RP3 PRB White Paper

Stakeholder Comments

Final Report
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INTRODUCTION

In June 2016, the PRB published the PRB White Paper on RP3 Performance Objectives. This paper was the initial view of the PRB on issues affecting Performance that would need to be discussed with Stakeholders prior to formulation of clear objectives for the Reference Period Three covering 2020 to 2024. It contained 16 Performance Objectives that could be considered, and did not offer a view on which ones should be included. The paper only concentrates on what is to be done and does not assess, at the time of publication, the effects to date of the Performance Scheme and what would the likely impacts be of application. This work would need to be carried out prior to adoption.

The document has been shared with the Single Sky Committee on the 21st - 22nd of June 2016 and published to Stakeholders in draft form so that views can be sought, from which the first RP3 Options Paper can be created. This document gives an overall summary of the responses from Stakeholders along with a inclusion of all responses received by the PRB. It is intended it will be used to facilitate discussions at the workshop of the 9th November, an open PRB workshop on RP3, to give opening positions of all Stakeholders and a discussion on what is need to prove target options, what metrics could be considered, and differentiation between EU and State levels. This event is followed with a general hearing by the European Commission on RP3 target options on the 14th December 2016, which will look at the management process and overall contribution of Performance to the Single European Sky initiative.

Opportunity has been given to the different actors of the airspace to comment the White Paper before the 1st of October 2016 directly to the PRB. It is expected that in 2017 there will be a comprehensive consultation by the European Commission on target options.

The PRB has received comments from the following 13 organizations / Member States:

- Military sector
- Austria (Austrocontrol)
- United Kingdom (NATS and CAA)
- Spain (ENAIRE)
- CANSO
- The Netherlands (DGB)
- Ireland (IAA)
- FABEC
- Germany (DFS and BAF)
- France (DGAC/DTA)
- Sweden
- Norway

A summary of the different comments will be drafted in the first part of this document. The second part will be dedicated to the reproduction of the entire comments received, except for the comments of the military sector this will be introduced at the start of the event on the 9th November 2016.

COMMENTS SUMMARY

This first part is a summary of the general requests / comments of the different documents received.

Two mains sections will be developed in this summary: the first section will contain the general comments (institutional changes, national requests, etc.), while the second section will develop the ideas/comments received on the 4 KPAS.

The comments will be discussed with Stakeholders as part of the PRB workshop on the 9th November and will be incorporated into a final options paper for publication to Stakeholders. This options paper will encompass the views of Stakeholders into that of the PRB White paper on RP3.

General comments

Comments from RP1 and RP2

ENAIRE (p. 17) considers that the PRB should keep RP2 as a good starting point and that the most of the main objectives should be retained to assure continuity and stability.

The Dutch ministry (p. 56) believes that the targets of RP1, even if they have been "degraded" are still not met. Therefore, they are questioning the initial ambition level and why the gap between the actual performance and the initial ambitions is still so big. By consequence, they see the need of the acceleration of delivery as a concern as, in their view, it will widen the gap between providers and users, and it's their interactions who are essential to have a Single European Sky. In the view of NATS (p. 59) the wish to retain the original SES target of 50% reduction in unit costs is unrealistic as traffic has not grown as forecast.

In a general manner, the IAA highlights the difference between some FABS (they pointed out FABEC, as they haven't agreed on a RP2 Performance Plan, p. 125). They also regret the disparities between States and think that more efforts should be done by the States that haven't reached the targets and that the system should take account of efforts by the States which filled the targets already. In their view the system should primarily act in the biggest States where the biggest saving could be made (as it's in those States that the targets are not 'always' met). Thus, promoting a view that small service providers should not be treated equally to the biggest service providers and supporting a differentiated approach to target setting. The same idea is developed by Norway (p. 16): the fact that major countries do not contribute enough, reduces the motivation for others to perform and contribute in future reference periods.

In the same idea, The Netherlands ministry (p. 55), thinks that the performance scheme can be effective only when all actors participate actively and act responsibly but, according to their comments, it's not the case at the time being.

BAF, p. 153 appears to be much more critical: according to the German NSA, the justification for the charging regulation is not valid. They argue that to date, no one has been able to indicate convincingly an equilibrium price and performance which would occur in a functioning market and

therefore would have to be the regulatory objective. They request of fundamental change of the system to give the responsibility of the price-performance ratio in a first place back to the industry. They also would like to see a reduction of the regulatory compliance load regarding the reporting to the essential. They consider it as a constant reporting activity which should be replaced by the implementation of a central reporting point / data platform.

General comments on the White Paper

In a general manner, Austrocontrol (p. 93 of this document) draws attention the negative point of view of the PRB White Paper, especially on the role of the ANSPs. Their letter underlines the fact that positive evolutions, initiatives have been taken (COOPANS, the fact that EasyJet has reduced its navigation costs per set of 3,12%, etc.) and that those efforts also have to be taken into account. Austria has not been the only responder to address this issue (ENAIRE, p. 17, CANSO p. 76).

The Dutch ministry for Infrastructure and the Environment points out, p. 55, their concerns about the performance scheme being the correct tool for driving performance improvement they suggest it is complex, with a high degree of administrative burden.

Regarding the objectives identified in the White Paper, several entities evoke the 16 objectives. According to IAA (p. 127), 16 objectives is too ambitious, the number has to be reduced (5 or 6 sounds reasonable according to them). ENAIRE also adds that the objectives are too generic and confusing to be able to elaborate appropriate analysis and comments (p. 17).
According to the UK CAA (p. 166), the objectives are reasonable but they consider that further work may be undertaken to ensure that the proper methodology and background thinking behind the objectives has been properly undertaken. They also consider that airlines are playing a particular role in the system and would like to consider carefully if it's appropriate to include airlines under the SES objectives.
The German NSA (p. 162), regarding the 16 performance objectives think that adding new performance indicators should be done carefully as already existing indicators are to be reviewed regarding their validity and need adjustments.

The different contributors do not share the same opinion on the PRB's idea to focus on outputs instead of inputs: NATS supports the idea (p. 59) even if it has reservations due to long list of objectives and the fact that some of them do not seem to be either measurable and/or in the control of the ANSP, which is an important requirement. On the contrary, IAA (p.127) is concerned by the focus on outputs. According to their organization, it will lead to ANSP uncertainty and higher costs as well as it will reward inefficiency.

Organisation

Some of the comments points out the need to clarify the role and the responsibilities of the different institutions playing a role in general. FABEC, for example, thinks (p. 27-28) that the tasks have to be addressed at the most appropriate level (same comment can be found in the introduction of the chapter dedicated to the 4 KPAs). FABEC would see the European Commission responsible for the legislative level and the FAB/National performance/economic regulators responsible for the executive level (with the NSA approving the final performance plan).

The same idea has been developed by DFS (p. 95) and CANSO (p. 78). They even go further saying that this overlapping of responsibilities has led to poor recognition of interdependencies and local circumstances, insufficient consultation and involvement of all stakeholders in the development of performances plans, inconsistency between unit rates for 2015 and 2016, prolonged assessment of PPs by EC, putting at risk the timely execution of the PP.

According to DFS (p. 95) local economic regulatory authorities with appropriate governance structures should be established and should be given the right legal powers to execute the regulation.

ENAIRE (p. 18) would like to see a diminution of regulation. It develops the idea of a simple, transparent and straightforward scheme, with limited set of mature indicators which would remain stable over time. FABEC agrees (p. 28) with the idea of a simplification of the regulatory landscape. BAF (p. 153) would like to have a stable and predictable regulatory framework to prevent gaming and unhelpful behaviors.

In a general manner, FABEC (p. 28) thinks that the target setting and performance plan assessment processes could be improved to better acknowledge FAB/national/local requirements. CANSO (p. 79) shares the idea to set the local performance targets by the local responsibility. The Performance Plans should be informed by a strengthened local dimension and based on a stronger recognition of local circumstances.

Role of the different actors and their interactions

The Dutch ministry (p. 55) would like to a recognition of the military as part of the approach and not as a source of restrictions. According to the Dutch, the airspace users (civil and military) have to be integrated as essential stakeholders in the performance scheme. They also point out the need to balance predictability for civil users with flexibility for military users. The Norwegian CAA (p. 16) would like to see more focus on booking routes regarding the military training areas. According to them, targets should be set for RP3.

They recognize the necessity of the military airspace reservations; according to them, its unavailability does not reduce the nominal capacity of the system, but its availability increases the capacity of the system.

Regarding the promotion of the competition, NATS (p. 59) agrees in principle for the terminal Air Navigation services (TANS) but argue that this competition for the services in the en route market is not feasible, the technology does not exist yet in the en route market. On that point, ENAIRE (p. 17) argues that there is over emphasis on the cost efficiency KPA, arguing that this could be lead to inevitable consequences on the other 3 KPAs.
The UK CAA (p. 166) thinks that taking the UK TANS situation as not the most appropriate view of competition development in the UK, as it is competition in the market with the boundary being TANS services with a UK CAA local designation.

CANSO (p. 76) would like, to avoid monopolies, a clear separation between national regulators and service providers to ensure NSAs are fully independent from the entities they regulate.
The Swedish Ministry (p. 146) argues that to get more competitive markets, regulation has to be adjusted to avoid with a monopolistic marked situation.

Regarding the cooperation, IAA (p. 127) is in favor of the promotion of strategic partnerships. According to them, there is an opportunity to support strategic partnerships which are delivering SES objectives through funding and/or regulatory support. CANSO (p. 76) also agrees that collaboration between ANSPs have increased (with various actors). It adds that regulatory framework should allow ANSPs to strengthen industrial partnerships regardless whether they are related to the same FAB or to different FABs.

This view is shared by ENAIRE (p. 17) who regrets the absence of recognition of the great effort and good performance obtained by ANSPs. According to them, the White Paper does not recognize the collaboration of the ANSPs with the social partners, the civil and military airspace users, the airports and the industry which provide benefits at network level, economies of scale and quality of service.

FABEC (p. 28) asks for the recognition of stakeholders other than ANSPs, as AUs and airport operators as they have an impact in delivering performance. On that subject, Dutch ministry (p. 55) understands the arguments to take into account the contributions of different stakeholders but invokes the risk that it would add complexity to the system. Moreover, they would like to have a clear view on the relation between stakeholder groups and their contribution to a performance scheme for ANS.

The French DTA (p. 73) believes that NM is efficient and a recognized enabler for global coordination at network level. of

The Swedish Ministry (p. 164-165) would be pleased to include Eurocontrol costs and cost allocations to charging zones at EU level (more transparency) even if they do not see a way to do it.

The mechanisms

ENAIRE would like to see a strengthening of the alert mechanisms (p. 18) to ensure that appropriate performance plan revisions can be made without delay, increasing management capability at State level and to consider more accurately traffic deviations. The French DTA (p. 68) questions why alert mechanisms may not be applied before reaching 10% and why the Commission may oppose the affected NSAs to apply revised performance targets in such cases.

CANSO (p. 81) thinks that the existing alert mechanism provisions should be strengthened in order to ensure the appropriate performance plan revisions can be made without delay.

The French DTA (p. 69) would like a clarification on the harmonized traffic risk-sharing and of the definition of the uncontrollable costs as they are unclear or ill-defined in the regulation for RP1.
They also add that during RP3, an effort has to be done to avoid multiple and redundant monitoring. There should be a better coordination and a redefinition of the calendars (namely regarding safety).
The Norwegian CAA (p. 16) indicates their will of no coverage for costs in relation with increase in traffic (SU) above 10%.

Regarding the idea of a single FAB unit rate, comments are pessimist. There is a will to keep the rate at a national level (p. 17 for ENAIRE, p. 61 for NATS, p. 87 for CANSO) as, according to NATS, it could ignore the different costs of providing a service which is important to ensure that prices are

cost reflective. They also add that with a single unit rate, there will be additional administrative complexity and cost.

The local differences are developed with IAA raising the complex issue of the Brexit problem however this issue is out of scope for the development of targets at this stage as this is a complex issue (p. 128).

According to FABEC and DFS (p. 28 and p. 97), the traffic volatility has to be taken into account for the target setting of RP3 (conditional target setting taking into account the traffic shift risk or buffer in targets for unforeseen traffic shifts). For ENAIRE (p. 13), it's the traffic deviations which have to be taken into consideration (especially the deviation beyond ANSPs control) as they have impact on the accomplishment of some objectives.

On the IAA's point of view (p. 128), due to the high traffic, some investments have to be done. If ANSP increases their costs to Improve capacity, IAA thinks that RP3 must allow for full recovery of theses costs and an appropriate finance ability model to be able to finance such necessary investments.

Regarding the incentive mechanisms, ENAIRE (p. 18) thinks that they should not be established until interdependencies and accountabilities are well identified.

The Human factor

The Dutch stakeholders (p. 56) ask for recognition of the human factor and its relation to cost: the majority of current operating costs are staff costs and major restructuring will come with social costs which cannot be ignored. The French DTA (p. 63) is of the same opinion: '*it is counterproductive to deploy projects that are rejected by the personal'* (they provide the example of the social agreement they have reached but which interfered with the cost-efficiency targets).

CANSO (p. 81) would like to see an intervention of the social partners to manage the changes.
Dutch ministry adds that accelerated depreciation costs is a major restructuring item that still has to be solved.

IAA points out the strong relation between safety and the human factor that needs to be considered (p. 130)

Coherence for a real Single European Sky

ENAIRE (p. 18) insists on the fact that coherence between all SES elements (Performance Scheme, ATM Master Plan, PCP, EASA) is key to success.

Regarding the requests of SESAR (PCP), their indicators are sometimes different than the indicators in the SES performances. Therefore, several comments are going in the same direction: a better common understanding of ATM Master Plan and PCP performance impacts and expectations. FABEC ANSPs (p. 29) ask the EU Commission to ensure that there is a common understanding of ATM Master Plan and PCP performance impacts and expectations. DFS (p. 96) shares the same idea. FABEC also think that the Commission should apply implementing regulations of common projects based on fully validated technologies and solutions.

Dutch ministry (p. 56) thinks that performance is not a standalone issue within the SES context (FAB, Network Manager, SESAR have influence on performance) and asks two key questions regarding the major role of SESAR deployment during RP3:

> 1) ask for a clear and realistic view of the impact of SESAR deployment on performance areas within the RP3 timeframe;
>
> 2) how the performance scheme can help drive SESAR deployment by setting the right objectives and applying the right incentives.

CANSO points out the lack of coherence and transparency in the performance focus due to the multiple legislative acts and regulatory instruments (p. 77). To solve the problem, CANSO proposes a clearer read-across between "aspirational" performance expectations in ATM Master Plan / PCP and the "binding" nature of targets in the Performance Scheme to establish a clear coherence.

BAF (p. 152) is critical regarding the ATM Master Plan and SESAR Deployment as part of the 3rd pillar of the SES requirements. According to them, the Deployment Manager has evolved from a management instrument to a machinery for the distribution of public funds.

To gain efficiency improvements, the German NSA (p. 156) would like to see a stronger cooperation between the EU and Eurocontrol with a consideration of each others competences and skills as it would eliminate duplication and conflicting strategies.

The 4 KPAs

Several entities ask for more details on the interdependencies of the 4 KPAs and agree that an effort has to be made on that particular point. This point has also been raised during the 62nd Single Sky Committee on the 19th of October. ENAIRE (p. 18) does not only see the interdependencies between KPAs, but also with respect to different KPIs in the same areas.

According to NATS (p. 59), more authority has to be given to NSA to improve interdependencies between the KPAs (this point of view is shared by FABEC p. 28 even if they propose to transfer the interdependency consideration to the FAB/national level as they think that it is impossible to effectively evaluate them at EU level). NATS adds that there is no methodology to take interdependencies into account in a systematic way when assessing performance plans.
Nevertheless, some States also request a specific / individual approach; all the States cannot be considered the same way, local specificities have to be taken into account. The "one size fits all" approach has been often mentioned in the received comments (Dutch ministry p. 57, CANSO p. 78, The French DGCA p. 66, UK p. 59, German NSA, p. 154). The Dutch stakeholders ask to review the approach for translating EU-wide targets to local targets.

The FABEC ANSP (p.28) would like to see a simplification of the regulatory framework: maintain the 4 KPAs but to limit the KPIs number to reduce complexity and to ensure transparency of interdependencies. CANSO has shared the same opinion (p. 81).

ENAIRE (p. 18) also adds that the FAB approach has to be limited to the KPAs where a clear added value is established and justified (otherwise, it should remain local).

In a general manner, several entities underline the fact that there is a conflict between the reduction of the costs and the 3 others KPAs and that conflict is not recognized in the White Paper. IAA (p. 126) underlines the fact that some cost increases are necessary otherwise, the quality of service will suffer where ANSPs cannot cover their reasonable costs and make a fair margin (mainly for states/ANSP who met the targets).

The Swedish ministry (p. 164) does not want to take any position on the interdependencies as it is really complex and they want to investigate first.

Safety KPA

Safety KPA is considered by the all authors of the comments as the priority of ANSPs and EASA work is mostly welcomed even of the UK CAA (p. 166) would like to have a greater understanding of the RP3 SKPI working Group established by EASA before addressing the safety aspects if RP3 in detail. The German NSA (p. 159) would like to have a quantitative description of the safety levels as RP1 and RP2 aimed for the harmonisation of processes.

The Dutch stakeholders agree with the PRB regarding the safety KPA: the current KPIs can be closed. They suggest to develop the KPIs as leading indicators (p. 57) – according to them, incident numbers should not be considered as KPIs as they are lagging indicators. The French DTA would like to see a reduction of the capacity KPIs, 1 or at most 2 indicators per KPA is enough (p. 65).

IAA (p. 128) would like to change the absolute targets to trend based targets, with an improved focus on safety critical issues (risk based strategy monitoring trends and targeting action where necessary). They also add that it should be based on a longer term (2 reference periods).

According to CANSO (which is participating in the safety activities), the Safety KPA (p. 84) should be a "control" mechanism on the other KPAs, to ensure that requirements in any of the other KPAs do not adversely impact safety (this idea is shared by DFS on page 97). They also add that no targets should be set as a measure of performance should be sufficient. The pressure should be kept on the continuous maintenance of Safety Management System maturity (idea shared by DFS p. 98, NATS p. 60, ENAIRE p. 19).

CANSO also believe that objectives should be applied at the local State level (p. 84), and not a FAB level one (to ensure data from small ANSP are not obscured by the one of the largest one).
Contrary to the White Paper, CANSO believes that security should be considered as part of the Safety KPA where it has a direct impact on safety (in any other perspectives, Security is a state responsibility connected to sovereignty aspects – p. 85).

For IAA (p. 130), some areas should be dealt through legislation (where standards are different across SES countries).
According to DFS (p. 97), due to the high importance of the safety KPA, the investment and maintenance costs of safety projects should be excluded from the cost efficiency target (idea shared by IAA, p. 132).

Regarding the targets on lagging indicators, even if they have counterproductive effects (according to DFS p. 97, CANSO p. 84 and ENAIRE p. 19), they are considered as useful for monitoring (NATS,

p. 60). In his comments, Dutch ministry (p. 57) suggest to develop KPIs as leading indicators, based on the SMS actions required to prevent loss of separation and runway incursions, with the number of incidents monitored as PIs.

ENAIRE (p. 19) do not see the necessity of setting targets, according to them, a measure of performance would be sufficient. Moreover, they believe that the use of additional monitoring indicators should be kept to the minimum possible and their contribution to the Safety Goals should be evaluated. On the contrary, IAA (p. 129) shares the idea that the focus of safety performance needs to shift from process and rules based compliance to a risk based strategy, monitoring trends and targeting actions when necessary.

FABEC ANSPs (p. 29) support EASA to develop indicators that allow a move from the safety process/incident analyses towards key risks (show interdependencies issues).

IAA pointed out, p. 129, the fact that due to the increasing traffic levels and additional technology complexity in managing airspace, there will be a significant challenge in RP3 to maintain the safety levels.

They also develop the idea (p. 130) of the use of data submitted annually through the European Central Repository (ECR), according to them, it will ensure objective and consistent reporting.

Regarding the human factors and technology as critical safety challenges, IAA agrees with the PRB. To address this problem, RP3 should establish guidelines for managing the human-technology interface, ensuring that safety in not compromised.

The French DTA rejects the idea of an indicator based on the use of market opening for ANSP internal services (p. 65)

Environment KPA

The Dutch stakeholders agree with the focus on emissions (p. 57) but they argue that ANS do not have influence on it.

CANSO is of the opinion that the White Paper does not specifically address how the measurement of ANS environmental performance could be improved in RP3 (p. 85). CANSO (p. 86) also agrees that the vertical dimension should form part of the focus in RP3 but is should have a broader network level approach (not limited to congested airports – idea shared by NATS p. 60). They suggest that the KEA indicator should be refined in order to remove the dependencies with airspace user choices (as ENAIRE p. 19) and to incorporate the vertical flight efficiency dimension.

ENAIRE supports the KEA / KEP indicators as they measure the inefficiencies of the en-route operation but thinks that they are complex to obtain and no so helpful to derive corrective actions.

The French DTA, p. 65, (as many others: DFS p. 98, CANSO p. 86, FABEC p. 29) is of the opinion that there should be no move to bring the noise problems to the EU performance Scheme, according to them, it has to be fixed at a local level. This idea is shared by CANSO but they add that noise could be monitored without imposing targets.

According the IAA, the ANSP do not have the ability to modify the airport runway or taxi-way infrastructure and therefore, ask the PRB more details on the role of the ANSPs.

The PRB White Paper objective of reducing CO2 and NOX effects is, according to CANSO (p. 86), mixing several aspects that would potentially lead to a loss of focus. They believe that the PIs "additional time in taxi-out" and "ASMA" are useful indicators. They should be used for monitoring, not as targeted KPIs (they point out that there are still issues with their definition and the harmonization of data collection).

IAA shares the view that improvements have to be asked to the ANSPs who have not yet invested in changes and not stringent targets.

CANSO (p. 87) does not agree neither with the 7th Objective (improving the management of fragmentation through better standards management and facilitating competition in ATM). They do not consider it as an appropriate approach. Dutch ministry, believe that it's not a performance objective (p. 58) but a suitable SES objective. According to them, the focus of the performance scheme should be the performance level (outcome KPIs) to be delivered in the end, no how to get there (process KPIs).

According to IAA (p. 135) the picture is not as black and white as described in the White Paper. Good progress and cooperation has been achieved.

In a general manner, the different comments think that the focus has to be on ANS controllable flight efficiency aspects, which is not the case in the White Paper (DFS, p. 98).

Dutch ministry (p. 57) underlines the interdependencies between the environment KPA and the cost efficiency KPA. But they also argue that the routes and procedures are influences by local issues and based on local preferences and decisions. According to the, the local agreements should not be disrupted through the performance scheme.

ENAIRE (p. 19) thinks that the application of incentive schemes for the environment KPA should be avoided as the accomplishment of targets is conditioned by uncontrollable factors and stakeholders.

FABEC, on the other hand, would like to develop better-suited indicators (p. 29) and to improve the current indicators. The Swedish ministry (p. 164) supports the idea to measure the environmental efficiency through multiple targets instead of just one. According to them, it will result a better and more useful measurements.

IAA, who has already implemented the free Route Airspace, indicates (p. 132) that it should be a RP3 priority to oversee full implementation of Free Route Airspace. They also add that for ANSP which have already implemented the Free Route Airspace, the aim to reduce global emissions is unlikely, this objective should be specific to the zones with no Free Route Airspace. For the one who have already implemented it, the focus should be on maintaining the progress.
On the Free Route Airspace, Norway disagree (p. 16) as, according to them, it will aggravate the situation from an environmental point of view.

Capacity KPA

Difficulties mentioned by the entities are mainly due to the high variability and uncertainty of the traffic which would imply a greater flexibility in the Performance Scheme. IAA asks (p. 136) for the improvement of the traffic forecasting and its application in performance planning for RP3 (would see justified adjustments to traffic forecasts during the RP). According to CANSO (p. 88), the challenge to match capacity to demand still remains.

The performance planning should consist with local requirements. They regret the absence of a new, broader approach to ANS-related delays. ATFM delays is an appropriate basis in the absence of any other measures that have a robust mechanism to identify ANS-attributable delays.

ENAIRE supports the idea to maintain ATFM delays (p. 19) but would like to include the impact of traffic volatility in the process.

FABEC shares more or less the same idea (p.29) but would like to implement more suitable indicator, even if they recognize that they will not be mature for RP3.

According to Norway (p. 16), there should no be aggregated national target on ATFM arrival delay (KPI), but separate targets for respective airports.

CANSO supports the focus on Flexible Use of Airspace (p. 89) but regrets the lack of details on that subject. Dutch ministry shares that point of view (p. 58) and adds the close relationship of this objective with the environment KPA.

The Dutch stakeholders (p. 58) agree with the idea to improve the use of Special Use Airspace but request more work on the wording and intent if the objective. The Swedish Ministry (p. 165) welcome the suggestion to better handle it, as well as the Norwegian CAA (p. 16).

Regarding the interdependencies, ENAIRE points out the interdependencies with the other KPAs but also with respect to other (p. 19).

Regarding DFS (p. 98), they indicate that the current indicators (en-route and terminal) are good until a better indicator (they mention business trajectories with SESAR – idea shared with FABEC, p. 29). They also add that ASMA and additional time in taxi-out should be kept as monitoring PIs. On this point, IAA dislikes the notion that delays monitor at airport level (p. 136) Taxi-out time, ASMA are attributed to ANSPs without considering the impact of the aerodrome infrastructure, or airline operators.

ENAIRE (p. 19) thinks that incentive schemes for ANSPs should only be applied to en-route and to delay causes directly applicable to them.

DFS (p. 98) asks for the improvement of the methodology to calculate the reference values as a breakdown of EU targets.

NATS (p. 60) disagrees that there are “weak incentives on capacity”. They also add that the suggested targets are already implemented in the UK. They are sceptical; the proposed future targets as there is limited control and not always the interests of the passengers.

Dutch ministry (p. 58) do not clearly see the purpose of setting further performance objectives regarding airport capacity, according to them, it is an area where all air transport stakeholders' views are aligned.

IAA agrees with the PRB to focus on the main European bottlenecks (p. 136) but fair and objective incentives should remain for ANSPs outside of the core European region that continue to deliver low levels of delays.
On the bottlenecks, the Swedish ministry (p. 164) does not have any objection as they don't encounter any problem with the capacity KPA. Nevertheless, they underline that it's vital for them that it doesn't causes unsound competitiveness for the Swedish ANSP's when it comes to funding or investments or setting cost efficiency targets.

The IAA concludes by adding that in the context of growing traffic levels, the European Commission and PRB need to examine the impact across Europe of national and local industrial action in order to develop mechanisms by which minimum levels of service can be guaranteed (p. 137).

Cost Efficiency KPA

CANSO agrees with the White Paper on the fact that the current regulation is too much cost based (p. 90). They support the request for a lighter and more incentive based regulation (point shared by FABEC, p. 35, ENAIRE p. 20 and DFS p. 102).

BAF (p. 160) would like to conduct a discussion on the relevant indicators for the target setting. Their idea is based on a two steps approach: the first step where the efficiency target is set on the total costs and the second step the assessment of the applied traffic values takes place.

ENAIRE would like to see a better management of external factors to preserve the stability of ANSPs and thinks that the union-wide targets should not be directly transferred to local level.

CANSO regrets the fact that the White Paper does not offer clearly articulated, realistic improvement options for the Performance Scheme (p. 90).

They would have addressed the following topics:

- Lack of flexibility (better handle unexpected and large traffic changes), this has also been commented by ENAIRE (p. 20).
- The definition of the Cost Efficiency KPI should better reflect ANSP controllable costs (use different approaches for different cost components when determining the scope of the Determined Cost base and appropriate targets).
- Potential use of a total economic value as a complementary indicator (methodology must be mature – not realistic for RP3 according to them), the same point has been raised by ENAIRE (p. 20).
- Starting point for performance plan elaboration (national cost efficiency targets should be set on the basis of the ANSPS business plan). This point is shared by DFS (p. 98), FABEC (p. 30) and ENAIRE (p. 20).
- Traffic forecast issues (ANSP are not in position to influence traffic development). This point

is also shared by DFS (p. 99) and FABEC (p. 30). Therefore, they would like to see an improvement of the traffic risk-sharing model.
- Adequate handling of (EU) funds (fair sharing of incentives, taking into consideration the contributions of all involved stakeholders).

CANSO addresses (p. 90) the focus on cost reductions, which would have an impact on the KPAs, they also suggest there is a lack of clarity of definition of the 3 performance objectives of the Cost Efficiency KPA in the White Paper.

As CANSO (p. 87), FABEC (p. 30), ENAIRE (p. 20) and DFS (p. 98) think that the KPIs in this KPA should be better aligned with ANSPs controllable costs. They all agree for a further analysis of the potential use of a Total Economic Value as a complementary indicator.

ENAIRE (p. 20) would like more consideration of the local circumstances to reach a better balance between targets and results achieved in previous reference periods. They also consider as unnecessary the introduction of a target setting process on the terminal DUC.

NATS only comments one aspect of the Cost efficiency on page 61: they disagree with the PRB to measure en route costs per 100km for benchmarking. They would prefer a time element than a cost driver.

As mentioned in different other points, IAA insists on the fact that cost increases should not be taken as synonym of cost inefficiencies (p. 126).

Dutch ministry (p. 58) suggests that the objective for incentivising the deployment of technological developments to improve cost efficiency targets is relevant and important but should refer to coordinated deployment (same actions at the same time for the different states). They also point out that the vulnerability is it's 5 years' forecasts (especially for the traffic levels). Norway (p. 16) requests the opportunity to revise/update investment plans during the reference period (after NSA consultation/considerations).

The French DTA (p. 66) disagrees with the coordinated deployment principle: everything cannot be achieved together and at the same time, each stakeholder does not have the same technological level, etc.

In the same idea of revision but in a wider point of view, ENAIRE thinks (p. 20) that NSAs should have the possibility to revise performance plans with the evolution of local conditions (traffic, economy, business.

BFA (p. 162) recalls his idea of a simplification of the system. The system is already complex, adding reporting, complexity will not improve the European aviation system's performance.

CONCLUSION

The diversity in the well-argued, received comments, reflects the diversity of point of view existing within the European Union. Such diversity might be considered as a normal at this stage in

performance development as well as presenting a threat for the unity of the Single European Sky if unmanaged. Compromises amongst States remain and big challenges will be faced during RP3 where there is a view that real gains have to be made in target setting for this reference period.

The PRB White Paper will be amended to reflect stakeholder year it has never been published before and represents the concerns of the PRB that may need to be addressed as not all objectives can be. It will be modified to become an RP3 Options paper with the received comments and will also take into account the results of the debates that will occur during the PRB open Meeting, the 9th of November in Cologne.

The 16 objectives, as well as other ideas, will not all remain, some will be amended, or even deferred to respect the opinions/agreements raised during the debates.

The last speech of the current PRB Chairman, on the 14th of December, will bring the last updates for the Reference Period 3 based on the opinion of the current PRB which will see the final version of the RP3 Paper transformed into an RP3 options paper which will be used by the new PRB in 2017 to start work on the formulation of targets for the period 2020 2024.

RECEIVED COMMENTS

Comments from Norway

Received on the 3rd of September 2016
Sender: Svein J. Pedersen – Head of Section Air Navigation Services Luftfartstilynet

PRB white paper on RP3 performance objectives

Dear Sir,
Based on experiences from the first reference period (RP1) and so far in the second reference period (RP2) the Norwegian Civil Aviation Authority have concluded that the following focus areas should be specifically addressed in the preparatory work with third reference period.

1. Investments

- An effective mechanism around post-phoned investments is still missing and should be given high priority in the further work
- Investments are not documented how to provide a positive contribution to the achievement of objectives in one or more areas
- Major challenge making investment plans on 5 year basis. Based on this fact it's a need for having the opportunity to revise/update investment plans during the reference period. This after NSA consultation/considerations
- Need for a closer dialogue between service providers and airspace users regarding investment plans/changes in investment plans

2. Traffic risk sharing

- No coverage for costs in relation with increase in traffic (SU) above 10%

3. ATFM arrival delay

- _It should not be aggregated national target on ATFM arrival delay (KPI), but separate targets for respective airports (current situation is aggregated targets for the 4 biggest airports in NO)

4. FUA

- _Difficulties to utilize released airspace, i.e. needs for better systems (technical solutions)
- _Free Route Airspace (FRA) may aggravate the situation considering environment due to the operators may choose to fly most of airspace with the lowest charges. Important to provide suggestions for improvement on this area in the RP3 process.
- _More focus on booking routines regarding Military training areas, it should be set targets in for RP3 (FUA).

5. Everyone must contribute

- _Concerns that some major countries escape and does not contribute enough into the joint European achievement. This leads to reduced motivation for others to perform and contribute in future reference periods

It was held a national SES workshop in mid-September this year where airspace users were invited to participate. Achievements of targets in the first reference period and so far in second period were presented by the CAA-N.

Comments from Spain (ENAIRE)

Received on the 30th of September 2016
Sender: Javier Martinez Perez-Perez

General views on the RP3 White Paper

As an Air Navigation Service Provider, ENAIRE has been involved in the implementation of the SES Performance scheme from as early as 2010 when the regulation for the first reference period was being prepared. It is recognized that the preparation process is complex and it needs the involvement of many different stakeholders groups and in this context ENAIRE welcomes the opportunity to be involved from the beginning in the RP3 preparation.

ENAIRE is of the opinion that the RP3 White Paper fails to adequately conclude on potential options for the Performance Scheme. The paper introduces a number of assertions which are not fully evidenced by explicit references and in many cases not supported by ENAIRE.

- Development of the performance framework contained in this Paper does not present a clear evolution from RP2. ENAIRE considers RP2 should be a good starting point and that most of the main objectives should be retained, to assure continuity and stability.
- Objectives proposed in the Paper are not clearly justified (they lack traceability with the rest of the Paper and no justification of evolution with respect to RP2 objectives is given) and in some cases they are confusing and too generic to be able to elaborate appropriate analysis and comments.
- Some considerations of the Paper, while being worthy for discussion, seem to be out of the scope of the performance scheme and should be better addressed in other frameworks (institutional, technological).
- The Paper clearly indicates that PRB intention is to maintain focus in RP3 on as much cost reduction as possible within as little time as possible. Not enough consideration is given to the fact that too strong focus on cost reductions would have inevitable consequences on the KPAs of Safety, Environment and Capacity.
- The paper is very critic with the present economic arrangements, proposing amongst others the opening of a debate on single FAB unit rate. It is unlikely that this proposal would bring positive performance results. It should be reminded that States comply with local regulatory frameworks which address many different issues: taxation regimes, external debts, pension and social security schemes, salaries ranges, working conditions, etc. As far as these differences exist, which are not exclusive to this sector, the ambitions with respect to improvements at FAB level remain at operational level.
- The Paper blames ANSPs for being one of the main barriers for the improvement of the performance, without actually recognizing the great effort and good performance obtained by ANSPs despite the challenging environment, and without properly considering the influence of other stakeholders on performance results.
- The Paper does not recognize ANSPs significant level of collaboration among themselves, as well as with social partners, civil and military airspace users, airports and industry, which is complementary to the arrangements at State/FAB level, and provide benefits at network level, economies of scale and quality of service.

- Although a better assembly between the performance scheme framework and the ATM Master Plan performance related framework may be needed, the approach suggested in this White Paper to subject the Performance Scheme to the Master Plan performance ambitions and associated framework, needs to be turned over. It is important to highlight that SESAR performance ambitions are aspirational rather than fixed and binding and therefore they should be confirmed and adapted, as and when SESAR Solutions are delivered by SJU.
- It is important to have in mind that due coherence between all SES elements (Performance Scheme, ATM Master Plan, PCP, EASA and other interoperability regulations), their scope, role and contributions to the common objectives is key to success. It is, consequently, strongly recommended to avoid the enforcement by means of regulatory instruments of immature or uncertain elements.
- Incentives mechanisms should not be established until interdependencies and accountabilities are well identified; a clear picture of the implication of all involved stakeholders and a certain degree of compensation among KPAs are paramount.

General expectations for RP3

From the lessons learnt in RP1 and RP2 regulation setting process, ENAIRE considers that present performance regulation should be a valid starting point, although there are important improvements that we need:

- A simple, transparent and straightforward scheme, with a very limited set of mature indicators which would remain stable over time, and promoting a business driven approach rather than increased regulation.
- Target-setting process and assessment criteria which address local circumstances and priorities in a better way, giving flexibility to States and ANSPs so they may focus efforts on specific performance areas.
- Limit FAB approach only to those key performance areas where a clear added value is established and justified, as most times accountability remains at local level.
- A performance system where interdependencies are clearly established, not only between different KPAs but also with respect to different KPIs in the same area.
- A performance system which adequately addresses accountability of ANSPs, taking into consideration that other stakeholders have a direct influence on ANS performance outcomes, and supported by adequate incentive mechanisms
- Traffic deviations should be more clearly taken into account within the performance scheme. Significant deviations are beyond ANSP control and have great implications on the accomplishment of some objectives.
- Alert mechanisms should be strengthened in order to ensure that appropriate performance plan revisions can be made without delay, increasing management capability at State level.
- Alert mechanisms should be strengthened to consider more accurately traffic deviations, in line with capacity performance established by the State/ANSP.

RP3 expectations for Safety KPA objectives

- Pressure should be maintained on the continuous improvement of Safety Management System maturity (since they involve a proactive commitment and leads to organisational projects) measuring performance through better, when feasible, questionnaires. Nevertheless it would not be necessary to set targets and a measure of performance should be sufficient.
- Monitoring of incidents is supported (may be through the use of an aggregation indicator addressing main incidents) although targets should not be established since targets on lagging indicators may have counterproductive effects with regard to the reporting levels and data management. They may also be inappropriate given the difficulty and implications of establishing minimum safety levels.
- The use of additional monitoring indicators as in RP2 should be kept to the minimum possible and in all cases after an evaluation of their contribution to the Safety Goals.

RP3 expectations for Environment KPA objectives

- At Network level, the KEA/KEP indicators may be adequate ways to measure the inefficiencies of the en-route operation, so they are supported for RP3, although they are complex to obtain and they are not so helpful to derive corrective actions.
- At local level, measurement of ANS environmental performance should be improved in RP3 and KEA indicator refined in order to remove the dependencies with airspace user choices. Options to fly optimal routes are often available to the airspace users and dismissed by them in favor of less expensive ones or depending on their interests.
- Application of incentives schemes for this KPA should be avoided, and in any case accountability should be assured, as the decisions of many uncontrollable factors and stakeholders condition the accomplishment of targets.

RP3 expectations for Capacity KPA objectives

- Maintaining en route ATFM delay is supported, but the impact of traffic variability should be included in the process related to indicators/targets/incentive scheme in order to facilitate an adequate interpretation of the accomplishment of the targets; more explicitly re-planning requirements (though alert mechanisms) should be set out.
- Interdependencies are paramount in this area not only regarding other KPAs (Cost- Efficiency, Environment) but also with respect to other actors (for instance, airports). This aspects need to be developed, as well as appropriate performance assessment criteria and approaches to recognise the diversity in the nature and extent of interdependencies at local level
- Incentive schemes for ANSPs should be applied only to en-route and to those delay causes directly applicable to them, maintaining the post-ops analysis process.

RP3 expectations for Cost-Efficiency KPA objectives

- Current charging regulation is an expansive and bureaucratic method of regulation. Regulation should become lighter.
- Regulations need to be improved to better manage external factors with a view to preserve the stability of ANSPs (for instance to face a context of negative inflation or important variations with regard to planned values)
- Due consideration to the following topics is needed:
  - Lack of flexibility in order to better handle unexpected and large traffic changes which may affect ANSP performance and are beyond ANSPs control. There is a need to improve the application of traffic forecasts in performance planning and implementation in order to better address the fact that ANSPs are not in a position to influence traffic development. In this framework, justified adjustments to the traffic forecast prior to the beginning/during of a reference period should be possible.
  - Cost-Efficiency KPIs should be better aligned with ANSPs controllable costs.
  - Potential use of a Total Economic Value as a complementary indicator, though only when a calculation methodology is mature (which is not seen as being realistic for RP3).
  - The national cost efficiency targets for a reference period should be set on the basis of the business plan of the ANSP, taking into consideration all influencing elements like interdependencies towards other KPAs/KPIs.
  - The incentives process needs to ensure a fair sharing of incentives taking into consideration the contributions of all involved stakeholders.

- Union-wide targets should not be directly transferred to local level.
- Local circumstances should be better considered in order to reach a better balance between targets and results achieved in previous reference periods.
- The introduction of a target setting process on the terminal DUC is considered unnecessary.
- Alert mechanisms should be defined to favour effective actual measures, with NSAs having freedom to manage these measures through performance plans revisions associated to evolution of the local conditions (traffic, economy, business).

Detailed comments on the RP3 White Paper

page	Item	Referenced White Paper Text	ENAIRE Comment
4	1.3.2	Measure Two. Facilitating the integration of service provision: the aim is turn…	The EC, in its (non mandatory) COM(2008)389 on 'Single European Sky II: towards more sustainable and better performing aviation', stated that 'integration of service provision' was a challenge, not an aim (i.e. more a wish than an objective itself).
6	1.3.5	Measure Two. Facilitate the integration of service provision […] no move to service integration levels […].	In the regulation 549/2004 'laying down the framework for the creation of the single European sky', the concept 'levels of service integration' is not included.
6	1.3.7	(Fragmentation of service provision). Most ANS providers supply all services, including Air Traffic Control and technical infrastructure, and operate as silos within national boundaries. Network benefits, economies of scale and seamless functional evolution expected in the Single European Sky have not fully materialised in all areas, but there is some early signs of movement.	Stakeholders already collaborate among themselves, as well as with social partners, civil and military airspace users, airports and industry, which is complementary to the arrangements at State/FAB level, and provide benefits at network level, economies of scale and quality of service (iTEC, COOPANS, IE, COFLY, Cross-Border Free Route Airspace, etc.)
6	1.3.8	Fragmentation of service provision In fact, FABs as implemented, in many instances, bring more fragmentation instead of expected consolidation (30 States + 9 FABs), blur accountability (additional layer between States and EU), generate additional costs (tens of millions per annum) and sometimes act as obstacles (e.g. blocking initiatives proposed by the NM and others), all of which goes against performance and adds significant costs in additional millions of euros	The results of the approach to be taken by the PRB are pre-empted and quantified in a negative sense, in the paragraph. In this context the assumptions presented in this paragraph are hasty conclusions.
7	1.3.15	This has led to: • Near absence of competition: Competition for the ANS market, which was clearly intended in the original SES package, remains exceptional, and at Member States' discretion (e.g. some tower or terminal services in Sweden, Spain, Germany and UK). Competition in the market for air traffic control is currently precluded by the geographic organisation of airspace in sectors. Most ANS Providers remain strong monopolies, designated at Member States' discretion, often over long periods and fully vertically integrated. The result is there are few incentives for greater efficiency other than the penalty of greater regulation.	At this moment the TMA or En Route domains services are excluded from the free competition. They are natural monopolies for which the free market could be unworkable. That would be a political issue, not appropriate to be addressed within the performance scheme.
7	1.3.14	Measure Three: Strengthening the network management function. The PRB believes that this situation is aggravated by monopolies, lack of competition, and weaknesses in regulation and oversight, which is difficult to oppose as member states and their ANSPs have a vested interest in maintaining, and profiting from the status quo.	The nature of the ATM is monopolist as the ANSPs have a monopolist nature. Nonetheless, they are subject to the Performance Scheme of the Single European Sky, where the monopolies are adjusted according to market conditions.
7	1.3.15	This has led to:	The concept of choice from several ANS providers

page	Item	Referenced White Paper Text	ENAIRE Comment
		• Limited choice and nugatory incentives for airspace users: At the moment, the only choice for airspace users in selecting their ANS provider is to circumnavigate expensive, or congested areas, which has negative environmental impact, distorting network performance.	for en route or TMA domains for airspace users is not appropriate to be addressed within the performance scheme, and could be unrealistic.
8	1.3.15	This has led to: • Calls for more aggressive Economic regulation: Strong economic regulation is required as long as monopolies exist, which the SES Performance and Charging regulations can provide. However, their implementation is far from optimal. During RP1, ANSPs managed to generate 10% of economic surplus in average, 20% in some cases. This is high for a low risk industry whose maximum exposure to revenue shortfall is 4.4%, and indicates weaknesses in the economic regulation.	The so called "economic surplus" is just a kind of theoretical exercise that does not reflect the economic result of the ANSP. RP1 has been a special period that required huge efforts from the ANSP in order to adjust to the continued fall in traffic. It has to be highlighted that the system establishes rules following to promote efficiency improvements in the management of the ANSPs, as well as the achievement of the corresponding reward to respond to future challenges.
7	1.3.15	Weak National Supervisory Authorities NSA. [...] They are fragmented along Member States' boundaries with little ability to manage effectively the challenges.	The current European level of supervision is subject to different interpretations by the NSAs of the requirements set in the regulations, that lead to an unbalanced and unequal supervisory scheme, which should be addressed by the European harmonization of the NSA supervision
9	1.4.3	Although there was no fatal accident […] PRB believes that accidents were avoided, in some cases by the intervention of final safety barrier system interventions e.g. TCAS […] serious incidents. […] the activation of final defence systems suggests we are missing indicators in higher levels, and thus safety needs to be improved	It is not clear what this paragraph is finally suggesting (Safety needs to be improved is a too general statement).
10	1.4.5	ANS safety remains opaque.	Use of Safety information is adequate for the existing framework.
10	1.5.1	This pillar is now supported by the Pilot Common Projects regulation (PCP) and future arrangements may include further enhancements to this programme. The first deliverables emanating from SESAR will be delivered around 2018.	Only one Pilot Common Project exists. It is not clear what first deliverables are expected to emanate from SESAR in 2018 since this date does not match either with the presentation dates of SESAR 1 results or the dates of SDM's first deliverables.
10	1.5.2	[…] Added to this the lack of global interoperability is creating barriers for airlines that may need to cease operations on routes affected by differing global standards"	Barriers already existed and they are not created now. Airlines adapt to the environment where they compete although all the other parties facilitate their adaptation as much as possible.
11	1.5.5	There are a number of strategic concerns: • Conservative use of H2020 and CEF funds in relation to the SESAR project: Without a comprehensive plan (i.e the ATM Master Plan) that drives the deployment towards standard ground infrastructure, comprehensive interoperability, impact assessments, and new business models, SESAR deployment (PCP) will fail to improve existing work practices, and therefore safeguards monopolies for ANS and risks even further fragmentation and degradation of service.	Understanding the limitations and weaknesses of ATM Master Plan, it is not correct to state that they are threatening the PCP deployment, given that PCP is defined taking the Master Plan as a base.
11	1.5.5	There are a number of strategic concerns:	The statement that "success in deployment is

page	Item	Referenced White Paper Text	ENAIRE Comment
		• [...] However, success in deployment is measured in terms of system implementation, and not achieved performance improvements. In addition there is a perceived risk of multiple funding channels (RP1, RP2, CEF) with no commitments on additional performance for the technology deployed, or the costs incurred.	measured in terms of system implementation" is not correct. SDM establishes individual CBA analysis of the deployment projects included in PCP which allow monitoring globally the costs and benefits of the deployment, so that, actual results can be compared with the global CBA of the PCP definition phase. Current results are published in the Performance View of the Deployment Program 2016. On the other hand, it is not understood what channels are meant listing as multiple funding channels RP1 and RP2.
11	1.5.5	There are a number of strategic concerns: • The PRB expected to have a role in checking that deployment is performance- driven and planned performance outcomes achieved. To date the PRB have not seen any activity to address this as, like safety, there is no visibility of deployed projects and EU funding levels at individual project level as well as linkage with Performance Plans.	It would be more appropriate for the PRB to coordinate with the CE their participation in the governmen structure of SESAR deployment, according to Regulation 409/2013, instead of using this document for that purpose. It does not seem reasonable to affirm that they do not have visibility of "deployed projects and EU funding levels at individual project level" given that they have requested information about it in the RP2 Monitoring Exercise - year 2015. In any case, since there are already organisms in charge of this work, a PRB role on this matter could introduce a new unnecessary management layer.
12	1.5.5	There are a number of strategic concerns: • The first implementation of SESAR Deployment includes a majority of ANSP- tailored projects which tends to indicate that it will prolong the fragmentation of infrastructure and waste opportunities of market opening, standardisation and unbundling of infrastructure.	The SESAR deployment projects that receive funding should comply with the CEF Regulation and are analysed by INEA and those related with PCP also by SDM. All the stakeholders have the same access to this funding that is spread by SDM. This labour has meant an increase of military projects in CEF 2015. Affirming that funding projects are "ANSP-tailored" is biased since the majority of ANSP projects respond to PCP and, according to the initial PCP CBA, the 64% of necessary investment are for ANSPs.
12	1.5.5	There are a number of strategic concerns: • [...] It is important to ensure that performance is a key criterion in allocating CEF funds and in monitoring implementation projects with suitable metrics, and project management techniques.	As indicated previously, the SDM monitors the result of deployment projects including an individual CBA of each one. When a deployment project is aligned with PCP funding should not be questioned. If it was detected that some AF, sub- AF or family does not deliver the expected benefits according the initial CBA in which PCP is based implementing partners should not be punished decreasing funding levels, and, on the contrary, PCP should be revised in order to remove the deployment obligation of those projects.
16	2.5	"[…] These pressures are primarily financial but […] focus was applied to capacity management which historically has always lagged related to airline growth. […]"	In RP1, focus was applied to Capacity through the establishment of ATFM en route delay targets. It is not only management but also other aspects of the capacity which influence this approach.
17	2.7	This has lead […] or even worse full cost recovery plus allowing retention of profitability above full cost levels.	The system establishes rules following to promote efficiency improvements in the management of the ANSPs, as well as the achievement of the corresponding reward to respond to future challenges. It has to be pointed out that it is extremely difficult to get continuous reductions in costs particularly after the level attained in RP1.
22	3.3.5	"[…] These are considerations for RP3 and in this ATM, as a global provider of infrastructure, has a key role.	Not only ATM, but all the entire aviation value chain, has a key role.
27	3.5.2	[…] There is a high regulatory compliance load on PRB, NSAs, ANSPs and EASA	ANSPs are also under a high regulatory load.

page	Item	Referenced White Paper Text	ENAIRE Comment
		while airspace users that bear all ANS related costs feel have little influence in ANS decision-making. […]"	
30	4.1.3	"In addition; the PRB […] for each State in all KPA's"	The performance scheme is not the place to discuss PRB visibility of CEF finance grants. In any case this would introduce a new unnecessary management layer since there are already organisms in charge of this work.
33	5.1.2	Targets for RP2 were designed to accelerate the changes on safety management prior to legislative changes necessary for the transfer of safety accountabilities. As we start the process of targeting for RP3, these changes are expected to be completed and current targets subsumed into legislative reporting and oversight programmes. These are considered unnecessary for RP3 at EU level. It is expected that they may still feature in local targets where performance plan monitoring suggests that risks still exist in localized areas, and in local just culture mechanisms.	RP2 indicators and targets are gradually providing benefit as the NSAs & ANSPs better understand them (and metrics/questionnaires are refined). Moving to a different set of indicators/targets at European level and taking RP2 indicators to the local level would mean the focus is changed and all the effort invested in **harmonizing** and gaining maturity for RP2 indicators would be lost
34	5.1.6	This indicates the Safety Key Performance Area requires a focus on the following objectives: − At EU level: Reduction of loss of separation incidents both horizontally and vertically. − At local level: Elimination of Runway Incursions at local level. − Social dimension assistance is required to address just culture with a − continued focus at local level on change management and social inclusion. − Security Management − At EU level: Business Continuity preparedness for loss of systems. Incident reporting of security threats detected. − At local level: Threat management programme effectiveness.	It is not clear how these objectives are related to proposed objectives at the end of the document (for which specific comments are given). Reference to "Elimination of Runway Incursions" is not adequate and it is not achievable, Security should be treated as a different KPA and out of the performance framework.
37	5.2.10	Primary interdependencies • The Network Manager (NM) has strong power over users (delays, etc) and nearly no power over providers (capacity).	It may not seem appropriate for PRB to make a statement on behalf of the NM, and it is not shared (or understood) that NM has nearly no power over providers, which are subject to continuous capacity monitoring and planning in NM framework.
38	5.2.10	Primary interdependencies • The observations on shortest route versus cheapest route supports a debate on introducing a single unit rate per FAB As there will be winners and losers The a compensation mechanism for suppliers would need considerable debate as it can become complex when considering the diverse local financial arrangements	It is unlikely that this proposal would bring positive performance results. States comply with local regulatory frameworks which address many different issues at local level. As far as these differences exist the ambitions with respect to improvements at FAB level remain at operational level. Focus should not be only on ANSPs but also on AUs.
39	5.3.3	[…] This deterioration is partly due to technology deployment, and partly due to social unrest.	External events and factors should also be considered, again the text seems to be focusing accountability only on ANSPs.
45	5.4.19	PRB perceptions of weakness of the current	This statement is not shared, ANSPs have legal

page	Item	Referenced White Paper Text	ENAIRE Comment
		charging regime are: • ANSPs maintain high level contact and reporting lines to benefit the Member States and the staff in order to justify that they cannot deploy any of the new technology to improve performance.	requirements with respect to deployment technologies (through Common Projects) and target setting (through performance system). Both are monitored through adequate Commission mechanisms.
45	5.4.19	PRB perceptions of weakness of the current charging regime are: • The SDM working on its own with different set of experts when approving the funds increasing the fragmentation of the service provision on the longer term	SDM does not approve funding distribution (UE Member States are the ones who do it on a proposal from INEA). SDM functions are defined in the Regulation 409/2013 (article 9) and the EC monitors its work, thus it would not seem appropriate to say that the SDM works on its own.
46	5.5.2	**Performance Objective One:** Reduction of loss of separation incidents both horizontally and vertically by focusing on system risk	Difficulties interpreting the precise intent of this objective. While in the overall SES context the goal of reducing loss of separation incidents is clearly appropriate, in the context of the approach to be taken in the Performance Scheme, greater clarity is required around the intentions and definitions, e.g. “System risk”, “horizontally and vertically”, etc. and intentions.
47	5.5.4	**Performance Objective Two:** Elimination of Runaway Incursions	The introduction of targets for lagging indicators is not supported. Measurement at local (airport) level should be sufficient, and lack of consistent interpretation of the standard ICAO definition of an RI should be addressed.
47	5.5.6	**Performance Objective Three:** Improved management of ATM system security and business continuity	Safety KPA is not considered as appropriate to include a Security objective. This issue needs to be included as a rulemaking activity by EASA if and when EASA is given competence over it.
47	5.5.8	**Performance Objective Four:** Maintenance of contribution towards global emission by maintaining, or improving ATM contribution to fuel burn (CO_2 emissions)	This objective could be more focused, as many factors related to fuel burn and emissions are beyond the control of ANSPs (i.e. referring to flight efficiency rather than fuel burn).
47	5.5.10	**Performance Objective Five:** Improvement the assessment of noise contribution and route design at a local level.	Noise is a very local issue affected by current regulations and agreements with local authorities. There are also interdependencies with other environmental efficiency areas (fuel emissions). Setting a performance objective / targets at this level is not considered adequate.
47	5.5.12	**Performance Objective Six:** Improvement the delay caused by holding and en route delay management to reduce CO_2 and NOX effects at Airports.	This proposed objective mixes a number of aspects that would potentially lead to a loss of focus; if the intention is to focus on airport-related ANS environmental inefficiencies already existing (monitoring) Taxi-Out and ASMA indicators may be valid provided that their definitions and data collection are harmonized. Setting targets on delays caused by holding may have also counterproductive effects due to interdependencies with other areas (ATFM arrival delay, ATFM en-route delays). Many factors beyond ANSP's control influence the results, as slots overbooking. It is not clear whether it is technically viable in RP3.
47	5.5.14	**Performance Objective Seven:** Improvement the management of fragmentation through better through standards management and facilitating competition in ATM.	It is not agreed that the elements referred to (institutional landscape and fragmentation of ANS) should be addressed as explicit objectives within the performance scheme. In any case the proposed objective is not clearly stated.
47	5.5.16	**Performance Objective Eight:** Maintaining	There is not a justification for this proposed

page	Item	Referenced White Paper Text	ENAIRE Comment
		delay measures to facilitate 98% of aircraft on time performance,	objective and its final goal is not clear, as well as its technical feasibility in RP3. (it may suggest that the business trajectory concept is available)
48	5.5.20	**Performance Objective Ten:** Improving the resilience of the South East Quadrant with particular focus on Balkan State inclusion and improvements of Grece and Cyprus performance	It is not adequate to set a high level objective for a local issue in the performance scheme. Hot spots and bottlenecks could be addressed in performance planning processes coherent with local requirements.
48	5.5.22	**Performance Objective Eleven:** Improving the level of airport capacity during RP3 and onwards, on the largest coordinated European airports, with an increase of airports slots at the same rate as the traffic increase.	There are numerous factors beyond ANSPs control that influence the availability of slots (i.e. limits imposed by airport terminal infrastructure, noise regulations, operational constraints)
48	5.5.24	**Performance Objective Twelve:** Incentivising the deployment of technological developments to improve cost efficiency targets.	Incentivising the deployment of technological developments should not be limited to cost effective improvements. There is not enough clarity on how this issue should be treated within the performance framework; CBAs may not be available and benefits may depend on implementation requirements out of ANSPs control.
48	5.5.26	**Performance Objective Thirteen:** Improving the effectiveness of the charging mechanisms to improve cost efficiency	It is not clear how this objective should be interpreted, and it does not reflect what problem in the charging mechanisms should be addressed and/or how.
48	5.5.28	**Performance Objective Fourteen:** Increasing the view of Gate to Gate to match cost and operational performance.	It is not clear how this objective should be interpreted, and it does not reflect what problem should be addressed and/or how. If the intention is to focus on Terminal ANS Cost-Efficiency, in the light of PRB own analysis this may not be efficient and due to the fact that nearly all requirements on air navigation services in the terminal area are originated from local airports and local circumstances, potential future targets on terminal cost efficiency should continue to be set locally. EU-target on the KPA Cost efficiency in the terminal
49	5.5.30	**Performance Objective Fifteen:** Improve the effectiveness of the fifth pillar of SES by improving communication and change management dialogues	It is not considered adequate to address this issue within the performance framework. It would be more effective to address Fifth Pillar outside the performance scheme due to complexity of measurement and the variety of factors affecting each ANSP/State.
49	5.5.32	**Performance Objective Sixteen:** Improving the institutional arrangements to reduce duplication, improve harmonisation of common rule sets, and reduction of red tape.	It is not considered adequate to address this issue within the performance framework. It should be taken into consideration in the EU high level framework focusing on smart Regulation (simpler at both regulatory and economic framework) and better definition of entities duties and accountabilities (NSAs, Eurocontrol, etc.)
49	6.1.1	This white paper set out […] with a summary of evidence when seen from a Performance Review Body perspective. […]	In the light of the analysis carried out, most of the PRB opinions of the White Paper are not well evidenced, and relations and justifications for the proposed 16 objectives is not clear.
50+	App 1	Appendix 1 – ATM Master Plan identified high-priority risks	Some of the statements contained in the table are not fully founded.

Comments from FABEC

Received on the 30th of September 2016
Sender: Christoph Czech – FABEC Chairman Performace Management Group / DFS Head of ATM Performance

Introduction

FABEC ANSPs welcome the opportunity to comment on the PRB White Paper.

FABEC ANSPs agree that the Performance Scheme has delivered performance improvements to date and that more needs to be done.

In this regard, FABEC ANSPs consider that in order to facilitate these future improvements, the further development of the scheme needs to address a number of key shortcomings.

However, while the White Paper sets out the PRB analysis across a wide range of issues, FABEC ANSPs are disappointed that the analysis does not attempt to deal with key structural elements that hinder the effective implementation of the Performance Scheme. The present FABEC position introduces a number of improvement proposals.

Some assertions included in the PRB White Paper are not supported by FABEC ANSPs

Structural issues / improvements needed

FABEC ANSPs consider that there are significant shortcomings in the implementation of the scheme that need to be addressed ahead of RP3. The operation of the performance scheme through RP1 and the target setting and performance plan development phase of RP2 has revealed a number of structural issues:

The coherence and scope of the performance scheme

The scope of target contributions from ANSPs shall be limited to those aspects over which ANSPs have a direct control and influence

Performance outputs (expectations/targets) need to be aligned with the inputs (regulatory requirements).

Roles and responsibilities of the main institutions

Streamlining and clarification of roles and responsibilities of institutions is needed to improve the efficiency of European ANS and reduce the burden of all involved parties. The different tasks need to be addressed at the most appropriate level, considering the heterogeneous economic and social conditions of EU Member States. The Regulation should therefore be amended, following the application of the overarching principle of separation of powers:

- EU Commission is responsible for the legislative level
- FAB/National performance/economic regulators are responsible for the executive level (setting binding targets, assessing and monitoring the performance plans and supervising the ANSPs)
    - Following a consultation with the appropriate user community, the ANSP is drafting a FAB/national performance plan proposal and provides it to the independent national supervisory authority
    - The NSA evaluates the proposal and executes formal consultation with the stakeholder community
    - The NSA approves the final performance plan
- A judicative level ensures an appropriate appeal procedure

Local requirements/national legal requirements

Improvements are needed in the target setting and performance plan assessment processes to better acknowledge FAB/national/local (legal) requirements.

How to analyse and properly consider the interdependencies between the various KPAs/KPIs

The current framework misses any effective evaluation of the interdependency among the KPAs and their KPIs, which probably is not possible at EU level. FABEC ANSPs propose to transfer the handling of interdependency consideration to the FAB/national level, where an appropriate balance could be achieved as a result of a strengthened consultation with AUs.

How to better recognize stakeholders other than ANSPs who have a role to play in delivering performance

KPIs and their implementation should better recognize that stakeholders other than ANSPs have a role to play in delivering performance. It therefore is necessary to define KPIs, PIs and targets to take account of the actions and decisions of ATM stakeholders that are not directly targeted by the scheme, e.g. AUs and airport operators.

Need for simplification of the regulatory framework

The EU COM should simplify the regulatory landscape by following the EC Better Regulation Guidelines – proportional and performance based. E.g., the established structure of 4 KPAs should be maintained, together with a limited number of KPIs to reduce complexity and to ensure transparency of interdependencies.

Traffic volatility

Traffic volatility is a growing concern at network level with related consequences on the predictability at local level. It brings instability into the system and its causes are diverse:

Political, financial, economical or operational. This unpredictability severely impacts daily operations in

all the 4 KPAs. FABEC ANSPs propose to take these effects into account for target setting in RP3 and to consider the following ideas: conditional target setting taking into account the traffic shift risk or buffer in targets for unforeseen traffic shifts.

How to ensure appropriate contributions from SESAR ATM MP implementation?

The EU Commission should ensure that there is a common understanding of ATM Master Plan and PCP performance impacts and expectations and at what point that can be taken into account in the context of performance targets.

The EU Commission should apply implementing regulations of common projects based on fully validated technologies and solutions.

FABEC ANSPs see a need for an incentive process that ensures a fair sharing of the incentive, taking into consideration the different contributions of all involved operational stakeholders.

Key objectives for the 4 KPAs

KPA Safety

Safety is and must remain the overarching priority of ANSPs in delivering their services; Safety therefore must not be compromised.

FABEC ANSPs support current efforts of the EASA WG to develop indicators that allow a move from the safety process/incident analysis-based approach in RP1/RP2 towards key risks, which show interdependency issues. More detailed comments to be provided in due course.

KPA Environment

KPIs and PIs for ANS environment performance should focus more specifically on ANS controllable flight efficiency aspects.

FABEC ANSPs do support to investigate into the development of better-suited indicators (e.g. fuel efficiency, VFE, improvement of the route design) and to improve the currently used indicators towards RP3 (HFE, FUA). E.g. flight efficiency targets should be based on user preferred routes rather than great circle distance.

Noise issues are not an appropriate topic to be covered in the performance scheme of ANSPs since noise prevention regulation is rather a matter of regional or local governmental level

KPA Capacity

Although ATFM Delay does not measure all ANS related delays, a more suitable indicator probably can only be developed with the implementation of business trajectories within SESAR (enable better AU flight planning), but this will not be mature for RP3

FABEC ANSPs therefore propose to stick to the current indicators (en-route and terminal) and to improve it by defining traffic dependent capacity targets. The methodology to calculate the reference values as a breakdown of EU targets should be improved.

In addition, the option to use the capacity profile as an alternative/additional indicator to set targets should be analysed/developed.

KPA Cost-Efficiency

KPIs in the KPA Cost-Efficiency should be better aligned with ANSPs controllable costs. In particular, consideration should be given to taking different approaches for different cost components, e.g. treating capital expenditure / depreciation and costs exempt from cost sharing in a different way in order to focus ANSPs on enhancing efficiency of controllable costs.

The potential use of a Total Economic Value as a complementary indicator should also get further analysed.

Like in other regulated industries, the national cost efficiency targets for a reference period should be set on the basis of the business plan of the ANSP, taking into consideration all influencing elements like interdependencies towards other KPAs/KPIs.

FABEC ANSPs see a need to improve the currently applied traffic risk-sharing model in order to better address the fact, that ANSPs are not in a position to influence traffic development (justified adjustments to the traffic forecast prior to the beginning/during of a reference period).

PRB White Paper on RP3 Objectives – FABEC ANSP comments

PRB statements	FABEC ANSP comments/improvement proposals/questions
1.1.1 ATM MP aspirational goals - Focus of Performance Scheme primarily on contributions towards ATM MP aspirational goals	FABEC ANSPs propose to stick to the wider definition of the goal of the SES Performance Scheme, as described by the EU COM DG Move: setting binding targets on Member States to deliver performance-driven air navigation services leading to cheaper flights, less delays, and the saving of unnecessary costs for airlines and passengers. In addition, the environmental impact of air traffic will be reduced due to more efficient and shorter flight paths.
5.4.25 PRB plans to address **16 performance objectives**	FABEC ANSPs support the established structure of **4 KPAs** and propose a limited number of **key performance indicators to** reduce complexity and to ensure transparency of the interdependencies. In this context, the 16 performance objectives are understood by FABEC ANSPs as objective ideas to be discussed in the further process, but not with the intention to develop 16 indicators.
	5 years duration of reference periods is long, but it does facilitate e.g. the planning of long time-measures and also correlates with the ANSPs obligation (EU IR 1035) to prepare business plans for 5 years. In order to address the negative effects (volatility of
	traffic development, lack of flexibility), FABEC ANSPs see 5 year reference periods only manageable with a mid-term review and a/or a well-functioning alert mechanism.

	Alert mechanisms should result in some effective measures, which NSAs should be able to manage through performance plan revisions.
	It should be considered with the involvement of all stakeholders, how the passenger view can best be integrated in the further development of the regulatory framework.
1st pillar	
1.3.4 Performance of ATM in Europe has been improved - No fatal accidents - Delay best levels ever recorded in 2013, measures unsustainable - Flight efficiency improved, carbon impact of ANS carbon neutral, interdependencies with cost - Full cost recovery replaced, ANSPs responding to lower revenue than planned, cutting costs - Marginal improvement in all 4 KPAs, risks to sustainability of the measures	FABEC ANSPs are asking for some clarification, where this information comes from? What is the "carbon impact of ANS"?
1.3.8 FABs - Facilitate the integration of service provision – regional integration - There has been some small progress - Further research needed to address fragmentation of airspace - FABs partly bring more fragmentation instead of expected consolidation, blur accountability, generate additional costs, act as obstacles - PRB will quantify this disruption cost, further study on strengths and weaknesses of FAB approach planned	FABEC ANSPs recognize that there are issues, that hinder the delivery of the expected performance benefits of FABs. However, they also see that progress has been made in certain areas, like e.g. common audits (incl. FABEC NSAs), achievements in the KPA Safety, and a generally enhanced collaboration between ANSPs
1.3.10 Strengthen the NM function	Unsolved issues of defragmentation are not due to the NM.

- Moderately effective tool, network remains fragmented - Fragmented procurement and maintenance of infrastructure (obstacles to labour mobility, poor interoperability, etc.) - Defragmentation so far mainly in the context of voluntary initiatives (COOPANS, Borealis), initiatives could be further encouraged through priority in allocation of CEF funds	The NM is a Service Provider, who provides an effective support to ANSPs in achieving their capacity and environment targets. The process installed between the operational stakeholders and the NM is functioning well and does not need to be changed towards RP3.
1.4 2nd pillar – a single safety framework	
1.4.2 Opaqueness in safety No fatal accidents rather thanks to final safety barrier system interventions (TCAS); 2 safety interventions vs ICAO 3 layer tactic Safety targets on process and rule compliance. Risk is not measured in a consistent way RP3: early warning of degradation, move towards hyper-safe transport risk methodology	Like for all performance related data, FABEC ANSPs ask for data requirements being limited to the minimum needed in reporting on KPIs. In the context of safety related data, the issue of confidentiality requires an utmost level of attention in order to avoid unwanted effects as a result of open publication.
1.5. 3rd pillar – opening the door to new technologies	
1.5.2 So far little improvement, most improvements around local actions, difficulties in deploying Datalink with far reaching consequences, lack of global interoperability: e.g. North Atlantic Tango routes will not be usable for airlines – need to address not only operational delivery but also the strategic level (e.g. maintain links with ICAO regulatory activities) 1.5.5 Stronger alignment of performance, charging and deployment regulations towards performance improvements needed	The EU Commission should ensure that there is a common understanding of ATM Master Plan and PCP performance impacts and expectations and at what point that can be taken into account in the context of performance targets. The EU Commission should apply implementing regulations of common projects based on fully validated technologies and solutions, avoiding, e.g. the situation observed with the Datalink services (DLS) regulation where money has been spent on deployment in response to premature regulatory requirements,

EU funds are made available to foster deployment and provide an acceleration of deployment – success in deployment is measured in terms of system implementation and not achieved performance improvements Risk of multiple funding channels with no commitments on additional performance PRB expecting a role in checking that deployment is performance driven	but has not led to the expected capacity improvement due to technical problems. In reality, EU funds are not there to foster deployment, but to reduce unit rates. FABEC ANSPs see a need for an incentive process that ensures a fair sharing of the incentive, taking into consideration the different contributions of all involved operational stakeholders. FABEC ANSPs do see the SDM/INEA in an appropriate position to ensure validation of performance contributions in the deployment projects of e.g. PCP.

1.6.4 Airport concerns are not the same for large (congestion problems) and small airports (cyclical behaviours) – aggregation of airports to be questioned	
- **Charging regulation not functioning well** o Too much cost based, leading to low incentives for cost and expansive and bureaucratic method of regulation o Only monitoring standardized investment, but not incentivizing it o Regulation needs to be lighter and more incentive based	FABEC ANSPs do support those analysis results. Please see our comments/proposals on institutional framework and on KPA Cost Efficiency
1.7.7 Strategic step change needed – key focus for RP3 o Widespread "buy in" to change is needed	FABEC ANSPs support this statement and see the "buy in" needed by all involved stakeholders as an essential element for improving the framework towards RP3.
2. Performance Strategy	
2.3. PRB is seeking acceleration to delivery of the ATM MP aspirational goals	The goal for RP3 should be the improvement the regulatory framework to address current issues in order to get the "buy in" by all stakeholders. Some key issues identified by FABEC ANSPs are the lack of recognition of diverse local conditions, the mix of

2.4. Revisit strategic steps, review of operating mechanisms, including legislation and indicators during monitoring of 2015	roles and responsibilities between EC, PRB, Member States and NSAs, the lack of involvement of other concerned stakeholders (e.g. airports for safety on the ground), complexity of the regulatory framework, the lack of interdependency consideration and traffic volatility.
3. **Risk Analysis**	
3.1 ATM MP risks (9 high level risks, which will be considered by PRB)	
Global developments	
3.2.8 ATM stakeholders have focused their aspiration to reduce the unit cost of ATM services to the AUs by 50% so as to ensure that Europe remains an attractive air travel destination, both for business and tourism and also an efficient transit place.	See Cost Efficiency chapter
3.2.9 ANS contributed delays is 10% in overall 10 minutes per flight delays in air transport in 2015 – increased collaborative decision making processes are needed involving airline operation centres and airside and land side operations of airports **(possibly integration of airports in the performance environment)**	See CAP chapter
3.2.13 Success test for RP3: reduce the total economic cost well below that achieved at the end of RP2, with acceptable levels of safety, in line with performance ambitions for 2015 3.3.21 PRB believes that the analysis in growth demands for a lower growth foerecast than originally envisaged by the SES programme is prudent and suggests that this fragility remains a key risk for the future	See Cost Efficiency chapter **Traffic volatility** is a growing concern at network level with related consequences on the predictability at local level. On the other hand, predictability of traffic, together with data accuracy, is key to maintain a highly performing ATM system. Traffic volatility brings instability into the

	system and its causes are diverse: Political (war/no-fly zones), financial (change in unit rates), economical (low fuel price allows airlines to plan longer routes), operational (capacity shortages lead to circumnavigation). This unpredictability severely impacts daily operations in all the 4 KPAs (CAP – plans based on STATFOR figures and shortest routes, SAF - mitigation measures potentially not sufficient to reduce complexity, COST - higher costs for buffer to cater for unforeseeable traffic shifts, ENV - longer routes). As ANSPs are only partly accountable for these described influencing factors, which can have a substantial impact on their target achievement, FABEC ANSPs propose to take these effects into account for target setting in RP3 and to consider the following ideas on how they might be considered: - conditional target setting taking into account the traffic shift risk - buffer in targets for unforeseen traffic shifts - flight efficiency targets based on user preferred routes rather than great circle distance
Complexity of the European institutional landscape	
3.4.1 PRB sees need for streamlining of institutional arrangements (e.g. Eurocontrol and EASA on safety)	FABEC ANSPs do support this identified need and propose the following changes to address current issues: Action at EU level is still required with the purpose of aligning States' policies, establishment of priorities and usage of common tools to measure and improve performance. It is however of the utmost importance to avoid simplistic conclusions or the enforcement at local level of EU-level average values. It also needs to be acknowledged that the EU is not a federation, but is instead composed of individual States with own decision rights. Harmonisation by the EU must be seen in this context. Coupled with heterogeneous economic and social conditions it therefore needs to be kept in mind that one size does **not** fit all. The Regulation should therefore be amended to clarify the following:

	• The EU Commission is responsible for the legislative level, continues to be responsible for setting law, establishing EU target ranges, the longer-term ambitions / strategic goals and for monitoring the harmonized application of the regulatory framework. • FAB/National performance / economic regulators are responsible for the executive level. They do economic regulation, set binding national targets, assess and monitor the performance plans and supervise the ANSPs. Compared to today's situation, this local executive regulatory authority should be strengthened and should enjoy greater decision making powers (as per SES II+ proposals), thereby enabling them to deliver on interdependencies and consultation. • A judicative level ensures an appropriate appeal procedure. As long as there is no European scenario for the judicative level, the national judicial system should replace it. These improvements to the institutional framework imply the need for adjustments in the roles and responsibilities of the current actors in European Performance regulation: **<u>Legislative level</u>** <u>European Commission</u> • Sets the overall European regulatory framework. This also includes a definition for all elements of ANS services to be regulated; • Establishes the EU target ranges/strategic goals; • Monitors the harmonized application of the regulatory framework. <u>Performance Review Body (PRB)</u> • Has an advisory role in assisting the EU Commission in the implementation of those elements of the performance scheme which belong to the

	I. Elaborates proposals for the further development of the performance regulation; II. Proposes EU target ranges and longer term ambitions/strategic goals; III. Analyses and considers interdependencies between the KPAs/KPIs; IV. Comments the Network Manager proposals on European traffic forecast, utilizing expertise and input from European industry in a collaborative manner; V. Consults all stakeholders on all European legislative aspects; VI. Monitors the harmonized application of the regulatory framework; VII. Develops the guidance material for interpretation of requirements of the regulation; VIII. Undertakes operational and economic analysis; IX. Acknowledges the safety dimension by liaising with EASA; States • Approve PRB proposals and give EC mandate to decide; • Set up national legal framework and any necessary regulatory authorities. **Executive level** National performance and economic regulators • Execute all aspects related to regulatory target setting; • They need greater decision making powers and the right legal governance; • Key performance regulatory functions to be executed are: I. Advise States on performance regulatory matters; II. Propose, consult and set binding local performance targets; III. Analyse and consider interdependencies of KPAs/KPIs including ANSPs' investment plans;

	IV. Assess, approve and monitor the performance plans; V. Supervize/oversee ANSPs. Following these proposals to improve the institutional framework, FABEC ANSPs suggests the following corresponding improved target setting process: <u>EU level</u> Longer term EU performance goals for a period of 15+ years are being set by the EU Commission. They include a clearer articulation of what a "performing" ANSP looks like (in terms of performance outcomes) in order to provide clarity on what is "good enough". Those longer term goals provide the framework for local targets by expressing acceptable performance ranges per reference period at EU level more clearly across all KPAs. They are established through an industry consultative process with significant input and endorsement from local regulators. They form the starting point for the local reference period target definition. <u>Local level</u> Local targets can be set either at national, FAB or regional level. A strengthened local regulator led process defines and agrees binding targets for reference periods – consistent with agreed longer term goals and approved and adopted by States: - ANSPs provide initial input in the form of a proposed business plan for the RP – based on consultation with customers - The local regulators apply an evidence based approach – gathering further inputs from the ANSP as necessary and carrying out and commissioning supporting analysis from appropriate 3rd parties (e.g. technical opinions, benchmarking, reviews of specific processes, interdependency analysis, etc.)

	The local regulators develop initial suggestions for local targets which are progressively refined based on consultation inputs Plans need to be internally consistent, ensuring that local circumstances are well considered and therefore consistent with local targets (rather than with an EU target)
Complexity of the regulatory framework	
3.5 SES regulations are complex and at times inconsistent, not sufficiently aligned towards performance, opportunity for better regulation	**Complexity of regulatory framework** The EU COM should simplify the regulatory landscape by following the EC Better Regulation Guidelines – proportional and performance-based The EU COM should evaluate the status of existing regulations and developing SES regulatory proposals to ensure coherence between the performance scheme, ATM MP, PCP, EASA safety regulation and other (techn. Interops) regulations
3.6 AUs little influence in ANS decision-making	FABEC ANSPs see a need to ensure the right balance and transparency for AUs to get a good understanding of the ANSPs decision making. One area for improvement in our view is a strengthening of the consultation process, particularly at the FAB/local level.
Emerging challenges and opportunities	FABEC ANSPs propose to consider two additional emerging challenges: 1. The effects of Brexit. 2. The replacement of the PRB.
Improve the balance between economic performance, environmental performance and operational/safety performance	The current framework misses any effective evaluation of the interdependency among the KPAs and their KPIs/Targets. The methodology set to evaluate the ATM Cost Effectiveness performance reduces the chance to achieve the others KPA targets.

	Understanding interdependencies is key to setting appropriate and coherent performance targets across the KPAs. Although the nature of interdependencies is broadly understood, not enough has been done to understand the practicalities of reflecting them in targets. The study carried out for the EC in 2013/14 failed to provide any guidance due to its network-level focus. In the long term, FABEC States could have enormous power to apply cost reduction measures at the expense of airlines which bear delay costs that stem from capacity shortage. FABEC ANSPs believe that it is not possible to adequately address the issues of interdependencies at EU level. Our proposal therefore is to transfer this process to the FAB/national level, where an appropriate balance could be achieved as the result of a strengthened consultation with AUs.
3.7 Include airport performance indicators on level of coordination and/or of scheduling intensity (possible target: increase of slots as for the traffic forecasted)	Whilst it is clear and appropriate that the Performance Scheme relates to ANS performance, KPIs and their implementation should better recognize that stakeholders other than ANSPs have a role to play in delivering performance. Whilst it may not be appropriate to expand the scope of the performance scheme, it should be possible to define KPIs, PIs and targets to take account of the actions and decisions of ATM stakeholders that are not directly targeted by the scheme, e.g. airspace users and airport operators
4. Global context	

4.1.2 SESAR: an assessment will be conducted of the expected benefits from SESAR implementation and will form one of the key pieces of evidence to support performance targets	See comment on 1.5.2
4.1.3 CEF finance grants – PRB will need visibility, to be coordinated between PRB, SESAR DM, the military and the NSAs of each State, leading to a statement of expected contribution which will provide indicative target ranges for each State and all KPAs.	See comment on 1.5.5
4.1.4 Pension costs remain an issue at State level. Future benefit obligations are substantial, and in some cases unsustainable, they are possible to target in performance matters as they can only be addressed at individual provider level.	See KPA Cost Efficiency
5.1.2 PRB believes that it is necessary to improve the management of Special Use airspace	
5. KPA Safety – general comments	**FABEC ANSP general comments on KPA Safety**
5.1.2 Scope to refocus attention on key risks which show interdependency issues; **interdependency interaction with the Safety KPA, or problems created by technology interaction with latent,** human factors or unidentified errors (key risk in item 9 of ATM PM risk table)	FABEC ANSPs welcome the planned and urgently needed measurement of the interdependency between safety KPA and all the other KPAs Safety is and must remain the overarching priority of ANSPs in delivering their services and it must not be compromised. As a consequence, e.g. the safety level should be applied to each ATC unit evenly, independent of the traffic volume.
	FABEC ANSPs do not support the proposal to set targets on lagging indicators, because the setting of objectives on e.g. the number (or rate) of SMIs, the number of RIs etc. will have a negative impact on the reporting culture at all levels. We are convinced that SMIs help us

	detecting weaknesses in the system and that we need to get as much information as possible from what leads to incidents.
	FABEC ANSPs propose to apply the safety objectives at European level with a cascading action plan properly imbedded in European, State and operators safety plans with an involvement of all stakeholders
	To improve safety levels in air transport towards a hyper safe air transport, the RP-3 safety performance regulation should address all the stakeholders. The contributions of key players like airport and airline operators should get considered in the RP3 objective/target definition as well as in the target achievement.
Proposed performance objectives	To be realistic and meaningful, safety performance measurement has to rely on the application of strict and objective data collection methods, as well as definitions that do not leave any room for interpretation. Taking into consideration the increasing automation and digitalization in the technical equipment for ATCOs, indicators to measure safety performance should ensure not to discourage ANSPs to implement automatic reporting tools, as those are the only ones enabling exhaustive counting of incidents and their origin.
5.1.5 PO1 - EU level: Reduction of loss of operation incidents both horizontally and vertically	The term “loss of separation incidents” should be replaced by “Separation Minima Infringements”. The focus on the loss of separation needs to be properly handled. The more critical (risk) situations often are not limited to the remaining distances (vertical or horizontal); the worst cases are those with little or no controllability either by the ATC or the cockpit.

PO2 - Local level: Elimination of runway incursions	The elimination of runway incursions generally can only be an aspiration, but not a proposed target. Like with the loss of separation, this occurrence category needs a proper definition. The ICAO definition e.g. offers numerous interpretations for runway incursions and several categories of runway incursions are reported. An approved harmonized definition and scenarios to narrow the room of interpretation are needed for the development of a potential indicator. The development of a potentially suitable indicator on runways incursions should focus on a conflict combined with an avoiding action. The link with capacity and sometimes also with environment has to be considered. Besides the contribution of ANSPs, such an indicator would be influenced by the airport equipment in terms of ground safety nets and its layout as well as by the air operators. The contributions of several stakeholders therefore are relevant for the further development of this objective.
Social dimension assistance is required to address just culture with a continued focus in change management and social inclusion	Clarification is needed on the meaning/intention of this performance objective.
PO3 - EU level: Business Continuity preparedness for loss of systems. Incident reporting of security threads detected	FABEC ANSPs do acknowledge that effects resulting of cyber security issues can have an impact on all 4 KPAs. They would therefore be reported/covered in the corresponding KPA areas. We however doubt the usefulness of reporting cyber security occurrences within Safety reporting.
KPA Environment – general comments	
	KPIs and PIs for ANS environment performance should focus more specifically on ANS controllable flight efficiency aspects. Where airspace

	users do not fly the shortest route and choose to fly alternative routes (e.g. due to cheaper unit rates or better wind effects), ANSPs cannot be held responsible for the resulting inefficiency alone. This should be factored into the performance assessment / KPI definition. The same should apply for contributions to inefficiency by military AUs and the influence of re-routings, which have been initiated for capacity reasons. As a consequence, KEP should remain an indicator/target for NM (respectively also for AUs); NM is managing the coordination of measures to increase HFE of AUs (flight routes, CDR, etc.). Generally, a better indicator could be one on fuel efficiency; this potential alternative however might only materialize in the context of SESAR deployment. FABEC ANSPs therefore do support to - investigate into the development of better-suited indicators which remove the dependency with AUs while having a KPI that makes sense for ANSPs (e.g. fuel efficiency, VFE or the improvement of the route design (evaluation of the ANSPs environmental performance on the improvement of the route design (changed and new routes published in the ERNIP) rather than on flight plans or flown trajectories. The route lengths between flown city-pairs would be compared in year n with a reference period. We could take into account both MIL ON and MIL OFF situations into this indicator. This indicator is already monitored by NM but would require slight adjustments.)) Improve currently used indicators towards RP3 (HFE incl. achieved distance methodology, FUA)
3.6.1 the NM and ANSPs could have incentives to accommodate user preferred trajectories to the maximum extent possible.	FABEC ANSPs do see a contradiction with this proposed incentive, as the user preferred trajectory might not be the shortest route and therefore might have a negative effect on HFE. Generally, we do support the introduction of an incentive on ENV target achievements. However, the

	corresponding indicators in that case should be under the control of ANSPs, which is not the case for HFE or CDO.
5.1.2 airlines have been reluctant to take up the use of this (special use) airspace	This shows the necessity to integrate the contribution of Airspace Users to Flight Efficiency improvement objectives.
5.1.7 Safety KPA and Environmental KPA issues interact in terminal areas particularly on noise issues	In case, a specific interdependency is to be highlighted, the one between Capacity and Environment should be mentioned.
5.2.5 VFE has scope particularly at congested airports for targeting. This should be focus for RP3 with targets at local level to address the unique requirements of each airport, particularly interaction between noise and CO2/NOX.	FABEC ANSPs do support the need for the development of a suitable indicator to measure VFE. The indicator should be assessed around major airports to develop accurate means of assessment and to evaluate where room for improvement is. An EU-wide indicator for VFE assessing all flight phases cannot be defined in a fair way for ANSPs alone, because ANSPs strife to grant as much freedom as possible for AU to choose their own trajectory as long as safety is not compromised. An indicator definition would need to reflect this interdependency. In order to address these issues appropriately in the development of an VFE indicator, FABEC ANSPs ask to involve the relevant stakeholders in this activity.
5.2.6 Fines for track deviation, or noise pollution exceedances, levied on operators, or the ANSP	ANSPs should not be deemed responsible for aircraft noise or track deviations that are not under their control.
5.2.8 FUA program is considered to be ineffective as the released airspace is not used by civil operators	The indicator (time used versus time allocated) is a useful indicator to measure military contributions. However, the pure monitoring of this indicator probably is not enough. There are currently too many interpretation possibilities. It is unclear who will utilize the information for improvement. We do support the PRB concern that flight planning IT systems (LIDO) are focusing on cost optimization and not necessarily on shortest routes. Contribution of AUs in target achievement needs to be considered.

Proposed Performance objectives	
5.4.33 PO4 – EU level **Maintenance of contribution towards global emission by maintaining or improving ATM contribution to fuel burn (CO2 emissions)**	HFE and VFE should contribute to this performance objective. See comments above!
5.4.35 PO5 – Local airport level **Improving the assessment of noise contribution and route design at a local level**	FABEC ANSPs do not support the PRB statements in paragraphs 5.2.5 and 5.2.7. Noise issues are politically driven and not under the control of ANSPs. In addition, noise constraints and corresponding mitigation requirements are very specific to each local level. Generally, the airport is responsible to deal with this topic. For these reasons, noise issues are not an appropriate topic to be covered in the performance scheme of ANSPs. There are also dependencies with other environmental efficiency areas (e.g. fuel emissions, ASMA)
5.4.37 PO 6 – Local TMA level **Improving the delay caused by holding and en route delay management to reduce CO2 and NOX effects at airports**	The described areas of improvement are not all related to ANS issues and therefore not only in the control of ANSPs. Delay and flight efficiency can be linked, but are not always linked. „Holding“ is too specific (could also be „transitions“).
5.4.39 PO7 – EU level **Improving the management of fragmentation through better standards management and facilitating competition in ATM**	FABEC ANSPs would appreciate to get clarification for the meaning of this objective. Better standards management could help. But there is no evidence, how competition and de-fragmentation in ATM would impact performance.
KPA Capacity – general comments	
	Focusing ANSP target achievement on CRSTMP (the delay reason P – special events – should be divided into ATC-related/non ATC-related special events) delay reasons and the post-ops adjustment process are useful processes to ensure that the share of ANSP-controllable delays are accurate. They should therefore be maintained for RP3.
	Additional time in taxi-out and ASMA (in RP1 within KPA Capacity, in RP2 within KPA Environment)

	Both indicators (Additional time in taxi-out and ASMA) are useful indicators to measure performance within and around (40nm) the airport. However, even in the 5th year since their implementation as monitoring indicators, there are still issues with their definitions and the harmonization of data collection. For both indicators, the methodology used to calculate the unimpeded time used as a reference is not yet mature and not transparent. I.e. if the indicators are monitored on a monthly basis, the unimpeded time also has to be calculated on a monthly basis. Concerning the ASMA indicator, it is important to use the first entry in the 40NM circle as a basis for calculation. For larger airports, an additional indicator based on an 100NM circle could be interesting. The indicators should still be used only for monitoring and not as KPIs with defined targets.
5.3.4 to 5.3.7 Traffic volatility (external events, conflict zones, external effects from non-SES countries (Turkey), etc.)	See comment to PRB statement 3.3.21
5.3.8 limiting elements in current capacity indicator: **- measures 20-25% of the total delays on which ATC can have an impact** **- measure is an average – risk of hiding the real causes**	**En-route ATFM delay** Although ATFM Delay does not measure all ANS related delays, a more suitable indicator probably can only be developed with the implementation of business trajectories within SESAR (enable better AU flight planning), but this will not be mature for RP3. FABEC therefore proposes to stick to the current indicator and to improve it by defining traffic dependent capacity targets. In addition, the methodology to calculate the reference values as a breakdown of EU targets should be improved. In addition, the option to use the capacity profile as an alternative/additional indicator to set targets should be analysed/developed. A potential use of the CODA delays as alternative En-route ATFM Delay KPI cannot be supported by FABEC ANSPs due to the following identified issues: CODA delays are not being reported by all airlines, insufficient data quality, flight plans from airlines often vary from ATC-flight plans, etc.

5.3.9 For RP3, maybe we could try to focus more on the main European bottlenecks (essentially situated in the core area) that create most of the delays,…	FABEC ANSPs support this approach, as this is also seen by us as the area for considerable improvement needs. However, it needs to be considered that this is not a network wide objective. The text of the last paragraph in this section is vague. FABEC ANSPs would appreciate to get clarification on the text elements "At local level: Arrival delays and holding usage. Weather generated delays. Runway capacity usage."
Proposed performance objectives	
5.4.41 PO 8 – EU level **Maintaining delay measures to facilitate 98% of aircraft on time performance.**	This is already a precise target rather than an objective. A necessary pre-requisite to measure this target would be the definition of punctuality (ATFM delay < 15 min.?). Some information on the historical evolution of this objective within the EU would be helpful. How can this indicator be broken down? If it is not possible then a consistent line of targets (network, FAB, ACC, …) cannot be ensured anymore!
5.4.43 PO 9 - EU level **Improving the use of Special Use airspace released to the community by special use airspace managers.**	There can be adverse effects to this indicator: the MIL could be encouraged to book more airspace so that they can release more. FABEC ANSPs propose to focus on the indicator comparing the airspace booked vs. the airspace really used, because it has proven to be the most suitable one to measure military performance contribution. However, until now, no harmonized indicator is available in Europe (each State calculates MME KPI in a different way). The indicator should be part of KPA ENV.
5.4.45 PO 10 – EU level **Improving the resilience of the South East Quadrant with particular focus on Balkan State inclusion and improvements of Greece and Cyprus performance.**	FABEC ANSPs recommend this objective rather to be used as a local than a network wide one
5.4.47 PO 11 – local level	The most suitable measure to contribute towards such an objective would mainly have to come from airports. The potential contribution of ANSPs

Improving the level of airport capacity during RP3 and onwards, on the largest coordinated European airports, with an increase of airport slots at the same rate as the traffic increase.	would be limited. All stakeholders should get involved in the target achievement. Before being able to increase the number of airport slots at the same rate as the traffic increases, it is important to determine if the airport slots are adequately attributed. Furthermore, what would be the basis for traffic increase (hourly, daily, seasonality, at the airport, …) as capacity can be reached for some hours but not for 24 hours or during a season – as long as it is possible to define capacity? The potential influence of noise (political) constraints also needs to be taken into consideration for this objective **<u>Arrival ATFM delay</u>** The ANSP share in this indicator is extremely small. Weather induced delays play a significant part. The delay reasons usually are not ANSP driven. However, towards RP3, there is no better indicator. Two main aspects to be considered towards RP3: - Due to the strong dependence on local developments/requirements, targets should continue to be set at local level. - Due to the strong dependence on traffic development, targets should set taking into account the traffic shift risk
KPA Cost Efficiency – general comments	
5.4.1 More appropriate regulatory mechanisms and better use of market conditions could help to achieve the goals. **Focus should be on economic regulation where it is necessary (e.g. prices, output, investment and quality) and only deal with safety and environmental regulation when these effect economic regulation directly**	FABEC ANSPs would appreciate clarification on the meaning of this performance objective. If this objective proposes to focus the further development of the performance scheme towards RP3 only on economic regulation, FABEC ANSPs would be concerned on how the existing interdependencies towards Safety, Environment and Capacity could be properly addressed.
	Like for the other KPAs, KPIs in the KPA Cost Efficiency should be better aligned with ANSPs controllable costs. In particular, consideration should

	be given to taking different approaches for different cost components, e.g. treating capital expenditure / depreciation, cost of equity and costs exempt from cost sharing in a different way in order to focus ANSPs on enhancing efficiency of controllable costs. Consideration should also be given to the following KPA-related elements: • **Potential use of a Total Economic Value as a complementary indicator** FABEC ANSPs support in general the introduction of TEV as a complimentary indicator, but only when a methodology to calculate TEV is mature, which is not seen as being realistic for RP3. Once, a methodology is mature, it could be tested as a shadow system in order to validate its functioning. • **Starting point** Like in other regulated industries, the national cost efficiency targets for a reference period should be set on the basis of the business plan of the ANSP, taking into consideration all influencing elements like interdependencies towards other KPAs/KPIs. A continued setting of starting points referring to targeted cost bases in RP1 would inevitably lead to a cost base of € 0,00, which does not correspond to a realistic regulatory approach. • **Traffic risk sharing** FABEC ANSPs see a need to improve the currently applied traffic risk-sharing model in order to better address the fact, that ANSPs are not in a position to influence traffic development: - Traffic forecasts should continue to be based on STATFOR forecasts with the possibility for the State to deviate from this forecast under specific circumstances, that need to be

	explained in a corresponding justification - Justified adjustments to the traffic forecast prior to the beginning/during of a reference period should be possible. In addition, FABEC ANSPs see a need to consider the following topics for review/further elaboration in the context of the charging regulation towards RP3: - **Return on equity** is related to the equity and the equity rate. The percentage of equity reflects the risk of the ANSP. Setting a cost efficiency target on the approved amount of return on equity is not logical nor appropriate, as it leads to a reduction of an approved return on equity or as a consequence to an additional reduction of other cost elements - **Handling of EU funds** – an incentive for the administrative work for the ANSP in requesting/administrating the EU funds should be ensured - **Uncontrollable costs** – the guidance material elaborated within the SSC WG on eco aspects is needed to assist the ANSPs/NSAs in preparing their requests for costs exempt from cost sharing. - **Adjustment of reporting tables** to include the view on the real result - **Separation of direct and indirect costs in the reporting tables to increase in transparency** - **Billing formula: airplane weight (MTOW) –** as billing of the individual airplane weight meanwhile is possible, the binding requirement to base the weight calculation on the average airline weight should therefore be changed into a "may" requirement (Annex IV, 1.5 in 391/2013) - **Billing on the basis of actual flight plan –** in order to properly invoice the actual service delivered by the ANSP, billing should be based on the actual flight plan instead of the last filed flight plan (Annex IV, 1.2 in 391/2013)

5.4.49 PO12 - EU level **Incentivising the deployment of technological developments to improve cost efficiency targets**	FABEC ANSPs do not support this proposed objective: incentivizing the deployment of technological developments should not be limited to cost effective improvements. Generally, the following risk elements need to be considered prior to deciding on potential incentives on planned performance contributions: - In many cases, the CBAs are not yet available, which includes a risk for the ANSPs in the planned performance contributions. - The effects on the cost base might require more time than originally planned. - Benefits sometimes also depend on the implementation requirements of the AUs, which represents an element not in the control of ANSPs.
5.4.51 PO13 – EU level **Improving the effectiveness of the charging mechanisms to improve cost efficiency**	Clarification is needed on this objective. It does not clearly reflect what problem in the charging mechanism is being addressed and/or how.
5.4.53 PO14 – TNC Charging zone **Increasing the view of Gate to Gate to match cost and operational performance**	Due to the fact that nearly all requirements on air navigation services in the terminal area are originated from local airports and local circumstances, the future targets on terminal cost efficiency should continue to be set locally.
Overall objectives	
5.4.55 PO15 – EU level **Improve the effectiveness of the fifth pillar of SES by improving communication and change management dialogues**	FABEC ANSPs support this objective and are interested in contributing in the further analysis and a potential development of an indicator.
5.4.57 PO16 – EU level **Improving the institutional arrangements to reduce duplication, improve harmonization of common rule sets, and reduction of red tape**	Performance regulation shouldn't be used as a means to improve the institutional framework. This should be a political process.

Comments from The Netherlands

Received on the 30th of September
Sender: Ference Van Ham – Senior ATM Policy Advisor

General

Discussions among the Dutch air transport stakeholders show concerns about the performance scheme in its current set up being the correct tool for driving performance improvement. The existing scheme is complex and has created a considerable administrative burden, all of which causes distraction from, rather than focus on, implementing performance improvements.
Furthermore, the existing legislative framework defines strict processes that are aligned with the overall concept of the performance and charging schemes and that have been developed with the best intentions. However, in practice and at a more detailed and local level these processes can create hurdles that prevent the different stakeholders involved to come together and reach a mutually beneficial and agreed solution to address specific issues.
Looking forward to RP3, we should be questioning the overall approach to the performance scheme, rather than trying to fix any perceived deficiencies in the existing approach. The SES performance scheme can only be effective when all actors participate actively and act responsibly. The current performance scheme is not steering all actors to act accordingly, and thus is not delivering to its full extent.
This also includes recognition of the role of the military as part of the basis for a coordinated approach, rather than treating the military as a source of restrictions.
With all of the above in mind, it is a concern that the PRB describes the purpose of the White Paper as '*to initiate the target setting process for RP3*'. The concept and format of the scheme first need a thorough review and update for RP3, before we can start to address the target setting process.
We would be interested to hear the PRB's overall views on the basic concept of the performance scheme, its positives and negatives, and what options are available to improve its effectiveness – away from the complex scheme that exists today, and towards a system that fully supports and enables performance improvement.

Specific comments

- The paper provides a discussion of current issues and a view of performance objectives for RP3, but the relationship between the two is not always made clear.
- The PRB rightly takes a broad view of performance in the various KPAs, and considers the roles of various stakeholder groups (including e.g. airspace users and airport operators) and their contribution to performance. In future steps towards the definition of RP3, attention is required for how this fits in relation to a performance scheme for ANS. Although there are arguments to increasingly take into account the contributions of different stakeholders in the scheme, the risk is that this would add a further layer of complexity to the system.
- The performance scheme could be reorganised to integrate the airspace users (civil and military) as essential stakeholders. Users could, at least locally, negotiate on the service levels to be delivered by the ANSPs. This would make airspace users not only responsible for defining the required capacity, but also for bearing the costs of the required ATC capacity, even if it is not used in the end. Otherwise there is no certainty for ANSPs that the required investments will be reimbursed. In the end this non-reimbursement will be disadvantageous for all parties concerned.

- Performance is not a standalone issue within the SES context, it is closely linked to other elements such as FABs, the Network Manager and SESAR. Here again, the PRB rightly takes a broad view and assesses performance objectives in the wider SES context. However, the conclusions drawn in the White Paper should be limited to the PRB's responsibilities and the context of the performance scheme: firstly, how do various developments affect performance, including both the contributions they make and the hurdles they create; and secondly, what steps can be taken and what requirements can be put forward, within the scope of the performance scheme, on other developments to ensure the potential for improvement is delivered. Examples are:
    - The PRB highlights issues regarding complexity of the institutional landscape and of the regulatory framework. These issues are indeed a major concern, and in general deserve attention. However, the PRB's conclusions should focus on how this impacts performance and which hurdles it creates for improvement.
    - The monitoring of SESAR deployment is important to ensure the expected benefits are delivered in a coordinated, timely and cost efficient manner. The PRB should define its requirements for the monitoring process in support of its own responsibilities.
- SESAR deployment is expected to play a major role in RP3. This leads to two main questions.
    - Firstly, we need a clear and realistic view of the impact of SESAR deployment on performance areas within the RP3 timeframe, in terms of expected benefits and in terms of costs for each of the parties (airspace users, airports, ANSPs, Mil).
    - Secondly, we should be looking at how the performance scheme can help drive SESAR deployment by setting the right objectives and applying the right incentives – but without forcing specific actions, as this would be contrary to the vision of the performance scheme.
- There needs to be more recognition of the human factor and its relation to cost, as this creates context for how and when we can achieve certain improvements. Firstly, the majority of current operating costs are staff costs, which are typically based on long term commitments regarding terms of employment. Secondly, major restructuring, which may be necessary to achieve the SES goals, will come with social costs which cannot be ignored.
- Accelerated depreciation costs is another major restructuring item still to be solved.
- The PRB notes that it proposed ambitious targets for RP1, and that these targets were subsequently degraded. However, in the end even these 'degraded' targets were not met and, as a result, we could be questioning the initial ambition level, or at least look in more depth at the question why there is such a big gap between initial ambition and actual performance – going beyond common statements of reluctance to change[1].

  Linked to this, the suggestion to seek acceleration of delivery is a concern, as it is likely to only widen the gap in the relationship between providers and users, who, in the end, need to work together to come to a Single European Sky.
- Interdependencies between KPAs still need to be elaborated and made explicit, as they are one of the factors that make the performance regulation complex and difficult to manage.
- A specific case of interdependency that requires more recognition is the balance between cost of investment and operational benefits (capacity and flight efficiency).

[1] We note for example the comments in paragraph 2.6 where the PRB describes the difficulties of meeting performance targets in a period of volatile traffic development, while also needing to invest in the future. This is an example of evidence that linking the perceived lack of progress to the conservative nature of ANSPs is too simplistic, as ANSPs face difficult choices and in specific cases can be justified in taking a cautious approach.

- Different areas of European airspace operate with different context and circumstances. Furthermore, interdependencies between KPAs as mentioned in the previous point can vary between States. A ´one size fits all´ approach to target setting does not recognize the specific challenges in a particular area of airspace, or take into account local circumstances. More consideration needs to be given in the target setting process to local priorities, with the balance between targets in KPAs customized to local circumstances and dependencies. In this context, it is positive to note that the PRB has included comments in the White Paper that a more geographically focused approach may be useful in some cases, e.g. paragraph 5.3.9, where the suggestion is made that focus should be on main bottlenecks, and performance objective 10, which focuses on the South East Quadrant. These two examples apply to the capacity KPA, we would suggest it can be broadened to the wider suite of KPAs and KPIs.

  We stress that our comments are not intended to reduce the scope and role of the EU-wide performance scheme, as we consider it important that at EU level stakeholders continue working towards the same performance objectives. We merely suggest to review the approach for translating EU-wide targets to local targets.
- An important consideration is the need to balance predictability for civil users with flexibility for military users.
- The wording used to discuss the role of the military should reflect that the military is not a hurdle, and their reservation of airspace not a restriction. Military airspace reservations are a necessity and are part of the nominal set-up of the system, similar to the emergency lane on the motorway: its unavailability does not reduce the nominal capacity of the system, but its availability increases the capacity of the system.

Performance objectives

Safety

We agree with the PRB that the current KPIs will have their effect in RP2 and can be closed. These requirements are now covered by new or upcoming regulation, and the NSAs will exercise relevant oversight.

We agree that reduction of loss of separation [EU-level] and elimination of runway incursions [local level] are important objectives. However, care must be taken in how these objectives are translated into indicators: incident numbers should not be considered as KPIs, because they are lagging indicators, with associated risk of non-reporting to meet targets. We suggest to develop the KPIs as leading indicators, based on the SMS actions required to prevent loss of separation and runway incursions, with the number of incidents monitored as PIs.

Environment

Putting focus on emissions is a useful approach, but it is worthwhile to further explore contributing factors that are on the boundaries of ANSP influence (i.e. mostly where airline flight planning decision making is influenced by factors other than shortest route – whether they are internal choices such as avoiding congested or expensive areas, or external constraints such as conflict zones).

It should also be taken into consideration to what extend the civil airspace users are making use of the additional flight planning options that FUA provides. Military partners are investing in FUA and this effort justifies an investigation into the way the additional capacity is being used.

Both points raised above highlight the close relation, and interdependency, between ENV and CAP KPAs.

Route structure and procedures in the direct vicinity of the airports should be treated with great caution in the context of the performance scheme. These routes and procedures are generally very much influenced by local issues and based around local preferences and decisions. The local

situation is often the result of extensive work by, and carefully balanced local agreements between, the parties involved, including the local communities, and this should not be disrupted through the performance scheme.
The objective to improve 'the management of fragmentation through better standards management and facilitating competition in ATM' is a suitable SES objective, but is not a performance objective. The focus of the performance scheme should be the performance level (outcome KPIs) to be delivered in the end, not how to get there (process KPIs).

Capacity

The objective to facilitate 98% on time performance is closer to being a target than an objective: what is the real objective, what are we aiming to achieve by getting (more than) 98% of aircraft to operate on time? A secondary question to be asked in this case is whether the additional costs outweigh the performance improvement.
Improving the use of Special Use Airspace released to the community by special use airspace managers is a suitable focal area for a performance objective, although the wording and intent of the current objective require more work. This objective again highlights the close relationship with the environment KPA mentioned above.
As already noted in our general comments, we support the idea of objectives that focus on a specific area and/or a specific issue, such as resilience in the South East Quadrant. It is worth exploring wider application of such a more focused approach.
The objective regarding airport capacity raises some questions in terms of feasibility of required actions, scope of ANSP influence, etc. Additionally, we would expect that this is an area where all air transport stakeholders' views are generally aligned; there is sufficient motivation to perform well, and the need for setting further performance objectives is unclear.

Cost efficiency

The objective for ´incentivising the deployment of technological developments to improve cost efficiency targets´ is very relevant and important, although we would need to see how this translates into regulation, indicators and targets, as the solution does not seem obvious. PCP has shown that the benefits and the costs of these investment projects are divided rather unilaterally (benefits for the users, while ANSPs are confronted with substantial cost increases).
We would furthermore suggest that the objective should refer to coordinated deployment, to prevent a situation where different States take different actions at different times, and the resulting potential for performance improvement does not materialize. As a result there may be winners and losers, and a balance in interest needs to be established.
In the cost efficiency area, the vulnerability of the scheme because of its dependence on five year forecasts (in particular for traffic levels) has been clearly perceived.

Comments from United Kingdom (NATS)

Received on the 29th of September
Sender: Thea Hutchinson – Head of regulation

Dear Mr Castelletti,

1. Thank you for the opportunity to provide our feedback to the PRB white paper on RP3 performance objectives.

Introduction

2. NATS welcomes this initial thinking from the PRB for performance objectives in RP3. This work is important to a successful deployment of the SESAR technology as well as for improving the experience of European airline passengers in RP3.

3. Further analysis is required to focus the ideas in the PRB's white paper into fewer concrete and more realistic objectives and targets, including feedback from stakeholders. NATS is keen to contribute as much as possible to this process. Our comments below reflect our aim of ensuring that our performance targets authentically reflect objectives that customers value and are achievable as well as challenging.

Overall approach

4. NATS supports the PRB's ambition of having better regulation that is simpler and drives correct behavior, including a shift to focusing on outputs instead of input s. However, NATS is concerned that this ambition is not consistent with the long list of performance objectives in the white paper, which represent a significant expansion on the current performance indicators. In addition, some of them do not seem to be either measurable and/or in the control of the ANSP, which is an important requirement.

Original target

5. While NATS understands why the PRB should wish to retain the original SES target of 50% reduction in unit costs, this is unrealistic when traffic has failed to progress in line with forecast. Also, it is clear to us that our customers value capacity and service resilience highly and reduction in unit costs may not be their key priority if this comes at the expense of service quality. With previously forecast growth not materialising, "acceleration opportunities" are likely to be too piecemeal across the EU as a whole to be the basis of an EU-wide target of this size.

Local input

6. A fundamental weakness in the application of EU-wide approach is the "one size fit s all " approach, which does not cater for local circumstances. Therefore, NATS supports the recognition by the PRB of the key role National Supervisory Authorities (NSAs) can play in tailoring the Performance Plans to meet local circumstances. However, in addition to the areas of the environment and pensions, NSAs have a key role to play in assessing the trade-offs between interdependencies in the Performance Plan, especially when this understanding still immature at an EU-wide level (see below).

Competition

7. NATS supports the PRB's approach of promoting competition to drive performance where possible to do so. In particular, NATS believes that more could be done to

promote competition in the provision of terminal air navigation services (TANS) and encourages the Commission to do further work in this area. NATS disagrees with the PRB's characterisation of competition in the UK TANS market as " slow but steady". Instead, NATS's experience is that competition is strong, as shown by its loss of contracts at Gatwick, Edinburgh and Birmingham airports in recent years.

8. Turning to the idea of competition for the provision of services in the en route market, we believe this is not currently feasible given investments already made and the institutional and legal framework relating to most Air Navigational Services. Competition in this market (instead of for this market) is even more challenging because the technology does not yet exist to enable this and to meet safety requirements. There would also be the same investment and institutional/legal issues.

Safety

9. NATS supports the PRB's approach of seeking advice from the EASA working group on appropriate performance objectives for RP3.

10. NATS believes that the Single European Sky's priority on safety should be maintained. The focus of the performance scheme should therefore be on ensuring that targets in other KPAs do not adversely impact safety. Objectives for safety should include monitoring of relevant lagging indicators like the rate of Separation Minima Infringements and rate of Runway Incursions. Importantly, pressure should also be maintained on the continuous maintenance of Safety Management System maturity, which is considered an appropriate leading indicator of safety.

Capacity

11. NATS disagrees that there are "weak incentives on capacity". NATS is very focused on capacity because this is a key requirement of our customers and is an increasing challenge with rising traffic. NATS notes that the PRB's suggestions of targets that better meet customer requirements are already in place in the UK, such as one-off delay and delay at peak times. However, NATS is concerned about some of the proposed areas for future targets because it has limited control over them and might not always be in the interests of passengers (e.g. over allocation of slots to maximise runway capacity usage but which could affect service resilience).

Environment

12. NATS is pleased by the PRB's recognition of the importance of vertical efficiency as well as horizontal efficiency. However, NATS believes that vertical efficiency is important in all areas of complex airspace, not just those surrounding congested airports.

13. We also welcome the PRB's recognition of factors that influence ANSP performance but are outside ANSPs' control, e.g. impacts from air space user actions, community noise opposition, and differential charges. Our experience over RP2 has shown that the inter-dependencies between environment and other KPA areas and the influence from airport/ community stakeholders is greatest in terminal areas. Therefore, flexibility must be allowed in FAB plans to ensure that any Terminal Area targets meet local customer priorities, while limiting external factors outside the control of ANSPs. Further, more clarity is needed on the PRBs proposed environment metrics for RP3 and focus on Performance Based Navigation.

Cost efficiency

14. NATS disagrees with the PRB proposal to measure en route cost per 100km for benchmarking. Instead, it would be better to use a time element as a cost driver, which is a better measure of the volume of work that is needed to control aircraft and is used as the prime factor in ACE benchmarking.

Single unit rate

15. Introducing a single unit rate across all European airspace could ignore the different costs of providing a service e.g. in more complex dense airspace. From a policy point of view, it is important to ensure that prices are cost reflective otherwise scarce airspace resources will not be used efficiently. Higher prices reflect higher costs, which can in turn reflect the greater challenges associated with managing more complex airspace, almost like a "congestion charge". With a single unit rate, airlines will not face any financial incentive to avoid airspace that is already congested. Further, there are likely to be practical challenges to implementing a single unit rate, including significant administrative complexity and cost.

Further analysis

16. NATS supports PRB efforts to carry out further analysis so that it understands better:

    - how to make improved use airspace currently designated to the military;
    - the breakdown of Eurocontrol costs, including any duplication between institutions in Brussels, with any recommendations acted upon; and
    - regulatory approaches adopted in other sectors.

17. NATS also believes that further analysis also needs to be done interdependencies. In particular, NATS disagrees with the PRB's optimistic view that there is now a "much better understanding" of interdependencies. In reality, there is no methodology that allows the PRB or European Commission to take interdependencies into account in a systematic way when assessing Performance Plans. The only practical way forward is to give more authority to NSAs to take trade-off s between key performance areas into account, in view of local circumstance, when assessing the performance plans.

18. Please do not hesitate to contact me if you wish to discuss any element of this feedback.

Comments from France (DTA)

Received on the 4th of October
Sender: Jean-Jacques Blanchard

Introduction

The following comments related to the PRB White paper are provided by French National Supervisory Authority (economic and performance regulation).

The White paper deals with multiple topics. However, and unexpectedly, it fails to address weaknesses of the performance and charging regulations and of the applied processes when preparing RP1 and RP2, and to suggest solutions.

In order to facilitate the reading and to stress our arguments, you will find hereunder comments sorted out successively in three parts:

- Part 1: the points of view which are partly supported, however with reservations and criticisms in most cases;

- Part 2: the missing points: which you would have expected, in particular weaknesses of the current regulations and processes applied, and suggestions for remedy.

- Part 3: the points of view which are not supported.

Attention is drawn on Part 2.

Partly supported points of view

Need to revise the "performance" regulation (No 390/2013) without opening again the SES2+ discussions.

In this regard, however, section 5.4 is rather general, re-opening well-known and not always shared discussion / including on SES 2+ on institutional or economic aspects (outsourcing, unbundling and competition, etc.) and comparisons with other sectors (see above).

This section suggests that the PRB is bound to continue setting EU-wide targets in a quite top-down manner, e.g. building on supposed lessons from other industries and ignoring all the data and experience available from the real ATM world, including data from the SESAR developments.

There are little concrete remarks or amendment proposals regarding the needs for revision of regulations on Charging and Performance.

In this respect, part 2 below presents a number of remarks and suggestions for change in the performance and charging regulations and in processes applied.

Social dialogue and a common understanding with trade-unions as a prerequisite for deploying successfully airspace and other technical projects.

For instance, we agree with the statement in 1.7.3 that it is obviously counterproductive or useless to deploy projects or measures that are rejected by the personal. It is also one cause of interdependency between operational performance and cost-efficiency, and this should be more taken into consideration. In this respect, during the elaboration and assessment of the FABEC Performance Plan DSNA was facing a very sensitive social dialogue period leading to a 4 years social agreement, which interfered with the strong opposition of PRB and the Commission to the French cost-efficiency targets and their request to align them along the EU-wide target trend, which was considered as unachievable in this context by both DSNA and by DTA (NSA).

Assessing in a realistic manner the benefits of SESAR along the period is also important before setting EU-wide targets.

Cost pressure and performance driven deployment of SESAR.

Section 1.5.5 suggests that the ATM Master Plan should be oriented towards new business models and introducing competition / reducing monopolies. In this respect, the set-up of the SESAR program, from inception of R & D down to implementation programs, aims at modernization towards optimal performance gains, and in line with the ICAO GANP. Quite clearly, both CEF rules and cost-efficiency are reasons why ANSPs, liaising with airlines, develop joint solutions (systems, functions and services, procedures, "central services").

However, driving SESAR solutions specifically towards competition could deviate it from its optimal course as identified by all parties, which includes other considerations like time to implement, reliability of ultra-sensitive components (e.g. Radar tracking versus cyber-security), and laying bricks enabling the next developments.

In this respect, the governance of both SESAR R and D and SESAR deployment under regulation 409/2013 ensure the coordination and agreement of all stakeholders in the industry, as well as the set-up of the SESAR deployment manager, approved by the Commission.

The paragraph also suggests that the PRB should receive a role in checking that the SESAR deployments are performance-driven and that "planned performance outcomes are achieved". This approach looks a bit simplistic because:

- strong cost-pressure would just deter efforts to implement the deployment or could deviate deployment from the optimal course, and
- assessing the efficiency of one change to systems, functions or procedures may be computed in advance, but is often impossible hard to measure it in isolation from other performance factors (including costs) afterwards.

However, it may be worth discussing with the industry what role the PRB could actually receive with respect to SESAR deployment.

In Chapter 2.8, what the PRB names "performance program" consists in a number of ways to ensure that evolutions of the ATM system are performance driven. As a matter of fact, this seems to be the case in areas such as SESAR R&D and in SESAR deployment. However, as commented above, a top-down approach based on the principle that more cost pressure in the short term provides better achievements overall cannot prevail.

Phasing out of "obsolete or unnecessary infrastructure".

Besides, the need to phase out "obsolete or unnecessary infrastructure" is agreed.

One example is PBN where NDB or category 1 ILS are progressively phased out and the precision approach procedures are replaced by GNSS approach procedures. It has also been suggested that CEF might help some ANSP to decommission heritage systems to implement modern, interoperable and/or joint ones. However, it should be kept in mind that such opportunities are rather scarce, and sometimes touchy, because the need for the heritage systems and the relative cost for switching to new onboard equipment are uneven according to user categories and may also be costly if the asset to be decommissioned is not fully depreciated yet.

For all the above reasons it seems inappropriate to set a target on a key performance indicator measuring the phasing out of unnecessary infrastructure.

Introduction of new performance indicators but not necessarily with an EU- wide target and/or local targets and under conditions such as a clear definition, the level of maturity and a common understanding of what is really measured and which stakeholder category influences the indicator.

(K)PIs introduction, target setting and monitoring

Chapter 5 attracts general remarks on suggested additional indicators:

- There is no harm introducing additional indicators to measure phenomena, impact of behavior of stakeholder categories, locally or at network level, for studying, enriching knowledge and decide or monitor actions.

- However, the performance scheme itself should remain with a limited set of indicators which are mature, stable, defined in such a way that interpretation is single, and measurement equally, notwithstanding the possibility to increase assessment criteria as may be needed. This is even truer for KPIs, implying target-setting at EU and/or local level.

- Reporting should not overburden ANSPs and NSAs, so that the weight of performance regulation and their application does not generate distress in oversight resources.

The wide number of areas, the experience required for all new indicators, that would be tested outside the performance scheme itself (like PRC/PRU did over years) strongly suggest to rely on the full experience and knowledge developed by EUROCONTROL over years. At the opposite, using an external contractor would entail most risks of insufficient understanding and poor progress and outcome. As an example (Chapter 5.1.4): Should cybersecurity be part of the performance scheme? Such an indicator is something completely new and sensitive in a current performance framework: is it possible to assess / monitor cybersecurity in a performance driven framework? Is it suitable?

Safety

EASA work on safety indicators at large is welcome.

Noise indicators

Regarding noise (Chapter 5.2.7), this should not be part of the EU performance scheme: the debate already took place during the previous RP2 consultation phase. Arguments remain the same: too political, too local, too social, other dependencies than just performance ... We agree with the conclusion that noise issues should be kept at local level (idem for 5.2.9 regarding noise indicator).

Number of indicators

Chapters 5.3.8 and 5.3.9 address an interesting issue, deserving more technical discussion. In the end, however, Capacity KPIs should remain very limited: 1 or at most 2 indicators per KPA and per segment (en-route and terminal areas).

Monitoring other mature indicators in parallel remains welcome.

External bench-marking indicators

The proposal in Chapters 5.4.22 & 23 to build performance indicators and manage performance in ATM on the basis of a bench-marking with other industries does not appear relevant. Also an indicator based on the use of market opening for ANSP internal services is not supported for reasons given above.

Military agree that civil users do not use the released airspace in an efficient manner and that the efforts being developed in that respect must be supported.

Missing points

This part contains a number of missing points which have to be considered as essential as well as additional comments on points which are addressed partially and superficially.

Process for both preparing the EU-wide performance targets and then assessing performance plans should better take into account the diversity of local circumstances and historical data. It is surprising that the report does not address both processes.

Taking into account the diversity of local circumstances

At the present stage, the Performance Scheme set-up does not take due account of the local diversity of situations and is currently too stiff and too much top-down, with a lack of consideration of the whole available "bottom-up" data involvement of ANSPs.

Successive hearings of each ANSP together with its NSA, if they so wish, should be organized before setting the EU-wide targets in order to better take into account the challenges and main changes at stake for the upcoming period.

This would allow the PRB to better estimate reasonable EU-wide targets, and to determine assessment criteria that capture the diversity of situations met.

In this respect, too, Chapter 1.3.12 statement is too simplistic and lacks pragmatism: everything cannot be achieved together and at the same time: systems lifecycles have their own logic and general coordination or synchronization for a change in systems is not always possible and may be counterproductive or very expensive.
All stakeholders do not share the same technical level and/or requirements, and technical harmonization will also depend on the deployment of SESAR. Some failures can also result from a poor project management at European level and incorrect regulatory requirements (cf. data link program difficulties).

Assessment criteria are sometimes insufficiently specific or insufficiently developed, leading the Commission to interpret them on its free will whilst it is sometimes handicapped by a lack of flexibility / ability to distinguish various local situations.

This is especially true about capacity and cost-efficiency targets.
In the assessment of draft RP2 performance plans, the use by the Commission of cumulative trend over RP1+2 as assessment criterion was challenged by at least one State, and the criterion of the "gap in unit cost with the average comparator group" was blurred.

Interdependencies between the different KPAs is given insufficient consideration.

Assessing trade-offs between capacity and costs

Chapter 3.2.12 statement is disappointing as it denies progress achieved in operational performance

and the reduction trend in unit costs, also because after so many years, the cost figures presented ("Estimated TEC 2012") still amalgamate a cost for "optimal" operational performance in capacity and environment together with sub-performance costs.

Chapter 5.2.10 statement that it is "impossible to assess trade-offs between costs and capacity" is questionable, because much information is available:

- Capacity is related to performance in peak hours, whilst the unit costs related to the average traffic per year: still the operational value of delays can be converted into costs to be compared with the cost-base of charges. The NM may assess capacity plans at ANSP and FAB level checking the consistency of peak capacity plans (through ESSIP/LSSIP 1) and planned delays.
- In some cases where the short-term relation between costs and capacity is difficult to assess, it may require a more in-depth look at the information an ANSP may provide to explain those, including looking at a longer term than the duration of the RP under review.

Also Chapter 5.3.11 obviously avoids quoting the obvious interdependency between capacity and cost-efficiency, being it partial (other factors being rightly mentioned).

NM responsibilities'

It is expected that the NM will gain an increasing role in capacity management at area and also local level through tools interacting with airspace users allowing best use of capacity, to which A-FUA (SESAR AF4) will add up, and it is already influencing local management choices strongly (NOP building, definition of measures to be taken at local level to enhance network performance, crisis management, etc.).

The NM may also check if the "user preferred route" is best for the Network at all times, given the remark made by the PRB about the factors guiding the user behavior (minimizing costs or delays).

In parallel, initiatives are also taken at ANSP level: DSNA has implemented a tool for use by FMPs, via a Web platform, allowing a direct dialogue with acceding users (Ryanair, EasyJet, BA, Thomas Cook, KLM, Vueling, Aer Lingus, Air Berlin, German wings): Collaborative Advanced Planning Concept. This allows for instance changing a flight level in a flight plan in order to optimize the use of available capacity, or proposing another routing (an experiment in 2015 on sector HYR in Reims ACC resulted in a decrease of ATFM delays by 50%).

Remark on Airlines available cost breakdown

Very interestingly, the table of Ryanair costs per passenger broken down and their evolution from 2014 to 2015 shown in Chapter 3.3.17, shows that route charges paid by Ryanair reduced by -5.3%, which is the second largest reduction among all cost items, just after fuel costs.

It is a pity that the PRB missed to comment this.

Instead, references made to increases in ATC charges of Lufthansa and Easy Jet do not measure the evolution of the unit cost of charges paid by those airlines, as the figures amalgamate the volume effect.

Change of the alert mechanism into come more automatic adjustment possibilities to be decided at local level should be considered.

A number of States came to traffic variations close to -10% during RP1, and the same is already likely to happen before the end of RP2.
It is questionable why alert mechanisms may not be applied before reaching this margin (e.g. +/-8%) , and why the Commission may oppose the affected NSAs to apply revised performance targets in such cases, with some automatic adjustment clause, at least within certain predefined limits.

There should be no suspicion here to "gamble about traffic forecast" since the initial targets are approved by the Commission.

Traffic and costs risk sharing mechanisms

The harmonised traffic risk-sharing and definition of the uncontrollable costs, with carry-over mechanisms, are also added value, together with the principles and application of incentive schemes. Nevertheless, those notions introduced in the regulation for RP1 were in part ill- defined or unclear or subject to misunderstandings. That introduced legal risks, led to claims and required additional work in order to set approved guidelines (e.g. exempted costs during RP1: definitions and guidelines were finally approved and clearly set only at the beginning of RP2). There is also still a need to clarify and harmonize the "other revenues" notion. The same has occurred for RP2 for the notion of "restructuring costs" for example.

Incentive scheme effects

The incentive scheme under a moderate level set some useful pressure on capacity increase, the more so with the FAB solidarity towards users and the sharing of the rewards and penalties among ANSP inside the FAB.

DTA proposals to enhance performance assessment

Proposals for RP3 to enhance efficiency of the performance scheme should be developed in order to be able to assess performance on two levels:

- The long-term effects on unit costs and unit rates should be assessed against the 2002-2011 period or even before;

- The medium-term effects can be assessed as positive, since the actual unit rates

are determined on the basis of external factors (traffic, inflation, uncontrollable costs from period N-1), hence avoiding large deviations for airlines and helping ANSP to anticipate how to react to those external variations.

KPIs where responsibility for achieving performance targets is in part shared with airspace users, and major unpredicted changes in traffic flows call for further thinking and discussion.

The White paper rightly addresses the airspace users shared responsibility in planning for optimal trajectories, whilst comments above point at the increasing possibilities for them to use information and tools made available by the NM and the ANSPs. The magnitude of this sub-optimal behaviour on performance should be investigated.

It is a fact that unpredicted major changes in traffic flows occur during RPs. This may increase delays in areas where the surge is highest and capacity cannot match the peak increase anyway (e. g. 2016: traffic flows to/from Iberic peninsula through other States). It would be worth finding a way to adjust the performance scheme and/or the incentive scheme in such cases.

Enhancement of coordination between reporting requested by different entities to avoid multiple redundant performance monitoring efforts.

One of the RP3 objectives not addressed in this paper should be to avoid multiple and redundant monitoring. Regarding Safety, there is room for improvement because there is still some redundancy in the data provided by ANSP and NSA to EASA and/or EUROCONTROL. The coordination has still to be improved and the calendars must be refined.

Regarding financial data, improvement should also be sought in order to avoid the redundancy between the data which has to be provided for the Enlarged Committee and for the Performance Scheme monitoring: double channels and reporting to provide en-route and terminal tables and related additional information.

In general any redundancy generating useless work overload should be banned. In that respect Performance and Charging regulations should be modified in order not to duplicate monitoring and also avoiding inconsistency (for example some ATFM data are already provided and monitored in the framework of the ATFM regulation (255/2010), FUA dimension is also already monitored through the yearly EASA questionnaire regarding implementation of SES basic regulation: there is no interest to include redundant provision in the Performance regulation, etc.)

To conclude this Part 2, the Commission should:

- Review the opportunity to refine the current regulations n°390/2013 and 391/2013, as well as processes applied, with a view to enhance them on several problematic issues, making a list in a collaborative manner with States / NSAs on one side, and with stakeholders on the other side, that takes into account the previous remarks and suggestions,

- In particular, better address the necessary flexibility margins for local performance target setting with regard to "one-size".

- Continue to be active in the monitoring of actual performance at EU level, liaising with the PRB and the NSAs, avoiding duplication of the NSA and ANSP burden through multiple overlapping reporting exercises.

Points of view not supported

Lack of ambition and involvement from States, lack of independent judgement versus the ANSPs. (As a matter of fact, on the opposite, NSAs take into account local factors, review extensive information, consult airspace users and use data from consultation between ANSPs and airspace users).

NSA role and resources

Regarding chapter 1.3.15 bullet 3 ("weak NSAs"): This statement does not correspond to reality. In France for example we do not consider the NSA as under- resourced and the discussion during the SES2+ regulation debate in the Council about NSAs (Article 3 of the draft regulation) led to the conclusion that a good functional separation can be acceptable and efficient. Expertise, technical judgement and efficient procedures are in place in order to enable national public officials and / or Minister to operate due decision making at their level.

States supporting Performance Scheme

Chapter 1.7.7 statement that "the PRB in setting its target …. had its ambition degraded etc." raises questions, with respect to setting EU-wide targets and assessing local targets in a pure top-down approach. A good target setting process must be able to take account of reality and of bottom-up data, as required by SES legislation. Writing that "key States are fighting against performance improvements and setting mediocre targets" shows an insufficient consideration of specific local conditions and of longer change cycles. There is a need to have a more balanced and realistic long term approach.

Finally, the PRB assessment report of October 2015 on revised RP2 performance plans showed that, under given traffic forecasts, the overall charges levied from airlines with the revised proposal performance plans in Europe would be € 150 million better than expected with the EU-wide targets over 5 years.

Chapter 5.4.19 statements blaming ANSP (Bullet 3), the SDM (Bullet 4) and States (Bullet 5) are hardly acceptable pamphlets.

- NSAs and airlines review investment programs with ANSPs not just through monitoring reports (ESSIP level 2 being already much detailed) and get explanations

on difficulties delaying implementation where appropriate,

- No evidence is given that the SDM increases fragmentation on the longer term. Does the PRB mean that the SDM is actually counterproductive?

- The States have supported the SESAR governance, the NMB set-up, interoperability regulations. The interpretation we make of words "States struggle against the Commission's intent to effect change" seems to relate to the rejection by nearly all States of "support services" unbundling and tendering. It seems that the PRB paper reduces change to "introducing competition by all means as the best way to increase performance in ATM". However the Council at Ministers level rejected the idea. The reason is that this top-down approach is deemed inappropriate and inconsistent with an approach entrusting initiative to stakeholders (supported in other parts of the SES2+ draft regulation) linking with SESAR developments. The PRB statement also is in contradiction with other parts where the PRB acknowledges that the performance scheme in itself puts pressure on ANSPs to reduce costs: this should be acknowledged as a very good reason to let them determine the most efficient business organization, and when time is mature for changing the existing one and to what extent, as one possible factor among many to increase cost-efficiency.

User consultation and involvement in Performance Scheme

Also Chapter 3.5.2 statement that "users bear all costs but feel they have little influence in ANS decision-making" seems to belong to the past. Together with the Commission, the States have approved a number of SES regulations and provisions designed to team airspace users and ANSPs together in the governance of the Network Management (NMB composition), of the SESAR-JU, of the SESAR deployment governance and through the composition of the Deployment Manager which was designated by the Commission, moreover through the increasing partnerships in A-CDM and other initiatives, while direct consultation of users by individual ANSPs and through FABs have increased in quality.

Benefits automatically expected from competition in services, without supporting evidence but bluntly referring to experience from other industries which are not comparable.

Chapter 1.3.14 statement looks a simplistic and ideological statement: nothing in this paper proves that ATC service provision would be cheaper and more effective than in the current non-competitive framework.

Chapter 1.3.15, bullet 1: last sentence is an ideological, unproven statement which ignores the user consultation on technical plans by ANSPs and the now systematic search for partnerships in industrial developments and for joint procurement, like in FABEC with ANSP coordination on their investment plans (said above).

Regarding Chapter 1.5.5 last bullet: the PRB should provide data or robust studies demonstrating that

since 2010, from when the ATM unit costs decreased steadily, it is the same, if not more, for gas, electricity, rail transports, mobile telephony, etc. In addition there is not much comparable between these industries and previous attempt to benchmark them led to nowhere (e.g. the failure of the benchmarking study with the same sectors for interdependency, which was clearly useless for any conclusion in the ATM field).

Regarding Chapter 3.2.7, the statement that ANS/ATM services being a monopoly would necessarily drag on the profitability of airlines and impair cost reductions sounds purely dogmatic and not supported by facts. **As an example, the en-route unit rate in France fell from an average 59,8 € over 1991-1995, expressed in 1990 real terms, down to 43,54 € (67,45 € in nominal terms) which represents a reduction of -38% over 20-23 years, that is a minimum -2.0% a year in real terms.** Conclusion that ATC would everywhere cost less with different companies in competition remains to be demonstrated (cf. previous comment regarding chapter 1.3.14), while the impacts on fragmentation, operational efficiency, risks, inter alia, were never studied. A pragmatic, more "bottom-up" approach and taking into account the information about the local cycles and concrete opportunities for ANSPs as suggested above should be applied.

Functional Airspace Blocks (FABs)

They act as obstacles and generate additional costs and blur accountability. We thinks FAB has to remain as Platform to deliver airspace changes/design, increased performance and efficiency, reinforcing cooperation and opportunities for joint procurement, services, training and cross-border services. Their benefits outweigh the costs.

Unavoidable capacity performance worsening

Regarding Chapter 1.3.4 Bullet 2 & 6: more detailed capacity analysis shows that RP1 and RP2 performance, main delays were related to: ATM systems commissioning (including training and validation phases), strikes impact, traffic shifting generating local capacity overload (due to geopolitical events or cost efficiency choices by airlines). The paper fails to comment that under such circumstances (besides strikes) a worsening of delays is unavoidable or that the RP1 low delays level will not be matched again thanks to efforts under way (new systems, new rostering based on social agreement).

FABs organized against operational boundaries

Chapter 1.3.6 statement that operational borders are national borders is incorrect. The operational LoAs and cross-border arrangements take into consideration operational optimization, with many of them including cross-border service provision, wherever this is beneficial to traffic flows.

Furthermore the RP1 HFE analysis showed that 98.3% of actual trajectories were optimal in the FABEC core area. The remaining inefficiencies are altogether marginal. An asymptotic limit in environmental

horizontal flight efficiency has been nearly reached. Current wording gives a misleading picture of inefficiency which is contrary to reality.

PRB considering FABs inefficient

Chapter 1.3.8 seems to be only intended as a severe criticism against the FABs as they are today but is simplistic and generic: “tens of millions”, “additional millions”? How much exactly? Against what foreseen benefit? Is the overall balance positive or negative? In relation to which cost benefit analysis?

Network Manager (NM) functions

as a moderately effective tool in capacity management : we thinks NM has proven quite efficient in embracing strategic (planning, monitoring and analysing), advisory and operational functions, also developing tools and processes to foster optimal use of airspace and capacities by airspace users.

Chapter 1.3.10 statement that NM function “has become a moderately effective tool for the management of the wide area network” is not shared: within the limits of its responsibility NM is efficient and is a powerful and recognized enabler for global coordination at area network level.
Harmonization of systems and interoperability of infrastructures acceleration depends more on SESAR deployment and on local systems lifecycles and industrial programs.

Traffic forecast and capacity planning

Chapter 1.3.17 addresses an interesting and revolving issue about the choice of traffic scenarios. RP1 has shown that traffic forecasts were too optimistic in RP1 performance plans, creating cash shortfalls and subsequent expense reduction by ANSPs.

Also, writing that ACC reduce their capacity plans, causing later capacity problems when traffic gets higher does not correspond to reality: ACC operational management build their capacity plan based on actual and anticipated local traffic peak evolution (including per control sector), which is generally higher than the overall traffic trend in times of slow traffic growth, on technical constraints (commissioning of new systems), on human resource constraints and use (level of resource but also rosteringorganization and social dialogue), changes in local traffic flow distribution, and accommodating changes in the traffic typology evolution. Last line in 1.3.17, which addresses 2015, is false in the case of FABEC, as a penalty will be applied in 2017 due to predictable delays due in part to new system implementation in Brest ACC and this penalty will be supported mostly by France. As to the width of the dead bands, they were agreed with airlines which strongly advocated a careful approach in the case of FABEC.

Embedded surplus

Regarding Chapter 1.3.15 bullet 4, the interpretation made by PRB of this notion of estimated embedded surplus that is used in annual reporting is misleading since RP1 implementation. It makes it a commercial interpretation giving the feeling that ANSPs and / or States voluntarily generate margins by gaming when setting cost efficiency targets during the drafting of the plans.

This is an abusive interpretation: DSNA for example, has no shareholders and keeps the outturn of each year which enables it to develop an increasing self-financing capacity to finance its ambitious investment program and/or debt reduction.

In addition, the regulation is supposed to trigger virtuous cost savings; they are inherent to a sound economic regulation system working on the medium and long term perspective. At times, part of the savings result from investment postponement or other wilful budget cuts to deal with traffic / revenues shortfalls, generating stress on cash, or expenses pushed from one year to the next one for various causes (staff or other expenses). In such a case those “surplus” will be anyway used again later, counter cycle.

According to this, Chapter 2.7 statement regarding “full cost recovery plus allowing retention of profitability” is not shared

Comments from CANSO

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Introduction

CANSO welcomes the opportunity to comment on the PRB White Paper. This note sets out CANSO's view on the main areas of evolution for the Performance Scheme and points of view on specific analyses, conclusions and the performance objectives set out in the PRB paper.

CANSO agrees that the Performance Scheme has delivered performance improvements to date and that there is room for further improvement. While the White Paper sets out the PRB analysis across a wide range of issues, CANSO is disappointed that the analysis, in places, fails to adequately conclude on potential options for the Performance Scheme. The paper introduces a number of assertions which are not fully evidenced by explicit references and in numerous cases not supported by CANSO.

The PRB has clearly taken a broad approach to developing proposals for performance objective, which is supported. However, CANSO feels that the resulting large number of performance objectives, especially considering their extensive interdependencies, will need to be streamlined into a limited set of clear and unambiguous objectives / indicators in order to achieve the buy-in of all involved stakeholders. From CANSO's perspective, there therefore appears to be a significant amount of work still to be done.

In responding to the White Paper, CANSO first sets out its views on a number of key structural considerations before addressing each KPA in turn. The White Paper raises a number of strategic and fundamental points which are worthy of discussion, but to our mind does not follow the analysis through with clear proposals that are relevant in the scope of the Performance Scheme. In light of this, CANSO puts forward a number of proposed solutions to address some key shortcomings and improve the performance scheme for RP3 onwards.

Structural Elements

CANSO considers that there are significant short-comings in the implementation of the scheme that need to be addressed ahead of RP3. The operation of the performance scheme through RP1 and the target setting and performance plan development phase of RP2 has revealed a number of structural issues:

Fragmentation and lack of competition

The PRB white paper raises the issues of facilitation of integration of service provision ("Measure Two") and strengthening of network functions ("Measure Three") with the implication that developments in these directions should somehow be enabled, driven or targeted by the Performance Scheme. While the analysis highlights many points that are valid, many are not substantiated with clear references or evidence and, furthermore, no concrete proposals are put forward for addressing issues. CANSO considers that it is not appropriate for the Performance Scheme to directly embed objectives, indicators and targets related to structural change. Nevertheless, the following comments are offered in response to the PRB analysis:

- Since the introduction of SES, ANSPs have significantly increased their collaboration with each other, as well as with social partners, civil and military airspace users, airports and with the air transport industry in general.

- CANSO welcomes the promotion of industrial partnerships and the emphasis on the "operational" dimension of FABs, in particular the cooperation and alliances of ANSPs in various areas. It is important to differentiate between FABs – requiring State involvement – and other forms of cooperation among ANSPs. These are complimentary to each other. It is interesting to note how the development of industrial partnerships depends on joint business interests rather than on geographical proximity. COOPANS, for instance, is a very successful example for an industrial partnership which has been based on joint business interests and demonstrates the strong contribution that such partnerships can provide to safety, service quality and efficiency. Therefore, the regulatory framework should allow ANSPs to strengthen industrial partnerships regardless whether they are related to the same FAB or to different FABs.

- With regard to the PRB claims that there is an absence of competition in the ANS market, CANSO notes that some elements of ANS are currently already provided on a competitive basis, e.g. Terminal ANS in some States. In addition, it has to be recognized that in the En-route phase Airspace Users attitude in flight planning, choosing the cheapest rather than the most efficient routes, has created a pressure that could be considered as a certain level of "competition". In future, there may be further elements, but competition will not/cannot be applied universally in the ANSP industry. The competitive provision needs to be aligned with the individual national legal framework within which the service is provided and should not be hindered by the requirement to regulate performance.

CANSO is of the view that where monopoly provision continues, performance regulation needs to protect against monopolistic behaviours and ensure a level playing field. In this respect, a clear separation between national regulators and service providers has to be envisaged, ensuring that NSAs are fully independent from the entities they regulate.

Regulatory weaknesses

Issue: In the current regulatory framework, EU-wide targets are being developed by the PRB via a top-down methodology and set by the EU Commission with EU-wide targets acting effectively as a one-size-fits-all straitjacket.

Neither the EU target-setting nor the assessment approach take local circumstances (legal set-up, exchange rates, requirements and interdependencies between KPAs, hub airport and airline requirements) adequately into consideration. The current approach fails to consider what an adequate contribution from individual ANSPs is as it focuses on assessing whether headline figures in Performance Plans (PP) match the EU wide targets with insufficient analysis and understanding of local issues.

Even though IR 390/2013 requires an adequate contribution by Member States towards the set EU targets, performance plan assessment experience of both RP1 and RP2 has shown that the

set EU target/FAB reference value was expected to be delivered by each State without taking into consideration local circumstances.

Proposed solution: CANSO considers that the primary aim should be to reduce regulation and instead develop a more performance-driven approach. In such a framework, the EC and other regulators set clear requirements and targets and create an environment and framework in which ANSPs can implement solutions that are appropriate to their specific circumstances (which can often be quite diverse across Europe) and develop a business driven approach rather than increased regulation. Local regulatory authorities with appropriate governance structures should be given the right legal powers to execute the regulation.

CANSO believes that a specific review of the effectiveness of the current SES performance framework is required in order to take stock of the lessons learnt from RP1 and the 1st year of RP2. This needs to appropriately address the insufficient treatment of inter-dependencies, insufficient recognition of national/local specificities, lack of independence in the target setting process, etc. These issues are explored in more detail in the following sections.

The coherence of the performance scheme in the context of other SES regulatory requirements

Issue: As set out in the Performance regulation, the Performance Scheme operates in the context of the performance framework of the ATM Master Plan, with its stated ambitions and visions for industry evolution. It also operates in the context of the regulated deployment framework (driven by Common Project and SDM initiatives) and in the context of wider interoperability and safety regulations (e.g. Regulations on Interoperability, Common Requirements, SERA, etc.).

This raises two issues: firstly, performance contributions of all stakeholders are influenced by these multiple legislative acts and regulatory instruments. A considerable number of legislative requirements have been introduced in the last decade, some with only limited performance impact assessments supporting them. As a consequence, there is now a lack of coherence and transparency in the performance focus, with a much deeper analysis needed in order to trace performance impacts from legislative requirements to improvements in safety, capacity, environment and cost efficiency.

Secondly, coherence between the SES Performance pillar and the Technology pillar (SESAR) can be assured through shared *long term* objectives. However, in setting Performance Scheme targets for individual reference periods, the aspirational nature of goals defined in the ATM Master Plan must be recognized, i.e. achievability has yet to be proven as potential technical solutions and industry structure assumptions remain immature and yet to be validated.

Proposed Solution: It is recognised that demonstrating and achieving coherence is challenging, but it is important to ensure that the outputs (performance expectations / targets) are aligned with the inputs (regulatory requirements). Performance contributions from Pilot Common Project (PCP) and other common projects, for example, can only be reflected in performance scheme targets when sufficiently mature. A clearer read-across between “aspirational” performance expectations in ATM Master Plan / PCP and the “binding” nature of targets in the Performance Scheme is required in order to establish a clear coherence.

CANSO believes that the EC should evaluate, in a comprehensive manner, the status of existing regulations and developing SES regulatory proposals to ensure coherence between the Performance Scheme, ATM Master Plan, PCP, EASA safety regulation and other (technical interoperability) regulations. The PRB white paper partially addresses this issue in the proposed **Performance Objective Sixteen** (Improving the institutional arrangements to reduce duplication, improve harmonisation of common rule sets, and reduction of red tape). However, CANSO considers this to be an

overarching pre-requisite for the proper functioning of the regulatory framework and not therefore to be addressed via a performance objective within the Performance Scheme.

Complexity of the European institutional landscape

Issue: CANSO observes that the current regulatory framework does not separate clearly the roles and responsibilities of the different institutions according to legislative, executive and judicative level. The EU Commission is currently acting at the legislative level (development of the performance scheme, EU target setting) and at the executive level (approval of performance plans). Member States and their NSAs are also engaged at both levels, generally with a weak distinction between the NSA role as regulator and the State role in setting/approving the legal framework. The mix

and overlapping responsibilities between EC, PRB, Member States and NSAs means the overarching principle of separation of powers between legislative, executive and judicative level is not properly applied and the different tasks are not being addressed at the most appropriate level. This has led to:

- Poor recognition of interdependencies and local circumstances in the target setting process as well as in the target assessment process – the 'one size fits all' approach has failed to address those areas in a suitable way;
- Insufficient consultation and involvement of all stakeholders in the development of PPs – particularly ANSPs (who are the ones to deliver the plans and are the only ones to bear the cost and partly the traffic risk). The involvement of ANSPs therefore needs to go beyond data/business plan input;
- Prolonged assessment of Performance Plans by EU Commission has put at risk the timely execution of the PPs;
- Unit rates for 2015 and 2016 that are not consistent with Performance Plans – revisions will be needed in 2016, 2017 and beyond.

Clarity in this respect it is vital for ANSPs as regulated entities to be able to:

- Develop and consult potential business plan priorities and interdependencies to be considered at local level;
- Develop ANSP contributions to the FAB / National performance plans;
- Deliver against approved performance plans.

Proposed Solution: CANSO believes the performance regulatory framework should be amended to clarify the aspects detailed below.

The EU Commission is responsible for the legislative level, continues to be responsible for setting law, establishing EU target ranges, the longer-term ambitions / strategic goals and for monitoring the harmonised application of the regulatory framework.

National regulators are responsible for the executive level. They "do" economic regulation by setting binding national targets, assessing and monitoring the performance plans and supervising the ANSPs. Compared to today's situation, this local executive regulatory authority should be strengthened and should enjoy greater decision making powers (as per SES II+ proposals), thereby enabling them to deliver on interdependencies and consultation.

A judicative level ensures an appropriate appeal procedure. As long as there is no European scenario for the judicative level, the national judicial system should replace it.

How to better address local requirements/national legal requirements

Issue: The variety of national/local requirements to be taken into consideration in the local target setting/target achievement process and in the analysis of interdependencies is considerable.

The set of assessment criteria as laid down in the performance regulation are in CANSO's view not sufficient to cater for the different individual situations of the states (e.g. efforts/improvements made in the past, deflation, effect of the exchange rates on the cost base, complexity and cost of living).

For instance, the assessment of Performance Plans needs to give greater recognition to diverse local conditions, requirements and interdependencies between KPAs; in particular, assessment needs to recognise that PPs are set in the context of local legal frameworks affecting cost bases in particular ways (e.g. scope of ANS provision obligations, salary structures and social obligations, diverse pension arrangements, local environmental constraints, specific and diverse civil/military arrangements and other regulatory requirements).

Proposed Solution: In view of RP3, local responsibility for setting local performance targets is considered essential and beneficial and should be strengthened to reflect local legal and institutional environments, local customer requirements and economic conditions.

The assessment of Performance Plans should be informed by a strengthened local dimension and based on a stronger recognition of local circumstances. States / NSAs

should establish adequacy of plans recognizing the variation of ANS provision across States and work toward a more standardised application – therefore championing harmonization only where appropriate, i.e. not always on a 'one size fits all' basis.

CANSO supports a thorough analysis reflecting the individual situation of each country by measuring the efforts done up to now. It should be up to each State to assess, together with industry stakeholders, what should be improved in their area of responsibility to take into account local circumstances which are not fully addressed by the current performance framework.

Consideration of Interdependencies between KPAs/KPIs.

Issue: Current performance assessment aims primarily at reducing the ANS cost-base failing to recognize interdependencies between different KPAs. This continuous reduction drives the focus of ANSPs on internal optimisation at the expense of investments aimed at maximising benefit to airspace users and airports.

The approach to consistency assessment and method used does not consider the possibility for locally specific targets that make sense for the local circumstances – effectively top-down.

Proposed Solution: Understanding interdependencies is key to setting appropriate and coherent performance targets across the KPAs. Although the nature of interdependencies is broadly understood, not enough has been done to understand the practicalities of reflecting them into realistic targets. The study carried out for the EC in 2013/14 failed to provide any guidance due to its network-level focus.

Local regulators are the entities best placed to consider the balance of the targets and assess interdependencies at local level. Consistency assessment needs to allow variations as allowed for by the regulation which foresees adaptations to local targets provided they represent "adequate contribution" to the targets achievement (as set out in "2. Regulatory Weaknesses" above).

Better recognition of impact of other stakeholders' actions on ANSP performance.

Issue: Actions from AUs and Airport operators and their influence on the ANSPs ability to meet performance targets should be better considered/recognized. For instance, ANSPs do not have any influence on airport expansion plans, airline decisions affecting flight planning adherence, scheduling intensity and turnaround costs at airports, availability of facilities and equipment (e.g. airborne equipage), while such aspects clearly affect an ANSPs ability to meet cost-efficiency, capacity and environment targets with unforeseen impacts on safety performance.

Proposed Solution: CANSO sees ATM performance as a partnership between service providers and other stakeholders – essentially because the actions of airspace users and airports have a direct influence on ANS performance outcomes. In order to maximise network performance improvements, the Performance Scheme targets should be of more holistic nature and include indicators related to factors other than ANS.

Whilst it may not be appropriate to expand the scope of the performance scheme, it should be possible to define KPIs, PIs and targets to take account of the actions and decisions of ATM stakeholders that are not directly targeted by the scheme, e.g. airspace users and airport operators.
A number of options can be explored, not necessarily imposing targets on those stakeholders (i.e. monitor AUs route choices).

Simplification

Issue: Rather than proliferating Performance Objectives which will undoubtedly each require indicators, data, analytical and administrative effort, the focus for RP3 should be on simplifying the performance framework and improving transparency.
Proposed Solution: Performance assessment in RP3 should be based on the most important indicators; reducing the total number of KPIs/PIs compared to RP2. In this respect CANSO supports the established structure of 4 KPAs and propose that the number of KPIs is limited as far as possible to prevent excessive complexity without necessarily increasing performance.

Consideration should be given to whether it is necessary to apply the performance regulation in full (EU wide targets) to Terminal ANS as it appears to CANSO that the costs of doing this are high and benefits not proven (refer to PRB paper p.45). Furthermore, and this seems to be recognized by the PRB in its assessment, due to synergies and sharing in the cost basis, the terminal determined costs have experienced a reduction similar to the one observed in En-route cost base, which was subject to targets in the performance scheme.

Flexibility of the performance framework

Issue: The Performance Scheme does not sufficiently reflect the difference between the long ANSP financial planning horizons and the potential for unforeseen events to

drive major, sudden changes in traffic and economic parameters. Deviations from some of the planned values are not controllable by ANSPs – the PRB White Paper lacks a discussion of the current inadequacies, including an evaluation of the Reference Period duration and in-period revisions mechanisms. For instance, current charging scheme is not flexible enough to absorb rapid traffic changes as occurred to some bordering States such as Poland and Bulgaria (which experienced respectively -10% and + 24% in traffic). In the case of these two countries, the revision of traffic forecast was not followed by an adaptation of the targets.

Proposed Solution: The embedded traffic risk sharing mechanism is able to accommodate traffic fluctuations; it does however need to be improved to adapt costs when significant traffic fluctuations persist over a prolonged period of time. The existing alert mechanism provisions should be strengthened in order to ensure that appropriate performance plan revisions can be made without delay.

There is a need to improve the situation by allowing timely changes in the Performance Plans (PPs), especially when it is obvious that the assumptions in the PP are no longer valid.

Social dialogue – The importance of wide buy-in

Issue: Engaging the social partners in managing the changes brought by the evolution of the performance scheme is key to the success and effectiveness of the SES Programme. CANSO supports the PRB statements emphasizing the need to ensure the proper involvement of staff (and management) in developments concerning ATM and ANS. With reference to the PRB proposed **Performance Objective Fifteen** (Improve the effectiveness of the fifth pillar of SES by improving communication and change management dialogues), CANSO supports the overall objective for ATM as a whole, but does not consider that this should lead to specific performance indicators or targets within the Performance Scheme.

Proposed Solution: Rather, CANSO supports the approach adopted to date, i.e. where a number of social platforms have been created with the support of the EC where social partners are being consulted on regulatory proposals having a significant social impact. More recently, a specific group renamed “Expert Group on the Human Dimension of the Single European Sky” has been re-launched (it was originally created in 2010) to advise the Commission on measures addressing the human factor aspects related to the technical and operational implementation of the Single European Sky.

CANSO remains fully committed to strengthen the quality of the social dialogue and to further contribute to the successful implementation of the SES fifth pillar. CANSO also supports the intended study on the attitudes and interests of the divergent stakeholders and the proposed key focus for RP3, in order to ensure a widespread “buy-in” of all stakeholders to change.

In summary, CANSO proposes the following structural improvements:

The overarching principle of separation of powers should be applied in order to address the different tasks at the most appropriate level:

- EU Commission is responsible for the legislative level
- National regulators are responsible for the executive level
- A judicative level ensures an appropriate appeal procedure

In this context, local regulatory authorities with appropriate governance structures should be given the right legal powers to execute the regulation

Local regulators are also best placed to assess relevant interdependencies and determine appropriately balanced targets at local level

The assessment of Performance Plans should be informed by strengthened criteria to take local factors into account

EU Commission should evaluate, in a comprehensive manner, the status of existing regulations and developing SES regulatory proposals to ensure coherence between the Performance Scheme, ATM MP, PCP, EASA safety regulation and technical interoperability regulations

Any competitive provision needs to be aligned with the relevant individual national legal framework within which the service is provided and should not be hindered by the requirement to regulate performance

KPIs/PIs and targets should be defined to take account of the actions and decisions of ATM stakeholders that are not directly targeted by the scheme (e.g. AUs and airport operators)

The established structure of 4 KPAs should be maintained, and the number of KPIs/PIs should be limited as much as possible to prevent excessive complexity

The existing alert mechanism provisions should be strengthened in order to ensure that appropriate performance plan revisions can be made without delay

CANSO remains fully committed to strengthen the quality of the social dialogue and to further contribute to the successful implementation of the fifth pillar

CANSO supports the intended study on the attitudes and interests of stakeholders and the proposed key focus for RP3 of ensuring a widespread "buy-in" of all stakeholders to change

Safety KPA

Regarding the analysis presented in Section 5.1 of the PRB White Paper covering the Safety KPA, CANSO notes that detailed work to develop Safety KPIs for RP3 has been on-going in a separate activity under the chairmanship of EASA for some time. CANSO is participating fully in this parallel activity. Comments in response to the PRB White paper are therefore high-level in nature.

In this respect, CANSO proposes that the following key considerations are taken into account when defining new safety performance objectives:

- The Safety KPA should be a 'control' mechanism on the other KPAs. This is to ensure that requirements in any of the other KPAs do not adversely impact safety. An interdependency evaluation and further monitoring PIs should also be developed in the other KPAs to act as "transversal" leading indicators of safety impacts.

- It is not necessary to set targets on the Safety KPA to achieve this aim as a measure of performance should be sufficient.

- It is very likely that targets on lagging indicators would have counterproductive effects on the reporting culture and management of data, however, it is acknowledged that they are useful for monitoring.

- Establishing a minimum safety level for the union and then apportioning it to a large number of stakeholders would result in very small numerical requirements on service providers that effectively become meaningless.

- CANSO believes that pressure should be kept on the continuous maintenance of Safety Management System maturity; it is considered and appropriate leading indicator of safety.

- Regarding application within FABs, CANSO believes that objectives should be applied at the local State level, rather than aggregated to the FAB level, to ensure data from small ANSPs is not obscured by that from larger organisations.
- It is essential that allowances are made for ANSPs which are genuinely exhibiting very low numbers of occurrences and it is not cost effective to implement further safety improvement.

Regarding **Performance Objective One**, (Reduction of loss of separation incidents both horizontally and vertically by focusing on system risk), CANSO, firstly, has difficulties interpreting the precise intent of the objective. While in the overall SES context the goal of reducing loss of separation incidents is clearly appropriate, in the context of the approach to be taken in the Performance Scheme, greater clarity is required around the intentions and definitions, e.g. "System risk", "horizontally and vertically", etc. and intentions.

Regarding **Performance Objective two**, (Elimination of Runway Incursions), CANSO supports the aspiration of reducing runway incursions. Appropriate local measures need to be developed for this purpose due to the lack of consistent interpretation of the standard ICAO definition of a

Runway Incursion (RI). However, a performance objective / target associated with "elimination" is not credible.

On **Performance Objective three** (Improved management of ATM system security and business continuity), CANSO considers that Security should only be considered as part of the Safety KPA where it has a direct impact on safety (in any other perspectives Security is a State responsibility connected to sovereignty aspects). While security is a very important issue, CANSO do not believe it is appropriate for it to be addressed in the Performance Scheme as part of the Safety KPA.

In summary, CANSO proposes the following for the Safety KPA:

- The Safety KPA should be a 'control' mechanism on the other KPAs with a focus on ensuring that targets in other KPAs do not adversely impact safety.
- Objectives for the Performance Scheme should therefore drive monitoring of relevant lagging indicators like the rate of Separation Minima Infringements and rate of Runway Incursions
- Pressure should also be maintained on the continuous maintenance of Safety Management System maturity, which is considered an appropriate leading indicator of safety

Environment KPA

The PRB analysis in Section 5.2 sets out a number of key issues related to the Environment KPA with particular focus on the interplay between the existing KPIs (KEP / KEA), noise issues and issues surrounding Special Use airspace management. CANSO agrees that these are relevant issues, but is disappointed that more emphasis has not been put on addressing specifically how the measurement of **ANS** environmental performance could be improved in RP3.

CANSO considers that an overall objective in relation to ANS contribution to environmental sustainability is appropriate. However, **Performance Objective Four** (Maintenance of contribution towards global emission by maintaining, or improving ATM contribution to fuel burn) could be slightly more focused to better capture this as many factors that relate to fuel burn and emissions are beyond the control of ANSPs. For example, the objective would be improved by referring to flight efficiency rather than fuel burn.

CANSO notes that even then, various factors need to be accounted for, e.g. in relation to the currently used environmental indicators (KEP/KEA), options to fly optimal routes are often available to airspace users, but not flight planned and flown due to other factors. In this regard, CANSO agrees with the analysis of this issue and the resulting challenges for ANSPs. This needs to be addressed in RP3, but CANSO also notes that these interactions and effects are all well understood from before RP2 and were already highlighted in the discussion prior to RP2. It is disappointing that 5.2.4 is not able to come forward with any concrete proposals. Indicators

relating to the improvement of the route design (changed and new routes are published in the ERNIP), e.g. based on route lengths and prevailing vertical design constraints between city-pairs, could have been put forward.

In this regard, vertical flight efficiency is also an important factor. CANSO agrees with PRB that the vertical dimension should form part of the focus in RP3, but it should also have a broader network level approach rather than being limited to TMAs. In CANSO's view, the vertical flight inefficiency is wrongly characterised as being mainly an issue associated with "congested airports". Vertical flight efficiency is a broader issue associated with complex airspace which is not limited to the immediate vicinity of congested airports. Options to address this dimension could include reference to both the optimal flight level and the optimal point of descent.

In summary, CANSO would suggest that the KEA indicator be refined in order to remove the dependencies with airspace user choices and to incorporate the vertical flight efficiency dimension.

Regarding **Performance Objective Five** (Improving the assessment of noise contribution and route design at a local level), CANSO supports the PRB conclusion in 5.2.7 that although noise pollution a major issue, the regulatory framework should address the issue at local level, driven by airport package regulations. Noise is a very local issue affected by current regulations (stemming both from ICAO and EU Regulations outside the SES area) and agreements with local (political) authorities. There are also numerous interdependencies with other environmental efficiency areas (fuel emissions, local air quality). Generally, airport operators are the primary actor in this regard, so any proposed fines for track deviation or noise pollution exceedances require a far broader involvement and consideration of other stakeholders. It therefore does not seem appropriate to target ANSPs' performance on noise aspects from within the Performance scheme. However noise could be monitored without imposing targets.

In paragraph 5.2.6 PRB correctly states that although aircraft design has reduced noise, there are still improvements to be made and the issue remains. In CANSO's view, this underplays the extent of this issue as ANSPs are facing increasing resistance to airspace changes from affected communities as a result of a much heightened sensitivity to any changes, e.g. both a greater concentration of flights (through PBN) and in tranquil areas hitherto not affected by aircraft noise. These challenges require strong policy support from national and local governments which is frequently not forthcoming, putting ANSP plans for ATM enhancements and planned performance improvements at risk.

Regarding **Performance Objective Six** (Improving the delay caused by holding and En-route delay management to reduce CO2 and NOX effects at Airports), CANSO considers that the objective mixes a number of aspects that would potentially lead to a loss of focus. The specific references to CO2 and NOX have a wide scope as there are many factors influencing these that are related to issues beyond ANS and therefore not in the control of ANSPs. Secondly, NOX is fundamentally an issue for the airport surface (up to 3-4,000 feet) and only relates in a minor way to "delay caused by holding or En-route delay management". As such, this objective needs to be clarified and re-expressed.

If the intention is to focus on airport-related ANS environmental inefficiencies, then the already existing PIs "additional time in taxi-out" and "ASMA" are useful indicators to measure a broader

than ANS performance within and around (40nm) the airport. If these indicators are retained then they should continue to be used only for monitoring and not as targeted KPIs.

However, CANSO notes that even in the 5th year since their implementation as monitoring indicators, there are still issues with their definitions and the harmonization of data collection. For both indicators, the methodology used to calculate the unimpeded time used as a reference is not yet mature and not transparent. Various improvements to the specific definitions are possible, e.g. for the ASMA indicator, the use of the first entry in the 40NM circle as a basis for calculation; potentially, for larger airports, an additional indicator based on an 100NM circle could be considered in addition.

Concerning **Performance Objective Seven** (Improving the management of fragmentation through better standards management and facilitating competition in ATM), CANSO does not agree that the elements referred to should be addressed as explicit objectives within the Performance Scheme. CANSO notes that the PRB paper refers to fragmentation and other structural inadequacies that hinder the achievement of performance goals. CANSO does not consider that addressing the institutional landscape and fragmentation of ANS through the Performance Scheme is an appropriate approach. Furthermore, this objective is more far-reaching than environmental aspects as it addresses other regulatory, socio-economic, political and diversity factors not within the Environment KPA.

Regarding the interdependencies that are explored in 5.2.10, CANSO notes that mostly the issues covered relate to broader aspects not specifically concerning Environment KPA. For example, it is unclear what the power of the NM and the "disjointed approach to Capacity Plans" has to do with Environment KPA. CANSO recognises the imbalance of the incentives and considers that the strong focus on cost efficiency should be re-balanced in RP3. The inter-play between KEP and KEA is well-known as are the airspace user flight planning issues. The considerations set out in CANSO's response above could help here, but it is unlikely that a requirement for single unit rates per FAB would cause anything but a major distraction on the numerous and well-documented issues[2].

In summary, CANSO proposes the following for the Environment KPA:

- The objectives need to be better focused on factors controllable by ANSPs with commensurate improvements to the existing flight efficiency indicators, e.g. through addressing the vertical dimension
- Noise and NOX effects are local multi-stakeholder issues which do not lend themselves to targeting through the Performance Scheme

Capacity KPA

[2] See "Policy options for the modulation of charges in the Single European Sky", Steer Davies Gleave study report for DG MOVE, April 2015

The analysis in Section 5.3 sets out the general case for a continued focus on Capacity within the Performance Scheme. CANSO supports this in principle.

The analysis focuses on the significant traffic variability to be expected by particular FABs / ANSPs. It points to a continued high variability and uncertainty in the nature and volume of traffic demand as already experienced today at individual ANSP / ACC level and highlights the difficulties created and a need for corrective actions[3] . However, a further conclusion must also be drawn from this analysis, namely that there is a need to build greater flexibility into the Performance Scheme. Examples of specific CANSO proposals include:

- Setting out more explicitly the re-planning requirements triggered by, for instance, alert mechanisms;
- Setting capacity KPA targets in relation to traffic development vs. forecast (i.e. capacity targets should be modulated if traffic volume differs from the forecast traffic)

While it is clearly important to address the issues highlighted in the specific examples, the approach to Capacity KPA in the Performance Scheme should not ignore that although there were significant improvements in RP1, the overall challenge of matching capacity to demand still remains. This is due to the need to operate cost efficiently and the challenges that exist in upgrading technology in a 24 hour a day critical infrastructure. This will be the reality through the remainder of RP2 and RP3.

For these reasons, **Performance Objective Ten** (Improving the resilience of the South East Quadrant with particular focus on Balkan State inclusion and improvements of Greece and Cyprus performance) is not considered an appropriate objective to frame the focus of the Capacity KPA at network level. The issues in question (and those affecting other areas too) should be reflected in the Performance Scheme through locally meaningful performance planning, consistent with local requirements.

In relation to the analysis of the present capacity target and its limitations, the paper does not elaborate sufficiently the case for a new, broader approach to ANS-related delays[4]. Although an overall objective striving for better on-time performance is supported, **Performance Objective Eight** (Maintaining delay measures to facilitate 98% of aircraft on time performance) is poorly expressed and not considered an appropriate objective to frame the focus of the Capacity KPA on ANS performance within the Performance Scheme.

Given the limitations of any potential alternative delay measure, CANSO considers that the use of ATFM delays, particularly those related to specific ANS-related causes, remains an appropriate basis for Capacity KPA targets in the Performance Scheme. This is in the absence of any other measures that have a robust mechanism to identify ANS-attributable delays.

Paragraph 5.3.9 does not appear to be complete as it introduces the concept of focusing on particular delays without exploring the options further. The options around targeting long delays and peak hour delays, e.g. through direct focus in specific KPIs (delays > 15 mins) or

[3] As set out in paragraphs 5.3.4 to 5.3.7

[4] As set out in paragraphs 5.3.4 to 5.3.7

through a delay "score" composed of weighted delays depending on length and time of day, could be explored further.

A mention is also made in Paragraph 5.3.9 of the focus on Flexible Use of Airspace and this is reflected in **Performance Objective Nine** (Improving the use of Special Use airspace released to the community by special use airspace managers). CANSO supports this objective and it is disappointing that the paragraph is unfinished and lacks coherence as the PRB proposed direction is not explained. Irrespective, CANSO would suggest that the development of the Performance Scheme in this regard remains in the context of monitoring PIs, i.e. not specifying either EU-wide targets or setting requirements for local targets based on common KPIs. The diverse local frameworks that surround the sharing of airspace between civil and military make harmonised target setting inappropriate, however the monitoring PI comparing airspace booked vs airspace used remains appropriate at State level.

Regarding airport-related capacity / delay performance, the elevation of the Additional ASMA time and Additional taxi-out time PIs to KPIs (with targets) is on the basis of the issues related to ANS-attributable causes also not supported. A focus on the throughput of airports and / or increasing available slots as per **Performance Objective Eleven** (Improving the level of airport capacity during RP3 and onwards, on the largest coordinated European airports, with an increase of airport slots at the same rate as the traffic increase) could be explored further. In doing so, however, it has to be recognised that in common with the existing airport environment PIs, there are numerous factors outside the control of ANSPs that influence the availability of slots, e.g. limits imposed by airport terminal infrastructure, noise regulations and other operating constraints.

Regarding interdependencies, it is disappointing that the paragraph 5.3.11 does not do more than state the obvious. This is despite interdependencies being such a fundamental aspect of performance planning and targeting. PRB need to develop this understanding and embed appropriate performance plan assessment criteria and approaches to properly recognise the diversity in the nature and extent of interdependencies at local level.

In summary, CANSO proposes the following for the Capacity KPA:

- CANSO supports the continued focus on Capacity within the Performance Scheme
- More flexibility needs to be built into the Performance Scheme to handle traffic variability issues within the Capacity KPA, e.g. by setting Capacity KPA targets in relation to traffic developments vs. forecast
- ATFM delays with appropriate recognition of ANS-related delay causes remains a reasonable basis for defining Capacity KPA performance objectives, potentially enhanced to take account of long delays and peak-hour delays

Cost Efficiency KPA

Reference to cost efficiency is made in a number of places throughout the PRB White Paper. CANSO notes in particular the following items which are supported:

- the acknowledgement of ANSPs cutting costs in an environment of lower traffic development than planned in RP1
- the non-functioning of the current charging regulation; CANSO fully supports the statement that the current regulation is too much cost based, leading to low incentives for cost and the fact that it is an expansive and bureaucratic method of regulation. CANSO in this context also supports the request for the regulation to become lighter and more incentive based.
- Economic regulation has to be fit for every different case

However, in common with the other KPAs, CANSO considers that the discussion and analysis in the Cost efficiency KPA section covers a broad range of issues (competition, fragmentation, other industries), but ultimately does not offer clearly articulated, realistic improvement options for the Performance Scheme. For example, CANSO considers that the following topics, which are essential to be addressed in the future development of the performance regulation, might usefully have been addressed:

- **Proposals to address the lack of flexibility** in the current charging scheme in order to better handle unexpected and large traffic changes (e.g. some Eastern countries experienced significant traffic increases due to the crisis situation in Ukraine).
- **The definition of the Cost Efficiency KPI should better reflect ANSP controllable costs.** In particular, consideration should be given to using different approaches for different cost components when determining the scope of the Determined Cost base and appropriate targets, e.g. treating capital expenditure / depreciation, cost of equity and costs exempt from cost sharing in different ways. The respective methods need to reflect the degree of control that ANSPs have on the cost components within the Reference Period and the impact they have on overall DUC. Enhancing this focus would improve transparency and effectiveness of the Performance Scheme.
- **Potential use of a Total Economic Value as a complementary indicator** CANSO supports in general the introduction of TEV as a complimentary indicator, but only when a methodology to calculate TEV is mature, which is not seen as being realistic for RP3. Once, a methodology is mature, it could be tested as a shadow system in order to validate its functioning.
- **Starting point for Performance Plan elaboration**

Like in other regulated industries, the national cost efficiency targets for a reference period should be set on the basis of the business plan of the ANSP, taking into consideration all influencing elements like interdependencies towards other KPAs/KPIs. A continued setting of starting points referring to targeted cost bases in RP1 would inevitably lead to a cost base of € 0.00, which does not correspond to a realistic regulatory approach.

- **Traffic forecast issues**

CANSO sees a need to improve the application of traffic forecasts in performance planning and implementation in order to better address the fact that ANSPs are not in a position to influence traffic development:

- Traffic forecasts should continue to be based on STATFOR forecasts with the possibility for the State to deviate from this forecast under specific circumstances, that need to be explained in a corresponding justification
- Justified adjustments to the traffic forecast prior to the beginning/during of a reference period should be possible.
- The existing alert mechanism provisions should be strengthened in the regulation to ensure that revisions required to address unforeseen changes are implemented without delay

- **Adequate handling of (EU) funds**

CANSO considers that the incentives process needs to ensure a fair sharing of incentives taking into consideration the contributions of all involved stakeholders.
On the other hand, CANSO is concerned by other statements, which clearly indicate, that the PRB envisages maintaining its focus in RP3 on as much cost reduction as possible within as little time as possible. For example, the paper includes:

- Calls for more aggressive economic regulation
- Focus on economic regulation where it is necessary and only deal with safety and environmental regulation when these affect economic regulation directly
- Reduce the total economic cost well below that achieved at the end of RP2

CANSO does not consider that it is appropriate to elaborate an aspirational goal for the reference period at this stage; especially not for one of four interrelated KPAs. CANSO is concerned that yet again this risks setting too strong a focus on cost reductions without adequately considering inevitable consequences on the KPAs of Safety, Environment and Cost Efficiency.

CANSO welcomes the intention of the PRB to investigate into the practices and possibly also experiences of other regulated practices in order to get a better picture on potential successful concepts to address similar problems.

Regarding the proposed PRB performance objectives towards RP3, CANSO is disappointed over the lack of clarity of definition. CANSO registers the following comments and concerns:

- **Performance Objective Twelve** (Incentivising the deployment of technological developments to improve cost efficiency targets). The incentivisation of deployment of technological developments should not be limited to cost efficiency improvements. It also needs to be considered that in most cases, mature CBAs currently are not yet available, which includes a risk for the ANSPs. The effects on the cost base might require more time than originally planned. Benefits sometimes also depend on implementation requirements of the AUs, which represents an element not in the control of ANSPs.

- **Performance Objective Thirteen** (Improving the effectiveness of the charging mechanisms to improve cost efficiency) – CANSO is not clear on how this objective should be interpreted. It does not clearly reflect what problem in the charging mechanism should be addressed and/or how.

- **Performance Objective Fourteen** (Increasing the view of Gate to Gate to match cost and operational performance) – Again, the problem that is being addressed by this objective is not clear. Furthermore, and in line with the comment on PO Twelve above, the "Gate-to-gate" view is not just of relevance to Cost efficiency. If the intention is to again attempt to address Terminal ANS Cost efficiency, CANSO considers: firstly, that in the light of PRB own analysis this may not be efficient, and secondly, that due to the fact that nearly all requirements on air navigation services in the terminal area are originated from local airports and local circumstances, the future targets on terminal cost efficiency should continue to be set locally. EU-target on the KPA Cost efficiency in the terminal area is not supported / needed.

In summary, CANSO proposes the following for the Cost efficiency KPA:

- In common with other KPAs, the Cost efficiency KPA needs greater focus on ANSP-controllable aspects, e.g. through a more refined KPI
- Issues around flexibility and traffic forecast, starting point for RP3 and the handling of EU funds need to be addressed and clarified prior to target setting
- Due to 80% of the ANS cost-base being related to En-route and the high correlation between En-route and Terminal ANS cost evolution, consideration should be given to limiting Cost efficiency KPA targets to En-route ANS

Comments from Austria (Austrocontrol)

Received on the 29th of September
Sender: Rupert Hormann

Dear Sir,
Dear Madame,
Austro Control would like to thank you for the opportunity to comment on the PRB white paper on RP3 Performance Objectives.
Since its establishment, the PRB has managed to establish itself as a trusted partner of all involved stakeholders and always maintained a balanced view and comprehensive understanding of the Single European Sky developments.
Thus, we were utterly surprised to read the new PRB white paper on the RP3 Performance Objectives. The white paper now lists a number of biased observations, quoting almost exclusively a number of IATA Policy / PR publications and subsequently identifies ANSPs as the greatest obstacle for the implementation of the SES.
The improvements made in capacity and in environmental matters – as stipulated and documented through the performance scheme – combined with an extraordinary level of ATM safety are however hardly mentioned.
The highly successful COOPANS initiative – of which Austro Control is part of – is only referred to in one para (1.3.13). Its tremendous success is also somehow diluted by describing it as being "less due to strategic management of the airspace [… but …] incentivised by cost risk sharing". This reads as if the 30% development costs saving (compared to a standalone model) achieved by COOPANS is negligible because it does not primarily serve the noble cause of airspace defragmentation.
If you claim that "the message is clear […] the direct operating costs issue remains a high risk to airline viability and must be addressed" (3.3.14) one starts to wonder if the airlines would be better off without any ANS provision at all in order to save them from this "significant contribution to the overall cost of operation" (3.3.13)
This negative depiction continues through the white paper. Just a small example on how the paper supports that notion through incomplete information:
Under 3.3.20 you refer to the 1,94 % increase in Easyjet's total navigation costs of 6 million pounds from 2014 to 2015 which supports the image of ANSPs a cost drivers while withholding that this is actually hardly surprising with Easyjet providing 735 additional routes in 2015. At the same time you "forget" to mention, that Easyjet's navigation costs per seat decreased from 4,30 pounds in 2014 to 4,17 pounds in 2015 - which equals an 3,12 % decrease of navigation costs per seat!
Austro Control considers its efforts key to the accomplishment of the Single European Sky!
In 2015, the maturity of Austro Control's safety management system improved to more than 89 points - by this measure, Austro Control is one of Europe's top five air traffic control bodies. Punctuality remained consistently high once more in 2015 - at just 0.09 minutes, there were virtually no delays in en route flights, compared with the European average of 0.73 minutes.
Negotiations with the European Commission on performance requirements for the second Single European Sky (SES) regulation period (2015-2019) were brought to a successful conclusion.
The international COOPANS Alliance was even awarded with the 2016 Single European Sky Award at the world's largest air navigation service provider (ANSP) meeting in 2016!

Austro Control would thus very much appreciate, if the PRB white paper would also take note of these positive developments.
Best regards,

Comments from Germany (DFS)

Received on the 30th of September
Sender: Maria Willert – Key Account Manager EU and CANSO

Structural issues/improvement needs

Roles and responsibilities of the main institutions

Issue: In RP1/RP2, we have a mix of overlapping responsibilities between EC, PRB, Member States and NSAs. This had led to e.g. poor recognition of interdependencies and local circumstances, insufficient consultation and involvement of all stakeholders in the development of performance plans, in-consistency between unit rates for 2015 and 2016 and the performance plans, prolonged assessment of PPs by EC, putting at risk the timely execution of the PP.

Improvement proposal: Streamlining and clarification of roles and responsibilities of institutions would improve the efficiency of European ANS and reduce the burden of all involved parties, e.g. in the context of performance plan assessment. The different tasks need to be addressed at the most appropriate level, considering the heterogeneous economic and social conditions of EU Member States. The Regulation should therefore be amended, following the application of the overarching principle of separation of powers:

- EU Commission is responsible for the legislative level and ensures the oversight of NSAs
- FAB/National performance/economic regulators are responsible for the executive level (setting binding targets, assessing and monitoring the performance plans and supervising the ANSPs):
  - Following a consultation with the appropriate user community, the ANSP is drafting a FAB/national performance plan proposal and provides it to the independent national supervisory authority
  - The NSA evaluates the proposal and executes formal consultation with the stakeholder community
  - The NSA approves the final performance plan
- A judicative level ensures an appropriate appeal procedure

Local requirements/national legal requirements

Issue: The set of assessment criteria as laid down in the performance regulation are in DFS' view not sufficient to cater for the different individual situations of the states (e.g. efforts/improvements made in the past, deflation, effect of the exchange rates on the cost base, complexity and cost of living)

Improvement proposal: Local economic regulatory authorities with appropriate governance structures – greater independence from governments as per SES II+ proposal – should be established and should be given the right legal powers to execute the regulation.

How to analyse and properly consider the interdependencies between the various **KPAs/KPIs**

Issue: Current performance assessment aims primarily at reducing the ANS cost-base failing to recognize interdependencies between different KPAs.
An effective evaluation of the interdependencies among the KPAs and their KPIs probably is not able at EU level.
Improvement proposal: DFS therefore proposes to transfer the handling of interdependency consideration to the FAB/national level, where an appropriate balance could be achieved as a result of a strengthened consultation with the user community (see also paragraph I.a.) .

The coherence of the performance scheme in the context of other SES regulatory requirements

Issue: Performance contributions of all stakeholders are influenced by multiple European SES legislative acts and regulatory instruments (ATM Master Plan, interoperability and safety regulations, Common Requirements, SERA, etc.). Those requirements partly lack transparency and target orientation and are partly ambiguous, thus creating administrative burden whilst lacking a coherent focus on safety, capacity, environment and cost efficiency.
Improvement proposal: It is important to ensure that the outputs (performance expectations/targets) are aligned with the inputs (regulatory requirements).
EC should therefore evaluate, in a comprehensive manner, the status of existing regulations and developing SES regulatory proposals to ensure coherence between Performance Scheme and the other European regulations.

How to better recognize stakeholders other than ANSPs who have a role to play in delivering performance

Issue: Actions of airspace users and airports have a direct influence on ANS performance outcomes. Those contributions need to be better reflected in the target setting/target achievement assessment process
Improvement proposal: Whilst it may not be appropriate to expand the scope of the performance scheme, it should be possible to define KPIs, PIs and targets to take account of the actions and decisions of ATM stakeholders that are not directly targeted by the scheme, e.g. airspace users and airport operators
A number of options can be explored, not necessarily imposing targets on those stakeholders (i.e. monitor AUs route choices).

Need for simplification of the regulatory framework

Issue: The performance regulation has become very complex, which has led to an important increase in administrative efforts.
Improvement proposal: The EU COM should simplify/rationalise the regulatory landscape by following the EC Better Regulation Guidelines – proportional and performance based. E.g., the established structure of 4 KPAs should be maintained, together with a limited number of KPIs to reduce complexity and to ensure transparency of interdependencies.

Traffic volatility

Issue: Traffic volatility is a growing concern at network level with related consequences on the predictability at local level. It brings instability into the system and its causes are diverse: Political, financial, economical or operational. This unpredictability severely impacts daily operations in all the 4 KPAs.

Improvement proposal: DFS proposes to take these effects into account for target setting in RP3 and to consider conditional target setting taking into account the traffic shift risk or buffer in targets for unforeseen traffic shifts.

How to ensure appropriate contributions from SESAR ATM MP implementation?

Issues: SESAR implementation requests (PCP) and their performance impacts and expectations currently are expressed with numerous indicators that are different from the SES Performance indicators. Target contributions therefore are difficult to define, also due to the fact, that some of the functionalities are still based on expert judgement. Concerning EU funding, EU IR 391/2013 is in contradiction to the intended incentivising of SESAR implementation.

Improvement proposals: The EU Commission should ensure that there is a common understanding of ATM Master Plan and PCP performance impacts and expectations and at what point that can be taken into account in the context of performance targets.

A clearer read-across between performance expectations in ATM Master Plan/PCP and the Performance Scheme would facilitate this (e.g. using the same indicators).

The EU Commission should apply implementing regulations of common projects based on fully validated technologies and solutions.

Common projects being based on positive CBAs, implementation investments should be excluded from any cost efficiency targeting.

The incentive process needs to ensure a fair sharing of incentives taking into consideration the contributions of all involved stakeholders.

Key objectives for the 4 KPAs

The above-mentioned enhanced consultation procedure at national level ensures due consideration of all relevant interdependencies between KPAs/KPIs.

KPA Safety

Safety is and must remain the overarching priority of ANSPs in delivering their services; Safety therefore must not be compromised.

DFS supports the current efforts of the EASA WG to develop indicators that allow a move from the safety process/incident analysis-based approach in RP1/RP2 towards key risks, which show interdependency issues.

The Safety KPA should be a 'control' mechanism on the other KPAs. This is to ensure that requirements in any of the other KPAs do not adversely impact safety.

DFS proposes e.g. to explore possibilities on how to ensure adequate prioritization of safety improvements within projects. The investment and maintenance cost of such projects, leading to a higher safety level, should be excluded from the cost efficiency target.

It is very likely that targets on lagging indicators would have counterproductive effects on the reporting culture and management of data, however, it is acknowledged that they are useful for monitoring.
DFS believes that pressure should be kept on the continuous maintenance of Safety Management System maturity; it is considered and appropriate leading indicator of safety.

KPA Environment

KPIs and PIs for ANS environment performance should focus more specifically on ANS controllable flight efficiency aspects.
DFS does support to investigate into the development of better-suited indicators (e.g. VFE, improvement of the route design) and to improve the currently used indicators towards RP3 (HFE, FUA, SUA usage). E.g. flight efficiency targets should be based on user preferred routes rather than great circle distance.
Noise issues are not an appropriate topic to be covered in the performance scheme of ANSPs since noise prevention regulation is rather a matter of the regional or local governmental level.

KPA Capacity

Although ATFM Delay does not measure all ANS related delays, a more suitable indicator probably can only be developed with the implementation of business trajectories within SESAR (enable better AU flight planning), but this will not be mature for RP3.
DFS therefore proposes to stick to the current indicators (en-route and terminal) and to improve them by defining traffic dependent capacity targets.
In addition, additional time in taxi-out and ASMA are useful indicators to measure performance within and around (40nm) the airport. DFS therefore proposes to keep them as monitoring PIs, provided the still remaining issues with their definitions and the harmonization of data collection can be solved.
CRSTMP and the post-ops adjustment process are useful tools to ensure that the share of ANSP-controllable delays are accurate. They should therefore be maintained for RP3. In this context, it should be considered to use the CRSTMP delay reasons for target setting and the “all causes” approach for monitoring.
The methodology to calculate the reference values as a breakdown of EU targets should be improved.

KPA Cost-Efficiency

KPIs in the KPA Cost-Efficiency should be better aligned with ANSPs controllable costs. In particular, consideration should be given to taking different approaches for different cost components, e.g. treating capital expenditure/ depreciation/ return on equity and costs exempt from cost sharing in a different way in order to focus ANSPs on enhancing efficiency of controllable costs.
The potential use of a Total Economic Value as a complementary indicator should also get further analysed.
Like in other regulated industries, the national cost efficiency targets should be set autonomously for each reference period on the basis of the respective business plan of the ANSP, taking into consideration all influencing elements like interdependencies towards other KPAs/KPIs.

Traffic forecasts in performance planning and implementation need to better address the fact, that ANSPs are not in a position to influence traffic development:

- Justified adjustments to the traffic forecast prior to the beginning/during a reference period should be possible
- The existing alert mechanism provisions should be strengthened in the regulation to ensure that revisions required to address unforeseen changes are implemented without delay

Annex

PRB statements	DFS comments/improvement proposals/questions
1.1.1 ATM MP aspirational goals - Focus of Performance Scheme primarily on contributions towards ATM MP aspirational goals	S proposes to stick to the wider definition of the goal of the SES Performance Scheme, as described by the EU COM DG Move: setting binding targets on Member States to deliver performance-driven air navigation services leading to cheaper flights, less delays, and the saving of unnecessary costs for airlines and passengers. In addition, the environmental impact of air traffic will be reduced due to more efficient and shorter flight paths.
5.4.25 PRB plans to address **16 performance objectives**	DFS supports the established structure of **4 KPAs** and proposes a limited number of **key performance indicators to** reduce complexity and to ensure transparency of the interdependencies. In this context, the 16 performance objectives are understood by DFS as objective ideas to be discussed in the further process, but not with the intention to develop 16 indicators.
	5 years duration of reference periods is long, but it does facilitate e.g. the planning of long time-measures and also correlates with the ANSPs obligation (EU IR 1035) to prepare business plans for 5 years. In order to address the negative effects (volatility of traffic development, lack of flexibility), DFS sees 5 year reference periods only manageable with a well-functioning alert mechanism (justified adjustments to the traffic forecast prior or during the reference period).
	Alert mechanisms should result in some effective measures, which NSAs should be able to manage through performance plan revisions.
	It should be considered with the involvement of all stakeholders, how the passenger view can best be integrated in the further development of the regulatory framework.

1st pillar	
1.3.4 Performance of ATM in Europe has been improved - No fatal accidents - Delay best levels ever recorded in 2013, measures unsustainable - Flight efficiency improved, carbon impact of ANS carbon neutral, interdependencies with cost - Full cost recovery replaced, ANSPs responding to lower revenue than planned, cutting costs - Marginal improvement in all 4 KPAs, risks to sustainability of the measures	DFS is asking for some clarification, where this information comes from? What is the "carbon impact of ANS"?
1.3.8 FABs - Facilitate the integration of service provision – regional integration - There has been some small progress - Further research needed to address fragmentation of airspace - FABs partly bring more fragmentation instead of expected consolidation, blur accountability, generate additional costs, act as obstacles - PRB will quantify this disruption cost, further study on strengths and weaknesses of FAB approach planned	DFS recognizes that there are issues, that hinder the delivery of the expected performance benefits of FABs. However, they also see that progress has been made in certain areas, like e.g. common audits (incl. FABEC NSAs), achievements in the KPA Safety, and a generally enhanced collaboration between ANSPs
1.3.10 Strengthen the NM function - Moderately effective tool, network remains fragmented - Fragmented procurement and maintenance of infrastructure (obstacles to labour mobility, poor interoperability, etc.) - Defragmentation so far mainly in the context of voluntary initiatives (COOPANS, Borealis), initiatives could be further encouraged through priority in allocation of CEF funds	Unsolved issues of defragmentation are not due to the NM. The NM is a Service Provider, who provides an effective support to ANSPs in achieving their capacity and environment targets. The process installed between the operational stakeholders and the NM is functioning well and does not need to be changed towards RP3.
1.4 2nd pillar – a single safety framework	
1.4.2 Opaqueness in safety No fatal accidents rather thanks to final safety barrier system interventions (TCAS); 2 safety interventions vs ICAO 3 layer tactic Safety targets on process and rule compliance. Risk is not measured in a consistent way RP3: early warning of degradation, move towards hyper-safe transport risk methodology	

	Like for all performance related data, DFS asks for data requirements being limited to the minimum needed in reporting on KPIs. In the context of safety related data, the issue of confidentiality requires an utmost level of attention in order to avoid unwanted effects as a result of open publication.
1.5. 3rd pillar – opening the door to new technologies	
1.5.2 So far little improvement, most improvements around local actions, difficulties in deploying Datalink with far reaching consequences, lack of global interoperability: e.g. North Atlantic Tango routes will not be usable for airlines – need to address not only operational delivery but also the strategic level (e.g. maintain links with ICAO regulatory activities) 1.5.5 Stronger alignment of performance, charging and deployment regulations towards performance improvements needed EU funds are made available to foster deployment and provide an acceleration of deployment – success in deployment is measured in terms of system implementation and not achieved performance improvements Risk of multiple funding channels with no commitments on additional performance PRB expecting a role in checking that deployment is performance driven	The EU Commission should ensure that there is a common understanding of ATM Master Plan and PCP performance impacts and expectations and at what point that can be taken into account in the context of performance targets. The EU Commission should apply implementing regulations of common projects based on fully validated technologies and solutions, avoiding, e.g. the situation observed with the Datalink services (DLS) regulation where money has been spent on deployment in response to premature regulatory requirements, but has not led to the expected capacity improvement due to technical problems. In reality, EU funds are not there to foster deployment, but to reduce unit rates. DFS sees a need for an incentive process that ensures a fair sharing of the incentive, taking into consideration the different contributions of all involved operational stakeholders. DFS does see the SDM/INEA in an appropriate position to ensure validation of performance contributions in the deployment projects of e.g. PCP.
1.6.4 Airport concerns are not the same for large (congestion problems) and small airports (cyclical behaviours) – aggregation of airports to be questioned	
- **Charging regulation not functioning well** o Too much cost based, leading to low incentives for cost and expansive and bureaucratic method of regulation o Only monitoring standardized investment, but not incentivizing it o Regulation needs to be lighter and more incentive based	DFS does support those analysis results. Please see our comments/proposals on institutional framework and on KPA Cost Efficiency

1.7.7 Strategic step change needed – key focus for RP3 ○ Widespread "buy in" to change is needed	DFS supports this statement and sees the "buy in" needed by all involved stakeholders as an essential element for improving the framework towards RP3.
2. Performance Strategy	
2.3. PRB is seeking acceleration to delivery of the ATM MP aspirational goals 2.4. Revisit strategic steps, review of operating mechanisms, including legislation and indicators during monitoring of 2015	The goal for RP3 should be the improvement of the regulatory framework to address current issues in order to get the "buy in" by all stakeholders. Some key issues identified by DFS are the lack of recognition of diverse local conditions, the mix of roles and responsibilities between EC, PRB, Member States and NSAs, the lack of involvement of other concerned stakeholders (e.g. airports for safety on the ground), complexity of the regulatory framework, the lack of interdependency consideration and traffic volatility.
3. **Risk Analysis**	
3.1 ATM MP risks (9 high level risks, which will be considered by PRB)	
Global developments	
3.2.8 ATM stakeholders have focused their aspiration to reduce the unit cost of ATM services to the AUs by 50% so as to ensure that Europe remains an attractive air travel destination, both for business and tourism and also an efficient transit place.	See Cost Efficiency chapter
3.2.9 ANS contributed delays is 10% in overall 10 minutes per flight delays in air transport in 2015 – increased collaborative decision making processes are needed involving airline operation centres and airside and land side operations of airports **(possibly integration of airports in the performance environment)**	See CAP chapter
3.2.13 Success test for RP3: reduce the total economic cost well below that achieved at the end of RP2, with acceptable levels of safety, in line with performance ambitions for 2015	See Cost Efficiency chapter

3.3.21 PRB believes that the analysis in growth demands for a lower growth foerecast than originally envisaged by the SES programme is prudent and suggests that this fragility remains a key risk for the future	**Traffic volatility** is a growing concern at network level with related consequences on the predictability at local level. On the other hand, predictability of traffic, together with data accuracy, is key to maintain a highly performing ATM system. Traffic volatility brings instability into the system and its causes are diverse: Political (war/no-fly zones), financial (change in unit rates), economical (low fuel price allows airlines to plan longer routes), operational (capacity shortages lead to circumnavigation). This unpredictability severely impacts daily operations in all the 4 KPAs (CAP – plans based on STATFOR figures and shortest routes, SAF - mitigation measures potentially not sufficient to reduce complexity, COST - higher costs for buffer to cater for unforeseeable traffic shifts, ENV - longer routes). As ANSPs are only partly accountable for these described influencing factors, which can have a substantial impact on their target achievement, DFS proposes to take these effects into account for target setting in RP3 and to consider the following ideas on how they might be considered: - conditional target setting taking into account the traffic shift risk - buffer in targets for unforeseen traffic shifts - flight efficiency targets based on user preferred routes rather than great circle distance
Complexity of the European institutional landscape	
3.4.1 PRB sees need for streamlining of institutional arrangements (e.g. Eurocontrol and EASA on safety)	DFS does support this identified need and proposes the following changes to address current issues: Action at EU level is still required with the purpose of aligning States' policies, establishment of priorities and usage of common tools to measure and improve performance. It is however of the utmost importance to avoid simplistic conclusions or the enforcement at local level of EU-level average values. It also needs to be acknowledged that the EU is not a federation, but is instead composed of individual States with own decision rights. Harmonisation by the EU must be seen in this context. Coupled with heterogeneous economic and social conditions it therefore needs to be kept in mind that one size does **not** fit all. The Regulation should therefore be amended to clarify the following: • The EU Commission is responsible for the legislative level, continues to be responsible for setting law, establishing EU target ranges, the longer-term

	ambitions / strategic goals and for monitoring the harmonized application of the regulatory framework. • FAB/National performance / economic regulators are responsible for the executive level. They do economic regulation, set binding national targets, assess and monitor the performance plans and supervise the ANSPs. Compared to today's situation, this local executive regulatory authority should be strengthened and should enjoy greater decision making powers (as per SES II+ proposals), thereby enabling them to deliver on interdependencies and consultation. • A judicative level ensures an appropriate appeal procedure. As long as there is no European scenario for the judicative level, the national judicial system should replace it. These improvements to the institutional framework imply the need for adjustments in the roles and responsibilities of the current actors in European Performance regulation: **<u>Legislative level</u>** <u>European Commission</u> • Sets the overall European regulatory framework. This also includes a definition for all elements of ANS services to be regulated; • Establishes the EU target ranges/strategic goals; • Monitors the harmonized application of the regulatory framework. <u>Performance Review Body (PRB)</u> • Has an advisory role in assisting the EU Commission in the implementation of those elements of the performance scheme, which belong to the European legislative level: I. Elaborates proposals for the further development of the performance regulation; II. Proposes EU target ranges and longer term ambitions/strategic goals;

	III. Analyses and considers interdependencies between the KPAs/KPIs; IV. Comments the Network Manager proposals on European traffic forecast, utilizing expertise and input from European industry in a collaborative manner; V. Consults all stakeholders on all European legislative aspects; VI. Monitors the harmonized application of the regulatory framework; VII. Develops the guidance material for interpretation of requirements of the regulation; VIII. Undertakes operational and economic analysis; IX. Acknowledges the safety dimension by liaising with EASA; States • Approve PRB proposals and give EC mandate to decide; • Set up national legal framework and any necessary regulatory authorities. **Executive level** National performance and economic regulators • Execute all aspects related to regulatory target setting; • They need greater decision making powers and the right legal governance; • Key performance regulatory functions to be executed are: I. Advise States on performance regulatory matters; II. Propose, consult and set binding local performance targets; III. Analyse and consider interdependencies of KPAs/KPIs including ANSPs' investment plans; IV. Assess, approve and monitor the performance plans; V. Supervize/oversee ANSPs. Following these proposals to improve the institutional framework, DFS suggests the following corresponding improved target setting process: EU level

	Longer term EU performance goals for a period of 15+ years are being set by the EU Commission. They include a clearer articulation of what a "performing" ANSP looks like (in terms of performance outcomes) in order to provide clarity on what is "good enough". Those longer term goals provide the framework for local targets by expressing acceptable performance ranges per reference period at EU level more clearly across all KPAs. They are established through an industry consultative process with significant input and endorsement from local regulators. They form the starting point for the local reference period target definition. <u>Local level</u> Local targets can be set either at national, FAB or regional level. A strengthened local regulator led process defines and agrees binding targets for reference periods – consistent with agreed longer term goals and approved and adopted by States: - ANSPs provide initial input in the form of a proposed business plan for the RP – based on consultation with customers - The local regulators apply an evidence based approach – gathering further inputs from the ANSP as necessary and carrying out and commissioning supporting analysis from appropriate 3rd parties (e.g. technical opinions, benchmarking, reviews of specific processes, interdependency analysis, etc.) The local regulators develop initial suggestions for local targets which are progressively refined based on consultation inputs Plans need to be internally consistent, ensuring that local circumstances are well considered and therefore consistent with local targets (rather than with an EU target)
Complexity of the regulatory framework	

3.5 SES regulations are complex and at times inconsistent, not sufficiently aligned towards performance, opportunity for better regulation	**Complexity of regulatory framework** e EU COM should simplify the regulatory landscape by following the EC Better Regulation Guidelines – proportional and performance-based e EU COM should evaluate the status of existing regulations and developing SES regulatory proposals to ensure coherence between the performance scheme, ATM MP, PCP, EASA safety regulation and other (techn. Interops) regulations
3.6 AUs little influence in ANS decision-making	DFS sees a need to ensure the right balance and transparency for AUs to get a good understanding of the ANSPs decision making. One area for improvement in our view is a strengthening of the consultation process, particularly at the FAB/local level.
Emerging challenges and opportunities	DFS proposes to consider two additional emerging challenges: 1. The effects of Brexit. 2. The replacement of the PRB.
Improve the balance between economic performance, environmental performance and operational/safety performance	The current framework misses any effective evaluation of the interdependency among the KPAs and their KPIs/Targets. The methodology set to evaluate the ATM Cost Effectiveness performance reduces the chance to achieve the others KPA targets. Understanding interdependencies is key to setting appropriate and coherent performance targets across the KPAs. Although the nature of interdependencies is broadly understood, not enough has been done to understand the practicalities of reflecting them in targets. The study carried out for the EC in 2013/14 failed to provide any guidance due to its network-level focus. In the long term, the States could have enormous power to apply cost reduction measures at the expense of airlines which bear delay costs that stem from capacity shortage. DFS believes that it is not possible to adequately address the issues of

	interdependencies at EU level. Our proposal therefore is to transfer this process to the FAB/national level, where an appropriate balance could be achieved as the result of a strengthened consultation with AUs.
3.7 Include airport performance indicators on level of coordination and/or of scheduling intensity (possible target: increase of slots as for the traffic forecasted)	Whilst it is clear and appropriate that the Performance Scheme relates to ANS performance, KPIs and their implementation should better recognize that stakeholders other than ANSPs have a role to play in delivering performance. Whilst it may not be appropriate to expand the scope of the performance scheme, it should be possible to define KPIs, PIs and targets to take account of the actions and decisions of ATM stakeholders that are not directly targeted by the scheme, e.g. airspace users and airport operators
4. Global context	
4.1.2 SESAR: an assessment will be conducted of the expected benefits from SESAR implementation and will form one of the key pieces of evidence to support performance targets	See comment on 1.5.2
4.1.3 CEF finance grants – PRB will need visibility, to be coordinated between PRB, SESAR DM, the military and the NSAs of each State, leading to a statement of expected contribution which will provide indicative target ranges for each State and all KPAs.	See comment on 1.5.5
4.1.4 Pension costs remain an issue at State level. Future benefit obligations are substantial, and in some cases unsustainable, they are possible to target in performance matters as they can only be addressed at individual provider level.	See KPA Cost Efficiency
5.1.2 PRB believes that it is necessary to improve the management of Special Use airspace	

5. KPA Safety – general comments	**DFS general comments on KPA Safety**
5.1.2 Scope to refocus attention on key risks which show interdependency issues; **interdependency interaction with the Safety KPA, or problems created by technology interaction with latent,** human factors or unidentified errors (key risk in item 9 of ATM PM risk table)	DFS welcomes the planned and urgently needed measurement of the interdependency between safety KPA and all the other KPAs Safety is and must remain the overarching priority of ANSPs in delivering their services and it must not be compromised. As a consequence, e.g. the safety level should be applied to each ATC unit evenly, independent of the traffic volume.
	DFS does not support the proposal to set targets on lagging indicators, because the setting of objectives on e.g. the number (or rate) of SMIs, the number of RIs etc. will have a negative impact on the reporting culture at all levels. We are convinced that SMIs help us detecting weaknesses in the system and that we need to get as much information as possible from what leads to incidents.
	DFS proposes to apply the safety objectives at European level with a cascading action plan properly imbedded in European, State and operators safety plans with an involvement of all stakeholders
	To improve safety levels in air transport towards a hyper safe air transport, the RP-3 safety performance regulation should address all the stakeholders. The contributions of key players like airport and airline operators should get considered in the RP3 objective/target definition as well as in the target achievement.
Proposed performance objectives	To be realistic and meaningful, safety performance measurement has to rely on the application of strict and objective data collection methods, as well as definitions that do not leave any room for interpretation. Taking into consideration the increasing automation and digitalization in the technical equipment for ATCOs, indicators to measure safety performance should ensure not to discourage ANSPs to implement automatic reporting tools, as those are the only ones enabling exhaustive counting of incidents and their origin.
5.1.5 PO1 - EU level: Reduction of loss of operation incidents both horizontally and vertically	The term “loss of separation incidents” should be replaced by “Separation Minima Infringements”. The focus on the loss of separation needs to be properly handled.

	The more critical (risk) situations often are not limited to the remaining distances (vertical or horizontal); the worst cases are those with little or no controllability either by the ATC or the cockpit.
PO2 - Local level: Elimination of runway incursions	The elimination of runway incursions generally can only be an aspiration, but not a proposed target. Like with the loss of separation, this occurrence category needs a proper definition. The ICAO definition e.g. offers numerous interpretations for runway incursions and several categories of runway incursions are reported. An approved harmonized definition and scenarios to narrow the room of interpretation are needed for the development of a potential indicator. The development of a potentially suitable indicator on runways incursions should focus on a conflict combined with an avoiding action. The link with capacity and sometimes also with environment has to be considered. Besides the contribution of ANSPs, such an indicator would be influenced by the airport equipment in terms of ground safety nets and its layout as well as by the air operators. e contributions of several stakeholders therefore are relevant for the further development of this objective.
Social dimension assistance is required to address just culture with a continued focus in change management and social inclusion	Clarification is needed on the meaning/intention of this performance objective.
PO3 - EU level: Business Continuity preparedness for loss of systems. Incident reporting of security threads detected	DFS does acknowledge that effects resulting of cyber security issues can have an impact on all 4 KPAs. They would therefore be reported/covered in the corresponding KPA areas. We however doubt the usefulness of reporting cyber security occurences within Safety reporting.
KPA Environment – general comments	**DFS general comments on KPA Environment**
	KPIs and PIs for ANS environment performance should focus more specifically on ANS controllable flight efficiency aspects. Where airspace users do not fly the

	shortest route and choose to fly alternative routes (e.g. due to cheaper unit rates or better wind effects), ANSPs cannot be held responsible for the resulting inefficiency alone. This should be factored into the performance assessment / KPI definition. The same should apply for contributions to inefficiency by military AUs and the influence of re-routings, which have been initiated for capacity reasons. As a consequence, KEP should remain an indicator/target for NM (respectively also for AUs); NM is managing the coordination of measures to increase HFE of AUs (flight routes, CDR, etc.). Generally, a better indicator could be one on fuel efficiency; this potential alternative however might only materialize in the context of SESAR deployment. DFS therefore does support to – investigate into the development of better-suited indicators which remove the dependency with AUs while having a KPI that makes sense for ANSPs (e.g. fuel efficiency, VFE or the improvement of the route design (evaluation of the ANSPs environmental performance on the improvement of the route design (changed and new routes published in the ERNIP) rather than on flight plans or flown trajectories. The route lengths between flown city-pairs would be compared in year n with a reference period. We could take into account both MIL ON and MIL OFF situations into this indicator. This indicator is already monitored by NM but would require slight adjustments.)) Improve currently used indicators towards RP3 (HFE incl. achieved distance methodology, FUA)
3.6.1 the NM and ANSPs could have incentives to accommodate user preferred trajectories to the maximum extent possible.	DFS does see a contradiction with this proposed incentive, as the user preferred trajectory might not be the shortest route and therefore might have a negative effect on HFE. Generally, we do support the introduction of an incentive on ENV target achievements. However, the corresponding indicators in that case should be under the control of ANSPs, which is not the case for HFE or CDO.
5.1.2 airlines have been reluctant to take up the use of this (special use) airspace	This shows the necessity to integrate the contribution of Airspace Users to Flight Efficiency improvement objectives.

5.1.7 Safety KPA and Environmental KPA issues interact in terminal areas particularly on noise issues	In case, a specific interdependency is to be highlighted, the one between Capacity and Environment should be mentioned.
5.2.5 VFE has scope particularly at congested airports for targeting. This should be focus for RP3 with targets at local level to address the unique requirements of each airport, particularly interaction between noise and CO2/NOX.	DFS does support the need for the development of a suitable indicator to measure VFE. The indicator should be assessed around major airports to develop accurate means of assessment and to evaluate where room for improvement is. An EU-wide indicator for VFE assessing all flight phases cannot be defined in a fair way for ANSPs alone, because ANSPs strife to grant as much freedom as possible for AU to choose their own trajectory as long as safety is not compromised. An indicator definition would need to reflect this interdependency. In order to address these issues appropriately in the development of an VFE indicator, ask to involve the relevant stakeholders in this activity.
5.2.6 Fines for track deviation, or noise pollution exceedances, levied on operators, or the ANSP	ANSPs should not be deemed responsible for aircraft noise or track deviations that are not under their control.
5.2.8 FUA program is considered to be ineffective as the released airspace is not used by civil operators	The indicator (time used versus time allocated) is a useful indicator to measure military contributions. However, the pure monitoring of this indicator probably is not enough. There are currently too many interpretation possibilities. It is unclear who will utilize the information for improvement. We do support the PRB concern that flight planning IT systems (LIDO) are focusing on cost optimization and not necessarily on shortest routes. Contribution of AUs in target achievement needs to be considered.
Proposed Performance objectives	
5.4.33 PO4 – EU level **Maintenance of contribution towards global emission by maintaining or improving ATM contribution to fuel burn (CO2 emissions)**	HFE and VFE should contribute to this performance objective. See comments above!
5.4.35 PO5 – Local airport level **Improving the assessment of noise contribution and route design at a local level**	DFS does not support the PRB statements in paragraphs 5.2.5 and 5.2.7. Noise issues are politically driven and not under the control of ANSPs. In addition, noise constraints and corresponding mitigation requirements are very specific to each local level. Generally, the airport is responsible to deal with this topic. For these reasons, noise issues are not an appropriate topic to be covered in the performance scheme of ANSPs. There are also dependencies with other environmental efficiency areas (e.g. fuel emissions, ASMA)

5.4.37 PO 6 – Local TMA level **Improving the delay caused by holding and en route delay management to reduce CO2 and NOX effects at airports**	The described areas of improvement are not all related to ANS issues and therefore not only in the control of ANSPs. Delay and flight efficiency can be linked, but are not always linked. „Holding" is too specific (could also be „transitions").
5.4.39 PO7 – EU level **Improving the management of fragmentation through better standards management and facilitating competition in ATM**	DFS would appreciate to get clarification for the meaning of this objective. Better standards management could help. But there is no evidence, how competition and de-fragmentation in ATM would impact performance.
KPA Capacity – general comments	**DFS general comments on KPA Capacity**
	Focusing ANSP target achievement on CRSTMP (the delay reason P – special events – should be divided into ATC-related/non ATC-related special events) delay reasons and the post-ops adjustment process are useful processes to ensure that the share of ANSP-controllable delays are accurate. They should therefore be maintained for RP3.
	Additional time in taxi-out and ASMA (in RP1 within KPA Capacity, in RP2 within KPA Environment) Both indicators (Additional time in taxi-out and ASMA) are useful indicators to measure performance within and around (40nm) the airport. However, even in the 5th year since their implementation as monitoring indicators, there are still issues with their definitions and the harmonization of data collection. For both indicators, the methodology used to calculate the unimpeded time used as a reference is not yet mature and not transparent. I.e. if the indicators are monitored on a monthly basis, the unimpeded time also has to be calculated on a monthly basis. Concerning the ASMA indicator, it is important to use the first entry in the 40NM circle as a basis for calculation. For larger airports, an additional indicator based on an 100NM circle could be interesting. The indicators should still be used only for monitoring and not as KPIs with defined targets.
5.3.4 to 5.3.7 Traffic volatility (external events, conflict zones, external effects from non-SES countries (Turkey), etc.)	See comment to PRB statement 3.3.21
5.3.8 limiting elements in current capacity indicator: **- measures 20-25% of the total delays on which ATC can have an impact**	**En-route ATFM delay**

- measure is an average – risk of hiding the real causes	Although ATFM Delay does not measure all ANS related delays, a more suitable indicator probably can only be developed with the implementation of business trajectories within SESAR (enable better AU flight planning), but this will not be mature for RP3. FABEC therefore proposes to stick to the current indicator and to improve it by defining traffic dependent capacity targets. In addition, the methodology to calculate the reference values as a breakdown of EU targets should be improved. In addition, the option to use the capacity profile as an alternative/additional indicator to set targets should be analysed/developed. A potential use of the CODA delays as alternative En-route ATFM Delay KPI cannot be supported by FABEC ANSPs due to the following identified issues: CODA delays are not being reported by all airlines, insufficient data quality, flight plans from airlines often vary from ATC-flight plans, etc.
5.3.9 For RP3, maybe we could try to focus more on the main European bottlenecks (essentially situated in the core area) that create most of the delays,…	DFS supports this approach, as this is also seen by us as the area for considerable improvement needs. However, it needs to be considered that this is not a network wide objective. The text of the last paragraph in this section is vague. DFS would appreciate to get clarification on the text elements “At local level: Arrival delays and holding usage. Weather generated delays. Runway capacity usage.”
Proposed performance objectives	
5.4.41 PO 8 – EU level **Maintaining delay measures to facilitate 98% of aircraft on time performance.**	This is already a precise target rather than an objective. A necessary pre-requisite to measure this target would be the definition of punctuality (ATFM delay < 15 min.?). Some information on the historical evolution of this objective within the EU would be helpful. How can this indicator be broken down? If it is not possible then a consistent line of targets (network, FAB, ACC, …) cannot be ensured anymore!
5.4.43 PO 9 - EU level **Improving the use of Special Use airspace released to the community by special use airspace managers.**	There can be adverse effects to this indicator: the MIL could be encouraged to book more airspace so that they can release more. FABEC ANSPs propose to focus on the indicator comparing the airspace booked vs. the airspace really used, because it has proven to be the most suitable one to measure military performance contribution. However, until now, no harmonized indicator is available in Europe (each State calculates MME KPI in a different way). The indicator should be part of KPA ENV.

5.4.45 PO 10 – EU level **Improving the resilience of the South East Quadrant with particular focus on Balkan State inclusion and improvements of Greece and Cyprus performance.**	DFS recommends this objective rather to be used as a local than a network wide one
5.4.47 PO 11 – local level **Improving the level of airport capacity during RP3 and onwards, on the largest coordinated European airports, with an increase of airport slots at the same rate as the traffic increase.**	The most suitable measure to contribute towards such an objective would mainly have to come from airports. The potential contribution of ANSPs would be limited. All stakeholders should get involved in the target achievement. Before being able to increase the number of airport slots at the same rate as the traffic increases, it is important to determine if the airport slots are adequately attributed. Further more, what would be the basis for traffic increase (hourly, daily, seasonality, at the airport, …) as capacity can be reached for some hours but not for 24 hours or during a season – as long as it is possible to define capacity ? The potential influence of noise (political) constraints also needs to be taken into consideration for this objective **<u>Arrival ATFM delay</u>** The ANSP share in this indicator is extremely small. Weather induced delays play a significant part. The delay reasons usually are not ANSP driven. However, towards RP3, there is no better indicator. Two main aspects to be considered towards RP3: - Due to the strong dependence on local developments/requirements, targets should continue to be set at local level. - Due to the strong dependence on traffic development, targets should set taking into account the traffic shift risk
KPA Cost Efficiency – general comments	**DFS general comments on KPA Cost Efficiency**
5.4.1 More appropriate regulatory mechanisms and better use of market conditions could help to achieve the goals. **Focus should be on economic regulation where it is necessary (e.g. prices, output, investment and quality) and only deal with safety and environmental regulation when these effect economic regulation directly**	DFS would appreciate clarification on the meaning of this performance objective. If this objective proposes to focus the further development of the performance scheme towards RP3 only on economic regulation, DFS would be concerned on how the existing interdependencies towards Safety, Environment and Capacity could be properly addressed.
	Like for the other KPAs, KPIs in the KPA Cost Efficiency should be better aligned with ANSPs controllable costs. In particular, consideration should be given to taking different approaches for different cost components, e.g. treating capital expenditure

	/ depreciation, cost of equity and costs exempt from cost sharing in a different way in order to focus ANSPs on enhancing efficiency of controllable costs. Consideration should also be given to the following KPA-related elements: • **Potential use of a Total Economic Value as a complementary indicator** DFS supports in general the introduction of TEV as a complimentary indicator, but only when a methodology to calculate TEV is mature, which is not seen as being realistic for RP3. Once, a methodology is mature, it could be tested as a shadow system in order to validate its functioning. • **Starting point** Like in other regulated industries, the national cost efficiency targets for a reference period should be set on the basis of the business plan of the ANSP, taking into consideration all influencing elements like interdependencies towards other KPAs/KPIs. A continued setting of starting points referring to targeted cost bases in RP1 would inevitably lead to a cost base of € 0,00, which does not correspond to a realistic regulatory approach. • **Traffic risk sharing** DFS sees a need to improve the currently applied traffic risk-sharing model in order to better address the fact, that ANSPs are not in a position to influence traffic development: - Traffic forecasts should continue to be based on STATFOR forecasts with the possibility for the State to deviate from this forecast under specific circumstances, that need to be explained in a corresponding justification - Justified adjustments to the traffic forecast prior to the beginning/during of a reference period should be possible.

	In addition, DFS sees a need to consider the following topics for review/further elaboration in the context of the charging regulation towards RP3: - **Return on equity** is related to the equity and the equity rate. The percentage of equity reflects the risk of the ANSP. Setting a cost efficiency target on the approved amount of return on equity is not logical nor appropriate, as it leads to a reduction of an approved return on equity or as a consequence to an additional reduction of other cost elements - **Handling of EU funds** – The incentive process needs to ensure a fair sharing of incentives taking into consideration the contributions of all involved stakeholders. - **Uncontrollable costs** – the guidance material elaborated within the SSC WG on eco aspects is needed to assist the ANSPs/NSAs in preparing their requests for costs exempt from cost sharing. - **Adjustment of reporting tables** to include the view on the real result - **Separation of direct and indirect costs in the reporting tables to increase in transparency** - **Billing formula: airplane weight (MTOW) –** as billing of the individual airplane weight meanwhile is possible, the binding requirement to base the weight calculation on the average airline weight should therefore be changed into a "may" requirement (Annex IV, 1.5 in 391/2013) - **Billing on the basis of actual flight plan –** in order to properly invoice the actual service delivered by the ANSP, billing should be based on the actual flight plan instead of the last filed flight plan (Annex IV, 1.2 in 391/2013)
5.4.49 PO12 - EU level **Incentivising the deployment of technological developments to improve cost efficiency targets**	S does not support this proposed objective: incentivizing the deployment of technological developments should not be limited to cost effective improvements. nerally, the following risk elements need to be considered prior to deciding on potential incentives on planned performance contributions:

	- In many cases, the CBAs are not yet available, which includes a risk for the ANSPs in the planned performance contributions. - The effects on the cost base might require more time than originally planned. - Benefits sometimes also depend on the implementation requirements of the AUs, which represents an element not in the control of ANSPs.
5.4.51 PO13 – EU level **Improving the effectiveness of the charging mechanisms to improve cost efficiency**	Clarification is needed on this objective. It does not clearly reflect what problem in the charging mechanism is being addressed and/or how.
5.4.53 PO14 – TNC Charging zone **Increasing the view of Gate to Gate to match cost and operational performance**	Due to the fact that nearly all requirements on air navigation services in the terminal area are originated from local airports and local circumstances, the future targets on terminal cost efficiency should continue to be set locally.
Overall objectives	
5.4.55 PO15 – EU level **Improve the effectiveness of the fifth pillar of SES by improving communication and change management dialogues**	DFS supports this objective and is interested in contributing in the further analysis and a potential development of an indicator.
5.4.57 PO16 – EU level **Improving the institutional arrangements to reduce duplication, improve harmonization of common rule sets, and reduction of red tape**	Performance regulation shouldn't be used as a means to improve the institutional framework. This should be a political process.

Comments from Ireland (IAA)

Received on the 30th of September
Sender: Paul Brandon – Stakeholder and Regulatory Affairs

Executive Summary

The IAA ANSP welcomes the opportunity to respond to the views of the PRB set out in the RP3 White Paper. The IAA is a low cost service provider and believes that this model delivers best value for air carriers and travelling passengers. We support the broad objectives of the SES; however we are concerned at some of the statements and objectives set out in the White Paper for the RP3 period.

We are of the view that the RP3 period and the KRAs set out for this period should focus on the core European region. Specific measures should be developed to address the high cost of service associated with this region and the significant delays which originate in this region. These cost and capacity measures should be benchmarked against the European averages, using the substantial evidence provided by the annual Eurocontrol ATM Cost-Effectiveness (ACE) benchmarking exercise.

Accordingly and taking this approach as the best way to achieve the overall objectives of the SES, **there should be minimal focus in RP3 on already efficient service providers**. **Where ANSPs are already delivering low cost, efficient and safe operations with little or no delays, there should not be a requirement for further cost containment in RP3**. Indeed, it is important that costs can increase for these efficient providers, where necessary in order to continue to provide a high quality, safe service and to meet operational and economic challenges. The PRB should not confuse cost increases with inefficiency; it is possible to maintain efficiency whilst allowing reasonable levels of cost increase.

Indeed the IAA urges the PRB to take into account the impact of traffic growth when developing objectives for RP3. Many ANSPs have had to manage traffic growth well in excess of that forecasted in RP2. This has put significant pressure on the resources of these ANSPs. This must be recognised when re-baselining costs for the RP3 period.

The IAA ANSP's response to the White Paper outlines a number of general comments in relation to the views expressed in the White Paper. In addition to this, we have set out specific comments in relation to each of the five KRAs and the proposed suite of objectives outlined in the PRB's paper. We also query the need for 16 separate performance objectives and we believe that it may be more effective to focus on a much smaller number of objectives.

The Table 1 below provides a brief summary of the main themes of the IAA ANSP's response:

Summary of IAA ANSP views on PRB White Paper on RP3	
General Comments	
RP3 Focus	The RP3 focus should be on reducing costs and managing delays in the core European region. Already efficient ANSPs should not be targeted for further cost containment.
Balancing competing KRAs	There is an inherent conflict between cost efficiency and demands for enhanced safety, reduced delays and improved flight efficiency. In addition to this, traffic is growing well beyond RP3 expectations. There must be an allowance in RP2 for cost increases for efficient ANSPs where justified.
Strategic Partnerships	Strategic partnerships such as COOPANS should be encouraged as an important form of SES cooperation. Barriers to the success of such partnerships should be removed.
Brexit	Brexit will result in uncertainty for the SES and in particular the UK-Ireland FAB. Allowance must be made for flexibility to make adjustments to the RP3 settlement post the outcome of Brexit negotiations.
Infrastructure Constraints	ANSPs have no control over aerodrome infrastructure. Infrastructure deficiencies can often result in delays or loss of efficiency. This should be recognised by the European Commission when setting targets. In addition, cost allowances must be made for ANSPs to invest in necessary infrastructure in order to maintain safe and efficient operations where required (e.g. new towers, new systems, new surveillance equipment).
KRA Safety	
Risk based Strategy	The IAA supports the development and implementation of a risk based approach to ATM safety for RP3. This should built upon the foundations set in RP2 and ensure that ANSPs can target resources at areas of key risk.
Safety Trends	Targeting in ATM safety should involve monitoring of trends/ rates of change rather than absolute numbers. This allows flexibility to identify areas of concern and make changes to improve the trend.
KRA Environment	
Free Route Airspace	Free Route Airspace should be implemented across Europe as a key priority for RP3. Any other environmental initiatives are only "tinkering around the edges" in the absence of free routing across Europe.
Flight Planning	The charging basis should remain based on flight plan. To change the basis of charging to actual route flown will only result in inefficient ANSPs being rewarded, potentially higher costs across the European system and no saving to airlines. In addition, it will not deliver any additional environmental benefit.
KRA Capacity	
European Bottlenecks	The key capacity focus in RP3 should be on the European bottlenecks. The performance objectives outlined in the White Paper do not reflect this requirement.

Maintaining performance as traffic grows	For ANSPs outside of the European core area, the RP3 control should not place additional stringent targets. Instead it should focus on maintaining current low delay levels, taking account of traffic increases and aerodrome infrastructure constraints. Fair incentives should be a part of this model.
KRA Cost Efficiency	
Benchmarking	Eurocontrol ACE benchmarking should be used to determine the level of cost efficiency target required per ANSP. The focus should be on ANSPs with levels of cost above the European average. This is little to be gained in RP3
Reasonable cost increases	Reasonable and justified cost increases must be allowed for efficient ANSPs in order to maintain safety, quality and efficiency of service, bearing in mind traffic growth and economic challenges.

Introduction

The Irish Aviation Authority (IAA)

The Irish Aviation Authority (IAA) is an independent, commercial semi-state body responsible for the management of Irish controlled airspace, the safety regulation of Irish civil aviation and the oversight of civil aviation security in Ireland. As licensed Air Navigation Service Provider (ANSP) for Ireland, the IAA is committed to the ongoing development of the Single European Sky (SES) and the delivery of air traffic management services in a safe, efficient and cost effective manner.

Consultation on PRB White Paper

The IAA welcomes the publication by the Performance Review Board (PRB) designated by the European Commission, of the PRB White Paper on RP3[1] Performance Objectives. Open consultation with stakeholders is a central part of any effective regulatory regime, providing transparency and the opportunity for dialogue before any decisions are made. This improves the quality of decisions and allows all views to be fully considered before decisions are made. It is important that this spirit of engagement and dialogue is maintained by the European Commission throughout the full length of the process for the development of the RP3 framework.

Context of this Response

The IAA plays an important strategic role in the safe and cost efficient management of air traffic in Europe. Over 80% of North Atlantic air traffic is managed through Irish airspace with the IAA playing a key role in managing the interface between controlled airspace and oceanic airspace as well as the distribution of transatlantic flights across Europe. In addition to this, the IAA in partnership with NATS and other stakeholders continues to successfully operate the UK – Ireland FAB (Functional Airspace Block). The IAA has been to the forefront in developing strategic partnerships with other ANSPs, such as our involvement in COOPANS, the Borealis Initiative and Aireon. The strategic partnership model is a template for efficient cooperation, leveraging the strengths and expertise of the various partners and delivering results for customers in the spirit of the SES objectives.

The IAA ANSP operates as a low cost, high quality service provider. This is evidenced by our high rating annually in the Eurocontrol ACE benchmarking and the low levels of delays that air carriers experience in Irish controlled airspace. However RP2 is and will continue to be a challenging regulatory period for the IAA ANSP. Our costs have been set to an unsustainably low level, which will need to be rectified in RP3. Traffic levels in Irish airspace are increasing significantly year on year, well beyond the levels envisaged in RP2. This is placing significant cost and operational pressures on the IAA ANSP.

Our response to this White Paper is written in the context of what we believe should be the key objectives of RP3. These are as follows:

[1] Reference Period 3, to run from 2020 - 20

- For efficient ANSPs, a recognition of the significant cost containment measures implemented to date. Accordingly RP3 should allow for fair and reasonable cost increases noting the economic pressures and traffic increases which are likely;

- The key focus for the capacity and cost efficiency KRAs should be on the European core region. This region is characterised by high costs of service and significant levels of delay. SES will not achieve its aims unless delays can be reduced in this region and costs controlled. Accordingly RP3 must focus on this region;

- The process of transitioning safety management to a risk based system should be commenced in RP3;

- Free route airspace across Europe should be prioritised as a key mechanism to achieve environment gains;

- The cooperation model should be enhanced to ensure that strategic partnerships which deliver efficiency gains, cost savings or standardisation are encouraged, with any barriers removed.

Structure of this Response

This paper is structured into seven key sections:

Section 2 outlines the IAA ANSP's general comments on the White Paper and our key messages for the European Commission and the PRB.

Section 3 outlines our specific comments on the Safety KRA and the PRB's proposed objectives for RP3 in this area.

Section 4 outlines our specific comments on the Environment KRA and the PRB's proposed objectives for RP3 in this area.

Section 5 outlines our specific comments on the Capacity KRA and the PRB's proposed objectives for RP3 in this area.

Section 6 outlines our specific comments on the Cost Efficiency KRA and the PRB's proposed objectives for RP3 in this area.

Section 7 outlines our specific comments on the Human Factors KRA and the PRB's proposed objectives for RP3 in this area.

Queries on this Response

All queries on this response should be directed as follows:

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The IAA ANSP is available to meet with the PRB and the European Commission at any point to discuss this response and/or wider issues associated with the performance scheme, RP2 and RP3

Section 2 - General Comments

This section sets out the IAA ANSP's general comments in relation to the RP3 White Paper and our key messages for the European Commission and PRB.

General Comments on the White Paper

The IAA supports the SES performance schemes. The IAA has been delivering its targets over the course of RP1 and RP2 to date and we remain committed to providing an efficient, high quality service in line with the objectives of the SES.

While the PRB White Paper acknowledges that performance across Europe for each of the four metrics has improved, the IAA is concerned that the integrity of the scheme is being eroded by performance in the core European area. It is not acceptable in our view that an RP2 Performance Plan has not been agreed across the FABEC region. Given the central importance of this region for aviation across Europe and the overall level of delays which originate in this region, the efforts of ANSPs in regions which are performing well are being undermined by this lack of progress in other regions.

The following are the IAA ANSP's general comments in relation to the issues raised and discussed in the RP3 White Paper. In each case, we have set out our key message to the European Commission and PRB.

RP3 Focus

RP3 needs to be focussed to a greater degree on targeting those service providers which continue to be inefficient or those control areas of higher cost. While the White Paper makes some statements to this effect, these are not borne out by the proposed objectives. It is our view that the proposed objectives should explicitly focus on inefficient or high cost regions, allowing already efficient and safe ANSPs to continue to manage their businesses with the least regulatory red-tape possible.

The objectives of the SES can only be truly delivered when the variation in service cost across Europe is much lower than it is today. Eurocontrol benchmarking indicates the scale of this variance. The IAA's cost base is 25% lower than the European average and 35% lower than the average cost of the five largest ANSPs. When the impact of delays is considered, the IAA's economic cost is a third lower than the European average and 40% lower than the average of the "big 5".[2]

In addition to this, the five largest service providers make up 57% of the total cost in the European ATM system, as shown in the Figure 1 below, re-produced from the ACE 2014 Report, published in

May 2016. Targeting this area is where real savings to customers can be delivered. It does not in our view make any sense to attempt to target the smaller service providers (who only make up 8% of the total cost) in equal measure to the more costly service providers.

[2] Statistics taken from ATM Cost Effectiveness Report 2014, published May 2016. All figures relate to € per composite flight hour.

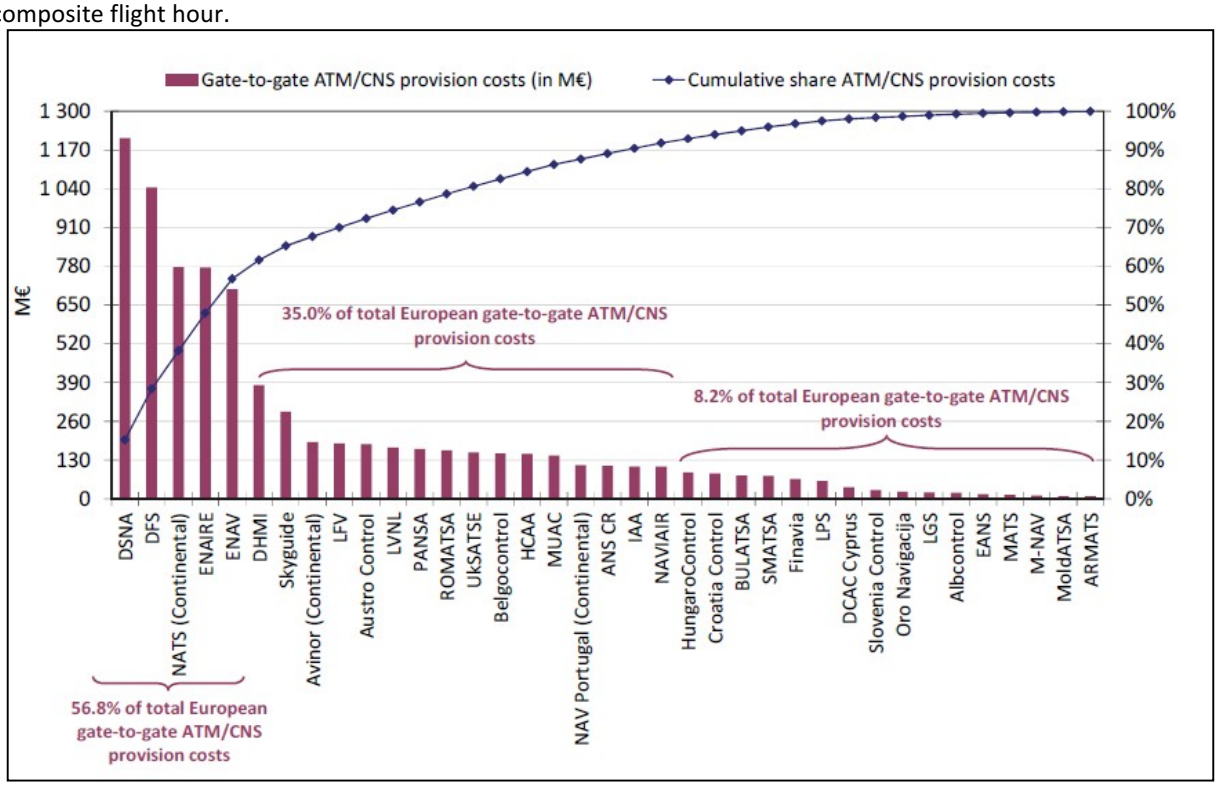

Figure 1 Distribution of ATM/CNS provision costs in 2014. (Source: Eurocontrol ACE Report 2014)

- This brief analysis and the graph above is a stark indicator to the European Commission and the PRB and shows that there is nothing to be gained by focussing on efficient ANSPs; the focus should be on the big five as this is where the costs in the European system are contained. For already efficient ANSPs (those below the Euro average), the focus should now switch to consolidating this efficiency, allowing cost increases where necessary to ensure that progress is sustainable and allowing for necessary investments.

Key Message: The RP3 focus must primarily be on high cost ANSPs and those regions which are contributing most to delays on the European network. There is nothing to be gained by focussing on already efficient, low cost service providers.

Conflict/ balance between objectives

The IAA ANSP is of the view that the European Commission and the PRB must recognise the inherent conflict between delivering continual improvements in safety, managing delays and environmental efficiency and containing or reducing costs. This is not recognised in the White Paper. A balance

must be struck for RP3, allowing reasonable cost increases in order to be able to deliver the full suite of operational and safety KRAs. In short, it is our view that it will not be possible to deliver the ambition of RP3 without recognising the need for cost increases for some ANSPs, including the IAA.

Key Message: Cost increases must be allowed in RP3 for efficient ANSPs in order to be able to deliver RP3 requirements.

Number of Objectives

We are concerned at the significant number of performance objectives (16) set out in the White Paper. It will not be possible for ANSPs to prioritise 16 different areas in RP3. We would welcome clarity from the PRB that these 16 objectives are merely set out as discussion points, with an intention to refine them back to a workable number focusing on core priorities.

Key Message: The number of objectives should be trimmed back to a manageable number (no more than 5 – 6).

Structural Issues/Fragmentation

We note the comments of the PRB in relation to structural issues and fragmentation. It is our view that such issues will not be solved through the performance scheme; the performance scheme should focus on putting in place a realistic set of targets which are within the control of ANSPs. It should build upon the targets set for RP1 and RP2 and attempt in particular to address inefficient ANSPs or those regions which contribute most to cost and delay.

Key Message: The performance scheme should focus on areas which are within the control of ANSPs.

Strategic partnerships

We welcome the PRB's recognition around the ability of the strategic partnership model (with COOPANS as the key reference) to deliver strategic benefits to ANSPs, customers and the wider European system. We would support recommendations or initiatives from the PRB or the European Commission to redefine or amend the FAB concept to promote enhanced strategic partnerships. While geographic FABs have worked well (and continue to work well) in some areas (e.g. UK-Ireland FAB), there is now an opportunity to support strategic partnerships which are delivering SES objectives through funding and/ or regulatory support.

Key Message: The strategic partnership model of cooperation should be encouraged and supported.

SES Charging Model

We are concerned at references throughout the White Paper to changing the charging model to focus on outputs. In our view a model which charges on the basis of actual route flown rather than flight planned will only lead to ANSP uncertainty and higher costs. Further, it rewards inefficiency as there would be no ability for airlines to avoid higher cost zones. This would result in an outcome

which is odds with the one of the core objectives of the SES to encourage efficiency.

Key Message: The charging basis (flight plan) should not be changed for RP3.

Risk Based Safety Management

We encourage the PRB to change the emphasis in safety management from absolute targets to trend based targets, with an improved focus on safety critical issues. Significant foundations have been set in RP1 and RP2 for improved safety management across Europe; the next step should be to focus on a risk based approach taking account of trends and indicators.

Key Message: Risk based safety management should be implemented in RP3.

Brexit

Brexit presents significant uncertainty for the SES and in particular for the UK-Ireland FAB. RP3 must allow for changes and flexibility to take account of the eventual outcome of Brexit negotiations, including an ability to increase costs for the IAA ANSP to take account of Brexit. Ireland as FAB partner to the UK in the UK-Ireland FAB should be afforded a "special case" status over the course of RP3 discussions given the uncertainty around Brexit and the impact that this will have on the UK-Ireland FAB.

Key Message: Brexit will cause uncertainty during the period of the development of RP3. This needs to be recognised and allowed for in the regulatory settlement.

Cost Pressures

The IAA is a low cost, high quality service provider and we believe that this model best serves our airline customers and ultimately travelling customers. However there already are significant pressures on cost containment in RP2 as traffic volumes increase, economic recovery in Ireland takes hold and delayed investments need to be made. This will continue in RP3 and it will not be possible for the IAA to show the level of cost restraint that was possible in the RP2 plan. **Accordingly RP3 must take account of these pressures and allow for cost increases where necessary,** recognising that quality of service will suffer in areas where ANSPs cannot cover their reasonable costs and make a fair margin.

Key Message: Reasonable cost increases should be allowed in RP3. Efficiency can still be maintained while costs increase and indeed may suffer if too stringent a focus is placed on cost containment.

Infrastructure Constraints and Capacity

As traffic levels increase, the ability to continue to increase capacity without an increase in delays becomes more difficult. While technology will assist, in many cases infrastructure has become or will soon become the limiting issue. In this context, RP3 at a local level must acknowledge the airport infrastructure issues and deficiencies which many ANSPs have to deal with. Accordingly targets should only be set against metrics where ANSPs have clear control or a clear ability to influence. Where ANSPs have to make significant investments in order to allow for capacity increases (e.g.

new visual control tower and associated infrastructure at Dublin airport), RP3 must allow for full recovery of these costs and an appropriate finance ability model to be able to finance such necessary investments.

Key Message: ANSPs have no control over aerodrome infrastructure which can often cause delays or limit capacity. Where ANSPs have to make investments on foot of decisions by airport operators, these costs must be allowed.

Section 3 - KRA Safety

This section outlines the views of the IAA with regard to the safety KRA and the proposed objectives set out by the PRB regarding safety performance in RP3.

Safety Performance

The European Commission and the PRB have rightly recognised the central role that safety considerations must have within the SES initiatives. Safe ATM operations is the core priority for the IAA in delivering its business. In this regard we believe that the safety KRA should be treated separately to the other three KRAs (Environment, Capacity and Cost Efficiency), with the cost of safe operations (in line with EASA requirements) being protected.

Delivering continually safe operations is a product of a long term strategy of developing standards, processes, technology and people to create a safety culture. The SES legislation and the Performance Scheme have started a process of engraining this culture across European ANSPs and harmonising the approach to safety management. This approach has largely been successful to date in our view; however with increasing traffic levels and additional technological complexity in managing airspace, there will be a significant challenge in RP3 to maintain the progress delivered so far.

The IAA's comments in relation to safety performance are as follows:

- The IAA is of the view that the overall approach to safety performance needs tochange in RP3. The focus of safety performance needs to shift from process and rules based compliance to a risk based strategy, monitoring trends and targeting action where necessary;

- This risk based approach should be the start of a longer term (2 reference periods) direction of travel by the European Commission towards Performance Based Regulation (PRB) for ATM safety. PRB can only be developed once a safety culture is embedded in ANSPs (focus of RP2) and once a safety strategy based on key risks and trends has been established (the key focus we believe for RP3);

- A risk based strategy would involve the following aspects:
    - Identification and weighting of key risks at an ANSP level or State level, based on data and analysis provided by the RAT;

- Analysis of trends for the key risks and establishment of trend based targets (rate of change/ direction of travel);
- Development of risk management plans or risk mitigation strategies by ANSPs, overseen and approved by national ANSPs;
- Targeting of resources by ANSPs to focus on areas of greatest risk;
- Monitoring trends for each of the risk categories and reporting through the pan-European reporting system to ensure consistency of data across Europe;
- Over time and once this approach is embedded, it will allow for further movement towards performance based regulation for safety which "completes the circle" between risk identification, management and business performance.

- The IAA agrees with the views of CANSO with regard to improving safety reporting and analysis through the use of data submitted annually through the European Central Repository (ECR). This will resolve some of the concerns of the PRB regarding the level of consistency in reporting across SES ANSPs. Utilising a common recording tool employing the same parameters will ensure objective and consistent reporting.

- Significant knowledge and expertise has been developed by ANSPs in the current safety management processes, while there has been large investment in training personnel and developing technology in order to give practical effect to the current processes. It is important that this risk based system builds upon this expertise (utilising the RAT and established safety cultures), rather than requiring significant additional investment in either IT or training by ANSPs.

- It should be noted however that the performance scheme in itself cannot solve all concerns with safety performance and some areas are better dealt with through legislation. Incident recording and reporting is one such area, where if the PRB is concerned that standards are different across SES countries, then this may be best tackled through legislation.

- The PRB has identified the interdependency between technology and human factors as a critical safety challenge in the coming years. The IAA concurs with this analysis and indeed this concern will become more pertinent as traffic levels increase. Accordingly it is our view that RP3 must establish guidelines for managing the human
  – technology interface, ensuring that safety is not compromised. This issue raises a key inter-dependence with the other target areas of capacity, cost effectiveness and environment. Where appropriate, it will be important to allow for targets or expectations on capacity and cost efficiency in particular to be tempered to take account of this complexity e.g. there may be a need for additional costs for ANSPs to train staff, install technology and manage the human-technology interface to be allowed.

Safety Objectives

This section sets out the IAA's high level comments in relation to the proposed Safety Performance Objectives for RP3:

Performance Objective 1

- Reduction of loss of separation incidents both horizontally and vertically by focussing on system risk.

- EU system wide application

IAA Comment

We would welcome further clarity from the PRB on this proposed objective. System risk suggests the risks and processes within the full management process, which could be influenced by ANSPs and by airline operators. Loss of separation incidents are safety critical incidents and IAA supports their recording and monitoring during RP3; however we believe that the metric should focus on the rate of change of separation minima infringements, with an ATM contribution. In addition, it may be more effective to measure this metric at ANSP level.

Performance Objective 2

- Elimination of Runway Incursions
- Local airport level application

IAA Comment

Runway incursions events are typically influenced by the complexity of the runway and taxi-way infrastructure, the levels of traffic at the airport in question and the capacity of that airport. In the absence of the ability of ANSPs to make appropriate investments to improve runway or taxi-way infrastructure or where these investments are not planned by the airports, then it is important that these factors are taken into account in the objective setting process.

As we move into RP3, it is likely that many airports will be operating at capacity or close to capacity for longer periods and the pressures on individual controllers may become more demanding. Accordingly such metrics and outcomes need to be viewed in the context of those factors which can influence performance. This is where a risk based strategy works best. Such a strategy would allow for an ANSP to take account of causal factors (e.g. such as traffic increase, aerodrome infrastructure) and make modifications to the risk management plan in order to maintain or improve performance. In some cases, this may come at an additional cost (e.g. additional training, additional ATCOs or over-time) which should be allowed. The risk management plan, signed off by the NSA, should be designed to provide for this flexibility. It is important that the ANSP can take action and is not prevented from increasing costs where necessary for safety reasons.

In addition, while we support the aspiration to eliminate runway incursions, it is our view that the focus should be on trends (rates) rather than absolute numbers.

Performance Objective 3

- Improved management of ATM system security and business continuity
- EU system wide application

IAA Comment

The IAA notes this objective and concurs with the views of the PRB that cyber security threats could affect safety or data integrity. However it is important that this metric remains focussed on threats to safety, rather than wider security and business continuity issues. While we welcome the PRB's emphasis on this issue, it is not clear from the White Paper how this issue would be targeted, or indeed whether targeting is a useful way of delivering the required resilience.

Investment in cyber security and business continuity will be a significant additional overhead cost for ANSPs. Cost recovery must be allowed in RP3 to cover this additional cost. Noting this, the IAA is of the view that the European Commission should consider making funding available from the Connecting Europe Facility/ TEN-T or its successor post 2020 to funding improvements in system security and business continuity which ultimately contribute to the overall effectiveness of the ATM network.

Section 4 - KRA Environment

This section outlines the views of the IAA with regard to the environmental KRA and the proposed objectives set out by the PRB regarding performance in RP3.

Environmental Performance

The White Paper has correctly identified the inherent linkage between environmental performance, capacity and cost efficiency. For ANSPs such as the IAA, operating at or close to the efficiency frontier and who have already delivered environmental initiatives such as Free Route Airspace, the ability to deliver further environmental improvements is limited. Free Routing has been implemented in the Irish FIR since 2009 (ENSURE Project) and continues to deliver significant emissions savings, as well as fuel and cost savings for airlines.

However the fact that Free Route Airspace has not yet been delivered fully across Europe, restricts the ability of one (or a small number of) ANSP to drive improvements in environmental performance. The IAA is of the view that it should be a priority in RP3 to oversee full implementation of Free Route Airspace in those control areas where it has not yet been implemented.

The IAA's comments in relation to environmental sections of the White Paper are as follows:

- The IAA is concerned at some of the statements in the White Paper regarding the charging mechanism for airline flights. Given the complex and variable interplay between fuel costs, weather and shortest available route, it is important that airlines, driven by competition (rather than regulation) are in a position to flight plan the most economically efficient route.

- Airlines should have all necessary information available to them when filing their flight plan and should be encouraged to develop flight plans which reflect the ***lowest cost outcome*** for consumers, when all of the competing factors have been taken account of. On occasion, this may result in the airline choosing to flight plan a slightly longer route than the most direct route, in order to deliver savings to their customers. Rather than discouraging this, it should be encouraged. Not only does this allow for airlines to choose the overall most economically

efficient outcome for their customers, but it penalises those ANSPs that are less efficient and cost more. A loss of business and loss of revenue is the most effective way to encourage efficiency gains in higher cost ANSPs;

- In addition, under the current mechanism airlines can still fly a more direct route than the flight plan, thereby delivering the fuel and environmental saving. Indeed in the event that an airline chooses to fly a less efficient route, this "distortion" will be more than off-set by full free route airspace being implemented across Europe. Accordingly, as already stated RP3 environmental initiatives should focus on those control zones where air carriers cannot free route.

- The IAA strongly supports the principle of maintaining charging on the basis of flight plan filed. ANSPs plan their resource requirements on a daily basis taking note of the expected traffic, chiefly driven by filed flight plans. To move away from this principle

  would make planning and cost containment significantly more difficult for ANSPs, thereby increasing costs in the business as a whole.

- The IAA agrees with the views of the PRB that the disjointed approach between the management of capacity (FAB plans) and cost efficiency (Charging zones) is a suboptimal mechanism for incentivising fully integrated and efficient management of airspace. In this context the IAA is of the view that performance across all areas should be incentivised on a charging zone basis. Any other mechanism penalises more efficient ANSPs and hides the source of inefficiency.

- The IAA does not support the introduction of a single unit per FAB at this time, ææagain this would only provide for charging which hides the underlying costs and cross-subsidies between ANSPs. Further it would reduce the incentive to become more efficient and would mean that pricing would no longer be truly linked to the cost of doing business. The variations in cost between charging zones are too great at present and accordingly the focus should be on bringing down costs in the more expensive regions.

Environment Objectives

This section sets out the IAA's high level comments in relation to the proposed Environment Performance Objectives for RP3.

Performance Objective 4

- Maintenance of contribution towards global emissions reduction by maintaining, or improving ATM contribution to fuel burn (CO_2 emissions)

- EU system level application

IAA Comment

The scope for ATM to contribute to further reductions in global emissions is limited given the measures already implemented and the key priorities that were set against this area in RP1 and RP2. In particular for ANSPs that have already implemented Free Route Airspace, the likelihood of delivering further reductions is low. It is the view of the IAA therefore that this objective should be specific to those zones or regions that have not delivered free route airspace, as this is impacting on the flight efficiency of the whole European region. For ANSPs that have already delivered free route airspace, the RP3 focus should be on maintaining the progress that has been made to date taking account of future traffic projections and aerodrome infrastructure limitations.

Performance Objective 5

- Improving the assessment of noise contribution and route design at a local level
- Local airport level application (within Terminal Manoeuvring Area – TMA)

IAA Comment

Any measurements on noise contribution and route design at airport level need to take account of the individual restrictions, characteristics and growth projections for those local areas. It is important that unrealistic targets are not set for ANSPs who have to manage traffic, often with increasing complexity and volume, using existing airport infrastructure and bearing in mind that noise preferential corridors are set by the airport operators. In some cases this infrastructure is designed poorly or causes constraints on ANSPs. It has to be noted that ANSPs have no ability to change or modify the airport, runway or taxi-way infrastructure to reduce noise levels.

We would welcome more detail from the PRB is relation to this objective and the role of ANSPs.

Performance Objective 6

- Improving the delay caused by holding and en-route delay management to reduce CO_2 and NO_X effects at airports
- Local TMA level application

IAA Comments

Requirements to place traffic in the hold or manage through en-route mechanisms generally occur as a result of airport capacity or weather related restrictions or limitations. Modern technology and operational procedures such as Point Merge can reduce ATM related delays. Accordingly while we welcome any initiatives that may be able to further improve delays and reduce CO_2 and NO_X impacts at airport level, we are of the view that any objectives should in the first instance seek to maintain the reductions that have been made in recent years, taking traffic levels into account. ANSPs who invested significantly and made changes which benefitted both their customers and the environment should not be subject to a further stringent target, where the scope for further improvement is limited.

In addition cooperation initiatives such as XMAN has reduced delays at core airports such as Heathrow; the contribution of en-route controllers such as IAA in reducing delays further down the line should be recognised.

Performance Objective 7

- Improving the management of fragmentation through better standards management and facilitating competition in ATM.

- EU system wide application

IAA Comment

The PRB's concerns with continued fragmentation of European airspace are noted and the IAA has outlined its views in Section 1. We do not believe the picture to be as "black and white" as that presented by the PRB; while not all FABs have achieved what they were established to do, good progress and cooperation has been achieved in other FABs. For FABs that are not performing, the Regulations provide for sufficient enforcement powers for the European Commission.

Notwithstanding this however, the FAB model needs to be allowed to evolve and flex in order to ensure that it can deliver further gains for SES. The core problem remains the differential in scale and cost base between many FAB partners. Accordingly it is our view that while it will be important for FAB cooperation to continue, RP3 presents an opportunity for the European Commission to re-define or bring flexibility around the cooperation concept along the lines of cross-border or cross-regional initiatives which focus on delivering strategic benefits, in line with SES objectives.

In particular the COOPANS alliance is the standard bearer for the European Commission with regard to what can be achieved when ANSPs cooperate towards a common goal. It is through alliances and the building of common approaches, standards and agreements like this that the objectives of the Single European Sky can best be achieved. However we note that this may be more an issue for delivery through SES legislation rather than through the performance scheme and we are not clear how the objective 7 above would be targeted in practice.

Finally to assist in resolving fragmentation concerns, the European Commission should consider re-

positioning SESAR to work with alliances such as COOPANS and Borealis in order to develop common European-wide standards and best practice. This will then allow for the market, be it ANSPs, technology or IT providers to interpret the standards and to develop innovative solutions with a pan-European appeal. This will drive down costs, increase cooperation and inter-operability and ultimately lead to improvements in all of the metrics.

Section 5 - KRA Capacity

This section outlines the views of the IAA with regard to the capacity KRA and the proposed objectives set out by the PRB regarding performance in RP3.

Capacity Performance

Traffic levels are growing in RP2, in many cases well above the levels forecast by Eurocontrol Statfor. Indeed forecasting for RP2 has been well out of line with actual growth to date in the case of Ireland. This has made the task of managing traffic growth within the confines of a rigid regulatory control extremely difficult. Traffic forecasting and its application in performance planning must be improved for the RP3 period. In this regard, we would support a mechanism which allows for justified adjustments to traffic forecasts during the reference period.

Even allowing for a slowdown or an adjustment, it is likely that in the timeframe of RP3 (2020 – 2024), the level of traffic on the European system will have increased significantly from today's levels. In this context, it is the view of the IAA that the challenge in RP3 is to maintain good performance in those regions where delays are low whilst targeting improvements only at those regions where delays are high or where delays originate.

The IAA's comments in relation to capacity in the PRB White Paper are as follows:

- We are concerned at some of the statements with regard to the level of influence that ATM can have over delays. In particular an evidence base and further information needs to be provided to justify the PRB's view that the present capacity targets measure only 20 - 25% of the total delays that ATC can have an impact on. It is important that delays which result solely or primarily as a result of airport infrastructure constraints or restrictions are not classified as ATC delays.

- In this regard, the IAA has been concerned in RP2 to date, that delays which are being monitored at airport level (Additional Taxi-Out Time, Additional ASMA Time) are being attributed to ANSPs without considering the impact of aerodrome infrastructure, or airline operators. It is not appropriate that targets or monitoring upon which the PRB is drawing conclusions is based on data which cannot be verified by ANSPs (e.g. airport operator data) or relates to parts of the flight profile that are influenced by the airport infrastructure or airline decisions.

- The IAA concurs with the PRB's view that the capacity focus within RP3 should be on the main European bottlenecks. Delays in the core region result in delayed arrivals all across Europe

(and beyond) and make it more challenging for ANSPs to tactically manage the actual traffic levels at any given point in time. This uncertainty may contribute to additional costs for ANSPs. However while welcoming the initiative to focus primarily on the main European bottlenecks in RP3, it is important that fair and objective incentives remain in place for ANSPs outside of the core European region that continue to deliver low levels of delay.

- Evidence from RP2 suggests that correctly designed incentives work, when the ANSP is efficient and willing to work with the incentive. In 2015, the IAA delivered a strong performance meeting its targets for en-route ATFM delay, in response to the incentive in this area. Well-designed incentives target performance in key areas and should remain part of RP3. However it is important that incentives are only set against areas that ANSPs have full control over.

- The PRB may wish to consider if "periphery" ANSPs should be incentivised for managing en-route traffic in such a manner that assists in resolving capacity issues or delays within the core European region. Noting that the PRB has recognised that RP3 should focus on reducing delays in the European core, the role that ANSPs outside of the core who manage en-route traffic in an efficient manner, should be considered. Projects and cooperation initiatives such as XMAN at Heathrow exist; the contribution of such initiatives to preventing delays occurring in the core region should be recognised in RP3. The interlinkages with targets on the environment and cost efficiency would need to be explored in this context.

Also in the context of growing traffic levels, the European Commission and PRB need to examine the impact across Europe of national and local industrial action in order to develop mechanisms by which minimum levels of service can be guaranteed.

Capacity Objectives

This section sets out the IAA's high level comments in relation to the proposed capacity Performance Objectives for RP3.

While the White Paper has rightly identified delays and capacity issues in the European core as the central problem that needs resolving during RP3, the proposed objectives set out do not appear in our view to target this problem. While we have commented on each proposed objective in turn, we are of the view that the capacity objectives for RP3 should focus on two areas:

- Maintaining good performance in those areas which are delivering a high quality service with no/ minimal delays, given the expected increase in traffic;
- Targeting of the stage of flight where most delays are shown to occur within the European core e.g. in the hold, slot adherence etc. Such targets should only be set for those ANSPs in the European core where delays are recorded.

Performance Objective 8

- Maintaining delay measures to facilitate 98% of aircraft on time performance

- EU system wide application

IAA Comment

The IAA is concerned at the wide scope of this proposed objective; targeting works better where specific aspects of the flight profile are targeted. The IAA also queries the justification for selection of 98% as a target, as it hasn't been demonstrated in the White Paper that 98% is realistic or achievable across Europe. The objective outlined should be more flexible to take account of trends, rather than purely focusing on absolute values. This would ensure that ANSPs are focussed on identifying if delays are increasing or reducing. This would allow for action to be taken to manage delays, rather than the perverse incentive in an absolute target which can cause individuals to lose interest if the absolute target is too challenging.

At Terminal level, the impact of infrastructure constraints must be considered by the PRB. The IAA considers that where traffic levels increase up to full capacity (or close to full capacity) the restrictions on ANSPs as result of infrastructure need to be explicitly recognised in the targets. Consideration may have to be given to developing of time banding (e.g. peak, shoulder, off-peak) and allowing some flexibility for delays within time bands.

In addition to this, en-route management of flights offers a significant opportunity to assist in managing delays at some of the European bottlenecks. The PRB may consider incentivising those ANSPs who could have significant influence in this area e.g. tactical management of en-route flights in Irish airspace, to assist in managing capacity at Heathrow, Frankfurt, Amsterdam, and Paris.

Performance Objective 9

- Improving the use of Special Use airspace released to the community by special use airspace managers

- EU system wide application

IAA Comment

While the IAA agrees with this objective, it is important that its benefits are proven and it does not just become a "cosmetic" exercise. In addition, safety concerns associated with opening and closing certain airspace will need to be addressed. In order for this initiative to be effective, sufficient notice must be given to both ANSPs and to airlines around the opening and closing of this airspace. This will allow for the opportunity to flight plan including this airspace in plans and for airlines to price accordingly.

Performance Objective 10

- Improving the resilience of the South East quadrant with particular focus on Balkan State inclusion and improvements of Greece and Cyprus performance

- EU system wide application

IAA Comment

The IAA has no view on this objective.

Performance Objective 11

- Improving the level of airport capacity during RP3 and onwards, on the coordinated European airports, with an increase of airport slots at the same rate as the traffic increases.
- Local targeting application

IAA Comment

Increasing the level of airport capacity, including an increase in the number of airport slots at the same rate as traffic increases is wholly outside the control of ANSPs.

While we agree that an increase in airport capacity and associated infrastructure capacity will be necessary if the European aviation network as whole is in a position to handle the current projected levels of traffic increase, we do not agree that this should be an objective for ANSPs. ANSPs are required to work with the runway and taxi-way infrastructure which is provided to them by the airports, which in some cases causes restrictions or constraints.

Where traffic is already at peak capacity at some airports (e.g. Dublin) at peak times, it will become even more challenging to manage traffic demand. Technology may play a role in allowing minor adjustments or increases in slots but in most cases a lot of work has been done in this area already. ANSPs should not be penalised for infrastructure constraints outside of their control.

In the long run, where airport capacity is a restriction, the only satisfactory mechanism to resolve this is to build more infrastructure. The IAA encourages the European Commission to provide additional funding support for necessary infrastructure projects, particularly where these will assist in resolving delays on the European network and deliver safer and more efficient air traffic management across Europe.

Section 6 - KRA Cost Efficiency

This section outlines the views of the IAA with regard to the cost efficiency KRA and the proposed objectives set out by the PRB regarding performance in RP3.

Cost Efficiency Performance

The outcomes of the performance monitoring scheme for RP1 and the first year of RP2 show strong performance by many ANSPs against the targets for cost efficiency. This is leading to reduced costs for airlines and improved efficiency across the European network. While this of course is a positive development, it is important that this performance is put in context noting that during this period traffic levels were recovering from significant declines during the years of the financial crisis.

The IAA's comments in relation to capacity in the PRB White Paper are as follows:

- Traffic levels are expected to increase over the years of RP2 and in some cases will outstrip the forecast levels of increase. Where this is the case, ANSPs will already be under significant cost pressure, managing high traffic levels within a regulatory control which benchmarked cost levels against lower traffic projections. Bearing this in mind, it is important that a step up in costs is allowed entering RP3, re-baselining costs at the level which should have been allowed in RP2 to cater for higher traffic.

- The IAA is of the view that unrealistic cost targets should not be set for RP3. ANSPs must be allowed sufficient margins to manage risk, to finance investments and to meet the challenges posed by operating at (or close to) full capacity for longer periods.

- Eurocontrol ACE Benchmarking provides strong evidence to the PRB and the European Commission regarding which ANSPs are cost effective, efficient and providing value for money to customers (see charts below). It is these high cost ANSPs (above the European average) that should be the focus of RP3. Figures 2 and 3 below, reproduced from Eurocontrol ACE 2014 Benchmarking report provide strong guidance to the PRB where the key cost efficiency focus should be in RP3.

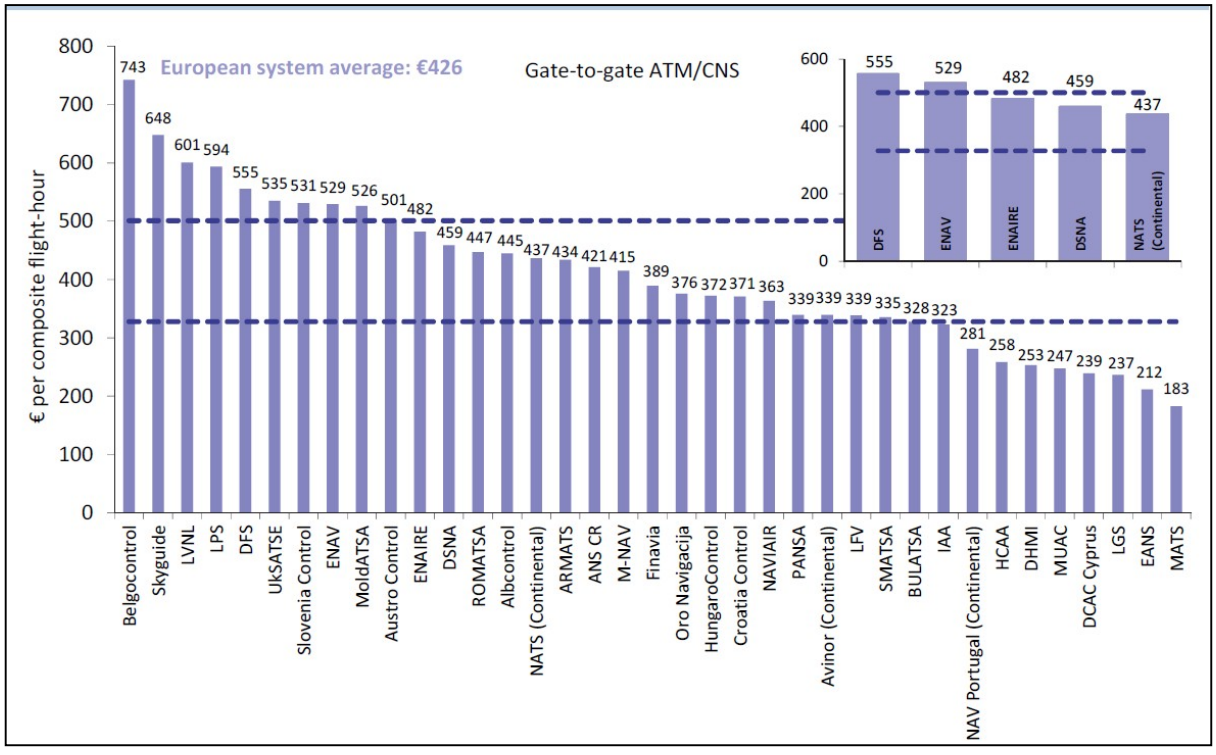

Figure 2 ATM/CNS provision costs per composite flight-hour in 2014 (Source: Eurocontrol ACE Report 2014)

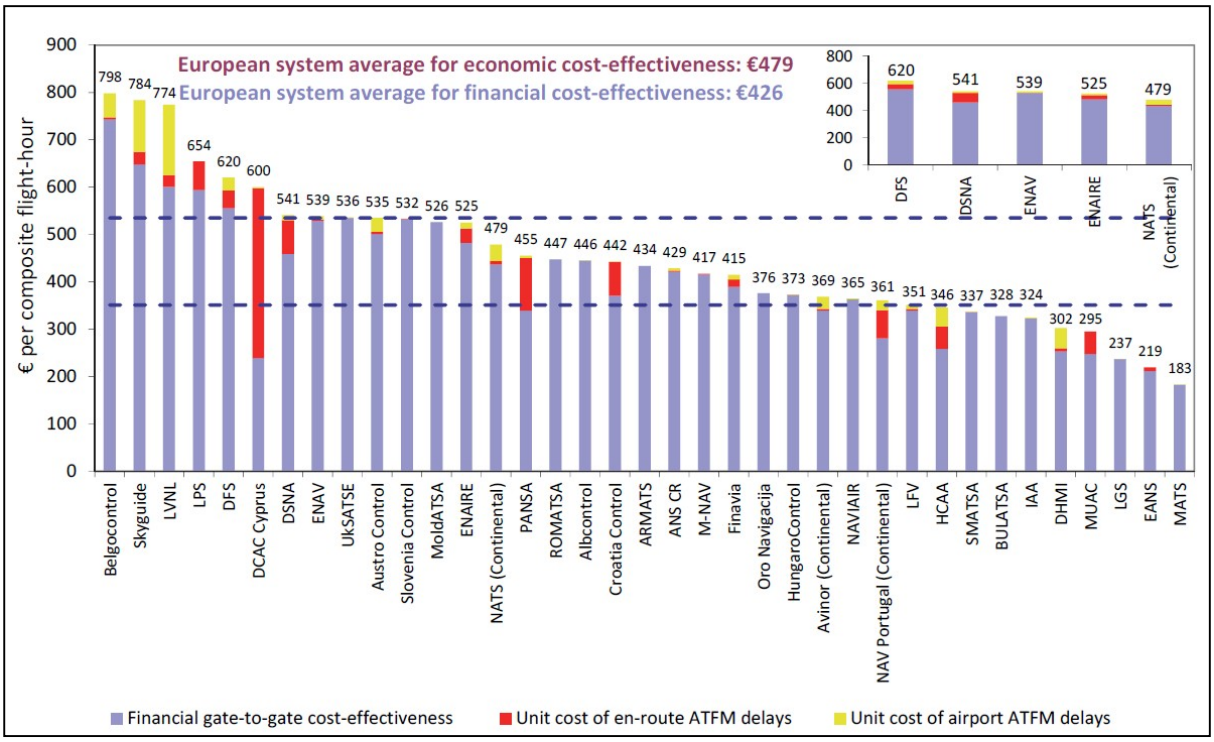

Figure 3 Economic gate-to-gate cost-effectiveness indicator 2014 (Source: Eurocontrol ACE Report 2014)

- The data shows that the IAA's cost base is 25% lower than the European average and 35% lower than the average cost of the five largest ANSPs (financial gate to gate cost effectiveness in € per composite flight hour). When the impact of delays is considered (economic gate-to-gate cost effectiveness), the performance of the largest ANSPs is even worse; IAA's economic cost is a third lower than the European average and 40% lower than the average of the "big 5".[3] These two indicators alone provide the strongest pointers to the European Commission and the PRB with regard to where the focus should be in RP3.

- In addition to this, figure 4 below outlines the relative efficiency of European ANSPs, based on ATCO Hour Productivity. The figure indicates that the IAA ANSP is currently operating at the efficiency frontier, recording the second highest level of productivity in Europe. This is 30% above the European average and 24% above the average of the five largest ANSPs. Again this provides further evidence to the European Commission and the PRB of the need to focus RP3 on those ANSPs who compare poorly to the European average.

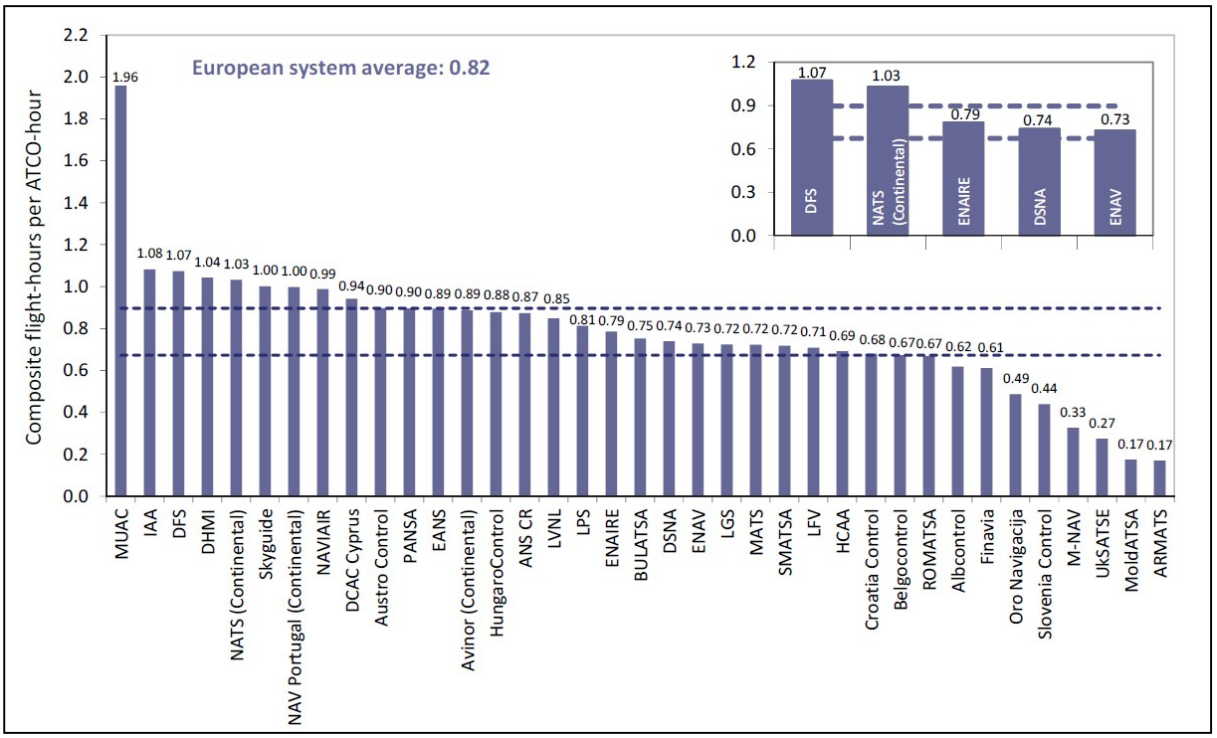

Figure 4 ATCO-hour productivity (gate-to-gate) 2014. (Source: Eurocontrol ACE Report 2014)

- For ANSPs such as the IAA, the benchmarking shows high productivity at a low cost. Given this "lean business model", there is not scope for any further cost reductions in RP3 for the IAA ANSP. To cut costs further and not allow for reasonable increases, would put at risk the quality of service offered by efficient ANSPs (increasing delays or risking safety). Reasonable costs (including increases where necessary) are required to in order deliver safe, high quality service. This is the crux of the balance that needs to be struck by the European Commission across the four KRAs; further improvements in safety, capacity and environment will simply not be delivered if appropriate levels of cost are not allowed.

- In addition to this, the increasing complexity of the human-technology interface and the need to ensure that staff are fully trained and competent with new technologies, as well as ongoing safety improvements will drive challenges to the ability to maintain cost performance over the course of RP2 and into RP3. Increases in cost pressures over the course of RP3 must be taken account of when setting targets.

- Indeed where it is demonstrated as being necessary, it is important that RP3 allows for reasonable levels of cost increase in real terms to occur. In this context, it is important that cost increase is not confused with cost inefficiency. Cost efficiency can be maintained (and even increased) while the total costs themselves are increasing. The important things from a customer's perspective and from the perspective of the wider European network is that customers are continuing to get value for money and a high quality service.

- Where an ANSP has to make a particularly large investment in order to play their role to address capacity constraints (e.g. construction of new ATM tower and associated infrastructure at Dublin

airport), then increased costs associated with these "once-off" investments must be appropriately remunerated throughout RP3. Regulatory structures must provide for certainty for cost recovery against such investments, as well as a reasonable margin in order to be able to finance investment and growth. The IAA will discuss this further with the European Commission and PRB as RP3 takes shape emphasising that the right balance needs to be struck between cost containment and the need to invest and develop in order to maintain and enhance service quality.

- The PRB emphasises that cost efficiency is best managed through applying appropriate economic regulation. The IAA is of the view that it is important that the role of local regulators is not overly diluted by centralised target setting. The local regulators have a better understanding of local constraints, local economic issues and can deliver change more effectively than a "one-size-fits-all" approach across Europe. Regulatory cooperation and regulatory networks across Europe can also serve to ensure that closer regulatory harmonisation is achieved without the need for centralised oversight.

- The IAA notes the proposal by the PRB to carry out analysis into other network based industries. These studies however must be balanced and must provide a useful comparison and ensure that the appropriate context is provided.

- The White Paper also strongly advocates encouraging an increased level of competition across the ATM system, or along the different services provided for each phase of flight. The IAA is not convinced by the analysis in the White Paper; this approach would be particularly ineffective and counter-productive for those ANSPs that are already operating a low cost service. Competition, by its nature unless it is appropriately targeted and regulated can increase risk, which increases cost of

  capital for service providers and drives an increase in required margins. It can also lead to a "race to the bottom" where standards and quality levels are compromised in order to provide a lower cost service. This could lead to a significant erosion of confidence in ATM services. Further it may be difficult to ensure a level playing field for competition with a risk of cross subsidisation.

  - Notwithstanding this, the IAA is of the view that where individual member states choose to open up their ATM provision (or parts there-of) to competition, in response to a particular market failure (e.g. poor service, high cost) then this initiative should be supported. In addition as RP3 progresses, mature industrial partnerships such as COOPANS may offer the opportunity for the shared provision of certain services.

  - The IAA notes the Ryanair analysis shown in the White Paper regarding ATM costs as a proportion of total costs to airlines. The figures indicate that ATM costs ('route charges') made up 11% of Ryanair's cost base in 2015 and fell by 5.3% between 2014 and 2015. It is our view that this relatively low figure (11%) indicates the value for money received by airlines from ANSPs across Europe, given that ANSPs provide a full "gate-to-gate" service to the air carrier. Indeed, it is worth noting the comparison with airport charges which make up a higher proportion of Ryanair's costs (15%) compared to ATM services and are rising (4%

increase from 2014 to 2015).

Finally in relation to cost efficiency, the European Commission must acknowledge the significant cost restraint shown by some ANSPs in developing their RP2 plans. It will not be possible to achieve the same cost restraint in RP3, given the significant pressures now pushing on ANSPs cost bases (e.g. increased traffic, economic growth, construction and technology cost inflation, Brexit, labour market pressures).

Cost Efficiency Objectives

This section sets out the IAA's high level comments in relation to the proposed cost efficiency Performance Objectives for RP3.

The IAA notes that while the White Paper states that RP3 should focus on reducing delays in the core European area, it does not make strong or specific reference to the need to reduce costs in the core European area, or amongst those ANSPs that continually record levels of cost above the European average. We suggest that a target of reducing costs benchmarked against the European average for 2014 – 2016, would be an appropriate target for cost efficiency in RP3. A target cost variance (Financial cost effectiveness) of +/- 10% around the European average[4], by the end of RP3 should be attainable, if the European Commission and PRB focussed in RP3 on reducing costs for those ANSPs with cost levels above the European average. This would target those areas of highest cost but should also allow sufficient flexibility for other ANSPs who need to make investments in order to maintain service.

Performance Objective 12

- Incentivising the deployment of technological developments to improve cost efficiency targets
- EU system wide application

IAA Comment

The IAA agrees that technology developments will be a key part of the continued efficiency of the European ATM network. We welcome incentives for the deployment of technological developments, noting that it is important that the benefits are proven and that there is not a perverse incentive to deploy certain technological developments too early or to replace perfectly good and effective existing technologies with less effective new ones.

The IAA notes the comments in the White Paper around strategic partnerships such as COOPANS being a key driving force behind the development of the type of interoperable systems and technologies that are required. The IAA as a small, low cost service provider has invested in such partnerships and initiatives as they offer the opportunity to share cost and risk, provide cost certainty and allow for a stronger negotiating position. This is an effective model and it has allowed efficient low cost service providers to "punch above their weight". In order to encourage further growth and development of these strategic partnerships, the European Commission should look at identifying any potential barriers to their success, be it financial, regulatory or infrastructure barriers, and work to remove these barriers.

Performance Objective 13

- Improving the effectiveness of the charging mechanisms to improve cost efficiency
- EU system wide application

IAA Comment

The IAA is concerned about any potential significant changes to the charging mechanisms. While the PRB's objective to ensure that the charging system should be as cost effective as possible is correct, we are concerned that changes to the system to base it on outputs (e.g. actual route flown compared to flight planned) would be a retrograde step and would not solve the concerns of the PRB. A charging mechanism based on cost inputs is reasonable as it provides certainty to ANSPs to plan their resources in line with projected traffic volumes and allows airlines to price their tickets based on known cost inputs. To move to a different system, effectively based on ex-post outcomes would increase risk, both for ANSPs and for airlines and would only result in uncertainty and additional costs to cover those risks.

The IAA is of the view that it would simply increase the overall cost to airlines if charging was based on actual flight path rather than flight plan. This would be the worst of all outcomes whereby inefficient service providers are rewarded with additional revenue (at the expense of efficient providers), while airlines have no choice and cannot avoid paying these higher charges.

Performance Objective 14

- Increasing the view of gate to gate to match cost and actual performance
- TNC Charging Zone application

IAA Comment

The IAA supports transparency across the aviation supply chain and is of the view that cost and performance are strongly linked. However significantly more detail is needed on this objective to understand the approach that the PRB intends to take. We welcome further discussion on this, in the context of ensuring that those ANSPs which are performing well are rewarded for this and not subject to additional unrealistic cost reduction, while those ANSPs that are not performing efficiently are targeted for cost reductions. Indeed as outlined earlier, cost pressures are mounting for RP3 and ANSPs who have shown significant cost restraint to date must be allowed to increase costs where necessary.

Section 7 - KRA Human Factors/ Social Objective

This section outlines the views of the IAA with regard to the human factors pillar and the proposed objectives set out by the PRB regarding performance in RP3.

Human Factors/ Social Objective Performance

The White Paper does not discuss human factors or the objectives in this area to any great degree and it is unclear if it is the European Commission or PRB's intention to implement targets in this area for the RP3 period. Notwithstanding this, the IAA notes comments at various points in the paper around the challenging human-technology interface and the ever increasing complexity of operating systems in real time, whilst maintaining performance in each KRA. We agree with these comments and believe that this will be a critical challenge for RP3 and beyond.

Human Factors Objectives

This section sets out the IAA's high level comments in relation to the proposed human factors Performance Objectives for RP3:

Performance Objective 15

- Improve the effectiveness of the fifth pillar of SES (human factors/ social dimension) by improving communication and change management dialogues

- EU system wide application

IAA Comment

The IAA would welcome further discussion with the European Commission and the PRB on this objective. The IAA has strong communications processes in place across the organisation and robust and inclusive change management procedures. While such mechanisms of dialogue always benefit from review and continual improvement, there should not be a need for significant overhaul and we do not see how this issue can be targeted effectively in the Performance Scheme.

Performance Objective 16

- Improving the institutional arrangements to reduce duplication, harmonisation of common rule sets and reduction of red tape.

- EU system wide application

IAA Comment

Again we would welcome further information from the PRB on what is required from this objective and how it can be delivered by ANSPs. It is likely that efficient ANSPs by their nature are low on red tape in any event while low cost resourcing models ensure that duplication is reduced. At a wider level, strategic partnerships such as COOPANS are working effectively to reduce duplication between its participant ANSPs. The IAA is of the view that changes in this area should only be made where problems or concerns have been identified. We also note that changes to the institutional arrangements are best delivered through the SES legislative packages rather than through the performance scheme.

Section 8 - Summary and Conclusions

Conclusions

RP3 offers the opportunity for the European Commission and the PRB to build upon progress which has been made in RP1 and RP2. However progress has not been equal across Europe and some service providers have delivered more than others. Accordingly RP3 should focus on those service providers that are contributing most to cost and delay in the European system.

The IAA is encouraged by some of the statements in the PRB's White Paper regarding the need to focus capacity measures on the core European area. We believe this should also extend to cost measures. Strong evidence is available to the European Commission from the Eurocontrol ACE Benchmarking reports where the costs in the European system rest and which ANSPs are operating efficiently. The IAA ANSP proposes accordingly that RP3 focus on reducing this cost variance across Europe, with emphasis placed on those ANSPs with cost levels above the European average.

For already efficient ANSPs, the focus in RP3 must be on consolidating this efficiency and allowing reasonable cost increases in order to maintain high quality service and address the challenges over the next five year period. Challenges include traffic growth, economic pressures (e.g. labour and wage pressures), Brexit and the impact of infrastructure constraints. ANSPs must also be allowed to earn a reasonable margin and rate of return on investments in order to remain incentivised to deliver a safe, high quality, low cost service in line with the ambition of the SES.

Further the European Commission and the PRB must ensure in RP3 that ANSPs are only measured against those aspects of the flight profile where they have full control. In particular, where delays or limitations occur as a result of aerodrome deficiencies, or infrastructure constraints, these must be acknowledged by the European Commission and accounted for in RP3. In addition to this, where ANSPs have to make investments in order to continue to provide their service as airports expand (e.g. new control tower at Dublin airport), the costs of these investments must be allowed.

In conclusion, the IAA ANSP looks forward to further engagement with the European Commission and the PRB in the coming months with respect to RP3. We have set out what we believe is a reasonable and fair approach for RP3 and we encourage the European Commission to consider these proposals and note our views as it develops a suite of more detailed options for RP3.

Appendix A

In preparing this response, the IAA has re-produced graphs and used analysis from the ACE 2014 Benchmarking Report, prepared by the Performance Review Unit of Eurocontrol.

As requested in the ACE 2014 Report, we have included the copyright notice and disclaimer from the ACE 2014 Benchmarking Report below.

Comments from Germany (BAF)

Received on the 31st of August
Sender: Prof. Dr. Nikolaus Hermann – Director

			document			r-tance	
1	1.3.4	5	delay 2013=0.53 min/flight	Source unknown; according to the ECTL DB (http://www.eurocontrol.int/prudata/dashboard/eur_view_2013.html) 2013 value=0.54 min/flight; why is a 2013 value shown here? The first paragraph of 1.3.4 refers to the first RP. Therefore, the value of the RPs last year should have been shown, which would have been 0.61 in 2014 according to the ECTL DB.	Change request	Medi um	Either add the source or change the value.
2	1.3.5 -1.3.9	6	All paragraphs	Role of the FABs: With addressing and focusing too much on single states in the PRB dashboard and not addressing primarily FABs with their targets and attainments, the PRB does to some degree also not fully act in favour of the FAB concept. EASA (as those responsible for the reporting tables) has still not yet developed a FAB-Aggregation-Template, despite the fact that the FABs (according to the Regulation) are free to decide whether they operate and report on state or on FAB-level to the EC/ PRB. To take this into account, PRB and EASA should provide the necessary reporting templates also on FAB-level enabling a better evolvement of FABs as EU-wide management-level for setting and controlling of performance-targets in all areas.	General remark	Medi um	
3	1.3.8	6	An approach the PRB will take this year is to quantify this disruption cost.	This is not the right approach. Rather the reasons for the stated fragmentation and corrective actions should be analysed. Furthermore, why is no computation of the FABs` generated benefit foreseen? From the German NSAs point of view FABs and the overall SES would generate a higher benefit if there were e.g. a more stable and predictable regulatory framework with clear responsibilities and consistent enforcement actions, more cooperation between the actors (namely NSAs, PRB, NM, COM, ECTL, airports) and less complexity (e.g. delete costs exempt from cost sharing, restructuring costs).	General remark	High	
4	1.3.13	7	Such initiatives […] could be further encouraged through, for example, priority in allocation of CEF funds, […].	For a further extension of the CEF-funding subject, first of all the currently existing mechanism needs much more recognition and clarification e.g. on the question if a granted funding has to be returned to airspace users one-to-one but also on the reporting requirements since for the time being there is no conduction of an in depth evaluation possible.	General remark	High	
5	1.3.15	7	Headline "Weak National Supervisory Authorities"	The control powers of the regulatory authorities should be strengthened and formalised to enhance legal certainty as well as achieving the targets. Overall, the current regulatory framework lacks a consistent enforcement instrument. Legal obligations of the parties involved are stipulated only selectively and rudimentary.	General remark	High	
6	1.3.15	8	During RP1, ANSPs managed to generate 10% of economic surplus in average, 20% in some cases. This is high for a low risk industry whose maximum exposure to revenue shortfall is 4.4% …	It should be given attention to not to suggest the reader that the mentioned "economic surplus" is equal to the accounting profit of the ANSPs in the P&L accounts. Therefore, an explanation of the calculation method and the relevant statistical source should also be mentioned. In addition, for a balanced view the text should not only refer to upwards (20%) but also to downwards outliers.	Change request	High	
7	1.3.15	9	The whole paragraph	These statements are broad-brush and in that form not applicable to Germany.	General remark	Medi um	

8	1.3.17	8	Some FABs have designed incentives that are easy to meet, or ineffective, due to (…) selective application of delay reasons.	Article 15 (1) g IR (EU) No 391/2013 provides that incentives for the KPA capacity may only be applied to CRSTMP delay codes. On FABEC and on national level this option was made use of. The rational behind this is that ANSPs should gain an incentive and take responsibility for only those delay reasons that are ATM-related and can therefore be influenced by them. It is for this reason that the incentive scheme limited to CRSTMP delay reasons can be assumed to be even more effective than the application of a general scheme. So this statement needs to be specified.	Change request	High	
9	1.3.17	8	The whole paragraph	To prevent such behaviour and gaming the regulations need much more specification and precise provisions. By having a stable and predictable regulatory framework such issues can be solved. At the same time, inefficient, objectively inexpedient and opaque instruments of the current regulation are to be specified or deleted consequently.	General remark	Medi um	
10	1.5.5	11, 12	The whole paragraph	We share several concern of the PRB regarding SESAR Deployment: With the ATM Master Plan and SESAR deployment, the "third pillar" of the SES requires a modernisation of the air navigation/ air traffic control. This modernisation should be accomplished under effective allocation conditions and lowest possible economic costs. In this respect the question arises if the current charging and performance system brings about a fair sharing between user financing through the ANS charges and the financing by the general publics` budget (from the EU or the states) to meet this objective. The fact that in a user financed system costs and benefits are not necessarily congruent is no sufficient reason to feed financial resources of the general public (taxes) into the system. Past experiences have shown that necessary technological innovations under the instrument of direct codes of behaviour ("command and control") may experience insurmountable difficulties (e.g. Data Link). The alternative model of the "Deployment Manager" has, contrary to the original intention, evolved from a management instrument to a machinery for the distribution of public funds. No assessment of whatever kind is performed on whether in any specific case – i.e. a particular project - a public co-financing instead of a financing through user charges is justified, e.g. because beyond the benefit for actors there is a public benefit or because without a fund a participant wouldn't be able to undertake an investment with public benefit. Such criteria are neither part of the global cost benefit analysis, conducted in respect of the Pilot Common Project, nor in the award conditions for the CEF-funds. In the award conditions reference is made to the fact that the amount of a fund may depend on the "cost-effectiveness analysis" of the individual projects. It can therefore be assumed that for a majority of the funds only windfall effects are created. Ultimately, as can be seen in several complaints about missing applications for cohesion funds, the SESAR Deployment Manager (SDM) acts on the maxim that public capital has to be spent as it does exist.	General remark	High	
11	1.5.5	11	The Performance, Charging and Deployment regulations are insufficiently aligned … there is a perceived risk of multiple funding channels …	We share the view that under the current instrument, transparency standards concerning the avoidance of a double reimbursement of investment costs when CEF funding was granted or projects were postponed, can not be assured. It is imperative that reporting requirements and processes between ANSPs, NSAs, Ministries and the Commission need to be optimised. The following instruments could be used to resolve these issues: CAPEX-reporting as well as cost reporting currently exists in parallel. As regards the cost	General remark	High	

				reporting it is not possible to track back investment-driven positions such as depreciations, cost of capital and fixed assets. A transparent display of what investment costs were introduced to the charging calculation is missing. This gap may be closed by using a separate regulation-balance-sheet. The regulation could be complemented by a provision such as: "The regulatory authority may require ANSPs concerned to implement separate accounts. It can therefore set precise specifications regarding the format as well as the used accounting method." A further approach for reaching the necessary transparency could be the implementation of a binding process of approval (ex post or ex ante) for investments above a defined volume (across RPs). ANSPs` reporting obligations as required by Annex V (2.1) IR (EU) No 390/2013 should be extended by information on granted/ claimed CEF-funds to enable a project-based link to the investment reporting. This is substantial since it is planned, for the purpose of lowering charges, to record the funds synchronously to the depreciation period.			
12	1.5.5	11	The PRB expected to have a role in checking that deployment is performance-driven and planned performance outcomes achieved…	Especially in terms of approval-requiring CEF-funding projects, information flows on national level and their link to already established re-porting processes need to be optimised. This would ensure that on the one hand double reporting for ANSPs is precluded and on the other hand charging-pertinent information are at the authorities' disposal for evaluation. Of high importance in this respect is the disclosure of the grant applications and the annual action status reports by the Ministries.	General remark	High	
13	1.5.5	11	The Performance, Charging and Deployment regulations are insufficiently aligned …	Besides technical implementing provisions it remains unclear if ANSPs should gain benefits from a CEF-application or if a granted funding has to be returned to airspace users one-to-one. In other words: Should ANSPs be able to benefit from the taxpayers' money that flows into the system or just airlines (direct or temporally stretched charging-effectiveness). Art. 6 (3) IR (EU) No 391/2013 should therefore be amended accordingly. The German NSA is convinced that according to the risk taken by ANSPs they should receive a corresponding bonus. In addition, the role of the Deployment Manager should be defined in the Performance and Charging regulations. Therefore, after the Articles concerning the Network Manager (Art. 6) and EASA (Art. 7) the IR (EU) No 390/2013 should be complemented by an Article regarding the SESAR Deployment Manager which should analogously consist of the following: The Deployment Manager is responsible for the timely and synchronised technical deployment of common projects. The supervision on costs of these common projects including funds rests with the member states.	General remark	High	
14	1.5.5	12	Competition is fierce in some markets regulating price by market measures, rather than lengthy, and ineffective price cap regulation.	Experience made within the first reference period has shown that the justification for the charging regulation, i.e. to simulate an absent market for air navigation services, is not a valid one. To date no one was able to indicate convincingly an equilibrium price and performance which would occur in a functioning market and therefore would have to be the regulatory objective. Rather, the regulatory objective focuses on cost reduction, which conflicts with the target to modernise the investment intense air navigation system at the same time. Therefore, a fundamental change of the system should be considered in order to give the responsibility for the price-performance ratio in a first place back to the industry. Whereby the negotiations between ANSPs and airlines were observed and supervised by NSAs and if not functioning replaced by the NSAs decision.	General remark	High	

15	1.6.4	13	[…] aggregation of airports has to be questioned as the true nature of activity is hidden by this approach,[…].	When taking into consideration not to use aggregated values then the individual airports` values must consider the individual airports` size, the traffic, legal and political restrictions as well as technical conditions. Anyhow, to the general statement, that aggregation elicits the wrong response since the true nature of activity is hidden by this approach, we do agree.	General remark	Low	
16	1.6.4	13	Finally, airport operators cannot be ignored[…]. […]. So (PRB?) believes that an in-depth analysis could be launched specifically on these concerns.	The fact that airport operators need to be more involved in the SES to achieve capacity improvements and an in-depth gate to gate approach are supported. But to figure this need out no analysis is necessary. The involvement should be conducted anyhow.	General remark	Low	
17	1.7.2	13	43500 staff … 63% …€5bn p.a. … 0.8 …	Statistical sources of these figures are missing. Also the reference is not clear: year? European = SES?	Change request	Medi um	
18	1.7.4	14	Performance Evolution opinion …	Isn't this a new chapter? False structure?	Editorial comment	Medi um	
19	1.7.4 to 1.7.7	14	Performance Evolution opinion …	The discussion about different regulatory approaches needs to be placed on a central position in this paper as it is worth debating on it. We share the view that the targets and the way they are set (one-size-fits-all) are sub-optimal for several reasons:It should be given more recognition on local contextuality to generate sustainable efficiency gains. Appropriate legal provisions should therefore be inserted respectively be considered when developing the regulatory framework. Strengthening the NSAs` supervisory function/ transparency may counteract to the users` and Commissions` existing lack of acceptance for locally deviating target values. For example the EU-wide average target values for the level of en route (respectively terminal) unit rates can not be transmitted one-to-one for all states concerned due to the fact that there are special circumstances geographically as well as nationally. A sustainable regulation should match the details of airspace complexity and cost structure as well as legal, political and social conditions. The assessment criteria „consistency with and adequate contribution [of performance plans] to the Union-wide performance targets" referred to in Article 14 IR (EU) No 390/2013 is currently interpreted by the Commission as a strict one-to-one application of the EU average targets. This increases the pressure for member states although a case by case analysis of member states` contribution was assured by the Commission during the negotiations regarding RP2 target setting. Even though the legal basis for the Performance-IR, Regulation (EG) No 549/2004, sets out the coherence with Union-wide targets as an assessment criteria in Article 11 (1) b), (7) d, the current criteria of an "adequate contribution" could be left as it is if an explicit clarifying provision is added that nation-al/ local targets don't need to correspond exactly to the average Union-wide target values. Rather, when assessing the coherence and adequacy of the contribution to the Union-wide targets, local circumstances (e.g. airspace complexity, ANSPs business model, level of wages…) should be considered. For further comments on KPAs see chapter 5.	General remark	High	

20	3.2.6 to 3.2.8	19, 20	All paragraphs	Experience made within the first reference period has shown that the justification for the charging regulation, i.e. to simulate an absent market for air navigation services, is not a valid one. To date no one was able to indicate convincingly an equilibrium price and performance which would occur in a functioning market and therefore would have to be the regulatory objective. Rather, the regulatory objective focuses on cost reduction, which conflicts with the target to modernise the investment intense air navigation system at the same time. The current system assigns the responsibility for the core economic conditions, namely the price-performance ratio of provided capacity and payed charges, to the states. But there it is not best placed since states are not in a position to evaluate this ratio better than the suppliers and demanders of air navigation services. But the determination of capacities and prices (capacity target as average delays and cost efficiency target as unit rate) requires exactly that, while maintaining the high safety standards at the same time. The existing consultation and reporting mechanism is far from being able to compensate the existent information deficit. Trying to balance this in the existing legal framework by introducing even more differentiated provisions would result in an increase of complexity. This is also reflected in the PRB White paper (p. 42 f.) which, after a fundamentally useful analysis, identifies first and foremost the further need for future studies. Therefore, a fundamental change of the system should be considered in order to give the responsibility for the price-performance ratio back to the industry. This would also meet the self-image of the stakeholders concerned (airlines as "customers" of the air traffic control; both as "system partners"). The argument that airlines are being defencelessly confronted with the ANSP's monopoly is untenable. Airlines have significant organised market power which is concentrated in alliances and industrial associations, and although ANSPs are monopolies these monopolies exist in fact only for limited geographical areas. The debate on possible threats to the horizontal flight efficiency target by route selection aiming at minimising charges shows that even individually, airlines are not helplessly exposed to these monopolies. Hence, the state task of planning the economic exchange ratio of capacity and charges should be replaced in a first place by an independent approach within the autonomy of the opposing market players. For this purpose a collective contract equivalent to the collective agreements in labour law should be considered. Reference could be also made to the provisions for airport charges (in German law §19b III No. 3 s. 2 of the Aviation Act - LuftVG), stipulating that in case of an agreement between airport and users, there is no official examination of costs and cost efficiency. The state's role would than be restricted to observation and supervision of the negotiations between the system partners and the control of abusive practices. If this negotiation approach between ANSPs and airlines does not function it will be replaced by the NSA's decision. This could be implemented by amending Article 5 of the charging regulation which would ensure that the same legal consequences apply to negotiation results for charges and capacity as would come up under marked conditions.	General remark	High	

21	3.4.4	27	[…] with arguably even more duplication and double regulation and conflicting strategies.	ECTL was the main actor in ATM since the 1960s. So in fact duplication and the take over of tasks by the EU came up with the implementation of the SES. To gain efficiency improvements EU and ECTL need to cooperate much stronger while considering each others competences and skills. This would also eliminate duplication and conflicting strategies. The given sentence has no informative value and is rather confusing.	Change request	Medium	Skip the whole sentence as it gives the impression that duplication and conflicting strategies came up with ECTL, which is in fact not right.
22	3.5.1	27	Whole paragraph	The stated approach is supported. Therefore, inefficient, objectively inexpedient and ambiguous instruments are to be deleted or specified such as cost exempt from cost sharing and alert thresholds. Moreover, should existing indicators be reviewed regarding their validity and, if necessary, be adjusted. Much more lead time and in-depth analysis is necessary on the indicators to further align the regulations to performance improvements.	General remark	High	
23	3.5.2	27	The implementation of some SES tools (in particular the performance and charging scheme) proved to be a complex and lengthy exercise. There is a high regulatory compliance load on PRB, NSAs and EASA…	Besides the provision of certain data, several reporting obligations exist in parallel for ANSPs, NSAs, FABs and the Commission. Therefore, the aim must be to reduce the regulatory compliance load regarding the reporting to the essentials to ensure management is based on meaningful data instead of tying up more resources than necessary. For instance: Information on investments is queried inter alia in the ACE-Report, LSSIP, business plan, annual report, CAPEX-reporting and in the performance scheme. Different requirements regarding the projects to be collected and effective dates exist, which results in a constant reporting activity. Therefore no or only limited transparency and comparability of the several reports exists. Capacity data can be found in the NM-Report, Performance Review Re-port and the NSAs` annual reporting. In this respect it would be beneficial to pool the reporting resources by implementing the already mentioned data platform. Reporting tables (en route and terminal) as well as the respective additional information papers have to be forwarded to ECTL (CRCO) and to the Commission. In case data changes occur in the meanwhile, not only the tables and additional information papers have to be forwarded again, but also the relevant sections in the annual reporting have to be adapted. This is complicated further since ECTL-cost data is available by the end of May while at the same time the annual reporting including the reporting tables has to be transmitted by 1 June. It is for this reason that the submission deadline for the reporting has to be extended and the implementation of a central reporting point/ data platform has to be considered.	General remark	High	

24	3.5.2	27	[…] while airspace users that bear all ANS related costs feel have little influence in ANS-decision making.	Airspace users should obtain the opportunity for a greater involvement to the performance planning. This concerns the target setting as well as the data collection, validation and publication between all relevant actors of the SES. Beyond the attendance of the consultations there may be the possibility for negotiation-options between ANSPs and airspace users regarding national target values. Strengthening the involvement of airspace users beyond the currently existing consultation process would foster the acceptance of the target values as well as the cooperation of the actors as a positive side-effect. For instance: The framework conditions specified in Art. 9 I IR (EU) No 391/2013 could be changed in a way that the deadline for consultation prior to the beginning of a RP could be reduced from seven months to three months. This would avoid massive subsequent data changes and the fact that, due to too long deadlines, meetings can`t take place. Additionally the definition for consultations should explicitly allow for different modes of consultations, not only face-to-face, but also in writing, online (as a webinar) and by phone or video conference.	General remark	Medium	
25	3.6.1	27	SES Regulations are complex and at times inconsistent…	For the time being individual provisions (determination of the return on equity) or instruments (cost exempt, incentives) can not be depicted consistently throughout the EU due to a lack of harmonisation and clarity. As a result, unequal issues are treated equal. As a consequence, the basic conditions as well as the competences of the NSAs should be specified.	General remark	High	
26	3.6.1	27, 28	… so as to meet easily understandable clear unambiguous EU-wide targets.	When setting the regulatory framework it should be ensured that provisions are unambiguously defined and that agreed criteria are appropriately formalised without leaving any space for interpretation or a change in the political course of the Commission. This is particularly the case for the assessment criteria of the performance scheme. For instance: Assessment criteria „level of performance achieved in the previous performance period“ (Annex IV No 1d) IR (EU) No 390/2013) should be deleted, since the Commission used this to derive a combined target value across the reference periods. However, it must be kept in mind that a regulation over a single reference period makes no sense. Hence, a case by case basis should be the aim rather than a general target setting across reference periods. The reference to groups of ANSPs or FABs having a similar operational and economic environment as contemplated in Art. 10 V IR (EU) No 390/2013 should be removed. Such comparisons should not be established throughout the regulations. The comparator groups as defined by the Commission are not correctly shaped. They seem primarily oriented towards the size of airspace and the traffic volume. The pension item for example makes it crystal clear that there is a lack of comparability in essential points. This can be shown, inter alia, in the example of Germany, France and the United Kingdom which are all in the same comparator group. Those states have completely different organisational and business models, with a corporatized air navigation service provider that is 100% state-owned, a privatised air navigation service provider with private shareholders and a classical authority, each with very different financial obligations in the social domain. Also, the traffic patterns are very different. The traffic in the UK-Ireland FAB westward over the Atlantic is, in relation to the whole of the SES, very unique and not comparable with other FABs. Likewise, the FABEC airspace, with a share of 55% of the movements in the SES area, has a particular and unique complexity. The assessment criteria „consistency with and adequate contribution [of performance plans] to the Union-wide performance targets” referred to in Article 14 IR (EU) No 390/2013 is currently interpreted by the Commission as a strict one-to-one application of the EU	General remark	High	

				average targets. This increases the pressure for member states although a case by case analysis of member states` contribution was assured by the Commission during the negotiations regarding RP2 target setting. Even though the legal basis for the Performance-IR, Regulation (EG) No 549/2004, sets out the coherence with Union-wide targets as an assessment criteria in Article 11 (1) b), (7) d), the current criteria of an "adequate contribution" could be left as it is if an explicit clarifying provision is added that nation-al/ local targets don't need to correspond exactly to the average Union-wide target values. Rather, when assessing the coherence and adequacy of the contribution to the Union-wide targets, local circumstances (e.g. airspace complexity, ANSPs business model, level of wages…) should be considered.			
27	3.6.1	28	second bullet point: For example, the NM and ANSPs could have incentives to accommodate user preferred trajectories to the maximum extent possible.	The focus of SESAR is to enhance performance by developing technologies and procedures. As the user preferred trajectory is not necessarily the most efficient trajectory there should rather be incentives on the implementation of efficiency gaining innovations all users compounded on.	Change request	Low	For example, the NM and ANSPs could have incentives to accommodate the most efficient trajectory to the maximum extent possible by the implementation of a by all users compounded on technology.
28	3.6.1	28	fourth bullet point: We can base performance indicators on level of coordination and/or of scheduling intensity which is accepted by stakeholders and specifically by airspace users in conjunction […]	Much more information is needed as well as an in-depth analysis on the feasibility, benefit and data availability. Since we have sufficient lead-time when we start figuring this out from now on, it may be a good point to start with. For RP3 indicators must be considered carefully in respect of the future fulfilment efforts, data availability, users` participation and much more. We do need robust indicators for performance improvements.	General remark	Medi um	
29	4.1.3	30	This will need to be coordinated between PRB, SESAR DM, …	Especially in terms of approval-requiring CEF-funding projects, information flows on national (NSA/MS, ANSP) and EU-wide (SDM, PRB, EC, NM) level and their link to already established reporting processes need to be optimised. This would ensure that on the one hand double reporting for ANSPs is precluded and on the other hand charging-pertinent information are at the authorities' disposal for evaluation.	General remark	High	
30	4.1.4	30	… very difficult issue of pension costs…	This issue should be discussed elsewhere in the document as it doesn't refer to ICAO GANP.	Change request	Medi um	

31	5.1	33 f.	Safety KPA	In the area of safety one should strive for a qualitative change of the targets. While RP1 and RP2 aimed for the harmonisation of processes to ensure comparability of the safety levels, a quantitative description of the safety levels should, in future, be taken as a basis (as mentioned on p. 33 f.). In doing so, rather a direction than a numeric pre-set value should be determined (the past has shown that an agreement on fixed values could not be reached).	General remark	High	
32	5.1	33 f.	Safety KPA	The statements and outlooks should be more inspiring. There have already been several proposals and activities relating to the RP3 targets and target criteria. One aspect is to develop the safety indicator system from lagging to leading indicators, thus to establish an early warning system instead of "only" to learn from incidents. A critical topic is Just Culture: The notes of the PRB are correct, JC is implemented unevenly. In this regard, there are still issues that have to be resolved (e.g. remarks and objections that JC is in itself no legally protected right and that data backup has to be legally robust which is to some degree contrary to the JC elements).	General remark	Medi um	
33	5.2.10	37	The NM could be given a stronger role in capacity mgmt, e.g. non-financial or financial incentives, with positive impact on both delay and costs.	Attention should be given to the fact that the complexity of the existing system is already challenging. Adding new incentives might cause overlappings and uninended behaviours. The system of the performance and charging scheme is already highly complex; increasing this complexity will most likely not improve the European aviation system's performance, but rather cause additional effort borne by ANSPs as well as governmental bodies. Instead, the focus should be on working towards simplifications wherever possible.	General remark	High	
34	5.2.10	37, 38	The disjointed approach… make it impossible to assess trade-offs… All parts of a performance plan should relate to the same zone which should have clearly identified boundaries, with clear accountability for delivery.	There is considerable room for data quality improvement, Therefore, to optimise and ensure data quality, processes on data collection, validation and publication between PRB, COM, NM, ECTL, NSAs, ANSPs and airports need to be revised. Especially missing evidence on data sources and insufficient coordination as well as the lack of transparency in the validation of data deliveries are to be resolved. For instance: Unsolved data discrepancies between PRU, ECTL and ANSPs: Within the capacity reporting there is a discrepancy between the applied data base of PRU/ ECTL and ANSPs. The main reason for this is the data acquisition based on different reference areas, more precise, that ANSPs refer to ATC Unit Airspace (AUA) while ECTL/ PRU refer to Flight Information Regions (FIR). This results in deviating values for delay minutes and the amount of IFR-flights. Although PRU provides data on the AUA breakdown in its Dashboard since June 2016, it is still not clear what basis shall be used for calculating the target values in the future. NSAs` access to data subject to Art. 21 IR (EU) No 390/2013 of ANSPs, airport operators, airport coordinators, and air carriers: This information is crucial to gain an overall view in regard of the performance reporting and also for a general national coordination, which needs improvement in the SES. Better coordination of the actors: Data which is used by ECTL/ PRU and to be validated should be agreed on by the actors prior to their publication (including calculations), e.g. by using a common data platform. To ensure traceability, Art. 21 IR (EU) No 390/2013 should be complemented by "data and statistics" as well as "sources".	General remark	High	

35	5.2.10	38	There are strong incentives for reducing costs (ANSPs retain margins) and weak incentives on capacity. Results have shown that this is planning for failure in capacity/delays for RP2 (e.g. FABEC) and underinvestment (25% in RP1) This has to be rebalanced.	This statement seems to be over-simplifying and is not sustainable without any statistical source. In fact, there are several issues in the way targets are set and defined. Those will be addressed in the corresponding chapters of the KPA of cost-efficiency and capacity.	Change request	High	
36	5.3.8	40	ASMA, additional time in taxi-out phase … are not covered.	r future target setting those responsible should be made aware that the average additional time the taxi out phase, which may be caused by restrictions at the departure airport, has proven to problematic especially for major airports such as FRA. Reason for this is on the one hand that erence values are determined for the whole airport. Depending on the combination of gate l runway, which is based on operational, legal or political reasons, values may be influenced gatively without observing any causation by ANSPs. A more detailed analysis of a resilient erence situation would be necessary to obtain valid information regarding the effective iciency of ANS. This is particularly important the more ambitious future performance targets l be developed since herewith the buffer for a levelling of delay minutes per year would shrink. kewise, this applies to arriving flights for the ASMA transit times.	General remark	High	
37	5.3.8	40	Targeting averages hides the real causes and can lead to poor intervention development.	We agree to this statement and believe that the delay target should no longer be defined by an average value since this result in misallocations.	General remark	Medi um	
38	5.4.15	44	In particular, where one of the primary factors is the modulation of traffic levels with no better indicators than a coin toss these are ineffective mechanisms for pricing structures, …	In the area of the cost efficiency indicators a fundamental discussion needs to be conducted on which indicators should be relevant for target setting. Especially critical is the strong dependence on traffic respectively the applied traffic scenario, which arises from the definition of the target value for cost efficiency being the unit cost. This dependency produces disincentives in the behaviour control and therefore results in misallocations. Especially impacts on the ANSP`s investing activities can be identified which are for instance reflected in temporal shifts of modernisation projects. The traffic development of past years (namely of previous RPs) should also not be part of the performance assessment or the conformity assessment for the unit rates. Therefore, the German NSA tends towards establishing a two step approach where in a first step the efficiency target is set on the total costs and in a second step the assessment of the applied traffic values takes place.	General remark	High	

39	5.4.15	44	… making planning approval a complex and lengthy business.	In terms of competences and time, the process has proved insufficient. Here it is to critically scrutinise the current deadlines and approval processes. Additionally the consultation process concerning the adoption of performance tar-gets should be arranged in a more extensive and more specified way. For instance: Currently the Union-wide targets are proposed by the Commission at the latest 15 months before the beginning of the reference period and shall be adopted at the latest 12 months before the beginning of the reference period (Art. 10 IR (EU) No 390/2013). By changing the reference periods` length to 5 years, it would be reasonable to reduce these timeframes and to relocate the deadlines closer to the beginning of a new reference period. Herewith the regulators` risk would be minimised and provisions such as Art. 14 I (Assessment of Performance Plans) could be deleted due to the fact that target values would be based on an up to date data base. Particularly in the context of the influence of traffic forecasts on the cost efficiency target, this would make a revision, as executed in June 2015, obsolete. However, the process of performance target elaboration should be started at an early stage (e.g. 20 instead of 15 months prior to the RP) to agree on calculation methods and data basis. To ensure data quality by setting targets, an additional Art. 6 should be added to IR (EU) No 390/2013.This could read: „The determination of target values shall be conducted on the basis of comprehensible, robust and coordinated data to ensure a common understanding of all parties as well as a uniform database. The Commission ensures the auditability and availability of the relevant data evidence (including calculations) for parties involved in the performance scheme." Art. 10 I IR (EU) No 390/2013 should be complemented by an in-depth description of the consultation process with the Commission. Thus, lit. a) could describe the frequency (e.g. at least 2 meetings and 3 written consultations), lit. b) the audience, lit. c) the content (duly substantiated target proposals, data sources, attainment projections, summary of the content…), lit. d) the follow-up (publication of audience responses, respective innovations, responses of the Commission including the highlighting of developments in relation to the last version/ consultation, summary of the content) and a lit. e) could describe the execution with a minimum time lag to the beginning of a RP, so that consultation results can be implemented.	General remark	High	
40	5.4.18	44	A final issue… later in the year"	It has to be ensured that this question is resolved before starting RP3.	General remark	Medi um	
41	5.4.21	45	…focus on cost efficiency	It should be noted that there are interdependencies between KPA's.	General remark	Medi um	
42	5.4.26	46	In summary therefore the PRB suggests 16 performance objectives for RP3 …	Decisions regarding the introduction of new performance indicators are to be considered carefully in respect of future fulfilment efforts and will require sufficient lead-time. In its White Paper the PRB pointed out several potentially new indicators whereby the existing operationalisation gap and the data currently available suggest a rather reluctant approach. Even already existing indicators are to be reviewed regarding their validity and need adjustment where appropriate.	General remark	High	

43	5.4.57	49	Improving the institutional arrangements to reduce duplication…	Besides the provision of certain data, several reporting obligations exist in parallel for ANSPs, NSAs, FABs and the Commission. Therefore the aim must be to reduce the reporting to the essentials so as to base the management on meaningful data instead of tying up more resources than necessary. For instance: Information on investments is queried inter alia in the ACE-Report, LSSIP, business plan, annual report, CAPEX-reporting and in the performance scheme. Different requirements regarding the projects to be collected and effective dates exist, which results in a constant reporting activity. Therefore, no or only limited transparency and comparability of the several reports exists. Capacity data can be found in the NM-Report, Performance Review Report and the NSAs` annual reporting. In this respect it would be beneficial to pool the reporting resources by implementing a common data platform. Reporting tables (en route and terminal) as well as the contributing additional information papers have to be forwarded to ECTL (CRCO) and to the Commission. In case data changes occur in the meanwhile, not only the tables and additional information papers have to be forwarded again, but also the relevant sections in the annual reporting have to be adapted. This is complicated further since ECTL-cost data is available by the end of May while at the same time the annual reporting including the reporting tables has to be transmitted by 1 June. It is for this reason that the submission deadline for the reporting has to be extended and the implementation of a central reporting point/ data platform has to be considered.	General remark	High	
44	5.4.57	49	Improving the institutional arrangements to … improve harmonisation of common rule sets, and reduction of red tape.	Although there is a very common tendency to react to perceived problems, be it difficulties in interpretation, practical implementation or other difficulties, by adding new or more detailed provisions, this tendency should be strongly opposed right from the beginning. The system of the performance and charging scheme is already highly complex; increasing this complexity will most likely not improve the European aviation system's performance, but rather cause additional effort to be borne by ANSPs as well as governmental bodies. Therefore, one should not give in to the inherent tendency of governmental planning systems for differentiation, micro management and increasing complexity. Instead, the focus should be on working towards simplifications wherever possible.	General remark	High	

45	Annex 1	52/53	Risk 7: Governance structure is not capable of ensuring successful deployment. Row "Mitigation Actions": By: EC (assisted by PRB), SDM, SJU, EUROCONTROL and all stakeholders Action: Define and implement an appropriate deployment Governance mechanism and efficient interaction of all parties involved in order to ensure an effective execution of the Deployment Programme consistently with the Master Plan and the Network Strategy Plan. Governance has to ensure that the required resources are available for timely local and synchronised deployment. Further improve SESAR development and deployment reporting mechanisms concerning the execution of the Master Plan now that the 3 phases of the SESAR life cycle are active: definition, development and deployment.	Deployment Manager is tasked with monitoring of the implementation projects (Article 5 e PCP-Regulation). The implementation of the technical systems and new procedures is not in focus. If there is a lack in monitoring this area a timely implementation will not be ensured. From our practical experience, roles and responsibilities of actors (e.g. monitoring the implementation of technical systems and new procedures) are not clear and need further definition to ensure the necessary recognition and hence a successful deployment. In fact, it is descripted in the legislation that technical aspects are managed by the Deployment Manager (Art. 9 I IR 409/2013), implemented on national level and monitored by the Deployment Manager (Art. 5 lit. e IR 716/2014). In earlier IOP-Implementing Rules (e.g. Regulation (EU) No 1032/2006) the Member States (NSAs) were tasked to monitor the implementation of technical systems and new procedures. Whereby financial aspects including funds are managed by the Deployment Manager (Art. 9 II lit g, IV lit. c IR 409/2013) and monitored on national level (Art. 5 lit. d IR 716/2014).	General remark	High	

Comments from Sweden (Ministry – Transport Division)

Received on the 1st of September 2016
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SE comments on the White book regarding forthcoming RP3

Below Sweden express initial comments on the White book in advance of RP 3. The issue in envisaged to discuss further in the next meeting of the Single Sky Committee (SSC 62) in October. SE reserve its position to further clarify its position regarding the White book.

- Sweden has noted that the PRB White paper suggests more focus on the environmental KPIs during RP3, which we welcome and support. Sweden is also positive to the suggestion to measure the environmental efficiency through multiple targets instead of just one, as it was done during RP1 and RP2. With several focus areas within environment, it is of our opinion that the results of the measurements will be better and more useful.
- Although safety always is part of the oversight programme at national level, and reported in annual reports to EASA/EU, Sweden is doubtful to omit safety KPA for RP3 at EU level. In RP1 the DK-SE FAB had a voluntary safety KPA on SMI at FAB level. In RP2 this was not planned to be continued as a safety KPA provided at EU level, however the airspace users has asked for continuation of the safety KPA on SMI/100 000 flight hours. Safety KPA at EU level is necessary due to the interdependencies noted in the White paper. (ref KPA analysis 5.1.1)
- During the first reference period Sweden has experienced substantial problems to handle a competitive market. A large extent of these problems occurs because the European regulation is not designed to handle some relevant issues that arise due to the competitive market. If the European commission has the ambition to work for more competitive markets, it is essential that the regulations are adjusted to handle this situation, and not only a monopolistic marked situation.
- Interdependency is a relevant and interesting concept. However this issue is very complex since it may lead to trade-offs between different KPIs. Before taking any position for certain KPIs it is necessary for Sweden to investigate this area, including how different KPIs interact, which values are acceptable for each area, and maybe even which area of KPI that shall be prioritised in case of interdependency. We believe that this is the case for all MS.
- If the ambition of the European Commission is to extend the number of KPIs or to change some of them, it is of importance to also consider what extra administrative burden this generates for the MS, and to weight this against the effect and value of new and increased number of KPIs.
- We understand and agree that to focus on the area where the “bottle necks” are is most reasonable when discussing capacity, and that it is mainly in the European core area. Since capacity is a less problematic issue for Sweden we do not really have any objection on this. However, it is of vital importance for Sweden that this does not causes unsound competitiveness for the Swedish ANSP’s when it comes to funding of investments or setting cost efficiency targets.
- Sweden is very pleased that there is a suggestion to include Eurocontrol costs and cost allocations to charging zones at EU level mentioned in (5.4.22). However, we are some extent uncertain regarding how this could be done. Should there be a certain target for Eurocontrol as it is the

national/FAB target or should the target at EU level be reduced with the contribution of Eurocontrol. With the experience RP2 it is of utmost importance to increase tre transparency on the costs for contribution of Eurocontrol.

- Sweden welcome the suggestion to better handle the CURA (civil use of released airspace) mentioned in 5.2.8.

Tomas Brolin
SE delegate to the SSC committee

Comments from the United Kingdom (CAA)

Received on the 31st of August 2016
Sender: Bronwyn Fraser – Principal – European ATM

Thank you for the opportunity to comment on the PRB's white paper, which set out to introduce RP3 objectives and initiate the target setting process for RP3.

We have the following high level comments on the paper, and would welcome the opportunity to discuss in greater detail at the November PRB meeting and at the December SSC meeting.

Proposed objectives

Overall, the proposed objectives seem reasonable. However, we consider that further work may need to be undertaken to ensure that the proper methodology and background thinking behind these objectives has been properly undertaken. We will need to be conscious of the risk of overreach in ambition of the proposed gate-to-gate approach, as well as the scope of the role of airports in RP3. We also consider that airlines play a particular role in the system, and this would have to be considered carefully to ensure whether it is appropriate to include airlines under the SES objectives.

Safety

While mentioning the RP3 SKPI Working Group established by EASA (paragraph 5.1.7), the document does not appear to reflect or detail the up to date work of the group as we understand it. It would be helpful to have greater understanding of this work before addressing the safety aspects of RP3 in detail.

The section also mentions Just Culture as an issue (paragraph 1.4.5) but does not mention that how it has been addressed in EU 376/2014. There would be value in updating this information.

TANS

The paper discusses the UK TANS situation for competition (paragraph 5.4.9) as competition for the market. We consider this may not be the appropriate view of competitive development in the UK, as it is competition in the market with the boundary being TANS services with a UK CAA local designation. We would welcome the opportunity to discuss this in further detail.

KPIs and targets

In setting the KPIs and targets for RP3, we consider they should:

- Be determined in a timely manner;
- Be clearly articulated, with guidance provided where required;
- Ensure sufficient engagement and collaboration between ANSPs, airspace users, NSAs and the PRB in trying to reach agreement on performance targets;
- Take into account local circumstances where possible; and
- Consider the interdependencies between the KPAs and targets to understand the scale of trade offs and effects of various courses of action.

We would welcome the opportunity to discuss the proposed objectives in detail at the PRB's RP3 options workshop on 9 November.

Kind regards
Bronwyn Fraser