sheet.

Because LVNL has no equity and hence no return on equity, no ex-ante estimated surplus was embedded in the cost of capital provided the NPP for RP1.

Conclusions

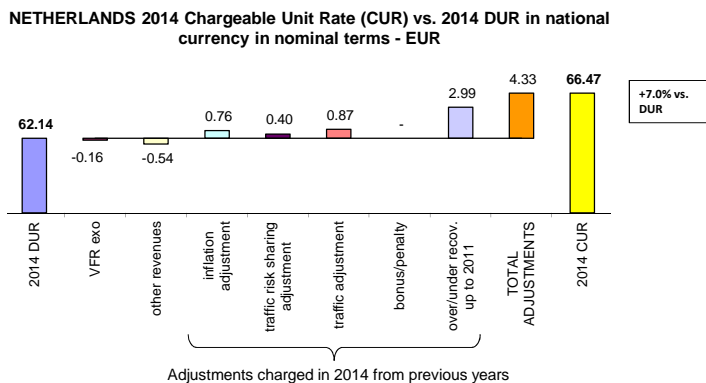
In the context of lower actual traffic than planned in 2014 (-1.0%), LVNL actual en-route costs were +8.0% higher than planned in the NPP. As a result, LVNL incurred a net loss of -5.0 M€2009 on the en-route activity. This is the third consecutive year in which LVNL has incurred a loss (following the losses recorded in 2012 (-2.4 M€2009) and 2013 (-5.8 M€2009)).

When considering the whole of RP1 (2012-2014), LVNL has incurred cumulative losses of -13.2 M€2009 since actual en-route costs were consistently higher than planned for all years of RP1 (+1.3% in real terms) while traffic volumes were consistently lower than expected (i.e. -1.8% for the whole RP1). It will be important in future years to monitor this situation and understand the impact of these consecutive losses on LVNL financial strength.

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Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



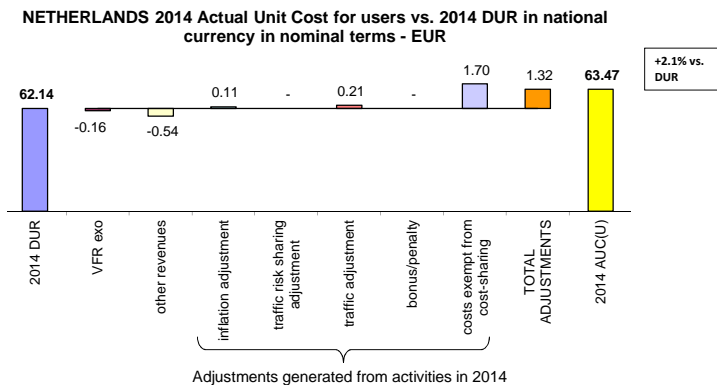
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

In 2014, the actual chargeable unit rate (CUR) charged to airspace users (66.47 €) was +7.0% higher than the determined unit rate (62.14 €). The difference (+4.33 €) mainly reflects the under-recoveries incurred until 2011 under the full cost-recovery regime (+2.99 €).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The unit cost that the users incurred in respect to the activities performed in 2014 was 63.47 € which is +2.1% higher than the nominal DUR (62.14 €). The difference observed between the two figures (+1.32 €) reflects the combination of adjustments related to the exempted VFR flights (-0.16 €), other revenues (-0.54 €), the inflation (+0.11 €), the traffic (+0.21 €) and an amount related to costs exempted from cost-sharing (+1.70 €).

NETHERLANDS

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) [^]	0.7	0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone	4	4	4	4	4	4
of which, number of airports over 50 000 movements	1	1	1	1	1	1
NETHERLANDS - Data from RP1 national performance plan						
Terminal ANS costs for the charging zones - (in EUR)	62 603 512	55 908 000	53 780 000	56 195 000	56 532 000	58 165 000
Inflation index (100 in 2009)	100.0	101.0	103.0	105.1	107.2	109.3
Real terminal ANS costs - (in EUR2009)	62 603 512	55 354 455	52 203 456	53 478 099	52 743 927	53 203 435
NETHERLANDS - Actual data from June 2015 Reporting Tables						
Terminal ANS costs for the charging zones - (in EUR)	62 603 512	55 908 000	55 545 000	51 422 996	53 727 775	55 967 115
Inflation index (100 in 2009)	100.0	101.0	103.5	106.4	109.2	109.5
Real terminal ANS costs - (in EUR2009)	62 603 512	55 354 455	53 653 707	48 319 121	49 205 442	51 102 985
Total terminal service units	311 000	315 000	339 680	339 000	345 000	356 941
Actual real unit costs - (in EUR2009)	201.3	175.7	158.0	142.5	142.6	143.2
Unit rate applied - (in EUR)				163.12	162.50	162.51
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
Terminal ANS costs for the charging zones - (in EUR)	in value			-4 772 004	-2 804 225	-2 197 885
	in%			-8.5%	-5.0%	-3.8%
Inflation index (100 in 2009)	in p.p.			1.3 p.p.	2.0 p.p.	0.2 p.p.
Real terminal ANS costs - (in EUR2009)	in value			-5 158 978	-3 538 485	-2 100 449
	in%			-9.6%	-6.7%	-3.9%
11. - General conclusions on the Terminal ANS costs and unit rates monitoring						
The terminal charging zone in the Netherlands comprises 4 airports of which one is above the 50 000 commercial air transport movements threshold (i.e. Schiphol-EHAM). The harmonised SES formula (MTOW/50) [^] 0.7 applies in the TCZ.						
The actual terminal ANS costs in 2014 are -3.9% lower in real terms (or -2.1 M€2009) than planned in the NPP. Higher than planned staff costs (+1.4% or +0.5 M€2009) were more than compensated by lower other operating costs (-9.9% or -1.1 M€2009), depreciation costs (-19.4% or -0.7 M€2009) and cost of capital (-51.2% or -0.8 M€2009).						
Terminal Unit rate						
The terminal ANS unit rate applied in 2014 in the terminal charging zone was 162.51 €.						
RP1 summary						
When considering the whole of RP1 (2012-2014), actual terminal ANS costs in real terms were consistently lower than planned in the NPP for each year of RP1 (-9.6% in 2012, -6.7% in 2013 and -3.9% in 2014). As a result, the cumulative actual terminal ANS costs are -6.8% (some -10.8 M€2009) lower than foreseen in the NPP for RP1.						

12. - Monitoring of gate-to-gate costs (2014)						
	2009A	2010A	2011F	2012P	2013P	2014P
NETHERLANDS - Data from RP1 national performance plan						
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	179 626 000	167 499 010	160 806 639	157 808 687	157 057 143	158 821 835
Real terminal ANS costs - (in EUR2009)	62 603 512	55 354 455	52 203 456	53 478 099	52 743 927	53 203 435
Real gate-to-gate ANS costs - (in EUR2009)	242 229 512	222 853 465	213 010 095	211 286 786	209 801 070	212 025 269
Share of en-route costs in gate-to-gate ANS costs	74.2%	75.2%	75.5%	74.7%	74.9%	74.9%
NETHERLANDS - Actual data from June 2015 Reporting Tables						
Real en-route costs - (in EUR2009)	179 626 000	181 860 801	154 536 238	160 221 735	157 470 657	162 150 304
Real terminal ANS costs - (in EUR2009)	62 603 512	55 354 455	53 653 707	48 319 121	49 205 442	51 102 985
Real gate-to-gate ANS costs - (in EUR2009)	242 229 512	237 215 256	208 189 945	208 540 856	206 676 099	213 253 289
Share of en-route costs in gate-to-gate ANS costs	74.2%	76.7%	74.2%	76.8%	76.2%	76.0%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
Real en-route costs - (in EUR2009)	in value			2 413 048	413 513	3 328 469
	in %			1.5%	0.3%	2.1%
Real terminal ANS costs - (in EUR2009)	in value			-5 158 978	-3 538 485	-2 100 449
	in %			-9.6%	-6.7%	-3.9%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-2 745 930	-3 124 971	1 228 020
	in %			-1.3%	-1.5%	0.6%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			2.1 p.p.	1.3 p.p.	1.1 p.p.

13. - General conclusions on the gate-to-gate ANS costs						
The real 2014 gate-to-gate ANS costs (213.3 M€2009) were fairly in line (+0.6% or some +1.2 M€2009) with the information provided in the NPP. This results from the combination of higher actual en-route costs (+2.1% or some +3.3 M€2009) and significantly lower terminal ANS costs (-3.9% or some -2.1 M€2009) in real terms for the year 2014.						
The actual share of en-route costs in gate-to-gate ANS costs (76.0%) is slightly higher (+1.1 p.p) than what was planned in the NPP for 2014 (74.9%).						



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Switzerland

Working Draft 2.0

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SWITZERLAND

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management																																						
	2012	2013	2014	State level Observations																																		
State level	60	69	73																																			
ANSP [Skyguide]	82	86	81																																			
<table border="1"> <caption>Data for Effectiveness of Safety Management Bar Chart</caption> <thead> <tr> <th>CO</th> <th>Category</th> <th>Self-assessment</th> <th>EASA verification</th> </tr> </thead> <tbody> <tr> <td rowspan="2">CO1</td> <td>< Level C</td> <td>1</td> <td>1</td> </tr> <tr> <td>≥ Level C</td> <td>15</td> <td>15</td> </tr> <tr> <td rowspan="2">CO2</td> <td>< Level C</td> <td>4</td> <td>4</td> </tr> <tr> <td>≥ Level C</td> <td>2</td> <td>2</td> </tr> <tr> <td rowspan="2">CO3</td> <td>< Level C</td> <td>7</td> <td>7</td> </tr> <tr> <td>≥ Level C</td> <td>1</td> <td>3</td> </tr> <tr> <td rowspan="2">CO4</td> <td>< Level C</td> <td>4</td> <td>3</td> </tr> <tr> <td>≥ Level C</td> <td>1</td> <td>1</td> </tr> </tbody> </table>							CO	Category	Self-assessment	EASA verification	CO1	< Level C	1	1	≥ Level C	15	15	CO2	< Level C	4	4	≥ Level C	2	2	CO3	< Level C	7	7	≥ Level C	1	3	CO4	< Level C	4	3	≥ Level C	1	1
CO	Category	Self-assessment	EASA verification																																			
CO1	< Level C	1	1																																			
	≥ Level C	15	15																																			
CO2	< Level C	4	4																																			
	≥ Level C	2	2																																			
CO3	< Level C	7	7																																			
	≥ Level C	1	3																																			
CO4	< Level C	4	3																																			
	≥ Level C	1	1																																			
Application of the severity classification of the Risk Analysis Tool (RAT)																																						
		2012		2013		2014																																
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)																															
Separation Minima Infringements (SMIs)	ATM Ground	90	3%	97	74%	140	30%																															
	ATM Overall		3%		74%		30%																															
Runway Incursions (RIs)	ATM Ground	50	0%	14	29%	6	50%																															
	ATM Overall		0%		29%		50%																															
ATM Specific Occurrences (ATM-Specific)	ATM Overall	36	0%	30	20%	98	5%																															
Source of RAT data:		FOCA																																				
Just culture																																						
Number of questions answered with Yes or No		State																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	7	3	7	3	7	2																															
	Legal/Judiciary	5	3	5	3	5	2																															
	Occurrence reporting and Investigation	2	0	2	0	2	0																															
	TOTAL	14	6	14	6	14	4																															
Number of questions answered with Yes or No		ANSP [Skyguide]																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	12	1	12	1	12	1																															
	Legal/Judiciary	2	1	2	1	2	1																															
	Occurrence reporting and Investigation	7	1	7	1	8	0																															
	TOTAL	21	3	21	3	22	2																															

SWITZERLAND

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.22	0.18	0.14	
National Target				
Actual performance	0.15	0.14	0.1	
National capacity assessment				
This KPI is managed at FABEC level. Please refer to FABEC report.				
ANSP capacity plan				
<div style="display: flex; justify-content: space-around;"> <div style="width: 45%;"> <p style="text-align: center;">Capacity Plans for Geneva ACC</p> </div> <div style="width: 45%;"> <p style="text-align: center;">Capacity Plans for Zurich ACC</p> </div> </div>				
Military dimension of the plan				
<p>Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: neither the Performance Plan for Switzerland, nor Annex D of the FABEC performance contained any specific details of how FUA would be applied in Switzerland to increase capacity.</p>				
PRB Capacity assessment				
<p>From a national perspective, the en-route capacity performance in Switzerland for 2014 surpassed the effort required to be consistent with the union-wide target of 0.5 minutes per flight. This is consistent with the achieved national performance in 2012 and 2013.</p>				
Effective booking procedures				
<p>The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 59%</p> <p>The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 0%</p> <p>The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 41%</p>				

Previous recommendations

Annual Monitoring Report 2012: Extract from notification letter from EC July 2012:

FABEC's capacity target for the first reference period 2012-2014 is assessed on the clear expectation that:

a) the FABEC Member States (Belgium, Germany, France, Luxembourg, the Netherlands and Switzerland) will require their air navigation service providers to develop and implement capacity plans that allow meet the FABEC 2014 reference value of 0.4 minute of average delay per flight at the earliest possible date in the second reference period, with the assistance of the Network Manager;

b) where these revised capacity plans shall also improve the 2014 national or functional airspace block capacity targets, the States concerned will adopt and communicate to the Commission, either directly or through FABEC institutions, revised capacity targets by the end of June 2013 at the latest;

Annual Monitoring Report 2013: The PRB requests Switzerland to provide information on how the capacity planning of the ANSP, combined with the other FABEC ANSPs, is consistent with the existing recommendation of the European Commission that FABEC Member States require their ANSPs to develop and implement capacity plans that meet the FABEC reference value of 0.4 minutes per flight in 2014.

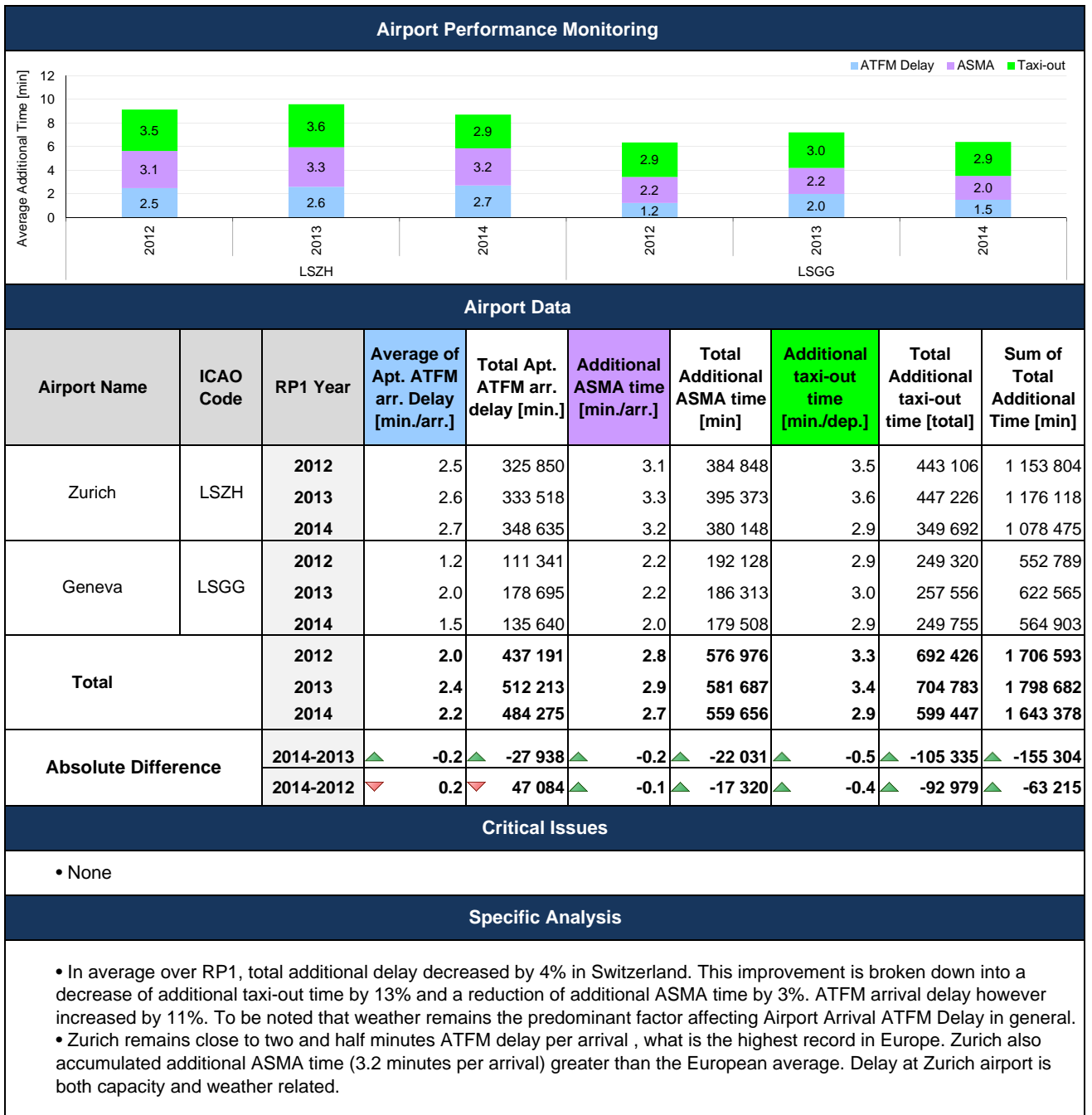
NSA report on follow-up to recommendations

No comments in national report on follow up to existing recommendations.

Recommendations

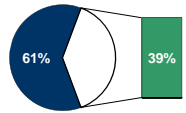
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Monitoring of CAPACITY indicators for 2014

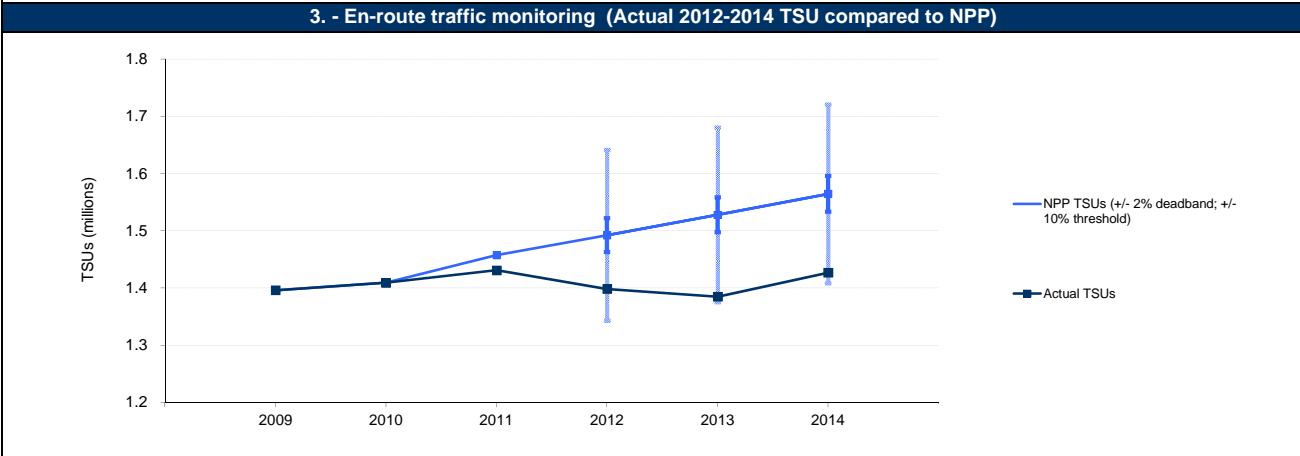
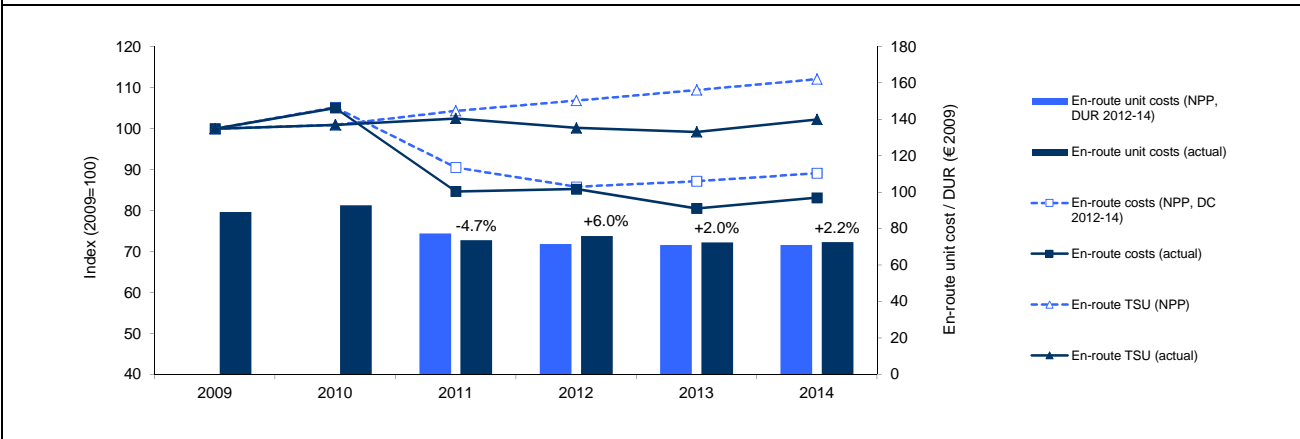


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Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> SWITZERLAND represents 1.8% of the SES en-route ANS determined costs in 2014. ATSP : Skyguide FAB : FABEC National currency: CHF Exchange rate 2009: 1 EUR= 1.50898 <p>Note on the actual exchange rate 2014 In 2014, the CHF appreciated by 1.3% compared to 2013.</p>	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p>  <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
SWITZERLAND - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal CHF)	188 135 299	198 786 732	172 099 050	164 351 664	168 083 853	173 182 957
Inflation %		0.4%	0.7%	0.7%	0.7%	0.7%
Inflation index (100 in 2009)	100.0	100.4	101.1	101.8	102.5	103.3
Real en-route costs (determined costs 2012-2014) - (in CHF2009)	188 135 299	197 981 307	170 244 052	161 412 115	163 926 965	167 717 106
Total en-route Service Units	1 396 243	1 409 356	1 457 433	1 492 274	1 527 979	1 564 541
Real en-route unit costs per Service Units - (in CHF2009)	134.74	140.48	116.81	108.17	107.28	107.20
Real en-route unit costs per Service Units - (in EUR2009)	89.29	93.09	77.41	71.68	71.10	71.04
SWITZERLAND - Actual data from Jun-2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal CHF)	188 135 299	198 787 950	160 444 633	160 372 890	151 670 618	156 554 361
Inflation %		0.6%	0.1%	-0.7%	0.1%	0.0%
Inflation index (100 in 2009)	100.0	100.6	100.7	100.0	100.1	100.1
Real en-route costs - (in CHF2009)	188 135 299	197 602 336	159 328 378	160 379 793	151 525 621	156 404 695
Total en-route Service Units	1 396 243	1 409 298	1 431 092	1 398 574	1 384 957	1 427 068
Real en-route unit costs per Service Units - (in CHF2009)	134.74	140.21	111.33	114.67	109.41	109.60
Real en-route unit costs per Service Units - (in EUR2009)	89.29	92.92	73.78	75.99	72.50	72.63
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal CHF)	in value			-3 978 774	-16 413 235	-16 628 596
	in %			-2.4%	-9.8%	-9.6%
Inflation %	in p.p.			-1.4 p.p.	-0.6 p.p.	-0.7 p.p.
Inflation index (100 in 2009)	in p.p.			-1.8 p.p.	-2.4 p.p.	-3.2 p.p.
Real en-route costs - (in CHF2009)	in value			-1 032 322	-12 401 344	-11 312 411
	in %			-0.6%	-7.6%	-6.7%
Total en-route Service Units	in value			-93 700	-143 022	-137 473
	in %			-6.3%	-9.4%	-8.8%
Real en-route unit costs per Service Units - (in CHF2009)	in value			6.51	2.12	2.40
	in %			6.0%	2.0%	2.2%
Real en-route unit costs per Service Units - (in EUR2009)	in value			4.31	1.41	1.59
	in %			6.0%	2.0%	2.2%



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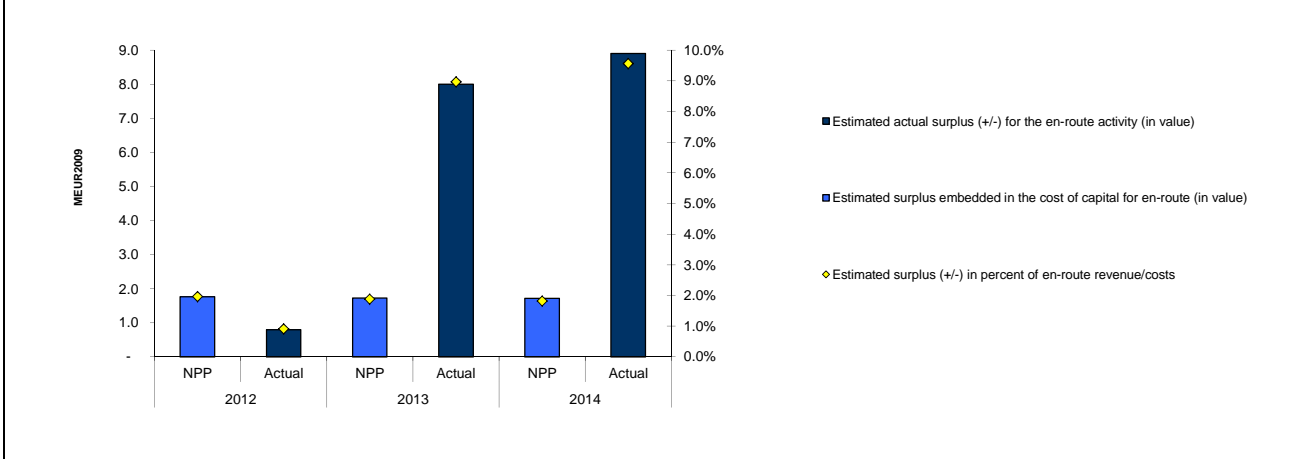
Monitoring of en-route and terminal COST-EFFICIENCY for 2014

4. - En-route costs monitoring (2014 actuals compared to NPP)		
By entity at State level 		Costs exempted from cost sharing (by factor/item) Pension - Interest rates on loans - National taxation law - New cost item required by law - International agreements 2 726 Costs exempted from cost sharing (by entity) ATSP 2 844 Other ANSP - METSP - NSA/EUROCONTROL -118 Total costs exempted from cost sharing to be recovered from (+)/reimbursed to (-) users if eligible after EC verification 2 726
By nature at ATSP level 		

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2014		
Cost sharing ('000€2009)		2014A
Determined costs for the ATSP (NPP)	94 139	
Actual costs for the ATSP	86 648	
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	7 490	
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	2 844	
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	10 335	
Traffic risk sharing ('000€2009)		2014A
Difference in total service units (actual vs NPP)	-8.79%	
Determined costs after deduction of costs for exempted VFR flights	95 119	
ATSP gain (traffic between 0 and +2% higher than NPP)	-	
ATSP gain (traffic between +2% and +10% higher than NPP)	-	
ATSP loss (traffic between 0 and -2% below NPP)	-1 902	
ATSP loss (traffic between -2% and -10% below NPP)	-1 937	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	-3 839	
Incentives ('000€2009)		2014A
ATSP bonus (+) / penalty (-)	-	
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	-	
Net ATSP gain(+)/loss(-) on en-route activity	6 496	

Combined effect of variations in costs and traffic for 2014 ('000€2009)

6. - En-route ATSP estimated surplus*						
<i>*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.</i>						
ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	149 628	152 317	145 779	171 705	141 839	172 388
Estimated proportion of financing through equity (in %)	54.0%	62.0%	54.0%	62.0%	55.0%	63.6%
Estimated proportion of financing through equity (in value)	80 799	94 437	78 720	106 457	78 011	109 618
Estimated proportion of financing through debt (in %)	46.0%	38.0%	46.0%	38.0%	45.0%	36.4%
Estimated proportion of financing through debt (in value)	68 829	57 880	67 058	65 248	63 827	62 769
Cost of capital pre-tax (in value)	3 741	3 342	3 644	3 768	3 546	3 807
Average interest on debt (in %)	3.0%	2.2%	3.0%	2.2%	3.0%	2.2%
Interest on debt (in value)	2 065	1 291	2 012	1 456	1 915	1 400
Determined RoE pre-tax rate (in %)	2.2%	2.2%	2.2%	2.2%	2.2%	2.2%
Estimated surplus embedded in the cost of capital for en-route (in value)	1 765	2 063	1 724	2 331	1 712	2 406
Net ATSP gain(+)/loss(-) on en-route activity		-1 267		5 666		6 496
Overall estimated surplus (+/-) for the en-route activity	1 765	796	1 724	7 998	1 712	8 902
Revenue/costs for the en-route activity	89 894	87 612	91 720	89 227	94 139	93 144
Estimated surplus (+/-) in percent of en-route revenue/costs	2.0%	0.9%	1.9%	9.0%	1.8%	9.6%
Estimated ex-post RoE pre-tax rate (in %)	2.2%	0.8%	2.2%	7.5%	2.2%	8.1%



SWITZERLAND

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by SWITZERLAND

Note 1: Costs exempted from cost sharing

Switzerland has adjusted the costs exempt from cost sharing (former "uncontrollable costs") for the years 2012 and 2013 following the EC recommendation communicated during the Single Sky Committee 55 held on 14/15 January 2015. For this reason, the net ATSP gain/loss for the en-route activity reported in this document for 2012 and 2013 differs from the information published in the PRB 2013 Monitoring Report.

Note 2: Planned and actual inflation index

According to Switzerland Performance Plan (NPP) for RP1, different inflation assumptions (and inflation indexes) were used by the different entities as part of Switzerland en-route cost base, resulting in the calculation of a weighted forecast inflation rate for Switzerland. In addition, Switzerland indicates in the additional information to the reporting tables that in the RP1 NPP Skyguide only applied inflation to staff costs. On the other hand, following the European Commission advice that the actual inflation rate/index should be applied to actual costs for all entities, Switzerland used Eurostat HICP to report actual inflation rates in the en-route reporting tables for all entities, and this inflation rate was applied to all the cost categories (i.e. not only staff costs). The use of a different methodology to report inflation rates contributes to the difference observed between the planned and actual inflation indexes for Switzerland.

Note 3: Cost breakdowns for the ATSP entity (Skyguide) over RP1

In the Switzerland NPP for RP1, it is stated that "as relates to the cost efficiency target, the calculations included in the Performance Plan are based on the FIR only and do not include the delegated airspace outside the FIR". However, the data provided for Skyguide present the total en-route costs for Skyguide detailed by nature, i.e. including the costs for delegated services provided outside the Swiss FIR, while a deduction (corresponding to the sum of the compensation received from the State to cover part of revenue losses linked to cross-border services and the revenues from France) is recorded in the exceptional costs and amounting to some 40% of the total en-route costs for Skyguide. This reporting has an impact on the analysis of the ATSP costs by nature in Item 4 below.

At State / Charging Area level

In 2014, Switzerland's real en-route unit cost (72.63 €2009) is +2.2% higher than the DUR planned in the Switzerland NPP for RP1 (71.04 €2009). This difference is due to the fact that the actual number of total service units (TSUs) in 2014 is -8.8% lower than planned in the NPP, while actual en-route costs are -6.7% lower than determined costs (some -11.3 MCHF).

The difference between actual and planned traffic (-8.8%) falls outside of ±2% dead band foreseen in the traffic risk sharing mechanism. Therefore, the loss of revenues is shared between the ATSP and airspace users, with the loss retained by the ATSP amounting to some -3.8 M€2009.

Actual 2014 costs vs. NPP

For Switzerland, real en-route costs are substantially lower (-6.7% or some 11.3 MCHF2009) than planned. This reflects the combination of lower en-route costs in nominal terms (-9.6%) and lower than planned inflation index (-3.2 p.p.). As identified in **Note 2** above, the discrepancy between actual and planned inflation index for 2014 might be partly due to the use of a different methodology to report actual and planned inflation rates. Among the different entities, only the NSA/EUROCONTROL shows higher actual costs than planned (+3.3% in real terms). For Skyguide (-8.0%) and the MET provider (-4.1%) actual en-route costs are significantly lower than planned in the NPP for RP1.

A detailed analysis of the deviation between Skyguide actual and planned en-route costs is provided in the box below.

In 2014, costs exempt from cost sharing are reported for a total of +2.7 M€2009 to be passed on to users for the en-route activity (see **Note 1** above). Of these, +2.8 M€2009 is related to the provision of cross-border services (and linked to exchange rate differences) while an amount of -0.1 M€2009 relates to EUROCONTROL costs. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

RP1 summary

When considering the whole of RP1 (2012-2014), actual en-route TSUs are, for the Swiss charging zone, -8.2% lower than planned, while actual costs in real terms are -5.0% lower than the determined costs (some -24.7 MCHF2009). As a result, the actual weighted average unit cost over RP1 (111.22 CHF2009) is +3.4% higher than planned in the NPP (107.54 CHF2009).

At ATSP level**Actual 2014 Skyguide costs vs. NPP**

In 2014, the difference between Skyguide actual and determined costs (-8.0% or some 7.5 M€2009) mainly reflects lower other operating costs (-39.2% or some -6.9 M€2009). According to the information provided in the Switzerland NSA 2014 Monitoring Report and in the additional information enclosed to the June 2015 en-route data submission, the lower other operating costs reflect "one-off savings mostly in the area of outsourcing" implemented to compensate for the loss in revenue due to lower traffic. In addition, actual depreciation costs are -4.4% lower (some 1.03 M€2009) than planned in the NPP.

On the other hand, the actual staff costs (+0.6% or some 0.7 M€2009) and the cost of capital (+7.4% or some 0.3 M€2009) are higher than planned in the NPP. We understand that the latter mainly reflects the use of a higher asset base to compute the cost of capital (+21.5% compared to the figure provided in the NPP) however, the NSA Monitoring Report does not provide detailed information on the drivers for this difference.

The actual capex for 2014 (i.e. 59.9 MCHF) is in line with the NPP (59.5 MCHF).

Skyguide net gain/loss and estimated surplus on en-route activity in 2014

Skyguide generated a net gain of +6.5 M€2009 for en-route activity for the year 2014. This overall gain results from the combination of two contrasting elements:

- a gain of +10.3 M€2009 mainly reflecting the fact that actual 2014 en-route costs are lower than planned; and,
- a loss of -3.8 M€2009 in revenues since actual 2014 traffic was significantly lower than planned.

Note that the costs exempted from cost sharing reported by Switzerland (+2.8 M€2009) are not deemed eligible by the European Commission, the net gain generated by Skyguide on its en-route activity would amount to +3.7 M€2009.

Ex-post, the overall estimated economic surplus for the year is computed by adding the surplus embedded in the cost of capital (+2.4 M€2009) to the net gain for the en-route activity in 2014 (+6.5 M€2009). As a result, the overall estimated economic surplus for the en-route activity in 2014 amounts to +8.9 M€2009 which corresponds to 9.6% of 2014 en-route revenues (compared to 1.8% as planned in the NPP).

Conclusions

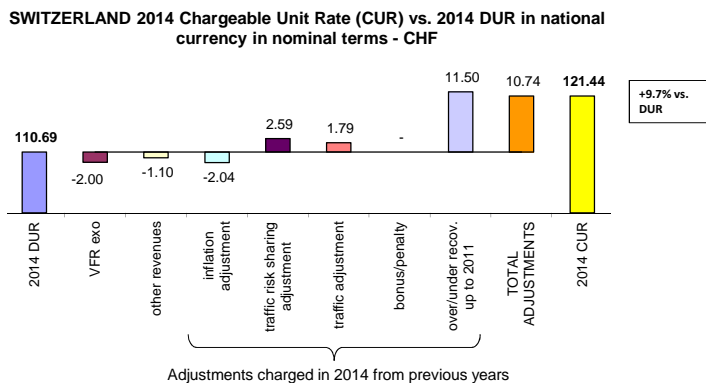
In the context of substantially lower actual traffic than planned in 2014 (-8.8%), Skyguide was able to significantly revise downwards en-route costs (-8.0%) compared to the information provided in the NPP and generate a net gain of +6.5 M€2009 for the en-route activity. When considering the surplus embedded in the cost of capital through the return on equity, the overall estimated surplus generated in 2014 amounts to +8.9 M€2009 (or 9.6% of total en-route revenues).

When considering the whole of RP1 (2012-2014), Skyguide generated cumulative gains of +21.5 M€2009 as actual costs were lower than planned for all years of RP1 (due to significant cost saving primarily in the area of other operating expenses). However, Skyguide incurred a cumulative loss of -10.6 M€2009 in terms of revenues since actual traffic was consistently lower than planned during RP1 (-6.3% in 2012, -9.4% in 2013 and -8.8% in 2014). As a result, on the en-route activity, cumulative gains of some +10.9 M€2009 could be retained by Skyguide over RP1, mainly reflecting gains generated in 2013 and 2014.

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Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



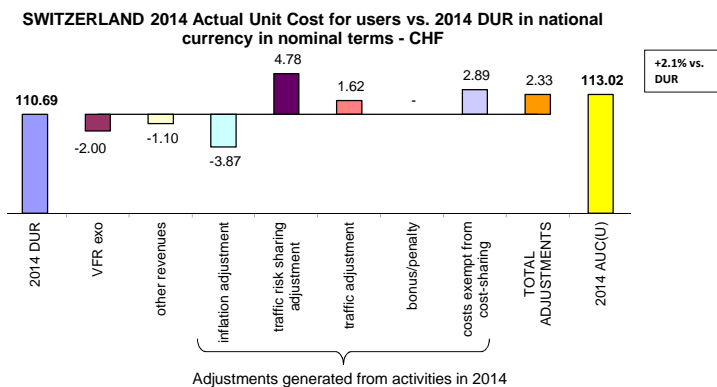
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by the **forecast total service units** for 2014 as laid out in the performance plan.

In 2014, the actual chargeable unit rate (CUR) charged to airspace users (121.44 CHF) is +9.7% higher than the determined unit rate (110.69 CHF). The difference (+10.74 CHF) mainly reflects the under-recoveries incurred until 2011 under the full cost-recovery regime (+11.50 CHF).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en-route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by the **actual total service units** in 2014.

The unit cost that the users incur in respect of the activities performed in 2014 is 113.02 CHF, which is +2.1% higher than the nominal DUR (110.69 CHF). The difference observed between the two figures (+2.33 CHF) mainly reflects the traffic risk sharing adjustment (+4.78 CHF), the traffic adjustment (+1.62 CHF) and an amount related to costs exempted from cost-sharing (+2.89 CHF). Deductions are observed for the adjustment associated to exempted VFR flights (-2.00 CHF), other revenues (-1.10 CHF) and the inflation adjustment (-3.87 CHF).

SWITZERLAND

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) ⁿ	0.65	0.65	0.65	0.65	0.65	0.65
Number of airports in terminal charging zone	2	2	2	2	2	2
of which, number of airports over 50 000 movements	2	2	2	2	2	2
SWITZERLAND - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in CHF)	98 530 979	101 115 151	96 719 058	95 611 321	97 513 657	99 122 799
Inflation index (100 in 2009)	100.0	100.4	101.1	101.8	102.5	103.3
Real terminal ANS costs - (in CHF2009)	98 530 979	100 705 462	95 676 555	93 901 243	95 102 043	95 994 371
Real terminal ANS costs - (in EUR2009)	65 296 411	66 737 440	63 404 787	62 228 289	63 024 058	63 615 403
SWITZERLAND - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in CHF)	98 530 979	101 115 151	96 165 176	91 940 956	94 723 933	98 972 275
Inflation index (100 in 2009)	100.0	100.6	100.7	100.0	100.1	100.1
Real terminal ANS costs - (in CHF2009)	98 530 979	100 512 078	95 496 130	91 944 913	94 633 377	98 877 658
Real terminal ANS costs - (in EUR2009)	65 296 411	66 609 285	63 285 219	60 931 830	62 713 473	65 526 155
Total terminal service units			255 896	256 502	252 856	256 884
Actual real unit costs - (in CHF2009)			373.2	358.5	374.3	384.9
Unit rate applied - (in CHF)				372.10	372.10	364.66
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in CHF)	in value			-3 670 365	-2 789 724	-150 524
	in%			-3.8%	-2.9%	-0.2%
Inflation index (100 in 2009)	in p.p.			-1.8 p.p.	-2.4 p.p.	-3.2 p.p.
Real terminal ANS costs - (in CHF2009)	in value			-1 956 330	-468 666	2 883 287
	in%			-2.1%	-0.5%	3.0%
Real terminal ANS costs - (in EUR2009)	in value			-1 296 458	-310 585	1 910 752
	in%			-2.1%	-0.5%	3.0%
11. - General conclusions on the Terminal ANS costs and unit rates monitoring						
<p>The terminal charging zone in Switzerland comprises two airports (Zurich and Geneva), which both handle more than 50 000 airport movements per year. The terminal service unit formula applied is (MTOW/50)ⁿ0.65. The formula differs from the harmonised SES formula (MTOW/50)ⁿ0.7, which will be mandatory for all SES terminal charging zones from 2015 onwards.</p> <p>The actual real terminal ANS costs in 2014 are +3.0% (some +2.9 MCHF2009) higher than planned in the NPP. While in nominal terms actual terminal ANS costs are fairly in line with the information provided in the NPP (-0.2%), the inflation index is substantially lower than planned (-3.2 p.p.). As identified in Note 2 above, the discrepancy between actual and planned inflation index for 2014 might be partly due to the use of a different methodology to report actual and planned inflation rates.</p> <p>The terminal ANS unit rate applied in 2014 is 364.66 CHF.</p> <p>RP1 summary When considering the whole of RP1 (2012-2014), actual terminal ANS costs are fairly in line (+0.2% in real terms) with the information provided in the NPP. While in 2012 (-2.1%) and 2013 (-0.5%), actual terminal ANS costs were lower than planned, they are +3.0% higher in real terms than expected in 2014.</p>						
12. - Monitoring of gate-to-gate costs (2014)						
SWITZERLAND - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in CHF2009)	188 135 299	197 981 307	170 244 052	161 412 115	163 926 965	167 717 106
Real terminal ANS costs - (in CHF2009)	98 530 979	100 705 462	95 676 555	93 901 243	95 102 043	95 994 371
Real gate-to-gate ANS costs - (in CHF2009)	286 666 278	298 686 769	265 920 607	255 313 358	259 029 008	263 711 477
Real gate-to-gate ANS costs - (in EUR2009)	189 973 544	197 939 515	176 225 402	169 195 985	171 658 344	174 761 413
Share of en-route costs in gate-to-gate ANS costs	65.6%	66.3%	64.0%	63.2%	63.3%	63.6%
SWITZERLAND - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in CHF2009)	188 135 299	197 602 336	159 328 378	160 379 793	151 525 621	156 404 695
Real terminal ANS costs - (in CHF2009)	98 530 979	100 512 078	95 496 130	91 944 913	94 633 377	98 877 658
Real gate-to-gate ANS costs - (in CHF2009)	286 666 278	298 114 414	254 824 508	252 324 707	246 158 998	255 282 353
Real gate-to-gate ANS costs - (in EUR2009)	189 973 544	197 560 216	168 872 025	167 215 408	163 129 397	169 175 438
Share of en-route costs in gate-to-gate ANS costs	65.6%	66.3%	62.5%	63.6%	61.6%	61.3%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in CHF2009)	in value			-1 032 322	-12 401 344	-11 312 411
	in %			-0.6%	-7.6%	-6.7%
Real terminal ANS costs - (in CHF2009)	in value			-1 956 330	-468 666	2 883 287
	in %			-2.1%	-0.5%	3.0%
Real gate-to-gate ANS costs - (in CHF2009)	in value			-2 988 651	-12 870 010	-8 429 124
	in %			-1.2%	-5.0%	-3.2%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-1 980 577	-8 528 947	-5 585 974
	in %			-1.2%	-5.0%	-3.2%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			0.3 p.p.	-1.7 p.p.	-2.3 p.p.
13. - General conclusions on the gate-to-gate ANS costs						
<p>The real 2014 gate-to-gate ANS costs (255.3 MCHF2009) are -3.2% (or some -8.4 MCHF2009) lower than planned in the NPP, as a result of significantly lower en-route costs (-6.7% or some 11.3 MCHF2009).</p> <p>The relative share of en-route costs in gate-to-gate ANS costs is slightly lower (61.3%) than the proportion planned in the NPP for 2014 (63.6%).</p>						



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Finland

Working Draft 2.0

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FINLAND

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management																					
	2012	2013	2014	State level Observations																	
State level	45	59	62																		
ANSP [Finavia]	78	73	79																		
<p>Number of questions</p> <p>Legend: ■ Self-assessment, ■ EASA verification</p> <table border="1"> <thead> <tr> <th>CO</th> <th>Self-assessment</th> <th>EASA verification</th> </tr> </thead> <tbody> <tr> <td>CO1</td> <td>16</td> <td>16</td> </tr> <tr> <td>CO2</td> <td>4</td> <td>4</td> </tr> <tr> <td>CO3</td> <td>9</td> <td>9</td> </tr> <tr> <td>CO4</td> <td>4</td> <td>4</td> </tr> </tbody> </table>							CO	Self-assessment	EASA verification	CO1	16	16	CO2	4	4	CO3	9	9	CO4	4	4
CO	Self-assessment	EASA verification																			
CO1	16	16																			
CO2	4	4																			
CO3	9	9																			
CO4	4	4																			
Application of the severity classification of the Risk Analysis Tool (RAT)																					
		2012		2013		2014															
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)														
Separation Minima Infringements (SMIs)	ATM Ground	16	100%	27	100%	11	100%														
	ATM Overall		100%		100%		100%														
Runway Incursions (RIs)	ATM Ground	5	100%	2	100%	0	N/A														
	ATM Overall		100%		100%		N/A														
ATM Specific Occurrences (ATM-Specific)	ATM Overall	163	1%	230	8%	159	72%														
Source of RAT data:		FTSA																			
Preliminary results updated after coordination with the AST-FP in August 2015.																					
Just culture																					
Number of questions answered with Yes or No		State																			
		2012		2013		2014															
		YES	NO	YES	NO	YES	NO														
	Policy and its implementation	7	3	7	3	7	2														
	Legal/Judiciary	6	2	6	2	5	2														
	Occurrence reporting and Investigation	2	0	2	0	2	0														
	TOTAL	15	5	15	5	14	4														
Number of questions answered with Yes or No		ANSP [Finavia]																			
		2012		2013		2014															
		YES	NO	YES	NO	YES	NO														
	Policy and its implementation	11	2	9	4	13	0														
	Legal/Judiciary	2	1	2	1	2	1														
	Occurrence reporting and Investigation	4	4	4	4	6	2														
	TOTAL	17	7	15	9	21	3														

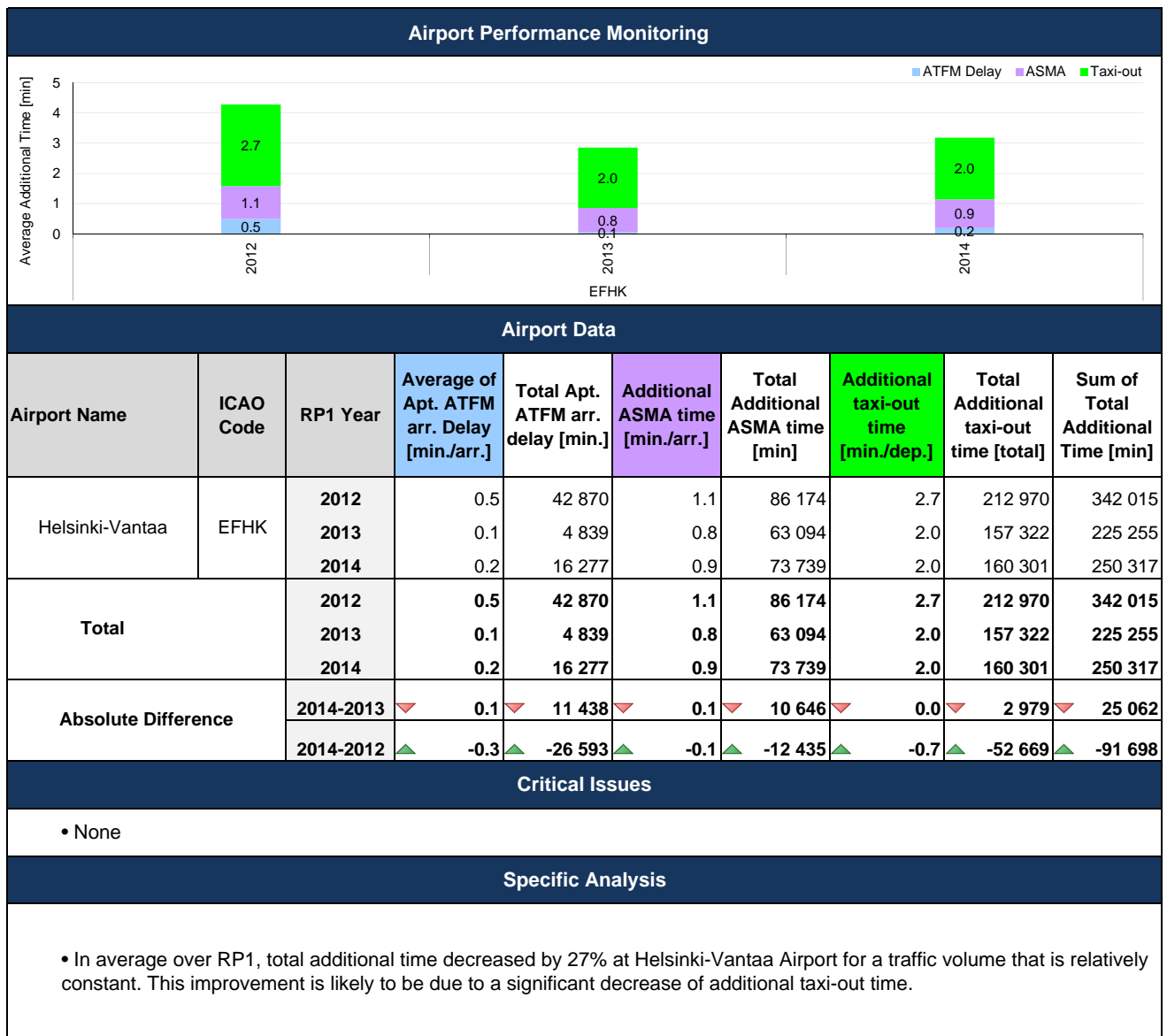
FINLAND

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.1	0.13	0.16	
National Target	0.05	0.03	0.02	
Actual performance	0.01	0	0.12	
National capacity assessment				
<p>The capacity target for 2014 was not met. Major airspace changes implemented in November 2014 explain such negative trend in performance. A significant number of airspace restrictions implemented in November 2014, highly contributed to an increase on the average delay for the whole year 2014.</p>				
PRB Capacity assessment				
<p>Although unable to maintain the excellent capacity performance from 2012 and 2013, and missing the national target in 2014, Finland still provided a positive contribution to the EU-wide capacity targets for each year of RP1.</p>				
Effective booking procedures				
<p>The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 27%</p> <p>The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 0%</p> <p>The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 73%</p>				
Recommendations				

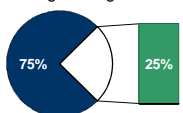
FINLAND

Monitoring of CAPACITY indicators for 2014

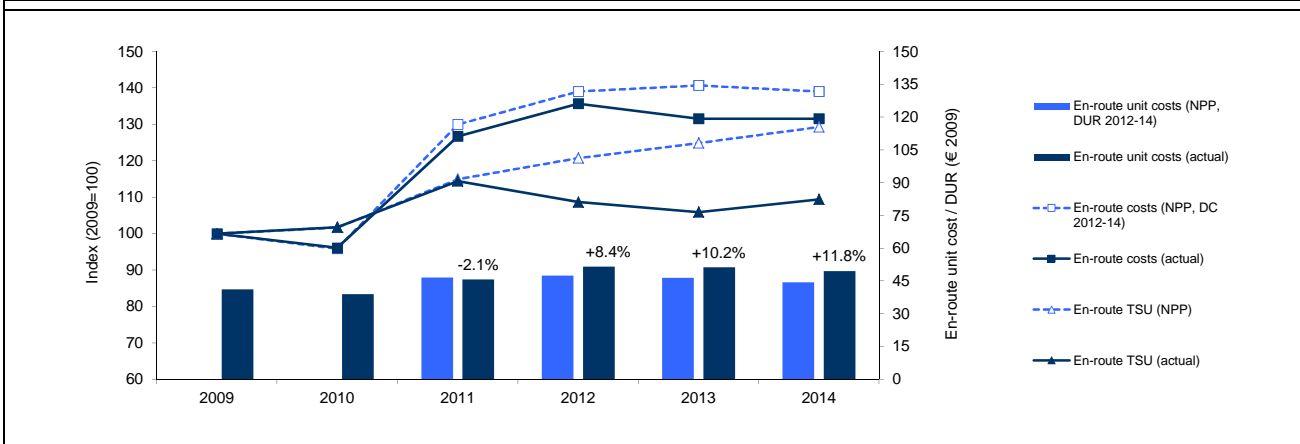


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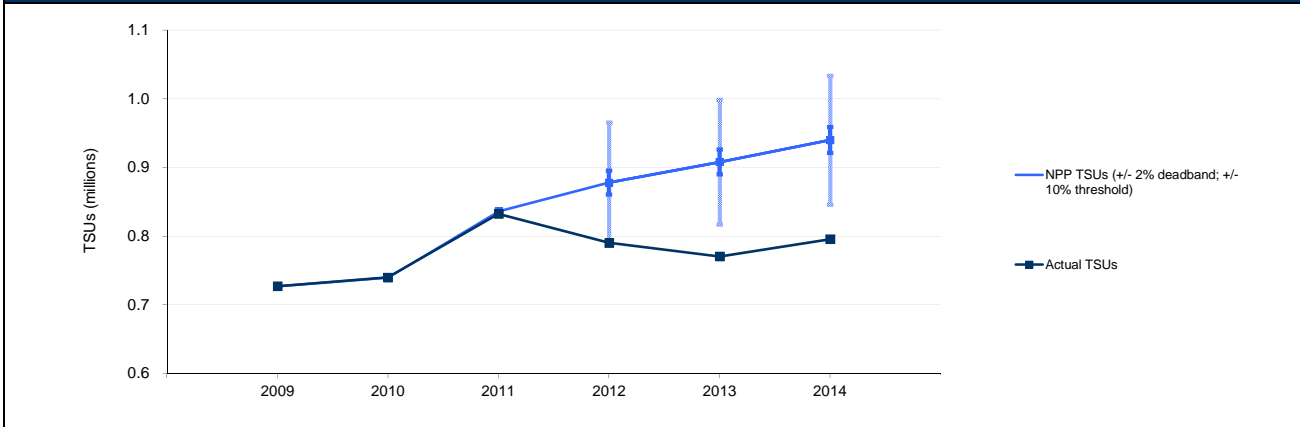
Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> FINLAND represents 0.7% of the SES en-route ANS determined costs in 2014. ATSP : Finavia FAB : NEFAB National currency: EUR 	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p>  <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
FINLAND - Data from RP1 national performance plan						
En-route costs (determined costs 2012-2014) - (in nominal EUR)	2009A	2010A	2011F	2012P	2013P	2014P
Inflation %		1.7%	3.3%	2.7%	2.2%	3.0%
Inflation index (100 in 2009)	100.0	101.7	105.1	107.9	110.3	113.6
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	30 022 744	28 795 562	39 043 765	41 754 278	42 258 623	41 761 230
Total en-route Service Units	727 050	739 502	836 000	878 000	908 000	940 000
Real en-route unit costs per Service Units - (in EUR2009)	41.29	38.94	46.70	47.56	46.54	44.43
FINLAND - Actual data from Jun-2015 Reporting Tables						
En-route costs - (in nominal EUR)	2009A	2010A	2011A	2012A	2013A	2014A
Inflation %		1.7%	3.3%	3.2%	2.2%	1.2%
Inflation index (100 in 2009)	100.0	101.7	105.1	108.4	110.8	112.1
Real en-route costs - (in EUR2009)	30 022 744	28 861 848	38 052 050	40 758 308	39 517 523	39 514 732
Total en-route Service Units	727 050	740 000	832 459	790 296	770 452	795 764
Real en-route unit costs per Service Units - (in EUR2009)	41.29	39.00	45.71	51.57	51.29	49.66
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal EUR)	in value			-860 483	-2 810 364	-3 121 054
	in %			-1.9%	-6.0%	-6.6%
Inflation %	in p.p.			0.5 p.p.	-0.0 p.p.	-1.8 p.p.
Inflation index (100 in 2009)	in p.p.			0.5 p.p.	0.5 p.p.	-1.4 p.p.
Real en-route costs - (in EUR2009)	in value			-995 970	-2 741 100	-2 246 499
	in %			-2.4%	-6.5%	-5.4%
Total en-route Service Units	in value			-87 704	-137 548	-144 236
	in %			-10.0%	-15.1%	-15.3%
Real en-route unit costs per Service Units - (in EUR2009)	in value			4.02	4.75	5.23
	in %			8.4%	10.2%	11.8%



3. - En-route traffic monitoring (Actual 2012-2014 TSU compared to NPP)



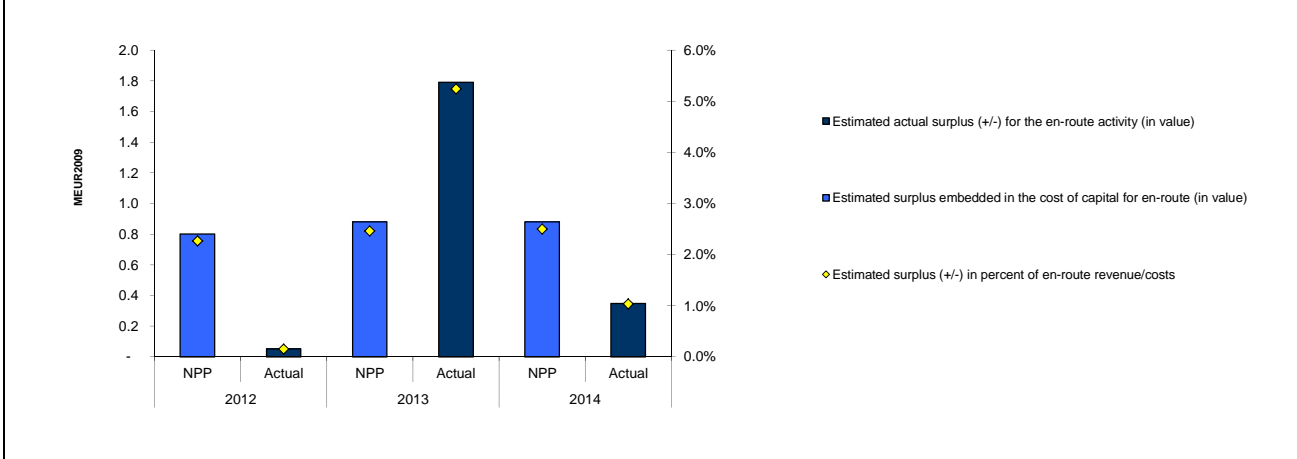
FINLAND

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

4. - En-route costs monitoring (2014 actuals compared to NPP)		
By entity at State level 		Costs exempted from cost sharing (by factor/item) Pension - Interest rates on loans - National taxation law - New cost item required by law - International agreements 387 Costs exempted from cost sharing (by entity) ATSP - Other ANSP - METSP - NSA/EUROCONTROL 387 Total costs exempted from cost sharing to be recovered from (+)/reimbursed to (-) users if eligible after EC verification 387
By nature at ATSP level 		

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2014		
Cost sharing ('000€2009)		Combined effect of variations in costs and traffic for 2014 ('000€2009)
Determined costs for the ATSP (NPP)	35 238	
Actual costs for the ATSP	34 094	
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	1 144	
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-	
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	1 144	
Traffic risk sharing ('000€2009)		
Difference in total service units (actual vs NPP)		-15.34%
Determined costs after deduction of costs for exempted VFR flights	35 388	
ATSP gain (traffic between 0 and +2% higher than NPP)	-	
ATSP gain (traffic between +2% and +10% higher than NPP)	-	
ATSP loss (traffic between 0 and -2% below NPP)	-708	
ATSP loss (traffic between -2% and -10% below NPP)	-849	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	-1 557	
Incentives ('000€2009)		
ATSP bonus (+) / penalty (-)	-	
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	-	
Net ATSP gain(+)/loss(-) on en-route activity	-413	

6. - En-route ATSP estimated surplus*						
*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.						
ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	25 954	27 154	28 545	23 968	28 542	24 954
Estimated proportion of financing through equity (in %)	52.3%	46.2%	52.2%	52.2%	52.3%	51.6%
Estimated proportion of financing through equity (in value)	13 581	12 536	14 908	12 509	14 925	12 885
Estimated proportion of financing through debt (in %)	47.7%	53.8%	47.8%	47.8%	47.7%	48.4%
Estimated proportion of financing through debt (in value)	12 372	14 619	13 637	11 459	13 617	12 070
Cost of capital pre-tax (in value)	1 172	1 017	1 302	956	1 316	1 035
Average interest on debt (in %)	3.0%	1.9%	3.1%	1.9%	3.2%	2.3%
Interest on debt (in value)	371	278	423	218	436	275
Determined RoE pre-tax rate (in %)	5.9%	5.9%	5.9%	5.9%	5.9%	5.9%
Estimated surplus embedded in the cost of capital for en-route (in value)	801	740	880	738	881	760
Net ATSP gain(+)/loss(-) on en-route activity	-	-689	-	1 053	-	-413
Overall estimated surplus (+/-) for the en-route activity	801	51	880	1 791	881	347
Revenue/costs for the en-route activity	35 349	33 815	35 734	34 182	35 238	33 681
Estimated surplus (+/-) in percent of en-route revenue/costs	2.3%	0.1%	2.5%	5.2%	2.5%	1.0%
Estimated ex-post RoE pre-tax rate (in %)	5.9%	0.4%	5.9%	14.3%	5.9%	2.7%



FINLAND

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by FINLAND

At State / Charging Area level

In 2014, the real en-route unit cost for Finland (49.66 €2009) is +11.8% higher than planned in the NPP for RP1 (44.43 €2009). This difference is primarily due to en-route Service Units being -15.3% lower than planned, as actual en-route costs in real terms are -5.4% lower than the determined costs.

The number of total service units (TSUs) in 2014 (795 764) is significantly lower (-15.3%) than the forecast provided in Finland's Adopted NPP (940 000), which is outside the ±2% deadband, and exceeds the -10% threshold foreseen in the traffic risk sharing mechanism. The resulting loss of en-route revenues is therefore shared between the ATSP and the airspace users, with the loss borne by Finavia amounting to some -1.6 M€2009, similar to the level experienced in 2012 and 2013.

Actual 2014 costs vs. NPP

Total actual en-route costs for Finland in 2014 (39.5 M€2009) are -5.4% less than planned in the NPP (41.8 M€2009). This mainly reflects lower en-route costs in nominal terms (-6.6%), as the actual inflation index was lower than planned in the NPP (-1.4 p.p.).

The en-route cost-base includes costs relating to Finland's ATSP (Finavia), the METSP (Finnish Meteorological Institute), and Finland's NSA. Whilst for Finavia and FMI, 2014 en-route costs in real terms are lower than planned (-3.2% and -45.6% respectively), the costs of NSA are higher than the amount forecast in the NPP (+9.2%). A detailed analysis of Finavia costs is provided in the box below.

Costs exempt from cost sharing are reported for an amount of +0.39 M€2009, corresponding to the difference between the planned and actual values for EUROCONTROL costs. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

RP1 summary

When considering the whole of RP1 (2012-2014) the actual number of TSUs is -13.6% lower than planned and actual en-route costs are -4.8% lower than planned in real terms (-6.0 M€2009). As a result, the weighted average unit cost over RP1 is +10.2% higher than the level planned in the NPP.

At ATSP level**Actual 2014 Finavia costs vs. NPP**

Finavia actual en-route costs are some -3.2% lower than the determined costs reported for 2014. Other operating costs are +35.8% higher than planned due to changes in cost allocation between staff costs and other operating costs. Staff costs were -13.8% lower than planned. According to the Additional Information to the June 2015 Reporting Tables this is due to cost cutting measures relating to lower than expected traffic growth and changes in costs allocation between staff costs and other operating costs. Depreciation and cost of capital were also lower than planned, by -21.6% and -21.3% respectively, due to delay to investments and a lower than planned interest rate, as indicated in the Additional Information to the June 2015 Reporting Tables.

In 2014, the actual total asset base was 25.0 M€2009, or -12.6% lower than planned. This is the result of delay to investments and is reflected in the lower than planned depreciation and cost of capital.

Finavia net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, the en-route activity for the year 2014 generated a net loss of -0.4 M€2009 for Finavia overall. This is the result of a combination of two elements:

- a gain of +1.1 M€2009 for Finavia as a result of the cost-sharing mechanism; and
- a loss of -1.6 M€2009 as a result of the traffic risk sharing mechanism for 2014.

For the en-route activity, the estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +0.9 M€2009, corresponding to an estimated surplus of +2.5% of the en-route 2014 revenues. Ex-post, the overall estimated surplus for the year calculated by adding the surplus embedded in the cost of capital (+0.8 M€2009) and the net loss from the en-route activity in 2014 (-0.4 M€2009), gives a total of +0.3 M€2009 for 2014, corresponding to +1.0% of the en-route 2014 revenue. The resulting ex-post rate of return on equity for 2014 is +2.7% (compared to +5.9% as initially planned in the NPP).

Conclusion

Traffic volumes are lower than expected (-15.3%), and Finavia's actual en-route costs in 2014 are -3.2% lower than planned in the NPP, in real terms. The en-route activity for 2014 generated a net gain of +0.3 M€2009 for Finavia, which results in an overall estimated surplus of +1.0% of the en-route revenue for 2014 (down from a planned +2.5% in the NPP).

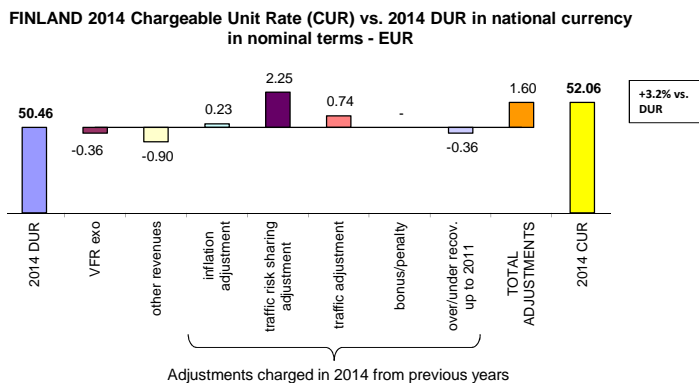
This indicates that in 2014, Finavia was in a position to retain only part of the surplus embedded in the cost of capital in 2014. This adds to the overall positive estimated surplus for the en-route activity generated by Finavia in 2013 of +1.8 M€2009 (or +5.2% of en-route revenues leading to an ex-post rate of return on equity of +14.3%) and in 2012 of +0.1 M€2009 (or +0.1% of en-route revenues in 2012 leading to an ex-post rate of return on equity of +0.4%).

When considering the whole of RP1 (2012-2014), Finavia will retain a cumulative gain in respect of cost sharing of +4.6 M€2009 as actual costs are lower than planned in each year of RP1. However, Finavia incurred a cumulative loss in respect of traffic risk sharing amounting to -4.6 M€2009, as traffic was lower than planned in each year of RP1 (-13.6% lower across the RP as a whole) which resulted in a cumulative net loss for the en-route activity of -0.05 M€2009.

FINLAND

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



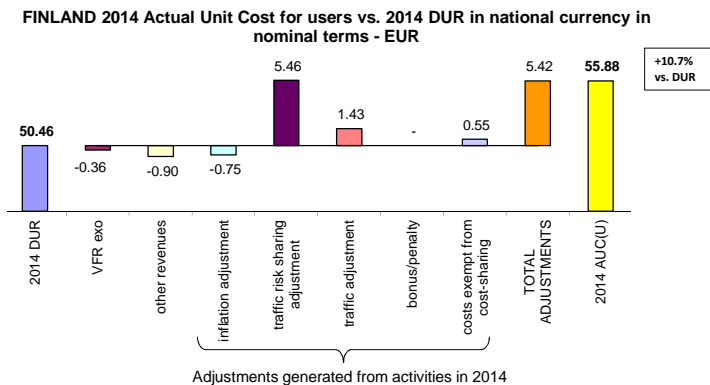
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The CUR charged to airspace users in 2014 is 52.06 €, which is +3.2% more than the DUR of 50.46 €. The CUR is higher due to an increase due to traffic risk sharing from Finavia (+2.25 €, or +4.5%) and traffic adjustment (+0.74 €, or +1.5%). Minor adjustments were made to reflect the deduction of costs for services exempt from VFR (-0.36 €), differences in inflation (+0.23 €), other revenues (-0.90 €) and legacy carry-overs incurred up to and including 2011 (-0.36 €).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en-route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The AUC-U for airspace users in 2014 is 55.88 €, which is +10.7% more than the DUR of 50.46 €. This is due to adjustments generated from activities in 2014:

- 0.90 €, or -1.8% deduction due to other revenues;
- 0.75 €, or -1.5% deduction due to inflation adjustment;
- 0.36 €, or -0.7% deduction of costs for services to exempted VFR;
- +0.55 €, or +1.1% increase for costs exempt from cost sharing;
- +1.47 €, or +2.9% reflecting the difference in traffic for costs not subject to traffic risk sharing; and
- +5.46. or +10.8% increase for traffic risk sharing adjustment.

FINLAND

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) ^a	0.7	0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone	1	1	1	1	1	1
of which, number of airports over 50 000 movements	1	1	1	1	1	1
FINLAND - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	19 218 793	21 756 834	13 966 000	14 907 700	15 367 835	15 754 062
Inflation index (100 in 2009)	100.0	101.7	105.1	107.9	110.3	113.6
Real terminal ANS costs - (in EUR2009)	19 218 793	21 393 150	13 293 850	13 817 164	13 937 025	13 871 158
FINLAND - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)	19 218 793	21 756 834	14 102 000	14 654 000	14 082 100	14 555 500
Inflation index (100 in 2009)	100.0	101.7	105.1	108.4	110.8	112.1
Real terminal ANS costs - (in EUR2009)	19 218 793	21 393 150	13 423 304	13 516 219	12 709 122	12 980 599
Total terminal service units	93 636	94 540	107 768	97 600	97 900	99 973
Actual real unit costs - (in EUR2009)	205.3	226.3	124.6	138.5	129.8	129.8
Unit rate applied - (in EUR)				128.45	134.87	138.24
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value			-253 700	-1 285 735	-1 198 562
	in%			-1.7%	-8.4%	-7.6%
Inflation index (100 in 2009)	in p.p.			0.5 p.p.	0.5 p.p.	-1.4 p.p.
Real terminal ANS costs - (in EUR2009)	in value			-300 946	-1 227 902	-890 559
	in%			-2.2%	-8.8%	-6.4%

11. - General conclusions on the Terminal ANS costs and unit rates monitoring

The terminal charging zone of Finland comprises one airport (Helsinki-Vantaa). Helsinki-Vantaa has over 50,000 airport movements per year. There has been no change to the terminal charging zone as compared to the NPP. The harmonised SES formula (MTOW/50)^a0.7 has been applied in the Finland Terminal Charging Zone since 2009.

Actual terminal ANS costs in 2014 are -6.4%, or -0.9 M€2009, lower than planned in the NPP. This difference is similar to that for en-route costs (-5.4% in real terms lower than planned). According to the additional information provided with the June 2015 terminal Reporting Tables, Finavia, FMI and the Finnish Transport Safety Agency all reported lower actual costs than planned in 2014. At Finavia only staff costs were lower, however other operating costs, depreciation and cost of capital were higher. At the METSP, FMI actual costs were lower than planned because "aviation observation costs are no longer allocated to civil aviation". Actual Finnish Transport Safety Agency costs were lower than planned due to a change in the charging scheme.

RP1 summary

When considering the whole of RP1 (2012-2014), actual terminal ANS costs are -5.8% lower in real terms (or some -2.4 M€2009) than planned in the NPP. This reflects the fact that terminal ANS costs were lower than planned in the all three years of RP1.

12. - Monitoring of gate-to-gate costs (2014)

12. - Monitoring of gate-to-gate costs (2014)						
	2009A	2010A	2011F	2012P	2013P	2014P
FINLAND - Data from RP1 national performance plan						
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	30 022 744	28 795 562	39 043 765	41 754 278	42 258 623	41 761 230
Real terminal ANS costs - (in EUR2009)	19 218 793	21 393 150	13 293 850	13 817 164	13 937 025	13 871 158
Real gate-to-gate ANS costs - (in EUR2009)	49 241 537	50 188 713	52 337 615	55 571 443	56 195 648	55 632 388
Share of en-route costs in gate-to-gate ANS costs	61.0%	57.4%	74.6%	75.1%	75.2%	75.1%
FINLAND - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	30 022 744	28 861 848	38 052 050	40 758 308	39 517 523	39 514 732
Real terminal ANS costs - (in EUR2009)	19 218 793	21 393 150	13 423 304	13 516 219	12 709 122	12 980 599
Real gate-to-gate ANS costs - (in EUR2009)	49 241 537	50 254 998	51 475 355	54 274 527	52 226 645	52 495 331
Share of en-route costs in gate-to-gate ANS costs	61.0%	57.4%	73.9%	75.1%	75.7%	75.3%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in EUR2009)	in value			-995 970	-2 741 100	-2 246 499
	in %			-2.4%	-6.5%	-5.4%
Real terminal ANS costs - (in EUR2009)	in value			-300 946	-1 227 902	-890 559
	in %			-2.2%	-8.8%	-6.4%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-1 296 916	-3 969 003	-3 137 057
	in %			-2.3%	-7.1%	-5.6%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			-0.0 p.p.	0.5 p.p.	0.2 p.p.

13. - General conclusions on the gate-to-gate ANS costs

In 2014, Finland's actual gate-to-gate ANS costs (52.5 M€2009) are -5.6% lower than planned in the NPP (55.6 M€2009). The major driver of this difference is actual en-route costs, but actual terminal costs also contribute to the decrease in the actual gate-to-gate ANS costs.

The relative share of en-route in gate-to-gate ANS costs (75.3%) is marginally higher than planned in the NPP (75.1%). Since 2011, the share of en-route costs in gate-to-gate ANS costs has not varied significantly, increasing from 73.9% in 2011 to 75.7% in 2013.



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Greece

Working Draft 2.0

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GREECE

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management																																	
	2012	2013	2014	State level Observations																													
State level	40	59	71																														
ANSP [HANSF]	42	56	71																														
<table border="1"> <caption>Number of questions answered by Self-assessment and EASA verification</caption> <thead> <tr> <th>Category</th> <th>Self-assessment</th> <th>EASA verification</th> </tr> </thead> <tbody> <tr> <td>CO1 < Level C</td> <td>0</td> <td>2</td> </tr> <tr> <td>CO1 ≥ Level C</td> <td>16</td> <td>14</td> </tr> <tr> <td>CO2 < Level C</td> <td>0</td> <td>1</td> </tr> <tr> <td>CO2 ≥ Level C</td> <td>4</td> <td>3</td> </tr> <tr> <td>CO3 < Level C</td> <td>0</td> <td>0</td> </tr> <tr> <td>CO3 ≥ Level C</td> <td>9</td> <td>9</td> </tr> <tr> <td>CO4 < Level C</td> <td>0</td> <td>0</td> </tr> <tr> <td>CO4 ≥ Level C</td> <td>4</td> <td>4</td> </tr> </tbody> </table>							Category	Self-assessment	EASA verification	CO1 < Level C	0	2	CO1 ≥ Level C	16	14	CO2 < Level C	0	1	CO2 ≥ Level C	4	3	CO3 < Level C	0	0	CO3 ≥ Level C	9	9	CO4 < Level C	0	0	CO4 ≥ Level C	4	4
Category	Self-assessment	EASA verification																															
CO1 < Level C	0	2																															
CO1 ≥ Level C	16	14																															
CO2 < Level C	0	1																															
CO2 ≥ Level C	4	3																															
CO3 < Level C	0	0																															
CO3 ≥ Level C	9	9																															
CO4 < Level C	0	0																															
CO4 ≥ Level C	4	4																															
Application of the severity classification of the Risk Analysis Tool (RAT)																																	
		2012		2013		2014																											
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)																										
Separation Minima Infringements (SMIs)	ATM Ground	20	95%	22	100%	17	100%																										
	ATM Overall		95%		100%		100%																										
Runway Incursions (RIs)	ATM Ground	17	100%	10	100%	11	91%																										
	ATM Overall		76%		100%		91%																										
ATM Specific Occurrences (ATM-Specific)	ATM Overall	120	87%	44	100%	45	98%																										
Source of RAT data:		HCAA																															
Just culture																																	
Number of questions answered with Yes or No		State																															
		2012		2013		2014																											
		YES	NO	YES	NO	YES	NO																										
	Policy and its implementation	5	5	8	2	7	2																										
	Legal/Judiciary	4	4	5	3	3	4																										
	Occurrence reporting and Investigation	0	2	0	2	0	2																										
	TOTAL	9	11	13	7	10	8																										
Number of questions answered with Yes or No		ANSP [HANSF]																															
		2012		2013		2014																											
		YES	NO	YES	NO	YES	NO																										
	Policy and its implementation	7	6	7	6	10	3																										
	Legal/Judiciary	3	0	2	1	2	1																										
	Occurrence reporting and Investigation	4	4	5	3	5	3																										
	TOTAL	14	10	14	10	17	7																										

GREECE

Monitoring of CAPACITY indicators for 2014

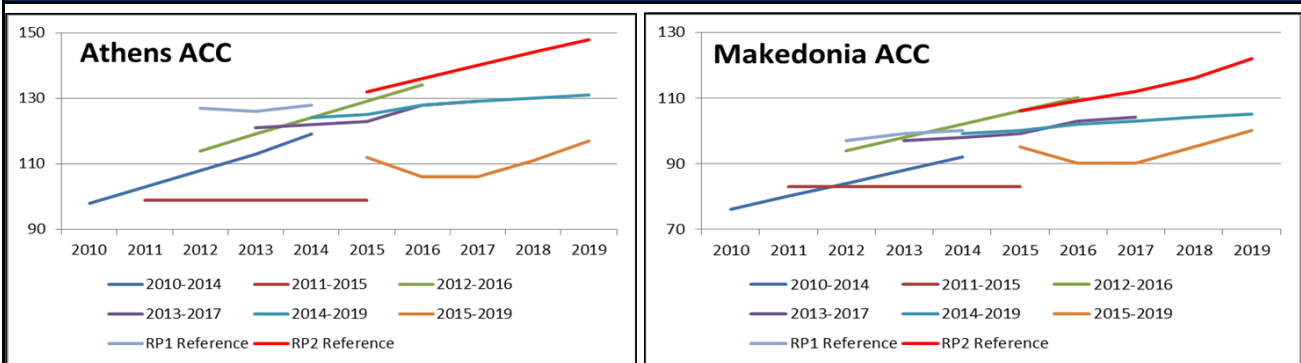
Minutes of ATFM en-route delay

	2012	2013	2014	Observations
Reference value	0.37	0.32	0.26	
National Target	1.1	1	0.95	
Actual performance	0.15	0.06	0.41	

National capacity assessment

The capacity achieved, for a third consecutive year, remained below the capacity targets originally anticipated in the Performance Plan of Greece.

ANSP capacity plan (Opt.)



Military dimension of the plan

Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the Performance Plan for Greece did not contain any specific details of how FUA would be applied to increase capacity.

PRB Capacity assessment

For the third year running, Greece has significantly surpassed the national target for en-route capacity performance. Unfortunately, in 2014, the en-route capacity performance was not consistent with the effort required to meet the Union-wide target of 0.5 minutes per flight. The PRB is concerned by the downgrading of existing capacity plans and the problems that this foretells for capacity performance in Greece during the entire second Reference Period.

Effective booking procedures

The calculation on effective booking procedures could not be performed since Greece did not provide any information on the allocation, release and actual use of civil military airspace structures.

Previous recommendations

Extract from notification letter from EC July 2012:

Greece's revised performance plan is assessed on the understanding that Greece will require its air navigation service provider to develop and implement capacity plans that will enable the 2014 reference value of 0.26 minute of average delay per flight to be met at the earliest possible date in the second reference period, with the assistance of the Network Manager.

Annual Monitoring Report 2012 Recommendation: Greece is invited to ensure that information on the allocation and use of airspace structures is made available to the Commission in accordance with IR 691/2010, and IR 2150/2005.

Annual Monitoring Report 2013 Recommendation: Greece is requested to provide information on how it intends to meet the mandatory reporting requirements on the allocation and use of civil military airspace structures in accordance with EU Regulation 691/2010 (Annex IV 1.1.(h)) and EC Regulation 2150/2005 (Article 4 (m) & (n)).

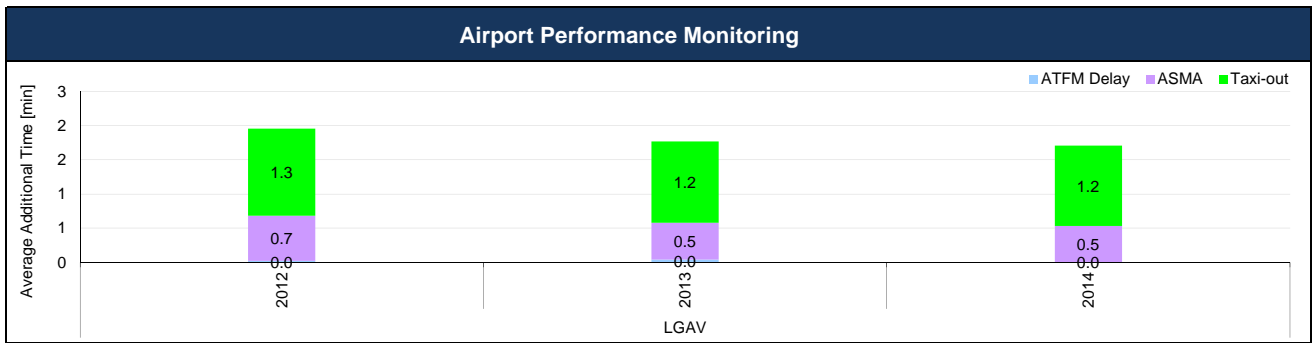
NSA report on follow-up to recommendations

The national monitoring report contained no information regarding the previous recommendations about mandatory reporting requirements on the allocation and use of civil military airspace structures.

Recommendations

GREECE

Monitoring of CAPACITY indicators for 2014



Airport Data

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Athens	LGAV	2012	0.0	1 788	0.7	45 336	1.3	91 615	138 739
		2013	0.0	2 735	0.5	33 266	1.2	76 517	112 517
		2014	0.0	8	0.5	35 985	1.2	83 399	119 392
Total		2012	0.0	1 788	0.7	45 336	1.3	91 615	138 739
		2013	0.0	2 735	0.5	33 266	1.2	76 517	112 517
		2014	0.0	8	0.5	35 985	1.2	83 399	119 392
Absolute Difference		2014-2013	▲ 0.0	▲ -2 727	▲ -0.0	▼ 2 719	▲ 0.0	▼ 6 882	▼ 6 875
		2014-2012	▲ 0.0	▲ -1 780	▲ -0.1	▲ -9 351	▲ -0.1	▲ -8 216	▲ -19 347

Critical Issues

- None

Specific Analysis

- In average over RP1, total additional time decreased by 14% at Athens Airport for a traffic volume that is relatively constant. ATFM arrival delay is insignificant at Athens Airport. However, outbound traffic seems to be more penalised than inbound traffic.

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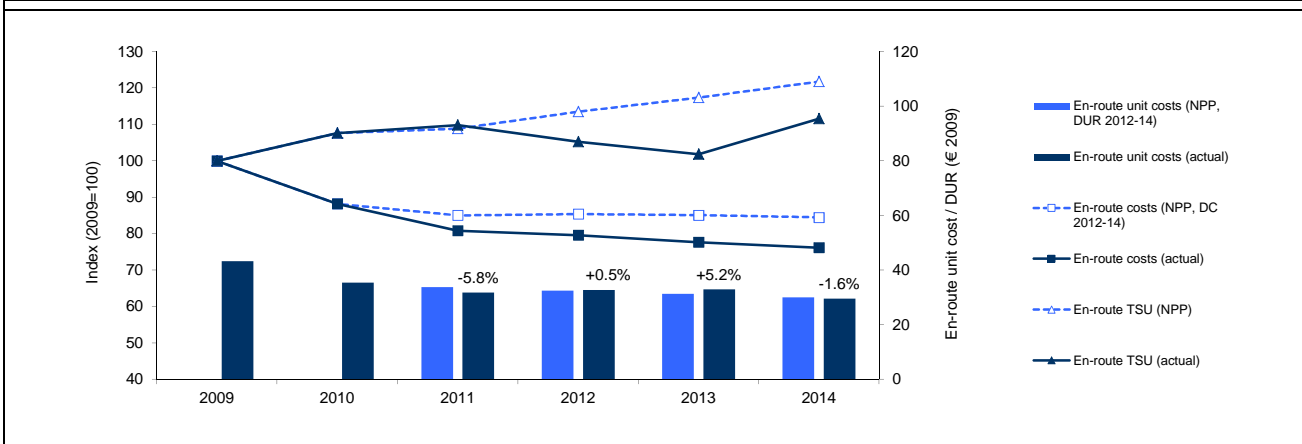
Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> GREECE represents 2.4% of the SES en-route ANS determined costs in 2014. ATSP : HCAA FAB : BLUE MED National currency: EUR 	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p> <p>■ En-route ■ TNC</p>

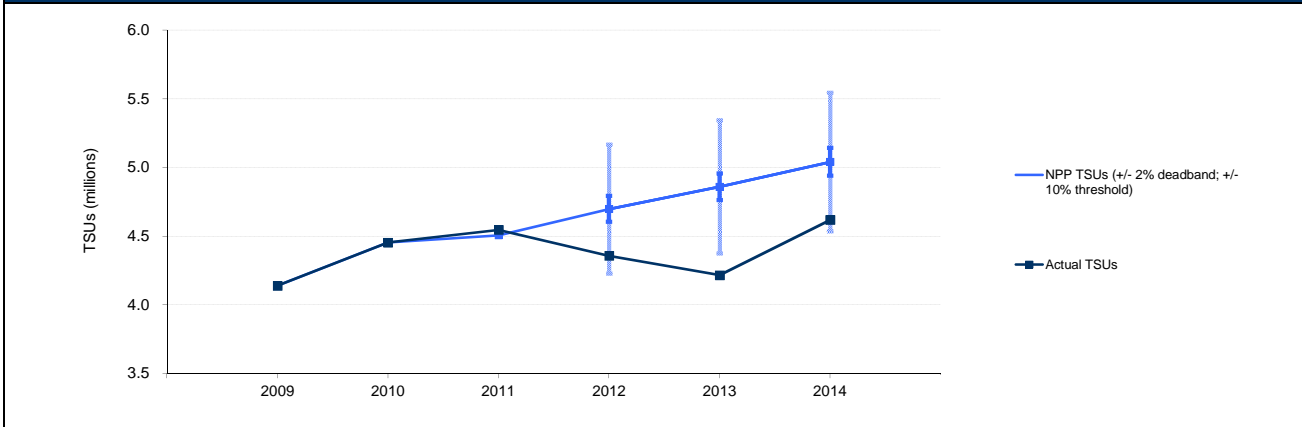
2. - En-route DUR monitoring (2014)						
GREECE - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	179 113 311	165 386 000	163 624 903	165 004 188	165 541 828	165 909 828
Inflation %		4.7%	2.5%	0.5%	0.7%	1.0%
Inflation index (100 in 2009)	100.0	104.7	107.4	107.9	108.6	109.6
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	179 113 311	157 961 796	152 408 576	152 928 670	152 420 985	151 322 256
Total en-route Service Units	4 138 832	4 454 155	4 507 000	4 698 000	4 860 000	5 041 000
Real en-route unit costs per Service Units - (in EUR2009)	43.28	35.46	33.82	32.55	31.36	30.02

GREECE - Actual data from Jun-2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	179 113 311	165 386 000	156 350 081	155 483 966	150 313 114	145 365 657
Inflation %		4.7%	3.1%	1.0%	-0.9%	-1.4%
Inflation index (100 in 2009)	100.0	104.7	107.9	109.0	108.0	106.5
Real en-route costs - (in EUR2009)	179 113 311	157 961 796	144 841 416	142 612 925	139 122 219	136 453 451
Total en-route Service Units	4 138 832	4 454 000	4 546 412	4 357 569	4 215 705	4 617 799
Real en-route unit costs per Service Units - (in EUR2009)	43.28	35.47	31.86	32.73	33.00	29.55

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
En-route costs - (in nominal EUR)	in value	-9 520 222	-15 228 714	-20 544 171
	in %	-5.8%	-9.2%	-12.4%
Inflation %	in p.p.	0.5 p.p.	-1.6 p.p.	-2.4 p.p.
Inflation index (100 in 2009)	in p.p.	1.1 p.p.	-0.6 p.p.	-3.1 p.p.
Real en-route costs - (in EUR2009)	in value	-10 315 744	-13 298 766	-14 868 805
	in %	-6.7%	-8.7%	-9.8%
Total en-route Service Units	in value	-340 431	-644 295	-423 201
	in %	-7.2%	-13.3%	-8.4%
Real en-route unit costs per Service Units - (in EUR2009)	in value	0.18	1.64	-0.47
	in %	0.5%	5.2%	-1.6%



3. - En-route traffic monitoring (Actual 2012-2014 TSU compared to NPP)



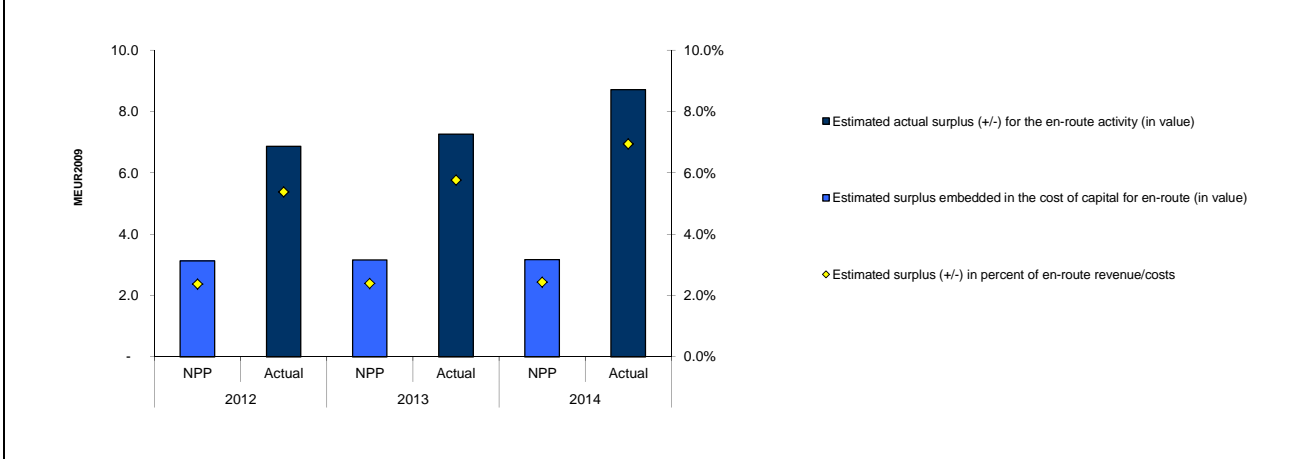
GREECE

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

4. - En-route costs monitoring (2014 actuals compared to NPP)		
By entity at State level 		Costs exempted from cost sharing (by factor/item) Pension - Interest rates on loans - National taxation law - New cost item required by law - International agreements -2 388 Costs exempted from cost sharing (by entity) ATSP - Other ANSP - METSP - NSA/EUROCONTROL -2 388 Total costs exempted from cost sharing to be recovered from (+)/reimbursed to (-) users if eligible after EC verification -2 388
By nature at ATSP level 		2014 ('000€2009) Estimate - - - - -2 388 - - - -2 388 -2 388

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2014		
Cost sharing ('000€2009) Determined costs for the ATSP (NPP) 130 752 Actual costs for the ATSP 119 885 Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP 10 867 Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users - Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing 10 867		
Traffic risk sharing ('000€2009) Difference in total service units (actual vs NPP) -8.40% Determined costs after deduction of costs for exempted VFR flights 134 077 ATSP gain (traffic between 0 and +2% higher than NPP) - ATSP gain (traffic between +2% and +10% higher than NPP) - ATSP loss (traffic between 0 and -2% below NPP) -2 682 ATSP loss (traffic between -2% and -10% below NPP) -2 572 Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing -5 254		
Incentives ('000€2009) ATSP bonus (+) / penalty (-) - Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives -		
Net ATSP gain(+)/loss(-) on en-route activity 5 613		

6. - En-route ATSP estimated surplus*						
*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.						
ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	97 318	97 734	96 680	96 293	95 770	93 963
Estimated proportion of financing through equity (in %) See Note 1	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Estimated proportion of financing through equity (in value)	97 318	97 734	96 680	96 293	95 770	93 963
Estimated proportion of financing through debt (in %)	-	-	-	-	-	-
Estimated proportion of financing through debt (in value)	-	-	-	-	-	-
Cost of capital pre-tax (in value)	3 132	3 127	3 158	3 145	3 174	3 101
Average interest on debt (in %)	-	-	-	-	-	-
Interest on debt (in value)	-	-	-	-	-	-
Determined RoE pre-tax rate (in %)	3.2%	3.2%	3.3%	3.3%	3.3%	3.3%
Estimated surplus embedded in the cost of capital for en-route (in value)	3 132	3 127	3 158	3 145	3 174	3 101
Net ATSP gain(+)/loss(-) on en-route activity		3 738		4 118		5 613
Overall estimated surplus (+/-) for the en-route activity	3 132	6 865	3 158	7 263	3 174	8 714
Revenue/costs for the en-route activity	132 330	127 667	131 902	126 090	130 752	125 498
Estimated surplus (+/-) in percent of en-route revenue/costs	2.4%	5.4%	2.4%	5.8%	2.4%	6.9%
Estimated ex-post RoE pre-tax rate (in %)	3.2%	7.0%	3.3%	7.5%	3.3%	9.3%



GREECE

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by GREECE

Note 1: ATSP gearing

Additional information on the sources of financing for the HCAA asset base has been provided since the 2012 Monitoring Report, indicating that HCAA is financed 100% through equity and has no debt. The determined Return on Equity (RoE) reported in item 6 is adjusted from the en-route reporting tables to ensure consistency of the cost of capital with the asset base.

At State / Charging Area level

In 2014, Greece's real en-route unit cost (29.55 €2009) is -1.6% lower than planned in the NPP (30.02 €2009). This difference is due to the fact that 2014 actual real en-route costs are -9.8% lower than the determined costs, while the actual number of total en-route service units (TSUs) is also lower than planned (by -8.4%).

The difference between the actual and planned total en-route service units (-8.4%) falls outside the ±2% dead band (but stays inside the -10% threshold) and is therefore partially borne by the airspace users.

Actual 2014 costs vs. NPP

The 2014 real en-route costs for Greece are -9.8% lower than planned as a combination of both a -12.4% lower nominal en-route costs and -3.1 percentage point lower inflation index. The cost savings in volume are mostly attributable to HCAA (-8.3% in real terms, -10.9 M€2009) but the savings in percentage terms is higher for both NSA/EUROCONTROL (-16.9% or -2.0 M€2009) and for the MET provider (-22.8% or -2.0 M€2009). NSA/EUROCONTROL costs are affected by the lower EUROCONTROL costs than planned (-2.4 M€2009) while based on the additional information provided with the RP2 Terminal Reporting tables the MET provider (HNMS) has significant savings in staff costs following staff retirements and wage reductions. A detailed analysis of HCAA's costs is provided in the box below.

Costs exempt from cost sharing are reported for a total of -2.4 M€2009 to be reimbursed to users for the en-route activity, corresponding to the difference between the planned and actual EUROCONTROL costs.

RP1 summary

When considering the whole of RP1 (2012-2014) the actual number of TSUs is -9.6% lower than planned while actual costs in real terms are -8.4% lower than the determined costs (some -38.5 M€2009). As a result, the weighted average unit costs over RP1 are +1.3% higher in real terms than the level planned in the NPP.

At ATSP level

Actual 2014 HCAA costs vs. NPP

HCAA 2014 actual en-route costs are -8.3% lower than planned in real terms. This mainly results from lower than planned staff costs (-7.5 M€2009 or -7.3%) and depreciation (-3.4 M€2009 or -51.4%).

As it was the case for the years 2012 and 2013, staff costs are fairly in line with the actual 2011 figures, reflecting the continuous application of the First and Second Economic Adjustment Programs and staff retirements.

Depreciation costs are significantly below planned levels (-51.4%, or -3.4 M€2009), due to the postponement of the main capex projects (especially Athinaï/Macedonia ACC main VCS/RCS and upgrade of the PALLAS System). According to the NSA monitoring report, Greece had no capital expenditure at all, and over the whole RP1 period the total actual capex are only +2.0 M€. As a reference, the NPP for RP1 included a total capex of 26.4 M€, with planned commissioning dates between 2012 and 2016.

HCAA net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, the en-route activity generated a net gain of +5.6 M€2009 for HCAA overall in 2014. This is the combination of two separate elements:

- a gain of +10.9 M€2009 for HCAA as a result of the cost-sharing mechanism; and
- a loss of -5.3 M€2009 as a result of the traffic risk sharing mechanism for 2014.

To calculate the overall economic surplus of the ATSP, it is also important to add the surplus embedded in the cost of capital through the return on equity. Based on the figures planned in the NPP, the return on equity amounted to +3.2 M€2009, corresponding to an estimated surplus of +2.4% of the en-route costs/revenues for 2014. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+3.1 M€2009) and the net gain from the en-route activity in 2014 (+5.6 M€2009), gives a total of +8.7 M€2009, corresponding to +6.9% of the 2014 en-route revenue. The resulting ex-post rate of return on equity for 2014 is +9.3% (compared to +3.3% planned in the NPP).

Conclusions

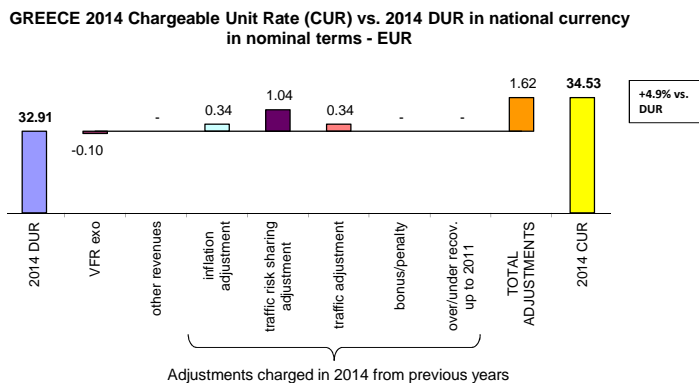
Despite significantly lower than expected traffic levels (-8.4%), HCAA reduced its costs sufficiently (-8.3%) to compensate for the loss from traffic risk sharing. When also accounting for the profit embedded in the cost of capital through the return on equity, the en-route activity for the year 2014 generated a net gain of +8.7 M€2009 for HCAA, which implies an ex-post rate of return on equity of +9.3% (compared to +3.3% as initially planned in the NPP).

When considering the whole of RP1 (2012-2014), HCAA could retain a cumulative gain in respect of cost sharing of +29.2 M€2009 as actual costs were lower than planned for all years of RP1. However, HCAA incurred a cumulative loss in respect of traffic risk sharing amounting to -15.7 M€2009, and therefore the resulting cumulative net gain for the en-route activity amounts to some +13.5 M€2009.

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Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



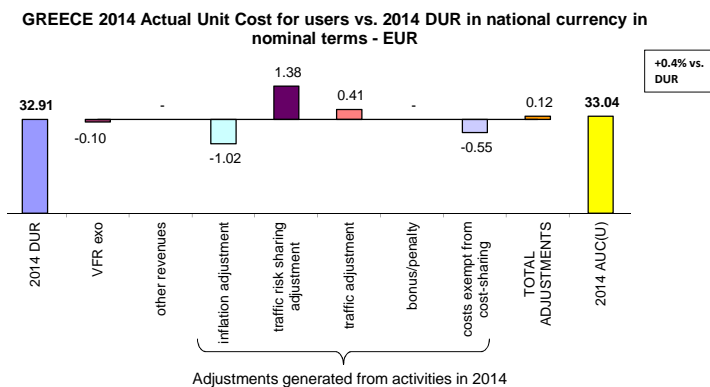
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by the **forecast total service units** for 2014 as laid out in the performance plan.

The actual Chargeable Unit Rate (CUR) charged to users in 2014 was 34.53 €. This is +4.9% higher than the nominal DUR (32.91 €). The difference observed between these two figures (+1.62 €) reflects the traffic risk sharing adjustment (+1.04 €), the inflation adjustment carried over from previous years (+0.34 €), adjustments for traffic (+0.34 €) and for exempted VFR flights (-0.10 €).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en-route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by the **actual total service units** in 2014.

The unit cost that the users incurred in respect of the activities performed in 2014 was 33.04 €. This is slightly higher (+0.4%) than the nominal DUR (32.91 €). The small difference observed between these two figures (+0.12 €) reflects the traffic risk sharing adjustment (+1.38 €), the inflation adjustment (-1.02 €), the deduction related to the costs exempt from cost-sharing (-0.55 €), the traffic adjustment (+0.41 €) and the deduction of the costs for services to exempted VFR flights (-0.10 €).

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Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) ^{0.7}		0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone		1	1	1	1	1
of which, number of airports over 50 000 movements		1	1	1	1	1
GREECE - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	27 324 000	25 614 190	25 636 200	25 674 170	25 585 170	25 585 170
Inflation index (100 in 2009)	100.0	104.7	107.4	107.9	108.6	109.6
Real terminal ANS costs - (in EUR2009)	27 324 000	24 464 365	23 878 864	23 795 255	23 557 290	23 335 602
GREECE - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)	27 324 000	25 613 999	25 636 001	21 002 810	18 265 974	17 248 106
Inflation index (100 in 2009)	100.0	104.7	107.9	109.0	108.0	106.5
Real terminal ANS costs - (in EUR2009)	27 324 000	24 464 182	23 748 978	19 264 187	16 906 062	16 190 644
Total terminal service units		103 899	96 513	83 095	74 587	85 921
Actual real unit costs - (in EUR2009)		235.5	246.1	231.8	226.7	188.4
Unit rate applied - (in EUR)	See Note 2			107.32	137.94	157.33
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value			-4 671 360	-7 319 196	-8 337 064
	in%			-18.2%	-28.6%	-32.6%
Inflation index (100 in 2009)	in p.p.			1.1 p.p.	-0.6 p.p.	-3.1 p.p.
Real terminal ANS costs - (in EUR2009)	in value			-4 531 068	-6 651 228	-7 144 958
	in%			-19.0%	-28.2%	-30.6%

11. - General conclusions on the Terminal ANS costs and unit rates monitoring

Greece reports one terminal charging zone comprising one airport (i.e. Athens airport, LGAV), which is the only airport in Greece recording more than 50 000 movements per year. The harmonised SES formula (MTOW/50)^{0.7} is already applied for the Greek Terminal Charging Zone/terminal unit rate. The actual 2014 terminal ANS costs are -30.6% (-7.1 M€2009) lower in real terms than planned in the Greek NPP. This difference is mainly driven by lower staff costs (-2.5 M€2009) and non-staff operating costs (-4.0 M€2009). Greece provides no drivers for the change in other operating costs, while it is inferred that the lower staff costs are relating to the adoption of the Government austerity plan, as was the case for en-route. **Note 2:** The additional information provided with the RP1 terminal reporting tables indicates that in 2014 the Greek Government decided to subsidize 50% of the Terminal Navigation Charge applicable to TANS at Athens airport for the months August to December. From January to September 2014, a rate of 224.10€ was applied. A discounted rate of 42.79€ was applied for Q4 2014. Regarding the 2012-2013 period the subsidies decided were as follows: For the first trimester of 2012, the unit rate applicable was 228,37€ and as from the 1st of April 2012, the discounted unit rate applicable to Greece TCZ was 74,68€. Regarding 2013, the unit rate applicable for the first trimester was 230,50€ and for the period of the 1st of April 2013 until the 31st of December 2013 was 115,25€.

RP1 summary: When considering the whole of RP1 (2012-2014), actual terminal ANS costs are -25.9% lower in real terms (or some -18.3 M€2009) than planned in the NPP. This reflects the fact that terminal ANS costs are lower than planned for every year of RP1.

12. - Monitoring of gate-to-gate costs (2014)

12. - Monitoring of gate-to-gate costs (2014)						
GREECE - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	179 113 311	157 961 796	152 408 576	152 928 670	152 420 985	151 322 256
Real terminal ANS costs - (in EUR2009)	27 324 000	24 464 365	23 878 864	23 795 255	23 557 290	23 335 602
Real gate-to-gate ANS costs - (in EUR2009)	206 437 311	182 426 160	176 287 440	176 723 925	175 978 275	174 657 858
Share of en-route costs in gate-to-gate ANS costs	86.8%	86.6%	86.5%	86.5%	86.6%	86.6%
GREECE - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	179 113 311	157 961 796	144 841 416	142 612 925	139 122 219	136 453 451
Real terminal ANS costs - (in EUR2009)	27 324 000	24 464 182	23 748 978	19 264 187	16 906 062	16 190 644
Real gate-to-gate ANS costs - (in EUR2009)	206 437 311	182 425 978	168 590 395	161 877 112	156 028 282	152 644 095
Share of en-route costs in gate-to-gate ANS costs	86.8%	86.6%	85.9%	88.1%	89.2%	89.4%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in EUR2009)	in value			-10 315 744	-13 298 766	-14 868 805
	in %			-6.7%	-8.7%	-9.8%
Real terminal ANS costs - (in EUR2009)	in value			-4 531 068	-6 651 228	-7 144 958
	in %			-19.0%	-28.2%	-30.6%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-14 846 812	-19 949 993	-22 013 763
	in %			-8.4%	-11.3%	-12.6%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			1.6 p.p.	2.6 p.p.	2.8 p.p.

13. - General conclusions on the gate-to-gate ANS costs

Real 2014 gate-to-gate costs are -12.6% lower than planned following reductions both in en-route (-14.9 M€2009, -9.8%) and terminal (-7.1 M€2009, -30.6%) ANS costs compared to planned costs.

As a result of these trends, the share of en-route in total gate-to-gate costs reaches 89.4% in 2014 (compared to 86.6% in the NPP). It should be noted that only one airport (Athens airport) is reported as subject to the SES regulations.



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Hungary

Working Draft 2.0

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HUNGARY

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management																																						
	2012	2013	2014	State level Observations																																		
State level	47	47	42																																			
ANSP [HungaroControl]	84	84	77																																			
ANSP [Budapest Airport]	44	41	77																																			
<table border="1"> <caption>Data for Effectiveness of Safety Management Bar Chart</caption> <thead> <tr> <th>CO</th> <th>Category</th> <th>Self-assessment</th> <th>EASA verification</th> </tr> </thead> <tbody> <tr> <td rowspan="2">CO1</td> <td>< Level C</td> <td>3</td> <td>5</td> </tr> <tr> <td>≥ Level C</td> <td>13</td> <td>11</td> </tr> <tr> <td rowspan="2">CO2</td> <td>< Level C</td> <td>1</td> <td>2</td> </tr> <tr> <td>≥ Level C</td> <td>3</td> <td>2</td> </tr> <tr> <td rowspan="2">CO3</td> <td>< Level C</td> <td>1</td> <td>5</td> </tr> <tr> <td>≥ Level C</td> <td>8</td> <td>4</td> </tr> <tr> <td rowspan="2">CO4</td> <td>< Level C</td> <td>3</td> <td>4</td> </tr> <tr> <td>≥ Level C</td> <td>1</td> <td>0</td> </tr> </tbody> </table>							CO	Category	Self-assessment	EASA verification	CO1	< Level C	3	5	≥ Level C	13	11	CO2	< Level C	1	2	≥ Level C	3	2	CO3	< Level C	1	5	≥ Level C	8	4	CO4	< Level C	3	4	≥ Level C	1	0
CO	Category	Self-assessment	EASA verification																																			
CO1	< Level C	3	5																																			
	≥ Level C	13	11																																			
CO2	< Level C	1	2																																			
	≥ Level C	3	2																																			
CO3	< Level C	1	5																																			
	≥ Level C	8	4																																			
CO4	< Level C	3	4																																			
	≥ Level C	1	0																																			
Application of the severity classification of the Risk Analysis Tool (RAT)																																						
		2012		2013		2014																																
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)																															
Separation Minima Infringements (SMIs)	ATM Ground	0	N/A	13	100%	28	100%																															
	ATM Overall		N/A		85%		100%																															
Runway Incursions (RIs)	ATM Ground	1	0%	3	33%	3	100%																															
	ATM Overall		0%		0%		100%																															
ATM Specific Occurrences (ATM-Specific)	ATM Overall	302	100%	392	100%	266	100%																															
Source of RAT data:		KBSZ																																				
Preliminary results updated after coordination with the AST-FP in August 2015.																																						
Just culture																																						
Number of questions answered with Yes or No		State																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	2	8	2	8	2	7																															
	Legal/Judiciary	3	5	3	5	3	4																															
	Occurrence reporting and Investigation	1	1	1	1	1	1																															
	TOTAL	6	14	6	14	6	12																															
Number of questions answered with Yes or No		ANSP [HungaroControl]																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	7	6	12	1	13	0																															
	Legal/Judiciary	1	2	2	1	2	1																															
	Occurrence reporting and Investigation	4	4	6	2	7	1																															
	TOTAL	12	12	20	4	22	2																															

Number of questions answered with Yes or No	ANSP [Budapest Airport]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	4	9	3	10	5	8
Legal/Judiciary	2	1	2	1	2	1
Occurrence reporting and Investigation	5	3	4	4	6	2
TOTAL	11	13	9	15	13	11

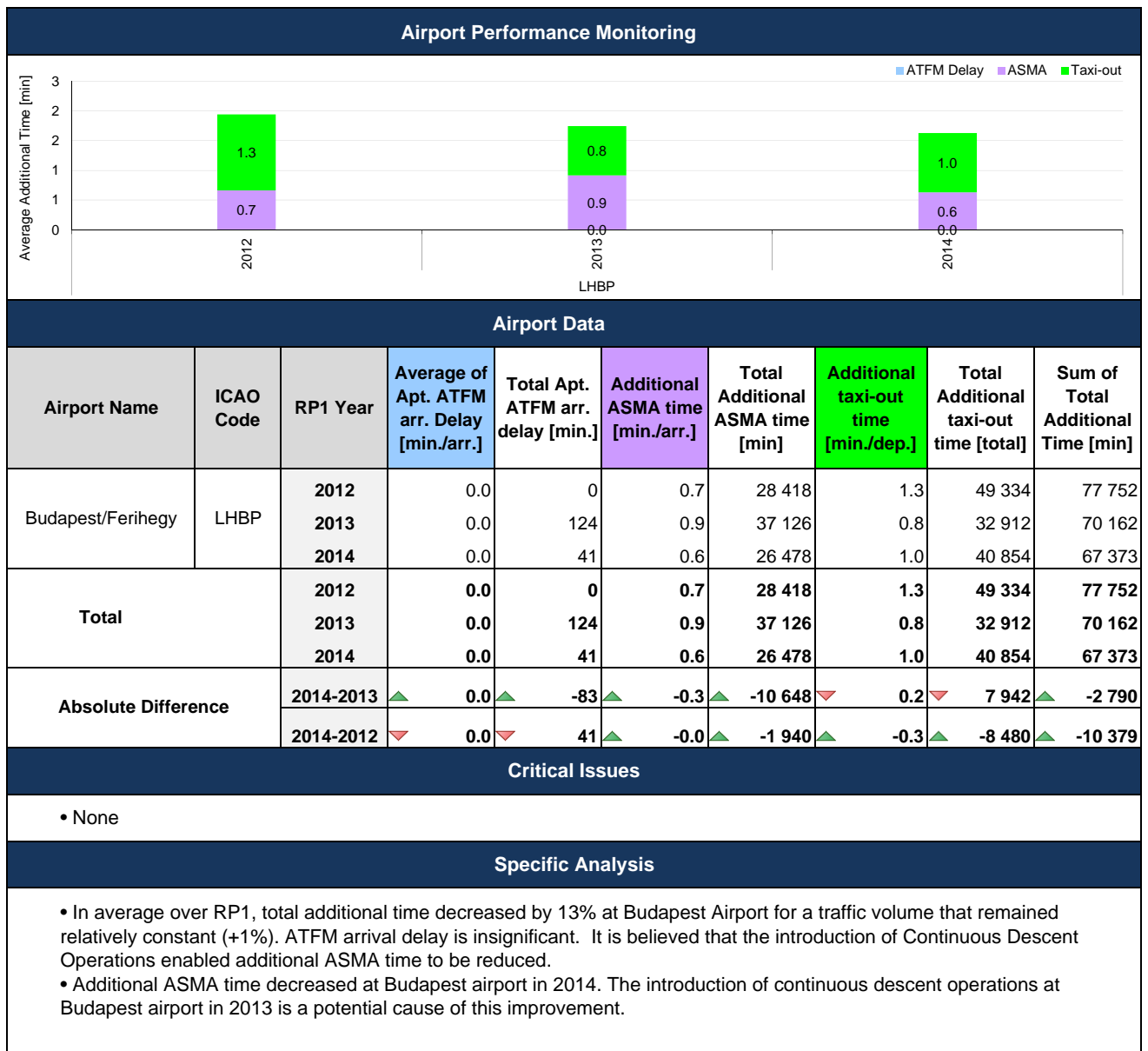
HUNGARY

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.03	0.07	0.07	
National Target	0.3	0.07	0.03	
Actual performance	0	0	0	
National capacity assessment				
<p>The Hungarian ANSP has outstanding performance in capacity terms, considering the reference value provided by EUROCONTROL and the contribution of Hungary to capacity targets at FAB and European level.</p>				
Military dimension of the plan				
<p>Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the Performance Plan for Hungary did not contain any specific details of how FUA would be applied to increase capacity.</p>				
PRB Capacity assessment				
<p>With the excellent capacity performance since 2012, Hungary has exceeded the national target and the level of performance required to be consistent with the EU-wide target. The political crisis in Ukraine led to an increase in traffic in Hungary despite this adverse effect Hungary handled in a most effective manner the demand with a minimum delay to airspace users. The PRB welcomes the commitment from Hungary to provide good capacity performance and is confident that such situation positive contribution will prevail in future.</p>				
Effective booking procedures				
<p>The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 30%</p> <p>No information was provided regarding the allocation of airspace at H-3, so it is impossible to determine how much restricted or segregated airspace, that was surplus to requirements, was released for GAT use.</p>				
Recommendations				

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Monitoring of CAPACITY indicators for 2014

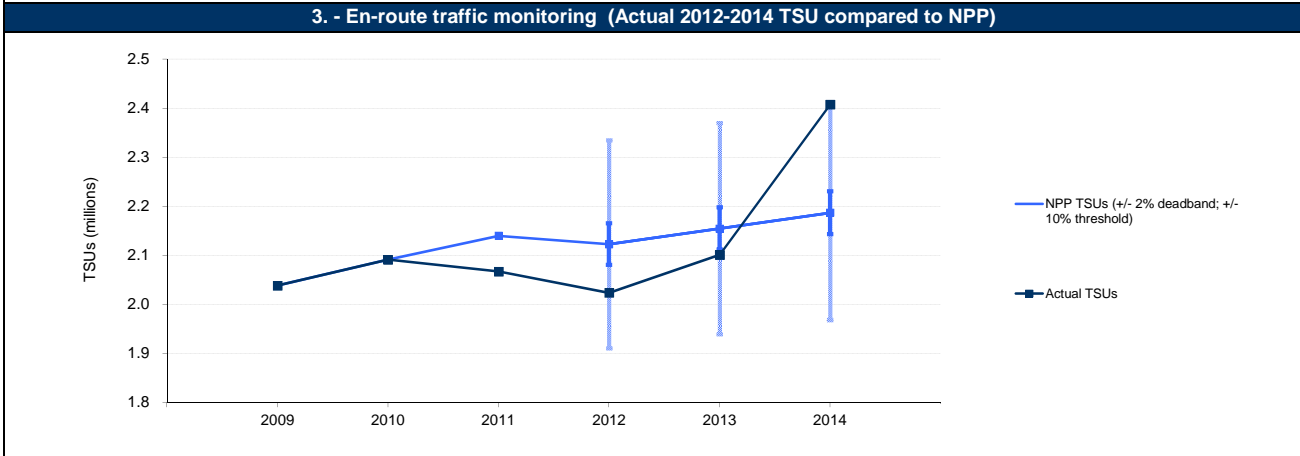
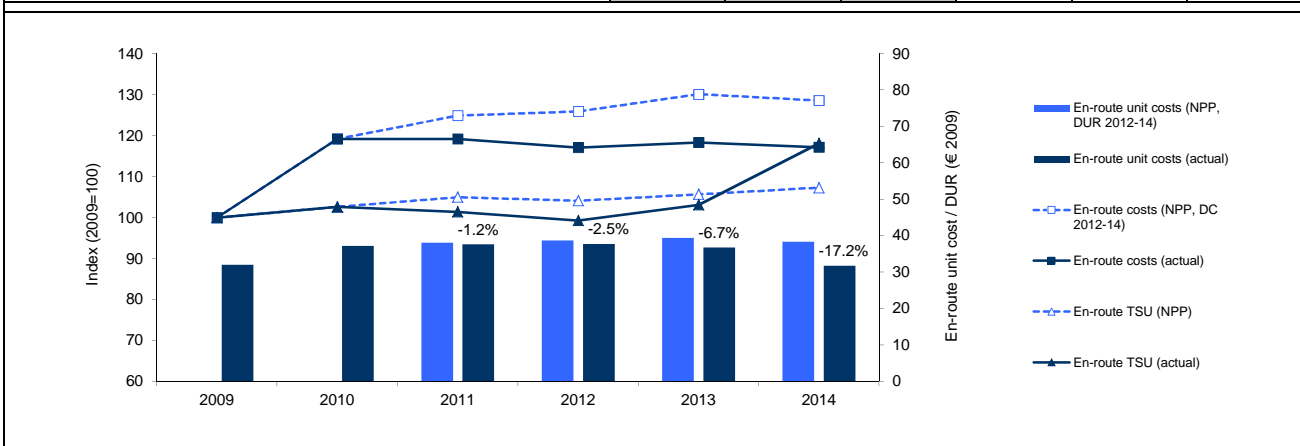


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Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> HUNGARY represents 1.3% of the SES en-route ANS determined costs in 2014. ATSP : HungaroControl FAB : FAB CE National currency: HUF Exchange rate 2009: 1 EUR= 279.699 <p>Note on the actual exchange rate 2014 In 2014, the HUF depreciated by 4.1% compared to 2013.</p>	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p> <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
HUNGARY - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal HUF)	18 270 090 911	22 847 491 091	24 913 550 640	25 989 958 427	27 665 785 366	28 157 420 160
Inflation %		4.9%	4.1%	3.5%	3.0%	3.0%
Inflation index (100 in 2009)	100.0	104.9	109.2	113.0	116.4	119.9
Real en-route costs (determined costs 2012-2014) - (in HUF2009)	18 270 090 911	21 780 258 428	22 817 268 201	22 998 168 700	23 768 044 350	23 485 839 168
Total en-route Service Units	2 038 443	2 091 322	2 139 950	2 122 692	2 154 532	2 186 850
Real en-route unit costs per Service Units - (in HUF2009)	8 962.77	10 414.59	10 662.52	10 834.44	11 031.65	10 739.57
Real en-route unit costs per Service Units - (in EUR2009)	32.04	37.23	38.12	38.74	39.44	38.40
HUNGARY - Actual data from Jun-2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal HUF)	18 270 090 911	22 847 491 091	23 736 569 065	24 636 627 717	25 328 078 317	25 085 926 998
Inflation %		4.9%	3.9%	5.7%	1.7%	0.0%
Inflation index (100 in 2009)	100.0	104.9	109.0	115.2	117.2	117.2
Real en-route costs - (in HUF2009)	18 270 090 911	21 780 258 428	21 778 447 107	21 385 294 625	21 617 987 651	21 407 025 575
Total en-route Service Units	2 038 443	2 091 322	2 067 028	2 023 649	2 101 186	2 407 742
Real en-route unit costs per Service Units - (in HUF2009)	8 962.77	10 414.59	10 536.12	10 567.69	10 288.47	8 890.91
Real en-route unit costs per Service Units - (in EUR2009)	32.04	37.23	37.67	37.78	36.78	31.79
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal HUF)	in value			-1 353 330 709	-2 327 707 050	-3 071 493 161
	in %			-5.2%	-8.4%	-10.9%
Inflation %	in p.p.			2.2 p.p.	-1.3 p.p.	-3.0 p.p.
Inflation index (100 in 2009)	in p.p.			2.2 p.p.	0.8 p.p.	-2.7 p.p.
Real en-route costs - (in HUF2009)	in value			-1 612 874 075	-2 150 056 699	-2 078 813 593
	in %			-7.0%	-9.0%	-8.9%
Total en-route Service Units	in value			-99 043	-53 346	220 892
	in %			-4.7%	-2.5%	10.1%
Real en-route unit costs per Service Units - (in HUF2009)	in value			-266.74	-743.18	-1 848.66
	in %			-2.5%	-6.7%	-17.2%
Real en-route unit costs per Service Units - (in EUR2009)	in value			-0.95	-2.66	-6.61
	in %			-2.5%	-6.7%	-17.2%



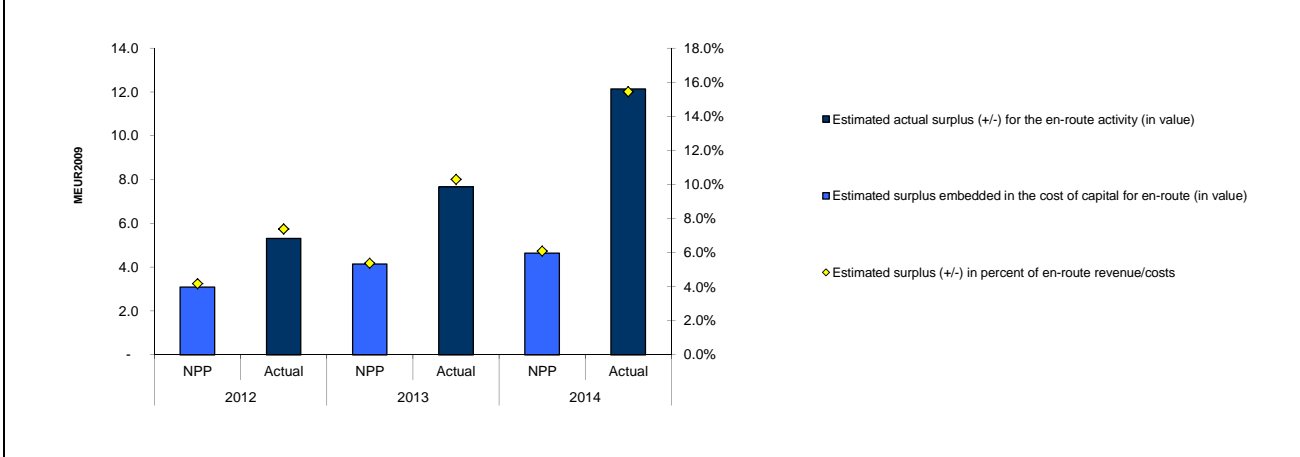
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Monitoring of en-route and terminal COST-EFFICIENCY for 2014

4. - En-route costs monitoring (2014 actuals compared to NPP)		
By entity at State level 		Costs exempted from cost sharing (by factor/item) Pension - Interest rates on loans - National taxation law 1 083 New cost item required by law - International agreements -643 Costs exempted from cost sharing (by entity) ATSP 1 083 Other ANSP - METSP - NSA/EUROCONTROL -643 Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification 440
By nature at ATSP level 		2014 ('000€2009) Estimate 1 083 - -643 440

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2014		
Cost sharing ('000€2009) Determined costs for the ATSP (NPP) 76 253 Actual costs for the ATSP - See Note 1 69 309 Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP 6 944 Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users 1 083 Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing 8 027		Combined effect of variations in costs and traffic for 2014 ('000€2009)
Traffic risk sharing ('000€2009) Difference in total service units (actual vs NPP) 10.10% Determined costs after deduction of costs for exempted VFR flights 76 775 ATSP gain (traffic between 0 and +2% higher than NPP) 1 536 ATSP gain (traffic between +2% and +10% higher than NPP) 1 843 ATSP loss (traffic between 0 and -2% below NPP) - ATSP loss (traffic between -2% and -10% below NPP) - Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing 3 378		
Incentives ('000€2009) ATSP bonus (+) / penalty (-) - See Note 2 -2 165 Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives -2 165		
Net ATSP gain(+)/loss(-) on en-route activity 9 240		
2014A		

6. - En-route ATSP estimated surplus*						
*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.						
ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	29 501	22 890	39 496	31 649	44 226	27 551
Estimated proportion of financing through equity (in %)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Estimated proportion of financing through equity (in value)	29 501	22 890	39 496	31 649	44 226	27 551
Estimated proportion of financing through debt (in %)	-	-	-	-	-	-
Estimated proportion of financing through debt (in value)	-	-	-	-	-	-
Cost of capital pre-tax (in value)	3 098	2 403	4 147	3 323	4 644	2 893
Average interest on debt (in %)	-	-	-	-	-	-
Interest on debt (in value)	-	-	-	-	-	-
Determined RoE pre-tax rate (in %)	10.5%	10.5%	10.5%	10.5%	10.5%	10.5%
Estimated surplus embedded in the cost of capital for en-route (in value)	3 098	2 403	4 147	3 323	4 644	2 893
Net ATSP gain(+)/loss(-) on en-route activity		2 911		4 348		9 240
Overall estimated surplus (+/-) for the en-route activity	3 098	5 314	4 147	7 672	4 644	12 133
Revenue/costs for the en-route activity	74 314	71 922	77 151	74 478	76 253	78 549
Estimated surplus (+/-) in percent of en-route revenue/costs	4.2%	7.4%	5.4%	10.3%	6.1%	15.4%
Estimated ex-post RoE pre-tax rate (in %)	10.5%	23.2%	10.5%	24.2%	10.5%	44.0%



7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by HUNGARY

Note 1: ATS provision in Kosovo (KFOR sector)

HungaroControl has been designated for the provision of air traffic services in the upper airspace over Kosovo (KFOR sector) for 5 years, starting from 3 April 2014. The actual costs for 2014 for Hungary en-route charging zone include cost for these services (e.g. ATCO staff cost), which are recovered through the charges of Serbia-Montenegro-KFOR en-route charging zone (outside the SES area). In agreement with the European Commission, Hungary committed to deduct the income received for the services provided to the KFOR sector as 'other revenues' in the Hungarian cost base to avoid double charging.

Note 2: The net gain for HungaroControl's en-route activity in 2014

The net gain for HungaroControl's en-route activity in 2014 has been reduced by an amount of -709.5 million HUF (2.2 M€2009) corresponding to a decrease in the "asset management fee" agreed with the users and reimbursed through "other revenues" deducted for the calculation of the 2014 unit rate (the determined costs have not been revised). For transparency purposes, this amount is presented as a penalty in the table and graph of item 5 in this report.

Note 3: Costs exempt from cost sharing

Hungary has adjusted the costs exempt from cost sharing (former "uncontrollable costs") for the years 2012 and 2013 following the EC recommendation communicated during the Single Sky Committee 55 meeting held on 14-15 January 2015. For this reason, the net ATSP gain/loss for the en-route activity reported in this report for 2012 and 2013 differ slightly from the information published in the PRB 2013 Monitoring Report.

At State / Charging Area level

In 2014, Hungary's actual real en-route unit cost (31.79 €2009) was -17.2% lower than planned in the NPP for RP1 (38.40 €2009). This difference is due to the fact that in 2014 the actual total service units (TSUs) were higher than planned by +10.1%, while real en-route costs were lower (-8.9%) compared to the Hungary's National Performance Plan for RP1 (NPP). Note that the actual real en-route unit cost for 2014 after deduction of the costs for services provided in the K-FOR sector (see Note 1) is 31.10 €2009, i.e. -19.0% lower than planned in the NPP for RP1.

The actual 2014 en-route traffic (TSU) is significantly higher (+10.1%) than the traffic planned in the NPP and it shows a significant increase of +14.6% compared to the level of 2013. The difference between planned and actual traffic falls outside of the ± 2% deadband and above the +10% threshold foreseen in the traffic risk sharing mechanism. This significant increase in traffic is mainly due to the major changes in traffic patterns in South-East Europe, i.e. re-routings due to airspace unavailability in Ukraine.

Actual 2014 costs vs. NPP

The Hungarian en-route cost-base includes costs related to the Hungarian ATSP (HungaroControl), to the MET Service Provider, to the Hungarian NSA and to the EUROCONTROL Agency.

The 2014 actual total en-route costs for Hungary are -8.9% lower than the determined costs in real terms (-10.8% 2014 after deduction of the costs for services provided in the K-FOR sector (see Note 1)). This evolution is mainly due to the lower costs recorded for HungaroControl (-9.1% or some -6.9 M€2009 (-11.3% or some -8.6 M€2009 without costs for services provided in the K-FOR sector) as described in the section below. The costs are also lower than planned for the NSA/EUROCONTROL (-7.5%), while the actual costs are slightly higher than planned for the METSP (+0.1%).

It is important to note that the inflation was significantly lower than planned (-3.0 p.p.) which also influenced the level of expenses downwards.

Costs exempt from cost sharing for 2014 are reported for an amount of +0.4 M€2009 to be recovered from airspace users for the en-route activity. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

RP1 summary

When considering the whole RP1 (2012-2014), the actual number of TSUs is +1.1% higher than planned, while determined costs are -8.3% lower than planned in real terms (some -20.9 M€2009). As a result, the actual weighted average unit cost over RP1 is -9.3% lower than the level planned in the NPP.

At ATSP level

Actual 2014 HungaroControl costs vs. NPP

In 2014, HungaroControl's actual real en-route costs are lower by -9.1% than planned in the NPP for RP1.

Staff costs have remained quite stable (+0.2%) compared to the amount planned in the NPP mainly due to significantly lower inflation, lower staff costs in case of new employees and lower bonus than planned.

Significant savings were made with respect to other operating costs (-17.5% compared to the amounts planned in the NPP) due to the lower than planned maintenance costs, related materials and electricity costs. As in 2012 and 2013, cost savings continued in the field of corporate trainings, advisory services and travelling costs. However, the main driver is the modification of asset management fee resulting in a saving of about -709.5 MHUF (-2.2 M€2009).

Depreciation costs are -11.1% lower than the amount planned in the NPP for 2014. According to the Hungarian Additional Information to the June 2015 en-route reporting tables "... due to the impact of the change in accounting policy related to ANS I and II and the delays in capitalisation of several investments".

Regarding the cost of capital, the capital employed in 2014 was lower than planned due to some investments which did not materialize in 2014 and which were postponed. The actual cost of capital is significantly lower than planned (-37.7%), which reflects the fact that a lower asset base than planned (-37.7%) was used to compute the ATSP's cost of capital in 2014. According to the Hungarian NSA Monitoring Report, the capex spent by HungaroControl on main investment projects is -36.4% lower than planned. The reason is that some investments planned for CAPEX in 2014 were shifted and did not materialize in 2014.

HungaroControl net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, the en-route activity for the year 2014 generated a net gain of +9.2 M€2009 for HungaroControl overall. This is the combination of three separate elements:

- a gain of +8.0 M€2009 for HungaroControl as a result of the cost-sharing mechanism, taking into account the costs exempt from cost sharing as submitted in the Reporting Tables (1.1 M€2009);
- a gain of +3.4 M€2009 as a result of the traffic risk sharing mechanism for 2014; and,
- a loss of -2.2 M€2009 recorded as penalty (see Note 2).

On the economic surplus side for the en-route activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +4.6 M€2009, corresponding to an estimated surplus of +6.1% of the en-route costs/revenues for 2014. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the actual cost of capital (+2.9 M€2009) and the net gain from the en-route activity in 2014 (+9.2 M€2009), gives a total of +12.1 M€2009 for 2014, corresponding to +15.4% of the en-route revenue in 2014. The resulting ex-post rate of return on equity for 2014 is +44.0% (compared to +10.5% as initially planned in the NPP).

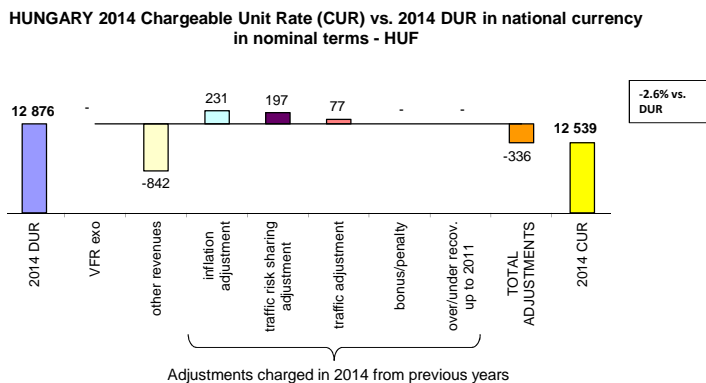
Conclusion

When considering the whole RP1 (2012-2014), HungaroControl could retain a cumulative gain of +16.5 M€2009 (i.e. a gain of +21.1 M€2009 in respect of cost-sharing, a loss of -0.2 M€2009 in respect of traffic risk-sharing and -4.4 M€2009 for the asset management fee reimbursed to users for 2013 and 2014. Adding the estimated surplus embedded in the cost of capital for en-route (+8.6 M€2009 over RP1) gives an overall estimated surplus of +25.1 M€2009, which corresponds to an average ex-post return on equity of +30.6%.

HUNGARY

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



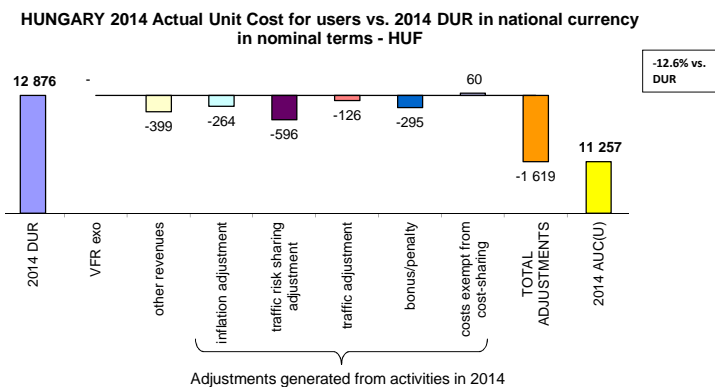
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The unit rate charged to airspace users (CUR) in 2014 (12 539 HUF) is -2.6% lower than the determined unit rate (DUR) expressed in nominal terms (12 876 HUF) since the amounts from the different adjustments were compensated by the other revenues. Other revenues include E.U. fundings, HungaroControl commercial revenues (renting offices and selling the AIP and schedule data), and a reimbursement of property management fee for 2013 and 2014 (MHUF 1 424 or some 4.4 M€2009) stemming from the new property management concept based on the consultation with IATA (see Note 1).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



* See Notes 1 and 2

The DUR for 2014 expressed in nominal terms can also be compared to the actual en-route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The actual en route unit cost for airspace users calculated for 2014 (11 257 HUF) is significantly lower (-12.6%) than the DUR (12 876 HUF) due to a combination of different adjustments, the deduction of other revenues (including the costs for services provided in the KFOR sector in respect of 2014) and the reimbursement of the property management fee for 2014 (recorded as penalty above).

HUNGARY

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) ⁿ	0.5	0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone	1	1	1	1	1	1
of which, number of airports over 50 000 movements	1	1	1	1	1	1
HUNGARY - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in HUF)	5 226 995 382	5 527 709 352	5 958 387 520	5 093 821 268	5 528 644 684	5 788 537 370
Inflation index (100 in 2009)	100.0	104.9	109.2	113.0	116.4	119.9
Real terminal ANS costs - (in HUF2009)	5 226 995 382	5 269 503 672	5 457 035 332	4 507 454 723	4 749 732 216	4 828 164 544
Real terminal ANS costs - (in EUR2009)	18 687 930	18 839 909	19 510 386	16 115 377	16 981 585	17 262 001
HUNGARY - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in HUF)	5 226 995 382	5 527 709 819	5 370 415 741	4 708 465 096	4 499 023 759	4 391 136 711
Inflation index (100 in 2009)	100.0	104.9	109.0	115.2	117.2	117.2
Real terminal ANS costs - (in HUF2009)	5 226 995 382	5 269 504 117	4 927 389 246	4 087 081 822	3 840 000 763	3 747 167 720
Real terminal ANS costs - (in EUR2009)	18 687 930	18 839 910	17 616 757	14 612 429	13 729 047	13 397 144
Total terminal service units	55 535	55 839	58 857	49 524	49 128	50 928
Actual real unit costs - (in HUF2009)	94 121.4	94 369.6	83 718.5	82 527.3	78 163.2	73 578.2
Unit rate applied - (in HUF)				93 707	111 789	119 071
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in HUF)	in value			-385 356 172	-1 029 620 924	-1 397 400 658
	in%			-7.6%	-18.6%	-24.1%
Inflation index (100 in 2009)	in p.p.			2.2 p.p.	0.8 p.p.	-2.7 p.p.
Real terminal ANS costs - (in HUF2009)	in value			-420 372 900	-909 731 452	-1 080 996 824
	in%			-9.3%	-19.2%	-22.4%
Real terminal ANS costs - (in EUR2009)	in value			-1 502 947	-3 252 537	-3 864 858
	in%			-9.3%	-19.2%	-22.4%

11. - General conclusions on the Terminal ANS costs and unit rates monitoring

The terminal charging zone of Hungary comprises one airport, Budapest Ferenc Liszt International Airport, which handles more than 50 000 airport movements per year. The harmonised SES formula (MTOW/50)ⁿ0.7 already applies in the Hungarian Terminal Charging Zone.

The basic unit rate established for 2014 was 119 071 HUF. The Hungarian terminal charges are charged in euro, and the unit rate expressed in euro is adjusted on a monthly basis.

Actual terminal ANS 2014 costs are -22.4% lower than the forecast presented in the NPP for the year 2014 (some -3.9 M€2009), which reflects lower level of staff costs (-15.6%), other operating costs (-14.6%), depreciation (-53.8%) and cost of capital (-63.2%).

The actual terminal traffic for 2014 was 50 928 service units, which is +3.7% higher than the level in 2013.

RP1 summary

When considering the whole RP1 (2012-2014), actual terminal ANS costs in real terms were lower than planned in the NPP for every year (-9.3% in 2012, -19.2% in 2013 and -22.4% in 2014). As a result, the cumulative actual terminal ANS costs are -17.1% (some -8.6 M€2009) lower than planned in the NPP for RP1.

12. - Monitoring of gate-to-gate costs (2014)

12. - Monitoring of gate-to-gate costs (2014)						
	2009A	2010A	2011F	2012P	2013P	2014P
HUNGARY - Data from RP1 national performance plan						
Real en-route costs (determined costs 2012-2014) - (in HUF2009)	18 270 090 911	21 780 258 428	22 817 268 201	22 998 168 700	23 768 044 350	23 485 839 168
Real terminal ANS costs - (in HUF2009)	5 226 995 382	5 269 503 672	5 457 035 332	4 507 454 723	4 749 732 216	4 828 164 544
Real gate-to-gate ANS costs - (in HUF2009)	23 497 086 293	27 049 762 101	28 274 303 533	27 505 623 423	28 517 776 566	28 314 003 712
Real gate-to-gate ANS costs - (in EUR2009)	84 008 474	96 710 257	101 088 325	98 340 085	101 958 808	101 230 264
Share of en-route costs in gate-to-gate ANS costs	77.8%	80.5%	80.7%	83.6%	83.3%	82.9%
HUNGARY - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in HUF2009)	- See Note 1	18 270 090 911	21 780 258 428	21 778 447 107	21 385 294 625	21 617 987 651
Real terminal ANS costs - (in HUF2009)		5 226 995 382	5 269 504 117	4 927 389 246	4 087 081 822	3 840 000 763
Real gate-to-gate ANS costs - (in HUF2009)	- See Note 1	23 497 086 293	27 049 762 546	26 705 836 353	25 472 376 447	25 154 193 296
Real gate-to-gate ANS costs - (in EUR2009)		84 008 474	96 710 258	95 480 629	91 070 674	89 933 083
Share of en-route costs in gate-to-gate ANS costs		77.8%	80.5%	81.5%	84.0%	84.9%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in HUF2009)	in value			-1 612 874 075	-2 150 056 699	-2 078 813 593
	in %			-7.0%	-9.0%	-8.9%
Real terminal ANS costs - (in HUF2009)	in value			-420 372 900	-909 731 452	-1 080 996 824
	in %			-9.3%	-19.2%	-22.4%
Real gate-to-gate ANS costs - (in HUF2009)	in value			-2 033 246 975	-3 059 788 152	-3 159 810 417
	in %			-7.4%	-10.7%	-11.2%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-7 269 411	-10 939 575	-11 297 182
	in %			-7.4%	-10.7%	-11.2%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			0.3 p.p.	1.6 p.p.	2.2 p.p.

13. - General conclusions on the gate-to-gate ANS costs

In 2014, Hungary actual gate-to-gate ANS costs are -11.3 M€2009 lower than planned in the NPP.

The relative share of en-route costs in gate-to-gate ANS costs (85.1%) is higher than planned (82.9%) and has gradually increased since 2009 from 77.8% to 85.1% in 2014.



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Ireland

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IRELAND

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management							
	2012	2013	2014	State level Observations			
State level	85	85	86				
ANSP [IAA]	79	77	81				
Application of the severity classification of the Risk Analysis Tool (RAT)							
		2012		2013		2014	
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)
Separation Minima Infringements (SMIs)	ATM Ground	18	100%	13	100%	7	100%
	ATM Overall		100%		100%		100%
Runway Incursions (RIs)	ATM Ground	25	72%	17	100%	23	100%
	ATM Overall		72%		71%		100%
ATM Specific Occurrences (ATM-Specific)	ATM Overall	37	46%	37	100%	44	100%
Source of RAT data:		IAA					
Just culture							
Number of questions answered with Yes or No		State					
		2012		2013		2014	
		YES	NO	YES	NO	YES	NO
	Policy and its implementation	9	1	9	1	8	1
	Legal/Judiciary	8	0	8	0	7	0
	Occurrence reporting and Investigation	2	0	2	0	2	0
	TOTAL	19	1	19	1	17	1
Number of questions answered with Yes or No		ANSP [IAA]					
		2012		2013		2014	
		YES	NO	YES	NO	YES	NO
	Policy and its implementation	11	2	12	1	12	1
	Legal/Judiciary	3	0	3	0	3	0
	Occurrence reporting and Investigation	5	3	5	3	7	1
	TOTAL	19	5	20	4	22	2

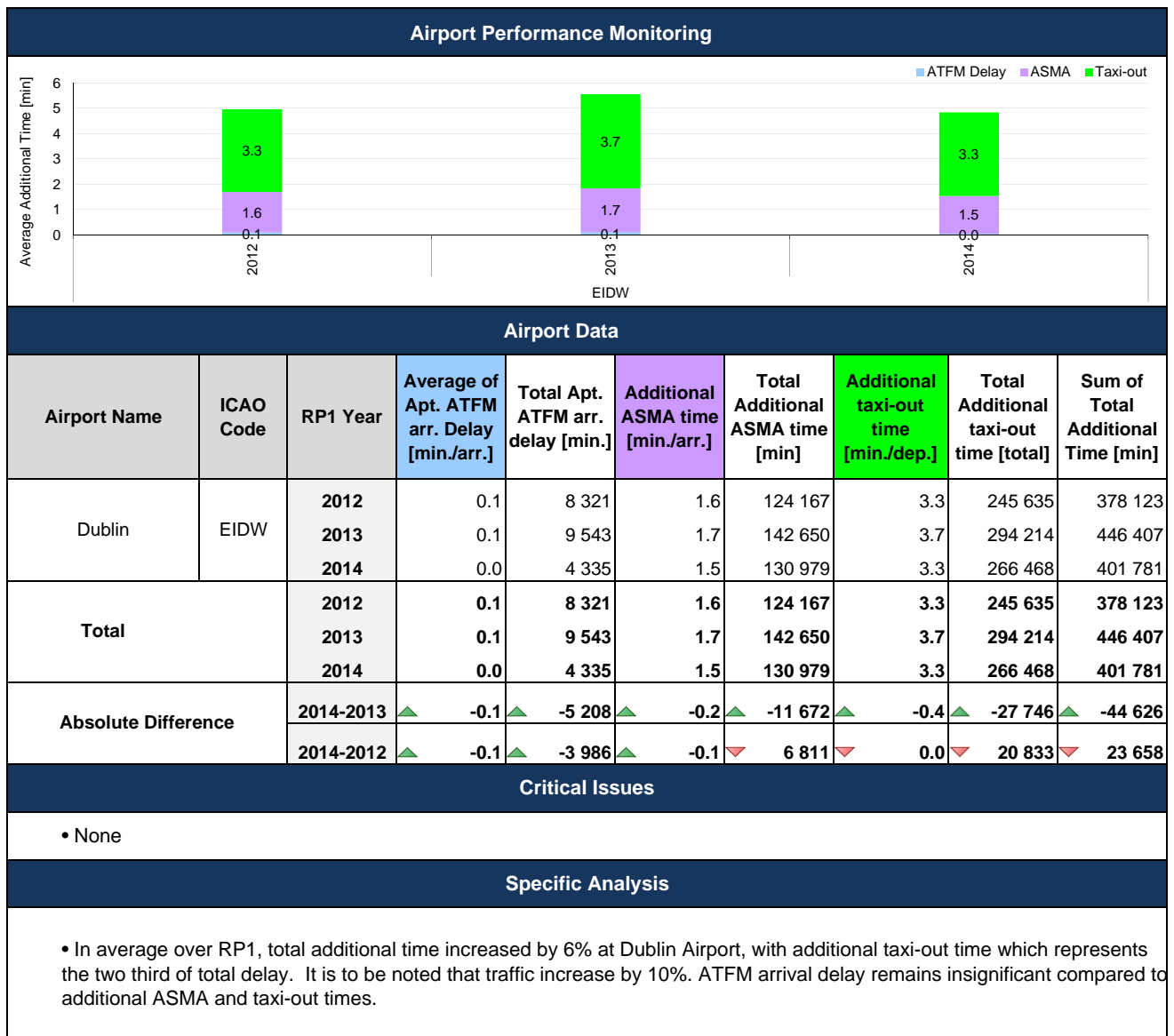
IRELAND

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.09	0.13	0.14	
National Target	0.07	0.12	0.14	
Actual performance	0	0	0	
National capacity assessment				
In terms of achievement of its Capacity targets for 2014, Ireland's actual performance exceeded that set for the specific target "Minutes of en-route ATFM delay per flight" (where actual delay per flight experienced in 2014 was zero).				
PRB Capacity assessment				
The excellent capacity performance in 2012 and 2013, continued in 2014, with Ireland surpassing the national target and the effort required to be consistent with the Union-wide target.				
Effective booking procedures				
<p>The national monitoring report contained no information regarding airspace bookings via the AUP methodology.</p> <p>The PRB is mindful, however, that in 2012, the Irish NSA stated that the allocation and activation of restricted and segregated areas has no adverse impact on available ATC capacity or on available route options.</p> <p>The national monitoring report did contain data regarding airspace allocations made on the day of operations, the Procedure 3 method.</p> <p>When airspace allocations were made on the day of operations, the ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted was 92%.</p>				
Recommendations				

IRELAND

Monitoring of CAPACITY indicators for 2014

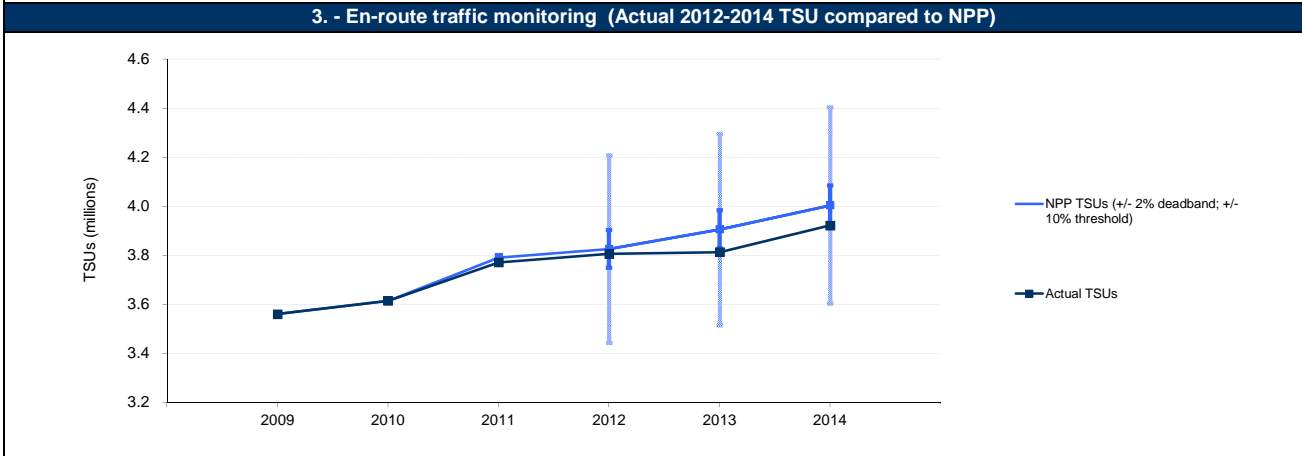
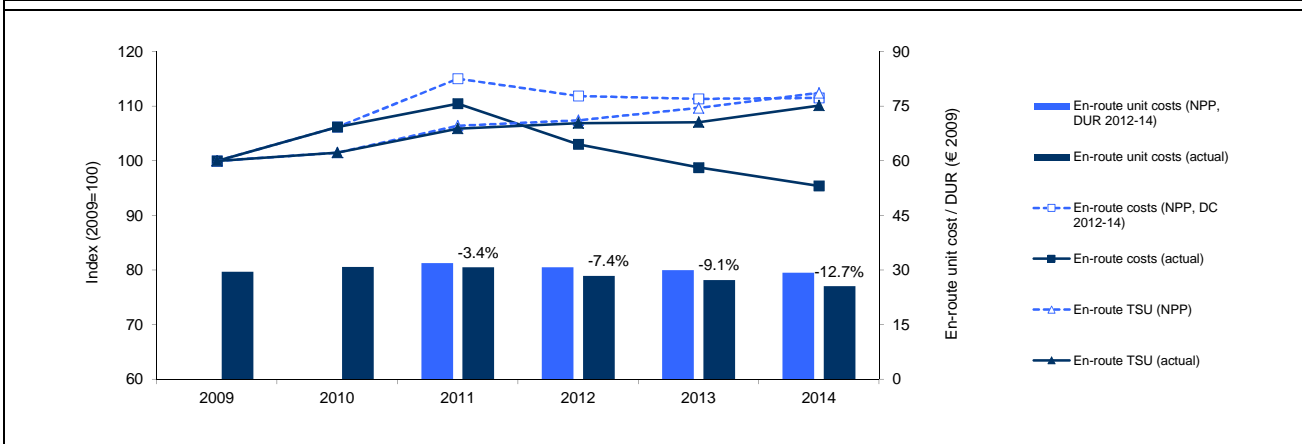


IRELAND

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> IRELAND represents 1.9% of the SES en-route ANS determined costs in 2014. ATSP : IAA FAB : UK-Ireland National currency: EUR 	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p> <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
IRELAND - Data from RP1 national performance plan						
En-route costs (determined costs 2012-2014) - (in nominal EUR)	2009A	2010A	2011F	2012P	2013P	2014P
Inflation %		-1.6%	1.3%	1.0%	1.4%	1.6%
Inflation index (100 in 2009)	100.0	98.4	99.7	100.7	102.1	103.7
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	105 200 000	111 718 496	121 025 249	117 709 295	117 165 564	117 340 321
Total en-route Service Units	3 560 633	3 615 036	3 791 000	3 826 000	3 906 000	4 004 000
Real en-route unit costs per Service Units - (in EUR2009)	29.55	30.90	31.92	30.77	30.00	29.31
IRELAND - Actual data from Jun-2015 Reporting Tables						
Actual costs for the ATSP - See Note 1	2009A	2010A	2011A	2012A	2013A	2014A
Inflation %		-1.6%	1.2%	1.9%	0.5%	0.3%
Inflation index (100 in 2009)	100.0	98.4	99.6	101.5	102.0	102.3
Real en-route costs - (in EUR2009)	105 200 000	111 718 496	116 261 368	108 380 730	103 932 921	100 392 616
Total en-route Service Units	3 560 633	3 615 036	3 771 478	3 805 985	3 812 940	3 922 499
Real en-route unit costs per Service Units - (in EUR2009)	29.55	30.90	30.83	28.48	27.26	25.59
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal EUR)	in value			-8 528 000	-13 618 000	-19 016 268
	in %			-7.2%	-11.4%	-15.6%
Inflation %	in p.p.			0.9 p.p.	-0.9 p.p.	-1.3 p.p.
Inflation index (100 in 2009)	in p.p.			0.8 p.p.	-0.1 p.p.	-1.4 p.p.
Real en-route costs - (in EUR2009)	in value			-9 328 564	-13 232 643	-16 947 705
	in %			-7.9%	-11.3%	-14.4%
Total en-route Service Units	in value			-20 015	-93 060	-81 501
	in %			-0.5%	-2.4%	-2.0%
Real en-route unit costs per Service Units - (in EUR2009)	in value			-2.29	-2.74	-3.71
	in %			-7.4%	-9.1%	-12.7%



IRELAND

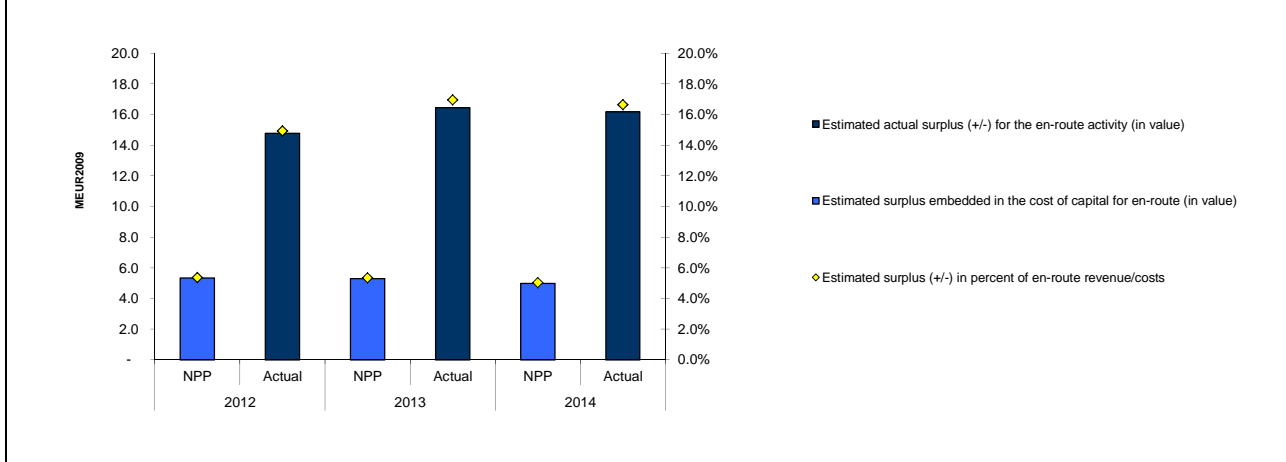
Monitoring of en-route and terminal COST-EFFICIENCY for 2014

4. - En-route costs monitoring (2014 actuals compared to NPP)		
By entity at State level 		Costs exempted from cost sharing (by factor/item) Pension - Interest rates on loans - National taxation law - New cost item required by law - International agreements -823 Costs exempted from cost sharing (by entity) ATSP - Other ANSP - METSP - NSA/EUROCONTROL -823 Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification -823
By nature at ATSP level 		2014 ('000€2009) Estimate - - - - -823 - - - -823 -823

See Note 2

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2014		
Cost sharing ('000€2009)		Combined effect of variations in costs and traffic for 2014 ('000€2009)
Determined costs for the ATSP (NPP)	99 216	
Actual costs for the ATSP - See Note 1	87 758	
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	11 458	
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-	
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	11 458	
Traffic risk sharing ('000€2009)		
Difference in total service units (actual vs NPP)		-2.04%
Determined costs after deduction of costs for exempted VFR flights	100 482	
ATSP gain (traffic between 0 and +2% higher than NPP)	-	
ATSP gain (traffic between +2% and +10% higher than NPP)	-	
ATSP loss (traffic between 0 and -2% below NPP)	-2 010	
ATSP loss (traffic between -2% and -10% below NPP)	-11	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	-2 020	
Incentives ('000€2009)		
ATSP bonus (+) / penalty (-)		-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	-	
Net ATSP gain(+)/loss(-) on en-route activity	9 438	

6. - En-route ATSP estimated surplus*						
*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.						
ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	85 623	81 371	82 304	71 677	76 179	64 329
Estimated proportion of financing through equity (in %) - See Note 1	64%	100%	63%	100%	62%	100%
Estimated proportion of financing through equity (in value)	54 443	81 371	51 740	71 677	47 612	64 329
Estimated proportion of financing through debt (in %) - See Note 1	36%	-	37%	-	38%	-
Estimated proportion of financing through debt (in value)	31 180	-	30 564	-	28 568	-
Cost of capital pre-tax (in value) - See Note 1	6 764	7 966	6 832	7 347	6 475	6 742
Average interest on debt (in %) - See Note 1	4.6%	4.6%	5.0%	5.0%	5.2%	5.2%
Interest on debt (in value) - See Note 1	1 434	-	1 528	-	1 486	-
Determined RoE pre-tax rate (in %)	9.8%	9.8%	10.3%	10.3%	10.5%	10.5%
Estimated surplus embedded in the cost of capital for en-route (in value)	5 330	7 966	5 303	7 347	4 990	6 742
Net ATSP gain(+)/loss(-) on en-route activity	-	6 808	-	9 088	-	9 438
Overall estimated surplus (+/-) for the en-route activity	5 330	14 774	5 303	16 434	4 990	16 180
Revenue/costs for the en-route activity	99 515	98 999	99 104	97 009	99 216	97 196
Estimated surplus (+/-) in percent of en-route revenue/costs	5.4%	14.9%	5.4%	16.9%	5.0%	16.6%
Estimated ex-post RoE pre-tax rate (in %)	9.8%	18.2%	10.3%	22.9%	10.5%	25.2%



7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by IRELAND

Note 1: Return on equity (RoE) and the Cost of capital (WACC)

In items 2 and 4, the reported actual cost of capital for the year 2014 is based on the June 2015 Reporting Tables, using an assumption of 37% debt financing. However, it is understood from the IAA 2014 Annual Report (p.41) that in 2014 IAA was 100% equity financed. The analysis provided in items 5 and 6 of this report is therefore based on an estimated proportion of financing through equity of 100%, which is significantly higher than that used in the Performance Plan (62%).

Note 2: Other Revenues

In the Additional Information provided with the June 2015 en-route and terminal Reporting Tables, Ireland indicates that *"The IAA recognised other revenues from commercial training activities ...that has been offset against other operating costs"*. This amounts to 2.8 M€ for en-route and 0.7 M€ for terminal. This implies that the 2014 actual gross costs for the IAA are some 3.5 M€ higher (in nominal terms) than reported in the Reporting Tables, when adding en-route and terminal ANS costs. The en-route Determined Costs in the NPP did not include any commercial revenues. Since netting en-route costs by commercial revenues would distort the estimated surplus analysis provided in items 5 and 6 of the PRB monitoring report, the PRB considered the ATSP **gross** operating costs (without the effect of commercial revenues) to calculate the gain from cost sharing and the overall estimated surplus for the en-route activity. The other items are not adjusted and therefore show the **net** operating costs, as reported in the June 2015 Reporting Tables.

Note 3: Terminal unit rate

IAA's terminal charges are subject to price cap / economic regulation by the Commission for Aviation Regulation covering the years 2012-2014, therefore the effective terminal unit rate is independent from the planned terminal costs and TNSUs. The terminal unit rate applied by Ireland for 2014 was 156.92 €. See information circular (Ref. EI 2014/01) available at <https://www.eurocontrol.int/sites/default/files/content/documents/route-charges/information-circulars/ei-2014-01.pdf>.

At State / Charging Area level

In 2014, Ireland's real en-route unit cost (25.59 €2009) is -12.7% lower than planned in the NPP (29.31 €2009). This difference is due to the fact that 2014 actual real en-route costs are -14.4% lower than the determined costs, while the actual number of total service units (TSUs) is -2.0% lower than planned. The difference between the actual and the planned TSUs for the year 2014 falls just outside the \pm 2% dead band foreseen in the traffic risk sharing mechanism (-2.04%). The related loss for the small shortfall outside the dead band is shared between the airspace users and the ATSP.

Actual 2014 costs vs. NPP

In Ireland the en-route cost base includes the costs related to the Irish ATSP (IAA), the MET service provider (Met Éireann), the Irish NSA and the EUROCONTROL Agency.

In 2014, actual en-route costs for Ireland are -14.4% lower than planned in real terms, resulting from the combination of lower en-route costs in nominal terms (-15.6%) and a lower inflation index (-1.4 p.p.). While costs are lower than planned for all entities the cost savings are mostly attributable to IAA (-15.6% in real terms, -15.5 M€2009). A detailed analysis of IAA's costs is provided in the box below. The costs associated with the NSA/EUROCONTROL are -10.9% lower than planned, equivalent to -1.3M €2009 in absolute terms and the Met Éireann costs are also -3.4% below plan, -0.2M €2009 in absolute terms.

Costs exempt from cost sharing are reported for an amount of -0.8 M€2009 due to lower EUROCONTROL costs than planned. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

RP1 summary

When considering the whole of RP1 (2012-2014) the actual number of TSUs is -1.7% lower than planned while actual costs in real terms are -11.2% lower than the determined costs (some -39.5 M€2009). As a result, the weighted average real en-route unit cost over RP1 (27.09 €2009) is -9.7% lower than planned.

At ATSP level

Actual 2014 IAA costs vs. NPP

IAA 2014 actual en-route costs (as reported in the June 2015 Reporting Tables) are -15.6% lower than planned in real terms. However, as explained in Note 2, the PRB considered the ATSP **gross** operating costs (without the effect of commercial revenues) to calculate the gain from cost sharing and the overall estimated surplus for the en-route activity (in items 5 and 6). When excluding the effect of commercial revenues, the IAA 2014 **gross** en-route costs are lower than planned in real terms (-12.8%, or -12.7 M€2009). This mainly results from lower than planned staff costs and other operating costs.

According to the Additional Information provided with the June 2015 en-route Reporting Tables, staff costs are lower than planned (-7.3 M€2009 or -12.4%) due to the application of cost containment measures, including the absence of pay awards in 2014, and better manpower management. Staff retirements and departures also contributed to lower costs.

Operating costs are lower than planned (-3.3 M€2009 or -13.9%) due to savings in technical and administrative expenses in addition to supply chain and budget management measures.

Lower than planned depreciation costs (-1.2 M€2009 or -11.4%) and cost of capital (-1.0 M€2009 or -15.5%) also contributed to the lower than planned costs at ATSP level, reflecting lower than planned capex during RP1 and a -15.6% smaller asset base when compared to the NPP. According to the NSA 2014 Monitoring Report, cumulative capex in RP1 (12.1 M€) was -53.7% lower than planned in the NPP (26.1 M€).

IAA net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, the en-route activity for the year 2014 generated a net gain of +9.4 M€2009 for the IAA. This is due to the combination of two separate elements:

- a gain of +11.5 M€2009 as a result of the cost-sharing mechanism; and
- a loss of -2.0 M€2009 as a result of the traffic risk sharing mechanism for 2014.

To calculate the overall economic surplus of the ATSP, it is also important to add the surplus embedded in the cost of capital through the return on equity. Based on the figures planned in the NPP, the return on equity amounted to +5.0 M€2009, corresponding to an estimated surplus of 5.0% of the en-route costs/revenues for 2014. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+6.7 M€2009, see Note 1) and the net gain from the en-route activity in 2014 (+9.4 M€2009), gives a total of +16.2 M€2009, corresponding to 16.6% of the 2014 en-route revenue. The resulting ex-post rate of return on equity for 2014 is 25.2% (compared to 10.5% planned in the NPP).

Conclusions

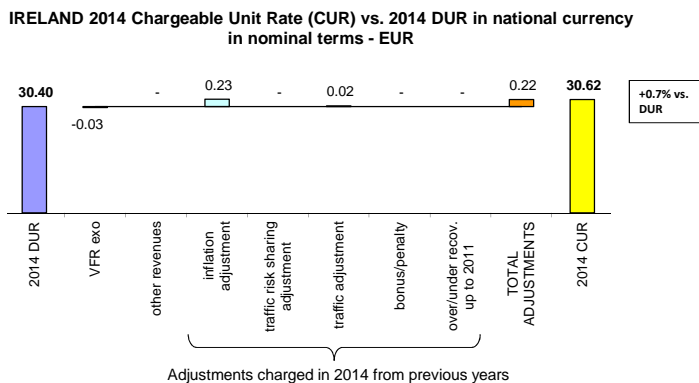
In 2014 IAA's actual **gross** en-route costs are lower than planned (-12.8%) while traffic is -2.0% lower than foreseen in the NPP. The en-route activity for the year 2014 generated a net gain of +9.4 M€2009 for IAA, which results in an estimated actual surplus of +16.2 M€2009 (16.6% of the en-route revenue for 2014, up from the 5.0% planned in the RP1 PP).

When considering the whole of RP1 (2012-2014), IAA could retain a cumulative gain in respect of cost sharing of +30.0 M€2009 as the cost reductions made in 2012 (7.3 M€2009) were sustained and increased in each subsequent year of RP1. However, IAA incurred a cumulative loss in respect of traffic risk sharing amounting to -4.6 M€2009, which resulted in a cumulative net gain for the en-route activity of +25.3 M€2009.

IRELAND

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



See Note 2

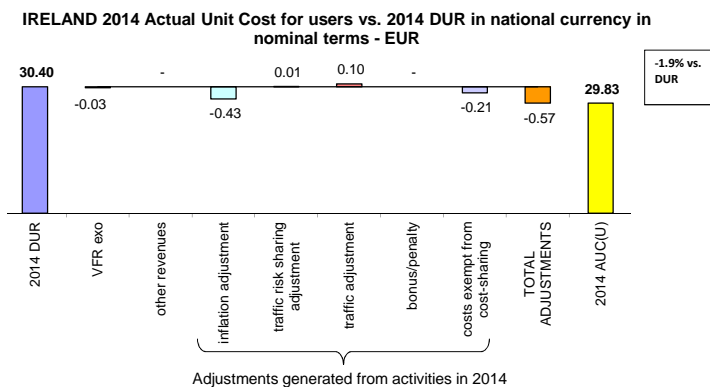
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The actual Chargeable Unit Rate (CUR) charged to users in 2014 is 30.62 €. This is +0.7% higher than the nominal DUR (30.40 €). The difference observed between these two figures (+0.22 €) mainly reflects the inflation adjustment carried over from previous years (+0.23 €) in addition to small adjustments for traffic (+0.02 €) and for exempted VFR flights (-0.03 €).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The unit cost that the users incurred in respect of the activities performed in 2014 is 29.83 €. This is -1.9% lower than the nominal DUR (30.40 €). The difference observed between these two figures (-0.57 €) mainly reflects negative adjustments for lower than planned inflation (-0.43 €) and for costs exempt from cost-sharing (-0.21 €). There are also small positive adjustments reflecting lower than planned traffic: traffic risk sharing adjustment (+0.01 €) and relating to the traffic adjustment for costs exempt from traffic risk sharing (+0.10 €).

IRELAND

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) ⁿ		0.9	0.9	0.8	0.8	0.7
Number of airports in terminal charging zone		3	3	3	3	3
of which, number of airports over 50 000 movements		1	1	1	1	1
IRELAND - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	25 621 000	25 416 000	26 229 000	24 959 000	25 101 000	25 819 000
Inflation index (100 in 2009)	100.0	98.4	99.7	100.7	102.1	103.7
Real terminal ANS costs - (in EUR2009)	25 621 000	25 829 268	26 313 413	24 791 412	24 588 223	24 893 264
IRELAND - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR) - See Note 2	25 621 000	23 241 000	25 246 000	23 163 000	22 072 000	21 775 395
Inflation index (100 in 2009)	100.0	98.4	99.6	101.5	102.0	102.3
Real terminal ANS costs - (in EUR2009)	25 621 000	23 618 902	25 352 277	22 826 799	21 643 417	21 288 705
Total terminal service units	159 785	137 483	135 824	129 658	136 935	137 659
Actual real unit costs - (in EUR2009)	160.3	171.8	186.7	176.1	158.1	154.6
Unit rate applied - (in EUR) - See Note 3				160.24	153.72	156.92
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value			-1 796 000	-3 029 000	-4 043 605
	in%			-7.2%	-12.1%	-15.7%
Inflation index (100 in 2009)	in p.p.			0.8 p.p.	-0.1 p.p.	-1.4 p.p.
Real terminal ANS costs - (in EUR2009)	in value			-1 964 613	-2 944 806	-3 604 558
See Note 2	in%			-7.9%	-12.0%	-14.5%

11. - General conclusions on the Terminal ANS costs and unit rates monitoring

The terminal charging zone in Ireland comprises three airports (Dublin, Shannon and Cork) in RP1. The harmonised SES formula (MTOW/50)^{0.7} is applied starting from 2014. The 2014 actual terminal ANS costs are -14.5% lower than planned in real terms (-3.6 M€2009). This results from the combination of lower terminal ANS costs in nominal terms (-15.7%) and a lower inflation index (-1.4 p.p.). According to the Additional Information to the June 2015 terminal Reporting Tables terminal cost reductions have been achieved across all cost categories, as was the case for en-route. Similarly to en-route, the terminal costs reported are net of commercial revenues (0.7 M€), see note 2. When excluding the effect of commercial revenues, the IAA 2014 **gross** terminal costs are -13.0% lower than planned in real terms.

RP1 summary

When considering the whole of RP1 (2012-2014), actual terminal ANS costs are -11.5% lower in real terms (or some -8.5 M€2009) than planned in the NPP. This reflects the fact that terminal ANS costs are lower than planned in each year of RP1. The real unit cost for terminal services in 2014 is 154.6 €2009, -17.1% compared to the real unit cost at the start of RP1.

12. - Monitoring of gate-to-gate costs (2014)

12. - Monitoring of gate-to-gate costs (2014)						
	2009A	2010A	2011F	2012P	2013P	2014P
IRELAND - Data from RP1 national performance plan						
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	105 200 000	111 718 496	121 025 249	117 709 295	117 165 564	117 340 321
Real terminal ANS costs - (in EUR2009)	25 621 000	25 829 268	26 313 413	24 791 412	24 588 223	24 893 264
Real gate-to-gate ANS costs - (in EUR2009)	130 821 000	137 547 764	147 338 662	142 500 707	141 753 787	142 233 584
Share of en-route costs in gate-to-gate ANS costs	80.4%	81.2%	82.1%	82.6%	82.7%	82.5%
IRELAND - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	105 200 000	111 718 496	116 261 368	108 380 730	103 932 921	100 392 616
Real terminal ANS costs - (in EUR2009)	25 621 000	23 618 902	25 352 277	22 826 799	21 643 417	21 288 705
Real gate-to-gate ANS costs - (in EUR2009)	130 821 000	135 337 398	141 613 644	131 207 529	125 576 338	121 681 322
Share of en-route costs in gate-to-gate ANS costs	80.4%	82.5%	82.1%	82.6%	82.8%	82.5%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in EUR2009)	in value			-9 328 564	-13 232 643	-16 947 705
	in %			-7.9%	-11.3%	-14.4%
Real terminal ANS costs - (in EUR2009)	in value			-1 964 613	-2 944 806	-3 604 558
	in %			-7.9%	-12.0%	-14.5%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-11 293 177	-16 177 449	-20 552 263
	in %			-7.9%	-11.4%	-14.4%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			0.0 p.p.	0.1 p.p.	0.0 p.p.

13. - General conclusions on the gate-to-gate ANS costs

Actual 2014 gate-to-gate costs are -14.4% lower than planned in real terms following reductions in en-route (-16.9 M€2009, -14.4%) and terminal (-3.6 M€2009, -14.5%) ANS costs.

The allocation of gate-to-gate costs between en-route ANS and terminal ANS appears quite stable over RP1 (approximately 83% share to en-route) and did not change significantly with respect to planned.



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Italy

Working Draft 2.0

Edition date: 03/09/2015



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ITALY

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management																																							
	2012	2013	2014	State level Observations																																			
State level	80	80	81																																				
ANSP [ENAV]	82	77	77																																				
<p>Number of questions</p> <p>Legend: ■ Self-assessment, ■ EASA verification</p> <table border="1"> <caption>Data for Effectiveness of Safety Management Chart</caption> <thead> <tr> <th>CO</th> <th>Category</th> <th>Self-assessment</th> <th>EASA verification</th> </tr> </thead> <tbody> <tr> <td rowspan="2">CO1</td> <td>< Level C</td> <td>0</td> <td>0</td> </tr> <tr> <td>≥ Level C</td> <td>16</td> <td>0</td> </tr> <tr> <td rowspan="2">CO2</td> <td>< Level C</td> <td>0</td> <td>0</td> </tr> <tr> <td>≥ Level C</td> <td>4</td> <td>0</td> </tr> <tr> <td rowspan="2">CO3</td> <td>< Level C</td> <td>0</td> <td>1</td> </tr> <tr> <td>≥ Level C</td> <td>8</td> <td>0</td> </tr> <tr> <td rowspan="2">CO4</td> <td>< Level C</td> <td>0</td> <td>0</td> </tr> <tr> <td>≥ Level C</td> <td>4</td> <td>0</td> </tr> </tbody> </table>								CO	Category	Self-assessment	EASA verification	CO1	< Level C	0	0	≥ Level C	16	0	CO2	< Level C	0	0	≥ Level C	4	0	CO3	< Level C	0	1	≥ Level C	8	0	CO4	< Level C	0	0	≥ Level C	4	0
CO	Category	Self-assessment	EASA verification																																				
CO1	< Level C	0	0																																				
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CO3	< Level C	0	1																																				
	≥ Level C	8	0																																				
CO4	< Level C	0	0																																				
	≥ Level C	4	0																																				
Application of the severity classification of the Risk Analysis Tool (RAT)																																							
		2012		2013		2014																																	
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)																																
Separation Minima Infringements (SMIs)	ATM Ground	108	85%	107	100%	132	80%																																
	ATM Overall		0%		32%		0%																																
Runway Incursions (RIs)	ATM Ground	89	62%	73	73%	40	88%																																
	ATM Overall		0%		19%		0%																																
ATM Specific Occurrences (ATM-Specific)	ATM Overall	20	0%	6	67%	8	50%																																
Source of RAT data:		ENAV																																					
Just culture																																							
		State																																					
Number of questions answered with Yes or No		2012		2013		2014																																	
		YES	NO	YES	NO	YES	NO																																
Policy and its implementation		2	8	2	8	2	7																																
Legal/Judiciary		3	5	3	5	3	4																																
Occurrence reporting and Investigation		2	0	2	0	2	0																																
TOTAL		7	13	7	13	7	11																																
		ANSP [ENAV]																																					
Number of questions answered with Yes or No		2012		2013		2014																																	
		YES	NO	YES	NO	YES	NO																																
Policy and its implementation		11	2	12	1	13	0																																
Legal/Judiciary		2	1	2	1	2	1																																
Occurrence reporting and Investigation		7	1	7	1	7	1																																
TOTAL		20	4	21	3	22	2																																

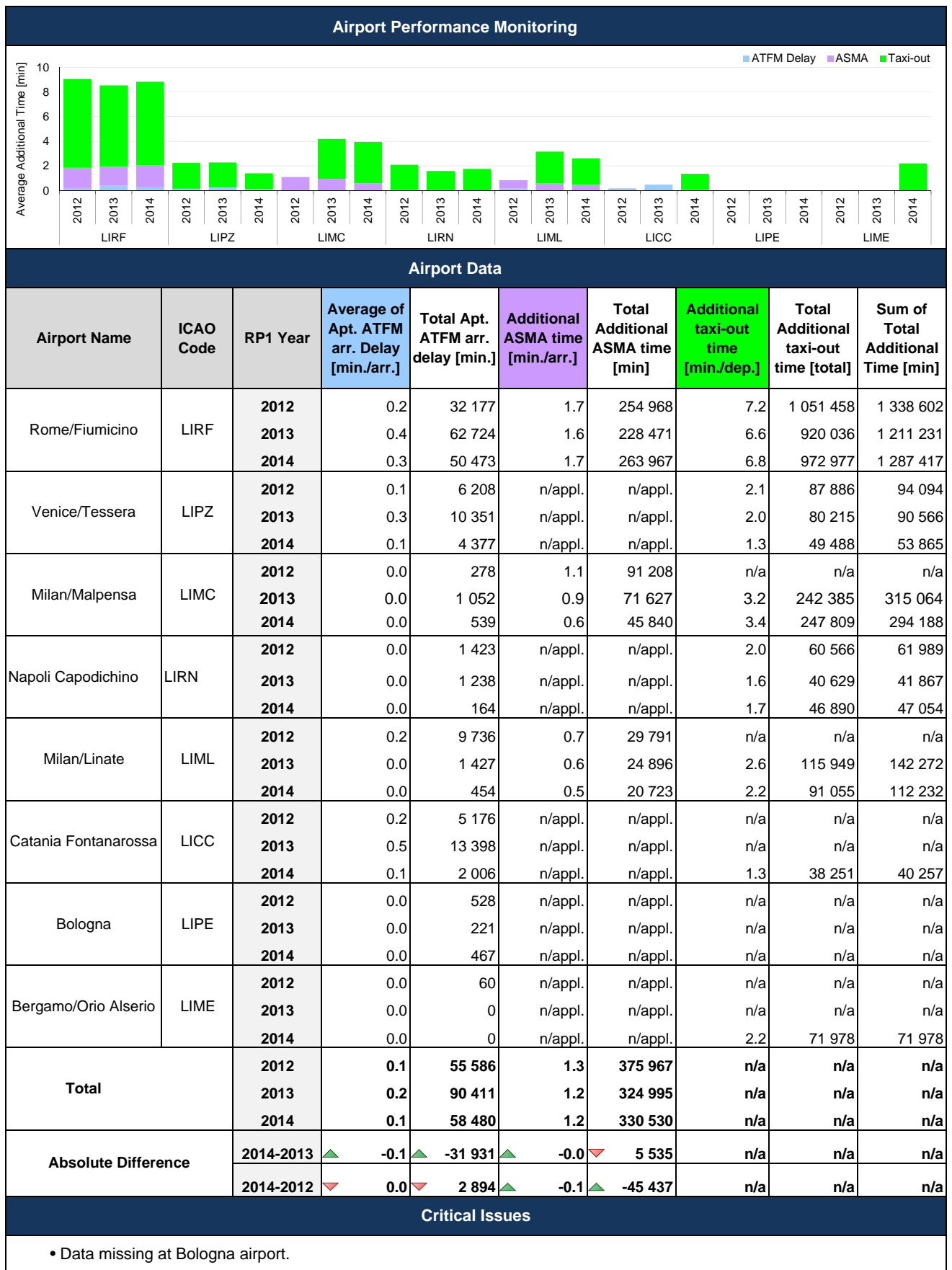
ITALY

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.14	0.14	0.12	
National Target	0.14	0.14	0.12	
Actual performance	0	0	0.02	
National capacity assessment				
Italy has virtually no delay. The planned capacity has been delivered, with a strong reduction of costs.				
Military dimension of the plan				
Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the Performance Plan for Italy did not contain any specific details of how FUA would be applied to increase capacity.				
PRB Capacity assessment				
With the excellent capacity performance in 2012 and 2013, continuing through 2014, Italy has exceeded the national target and the level of performance required to be consistent with the EU-wide target for each year of the first Reference Period.				
Effective booking procedures				
<p>The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 44%</p> <p>The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 0%</p> <p>The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 56%</p>				
Previous recommendations				
Annual Monitoring Report 2013: The PRB reminds Italy of the obligation to report on the individual restricted and segregated areas that impact available ATC capacity, and or route options for general air traffic, rather than simply aggregating over all areas.				
NSA report on follow-up to recommendations				
Although the national monitoring report once more contained only the aggregated values, for the effective booking procedures, Italy provided the breakdown per segregated / restricted area to the PRU separately.				
Recommendations				

ITALY

Monitoring of CAPACITY indicators for 2014

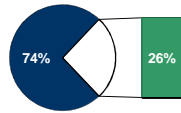


Specific Analysis

- In average over RP1, ATFM arrival delay increased by 5% in Italy, and additional ASMA time decreased by 12%. The average performance for additional taxi-out time cannot be assessed due to missing data at Bologna Airport.
- Out of this average, Rome Fiumicino is undoubtedly the most critical airport in Italy, well beyond the two Milano airports. ATFM arrival delay and additional ASMA time increased at Rome Fiumicino airport, but additional taxi-out time remains with no doubt the most critical performance (almost 75% of total delay) despite its slight improvement (-4%) over RP1. Further analysis of airport performance showed significant variations of additional taxi-out times over the seasons.
- Italian NSA is advised to look to the metadata that describe the methodologies used to calculate the indicators.

ITALY

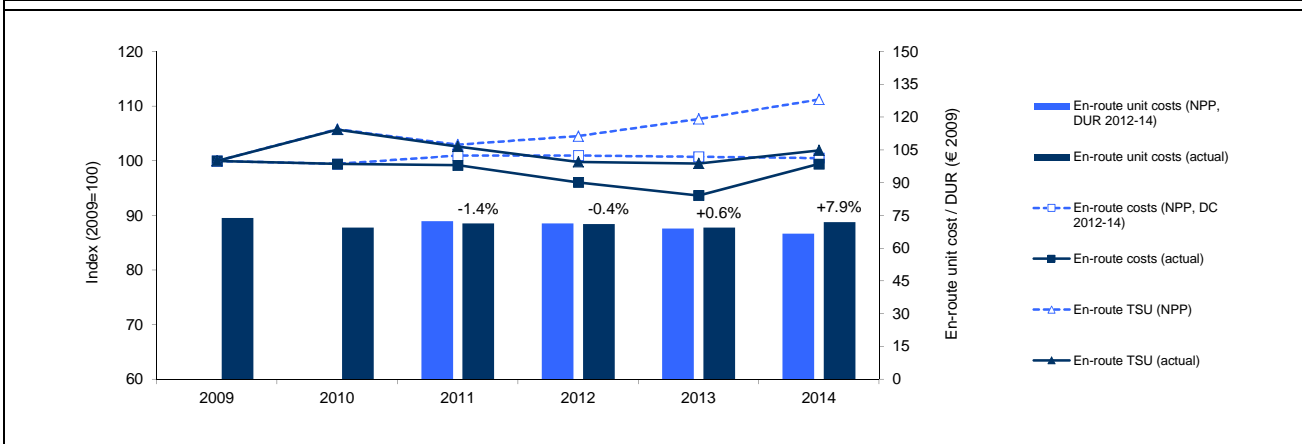
Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> ITALY represents 9.6% of the SES en-route ANS determined costs in 2014. ATSP : ENAV FAB : BLUE MED National currency: EUR 	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p>  <p>■ En-route ■ TNC</p>

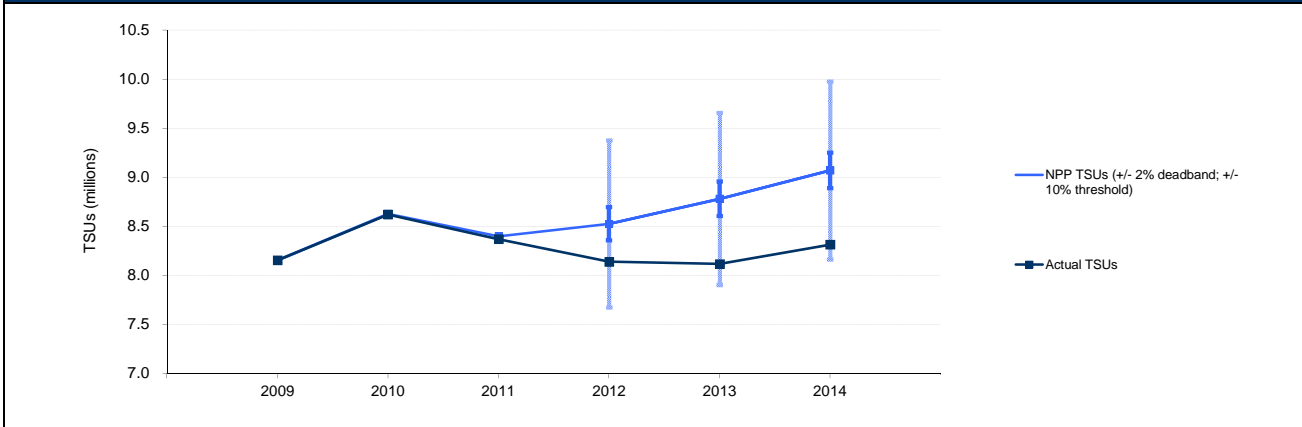
2. - En-route DUR monitoring (2014)						
ITALY - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	602 560 561	609 025 448	630 521 093	644 020 778	655 301 570	666 974 089
Inflation %		1.6%	2.0%	2.1%	2.0%	2.0%
Inflation index (100 in 2009)	100.0	101.6	103.6	105.8	107.9	110.1
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	602 560 561	599 204 487	608 464 111	608 529 861	607 048 027	605 746 111
Total en-route Service Units	8 154 586	8 628 649	8 399 127	8 525 114	8 780 867	9 070 636
Real en-route unit costs per Service Units - (in EUR2009)	73.89	69.44	72.44	71.38	69.13	66.78

ITALY - Actual data from Jun-2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	602 560 561	609 025 448	625 199 629	625 275 875	617 862 849	657 074 703
Inflation %		1.6%	2.9%	3.3%	1.3%	0.2%
Inflation index (100 in 2009)	100.0	101.6	104.6	108.0	109.4	109.7
Real en-route costs - (in EUR2009)	602 560 561	599 204 487	597 782 165	578 756 115	564 555 390	599 185 784
Total en-route Service Units	8 154 586	8 621 257	8 369 860	8 139 130	8 117 393	8 313 546
Real en-route unit costs per Service Units - (in EUR2009)	73.89	69.50	71.42	71.11	69.55	72.07

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
En-route costs - (in nominal EUR)	in value	-18 744 903	-37 438 721	-9 899 386
	in %	-2.9%	-5.7%	-1.5%
Inflation %	in p.p.	1.2 p.p.	-0.7 p.p.	-1.8 p.p.
Inflation index (100 in 2009)	in p.p.	2.2 p.p.	1.5 p.p.	-0.4 p.p.
Real en-route costs - (in EUR2009)	in value	-29 773 746	-42 492 638	-6 560 327
	in %	-4.9%	-7.0%	-1.1%
Total en-route Service Units	in value	-385 984	-663 474	-757 090
	in %	-4.5%	-7.6%	-8.3%
Real en-route unit costs per Service Units - (in EUR2009)	in value	-0.27	0.42	5.29
	in %	-0.4%	0.6%	7.9%

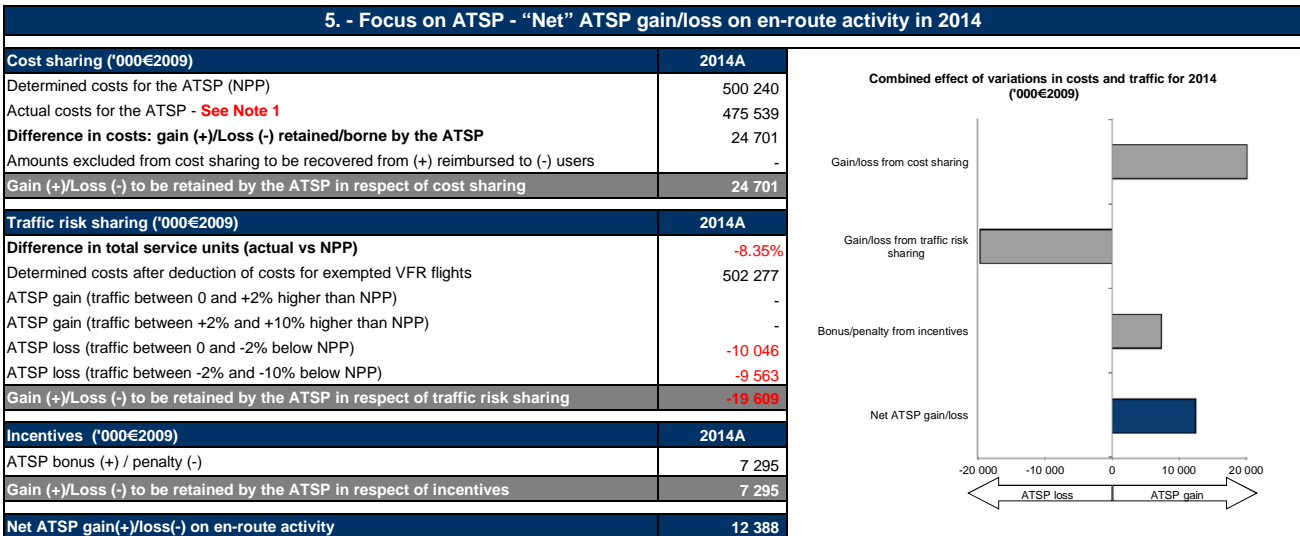
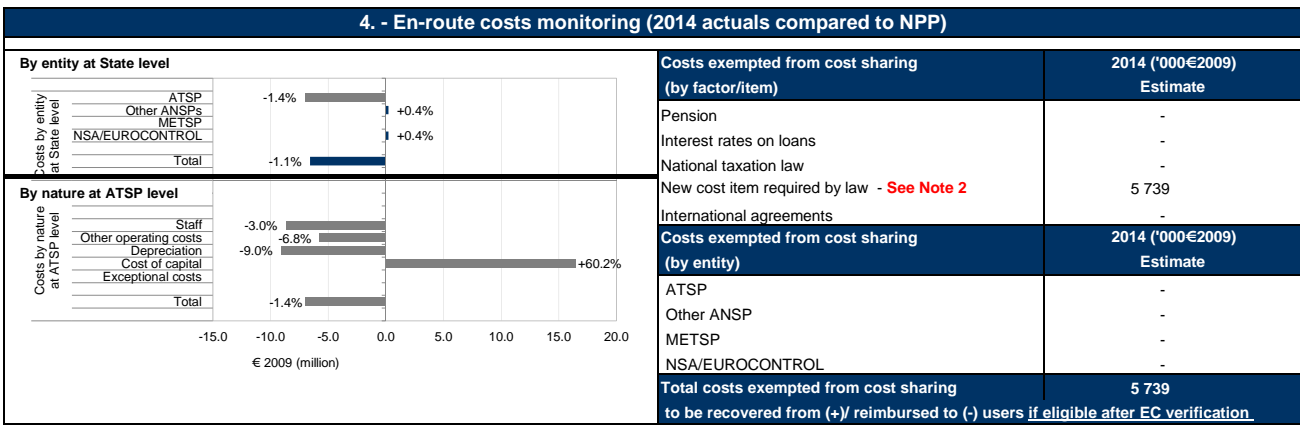


3. - En-route traffic monitoring (Actual 2012-2014 TSU compared to NPP)



ITALY

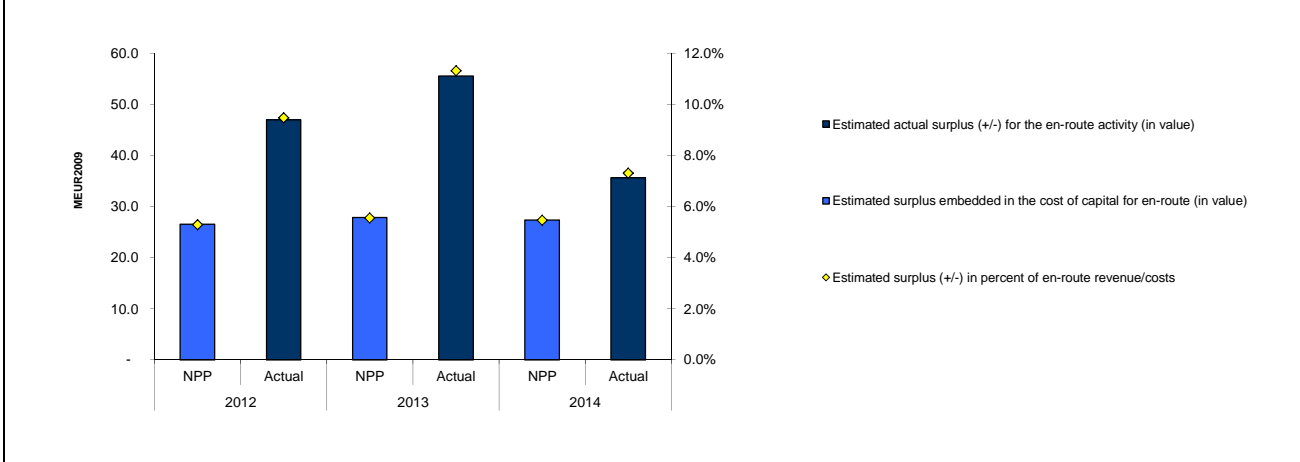
Monitoring of en-route and terminal COST-EFFICIENCY for 2014



6. - En-route ATSP estimated surplus*

*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	983 040	962 971	978 048	964 702	958 871	957 521
Estimated proportion of financing through equity (in %)	100%	100%	100%	100%	100%	85%
Estimated proportion of financing through equity (in value)	983 040	962 971	978 048	964 702	958 871	815 042
Estimated proportion of financing through debt (in %)	-	-	-	-	-	15%
Estimated proportion of financing through debt (in value)	-	-	-	-	-	142 479
Cost of capital pre-tax (in value) - See Note 1	26 542	26 000	27 874	27 494	27 328	26 078
Average interest on debt (in %)	-	-	-	-	-	2.0%
Interest on debt (in value)	-	-	-	-	-	2 850
Determined RoE pre-tax rate (in %) - See Note 1	2.7%	2.7%	2.9%	2.9%	2.9%	2.9%
Estimated surplus embedded in the cost of capital for en-route (in value)	26 542	26 000	27 874	27 494	27 328	23 229
Net ATSP gain(+)/loss(-) on en-route activity	20 977	20 977	28 063	28 063	28 063	12 388
Overall estimated surplus (+/-) for the en-route activity	26 542	46 977	27 874	55 557	27 328	35 616
Revenue/costs for the en-route activity	502 623	496 447	501 796	490 957	500 240	487 926
Estimated surplus (+/-) in percent of en-route revenue/costs	5.3%	9.5%	5.6%	11.3%	5.5%	7.3%
Estimated ex-post RoE pre-tax rate (in %)	2.7%	4.9%	2.9%	5.8%	2.8%	4.4%



7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by ITALY

The following issues are standing on the data provided by Italy and could not be resolved during the data validation exercise:

- ITAF and ENAC 2014 costs are still provisional;
- ENAV actual costs take account of a rate of return on equity (5.0%) which is not calculated on the basis of the determined RoE rate (2.9%). The cost of capital computed by ENAV is around +18M€ higher than would be with the determined RoE rate;
- EUROCONTROL costs considered as actual for 2014 are some +4 M€ higher than the actual data provided by EUROCONTROL on 22 May 2015
- Some "Costs exempt from cost-sharing" are reported in Table 3 (6.3M€) but not in any Table 1 for 2014 (and no dedicated report on cost exempt from cost sharing has been submitted)

As a result a number of data adjustments had to be implemented to perform the analysis:

Note 1: Correction of the Return on Equity rate (%RoE)

The %RoE for year 2014 has been manually adjusted as the determined %RoE (2.9%) set in the RP1 performance plan should be reported. The impact of this "adjustment" is that ENAV actual cost of capital is reduced by some -17.7M€2009 and the total actual costs reduced in consequence to 475.5M€2009 (instead of 493.2M€2009).

Note 2: Costs exempt from cost-sharing for 2014

"Costs exempt from cost-sharing" for 2014 are reported in table 3 (+6.3M€) of the June 2015 en-route reporting tables but not in any table 1 for 2014.

At State / Charging Area level

In 2014, Italy's real en-route unit cost (72.07 €2009) is +7.9% higher than planned in the NPP (66.78 €2009). This difference is due to the fact that while 2014 actual en-route costs are -1.1% lower than the determined costs in real terms, the actual number of total en-route service units (TSU) is much lower than planned (-8.3%). Italy attributes this loss of traffic partly to the closure of the Libyan airspace from the second half of 2014.

The difference between the actual and planned total en-route service units (-8.3%) falls outside the ±2% dead band but it is still above the -10% threshold. It is therefore shared between the ATSP and airspace users in line with the traffic risk sharing mechanism.

Actual 2014 costs vs. NPP

In 2014, actual en-route costs for Italy are -1.1% lower than planned in real terms, as a combination of both lower nominal en-route costs (-1.5%) and lower inflation index (-0.4 p.p.). The cost savings are solely attributed to the ATSP ENAV (-1.4% in real terms, -7.0 M€2009). A detailed analysis of ENAV's 2014 costs is provided in the box below. The provisional 2014 actual costs associated with ITAF (the other Italian ATSP) and the NSA/EUROCONTROL are both +0.4% higher than planned (equivalent to +0.2M €2009 in absolute terms for both entities).

Costs exempt from cost sharing are reported for a total of +5.7 M€2009 to be passed on to users for the en-route activity, corresponding to a "New cost item required by the law" (see **Note 2** above). This is subject to a separate assessment and reporting for both the technical assessment of unit rates and the cost exempt from cost sharing.

RP1 summary

When considering the whole of RP1 (2012-2014), the actual number of en-route TSU is much lower than planned (-6.8%) and actual costs are also lower than the determined costs (-4.3%, some -78.8 M€2009). As a result, the weighted average real en-route unit cost over RP1 is +2.7% higher than the level planned in Italy performance plan, mostly due to the performance in 2014 (unit cost is much higher (+7.9%) than in the performance plan.

At ATSP level

Actual 2014 ENAV costs vs. NPP

ENAV 2014 actual en-route costs are -1.4% lower than planned in real terms. This results from a combination of lower than planned staff costs (-3.0% or -8.7 M€2009), other operating costs (-6.8% or -5.7 M€2009) and depreciation (-9.0% or -9.1 M€2009) as well as significantly higher than planned cost of capital (+60.2% or +16.4 M€2009). According to the additional information provided along with the en-route reporting tables in June 2015 the staff costs were reduced as a result of cost containment measures related to overtime, holiday provisions and redundancy incentives, while depreciation is lower than planned due to the rationalisation of investments made in the previous years through renegotiations of deals with suppliers and through delayed spending. It is worth noting that although the total actual capex over RP1 are indeed lower than planned (-5.3% or -21.1 M€2009), the reported 2014 actual total asset base is very close to the data provided in the NPP (-0.1%). Concerning the cost of capital, the significant cost excess compared to the RP1 performance plan is mostly attributable to the increased rate of return on equity (from 2.9% to 5.0%).

ENAV net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, taking into account the adjustment made for the 2014 actual rate of return on equity at its ex-ante level (see **Note 1** above), the en-route activity for the year 2014 generated a net gain of +12.4 M€2009 for ENAV overall. This is the combination of three separate elements:

- a gain of +24.7 M€2009 as a result of the cost-sharing mechanism;
- a loss of -19.6 M€2009 as a result of the traffic risk sharing mechanism; and
- a gain of +7.3 M€2009, corresponding to a bonus of 8.0 M€ (in nominal terms) awarded to ENAV as part of the incentive mechanism for the capacity target described in Italy RP1 performance plan.

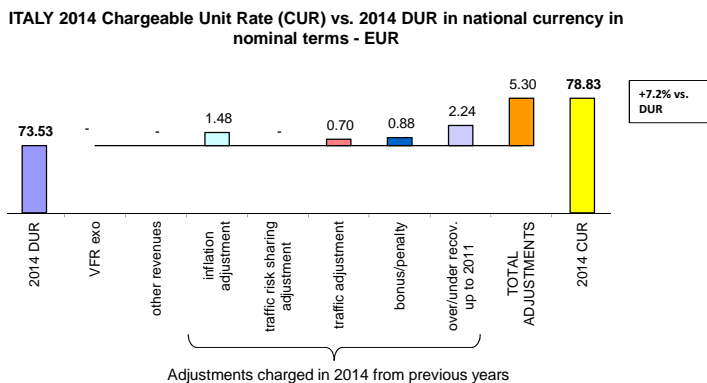
To calculate the overall economic surplus of ENAV, it is also important to add the surplus embedded in the cost of capital through the return on equity. Based on the figures planned in the NPP for year 2014, the return on equity amounted to +27.3 M€2009, corresponding to an estimated surplus of +5.5% of the en-route costs/revenues for 2014. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+23.2 M€2009) and the net gain from the en-route activity in 2014 (+12.4 M€2009), gives a total of +35.6 M€2009, corresponding to +7.3% of the 2014 en-route revenue. The resulting ex-post rate of return on equity for 2014 is +4.4% (compared to +2.8% planned in the NPP).

Conclusions

In 2014 ENAV's actual en-route costs are slightly lower than planned (-1.4%) while traffic is significantly lower than foreseen in the NPP (-8.3%). In 2014, ENAV generated a net gain of +12.4 M€2009 from its en-route activity and the estimated actual surplus for 2014 is +35.6 M€2009 (or +7.3% of the en-route revenue for 2014, up from the +5.5% planned in the RP1 PP).

When considering the whole of RP1 (2012-2014), ENAV could retain a cumulative gain in respect of cost sharing of +90.8 M€2009 as actual costs were lower than planned for all years of RP1. However, ENAV incurred a cumulative loss in respect of traffic risk sharing amounting to -51.3 M€2009. When considering also the bonus payments awarded for reaching the capacity targets (+22.0 M€2009 over the three years of RP1), ENAV generated a cumulative net gain of +61.4 M€2009 from its en-route activity over RP1.

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



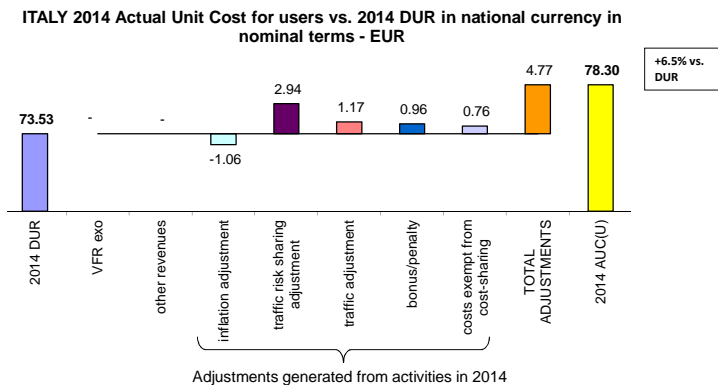
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The actual chargeable unit rate (CUR) charged to users in 2014 was 78.83 €. This is +7.2% higher than the nominal DUR (73.53 €). The difference observed between these two figures (+5.30 €) reflects mainly the amount of under-recoveries carried over to 2014 from the legacy prior to RP1 (+2.24 €) and the inflation adjustment carried over from previous years (+1.48 €) in addition to smaller adjustments for traffic not subject to traffic risk sharing (+0.70 €) and the bonus payment related to the capacity targets (+0.88 €).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The actual en-route unit cost that the users incurred in respect of the activities performed in 2014 was 78.30 €. This is +6.5% higher than the nominal DUR (73.53 €). The difference observed between these two figures (+4.77 €) reflects adjustments for traffic risk sharing (+2.94 €), for traffic not subject to traffic risk sharing (+1.17 €), for the capacity target bonus payment in 2014 (+0.96 €), for the costs exempt from cost sharing (+0.76 €) and a deduction for inflation adjustment (-1.06 €).

ITALY

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) [^]	0.95	0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zones	39	47	47	47	47	47
of which, number of airports over 50 000 movements	10	11	11	11	11	11
ITALY - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	180 118 090	212 109 538	223 061 164	235 190 617	248 312 872	255 821 981
Inflation index (100 in 2009)	100.0	101.6	103.6	105.8	107.9	110.1
Real terminal ANS costs - (in EUR2009)	180 118 090	208 689 124	215 258 005	222 229 653	230 028 198	232 337 617
ITALY - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)	180 118 090	212 109 538	223 944 803	227 483 201	226 016 101	228 842 972
Inflation index (100 in 2009)	100.0	101.6	104.6	108.0	109.4	109.7
Real terminal ANS costs - (in EUR2009)	180 118 090	208 689 124	214 123 942	210 558 730	206 516 071	208 681 684
Total terminal service units	35 270 775	908 813	925 436	892 822	854 922	876 150
Actual real unit costs - (in EUR2009)	5.1	229.6	231.4	235.8	241.6	238.2
Unit rate applied - (in EUR) Unit Rate 1				254.34	246.05	195.79
Unit rate applied - (in EUR) Unit Rate 2						214.15
Unit rate applied - (in EUR) Unit Rate 3						246.05
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value			-7 707 416	-22 296 771	-26 979 009
	in%			-3.3%	-9.0%	-10.5%
Inflation index (100 in 2009)	in p.p.			2.2 p.p.	1.5 p.p.	-0.4 p.p.
Real terminal ANS costs - (in EUR2009)	in value			-11 670 923	-23 512 127	-23 655 933
	in%			-5.3%	-10.2%	-10.2%

11. - General conclusions on the Terminal ANS costs and unit rates monitoring

In preparation for RP2, and with effect from 1 January 2014, Italy split its single terminal charging zone (TCZ) recording 47 airports into 3 separate TCZ (with 1, 3 and 43 airports with IFR airport movements above 225 000, between 70 000 and 225 000 and below 70 000, respectively). The harmonised SES TNSU formula (MTOW/50)[^]0.7 is applied in all three TCZs. For consistency purpose, the TANS cost analysis looks at the consolidated TANS costs (for the three TCZ in 2014 equivalent to the single TCZ in the RP1 NPP). The three terminal unit rates are reported separately for the year 2014. The (consolidated) 2014 actual terminal ANS costs are -10.2% lower than the figures provided in the NPP in real terms. The main driver for this difference is the lower nominal terminal ANS costs (-10.5%) while the inflation index is slightly lower than the plan (-0.4 pp). The cost savings relate mostly to staff costs and to a smaller extent to other operating costs and depreciation costs.

RP1 summary

When considering the whole of RP1 (2012-2014), actual terminal ANS costs are -8.6% (or some -58.8 M€2009) lower than planned in the NPP, in real terms. Actually TANS costs were also lower than planned for each of the three years of RP1.

12. - Monitoring of gate-to-gate costs (2014)

12. - Monitoring of gate-to-gate costs (2014)						
	2009A	2010A	2011F	2012P	2013P	2014P
ITALY - Data from RP1 national performance plan						
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	602 560 561	599 204 487	608 464 111	608 529 861	607 048 027	605 746 111
Real terminal ANS costs - (in EUR2009)	180 118 090	208 689 124	215 258 005	222 229 653	230 028 198	232 337 617
Real gate-to-gate ANS costs - (in EUR2009)	782 678 651	807 893 610	823 722 116	830 759 514	837 076 225	838 083 728
Share of en-route costs in gate-to-gate ANS costs	77.0%	74.2%	73.9%	73.2%	72.5%	72.3%
ITALY - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	602 560 561	599 204 487	597 782 165	578 756 115	564 555 390	599 185 784
Real terminal ANS costs - (in EUR2009)	180 118 090	208 689 124	214 123 942	210 558 730	206 516 071	208 681 684
Real gate-to-gate ANS costs - (in EUR2009)	782 678 651	807 893 610	811 906 107	789 314 845	771 071 461	807 867 468
Share of en-route costs in gate-to-gate ANS costs	77.0%	74.2%	73.6%	73.3%	73.2%	74.2%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in EUR2009)	in value			-29 773 746	-42 492 638	-6 560 327
	in %			-4.9%	-7.0%	-1.1%
Real terminal ANS costs - (in EUR2009)	in value			-11 670 923	-23 512 127	-23 655 933
	in %			-5.3%	-10.2%	-10.2%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-41 444 670	-66 004 764	-30 216 260
	in %			-5.0%	-7.9%	-3.6%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			0.1 p.p.	0.7 p.p.	1.9 p.p.

13. - General conclusions on the gate-to-gate ANS costs

Real 2014 gate-to-gate ANS costs are -3.6% lower than planned following reductions both in en-route (-6.6 M€2009, -1.1%) and terminal (-23.7 M€2009, -10.2%) ANS costs compared to the RP1 performance plan costs.

The relative share of en-route ANS costs in gate-to-gate ANS costs increased slightly from 73.2% to 74.2% between 2013 and 2014 and it is +1.9 percentage points higher than foreseen in the NPP for 2014.



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Latvia

Working Draft 2.0

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Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management																																						
	2012	2013	2014	State level Observations																																		
State level	57	57	72																																			
ANSP [LGS]	57	60	78																																			
<p>Number of questions</p> <p>Legend: ■ Self-assessment, ■ EASA verification</p> <table border="1"> <caption>Data for Effectiveness of Safety Management Chart</caption> <thead> <tr> <th>CO</th> <th>Category</th> <th>Self-assessment</th> <th>EASA verification</th> </tr> </thead> <tbody> <tr> <td rowspan="2">CO1</td> <td>< Level C</td> <td>0</td> <td>0</td> </tr> <tr> <td>≥ Level C</td> <td>16</td> <td>16</td> </tr> <tr> <td rowspan="2">CO2</td> <td>< Level C</td> <td>0</td> <td>1</td> </tr> <tr> <td>≥ Level C</td> <td>4</td> <td>3</td> </tr> <tr> <td rowspan="2">CO3</td> <td>< Level C</td> <td>0</td> <td>0</td> </tr> <tr> <td>≥ Level C</td> <td>9</td> <td>9</td> </tr> <tr> <td rowspan="2">CO4</td> <td>< Level C</td> <td>0</td> <td>0</td> </tr> <tr> <td>≥ Level C</td> <td>4</td> <td>4</td> </tr> </tbody> </table>							CO	Category	Self-assessment	EASA verification	CO1	< Level C	0	0	≥ Level C	16	16	CO2	< Level C	0	1	≥ Level C	4	3	CO3	< Level C	0	0	≥ Level C	9	9	CO4	< Level C	0	0	≥ Level C	4	4
CO	Category	Self-assessment	EASA verification																																			
CO1	< Level C	0	0																																			
	≥ Level C	16	16																																			
CO2	< Level C	0	1																																			
	≥ Level C	4	3																																			
CO3	< Level C	0	0																																			
	≥ Level C	9	9																																			
CO4	< Level C	0	0																																			
	≥ Level C	4	4																																			
Application of the severity classification of the Risk Analysis Tool (RAT)																																						
		2012		2013		2014																																
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)																															
Separation Minima Infringements (SMIs)	ATM Ground	3	100%	2	100%	4	100%																															
	ATM Overall		100%		100%		0%																															
Runway Incursions (RIs)	ATM Ground	2	100%	2	100%	2	100%																															
	ATM Overall		100%		0%		0%																															
ATM Specific Occurrences (ATM-Specific)	ATM Overall	33	100%	9	100%	6	100%																															
Source of RAT data:		CAA																																				
Just culture																																						
Number of questions answered with Yes or No		State																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	4	6	4	6	4	5																															
	Legal/Judiciary	1	7	1	7	4	3																															
	Occurrence reporting and Investigation	2	0	2	0	2	0																															
	TOTAL	7	13	7	13	10	8																															
Number of questions answered with Yes or No		ANSP [LGS]																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	11	2	10	3	12	1																															
	Legal/Judiciary	2	1	2	1	2	1																															
	Occurrence reporting and Investigation	6	2	6	2	8	0																															
	TOTAL	19	5	18	6	22	2																															

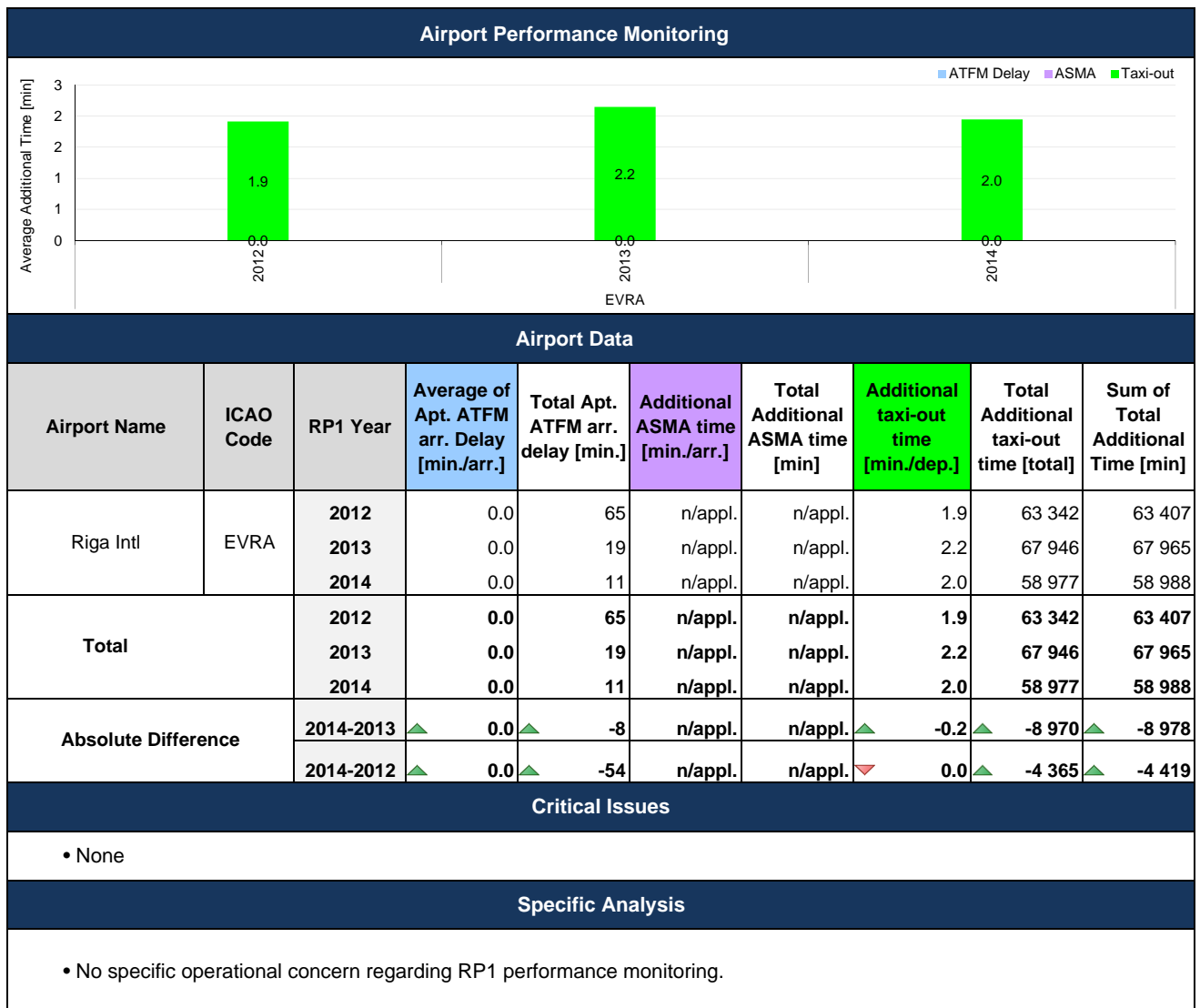
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Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.02	0.04	0.05	
National Target	0.02	0.03	0.03	
Actual performance	0	0	0	
National capacity assessment				
National target for capacity was reached as planned.				
Military dimension of the plan				
Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the Performance Plan for Latvia did not contain any specific details of how FUA would be applied to increase capacity.				
PRB Capacity assessment				
With the excellent capacity performance of 2012 and 2013 continuing throughout 2014, Latvia has exceeded the national target and the level of performance required to be consistent with the EU-wide target for both years.				
Effective booking procedures				
<p>The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 30%</p> <p>The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 0%</p> <p>The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 70%</p>				
Recommendations				

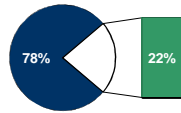
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Monitoring of CAPACITY indicators for 2014

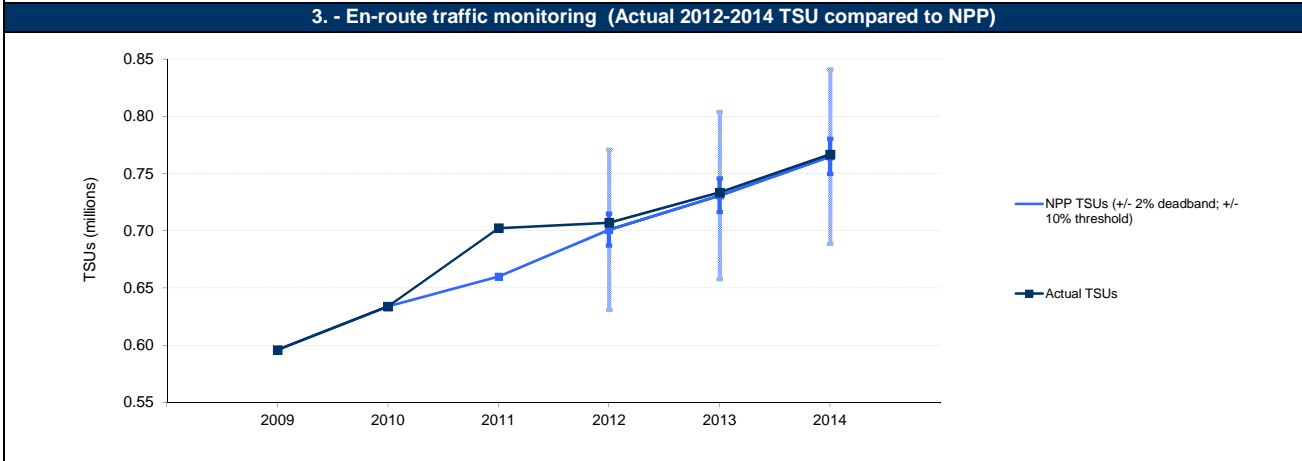
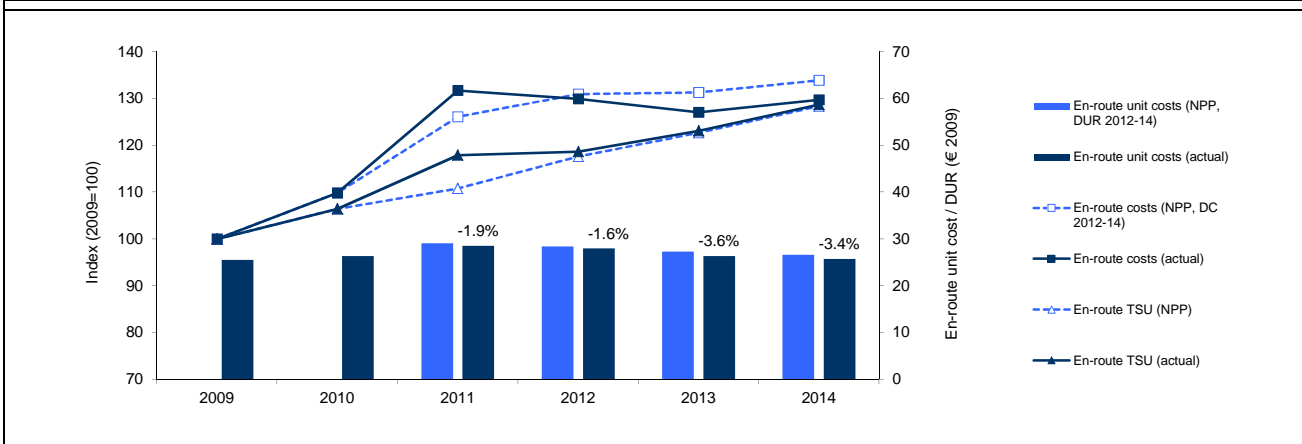


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Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> LATVIA represents 0.3% of the SES en-route ANS determined costs in 2014. ATSP : LGS FAB : NEFAB National currency: EUR 	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p>  <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
LATVIA - Data from RP1 national performance plan						
En-route costs (determined costs 2012-2014) - (in nominal EUR)	2009A	2010A	2011F	2012P	2013P	2014P
Inflation %		-1.1%	4.2%	2.3%	1.7%	1.7%
Inflation index (100 in 2009)	100.0	98.9	103.1	105.4	107.2	109.0
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	15 219 037	16 717 665	19 195 307	19 932 105	19 983 169	20 381 458
Total en-route Service Units	595 873	634 000	660 000	701 000	731 000	765 000
Real en-route unit costs per Service Units - (in EUR2009)	25.54	26.37	29.08	28.43	27.34	26.64
LATVIA - Actual data from Jun-2015 Reporting Tables						
En-route costs - (in nominal EUR)	2009A	2010A	2011A	2012A	2013A	2014A
Inflation %		-1.1%	4.2%	2.3%	0.0%	0.7%
Inflation index (100 in 2009)	100.0	98.9	103.1	105.4	105.4	106.2
Real en-route costs - (in EUR2009)	15 219 037	16 717 665	20 040 973	19 777 889	19 341 645	19 740 354
Total en-route Service Units	595 873	634 000	702 400	707 109	733 633	766 861
Real en-route unit costs per Service Units - (in EUR2009)	25.54	26.37	28.53	27.97	26.36	25.74
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal EUR)	in value			-162 581	-1 034 461	-1 266 967
	in %			-0.8%	-4.8%	-5.7%
Inflation %	in p.p.			0.0 p.p.	-1.7 p.p.	-1.0 p.p.
Inflation index (100 in 2009)	in p.p.			-0.0 p.p.	-1.8 p.p.	-2.9 p.p.
Real en-route costs - (in EUR2009)	in value			-154 216	-641 525	-641 104
	in %			-0.8%	-3.2%	-3.1%
Total en-route Service Units	in value			6 109	2 633	1 861
	in %			0.9%	0.4%	0.2%
Real en-route unit costs per Service Units - (in EUR2009)	in value			-0.46	-0.97	-0.90
	in %			-1.6%	-3.6%	-3.4%



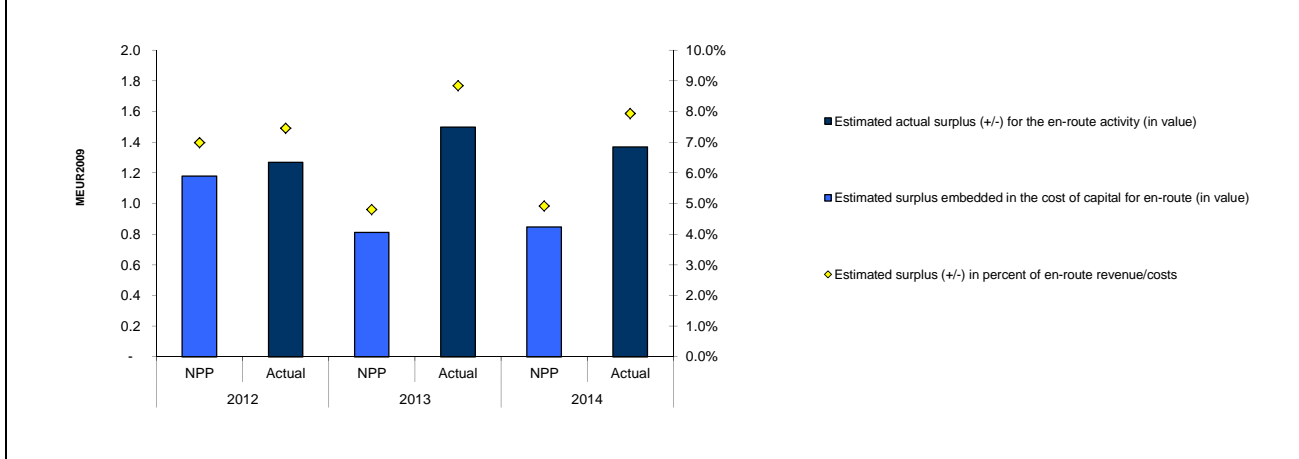
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Monitoring of en-route and terminal COST-EFFICIENCY for 2014

4. - En-route costs monitoring (2014 actuals compared to NPP)		
By entity at State level 		Costs exempted from cost sharing (by factor/item) Pension - Interest rates on loans - National taxation law - New cost item required by law - International agreements -40 Costs exempted from cost sharing (by entity) ATSP - Other ANSP - METSP - NSA/EUROCONTROL -40 Total costs exempted from cost sharing to be recovered from (+)/reimbursed to (-) users if eligible after EC verification -40
By nature at ATSP level 		2014 ('000€2009) Estimate - - - - -40 - - - -40 -40

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2014		
Cost sharing ('000€2009)		Combined effect of variations in costs and traffic for 2014 ('000€2009)
Determined costs for the ATSP (NPP)	2014A: 17 217	
Actual costs for the ATSP	16 686	
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	531	
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-	
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	531	
Traffic risk sharing ('000€2009)		
Difference in total service units (actual vs NPP)		2014A: 0,24%
Determined costs after deduction of costs for exempted VFR flights	17 684	
ATSP gain (traffic between 0 and +2% higher than NPP)	43	
ATSP gain (traffic between +2% and +10% higher than NPP)	-	
ATSP loss (traffic between 0 and -2% below NPP)	-	
ATSP loss (traffic between -2% and -10% below NPP)	-	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	43	
Incentives ('000€2009)		
ATSP bonus (+) / penalty (-)	-	
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	-	
Net ATSP gain(+)/loss(-) on en-route activity	574	

6. - En-route ATSP estimated surplus*						
<i>*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.</i>						
ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	19 302	17 264	18 404	15 483	16 934	15 908
Estimated proportion of financing through equity (in %)	88.5%	93.6%	76.0%	100%	100%	100%
Estimated proportion of financing through equity (in value)	17 087	16 166	13 988	15 483	16 934	15 908
Estimated proportion of financing through debt (in %)	11.5%	6.4%	24.0%	-	-	-
Estimated proportion of financing through debt (in value)	2 215	1 097	4 417	-	-	-
Cost of capital pre-tax (in value)	1 312	1 146	1 076	898	847	796
Average interest on debt (in %)	6.0%	2.8%	6.0%	3.0%	-	-
Interest on debt (in value)	133	30	265	-	-	-
Determined RoE pre-tax rate (in %)	6.9%	6.9%	5.8%	5.8%	5.0%	5.0%
Estimated surplus embedded in the cost of capital for en-route (in value)	1 179	1 115	811	898	847	796
Net ATSP gain(+)/loss(-) on en-route activity	153	153	599	599	574	574
Overall estimated surplus (+/-) for the en-route activity	1 179	1 268	811	1 497	847	1 369
Revenue/costs for the en-route activity	16 883	17 030	16 882	16 943	17 217	17 260
Estimated surplus (+/-) in percent of en-route revenue/costs	7.0%	7.4%	4.8%	8.8%	4.9%	7.9%
Estimated ex-post RoE pre-tax rate (in %)	6.9%	7.8%	5.8%	9.7%	5.0%	8.6%



7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by LATVIA

At State / Charging Area level

In 2014, Latvia's real en-route unit cost (25.74 €2009) is -3.4% lower than planned in the NPP (26.64 €2009). This difference is due to the fact that actual en-route costs are -3.1% (-0.6 M€2009) lower than planned in real terms, while the actual number of total service units (TSUs) is slightly higher than planned (+0.2%).

The difference between the actual and planned total en-route service units (+0.2%) falls inside the ±2% dead band and is therefore fully borne by the ATSP.

Actual 2014 costs vs. NPP

The Latvian en-route cost-base includes costs relating to: the en-route ATSP (LGS), the MET service provider (LVGMC), the Latvian NSA and the EUROCONTROL Agency.

In 2014, actual en-route costs for Latvia are -3.1% lower than planned in real terms. This results from a combination of lower en-route costs in nominal terms (-5.7%) and a lower inflation index (-2.9 p.p.). The cost savings are mostly attributable to LGS (-3.1% in real terms, -0.5 M€2009). A detailed analysis of LGS's costs is provided in the box below. The costs associated with LVGMC are -29.9% lower planned, equivalent to -0.1 M€2009 in absolute terms.

Costs exempt from cost sharing are reported for an amount of -0.04 M€2009 due to lower EUROCONTROL costs than planned. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

RP1 summary

When considering the whole of RP1 (2012-2014) the actual number of TSUs is +0.5% higher than planned while actual costs in real terms are -2.4% lower than the determined costs (some -1.4 M€2009). As a result, the weighted average unit cost over RP1 (26.66 €2009) is -2.9% lower than planned in the NPP.

At ATSP level

Actual 2014 LGS costs vs. NPP

LGS 2014 actual en-route costs are -3.1% lower than planned in real terms, as a result of lower than planned costs in all categories except for staff costs which are +10.2% above the NPP (+0.9 M€2009 in absolute terms). According to the Additional Information provided with the en-route Reporting Tables, staff numbers and unit staff costs both contributed to the higher costs. Trade unions were able to negotiate higher ATCO salaries in the context of wage growth across the Latvian economy. At the same time the number of employees increased mainly due to new ATCOs being trained.

Operating costs are lower than planned (-0.5 M€2009 or -16.6%) due to measures taken in previous years, notably i) lower fixed asset maintenance costs and ii) lower training costs. Depreciation costs are also lower than planned (-0.9 M€2009 or -21.7%) following a reduction in capex compared to the NPP as projects were delayed or "reassessed... by taking into consideration the FAB dimension". According to the information provided in the NSA Monitoring Report for 2014 investment over RP1 was -3.9 M€ or -21.0% lower than planned. Lower than planned total capital expenditures, in combination with lower than planned working capital also reduced the cost of capital compared to the NPP (-0.1 M€2009 or -6.1%).

LGS net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, the en-route activity for the year 2014 generated a net gain of +0.6 M€2009 for LGS. This is due to the combination of two separate elements:

- a gain of +0.5 M€2009 for LGS as a result of the cost-sharing mechanism; and
- a gain of +0.04 M€2009 as a result of the traffic risk sharing mechanism for 2014.

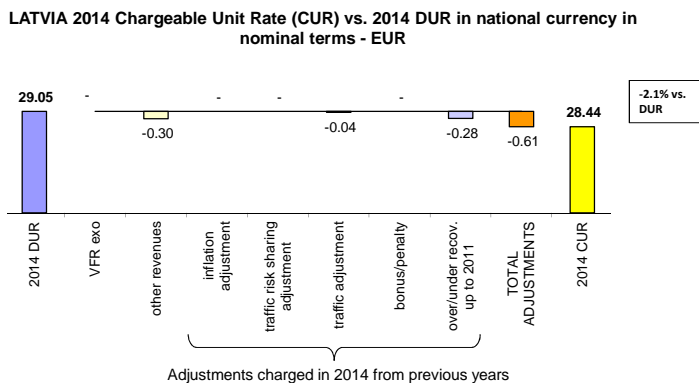
To calculate the overall economic surplus of the ATSP, it is also important to add the surplus embedded in the cost of capital through the return on equity. Based on the figures planned in the NPP, the return on equity amounted to +0.8 M€2009, corresponding to an estimated surplus of 4.9% of the en-route costs/revenues for 2014. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+0.8 M€2009) and the net gain from the en-route activity in 2014 (+0.6 M€2009), gives a total of +1.4 M€2009, corresponding to 7.9% of the 2014 en-route revenue. The resulting ex-post rate of return on equity for 2014 is 8.6% (compared to 5.0% planned in the NPP).

Conclusions

In 2014 LGS's actual en-route costs are lower than planned (-3.1%, or -0.5 M€2009 in absolute terms) while traffic is slightly higher than foreseen in the NPP (+0.2%). The en-route activity for the year 2014 generated a net gain of +0.6 M€2009 for LGS which results in an estimated actual surplus of +1.4 M€2009 (7.9% of the en-route revenue for 2014, up from the 4.9% planned in the RP1 PP).

When considering the whole of RP1 (2012-2014), LGS could retain a cumulative gain in respect of cost sharing of +1.1 M€2009 due to cost savings in 2013 (+0.5 M€2009) and 2014 (+0.5 M€2009). LGS also retained a cumulative gain in respect of traffic risk sharing amounting to +0.3 M€2009, as traffic remained slightly above planned for all years of RP1. These two effects resulted in a cumulative net gain for the en-route activity of +1.3 M€2009.

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



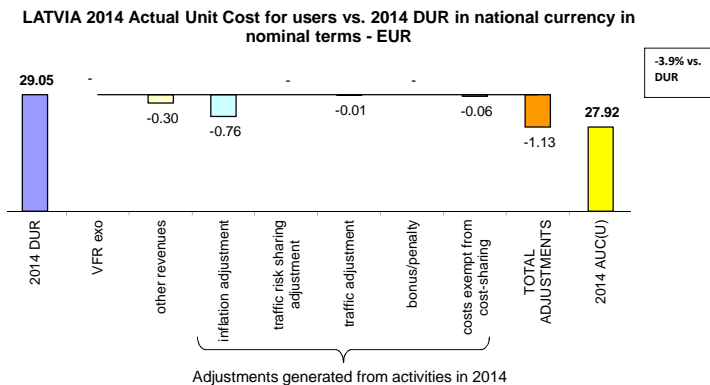
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2014, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by the **forecast total service units** for 2014 as laid out in the performance plan.

The actual Chargeable Unit Rate (CUR) charged to users in 2014 is 28.44 €. This is -2.1% lower than the nominal DUR (29.05 €). The difference observed between these two figures (-0.61 €) reflects a combination of negative adjustments for other revenues (-0.30 €), the over recovery in 2011 (-0.28 €) and costs exempt from traffic risk sharing (-0.04 €). According to the Additional Information provided with the en-route Reporting Tables other revenues relate to rental and financial income.

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by the **actual total service units** in 2014.

The unit cost that the users incurred in respect of the activities performed in 2014 is 27.92 €. This is -3.9% lower than the nominal DUR (29.05 €). The difference observed between these two figures (-1.13 €) predominantly reflects a negative adjustment due to lower than planned inflation (- 0.76 €) and a deduction for other revenues (-0.30 €). Small negative adjustments also apply relating to the traffic adjustment for costs exempt from traffic risk sharing (-0.01 €) and for costs exempt from cost sharing (-0.06 €).

LATVIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) ^{0.7}			0.7	0.7	0.7	0.7
Number of airports in terminal charging zone			3	3	3	3
of which, number of airports over 50 000 movements			1	1	1	1
LATVIA - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)			8 141 088	8 357 894	8 504 895	9 047 642
Inflation index (100 in 2009)	100.0	98.9	103.1	105.4	107.2	109.0
Real terminal ANS costs - (in EUR2009)			7 899 842	7 927 882	7 932 468	8 297 626
LATVIA - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)			6 984 835	6 517 898	6 035 811	6 011 022
Inflation index (100 in 2009)	100.0	98.9	103.1	105.4	105.4	106.2
Real terminal ANS costs - (in EUR2009)			6 777 853	6 182 554	5 725 270	5 662 122
Total terminal service units			34 500	32 000	32 093	30 929
Actual real unit costs - (in EUR2009)			196.5	193.2	178.4	183.1
Unit rate applied - (in EUR)				89.73	89.73	89.73
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value			-1 839 995	-2 469 084	-3 036 620
	in%			-22.0%	-29.0%	-33.6%
Inflation index (100 in 2009)	in p.p.			0.0 p.p.	-1.8 p.p.	-2.9 p.p.
Real terminal ANS costs - (in EUR2009)	in value			-1 745 328	-2 207 198	-2 635 504
	in%			-22.0%	-27.8%	-31.8%

11. - General conclusions on the Terminal ANS costs and unit rates monitoring

The terminal charging zone in Latvia comprises 3 airports of which only one (Riga) handles over 50 000 movements. The harmonised SES formula (MTOW/50)^{0.7} already applies in Latvia's terminal charging zone.

The 2014 actual terminal ANS costs are -31.8% lower than planned in real terms (-2.6 M€2009). This results from the combination of lower terminal ANS costs in nominal terms (-33.6%) and a lower inflation index (-2.9 p.p.). According to the Additional Information provided with the terminal Reporting Tables, the reduction in costs is related to the lower than forecast terminal traffic, due in part to problems associated with the National Carrier and to delays in planned capex.

The real unit cost for terminal services is 183.1 €2009 in 2014, significantly above the unit rate applied for all years of RP1 (89.73 €).

RP1 summary

When considering the whole of RP1 (2012-2014), actual terminal ANS costs are -27.3% (or some -6.6 M€2009) lower than planned in the NPP. This reflects the fact that terminal ANS costs are lower than planned in real terms in each year of RP1.

12. - Monitoring of gate-to-gate costs (2014)

12. - Monitoring of gate-to-gate costs (2014)						
	2009A	2010A	2011F	2012P	2013P	2014P
LATVIA - Data from RP1 national performance plan						
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	15 219 037	16 717 665	19 195 307	19 932 105	19 983 169	20 381 458
Real terminal ANS costs - (in EUR2009)	0	0	7 899 842	7 927 882	7 932 468	8 297 626
Real gate-to-gate ANS costs - (in EUR2009)	15 219 037	16 717 665	27 095 150	27 859 987	27 915 637	28 679 084
Share of en-route costs in gate-to-gate ANS costs	N/A	N/A	70.8%	71.5%	71.6%	71.1%
LATVIA - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	15 219 037	16 717 665	20 040 973	19 777 889	19 341 645	19 740 354
Real terminal ANS costs - (in EUR2009)	0	0	6 777 853	6 182 554	5 725 270	5 662 122
Real gate-to-gate ANS costs - (in EUR2009)	15 219 037	16 717 665	26 818 826	25 960 443	25 066 915	25 402 476
Share of en-route costs in gate-to-gate ANS costs	N/A	N/A	74.7%	76.2%	77.2%	77.7%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in EUR2009)	in value			-154 216	-641 525	-641 104
	in %			-0.8%	-3.2%	-3.1%
Real terminal ANS costs - (in EUR2009)	in value			-1 745 328	-2 207 198	-2 635 504
	in %			-22.0%	-27.8%	-31.8%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-1 899 544	-2 848 723	-3 276 608
	in %			-6.8%	-10.2%	-11.4%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			4.6 p.p.	5.6 p.p.	6.6 p.p.

13. - General conclusions on the gate-to-gate ANS costs

Actual 2014 gate-to-gate costs are -11.4% lower than planned in real terms due predominantly to reduced terminal ANS costs (-2.6 M€2009, -31.8%) in addition to lower than planned costs for en-route (-0.6 M€2009, -3.1%).

The allocation of gate-to-gate costs between en-route ANS and terminal ANS remained quite stable over RP1 (76-78% share to en-route). However this is notably different from the NPP (approximately 71% share to en-route) due to the significant reduction in terminal ANS costs.



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Lithuania

Working Draft 2.0

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LITHUANIA

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management																																						
	2012	2013	2014	State level Observations																																		
State level	58	58	58																																			
ANSP [ORO NAVIGACIJA]	83	85	78																																			
<table border="1"> <caption>Data for Effectiveness of Safety Management Bar Chart</caption> <thead> <tr> <th>CO</th> <th>Level</th> <th>Self-assessment</th> <th>EASA verification</th> </tr> </thead> <tbody> <tr> <td rowspan="2">CO1</td> <td>< Level C</td> <td>1</td> <td>3</td> </tr> <tr> <td>≥ Level C</td> <td>15</td> <td>13</td> </tr> <tr> <td rowspan="2">CO2</td> <td>< Level C</td> <td>4</td> <td>4</td> </tr> <tr> <td>≥ Level C</td> <td>4</td> <td>4</td> </tr> <tr> <td rowspan="2">CO3</td> <td>< Level C</td> <td>1</td> <td>2</td> </tr> <tr> <td>≥ Level C</td> <td>8</td> <td>7</td> </tr> <tr> <td rowspan="2">CO4</td> <td>< Level C</td> <td>2</td> <td>4</td> </tr> <tr> <td>≥ Level C</td> <td>2</td> <td>2</td> </tr> </tbody> </table>							CO	Level	Self-assessment	EASA verification	CO1	< Level C	1	3	≥ Level C	15	13	CO2	< Level C	4	4	≥ Level C	4	4	CO3	< Level C	1	2	≥ Level C	8	7	CO4	< Level C	2	4	≥ Level C	2	2
CO	Level	Self-assessment	EASA verification																																			
CO1	< Level C	1	3																																			
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	≥ Level C	8	7																																			
CO4	< Level C	2	4																																			
	≥ Level C	2	2																																			
Application of the severity classification of the Risk Analysis Tool (RAT)																																						
		2012		2013		2014																																
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)																															
Separation Minima Infringements (SMIs)	ATM Ground	0	N/A	0	N/A	1	100%																															
	ATM Overall	0	N/A	0	N/A	1	100%																															
Runway Incursions (RIs)	ATM Ground	0	N/A	0	N/A	2	100%																															
	ATM Overall	0	N/A	0	N/A	2	100%																															
ATM Specific Occurrences (ATM-Specific)	ATM Overall	17	100%	17	100%	10	100%																															
Source of RAT data:		ORO NAVIGACIJA																																				
Just culture																																						
Number of questions answered with Yes or No		State																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	6	4	6	4	5	4																															
	Legal/Judiciary	7	1	7	1	6	1																															
	Occurrence reporting and Investigation	2	0	2	0	2	0																															
	TOTAL	15	5	15	5	13	5																															
Number of questions answered with Yes or No		ANSP [ORO NAVIGACIJA]																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	11	2	11	2	11	2																															
	Legal/Judiciary	2	1	3	0	3	0																															
	Occurrence reporting and Investigation	8	0	8	0	8	0																															
	TOTAL	21	3	22	2	22	2																															

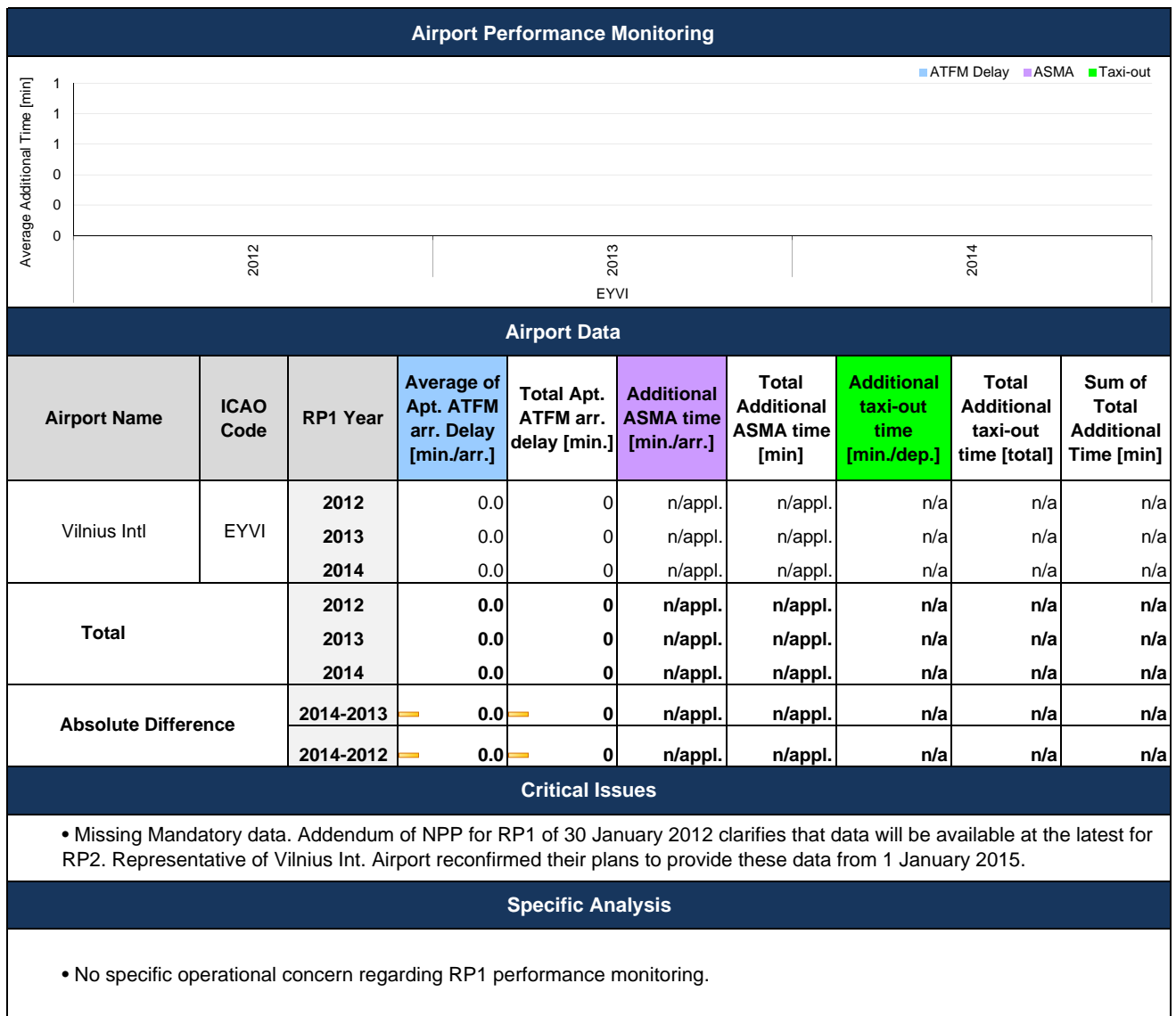
LITHUANIA

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.04	0.05	0.06	
National Target	0.04	0.05	0.05	
Actual performance	0	0	0	
National capacity assessment				
General performance achievement is very good.				
Military dimension of the plan				
The national monitoring report confirms that there is no requirement to apply FUA to increase capacity for general air traffic as, "ATC capacity is sufficient."				
PRB Capacity assessment				
The excellent capacity performance in 2012 and 2013, continued in 2014, with Lithuania surpassing the national target and the effort required to be consistent with the Union-wide target.				
Effective booking procedures				
Allocation and activation of restricted or segregated areas has no impact on available ATC capacity or on available route options for general air traffic.				
Recommendations				

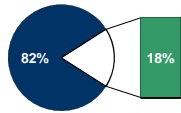
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Monitoring of CAPACITY indicators for 2014

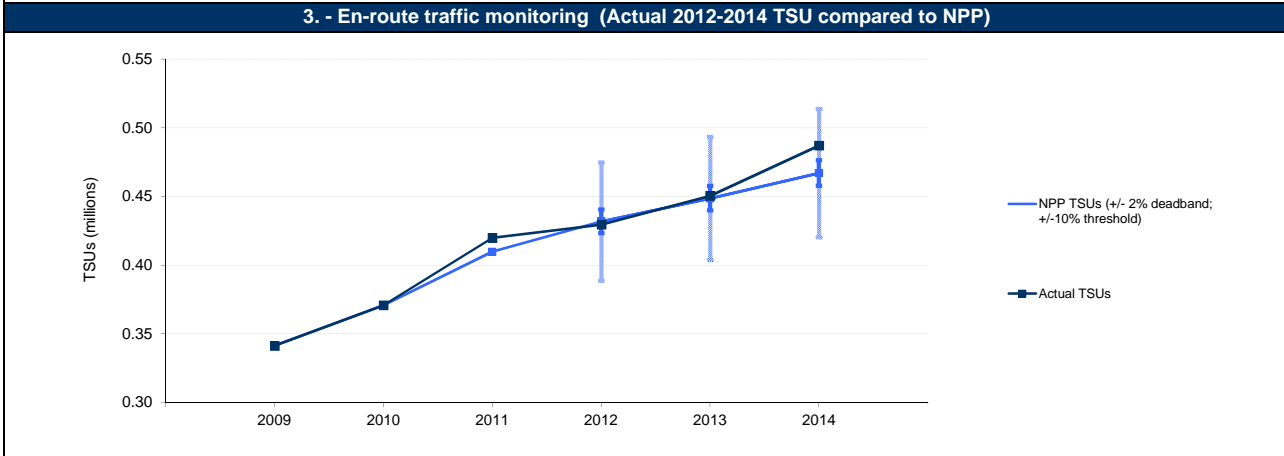
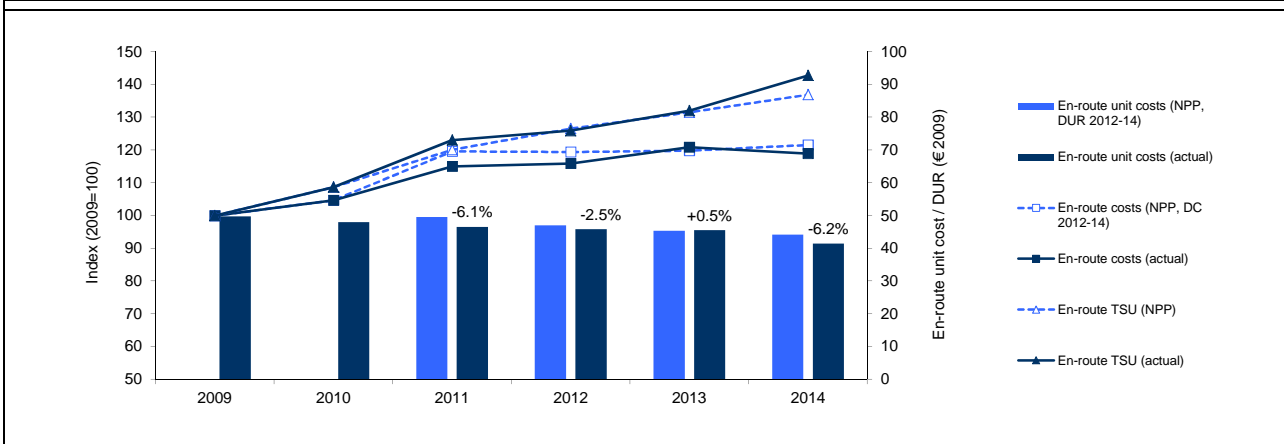


LITHUANIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> LITHUANIA represents 0.3% of the SES en-route ANS determined costs in 2014. ATSP : Oro Navigacija FAB : Baltic National currency: LTL Exchange rate 2009: 1 EUR= 3.45061 <p>Note on the actual exchange rate 2014 The LTL exchange rate to the EUR remained stable in 2014 compared to 2013.</p>	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p>  <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
LITHUANIA - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal LTL)	58 633 924	62 118 000	72 560 295	74 222 874	76 109 996	79 164 791
Inflation %		1.2%	2.2%	2.4%	2.2%	2.5%
Inflation index (100 in 2009)	100.0	101.2	103.5	106.0	108.4	111.0
Real en-route costs (determined costs 2012-2014) - (in LTL2009)	58 633 924	61 381 423	70 133 122	70 031 323	70 239 218	71 289 683
Total en-route Service Units	341 247	370 823	409 819	431 858	448 700	467 097
Real en-route unit costs per Service Units - (in LTL2009)	171.82	165.53	171.13	162.16	156.54	152.62
Real en-route unit costs per Service Units - (in EUR2009)	49.79	47.97	49.59	47.00	45.37	44.23
LITHUANIA - Actual data from Jun-2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal LTL)	58 633 924	62 118 000	71 053 687	73 888 590	77 991 286	76 889 943
Inflation %		1.2%	4.1%	3.2%	1.2%	0.2%
Inflation index (100 in 2009)	100.0	101.2	105.3	108.7	110.0	110.2
Real en-route costs - (in LTL2009)	58 633 924	61 381 423	67 445 872	67 962 045	70 885 047	69 744 565
Total en-route Service Units	341 247	370 823	419 921	429 631	450 551	487 218
Real en-route unit costs per Service Units - (in LTL2009)	171.82	165.53	160.62	158.19	157.33	143.15
Real en-route unit costs per Service Units - (in EUR2009)	49.79	47.97	46.55	45.84	45.59	41.49
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal LTL)	in value			-334 284	1 881 290	-2 274 848
	in %			-0.5%	2.5%	-2.9%
Inflation %	in p.p.			0.8 p.p.	-1.0 p.p.	-2.3 p.p.
Inflation index (100 in 2009)	in p.p.			2.7 p.p.	1.7 p.p.	-0.8 p.p.
Real en-route costs - (in LTL2009)	in value			-2 069 278	645 828	-1 545 119
	in %			-3.0%	0.9%	-2.2%
Total en-route Service Units	in value			-2 227	1 851	20 120
	in %			-0.5%	0.4%	4.3%
Real en-route unit costs per Service Units - (in LTL2009)	in value			-3.98	0.79	-9.47
	in %			-2.5%	0.5%	-6.2%
Real en-route unit costs per Service Units - (in EUR2009)	in value			-1.15	0.23	-2.75
	in %			-2.5%	0.5%	-6.2%



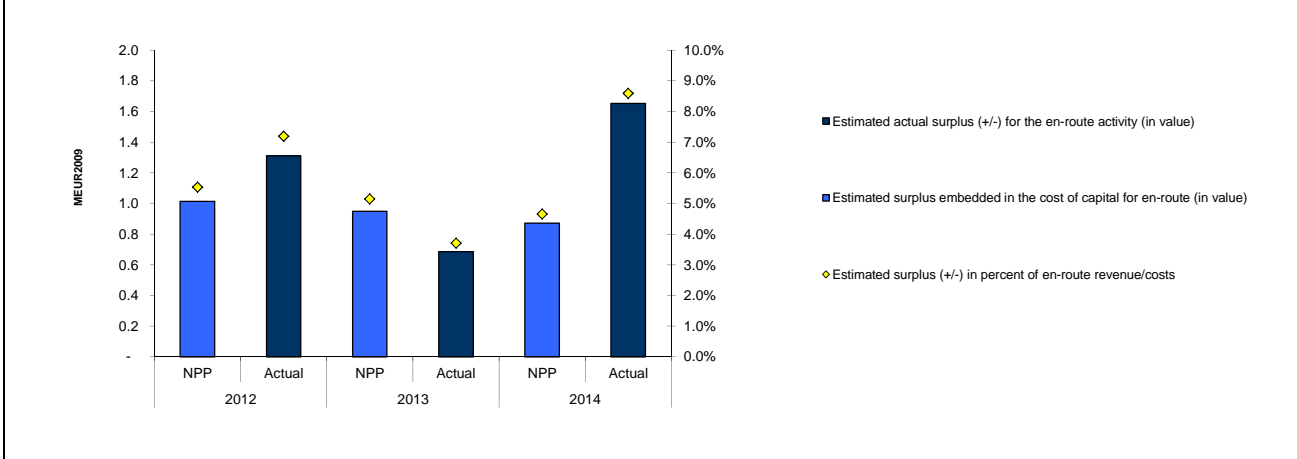
LITHUANIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

4. - En-route costs monitoring (2014 actuals compared to NPP)		
By entity at State level 		Costs exempted from cost sharing (by factor/item) Pension - Interest rates on loans - National taxation law - New cost item required by law - International agreements 65 Costs exempted from cost sharing (by entity) ATSP - Other ANSP - METSP - NSA/EUROCONTROL 65 Total costs exempted from cost sharing to be recovered from (+)/reimbursed to (-) users if eligible after EC verification 65
By nature at ATSP level 		

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2014		
Cost sharing ('000€2009)		Combined effect of variations in costs and traffic for 2014 ('000€2009)
Determined costs for the ATSP (NPP)	18 722	
Actual costs for the ATSP	18 248	
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	474	
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-	
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	474	
Traffic risk sharing ('000€2009)		
Difference in total service units (actual vs NPP)	4.31%	
Determined costs after deduction of costs for exempted VFR flights	18 858	
ATSP gain (traffic between 0 and +2% higher than NPP)	377	
ATSP gain (traffic between +2% and +10% higher than NPP)	131	
ATSP loss (traffic between 0 and -2% below NPP)	-	
ATSP loss (traffic between -2% and -10% below NPP)	-	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	508	
Incentives ('000€2009)		
ATSP bonus (+) / penalty (-)	-	
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	-	
Net ATSP gain(+)/loss(-) on en-route activity	982	

6. - En-route ATSP estimated surplus*							
*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.							
ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A	
Total asset base	33 776	29 526	31 663	26 009	29 039	22 354	
Estimated proportion of financing through equity (in %)	100%	100%	100%	100%	100%	100%	
Estimated proportion of financing through equity (in value)	33 776	29 526	31 663	26 009	29 039	22 354	
Estimated proportion of financing through debt (in %)	-	-	-	-	-	-	
Estimated proportion of financing through debt (in value)	-	-	-	-	-	-	
Cost of capital pre-tax (in value)	1 013	886	950	780	871	671	
Average interest on debt (in %)	-	-	-	-	-	-	
Interest on debt (in value)	-	-	-	-	-	-	
Determined RoE pre-tax rate (in %)	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	
Estimated surplus embedded in the cost of capital for en-route (in value)	1 013	886	950	780	871	671	
Net ATSP gain(+)/loss(-) on en-route activity		426		-95		982	
Overall estimated surplus (+/-) for the en-route activity	1 013	1 311	950	686	871	1 653	
Revenue/costs for the en-route activity	18 313	18 221	18 452	18 527	18 722	19 229	
Estimated surplus (+/-) in percent of en-route revenue/costs	5.5%	7.2%	5.1%	3.7%	4.7%	8.6%	
Estimated ex-post RoE pre-tax rate (in %)	3.0%	4.4%	3.0%	2.6%	3.0%	7.4%	



7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by LITHUANIA

At State / Charging Area level

In 2014, Lithuania's real en-route unit cost (41.49 €2009) is -6.2% lower than planned in the NPP (44.23 €2009). This difference is due to the fact that actual en-route costs are -2.2% (-0.4 M€2009) lower than planned in real terms, while the actual number of total service units (TSUs) is +4.3% higher than planned. The difference between the actual and the planned TSUs for the year 2014 falls outside the ± 2% dead band foreseen in the traffic risk sharing mechanism, although it does not exceed the +10% threshold. The related loss is therefore shared between the airspace users and the ATSP.

Actual 2014 costs vs. NPP

The Lithuanian en-route cost-base includes costs relating to: the en-route ATSP (Oro Navigacija), the MET service provider (LHMS), the Lithuanian NSA and the EUROCONTROL Agency.

In 2014, actual en-route costs for Lithuania are -2.2% lower than planned in real terms, resulting from a combination of lower en-route costs in nominal terms (-2.9%) and a lower inflation index (-0.8 p.p.). The cost savings are wholly attributable to Oro Navigacija (-2.5% in real terms, -0.5 M€2009). A detailed analysis of Oro Navigacija's costs is provided in the box below. The costs associated with LHMS are +1.3% higher than planned, equivalent to +0.01 M€2009 in absolute terms. According to the Additional Information provided with the June 2015 en-route Reporting Tables this is due to higher staff costs as well as the cost of repair works for meteorological radar. NSA/EUROCONTROL costs were also higher than planned (+1.4%, +0.02 M€2009) due to slightly higher EUROCONTROL costs.

Costs exempt from cost sharing are reported for an amount of +0.07 M€2009 as EUROCONTROL costs are higher than planned. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

RP1 summary

When considering the whole of RP1 (2012-2014) the actual number of TSUs is +1.5% higher than planned while actual costs in real terms are -1.4% lower than the determined costs (some -0.9 M€2009). As a result, the weighted average unit rate over RP1 (44.21 €2009) is -2.8% lower than planned.

At ATSP level

Actual 2014 Oro Navigacija costs vs. NPP

Oro Navigacija 2014 actual en-route costs are -2.5% lower than planned in real terms, as a result of lower than planned costs in all categories, except for other operating costs which are +10.2% above the NPP (+0.4 M€2009 in absolute terms). According to the Additional Information to the June 2015 en-route Reporting Tables, this is due to increases in the cost of post warranty contracts and the electricity price as well as write-offs of en-route charges.

Most of the savings are achieved through lower than planned depreciation costs (-16.4% or -0.5 M€2009 in absolute terms) and lower than planned cost of capital (-23.0% or -0.2 M€2009 in absolute terms). A key enabler of these savings is that the main ATM system reached the end of its accounting life earlier than planned (2013 compared to 2016 in NPP), reducing both depreciation costs and the asset base used to calculate the cost of capital. Staff costs are also lower than planned (-1.2%, or -0.1 M€2009 in absolute terms).

Oro Navigacija net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, the en-route activity for the year 2014 generated a net gain of +1.0 M€2009 for Oro Navigacija. This is due to the combination of two separate elements:

- a gain of +0.5 M€2009 as a result of the cost-sharing mechanism; and
- a gain of +0.5 M€2009 as a result of the traffic risk sharing mechanism for 2014.

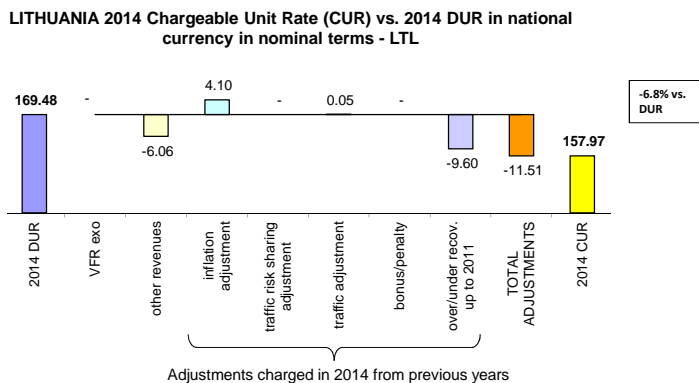
To calculate the overall economic surplus of the ATSP, it is also important to add the surplus embedded in the cost of capital through the return on equity. Based on the figures planned in the NPP, the return on equity amounted to +0.9 M€2009, corresponding to an estimated surplus of 4.7% of the en-route costs/revenues for 2014. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+0.7 M€2009) and the net gain from the en-route activity in 2014 (+1.0 M€2009), gives a total of +1.7 M€2009, corresponding to 8.6% of the 2014 en-route revenue. The resulting ex-post rate of return on equity for 2014 is 7.4% (compared to 3.0% planned in the NPP).

Conclusions

In 2014 Oro Navigacija's actual en-route costs are lower than planned (-2.5%, or -0.5 M€2009 in absolute terms) while traffic is +4.3% higher than foreseen in the NPP. The en-route activity for the year 2014 generated a net gain of +1.0 M€2009 for Oro Navigacija which results in an estimated actual surplus of 1.7 M€2009 (8.6% of the en-route revenue for 2014, up from the 4.7% planned in the RP1 PP).

When considering the whole of RP1 (2012-2014), Oro Navigacija could retain a cumulative gain in respect of cost sharing of +0.8 M€2009 due to cost savings in 2012 (+0.5 M€2009) and 2014 (+0.5 M€2009). Oro Navigacija also retained a cumulative gain in respect of traffic risk sharing amounting to +0.5 M€2009, predominantly from higher than planned traffic in 2014. These two effects resulted in a cumulative net gain for the en-route activity of +1.3 M€2009.

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



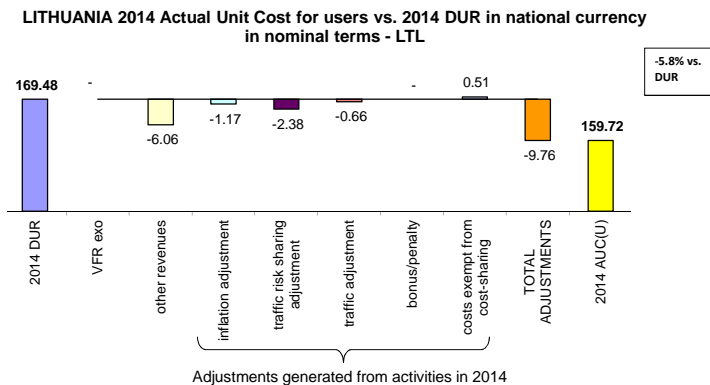
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The actual Chargeable Unit Rate (CUR) charged to users in 2014 is 157.97 LTL. This is -6.8% lower than the nominal DUR (169.48 LTL). The difference observed between these two figures (-11.51 LTL) reflects mainly a combination of negative adjustments for the over recovery in 2011 (-9.60 LTL) and other revenues (-6.06 LTL). According to the Additional Information provided with the June 2015 en-route Reporting Tables, other revenues relate to income from provision of radar information to the Lithuanian military and from the sale of AIP and AIC. These are offset by a positive adjustment due to higher inflation than planned in 2012 (+4.10 LTL) and a positive adjustment for costs not subject to traffic risk sharing resulting from lower than planned traffic for 2012 (+0.05 LTL).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The unit cost that the users incurred in respect of the activities performed in 2014 is 159.72 LTL. This is -5.8% lower than the nominal DUR (169.48 LTL). The difference observed between these two figures (-9.76 LTL) reflects mainly a combination of negative adjustments for other revenues (-6.06 LTL), lower inflation than planned (-1.17 LTL), traffic risk sharing adjustment (-2.38 LTL) and costs exempt from traffic risk sharing (-0.66 LTL). There is also a positive adjustment related to the costs exempt from cost-sharing (+0.51 LTL).

LITHUANIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) ^{0.7}	0.5	0.5	0.5	0.7	0.7	0.7
Number of airports in terminal charging zone	3	4	4	4	4	4
of which, number of airports over 50 000 movements						
LITHUANIA - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in LTL)	9 468 000	10 968 000	12 603 000	13 252 000	13 866 000	14 972 000
Inflation index (100 in 2009)	100.0	101.2	103.5	106.0	108.4	111.0
Real terminal ANS costs - (in LTL2009)	9 468 000	10 837 945	12 181 424	12 503 626	12 796 440	13 482 624
Real terminal ANS costs - (in EUR2009)	2 743 863	3 140 878	3 530 223	3 623 599	3 708 457	3 907 316
LITHUANIA - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in LTL)	9 468 000	10 968 000	11 413 953	13 846 672	15 270 225	16 992 037
Inflation index (100 in 2009)	100.0	101.2	105.3	108.7	110.0	110.2
Real terminal ANS costs - (in LTL2009)	9 468 000	10 837 945	10 834 400	12 736 041	13 878 867	15 412 967
Real terminal ANS costs - (in EUR2009)	2 743 863	3 140 878	3 139 851	3 690 954	4 022 149	4 466 737
Total terminal service units	14 117	17 236	18 361	19 495	21 275	24 057
Actual real unit costs - (in LTL2009)	670.7	628.8	590.1	653.3	652.3	640.7
Unit rate applied - (in LTL)				739.69	726.37	745.22
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in LTL)	in value			594 672	1 404 225	2 020 037
	in%			4.5%	10.1%	13.5%
Inflation index (100 in 2009)	in p.p.			2.7 p.p.	1.7 p.p.	-0.8 p.p.
Real terminal ANS costs - (in LTL2009)	in value			232 415	1 082 426	1 930 343
	in%			1.9%	8.5%	14.3%
Real terminal ANS costs - (in EUR2009)	in value			67 355	313 691	559 421
	in%			1.9%	8.5%	14.3%
11. - General conclusions on the Terminal ANS costs and unit rates monitoring						
<p>The terminal charging zone of Lithuania comprises 4 airports, none of which has over 50 000 air transport movements per year. The harmonised SES formula (MTOW/50)^{0.7} is applied from 2012 onwards.</p> <p>The 2014 actual terminal ANS costs are +14.3% higher than planned in real terms (+0.6 M€2009) resulting from the combination of higher terminal ANS costs in nominal terms (+13.5%) and a lower inflation index (-0.8 p.p.). According to the Additional Information provided with the terminal Reporting Tables, the increase in costs is related to the write-offs for terminal charges, notably related to the National Carrier FlyLAL which suspended operations in 2009, and higher than forecast terminal traffic.</p> <p>The actual unit cost for terminal services is 640.7 LTL2009 in 2014, -1.8% compared to the real unit cost for 2013. The Unit Rate applied in 2014 is 745.22 LTL, +2.6% higher than the rate applied in 2013.</p> <p>RP1 summary</p> <p>When considering the whole of RP1 (2012-2014), actual terminal ANS costs are +8.4% higher in real terms (or some +0.9 M€2009) than planned in the NPP. This reflects the fact that terminal ANS costs are higher than planned in real terms in each year of RP1 (+1.9% in 2012, +8.5% in 2013 and +14.3% in 2014).</p>						

12. - Monitoring of gate-to-gate costs (2014)						
	2009A	2010A	2011F	2012P	2013P	2014P
LITHUANIA - Data from RP1 national performance plan						
Real en-route costs (determined costs 2012-2014) - (in LTL2009)	58 633 924	61 381 423	70 133 122	70 031 323	70 239 218	71 289 683
Real terminal ANS costs - (in LTL2009)	9 468 000	10 837 945	12 181 424	12 503 626	12 796 440	13 482 624
Real gate-to-gate ANS costs - (in LTL2009)	68 101 924	72 219 368	82 314 546	82 534 950	83 035 659	84 772 308
Real gate-to-gate ANS costs - (in EUR2009)	19 736 199	20 929 449	23 855 071	23 918 945	24 064 052	24 567 340
Share of en-route costs in gate-to-gate ANS costs	86.1%	85.0%	85.2%	84.9%	84.6%	84.1%
LITHUANIA - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in LTL2009)	58 633 924	61 381 423	67 445 872	67 962 045	70 885 047	69 744 565
Real terminal ANS costs - (in LTL2009)	9 468 000	10 837 945	10 834 400	12 736 041	13 878 867	15 412 967
Real gate-to-gate ANS costs - (in LTL2009)	68 101 924	72 219 368	78 280 272	80 698 086	84 763 913	85 157 532
Real gate-to-gate ANS costs - (in EUR2009)	19 736 199	20 929 449	22 685 923	23 386 615	24 564 907	24 678 979
Share of en-route costs in gate-to-gate ANS costs	86.1%	85.0%	86.2%	84.2%	83.6%	81.9%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in LTL2009)	in value			-2 069 278	645 828	-1 545 119
	in %			-3.0%	0.9%	-2.2%
Real terminal ANS costs - (in LTL2009)	in value			232 415	1 082 426	1 930 343
	in %			1.9%	8.5%	14.3%
Real gate-to-gate ANS costs - (in LTL2009)	in value			-1 836 863	1 728 255	385 224
	in %			-2.2%	2.1%	0.5%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-532 330	500 855	111 639
	in %			-2.2%	2.1%	0.5%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			-0.6 p.p.	-1.0 p.p.	-2.2 p.p.
13. - General conclusions on the gate-to-gate ANS costs						
<p>Actual 2014 gate-to-gate costs are +0.5% above planned in real terms due to a combination of lower than planned en-route ANS costs (-0.4 M€2009, -2.2%) and higher than planned terminal ANS costs (+0.6 M€2009, +14.3%).</p> <p>The allocation of gate-to-gate costs to en-route ANS has fallen from 86% in 2011 to 82% in 2014 due to the opposite trends observed for en-route and terminal costs. This was not planned in the NPP and the share of en-route in gate-to-gate ANS costs was planned to remain relatively stable (84-85%).</p>						



Performance Review Body
designated by
the European Commission



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Malta

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MALTA

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management							
		2012	2013	2014	State level Observations		
State level		74	56	63			
ANSP [MATS]		80	80	83			
<p>Number of questions</p> <p>Legend: ■ Self-assessment, ■ EASA verification</p> <p>CO1: < Level C (3), ≥ Level C (5) CO2: < Level C (4), ≥ Level C (4) CO3: < Level C (9), ≥ Level C (9) CO4: < Level C (2), ≥ Level C (2)</p>							
Application of the severity classification of the Risk Analysis Tool (RAT)							
		2012		2013		2014	
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)
Separation Minima Infringements (SMIs)	ATM Ground	2	100%	6	100%	3	100%
	ATM Overall		100%		100%		100%
Runway Incursions (RIs)	ATM Ground	3	100%	12	83%	34	100%
	ATM Overall		100%		83%		100%
ATM Specific Occurrences (ATM-Specific)	ATM Overall	87	5%	63	22%	151	6%
Source of RAT data:		Transport Malta					
Just culture							
Number of questions answered with Yes or No		State					
		2012		2013		2014	
		YES	NO	YES	NO	YES	NO
Policy and its implementation		8	2	7	3	9	0
Legal/Judiciary		3	5	5	3	7	0
Occurrence reporting and Investigation		2	0	1	1	1	1
TOTAL		13	7	13	7	17	1
Number of questions answered with Yes or No		ANSP [MATS]					
		2012		2013		2014	
		YES	NO	YES	NO	YES	NO
Policy and its implementation		11	2	11	2	11	2
Legal/Judiciary		2	1	2	1	2	1
Occurrence reporting and Investigation		5	3	5	3	5	3
TOTAL		18	6	18	6	18	6

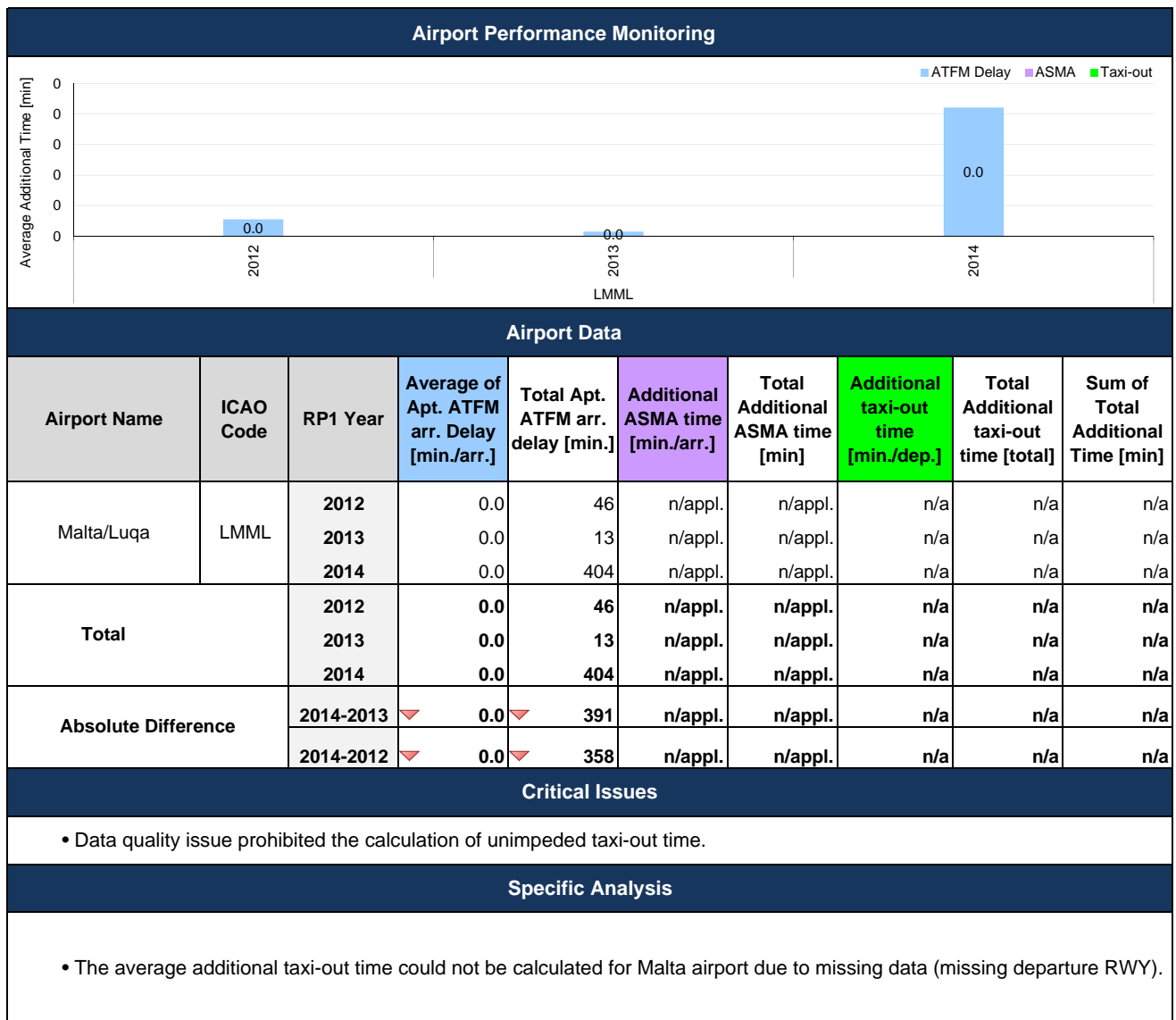
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Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.02	0.03	0.05	
National Target	0.02	0.03	0.05	
Actual performance	0	0	0	
National capacity assessment				
No information was provided by the National Supervisory Authority on the assessment of national capacity performance.				
Military dimension of the plan (Opt.)				
The NSA for Malta has confirmed in 2012 that the allocation and activation of restricted or segregated areas has no adverse impact on either ATC capacity, or on the ability of aircraft operators to file flight plans.				
PRB Capacity assessment				
With the excellent capacity performance in 2012, 2013 & 2014, Malta has exceeded the national target and the level of performance required to be consistent with the EU-wide target for each year in RP1.				
Effective booking procedures				
The national monitoring report did not contain any information on effective booking procedures.				
In 2012, the NSA for Malta stated that the allocation and activation of restricted or segregated areas has no impact on available ATC capacity, or on available route options for general air traffic.				
The PRB understands that the above statement holds true for 2014 and that therefore there is no need for Malta to report on effective booking procedures.				
Recommendations				

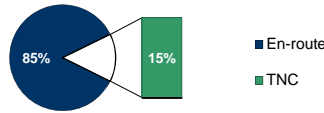
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Monitoring of CAPACITY indicators for 2014

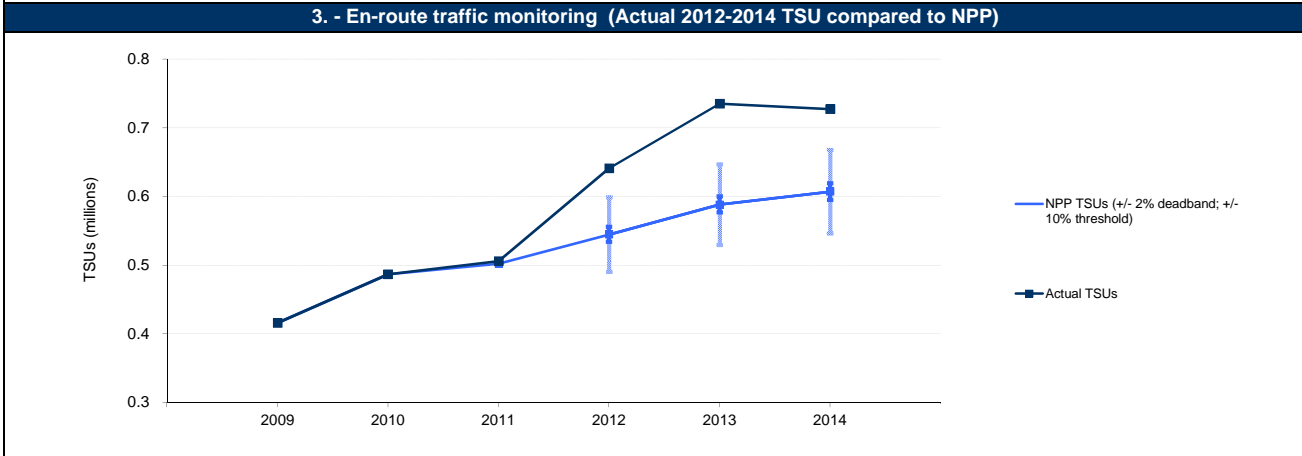
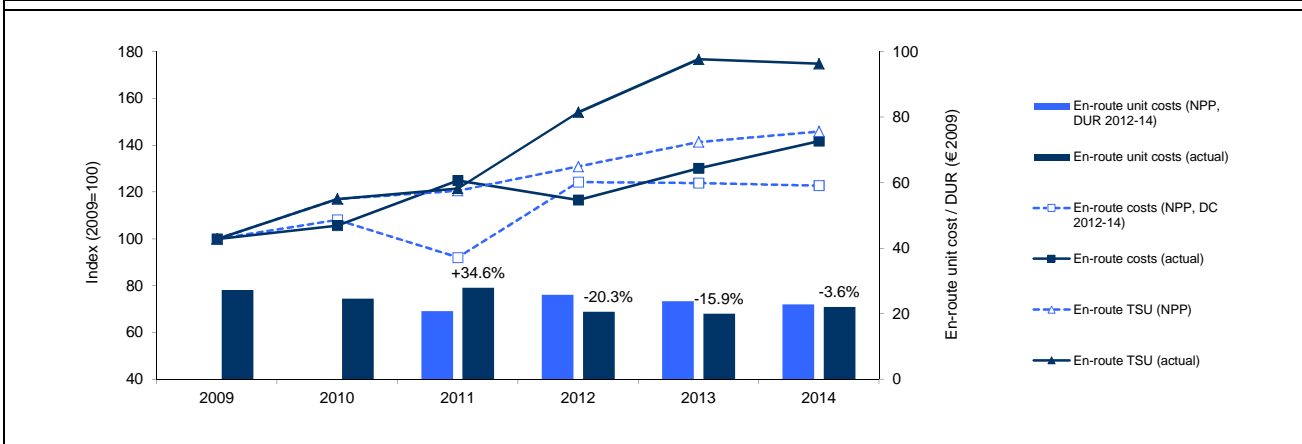


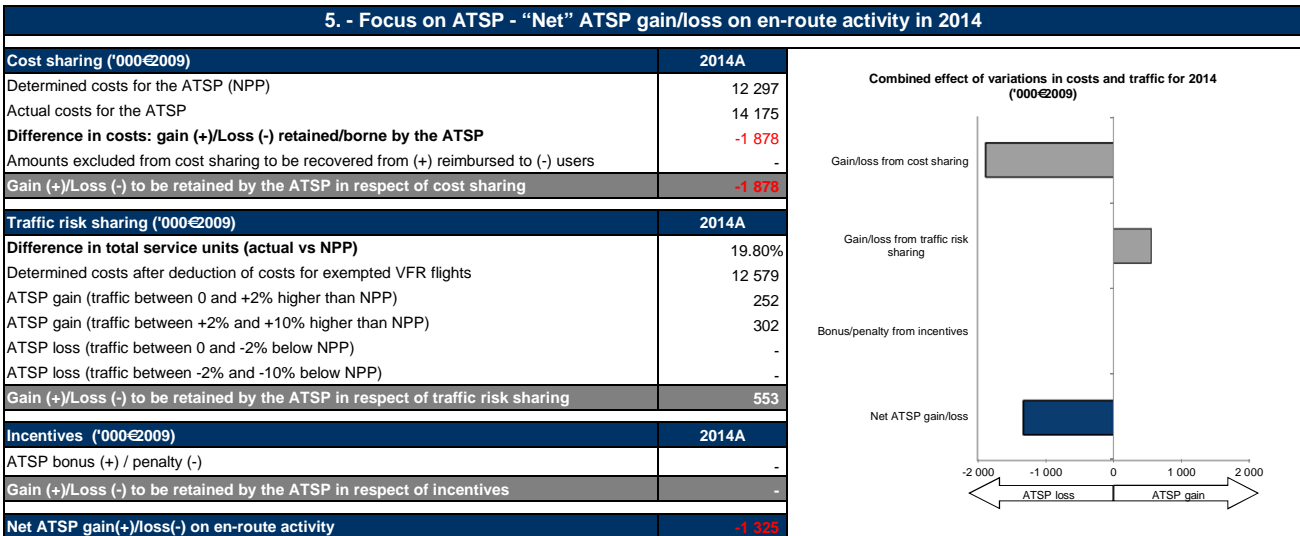
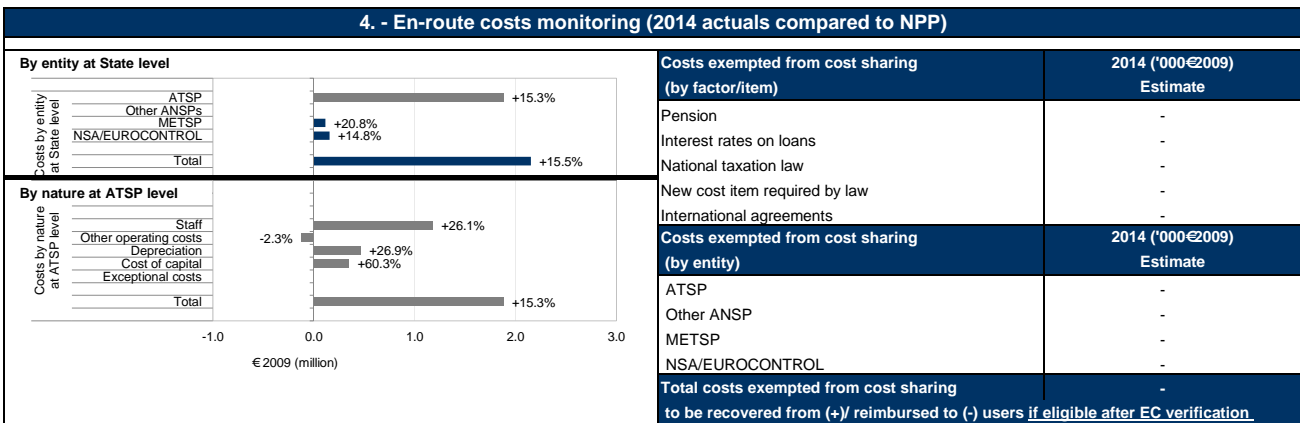
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Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> MALTA represents 0.2% of the SES en-route ANS determined costs in 2014. ATSP : MATS FAB : BLUE MED National currency: EUR 	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p>  <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
MALTA - Data from RP1 national performance plan						
En-route costs (determined costs 2012-2014) - (in nominal EUR)	2009A	2010A	2011F	2012P	2013P	2014P
Inflation %		2.0%	2.7%	2.3%	2.4%	2.4%
Inflation index (100 in 2009)	100.0	102.0	104.8	107.2	109.7	112.4
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	11 335 319	12 260 839	10 441 425	14 088 564	14 049 457	13 916 358
Total en-route Service Units	416 028	486 800	502 000	544 747	588 338	607 164
Real en-route unit costs per Service Units - (in EUR2009)	27.25	25.19	20.80	25.86	23.88	22.92
MALTA - Actual data from Jun-2015 Reporting Tables						
En-route costs - (in nominal EUR)	2009A	2010A	2011A	2012A	2013A	2014A
Inflation %		2.0%	2.5%	3.2%	1.0%	0.8%
Inflation index (100 in 2009)	100.0	102.0	104.6	107.9	109.0	109.8
Real en-route costs - (in EUR2009)	11 335 319	11 980 771	14 166 552	13 220 319	14 760 172	16 068 199
Total en-route Service Units	416 028	486 800	505 867	641 289	735 327	727 375
Real en-route unit costs per Service Units - (in EUR2009)	27.25	24.61	28.00	20.62	20.07	22.09
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal EUR)	in value			-833 634	667 623	2 012 670
	in %			-5.5%	4.3%	12.9%
Inflation %	in p.p.			0.9 p.p.	-1.4 p.p.	-1.6 p.p.
Inflation index (100 in 2009)	in p.p.			0.7 p.p.	-0.8 p.p.	-2.5 p.p.
Real en-route costs - (in EUR2009)	in value			-868 245	710 715	2 151 840
	in %			-6.2%	5.1%	15.5%
Total en-route Service Units	in value			96 542	146 989	120 211
	in %			17.7%	25.0%	19.8%
Real en-route unit costs per Service Units - (in EUR2009)	in value			-5.25	-3.81	-0.83
	in %			-20.3%	-15.9%	-3.6%

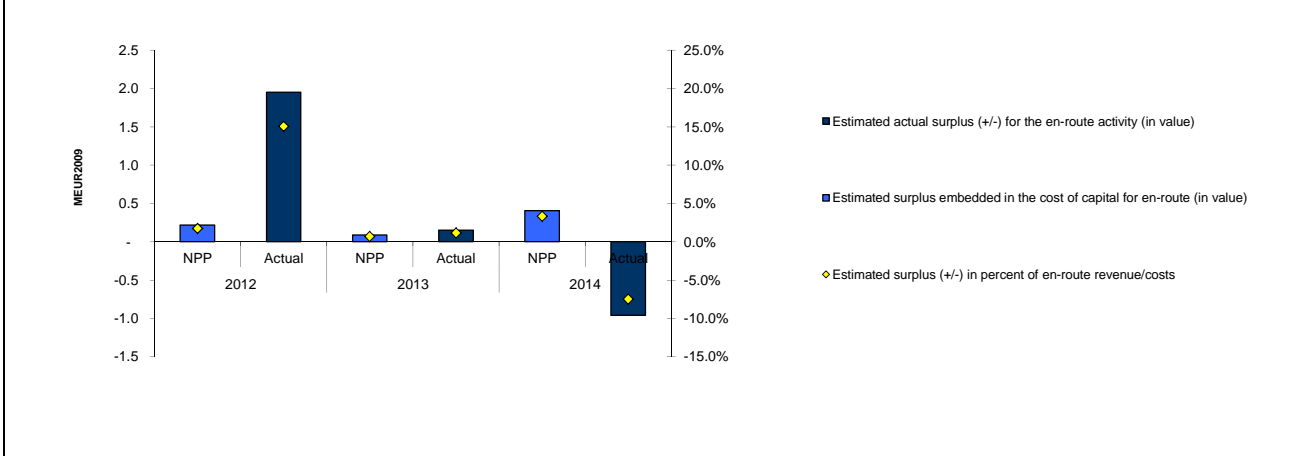




6. - En-route ATSP estimated surplus*

*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	9 238	11 221	9 022	18 877	8 721	19 195
Estimated proportion of financing through equity (in %)	49.2%	100.0%	13.0%	13.5%	63.3%	25.8%
Estimated proportion of financing through equity (in value)	4 546	11 221	1 172	2 542	5 520	4 950
Estimated proportion of financing through debt (in %)	50.8%	-	87.0%	86.5%	36.7%	74.2%
Estimated proportion of financing through debt (in value)	4 692	-	7 850	16 336	3 201	14 246
Cost of capital pre-tax (in value)	476	539	520	845	583	935
Average interest on debt (in %)	5.5%	5.5%	5.5%	4.0%	5.5%	4.0%
Interest on debt (in value)	258	-	432	653	176	570
Determined RoE pre-tax rate (in %)	4.8%	4.8%	7.6%	7.6%	7.4%	7.4%
Estimated surplus embedded in the cost of capital for en-route (in value)	218	539	88	192	407	365
Net ATSP gain(+)/loss(-) on en-route activity	1 414	1 414	-41	-41	407	-1 325
Overall estimated surplus (+/-) for the en-route activity	218	1 952	88	150	407	-959
Revenue/costs for the en-route activity	12 429	12 972	12 403	12 952	12 297	12 850
Estimated surplus (+/-) in percent of en-route revenue/costs	1.8%	15.0%	0.7%	1.2%	3.3%	-7.5%
Estimated ex-post RoE pre-tax rate (in %)	4.8%	17.4%	7.6%	5.9%	7.4%	-19.4%



7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by MALTA

The NSA Monitoring Report was not provided by Malta at the date of writing this report. This analysis is therefore based solely on the June 2015 reporting tables.

At State / Charging Area level

In 2014, Malta's actual en-route unit cost (22.09 €2009) is -3.6% lower than planned in the National Performance Plan (NPP) (22.92 €2009). This difference is due to the fact that both 2014 actual en-route costs are much higher (+15.5%) than the determined costs in real terms and Malta 2014 actual number of total service units (TSU) is much higher than planned (+19.8%).

The change in actual TSU compared to the NPP for 2014 (+19.8%) exceeds the +10% threshold foreseen in the traffic risk sharing mechanism. According to the additional information provided along with the en-route reporting tables in June 2015, the significant difference between the actual and planned en-route service units is mainly due to the fact that the Libyan airspace was closed and a great number of flights diverted through Maltese airspace in the first half of 2014.

Actual 2014 costs vs. NPP

In 2014 actual en-route costs for Malta are +15.5% higher than planned as a combination of higher nominal en-route costs (+12.9%) and lower than expected inflation (-2.5 percentage point lower inflation index). The cost excess in volume is mostly attributable to MATS, the ATSP (+15.3% or +1.9 M€2009). A detailed analysis of MATS's 2014 costs is provided in the box below. The costs associated with the MET service provision and with NSA/EUROCONTROL are also higher than planned (by +20.8% or +0.1 M€2009, and +14.8% or +0.2 M€2009, respectively).

Malta did not report costs exempt from cost sharing for the year 2014.

RP1 summary

When considering the whole of RP1 (2012-2014) the actual number of en-route TSU is +20.9% higher than planned while actual costs in real terms are +4.7% higher than the determined costs (some +2.0 M€2009). As a result, the weighted average en-route unit cost over RP1 is -13.4% lower than the level planned in the NPP.

However, in terms of trend, following the significant decrease between 2011 and 2012 (-26.4%), the actual en-route unit cost increased by +3.5% p.a. between 2012 (20.62 €2009) and 2014 (22.09 €2009). This is mainly due to the fact that real en-route costs increased significantly between 2012 and 2014 (i.e. by +10.2% p.a. on average).

At ATSP level

Actual 2014 MATS costs vs. NPP

MATS 2014 actual en-route costs are +15.3% higher than planned in real terms. This results from higher than planned staff costs (+1.2 M€2009 or +26.1%), depreciation costs (+0.5 M€2009 or +26.9%) and cost of capital (+0.4 M€2009 or +60.3%) in addition to small savings in other operating costs (-0.1 M€2009 or -2.3%). According to the additional information provided along with the en-route reporting tables in June 2015, staff costs are higher than what was planned because of a higher than expected increase in wages due to the "conclusion of the collective agreement" and depreciation costs are affected by the higher capex than planned (+35.5% over the 2011-2014 period). On the other hand, this contradicts with the fact that the reported actual net book value of fixed assets is only +2.0% higher than the forecast. However, due to the significant difference in actual and forecast net current assets, the actual total asset base in 2014 is +120.1% (or +10.5 M€2009) higher than planned which contributed to the significant excess in the cost of capital compared to the NPP.

Malta did not provide any explanation about the asset base calculation provided within the en-route reporting tables. This issue would deserve a clarification.

MATS net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, in 2014, MATS generated a net loss of -1.3 M€2009 from its en-route activity. This is the combination of two separate elements:

- a loss of -1.9 M€2009 as a result of the cost-sharing mechanism; and
- a gain of +0.6 M€2009 as a result of the traffic risk sharing mechanism.

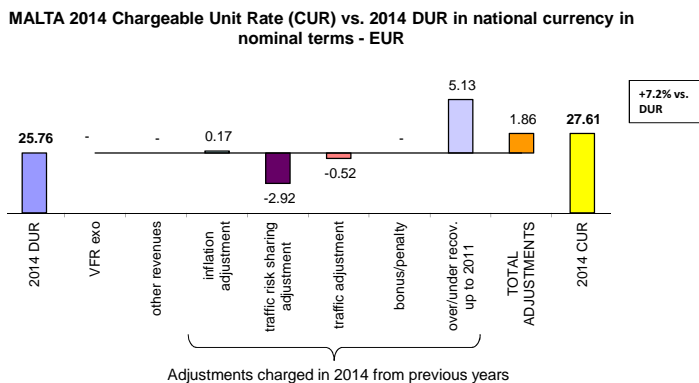
To calculate the overall economic surplus of the ATSP, it is also important to add the surplus embedded in the cost of capital through the return on equity. Based on the figures planned in the NPP, the return on equity amounted to +0.4 M€2009, corresponding to an estimated surplus of +3.3% of the en-route costs/revenues for 2014. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+0.4 M€2009) and the net loss from the en-route activity in 2014 (-1.3 M€2009), yields a net total of -1.0 M€2009, corresponding to -7.5% of the 2014 en-route revenue. The resulting ex-post rate of return on equity for 2014 is -19.4% (compared to +7.4% planned in the NPP).

Conclusions

In 2014, MATS's actual en-route costs are significantly higher than planned (+15.3%) in real terms while traffic is also substantially higher than foreseen in the NPP (+19.8%). In 2014, MATS generated a net loss of -1.3 M€2009 from its en-route activity which resulted in an estimated actual surplus of -1.0 M€2009 (-7.5% of the en-route revenue for 2014, down from the +3.3% planned in the RP1 PP).

When considering the whole of RP1 (2012-2014), MATS incurred a cumulative loss in respect of cost sharing of -1.6 M€2009 and a cumulative gain in respect of traffic risk sharing amounting to +1.6 M€2009, which resulted in a small cumulative net gain for the en-route activity of 0.05 M€2009 over RP1.

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



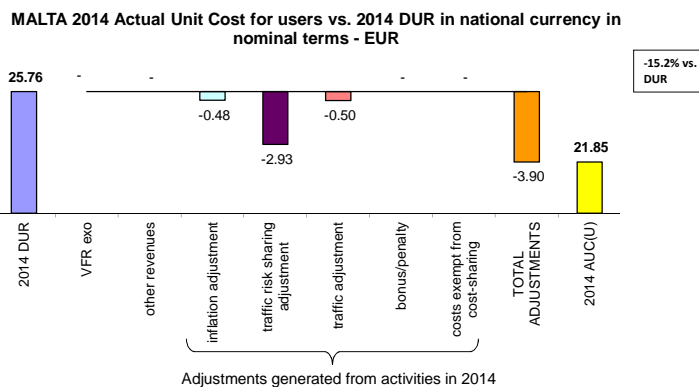
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The actual Chargeable Unit Rate (CUR) charged to users in 2014 was 27.61 €. This is +7.2% higher than the nominal DUR (25.76 €). The difference observed between these two figures (+1.86 €) reflects mainly the under-recoveries carried over to 2014 from the legacy prior to RP1 (+5.13 €) and the traffic risk sharing adjustment (-2.92 €) in addition to smaller adjustments for traffic not subject to traffic risk sharing (-0.52 €) and inflation (+0.17 €).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en-route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The unit cost that the users incurred in respect of the activities performed in 2014 was 21.85 €. This is lower than the nominal DUR (25.76 €). The difference observed between these two figures (-3.90 €) reflects deductions through adjustments for traffic risk sharing (-2.93 €), inflation (-0.48 €) and traffic not subject to traffic risk sharing (-0.50 €).

MALTA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula						
Number of airports in terminal charging zone				1	1	1
of which, number of airports over 50 000 movements						
MALTA - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	0	4 120 000	4 100 000	3 990 000	4 340 000	4 200 000
Inflation index (100 in 2009)	100.0	102.0	104.8	107.2	109.7	112.4
Real terminal ANS costs - (in EUR2009)	0	4 039 216	3 913 932	3 723 288	3 954 973	3 737 689
MALTA - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)				2 664 658	3 126 283	3 007 151
Inflation index (100 in 2009)	100.0	102.0	104.6	107.9	109.0	109.8
Real terminal ANS costs - (in EUR2009)				2 469 663	2 868 819	2 737 598
Total terminal service units						
Actual real unit costs - (in EUR2009)						
Unit rate applied - (in EUR)				N/appl	N/appl	N/appl
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value			-1 325 342	-1 213 717	-1 192 849
	in%			-33.2%	-28.0%	-28.4%
Inflation index (100 in 2009)	in p.p.			0.7 p.p.	-0.8 p.p.	-2.5 p.p.
Real terminal ANS costs - (in EUR2009)	in value			-1 253 625	-1 086 154	-1 000 091
	in%			-33.7%	-27.5%	-26.8%
11. - General conclusions on the Terminal ANS costs and unit rates monitoring						
<p>It is understood from previous years and from the additional information provided along with the TANS Reporting Tables that Malta had no Terminal ANS charging zone during RP1 and that no terminal unit rate was applicable for TANS. Malta decided not to apply regulation (EC) No1794/2006, as the only Maltese airport has less than 50 000 commercial air transport movements. (Note: from RP2/1.1.2015, Malta will implement a separate TCZ with one single cost base and terminal unit rate.) However, Malta has reported TANS cost information for its only airport (i.e. Malta/Luqa airport - LMML). The costs borne by Malta for TANS are recovered through "income from other sources" (i.e. State funding). Although these are indicative figures, the actual terminal ANS 2014 costs are -26.8% lower in real terms (or some -1.0 M€2009) than planned in the NPP, as a result of both lower nominal terminal ANS costs (-28.4%) and lower inflation index (-2.5 p.p.) than planned.</p>						
RP1 summary						
<p>When considering the whole of RP1 (2012-2014), actual terminal ANS costs are -29.3% lower in real terms (or some -3.3 M€2009) than planned in the NPP. This reflects the fact that terminal ANS costs are significantly lower than planned in every year of RP1.</p>						
12. - Monitoring of gate-to-gate costs (2014)						
MALTA - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	11 335 319	12 260 839	10 441 425	14 088 564	14 049 457	13 916 358
Real terminal ANS costs - (in EUR2009)	0	4 039 216	3 913 932	3 723 288	3 954 973	3 737 689
Real gate-to-gate ANS costs - (in EUR2009)	11 335 319	16 300 055	14 355 356	17 811 852	18 004 430	17 654 047
Share of en-route costs in gate-to-gate ANS costs	100.0%	75.2%	72.7%	79.1%	78.0%	78.8%
MALTA - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	11 335 319	11 980 771	14 166 552	13 220 319	14 760 172	16 068 199
Real terminal ANS costs - (in EUR2009)	0	0	0	2 469 663	2 868 819	2 737 598
Real gate-to-gate ANS costs - (in EUR2009)	11 335 319	11 980 771	14 166 552	15 689 982	17 628 991	18 805 796
Share of en-route costs in gate-to-gate ANS costs	100.0%	100.0%	100.0%	84.3%	83.7%	85.4%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in EUR2009)	in value			-868 245	710 715	2 151 840
	in %			-6.2%	5.1%	15.5%
Real terminal ANS costs - (in EUR2009)	in value			-1 253 625	-1 086 154	-1 000 091
	in %			-33.7%	-27.5%	-26.8%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-2 121 870	-375 439	1 151 749
	in %			-11.9%	-2.1%	6.5%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			5.2 p.p.	5.7 p.p.	6.6 p.p.
13. - General conclusions on the gate-to-gate ANS costs						
<p>Real 2014 gate-to-gate costs are +6.5% higher than planned following higher en-route (+2.2 M€2009, +15.5%) and lower terminal (-1.0 M€2009, -26.8%) ANS costs than foreseen in the NPP.</p>						
<p>As a result, the share of en-route ANS within total gate-to-gate ANS costs increased to 85.4% in 2014 which is a significant +6.6 percentage points higher than planned, although there were no declared Terminal Charging Zone or separate terminal ANS cost base and terminal unit rate in Malta during RP1.</p>						



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Norway

Working Draft 2.0

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NORWAY

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management							
	2012	2013	2014	State level Observations			
State level	48	53	60				
ANSP [Avinor]	80	80	77				
<p>The bar chart displays the number of questions for four categories (CO1, CO2, CO3, CO4). For each category, two bars are shown: a dark blue bar for 'Self-assessment' and a light blue bar for 'EASA verification'. The categories are further divided into '< Level C' and '≥ Level C'. The data points are: CO1 (< Level C: 1, ≥ Level C: 15), CO2 (< Level C: 2, ≥ Level C: 3), CO3 (< Level C: 3, ≥ Level C: 9), and CO4 (< Level C: 2, ≥ Level C: 2).</p>							
Application of the severity classification of the Risk Analysis Tool (RAT)							
		2012		2013		2014	
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)
Separation Minima Infringements (SMIs)	ATM Ground	65	9%	81	49%	85	59%
	ATM Overall		9%		0%		41%
Runway Incursions (RIs)	ATM Ground	120	3%	110	35%	97	77%
	ATM Overall		1%		0%		51%
ATM Specific Occurrences (ATM-Specific)	ATM Overall	1315	1%	1340	0%	1107	86%
Source of RAT data:		NCAA					
Just culture							
		State					
Number of questions answered with Yes or No		2012		2013		2014	
		YES	NO	YES	NO	YES	NO
Policy and its implementation		3	7	7	3	6	3
Legal/Judiciary		6	2	6	2	5	2
Occurrence reporting and Investigation		2	0	2	0	2	0
TOTAL		11	9	15	5	13	5
		ANSP [Avinor]					
Number of questions answered with Yes or No		2012		2013		2014	
		YES	NO	YES	NO	YES	NO
Policy and its implementation		11	2	11	2	13	0
Legal/Judiciary		2	1	2	1	2	1
Occurrence reporting and Investigation		5	3	5	3	6	2
TOTAL		18	6	18	6	21	3

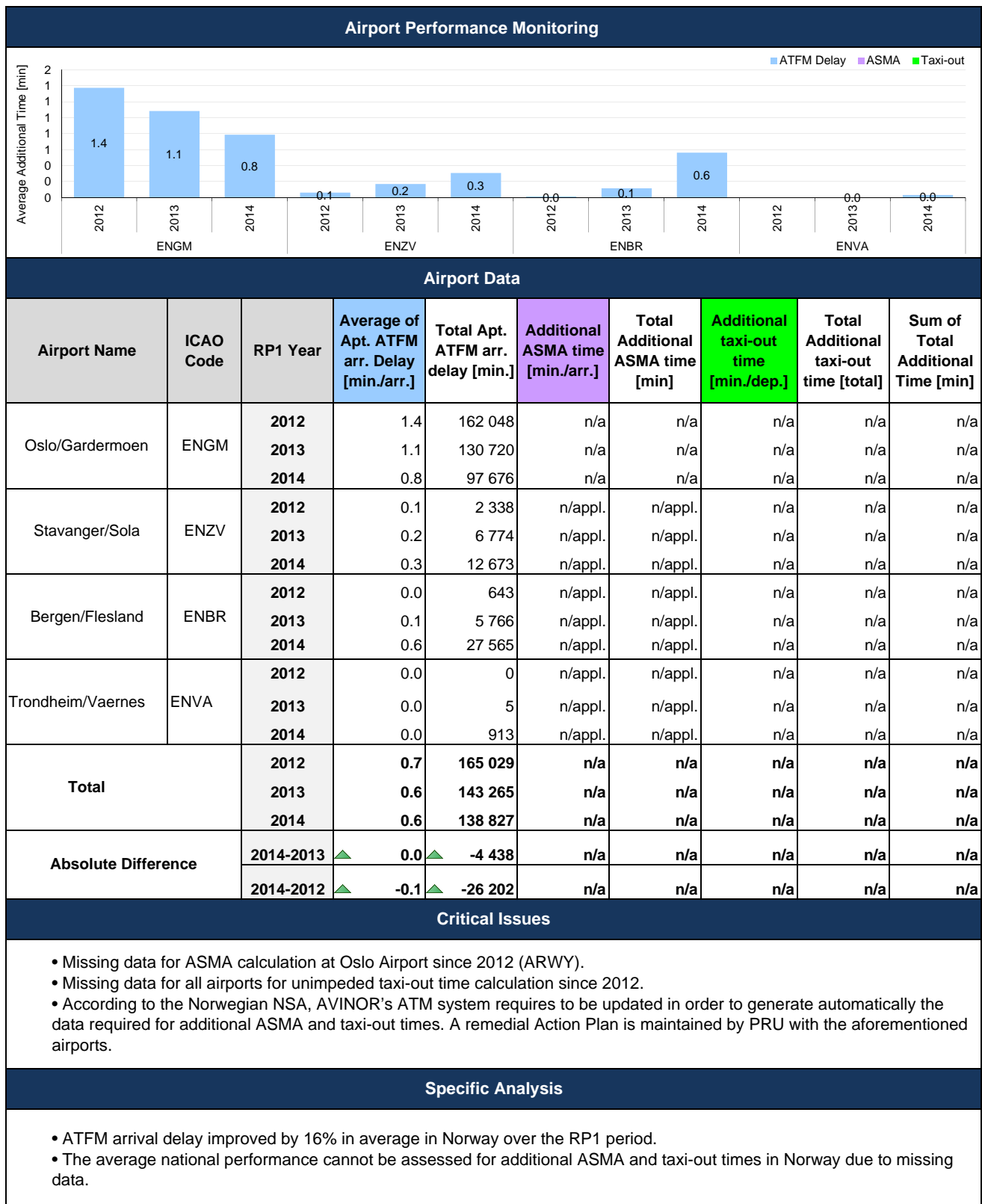
NORWAY

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.04	0.04	0.05	
National Target	0.04	0.04	0.05	
Actual performance	0.28	0.04	0.03	
National capacity assessment				
No assessment was made in the national monitoring report.				
Military dimension of the plan				
Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the Performance Plan for Norway did not contain any specific details of how FUA would be applied to increase capacity.				
PRB Capacity assessment				
The good capacity performance in 2013 continued through 2014 with the result that Norway surpassed both the national target and the effort required to be consistent with the Union-wide target.				
Effective booking procedures				
<p>Although the national monitoring report for 2014 did not contain any information regarding the effective booking procedures, Avinor had previously provided information on effective booking procedures for Norway in 2014 for the production of the PRR 2014.</p> <p>The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 47%</p> <p>No information was provided regarding the allocation of airspace at H-3, so it is impossible to determine how much restricted or segregated airspace, that was surplus to requirements, was released for GAT use.</p>				
Previous recommendations				
Annual Monitoring Report 2013: Norway is requested to provide additional information on effective booking procedures, namely the allocation of airspace at H-3.				
NSA report on follow-up to recommendations				
No information was provided in the national monitoring report.				
Recommendations				

NORWAY

Monitoring of CAPACITY indicators for 2014

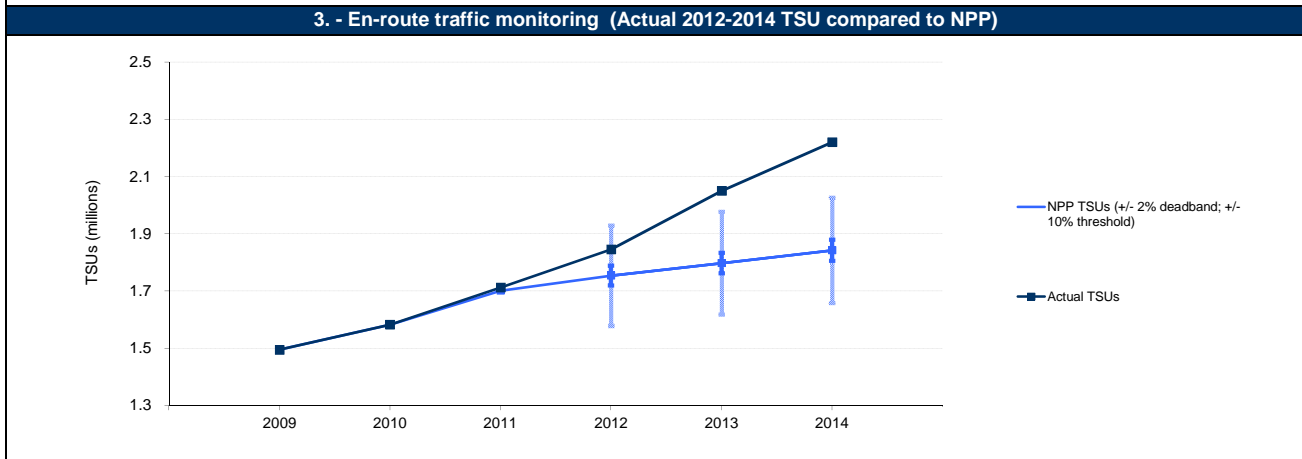
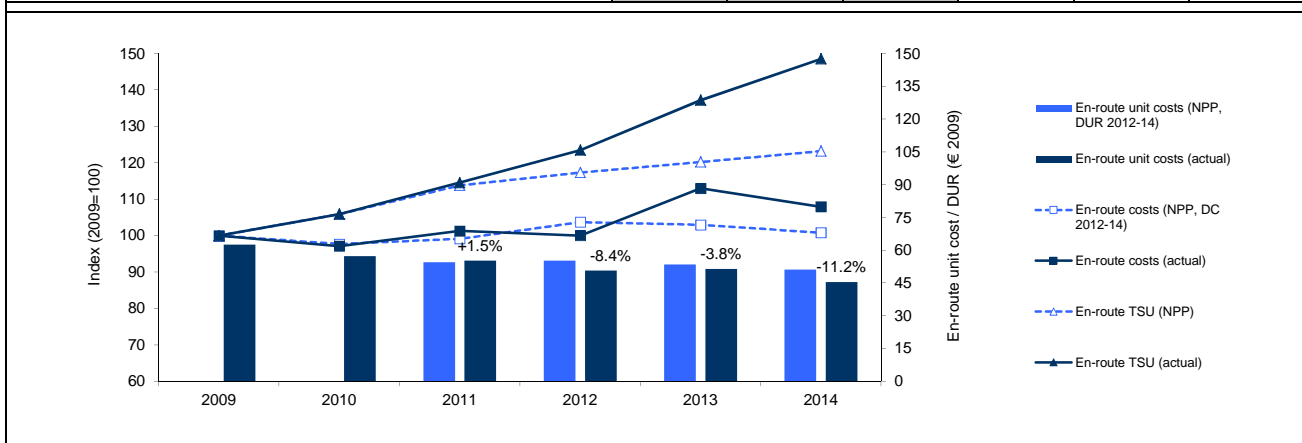


NORWAY

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

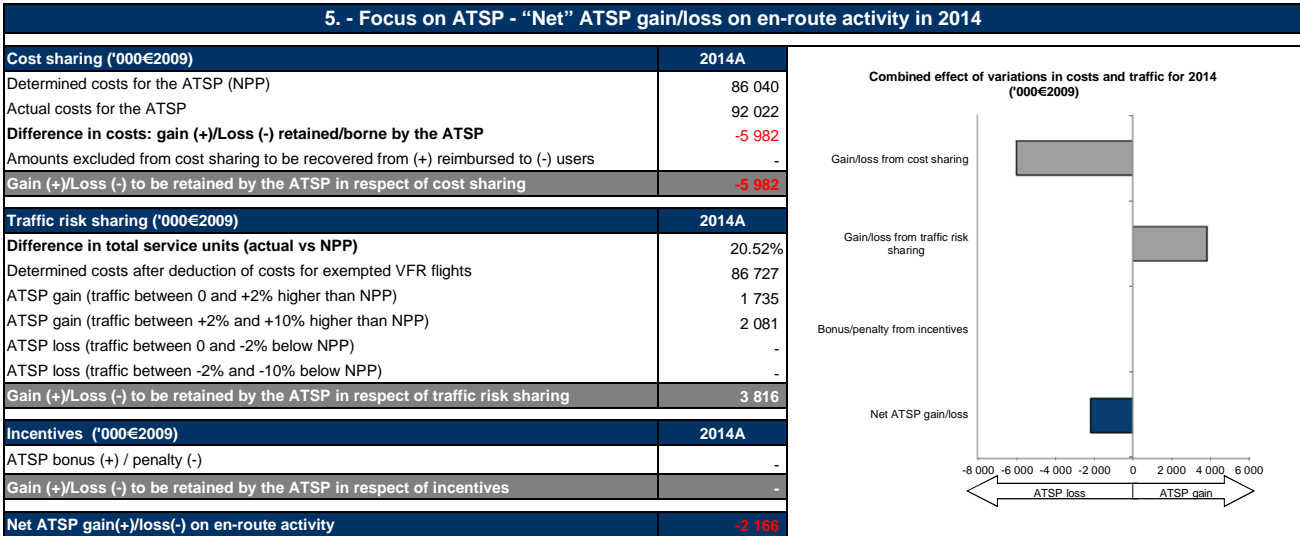
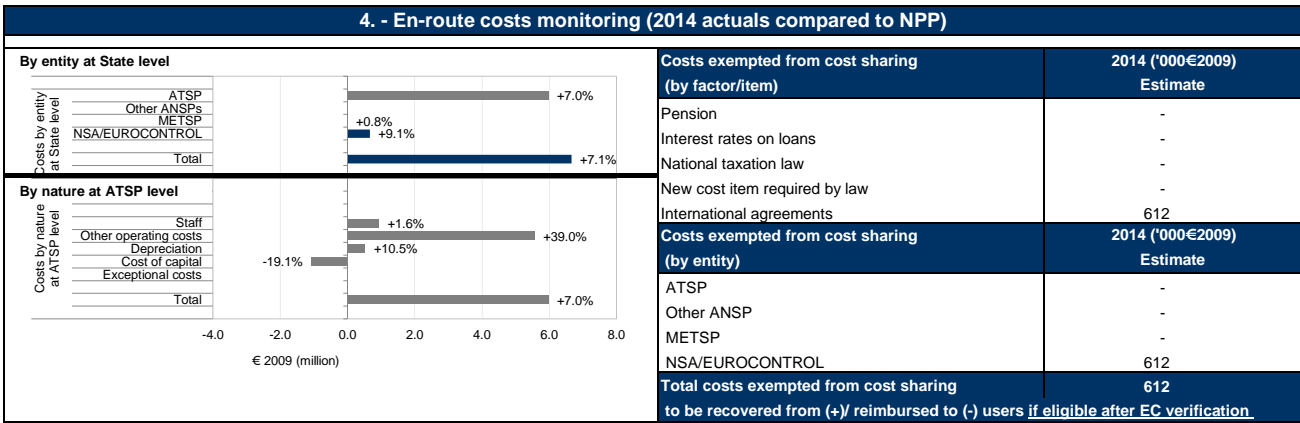
1. - Contextual economic information	
<ul style="list-style-type: none"> NORWAY represents 1.5% of the SES en-route ANS determined costs in 2014. ATSP : Avinor (Continental) FAB : NEFAB National currency: NOK Exchange rate 2009: 1 EUR= 8.72807 <p>Note on the actual exchange rate 2014 In 2014, the NOK appreciated by 84.4% compared to 2013.</p>	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p> <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
NORWAY - Data from RP1 national performance plan						
En-route costs (determined costs 2012-2014) - (in nominal NOK)	2009A	2010A	2011F	2012P	2013P	2014P
Inflation %		1.7%	1.4%	1.4%	1.6%	1.9%
Inflation index (100 in 2009)	100.0	101.7	103.1	104.6	106.2	108.3
Real en-route costs (determined costs 2012-2014) - (in NOK2009)	816 343 600	797 703 646	809 273 632	847 054 227	840 718 058	823 040 957
Total en-route Service Units	1 494 584	1 582 742	1 701 332	1 753 798	1 797 642	1 842 584
Real en-route unit costs per Service Units - (in NOK2009)	546.20	504.00	475.67	482.98	467.68	446.68
Real en-route unit costs per Service Units - (in EUR2009)	62.58	57.74	54.50	55.34	53.58	51.18
NORWAY - Actual data from Jun-2015 Reporting Tables						
En-route costs - (in nominal NOK)	2009A	2010A	2011A	2012A	2013A	2014A
Inflation %		1.7%	1.2%	0.4%	2.0%	1.9%
Inflation index (100 in 2009)	100.0	101.7	102.9	103.3	105.4	107.4
Real en-route costs - (in NOK2009)	816 343 600	792 856 642	827 110 453	816 874 443	922 547 869	881 175 416
Total en-route Service Units	1 494 584	1 582 742	1 712 781	1 845 568	2 050 929	2 220 734
Real en-route unit costs per Service Units - (in NOK2009)	546.20	500.94	482.90	442.61	449.82	396.79
Real en-route unit costs per Service Units - (in EUR2009)	62.58	57.39	55.33	50.71	51.54	45.46
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal NOK)	in value			-41 650 344	79 169 650	55 376 408
	in %			-4.7%	8.9%	6.2%
Inflation %	in p.p.			-1.0 p.p.	0.4 p.p.	-0.0 p.p.
Inflation index (100 in 2009)	in p.p.			-1.2 p.p.	-0.8 p.p.	-0.9 p.p.
Real en-route costs - (in NOK2009)	in value			-30 179 784	81 829 811	58 134 459
	in %			-3.6%	9.7%	7.1%
Total en-route Service Units	in value			91 770	253 287	378 150
	in %			5.2%	14.1%	20.5%
Real en-route unit costs per Service Units - (in NOK2009)	in value			-40.37	-17.86	-49.88
	in %			-8.4%	-3.8%	-11.2%
Real en-route unit costs per Service Units - (in EUR2009)	in value			-4.63	-2.05	-5.72
	in %			-8.4%	-3.8%	-11.2%



NORWAY

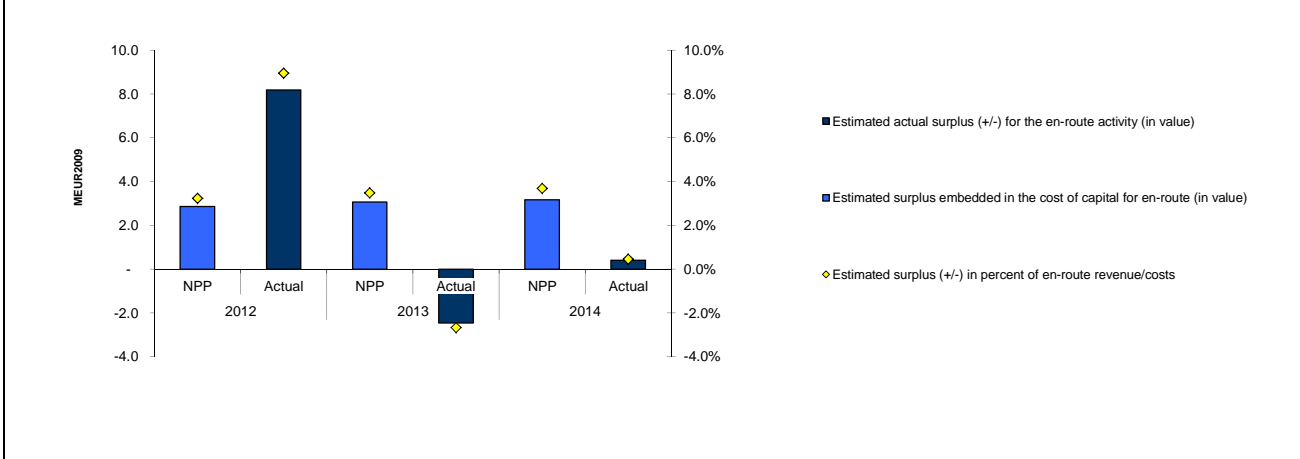
Monitoring of en-route and terminal COST-EFFICIENCY for 2014



6. - En-route ATSP estimated surplus*

*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	66 826	51 647	71 580	66 300	73 769	59 687
Estimated proportion of financing through equity (in %)	39.0%	39.1%	38.9%	39.1%	39.1%	39.3%
Estimated proportion of financing through equity (in value)	26 044	20 185	27 879	25 902	28 868	23 448
Estimated proportion of financing through debt (in %)	61.0%	60.9%	61.1%	60.9%	60.9%	60.7%
Estimated proportion of financing through debt (in value)	40 781	31 461	43 701	40 398	44 901	36 238
Cost of capital pre-tax (in value)	5 075	3 928	5 435	5 039	5 609	4 536
Average interest on debt (in %)	5.4%	5.4%	5.4%	5.4%	5.4%	5.4%
Interest on debt (in value)	2 210	1 705	2 369	2 190	2 434	1 957
Determined RoE pre-tax rate (in %)	11.0%	11.0%	11.0%	11.0%	11.0%	11.0%
Estimated surplus embedded in the cost of capital for en-route (in value)	2 865	2 220	3 067	2 849	3 175	2 579
Net ATSP gain(+)/loss(-) on en-route activity	5 963	5 963	5 963	-5 309	3 175	-2 166
Overall estimated surplus (+/-) for the en-route activity	2 865	8 183	3 067	-2 460	3 175	413
Revenue/costs for the en-route activity	88 749	91 416	88 027	91 931	86 040	89 856
Estimated surplus (+/-) in percent of en-route revenue/costs	3.2%	9.0%	3.5%	-2.7%	3.7%	0.5%
Estimated ex-post RoE pre-tax rate (in %)	11.0%	40.5%	11.0%	-9.5%	11.0%	1.8%



NORWAY

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by NORWAY

At State / Charging Area level

In 2014, the real en-route unit cost for Norway (45.46 M€2009) is -11.2% lower than planned in the NPP for RP1 (51.18 M€2009). This difference is due to actual en-route Service Units being +20.5% higher than planned, whilst actual en-route costs in real terms were +7.1% higher than the determined costs.

The number of en-route total service units (TSUs) in 2014 (2.2 million) is significantly higher (+20.5%) than the figures provided in Norway's Adopted NPP (1.8 million), which is outside the $\pm 2\%$ dead band, and exceeds the +10% threshold foreseen in the traffic risk sharing mechanism. In 2014, Avinor reported gains due to traffic risk sharing in the region of +3.8 M€2009. Similar gains were also experienced in 2012 (+2.7 M€2009) and 2013 (+3.9 M€2009).

Actual 2014 costs vs. NPP

Total actual en-route costs in 2014 for Norway (881.2 MNOK2009) are +7.1% more than planned in the NPP (823.0 MNOK2009). This mainly reflects higher en-route costs in nominal terms (+6.2%), as actual inflation is the same as that forecast in the NPP (+1.9%).

The en-route cost-base includes costs relating to Norway's ATSP (Avinor), Norway's METSP, and Norway's NSA. For all three entities (Avinor, METSP and NSA) 2014 en-route costs are higher than planned in real terms (+7.0%, +0.8% and +9.1% respectively). A detailed analysis of Navair costs is provided in the box below.

Costs exempt from cost sharing are reported for an amount of +0.61 M€2009, corresponding to the difference between the planned and actual values for EUROCONTROL costs. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

RP1 summary

When considering the whole of RP1 (2012-2014) the actual number of TSUs is +13.4% higher than planned and actual costs are +4.4% higher than planned (+109.8 MNOK2009) in real terms. As a result, the weighted average unit cost over RP1 is -8.0% lower than the level planned in the NPP.

At ATSP level

Actual 2014 Avinor costs vs. NPP

Avinor actual en-route costs are +7.0% higher than the determined costs for 2014. Other operating costs are +39.0% higher than planned. The Additional Information to the June 2015 en-route Reporting Tables indicates that this is due to the increase in traffic. Staff costs and depreciation were also higher than planned, +1.6% and +10.5% respectively. Cost of capital is lower than planned, -19.1%, due to lower capital expenditure.

In 2014, the actual total asset base was 59.7 M€2009, or -19.1% lower than planned, as a result of delayed investments earlier in RP1. This is reflected in the lower than planned cost of capital. However, Avinor stated in 2013 that the level of investment was increasing, the impact of which can be seen in the higher than planned depreciation for 2014. Taken together, depreciation and cost of capital continue to be lower than planned (-4.9% in real terms) in 2014.

Avinor net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, the en-route activity for the year 2014 generated a net loss of -2.2 M€2009 for Avinor overall. This is the result of a combination of two elements:

- a loss of -6.0 M€2009 for Avinor as a result of the cost-sharing mechanism; and
- a gain of +3.8 M€2009 as a result of the traffic risk sharing mechanism for 2014.

For the en-route activity, the estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +3.2 M€2009, corresponding to an estimated surplus of +3.7% of the 2014 en-route revenues. Ex-post, the overall estimated surplus for the year calculated by adding the surplus embedded in the cost of capital (+2.6 M€2009) and the net loss from the en-route activity in 2014 (-2.2 M€2009), gives a total gain of +0.4 M€2009 for 2014, corresponding to +0.5% of the en-route revenue in 2014. The resulting ex-post rate of return on equity for 2014 is +1.8% (compared to +11.0% as initially planned in the NPP).

Conclusion

Traffic volumes are higher than expected (+20.5%), and Avinor's actual en-route costs in 2014 are +7.0% higher than planned in the NPP. The en-route activity for 2014 generated a net loss of -2.2 M€2009 for Avinor, which results in an overall estimated surplus of +0.5% of the en-route revenue for 2014 (down from a planned +3.7% in the NPP).

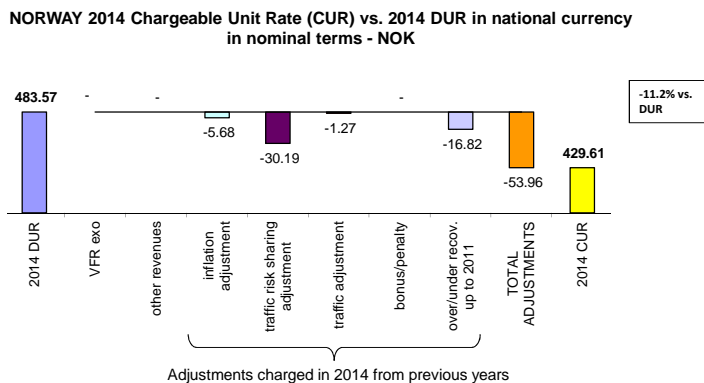
This indicates that in 2014, Avinor experienced a small net gain on the en-route activity (+0.4 M€2009). This partially compensates the net loss for the en-route activity generated by Avinor in 2013 of -2.5 M€2009 (or -2.7% of en-route revenues leading to an ex-post rate of return on equity of -9.5%) and adds to the gain in 2012 of +8.2 M€2009 (or +9.0% of en-route revenues leading to an ex-post rate of return on equity of +40.5%).

When considering the whole of RP1 (2012-2014), Avinor will retain a cumulative loss in respect of cost sharing of -11.9 M€2009 as actual costs were higher than planned in 2013 and 2014 of RP1. Avinor incurred a cumulative gain in respect of traffic risk sharing amounting to +10.4 M€2009, which resulted in a cumulative net loss for the en-route activity of -1.5 M€2009.

NORWAY

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



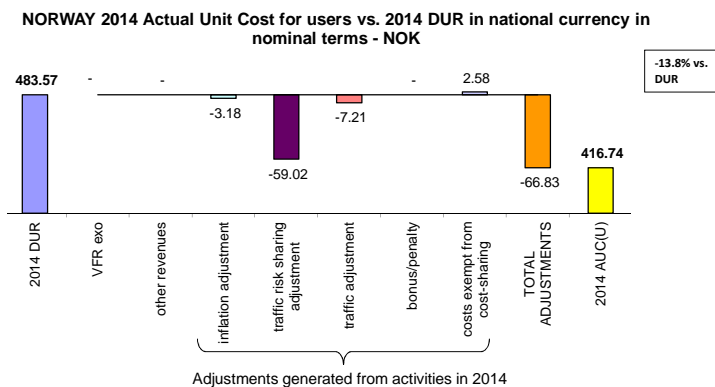
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The CUR charged to airspace users in 2014 is 429.61 NOK, which is -11.2% less than the DUR of 483.57 NOK. The CUR is lower due to a decrease resulting from traffic risk sharing from Avinor (-30.19 NOK, or -6.2%), legacy carry-overs incurred up to and including 2011 (-16.82 NOK, or -3.5%), and inflation adjustment (-5.68 NOK, or -1.2%). Minor adjustments were made to reflect the differences in traffic not subject to risk sharing (-1.27 NOK, or -0.3%).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en-route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The AUC-U for airspace users in 2014 is 416.74 NOK, which is -13.8% less than the DUR of 483.57 NOK. This is due to adjustments generated from activities in 2014:

- 59.02 NOK, or -12.2% deduction due to traffic risk sharing adjustment;
- 7.21 NOK, or -1.5% reflecting the difference in traffic for costs not subject to traffic risk sharing;
- 3.18 NOK, or -0.7% deduction due to inflation adjustment; and
- +2.58 NOK, or +0.5% increase for costs exempt from cost sharing.

NORWAY

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) ^{0.7}		0.9	0.9	0.9	0.9	0.9
Number of airports in terminal charging zone		4	4	4	4	4
of which, number of airports over 50 000 movements		4	4	4	4	4
NORWAY - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in NOK)	0	399 773 247	409 364 496	441 644 803	427 137 945	433 534 776
Inflation index (100 in 2009)	100.0	101.7	103.1	104.6	106.2	108.3
Real terminal ANS costs - (in NOK2009)	0	393 090 705	396 964 131	422 353 660	402 047 701	400 460 039
Real terminal ANS costs - (in EUR2009)		45 037 529	45 481 318	48 390 270	46 063 758	45 881 855
NORWAY - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in NOK)		399 773 235	403 728 452	408 645 293	488 993 427	481 275 975
Inflation index (100 in 2009)	100.0	101.7	102.9	103.3	105.4	107.4
Real terminal ANS costs - (in NOK2009)		393 090 693	392 272 525	395 467 977	463 946 253	448 110 013
Real terminal ANS costs - (in EUR2009)		45 037 528	44 943 788	45 309 900	53 155 652	51 341 249
Total terminal service units - See Note 1		217 615	233 918	247 004	260 537	267 930
Actual real unit costs - (in NOK2009)		1 806.4	1 677.0	1 601.1	1 780.7	1 672.5
Unit rate applied - (in NOK)				1 857.25	1 609.00	1 754.00
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in NOK)	in value			-32 999 510	61 855 483	47 741 199
	in%			-7.5%	14.5%	11.0%
Inflation index (100 in 2009)	in p.p.			-1.2 p.p.	-0.8 p.p.	-0.9 p.p.
Real terminal ANS costs - (in NOK2009)	in value			-26 885 682	61 898 553	47 649 974
	in%			-6.4%	15.4%	11.9%
Real terminal ANS costs - (in EUR2009)	in value			-3 080 370	7 091 895	5 459 394
	in%			-6.4%	15.4%	11.9%

11. - General conclusions on the Terminal ANS costs and unit rates monitoring

Note 1: Data in the 2014 NSA Monitoring Report and the June 2015 Reporting Tables are not consistent in the following areas: Total terminal service units for 2014: Reporting Tables: 267 930; 2014 NSA Monitoring Report 261 733. This monitoring report relies on the service units provided in the Reporting Tables.

The terminal charging zone of Norway comprises four airports (Oslo, Bergen, Stavanger and Trondheim), all of which have over 50,000 airport movements per year. Norway does not use the harmonised SES formula (MTOW/50)^{0.7} and the formula (MTOW/50)^{0.9} is applied to determine the number of terminal service units throughout RP1. Actual terminal ANS costs in 2014 are +11.9%, or +5.5 M€2009, higher than planned in the NPP. This difference is in the same direction as the en-route costs (+7.1% in real terms higher than planned). According to the Additional Information provided with Norway's June 2015 terminal Reporting Tables, staff costs were considerably higher than expected due to an increase in the pension costs, and operational difficulties and costs relating to the building of Terminal 2 at Oslo. Capital expenditure was below budget, mainly due to a lack of project resources.

RP1 summary

When considering the whole of RP1 (2012-2014), actual terminal ANS costs are +6.7% higher in real terms (or some +82.7 MNOK2009) than planned in the NPP. This reflects the fact that terminal ANS costs were higher than planned in 2013 and 2014 of RP1 (-15.4% and +11.9% respectively).

12. - Monitoring of gate-to-gate costs (2014)

12. - Monitoring of gate-to-gate costs (2014)						
NORWAY - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in NOK2009)	816 343 600	797 703 646	809 273 632	847 054 227	840 718 058	823 040 957
Real terminal ANS costs - (in NOK2009)	0	393 090 705	396 964 131	422 353 660	402 047 701	400 460 039
Real gate-to-gate ANS costs - (in NOK2009)	816 343 600	1 190 794 351	1 206 237 763	1 269 407 886	1 242 765 759	1 223 500 996
Real gate-to-gate ANS costs - (in EUR2009)	93 530 826	136 432 722	138 202 118	145 439 700	142 387 236	140 180 016
Share of en-route costs in gate-to-gate ANS costs	100.0%	67.0%	67.1%	66.7%	67.6%	67.3%
NORWAY - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in NOK2009)	816 343 600	792 856 642	827 110 453	816 874 443	922 547 869	881 175 416
Real terminal ANS costs - (in NOK2009)	0	393 090 693	392 272 525	395 467 977	463 946 253	448 110 013
Real gate-to-gate ANS costs - (in NOK2009)	816 343 600	1 185 947 335	1 219 382 979	1 212 342 420	1 386 494 122	1 329 285 429
Real gate-to-gate ANS costs - (in EUR2009)	93 530 826	135 877 386	139 708 203	138 901 546	158 854 606	152 300 042
Share of en-route costs in gate-to-gate ANS costs	100.0%	66.9%	67.8%	67.4%	66.5%	66.3%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in NOK2009)	in value			-30 179 784	81 829 811	58 134 459
	in %			-3.6%	9.7%	7.1%
Real terminal ANS costs - (in NOK2009)	in value			-26 885 682	61 898 553	47 649 974
	in %			-6.4%	15.4%	11.9%
Real gate-to-gate ANS costs - (in NOK2009)	in value			-57 065 466	143 728 363	105 784 433
	in %			-4.5%	11.6%	8.6%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-6 538 154	16 467 371	12 120 026
	in %			-4.5%	11.6%	8.6%
Share of en-route costs in gate-to-gate ANS costs	in %			0.7 p.p.	-1.1 p.p.	-1.0 p.p.

13. - General conclusions on the gate-to-gate ANS costs

In 2014, Norway's actual gate-to-gate ANS costs (152.3 M€2009) are +8.6% higher than planned in the NPP (140.2 M€2009). This difference is the result of increases of similar magnitude in both actual terminal costs (+47.6 MNOK2009, or +11.9%) and actual en-route costs (+58.1 MNOK2009, or +7.1%) compared to those planned.

The relative share of en-route costs in gate-to-gate ANS costs (66.3%) is slightly lower than planned in the NPP (67.3%).



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Poland

Working Draft 2.0

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POLAND

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management							
	2012	2013	2014	State level Observations			
State level	55	55	56				
ANSP [PANSa]	68	67	66				
<p>The bar chart displays the number of questions for four categories (CO1, CO2, CO3, CO4). For each category, there are two bars: a dark blue bar for 'Self-assessment' and a light blue bar for 'EASA verification'. The categories are further divided into '< Level C' and '≥ Level C'. The data points are: CO1 (< Level C: 1, ≥ Level C: 15), CO2 (< Level C: 1, ≥ Level C: 3), CO3 (< Level C: 9, ≥ Level C: 9), and CO4 (< Level C: 2, ≥ Level C: 3).</p>							
Application of the severity classification of the Risk Analysis Tool (RAT)							
		2012		2013		2014	
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)
Separation Minima Infringements (SMIs)	ATM Ground	2	100%	0	N/A	47	78%
	ATM Overall		100%		N/A		78%
Runway Incursions (RIs)	ATM Ground	53	87%	26	50%	15	27%
	ATM Overall		87%		50%		27%
ATM Specific Occurrences (ATM-Specific)	ATM Overall	101	71%	47	9%	43	100%
Source of RAT data:		CAA					
Just culture							
Number of questions answered with Yes or No		State					
		2012		2013		2014	
		YES	NO	YES	NO	YES	NO
	Policy and its implementation	4	6	5	5	5	4
	Legal/Judiciary	7	1	7	1	7	0
	Occurrence reporting and Investigation	1	1	2	0	2	0
	TOTAL	12	8	14	6	14	4
Number of questions answered with Yes or No		ANSP [PANSa]					
		2012		2013		2014	
		YES	NO	YES	NO	YES	NO
	Policy and its implementation	6	7	6	7	7	6
	Legal/Judiciary	1	2	1	2	2	1
	Occurrence reporting and Investigation	2	6	2	6	2	6
	TOTAL	9	15	9	15	11	13

POLAND

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.32	0.31	0.26	
National Target	1.0	1.5	0.48	
Actual performance	0.52	0.51	0.79	

National capacity assessment

“Air traffic demand is exceeding capacity in ACC Warsaw, which could comprise maximum 145 flights per hour. During the peak and hardest period of 2014 it was noted 180 flights per hour. However the real impact on ATFM delay came from unexpected air traffic rerouting after 19th July 2014 - shooting down of Malaysian Airlines Boeing 777. The other reason for re-routing traffic into FIR Warszawa is the low level of air navigation charges in Poland.

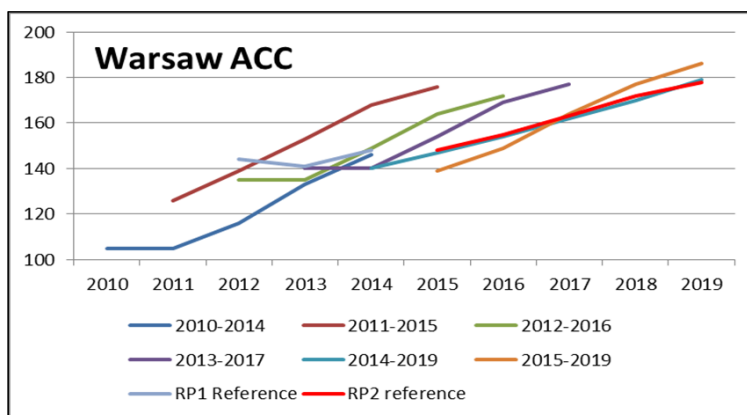
The factor which significantly increased ATFM delay came from industrial actions in France.

Corrective action plan prepared by PANSa in order to approve en-route capacity is focused on two areas:

- “1. Training of ATCOs. PANSa is going to realize of updated training plan to fulfill current requirements (current staff shortage is 17%);
- 2. Vertical split of ACC sectors -. PANSa provides implementation of vertical split of airspace in I quarter 2016.

The target for 2014 in capacity area was very ambitious, what was underlined during the elaboration of Performance plan. During the capacity planning cycle all participants (NM, PANSa, PL NSA) pointed to the effort to increase en-route capacity in FIR Warszawa. The delay in implementation of a new ATM system hampered this achievement.”

ANSP capacity plan



Military dimension of the plan

Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the Performance Plan for Poland did not contain any specific details of how FUA would be applied to increase capacity.

PRB Capacity assessment

The en-route capacity performance in Poland did not meet either the effort required to be consistent with the union-wide target for en route capacity, or the national target. The PRB recognises the difficulty in the transition to the new ATM system and is cogniscent of the significant efforts by the Network Manager and the surrounding ANSPs to re-route a lot of traffic away from congested areas.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 45%

The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 10%

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 45%

[Note: It is assumed that the values for "sum of hours still allocated at H-3" in the national monitoring report referred instead to the "sum of hours that airspace was released prior to H-3".]

Previous recommendations

Extract from notification letter from EC July 2012

Furthermore, Poland's performance plan is assessed on the clear expectation that Poland will require its air navigation service provider to develop and implement capacity plans that will enable the 2014 reference value of 0.26 minute of average delay per flight to be met in 2015, with the assistance of the Network Manager.

Annual Monitoring Report 2012: Poland is invited to provide more detailed data on the allocation and use of individual restricted and segregated areas instead of the aggregated data provided.

Annual Monitoring Report 2013: 1) In light of capacity performance in 2012 and 2013, and in accordance with Article 17 of EU Regulation 691/2010, Poland is requested to define, apply and communicate appropriate measures to achieve the targets set in the Performance Plan.

2) The PRB reminds Poland of the obligation to report on the individual restricted and segregated areas that impact available ATC capacity, and or route options for general air traffic, rather than simply aggregating over all areas.

NSA report on follow-up to recommendations

In response to the first recommendation from AMR 2013, the national monitoring report contains the following information:

Corrective action plan prepared by PANSAs in order to approve en-route capacity is focused on two areas:

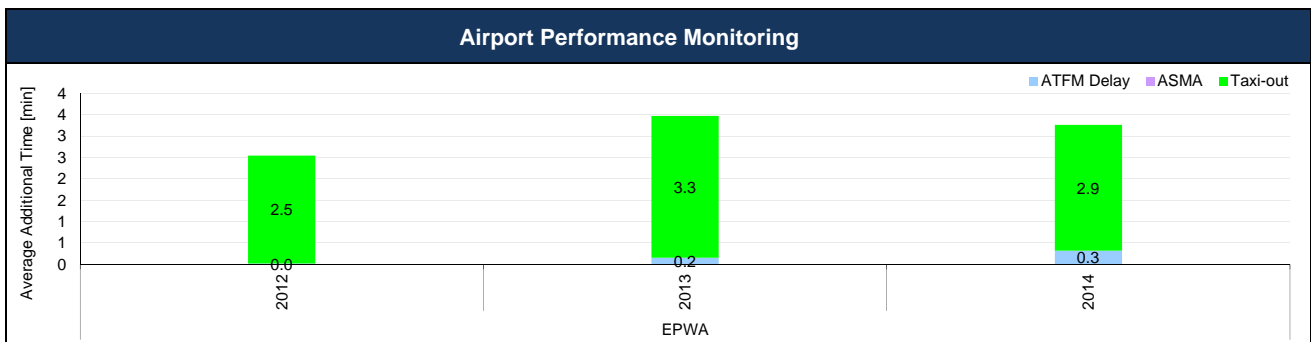
"1. Training of ATCOs. PANSAs is going to realize of updated training plan to fulfill current requirements (current staff shortage is 17%);

2. Vertical split of ACC sectors - . PANSAs provides implementation of vertical split of airspace in I quarter 2016.

Recommendations

POLAND

Monitoring of CAPACITY indicators for 2014



Airport Data

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Warsaw Chopin	EPWA	2012	0.0	1 264	n/a	n/a	2.5	160 467	n/a
		2013	0.2	11 318	n/a	n/a	3.3	230 039	n/a
		2014	0.3	22 408	n/a	n/a	2.9	193 678	n/a
Total		2012	0.0	1 264	n/a	n/a	2.5	160 467	n/a
		2013	0.2	11 318	n/a	n/a	3.3	230 039	n/a
		2014	0.3	22 408	n/a	n/a	2.9	193 678	n/a
Absolute Difference		2014-2013	▼ 0.2	▼ 11 090	n/a	n/a	▲ -0.4	▲ -36 361	n/a
		2014-2012	▼ 0.3	▼ 21 144	n/a	n/a	▼ 0.4	▼ 33 211	n/a

Critical Issues

- Missing CPR Data since 2012.

Specific Analysis

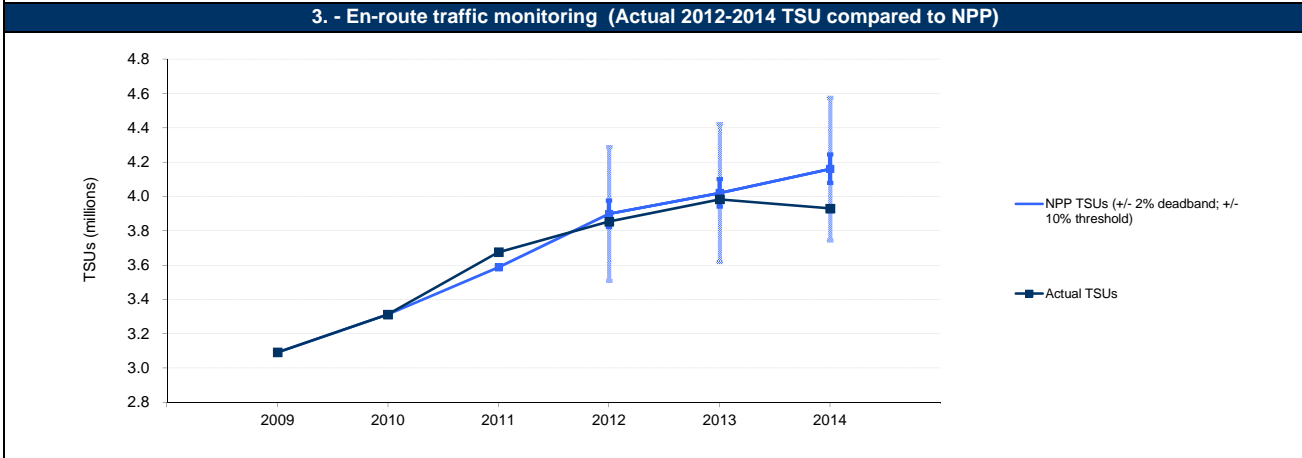
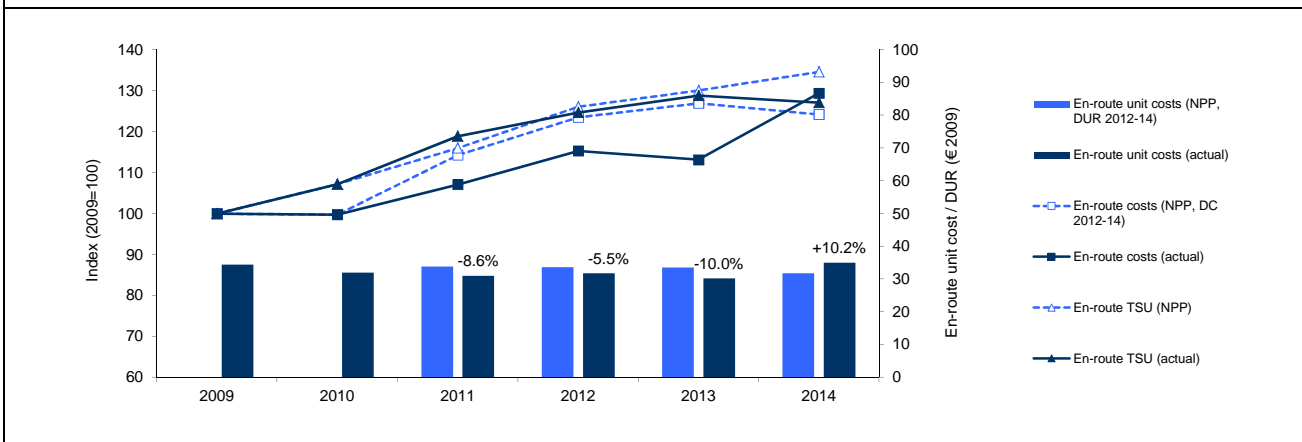
- Additional ASMA time could not be calculated for Warsaw airport due to missing CPR information.
- Taxi-out time performance significantly deteriorated at Warsaw airport by 21% over the RP1 period of time.

POLAND

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> POLAND represents 2.1% of the SES en-route ANS determined costs in 2014. ATSP : PANSA FAB : Baltic National currency: PLN Exchange rate 2009: 1 EUR= 4.32383 <p>Note on the actual exchange rate 2014 In 2014, the PLN appreciated by 0.2% compared to 2013.</p>	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p> <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
POLAND - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal PLN)	459 836 760	471 159 428	561 585 902	624 280 299	658 448 534	660 703 387
Inflation %		2.7%	4.1%	2.9%	2.6%	2.5%
Inflation index (100 in 2009)	100.0	102.7	106.9	110.0	112.8	115.7
Real en-route costs (determined costs 2012-2014) - (in PLN2009)	459 836 760	458 772 569	525 522 297	567 754 139	583 517 084	571 234 473
Total en-route Service Units	3 092 271	3 312 823	3 587 255	3 898 889	4 021 000	4 161 000
Real en-route unit costs per Service Units - (in PLN2009)	148.71	138.48	146.50	145.62	145.12	137.28
Real en-route unit costs per Service Units - (in EUR2009)	34.39	32.03	33.88	33.68	33.56	31.75
POLAND - Actual data from Jun-2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal PLN)	459 836 760	471 159 429	525 538 742	586 633 207	580 252 627	663 939 934
Inflation %		2.7%	3.9%	3.7%	0.8%	0.1%
Inflation index (100 in 2009)	100.0	102.7	106.7	110.7	111.5	111.7
Real en-route costs - (in PLN2009)	459 836 760	458 772 569	492 514 188	530 153 821	520 225 739	594 660 969
Total en-route Service Units	3 092 271	3 312 823	3 676 460	3 854 458	3 983 698	3 930 688
Real en-route unit costs per Service Units - (in PLN2009)	148.71	138.48	133.96	137.54	130.59	151.29
Real en-route unit costs per Service Units - (in EUR2009)	34.39	32.03	30.98	31.81	30.20	34.99
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal PLN)	in value			-37 647 092	-78 195 906	3 236 547
	in %			-6.0%	-11.9%	0.5%
Inflation %	in p.p.			0.8 p.p.	-1.8 p.p.	-2.4 p.p.
Inflation index (100 in 2009)	in p.p.			0.7 p.p.	-1.3 p.p.	-4.0 p.p.
Real en-route costs - (in PLN2009)	in value			-37 600 318	-63 291 345	23 426 496
	in %			-6.6%	-10.8%	4.1%
Total en-route Service Units	in value			-44 431	-37 302	-230 312
	in %			-1.1%	-0.9%	-5.5%
Real en-route unit costs per Service Units - (in PLN2009)	in value			-8.08	-14.53	14.00
	in %			-5.5%	-10.0%	10.2%
Real en-route unit costs per Service Units - (in EUR2009)	in value			-1.87	-3.36	3.24
	in %			-5.5%	-10.0%	10.2%



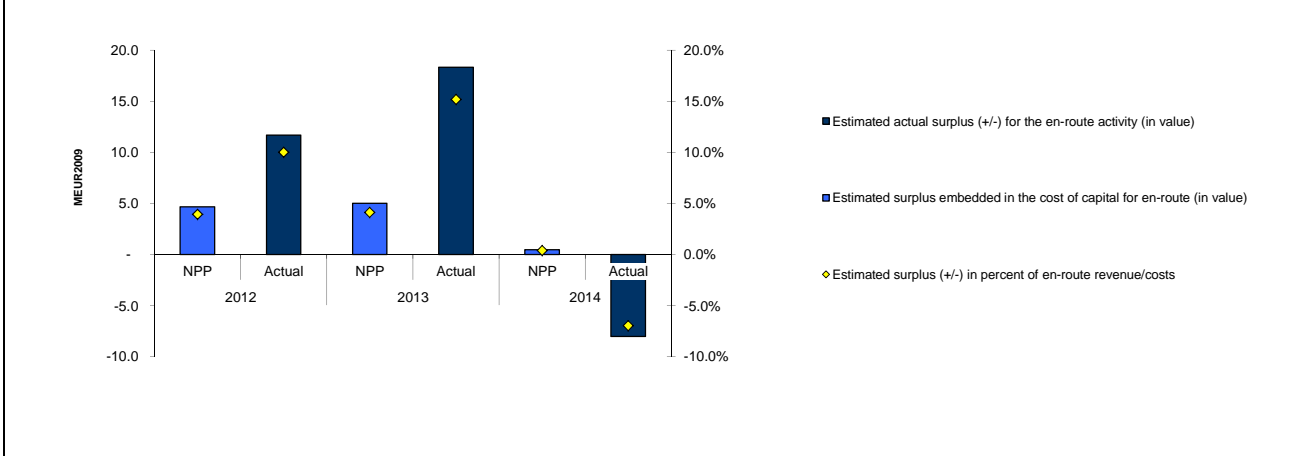
POLAND

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

4. - En-route costs monitoring (2014 actuals compared to NPP)		
By entity at State level 		Costs exempted from cost sharing (by factor/item) Pension - Interest rates on loans - National taxation law - New cost item required by law - International agreements 989
By nature at ATSP level 		Costs exempted from cost sharing (by entity) ATSP - Other ANSP - METSP - NSA/EUROCONTROL 989
		Total costs exempted from cost sharing to be recovered from (+)/reimbursed to (-) users if eligible after EC verification 989

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2014		
Cost sharing ('000€2009)		Combined effect of variations in costs and traffic for 2014 ('000€2009)
Determined costs for the ATSP (NPP)	2014A: 119 157	
Actual costs for the ATSP	123 818	
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	-4 661	
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-	
Traffic risk sharing ('000€2009)		Incentives ('000€2009) ATSP bonus (+) / penalty (-) - Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives - Net ATSP gain(+)/loss(-) on en-route activity -8 431
Difference in total service units (actual vs NPP)	2014A: -5.54%	
Determined costs after deduction of costs for exempted VFR flights	123 198	
ATSP gain (traffic between 0 and +2% higher than NPP)	-	
ATSP gain (traffic between +2% and +10% higher than NPP)	-	
ATSP loss (traffic between 0 and -2% below NPP)	-2 464	
ATSP loss (traffic between -2% and -10% below NPP)	-1 307	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	-3 770	

6. - En-route ATSP estimated surplus*						
*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.						
ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	144 486	110 010	163 152	116 718	175 977	129 246
Estimated proportion of financing through equity (in %)	92.2%	100.0%	88.2%	100.0%	84.5%	100.0%
Estimated proportion of financing through equity (in value)	133 281	110 010	143 840	116 718	148 701	129 246
Estimated proportion of financing through debt (in %)	7.8%	-	11.8%	-	15.5%	-
Estimated proportion of financing through debt (in value)	11 205	-	19 312	-	27 276	-
Cost of capital pre-tax (in value)	5 332	3 850	6 183	4 085	2 100	415
Average interest on debt (in %)	6.0%	-	6.0%	-	6.0%	-
Interest on debt (in value)	667	-	1 149	-	1 623	-
Determined RoE pre-tax rate (in %)	3.5%	3.5%	3.5%	3.5%	0.3%	0.3%
Estimated surplus embedded in the cost of capital for en-route (in value)	4 665	3 850	5 034	4 085	477	415
Net ATSP gain(+)/loss(-) on en-route activity	7 851	7 851	14 239	14 239	-8 431	-8 431
Overall estimated surplus (+/-) for the en-route activity	4 665	11 702	5 034	18 324	477	-8 016
Revenue/costs for the en-route activity	118 356	117 018	121 986	120 842	119 157	115 387
Estimated surplus (+/-) in percent of en-route revenue/costs	3.9%	10.0%	4.1%	15.2%	0.4%	-6.9%
Estimated ex-post RoE pre-tax rate (in %)	3.5%	10.6%	3.5%	15.7%	0.3%	-6.2%



POLAND

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by POLAND

At State / Charging Area level

In 2014, the real en-route unit cost for Poland (34.99 €2009) is +10.2% higher than planned in the NPP for RP1 (31.75 €2009). This difference is due to the fact that actual en-route costs in real terms are +4.1% higher than the determined costs, whilst en-route Service Units are -5.5% lower than planned. The increase in costs is due to higher than planned costs for PANSAs and EUROCONTROL, and a lower actual inflation rate (-2.4 p.p.).

The number of en-route total service units (TSUs) in 2014 (3.93 million) is lower (-5.5%) than the figures provided in Poland's Adopted NPP (4.16 million). This is outside the ±2% dead band, but does not exceed the -10% threshold foreseen in the traffic risk sharing mechanism. The resulting loss of revenue is shared between the ATSP and the airspace users, with the loss borne by the ATSP amounting to some -3.8 M€2009.

Actual 2014 costs vs. NPP

Total actual en-route costs in 2014 (594.7 MPLN2009) are +4.1% higher than planned in the NPP (571.2 MPLN2009). It is noted that actual inflation (0.1%) in 2014 is less than forecasted in the NPP (2.5%). In nominal terms, actual en-route costs in 2014 (663.9 MPLN) are only +0.5% higher than the planned cost of 660.7 MPLN.

The en-route cost-base includes costs relating to Poland's ATSP (PANSAs), the MET Service Provider (IMWM), and Poland's NSA (which includes EUROCONTROL costs). Whilst 2014 en-route costs for IMWM are lower than planned (-8.5% in real terms), PANSAs and the NSA/EUROCONTROL actual costs are higher than the amount reported in the NPP (+3.9%, and +12.0% respectively, in real terms). For the NSA (incl. EUROCONTROL), actual costs are +12.0% higher in real terms than the determined costs, primarily due to higher than planned EUROCONTROL costs. A detailed analysis of PANSAs's costs is provided in the box below.

Costs exempt from cost sharing are reported for an amount of +0.99 M€2009, corresponding to the difference between planned and actual EUROCONTROL costs. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

RP1 summary

When considering the whole of RP1 (2012-2014) the actual number of TSUs is -2.6% lower than planned and actual costs are -4.5% lower than planned (some -77.5 MPLN2009). As a result, the weighted average unit cost over RP1 is -2.0% lower than the level planned in the NPP.

At ATSP level

Actual 2014 PANSAs costs vs. NPP

PANSAs actual en-route costs are +3.9% (or +4.7 M€2009) higher than the determined costs as a result of higher other operating costs while staff costs and capital-related costs were lower than planned.

According to the Additional Information to the June 2015 en-route Reporting Tables, other operating costs are +63.2% (or +11.4 M€2009) higher than planned mainly due to "increasing provision for compensation according to non-contractual usage of land that previously belonged to the Branicki family". Excluding this one-time provision, other operating costs are lower, due to lower consumption of materials and energy, as well as lower costs of training, servicing and rental expenses. Staff costs are -1.8% lower than planned, due to a lower number of staff than anticipated, and staff resources being used more flexibly. Depreciation and cost of capital are also lower than planned, -25.6% and -80.2% respectively, due to postponement of some investment and a lack of external financing of PANSAs.

In 2014, the actual total asset base is 129.2 M€2009, or -26.6% lower than planned. This is the result of significantly lower investment than planned over RP1, even when unplanned investments are included. This is also reflected in the lower depreciation costs and cost of capital.

PANSAs net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, the en-route activity for the year 2014 generated a net loss of -8.4 M€2009 for PANSAs overall. This is the result of a combination of two separate elements:

- a loss of -4.7 M€2009 for PANSAs as a result of the cost-sharing mechanism; and
- a loss of -3.8 M€2009 as a result of the traffic risk sharing mechanism for 2014.

For the en-route activity, the estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +0.5 M€2009, corresponding to an estimated surplus of +0.4% of the en-route revenues for 2014. Ex-post, the overall estimated surplus for the year calculated by adding the surplus embedded in the cost of capital (+0.4 M€2009) and the net loss from the en-route activity in 2014 (-8.4 M€2009) gives a total loss of -8.0 M€2009, corresponding to -6.9% of the en-route revenue in 2014. The resulting ex-post rate of return on equity for 2014 is -6.2% (compared to +0.3% as initially planned in the NPP). It is important to note that this negative result in 2014 is mainly driven by the recording of an exceptional provision (some 18.3 M€ according to the additional information provided with the June 2015 en-route Reporting Tables).

Conclusion

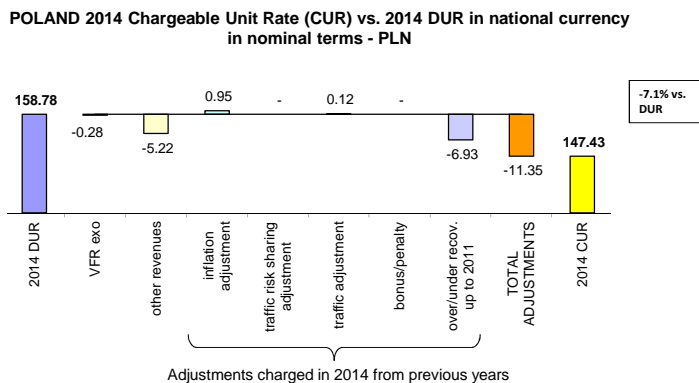
Traffic volumes were lower than expected (-5.5%), and PANSAs's actual en-route costs in 2014 were +3.9% higher than planned in the NPP, in real terms. The en-route activity for the year 2014 generated a net loss of -8.4 M€2009 for PANSAs, which results in an overall estimated surplus of -6.9% of the en-route revenue for 2014 (lower than the +0.4% planned in the NPP). It is important to note that this negative result in 2014 is mainly driven by the recording of an exceptional provision (some 18.3 M€ according to the additional information provided with the June 2015 en-route Reporting Tables).

When considering the whole of RP1 (2012-2014), PANSAs could retain a cumulative gain in respect of cost sharing of +19.9 M€2009, as actual costs were lower than planned in 2012 and 2013. However, PANSAs incurred a cumulative loss in respect of traffic risk sharing amounting to -6.3 M€2009, which resulted in a cumulative net gain for the en-route activity of +13.7 M€2009.

POLAND

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



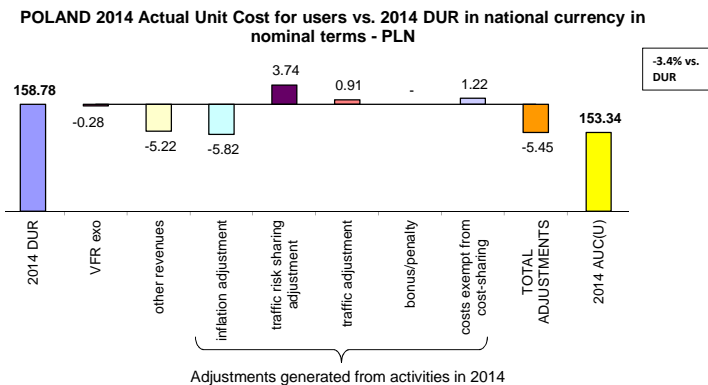
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The CUR charged to airspace users in 2014 is 147.43 PLN, which is -7.1% less than the DUR of 158.78 PLN. The CUR is lower due to a deduction of other revenues received by PANSAs (-5.22 PLN, or -3.3%) and legacy carry-overs incurred up to and including 2011 (-6.93 PLN, or -4.4%). Minor adjustments were made to reflect the deduction of costs for services exempt from VFR (-0.28 PLN), inflation adjustment (+0.95 PLN) and traffic adjustment (+0.12 PLN).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en-route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The AUC-U for airspace users in 2014 is 153.34 PLN, which is -3.4% less than the DUR of 158.78 PLN. This is due to adjustments generated from activities in 2014:

- 5.82 PLN, or -3.7% deduction due to inflation adjustment;
- 5.22 PLN, or -3.3% deduction due to other revenues;
- +3.74 PLN, or +2.4% increase of costs for traffic risk adjustment;
- +1.22 PLN, or +0.8% increase for costs exempt from cost sharing;
- +0.91 PLN, or +0.6% increase reflecting the difference in traffic for costs not subject to traffic risk sharing; and
- 0.28 PLN, or -0.2% deduction of costs for services to exempted VFR.

POLAND

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) [^]	0.5	0.5	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone	11	11	11	13	13	13
of which, number of airports over 50 000 movements	1	1	1	1	1	1
POLAND - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in PLN)	122 938 882	116 336 331	141 412 605	111 077 280	113 550 465	115 911 332
Inflation index (100 in 2009)	100.0	102.7	106.9	110.0	112.8	115.7
Real terminal ANS costs - (in PLN2009)	122 938 882	113 277 830	132 331 450	101 019 663	100 628 421	100 215 240
Real terminal ANS costs - (in EUR2009)	28 432 867	26 198 493	30 605 146	23 363 468	23 272 983	23 177 424
POLAND - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in PLN)	122 938 882	116 336 331	121 715 004	106 796 553	103 770 090	120 896 539
Inflation index (100 in 2009)	100.0	102.7	106.7	110.7	111.5	111.7
Real terminal ANS costs - (in PLN2009)	122 938 882	113 277 830	114 066 503	96 514 483	93 035 119	108 281 562
Real terminal ANS costs - (in EUR2009)	28 432 867	26 198 493	26 380 894	22 321 526	21 516 831	25 042 974
Total terminal service units	126 670	133 012	134 574	150 318	149 649	156 168
Actual real unit costs - (in PLN2009)	970.5	851.6	847.6	642.1	621.7	693.4
Unit rate applied - (in PLN)				781.06	812.38	699.80
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in PLN)	in value			-4 280 728	-9 780 375	4 985 207
	in%			-3.9%	-8.6%	4.3%
Inflation index (100 in 2009)	in p.p.			0.7 p.p.	-1.3 p.p.	-4.0 p.p.
Real terminal ANS costs - (in PLN2009)	in value			-4 505 181	-7 593 302	8 066 322
	in%			-4.5%	-7.5%	8.0%
Real terminal ANS costs - (in EUR2009)	in value			-1 041 942	-1 756 152	1 865 550
	in%			-4.5%	-7.5%	8.0%
11. - General conclusions on the Terminal ANS costs and unit rates monitoring						
The terminal charging zone of Poland comprises 13 airports, of which only one, Frederic Chopin Airport, handles more than 50 000 airport movements per year. The harmonised SES formula (MTOW/50) [^] 0.7 has been applied in the Poland Terminal Charging Zone since 2011.						
Actual terminal ANS costs in 2014 are +8.0%, or +1.9 M€2009 higher than planned in the NPP. This difference is larger than that for en-route costs (+4.1% in real terms). PANSAs is the only entity that reported higher actual costs than planned in 2014, both IMWM and the NSA reported lower costs than planned. PANSAs cost of capital, staff costs and depreciation costs were lower than planned, however other operating costs were significantly higher (as noted in the Additional Information to the June 2015 terminal Reporting Tables, this is mainly due to the recording of exceptional provision for compensation of "non-contractual usage of land that previously belonged to the Branicki family").						
RP1 summary						
When considering the whole of RP1 (2012-2014), actual terminal ANS costs were lower than planned in real terms (-1.3% or some -4.0 MPLN2009). Terminal ANS costs were lower than planned in the first two years of RP1 (-4.5% in 2012 and -7.5% in 2013) but higher in 2014 (+8.0%), mainly due to higher than planned other operating costs for PANSAs that recorded an exceptional provision for compensation of "non-contractual usage of land that previously belonged to the Branicki family".						
12. - Monitoring of gate-to-gate costs (2014)						
POLAND - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in PLN2009)	459 836 760	458 772 569	525 522 297	567 754 139	583 517 084	571 234 473
Real terminal ANS costs - (in PLN2009)	122 938 882	113 277 830	132 331 450	101 019 663	100 628 421	100 215 240
Real gate-to-gate ANS costs - (in PLN2009)	582 775 641	572 050 399	657 853 747	668 773 802	684 145 505	671 449 713
Real gate-to-gate ANS costs - (in EUR2009)	134 782 274	132 301 778	152 146 071	154 671 623	158 226 735	155 290 498
Share of en-route costs in gate-to-gate ANS costs	78.9%	80.2%	79.9%	84.9%	85.3%	85.1%
POLAND - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in PLN2009)	459 836 760	458 772 569	492 514 188	530 153 821	520 225 739	594 660 969
Real terminal ANS costs - (in PLN2009)	122 938 882	113 277 830	114 066 503	96 514 483	93 035 119	108 281 562
Real gate-to-gate ANS costs - (in PLN2009)	582 775 641	572 050 399	606 580 690	626 668 304	613 260 858	702 942 531
Real gate-to-gate ANS costs - (in EUR2009)	134 782 274	132 301 779	140 287 821	144 933 613	141 832 787	162 574 044
Share of en-route costs in gate-to-gate ANS costs	78.9%	80.2%	81.2%	84.6%	84.8%	84.6%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in PLN2009)	in value			-37 600 318	-63 291 345	23 426 496
	in %			-6.6%	-10.8%	4.1%
Real terminal ANS costs - (in PLN2009)	in value			-4 505 181	-7 593 302	8 066 322
	in %			-4.5%	-7.5%	8.0%
Real gate-to-gate ANS costs - (in PLN2009)	in value			-42 105 499	-70 884 647	31 492 817
	in %			-6.3%	-10.4%	4.7%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-9 738 010	-16 393 949	7 283 547
	in %			-6.3%	-10.4%	4.7%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			-0.3 p.p.	-0.5 p.p.	-0.5 p.p.
13. - General conclusions on the gate-to-gate ANS costs						
In 2014, Poland's actual gate-to-gate ANS costs (162.6 M€2009) are +4.7% higher than planned in the NPP (155.3 M€2009). The major driver of this difference is actual en-route costs, but higher actual terminal costs than planned have also had an impact on actual gate-to-gate ANS costs.						
The allocation of gate-to-gate costs between en-route ANS and terminal ANS appears quite stable over RP1 (approximately 85% share to en-route) and did not change significantly with respect to the NPP.						



Performance Review Body
designated by
the European Commission



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Portugal

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PORTUGAL

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management							
		2012	2013	2014	State level Observations		
State level		47	47	46			
ANSP [NAV Portugal]		60	74	N/A			
<p>The bar chart displays the number of questions for four categories (CO1, CO2, CO3, CO4). For each category, there are two bars: a dark blue bar for 'Self-assessment' and a light blue bar for 'EASA verification'. The categories are further divided into '< Level C' and '≥ Level C'. The data points are: CO1 (< Level C: 1, ≥ Level C: 15), CO2 (< Level C: 3, ≥ Level C: 3), CO3 (< Level C: 1, ≥ Level C: 8), and CO4 (< Level C: 3, ≥ Level C: 1).</p>							
Application of the severity classification of the Risk Analysis Tool (RAT)							
		2012		2013		2014	
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)
Separation Minima Infringements (SMIs)	ATM Ground	10	30%	8	100%	4	75%
	ATM Overall		0%		0%		75%
Runway Incursions (RIs)	ATM Ground	6	100%	6	100%	3	33%
	ATM Overall		0%		33%		33%
ATM Specific Occurrences (ATM-Specific)	ATM Overall	0	N/A	50	100%	91	100%
Source of RAT data:		NAV-P					
Preliminary results updated after coordination with the AST-FP in August 2015.							
Just culture							
Number of questions answered with Yes or No		State					
		2012		2013		2014	
		YES	NO	YES	NO	YES	NO
Policy and its implementation		6	4	6	4	6	3
Legal/Judiciary		8	0	8	0	7	0
Occurrence reporting and Investigation		2	0	2	0	2	0
TOTAL		16	4	16	4	15	3
Number of questions answered with Yes or No		ANSP [NAV Portugal]					
		2012		2013		2014	
		YES	NO	YES	NO	YES	NO
Policy and its implementation		9	4	11	2	N/A	N/A
Legal/Judiciary		2	1	2	1	N/A	N/A
Occurrence reporting and Investigation		6	2	7	1	N/A	N/A
TOTAL		17	7	20	4	N/A	N/A

PORTUGAL

Monitoring of CAPACITY indicators for 2014

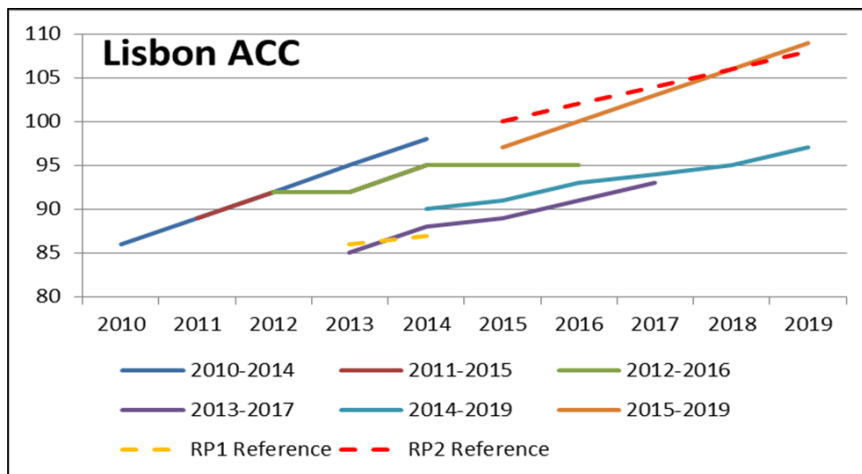
Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.28	0.21	0.16	<p>2014 monthly ATFM en-route delay and traffic (Lisbon)</p> <p>Source: PRU analysis</p>
National Target	0.25	0.2	0.15	
Actual performance	0.65	0.27	0.5	

National capacity assessment

As a result of the general economic situation in Portugal and the Economic Adjustment Program undertaken at national level, the capacity deployment could not be offered throughout the all year, as desirable, having focused all major efforts along the summer period – usual peak traffic period of Lisbon ACC.

Despite the good performance during the summer periods, it was recognized a degradation of the capacity performance along the winter season, resulting in an increase of ATFM delays, thus contributing for not achieving the capacity target for RP1 .

ANSP capacity plan



Military dimension of the plan

The NSA for Portugal has confirmed that the allocation and activation of restricted or segregated areas has no adverse impact on either ATC capacity, or on the ability of aircraft operators to file flight plans.

PRB Capacity assessment

As in 2012 and 2013 the capacity performance for 2014 did not meet the national target, nor the effort required to be consistent with the EU-wide capacity target. It is evident that the planned measures to improve capacity, as presented by the NSA in the previous monitoring reports, have not been successful. The PRB is mindful that according to the Network Manager there should not be any capacity shortfall in Portugal. It is clear that Portugal needs to address the delay spikes in late Autumn if general capacity performance is to be improved.

Effective booking procedures

The segregated or restricted areas were not reported to the Network Manager via AUP/UUP in 2014, because the areas required for military activities were activated at tactical level and all of them in the lower airspace. This means that no impact was recorded in ATC capacity. Therefore there were no restrictions in the planning of any flights within Lisbon UIR/FIR.

Previous recommendations

Annual Monitoring Report 2012: The NSA of Portugal is invited to provide additional information to the Commission on how the problems in deploying sufficient capacity have been addressed.

Annual Monitoring Report 2013: In light of the capacity performance in 2012 and 2013, and in accordance with Article 17 of EU Regulation 691/2010, Portugal is requested to define, apply and communicate appropriate measures to achieve the targets set in the Performance Plan.

NSA report on follow-up to recommendations

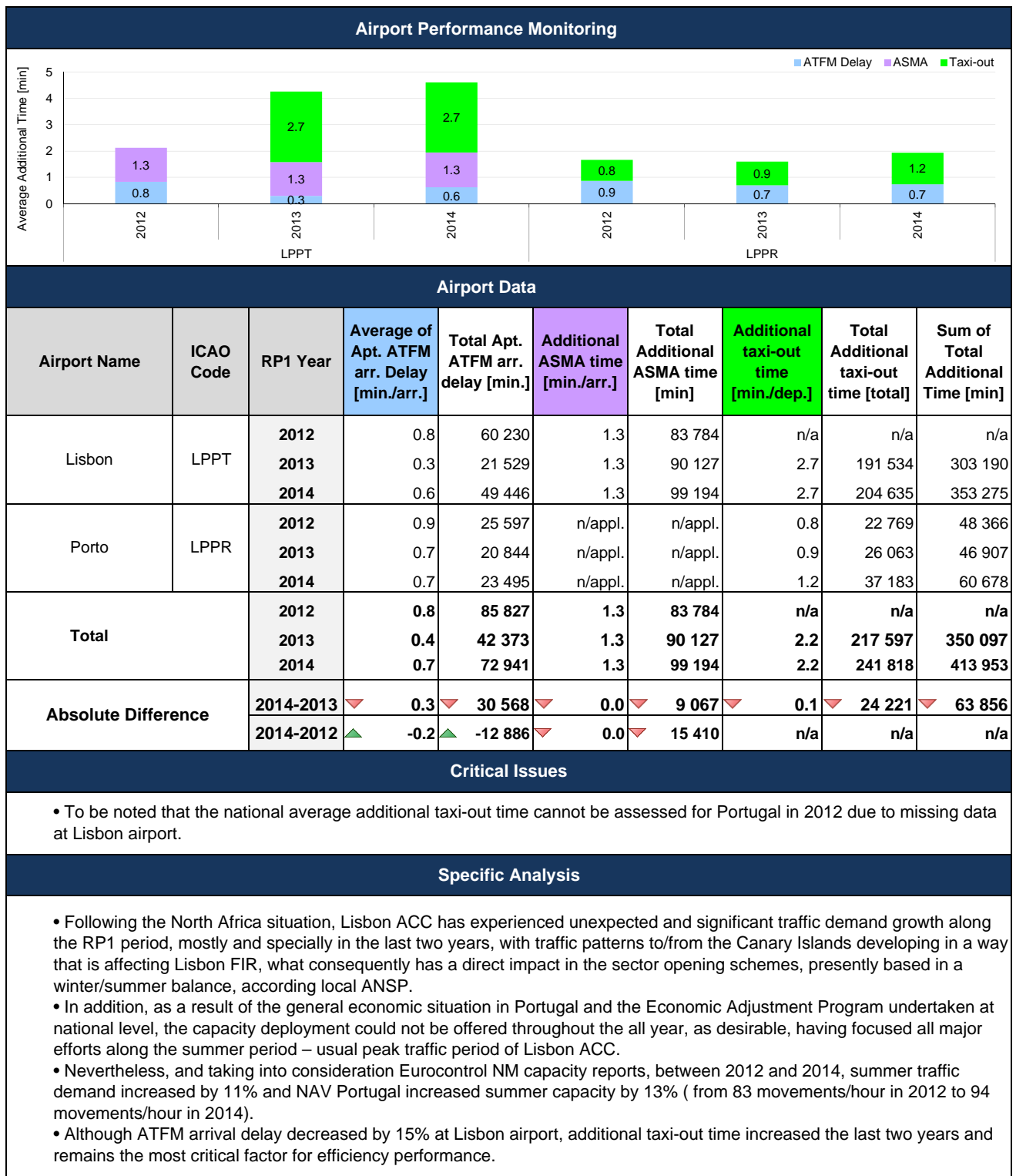
2012 follow-up: the unexpected traffic increase during November and December; Lisboa ACC training activities between October and December impossible to be delayed, linked with new functionalities and maintenance of licenses validity; west sector split not implemented, partially due to neighbor FIRs issues.

2013 follow-up: Summer capacity has been increased by 13% to meet Summer demand. Implementation of the free route airspace in Santiago/ Asturias has changed traffic flows. Sector openings can be flexibly configured according to traffci flows.

Recommendations

PORTUGAL

Monitoring of CAPACITY indicators for 2014

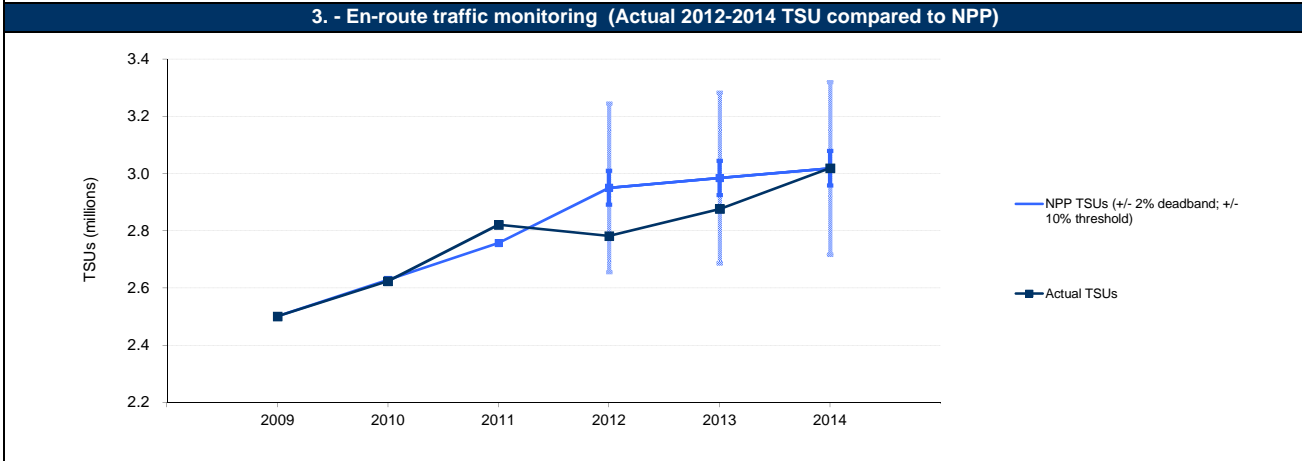
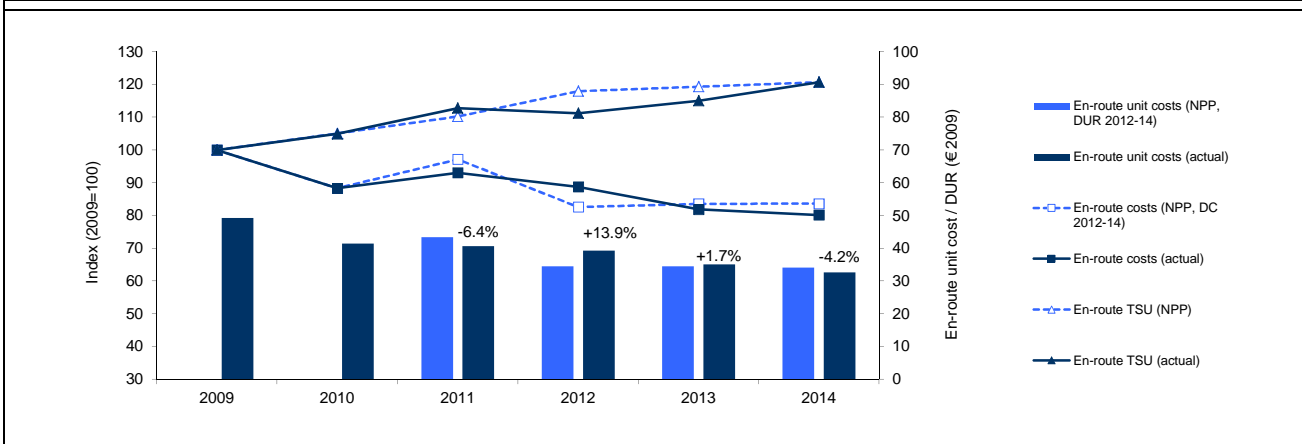


PORTUGAL CONTINENTAL

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

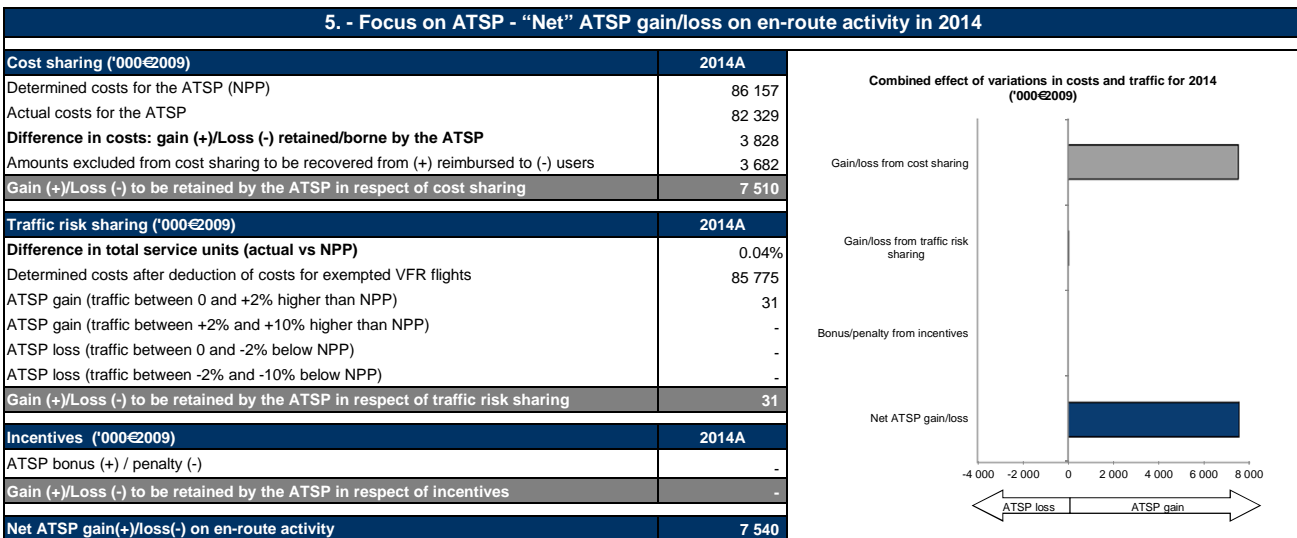
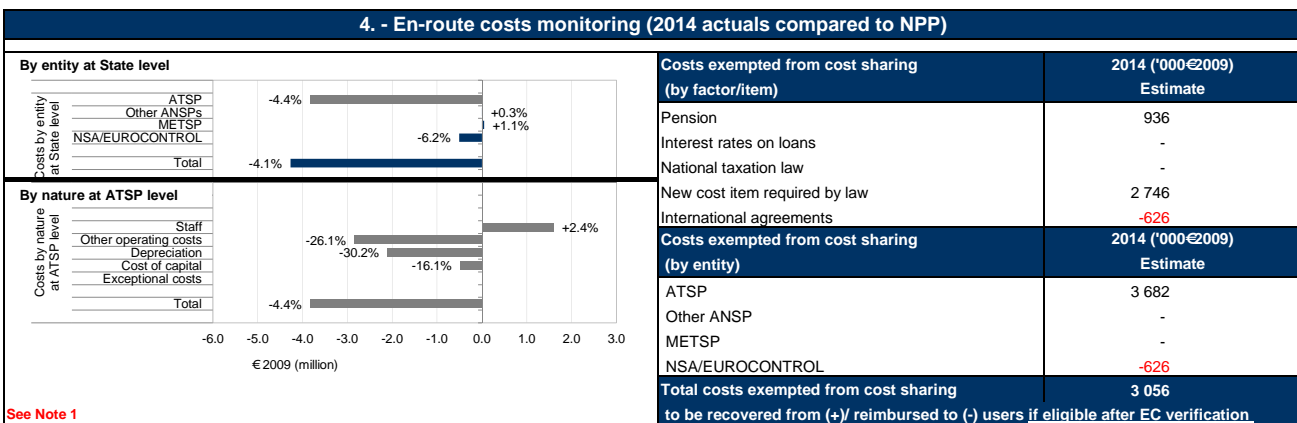
1. - Contextual economic information	
<ul style="list-style-type: none"> PORTUGAL CONTINENTAL represents 1.6% of the SES en-route ANS determined costs in 2014. ATSP : NAV Portugal (Continental) FAB : SW FAB National currency: EUR 	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p> <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
PORTUGAL CONTINENTAL - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	123 220 317	110 340 648	123 739 855	106 616 262	109 366 877	111 001 402
Inflation %		1.4%	1.9%	1.4%	1.4%	1.4%
Inflation index (100 in 2009)	100.0	101.4	103.3	104.8	106.2	107.7
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	123 220 317	108 817 207	119 756 050	101 759 123	102 943 223	103 039 195
Total en-route Service Units	2 501 219	2 628 788	2 757 489	2 950 581	2 984 808	3 018 536
Real en-route unit costs per Service Units - (in EUR2009)	49.26	41.39	43.43	34.49	34.49	34.14
PORTUGAL CONTINENTAL - Actual data from Jun-2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	123 220 317	110 340 648	120 421 412	118 060 986	109 368 546	106 875 894
Inflation %		1.4%	3.6%	2.8%	0.4%	-0.2%
Inflation index (100 in 2009)	100.0	101.4	105.1	108.0	108.4	108.2
Real en-route costs - (in EUR2009)	123 220 317	108 817 207	114 632 036	109 324 017	100 871 366	98 769 915
Total en-route Service Units	2 501 219	2 624 149	2 821 265	2 782 280	2 876 753	3 019 611
Real en-route unit costs per Service Units - (in EUR2009)	49.26	41.47	40.63	39.29	35.06	32.71
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal EUR)	in value			11 444 724	1 669	-4 125 508
	in %			10.7%	0.0%	-3.7%
Inflation %	in p.p.			1.4 p.p.	-1.0 p.p.	-1.6 p.p.
Inflation index (100 in 2009)	in p.p.			3.2 p.p.	2.2 p.p.	0.5 p.p.
Real en-route costs - (in EUR2009)	in value			7 564 894	-2 071 857	-4 269 280
	in %			7.4%	-2.0%	-4.1%
Total en-route Service Units	in value			-168 301	-108 055	1 075
	in %			-5.7%	-3.6%	0.04%
Real en-route unit costs per Service Units - (in EUR2009)	in value			4.81	0.58	-1.43
	in %			13.9%	1.7%	-4.2%



PORTUGAL CONTINENTAL

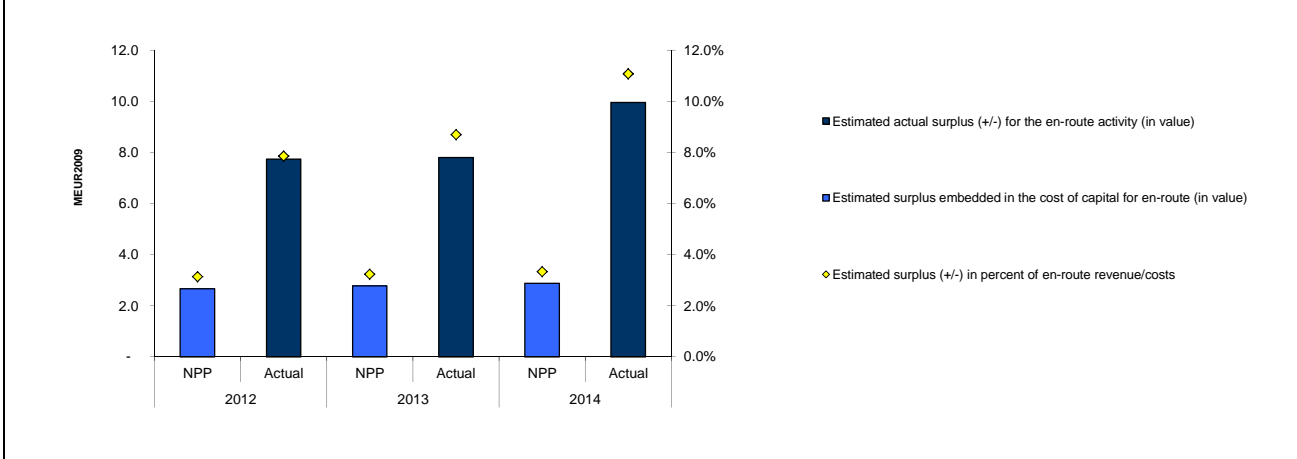
Monitoring of en-route and terminal COST-EFFICIENCY for 2014



6. - En-route ATSP estimated surplus*

*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.

ATSP estimated surplus ('000€2009) - See Note 2.	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	41 055	34 560	42 827	33 233	44 188	37 056
Estimated proportion of financing through equity (in %)	85.9%	85.9%	85.9%	85.9%	85.9%	85.9%
Estimated proportion of financing through equity (in value)	35 273	29 692	36 795	28 552	37 964	31 837
Estimated proportion of financing through debt (in %)	14.1%	14.1%	14.1%	14.1%	14.1%	14.1%
Estimated proportion of financing through debt (in value)	5 782	4 868	6 032	4 681	6 224	5 219
Cost of capital pre-tax (in value)	2 775	2 336	2 895	2 247	2 987	2 505
Average interest on debt (in %)	1.9%	1.9%	1.9%	1.9%	1.9%	1.9%
Interest on debt (in value)	109	92	113	88	117	98
Determined RoE pre-tax rate (in %)	7.6%	7.6%	7.6%	7.6%	7.6%	7.6%
Estimated surplus embedded in the cost of capital for en-route (in value)	2 667	2 245	2 782	2 159	2 870	2 407
Net ATSP gain(+)/loss(-) on en-route activity	5 495	5 495	5 635	5 635	5 635	7 540
Overall estimated surplus (+/-) for the en-route activity	2 667	7 739	2 782	7 794	2 870	9 947
Revenue/costs for the en-route activity	84 991	98 502	86 177	89 698	86 157	89 870
Estimated surplus (+/-) in percent of en-route revenue/costs	3.1%	7.9%	3.2%	8.7%	3.3%	11.1%
Estimated ex-post RoE pre-tax rate (in %)	7.6%	26.1%	7.6%	27.3%	7.6%	31.2%



7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by PORTUGAL CONTINENTAL

Note 1: SAR (Air Force and Navy) costs

In the NPP for RP1, planned SAR costs (4.0 M€ for 2012, 4.1 M€ for 2013 and 4.2 M€ for 2014) were allocated to the main ATSP, NAV Portugal. In the Reporting Tables provided in June 2013, 2014 and 2015, SAR costs are excluded from NAV Portugal's costs and recorded as another ANSP's costs. Therefore, in order to ensure a consistent comparison of planned and actual costs, SAR costs were excluded from NAV Portugal determined costs and allocated to the other ANSP determined costs. It is understood that these SAR services are provided by the Portuguese Airforce and Navy.

Note 2: ATSP surplus analysis

The analysis provided in item 6 differs very slightly from the figures reported in the 2013 Monitoring Report. This is due to the fact that NAV Portugal reported different data in the June 2015 Reporting Tables compared to the June 2014 Reporting Tables. The observed changes concern the interest rate on debt (changing from 1.86% to 1.88%) and the proportion of financing through equity (changing from 85.96% to 85.92%). These slight changes affect both planned and actual data for all years of RP1.

At State / Charging Area level

In 2014, Portugal's real en-route unit cost (32.71 €2009) is -4.2% lower than planned in the NPP (34.14 €2009). This difference is due to the fact that actual en-route costs are -4.1% (-4.3 M€2009) lower than planned in real terms, while the actual number of total service units (TSUs) is close to the level planned in the NPP (+0.04%). The difference between the actual and planned total en-route service units (+0.04%) falls inside the ± 2% dead band and is therefore fully borne by the ATSP.

Actual 2014 costs vs. NPP

The Portuguese en-route cost-base includes costs relating to: the en-route ATSP (NAV Portugal), the MET service provider (IPMA), the Portuguese NSA (ANAC) and the EUROCONTROL Agency. The "Other ANSP" category relates to SAR services provided by the Portuguese Airforce and Navy (see Note 1).

In 2014, actual en-route costs for Portugal are -4.1% (-4.3 M€2009) lower than planned in real terms, resulting from a combination of lower en-route costs in nominal terms (-3.7%) and a higher inflation index (+0.5 p.p.). The cost savings are mostly attributable to NAV Portugal (-4.4% in real terms, -3.8 M€2009). A detailed analysis of NAV Portugal's costs is provided in the box below. NSA/EUROCONTROL costs are also lower than planned (-6.2% in real terms, -0.5 M€2009) due to lower than planned EUROCONTROL costs, which offset higher than planned costs for ANAC. According to the Additional Information provided with the June 2015 en-route Reporting Tables this is due mainly to higher working hours and travel costs.

Costs associated with IPMA are +1.1% higher than planned (+0.1 M€2009 in absolute terms) due mainly to repayment of "Holidays and Christmas allowances" which were not included in the NPP.

Costs exempt from cost sharing are reported for an amount of +3.1 M€2009. NAV Portugal reported costs of +3.7 M€2009 for exemption relating predominantly to the reinstatement of 2010 salary levels reported as a new cost item required by law (+2.7 M€2009). The 2010 salary reinstatement, in combination with changes in market conditions, also led NAV Portugal to report +0.9 M€2009 of pension costs for exemption from cost sharing. Costs exempted from cost sharing also comprise -0.6 M€2009 due to lower EUROCONTROL costs than planned. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

RP1 summary

When considering the whole of RP1 (2012-2014) the actual number of TSUs is -3.1% lower than planned while actual costs in real terms are +0.4% higher than the determined costs (some +1.2 M€2009). As a result, the weighted average unit cost over RP1 (35.60 €2009) is +3.6% higher than planned.

At ATSP level

Actual 2014 NAV Portugal costs vs. NPP

NAV Portugal 2014 actual en-route costs are -4.4% (-3.8 M€2009) lower than planned in real terms, as a result of lower than planned costs in all categories, except for staff costs which are +2.4% above the NPP, (+1.6 M€2009 in absolute terms). According to the Additional Information to the June 2015 en-route Reporting Tables higher staff costs result from the combination of three factors. Firstly, there was a reinstatement of 2010 salary levels following the withdrawal of the salary reductions applied in the State Budget Law for 2011. Secondly, higher pension costs are recorded due to the reduction in the discount rate used to calculate pension costs from 3.75% to 2.50% (in line with actual market conditions). Thirdly, the remaining staff cost items are lower than planned.

Other operating costs are -26.1% below planned, (or -2.8 M€2009 in absolute terms) due to lower spending on travel, repair and maintenance, rents and specialised works.

Depreciation costs are also lower than planned (-30.2% or -2.1 M€2009 in absolute terms), due to the postponement of some capex projects, notably the LISATM system which is awaiting a ministerial decision. According to the information provided in the 2014 NSA Monitoring Report, investment over RP1 was -65.8% lower than planned (-33.4M€ in absolute terms), mainly due to lower capex related to the ATM system. The reported asset base for 2014 is -16.1% lower than planned in real terms, which leads to a lower cost of capital (-16.1%, -0.5 M€2009 in absolute terms).

NAV Portugal net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, the en-route activity for the year 2014 generated a net gain of +7.5 M€2009 for NAV Portugal. This is due to the combination of two separate elements:

- a gain of +7.5 M€2009 as a result of the cost-sharing mechanism; and
- a gain of +0.03 M€2009 as a result of the traffic risk sharing mechanism for 2014.

To calculate the overall economic surplus of the ATSP, it is also important to add the surplus embedded in the cost of capital through the return on equity. Based on the figures planned in the NPP, the return on equity amounted to +3.0 M€2009 corresponding to an estimated surplus of 3.3% of the en-route costs/revenues for 2014. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+2.4 M€2009) and the net gain from the en-route activity in 2014 (+7.5 M€2009), gives a total of +9.9 M€2009, corresponding to 11.1% of the 2014 en-route revenue. The resulting ex-post rate of return on equity for 2014 is 31.2% (compared to 7.6% planned in the NPP). It is important to note that the costs submitted for cost exemption account for 48.8% of the net gain on en-route activity. Excluding this amount, the estimated surplus would be 7.3% of en-route costs/revenues for 2014 and the ex-post return on equity would be 19.7%.

Conclusions

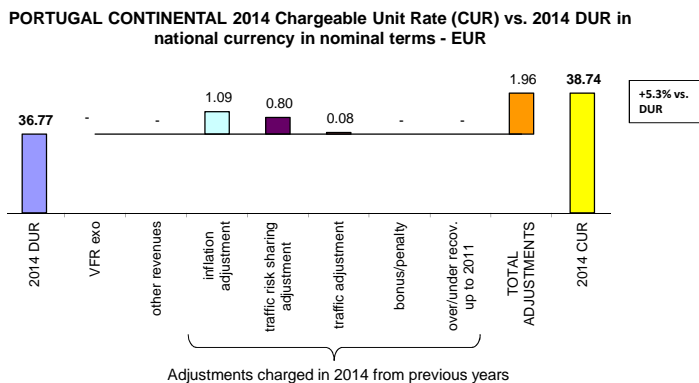
In 2014 NAV Portugal's actual en-route costs are lower than planned (-4.4%, or -3.8 M€2009 in absolute terms) while traffic is slightly higher (+0.04%) than foreseen in the NPP. The en-route activity for the year 2014 generated a net gain of +7.5 M€2009 for NAV Portugal which results in an estimated actual surplus of +9.9 M€2009 (11.1% of the en-route revenue for 2014, up from the 3.3% planned in the RP1 PP).

When considering the whole of RP1 (2012-2014), NAV Portugal could retain a cumulative gain in respect of cost sharing of +23.3 M€2009, of which +25.4 M€2009 relate to costs exempted from cost sharing. NAV Portugal also incurred a cumulative loss in respect of traffic risk sharing amounting to -4.6 M€2009, due to lower than planned traffic in 2012 and 2013. These two effects resulted in a cumulative net gain for the en-route activity of +18.7 M€2009.

PORTUGAL CONTINENTAL

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



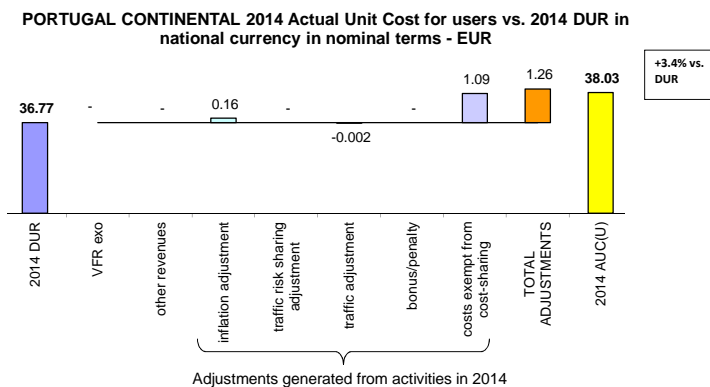
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The actual Chargeable Unit Rate (CUR) charged to users in 2014 is 38.74 €. This is +5.3% higher than the nominal DUR (36.77 €). The difference observed between these two figures (+1.96 €) reflects a combination of positive adjustments due to higher inflation than planned in 2012 (+1.09 €) and lower traffic than planned in 2012: traffic risk sharing adjustment (+0.80 €) and for costs exempt from traffic risk sharing (+0.08 €).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The unit cost that the users incurred in respect of the activities performed in 2014 is 38.03 €. This is +3.4% higher than the nominal DUR (36.77 €). The difference observed between these two figures (+1.26 €) is due predominantly to the positive adjustment for the costs submitted for exemption from cost-sharing in 2014 (+1.09 €), see also item 7. There is also a positive adjustment following lower than planned inflation in 2014 (+0.16 €) and a marginal negative adjustment resulting from the difference in traffic for costs not subject to traffic risk sharing.

PORTUGAL CONTINENTAL

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) [^]		0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone		9	9	9	9	9
of which, number of airports over 50 000 movements		2	2	2	2	2
PORTUGAL CONTINENTAL - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	28 746 046	27 074 815	31 399 855	25 968 337	26 132 847	26 651 711
Inflation index (100 in 2009)	100.0	101.4	103.3	104.8	106.2	107.7
Real terminal ANS costs - (in EUR2009)	28 746 046	26 701 001	30 388 936	24 785 292	24 597 937	24 739 965
PORTUGAL CONTINENTAL - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR) - See Note 3	28 746 046	27 074 815	31 227 975	29 578 006	27 749 019	25 562 650
Inflation index (100 in 2009)	100.0	101.4	105.1	108.0	108.4	108.2
Real terminal ANS costs - (in EUR2009)	28 746 046	26 701 001	29 726 660	27 389 120	25 593 112	23 623 856
Total terminal service units	170 976	176 894	179 351	177 634	180 399	191 944
Actual real unit costs - (in EUR2009)	168.1	150.9	165.7	154.2	141.9	123.1
Unit rate applied - (in EUR)				126.25	174.56	174.21
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value			3 609 669	1 616 172	-1 089 061
	in%			13.9%	6.2%	-4.1%
Inflation index (100 in 2009)	in p.p.			3.2 p.p.	2.2 p.p.	0.5 p.p.
Real terminal ANS costs - (in EUR2009)	in value			2 603 827	995 175	-1 116 109
	in%			10.5%	4.0%	-4.5%

11. - General conclusions on the Terminal ANS costs and unit rates monitoring

Note 3: Terminal Reporting Tables

Portugal was not able to provide the June 2015 Reporting Tables in time to be used in the 2014 Monitoring. The terminal data shown in items 10 and 12 up to 2013 is from the November 2014 Reporting Tables. The terminal costs and service unit data for 2014 are from the 2014 NSA Monitoring Report.

Portugal counts one terminal charging zone comprising nine airports of which two have above 50 000 movements per year (i.e. Lisbon-LPPT and Porto-LPPR airports). The harmonised SES formula (MTOW/50)[^]0.7 already applies in the Portuguese Terminal Charging Zone. Actual terminal ANS costs are -4.5% lower than planned in real terms (-1.1 M€2009 in absolute terms) and the real unit cost for terminal services is 123.1 €2009, -13.2% compared to the real unit cost for 2013. The Unit Rate applied in 2014 is 174.21 €, which is close to the rate applied in 2013 (174.56 €).

RP1 summary

When considering the whole of RP1 (2012-2014), actual terminal ANS costs are +3.3% higher in real terms (or some +2.5 M€2009) than planned in the NPP. This reflects the fact that terminal ANS costs were higher than planned in 2012 (+10.5%) and 2013 (+4.0%) while 2014 costs are lower than planned (-4.5%).

12. - Monitoring of gate-to-gate costs (2014)

12. - Monitoring of gate-to-gate costs (2014)						
	2009A	2010A	2011F	2012P	2013P	2014P
PORTUGAL CONTINENTAL - Data from RP1 national performance plan						
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	123 220 317	108 817 207	119 756 050	101 759 123	102 943 223	103 039 195
Real terminal ANS costs - (in EUR2009)	28 746 046	26 701 001	30 388 936	24 785 292	24 597 937	24 739 965
Real gate-to-gate ANS costs - (in EUR2009)	151 966 363	135 518 209	150 144 986	126 544 416	127 541 160	127 779 161
Share of en-route costs in gate-to-gate ANS costs	81.1%	80.3%	79.8%	80.4%	80.7%	80.6%
PORTUGAL CONTINENTAL - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	123 220 317	108 817 207	114 632 036	109 324 017	100 871 366	98 769 915
Real terminal ANS costs - (in EUR2009) - See Note 3	28 746 046	26 701 001	29 726 660	27 389 120	25 593 112	23 623 856
Real gate-to-gate ANS costs - (in EUR2009)	151 966 363	135 518 209	144 358 696	136 713 137	126 464 478	122 393 771
Share of en-route costs in gate-to-gate ANS costs	81.1%	80.3%	79.4%	80.0%	79.8%	80.7%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in EUR2009)	in value			7 564 894	-2 071 857	-4 269 280
	in %			7.4%	-2.0%	-4.1%
Real terminal ANS costs - (in EUR2009)	in value			2 603 827	995 175	-1 116 109
	in %			10.5%	4.0%	-4.5%
Real gate-to-gate ANS costs - (in EUR2009)	in value			10 168 721	-1 076 682	-5 385 389
	in %			8.0%	-0.8%	-4.2%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			-0.4 p.p.	-1.0 p.p.	0.1 p.p.

13. - General conclusions on the gate-to-gate ANS costs

Actual 2014 gate-to-gate costs are -4.2% lower than planned in real terms due to lower than planned en-route ANS costs (-4.3 M€2009, -4.1%) and terminal ANS costs (-1.1 M€2009, -4.5%).

The allocation of gate-to-gate costs between en-route ANS and terminal ANS appears quite stable over RP1 (approximately 80% share to en-route) and did not change significantly with respect to the NPP.



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Romania

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ROMANIA

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management																																						
	2012	2013	2014	State level Observations																																		
State level	69	68	70																																			
ANSP [ROMATSA]	80	80	82																																			
<p>Number of questions</p> <p>Legend: ■ Self-assessment, ■ EASA verification</p> <table border="1"> <caption>Data for Effectiveness of Safety Management Chart</caption> <thead> <tr> <th>CO</th> <th>Level</th> <th>Self-assessment</th> <th>EASA verification</th> </tr> </thead> <tbody> <tr> <td rowspan="2">CO1</td> <td>< Level C</td> <td>1</td> <td>6</td> </tr> <tr> <td>≥ Level C</td> <td>15</td> <td>10</td> </tr> <tr> <td rowspan="2">CO2</td> <td>< Level C</td> <td>1</td> <td>1</td> </tr> <tr> <td>≥ Level C</td> <td>4</td> <td>3</td> </tr> <tr> <td rowspan="2">CO3</td> <td>< Level C</td> <td>1</td> <td>1</td> </tr> <tr> <td>≥ Level C</td> <td>9</td> <td>8</td> </tr> <tr> <td rowspan="2">CO4</td> <td>< Level C</td> <td>4</td> <td>4</td> </tr> <tr> <td>≥ Level C</td> <td>4</td> <td>4</td> </tr> </tbody> </table>							CO	Level	Self-assessment	EASA verification	CO1	< Level C	1	6	≥ Level C	15	10	CO2	< Level C	1	1	≥ Level C	4	3	CO3	< Level C	1	1	≥ Level C	9	8	CO4	< Level C	4	4	≥ Level C	4	4
CO	Level	Self-assessment	EASA verification																																			
CO1	< Level C	1	6																																			
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	≥ Level C	4	3																																			
CO3	< Level C	1	1																																			
	≥ Level C	9	8																																			
CO4	< Level C	4	4																																			
	≥ Level C	4	4																																			
Application of the severity classification of the Risk Analysis Tool (RAT)																																						
		2012		2013		2014																																
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)																															
Separation Minima Infringements (SMIs)	ATM Ground	11	100%	2	100%	10	100%																															
	ATM Overall		0%		100%		100%																															
Runway Incursions (RIs)	ATM Ground	6	100%	4	100%	4	100%																															
	ATM Overall		0%		100%		100%																															
ATM Specific Occurrences (ATM-Specific)	ATM Overall	408	100%	271	100%	228	98%																															
Source of RAT data:		CIAS																																				
Just culture																																						
Number of questions answered with Yes or No		State																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	8	2	9	1	8	1																															
	Legal/Judiciary	2	6	4	4	2	5																															
	Occurrence reporting and Investigation	1	1	2	0	2	0																															
	TOTAL	11	9	15	5	12	6																															
Number of questions answered with Yes or No		ANSP [ROMATSA]																																				
		2012		2013		2014																																
		YES	NO	YES	NO	YES	NO																															
	Policy and its implementation	11	2	11	2	11	2																															
	Legal/Judiciary	2	1	2	1	2	1																															
	Occurrence reporting and Investigation	6	2	6	2	6	2																															
	TOTAL	19	5	19	5	19	5																															

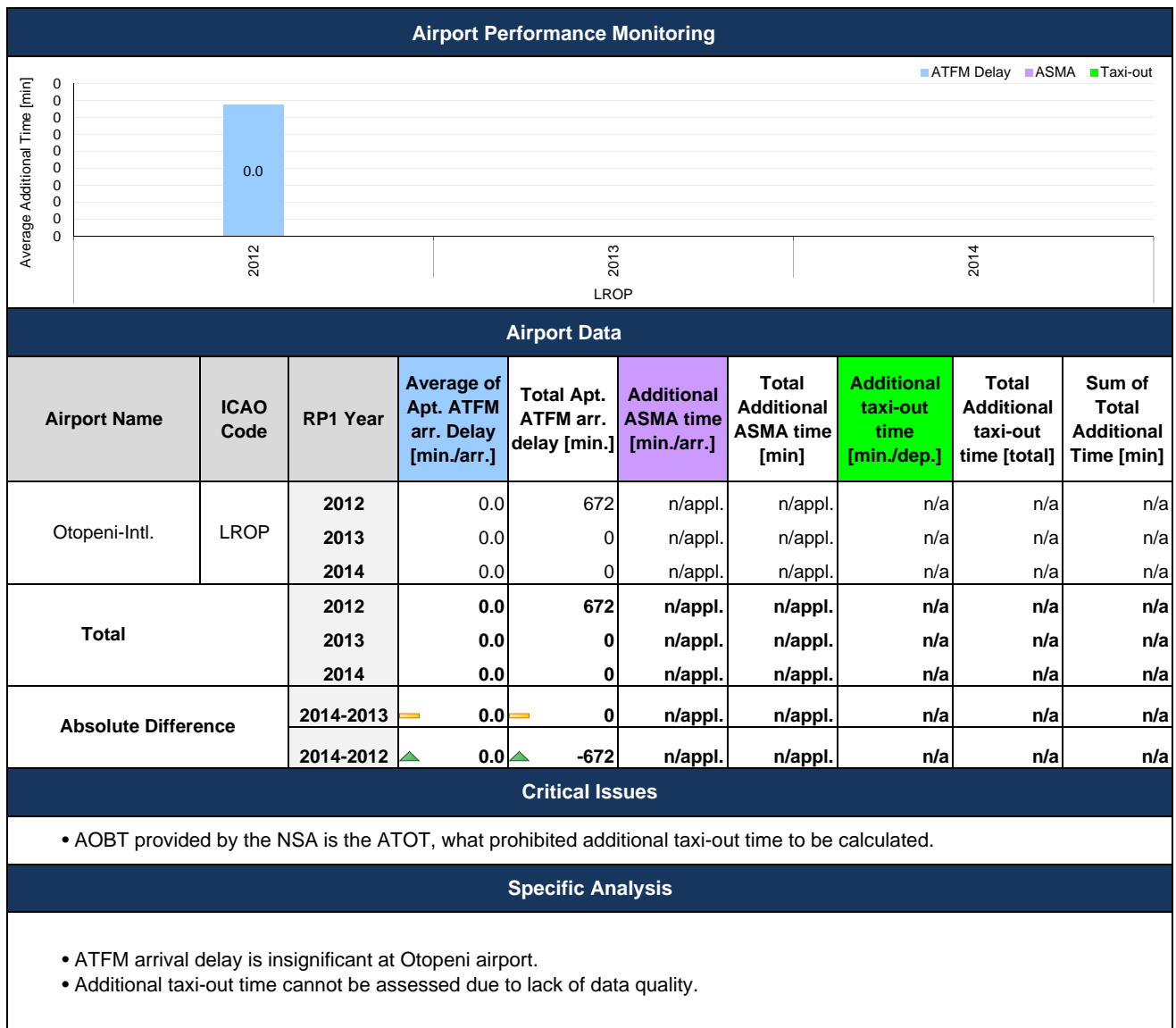
ROMANIA

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0	0	0	
National Target	0	0	0	
Actual performance	0	0	0	
National capacity assessment				
Romania achieved the capacity performance target.				
Military dimension of the plan				
Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the Performance Plan for Romania did not contain any specific details of how FUA would be applied to increase capacity.				
PRB Capacity assessment				
Romania has provided excellent capacity performance since 2012. In 2014, the Ukrainian crisis affected civil aviation both in Ukraine and neighbouring states: despite the considerable increase in traffic, the Romanian ANSP handled the demand with a minimum delay to airspace users. Such tremendous effort resulted in a positive contribution to the EU-wide target.				
Effective booking procedures				
<p>The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 62%</p> <p>The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 14%</p> <p>The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 24%</p>				
Previous recommendations				
Annual Monitoring Report 2013: Romania is requested to provide information on the effective booking procedures for the individual SUAs, instead of simply the national aggregated figures.				
NSA report on follow-up to recommendations				
Although the national monitoring report only contained the aggregated data, Romania provided information on each SUA separately to the PRU.				
Recommendations				

ROMANIA

Monitoring of CAPACITY indicators for 2014

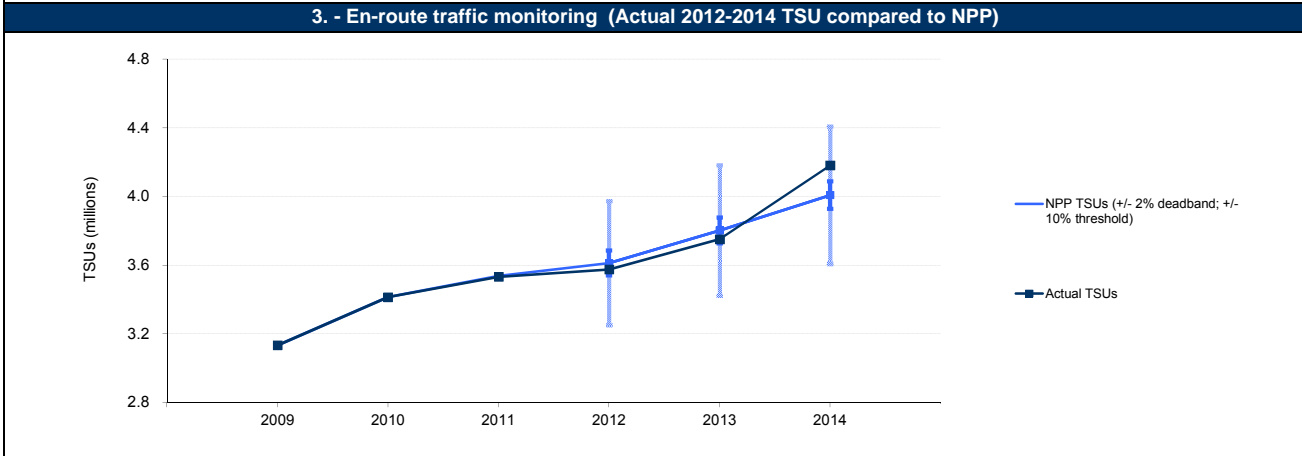
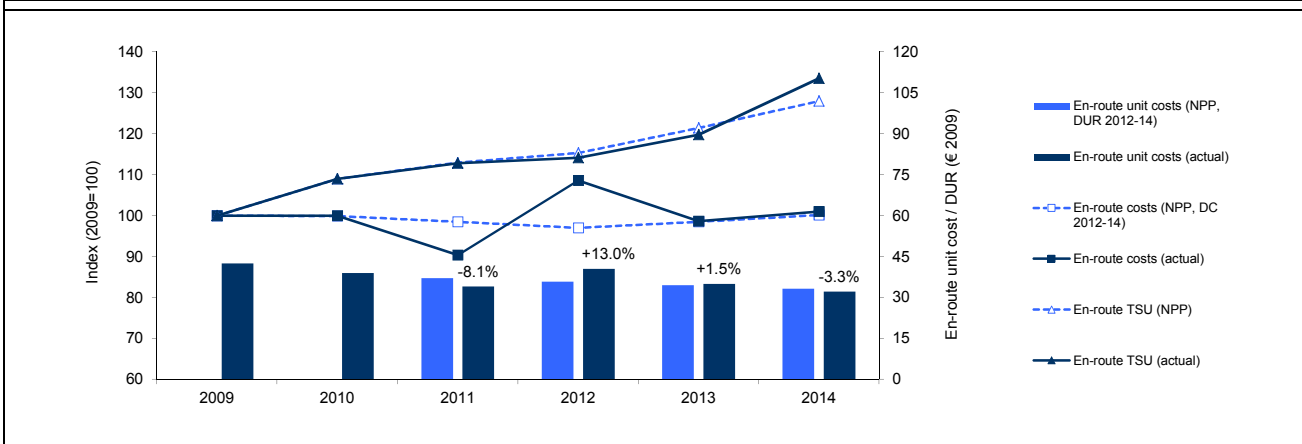


ROMANIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> ROMANIA represents 2.1% of the SES en-route ANS determined costs in 2014. ATSP : ROMATSA FAB : DANUBE National currency: RON Exchange rate 2009: 1 EUR= 4.23303 Note on the actual exchange rate 2014 In 2014, the RON depreciated by 0.6% compared to 2013. 	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p> <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
ROMANIA - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal RON)	563 745 065	597 674 629	627 846 218	646 508 472	676 701 094	706 950 096
Inflation %		6.1%	6.6%	4.5%	3.1%	2.8%
Inflation index (100 in 2009)	100.0	106.1	113.1	118.2	121.9	125.3
Real en-route costs (determined costs 2012-2014) - (in RON2009)	563 745 065	563 312 562	555 112 100	546 997 499	555 327 696	564 349 440
Total en-route Service Units	3 132 895	3 414 282	3 537 000	3 612 000	3 802 000	4 008 000
Real en-route unit costs per Service Units - (in RON2009)	179.94	164.99	156.94	151.44	146.06	140.81
Real en-route unit costs per Service Units - (in EUR2009)	42.51	38.98	37.08	35.78	34.51	33.26
ROMANIA - Actual data from Jun-2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal RON)	563 745 065	597 831 159	571 676 524	710 305 485	666 182 726	691 574 731
Inflation %		6.1%	5.8%	3.4%	3.2%	1.4%
Inflation index (100 in 2009)	100.0	106.1	112.3	116.1	119.8	121.5
Real en-route costs - (in RON2009)	563 745 065	563 460 093	509 271 423	611 960 764	556 150 177	569 376 940
Total en-route Service Units	3 132 895	3 414 282	3 532 683	3 575 195	3 751 523	4 181 845
Real en-route unit costs per Service Units - (in RON2009)	179.94	165.03	144.16	171.17	148.25	136.15
Real en-route unit costs per Service Units - (in EUR2009)	42.51	38.99	34.06	40.44	35.02	32.16
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal RON)	in value			63 797 014	-10 518 368	-15 375 365
	in %			9.9%	-1.6%	-2.2%
Inflation %	in p.p.			-1.1 p.p.	0.1 p.p.	-1.4 p.p.
Inflation index (100 in 2009)	in p.p.			-2.1 p.p.	-2.1 p.p.	-3.8 p.p.
Real en-route costs - (in RON2009)	in value			64 963 265	822 480	5 027 499
	in %			11.9%	0.1%	0.9%
Total en-route Service Units	in value			-36 805	-50 477	173 845
	in %			-1.0%	-1.3%	4.3%
Real en-route unit costs per Service Units - (in RON2009)	in value			19.73	2.18	-4.65
	in %			13.0%	1.5%	-3.3%
Real en-route unit costs per Service Units - (in EUR2009)	in value			4.66	0.52	-1.10
	in %			13.0%	1.5%	-3.3%



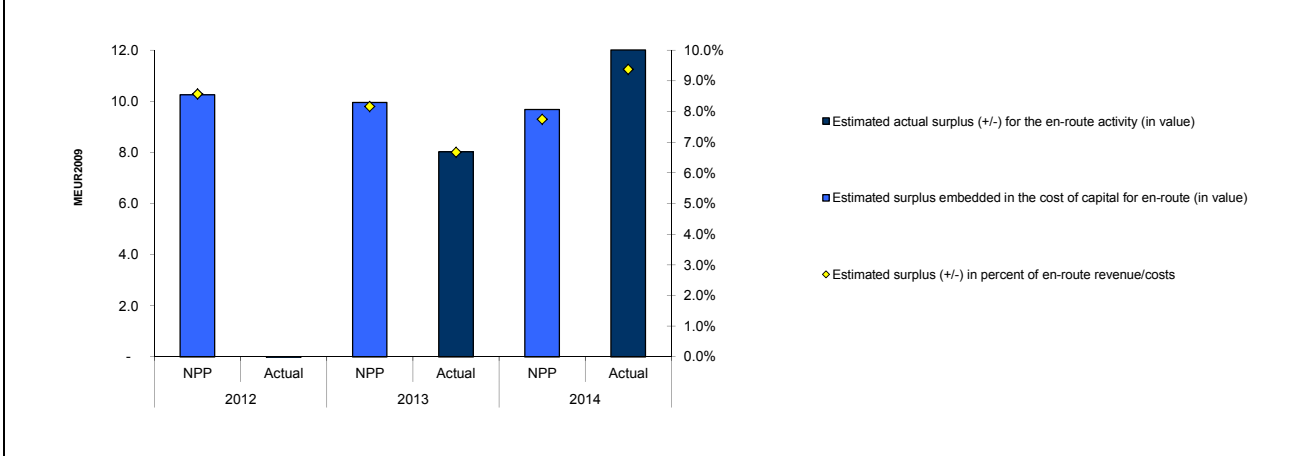
ROMANIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

4. - En-route costs monitoring (2014 actuals compared to NPP)		
By entity at State level 		Costs exempted from cost sharing (by factor/item) Pension - Interest rates on loans - National taxation law - New cost item required by law - International agreements 796 Costs exempted from cost sharing (by entity) ATSP - Other ANSP - METSP - NSA/EUROCONTROL 796 Total costs exempted from cost sharing to be recovered from (+)/reimbursed to (-) users if eligible after EC verification 796
By nature at ATSP level 		2014 ('000€2009) Estimate 796

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2014		
Cost sharing ('000€2009)		Combined effect of variations in costs and traffic for 2014 ('000€2009)
Determined costs for the ATSP (NPP)	124 927	
Actual costs for the ATSP	124 897	
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	30	
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-	
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	30	
Traffic risk sharing ('000€2009)		
Difference in total service units (actual vs NPP)	4.34%	
Determined costs after deduction of costs for exempted VFR flights	121 246	
ATSP gain (traffic between 0 and +2% higher than NPP)	2 425	
ATSP gain (traffic between +2% and +10% higher than NPP)	850	
ATSP loss (traffic between 0 and -2% below NPP)	-	
ATSP loss (traffic between -2% and -10% below NPP)	-	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	3 275	
Incentives ('000€2009)		
ATSP bonus (+) / penalty (-)	-	
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	-	
Net ATSP gain(+)/loss(-) on en-route activity	3 305	

6. - En-route ATSP estimated surplus*							
*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.							
ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A	
Total asset base	128 325	127 966	124 467	119 889	121 076	108 817	
Estimated proportion of financing through equity (in %)	100%	100%	100%	100%	100%	100%	
Estimated proportion of financing through equity (in value)	128 325	127 966	124 467	119 889	121 076	108 817	
Estimated proportion of financing through debt (in %)	-	-	-	-	-	-	
Estimated proportion of financing through debt (in value)	-	-	-	-	-	-	
Cost of capital pre-tax (in value)	10 256	10 237	9 947	9 591	9 677	8 705	
Average interest on debt (in %)	-	-	-	-	-	-	
Interest on debt (in value)	-	-	-	-	-	-	
Determined RoE pre-tax rate (in %)	8.0%	8.0%	8.0%	8.0%	8.0%	8.0%	
Estimated surplus embedded in the cost of capital for en-route (in value)	10 256	10 237	9 947	9 591	9 677	8 705	
Net ATSP gain(+)/loss(-) on en-route activity		-15 571		-1 572		3 305	
Overall estimated surplus (+/-) for the en-route activity	10 256	-5 334	9 947	8 020	9 677	12 011	
Revenue/costs for the en-route activity	119 685	118 517	121 811	120 264	124 927	128 202	
Estimated surplus (+/-) in percent of en-route revenue/costs	8.6%	-4.5%	8.2%	6.7%	7.7%	9.4%	
Estimated ex-post RoE pre-tax rate (in %)	8.0%	-4.2%	8.0%	6.7%	8.0%	11.0%	



7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by ROMANIA

The data provided by Romania are consistent and coherent.

At State / Charging Area level

In 2014, Romania's real en-route unit cost (32.16 €2009) is -3.3% lower than planned in their RP1 Performance Plan (33.26 €2009). This difference is due to the fact that although 2014 actual real en-route costs are +0.9% higher than the determined costs, Romania recorded more traffic than forecasted in the performance plan and the actual number of total service units (TSUs) is +4.3% higher than planned.

In 2014, as in the previous two years, Romania recorded some exceptional costs (+7.7 M€2009 or 5.7% of Romania's 2014 en-route determined costs) linked to ROMATSA's "provisions for employee benefits". In fact without the impact of this increase in provisions, the actual costs for Romania would have been -4.8% lower than planned in real terms. In such a case, Romania's real en-route actual unit costs would have been -8.8% lower than the determined unit cost for 2014.

The difference between the actual and planned total en-route service units (+4.3%) falls outside the ±2% dead band and is therefore partially borne by the airspace users.

Actual 2014 costs vs. NPP

Real en-route costs for Romania are +0.9% higher in 2014 than planned as a combination of -2.2% lower nominal en-route costs and -3.8 percentage point lower inflation index. The cost excess is attributable to higher NSA/EUROCONTROL costs than planned (+14.5% in real terms, +1.2 M€2009) while the actual real ATSP costs are very close to the plan (-0.02%). A detailed analysis of ROMATSA's costs is provided in the box below.

Romania reported +0.8 M€2009 costs exempt from cost sharing for the year 2014 for the unforeseen change in the EUROCONTROL costs.

RP1 summary

When considering the whole of RP1 (2012-2014) the actual number of TSUs is +0.8% higher than planned while actual costs in real terms are +4.2% higher than the determined costs (some +16.7 M€2009). As a result, the weighted average actual unit cost over RP1 is +3.5% higher than the level planned in the NPP.

Excluding the effect of the "provisions for employee benefits", the actual costs in real terms would be -3.3% lower than the determined costs (some -13.0 M€2009). As a result, the weighted average actual unit cost over RP1 would be -4.0% lower than the level planned in the NPP.

At ATSP level

Actual 2014 ROMATSA costs vs. NPP

ROMATSA 2014 actual en-route costs are practically in line with the plan in real terms (-0.02%). This results from the combination of some significant unplanned exceptional costs relating to "provisions for employee benefits" (+7.7 M€2009) and higher than planned staff costs (+1.0 M€2009 or +1.2%) counterbalanced by significantly reduced depreciation costs (-4.1 M€2009 or -30.8%), other operating costs (-3.6 M€2009 or -17.9%) and cost of capital (-1.0 M€2009 or -10.0%).

According to the additional information provided along with the en-route reporting tables in June 2015, a devaluation of assets in operation took place at the end of 2013 (-22.3% on the en-route service) significantly affecting 2014 depreciation costs. As far as ROMATSA's 2014 CAPEX is concerned, it is also significantly lower than planned (-44.8% below the NPP in real terms or -12.8 M€2009). This is mainly due to significant underspending for the "ATM System ROMATSA 2015+" since the total CAPEX for this project over RP1 was significantly below the plan (-84% below the NPP in real terms or -52.8 M€2009). As a result, ROMATSA actual 2014 asset base is -10.1% below the plan. It should be noted that ROMATSA has no debt and therefore the cost of capital and the return on equity are one and the same.

ROMATSA net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, the en-route activity for the year 2014 generated a net gain of +3.3 M€2009 for ROMATSA overall. This is the combination of two separate elements:

- a gain of +0.03 M€2009 for ROMATSA as a result of the cost-sharing mechanism; and
- a gain of +3.3 M€2009 as a result of the traffic risk sharing mechanism for 2014.

To calculate the overall economic surplus of the ATSP, it is also important to add the surplus embedded in the cost of capital through the return on equity. Based on the figures planned in the NPP, the return on equity amounted to +9.7 M€2009, corresponding to an estimated surplus of +7.7% of the en-route costs/revenues for 2014. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+8.7 M€2009) and the net gain from the en-route activity in 2014 (+3.3 M€2009), gives a total of +12.0 M€2009, corresponding to +9.4% of the 2014 en-route revenue. The resulting ex-post rate of return on equity for 2014 is +11.0% (compared to +8.0% planned in the NPP).

Conclusions

In 2014 ROMATSA's actual real en-route costs are very close to the plan (-0.02%) - mainly due to some significant exceptional costs and postponed capex/reduced depreciation - while the traffic in terms of TSU is +4.3% higher than foreseen in the NPP. The en-route activity for the year 2014 generated a net gain of +3.3 M€2009 for ROMATSA which results in an estimated actual surplus of +12.0 M€2009 (+9.4% of the en-route revenue for 2014, up from the +7.7% planned in the RP1 performance plan).

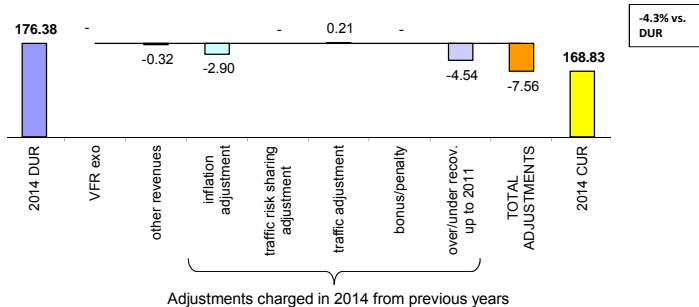
When considering the whole of RP1 (2012-2014), ROMATSA incurred a cumulative loss in respect of cost sharing of -14.4 M€2009 which almost exclusively resulted from the cost excess in 2012. On the other hand, ROMATSA retained a cumulative gain in respect of traffic risk sharing amounting to +0.6 M€2009, which resulted in a cumulative net loss for the en-route activity of -13.8 M€2009. Adding the estimated surplus embedded in the en-route cost of capital (28.5 M€2009 over RP1) leads to an overall estimated surplus of 14.7 M€2009, which corresponds to an average ex-post return on equity of 4.1% (compared to 8.0% as initially planned in the NPP).

ROMANIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users

ROMANIA 2014 Chargeable Unit Rate (CUR) vs. 2014 DUR in national currency in nominal terms - RON



The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

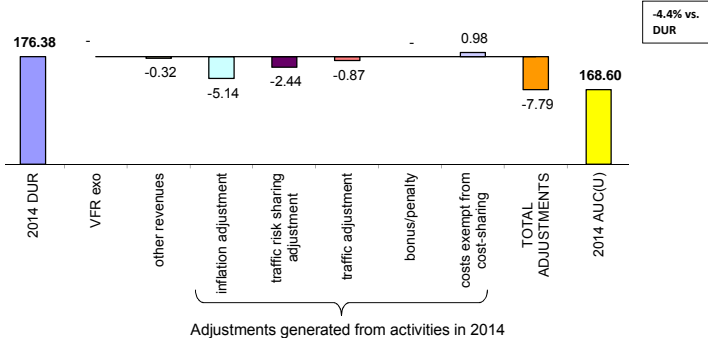
- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The actual Chargeable Unit Rate (CUR) charged to users in 2014 was 168.83 RON. This is -4.3% lower than the nominal DUR (176.38 RON). The difference observed between these two figures (-7.56 RON) reflects mainly the over-recoveries carried over to 2014 from the legacy prior to RP1 (-4.54 RON) and the inflation adjustment carried over from previous years (-2.90 RON) in addition to small adjustments for other revenues (-0.32 RON) and for traffic (+0.21 RON).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users

ROMANIA 2014 Actual Unit Cost for users vs. 2014 DUR in national currency in nominal terms - RON



The DUR for 2014 expressed in nominal terms can also be compared to the actual en route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The unit cost that the users incurred in respect of the activities performed in 2014 was 168.60 RON. This is -4.4% lower than the nominal DUR (176.38 RON). The difference observed between these two figures (-7.79 RON) reflects mainly the inflation adjustment (-5.14 RON) and the traffic risk sharing adjustment (-2.44 RON) in addition to smaller adjustments for other revenues (-0.32 RON), for traffic (-0.87 RON) and for costs exempt from cost-sharing (+0.98 RON).

ROMANIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) ^a		0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone		1	1	1	2	2
of which, number of airports over 50 000 movements		1	1	1	1	1
ROMANIA - Data from RP1 national performance plan						
Terminal ANS costs for the charging zones - (in RON)	35 409 481	32 977 000	34 677 547	38 465 138	41 139 249	42 637 910
Inflation index (100 in 2009)	100.0	106.1	113.1	118.2	121.9	125.3
Real terminal ANS costs - (in RON2009)	35 409 481	31 081 056	30 660 256	32 544 560	33 760 496	34 037 312
Real terminal ANS costs - (in EUR2009)	8 365 044	7 342 508	7 243 099	7 688 242	7 975 492	8 040 886
ROMANIA - Actual data from June 2015 Reporting Tables						
Terminal ANS costs for the charging zones - (in RON)	35 409 481	33 038 248	35 281 391	41 611 302	50 241 071	61 732 113
Inflation index (100 in 2009)	100.0	106.1	112.3	116.1	119.8	121.5
Real terminal ANS costs - (in RON2009)	35 409 481	31 138 782	31 430 019	35 850 046	41 942 817	50 824 358
Real terminal ANS costs - (in EUR2009)	8 365 044	7 356 145	7 424 946	8 469 122	9 908 462	12 006 614
Total terminal service units	36 715	38 697	37 480	45 377	47 596	51 136
Actual real unit costs - (in RON2009)	964.4	804.7	838.6	790.0	881.2	993.9
Unit rate applied - (in RON)				931.51	931.51	1 022.68
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
Terminal ANS costs for the charging zones - (in RON)	in value			3 146 165	9 101 821	19 094 203
	in%			8.2%	22.1%	44.8%
Inflation index (100 in 2009)	in p.p.			-2.1 p.p.	-2.1 p.p.	-3.8 p.p.
Real terminal ANS costs - (in RON2009)	in value			3 305 485	8 182 321	16 787 046
	in%			10.2%	24.2%	49.3%
Real terminal ANS costs - (in EUR2009)	in value			780 879	1 932 970	3 965 728
	in%			10.2%	24.2%	49.3%
11. - General conclusions on the Terminal ANS costs and unit rates monitoring						
<p>The terminal charging zone in Romania as from 2013 comprises two airports; Bucharest Henri Coandă International Airport and Bucharest Aurel Vlaicu International Airport. The harmonised SES formula (MTOW/50) ^ 0.7 already applies to the Romanian TCZ in order to determine the number of terminal navigation service units (TNSU). According to the Nov. 2013 Terminal Reporting Tables the Unit rate applied for 2014 is 1022.68 RON. In their RP1 performance plan submitted in June 2011, Romania only declared terminal ANS costs for one airport ("Romania has decided to apply Regulation (EU) No 691/2010 and Regulation (EC) No 1794/2006 only on Bucharest Henri Coandă International Airport, the only airport in Romania that is above the threshold of 50,000 commercial movements per year"). With effect from 2013 (therefore the two last years of RP1: 2013-2014), a second airport was added (Bucharest Aurel Vlaicu International Airport), thus the data reported for the terminal charging zone "Terminal Bucharest airports" includes costs and traffic information for those two airports.</p> <p>Therefore the actual 2014 terminal ANS costs are +49.3% higher (in real terms) than the forecast presented in the NPP in June 2011. This significant cost increase reflects a combination of:</p> <ul style="list-style-type: none"> - higher than planned real costs by +16.5% (or +1.4 M€2009) for terminal ANS services in Bucharest Henri Coandă International Airport due to "changes in cost allocation and exceptional items" although no detailed information was provided about these changes - addition of the new airport costs (+2.3 M€2009) which represent a share of 20% of the total actual TCZ costs <p>Finally, in 2014 Romania had some exceptional costs related to the adjustments in the provision for employee benefits (+0.7 M€2009 or +5.7% of the actual terminal ANS costs). Without the effect of the exceptional costs, the actual 2014 terminal ANS costs would have been +36.6% higher (in real terms) than the NPP forecast.</p> <p>RP1 summary</p> <p>When considering the whole of RP1 (2012-2014), actual terminal ANS costs are +28.2% higher in real terms (or some +6.7 M€2009) than planned in the NPP. This partly reflects the fact that from 2013 a second airport was added to the TCZ that was not planned in the RP1 NPP (the effect of the addition of this new airport over RP1 is +4.3 M€2009).</p>						
12. - Monitoring of gate-to-gate costs (2014)						
ROMANIA - Data from RP1 national performance plan						
Real en-route costs (determined costs 2012-2014) - (in RON2009)	563 745 065	563 312 562	555 112 100	546 997 499	555 327 696	564 349 440
Real terminal ANS costs - (in RON2009)	35 409 481	31 081 056	30 660 256	32 544 560	33 760 496	34 037 312
Real gate-to-gate ANS costs - (in RON2009)	599 154 545	594 393 618	585 772 356	579 542 060	589 088 192	598 386 752
Real gate-to-gate ANS costs - (in EUR2009)	141 542 712	140 418 003	138 381 338	136 909 509	139 164 663	141 361 330
Share of en-route costs in gate-to-gate ANS costs	94.1%	94.8%	94.8%	94.4%	94.3%	94.3%
ROMANIA - Actual data from June 2015 Reporting Tables						
Real en-route costs - (in RON2009)	563 745 065	563 460 093	509 271 423	611 960 764	556 150 177	569 376 940
Real terminal ANS costs - (in RON2009)	35 409 481	31 138 782	31 430 019	35 850 046	41 942 817	50 824 358
Real gate-to-gate ANS costs - (in RON2009)	599 154 545	594 598 875	540 701 442	647 810 810	598 092 994	620 201 297
Real gate-to-gate ANS costs - (in EUR2009)	141 542 712	140 466 492	127 733 903	153 037 141	141 291 934	146 514 742
Share of en-route costs in gate-to-gate ANS costs	94.1%	94.8%	94.2%	94.5%	93.0%	91.8%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
Real en-route costs - (in RON2009)	in value			64 963 265	822 480	5 027 499
	in %			11.9%	0.1%	0.9%
Real terminal ANS costs - (in RON2009)	in value			3 305 485	8 182 321	16 787 046
	in %			10.2%	24.2%	49.3%
Real gate-to-gate ANS costs - (in RON2009)	in value			68 268 750	9 004 802	21 814 546
	in %			11.8%	1.5%	3.6%
Real gate-to-gate ANS costs - (in EUR2009)	in value			16 127 632	2 127 271	5 153 412
	in %			11.8%	1.5%	3.6%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			0.1 p.p.	-1.3 p.p.	-2.5 p.p.
13. - General conclusions on the gate-to-gate ANS costs						
<p>Real 2014 gate-to-gate costs are +3.6% higher than planned following cost overruns both in en-route (+5.0 M€2009, +0.9%) but especially in terminal (+16.8 M€2009, +49.3%).</p> <p>The allocation of gate-to-gate costs between en-route ANS and terminal ANS used to be relatively stable at around 94% until 2012, then - following the inclusion of the new airport in the TCZ - in 2013 and 2014 this ratio decreased to 93.0% and 91.8%, respectively. Compared to the forecast in the National Performance Plan, the actual share of en-route costs in gate-to-gate costs was -2.5 percentage points lower in 2014. This tendency of en-route costs being in line with the plan while the difference between actual and planned terminal costs increasing significantly should be monitored closely in the future.</p>						



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Slovakia

Working Draft 2.0

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SLOVAKIA

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management							
	2012	2013	2014	State level Observations			
State level	55	55	54				
ANSP [LPS SR]	70	82	86				
ANSP [SAF (Slovak Air Force), Airport Sliac]	46	45	44				
<p>Number of questions</p> <p>Legend: ■ Self-assessment, ■ EASA verification</p> <p>CO1: < Level C (1), ≥ Level C (16, 15) CO2: < Level C (4), ≥ Level C (4) CO3: < Level C (9), ≥ Level C (9) CO4: < Level C (1), ≥ Level C (4, 3)</p>							
Application of the severity classification of the Risk Analysis Tool (RAT)							
		2012		2013		2014	
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)
Separation Minima Infringements (SMIs)	ATM Ground	5	100%	8	100%	4	75%
	ATM Overall		100%		100%		25%
Runway Incursions (RIs)	ATM Ground	2	100%	4	100%	1	100%
	ATM Overall		100%		100%		100%
ATM Specific Occurrences (ATM-Specific)	ATM Overall	225	100%	183	100%	178	88%
Source of RAT data:		CAA/LPS					
Just culture							
Number of questions answered with Yes or No		State					
		2012		2013		2014	
		YES	NO	YES	NO	YES	NO
Policy and its implementation		5	5	5	5	6	3
Legal/Judiciary		5	3	6	2	5	2
Occurrence reporting and Investigation		2	0	2	0	2	0
TOTAL		12	8	13	7	13	5
Number of questions answered with Yes or No		ANSP [LPS SR ATS]					
		2012		2013		2014	
		YES	NO	YES	NO	YES	NO
Policy and its implementation		12	1	12	1	13	0
Legal/Judiciary		2	1	2	1	2	1
Occurrence reporting and Investigation		6	2	6	2	8	0
TOTAL		20	4	20	4	23	1

Number of questions answered with Yes or No	ANSP [SAF (Slovak Air Force), Airport Sliac]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	11	2	9	4	9	4
Legal/Judiciary	1	2	1	2	1	2
Occurrence reporting and Investigation	4	4	5	3	5	3
TOTAL	16	8	15	9	15	9

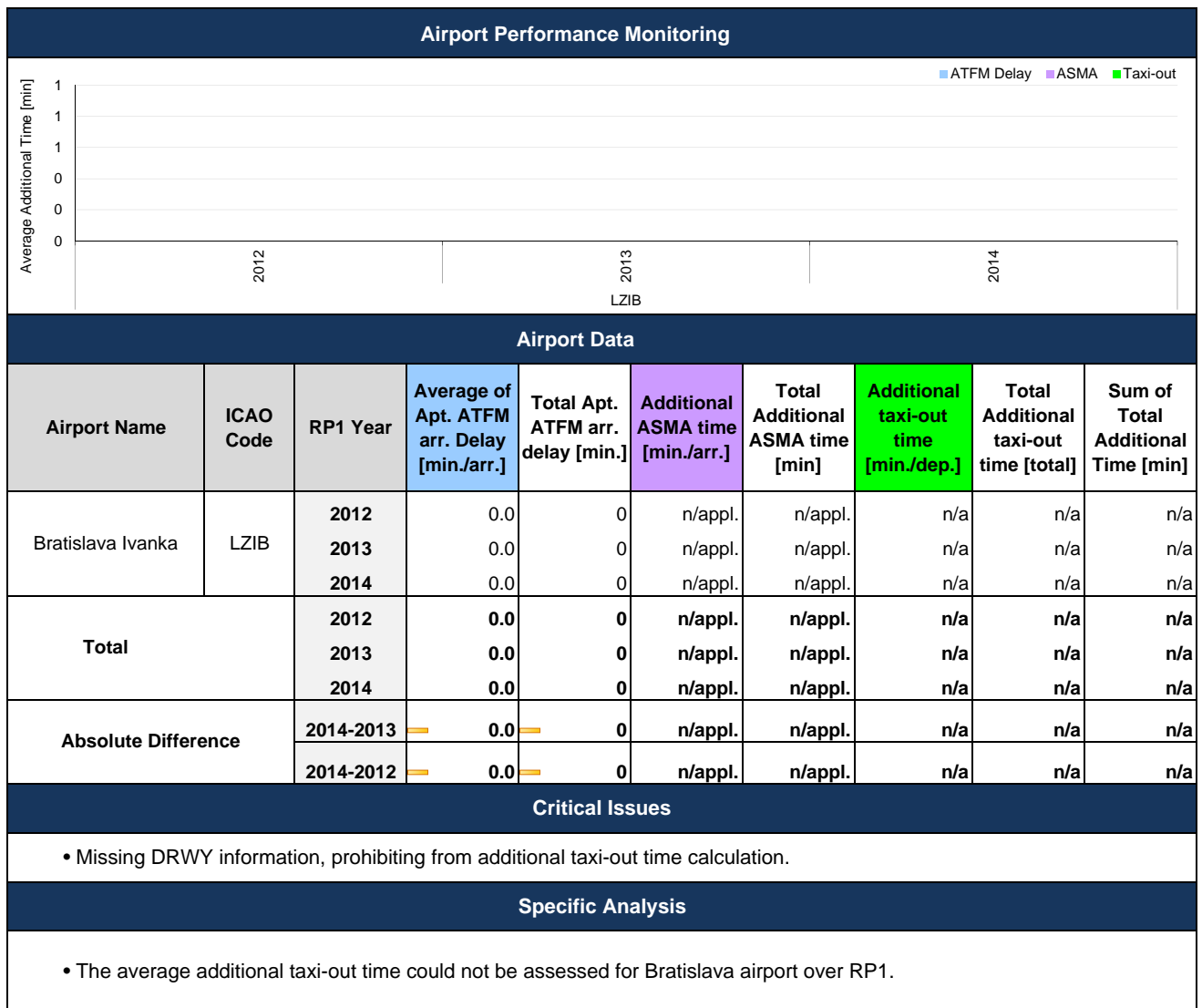
SLOVAKIA

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.24	0.22	0.19	
National Target	0.3	0.32	0.19	
Actual performance	0	0	0.14	
National capacity assessment				
The targets set by National Performance Plan have been achieved. The delays in FIR Bratislava were caused by the modernisation of the Polish ACC and crisis in Ukraine.				
PRB Capacity assessment				
Although not able to maintain the excellent capacity performance in 2012 and 2013, Slovakia exceeded both the national target and the level of performance required to be consistent with the EU-wide target for each year of RP1.				
Effective booking procedures				
The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 57%				
No information was provided regarding the allocation of airspace at H-3, so it is impossible to determine how much restricted or segregated airspace, that was surplus to requirements, was released for GAT use.				
Previous recommendations				
<p>Annual Monitoring Report 2013: 1. Although the Member States were asked to provide information on the individual SUAs, the national monitoring report for Slovakia only contained the aggregated data.</p> <p>2. Slovakia is requested to provide additional information on effective booking procedures, namely the allocation of airspace at H-3.</p>				
NSA report on follow-up to recommendations				
1. Slovakia provided information on the individual SUAs as requested. 2. Slovakia did not provide any information on the allocation of airspace at H-3.				
Recommendations				

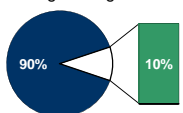
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Monitoring of CAPACITY indicators for 2014

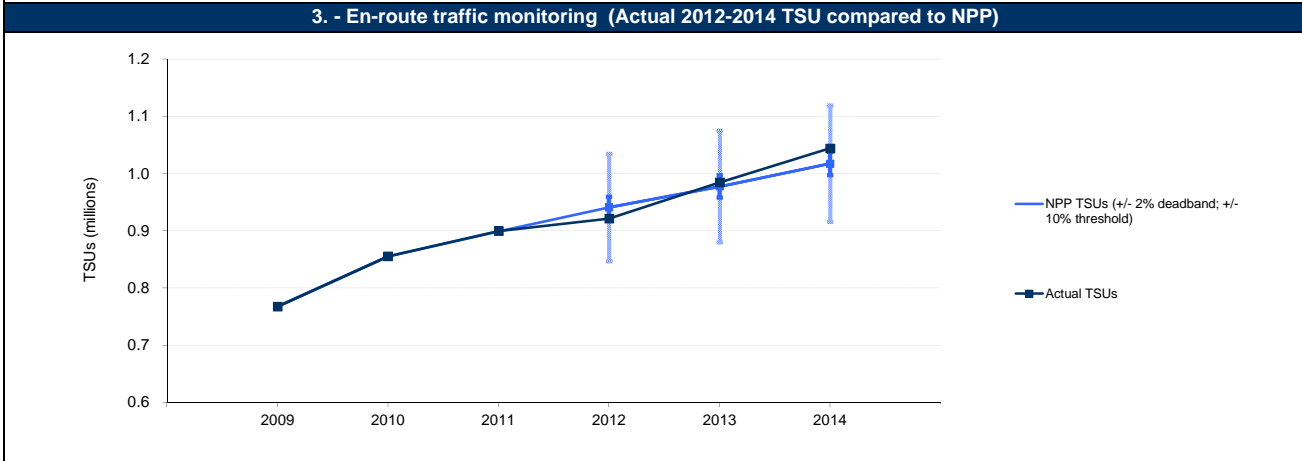
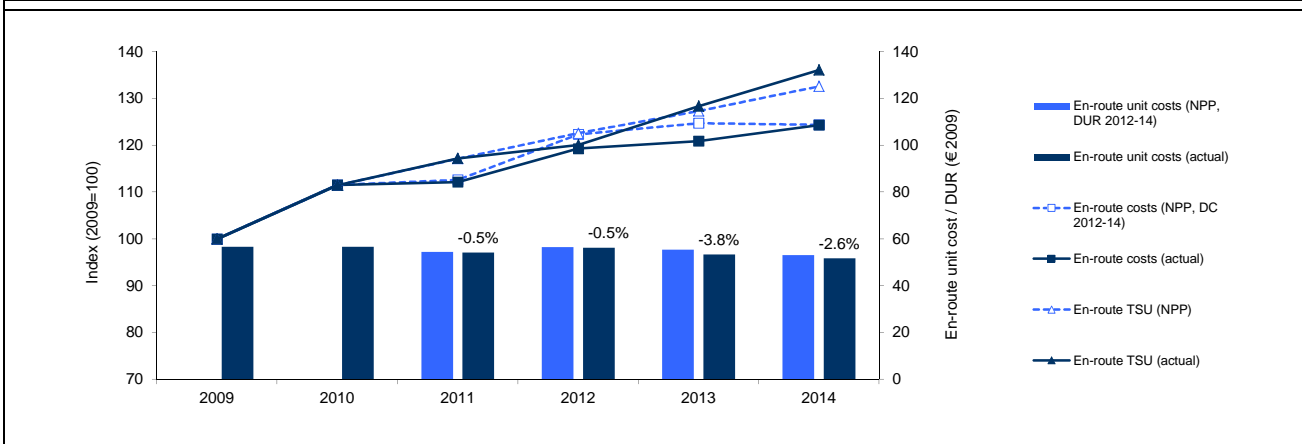


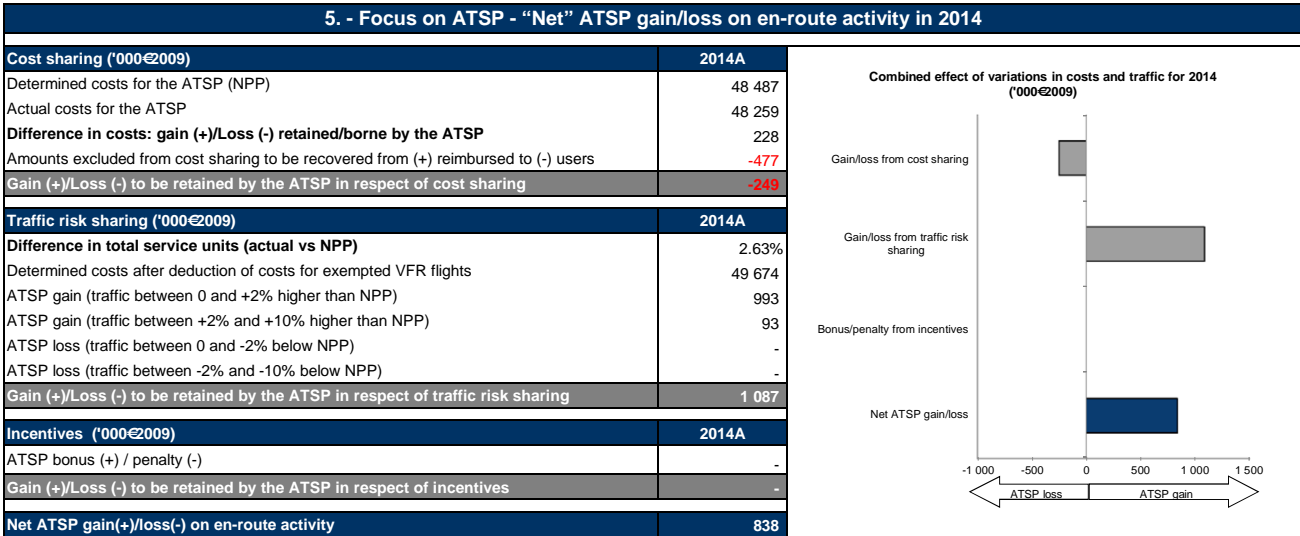
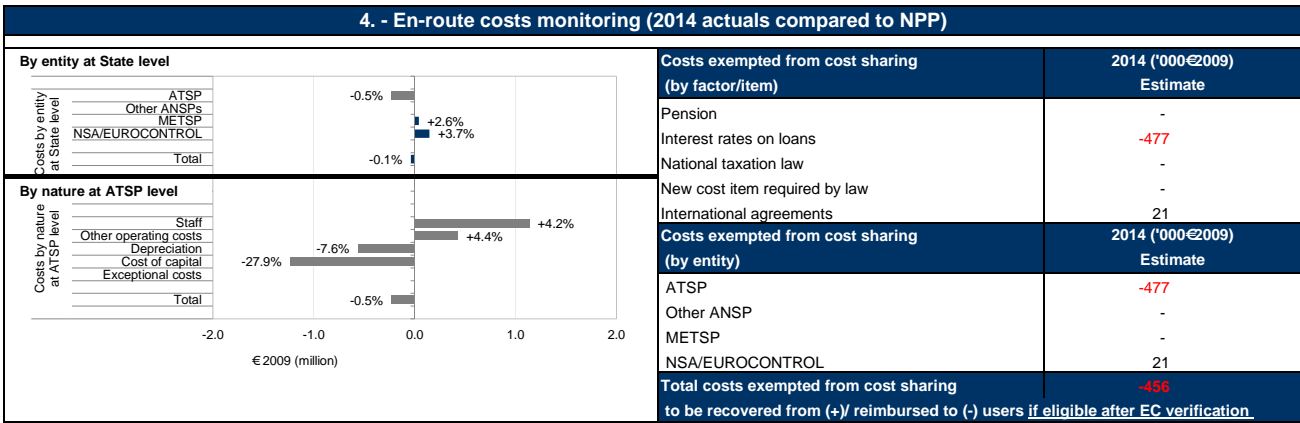
SLOVAKIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> SLOVAKIA represents 0.9% of the SES en-route ANS determined costs in 2014. ATSP : LPS FAB : FAB CE National currency: EUR 	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p>  <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
SLOVAKIA - Data from RP1 national performance plan						
En-route costs (determined costs 2012-2014) - (in nominal EUR)	2009A	2010A	2011F	2012P	2013P	2014P
Inflation %		0.7%	3.4%	2.7%	2.9%	2.8%
Inflation index (100 in 2009)	100.0	100.7	104.1	106.9	110.0	113.1
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	43 454 247	48 480 636	48 939 751	53 164 947	54 205 547	54 057 812
Total en-route Service Units	767 550	855 572	899 074	940 852	977 545	1 017 625
Real en-route unit costs per Service Units - (in EUR2009)	56.61	56.66	54.43	56.51	55.45	53.12
SLOVAKIA - Actual data from Jun-2015 Reporting Tables						
En-route costs - (in nominal EUR)	2009A	2010A	2011A	2012A	2013A	2014A
Inflation %		0.7%	4.1%	3.7%	1.5%	-0.1%
Inflation index (100 in 2009)	100.0	100.7	104.8	108.7	110.3	110.2
Real en-route costs - (in EUR2009)	43 454 247	48 480 636	48 733 791	51 841 258	52 545 006	54 018 988
Total en-route Service Units	767 550	855 572	899 810	921 643	984 989	1 044 343
Real en-route unit costs per Service Units - (in EUR2009)	56.61	56.66	54.16	56.25	53.35	51.73
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal EUR)	in value			-485 715	-1 633 906	-1 569 240
	in %			-0.9%	-2.7%	-2.6%
Inflation %	in p.p.			1.0 p.p.	-1.4 p.p.	-2.9 p.p.
Inflation index (100 in 2009)	in p.p.			1.8 p.p.	0.4 p.p.	-2.8 p.p.
Real en-route costs - (in EUR2009)	in value			-1 323 689	-1 660 541	-38 824
	in %			-2.5%	-3.1%	-0.1%
Total en-route Service Units	in value			-19 209	7 444	26 718
	in %			-2.0%	0.8%	2.6%
Real en-route unit costs per Service Units - (in EUR2009)	in value			-0.26	-2.10	-1.40
	in %			-0.5%	-3.8%	-2.6%

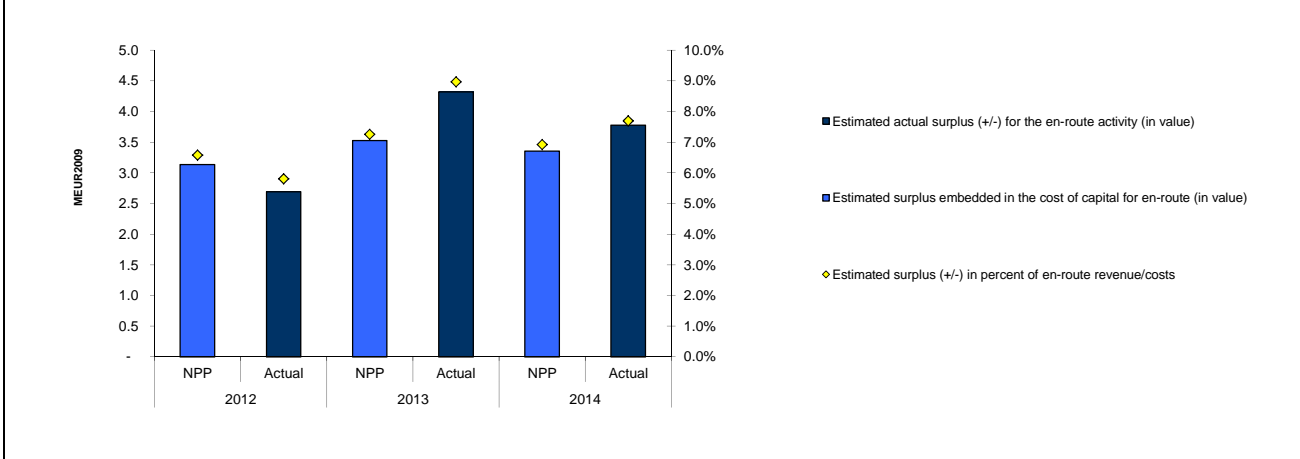




6. - En-route ATSP estimated surplus*

*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	52 244	46 663	63 513	54 681	59 707	49 668
Estimated proportion of financing through equity (in %)	83.3%	83.3%	72.6%	72.8%	74.6%	78.6%
Estimated proportion of financing through equity (in value)	43 530	38 889	46 135	39 828	44 561	39 027
Estimated proportion of financing through debt (in %)	16.7%	16.7%	27.4%	27.2%	25.4%	21.4%
Estimated proportion of financing through debt (in value)	8 714	7 774	17 378	14 853	15 146	10 641
Cost of capital pre-tax (in value)	3 744	2 954	4 741	3 337	4 416	3 183
Average interest on debt (in %)	7.0%	2.0%	7.0%	2.0%	7.0%	2.3%
Interest on debt (in value)	610	154	1 216	294	1 060	245
Determined RoE pre-tax rate (in %)	7.2%	7.2%	7.6%	7.6%	7.5%	7.5%
Estimated surplus embedded in the cost of capital for en-route (in value)	3 134	2 800	3 525	3 043	3 355	2 939
Net ATSP gain(+)/loss(-) on en-route activity	-109	1 279	1 279	1 279	838	838
Overall estimated surplus (+/-) for the en-route activity	3 134	2 691	3 525	4 322	3 355	3 776
Revenue/costs for the en-route activity	47 690	46 356	48 555	48 179	48 487	49 097
Estimated surplus (+/-) in percent of en-route revenue/costs	6.6%	5.8%	7.3%	9.0%	6.9%	7.7%
Estimated ex-post RoE pre-tax rate (in %)	7.2%	6.9%	7.6%	10.9%	7.5%	9.7%



SLOVAKIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by SLOVAKIA

Note 1: Costs exempt from cost sharing

Slovakia has adjusted the costs exempt from cost sharing (former "uncontrollable costs") for the years 2012 and 2013 following the EC recommendation communicated during the Single Sky Committee 55 meeting held on 14-15 January 2015. Amounts relating to new items required by law (-50 KEUR for 2012 and -74 KEUR for 2013) were removed for LPS. For this reason, the net ATSP gain/loss for the en-route activity reported in this document for 2012 and 2013 differ slightly from the information published in the PRB 2013 Monitoring Report.

At State / Charging Area level

In 2014, Slovakia's real en-route unit cost (51.73 €2009) was -2.6% lower than planned in the NPP for RP1 (53.12 €2009), mainly as a result of actual total service units (TSUs) being higher than planned by +2.6%, while real en-route costs were at planned level (-0.1% compared to the plan).

The actual en-route traffic (TSUs) grew by +6.0% in 2014 over 2013. According to the information provided by Slovakia, the increase was driven mainly by additional overflights due to Ukrainian crisis, while both arrivals/departures and internal flights continued to decrease further against 2013.

Actual 2014 costs vs. NPP

The Slovakian en-route cost-base includes costs related to the Slovakian ATSP (LPS), to the MET SHMU, to the Slovakian NSA (DU SR) and to the EUROCONTROL Agency.

In 2014, actual total en-route costs for Slovakia were -0.1% lower than planned in real terms, resulting from a combination of lower en-route costs in nominal terms (-2.6%) and a lower inflation index than planned (-2.8 p.p.). LPS actual real en-route costs were slightly lower than planned (-0.5% - see details at ANSP level below), while the MET SHMU and NSA/EUROCONTROL costs were slightly higher than the amounts planned in the NPP.

Costs exempt from cost sharing for 2014 are reported for an amount of -0.46 M€2009 to be reimbursed to users for the en-route activity. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

RP1 summary

When considering the whole of RP1 (2012-2014) the actual number of TSUs is +0.5% higher than planned while determined costs are -1.9% lower than planned (some -3.0 M€2009). As a result, the actual weighted average unit cost over RP1 is -2.4% lower than the level planned in the NPP.

At ATSP level**Actual 2014 LPS costs vs. NPP**

In 2014 LPS actual real en-route costs were lower by -0.5% than planned in the RP1 NPP. This mainly reflects lower cost of capital (by -27.9%) and depreciation (by -7.6%). These decreases are partly compensated by higher staff costs (by +4.2%) and higher other operating costs (by +4.4%) than planned in the NPP for RP1.

As reported by Slovakia, actual staff costs were higher than determined due to changes in health insurance and social insurance legislation. The higher other operating costs are due to provisions for doubtful debts (approximately 2 M€). Without these unplanned provisions, they would have been lower (mainly due to lower maintenance costs and costs of insurance).

Depreciation is lower due to delays in procurement. The lower level of the cost of capital is explained by two factors: an actual asset base lower than planned (by -16.8%) and lower actual interest rate on debts (from 7.0% as initially planned to 2.3%).

LPS net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, the en-route activity for the year 2014 generated a net gain of +0.8 M€2009 for LPS overall. This is the combination of two separate elements:

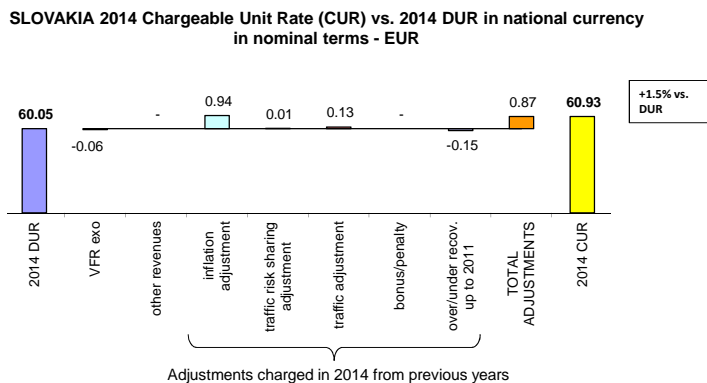
- a loss of -0.2 M€2009 for LPS as a result of the cost-sharing mechanism;
- a gain of +1.1 M€2009 as a result of the traffic risk sharing mechanism for 2014.

On the economic surplus side for the en-route activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +3.4 M€2009, corresponding to an estimated surplus of +6.9% of the en-route costs/revenues for 2014. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+2.9 M€2009) and the net gain from the en-route activity in 2014 (+0.8 M€2009), gives a total of +3.8 M€2009 for 2014, corresponding to +7.7% of the en-route revenue in 2014. The resulting ex-post rate of return on equity for 2014 is +9.7% (compared to +7.5% as initially planned in the NPP).

Conclusion

When considering the whole of RP1 (2012-2014), LPS could retain a cumulative gain of +2.0 M€2009 (i.e. a gain of +1.5 M€2009 in respect of cost-sharing and a gain of +0.5 M€2009 in respect of traffic risk-sharing). Adding the estimated surplus embedded in the cost of capital for en-route (+8.8 M€2009 over RP1) gives an overall estimated surplus of +10.8 M€2009, which corresponds to an average ex-post return on equity of +9.2%.

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



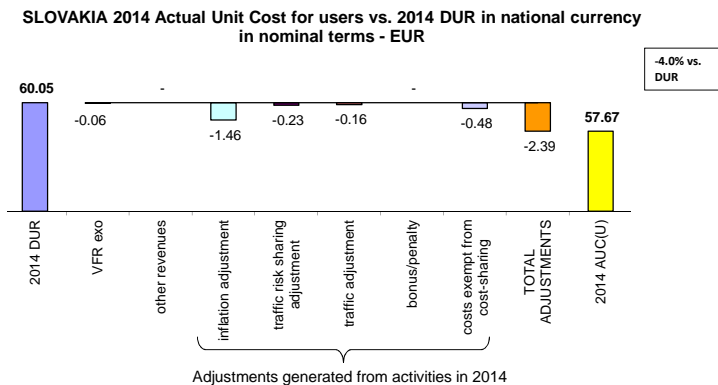
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The UR charged in 2014 (60.93 €) was higher than the nominal DUR (60.05 €) by +1.5%, as a result of the carry-over of the 2012 inflation adjustment (+0.94 €) and the adjustments relating to the 2012 difference in traffic (+0.13 € for the traffic adjustment and +0.01 € for the traffic risk-sharing adjustment), while the deduction of costs for exempted VFR flights and carry-overs of over-recoveries incurred prior to RP1 amounted to respectively -0.06 € and -0.15 €.

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en-route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The AUC-U calculated for 2014 (57.67 €) is lower than the DUR (60.05 €) by -4.0%, mainly due to the negative 2014 inflation adjustment (-1.46 €), but also to the 2014 difference in traffic (-0.16 € for the traffic adjustment and -0.23 € for the traffic risk-sharing adjustment), as well as to the costs exempt from cost sharing as currently filed by Slovakia for 2014 (-0.48 € to be reimbursed to airspace users).

SLOVAKIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula						
Number of airports in terminal charging zone		5	6	6	6	6
of which, number of airports over 50 000 movements						
SLOVAKIA - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	7 438 000	5 530 000	5 268 000	6 145 312	6 390 300	6 579 897
Inflation index (100 in 2009)	100.0	100.7	104.1	106.9	110.0	113.1
Real terminal ANS costs - (in EUR2009)	7 438 000	5 491 559	5 059 851	5 747 881	5 810 835	5 820 272
SLOVAKIA - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)	7 438 000	5 528 000	5 625 000	5 878 567	7 374 000	6 801 270
Inflation index (100 in 2009)	100.0	100.7	104.8	108.7	110.3	110.2
Real terminal ANS costs - (in EUR2009)	7 438 000	5 489 573	5 365 897	5 407 699	6 683 103	6 170 204
Total terminal service units		682 657	654 041	581 137	551 288	571 424
Actual real unit costs - (in EUR2009)		8.0	8.2	9.3	12.1	10.8
Unit rate applied - (in EUR)				6.47	6.47	6.47
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value			-266 745	983 700	221 373
	in%			-4.3%	15.4%	3.4%
Inflation index (100 in 2009)	in p.p.			1.8 p.p.	0.4 p.p.	-2.8 p.p.
Real terminal ANS costs - (in EUR2009)	in value			-340 182	872 267	349 932
	in%			-5.9%	15.0%	6.0%

11. - General conclusions on the Terminal ANS costs and unit rates monitoring

The terminal charging zone of Slovakia for RP1 comprises six airports. As all airports are below 50 000 movements, Slovakia was not bound to apply the common formula $(MTOW/50)^X$ where $0.5 < X < 0.9$ in RP1. The formula applied was $MTOW/50$. The unit rate remained unchanged throughout the period at 6.472 € per $MTOW/50$.

Actual terminal ANS 2014 costs are +6.0% higher than the forecast presented in the NPP for the year 2014 (by some 0.3 M€2009), but -7.7% lower than actual terminal ANS 2013 costs (-0.5 M€2009).

The traffic increased by +3.7% in 2014 over 2013. This was a first time year on year increase since 2008 when flag domestic operators (SkyEurope, Air Slovakia) declared bankruptcy.

RP1 summary

When considering the whole of RP1 (2012-2014), actual terminal ANS costs in real terms were higher than planned in the NPP for every year except 2012 (-5.9% in 2012, +15.0% in 2013 and +6.0% in 2014). As a result, the cumulative actual terminal ANS costs are +5.1% (some +0.9 M€2009) higher than planned in the NPP for RP1.

12. - Monitoring of gate-to-gate costs (2014)

12. - Monitoring of gate-to-gate costs (2014)						
SLOVAKIA - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	43 454 247	48 480 636	48 939 751	53 164 947	54 205 547	54 057 812
Real terminal ANS costs - (in EUR2009)	7 438 000	5 491 559	5 059 851	5 747 881	5 810 835	5 820 272
Real gate-to-gate ANS costs - (in EUR2009)	50 892 247	53 972 195	53 999 602	58 912 828	60 016 382	59 878 084
Share of en-route costs in gate-to-gate ANS costs	85.4%	89.8%	90.6%	90.2%	90.3%	90.3%
SLOVAKIA - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	43 454 247	48 480 636	48 733 791	51 841 258	52 545 006	54 018 988
Real terminal ANS costs - (in EUR2009)	7 438 000	5 489 573	5 365 897	5 407 699	6 683 103	6 170 204
Real gate-to-gate ANS costs - (in EUR2009)	50 892 247	53 970 209	54 099 688	57 248 956	59 228 109	60 189 192
Share of en-route costs in gate-to-gate ANS costs	85.4%	89.8%	90.1%	90.6%	88.7%	89.7%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in EUR2009)	in value			-1 323 689	-1 660 541	-38 824
	in %			-2.5%	-3.1%	-0.1%
Real terminal ANS costs - (in EUR2009)	in value			-340 182	872 267	349 932
	in %			-5.9%	15.0%	6.0%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-1 663 871	-788 273	311 108
	in %			-2.8%	-1.3%	0.5%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			0.3 p.p.	-1.6 p.p.	-0.5 p.p.

13. - General conclusions on the gate-to-gate ANS costs

The actual gate-to-gate ANS 2014 costs (60.2 M€2009) were close to the amounts planned in the NPP (59.9 M€2009).

When considering the whole of RP1 (2012-2014), the actual gate-to-gate ANS costs recorded for RP1 are -1.2% lower than the amounts planned for the period. The relative share of en-route costs in gate-to-gate ANS costs remained stable over RP1 and in line with the RP1 plan (around 90%).



Performance Review Body
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Slovenia

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SLOVENIA

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management							
	2012	2013	2014	State level Observations			
State level	50	51	48				
ANSP [Slovenia Control]	72	73	76				
<p>The bar chart displays the number of questions for four categories (CO1, CO2, CO3, CO4). For each category, there are two bars: a dark blue bar for 'Self-assessment' and a light blue bar for 'EASA verification'. The categories are further divided into '< Level C' and '≥ Level C'. The data points are: CO1 (< Level C: 2, ≥ Level C: 14), CO2 (< Level C: 1, ≥ Level C: 3), CO3 (< Level C: 3, ≥ Level C: 6), and CO4 (< Level C: 2, ≥ Level C: 3).</p>							
Application of the severity classification of the Risk Analysis Tool (RAT)							
		2012		2013		2014	
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)
Separation Minima Infringements (SMIs)	ATM Ground	6	100%	3	100%	3	100%
	ATM Overall		100%		100%		100%
Runway Incursions (RIs)	ATM Ground	6	100%	3	100%	5	100%
	ATM Overall		100%		100%		100%
ATM Specific Occurrences (ATM-Specific)	ATM Overall	37	100%	41	100%	46	100%
Source of RAT data:		CAA/Slovenia Control					
Just culture							
		State					
Number of questions answered with Yes or No		2012		2013		2014	
		YES	NO	YES	NO	YES	NO
Policy and its implementation		4	6	4	6	4	5
Legal/Judiciary		6	2	6	2	6	1
Occurrence reporting and Investigation		1	1	2	0	2	0
TOTAL		11	9	12	8	12	6
		ANSP [Slovenia Control]					
Number of questions answered with Yes or No		2012		2013		2014	
		YES	NO	YES	NO	YES	NO
Policy and its implementation		13	0	13	0	13	0
Legal/Judiciary		2	1	1	2	2	1
Occurrence reporting and Investigation		6	2	6	2	7	1
TOTAL		21	3	20	4	22	2

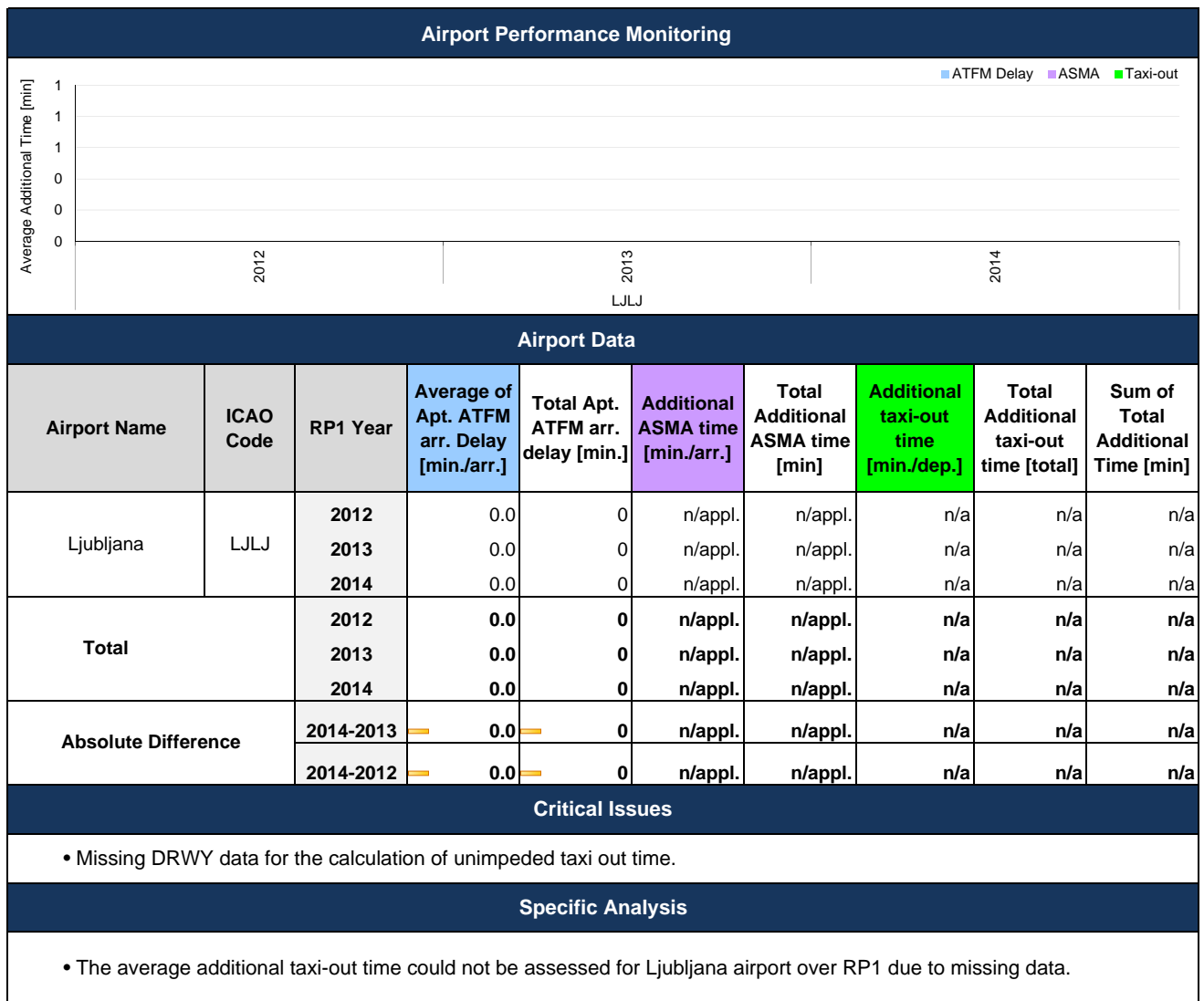
SLOVENIA

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.31	0.26	0.22	
National Target	0.31	0.03	0.03	
Actual performance	0	0	0	
National capacity assessment				
Traffic increased in 2014 at higher rate compared to forecasted in 2013, reason for that being mainly opening of Kosovo airspace in April 2014. Additional minor traffic increase in Slovenia was linked with the Ukraine situation in second half of 2014. Sufficient capacity was provided in line with the Capacity plan and delay target met.				
PRB Capacity assessment				
The excellent capacity performance in 2012 and 2013 continued through 2014. Slovenia has exceeded both the national target and the level of performance required to be consistent with the EU-wide target for both years.				
Effective booking procedures				
The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 51%				
No information was provided regarding the allocation of airspace at H-3, so it is impossible to determine how much restricted or segregated airspace, that was surplus to requirements, was released for GAT use.				
Recommendations				

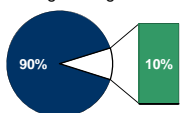
SLOVENIA

Monitoring of CAPACITY indicators for 2014

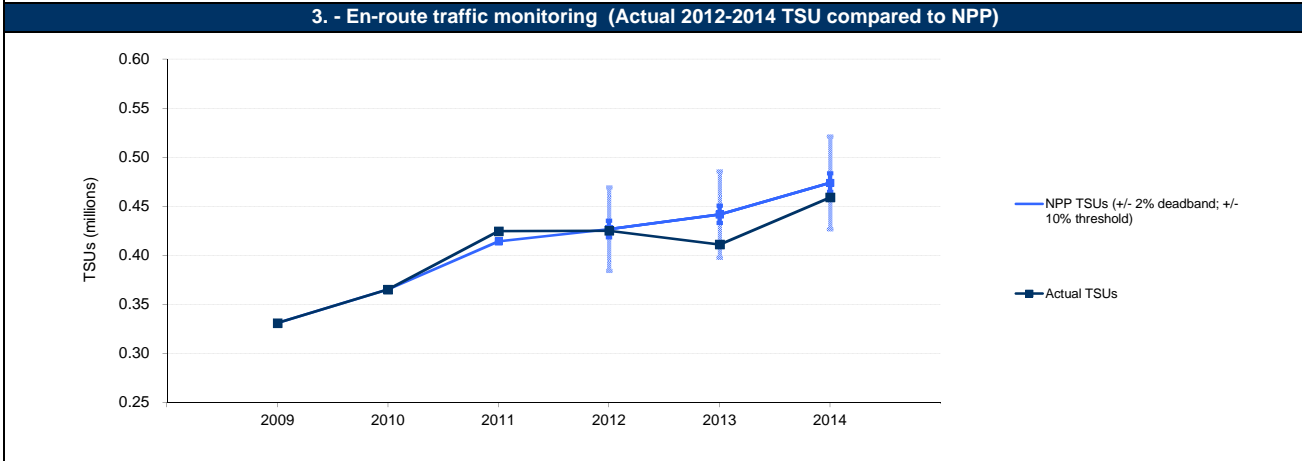
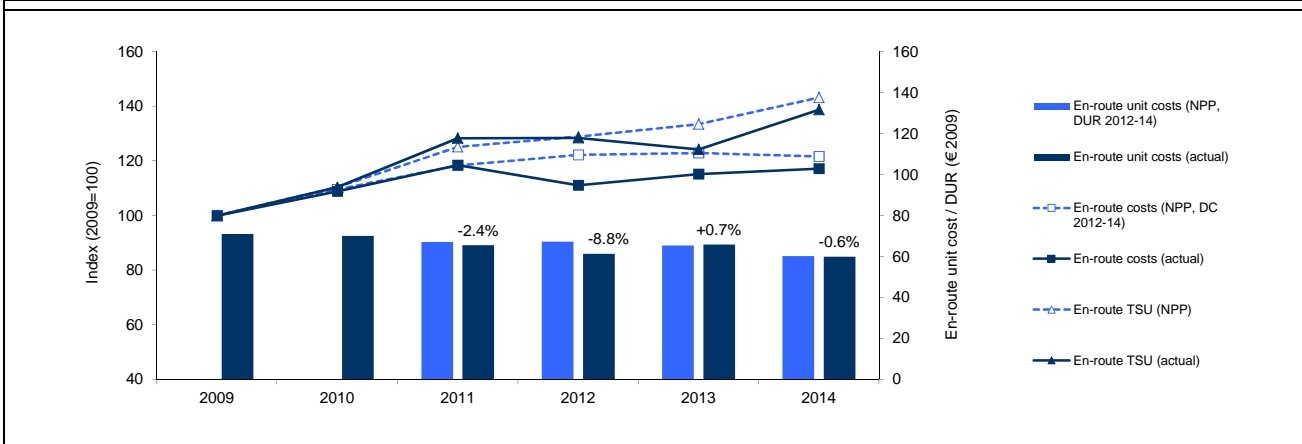


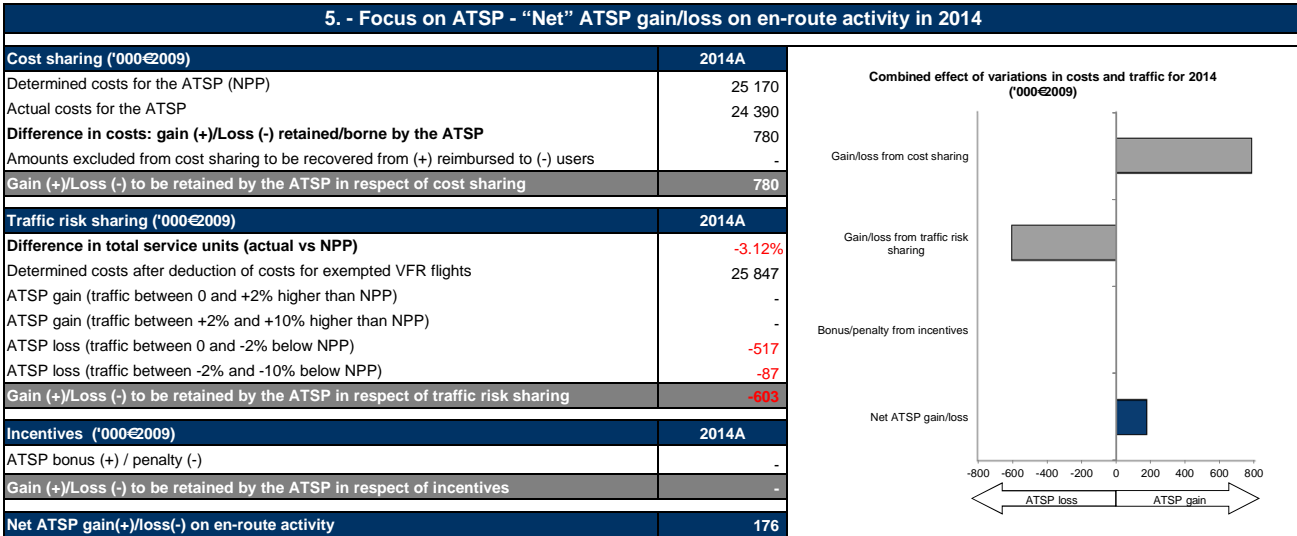
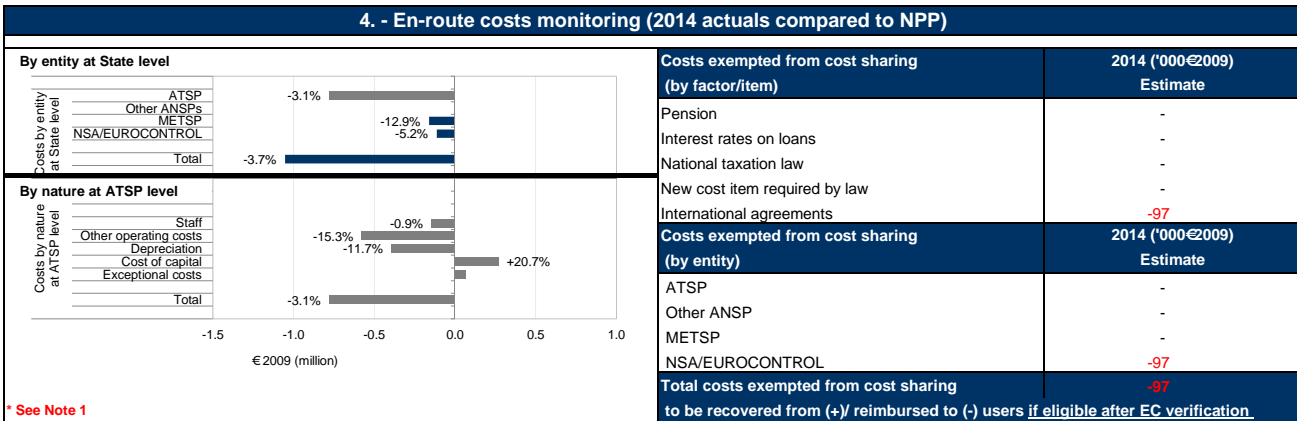
SLOVENIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> SLOVENIA represents 0.5% of the SES en-route ANS determined costs in 2014. ATSP : Slovenia Control FAB : FAB CE National currency: EUR 	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p>  <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)							
SLOVENIA - Data from RP1 national performance plan							
En-route costs (determined costs 2012-2014) - (in nominal EUR)	*	23 493 772	26 211 708	28 930 090	30 790 503	31 687 890	32 084 460
Inflation %			1.8%	2.2%	3.1%	2.3%	2.3%
Inflation index (100 in 2009)		100.0	101.8	104.0	107.3	109.7	112.3
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	*	23 493 772	25 748 240	27 806 806	28 705 125	28 877 550	28 581 573
Total en-route Service Units		330 983	365 201	414 180	426 792	441 730	473 976
Real en-route unit costs per Service Units - (in EUR2009)	*	70.98	70.50	67.14	67.26	65.37	60.30
* See Note 1							
SLOVENIA - Actual data from Jun-2015 Reporting Tables							
En-route costs - (in nominal EUR)	*	23 493 772	26 032 613	28 929 420	27 878 188	29 465 767	30 093 049
Inflation %			1.8%	2.1%	2.8%	1.9%	0.4%
Inflation index (100 in 2009)		100.0	101.8	103.9	106.8	108.9	109.3
Real en-route costs - (in EUR2009)	*	23 493 772	25 572 312	27 833 397	26 091 432	27 063 062	27 529 078
Total en-route Service Units		330 983	365 201	424 670	425 205	411 103	459 206
Real en-route unit costs per Service Units - (in EUR2009)	*	70.98	70.02	65.54	61.36	65.83	59.95
* See Note 1							
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
En-route costs - (in nominal EUR)	in value				-2 912 315	-2 222 123	-1 991 411
	in %				-9.5%	-7.0%	-6.2%
Inflation %	in p.p.				-0.3 p.p.	-0.4 p.p.	-1.9 p.p.
Inflation index (100 in 2009)	in p.p.				-0.4 p.p.	-0.9 p.p.	-2.9 p.p.
Real en-route costs - (in EUR2009)	in value				-2 613 693	-1 814 488	-1 052 495
	in %				-9.1%	-6.3%	-3.7%
Total en-route Service Units	in value				-1 587	-30 627	-14 770
	in %				-0.4%	-6.9%	-3.1%
Real en-route unit costs per Service Units - (in EUR2009)	in value				-5.90	0.46	-0.35
	in %				-8.8%	0.7%	-0.6%

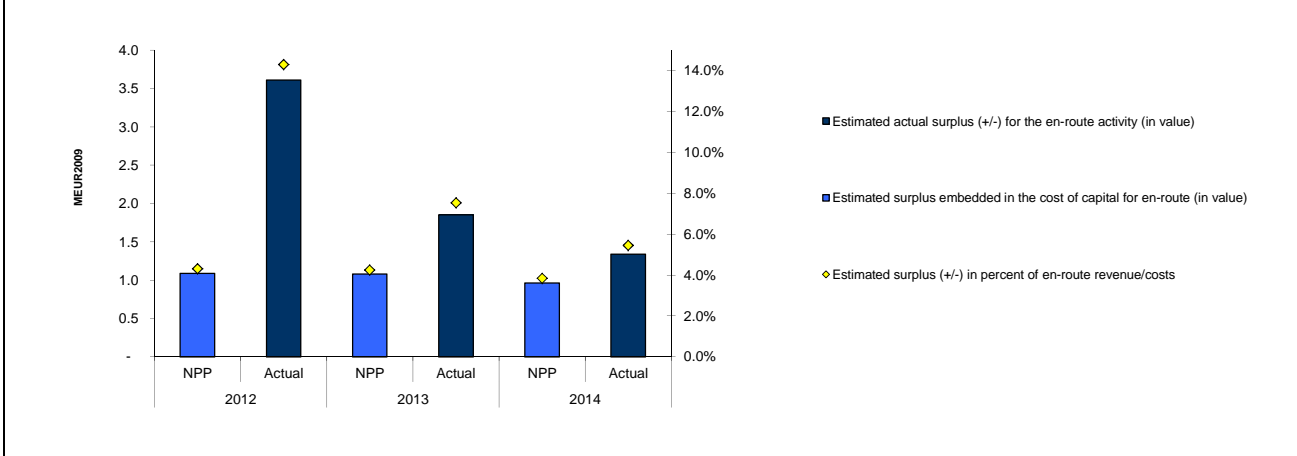




6. - En-route ATSP estimated surplus*

*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	24 147	25 504	23 957	24 545	21 358	25 789
Estimated proportion of financing through equity (in %)	65.1%	65.1%	65.1%	65.1%	65.1%	65.1%
Estimated proportion of financing through equity (in value)	15 724	16 607	15 600	15 983	13 908	16 793
Estimated proportion of financing through debt (in %)	34.9%	34.9%	34.9%	34.9%	34.9%	34.9%
Estimated proportion of financing through debt (in value)	8 423	8 897	8 357	8 562	7 451	8 996
Cost of capital pre-tax (in value)	1 456	1 538	1 445	1 480	1 288	1 555
Average interest on debt (in %)	4.4%	4.4%	4.4%	4.4%	4.4%	4.4%
Interest on debt (in value)	366	387	364	372	324	391
Determined RoE pre-tax rate (in %)	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%
Estimated surplus embedded in the cost of capital for en-route (in value)	1 090	1 151	1 081	1 108	964	1 164
Net ATSP gain(+)/loss(-) on en-route activity	2 457	2 457	2 457	2 457	745	176
Overall estimated surplus (+/-) for the en-route activity	1 090	3 608	1 081	1 852	964	1 340
Revenue/costs for the en-route activity	25 328	25 233	25 484	24 590	25 170	24 566
Estimated surplus (+/-) in percent of en-route revenue/costs	4.3%	14.3%	4.2%	7.5%	3.8%	5.5%
Estimated ex-post RoE pre-tax rate (in %)	6.9%	21.7%	6.9%	11.6%	6.9%	8.0%



7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by SLOVENIA

Note 1: Other Revenues

For Slovenia, the determined and actual costs for RP1 are considered after deduction of revenues from other sources (i.e. commercial activities and TEN-T funds, amounting to 113 K€ in 2014) in order to ensure consistency with the NPP. The break-down shown in item 4 (graph) presents these deductions as (positive) exceptional costs for the ATSP.

At State / Charging Area level

In 2014, Slovenia's real en-route unit cost (59.95 €2009) is -0.6% lower than planned in the NPP (60.30 €2009). This difference is due to the fact that 2014 actual en-route costs are -3.7% (-1.1 M€2009) lower than planned in real terms, while the actual number of total service units (TSUs) is -3.1% lower than planned. The difference between the actual and the planned TSUs for the year 2014 falls outside the ± 2% dead band foreseen in the traffic risk sharing mechanism, although it does not exceed the -10% threshold. The related loss is therefore shared between the airspace users and the ATSP. Between 2013 and 2014 TSUs increased by +11.7%, which is significantly higher than planned. According to the NSA Monitoring Report this is due predominantly to the opening of the Kosovo airspace in April 2014. The situation in Ukraine also tended to increase traffic in Slovenia in the second half of 2014.

Actual 2014 costs vs. NPP

The Slovenia en-route cost-base includes costs related to the Slovenian ATSP (Slovenia Control), the MET service provider (ARSO), the Slovenian NSA and the EUROCONTROL Agency.

In 2014, actual en-route costs for Slovenia are -3.7% lower than planned in real terms. This results from the combination of lower en-route costs in nominal terms (-6.2%) and a lower inflation index (-2.9 p.p.). The cost savings are mostly attributable to Slovenia Control (-3.1% in real terms or -0.8 M€2009). A detailed analysis of Slovenia Control's costs is provided in the box below. The costs associated with the other entities are also lower than planned (-12.9% or -0.2 €2009 for MET ARSO and -5.2% or -0.1 €2009 for the NSA/EUROCONTROL).

Costs exempt from cost sharing are reported for an amount of -0.1 M€2009 due to lower EUROCONTROL costs than planned. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

RP1 summary

When considering the whole of RP1 (2012-2014) the actual number of TSUs is -3.5% lower than planned while actual costs in real terms are -6.4% lower than the determined costs (some -5.5 M€2009). As a result, the weighted average unit cost over RP1 (62.28 €2009) is -3.0% lower than planned.

At ATSP level

Actual 2014 Slovenia Control costs vs. NPP

Before consideration of the commercial revenues (see note 1), Slovenia Control 2014 actual en-route costs are -3.3% lower than planned in real terms. This mainly results from lower than planned other operating costs (-0.7 M€2009 or -18.5%), and lower than planned depreciation costs (-0.4 M€2009 or -11.7%). According to the Additional Information provided with the en-route Reporting Tables in June 2015, operating costs were reduced through "mitigation measures" to adapt to lower traffic, and depreciation costs were lower than planned due to delays in the commissioning of some capex projects (from the beginning of 2014 to the second half of 2014 or the start of 2015). Staff costs are also -0.1 M€2009 lower than planned (-0.9%) as savings were made through "efficient social dialogue" at State and ATSP level and by delaying some training.

On the other hand, the cost of capital is higher than planned (+20.7%, or +0.3 M€2009 in absolute terms) mainly due to a change in the level of net current assets included in the asset base. According to the information provided in the NSA Monitoring Report actual capex over RP1 is +48.7% higher than planned in the NPP.

Slovenia Control net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, the en-route activity for the year 2014 generated a net gain of +0.2 M€2009 for Slovenia Control. This is due to the combination of two separate elements:

- a gain of +0.8 M€2009 for Slovenia Control as a result of the cost-sharing mechanism; and
- a loss of -0.6 M€2009 as a result of the traffic risk sharing mechanism for 2014.

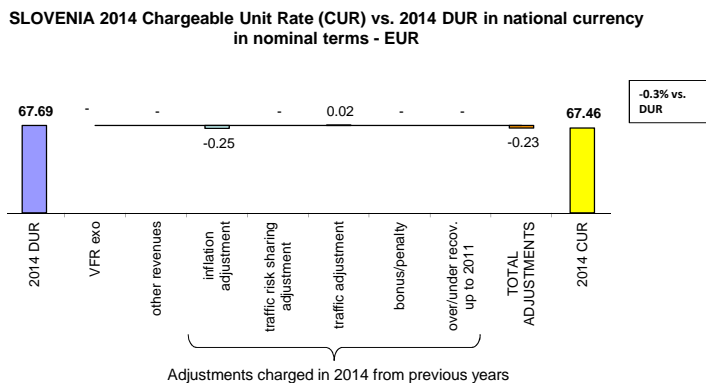
To calculate the overall economic surplus of the ATSP, it is also important to add the surplus embedded in the cost of capital through the return on equity. Based on the figures planned in the NPP, the return on equity amounted to +1.0 M€2009, corresponding to an estimated surplus of 3.8% of the en-route costs/revenues for 2014. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+1.2 M€2009) and the net gain from the en-route activity in 2014 (+0.2 M€2009), gives a total of +1.3 M€2009, corresponding to 5.5% of the 2014 en-route revenue. The resulting ex-post rate of return on equity for 2014 is 8.0% (compared to 6.9% planned in the NPP).

Conclusions

In 2014 Slovenia Control's actual en-route costs are lower than planned (-3.1%, or -0.8 M€2009 in absolute terms) while traffic is -3.1% lower than foreseen in the NPP. The en-route activity for the year 2014 generated a net gain of +0.2 M€2009 for Slovenia Control which results in an estimated actual surplus of +1.3 M€2009 (5.5% of the en-route revenue for 2014, up from the 3.8% planned in the RP1 PP).

When considering the whole of RP1 (2012-2014), Slovenia Control could retain a cumulative gain in respect of cost sharing of +5.0 M€2009 as actual costs were lower than planned for all years of RP1. The majority of this gain was generated in 2012 when Slovenia Control retained 2.6 M€2009 as a result of cost sharing. However, Slovenia Control incurred a cumulative loss in respect of traffic risk sharing amounting to -1.6 M€2009, resulting in a cumulative net gain for the en-route activity of +3.4 M€2009.

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



* See Note 1

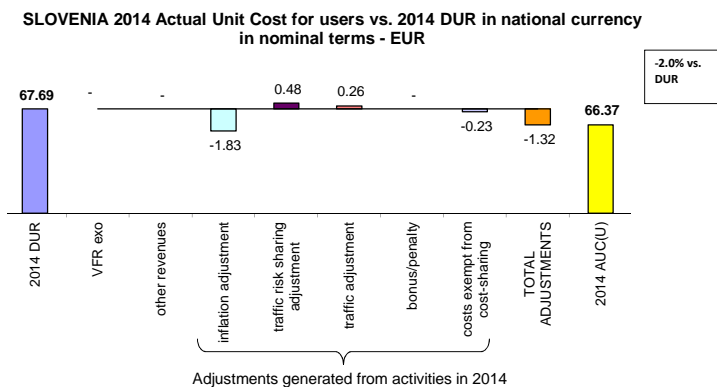
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The actual Chargeable Unit Rate (CUR) charged to users in 2014 is 67.46€. This is -0.3% lower than the nominal DUR (67.69 €). The difference observed between these two figures (-0.23 €) reflects mainly the inflation adjustment carried over from previous years (-0.25 €) in addition to a small adjustment for traffic (+0.02 €).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



* See Note 1

The DUR for 2014 expressed in nominal terms can also be compared to the actual en-route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The unit cost that the users incurred in respect of the activities performed in 2014 is 66.37 €. This is -2.0% lower than the nominal DUR (67.69 €). The difference observed between these two figures (-1.32 €) reflects negative adjustments due to lower than planned inflation (-1.83 €) and costs exempt from cost sharing (-0.23 €) offset by positive adjustments as traffic was lower than planned. This includes +0.48 € for traffic risk sharing and +0.26 € for the traffic adjustment for costs not subject to traffic risk sharing.

SLOVENIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) [^]	0.7	0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone	3	3	3	3	3	3
of which, number of airports over 50 000 movements						
SLOVENIA - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	3 420 816	2 962 000	3 204 000	3 272 000	3 496 000	3 620 000
Inflation index (100 in 2009)	100.0	101.8	104.0	107.3	109.7	112.3
Real terminal ANS costs - (in EUR2009)	3 420 816	2 909 627	3 079 597	3 050 394	3 185 946	3 224 779
* See Note 1						
SLOVENIA - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)	3 420 816	2 962 125	3 227 622	3 037 742	2 992 634	3 198 601
Inflation index (100 in 2009)	100.0	101.8	103.9	106.8	108.9	109.3
Real terminal ANS costs - (in EUR2009)	3 420 816	2 909 749	3 105 340	2 843 048	2 748 608	2 926 075
* See Note 1						
Total terminal service units	13 327	12 519	12 555	11 198	11 353	11 162
Actual real unit costs - (in EUR2009)	256.7	232.4	247.3	253.9	242.1	262.2
Unit rate applied - (in EUR)				256.74	256.73	256.72
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value			-234 258	-503 366	-421 399
	in%			-7.2%	-14.4%	-11.6%
Inflation index (100 in 2009)	in p.p.			-0.4 p.p.	-0.9 p.p.	-2.9 p.p.
Real terminal ANS costs - (in EUR2009)	in value			-207 346	-437 338	-298 704
	in%			-6.8%	-13.7%	-9.3%

11. - General conclusions on the Terminal ANS costs and unit rates monitoring

The terminal charging zone in Slovenia comprises three airports (Ljubljana, Maribor and Portoroz). The harmonised SES formula (MTOW/50)[^]0.7 already applies in the Slovenia terminal charging zone.

The 2014 actual terminal ANS costs are -9.3% lower than planned in real terms (-0.3 M€2009). This results from the combination of lower terminal ANS costs in nominal terms (-11.6%) and a lower inflation index (-2.9 p.p.). The real unit cost for terminal services is 262.2 €2009, +8.3% compared to the real unit cost for 2013. The Unit Rate applied in 2014 is 256.72 €, which has remained almost constant throughout RP1.

Note that the terminal ANS costs presented in the NPP and the actual costs presented in item 9 above are net of other income (see also Note 1).

RP1 summary

When considering the whole of RP1 (2012-2014), actual terminal ANS costs are -10.0% lower in real terms (or some -0.9 M€2009) than planned in the NPP. This reflects the fact that terminal ANS costs are lower than planned in each year of RP1.

12. - Monitoring of gate-to-gate costs (2014)

12. - Monitoring of gate-to-gate costs (2014)						
SLOVENIA - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	23 493 772	25 748 240	27 806 806	28 705 125	28 877 550	28 581 573
Real terminal ANS costs - (in EUR2009)	3 420 816	2 909 627	3 079 597	3 050 394	3 185 946	3 224 779
Real gate-to-gate ANS costs - (in EUR2009)	26 914 589	28 657 867	30 886 403	31 755 519	32 063 496	31 806 352
Share of en-route costs in gate-to-gate ANS costs	87.3%	89.8%	90.0%	90.4%	90.1%	89.9%
SLOVENIA - Actual data from June 2015 Reporting Tables						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	23 493 772	25 572 312	27 833 397	26 091 432	27 063 062	27 529 078
Real terminal ANS costs - (in EUR2009)	3 420 816	2 909 749	3 105 340	2 843 048	2 748 608	2 926 075
Real gate-to-gate ANS costs - (in EUR2009)	26 914 589	28 482 061	30 938 737	28 934 480	29 811 670	30 455 153
Share of en-route costs in gate-to-gate ANS costs	87.3%	89.8%	90.0%	90.2%	90.8%	90.4%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in EUR2009)	in value			-2 613 693	-1 814 488	-1 052 495
	in %			-9.1%	-6.3%	-3.7%
Real terminal ANS costs - (in EUR2009)	in value			-207 346	-437 338	-298 704
	in %			-6.8%	-13.7%	-9.3%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-2 821 039	-2 251 826	-1 351 199
	in %			-8.9%	-7.0%	-4.2%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			-0.2 p.p.	0.7 p.p.	0.5 p.p.

13. - General conclusions on the gate-to-gate ANS costs

Actual 2014 gate-to-gate costs are -4.2% lower than planned in real terms following reductions both in en-route (-1.1 M€2009, -3.7%) and terminal (-0.3 M€2009, -9.3%) ANS costs compared to planned costs.

The allocation of gate-to-gate costs between en-route ANS and terminal ANS appears quite stable over RP1 (approximately 90% share to en-route) and did not change significantly with respect to the NPP.



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

Spain

Working Draft 2.0

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SPAIN

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management																					
	2012	2013	2014	State level Observations																	
State level	59	49	57																		
ANSP [ENAIRE]	69	76	78																		
ANSP [Ferronats]	N/A	N/A	69																		
<table border="1"> <caption>Number of questions answered by CO</caption> <thead> <tr> <th>CO</th> <th>Self-assessment</th> <th>EASA verification</th> </tr> </thead> <tbody> <tr> <td>CO1</td> <td>15</td> <td>14</td> </tr> <tr> <td>CO2</td> <td>4</td> <td>4</td> </tr> <tr> <td>CO3</td> <td>9</td> <td>9</td> </tr> <tr> <td>CO4</td> <td>4</td> <td>4</td> </tr> </tbody> </table>							CO	Self-assessment	EASA verification	CO1	15	14	CO2	4	4	CO3	9	9	CO4	4	4
CO	Self-assessment	EASA verification																			
CO1	15	14																			
CO2	4	4																			
CO3	9	9																			
CO4	4	4																			
Application of the severity classification of the Risk Analysis Tool (RAT)																					
		2012		2013		2014															
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)														
Separation Minima Infringements (SMIs)	ATM Ground	122	16%	181	33%	215	91%														
	ATM Overall		16%		33%		43%														
Runway Incursions (RIs)	ATM Ground	123	1%	85	1%	169	25%														
	ATM Overall		1%		1%		4%														
ATM Specific Occurrences (ATM-Specific)	ATM Overall	738	3%	309	0%	1176	18%														
Source of RAT data:		AENA																			
Preliminary results updated after coordination with the AST-FP in August 2015.																					
Just culture																					
Number of questions answered with Yes or No		State																			
		2012		2013		2014															
		YES	NO	YES	NO	YES	NO														
Policy and its implementation		8	2	9	1	9	0														
Legal/Judiciary		5	3	5	3	4	3														
Occurrence reporting and Investigation		2	0	2	0	2	0														
TOTAL		15	5	16	4	15	3														
Number of questions answered with Yes or No		ANSP [ENAIRE]																			
		2012		2013		2014															
		YES	NO	YES	NO	YES	NO														
Policy and its implementation		5	8	5	8	6	7														
Legal/Judiciary		2	1	2	1	2	1														
Occurrence reporting and Investigation		5	3	4	4	4	4														
TOTAL		12	12	11	13	12	12														

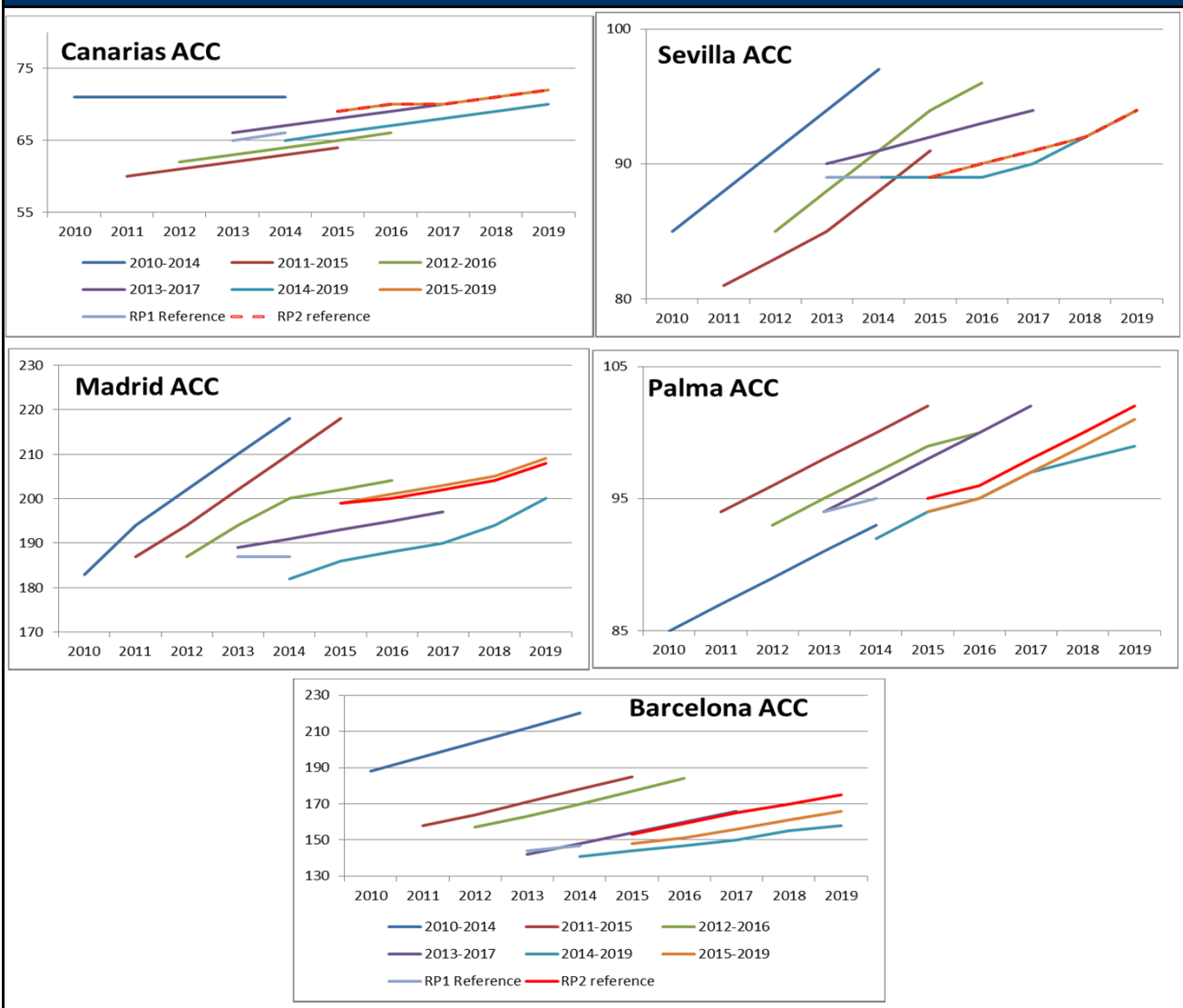
Number of questions answered with Yes or No	ANSP [Ferronats]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	N/A	N/A	N/A	N/A	11	2
Legal/Judiciary	N/A	N/A	N/A	N/A	2	1
Occurrence reporting and Investigation	N/A	N/A	N/A	N/A	4	4
TOTAL	N/A	N/A	N/A	N/A	17	7

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.52	0.42	0.31	
National Target	0.8	0.75	0.5	
Actual performance	0.48	0.41	0.3	

National capacity assessment

In terms of the capacity indicator, the actual value of ATFM delay per flight for 2014 is of 0.3 min/flight, a difference of -0.2 min/flight (-40%) with respect to the 2014 national target of 0.50 min/flight.

ANSP capacity plan



Military dimension of the plan

Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the Performance Plan for Spain did not contain any specific details of how FUA would be applied to increase capacity.

PRB Capacity assessment

As in 2012 and 2013, Spain has provided sufficient capacity in 2014 to be consistent with the effort required to meet the EU-wide capacity performance target. The PRB is happy to note that capacity plans have improved in all Spanish ACCs from the previous year. However, at two of the ACCs the planned capacity is not yet in line with the effort required to be consistent with the union-wide targets for RP2.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 37%

The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 0%

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 63%

Previous recommendations

Extract from notification letter from EC July 2012:

The Commission considers that the capacity target could have been further improved. Spain's revised performance plan is assessed on the understanding that Spain will require its air navigation service provider to develop and implement capacity plans that will enable the 2014 reference value of 0.31 minute of average delay per flight to be met at the earliest possible date in the second reference period, with the assistance of the Network Manager.

Annual Monitoring Report 2012: Spain is invited to ensure that information on the allocation and use of airspace structures is made available to the Commission in accordance with IR 691/2010, and IR 2150/2005. [Addressed in Annual Monitoring Report 2013]

Annual Monitoring Report 2013: The PRB requests Spain to provide information on how the capacity planning of the ANSP is consistent with the existing recommendation of the European Commission that Spain will require its air navigation service provider to develop and implement capacity plans that will enable the 2014 reference value of 0.31 minute of average delay per flight to be met at the earliest possible date in the second reference period, with the assistance of the Network Manager.

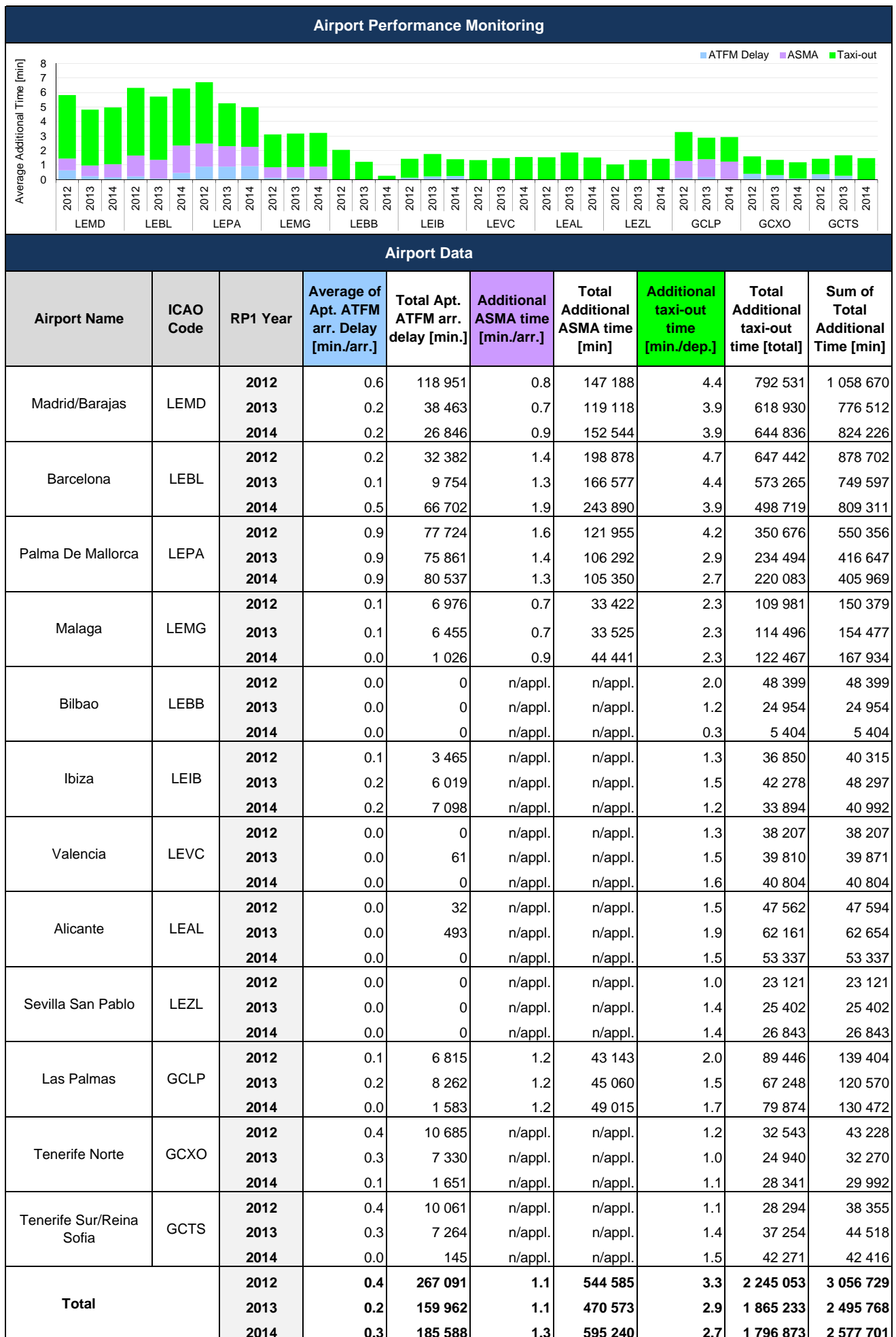
NSA report on follow-up to recommendations

ENAIRES, on behalf of AESA, provides the planned capacity to the NM in a regular basis. Furthermore, ENAIRES's capacity plans are included in the European Network Operations Plan.

Recommendations

SPAIN

Monitoring of CAPACITY indicators for 2014



	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Absolute Difference	2014-2013	▼ 0.0	▼ 25 626	▼ 0.2	▼ 124 667	▲ -0.2	▲ -68 359	▼ 81 933
	2014-2012	▲ -0.1	▲ -81 503	▼ 0.1	▼ 50 654	▲ -0.5	▲ -448 180	▲ -479 029

Critical Issues

- None

Specific Analysis

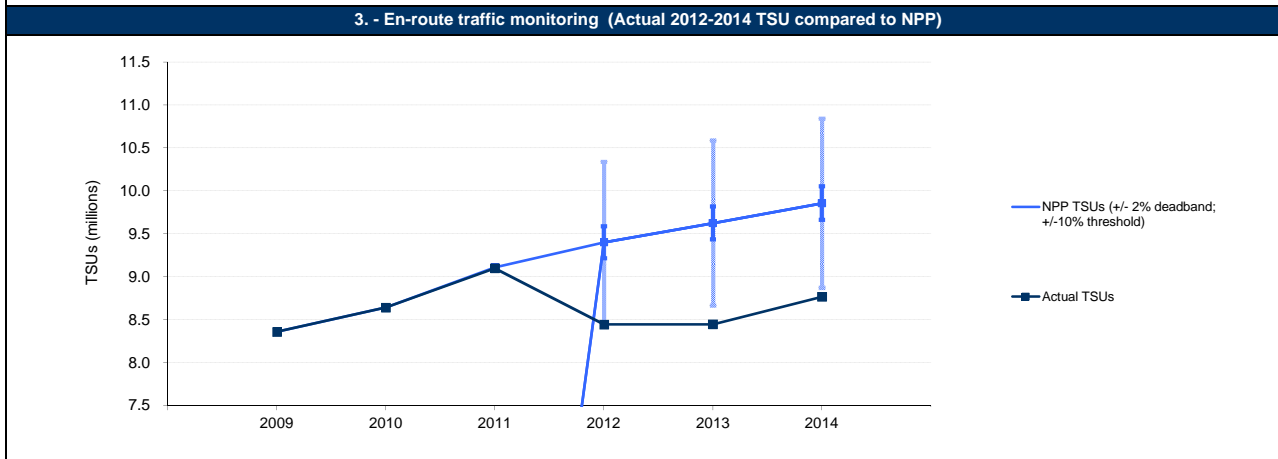
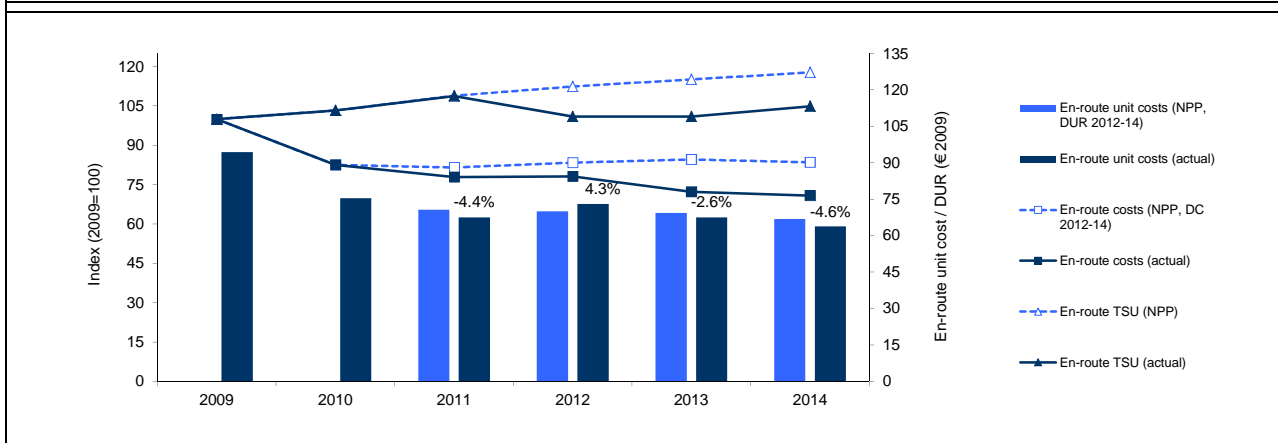
- In average over RP1, total additional delay decreased by 16% in Spain, what demonstrates a good performance. This improvement is broken down into a decrease of ATFM arrival delay by 31% and a reduction of additional taxi-out time by 20%. Additional ASMA time however increased by 9%.
- Out of this average, Madrid Barajas, Bardelona and Palma de Mallorca are undoubtedly the most critical airports in Spain.
 - Total additional delay was reduced by 28% at Madrid Barajas airport over RP1 period of time. The improved performance efficiency was mainly due to a reduction of ATFM arrival delay divided by a factor 4, as well as a reduction of additional taxi-out time by 23%. To be noted that the traffic decreased by 9% at the airport over the same period of time.
 - As far as Barcelona is concerned, a 9% reduction of additional time could be observed between 2012 and 2014, for a decrease of traffic by 6%. Although additional taxi-out time was reduced by 30%, the delay on the inbound traffic increased.
 - For a similar traffic volume, the total additional time was reduced by 36% at Palma de Mallorca airport.

SPAIN CONTINENTAL

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information	
<ul style="list-style-type: none"> SPAIN CONTINENTAL represents 10.5% of the SES en-route ANS determined costs in 2014. ATSP : Aena (Continental) FAB : SW FAB National currency: EUR 	<p>Share of en-route and terminal in gate-to-gate ANS actual costs</p> <p>■ En-route ■ TNC</p>

2. - En-route DUR monitoring (2014)						
SPAIN CONTINENTAL - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	789 446 433	665 210 698	674 583 170	700 300 162	720 236 750	721 590 771
Inflation %		2.0%	2.6%	1.5%	1.4%	1.5%
Inflation index (100 in 2009)	100.0	102.0	104.7	106.3	107.8	109.4
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	789 446 433	651 894 700	644 352 174	658 817 012	668 421 934	659 664 833
Total en-route Service Units	8 358 173	8 641 861	9 110 035	9 400 616	9 626 232	9 857 260
Real en-route unit costs per Service Units - (in EUR2009)	94.45	75.43	70.73	70.08	69.44	66.92
SPAIN CONTINENTAL - Actual data from Jun-2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	789 446 433	665 224 115	647 349 290	664 818 640	624 628 195	610 753 911
Inflation %		2.0%	3.1%	2.4%	1.5%	-0.2%
Inflation index (100 in 2009)	100.0	102.0	105.2	107.7	109.3	109.1
Real en-route costs - (in EUR2009)	789 446 433	651 907 848	615 316 039	617 110 293	571 235 442	559 666 454
Total en-route Service Units	8 358 173	8 641 861	9 099 189	8 443 969	8 447 044	8 767 769
Real en-route unit costs per Service Units - (in EUR2009)	94.45	75.44	67.62	73.08	67.63	63.83
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
En-route costs - (in nominal EUR)	in value			-35 481 523	-95 608 554	-110 836 860
	in %			-5.1%	-13.3%	-15.4%
Inflation %	in p.p.			0.9 p.p.	0.1 p.p.	-1.7 p.p.
Inflation index (100 in 2009)	in p.p.			1.4 p.p.	1.6 p.p.	-0.3 p.p.
Real en-route costs - (in EUR2009)	in value			-41 706 718	-97 186 492	-99 998 379
	in %			-6.3%	-14.5%	-15.2%
Total en-route Service Units	in value			-956 647	-1 179 188	-1 089 492
	in %			-10.2%	-12.2%	-11.1%
Real en-route unit costs per Service Units - (in EUR2009)	in value			3.00	-1.81	-3.09
	in %			4.3%	-2.6%	-4.6%



SPAIN CANARIAS

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information

- SPAIN CANARIAS represents 1.6% of the SES en-route ANS determined costs in 2014.
- ATSP : Aena (Canarias)
- FAB : SW FAB
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS actual costs

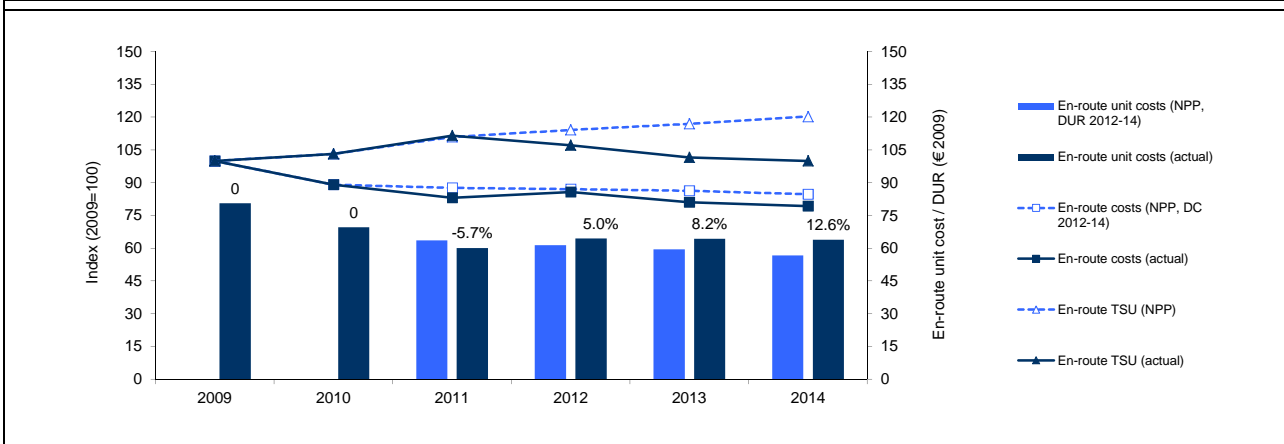
100% En-route
0% TNC

2. - En-route DUR monitoring (2014)

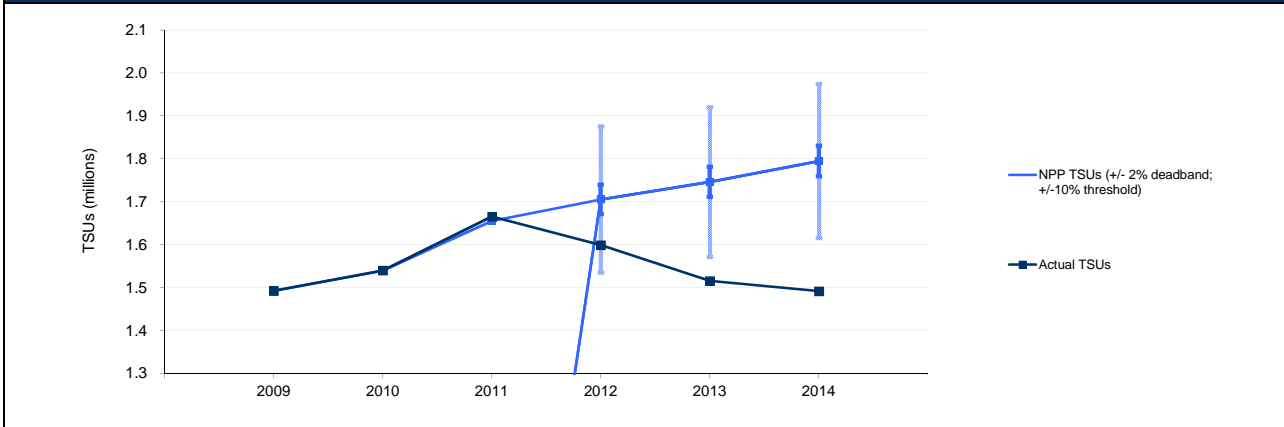
SPAIN CANARIAS - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	120 326 752	109 449 714	110 443 775	111 451 532	112 037 851	111 614 238
Inflation %		2.0%	2.6%	1.5%	1.4%	1.5%
Inflation index (100 in 2009)	100.0	102.0	104.7	106.3	107.8	109.4
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	120 326 752	107 258 781	105 494 311	104 849 562	103 977 695	102 035 656
Total en-route Service Units	1 492 498	1 539 855	1 655 554	1 705 420	1 746 350	1 795 248
Real en-route unit costs per Service Units - (in EUR2009)	80.62	69.66	63.72	61.48	59.54	56.84

SPAIN CANARIAS - Actual data from Jun-2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	120 326 752	109 450 125	105 288 074	111 197 098	106 784 464	104 152 773
Inflation %		2.0%	3.1%	2.4%	1.5%	-0.2%
Inflation index (100 in 2009)	100.0	102.0	105.2	107.7	109.3	109.1
Real en-route costs - (in EUR2009)	120 326 752	107 259 184	100 078 029	103 217 433	97 656 608	95 440 753
Total en-route Service Units	1 492 498	1 539 855	1 665 737	1 599 207	1 515 812	1 491 781
Real en-route unit costs per Service Units - (in EUR2009)	80.62	69.66	60.08	64.54	64.43	63.98

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
En-route costs - (in nominal EUR)	in value	-254 434	-5 253 387	-7 461 465
	in %	-0.2%	-4.7%	-6.7%
Inflation %	in p.p.	0.9 p.p.	0.1 p.p.	-1.7 p.p.
Inflation index (100 in 2009)	in p.p.	1.4 p.p.	1.6 p.p.	-0.3 p.p.
Real en-route costs - (in EUR2009)	in value	-1 632 129	-6 321 087	-6 594 903
	in %	-1.6%	-6.1%	-6.5%
Total en-route Service Units	in value	-106 213	-230 538	-303 467
	in %	-6.2%	-13.2%	-16.9%
Real en-route unit costs per Service Units - (in EUR2009)	in value	3.06	4.89	7.14
	in %	5.0%	8.2%	12.6%



3. - En-route traffic monitoring (Actual 2012-2014 TSU compared to NPP)



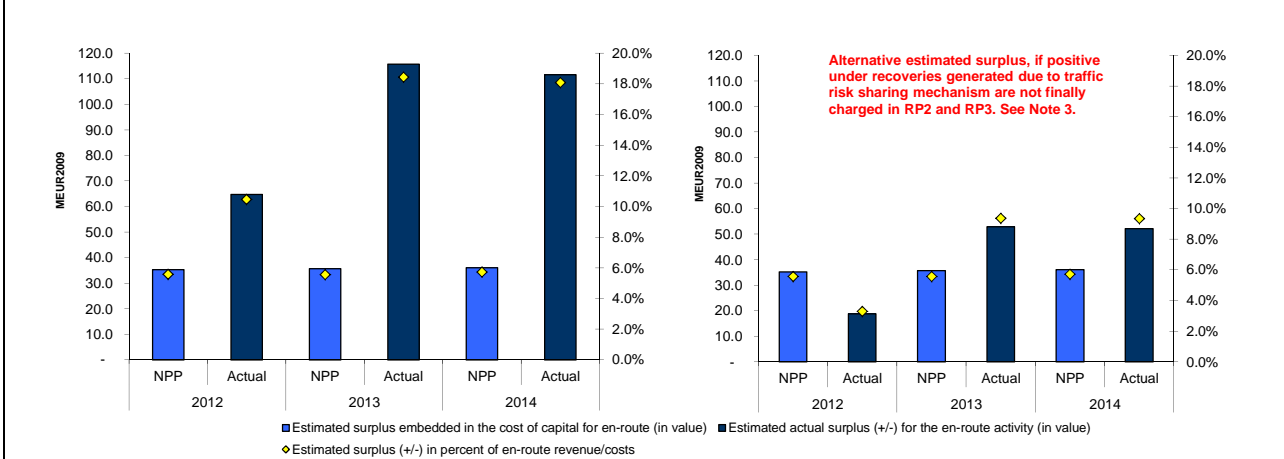
SPAIN CONTINENTAL & SPAIN CANARIAS

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

4. - En-route costs monitoring (2014 actuals compared to NPP)		
By entity at State level 		Costs exempted from cost sharing (by factor/item) Pension: - Interest rates on loans: -585 National taxation law: 1 275 New cost item required by law: - International agreements: -5 502 Costs exempted from cost sharing (by entity) ATSP: 1 275 Other ANSP: -585 METSP: - NSA/EUROCONTROL: -5 502 Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification: -4 812
By nature at ATSP level 		2014 ('000€2009) Estimate Total costs exempted from cost sharing: -4 812

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2014		
Cost sharing ('000€2009)		Combined effect of variations in costs and traffic for 2014 ('000€2009)
Determined costs for the ATSP (NPP)	631 019	
Actual costs for the ATSP - See Note 1	564 568	
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	66 451	
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	1 275	
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	67 726	
Traffic risk sharing ('000€2009)		Gain/loss from traffic risk sharing: - Bonus/penalty from incentives: - Net ATSP gain/loss: 52 606
Difference in total service units (actual vs NPP)	-11.95%	
Determined costs after deduction of costs for exempted VFR flights	630 007	
ATSP gain (traffic between 0 and +2% higher than NPP)	-	
ATSP gain (traffic between +2% and +10% higher than NPP)	-	
ATSP loss (traffic between -2% and -10% below NPP) - See Note 2	-15 120	
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	-15 120	
Incentives ('000€2009)		Net ATSP gain(+)/loss(-) on en-route activity: 52 606
ATSP bonus (+) / penalty (-)	-	
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	-	

6. - En-route ATSP estimated surplus*						
*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.						
ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	748 099	616 550	763 231	632 744	776 998	678 533
Estimated proportion of financing through equity (in %)	41.8%	70.6%	41.2%	73.3%	40.8%	76.4%
Estimated proportion of financing through equity (in value)	312 572	435 284	314 781	463 774	317 179	518 697
Estimated proportion of financing through debt (in %)	58.2%	29.4%	58.8%	26.7%	59.2%	23.6%
Estimated proportion of financing through debt (in value)	435 527	181 266	448 450	168 970	459 819	159 836
Cost of capital pre-tax (in value) - See Note 1	52 597	57 871	53 440	56 730	54 746	61 818
Average interest on debt (in %)	4.0%	4.8%	4.0%	2.5%	4.1%	1.8%
Interest on debt (in value)	17 349	8 771	17 775	4 183	18 671	2 823
Determined RoE pre-tax rate (in %) - See Note 1	11.28%	11.28%	11.33%	11.33%	11.37%	11.37%
Estimated surplus embedded in the cost of capital for en-route (in value)	35 249	49 100	35 666	52 547	36 075	58 996
Net ATSP gain(+)/loss(-) on en-route activity	-	15 670	-	63 127	-	52 606
Overall estimated surplus (+/-) for the en-route activity	35 249	64 770	35 666	115 673	36 075	111 601
Revenue/costs for the en-route activity	633 019	619 612	641 461	627 422	631 019	617 174
Estimated surplus (+/-) in percent of en-route revenue/costs	5.6%	10.5%	5.6%	18.4%	5.7%	18.1%
Estimated ex-post RoE pre-tax rate (in %)	11.3%	14.9%	11.3%	24.9%	11.4%	21.5%



7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by SPAIN

Note 1: Reporting of actual costs to the ATSP

“Correction” to the 2012 actual cost of capital reported for ENAIRE (AENA), as per previous years’ Monitoring analysis. This correction is to change the rate of return on equity (RoE) from the RoE post-tax value presented by Spain (7.89% for 2012) to the planned RoE pre-tax (i.e. 11.28%). Details can be found in the 2012 Monitoring Report.

“Correction” to the 2013 actual cost of capital reported for ENAIRE (AENA), as per previous years’ Monitoring analysis. This correction is to change the RoE from the pre-tax value presented by Spain (8.78% for 2013) to the planned RoE pre-tax value (11.33% for 2013). Details can be found in the 2013 Monitoring Report.

“Correction” to the 2014 actual cost of capital reported for ENAIRE (AENA). This correction is to change the RoE from the pre-tax value presented by Spain (6.44% for 2014) to the planned RoE pre-tax value (11.37% for 2014). As a result ENAIRE (AENA)’s cost of capital relating to equity would be some +23.2 M€ higher than presented (or +21.3 M€2009) for Spain Continental and +4.7 M€ (or +4.3 M€2009) for Spain Canarias. The total actual costs for ENAIRE (AENA), taking into account of this “correction” would be 564.6 M€2009 instead of 539.0 M€2009.

Note 2: Exemption from the application of the dead-band in traffic risk sharing.

For 2012, 2013 and 2014, Spain has considered that the range of the dead-band is not shared and that it is allocated to users (100%). For the purpose of this analysis there has been no traffic risk sharing applied to the dead-band, i.e. any gains (or losses) resulting from the difference in traffic between +2% and -2% is allocated to users. This presents a revision to the approach previously applied for 2012 in the 2012 and 2013 Monitoring Reports. The Additional Information to the June 2013 Reporting Tables (see A.1.3 d) indicated that Spain had invoked the application of Article 2 of EU Regulation 1191/2010 amending the Charging Regulation 1794/2006 and had applied the exemption of the dead-band on ENAIRE (AENA) traffic risk sharing.

Note 3: Alternative en-route ATSP estimated surplus calculation.

Spain has indicated that the positive under recoveries generated due to traffic risk sharing mechanism, now foreseen to be recovered in the last 2 years of RP2 and in RP3, based on the June 2015 Reporting tables, may not be finally charged to users in future years. If this is finally the case, the genuine value of the economic surplus over RP1 would be lower. Item 6 shows, at the right bottom, and additional graph with the en-route ATSP estimated surplus calculation based on this assumption.

At State / Charging Area level

In 2014, the actual en-route unit cost for Spain Continental (63.83 €2009) is -4.6% lower than planned in Spain’s Adopted NPP for RP1 (66.92 €2009). This difference is mainly due to actual en-route costs are -15.2% lower in real terms than the determined costs, and en-route Service Units being -11.1% lower than planned. The decrease in actual costs in real terms is due to cost reductions across all entities and a lower actual inflation rate.

In 2014, the actual en-route unit cost for Spain Canarias (63.98 €2009) is +12.6% higher than planned in the NPP for RP1 (56.84 €2009). This difference is mainly due to actual en-route costs being -6.5% lower in real terms than the determined costs, and en-route Service Units being -16.9% lower than planned. The decrease in actual costs in real terms is due to cost reductions across all entities and a lower actual inflation rate.

With actual en-route traffic (TSUs) in 2014 -11.1% lower than planned, Spain Continental falls outside the -10% threshold in 2014. This threshold was exceeded in 2012 (-10.2%) and 2013 (-12.2%) also. Spain Canarias has also exceeded the -10% TSUs threshold in 2014, with traffic -16.9% lower than planned. The traffic threshold was not exceeded in 2012 (-6.2%), but was exceeded in 2013 (-13.2%). The Spanish 2014 NSA Monitoring Report notes that although the difference in traffic in both Spain Continental (-11.1% vs. NPP) and Spain Canarias (-16.9%) has been higher than the 10% threshold set in the Performance Regulation, the NPP has not been revised.

Actual 2014 costs vs. NPP

Total actual en-route costs for Spain Continental in 2014 (559.7 M€2009) are -15.2% lower than planned, and -6.5% lower for Spain Canarias (95.4 M€2009). This mainly reflects lower en-route costs in nominal terms (-15.4% for Spain Continental and -6.7% for Spain Canarias) while the actual inflation index in 2014 is also lower than that forecast in the NPP (by -0.3 p.p., index based in 2009).

The combined -106.6 M€2009 reductions seen in total costs in 2014 against the plan for Spain Continental and Spain Canarias are driven primarily by the ATSP, ENAIRE (AENA), which has actual costs in 2014 that are -14.6% lower than planned. A detailed analysis of ENAIRE costs is provided in the box below. Other entities also contribute to the overall reduction in costs, including the MET Service Provider, other ANSPs and NSAEUROCONTROL (-14.6 M€2009 in total), however the overall reduction is driven by ENAIRE (AENA) (a reduction of -92.0 M€2009). Cost reductions were seen in all cost categories across both en-route charging zones.

Costs exempt from cost sharing are reported for an amount of -4.8 M€2009, primarily corresponding to the difference between the planned and actual values for EUROCONTROL costs (-5.5 M€2009). Other costs exempt from cost sharing include -0.6 M€2009 relating to Interest rates on loans for Other ANSPs, and revenues of +1.3 M€2009 relating to the difference between the planned values for operating costs as a result of increases in national taxation (VAT) for the ATSP. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

RP1 summary

When considering the whole of RP1 (2012-2014) for Spain Continental the actual number of TSUs is -11.2% lower than planned and actual costs in real terms are -12.0% lower than planned (-238.9 M€2009). As a result, the weighted average unit cost over RP1 is -1.0% lower than the level planned in the NPP.

When considering the whole of RP1 (2012-2014) for Spain Canarias the actual number of TSUs is -12.2% lower than planned and actual costs in real terms are -4.7% lower than planned (-14.5 M€2009). As a

At ATSP level

Actual 2014 ENAIRE (AENA) costs vs. NPP

ENAIRE (AENA) actual en-route costs in 2014 are 564.6 M€2009, -92.0 M€2009 or -14.6% lower than the determined costs reported for 2014. According to the Additional Information to the June 2015 en-route Reporting tables, changes to cost categories are explained as follows:

Other operating costs are -40.0% (-31.7 M€2009) lower than planned, mainly due to the reinforcement of efficiency measures, consumption cuts, renegotiation of contracts and insourcing or previously outsourced activities.

Staff costs are -5.6% (-21.4 M€2009) lower than planned, due to savings “derived in great measure by the Social Plan for Voluntary Lay-offs adopted in 2012”, reducing staff by 249 in the first half of 2013. Other measures adopted for cost containment include wage freezes and organisational restructuring.

Depreciation is -12.0% (-12.1 M€2009) lower than planned, because of the “rationalisation of investment plans”. This decrease is anticipated as actual capex in 2013 was -67.8% lower than that planned in the NPP, while the capex planned for 2014 has also not fully materialised (-72.1% vs. NPP).

The cost of capital is -33.8% (-18.5 M€2009) lower than planned, due to the lower average capital employed. This is primarily due to a lower total asset base size (-12.7%) as a result of a smaller capital investment programme. The higher-than-planned equity ratio (76% equity vs. 41% in NPP) is offset by the pre-tax return on equity rate (6.4%) being lower than planned (11.4%), while the average interest on debt is also lower than that foreseen in the NPP (1.8% vs. 4.1%).

Exceptional items are -58.6% (-8.3M€2009) lower than planned, due to the “actuarial review and the new ATCOs collective agreement signed in 2011” and the consequent reduction of the annual planned amounts in 2011 and through RP1.

In 2014, actual traffic was -11.95% lower than planned, resulting in a loss due to traffic risk sharing of -15.1 M€2009 for ENAIRE (AENA). This loss calculation is based on the approach adopted by Spain, where the range of the dead-band is not shared, but is allocated to users (100%). But if we apply the assumption mentioned in note 3, the loss due to traffic risk sharing would be -74.6 M€2009 for ENAIRE (AENA).

In 2014, the actual total asset base was 678.5 M€2009, or -12.7% lower than planned. In 2014, actual capex was 45.2 M€, -116.8 M€ less than planned in the NPP. Investments planned for 2014 in the NPP amounted to 162 M€, which was revised in the 2012 Air Navigation Annual Plan to 75.5 M€, of which 45.2 M€ was actually spent, as capex projects have been postponed to prioritise short-term investments.

ENAIRE (AENA) net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, the en-route activity for the year 2014 generated a net gain of +52.6 M€2009 for ENAIRE (AENA) overall. This is the combination of two separate elements:

- a gain of +67.7 M€2009 for ENAIRE (AENA) as a result of the cost-sharing mechanism; and
- a loss of -15.1 M€2009 as a result of the traffic risk sharing mechanism for 2014, based on the approach adopted by Spain, where the range of the dead-band is not shared, but is allocated in entirety to users (100%). But if we apply the assumption mentioned in note 3, the loss due to traffic risk sharing would be -74.6 M€2009 for ENAIRE (AENA).

For the en-route activity, the surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +36.1 M€2009, corresponding to an estimated surplus of +5.7% of en-route revenues for 2014. Ex-post, the overall estimated surplus for the year calculated by adding the surplus embedded in the cost of capital (+59.0 M€2009) and the net gain from the en-route activity in 2014 (+52.6 M€2009), gives a total of +111.6 M€2009 for 2014, corresponding to +18.1% of the en-route revenue in 2014 (or 9.4% under the assumption indicated in note 3). The resulting ex-post rate of return on equity for 2014 is +21.5% (compared to +11.4% as initially planned in the NPP).

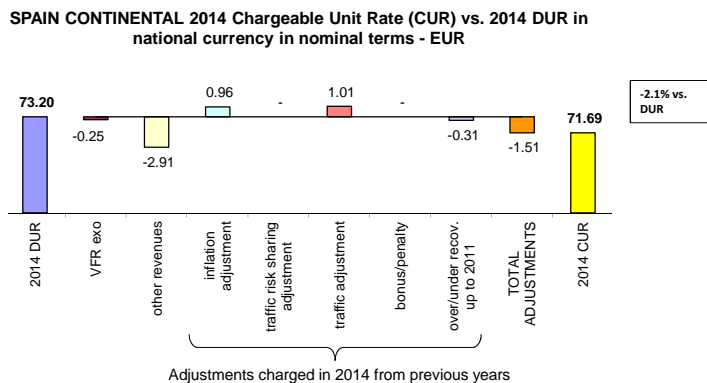
Conclusion

In the context of actual traffic in 2014 that was overall -11.95% lower than planned across both Spain Continental and Spain Canarias charging zones, ENAIRE (AENA) reduced its en-route costs through staff savings, austerity policies and reduced investments, and in 2014 ENAIRE (AENA) en-route costs were -14.6% lower than planned (in real terms). Despite the loss under the traffic risk sharing mechanism (assuming no losses to ENAIRE (AENA) within the dead-band), this resulted in a net gain on the en-route activity compared to the NPP. ENAIRE (AENA)’s estimated surplus in respect of the 2014 en-route activity amounts to 111.6 M€2009, corresponding to 18.1% of the en-route revenue (or 9.4% under the assumption indicated in note 3).

This indicates that in 2014, ENAIRE (AENA) was in a position to retain the part of surplus embedded in the cost of capital in 2014 and to generate extra gains arising from the lower costs than planned in 2014. This adds to the overall positive estimated surplus for the en-route activity generated by ENAIRE (AENA) in 2013 of +115.7 M€2009 (or +18.4% estimated surplus of en-route revenues in 2013 leading to an ex-post rate of return on equity of +24.9%) and in 2012 of +64.8 M€2009 (or +10.5% of en-route revenues in 2012 leading to an ex-post rate of return on equity of +14.9%). However, as indicated in note 3, Spain has indicated that their positive entitlement under-recoveries, now foreseen to be recovered at the end of RP2 and RP3 based on the June 2015 Reporting tables, may not be finally charged to users in future years. If this is finally the case, consequently the genuine value of the estimated economic surplus over all the years RP1 would be lower as showed in the alternative graph displayed at the right bottom of item 6.

When considering the whole of RP1 (2012-2014), ENAIRE (AENA) could retain a cumulative gain in respect of cost sharing of +175.6 M€2009, as actual costs for both Spain Continental and Spain Canarias were lower than planned for each year of RP1. However, ENAIRE (AENA) incurred a cumulative loss in respect of traffic risk sharing amounting to -44.2 M€2009 (-212.4 M€2009 under the assumption indicated in note 3), which resulted in a cumulative net gain for the en-route activity over RP1 of +131.4 M€2009. (-36.8 M€2009 under the assumption indicated in note 3).

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

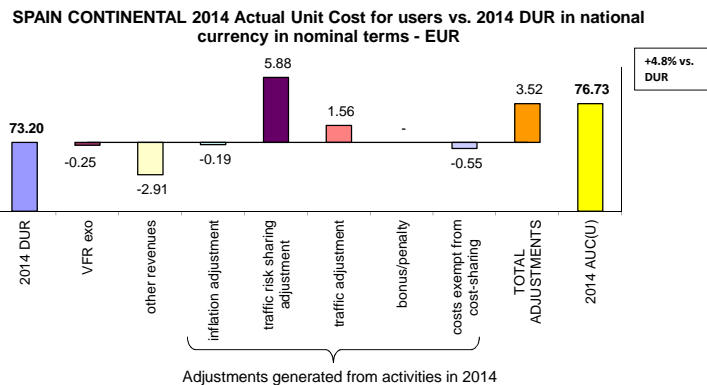
- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

In 2014, **Spain Continental's** CUR charged to users is 71.69 € in nominal terms, -2.1% lower than the nominal DUR (73.20 €). This difference is due to:

- 2.91 €, or -4.0% of other revenues;
- 0.25 €, or -0.3%, for costs for services to exempted VFR; and
- +1.65 €, or +2.3% relating to other adjustments charged in 2014 from previous years.

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en-route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

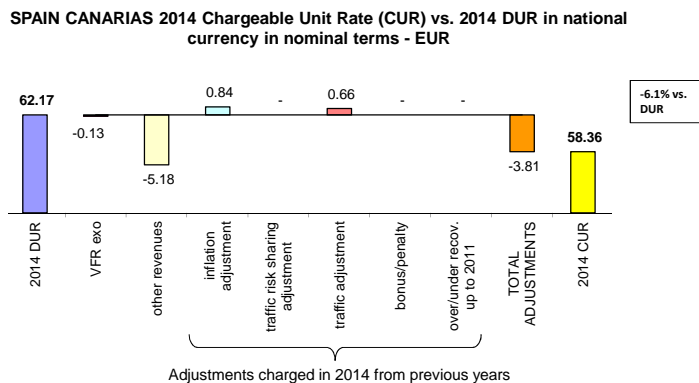
These costs and adjustments are divided by the **actual total service units** in 2014.

The AUC-U for airspace users in 2014 for **Spain Continental** is 76.73 €, +4.8% higher than the nominal DUR (73.20 €). The deduction of costs for services to exempted VFR and for other revenues are as above in section 8.

All other adjustments generated from activities in 2014 are:

- 0.19 €, or -0.3% for the inflation adjustment;
- +5.88 €, or +8.0% for the traffic risk sharing adjustment;
- +1.56 €, or +2.1% for an adjustment reflecting the difference in traffic for costs not subject to traffic risk sharing; and
- 0.55 €, or -0.8% for costs exempt from cost sharing.

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

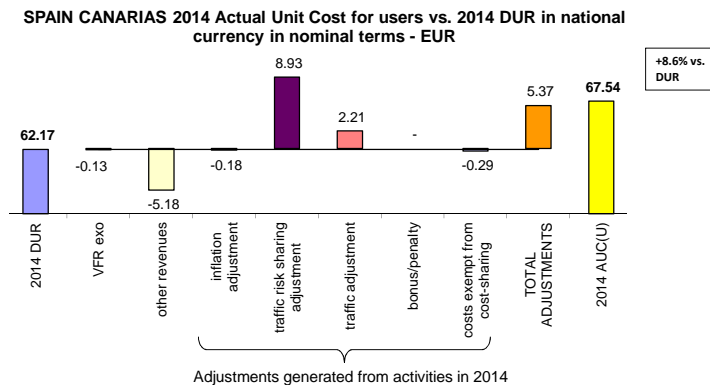
- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

In 2014, **Spain Canarias's** CUR charged to users is 58.36 € in nominal terms, -6.1% lower than the nominal DUR (62.17 €). This difference is due to

- 5.18 €, or -8.3% of other revenues received by ENAIRE (AENA);
- 0.13 €, or -0.2% relating to costs for services to exempted VFR; and
- +1.50 €, or +2.4% relating to other adjustments charged in 2014 from previous years.

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en-route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The AUC-U for airspace users in 2014 for **Spain Canarias** is 67.54 € +8.6% higher than the nominal DUR (62.17 €). The deduction of costs for services to exempted VFR and for other revenues are as above in section 8.

All other adjustments generated from activities in 2014 are:

- 0.18 €, or -0.3% for the inflation adjustment;
- +8.93 €, or +14.4% for the traffic risk sharing adjustment;
- +2.21 €, or +3.6% for an adjustment reflecting the difference in traffic for costs not subject to traffic risk sharing; and
- 0.29 €, or -0.5% for costs exempt from cost sharing.

SPAIN CONTINENTAL & SPAIN CANARIAS

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula (MTOW/50) ⁿ		0.9	0.9	0.9	0.9	0.9
Number of airports in terminal charging zone		12	12	12	12	12
of which, number of airports over 50 000 movements		11	11	11	11	11
SPAIN CONTINENTAL & SPAIN CANARIAS - Data from RP1 national performance						
	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	296 699 042	207 969 277	197 696 761	182 534 898	170 362 749	169 074 168
Inflation index (100 in 2009)	100.0	102.0	104.7	106.3	107.8	109.4
Real terminal ANS costs - (in EUR2009)	296 699 042	203 806 207	188 837 112	171 722 217	158 106 620	154 564 453
SPAIN CONTINENTAL & SPAIN CANARIAS - Actual data from June 2015						
	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)	296 699 042	207 969 277	193 055 354	171 334 877	145 953 159	140 729 381
Inflation index (100 in 2009)	100.0	102.0	105.2	107.7	109.3	109.1
Real terminal ANS costs - (in EUR2009)	296 699 042	203 806 207	183 502 257	159 039 639	133 477 192	128 957 854
Total terminal service units	953 954	966 720	1 008 085	935 578	890 486	941 847
Actual real unit costs - (in EUR2009)	311.0	210.8	182.0	170.0	149.9	136.9
Unit rate applied - (in EUR)				17.12	17.12	17.12
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value			-11 200 021	-24 409 590	-28 344 787
	in%			-6.1%	-14.3%	-16.8%
Inflation index (100 in 2009)	in p.p.			1.4 p.p.	1.6 p.p.	-0.3 p.p.
Real terminal ANS costs - (in EUR2009)	in value			-12 682 578	-24 629 428	-25 606 599
	in%			-7.4%	-15.6%	-16.6%
11. - General conclusions on the Terminal ANS costs and unit rates monitoring						
The terminal charging zone in Spain comprises twelve airports, of which eleven have over 50,000 movements per year. There has been no change to the terminal charging zone as compared to the NPP.						
The terminal service unit formula (MTOW/50) ⁿ 0.9 is applied, which is not harmonised with the SES formula using the 0.7 exponent.						
Actual terminal ANS costs in 2014 are 129.0 M€2009, -16.6%, or -25.6 M€2009 lower than planned in the NPP. This difference is of a similar magnitude to that seen in the en-route costs (actual en-route costs were -14.0% lower than planned across both Spain Continental and Spain Canarias charging zones in real terms).						
RP1 summary						
When considering the whole of RP1 (2012-2014), actual terminal ANS costs are -13.0% lower in real terms (or some -62.9 M€2009) than planned in the NPP. This is because terminal ANS costs were lower than planned for all years of RP1.						
12. - Monitoring of gate-to-gate costs (2014)						
SPAIN CONTINENTAL & SPAIN CANARIAS - Data from RP1 national performance						
	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	909 773 184	759 153 481	749 846 485	763 666 574	772 399 629	761 700 489
Real terminal ANS costs - (in EUR2009)	296 699 042	203 806 207	188 837 112	171 722 217	158 106 620	154 564 453
Real gate-to-gate ANS costs - (in EUR2009)	1 206 472 226	962 959 688	938 683 597	935 388 790	930 506 250	916 264 942
Share of en-route costs in gate-to-gate ANS costs	75.4%	78.8%	79.9%	81.6%	83.0%	83.1%
SPAIN CONTINENTAL & SPAIN CANARIAS - Actual data from June 2015						
	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	909 773 184	759 167 032	715 394 068	720 327 727	668 892 050	655 107 207
Real terminal ANS costs - (in EUR2009)	296 699 042	203 806 207	183 502 257	159 039 639	133 477 192	128 957 854
Real gate-to-gate ANS costs - (in EUR2009)	1 206 472 226	962 973 239	898 896 325	879 367 365	802 369 242	784 065 061
Share of en-route costs in gate-to-gate ANS costs	75.4%	78.8%	79.6%	81.9%	83.4%	83.6%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)						
				2012	2013	2014
Real en-route costs - (in EUR2009)	in value			-43 338 847	-103 507 579	-106 593 283
	in %			-5.7%	-13.4%	-14.0%
Real terminal ANS costs - (in EUR2009)	in value			-12 682 578	-24 629 428	-25 606 599
	in %			-7.4%	-15.6%	-16.6%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-56 021 425	-128 137 008	-132 199 881
	in %			-6.0%	-13.8%	-14.4%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			0.3 p.p.	0.4 p.p.	0.4 p.p.
13. - General conclusions on the gate-to-gate ANS costs						
In 2014, Spain's actual gate-to-gate ANS costs (784.1 M€2009) are -14.4% lower than planned in the NPP (916.3 M€2009). This difference is driven by lower actual costs than planned in both en-route and terminal ANS costs of similar proportions.						
The relative share of en-route costs in gate-to-gate ANS costs (83.6%) is marginally higher than planned in the NPP (83.1%) in 2014. Since 2011, the share of en-route costs in gate-to-gate ANS costs increased from 79.6% to 83.5%. This increase is in line with the NPP.						



Performance Review Body
designated by
the European Commission



PRB Annual Monitoring Report 2014

United Kingdom

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UNITED KINGDOM

Monitoring of SAFETY indicators for 2014

Effectiveness of Safety Management																					
	2012	2013	2014	State level Observations																	
State level	84	80	86																		
ANSP [NATS NERL]	84	84	83																		
ANSP [NATS NSL]	84	84	83																		
ANSP [Newcastle Airport]	62	66	76																		
ANSP [East Midlands Airport]	73	82	80																		
<p>Number of questions</p> <p>Legend: ■ Self-assessment, ■ EASA verification</p> <table border="1"> <caption>Data for Effectiveness of Safety Management Bar Chart</caption> <thead> <tr> <th>Control Objective</th> <th>Self-assessment</th> <th>EASA verification</th> </tr> </thead> <tbody> <tr> <td>CO1</td> <td>16</td> <td>16</td> </tr> <tr> <td>CO2</td> <td>4</td> <td>4</td> </tr> <tr> <td>CO3</td> <td>9</td> <td>9</td> </tr> <tr> <td>CO4</td> <td>4</td> <td>4</td> </tr> </tbody> </table>							Control Objective	Self-assessment	EASA verification	CO1	16	16	CO2	4	4	CO3	9	9	CO4	4	4
Control Objective	Self-assessment	EASA verification																			
CO1	16	16																			
CO2	4	4																			
CO3	9	9																			
CO4	4	4																			
Application of the severity classification of the Risk Analysis Tool (RAT)																					
		2012		2013		2014															
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)														
Separation Minima Infringements (SMIs)	ATM Ground	304	24%	289	100%	302	100%														
	ATM Overall		24%		100%		100%														
Runway Incursions (RIs)	ATM Ground	210	6%	162	100%	195	100%														
	ATM Overall		6%		100%		100%														
ATM Specific Occurrences (ATM-Specific)	ATM Overall	318	15%	209	100%	217	100%														
Source of RAT data:		UK CAA																			
Just culture																					
Number of questions answered with Yes or No		State																			
		2012		2013		2014															
		YES	NO	YES	NO	YES	NO														
Policy and its implementation		8	2	7	3	6	3														
Legal/Judiciary		7	1	7	1	7	0														
Occurrence reporting and Investigation		2	0	2	0	2	0														
TOTAL		17	3	16	4	15	3														
Number of questions answered with Yes or No		ANSP [NATS NERL]																			
		2012		2013		2014															
		YES	NO	YES	NO	YES	NO														
Policy and its implementation		11	2	11	2	12	1														
Legal/Judiciary		2	1	2	1	3	0														
Occurrence reporting and Investigation		7	1	7	1	8	0														
TOTAL		20	4	20	4	23	1														

Number of questions answered with Yes or No	ANSP [NATS NSL]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	11	2	11	2	12	1
Legal/Judiciary	2	1	2	1	3	0
Occurrence reporting and Investigation	7	1	7	1	8	0
TOTAL	20	4	20	4	23	1

Number of questions answered with Yes or No	ANSP [Newcastle Airport]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	5	8	4	9	7	6
Legal/Judiciary	3	0	2	1	2	1
Occurrence reporting and Investigation	1	7	2	6	3	5
TOTAL	9	15	8	16	12	12

Number of questions answered with Yes or No	ANSP [East Midlands Airport]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	4	9	8	5	8	5
Legal/Judiciary	1	2	2	1	2	1
Occurrence reporting and Investigation	2	6	3	5	3	5
TOTAL	7	17	13	11	13	11

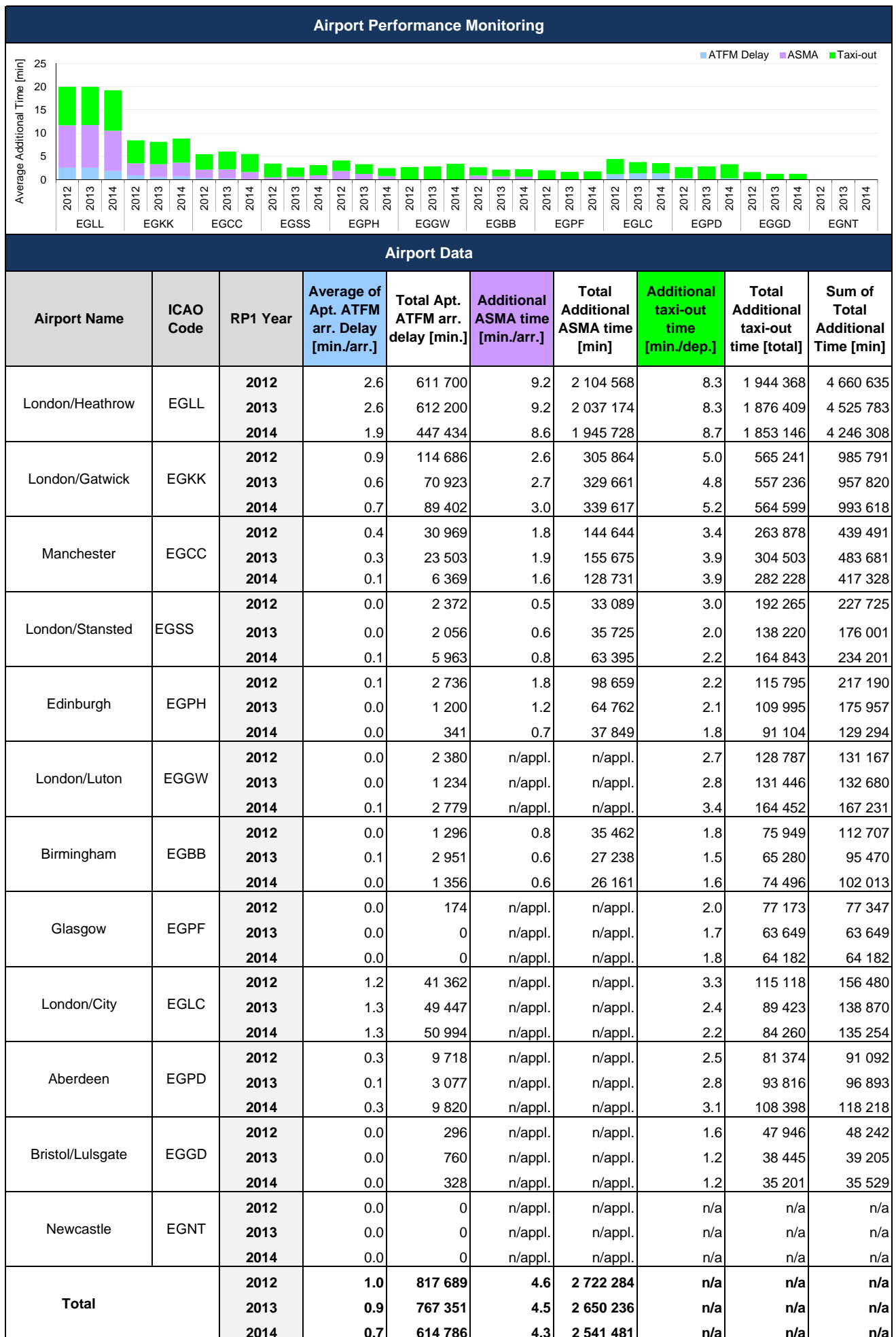
UNITED KINGDOM

Monitoring of CAPACITY indicators for 2014

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.31	0.28	0.27	
National Target	0.31	0.26	0.26	
Actual performance	0.07	0.13	0.06	
National capacity assessment				
<p>For the KPIs where targets are set in the UK RP1 National Performance Plan, actual performance in 2014 has been in line or better than planned.</p> <p>The UK capacity KPI as well as additional capacity PIs/incentives exceeded. The UK has outperformed the total ANS costs in real terms and the real unit cost. Actual performance was broadly in line with planned performance in 2014 and did not require any NSA intervention.</p>				
PRB Capacity assessment				
<p>The United Kingdom surpassed the target for capacity performance in 2014, as it did in 2013 and 2012. The level of capacity performance was also consistent with the level required to meet the EU-wide target of 0.5 minutes per flight in 2014.</p>				
Effective booking procedures				
<p>The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 40%</p> <p>The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 21%</p> <p>The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 39%</p>				
Recommendations				

UNITED KINGDOM

Monitoring of CAPACITY indicators for 2014



	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Absolute Difference	2014-2013	▲ -0.2	▲ -152 565	▲ -0.2	▲ -108 756	n/a	n/a	n/a
	2014-2012	▲ -0.3	▲ -202 903	▲ -0.3	▲ -180 804	n/a	n/a	n/a
Critical Issues								
<ul style="list-style-type: none"> Data quality issue (AOBT), and missing departure stand missing for 30% of the flights at Newcastle airport. 								
Specific Analysis								
<ul style="list-style-type: none"> In average over RP1, ATFM arrival delay decreased by 25% in the UK. Additional ASMA time was also reduced by 7%. The average for additional taxi-out time could not be calculated due to missing data at Newcastle airport. London Heathrow and Gatwick are undoubtedly the most critical airports in the UK. It is to be noted that, although it remains an outlier in terms of performance, the situation significantly improved at London Heathrow over RP1 period of time. ATFM arrival delay was reduced by 37%, whilst additional ASMA and taxi-out times were improved respectively by 8 and 5% (for a traffic decreased by 4%). Additional ASMA and taxi-out times however remain well above the European average. Further analysis of London Heathrow airport performance showed the following: <ul style="list-style-type: none"> London Heathrow had by far the highest impact on the European network with 31% of total additional ASMA time and 13% of total airport arrival ATFM delays in 2014. The high level of additional ASMA time at London Heathrow is mainly due to a deliberate decision taken during the airport scheduling process to minimize the buffer between declared and operational capacity, due to the high economic value of an airport slot at London Heathrow. The schedule intensity is very high with continuous arrivals and take-offs throughout the day making the airport one of the busiest two-runway airports worldwide. The cross border arrival management (XMAN) project was set up for major arrival flows into London Heathrow airport in March 2014. The neighbouring ANSPs (DSNA, IAA, MUAC) were asked to slow down aircraft up to 350 miles away from London to help minimising local holding delays at London Heathrow by two minutes by the end of 2014. This project aims at absorbing some of the stack holding times and improving fuel efficient in the en-route phase. Time-based separation, planned to be operational at London Heathrow in spring 2015, aims at reducing the negative impact of headwinds at the airport, and consequently improving inbound traffic operations efficiency during RP2. ATFM delay was reduced at Gatwick airport (-28%). 								

UNITED KINGDOM

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

1. - Contextual economic information

- UNITED KINGDOM represents 11.6% of the SES en-route ANS determined costs in 2014.
- ATSP : NATS (Continental)
- FAB : UK-Ireland
- National currency: GBP
- Exchange rate 2009: 1 EUR= 0.890647
- Note on the actual exchange rate 2014
In 2014, the GBP appreciated by 5.1% compared to 2013.
- * See Note 1

Share of en-route and terminal in gate-to-gate ANS actual costs

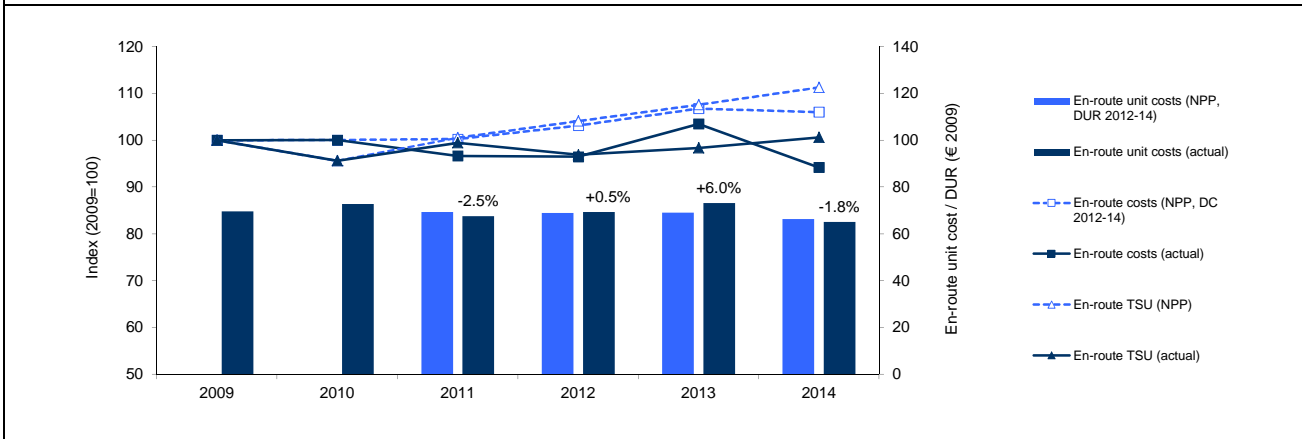
■ En-route
■ TNC

2. - En-route DUR monitoring (2014)

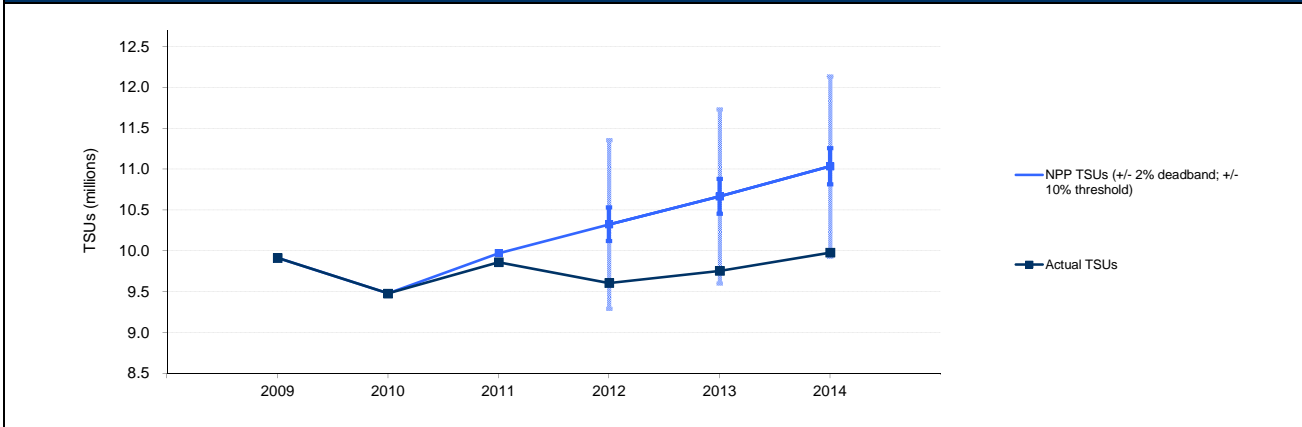
UNITED KINGDOM - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal GBP)	614 961 027	635 819 000	653 245 588	683 622 576	720 239 536	728 678 295
Inflation %		3.3%	2.5%	1.7%	1.8%	1.9%
Inflation index (100 in 2009)	100.0	103.3	106.0	107.8	109.7	111.7
Real en-route costs (determined costs 2012-2014) - (in GBP2009)	614 961 027	615 272 884	616 521 390	634 383 429	656 811 034	652 161 188
Total en-route Service Units	9 914 403	9 480 262	9 971 189	10 324 932	10 667 227	11 034 647
Real en-route unit costs per Service Units - (in GBP2009)	62.03	64.90	61.83	61.44	61.57	59.10
Real en-route unit costs per Service Units - (in EUR2009)	69.64	72.87	69.42	68.99	69.13	66.36

UNITED KINGDOM - Actual data from Jun-2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal GBP)	614 961 027	635 819 108	641 778 915	658 740 665	724 832 527	669 901 156
Inflation %		3.3%	4.5%	2.8%	2.6%	1.5%
Inflation index (100 in 2009)	100.0	103.3	108.0	111.0	113.9	115.6
Real en-route costs - (in GBP2009)	614 961 027	615 272 988	594 296 850	593 388 797	636 378 036	579 458 306
Total en-route Service Units	9 914 403	9 480 262	9 860 804	9 607 878	9 754 933	9 979 403
Real en-route unit costs per Service Units - (in GBP2009)	62.03	64.90	60.27	61.76	65.24	58.07
Real en-route unit costs per Service Units - (in EUR2009)	69.64	72.87	67.67	69.34	73.25	65.19

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
En-route costs - (in nominal GBP)	in value	-24 881 910	4 592 990	-58 777 140
	in %	-3.6%	0.6%	-8.1%
Inflation %	in p.p.	1.1 p.p.	0.8 p.p.	-0.4 p.p.
Inflation index (100 in 2009)	in p.p.	3.3 p.p.	4.2 p.p.	3.9 p.p.
Real en-route costs - (in GBP2009)	in value	-40 994 632	-20 432 998	-72 702 882
	in %	-6.5%	-3.1%	-11.1%
Total en-route Service Units	in value	-717 054	-912 294	-1 055 244
	in %	-6.9%	-8.6%	-9.6%
Real en-route unit costs per Service Units - (in GBP2009)	in value	0.32	3.66	-1.04
	in %	0.5%	6.0%	-1.8%
Real en-route unit costs per Service Units - (in EUR2009)	in value	0.36	4.11	-1.16
	in %	0.5%	6.0%	-1.8%



3. - En-route traffic monitoring (Actual 2012-2014 TSU compared to NPP)



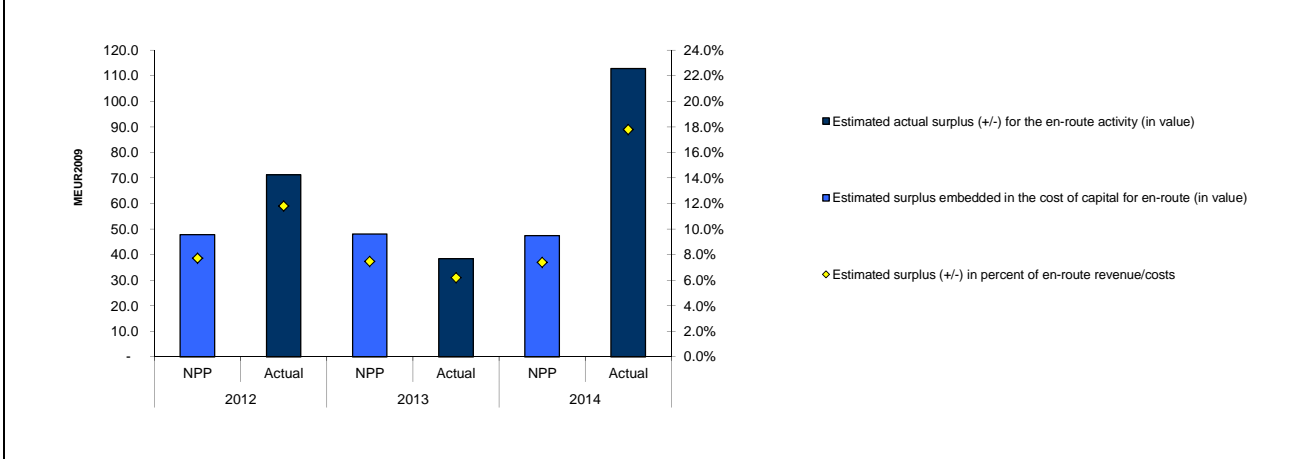
UNITED KINGDOM

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

4. - En-route costs monitoring (2014 actuals compared to NPP)		
By entity at State level 		Costs exempted from cost sharing (by factor/item) Pension: 15 102 Interest rates on loans: - National taxation law: - New cost item required by law: - International agreements: -2 752 Costs exempted from cost sharing (by entity) ATSP: 15 102 Other ANSP: - METSP: - NSA/EUROCONTROL: -2 752 Total costs exempted from cost sharing to be recovered from (+)/reimbursed to (-) users if eligible after EC verification 12 351
By nature at ATSP level 		

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2014		
Cost sharing ('000€2009) Determined costs for the ATSP (NPP): 640 583 Actual costs for the ATSP: 566 533 Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP : 74 051 Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users: 15 102 Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing : 89 153		
Traffic risk sharing ('000€2009) Difference in total service units (actual vs NPP) : -9.56% Determined costs after deduction of costs for exempted VFR flights: 619 110 ATSP gain (traffic between 0 and +2% higher than NPP): - ATSP gain (traffic between +2% and +10% higher than NPP): - ATSP loss (traffic between 0 and -2% below NPP): -12 382 ATSP loss (traffic between -2% and -10% below NPP): -14 047 Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing : -26 429		
Incentives ('000€2009) ATSP bonus (+) / penalty (-): 5 542 Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives : 5 542		
Net ATSP gain(+)/loss(-) on en-route activity : 68 265		
Net ATSP gain(+)/loss(-) on en-route activity : 68 265		

6. - En-route ATSP estimated surplus*						
*This calculation of the economic surplus retained by the ATSP is based on the determined RoE and on the information provided in the Reporting Tables. This is different from the accounting profit/loss reported in the Profit & Loss accounts of the ATSP.						
ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	1 034 824	1 016 752	1 042 024	993 331	1 026 584	963 537
Estimated proportion of financing through equity (in %)	40.0%	40.2%	40.0%	39.9%	40.0%	40.1%
Estimated proportion of financing through equity (in value)	413 843	408 744	416 706	396 833	410 554	386 141
Estimated proportion of financing through debt (in %)	60.0%	59.8%	60.0%	60.1%	60.0%	59.9%
Estimated proportion of financing through debt (in value)	620 982	608 007	625 318	596 498	616 030	577 396
Cost of capital pre-tax (in value)	69 989	68 936	70 474	67 149	69 432	65 231
Average interest on debt (in %)	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%
Interest on debt (in value)	22 231	21 767	22 386	21 355	22 054	20 671
Determined RoE pre-tax rate (in %)	11.5%	11.5%	11.5%	11.5%	11.5%	11.5%
Estimated surplus embedded in the cost of capital for en-route (in value)	47 757	47 169	48 088	45 795	47 378	44 561
Net ATSP gain(+)/loss(-) on en-route activity *See Note 3		24 012		-7 380		68 265
Overall estimated surplus (+/-) for the en-route activity	47 757	71 181	48 088	38 415	47 378	112 826
Revenue/costs for the en-route activity	618 268	603 228	645 146	619 542	640 583	634 798
Estimated surplus (+/-) in percent of en-route revenue/costs	7.7%	11.8%	7.5%	6.2%	7.4%	17.8%
Estimated ex-post RoE pre-tax rate (in %)	11.5%	17.4%	11.5%	9.7%	11.5%	29.2%



UNITED KINGDOM

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

7. - General conclusions on the monitoring of the 2014 en-route DUR

Notes on information provided by UNITED KINGDOM

Note 1: Exchange rate of the British Pound against the Euro

Between 2013 and 2014, the British Pound appreciated by 5.1% against the Euro. This issue does not affect the monitoring analysis provided in this document since the UK financial data expressed in Pounds (both actual and determined costs) are converted into Euros using the actual 2009 exchange rate.

Note 2: UK Determined Costs

The Determined Costs (DCs) provided by the UK in the Reporting Tables submitted in the context of the June 2015 session of the Enlarged Committee for Route Charges slightly differ from the information reported in the NPP for the years 2013 and 2014. This difference is due to the fact that the DCs of the MET Service Provider (UK MET Office) were still under discussion at the time of adoption of the NPP and have subsequently been revised downwards. In order to pass through the benefits of the reduction in determined MET costs to airspace users as quickly as possible, the UK has applied the revised costs to the 2013 and 2014 unit rates. The 2014 Monitoring Report uses the revised figures.

Note 3: Costs exempt from cost sharing

The UK has adjusted the costs exempt from cost sharing (formerly "uncontrollable costs") for the years 2012 and 2013 following the EC recommendation communicated during the Single Sky Committee 55 meeting held on 14-15 January 2015. For this reason, the net ATSP gain/loss for the en-route activity reported in this document for 2012 and 2013 differs from the information published in the PRB 2013 Monitoring Report. The 2013 Monitoring Report included costs exempt related to NERL pension costs for 2012 (-3.1 M€2009) and 2013 (+2.1 M€2009). There are now no NERL costs exempt reported for 2012 and 2013 and a figure of +15.1 M€2009 is reported for 2014.

At State / Charging Area level

In 2014, UK's real en-route unit cost (65.19 €2009) is -1.8% lower than planned in the NPP (66.36 €2009). This difference is due to the fact that actual en-route costs are -11.1% (-81.6 M€2009) lower than planned in real terms, while the actual number of total service units (TSUs) is -9.6% lower than planned. The difference between the actual and the planned TSUs for the year 2014 falls outside the ± 2% dead band foreseen in the traffic risk sharing mechanism, although it does not exceed the -10% threshold. The related loss is therefore shared between the airspace users and the ATSP.

Actual 2014 costs vs. NPP

The UK en-route cost-base includes costs relating to: the en-route ATSP (NERL), the MET service provider (MET office), the UK NSA (CAA), the UK Department for Transport (DfT) and the EUROCONTROL Agency. The costs related to the CAA and DfT are included under NSA costs for charging purposes.

In 2014, actual en-route costs for UK are -11.1% lower than planned in real terms, resulting from a combination of lower en-route costs in nominal terms (-8.1%) and a higher inflation index (+3.9 p.p.). While costs are lower than planned for all entities, the cost savings are mostly attributable to NERL (-11.6% in real terms, -74.1 M€2009). A detailed analysis of NERL's costs is provided in the box below. The costs associated with the CAA/DfT/EUROCONTROL are -10.3% lower planned, equivalent to -6.5 M€2009 in absolute terms. According to the Additional Information provided with the June 2015 en-route Reporting Tables this is due to lower staff costs as well as lower other operating costs as the CAA introduced a new pay and grading structure and optimised the staff organisation. Costs for the MET Office are also -3.6% lower than planned, equivalent to -1.0 M€2009 in absolute terms due mainly to lower salary costs.

Costs exempt from cost sharing are reported for an amount of 12.4 M€2009 (+15.1 M€2009 due to higher NERL pensions costs and -2.8 M€2009 due to lower EUROCONTROL costs). The higher than planned pension costs for NERL relate to NERL's defined benefit scheme, reflecting the difference between planned and actual market conditions. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

RP1 summary

When considering the whole of RP1 (2012-2014) the actual number of TSUs is -8.4% lower than planned. Actual costs in real terms are -6.9% lower than the determined costs (some -150.6 M€2009), due predominantly to lower than planned costs in 2014, which cumulate with previous years' savings. As a result, the weighted average unit cost over RP1 (69.23 €2009) is +1.6% higher than planned.

At ATSP level

Actual 2014 NERL costs vs. NPP

NERL 2014 actual en-route costs are -11.6% lower than planned in real terms, resulting from lower than planned costs in all categories.

Staff costs are -13.4% below planned, or -35.1 M€2009 in absolute terms, as a result of pay restraint as well as a reduction in staff numbers following NERL's voluntary redundancy programme. The actual staff costs reported by NERL for the year 2014 do not include the accounting pension contributions as reported under IFRS but comprise regulatory pension allowances. According to the Additional Information to the June 2015 en-route Reporting Tables the regulatory allowance for 2014/15 is 74.7 M€ compared to an accounting cost of 66.7 M€.

Other operating costs are -20.3% below planned, or -28.2 M€2009 in absolute terms due to continued supply chain savings, a reduction in training costs and lower non-capitalisable expenditure on investment projects.

Depreciation costs are -4.0% below planned, or -6.4 M€2009 in absolute terms due to changes in the timing of investment projects. According to the Additional Information provided with the June 2015 en-route Reporting Tables the total actual capex during RP1 (363.7 M€) is -11.7% lower than planned in the NPP (411.7 M€).

As for the staff costs, the actual depreciation costs provided for NERL comprise the regulatory depreciation allowances which differ from the accounting depreciation costs. According to the Additional Information provided with the June 2015 en-route Reporting Tables the regulatory allowance for 2014/15 is 185.2 M€ compared to an accounting cost of 99.5 M€.

The cost of capital is -6.0% lower than planned, or -4.2 M€2009 in absolute terms. This difference reflects the use of a lower asset base (-6.1%) to compute the actual cost of capital for NERL. In addition to fixed assets, the regulated asset base (RAB) includes working capital and capitalised finance costs as well as adjustments for pension pass through and the rolling incentive mechanism. The RAB is also indexed to inflation.

NERL net gain/loss and estimated surplus on en-route activity in 2014

As shown in item 5, the en-route activity for the year 2014 generated a net gain of +68.3 M€2009 for NERL. This is the combination of three separate elements:

- a gain of +89.2 M€2009 for NERL as a result of the cost-sharing mechanism, taking into account the costs exempt from cost sharing as submitted in the Reporting Tables (+15.1 M€2009);
- a loss of -26.4 M€2009 as a result of the traffic risk sharing mechanism for 2014; and,
- a gain of +5.5 M€2009, corresponding to the bonus of 5.7 M€ (nominal terms) eligible for payment to NERL as part of the incentive mechanism associated with the quality of service performance and following out performance of the delay target in 2014. According to NATS 2014/15 Annual Report, the service incentive of 5.7 M€ takes into account the system failure that occurred on 12 December 2014. In absence of this technical failure, the amount of the bonus would have been 0.5 M€ higher.

To calculate the overall economic surplus of the ATSP, it is also important to add the surplus embedded in the cost of capital through the return on equity. Based on the figures planned in the NPP, the return on equity amounted to 47.4 M€2009, corresponding to an estimated surplus of 7.4% of the en-route costs/revenues for 2014. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+44.6 M€2009) and the net gain from the en-route activity in 2014 (+68.3 M€2009), gives a total of +112.8 M€2009, corresponding to 17.8% of the 2014 en-route revenue. The resulting ex-post rate of return on equity for 2014 is 29.2% (compared to 11.5% planned in the NPP).

For the calculation of the cost of capital NERL uses an inflation-adjusted regulated asset base and a real RoE and rate of interest on debt. This means that the determined and ex-post rates of return on equity are in real terms.

Conclusions

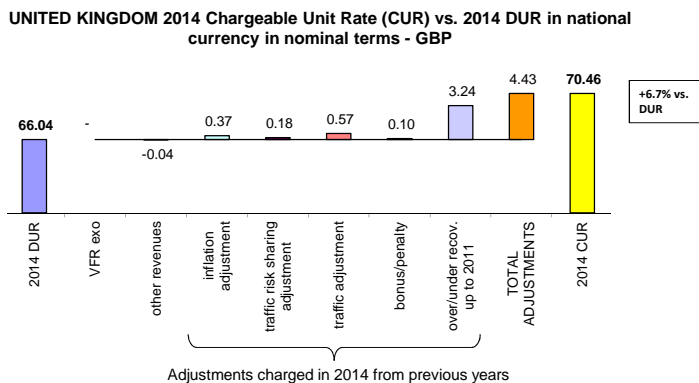
In 2014 NERL's actual en-route costs are lower than planned (-11.6%, or -74.1 M€2009 in absolute terms) while traffic is -9.6% lower than foreseen in the NPP. The en-route activity for the year 2014 generated a net gain of +68.3 M€2009 for NERL which resulted in an estimated actual surplus of 112.8 M€2009 (17.8% of the en-route revenue for 2014, up from the 7.4% planned in the NPP). Excluding the 15.1 M€2009 submitted as costs exempt the estimated surplus is 97.7 M€2009 (15.8% of the en-route revenue for 2014).

When considering the whole of RP1 (2012-2014), NERL could retain a cumulative gain in respect of cost sharing of +146.4 M€2009 notably due to lower than planned costs in 2014 (-89.2 M€2009). NERL also incurred a cumulative loss in respect of traffic risk sharing amounting to -72.0 M€2009, as traffic remained below the forecast for all years of RP1 (-6.9% in 2012, -8.6% in 2013 and -9.6% in 2014). These two effects resulted in a cumulative net gain for the en-route activity of +84.9 M€2009.

UNITED KINGDOM

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

8. - En-route DUR 2014 vs. 2014 unit rate charged to users



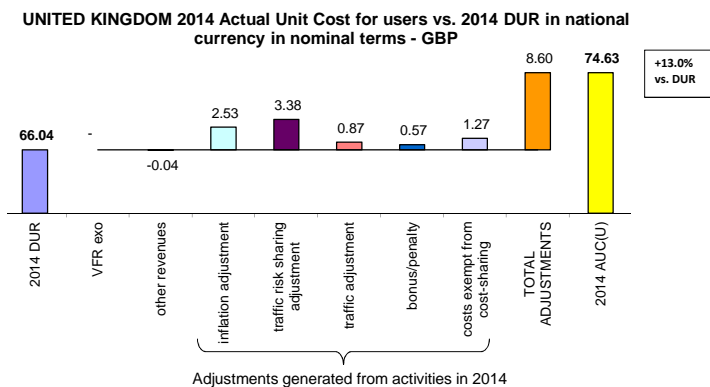
The DUR for 2014 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2014 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2014, as determined prior to the reference period and a deduction of 2014 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2014**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty from previous year(s).
 - * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2014 as laid out in the performance plan.

The actual Chargeable Unit Rate (CUR) charged to users in 2014 is 70.46 £. This is +6.7% higher than the nominal DUR (66.04 £). The difference observed between these two figures (+4.43 £) reflects predominantly the adjustment for under recoveries prior to the start of RP1 (+3.24 £) due to a loss from traffic risk sharing in 2010. There are also positive adjustments due to higher inflation than planned (+0.37 £) and lower traffic than planned in 2012: traffic risk sharing adjustment (+0.18 £) and traffic adjustment for costs exempt from traffic risk sharing (+0.57 £). Additional items relate to the incentive payment adjustment from previous years (+0.10 £) and other revenues related to the CAA/DfT (-0.04 £).

9. - En-route DUR 2014 vs. 2014 actual unit cost for users



The DUR for 2014 expressed in nominal terms can also be compared to the actual en-route unit cost for airspace users (AUC-U) for 2014 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2014. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2014 and the deduction of 2014 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2014 but which will be charged or reimbursed to users in future years**. These adjustments include:
 - * the inflation adjustment;
 - * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
 - * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
 - * the bonus/penalty for the current year;
 - * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by **the actual total service units** in 2014.

The unit cost that the users incurred in respect of the activities performed in 2014 is 74.63 £. This is +13.0% higher than the nominal DUR (66.04 £). The difference observed between these two figures (+8.60 £) reflects a combination of positive adjustments due to higher inflation than planned (+2.53 £) and lower traffic than planned: traffic risk sharing adjustment (+3.38 £) and relating to the traffic adjustment for costs exempt from traffic risk sharing (+0.87 £). Additional positive adjustments relate to the bonus in the year (+0.57 £) and the costs exempt from cost sharing (+1.27 £). The negative adjustment is related to other revenues (-0.04 £).

UNITED KINGDOM

Monitoring of en-route and terminal COST-EFFICIENCY for 2014

10. - Terminal costs and unit rates monitoring (2014)						
	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula						
Number of airports in terminal charging zones Zone A	10	10	9	9	9	9
of which, number of airports over 50 000 movements	9	9	9	9	9	9
Number of airports in terminal charging zones Zone B	4	4	4	4	4	4
of which, number of airports over 50 000 movements	4	4	4	4	4	4
UNITED KINGDOM - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in GBP)	136 840 188	138 349 000	141 025 000	143 959 593	148 462 679	153 777 405
Inflation index (100 in 2009)	100.0	103.3	106.0	107.8	109.7	111.7
Real terminal ANS costs - (in GBP2009)	136 840 188	133 878 334	133 096 848	133 590 644	135 388 188	137 629 536
Real terminal ANS costs - (in EUR2009)	153 641 328	150 315 819	149 438 384	149 992 807	152 011 053	154 527 591
UNITED KINGDOM - Actual data from June 2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in GBP)	136 840 188	130 232 458	126 651 472	129 685 562	134 742 205	136 399 545
Inflation index (100 in 2009)	100.0	103.3	108.0	111.0	113.9	115.6
Real terminal ANS costs - (in GBP2009)	136 840 188	126 024 073	117 281 152	116 819 811	118 299 023	117 984 345
Real terminal ANS costs - (in EUR2009)	153 641 328	141 497 218	131 680 848	131 162 863	132 823 692	132 470 378
Total terminal service units						
Actual real unit costs - (in GBP2009)						
Unit rate applied - (in GBP) - Charging zone Zone A						
Unit rate applied - (in GBP) - Charging zone Zone B						
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
Terminal ANS costs for the charging zones - (in GBP)	in value			-14 274 031	-13 720 475	-17 377 861
	in%			-9.9%	-9.2%	-11.3%
Inflation index (100 in 2009)	in p.p.			3.3 p.p.	4.2 p.p.	3.9 p.p.
Real terminal ANS costs - (in GBP2009)	in value			-16 770 833	-17 089 166	-19 645 191
	in%			-12.6%	-12.6%	-14.3%
Real terminal ANS costs - (in EUR2009)	in value			-18 829 944	-19 187 361	-22 057 213
	in%			-12.6%	-12.6%	-14.3%

11. - General conclusions on the Terminal ANS costs and unit rates monitoring

In RP1, costs relating to the London approach service charge are captured in neither the en-route ANS cost monitoring nor in the terminal ANS cost monitoring.

In 2014, the two UK terminal charging zones comprise 13 airports (9 in zone A and 4 in zone B). Zone A includes airports handling between 50 000 and 150 000 commercial air transport movements per year. Zone B comprises airports with more than 150 000 commercial air transport movements per year. In the UK, terminal ANS costs are not recovered through Terminal Navigation Charges (TNC) but through revenues arising from contractual arrangements with airports operators.

The 2014 actual terminal ANS costs are -14.3% lower than planned in real terms (-22.1 M€2009). This results from the combination of lower terminal ANS costs in nominal terms (-11.3%) and a higher inflation index (+3.9 p.p.). According to the Additional Information to the terminal Reporting Tables, both Zones made savings on staff costs, including through lower pensions costs, and on non-staff and overhead costs. For Zone B, savings were made on operational asset and property services, although these were offset by some one-off restructuring costs.

RP1 summary

When considering the whole of RP1 (2012-2014), actual terminal ANS costs are -13.2% lower in real terms (or some -60.1 M€2009) than planned in the NPP. This reflects the fact that terminal ANS costs in real terms are lower than planned in each year of RP1.

12. - Monitoring of gate-to-gate costs (2014)

UNITED KINGDOM - Data from RP1 national performance plan						
	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in GBP2009)	614 961 027	615 272 884	616 521 390	634 383 429	656 811 034	652 161 188
Real terminal ANS costs - (in GBP2009)	136 840 188	133 878 334	133 096 848	133 590 644	135 388 188	137 629 536
Real gate-to-gate ANS costs - (in GBP2009)	751 801 215	749 151 217	749 618 238	767 974 073	792 199 222	789 790 724
Real gate-to-gate ANS costs - (in EUR2009)	844 106 829	841 131 467	841 655 828	862 265 379	889 464 875	886 760 663
Share of en-route costs in gate-to-gate ANS costs	81.8%	82.1%	82.2%	82.6%	82.9%	82.6%
UNITED KINGDOM - Actual data from June 2015 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in GBP2009)	614 961 027	615 272 988	594 296 850	593 388 797	636 378 036	579 458 306
Real terminal ANS costs - (in GBP2009)	136 840 188	126 024 073	117 281 152	116 819 811	118 299 023	117 984 345
Real gate-to-gate ANS costs - (in GBP2009)	751 801 215	741 297 061	711 578 002	710 208 608	754 677 059	697 442 651
Real gate-to-gate ANS costs - (in EUR2009)	844 106 829	832 312 982	798 945 039	797 407 511	847 335 767	783 074 160
Share of en-route costs in gate-to-gate ANS costs	81.8%	83.0%	83.5%	83.6%	84.3%	83.1%
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				2012	2013	2014
Real en-route costs - (in GBP2009)	in value			-40 994 632	-20 432 998	-72 702 882
	in %			-6.5%	-3.1%	-11.1%
Real terminal ANS costs - (in GBP2009)	in value			-16 770 833	-17 089 166	-19 645 191
	in %			-12.6%	-12.6%	-14.3%
Real gate-to-gate ANS costs - (in GBP2009)	in value			-57 765 465	-37 522 164	-92 348 073
	in %			-7.5%	-4.7%	-11.7%
Real gate-to-gate ANS costs - (in EUR2009)	in value			-64 857 867	-42 129 108	-103 686 503
	in %			-7.5%	-4.7%	-11.7%
Share of en-route costs in gate-to-gate ANS costs	in p.p.			0.9 p.p.	1.4 p.p.	0.5 p.p.

13. - General conclusions on the gate-to-gate ANS costs

Actual 2014 gate-to-gate costs are -11.7% lower than planned in real terms due predominantly to lower en-route ANS costs (-81.6 M€2009, -11.1%) and lower terminal ANS costs (-22.1 M€2009, -14.3%).

The allocation of gate-to-gate costs between en-route ANS and terminal ANS appears quite stable over RP1 (approximately 83% share to en-route) and did not change significantly with respect to the NPP.