

PRB Annual Report 2019

December 2019

Foreword – A time of transition

2019 is an important year for the Performance Review Body (PRB). It closes the second reference period and at the same time is the year when Member States define their performance for the upcoming third reference period. Both events imply core tasks of the PRB: Monitoring and Target Setting/Assessment of the Performance Plans. Both tasks are shaped by the fact that European Air Traffic Management as it is currently set up has reached its limits. Whilst it is extremely safe, it does not contribute enough to the reduction of CO₂ of aviation and suffers from lack of capacity in crucial parts of the network, as the summer months of 2018 and 2019 have shown. Emergency measures taken by the Network Manager mitigated the problem – at the expense of longer flight routes, more CO₂ output and additional cost.

The PRB, as set up by the European Commission in 2017 as a more independent body with its own Support Team, ended its first term in June 2019. At this point, three members of the PRB reached the maximum term of their mandates and left the PRB. The PRB would like to thank Laurent Barthelemy, Antero Lahtinen and Hans-Martin Niemeier for their contribution to the PRB over the years. They provided much-needed continuity when the new PRB was established in 2017 and their dedication to the work of the PRB is greatly appreciated. Replacing the former members, the Commission has appointed Estelle Malavolti, Hans Ollongren and Ben Van Houtte as new PRB members.

The work of the PRB would not have been possible without the help of many: I would like to thank the Support Team, which has greatly contributed to all our activities. The Support Team, a group of highly talented colleagues from more than 10 countries is – like the PRB – a reflection of how a European endeavor can benefit and grow when using all skills at the table. In addition, I would like to thank our colleagues from DG MOVE, Eurocontrol and EASA and last but not least the authorities from Members States, most of all the national supervisory authorities, for the excellent cooperation. Our mutual trust and respect for each other's role were crucial for making 2019 a fruitful year for the PRB. We know that there are many areas where we can and will improve. I am confident we can achieve this continuing our successful collaboration.

Regula Dettling-Ott

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Chair

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1 Introduction to the PRB

- 1 The Commission has designated an independent group of experts as the Performance Review Body (PRB) to provide assistance regarding the implementation of the SES performance and charging scheme.¹
- 2 The PRB consists of nine members, including a Chairperson, appointed by the Commission for two years. The mandate of the current PRB commenced in June 2019. The PRB develops impartial, evidence-based recommendations on the performance of air navigation services at Union and local levels as well as of network functions, on the basis of pre-analysed data from Eurocontrol and EASA (European Union Aviation Safety Agency).
- 3 Three of the PRB members, Laurent Barthelemy, Antero Lahtinen and Hans-Martin Niemeier reached the maximum duration of their mandates in May 2019 and left the PRB.
- 4 The PRB welcomes the following three new members to the team:
 - Estelle Malavolti, a Professor at Ecole Nationale d'Aviation Civile (ENAC) since 2004 and a researcher at the Toulouse School of Economics, specialising in Industrial Organisation, applied to air transport markets and competition policy.
 - Hans Ollongren, who was previously responsible for the Government and International Affairs office of Scandinavian Airlines (SAS) and held other senior positions dealing with aspects including sales, marketing, pricing, communications and alliance management.
 - Ben Van Houtte, the former Head of the Single European Sky Unit of the European Commission's Directorate-General for Mobility and Transport (DG MOVE) from 2000 to 2007.
- 5 The Commission Decision establishing the PRB requires the PRB to adopt an annual report.

2 PRB activities in 2019

2.1 Overview

- 6 In 2019, the priorities of the PRB were to complete the Union-wide target-setting process RP3, to start the assessment of the draft performance plans, and to continue monitoring air traffic management performance. These activities are described in the following sections. They are divided into two groups: **standing** activities and **ad-hoc** activities.

2.2 Standing activities

- 7 The standing activities represent work items in accordance with Article 11 of Regulation (EC) 549/2004². These are covered in more detail in Article 3 of the Performance and Charging Regulation³ and can be divided into three key activities for 2019: (i) the PRB monitoring activities that are carried out on an annual basis, (ii) the Union-wide target setting and (iii) the assessment of national and FAB Performance Plans.

¹ Commission Implementing Decision (EU) 2016/2296 of 16 December 2016 setting up the independent group of experts designated as Performance Review Body of the single European sky

² Regulation (EC) No 549/2004 of the European Parliament and of the Council of 10 March 2004 laying down the framework for the creation of the single European sky

³ Commission Implementing Regulation (EU) 2019/317 of 11 February 2019 laying down a performance and charging scheme in the single European sky and repealing Implementing Regulations (EU) 390/2013 and (EU) 391/2013

2.2.1 Annual monitoring activities

- 8 The PRB conducted its annual activities of monitoring, benchmarking, and reviewing of the performance of European air navigation services and the final version of the PRB Monitoring Report 2018 was published on 28 October 2019. Monitoring data was analysed by the PRB and supported by a State-by-State detailed analysis undertaken by the Performance Review Unit (PRU) of Eurocontrol for the capacity, cost-efficiency and environment key performance areas (KPA). EASA provided the data for the safety KPA and the PRB coordinated with EASA regarding the analysis and recommendations proposed.
- 9 The PRB published preliminary findings of the PRB Monitoring Report 2018 on 4 September 2019, which focussed on the 'hot spots' of European air traffic services. These 'hot spots' were identified as the Member States whose performance contributed most to the operational underperformance that was observed in 2018. The document provided the industry with a view of the performance of these Member States right after the summer period.
- 10 The PRB Monitoring Report 2018 included recommendations for the European Commission on operational performance. Operational performance deteriorated in 2018 and led the PRB to reiterate several recommendations from the PRB Monitoring Report 2017 where action is required to address the causes of underperformance.
- 11 The PRB Monitoring Report 2018 included a review of the capital expenditure (CAPEX) of each Member State. Such a report was also prepared in 2015 which highlighted that underspending of CAPEX was a concern and that there were issues regarding the funding and monitoring of SESAR-related projects. The 2018 report included the same concern regarding underspending of CAPEX. It highlighted the importance to comply with the requirements to ensure transparency of publicly funded projects in air traffic management and the need to clearly demonstrate the benefits of such projects.

2.2.2 Union-wide target setting

- 12 On 16 January 2019, the PRB held a consultation meeting with stakeholders to discuss Union-wide target setting for RP3 and the comments received on the Target Ranges Report⁴This consultation allowed stakeholders to raise further questions and discuss the targets prior to the finalisation of the PRB's advice to the Commission.⁵
- 13 On 22 February 2019, the PRB provided the Commission with updated advice regarding the Union-wide performance targets for RP3. This advice led to the Commission adopting the targets, which were subsequently published on 29 May 2019.⁶

2.2.3 Assessment of Performance Plans

- 14 In May and June 2019, the PRB collaborated with the Commission, Eurocontrol and EASA to define how to assess Performance Plans according to the criteria laid down in the Performance and Charging Regulation.
- 15 In accordance with the Performance and Charging Regulation, national supervisory authorities (NSAs) were responsible for drawing up Performance Plans and consulting with stakeholders before the end of August 2019.

⁴ Union-wide target ranges for RP3. An overview of target setting for RP3. Performance Review Body. 20 June 2018.

⁵ PRB Advice to the Commission in the setting of Union-wide performance targets for RP3. Performance review Body. 30 September 2018

⁶ Commission Implementing Decision (EU) 2019/903 of 29 May 2019 setting the Union-wide performance targets for the air traffic management network for the third reference period starting on 1 January 2020 and ending on 31 December 2024

- 16 The PRB attended all national consultation meetings, except for France and The Netherlands in which the PRB's attendance was deemed not necessary by the respective individual States.
- 17 The PRB attended these consultations to better understand the local circumstances in each Member State or FAB and to continue to strengthen the relationships with the NSAs to support their role in the implementation of the Performance and Charging scheme. This approach was broadly appreciated by the NSAs and the stakeholders.
- 18 On 1 October 2019, the PRB received the majority of draft Performance Plans from Member States and immediately commenced the work to verify their completeness. The PRB and the Commission found that all plans lacked complete data, some only with respect to minor issues, some with respect to major issues. The Commission therefore asked Member States to provide the missing elements and submit their updated draft performance plans by 21 November 2019. The PRB then started to assess the updated draft performance plans in order to submit its recommendations to the Commission on each plan by the beginning of 2020.

2.2.4 Other activities

- 19 While the PRB may also support competent authorities at their request in assessing the noise situation at airports for which they are responsible, in accordance with Regulation (EU) No 598/2014⁷, there were no such request in 2019.

2.3 Ad hoc activities

2.3.1 Overview

- 20 The PRB provides the Commission with an independent view on aspects of the implementation of the Performance and Charging scheme. Such ad-hoc activities can include:
 - Gathering the necessary information from NSAs in relation to the Performance Plans, for the purpose of monitoring the overall performance of the European air traffic management network;
 - Contributing to stakeholder meetings and workshops;
 - Participating and presenting specific topics at the Single Sky Committee (SSC).

2.3.2 Bilateral meetings with Member States and stakeholders

- 21 Throughout 2019, the PRB organised bilateral meetings with Member States and stakeholders (including airspace users and ANSPs) to discuss the implementation of the Performance and Charging scheme. These meetings were organised in addition to the consultation meetings held by Member States during the summer of 2019.

2.3.3 Single Sky Committee

- 22 The PRB Chair attended the 71st meeting of the Single Sky Committee on 26-27 March 2019, which focussed on the adoption of the Union-wide targets for RP3. At the 72nd meeting of the Single Sky Committee on 25-26 June 2019, the PRB Chair presented preliminary findings of the 2018 performance monitoring cycle. On 27 November 2019, the PRB Chair delivered a presentation at the 73rd meeting of the Single Sky Committee on the monitoring results for 2018 and the PRB's preliminary observations based on the draft Performance Plans.

⁷ Regulation (EU) 598/2014 of the European Parliament and of the Council of 16 April 2014 on the establishment of rules and procedures with regard to the introduction of noise-related operating restrictions at Union airports within a Balanced Approach and repealing Directive 2002/30/EC

2.3.4 CAPEX workshop

- 23 The PRB attended a workshop organised by the Commission to the attention of PRB members on 17 June 2019 about air traffic management infrastructure investment and its role in enabling air navigation services provision. The objective was to facilitate the monitoring of investments during RP2 and the assessment, review and monitoring of investment plans for RP3.
- 24 The event included presentations on the lessons learnt in other sectors as well as an overview of existing CAPEX reporting and analysis, investment plans in the Network Manager's Network Operations Plan, and the role of SESAR.

3 PRB meetings

3.1 PRB Board meetings

- 25 The PRB held seven meetings in 2019, to discuss and approve the standing and ad hoc items.
- PRB Meeting 13 11 -12 February 2019
 - PRB Meeting 14 21 March 2019
 - PRB Meeting 15 15-16 April 2019
 - PRB Meeting 16 20-21^t May 2019
 - PRB Meeting 17 17-18 July 2019
 - PRB Meeting 18 24-25 September 2019
 - PRB Meeting 19 19-20 November 2019

3.2 Sub-group meetings

- 26 In line with Article 6(3) of Commission Implementing Decision (EU) 2296/2016⁸, three PRB sub-groups have been established. Sub-group meetings are held when required according to the PRB's activities.

3.2.1 Sub-group 1

- 27 Sub-group 1 is responsible for supporting and advising the PRB for the cost-efficiency and capacity aspects of the Performance and Charging Regulation.
- 28 Sub-group meetings were held on the following dates in 2019:
- 30 January 2019
 - 28 February 2019 (teleconference)
 - 6 March 2019 (teleconference)
 - 27 March 2019 (on the same day as the Sub-group 3 meeting)
 - 18 June 2019 (meeting of all sub-groups)
 - 4-5 November 2019
 - 10-11 December 2019

⁸ Commission Implementing Decision (EU) 2016/2296 of 16 December 2016 setting up the independent group of experts designated as Performance Review Body of the single European sky

29 Sub-group 1 areas of discussion included:

- The update and finalisation of the advice to the Commission on performance targets for RP3, such as:
 - Assessing the impact of a new STATFOR forecast (February 2018) on the cost-efficiency targets for RP3;
 - Updating the capacity targets based on the performance observed in 2018;
 - Agreeing upon proposals for the capacity and traffic alert thresholds;
 - Agreeing upon proposals for the comparator groups for the Performance Plan assessment process;
 - Discussing the proposals for the Performance Plan templates;
 - Supporting the Task Forces to define the assessment methodology for the Performance Plans;
- Developing the relevant parts of the PRB Monitoring Report 2018;
- Preparing the CAPEX workshop;
- Assessment of draft Performance Plans for RP3.

3.2.2 Sub-group 2

30 Sub-group 2 is responsible for supporting and advising the PRB for the environment and safety aspects of the Performance and Charging scheme.

31 Sub-group meetings were held on the following dates in 2019:

- 27 March 2019
- 18 June 2019 (meeting of all sub-groups)
- 11 September 2019
- 4-5 November 2019
- 10-11 December 2019

32 Sub-group 2 areas of discussion included:

- Initial discussions on the options to develop the metrics used in the Environment KPI, particularly in the context of CORSIA⁹, the EU Emissions Trading Scheme and the increased political pressure on the environment;
- Coordination with the military;
- Format, timeline and development of the PRB Monitoring Report based on 2018 data, with a particular focus on ATCO licensing and military coordination;
- Assessment of draft Performance Plans for RP3.

⁹ Carbon Offsetting and Reduction Scheme for International Aviation, or CORSIA, is an emission mitigation approach for the global airline industry, developed by the International Civil Aviation Organization (ICAO) and adopted in October 2016. Measures include primarily offsets and "alternative" fuels.

3.2.3 Sub-group 3

- 33 Sub-group 3 is responsible for supporting and advising the PRB regarding the application of new technology in ATM. In 2019, this also included a review of the newly published edition of the ATM Master Plan.
- 34 The membership of Sub group 3 overlaps with Sub group 1. Therefore, meetings tend to be held on the same day but with separate agendas. There was also one meeting across all sub-groups:
- 27 March 2019 (joint meeting with Sub-group 1)
 - 18 June 2019 (meeting of all sub-groups)
 - 10-11 December 2019
- 35 The information discussed in these meetings is covered in Section 3.2.1.