

# Guidance material for the development of draft RP4 performance plans

October 2024 – Updated version

This updated version of the guidance material revises the one published in June 2024 and modifies paragraphs 308-310, which are now replaced by new paragraphs 308-315.

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## 1. INTRODUCTION

- 1 This document is intended to support Member States, their national supervisory authorities (NSAs), and air navigation service providers (ANSPs) in the development of draft performance plans for the fourth reference period (RP4) of the Single European Sky (SES) performance and charging scheme.
- 2 This document provides guidance material for the implementation at local level of Article 11 of Regulation (EC) No 549/2004 laying down the framework for the creation of the single European sky (framework Regulation) and Article 15 of Regulation (EC) 550/2004 on the provision of air navigation services in the single European sky (service provision Regulation). The detailed requirements for performance planning and target setting are set out in Commission Implementing Regulation (EU) 2019/317 (hereafter referred to as the Implementing Regulation) laying down a performance and charging scheme in the Single European Sky.
- 3 This document covers the following provisions of the Implementing Regulation:
  - Article 10 – Performance plans;
  - Article 12 – Adoption and submission of draft performance plans;
  - Annex II – Template for performance plans at national or Functional Airspace Block (FAB) level referred to in Article 10(1); and
  - Annex VII, point 2 – Additional information to the reporting tables on total costs and unit rate (paragraph 2.1).
- 4 This document also refers to other legal provisions of the Implementing Regulation that are relevant from the perspective of performance planning and target setting activities. It encompasses elements pertaining to both national and functional airspace block (FAB) performance plans, and reference is made to elements specific to FAB performance plans where applicable.<sup>1</sup> Throughout this document, references to “draft performance plans” include the various versions of those plans, including possible revisions of those plans as appropriate.
- 5 This document contains both citations from the legislation as well as some practical guidance material on possible ways to implement the regulatory requirements. When referring to the legislation, the wording may not, in each specific instance, exactly paraphrase the legislation but rather outline the legal requirements in a summarised or simplified manner. When expressing advice, this document uses terminology such as “should”, “are advised to” and “may”. It should be noted that only the Court of Justice of the European Union is competent to authoritatively interpret Union law.

### 1.1 Excel template for draft RP4 performance plans

- 6 This guidance material has been developed in conjunction with an Excel template for draft RP4 performance plans (hereinafter Excel template). It provides advice to Member States and NSAs for filling out that Excel template and directly refers to the tables forming part of that template. For each section of this document, references to the relevant sections of the Excel template are provided under “Mapping with the Excel template”. This report also includes practical instructions for completing the Excel template and links to the relevant legal references, respectively replacing the “Help” and “Legal Reference” buttons which were previously included in the RP3 performance plan Excel template.

### 1.2 Structure of the report

- 7 This report is divided into the following sections:
  - Section 2 covers the procedural requirements on the establishment of draft performance plans;
  - Section 3 covers the requirements relating to the scope and context of the draft performance plans;
  - Section 4 presents the elements required for the traffic forecasts;
  - Section 5 addresses the information on investments in fixed assets;

<sup>1</sup> Depending on the section of the performance plan, Member States need to provide information in either a consolidated tab at national or FAB level, or in separate tabs for each ANSP or charging zone. In the present document, the references to the Excel template always refer to a single tab which may, however, need to be filled out separately for each entity or charging zone concerned.

- Section 6 outlines the method and information regarding the setting of local performance targets and the measures to achieve them;
  - Section 7 covers the interdependencies and trade-offs between the key performance areas (KPA);
  - Section 8 presents the elements required on cross-border initiatives, Single European Sky Air traffic management Research (SESAR) implementation, and change management actions;
  - Section 9 outlines the traffic risk sharing mechanism and parameters as well as the related information to be provided;
  - Section 10 covers the establishment of incentive schemes;
  - Section 11 explains the information required in respect of implementing arrangements of the performance plan; and
  - Section 12 outlines the process for the revision of performance plans during the reference period.
- 8 This document is supported by four Annexes:
- Annex I - Glossary of key terms;
  - Annex II - Timeline for development and assessment of draft RP4 performance plans;
  - Annex III - Process to adopt draft performance plans; and
  - Annex IV - Application of indicators for monitoring (PIs) for terminal air navigation services (ANS).

## 2. PERFORMANCE PLAN DEVELOPMENT AND ADOPTION

- 9 This section addresses the procedural aspects related to the development and adoption of draft performance plans. The relevant regulatory provisions are presented in the boxes below.
- 10 The Implementing Regulation distinguishes between the responsibilities incumbent on Member States and those specifically entrusted to NSAs nominated or established in accordance with Article 4(1) of Regulation (EU) No 549/2004. Where a responsibility is assigned to the Member State, each Member State is required to determine the relevant authority at national level which will be in charge of fulfilling the requirement. This does not preclude the possibility for Member State to assign these responsibilities to the entity nominated as NSA(s).

### 2.1 Development of draft performance plans

- 11 Member States are advised to refer to the flow chart in Annex II of this document, which provides a visual representation of the process and associated responsibilities for the development of draft performance plans, and the subsequent assessment phase.
- 12 In accordance with Article 10(1) of the Implementing Regulation, Member States have the choice whether to draw up their draft performance plan at national or FAB level. Each Member State should, therefore, in respect of the reference period concerned and before initiating performance planning activities, decide whether they will opt for a national or FAB level draft performance plan.

#### **Article 10(1)**

*National supervisory authorities shall draw up performance plans, either at national level or at the level of functional airspace blocks.*

#### **Annex II - Template for performance plans**

*Point 1.6. As regards performance plans adopted at the level of functional airspace blocks, description of the process followed to develop and adopt the performance plan.*

- 13 As a prerequisite to opting for a FAB level performance plan, all Member States within the FAB should formally agree on the development of the plan at FAB level. In the absence of an agreement between FAB Member States, each Member State

concerned will establish a national performance plan.

- 14 The relevant NSA(s) of each Member State, nominated in accordance with Article 4(1) of Regulation (EC) No 549/2004, is responsible for drawing up the performance plan at local level.
- 15 Regarding FAB performance plans, the NSAs of the FAB Member States are to jointly develop the draft performance plan. It is advised that this is done in the framework of a dedicated FAB-level Working Group, steered and chaired by a lead NSA.
- 16 Each draft performance plan should contain the following details to confirm the local allocation of responsibilities for target setting and the subsequent monitoring of the performance targets during the reference period:
- Name of the NSA(s) responsible for drafting the performance plan and subsequently for monitoring its implementation. Where several NSAs from the same Member State have contributed to drafting the performance plan, the applicable division of responsibilities between those authorities should be outlined. and
  - In respect of FAB draft performance plans, the Member States concerned should communicate the name of the NSA responsible for the coordination of the draft performance plan development within the FAB. It should also be communicated which NSA can act as a focal point towards the Performance Review Body (PRB) and Commission.
- 17 Furthermore, in accordance with point 1.6. of Annex II of the Implementing Regulation, FAB-level draft performance plans should detail the steps and working arrangements applied within the FAB to develop and adopt the performance plan. This information should be provided in tab 1.6 “FAB process” of the Excel template and should outline the coordination activities conducted between the FAB Member States as well as the stakeholder consultation carried out (Section 2.3 of this document).

## 2.2 Adoption, submission and publication of performance plans

- 18 This section provides guidance material as to the adoption, submission and publication of performance plans. It is advised that Member States refer to the flow chart in Annex II of this document which provides a visual representation as to the potential scenarios for Member States to adopt a performance plan both prior to, and during, a reference period.

### Adoption and submission of draft performance plans

#### Article 12

*Each Member State shall adopt a draft performance plan, as drawn up by the national supervisory authority or authorities concerned at national level or at the level of functional airspace blocks, and submit it to the Commission, at the latest three months before the start of the reference period to which it relates. Where the draft performance plan is drawn up at the level of functional airspace block, after all Member States concerned have adopted that plan, it shall be submitted to the Commission.*

- 19 For both national and FAB performance plans, the draft performance plans prepared by NSA(s) shall be adopted by the relevant Member State(s). The decisions at Member State level on the formal adoption of the draft performance plan should be taken in accordance with the applicable national rules and procedures. Member States should ensure that the adopted draft performance plans are legally binding documents and enforceable on the regulated entities.
- 20 The draft national or FAB performance plans are to be submitted to the Commission at least three months before the start of the reference period, which for RP4 means by 1<sup>st</sup> October 2024.
- 21 Prior to the submission of a draft performance plan, in the “Signatories” tab of the Excel template, Member State(s) should select the “Status of the performance plan” via the drop-down menu, as well as detail the “date of issue” and “date of adoption” of the (draft/final) performance plan.
- 22 According to point (e) of Article 10(2) of the Implementing Regulation, the Member State(s) concerned shall also provide confirmation that the performance plan is consistent in scope with

Article 1 of the Implementing Regulation, and Article 7 of Regulation (EC) No 549/2004 which relates to relations with European third countries.

- 23 The “Signatories” tab of the Excel template should clearly indicate the following information:
- The Member State(s) submitting the performance plan, including the signatures and names of signatories of their representatives;
  - The version number and dates of issue and adoption of the performance plan (date of adoption of the draft performance plan due by 1<sup>st</sup> October 2024 and, later, the date of adoption of the final performance plan as per Article 16 of the Implementing Regulation); and
  - The confirmation that the performance plan is consistent in scope with the Implementing Regulation and Article 7 of Regulation (EC) No 549/2004.
- 24 In relation to the “Status of the performance plan”, the drop-down menu in the “Signatories” tab of the Excel template includes the following list:
- Draft performance plan (Article 12 of the Implementing Regulation);
  - Revised draft performance plan (Article 14(3) of the Implementing Regulation). To be selected if the draft performance plan was deemed inconsistent with the Union-wide performance targets pursuant to a Commission Decision in accordance with the first subparagraph of Article 14(3) of the Implementing Regulation;
  - Revised draft performance plan with corrective measures (Article 15(5) of the Implementing Regulation). To be selected if the performance plan was revised after the Commission found, following the detailed examination, that the revised performance targets contained in the revised draft performance plan were not consistent with the Union-wide performance targets and requested the Member State(s) concerned to take corrective measures;
  - Final adopted performance plan (Article 16(a and b) of the Implementing Regulation). To be selected after the Commission has found the draft performance plan to be consistent with Union-wide performance targets in



application of Article 14(2), Article 15(2) or Article 15(4) of the Implementing Regulation;

- Performance plan revised during the reference period (Article 18 of the Implementing Regulation). To be selected if, upon approval by the Commission, a performance plan undergoes a revision during the reference period; and
- Final performance plan revised during the reference period (Article 16(c) of the Implementing Regulation). To be selected after the Commission has approved, pursuant to Article 18(1) of the Implementing Regulation, the request of the Member State(s) concerned to revise, during the reference period, one or several performance targets contained in the already adopted final performance plan.

#### **Article 16**

*Each Member State shall adopt and publish its performance plan in one of the following circumstances, as applicable:*

- a) *after the Commission has adopted a decision in application of Article 14(2), Article 15(2) or Article 15(4);*
- b) *after the Commission has adopted a decision pursuant to the second subparagraph of Article 15(7);*
- c) *after the Commission has adopted a decision following a request of a Member State or Member States concerned to revise during the reference period performance targets pursuant to Article 18(1), provided that the performance plan is adjusted by the Member State concerned in respect of the revised performance targets.*

- 25 Each new update of the plan, according to the different options set out in the “*Status of the performance plan*” drop-down menu (and as visualised in the flow chart in Annex II), should be recorded in the “*document change record*” of the “*Signatories*” tab. In particular, NSA(s) are invited to clearly mark as “*updated draft performance plan*”, the version of the draft performance plan provided following completeness verification by the Commission (Section 2.4 of this document). This will allow both the Member State concerned and the

Commission to clearly identify each version of the draft performance plan.

- 26 Any version of the draft performance plan submitted to the Commission must be electronically signed in order to be considered as a formal submission. Once the Excel file is complete, a PDF report will be generated through the dedicated “*Print PDF*” button available in the “*Signatories*” tab.
- 27 When submitting the draft performance plan, the NSA responsible should include the following documents on the ESSKY Platform:
- An electronically signed PDF copy of the draft performance plan;<sup>2</sup>
  - The Excel file containing the information that matches the signed PDF copy; and
  - The relevant Annexes filled accordingly, as listed in the “*Table of Content*” tab of the Excel template.<sup>3</sup> The following annexes must be included as an integral part of each performance plan: Annexes A and B – en route and terminal reporting tables and Annex V – Consistency of investments with the ATM Master Plan. Other Annexes may be provided as necessary.
- 28 The abovementioned advice on the documents forming part of the performance plan submission applies in the same manner to any subsequent update or revision of the draft performance plan during the performance plan assessment process (Articles 14 and 15 of the Implementing Regulation). The advice also applies to the submission of the final performance plan where the Member State should upload all documents onto the ESSKY platform, regardless of whether they have been changed or not as compared to the latest version of the draft performance plan.

#### *Adoption of final performance plan*

- 29 After a draft performance plan, a draft revised performance plan, a draft performance plan including corrective measures, or a performance plan revised during the reference period has been validated by the Commission pursuant to the assessment procedures set out in the Implementing Regulation, the relevant Member State’s authority or authorities shall formally adopt the final version

<sup>2</sup> For FAB performance plans, a signature should be provided for each of the Member States concerned.

<sup>3</sup> The completion of some Annexes is mandatory; others are optional depending on the status of the performance plan and the local context.

of the performance plan without delay after the positive decision of the Commission.

- 30 Without prejudice to the consistency of local targets with the Union-wide targets, it should be recalled that in its decision, the Commission might request Member States to address certain specific elements of the performance plan in line with the list of review points provided in Annex IV, point 2, of the Implementing Regulation. These elements should be addressed, and the related amendments clearly identified in the revised/final performance plan.

#### *Publication of (final) performance plan*

- 31 According to points (c) and (d) of Article 38(1) of the Implementing Regulation, Member States shall make publicly available by electronic means their draft performance plans referred to in Article 12 and their adopted performance plans referred to in Article 16. Those documents and the relevant annexes should be published online and made available to all stakeholders concerned. For national plans, this could be on the Ministry of Transport or on the national Civil Aviation Authority (CAA) website. For FAB plans, this could be on the website of each relevant national authority and on the website of the FAB concerned.

#### *Mapping with the Excel template*

Topic	Reference to Excel template
Submission of draft performance plan	"Signatories" tab
Submission of Annexes to draft performance plans	"Table of Content" tab Tab 7
Process followed to develop and adopt a FAB performance plan	Tab 1.6 (FAB performance plan only)

### *2.3 Stakeholder consultation on draft performance plans*

- 32 In accordance with Article 10(4) of the Implementing Regulation, NSA(s) are responsible for consulting stakeholders on the draft performance plans, including, but not limited to, the performance targets and incentive schemes which they contain. NSA(s) must therefore hold a consultation during the development of the draft performance plans prior to adoption in accordance with Article 12.

#### **Article 10(4)**

*In accordance with Article 10(1) and point (b) of Article 11(3) of Regulation (EC) No 549/2004, national supervisory authorities shall consult air navigation service providers, airspace users' representatives and, where relevant, airport operators and airport coordinators on the draft performance plans, including on the performance targets and incentive schemes contained therein.*

#### **Annex II - Template for performance plans**

*Point 1.3. Description of the outcome of the stakeholder consultation on the draft performance plan, including the points of agreement and disagreement as well as the reasons for any such disagreement.*

- 33 These requirements also apply by analogy to each potential revision of a draft performance plan, in particular where a draft performance plan has to be revised after being deemed inconsistent in accordance with Article 14 or Article 15 of the Implementing Regulation, or where the Member State(s) concerned intends to revise the performance plan during the reference period in accordance with Article 18.

#### *Date(s) and details of consultation(s)*

- 34 It is advised that the local stakeholder consultations on the draft performance plans and associated performance targets are held at least one month ahead of the formal submission of the draft performance plans to the Commission for assessment. This allows the NSA(s) concerned to process the stakeholder comments received and update the draft performance plan where necessary.
- 35 In accordance with Article 3(n) of the Implementing Regulation, the PRB assists the Commission by maintaining a stakeholder consultation calendar concerning performance plans and consultation

requirements referred to in Article 24(2) and (3) and in Article 30 of the Implementing Regulation.<sup>4</sup>

36 NSA(s) should therefore inform the PRB of their proposed consultation date(s) as soon as these dates have been set, preferably at least four weeks in advance of the proposed consultation meeting.<sup>5</sup> It is advised that prior to setting the consultation date(s), NSA(s) should verify with the PRB the availability of the proposed date, so as to enable full participation for users organisations. NSA(s) should also inform the PRB of the following details on the consultation(s):

- Content of the consultation – it is advised to mention whether it covers the elements laid out in Article 10(4), Article 24(2), Article 24(3), and Article 30(1) of the Implementing Regulation, or a combination;
- Date of the consultation, including start and finish time;
- Location of the consultation and/or access link for virtual meetings;
- Contact details, and details on how to register for the consultation; and
- Explanations on how to access the documentation related to the consultation.

#### *Stakeholders to be consulted*

37 In accordance with Article 10(4) of the Implementing Regulation, the entities to be invited to the consultation(s) on draft performance plans shall comprise, at least, the relevant ANSP(s) and air-space user (AU) representatives. The latter may include, but should not be limited to, airline associations, individual airlines, military AUs, representatives of general aviation, and representatives of business aviation.

38 In addition, NSA(s) shall ensure, where relevant, that airport operators, airport coordinators and professional staff representative bodies are given the opportunity to comment on the draft performance plan. This could be fulfilled through participation in the consultation meeting itself (which may be organised as an online consultation meeting) or, where deemed more appropriate, through consultation in writing. It is advised that written comments are collected by the lead NSA

responsible for submitting the draft performance plan to the Commission.

#### *Principles for consultation*

39 The consultation on draft performance plans should adhere to the following principles.

40 **Complete information should be provided to stakeholders no later than three weeks before the consultation.** The information distributed to the consulted entities should enable them to understand the rationale and justifications underpinning the draft performance plan. The information to be provided should also cover the specific consultation requirements of ANSPs and AUs as referred to in Table 1.3.2 of the Excel template, as applicable.

41 **NSA(s) should detail the overall outcome of the consultation in the draft performance plan.** NSA(s) should summarise the main topics or points raised by stakeholders during the consultation process and explain how they addressed the main comments received and took these into account in the development of the draft performance plan in Table 1.3.1 of the Excel template. It is also important to highlight in this section the points on which divergent opinions between stakeholders were observed, and how the NSA has ensured a balanced approach between these conflicting views.

42 **NSA(s) should also detail how specific consultation requirements for stakeholders have been addressed, as applicable.** The draft performance plan should also specify what changes were introduced as a result of the comments received from the stakeholders.

43 The following elements must be comprised as part of the stakeholder consultation on the draft performance plan, including where a Member State has opted for the implementation of one or several optional legal provisions as part of its draft performance plan:

- Traffic forecasts, including, but not limited to, the circumstances where a Member State has decided to apply a traffic forecast differing from the STATFOR base traffic forecast, subject to conditions laid out in the last subparagraph of Article 10(2) of the Implementing Regulation;

<sup>4</sup> Consultation calendar accessible at this [link](#).

<sup>5</sup> The PRB should be informed through the following e-mail address: [prb-office@prb.eusinglesky.eu](mailto:prb-office@prb.eusinglesky.eu).

- Cost bases for en route and terminal charges, new and existing investments, and in particular new major investments, and charging policy, as required under Article 24(2) of the Implementing Regulation;<sup>6</sup>
  - Incentives schemes, as required under Article 10(4) and Article 11(3) of the Implementing Regulation;
  - Charging zones, as required pursuant to the second subparagraph of Article 21(1) of the Implementing Regulation;
  - Traffic risk sharing, in particular in the event that the NSA proposed to adapt the default values of the parameters of the traffic risk sharing mechanism in accordance with Article 27(5) of the Implementing Regulation; and
  - Simplified charging scheme, where the Member State concerned has decided to apply this option under the conditions set out in Article 34 of the Implementing Regulation.
- 44 NSA(s) are required to indicate the optional legal provisions applicable to their situation through the drop-down menu in Table 1.3.2 of the Excel template. For a FAB performance plan, the NSAs concerned will be required to determine whether the optional legal provision will be applied to all FAB Member States, some FAB Member States, or no Member States at all.
- 45 **NSA(s) should further describe the outcome of the consultations with regard to each stakeholder group.** The purpose is to provide a detailed view on the opinions and feedback provided by each main stakeholder group in respect of the draft performance plan. A separate table should be filled out for each of the following stakeholder groups: ANSPs, AUs, professional staff representative bodies (where relevant), airport operators (where relevant) and airport coordinators (where relevant). Where appropriate, tables may also be filled out for other stakeholder groups to be identified by the NSA(s). The information provided should describe the main issues discussed as well as any resulting actions, where applicable. The main points of agreement and disagreement between the NSA(s) and the stakeholders concerned should be identified, as it is essential for the NSA(s) to appraise each of these points separately

and to outline the reasoning behind its disagreement with the stakeholder group concerned. In conclusion, the NSA(s) should explain, in respect of each stakeholder group, what the outcome of the consultation was, i.e. whether (at the end of the consultation process) the stakeholder group concerned expressed overall support to the draft performance plan and the proposed targets contained therein, or whether a negative stance towards the draft performance plan and the proposed targets was observed. This information should be detailed in Table 1.3.3 of the Excel template.

- 46 **NSA(s) should make available the complete information used for consultation purposes and the records of discussion of each formal consultation meeting.** To ensure transparency and due process, NSA(s) should list the entities or associations who participated in the consultation, establish a record of discussion of each meeting, and register all stakeholder views received in writing through a comment log. These documents should be published and communicated to the entities who took part in the consultation. This should be done without delay, before the submission of the draft performance plan to the Commission.

*Consultation documents to be annexed to draft performance plan*

- 47 NSA(s) are advised to annex the following complementary elements related to the consultation to the draft performance plan (Annex C):
- Key consultation materials (e.g. presentations made at consultation meetings);
  - The summaries of the outcome of the main consultation meetings; and
  - Written correspondence or comments received from the relevant stakeholders (where the stakeholders concerned have consented to the publication of these materials).

<sup>6</sup> Charging policy includes, inter alia, the timing of adjustments to unit rates and cross-financing between terminal charging zones. It can also be considered to cover, where applicable, the (intended or already applied) implementation of a modulation mechanism of air navigation charges within the meaning of Article 32 of the Implementing Regulation (EU) 2019/317.

### Mapping with the Excel template

Topic	Reference to Excel template
Overall outcome of stakeholder consultation	Section 1.3.1
Specific consultation requirements of ANSPs and airspace users	Section 1.3.2
Outcomes of consultations with each stakeholder group	Section 1.3.3
Consultation documents to be annexed to draft performance plan	Annex C

### 2.4 Verification of completeness of draft performance plans

- 48 In accordance with Article 13 of the Implementing Regulation, draft performance plans are subject to a verification of completeness following their submission to the Commission. The Commission will only proceed with the formal consistency assessment of local performance targets contained in a draft plan once that plan is found to contain all the information required under Article 10 of the Implementing Regulation.
- 49 Draft performance plans (including any revised versions thereof) are to provide adequate and comprehensive information as required in accordance with the template set out in Annex II of the Implementing Regulation – this includes the demonstration of sufficient evidence of stakeholder consultation with ANSPs and AUs representatives.
- 50 NSA(s) are advised to conduct an internal completeness check of the draft performance plan at least two weeks prior to the submission of the related documents to the Commission. This will allow sufficient time for missing elements to be addressed, prior to the Commission’s verification of completeness check. Where NSA(s) identifies missing elements in a draft performance plan before its formal submission to the Commission, it should take action to gather any additional information needed and to develop the content required for the draft performance plan.

#### Article 13

1. The Commission shall verify whether the draft performance plans submitted by Member States in accordance with Article 12 contain all the elements needed to assess compliance with the requirements listed in Article 10(2) and 10(4) and, where applicable, Article 10(3) and 10(5).

2. Where the Commission finds, after having carried out the verification referred to in paragraph 1, that one or several elements are missing, it shall, within one month from the date of receipt of the draft performance plan, request the Member State or Member States concerned to provide an updated draft performance plan, containing the missing element or elements.

In that case, the Member State or Member States concerned shall submit the updated draft performance plan to the Commission without undue delay and in any event within three weeks from the date of the Commission’s request.

3. The Commission shall start the assessment referred to in Article 14 of the draft performance plan upon the finding, after having carried out the verification referred to in paragraph 1, that the draft performance plan contains all required elements, or upon the receipt of the updated draft performance plan referred to in paragraph 2, as applicable.

- 51 Where, after the submission of a draft performance plan, NSA(s) are notified by the Commission of missing elements in that plan, it is required to provide the required update of the plan to the Commission within three weeks from the notification in accordance with Article 13(2) of the Implementing Regulation, together with an Annex Y detailing the modifications.

### 2.5 Observations regarding the development and adoption of revised performance plans during the reference period

- 52 In the instance where a Member State intends to request a revision of one or more performance targets included in its performance plan during the reference period, subject to Article 18(1) of the Implementing Regulation (Section 12), the requirements concerning the consultation of stakeholders, the completeness of performance plans, and the adoption of performance plans apply in the same way as for draft performance plans.
- 53 Therefore, the Member State(s) concerned must ensure that the supporting documents and

evidence are complete in terms of the information and data required under Article 10(2) and 10(4), and Annex II of the Implementing Regulation. This must comprise the description of the outcome of the stakeholder consultation on the amendments to the performance plan, including the points of agreement and disagreement as well as the reasons for any such disagreement. The information provided on the outcome of stakeholder consultation should be structured in the same manner as described in Section 2.3.

- 54 If the Commission shares the view of the requesting Member State(s) and has subsequently issued a decision deeming the revised performance targets consistent with the corresponding Union-wide performance targets, the Member State(s) concerned should formally adopt the revised performance plan as required under Article 16(c) of the Implementing Regulation.

### 3. SCOPE AND CONTEXT OF DRAFT PERFORMANCE PLANS

55 This section addresses the scope and context of a draft performance plan in terms of services, entities and geographical coverage.

#### 3.1 Scope in terms of services, airspace and charging zones

56 In accordance with point 1.1. of Annex II of the Implementing Regulation, NSA(s) should specify the information detailed below in their draft performance plans:

**Annex II – Template for performance plans**

*Point 1.1. Description of the situation, including scope of the plan in terms of geographical coverage and services, list of air navigation service providers covered and other general information relevant to the performance plan.*

#### List of ANSPs and geographical scope of services

57 The draft performance plan should include a list of all the regulated ANSPs and detail the type of service (air traffic services (ATS), communication, navigation and surveillance (CNS), meteorological information management (MET), aeronautical information services (AIS)) which they provide.<sup>7</sup>

58 In tab 1.1. “The situation” of the Excel template, the table under Section 1.1.1 should present the name of all the ANSP(s) included in the scope of the plan. This table is prefilled with the names of the entities falling within the scope of the plan. While NSA(s) are kindly advised to not modify such prefilling, since it is the reference used in the other sections of the Excel template, additional entities, not initially reflected in the prefilling, can be added manually using the empty rows displayed through the drop-down menu at the top of the table.<sup>8</sup>

59 For each ANSP, NSA(s) should specify whether the concerned entity provide either en route or terminal services (or both) and the geographical scope of services covered by the draft performance plan. This should include information on the area of responsibility (AoR) of the en route ANSP(s) and

information on the relevant airports for terminal ANS. Where a FAB draft performance plan is established, the airspace covered by the draft performance plan should in principle cover the whole FAB airspace within the territory of Member States. In respect of third countries taking part in a FAB and being part of the Common Aviation Area with the European Union (EU), the draft performance plan may apply to the third countries concerned, subject to the legal applicability of the SES performance and charging scheme.

60 The NSA(s) should also specify, through the drop-down menu of the Excel template, whether the entities listed are providers of ATS and/or CNS (ATSPs/CNSPs) or providers of meteorological service (METSPs). This diversification is required to distinguish the reporting requirements applicable in relation to the information on cost allocation (Section 6.4 of this document).

#### Cross-border areas

61 The user pays principle underpinning the SES charging scheme for air navigation services entails that “airspace users should pay for the costs they generate at, or as close possible to, the point of use”.<sup>9</sup> The determined costs to be charged to airspace users are therefore established at charging zone level. The cost base for a charging zone “shall consist of the determined costs related to the provision of air navigation services in the charging zone concerned”.<sup>10</sup> The geographic scope of charging zones must be “consistent with the provision of air navigation services” and “may include services provided by an air navigation service provider established in another Member State in relation to cross-border airspace”.<sup>11</sup>

62 In order to fulfil the abovementioned legal requirements, the costs incurred for air navigation services provided in cross-border areas have to be properly allocated to the airspace users generating those costs. To this end, it is recommended that the geographic scope of each charging zone

<sup>7</sup> The term ANSP is understood as defined in Article 2 of Regulation (EU) No 549/2004, i.e. including MET Providers.

<sup>8</sup> In the case the NSA(s) would like to modify the contents, please notify the wished changes to [prb-office@prb.eusinglesky.eu](mailto:prb-office@prb.eusinglesky.eu). An updated prefilled excel template will be produced including the updates requested.

<sup>9</sup> Recital 22 of Regulation (EC) 550/2004.

<sup>10</sup> Article 22(1) of the Implementing Regulation.

<sup>11</sup> Article 21(2) of the Implementing Regulation.

also comprises the cross-border areas over the territory of one or several neighbouring Member States where the ANSP concerned is providing services. Where a cross-border area located in the airspace of a neighbouring State is part of the charging zone in the scope of the performance plan, that cross-border area does not need to be reported in the performance plan.

- 63 In respect of cross-border area(s) where the ANSP(s) of the Member State provide(s) services in another State's charging zone(s), the Member States concerned have to ensure appropriate cost and revenue allocation (compliant with the legal requirements) by setting up financial arrangements between them. Those arrangements have to result in the ANSP being duly remunerated for the provided services, whilst ensuring the transparency of costs. Such cross-border areas referred to in this paragraph are to be reported in the performance plan.
- 64 However, it may be concluded that services provided in cross-border areas of a very limited geographic scope or traffic volume do not have a material financial impact. Based on technical analysis conducted by the PRB, cross-border areas which size does not exceed 500 km<sup>2</sup> or which traffic volume does not exceed 7,500 instrument flight rules (IFR) movements per year on average are presumed to have an insignificant financial impact on the costs and revenue of the ANSP providing the services. Therefore, such cross-border areas and the related financing arrangements do not need to be reported as part of the performance plan.
- 65 When applying the abovementioned materiality thresholds, cross-border areas are to be understood as continuous blocks of airspace, irrespective of sector boundaries. In other words, cross-border airspace blocks directly adjacent to each other and/or directly below or above each other, where services are provided by one ANSP in the same charging zone should be reported as one area and should not be broken down into smaller blocks.
- 66 In light of the above, NSAs are advised to identify in Section 1.1.1 of the Excel template the cross-border area(s) where the ANSP(s) of the Member State provide(s) services in another State's charging zone(s) which do not fall below the abovementioned materiality thresholds. Detailed information on the financial arrangements regarding

those cross-border areas is subsequently to be provided in tab 4.1 of the Excel template (Section 8.1 of this document).

- 67 For the sake of completeness, NSA(s) are also invited to present similar information with regard to any cross-border area(s) where ANSP(s) from another State provide(s) services in the charging zone(s) covered by the performance plan. There are no further details requested in the performance plan on those areas.

#### *Other entities in the scope of the Performance and Charging Regulation*

- 68 The inclusion of authorities and/or other entities incurring eligible costs in the scope of the draft performance plan is governed by the final subparagraph of Article 1(2) of the Implementing Regulation. Accordingly, and in accordance with Article 22(1) of the Implementing Regulation, competent authorities (e.g. NSA) or qualified entities (where applicable) are also subject to the performance target setting in the KPA of cost-efficiency, where the determined costs of these authorities or entities are included in the cost base(s) chargeable to AUs. The determined costs stemming from Euro-control are also in the scope of the draft performance plan where the Member State concerned intends to recover these costs from users through route charges.
- 69 NSA(s) should use Section 1.1.2 of the Excel template to report the list of other entities falling within the scope of the draft performance plan. In the case of a draft performance plan at FAB level, the list of entities covered should be detailed on a Member State specific basis.

#### *Charging zones*

- 70 NSAs should specify the en route and terminal charging zones that are comprised in the scope of the draft performance plans in accordance with Article 21(1) of the Implementing Regulation.
- 71 Those charging zones must be formally established by the Member State(s) concerned before the start of the reference period. In accordance with the third subparagraph of Article 21(1) of that Implementing Regulation, Member States have to formally inform the Commission on the charging zones in case of the establishment of a new charging zone or in case of modification of existing charging zone(s) at the latest seven months



before the start of each reference period. This information should also be communicated to STATFOR for any implications on the traffic forecast for the charging zones concerned.

- 72 Member States must ensure that the geographical scope of the charging zones is clearly defined and that those charging zones are consistent with the provision of ANS as required in Article 21(2) of the Implementing Regulation.
- 73 The list of en route and terminal charging zones is to be provided in Section 1.1.3 of the Excel draft performance plan template. This list is prefilled based on the list of en route and terminal charging zone(s) applicable during the RP3 period (unless differently communicated to the Commission).

#### *Other general information relevant to the plan*

- 74 To substantiate the description of the draft performance plan's scope, NSA(s) may provide additional contextual information on the local situation or circumstances that are of direct relevance for the development and/or implementation of the draft performance plan. Attention should be paid to local circumstances with high significance for performance target setting. Such other relevant information to the plan should be described by the reporting NSA(s) in Section 1.1.4 of the Excel template.

#### *Mapping with the Excel template*

Topic	Reference to Excel template
Scope of the draft performance plan in terms of covered ANSPs and geographical scope of services	Section 1.1.1
Other entities in the scope of the Regulation as per Article 1(2) last paragraph	Section 1.1.2
Charging zones	Section 1.1.3
Other general information relevant to the plan (including information on relevant local circumstances with high significance for performance target setting)	Section 1.1.4

### *3.2 Scope in terms of airports*

- 75 NSA(s) should identify the airports which are included in the scope of the Performance and

Charging Scheme pursuant to Article 1(3) and, where applicable, Article 1(4) of the Regulation.

#### *Airports with over 80,000 IFR movements per year as per Article 1(3) of the Implementing Regulation*

- 76 In accordance with Article 1(3) of the Implementing Regulation, NSA(s) should list the airports that have more than 80,000 instrument flight rule (IFR) movements per year and that are mandatorily included in the scope of the draft performance plan. In accordance with Article 2(10) of the Implementing Regulation, the number of IFR movements is defined as the sum of take-offs and landings performed under IFR and calculated as the yearly average over the three calendar years preceding the draft performance plan submission (i.e. in respect of RP4, calendar years 2021 to 2023). In the draft performance plan, NSA(s) also need to specify the relevant terminal charging zones for these airports and detail the average IFR movements in the years 2021 to 2023.
- 77 In tab 1.4 "List of airports" of the Excel template, Section 1.4.1 provides the list of the airport with more than 80,000 IFR movements, as prefilled based on the 2021-2023 average computed on the data provided by the Network Manager. NSA(s) should indicate, through the drop-down menu, the terminal charging zone in the scope of the draft performance plan to which each airport listed in this section is allocated to.

#### ***Annex II – Template for performance plans***

*Point 1.4. List of airports subject to the performance and charging scheme, with their average number of IFR air transport movements per year.*

- 78 As a result of the significant traffic reduction resulting from the COVID-19 pandemic and further exacerbated, for a certain number of Member States, by the ongoing Russian war of aggression on Ukraine, a number of airports which were meeting the 80,000 IFR movements threshold for RP3 are likely to fall outside the scope of the Implementing Regulation in RP4. On account of these exceptional circumstances influencing the applicability of the 80,000 IFR movements threshold over the 2021-2023 period and in order to ensure stability in the reporting of terminal services, NSA(s) are advised to include, to the maximum possible extent, all airports qualifying in RP3 as mandatory in the list of voluntary airports under

Section 1.4.2 of the draft performance plan template, as described below.

#### *Other airports added on a voluntary basis as per Article 1(4) of the Implementing Regulation*

- 79 In accordance with Article 1(4) of the Implementing Regulation, Member States may also decide, on a voluntary basis, to include airports with fewer than 80,000 IFR movements under the scope of the Implementing Regulation. The local performance targets on terminal capacity and terminal cost-efficiency apply also to such airports. Moreover, the voluntary inclusion of an airport in the scope of the Implementing Regulation also entails that those airports are included as part of performance monitoring during the reference period, unless otherwise stated in Section 2 of Annex I of the Implementing Regulation. The applicability of indicators for monitoring to terminal ANS in the scope of the performance plan is outlined in a table in Annex IV of this document.
- 80 The decision of the Member State to include airports on such a voluntary basis should be communicated to the Commission as soon as possible in accordance with Article 1(6) of the Implementing Regulation.
- 81 NSA(s) should list the airports included on a voluntary basis in Section 1.4.2 of the Excel template, including their International Civil Aviation Organization (ICAO) code and the charging zone to which each of them is allocated to. Any additional useful information on the inclusion of voluntary airport can be included in the table under the section.

#### *Mapping with the Excel template*

Topic	Reference to the Excel template
Airports as per Article 1(3) of the Regulation	Section 1.4.1
Other airports added under Article 1(4) of the Regulation	Section 1.4.2

### *3.3 Notifying exemptions concerning services under market conditions*

- 82 In accordance with Article 35(1) of the Implementing Regulation, before the start or during a RP, a

Member State may decide that the provision of some, or all, of the terminal ANS, CNS, MET, AIS services or air traffic management (ATM) data services provided in their charging zones are subject to market conditions. A Member State may only decide to do so after it has completed all the steps outlined in points (a) to (d) of Article 35(3) of the Implementing Regulation justifying that market conditions are present (and it has obtained the Commission's agreement for this, in accordance with Article 35(3)(d)). This decision would mean, that the Member State concerned would not have to apply the provisions of the Implementing Regulation with regard to the provision of those services.

- 83 It is important to note that, although services provided under market conditions are exempted from provisions related to performance planning and target setting in the KPA of cost-efficiency, they remain subject to performance planning and target setting in the other KPAs of safety, capacity, and environment. The NSA(s) concerned should therefore set out in the draft performance plan the list of services which are subject to market conditions.
- 84 Where market conditions are revoked during a reference period in accordance with Article 35(4) of the Implementing Regulation, the Member State concerned is required to revise its draft performance plan in accordance with Article 18(1) including with respect to the application of cost-efficiency targets for the services concerned.

#### *Specific information required for draft performance plan*

- 85 In tab 1.5 "Market conditions" of the Excel template, NSA(s) should indicate, through the dropdown menu, the number of services under market conditions (select zero if no services under market conditions are present).

#### **Annex II – Template for performance plans**

*Point 1.5. Where applicable, list of services the provision of which has been established to be subject to market conditions in accordance with Article 35.*

- 86 Should market conditions be present, NSA(s) should provide the following information in the Excel template, as required under point 1.5. of Annex II of the Implementing Regulation:

- A list of services subject to market conditions (e.g. terminal ANS, CNS, MET, AIS and ATM data services);
- The charging zone to which the service applies;
- The geographical scope of the service(s). The en route or terminal airspace concerned should be detailed. For terminal ANS, the airport(s) concerned should be specified;
- Reference to the intended decision and assessment report of the Member State concerned to apply market conditions, in accordance with Article 35(3)(c) of the Implementing Regulation; and
- Reference to the agreement of the Commission (i.e. relevant Commission Decision) confirming that the provision of the services concerned is subject to market conditions, in accordance with Article 35(3)(d) of the Implementing Regulation.

87 Any additional information deemed relevant for clarifying the characteristics of the services under market conditions can be added in the box at the bottom of the tab.

#### Mapping with the Excel template

Topic	Reference to the Excel template
Services under market conditions	Tab 1.5

#### 3.4 Notifying the application of a simplified charging scheme

- 88 Member States have the choice to apply the general charging provisions set out under the Implementing Regulation or a simplified charging scheme as set out under Article 34 of the Implementing Regulation.
- 89 The simplified charging scheme is applied at national level. Therefore, where a draft FAB performance plan is established, it is necessary to specify how many Member States (if any) in the FAB intend to apply the simplified charging scheme – information on the application of this scheme should, accordingly, be provided individually for each of the Member States concerned.
- 90 As outlined in Article 34(2) of the Implementing Regulation, a simplified charging scheme can only

be applied if all of the following conditions are met:

- A Commission decision confirms that the local targets contained in the draft performance plan are consistent with the corresponding Union-wide performance targets. Member States should refer to the consistency criteria for assessing local targets in Annex IV Section 1 of the Implementing Regulation.
- Performance targets in the KPAs of safety, capacity and environment have been met in the three years before the adoption of the draft performance plan. When local targets for safety, capacity and environment were set at FAB level in the previous reference period, a simplified charging scheme can only be applied if the FAB (of which the Member State concerned is a part), as a whole, has met all performance targets as specified under point (b) of Article 34(2) of the Implementing Regulation. Since none of the final performance plans were set at FAB level for RP3, the above condition does not apply to RP4.
- The draft performance plan includes an incentive scheme on capacity targets, as required under Article 11 of the Implementing Regulation. And
- ANSPs and AUs concerned have been consulted on the intended decision to apply a simplified charging scheme. Consultation must take place with AUs representing at least 65% of the IFR flights operated in the airspace concerned.

91 Once stakeholders have been consulted and an agreement to apply the simplified charging scheme has been reached, the NSA(s) should select “Yes” from the drop-down menu at the top of tab 1.7 “Simplified scheme” of the Excel template and provide the following information:

- Scope of the simplified charging scheme (Section 1.7.1), including the description of the application of the simplified charging scheme; the charging zone(s) affected, as well as the ANSP(s) concerned; and

- Conditions for the application of the simplified charging scheme (Section 1.7.2) and justification on how the conditions of Article 34(2) of the Implementing Regulation have been met. In particular, the Member State concerned should demonstrate how performance targets in the KPAs of safety, capacity, and environment have been met in the three years before the adoption of the draft performance plan.

**Annex II – Template for performance plans**

*Point 1.7. Indication whether or not the simplified charging scheme referred to in Article 34 applies and if so, a demonstration that the conditions set out in that Article have been met as well as a description of the application of the simplified charging scheme and of its scope in terms of charging zones covered.*

- 92 As regards to point (d) of Article 34(2) of the Implementing Regulation, NSA(s) should provide further details in the “Stakeholder consultation” section of the Excel template related to the consultation with AUs’ representatives and ANSPs on the decision to apply a simplified charging scheme.

*Mapping with the Excel template*

Topic	Reference to the Excel template
Scope of the simplified charging scheme	Section 1.7.1
Conditions for the application of the simplified charging scheme	Section 1.7.2
Justification for simplified charging scheme	Annex L

## 4. TRAFFIC FORECASTS

### 4.1 Principles for establishing traffic forecasts

93 Member State(s) are required to set out the relevant en route and terminal traffic forecasts in their draft performance plans. These forecasts shall be expressed in terms of both IFR movements and service units and shall cover each calendar year of the reference period. Pursuant to Article 10(2)(f) and (g) of the Implementing Regulation, those forecasts should be based on the Eurocontrol's Statistics and Forecasts Service (STATFOR) base forecast. To this end, the latest available STATFOR traffic forecast publication should be used as a source.

#### **Annex II – Template for performance plans**

*Point 1.2. Traffic forecasts referred to in points (f) and (g) of Article 10(2) expressed in IFR movements and in service units underpinning the performance plan based on Eurocontrol's Statistics and Forecast Service (STATFOR) base forecasts. Where the forecasts differ from the STATFOR base forecasts, the reasons that justify the use of a different forecast referred to in points (f) and (g) of Article 10(2) and a justification for the use of these forecasts shall be documented.*

#### **Article 10(2) last subparagraph**

*However, as regards point (f) and (g), national supervisory authorities may decide to use other en route and terminal traffic forecasts than those based on Eurocontrol's STATFOR base forecast. In that case, they shall consult the airspace users' representatives and air navigation service providers concerned and set out the reasons for using the other forecasts in the performance plan. Any differences with the Eurocontrol's STATFOR base forecast shall be related to specific local factors not sufficiently addressed by Eurocontrol's STATFOR base forecast. The same forecasts shall be used for all key performance areas.*

94 The last subparagraph of Article 10(2) allows NSA(s) to deviate from the STATFOR base forecast in respect of the en route and/or terminal traffic assumptions applied in the performance plan under the following conditions:

- Any deviation from STATFOR base has to be strictly **related to specific local factors** which the Member State concerned considers to be insufficiently taken into account by the STATFOR base forecast. Member States are

required to provide in their draft performance plan the reasons justifying their decision to apply such an alternative forecast. And

- Airspace user representatives and the ANSP(s) concerned must have been consulted on the proposed alternative traffic forecast or forecasts in the context of the local consultation or consultations referred to in Section 2.3 of this document.

95 Article 10(2) of the Implementing Regulation requires that the same traffic forecasts are used for all key performance areas (KPAs) to ensure that all local performance targets in the draft performance plan are based on a consistent set of traffic assumptions.

96 Point 1 of Annex VIII of the Implementing Regulation defines the charging formula for calculating en route service units. As regards that formula, the distance factor based on the actual route flown as recorded by the Network Manager, already applied for RP3, continues to apply for RP4.

### 4.2 Practical considerations for setting RP4 traffic forecasts

97 In tab 1.2 "Traffic forecast" of the Excel template, NSA(s) should select the source of the traffic forecast for each en route and terminal charging zone in Sections 1.2.1 and 1.2.2 respectively. Two alternative options are included in the drop-down menu for each charging zone:

- STATFOR base forecast (the latest available at the time of drawing up the draft performance plan); and
- Local forecast. The selection of a local forecast should be accompanied by a description of the local factors justifying the use of a forecast different from the STATFOR base forecast. The use of a STATFOR low or high forecast is for the purpose of the Excel template considered a local forecast.

### 4.3 Update of traffic forecasts in connection with performance plan revisions

98 Where a Member State is required to revise the en route cost-efficiency targets contained in its draft performance plan, following the assessment conducted by the Commission under Articles 14 or 15 of the Implementing Regulation, this revision

should include, where appropriate, the update of the relevant STATFOR base forecast or of the alternative local forecast underpinning those targets. The performance plan revision should, however, not comprise changes to traffic forecast figures in respect of the calendar years which have already ended – those figures should not be retroactively corrected in line with actual traffic numbers.

- 99 Where a Member State requests a revision of its performance plan during a reference period in accordance with Article 18(1) of the Implementing Regulation, it is advised to use the latest available STATFOR base forecast as a basis for the revision, notwithstanding the possibility to use an alternative traffic forecast subject to justification.

#### *Mapping with the Excel template*

<b>Topic</b>	<b>Reference to the Excel template</b>
Traffic forecasts	Tab 1.2
Complementary information on traffic forecasts	Annex D

## 5. INVESTMENTS

100 In respect of investments in fixed assets, the Implementing Regulation differentiates between the following two concepts, which have to be duly addressed in the draft performance plan:

- **Major investments**, which refers to acquisition, development, replacement, upgrade, or leasing of fixed assets of a total value over the whole lifetime of at least 5 million EUR (Article 2(13) of the Implementing Regulation); and
- **New and existing investments**, which cover the acquisition, development, replacement, upgrade or leasing of fixed assets where depreciation costs, cost of capital, or in the case of leasing, operating costs, for that investment are incurred during the reference period covered by the performance plan (Article 2(15) of the Implementing Regulation). For the sake of clarity, it should be noted that major investments are part of the new and existing investments but are subject to specific reporting requirements.

101 The concept of “*new and existing investments*” entails that a distinction should also be made between on the one hand the “*new investments*”, on the other hand the “*existing investments*”. As a general rule, existing investments should be understood to comprise assets which have already started generating costs before the beginning of the reference period, whilst new investments relate to assets which are planned to start generating relevant costs in the reference period concerned (i.e. RP4). Generally, an investment should start generating relevant costs (e.g. depreciation) as from the moment in which the acquired asset, or assets, enters into operation. However, there might be cases in which relevant costs are incurred already during the pre-operational phase, in which the specific assets is still under development.

102 A major investment may be either an existing or a new investment, depending on the date in which it starts generating costs charged as part of the cost-base. However, for the purpose of the draft performance plan, which is, by definition, a forward-looking document, the focus is placed on the foreseen new major investments which have to be presented in a detailed manner.

103 Investments are covered in Section 2 of the Excel template, comprising a summary tab (tab 2.0

“*Summary of Investments*”) and ANSP-specific tabs (e.g. tab(s) 2.1 “*Investments ANSP\_#X*”). The information on planned investments and the related costs is to be presented separately for each ANSP in the scope of the draft performance plan. Complementary, more detailed information on the planned investments may subsequently be annexed to the draft performance plan (documents to be uploaded in ESSKY under Annex E to the draft performance plan).

### 5.1 Overview of new and existing investments

#### **Annex II – Template for performance plans**

*Point 2.1. Description and justification of the costs, nature and benefits of new and existing investments in fixed assets planned over the reference period.*

*Point 2.2 The information referred to in point 2.1 shall include in particular:*

*(a) the determined costs of new and existing investments in respect of depreciation, cost of capital and cost of leasing over the whole reference period and in respect of each calendar year thereof, as required in Annex VII;*

*(b) description and justification of the major investments, including with regard to the following elements:*

*(...)*

*(c) detail of synergies achieved at the level of functional airspace blocks or, through other cross-border cooperation initiatives as appropriate, in particular in terms of common infrastructure and common procurement.*

104 In accordance with point 2.2(a) of Annex II of the Implementing Regulation, NSA(s) should provide in the draft performance plans full transparency on the determined costs of new and existing investments in respect of the acquisition, development, replacement, upgrade or leasing of fixed assets over the reference period, broken down per calendar year.

105 The NSA(s) should request the ANSP(s) concerned to provide the data required for this purpose. NSA(s) should ask for information on the assumptions underlying the estimated costs and timing of the new investments proposed by the ANSP, and should seek to clarify any ambiguities or inconsistencies with the ANSP before incorporating the data in the draft performance plan.

106 Compared to RP3, the section on investments of the RP4 Excel template has been revised to better distinguish between investment categories. Specifically, tab 2.1 is now including a number of subsections and tables reflecting the following categories:

- **New major investments for RP4**, i.e. major investments above the 5 million EUR threshold which are planned to generate costs as of RP4 (Section 2.1.1, Table A);
- **Other new investments for RP4**, i.e. investments below the 5 million EUR threshold which are planned to generate costs as of RP4 (Section 2.1.1, Table B);
- **Major investments from the RP3 performance plan**, i.e. major investments above the 5 million EUR threshold which were included in the adopted RP3 performance plan (Section 2.1.2, Table C);
- **Major investments added during RP3**, i.e. major investments above the 5 million EUR threshold which, although not initially foreseen in the adopted RP3 performance plan, were requested by the ANSP and approved by the NSA in accordance with Art. 28(4) of the Implementing Regulation and reported in section 4 of the yearly NSA Monitoring Report (Section 2.1.2, Table D); and
- **Existing investments**, i.e. investments not comprised in the categories above (Section 2.1.3, Table E).

107 For each of the abovementioned categories of investments, the NSA(s) should provide information concerning the value of the relevant fixed assets, the costs allocated to the determined costs of the concerned entity, the lifecycle of the investment (except for categories of investments reported at aggregate level) as well as the allocation of the assets between en route and terminal services. For the major investments (i.e. new major investments from RP4, major investments from the RP3 performance plan, and major investments added during RP3) these figures are to be reported individually for each investment. For the other investment categories (i.e. other new investments from RP4 and existing investments), the information may be presented in an aggregated manner; thus, only total figures, reflecting the sum of all the investments concerned, should be presented in the draft performance plan. A detail of these other new investments in fixed assets planned over the

reference period (Table B) may be provided in Section 2.1.5 (Section 5.3 of this document).

#### Mapping with the Excel template

Topic	Reference to the Excel template
Summary of investments	Tab 2.0
New major investments (above 5M€) for RP4	Section 2.1.1 Table A
Other new investments (below 5M€) for RP4	Section 2.1.1 Table B Section 2.1.5
Major investments (above 5M€) from RP3 performance plan	Section 2.1.2 Table C
Major investments (above 5M€) added during RP3	Section 2.1.2 Table D
Existing investments from previous reference periods	Section 2.1.3 Table E

#### 5.2 Detailed description of new major investments

108 In accordance with point 2.2(b) of Annex II of the Regulation, NSA(s) should provide detailed information concerning the fixed asset(s) to be put in service during the reference period as a part of each new major investment, including their nature, use, timeline for the purchase and date of entry into operation.

109 NSA(s) should list all new major investments for RP4 in Table A of Section 2.1.1 of the Excel template. Specifically, for each investment, the following information should be separately provided:

- **Total value of the asset (CAPEX or contractual leasing value):** NSA(s) should specify the total value of each new major investment, expressed in local currency (and in nominal terms). The total value of a “major investment” is considered over the whole lifetime of the fixed asset, or assets, concerned (i.e. not only in relation to the determined costs incurred during the reference period covered by the performance plan). The value should



be inclusive of non-recoverable value added tax (VAT) and of any fees incurred for the purchase or leasing of the asset concerned. This should reflect the historical accounting initial value, i.e. the value of the asset at the date of the purchase as recorded in the contract. In case of leasing, the value of the asset should reflect the total value of the leasing contract.

- **Value of the asset allocated to ANS in the scope of the performance plan:** NSA(s) should include the total initial or contractual leasing value of the investment within the scope of the draft performance plan, expressed in local currency (and in nominal terms). If applicable, NSA(s) should deduct from the total value of the asset any share allocated to services provided outside of the scope of the draft performance plan.
- **Breakdown of determined costs per calendar year:** NSA(s) should provide the determined costs of each investment or category of investments for each year of the reference period (2025-2029). The determined costs of the investments should be presented at disaggregated level across the following three components: (i) the average net book value (NBV) of fixed assets related to the specific investments for the relevant year (basis for the computation of the cost of capital related to the specific investment or investments category); (ii) depreciation costs, based on the expected lifecycle of the investments and the methodology used to compute the depreciation costs (to be reported under letter a) of Section 3.4.6.2 in tab 3.4.6 “*Determined Costs assumptions*”); and (iii) cost of leasing related to the investments. Determined costs related to the investments should be expressed in local currency (and in nominal terms).
- **Lifecycle (amortisation period in years):** NSA(s) should specify the expected operating life of the asset(s), defined as a number of years, which will determine the calculation of depreciation costs. In the case of leasing, the operating life should correspond to the length of the leasing contract.
- **Planned date of entry into operation:** NSA(s) should input the date of entry into operation of the asset(s), i.e. the date as of which it starts depreciating. New investments for RP4 reported in Table A are expected to enter operation during the 2025-2029 period. And

- **Allocation between en route and terminal services:** NSA(s) should present, in percentage terms, the allocation of the determined costs of the investments between the en route and terminal services in relation to the charging zones in the scope of the performance plan. Where the Member State concerned has no terminal charging zone included in the scope of the draft performance plan, the determined costs in the scope of the performance plan are only related to en route services and the share of the determined costs allocated to en route services is by default 100% in respect of any major investment.

All monetary figures reported in section 2.1.1 of the Excel template should be provided in nominal terms and in national currency.

- 110 To ensure a common understanding of the scope and the characteristics of the investment, NSA(s) are invited to provide the specific name of the investment (e.g. “*implementation of Mode S elementary surveillance*”) rather than using a generic name (e.g. “*surveillance project*”). The name should be consistent with the data available in the Business Plan, the Investment Plan, or any other official document used to monitor the progress of the investments. Clarity in the definition of the investments is important to ensure traceability and facilitate the performance plan assessment. Finally, each new major investment is linked to a reference number, which is meant to facilitate the correct and consistent tracking of the investment across the whole Excel template (e.g. in relation to the reporting of common project 1 (CP1) progress, Section 8.2 of this document).
- 111 The information listed above applies also to the reporting of major investments from the RP3 performance plan (Table C) and of major investments added during RP3 (Table D) in Section 2.1.2 of the Excel template. While the former will be prefilled based on the information included in the RP3 performance plan, the latter will be based on the latest available NSA Monitoring Reports (i.e. 2022) (investments added in 2023 or forecasted for 2024 should be manually included by the NSA(s)).
- 112 Each new major investment listed in Section 2.1.1 (Table A) of the Excel template should be presented in more detail in Section 2.1.4. NSA(s) should specify the type of each major investment

by selecting one or several of the following categories, as applicable:

- New ATM system;
- Overhaul of existing ATM system;
- Other ATM related investments;
- Investments related to communication, navigation, surveillance (CNS);
- Infrastructure;
- Ancillary investments; or
- Others.

- 113 Furthermore, NSA(s) should indicate whether the major investment concerned is mandated by SES legislation. If so, reference should be made to the relevant EU legal act. With regard to major investments mandated under the Common Project 1 (CP1) Regulation, NSA(s) should, in tab 4.2 “*SESAR CP1*”, provide further information on the ATM functionality/sub-functionality fulfilled by the specific investment.<sup>12</sup>
- 114 Similarly, for investments in new ATM systems and major overhauls of ATM systems, NSA(s) should provide information on the consistency of the investment with the European ATM Master Plan.
- 115 NSA(s) should describe the operational performance impacts expected to result from the investment. The impacts should be identified at “*network*” and/or “*local*” level.
- 116 In addition to the expected benefits for the users and the results of the user’s consultation process on all major investments, NSA(s) are advised to detail the level at which performance impacts are expected to be accrued. NSA(s) should explain, in qualitative terms, the impacts and benefits expected for the major investment within the four KPAs, on the basis of the following scale:
- Major impact;
  - Significant impact;
  - Negligible impact; or
  - Not applicable.
- 117 Finally, NSA(s) should indicate, for each new major investment, whether that investment is carried out through a joint investment/partnership at

ANSP level and, where applicable, describe the cooperative arrangements in place.

#### Mapping with the Excel template

Topic	Reference to the Excel template
Detail of new major investments	Table 2.1.4
Complementary information on investments	Annex E

#### 5.3 Other new and existing investments

- 118 Other new and existing investments should be reported by the NSA(s) in Table B (Section 2.1.1) and Table E (2.1.3) of the Excel template respectively. Differently from the major investments, other new and existing investments may be reported at aggregate level, thus presenting only the sub-totals for each category, rather than individual information for each investment.
- 119 Nevertheless, NSA(s) are invited to provide in Section 2.1.5 of the Excel template a description and justification of the costs, nature, and benefits of other new investments in fixed assets. Although the provision of individual information for the other new investments is not mandated, NSA(s) should consider the provision of these data on a voluntary basis for the purpose of improving the overall transparency of the investment plan and to facilitate the tracking of progress linked to the deployment of CP1 projects and Master Plan objectives.
- 120 Such complementary information is particularly important in the case of ANSPs which key investments for the reference period are mostly or entirely below the threshold of 5M EUR and thus are not presented as major investments.
- 121 NSA(s) are therefore advised to present the 10 most significant other new investments (in terms of costs) in Section 2.1.5 of the Excel template (similarly as the information required for new major investment described in Section 5.2 above).

<sup>12</sup> Commission Implementing Regulation (EU) 2021/116 on the establishment of the Common Project One supporting the implementation of the European Air Traffic Management Master Plan provided for in Regulation (EC) No 550/2004 of the European Parliament and of the Council.

*Mapping with the Excel template*

Topic	Reference to the Excel template
Other new and existing investments	Section 2.1.5
Complementary information on investments	Annex E

## 6. LOCAL PERFORMANCE TARGETS AND MEASURES FOR THEIR ACHIEVEMENT

- 122 This chapter provides guidance material concerning the establishment, as part of draft performance plans, of local performance targets relating to the KPAs of safety, capacity, environment, and cost-efficiency. This section also addresses the possible setting of additional targets by NSA(s) in accordance with Article 10(3) of the Implementing Regulation.
- 123 This section covers the following provisions of Annex II of the Implementing Regulation:
- Point 3.1: National performance targets or FAB performance targets in each KPA;
  - Point 3.2: Main measures put in place to achieve the performance targets;
  - Point 3.3: Additional information required to substantiate national performance targets or FAB performance targets; and
  - Point 3.4: Specific requirements concerning the breakdown of performance targets at the level of each ANSP, in respect of draft performance plans established at FAB level.
- 124 In accordance with point 3.2 of Annex II of the Implementing Regulation, the draft performance plans have to include adequate information concerning the main measures put in place at national or FAB level with a view to achieving the performance targets set in the four KPAs. In respect of the draft RP4 performance plans, NSA(s) are advised to present the measures separately for each KPI in the relevant tabs.
- 125 The measures should include (but not be limited to) operational, technological, organisational and/or financial measures. As far as possible, the estimated impact of the planned measures should be quantified in order to highlight their contribution to the achievement of the relevant targets. NSA(s) should also indicate the planned timeline for the implementation of each measure. Measures already initiated in the previous reference period, and which will continue to have a material impact on ANS performance in the reference period covered by the draft performance plan, should also be outlined. The information should include updated benefit estimates (including based on early deployments). Detailed descriptions and justifications of those measures may be annexed to the draft performance plan.
- 126 It should be noted that those measures are to be examined by the Commission in conjunction with the review of the local performance targets under point 2.1(a) of Annex IV the Implementing Regulation.
- 127 A non-exhaustive list of examples of possible measures at local level is provided, for each KPA, in the sections below. Detailed descriptions are required in the performance plan in respect of the main measures put in place (or to be put in place) at local level.
- 128 As a general principle, it should be recalled that performance targets are set in a forward-looking manner and therefore should not, in the case of a performance plan revision, be amended retroactively for calendar years which have already ended.

### 6.1 Safety KPA

#### *KPI on the Effectiveness of Safety Management*

- 129 The local level key performance indicator (KPI) on the Effectiveness of Safety Management (EoS<sub>M</sub>), referred to in point 1.1, Section 2 of Annex I of the Implementing Regulation reflects the minimum level of the EoS<sub>M</sub> to be achieved by ANSPs. This KPI measures the level of implementation of the following safety management objectives:
- Safety policy and objectives;
  - Safety risk management;
  - Safety assurance;
  - Safety promotion; and
  - Safety culture.
- 130 In tab 3.1 “*Safety targets*”, Section 3.1.1 of the Excel template, under the letter a), NSA(s) should report, for each year of the reference period and for each ANSP providing ATS, the targets for this KPI. NSA(s) should provide information on the maturity level of the five EoS<sub>M</sub> management objectives by indicating scores ranging from A to D, where A represents the lowest score and D represents the highest score, defined as below:

- Level A - Informal arrangements: Requirements have not been agreed at organisation level;
- Level B – Defined: Requirements are defined but not yet fully implemented, documented, or consistently applied;
- Level C – Managed: Requirements are fully documented and consistently applied; and
- Level D - Assured: Evidence is available to provide confidence that requirements are appropriately applied and generate positive outcome.

131 The local safety performance targets have to be consistent with the corresponding Union-wide performance targets defined in accordance with point 1.1, Section 1 of Annex I of the Implementing Regulation.

132 In accordance with point 1.1 of Annex IV of the Implementing Regulation, consistency on EoSM is deemed to be achieved where the local target values are equal to or higher than the corresponding Union-wide targets. NSA(s) are also required to provide under letter b) of Section 3.1.1 of the Excel template justifications for the local safety performance targets.

133 Finally, under letter c) NSA(s) should provide a description of the main measures put in place to achieve the safety performance targets. Further documentation related to the safety KPI should be provided at Annex O to the draft Performance Plan.

134 Even though the Union-wide performance targets in the safety KPA only cover the final year of the reference period, Member States are required to include safety targets in their draft performance plan in respect of each calendar year, in accordance with the requirement set out under point 3.1 of Annex II of the Implementing Regulation. Those intermediate draft target values are essential in order to plan and appraise the planned performance improvements over the reference period in view of achieving the Union-wide performance targets.

**Key principles for local safety performance target setting**

*Local performance targets on the EoSM KPI shall be set at the level of ANSPs (point 1.1, Section 2 of Annex I of the Implementing Regulation). Target values shall be calculated for the whole calendar year and for each year of the reference period. A target value shall be provided for each of the five EoSM management objectives for each year. Target values shall be expressed as the minimum maturity level A to D. Requirements and associated guidance to achieve a minimum maturity level are defined in “EASA RP4 S(K)PI Drafting Group – Guidance Material”.*

*Mapping with the Excel template*

Topic	Reference to the Excel template
Safety KPA	Tab 3.1
Justifications for local safety targets	Annex O

**6.2 Environment KPA**

*KPI on horizontal en route flight efficiency of the actual trajectory (KEA)*

135 The local KPI on the horizontal en route flight efficiency of the actual trajectory (KEA), referred to in point 2.1 Section 2 of Annex I of the Implementing Regulation is calculated as an average for all IFR flights within or traversing the local airspace.<sup>13</sup> This KPI is computed as the ratio between the length of the en route part of the actual trajectory and the achieved distance.<sup>14</sup> For the purpose of this KPI, distance flown outside the circle of 40 nautical miles around the origin and destination airports is excluded from the calculation. Actual trajectories are measured on the basis of collected surveillance data.

136 In Section 3.2.1 of the Excel template, under the letter a), NSA(s) should include, for each year of

<sup>13</sup> The local airspace is understood as the Area of Responsibility of the ANSP.

<sup>14</sup> Annex II Section 1 point 2.1(e) – achieved distance is a function of the position of the entry and exit points of the flight into and out of each portion of airspace for all parts of the trajectory. Achieved distance represents the contribution that those points make to the great circle distance between origin and destination of the flight.

the reference period, the local targets for the environment KPI. The en route horizontal flight efficiency reference values as provided by the Network Manager in the European Route Network Improvement Plan (ERNIP) are prefilled in the Excel template. Justifications for the local environment performance targets should be provided under letter b) of Section 3.2.1 of the Excel template, as appropriate. Under letter c), the NSA(s) are advised to describe the main measures put in place at national level to achieve the local environment performance targets. More detailed information concerning the local environment performance targets and measures for their achievement may be provided as Annex P to the draft performance plan.

- 137 The local environment performance targets have to be consistent with the corresponding Union-wide performance targets defined in accordance with point 2.1, Section 1 of Annex I of the Implementing Regulation. In accordance with point 1.2 of Annex IV of the Implementing Regulation, the consistency with Union-wide performance targets of the local environment performance targets will be assessed by the Commission by comparing the national performance targets or FAB performance targets with the en route horizontal flight efficiency reference values set out in the latest version of the European Route Network Improvement Plan (ERNIP) available at the time of adoption of the Union-wide performance targets.

#### **Key principles for local environment performance target setting**

*In accordance with point 2.1 of section 2 of Annex I of the Implementing Regulation, the target values for the KEA KPI shall be expressed as an average and in percentage terms, reflecting the difference between the actual trajectories and the achieved distances in respect of flights traversing the local airspace in the scope of the draft performance plan. When calculating this average, the ten highest daily values and the ten lowest daily values are excluded from the calculation.*

*In accordance with the legal provisions referred to in the previous paragraph, local performance targets for the KEA KPI shall be set at national or FAB level, depending on which level the performance plan has been established. In respect of FAB performance plans, a further breakdown of the targets at level of each air navigation service provider is required, pursuant to point 3.3. of Annex II of the Implementing Regulation.*

*The targets are set for a whole calendar year and for each year of the reference period, in accordance with point 2.1(g) of section 2 of Annex I of the Regulation.*

#### *Measures for the KPA of environment*

- 138 The following list provides examples of possible measures, to be implemented at local level, to achieve the performance targets in the KPA of environment in RP4:

- Implementation of cross-border Free Route Airspace (FRA) and FRA connectivity with terminal manoeuvring areas (TMAs);<sup>15</sup>
  - Further improvements in the implementation of Flexible Use of Airspace (FUA) and of civil-military airspace structures, including through enhanced cross-border cooperation;
  - Improvement of TMA structures;
  - Implementation of Continuous Climb and Descent Operations;
  - Improvements in ATS route design, including in respect of the night route network;
  - Cross-border service provision arrangements;
- or

<sup>15</sup> FRA enables airspace users to fly as closely as possible to their preferred trajectory without being constrained by fixed airspace structures or fixed route networks. This results in lower fuel burn and CO<sub>2</sub> emissions. In accordance with Commission Implementing Regulation (EU) 2021/116, initial FRA (with time and structure constraints) had to be implemented by end-2022 whilst final FRA including cross-border FRA with at least one neighbouring state and FRA connectivity with TMAs, has to be implemented by end-2025. Extending FRA beyond the national boundaries with the cross-border elements and ensuring connectivity with TMA will enable more efficient flight paths and foster fuel and CO<sub>2</sub> emissions savings.

- Any other measures contributing to ENV performance.

### Mapping with the Excel template

Topic	Reference to the Excel template
Environment KPA	Tab 3.2
Justifications for local environment targets	Annex P

### 6.3 Capacity KPA

- 139 There are two local KPIs applicable in the capacity KPA, for en route and terminal ANS respectively (in accordance with point 3.1 of Annex I of the Implementing Regulation).

#### KPI on en route ATFM delays

- 140 The local KPI on the average minutes of en route air traffic flow management (ATFM) delay per flight attributable to ANS, as referred to in point 3.1(a), Section 2 of Annex I of the Implementing Regulation, expresses the difference between the estimated take-off time and the calculated take-off time allocated by the Network Manager.<sup>16</sup> This KPI covers all IFR flights traversing the local airspace and all ATFM delay causes, excluding exceptional events as defined in Article 2(9) of the Implementing Regulation. The indicator is calculated for the whole calendar year and for each year of the reference period.

#### **Key principles for local en route capacity performance target setting**

*In accordance with point 3.1(a) of Section 2 of Annex I of Implementing Regulation, local targets on the en route ATFM delay KPI shall be set at national or FAB level, depending on which level the performance plan has been established. Those targets shall be set for a whole calendar year and for each year of the reference period. In respect of FAB performance plans, a further breakdown of the targets at level of each air navigation service provide is required, pursuant to point 3.3. of Annex II of the Implementing Regulation.*

- 141 The local en route capacity performance targets have to be consistent with the corresponding Union-wide performance targets defined in accordance with point 3.1(a), Section 1 of Annex I of the Implementing Regulation. In accordance with point 1.3 of Annex IV of the Implementing Regulation, the consistency with Union-wide performance targets of the local capacity performance targets will be assessed by the Commission by comparing those targets with the reference values set out in the latest version of the Network Operations Plan (NOP) available at the time of adoption of Union-wide performance targets.

- 142 In Section 3.3.1 of the Excel template, NSA(s) should include, under letter a), the national targets for the capacity KPI, while the national reference values as provided by the Network Manager are prefilled below. National targets should be included for each year of the reference period. Justifications for the local en route capacity performance targets should be provided under letter b) of the section, as appropriate. Under letter c) NSA(s) are advised to describe the main measures put in place to achieve the local en route capacity targets. More detailed information concerning the local capacity performance targets and measures for their achievement may be provided as Annex Q to the draft performance plan.

#### KPI on terminal ATFM delays

- 143 The local KPI on the average time of arrival ATFM delay per flight attributable to terminal and airport ANS, as referred to in point 3.1(b), Section 2 of Annex I, is a measure of the ATFM delays at the destination airport. This KPI covers all IFR flights landing at the destination airport and all ATFM delay causes, excluding exceptional events as defined in Article 2(9) of the Implementing Regulation.

- 144 In line with the Excel template defined for the reporting of local targets for the en route ATFM delay KPI, NSA(s) should present the local terminal ATFM delay targets under letter a) of tab 3.3.2 of the Excel template. Those local targets are to be broken down at airport level in respect of the airports within the scope of the draft performance plan.

<sup>16</sup> Calculated take-off time means the time allocated by the Network Manager on the day of operation, as a result of tactical slot allocation, at which a flight is expected to become airborne.

145 There are no Union-wide targets on terminal services in the capacity KPA and hence no requirement for consistency with Union-wide targets. However, the local terminal capacity targets will be subject to review by the Commission in accordance with point 2.1(b) of Annex IV of the Implementing Regulation. In setting the target, NSA(s) should therefore take into account the elements examined as part the review, which include the analysis of actual performance trends during the previous reference period as well as comparison of performance with similar airports. Similar airports can be understood as airports with equivalent traffic volumes (in terms of IFR movements), similar air traffic control (ATC) operating conditions and a similar level of complexity of terminal airspace.

146 Under letter b) of Section 3.3.2 of the Excel template, the NSA(s) should provide justifications with regard to the proposed level of the local terminal capacity performance targets, including their contribution to the improvement of the European ATM network performance. Finally, the main measures put in place to achieve the local terminal capacity performance targets should be described under letter c). Further information concerning the capacity KPIs (for en route and terminal) may be presented in Annex Q to the draft Performance Plan.

147 The key principles for local target setting in respect of the terminal ATFM delay KPI are presented below.

#### *Measures for the KPA of capacity*

148 The following list provides examples of possible measures, to be implemented at local level, to achieve the performance targets in the KPA of capacity:

- Recruitment of additional air traffic controllers (ATCOs)/air traffic safety electronics personnel (ATSEPs);
- Measures foreseen to address the impact of retirement of ATCOs/ATSEP;
- Reconfiguration/re-sectorisation of airspace to deliver higher capacity;

- Implementation of new ATM systems or functionalities;
- Implementing flexible rostering system;
- Implementing dynamic management of sectors;
- Implementing of digitalisation and cross-border projects;
- Network-level measures coordinated by the Network Manager that deliver capacity benefits for the network;<sup>17</sup>
- Enhanced civil-military coordination; or
- Any other capacity enhancement measures.

#### **Key principles for local terminal capacity performance target setting**

*In accordance with point 3.1(b), Section 2 of Annex I of the Implementing Regulation, the target values shall be expressed in terms of average minutes of ATFM delay per flight and shall be set for a whole calendar year, for each year of the reference period. Those targets shall be broken down into individual values relating to each airport in the scope of the performance plan, as this is required for monitoring purposes under point 3.1(g), Section 2 of Annex I of the Implementing Regulation. In respect of FAB performance plans, a further breakdown of the targets at level of each air navigation service provide is required, pursuant to point 3.3. of Annex II of the Implementing Regulation.*

*In accordance with point 3.5 of Annex II of the Implementing Regulation, Member States also have to describe and explain how the local terminal capacity performance targets contribute to the improvement of the performance of the European ATM network.*

#### *ATCO planning and training*

149 To substantiate the measures put in place to achieve the local capacity targets, the NSA(s) concerned should provide numerical data relating to the planned number of ATCOs over the reference period covered by the performance plan.<sup>18</sup>

150 To this end, a section relating to the planning of ATCOs is included in the Excel template in tab 3.3.3 (“ATCOs planning”). The purpose of that section is to provide an overview, in respect of the services within the scope of the performance plan, of the ATCOs available in the organisation, the expected evolution of the number of ATCOs over the

<sup>17</sup> These measures should be presented even where the impact on capacity performance is negative at local level, given that these measures provide a positive contribution at network level by reducing the overall ATFM delay generated.

<sup>18</sup> This forward-looking data should be presented with a breakdown per ACC and in accordance with the data provision requirements F7, F8 and F9 set out in the “Eurocontrol Specification for Economic Information Disclosure” (Edition 3.0 of 4 December 2012), which is applicable by virtue of point 2.1(a) of Annex VI of the Regulation.



reference period, and the training activities of new ATCOs during the reference period.

- 151 The information presented in that tab should be provided only for the main air traffic service provider(s) within the scope of the performance plan, i.e. the main entity or entities providing en route ATS (thus excluding any secondary ATS provider(s) included in the scope of the plan).
- 152 Under letter a) of this tab of the Excel template, NSA(s) should report, for each year of the reference period, the planned number of ATCOs in operations (OPS) in the scope of the performance plan (i.e. excluding in particular ATCOs providing terminal services at airports outside the scope of the performance plan).
- 153 The number of ATCOs in OPS should be provided in terms of full-time equivalents (FTEs) broken down across the three following segments:
- ATCOs assigned to area control centre (ACC) positions;
  - ATCOs assigned to approach (APP) positions; or
  - ATCOs assigned to towers (TWR) positions.
- 154 “ATCOs in OPS” (i.e. ATCOs on operational duty) should be construed as ATCOs directly involved in the provision of ATS (e.g. assigned to a position) or other related activities (e.g. refresher training or supervising on-the-job trainee).
- 155 Given that ATCO-related costs constitute a significant component of the cost base of the air traffic service providers, their allocation between the different segments has to be based on a clear and solid methodology verified by the NSA. The methodology used for allocating approach ATCOs between en route and terminal services should be consistent with the overall methodology used to allocate the costs of approach services between en route and terminal, which is to be described in tab 3.4.3 (“Cost allocation ATSP/CNSP”) of the Excel template. On the basis of that methodology, NSA(s) should specify in tab 3.3.3 the number of ATCOs allocated to the en route cost base of the entity. Secondary ATS providers, which are not required to provide detailed information on ATCO planning in Section 3.3.3 of the Excel template, should describe the allocation of ATCOs and the related costs, under letter c) of Section 3.4.3 “Cost allocation ATSP/CNSP” for the concerned entity (see paragraph 192).
- 156 NSA(s) should also report the number of ATCOs on other duties for each year of the reference period. In this case, no allocation across ACC, APP and TWR positions is required. ATCO on other duties corresponds to ATCOs holding a valid license but primarily involved in other activities outside the OPS room (e.g. special projects, teaching at a training academy, providing instruction in a simulator, working in a full-time management position).
- 157 Under letter b) of this tab of the Excel template (“ATCO planning at ACC level”), NSA(s) should report the planned number of ATCOs for each en route area control centre (ACC) managed by the ATSP based on the latest information and assumptions available at the time of drawing up the draft performance plan, including by providing the estimated number of new ATCOs in OPS and of ATCOs planned to stopped working in OPS per year. ATCO numbers should be reported as FTEs and should be consistent with the information reported under letter a) above.
- 158 Finally, under letter c) of this tab of the Excel template (“ATCOs training”), NSA(s) should report, for each year of the reference period, assumptions concerning the number of ATCO trainees of the ATSP in terms of:
- The number of trainees planned to enter the training program(s) during the year;
  - The number of trainees expected to successfully complete the training program(s) during the year; and
  - Number of ATCO trainees at year end.
- 159 Both ab-initio trainees (i.e. first phase of the ATCO training process for individuals without previous qualifications), and on-the-job trainees (OJT) (i.e. practical training under the supervision of a qualified ATCO in a live traffic situation instrumental for the acquisition of a license in a specific operational unit) should be comprised in the figures to be presented. Given the intrinsic uncertainty related to number of ATCO trainees expected to successfully complete the training program, such estimates should be provided in the draft performance plan on a statistical basis, using relevant, objective and realistic assumptions and up-to-date information on the outcome of past training activities.
- 160 Additionally, NSA(s) should describe the training process, including details on the average failure

rate and the process used to allocate newly qualified ATCOs between ACC, APP and TWR positions.

#### Mapping with the Excel template

Topic	Reference to the Excel template
Capacity KPA (en route)	Tab 3.3.1
Capacity KPA (terminal)	Tab 3.3.2
ATCO planning	Tab 3.3.3
Justifications for local capacity targets	Annex Q

#### 6.4 Cost-efficiency KPA

161 In accordance with point 4.1 of Section 2 of Annex I of the Implementing Regulation, the local KPIs applicable in the cost-efficiency KPA for en route and terminal ANS (if one or more terminal charging zones are included in the scope of the draft performance plan) are calculated at charging zone level and expressed in terms of determined unit cost (DUC) for each of the en route and terminal charging zone(s). As these targets are set at the level of the charging zone, the Excel template includes as many tabs as the number of en route and terminal charging zones established and defined in Section 1.1.3 of the Excel template.

162 In accordance with Article 22(2) and 22(3) of the Implementing Regulation, determined costs shall be set prior to the start of each reference period (as part of the performance plan) in real terms and in national currency. The determined costs in real terms reflect the combination of two components:

- **Determined costs set in nominal terms and converted into real terms** using the forecast inflation index as defined in Article 2(11): this concerns the ANSP's operating costs (staff, other operating costs and exceptional items, as well as the costs for exempted VFR flights); and
- **Determined costs set in nominal terms which are not corrected for inflation.** A subset of costs are not corrected for inflation for the calculation of the total determined costs in real terms (in item 5.3 of Reporting Table 1 in

Annex VII) and of the DUC (in item 5.5 of Reporting Table 1). This concerns the ANSP's **depreciation costs** and **cost of capital** (historical cost accounting) referred to in points (c) and (d) of Article 22(4), and the costs relating to **Member States, NSAs, qualified entities and Eurocontrol**, referred to in the third subparagraph of Article 22(1).

163 Local cost efficiency performance targets for each charging zone should be presented under letter a) of tabs 3.4.1 and 3.4.2 for en route and terminal charging zones respectively. For each year of the reference period, NSA(s) should include the following information:

- Total en route costs in nominal terms, in national currency;
- Total en route costs in real terms, in national currency at 2022 prices and in EUR in 2022 prices if the national currency is not the euro;
- Total en route service units (TSUs);
- Real en route unit costs in national currency at 2022 prices and in EUR in 2022 prices if the national currency is not the euro;
- Average exchange rate applicable for 2022, if the national currency is not the euro; and
- Forecast inflation index for 2024 (2022 basis).

164 NSAs are invited to ensure consistency between the information on costs and service units presented in the Excel template and the data included in the en route and terminal reporting tables (Annexes A and B of the draft performance plan).

165 In accordance with point 3.3(c) of Annex II of the Implementing Regulation, the draft performance plan has to contain substantiated information in respect of the methodology used for estimating the baseline values for performance target setting in respect of the local cost-efficiency targets, in accordance with the principles set out in point (a) of Article 10(2) of the Implementing Regulation.

166 Under letter b), NSAs should present in the Excel template the baseline values for the determined costs and for the DUC (calculated in real terms and in national currency), both in respect of calendar year 2024 (baseline value for RP4) and in respect of calendar year 2019 (baseline value for RP3, used for the calculation of the long-term DUC trend). The baseline value in respect of calendar year 2019 is necessary specifically for the purpose of the assessment of local en route cost-efficiency

targets by the Commission in accordance with the criterion set out in point 1.4 (b) of Annex IV of the Regulation, which examines the consistency of the long-term local DUC trend (over RP3 and RP4 combined) with the corresponding Union-wide DUC trend.

- 167 Under letter c) NSAs should subsequently describe and justify any adjustments applied to the local baseline values in comparison with the 2019 actual costs and service units as well as with the forecasted costs and service units for 2024. Those adjustments may be justified, for example, for the purpose of taking into account, where applicable, a local level change between reference periods in the cost-allocation methodology between en route and terminal charging zones or changes in the scope of the entities included in the scope of the performance plan.
- 168 In the excel template, NSA(s) should (i) select the number of adjustments applicable to the baseline value for the determined costs and, for each adjustment, (ii) provide the title of the adjustment, (iii) the entity concerned, (iv) the cost item affected, and (v) the amount (in nominal terms and in national currency) of the adjustments. A brief description of the adjustment should also be provided.
- 169 NSA(s) should similarly indicate any adjustment applied to the 2024 and 2019 (en route only) DUC baseline values in respect of the number of service units for the calendar year, in particular as a result of any change between reference periods in the scope of the charging zones having an impact on the traffic figures, or the M2/M3 conversion factor for the 2019 baseline value for service units.
- 170 Further information, including for the purpose of justifying adjustments applied on baseline values, may be provided in Annex F of the draft performance plan.
- 171 Under letter d), NSA(s) should present justifications in respect of the consistency of the local en route cost-efficiency performance targets with the Union-wide performance targets or, for local terminal cost-efficiency performance targets, justifications on the level of those targets including their contribution to the performance of the European ATM network. The main measures put in place to achieve the targets should be described under letter f) (letter e) for terminal charging zones). Should additional space be needed, the

NSA(s) can complement the information in the Annex R of the draft performance plan.

- 172 The local en route cost-efficiency performance targets have to be consistent with the corresponding Union-wide targets defined in accordance with point 4.1, Section 1 of Annex I of the Implementing Regulation. In case the NSA considers a deviation from the en route Union-wide targets to be necessary and proportionate in order to allow the achievement of the performance targets in the key performance area of capacity or to implement restructuring measures within the meaning of Article 2(18) of the Implementing Regulation, the NSA should indicate such justifications in the table included under letter e) of tab 3.4.1 of the Excel template. Detailed information and justifications are subsequently to be provided in tab 3.4.9 ("*Add. Capacity measures*"), and/or tab 3.4.10 ("*Restructuring costs*"), as applicable.
- 173 There is no Union-wide target on terminal ANS cost-efficiency, and hence no requirement for consistency with Union-wide targets. However, the local terminal cost-efficiency performance targets are subject to the review specified under point 2.1(c) of Annex IV of that Implementing Regulation.
- 174 Finally, under letter g) (letter f) for terminal charging zones) of the Excel template, NSA(s) are asked to confirm that as part of the establishment of the cost base for charges, the data and information included in this section of the Excel template have been verified in accordance with Article 22(7) of the Implementing Regulation.

- 175 The key principles for local target setting in respect of the en route and terminal DUC KPIs are presented below.

**Key principles for local cost-efficiency performance target setting**

*In accordance with points 4.1(a) and 4.1(b) of Section 2 of Annex I of the Implementing Regulation respectively, the local targets on the en route DUC shall be set at en route charging zone level, while targets on terminal DUC shall be set at terminal charging zone level. Those targets shall cover all charging zones in the scope of the performance plan. The KPIs on the en route and terminal DUC reflect the ratio between the en route determined costs and the forecast traffic in the charging zone, expressed in service units, expected during each year of the reference period at local level. Those KPIs are calculated for the whole calendar year and are expressed in real terms and in national currency.*

**Measures for the KPA of cost-efficiency**

- 176 The following list provides examples of possible measures, to be implemented at local level, to support the achievement of the performance targets in the KPA of cost-efficiency:

- Structural measures related to the organisation and/or management of ANS, which lead to enhanced cost-efficiency of service provision;
- Measures to improve productivity;
- Measures related to the optimization of support services (e.g. overhead, training) including through cooperation, consolidation or outsourcing arrangements;
- Measures to maximize the value for money of investments;
- Measures to mitigate any negative cost risk related to the pension liabilities of the ANSP;
- Measures to optimize the financing costs of the ANSP; or
- Any other measures contributing to cost-efficiency of ANS.

**Cost allocation**

- 177 In accordance with Articles 12(3) and 15(2) of Regulation (EC) 550/2004 and Article 22(5) of the Implementing Regulation, the determined costs of an entity shall be allocated in a transparent way between the different services and facilities provided and broken down for the charging zones included in the scope of the performance plan. For

costs incurred in respect of several charging zones, NSA(s) should describe the methodology and the criteria used to allocate determined costs to different charging zones, across segments of activities as well as between en route and terminal services.

- 178 Pursuant to point 3.3(d) of Annex II of the Implementing Regulation, draft performance plans have to include a description and justification of criteria and methodology for cost allocation to charging zones and between en route and terminal services.

- 179 To allocate determined costs to en route and terminal services, Article 22(5) sets out the scope of services that are to be included in the cost bases for terminal charges. This includes the aerodrome control services (TWR), as well as approach services (APP) within a certain distance from the aerodrome(s) concerned, such distance being defined on the basis of operational requirements.

- 180 TWR services are provided from a tower ATS unit and their allocation to the relevant terminal charging zone is, in general, easily identifiable. Regarding APP services, the determined costs should be part of the terminal cost base to the extent that these services are serving inbound or outbound traffic of the aerodrome or aerodromes within this charging zone within the relevant distance defined on the basis of operational requirements. It is advised that the following factors are considered when appraising the allocation of APP costs:

- **Operational arrangements**, i.e. from which ATS unit the services are provided, and to what extent this unit also provides services which are not related to the terminal charging zone concerned (e.g. the APP services may be provided from the tower, from an ACC or from a joint ATS unit providing approach services in respect of several airports); and
- **Airspace structure**, i.e. the geographical scope of the terminal manoeuvring area (TMA) around the airport and the handover points between en route and approach sectors.

- 181 In accordance with the first subparagraph of Article 22(5), the joint costs incurred in respect of several charging zones are to be allocated in a proportional way between these charging zones, on the basis of a transparent methodology. For example, overhead costs would be split between several terminal charging zones on a pro rata basis

considering the traffic levels (expressed in terminal service units or in IFR movements) forecasted in each of the charging zones concerned. Other factors which can be considered comprise the following:

- ATCO hours;
- Number of sectors;
- Number of workstations;
- Time of use of the equipment;
- Number of radio channels; and
- Number of staff.

182 While in RP3 details on the methodologies used to allocate costs were provided in the additional information files related to the en route and terminal reporting tables (referred to in point 2 of Annex VII of the Implementing Regulation) without any tables enabling the detailed numerical data and related justifications to be filled out, this information has now been included for RP4 as part of the Excel template forming the main performance plan document and is to be presented based on a standard structure (tabs 3.4.3 “*Cost Allocation ATSP/CNSP*”, 3.4.4 “*Cost Allocation METSP*” and 3.4.5 “*Cost Allocation NSA*”).

183 This section of the Excel template is to be completed for each entity in the scope of the performance plan separately and includes a set of tables providing a standardised framework for the reporting cost-allocation across segments, services and charging zones. The use of a standardised template has the objective of improving transparency while facilitating the reporting of this information, which is considered key in the assessment of the draft plans. Additionally, the proposed approach aims at ensuring the same degree of detail and completeness in the information provided across all Member States and entities subject to the Implementing Regulation.

184 Notwithstanding the fact that this information has to be provided for all the entities in the scope of the plan, the reporting requirements included in the template will differ depending on the type of entity concerned, ATSP/CNSP, METSP or NSA.

185 Practically, the Excel template will include a number of tabs 3.4.3 “*Cost Allocation ATSP/CNSP*” equal to the number of ATSPs and CNSPs in the scope of the performance plan and a number of tabs 3.4.4 “*Cost Allocation METSP*” equal to the

number of METSPs in the scope of the performance plan. Tab 3.4.3 “*Cost Allocation ATSP/CNSP*” has been developed to reflect the situation in which the ATSP/CNSP also provides MET services (see description of the services provided in paragraph 188). As a result, NSA(s) should continue relying on the template provided for the ATSP/CNSP for the reporting of cost allocation information of ATSP/CNSPs also incurring costs for the provision of meteorological services.

186 In relation to the allocation of NSAs costs, one single tab (3.4.5 “*Cost Allocation NSA*”) is foreseen, encompassing all supervision and, if applicable, search and rescue costs included in the NSA cost base, contributing to the total determined costs at State level.

187 **In relation to tab 3.4.3 “*Cost allocation ATSP/CNSP*”, the Excel template requires the following information:**

188 **a) Summary of the service provided:** NSA(s) should provide a description of the services provided by the concerned entity, in line with the following list of services and facilities:

- ATS/ATM ;
- Communication ;
- Navigation ;
- Surveillance,
- Search and Rescue;
- Aeronautical Information;
- Meteorological services;
- Services to Operational Air Traffic (OAT); and
- Cross-border ATS.

189 Specifically, NSA(s) should confirm, through the drop-down menu, which of the services listed is/are provided and to include a detailed description of the specific activities performed under each service category. NSA(s) should also include a detailed description of the methodology used for allocating costs of facilities or services between different air navigation services. This should be based on the list of facilities and services listed in ICAO Regional Air Navigation Plan European Region (Doc 7754) as last amended, and should include a description of the methodology used for allocating those costs between different charging zones.<sup>19</sup>

<sup>19</sup> Information presented under point 2.1(a) of Annex VII of the Implementing Regulation (i.e. additional information to the reporting tables).

190 **b) Allocation of costs by segment:** For each year of the reference period (2025-2029), NSA(s) should report the total determined/forecasted costs of the entity broken down across the following categories:

- Determined costs for en route charging zone(s) in the scope of the performance plan. This should be consistent with the determined costs provided in the en route reporting tables for the concerned entity across all the en route charging zones.
- Determined costs for terminal charging zone(s) in the scope of the performance plan. This should be consistent with the determined costs provided in the terminal reporting tables for the concerned entity across all the terminal charging zones which are part of the performance plan. and
- Forecasted costs for terminal services at airports outside the scope of the performance plan. This should reflect the forecasted costs for the provision of services at all airports served by the reporting organisation but excluded from the scope of the performance plan (i.e. Article 1(3) of the Implementing Regulation).

191 Additionally, NSA(s) should describe the criteria used to allocate costs between terminal and en route services in accordance with Article 22(5), including with regard to joint costs partially allocated to services at airports outside the scope of the performance plan.<sup>20</sup>

192 **c) Allocation of costs related to the provision of approach services:** NSA(s) should provide, for each year of the reference period, the total determined costs for approach services broken down between costs allocated to en route and terminal charging zone(s) in the scope of the performance plan. NSA(s) should also describe the methodology used for establishing approach costs and allocating them between en route and terminal services, including the distance from the relevant airport(s) used for allocating approach costs and description of the operational requirements on the basis of which that distance has been defined. For the other ATSPs (i.e. other than the main provider as defined in paragraph 151), not separately reporting on their ATCO planning under tab 3.3.3, NSA(s) are invited to include in this section

information concerning the methodology used to allocate APP ATCOs to the en route cost base.

193 **d) Description of other services and activities outside the scope of the performance plan and their financing:** Based on the list of the services provided under a), NSA(s) should describe the nature of the activities outside the scope of the performance plan, their geographical scope, the related costs and the arrangements in place to finance them as well as the methodology used by the NSA(s) to ensure that these amounts are excluded from the cost bases charged to airspace user. For this purpose, the following three categories of services have been defined:

- Terminal ANS at airports outside the scope of the plan;
- Services to OAT;
- Other ANS services; and
- Non-ANS services.

194 **e) Changes in cost allocation methodology:** NSA(s) are asked to confirm whether there has been any change in the cost allocation criteria with respect to the previous reference period and, if this is the case, provide the description and justification of the changes and impact(s) on the determined costs and/or baseline.

195 **f) Verification by the NSA:** NSA(s) are asked to confirm that data and information included in this section has been verified in accordance with Article 22(7) of the Implementing Regulation.

196 **In relation to tab 3.4.4 “Cost allocation METSPs”, the Excel template includes the following information.**

197 **a) Summary of the service provided:** NSA(s) should provide a description of the services provided by the meteorological service provider, the geographical scope, and the different users for which the services are provided.

198 In respect of regulated entities (MET providers) involved in the operation of global space weather centres designated by ICAO, it is important to note that costs for such global space weather information services may not be included in the cost bases for air navigation charges set out in accordance with Article 15 of Regulation (EU) 550/2004, except where such costs are incurred for the provision of services to airspace users within the

<sup>20</sup> Information presented under point 2.1(c) of Annex VII of the Implementing Regulation (i.e. additional information to the reporting tables).

relevant charging zone. This is without prejudice to the possible inclusion, in cost bases for air navigation charges, of costs incurred by the MET service providers solely and exclusively related to the delivery/communication to the airspace users of the relevant space weather information received from the global space weather centres, in accordance with Point MET.OR.240 of Annex V (Part-MET) of Commission Implementing Regulation (EU) 2017/373. Such costs could be included as part of the meteorological service cost base, subject to clear identification.

199 **b) Allocation of costs by segment:** For each year of RP4, NSA(s) should report the total determined/forecasted costs, including both direct and other costs relating to supporting facilities and services serving meteorological requirements in general (i.e. core costs), incurred by the meteorological service provider for the provision of ANS services, broken down across the following categories:

- Determined costs for en route charging zone(s) in the scope of the performance plan. This should be consistent with the determined costs provided in the en route reporting tables for the concerned entity across all the en route charging zones.
- Determined costs for terminal charging zone(s) in the scope of the performance plan. This should be consistent with the determined costs provided in the terminal reporting tables for the concerned entity across all the terminal charging zones. and
- Forecasted costs for services at airports outside the scope of the performance plan. This should reflect the forecasted costs for the provision of meteorological services at airports excluded from the scope of the performance plan (i.e. Article 1(3) of the Implementing Regulation).

200 **c) Breakdown of determined meteorological costs between direct and core costs and allocation between en route and terminal services:** NSA(s) should describe the meteorological costs and the methodology used for allocating these costs between direct costs and the costs of supporting meteorological facilities and services that also serve

meteorological requirements in general (“*MET core costs*”).<sup>21</sup>

201 **d) Meteorological direct costs and allocation across charging zone(s):** NSA(s) should report the direct costs incurred by the concerned MET entity for the provision of services across charging zones. These costs should be reported for each year of the reference period and for each charging zone separately. Additionally, NSA(s) should provide a description of the items included in the meteorological direct costs and methodology used to allocate these costs in the scope of the performance plan, as well as across charging zone(s).

202 **e) Meteorological core costs and allocation across charging zone(s):** NSA(s) should report the core costs incurred by the concerned MET entity for the provision of services across charging zones. These costs should be reported for each year of the reference period and for each charging zone separately. Additionally, NSA(s) should provide a description of the items included in the meteorological core costs and methodology used to allocate these costs to civil aviation, including the proportion of meteorological core costs included in the scope of the plan as compared to total meteorological costs incurred by the entity, as well as across charging zones.

The sum of the yearly amounts reported under d) and e) for direct and core costs should match, for each charging zone, the amounts presented in the en route and terminal reporting tables.<sup>22</sup>

203 **f) Changes in cost allocation methodology:** NSA(s) are asked to confirm whether there has been any change in the cost allocation criteria with respect to the previous reference period and, if this is the case, provide the description and justification of the changes and impact(s) on the determined costs and/or baseline.

204 **g) Verification by the NSA:** NSA(s) are asked to confirm that the data and information included in this section has been verified in accordance with Art. 22(7) of the Regulation.

205 **In relation to tab 3.4.5 “Cost allocation NSAs”, the Excel template includes one unique tab foreseen for the reporting of all NSAs costs, regardless of**

<sup>21</sup> Information presented under point 2.1(d) of Annex VII of the Implementing Regulation (i.e. additional information to the reporting tables).

<sup>22</sup> Information presented under point 2.1(e) of Annex VII of the Implementing Regulation (i.e. additional information to the reporting tables).

**the number of NSA entities covered by the performance plan.**

- 206 Under letter **a) Supervision costs**, NSA(s) should provide:
- A description of the supervision activities performed by the NSA(s), the underlying assumptions used to estimate the related determined costs and the main factors explaining the variations of these costs over the reference period; and
  - A description of the methodology used to allocate NSAs supervision costs between en route and terminal services as well as across different charging zones.
- 207 Under letter **b) Search and rescue costs**, NSA(s) should provide the following information on the nature and allocation of search and rescue costs if reported as part of the NSA costs:
- A description and underlying assumptions for search and rescue costs and main factors explaining the cost variations over the reference period; and
  - A description of the methodology used to allocate search and rescue costs to civil aviation and between en route and terminal services as well as across different charging zones.
- 208 This information should be complemented by the total search and rescue costs for each year of the reference period, broken down as follows:
- Determined costs for en route charging zone(s) in the scope of the performance plan. This should reflect the determined costs provided in the en route reporting tables for the concerned entity across all the en route charging zones;
  - Determined costs for terminal charging zone(s) in the scope of the performance plan. This should reflect the determined costs provided in the terminal reporting tables for the concerned entity across all the terminal charging zones;
  - Forecasted search and rescue costs outside the scope of the performance plan; and
  - Additionally, NSA(s) should describe the methodology used to allocate search and rescue costs to civil aviation and in the scope of the performance plan, including the proportion of search and rescue costs included in the scope of the plan as compared to total search and rescue costs incurred by the entity.
- 209 Under letter **c) Changes in cost allocation methodology**, NSA(s) are asked to confirm whether there has been any change in the cost allocation criteria with respect to the previous reference period and, if this is the case, provide the description and justification of the changes and impact(s) on the determined costs and/or baseline.
- 210 Finally, under letter **d) Verification by the NSA**, NSA(s) are asked to confirm that the data and information included in this section comply with the requirements of Article 15(2) Regulation (EC) No 550/2004 and with IR 2019/317.
- Assumptions underlying the determined costs*
- 211 In accordance with Article 22(4) of the implementing Regulation, the determined costs included in the cost bases for en route and terminal charges consist of the following categories:
- Staff costs;
  - Other operating costs;
  - Depreciation costs;
  - Cost of capital; and
  - Exceptional costs.
- 212 It is required to include in the draft performance plan a description of the composition of the specific cost items (i.e. building blocks) entering into the categories defined above, in accordance with existing reporting requirements set out in point 2.1(f) to (i) of Annex VII of the implementing Regulation. Such information should encompass each item of the determined costs by nature and by service, and should also cover the main factors explaining the planned variations over the reference period.
- 213 Tab 3.4.6 “*Determined costs assumptions*” has been included in the Excel template (information previously reported under Section 1 of the additional information to the reporting tables). The inclusion of data tables in the Excel template aims at improving transparency and comparability of the information concerning the determined costs and the assumptions explaining their evolution over the period. Additionally, the use of a standardised framework should facilitate the tasks of the NSA(s) in reviewing and verifying the assumptions used by the different entities in the scope of the plan when establishing their costs bases.



- 214 The tab should be completed for all the service provider entities included in the scope of the plan separately. Differently from the section on cost allocation, this tab is the same for all entities, regardless of the type of services provided. This tab is divided in sub-sections covering each of the costs categories by nature defined in Article 22(4) of the implementing Regulation.
- 215 In Section 3.4.6.1 (“Operating costs”), NSA(s) should include, line by line, the building blocks constituting each of the three operating costs categories (i.e. staff, other operating, and exceptional costs), as reflected in the annual accounts and/or with the level of granularity which best reflects the structure of the information used to establish and verify the determined costs in performance plan. For example, the basic building blocks constituting the staff costs may reflect salaries and wages, pension costs, other staff benefits, social security payments etc. For other operating costs, these building blocks may reflect utilities costs, maintenance, costs for outsourced external services. The number of entries (lines) to be displayed should be selected from the drop-down menu at the top of each table.
- 216 For each building block included in the abovementioned tables, NSA(s) should provide a description of the composition of the item, its actual amount (value) in 2023, the amount forecasted for 2024 as well as the determined amount for each year of RP4. Each amount should be reported separately between en route and terminal charging zone(s). In case of multiple charging zones, the reported amount (value) of each building block should reflect the sum of the costs allocated across the en route and terminal charging zones in the scope of the draft performance plan. The total sum should be consistent with the total costs by nature included in the en route and terminal reporting tables.
- 217 For each cost category, NSA(s) should also include a description of the main factors explaining the planned variations of costs over the reference period.<sup>23</sup>
- 218 Specifically, for staff costs, NSA(s) should provide assumptions underlying the determined pension costs and their expected evolution over RP4. For the main ANSPs, pension assumptions are covered in detail in tab 3.4.7 (“Pensions”) and therefore NSA(s) may decide to provide all the required information in that tab only. In that case, a reference to tab 3.4.7 should be mentioned in Section 3.4.6.1 in response to the question on pension assumptions.
- 219 In relation to the other operating costs, NSA(s) should provide more granular information on the costs incurred for the provision of communication services, regardless of whether these are procured through service contracts from external providers or directly provided by the ANSP(s) in the scope of the performance plan. Specifically, communication costs should be broken down across the following categories of services:
- **Ground-ground** communication services (e.g. new pan-European network service (PENS) provider and other telecom providers);
  - **Air-ground** communication services via terrestrial link (e.g. very high frequency data link mode 2 (VDL-2) services); and
  - **Air-ground** communications services via **satellite link** (e.g. IRIS).
- 220 In addition to the definition of the relevant building blocks contributing to the determined costs, NSA(s) should separately disclose accounting provisions included in total staff, other operating and exceptional costs items. Information on such accounting provisions contributing to the total determined costs should be substantiated under letter d) of Section 3.4.6.1 of the Excel template. As for the other costs item, NSA(s) should use the table provided under letter d) to disclose, separately, all accounting provisions included in the cost base of the entity, their description as well as the amounts planned for RP4. The table provided under letter d) should also present the accounting provisions charged to airspace users prior to RP4 and which have not yet been settled, and this separately for each provision (even if no amounts are planned for RP4 in respect of these provisions).
- 221 Section 3.4.6.2 (“Investments costs”) of the Excel template encapsulates the description of the assumptions used to calculate the planned depreciation costs and cost of capital, including a

<sup>23</sup> Information presented under point 2.1(f) of Annex VII of the Implementing Regulation (i.e. additional information to the reporting tables).

description of the factors explaining their variation over the period.<sup>24</sup>

222 Specifically, for the depreciation costs, NSA(s) should report the method applied for the calculation of the depreciation costs (as presented in the Reporting Tables under point 1.3 of Table 1), and specify whether the methodology used to estimate the depreciation costs is based on historical or current cost accounting.<sup>25</sup> For the cost of capital, NSA(s) should provide, for each entity, a description of the assumptions used to compute the cost of capital, including the composition of the asset base, the return on equity, the average interest on debts, and the shares of financing of the asset base through debt and equity.

223 In Section **3.4.6.3 (“Costs for visual flight rules (VFR) exempted flights”)**, NSA(s) should describe the methodology and assumptions used to establish the costs of air navigation services provided to VFR flights, when exemptions are granted to VFR flights in accordance with Article 31(3), 31(4) and 31(5).<sup>26</sup>

224 In Section **3.4.6.4 (“NSA verification”)**, NSA(s) are asked to provide details on the findings and where applicable, corrections, resulting from the verification activities conducted by the NSA in accordance with Article 22(7) of the Implementing Regulation regarding the compliance of the determined costs of the ANSP with the requirements of Article 15(2) of Regulation 550/2004 and Article 22 of the Implementing Regulation.

#### *Information on cost of capital*

225 Pursuant to point 3.3(e) of Annex II of the Implementing Regulation, draft performance plans have to include additional information substantiating the elements and parameters related to the cost of capital of the air navigation services. This information is to be included in tab 3.4.6 of the Excel template, for each entity included in the scope of the plan (except for the NSA(s)).

226 Performance plans should include detailed information on the cost of capital, in particular on the following aspects:

- By virtue of point 3.3(e) of Annex II of the Implementing Regulation, NSA(s) should describe and justify in the performance plans the return on equity applied, the share of financing through equity, as well as the level and composition of the regulatory asset base used for the calculation of the cost of capital.
- Point 3.3(f) of Annex II of the Implementing Regulation encapsulates the requirements to outline in the draft performance plan, including the assumptions used in respect of interest rates for loans and explanation for the weighted average interest rate on debt used to calculate the cost of capital pre-tax rate. This comprises the presentation of detailed information on loans including amounts and duration, as requested in tab 3.4.8 of the Excel template.
- The cost of capital charged to airspace users by each entity included in the scope of the performance plan, including details on the assumptions and data used to compute it, namely: The total asset base and its individual components (i.e. net book value of fixed assets, adjustments to total assets and net current assets) as well as the cost of capital pre tax rate and the assumptions used to compute it (i.e. return on equity, average interest on debts and share of financing through equity. This information should be reported as part of the template defined in Annex VII of the Implementing Regulation.<sup>27</sup> And
- In accordance with Annex VII (Reporting Table 1 and point 2.1(i) in additional information section), the cost of capital has to be specified, and detailed in terms of assumptions used in respect of each charging zone and entity concerned.

<sup>24</sup> Information presented under point 2.1(g)(h)(i) of Annex VII of the Implementing Regulation (i.e. additional information to the reporting tables).

<sup>25</sup> Where current cost accounting is applied, the historical cost is subject to specific adjustments in order to reevaluate the value of the asset at its replacement cost. Therefore, equivalent historical cost accounting figures shall also be provided to allow for comparison and assessment.

<sup>26</sup> Information presented under point 2.1(b) of Annex VII of the Implementing Regulation (i.e. additional information to the reporting tables).

<sup>27</sup> En route and terminal reporting tables, Table 1, points 1.4, 3.1-3.8, and 3.11.

*Additional determined costs related to measures necessary to achieve the en route capacity targets*

- 227 Where the local cost-efficiency targets on en route DUC do not meet the assessment criteria set out in points 1.4(a) to (c) of Annex IV of the Regulation, the NSA may take the view based on objective and relevant grounds that a deviation from those criteria is justified in order to allow the achievement of the performance targets in the key performance area of capacity. In such case, the NSA should provide further information and justifications in the draft performance plan in order to substantiate the need for such deviation and the related cost components.
- 228 The possible deviations under point 1.4(d)(i) of Annex IV of the Implementing Regulation can be invoked in the circumstances where such a deviation is deemed necessary and proportionate to allow the achievement of the performance targets in the key performance area of capacity set at national level or FAB level. In this case, the deviation from the Union-wide determined unit cost trend must be exclusively due to additional determined costs related to measures necessary to achieve the performance targets in the key performance area of capacity.
- 229 The NSA concerned has to demonstrate in the draft performance plan that the deviation is due exclusively to this reason, and this observation should be supported by detailed evidence and figures. Details should be presented in Section 3.4.9 “*Additional capacity measures*” of the Excel template including:
- Overall description of the measures needed to achieve the en-route capacity targets for RP4 which induce additional costs (letter a) of 3.4.9);
  - Detailed information on the additional costs of measures necessary to achieve the capacity targets for RP4, broken down per measure, ANSP and per calendar year in respect of the charging zone concerned (letter b) of 3.4.9);
  - Detailed information on the additional costs of measures necessary to achieve the capacity targets for RP4 by nature, broken down per calendar year (letter c) of 3.4.9); and
  - Demonstration that the deviation from the Union-wide targets is exclusively due to the additional determined costs related to

measures necessary to achieve the performance targets in capacity (letter d) of 3.4.9).

- 230 More detailed documentation can be provided in annex to the draft performance plan (Annex R of the performance plans – “*Justifications for the local cost-efficiency targets*”).
- 231 The Commission will subsequently examine the information included in the performance plan and will assess whether the observed deviations of local cost-efficiency performance targets from the criteria set out in points 1.4(a), 1.4(b) and 1.4(c) of Annex IV of the Implementing Regulation are necessary and proportionate pursuant to point 1.4(d)(i) of Annex IV of the Implementing Regulation.

*Restructuring measures*

- 232 Where there is an inconsistency between the local cost-efficiency targets on en route DUC with the corresponding Union-wide targets in light of the assessment criteria set out in points 1.4(a) to (c) of Annex IV of the Implementing Regulation, and the NSA considers that such a deviation is necessary and proportionate pursuant to point 1.4(d)(ii) of Annex IV of that Regulation (additional determined costs due to restructuring measures necessary in accordance with Article 2(18) of the Implementing Regulation), it shall provide further information and justifications in the draft performance plan in accordance with point 3.3(i) of Annex II of the Implementing Regulation.
- 233 The terms restructuring and restructuring measures in the context of the Implementing Regulation in RP4 should be interpreted in light of the definition of restructuring costs set out in Article 2(18) of the Implementing Regulation.

**Article 2(18)**

For the purposes of this Regulation, the following definitions apply:

(...)

(18) ‘restructuring costs’ means significant one-time costs incurred by air navigation service providers in the process of restructuring for **introducing new technologies, procedures or business models to stimulate integrated service provision, compensating employees, closing air traffic control centres, shifting activities to new locations, writing off assets or acquiring strategic participations in other air navigation service providers;**

(...)

- 234 As specified in Article 2(18), restructuring refers to **measures implemented by one or several ANSPs**, which lead to **significant one-off costs** incurred by these providers. The underlying objective of such restructuring is to improve performance over time by enabling defragmentation of the industry and promoting synergies in service provision.
- 235 The categories of measures which are eligible under restructuring costs are defined in Article 2(18), as highlighted in the box above. Those measures may be of an operational, technological, organisational, or financial nature. They should lead to permanent structural changes in respect of the service provision. The phrase one-time in Article 2(18) should be interpreted in a way that restructuring costs are so-called initial costs and are typically incurred at a specific point in time. However, depending on the case, they can be incurred over one or several years. Ongoing costs of operations do not classify as one-time costs. Also, one-time costs should not mean that if in the future another genuine restructuring project appears, the restructuring costs cannot be filed again. The phrase “*significant*” follows an examination of the following ratios:
- Restructuring costs as a percentage of total costs compared to a base scenario (without the restructuring costs) during the applicable time period;
  - The size of the restructuring costs per service unit during the applicable time period; and
  - The absolute amount of restructuring costs.
- 236 In assessing the consistency of the local en route cost-efficiency targets with the Union-wide targets, the Commission considers restructuring
- measures under the assessment criterion stipulated in point 1.4(d)(ii) of Annex IV of Implementing Regulation. By virtue of this criterion, restructuring costs may justify a deviation from Union-wide targets where it has been found that the deviation is exclusively due to those restructuring costs and it has been demonstrated in the draft performance plan that the restructuring measures will deliver a net financial benefit to airspace users at the latest in the next reference period.
- 237 Restructuring costs may be included regardless of whether they are necessary to justify a deviation from the Union-wide DUC trends (RP4 trend and long-term trend). Restructuring costs are always embedded in the different cost categories used for breaking down determined costs in accordance with Article 22(4) of the Implementing Regulation, i.e. staff costs, other operating costs, depreciation costs, cost of capital and exceptional costs.
- 238 NSA(s) should provide sufficiently detailed information for the purpose of appraising whether the presented restructuring measures qualify under the definition set out in Article 2(18). NSA(s) should provide the following elements as part of Section 3.4.10 “*Restructuring costs*” of the Excel template:
- A description of each restructuring measure or, where applicable, of a package of restructuring measures planned for RP4. This should include the detail of restructuring costs by measure, per each ANSP involved and per calendar year. Where the restructuring measure is linked to one or several new major investments, these should be clearly specified with reference to the major investments presented in the “*Investments*” section of the RP4 performance plan template.
  - Overall description of how the restructuring measures make use of shared services, ATM data services and/or how the measures contribute to infrastructure rationalisation.
  - Detailed information on the restructuring costs by charging zone.
  - A justification of the restructuring measures and costs, in particular as regards the net financial benefit to airspace users in the next reference period referred to in point 1.4(d)(ii) of Annex IV.

- Information of the impact of the restructuring measures on the key performance areas of safety, environment and capacity. and
- Complementary information on restructuring measures and costs, through relevant complementary materials to be annexed to the draft performance plan.

239 Also in this case, Annex R should be used to complement the information included in the draft performance plan with more detailed documentation.

240 As per the additional determined costs related to measures necessary to achieve the en route capacity targets, also in this case the Commission will examine the information included in the performance plan and will assess whether the observed deviations of local cost-efficiency performance targets from the criteria set out in points 1.4(a), 1.4(b) and 1.4(c) of Annex IV of the Implementing Regulation are necessary and proportionate pursuant to point 1.4(d)(ii) of Annex IV of the Implementing Regulation.

#### Information on pensions

241 Pursuant to the first indent of point 3.3(f) of Annex II of the Implementing Regulation, draft performance plans have to include additional information substantiating the assumptions underlying the calculation of pension costs comprised in the determined costs (relating to early retirement schemes and retirement schemes). NSA(s) are accordingly required to identify in the draft performance plan the determined costs of pensions for each calendar year of the reference period. Those determined costs should be broken down by activity, i.e. for en route services, terminal services (if applicable), and other activities (if applicable). The NSA(s) should outline the methodology used to calculate the pension costs for the reference period concerned.

242 In presenting the assumptions underlying the pension costs as part of the updated Excel template, NSA(s) should distinguish between the different pension schemes in place at local level, i.e. the State pension scheme(s), “defined contribution” pension scheme(s) and/or “defined benefits” pension scheme(s). The number of employees covered by each pension scheme should be expressly identified and broken down per staff category as appropriate. Where the employer contribution

rates in any given scheme are not uniform for the various staff categories, the data and assumptions should be detailed separately for each staff category.

243 In relation to the assumptions for the occupational defined benefits pension scheme(s) detailed in Section 3.4.7.4, NSA(s) should specify the number of applicable defined benefits scheme(s) (e.g. in the case in which multiple defined benefits scheme(s) are in place to reflect different staff categories and/or status). For each defined benefits scheme, the NSA(s) should separately include the following information:

- Name and description of the scheme;
- Confirmation on whether the ANSP assumes liability for meeting future obligations for the scheme;
- Total pensionable payroll to which the scheme applies;
- Total pension costs in respect of this scheme. Pension costs should include both current and past service costs (i.e. pension rights acquired during the year or changes in already acquired rights following a remeasurement), as well as net interest on the defined benefits liabilities and assets;
- The evolution of the net funding surplus/deficit over the year, computed on the basis of the benefits paid and the employer’s contributions to the fund, if any; and
- The actuarial assumptions used to determine contributions to the scheme, i.e. the discount rate, the projected increase in benefits, the annual increase in salaries, the expected return on plan assets as well as the number of employees the employer contributes for in this scheme.

244 NSA(s) should consider the cost risk related to the applicable pension schemes and describe actions to minimize this risk and mitigate the impact of any unforeseen costs that could potentially arise during the reference period.

245 For practical reasons, tab 3.4.7 of the Excel template only includes detailed information on the

pension costs of the main ANSP or ANSPs.<sup>28</sup> The assumptions underlying the calculations of the pension costs comprised in the RP4 determined costs of the main ANSP(s) should be described and explained, together with their legal basis and the measures taken to manage the costs risks associated with pension costs. Information should be provided for each pension scheme applicable during RP4 for the ANSP staff in items 3.4.7.2 to 3.4.7.4. The breakdown of the total ANSP costs between en route, terminal and other activities should be provided in item 3.4.7.1.

246 The assumptions for the determined pension costs of other entities covered by the performance plan are also expected to be provided under letter a) of Section 3.4.6.1, covering the related additional information on pension costs to be provided together with the reporting tables for each charging zone in the scope of the draft performance plan.<sup>29</sup>

#### *Information on interest on loans*

247 Pursuant to the second indent of point 3.3(f) of Annex II of the Implementing Regulation, draft performance plans have to include additional information on the interest rate assumptions for loans financing the provision of air navigation services.

248 Accordingly, NSA(s) are advised to specify in the draft performance plan the loans which finance the costs arising from the provision of air navigation services. Only the loans which have a material impact on the ANSP's financial position should be identified. For each loan having a material impact, the NSA(s) should provide the following details as part of tab 3.4.8 of the Excel template:

- Face value (original amount) of the loan as stated in the loan contract;
- Date of subscription of the loan;
- Maturity date of the loan;
- Type of loan (bank loan, bond, shareholder loan, other); and
- Type of interest rate applicable to the loan (fixed/variable rate).

249 The following financial data should be broken down for each loan and for each calendar year of the reference period:

- Remaining balance at the end of the financial year;
- Interest rate payable (expressed as %); and
- Interest amount: Planned cost of interest payments for the calendar year concerned.

<sup>28</sup> The main ANSP(s) is (are) responsible, in particular, for the provision of ATS and representing the highest share of the total en route and terminal cost bases.

<sup>29</sup> Pension assumptions of other entities are to be presented in accordance with point 2.1(f) of Annex VII of Implementing Regulation 2019/317, as part of the additional information annexed to reporting tables.

*Mapping with the Excel template*

<b>Topic</b>	<b>Reference to the Excel template</b>
Cost-efficiency performance targets	Table 3.4.1 (a) – en route Table 3.4.2 (a) – terminal
Baseline values for the determined costs and the determined unit costs	Table 3.4.1 (b) – en route Table 3.4.2 (b) – terminal
Detailed justifications for the adjustments to the baseline values	Table 3.4.1 (c) – en route Table 3.4.2 (c) – terminal
Justification for deviations under point 1.4 (d) of Annex IV	Table 3.4.1 (e) – en route
Main measures put in place to achieve the targets for determined unit cost (DUC) for en route and terminal ANS	Table 3.4.1 (f) – en route Table 3.4.2 (e) – terminal
Findings of the verification by the NSA (under Art. 22(7) of IR 2019/317) of the compliance of the cost base for charges with the requirements of Article 15(2) of Reg. 550/2004 and Article 22 of IR 2019/317, and where applicable identification of corrections applied to the cost base as a result of this verification	Table 3.4.6.4 Table 3.4.1 (g) – en route Table 3.4.2 (f) – terminal Table 3.4.3 (e) Table 3.4.3 (f)
Cost allocation	Tab 3.4.3 – ATSPs/CNSPs Tab 3.4.4 – METSPs Tab 3.4.5 – NSAs
Determined costs assumptions	Section 3.4.6
Pension assumptions	Tab 3.4.7
Interest rate assumptions for loans financing the provision of air navigation services	Tab 3.4.8
Additional determined costs related to measures necessary to achieve the en route capacity targets	Tab 3.4.9
Restructuring costs	Tab 3.4.10
Reporting tables and additional information	Annex A – en route
Reporting tables and additional information	Annex B – terminal
Complementary information on baseline values	Annex F
Complementary information on cost allocation	Annex M
Justifications for local cost-efficiency targets	Annex R

## 6.5 Additional local KPI(s) and targets

250 NSA(s) may wish to set additional local key performance indicators (KPIs) and associated targets in accordance with Articles 8(4) and 10(3) of the Implementing Regulation. Additional local KPIs may be set in addition to the KPIs set out in Section 2 of Annex I of that Implementing Regulation.

### **Article 8(4)**

*Member States may establish key performance indicators and indicators for monitoring in addition to those referred to in paragraph 2 as regards, in particular, civil-military or meteorological aspects.*

### **Article 10(3)**

*The performance plans may contain additional performance targets set on the basis of the key performance indicators referred to in Article 8(4). Those targets shall support the achievement of the performance targets referred to in Article 9(3) and in point (a) of paragraph 2 of this Article.*

251 For the targets relating to such KPIs, a description and explanation should be made as to how these targets support the achievement of the Union-wide and local performance targets as defined in Article 9(3) and point (a) of Article 10(2). These targets may relate in particular to the area of civil-military cooperation and meteorological service provision.

252 Together with the targets for each additional local KPI for every year of the reference period, the NSA(S) should provide the following information as part of tab 3.5 of the Excel template for draft RP4 performance plans:

- Identification of the key performance area concerned and of the level at which the additional KPIs are applied (e.g. charging zone, ANSP or national level);
- Description and rationale: Definition of the additional KPI and of the related KPA, explanation on why the additional KPI has been introduced and what is its role in supporting the achievement of the targets in the four KPAs as defined in Sections 6.1 to 6.4 of this document (e.g. if the additional KPI provides a mechanism by which the ANSP is incentivised to deliver optimal flight paths, to reduce aircraft fuel burn);
- Formula, metric and parameters: Explanation on the principles for the calculation (or formula) of the additional KPI; and
- Data sources: Description of the relevant data sources that have been used to feed the formula for calculating the additional KPI.

### Mapping with the Excel template

Topic	Reference to the Excel template
Additional KPI(s) / Targets	Tab 3.5
Complementary information on additional local KPI(s) and targets	Annex J



## 7. INTERDEPENDENCIES AND TRADE-OFFS BETWEEN KPAs

253 Given the strong links observed between the KPAs and the resulting trade-offs in terms of performance, these interdependencies should be duly identified and taken into account in setting the local performance targets in accordance with recital (17) and point 3.6 of Annex II of the Regulation.

### **Annex II - Template for performance plans**

*Point 3.6 Description and explanation of the interdependencies and trade-offs between the key performance areas, including the assumptions used to assess those trade-offs.*

254 As pointed out in recital (17) of the Regulation, the assessment of interdependencies should be done “having regard to the overriding safety objectives.” This entails that the level of ANS safety required under the EU legislation should not be subject to trade-offs that diminish the level of safety. This does not preclude that interdependencies may arise between safety and the three other KPAs, but such interdependencies must be effectively managed so as not to compromise the required level of safety regardless of the performance pressures within the Capacity, Environment and Cost-efficiency KPAs.

255 Interdependencies between all the KPAs should be evaluated in the draft performance plan in accordance with the provisions of point 3.6 of Annex II of The Regulation. A consideration of interdependencies at local level should aim to set the appropriate balance between local performance targets in the various KPAs, identifying the impact of interdependencies on the performance in each KPA over the reference period concerned, and foreseeing possible mitigation measures for dealing with any potential negative impacts on safety. The interdependencies between the KPAs and the related trade-offs should be discussed with ANSPs and AUs as part of the local consultation process on draft performance plans.

256 For FAB-level plans, it is also advised that individual ANSP contributions in respect of the trade-offs between the KPAs are assessed collectively to ensure consistency and to guard against any negative impact when combined.

### *Information required*

257 NSAs should provide, in the performance plan, specific information as regards the interdependencies and trade-off between the **safety KPA and the other KPAs**. Changes in the operating environment (new entries, crises, cyber threats, effects from changes in adjacent airspace, changes in aerodromes etc) should also be considered when examining these trade-offs. In this respect, NSAs should in particular:

- Identify the safety implications (negative or positive) related to the implementation of local targets and the associated measures (there should be consistency within the draft performance plan);
- With regard to the over-riding safety objectives, describe the pressures the organisation experience in meeting the environment, capacity, and cost-efficiency KPAs;
- Describe how you ensure that these pressures do not negatively impact safety within the organisation. Describe the mitigation measures that have been introduced to demonstrate that safety performance will be sustained and what monitoring has been envisaged to measure the effectiveness of those mitigations;
- Present the main assumptions used to assess the interdependencies between safety and the other KPAs;
- Describe the analysis methodology and the data that has been used to assess the interdependencies between safety and other KPAs;
- Describe in detail planned mitigations, especially those designed to address specific measures; include the required resources for such mitigations are reflected in the performance plan;
- Describe the relevant metrics, other than those indicators described in the Regulation, used to ensure that targets in the KPAs of capacity, environment and cost-efficiency are not degrading safety and how they will be used;
- Having regard to the targets, the organisation should have a philosophy/ strategy that allows for competing priorities/ trade-offs in operational decision making to manage resource

shortfalls in order to preserve safety performance; and

- Explain how they / the Member State(s) have appraised the level of ANSP's financial and personnel resources that is needed to support safe ATC service provision.

258 It is suggested that the NSA and the organisations examine existing 5-year, annual and short-term business planning/ financial documents as source material. In some cases, appropriate established and documented processes may also be referenced. The chief verification points should however be found in the business plans as this area is concerned with how the organisation apportions scarce resources, while meeting obligations.

259 Additionally, NSAs should detail the interdependencies and trade-offs on the one hand **between capacity and environment**, and on the other hand between **cost-efficiency and capacity**. The specific information to be provided may include (but not be limited to) the following elements:

- Overview of the effects of initiatives to provide more direct and efficient flights (e.g. Free Route Airspace) on capacity provision;
- Overview of how new and existing investments are expected to contribute to improvements in the KPAs of environment and capacity;
- Overview of the relationship between capacity (reduction of delays and/or accommodation of traffic increases) and cost-efficiency, and relationship of costs with operational considerations (including hiring of new ATCOs); and
- Overview of the measures foreseen to mitigate any negative trade-offs between KPAs.

#### Mapping with the Excel template

Topic	Reference to the Excel template
Interdependencies and trade-offs between safety and other KPAs	Table 3.6.1
Interdependencies and trade-offs between capacity and environment	Table 3.6.2
Interdependencies and trade-offs between cost-efficiency and capacity	Table 3.6.3
Other interdependencies and trade-offs	Table 3.6.4
Complementary information on interdependencies	Annex S

## 8. CROSS-BORDER INITIATIVES, SESAR IMPLEMENTATION AND CHANGE MANAGEMENT ACTIONS

260 This section addresses the aspects related to the implementation of cross-border initiatives and SESAR common projects and change management actions.

### 8.1 Cross-border initiatives and synergies at ANSP level

261 As set out in Article 10(2)(h) of the Implementing Regulation, national/FAB performance plans have to include a description of the initiatives to support the provision of cross-border services beneficial to performance.

#### *Cross-border areas where the ANSP provides ANS outside of the State's charging zone(s) in the scope of the performance plan*

262 Tab 4.1.1. of the Excel template covers the operational and financial arrangements in place with regard to cross-border areas where the ANSP provides ANS outside of the State's charging zone(s) in the scope of the performance plan.

263 As explained in Section 3.1 of this document, the cross-border areas to be reported in the performance plan are those which size is at least 500 km<sup>2</sup> and which traffic volume is at least 7,500 IFR movements per year. Cross-border areas which are below those thresholds are presumed not to have a significant financial impact on the costs and revenue of the ANSP providing the services, and therefore do not need to be reported.

264 The costs incurred for air navigation services provided in cross-border areas have to be properly allocated to the airspace users generating those costs, in accordance with the user pays principle. To this end, Member States should define appropriate cost and revenue allocation arrangements (compliant with the legal requirements) between them, based on the circumstances of each specific case.

265 In respect of cross-border areas exceeding both of the abovementioned materiality thresholds, detailed numerical and qualitative evidence is required in the draft performance plan in the event that the Member State considers that such a cross-border area has an insignificant financial impact on the ANSP.

266 When services are provided based on reciprocal arrangements on both sides of a border, it may be possible to conclude that the overall financial impact is neutral. In such a situation, the Member State which ANSP is providing services in the charging zone of another State has to provide numerical and qualitative evidence in its draft performance plan demonstrating that reciprocal service provision arrangements exist and that those arrangements lead to a financially neutral situation, having regard to the volume and complexity of the traffic managed in the cross-border areas concerned.

267 The following information is to be provided in respect of each cross-border area listed in tab 1.1 of the Excel template:

- Name of the cross-border area and charging zone(s) affected, as prefilled based on the information presented in Section 1.1.1;
- Geographical scope of the cross-border area(s) (i.e. coordinates indicating the precise boundaries of the area(s));
- Rationale for establishing the cross-border area(s), including performance benefits;
- Size of the cross-border area(s) (km<sup>2</sup>) and yearly estimated traffic in terms of both IFR flights and service units;
- Indication of the service provided by the ANSP in the cross-border area, including a description of these services;
- Annual cost incurred by the ANSP, for each year of the reference period, for the provision of services in the cross border area;
- Methodology used to estimate/establish these costs;
- Information by the NSA(S) about the inclusion/exclusion of these costs from the determined costs in the scope of the performance plan;
- Description of the financial arrangements in place to cover these costs; and
- Any additional comments considered helpful for describing the arrangement.

### Planned or implemented cross-border initiatives at the level of ANSPs

268 In Section 4.1.2, NSA(s) are also required to outline the planned, or already implemented, cross-border initiatives at ANSP-level that aim at enhancing ANS performance. NSA(s) are advised to quantify, where possible, the expected performance gains enabled by such initiatives in the four KPAs (e.g. based on conducted cost-benefit analyses) – qualitative justification is also advised. Where no relevant cross-border cooperation initiatives have been identified, NSA(s) should state this explicitly in the relevant section of the performance plan.

#### **Annex II – Template for performance plans**

*Point 4.1 Description of the cross-border cooperation initiatives implemented, or planned to be implemented, at the level of air navigation service providers to improve the provision of air navigation services. Identification of the performance gains enabled by those initiatives in the various key performance areas.*

### Investment synergies achieved at FAB level or through other cross-border initiatives

269 NSA(s) should describe, in accordance with point 2.2(c) of Annex II of the Regulation, how the presented cross-border cooperation initiatives, including at FAB-level of through industrial partnerships, have delivered synergies in terms of realized or planned investments. In Section 4.1.3 Reference should be made to common infrastructure and common procurement initiatives, where applicable.

#### **Annex II – Template for performance plans**

*Point 2.2 The information referred to in point 2.1 shall include in particular: (...)  
(c) detail of synergies achieved at the level of functional airspace blocks or, through other cross-border cooperation initiatives as appropriate, in particular in terms of common infrastructure and common procurement.*

270 Point 2.1(g) of Annex IV of the Implementing Regulation foresees that the Commission may review to what extent draft performance plans demonstrate performance benefits and synergies enabled by cross-border collaboration.

### Mapping with the Excel template

Topic	Reference the Excel template
Detail of new major investments for RP4 <sup>30</sup>	Table 2.1.4
Cross-border areas where the ANSP provides ANS outside the State's charging zone(s) in the scope of the performance plan	Table 4.1.1
Planned or implemented cross-border initiatives at the level of ANSPs	Table 4.1.2
Investment synergies achieved at FAB level or through other cross-border initiatives	Table 4.1.3
Complementary information on cross-border initiatives	Annex N

## 8.2 SESAR implementation and change management

### Consistency of investments with ATM Master Plan

271 In accordance with Article 22(1) of the Implementing Regulation, the determined costs for the purposes of investing in new ATM systems and major overhauls of existing ATM systems shall only be included in the cost base if they are consistent with the implementation of the European ATM Master Plan. Apart from the mandatory deployment of SESAR CP1 functionalities, there are also other investments to be made by ANSPs for the purpose of progressing towards the objectives set out in the ATM Master Plan. The RP4 performance plan is the vehicle for such investments to materialise during that reference period.

272 A new ATM Master Plan, including new voluntary Strategic Deployment Objectives (SDOs) going beyond the mandatory CP1 functionalities, is due to be formally adopted in December 2024 and will

<sup>30</sup> Synergies should be described in relation to the new major investments listed under Section 2 of the performance plan template.

therefore constitute a reference for RP4. Those SDOs will be presented in detail to the ATM community in the course of the spring and summer of 2024 as part of the stakeholder consultations on the new ATM Master Plan.

- 273 The SDOs to be set out in the 2024 Edition of the ATM Master Plan are prioritised actions to deploy operational and/or technological improvements resulting from validated SESAR solutions (Technology readiness level (TRL) 6). The purpose of these SDOs is to support the critical path to reach the ATM vision and associated performance ambitions outlined in the ATM Master Plan (i.e. capacity, safety, environmental sustainability, and cost efficiency).
- 274 NSAs are, *inter alia*, expected to present the consistency of investments into new ATM systems and major overhauls of existing ATM system with the European ATM Master Plan, through a dedicated reporting to be submitted together with the draft performance plan as Annex V template (made available in Excel format). The consistency should be confirmed by specifying to which SDOs these investments are linked, together with the reference to the deployment roadmaps defined in the European ATM Master Plan as well as with the actions and supporting SESAR solutions covered by the investment as appropriate.
- 275 If an air navigation service provider wants to invest in an available SESAR solution at TRL6, which is not prioritized within the SDOs in the European ATM Master Plan, the relevant NSA is invited to indicate the relevant Master Plan reference (name of the SESAR solution) in Annex V of the RP4 draft performance plan.
- 276 To facilitate a smooth transition between the current (2020) and new (2024) version of the European ATM Master Plan, a mapping between the current Essential Operational Changes (EOCs) and future EOCs (renamed as SDOs) will be provided as part of the new European ATM Master Plan.

#### *SESAR common projects*

- 277 Article 5(7) of Commission Implementing (EU) 2021/116 provides that Member States shall include investments related to the implementation of common projects in the performance plans, whilst point 4.2 of Annex II to the Implementing Regulation (i.e. IR 2019/317) requires Member States to include, in the performance plan, a

*“description of recent and expected progress in the deployment of SESAR common projects referred to in Article 15a of Regulation (EC) No 550/2004”.*

- 278 To provide transparency on the progress linked with the deployment of investments consistent with the ATM Master Plan and to ensure that the investments included in the performance plans are consistent with the objectives set at European level, the Excel template used in RP3 has been reviewed to enhance the level of information related to the implementation of CP1 projects.
- 279 Accordingly, in tab 4.2 “*SESAR CP1*” of the Excel template, NSA(s) should report progress in relation to the implementation of the six airspace functionalities (AF) set out under Article 3(1) of Commission Implementing Regulation (EU) No 2021/116 (Common Project One). For each sub-AF presented in Tab 4.1 the following information should be presented:
- Target implementation date. This information is pre-filled based on the target date defined in the CP1 regulation for each sub-AF;
  - Date of actual or expected deployment of the sub-AF. NSA(s) should report any information concerning the status of the deployment of the sub-AF, being this already deployed, in line with the target date or delayed beyond the target date;
  - Description of realised and/or planned investment(s) related to the deployment of sub-AF. In this column NSA(s) should provide additional qualitative information on the investments linked with the deployment of the sub-AF;
  - References to investments categories presented in tab 2.1 of the draft performance plan and referred in Section 5 of this document. In order to ensure traceability between investments included in tab 2.1 and the deployment of CP1 AF, NSA(s) should use the column to report the reference number of the major investments presented in Tables A, C or D and linked to the deployment of the specific sub-AF (e.g. project A1, i.e. investment number 1 of Table A). Reference to Table B or E should be included in case the specific sub-AF is linked to one of the other investments below the 5M EUR not reported separately (or reference to Section 2.1.5 if applicable). In case multiple major investments linked to the

deployment of the same sub-AF, NSA(s) should include reference to all major investments (e.g. A1, C3, D5); and

- Total RP4 determined costs for common project related to the sub-functionalities, including investment costs as well operating costs linked to their implementation (in local currency and in nominal terms). NSA(s) should include, for each year of the reference period, the determined cost of all the investments contributing to the deployment of the sub-AF.<sup>31</sup> In this respect, it should be noted that, in the case in which only a sub-part of a broader investment is directly related to the deployment of the sub-AF, only the costs related to this sub-part, and not the whole cost of the investment as reported in Section 2 “Investments”, should be reported. Similarly, in the case in which multiple investments are linked to the same sub-AF, the sum of their costs should be reported under this section.

280 The total determined costs linked to the implementation of common projects (as summed up across all the sub-AF) should match the total determined costs for common projects included in item 3.9 of Table 1 of the en route and terminal reporting tables.

### *Change management practices*

281 In accordance with Article 10(2)(i)(ii) of the Implementing Regulation, NSA(s) should detail the change management practices and transition plans for the entry into service of major airspace changes or for ATM system improvements during the reference period concerned. In this context, change management should be understood as referring to measures taken to manage the organisational, operational, and technological changes associated with the planned technological improvements, and accounting for the apportionment of resources required to realise the changes while minimising any negative impact on the network performance.

282 Appropriate change management practices shall be defined at the local level and approved by the NSA, on a case-by-case basis, to manage the impact of organisational, operational, and technological changes associated with the planned improvements. Examples of such practices (provided

here on an indicative basis, without prejudice to actions to be set up at local level) could include:

- Defining a clear change management programme for the ANSP(s) and other stakeholders affected by the change – noting that changes should be managed using the principles laid down in the Implementing Regulation and that they may result in changes to the functional system;
- Distinguish change management in accordance with the Implementing Regulation from that which is at the planning level and hence concerning transition/investment/modernisations;
- Assessing the changes and impacts to functional systems and considering any formal evaluation and risk assessment is required by the Implementing Regulation;
- Ensuring that a safety (support) assessment is carried out for the equipment, procedural and human elements being changed, and the interfaces and interactions being changed;
- Ensuring where multi-actor changes are implemented, sufficient coordination is performed with all stakeholders affected by a change;
- Ensuring that training support is provided for all affected parties, to prepare the workforce for handling new types of tools and working methods; and
- Ensuring that the change process is being continuously measured and monitored.

283 It is advised that NSA(s) refer to the relevant change management provisions the Commission Implementing Regulation.

<sup>31</sup> Information presented under point 2.1(j) of Annex VII of the Implementing Regulation (i.e. additional information to the reporting tables).

*Mapping with the Excel template*

<b>Topic</b>	<b>Reference to the Excel template</b>
Deployment of SESAR Common Projects	Tab 4.2
Change management	Tab 4.3
Consistency of investments with ATM Master Plan	Annex V to the draft performance plan (separate reporting template in Excel format)

## 9. TRAFFIC RISK SHARING PARAMETERS

284 The traffic risk sharing mechanism is set out in Article 27 of the Implementing Regulation, in accordance with the general principles specified in Article 11(1) and (2) of that Implementing Regulation. This mechanism determines how surpluses and losses, due to deviations from the traffic forecast (expressed in service units) established in the performance plan, are shared between the ANSP(s) concerned and AUs during the reference period.

### **Annex II – Template for performance plans**

*Point 5.1 In respect of each charging zone concerned, description of the defined values of the traffic risk sharing parameters applicable in accordance with Article 27:*

*a) identification of the applicable range referred to in Article 27(2) and of the traffic risk sharing keys referred to in Article 27(3);*

*b) in the event that the national supervisory authority adapts the values of the parameters of the traffic risk sharing mechanism referred to in point (a) in accordance with Article 27(5):*

*i) justification of the defined values of the traffic risk sharing parameters;*

*ii) description of the consultation process of airspace users and air navigation service providers on the setting of the values of the traffic risk sharing parameters and of the outcome of the consultation.*

285 Article 27 enables some flexibility for NSA(s) in respect of the traffic risk sharing arrangements applicable at local level over the reference period. NSA(s) may either decide to apply the default traffic risk sharing mechanism as defined in Article 27(2), (3) and (4), or they may decide to adapt the values of the traffic risk sharing parameters laid out in Article 27(2) and 27(3), subject to the conditions set out in Article 27(5).

286 In accordance with point 5.1 of Annex II of the Implementing Regulation, NSA(s) need to specify in their performance plans the values of the traffic risk sharing parameters that they have chosen to apply in respect of each charging zone in the scope of the draft performance plan.

287 The values of the traffic risk sharing parameters defined in Article 27(4) are not adaptable by NSA(s) and thus apply regardless of whether the NSA(s) concerned has decided to adapt the values referred to in Article 27(2) and 27(3).

### 9.1 Selection of default values

288 Where NSA(s) decides to apply the default values of the traffic risk sharing parameters in accordance with Article 27(5) of the Implementing Regulation, it should specify this in the draft performance plan and thereby confirm that:

- The range (so-called “dead-band”) within which additional revenue or revenue losses due to traffic variations are borne in full by the ANSP concerned is set at  $\pm 2\%$  of the service unit forecast established in the performance plan, in accordance with Article 27(2);
- The traffic risk sharing keys specified in Article 27(3) apply in respect of additional revenue or revenue losses stemming from traffic deviations beyond the dead-band referred to in Article 27(2) but not exceeding 10% of the service unit forecast. Hence, 70% of additional revenue received for traffic in excess of 2% of the service unit forecast (and up to 10% of the service unit forecast) is to be returned to AUs, whilst the ANSP is able to recover 70% of a revenue loss incurred in excess of 2% of the service unit forecast (and up to 10% of the service unit forecast); and
- The traffic risk sharing keys specified in Article 27(4) apply in respect of additional revenue or revenue losses due to actual traffic deviating from the service unit forecast by more than 10% (i.e. exceeding 110% of the service unit forecast or being lower than 90% of the service unit forecast). Any additional revenue beyond this limit is passed on in full to airspace and any revenue loss is fully recovered from airspace users.

289 Where the default values are applied, the NSA(s) concerned is not required to provide any additional elements or justifications in the performance plan – the confirmation that these default values have been selected is sufficient.



### Mapping with the Excel template

Topic	Reference to the Excel template
Traffic risk sharing	Table 5.1
Additional information on the parameters for traffic risk sharing	Annex G

### 9.2 Adaptation of default values

290 Where NSA(s) decide to adapt the values of the traffic risk sharing mechanism in application of Article 27(5) of the Implementing Regulation, the adapted values shall be presented in the performance plan together with the additional elements and justifications required under point 5.1(b) of Annex II of that Implementing Regulation. Where applicable, the performance plan shall expressly indicate adapted values regarding the following elements:

- The scope, in percentage terms, of the dead-band referred to in Article 27(2) within which additional revenue or revenue losses due to traffic variations (versus the forecast) are borne in full by the ANSP concerned;
- The traffic risk sharing keys referred to in Article 27(3), as regards additional revenue or revenue losses stemming from traffic deviations beyond the dead-band referred to in Article 27(2); and
- The traffic risk sharing parameters set out in Article 27(4), which concern traffic deviations beyond 10% of the service unit forecast, are not subject to any possible adaptation.

291 Any NSA(s) opting for the adaptation of traffic risk sharing values should include in its performance plan the information required to verify that the specific conditions set out in Article 27(5) have been met, namely:

- It is necessary to demonstrate that AU representatives and the relevant ANSP(s) have been consulted on the adjusted values of the traffic risk sharing parameters, as foreseen in Article 27(5)(a). The NSA(s) should therefore provide in the performance plan a description of the relevant consultation and of its outcome – this information should be included in

the updated Excel template for draft RP4 performance plan (Tab 1.3 on stakeholder consultation);

- The performance plan should contain a calculation of the risk exposure of the ANSP resulting from the adjusted values for traffic risk sharing. As point (b) of Article 27(5) does not allow the risk exposure to be lower than under the default traffic risk sharing parameters, the risk exposure for any given year shall not be lower than 4.4% of the ANSP's determined costs; and
- Justification is needed in respect of the adjusted values chosen. In particular, the NSA(s) should explain in the performance plan how they have taken into account the variation of ANS costs at local level in connection with the provision of capacity under different traffic scenarios. Article 27(5)(c) specifically requires NSA(s), in setting the adjusted values, to consider the variation of the costs of capacity provision by the ANSP concerned because of variations in traffic. The NSA(s) should provide in the performance plan the relevant information that has been considered in this respect, including the conclusions of any relevant analysis conducted by the NSA(s) itself or by external experts. As appropriate, related materials should also be annexed to the draft performance plan.

### Mapping with the Excel template

Topic	Reference to the Excel template
Traffic risk sharing	Table 5.1
Additional information on the parameters for traffic risk sharing	Annex G

## 10. INCENTIVE SCHEMES

### 10.1 *Incentive schemes in the capacity KPA*

292 The incentive scheme for the KPA of capacity is based on the provisions of Articles 11(1) and 11(3) of the Implementing Regulation. In accordance with Article 11(1), incentives shall apply to both en route and terminal ANS and shall remain in place during the entire reference period covered by the performance plan.

293 Financial incentives in the capacity KPA are mandatory pursuant to Article 11(3) of the Implementing Regulation. These incentives are linked to the local capacity targets set for en route and terminal services, expressed in average minutes of ATFM delay per flight attributable to ANS.

294 In addition, NSA(s) are required to consult stakeholders on the incentive schemes comprised in the draft performance plans. In accordance with Article 10(4), this consultation must cover ANSPs, airspace users' representatives and, where relevant, airport operators and airport coordinators.

295 Article 11(3) of the Implementing Regulation sets the principles for incentives on capacity but also leaves considerable discretion to Member States as regards the design of the incentive scheme and its implementing arrangements. The basic principles for these incentives include:

- The impact of incentives must be "**material**" in terms of the revenue at risk – in order for incentives to be effective in terms of driving the desired outcomes, it is necessary that they have a potentially significant financial impact on the incentivised entity (i.e. the ANSP). The Commission has indicated in its Decisions on RP3 performance plans that a maximum financial disadvantage equal to or higher than 1% of determined costs is necessary for ensuring a material impact of any incentive scheme on the revenue at risk in accordance with the Implementing Regulation. and
- Incentives have to be "**proportionate to the level of ATFM delay**" – this entails that the level of bonuses and penalties stemming from the incentive schemes ought to be commensurate with the actual performance of the ANSP concerned in terms of ATFM delay as compared with the applicable **pivot value**, which is the value used for the purpose of

calculating the financial advantages or disadvantages stemming from the mandatory incentive scheme in the capacity KPA, and set by the NSA in accordance with Article 11(3)(c) of the Implementing Regulation.

296 NSA(s) must adhere to the principles below when setting the parameters for the local incentive schemes on capacity. As specified in point 5.2(a) of Annex II of the Implementing Regulation, the information to be included in the draft performance plan over incentive schemes in the capacity KPA encompasses in particular:

- **Parameters for the calculation of financial advantages or disadvantages**, i.e. the dead band and the target values against which the financial advantages (bonuses paid by AUs to the ANSP) or disadvantages (penalties conceded by the ANSP to AUs) will be calculated (letter a) of Sections 5.2.1 and 5.2.2 for en route and terminal respectively);
- Whether the **pivot values** are equal to the performance targets (i.e. fixed) or modulated (letter b) of Sections 5.2.1 and 5.2.2 for en route and terminal respectively);
- **Modulation mechanism**: If the pivot values are modulated, description of the mechanism used to modulate pivot values (i.e. modulation a) based on unforeseen changes in traffic, b) limited to C, R, S, T, M, P delay codes, or c) a combination of the two above) ((letter c) of Sections 5.2.1 and 5.2.2 for en route and terminal respectively); and
- **In the case of FAB performance plans: Additional elements** concerning FAB-level dimension and requirements of the incentive scheme(s).

#### *Mechanism for defining the pivot values*

297 NSA(s) should indicate in the performance plans on which basis they intend to set the pivot values used for the purpose of the incentive scheme. In accordance with Article 11(3)(c) of the Implementing Regulation, NSA(s) may choose between the two options described below. It is important to note that the choice indicated by the NSA in its performance plan subsequently remains valid for the whole duration of the reference period and may not be amended during that reference period:

- **Pivot values are based on “fixed” performance targets.** The NSA(s) may decide that the pivot values for each calendar year are “fixed”, meaning **equal to the local performance target set for that year**. The incentive scheme will thus be articulated around the relevant capacity performance target values. and
- **Pivot values are based on “modulated” performance targets.** The NSA(s) may decide, after consultation with AUs, to base the pivot values on annually “*modulated performance targets*”. In this case, the NSA(s) shall define in its performance plan the modulation mechanism to be applied for this purpose, in accordance with the provisions of point 1 of Annex XIII of the Implementing Regulation.

298 In respect of en route services, the modulation mechanism (point 1.1 of Annex XIII) of pivot values may enable significant and unforeseen changes in traffic to be taken into account (Option A), in which case consisting of an annual adjustment of the local en route capacity targets informed by the reference values published in the November release of the Network Operations Plan of year n-1.

299 In relation to the modulation of pivot values based on unforeseen changes in traffic, the yearly pivot value set by the NSA(s) can be:

- 1) Equal to the reference value provided by the Network Manager in the NOP; or
- 2) Informed on the basis of reference value provided by the Network Manager in the NOP.

While in the first case, no additional justification should be provided by the NSA(s), in the second case the NSA(s) should describe the principle and formulas on the basis of which the pivot values are calculated.

300 The modulation may also consist of limiting the scope of the incentive scheme to delay causes related to ATC capacity, ATC routing, ATC staffing, ATC equipment, airspace management and special events with the codes C, R, S, T, M and P of the ATFCM user manual (Option B). It is possible for the NSA(s) to apply either one or both these features in respect of the modulation mechanism. In this case, NSA(s) should explain the methodology used to modulate the pivot values.

301 Finally, NSA(s) can use a combination of the two options above, i.e. reference value resulting from the publication of the Network Operations Plan of

year n-1 and limited to C, R, S, T, M and P delay codes. As per above, also in this case NSA(s) is required to explain the assumptions and methodologies used to compute the yearly pivot values.

302 In respect of terminal services, the modulation mechanism (point 1.2 of Annex XIII) of pivot values may enable significant and unforeseen changes in traffic to be taken into account. This case would comprise an annual adjustment of the local terminal capacity targets on the basis of objective and transparent principles defined in the performance plan. The modulation may also consist in the limitation of the scope of the incentive scheme to delay causes related to ATC capacity, ATC routing, ATC staffing, ATC equipment, airspace management and special events with the codes C, R, S, T, M and P of the ATFCM user manual. It is possible for the NSA to apply either one or both these features in respect of the modulation mechanism.

303 In order to ensure clarity in relation to the modulation options implemented over the reference period, NSA(s) should provide the rationale and justification used to modulate pivot values.

304 In this respect, a number of boxes, depending on the choice made in relation to the modulation of pivot values, are present in Sections 5.2.1 and 5.2.2 (en route and terminal respectively) of the RP4 draft performance plan template, to enable the NSA(s) to clarify the reasons and the mechanisms used for the modulation.

#### *Numerical parameters used for calculating bonuses and penalties*

305 NSA(s) should present in the performance plans the numerical parameters of the incentive schemes underpinning the calculation of bonuses and penalties. In accordance with points 2.1(a), 2.1(b), 2.2(a) and 2.2(b) of Annex XIII of Implementing Regulation (EU) 2019/317, these numerical parameters are to be expressed as fixed percentages of the determined costs set for year n.

306 In defining these fixed percentages, NSA(s) should ensure compliance with the following requirements deriving from Article 11(3) of that Regulation:

- The maximum level of potential bonuses shall **not** exceed the maximum level of potential penalties;

- The impact of incentives has to be material in terms of the revenue at risk. As already pointed out above, the Commission has indicated in its Decisions on RP3 performance plans that a maximum financial disadvantage equal or higher than 1% of determined costs is required for ensuring a material impact of any incentive scheme on the revenue at risk in accordance with the Implementing Regulation;
- The level of potential bonuses may not exceed 2% of the determined costs of any given year;<sup>32</sup> and
- A tolerance margin (or dead band) is to be included as part of the incentive scheme – this has to be defined as a symmetric range applied around the pivot value applicable for each year.

307 As stated in point 2 of Annex XIII of Implementing Regulation, a smooth sliding scale is defined for the purpose of calculating the annual bonus or penalty payment stemming from the incentive scheme. This smooth sliding scale is defined as a linear segment connecting the dead band and the alert threshold (both in the bonus and the penalty side). This scale enables the calculation of bonuses or penalties depending on the actual performance of the ANSP versus the applicable pivot value, where the difference between the pivot value and the actual ATFM delay falls outside the dead band referred to above.

308 The alert threshold is defined by Article 9 point 4 (b) (iii) of Implementing Regulation (EU) 2019/317. The alert thresholds for RP4 are set out in Commission Implementing Decision (EU) 2024/1688 on the RP4 Union-wide performance targets. Of relevance for the establishment of incentive schemes are the alert thresholds concerning the variation of the local capacity reference values during the reference period (as a result of the seasonal variations of the NOP), as laid down in Article 6(2)<sup>33</sup> of that Implementing Decision.

309 The dead band should be defined to allow for minor variations in performance without financial

consequences from the incentive scheme. NSAs may choose to define the dead band either as a **fraction** of minutes of en route ATFM delay per flight (fixed absolute value for the entire reference period, regardless of the level of the pivot value) or as a **percentage** of the pivot value (in which case the dead band is expressed as minutes of ATFM delay varying each year depending on the pivot value.)

310 NSAs are advised to define the dead band within a range of at least 2% and not greater than 50% of the pivot value, regardless of whether that dead band is defined as a fraction of minutes or as a percentage. This range ensures that variations in performance which are smaller than 2% of the pivot value, and are thus regarded as negligible, do not induce financial consequences. Opposite, the 50% upper limit ensures that significant variations do trigger financial consequences. In any event, the dead band around the pivot value should be significantly narrower than the range of the alert threshold, in order to allow for the application of a smooth sliding scale for bonuses and penalties in accordance with Annex XIII of the Implementing Regulation. This requires special attention if the NSA chooses to modulate the pivot values and sets the dead band as a percentage of the pivot value.

311 Even in cases where the level of the pivot value is close to 0 minutes of ATFM delay per minute, the smooth sliding scale should be defined between the lower bound of the deadband and the value of the alert threshold, as required in Annex XIII of the Implementing Regulation. This however means that the maximum fixed percentage to be applied for bonuses may be in an area where the value of delays per flight is negative, thus a theoretical value and only be used for the establishment of the sliding scale. In such cases, the maximum fixed percentage bonus cannot be achieved in practice given that the alert threshold is the point at which the maximum bonus is applied. Therefore, the highest level of bonus achievable is reached at the intersection between zero delay and the sliding scale. The NSAs are advised to simulate the lower

<sup>32</sup> The alert thresholds referred to in point (b)(iii) of Article 9(4) of the Regulation, which are established together the adoption of the Union-wide performance targets, will apply in respect of all incentive schemes for the purpose of setting the upper or lower bound beyond which the maximum bonus or penalty applies, respectively. It should be noted that this parameter is not subject to adjustment.

<sup>33</sup> 0.05 minutes per flight of en route ATFM delay if the reference values from the latest version of the NOP available at the time of drawing up the performance plan is less than 0.2 minutes per flight, and 0.04 minutes per flight increased by five per cent of the reference value if the reference value is at least 0.2 minutes per flight.

bound of the bonus range for all years of the reference period.

- 312 It is advised that NSA(s) include graphs and/or tables in their performance plans for the purpose of illustrating the defined incentive scheme in terms of the formula and numerical parameters to be applied.
- 313 The setting of numerical parameters used for calculating bonuses and penalties is subject to consultation with AU representatives and ANSPs. Information on the outcome of the relevant consultation should be included in Section 1.3 of the updated Excel template for draft RP4 performance plans.
- 314 As the capacity incentive schemes for en route and terminal services are applicable at the level of the air navigation service provider, rather than at charging zone level, the resulting financial advantages or disadvantages should be applied uniformly across all the charging zones in which the concerned ANSP provides services, whilst maintaining the distinction between en route and terminal services which are subject to separate capacity targets. In other words, where an ANSPs provides services across several en route charging zones or several terminal charging zones, the bonus and penalties computed on the basis of the parameters defined at ANSP level should apply consistently to all the en route charging zones concerned and/or all the terminal charging zones concerned, and there is to be a single en route and/or a single terminal pivot value per ANSP. Thus, the financial impact resulting from the incentive scheme(s) should be apportioned to the different charging zones on the basis of the total ANSP determined cost allocated to each charging zone.
- 315 NSAs should not define additional parameters or mechanisms beyond those defined by Implementing Regulation (EU) 2019/317 which alter the application of capacity incentive schemes.

#### *Additional elements specific to FAB performance plans*

- 316 Where the NSA(s) concerned have opted for the establishment of a performance plan at FAB level, they are required to set a capacity target for en route services at FAB level pursuant to point 3.1(a)(iv) of Section 2 of Annex I of the Implementing Regulation.

- 317 Article 11(3)(g) of the Implementing Regulation prescribes additional requirements in respect of the definition and implementation of the incentive scheme associated with these FAB level en route capacity targets. Accordingly, the NSA(s) concerned should ensure that the incentive scheme set out in their FAB performance plan complies with the following principles which are additional to the general principles outlined in the sub-sections above:

- There shall be a uniform incentive scheme for all the Member States within the FAB, based on the same parameters and numerical values, and applied consistently across the FAB;
- There shall be both national and FAB level pivot values underpinning this incentive scheme. The FAB level pivot value shall be based either on the fixed FAB-level target or the modulated FAB level target. The national pivot values shall derive from the breakdown of the FAB level targets in respect of each ANSP concerned. These ANSP-specific values shall be defined in the performance plan, without prejudice to a possible further modulation of these values where a modulated FAB target is applied for the incentive scheme; and
- The NSA(s) of the Member States shall jointly decide on whether to base the applicable FAB level and national pivot values on the FAB performance targets or on modulated FAB performance targets. The possibilities for modulating FAB level capacity targets are the same as with regard to national level capacity targets. As detailed in the previous sub-section, the modulation principles are set out in point 1 of Annex XIII. Where NSA(s) choose to modulate the FAB level targets, the same modulation mechanism shall apply similarly to all pivot values referred to above.

- 318 The NSA(s) concerned should provide the additional information required for the points above in an annex to the updated Excel template for draft RP4 performance plans. They should confirm the agreement within the FAB on the numerical parameters of the incentive scheme and in respect of any modulation mechanism to be applied.

### Mapping with the Excel template

Topic	Reference to the Excel template
Capacity incentive scheme – en route	Tab 5.2.1
Capacity incentive scheme – terminal	Tab 5.2.2
Parameters for mandatory capacity incentives	Annex I

### 10.2 Optional financial incentive schemes

- 319 In accordance with Article 11(4), NSA(s) may decide to establish optional incentives on local environment targets or on additional targets set in accordance with Article 10(3).
- 320 If an NSA(s) decide to establish an optional incentive scheme for RP4, they should provide at least the following information as part of the performance plan:
- The KPA which the incentive applies to;
  - The geographical scope which the incentive applies to (i.e. en route or terminal);
  - A description of the incentive (including rationale);

- The parameters, formulas, metrics and data sources used to justify the application of the incentive; and
- The maximum bonus and penalty for the optional incentive, noting that the aggregated financial advantage or disadvantage **shall not exceed 2% and 4% of the determined costs of year n respectively.**

- 321 NSA(s) are required to consult stakeholders on the incentive schemes comprised in the draft performance plans. In accordance with Article 10(4), this consultation has to cover ANSPs, AUs' representatives and, where relevant, airport operators and airport coordinators.

### Mapping with the Excel template

Topic	Reference to the Excel template
Optional incentive schemes	Tab 5.3
Complementary information on optional incentive schemes	Annex K

## 11. IMPLEMENTING ARRANGEMENTS

### **Annex II– Template for performance plans**

*Point 6. Description of the processes that the national supervisory authorities will put in place, in order to:*

- (a) monitor the implementation of the performance plan;*  
*(b) address the situation where targets are not reached during the reference period.*

### 11.1 Monitoring the implementation of the performance plan

- 322 As defined in Article 37(1) of the Implementing Regulation, NSA(s) are responsible for monitoring the implementation of the performance plan with a view to assessing whether the performance targets are met.
- 323 The NSA(s) should include in the performance plan a description of the processes that will be put in place to monitor the implementation of the local performance targets and related elements contained in the performance plan. NSA(s) should report to the Commission the results of the monitoring for the preceding year on 1<sup>st</sup> June of each year of the reference period at the latest.
- 324 The NSA(s) concerned should ensure that robust processes and mechanisms are in place, at national level or within the FAB, for the purpose of collecting and assessing performance-related data and measuring performance against targets. The NSA(s) should, in particular, make sure that the ANSP(s) subject to the performance plan establish the appropriate internal processes for the monitoring of performance in the four KPAs, and regularly report to the responsible NSA(s) in accordance with the data provision and reporting requirements stemming from Articles 4 and 36 as well as Annex VI of the Implementing Regulation. The NSA(s) should request further clarifications or details from the ANSP in respect of the reported data, where necessary.

### Mapping with the Excel template

Topic	Reference to the Excel template
Monitoring the implementation of the performance plan	Table 6.1

### 11.2 Deviation from targets during a reference period

- 325 If, over the duration of a reference period, NSA(s) find that the local targets are not being met, or that there is a risk of them not being met, the NSA(s) concerned should define and apply a set of appropriate measures, which should aim to rectify the situation and achieve the targets set in the performance plan. This should be communicated to the Commission in accordance with Article 37(1) of the Implementing Regulation.
- 326 Draft performance plans should thus contain a description of the measures foreseen to be put in place in the situation where performance targets are not reached during the reference period or there is a risk of them not being reached.
- 327 Examples of measures to address situations where targets are not met include (but are not limited to) the following:
- Enhanced consultation processes between stakeholders (e.g. ANSPs, airports and AUs);
  - Actions enforcing identification and the promotion of best practices;
  - Enhanced coordination between ANSPs and the Network Manager as regards to potential assistance required to deliver the desired level of services (i.e. using the comparison of ANS provision between Member States); and
  - Inclusion of performance monitoring as part of the annual oversight programme of the NSA authority, and inclusion of the related requirements in the framework of audits, assessments, investigations and inspections in accordance with point (b) of Article 5(1) of the Regulation.

*Mapping with the Excel template*

Topic	Reference to the Excel template
Non-compliance with targets during reference period	Table 6.2



## 12. REVISION OF PERFORMANCE PLAN DURING A REFERENCE PERIOD

328 This section provides guidance material for the possible revision by a Member State, during the reference period concerned, of one or more local performance targets contained in its performance plan (i.e. the final performance plan adopted in accordance with Article 16(a) or 16(b) of the Implementing Regulation). Such revisions are governed by the legal provisions laid down in Article 18.

### 12.1 Conditions

329 A Member State may revise one or more performance targets included in its performance plan subject to the specific conditions set out in Article 18(1) of the Implementing Regulation, which concern:

- The circumstances occurring during the reference period which can justify a possible revision; and
- The assessment and acceptance by the Commission of the proposed targets by the Member State(s) concerned.

#### *Situations in which Member States may request the revision of local performance targets*

330 The legal provisions laid down in Article 18(1) emphasise the exceptional character of any performance plan revision during the reference period.

331 Accordingly, a revision may only be considered if one of the following two situations have occurred in the course of the reference period:

- At least one of the alert thresholds defined in the performance plan has been reached (Article 18(1)(a)(i) of the Implementing Regulation); or
- Basic elements of the performance plan have been rendered invalid due to unforeseeable circumstances (Article 18(1)(a)(i)(i) of the Implementing Regulation).

#### **Article 18(1)**

*1. During the reference period Member States may revise one or more performance targets contained in the performance plans and adopt performance plans which are amended accordingly, only where both of the following conditions are met:*

*(a) the Member State or Member States concerned consider that the intended revision is necessary and proportionate in light of the occurrence of one or more of the following situations:*

*(i) at least one of the alert thresholds referred to in point (b) of Article 9(4) is reached and the national supervisory authority or authorities concerned have assessed the situation and have shown that the resulting effects of reaching the alert threshold or thresholds cannot be sufficiently mitigated unless the performance targets are revised;*

*(ii) the initial data, assumptions and rationales, including on investments, on the basis of which the performance targets concerned were set are to a significant and lasting extent no longer accurate due to circumstances that were unforeseeable at the time of the adoption of the performance plan, and the national supervisory authority or authorities concerned have assessed the situation and have shown that the resulting effects cannot be sufficiently mitigated unless the performance targets are revised;*

*(b) the Commission has, based on a reasoned request by the Member State or Member States concerned, decided that:*

*(i) it agrees that the intended revision is necessary and proportionate in light of the occurrence of one or more of the following situations referred to in point (a);*

*(ii) the intended revised performance targets are consistent with the Union-wide performance targets, having assessed those targets on the basis of the criteria laid down in point 1 of Annex IV.*

332 Article 18(1)(a)(i) refers to the situation where the alert thresholds set out in accordance with Article 9(4)(b) have been reached. Those alert thresholds are defined as follows:

- A percentage reflecting the difference between actual traffic measured in IFR movements in a given year and the traffic forecast set out in the performance plan;
- A percentage reflecting the difference between actual traffic measured in service units in a given year as compared to the traffic forecast set out in the performance plan; and
- A difference (expressed as minutes of ATFM delay per flight) between the capacity reference values established in the seasonal updates of the Network Operations Plan and the corresponding values included in the latest version of the Network Operations Plan available at the time of drawing up the performance plan.

333 For RP4, the alert thresholds will be set together with the RP4 Union-wide targets, to be adopted by 1<sup>st</sup> June 2024.

334 Article 18(1)(a)(ii) of the Regulation applies in respect of unforeseeable circumstances which invalidate, to a significant and lasting extent, the initial data, assumptions and rationales (including on investments) used for the setting of performance targets.

335 In such case, the NSA(s) concerned are required to first assess whether the resulting effects could not be sufficiently mitigated by other means than the revision of performance targets. For this purpose, the NSA(s) should request any relevant additional information from the ANSP and should conduct further analysis in order to examine the impact of different solutions.

#### *Requests for revision*

336 Member States have to formally request and obtain permission from the Commission in order to proceed with a revision of one or several performance targets during a reference period.

337 Any intended revision of a performance plan has to be first considered by the Member State(s) concerned in terms of necessity and proportionality. Accordingly, even when one of the conditions under Article 18(1)(i) or Article 18(1)(ii) is met, this does not entail that the Member State(s)

concerned should by default request a revision of local performance targets.

338 Such a request should be submitted only after the Member State has duly reviewed the changed circumstances and concluded, based on adequate evidence and analysis, that the local performance targets have become obsolete or inadequate in light of the changed circumstances and that the revision of local performance targets is indispensable in order to remedy the situation.

339 To allow the Commission to conduct a comprehensive assessment of the request submitted by the Member State(s), the responsible NSA(s) should present the conclusions of its own assessment of the situation in a transparent manner. More specifically, the NSA(s) should describe the nature of the situation(s) which occurred in accordance with Art. 18(1)(a)(i) or (ii).

340 As regards the alert thresholds included in the performance plan, the NSA(s) should present the corresponding figures as well as the magnitude of the effect that is caused by the unforeseen situation. The NSA(s) should also specify to what extent the initial data, assumptions and rationale (including on investments) upon which the performance targets were based, have changed since the moment of the approval of the performance plan by the Commission.

341 Any revision of performance targets in the cost-efficiency KPA is also subject to stakeholder consultation in accordance with Article 24(2) of the Implementing Regulation. NSA(s) should foresee sufficient time to allow relevant stakeholders to provide feedback on the intended establishment of the revised determined costs included in the cost base for en route and terminal charges, new and existing investments, service unit forecasts and charging policy if one or several of those elements have undergone changes as part of the revision of performance targets.

#### *Assessment of request for revision*

342 The Commission will assess the consistency of the proposed revised local performance targets with the corresponding Union-wide performance targets in the same manner as in respect of draft performance targets included in the initial draft performance plan. This is because in both situations, the assessment criteria laid down under point 1 of

Annex IV of the Implementing Regulation serve as reference.

- 343 Where the Commission finds that a revision of performance targets is indeed necessary and proportionate, and that the proposed revised performance targets are consistent with the Union-wide performance targets, it shall adopt a decision notifying the Member States thereof within seven months from the date of the submission of the complete request for revision.
- 344 The Implementing Regulation does not foresee a formal decision in case the Commission considers that the request does not meet the conditions set out in Article 18(1). However, in such a situation, the Member State(s) concerned would be notified informally about the relevant findings and considerations, and a dialogue could be undertaken in order to further discuss the relevant matters.

## 12.2 Limitations to retroactivity

- 345 The purpose of a revision of performance targets during an ongoing reference period is to ensure that the Union-wide performance targets can be still met over the course of the remaining period.

### **Article 18(2)**

(...)

2. Any revisions of performance targets adopted in application of this Article shall not apply retroactively.

- 346 This forward-looking principle is reflected in Article 18(2) of the Implementing Regulation which stipulates that the revision of performance plans shall not have a retroactive effect, i.e. calendar years which have already ended at the time of submission cannot be subject to a revision of performance targets. The revision can therefore only be requested in respect of the ongoing calendar

year and/or subsequent calendar years at the time of submission of the request.

- 347 This principle applies not only in respect of local performance targets but also regarding the traffic forecasts contained in the performance plan, which may not be revised in respect of calendar years which have already ended.

## 12.3 Specific situations requiring a performance plan revision

- 348 In addition to the situations described in Article 18(1)(i) and (ii), additional situations referred to throughout the Implementing Regulation which require a revision of performance plans are listed below:
- Modification or establishment of terminal charging zones during the reference period (Article 21(5) of the Implementing Regulation).
- 349 Member States may decide at any point to modify or establish terminal charging zones during the reference period. As this constitutes a change to the initial data on which basis the performance targets were set, it requires a formal request by the Member State to revise the performance plan.
- Changes concerning services under market conditions during the reference period (Article 35(4) of the Implementing Regulation).
- 350 Where market conditions are revoked during a reference period in accordance with Article 35(4), the Member State concerned should notify the Commission thereof and is required to revise its performance plan, as regards the reapplication of cost-efficiency targets regarding the services concerned.

## ANNEX I – GLOSSARY OF KEY TERMS

Term	Source <sup>34</sup>	Definition
Actual cost	Article 2(1) of IR 2019/317	A cost actually incurred in a calendar year for the provision of ANS which are subject to certified accounts or, in the absence of such certified accounts, subject to a final audit.
Air navigation services	Article 2(4) of Reg. 549/2004	This term includes air traffic services; communication, navigation and surveillance services; meteorological services for air navigation; and aeronautical information services.
Air navigation service provider	Article 2(5) of Reg. 549/2004	Any public or private entity providing air navigation services for general air traffic.
Air traffic management	Article 2(10) of Reg. 549/2004	The aggregation of the airborne functions and ground-based functions (air traffic services, airspace management and air traffic flow management) required to ensure the safe and efficient movement of aircraft during all phases of operations.
Airport coordinator	Article 2(3) of IR 2019/317	The natural or legal person appointed by a Member State to carry out the coordination duties at coordinated airports set out in Article 4 of Council Regulation (EEC) No 95/93 of 18 <sup>th</sup> January 1993 on common rules for the allocation of slots at Community airports.
Airport operator	Article 2(4) of IR 2019/317	Any legal or natural person who operates one or more aerodromes.
Airspace users	Article 2(8) of Reg. 549/2004	Operators of aircraft operated as general air traffic.
Airspace users' representatives	Article 2(6) of IR 2019/317	Any legal person or entity representing the interests of one or several categories of airspace users.

<sup>34</sup> Unless otherwise stated, the definitions in this glossary are derived from either [Regulation \(EC\) No 549/2004](#) or [Commission Implementing Regulation \(EU\) No 2019/317](#).

Term	Source	Definition
Alert threshold	Article 9(4)(b) of IR 2019/317	A threshold of numerical value (e.g. traffic forecast) beyond which Member States may request a revision of the performance targets contained in performance plans.
Area Control Centre	Article 2(7) of IR 2019/317	A unit providing air traffic services to controlled flights in its area of responsibility.
Asset	ICAO Doc 9161	A resource from which future economic benefits are expected to flow to the entity that owns or controls it.
Baseline values	Article 10(2)(a) of IR 2019/317	The values reflecting the starting point used for performance target setting in respect of en route cost-efficiency. Baseline values are calculated both in respect of the determined costs and the determined unit cost of the year preceding the start of the reference period. Baseline values apply at both Union-wide and local level.
Cost of capital	Article 22(4)(d) of IR 2019/317	It is calculated as the product of the sum of the average net book value of fixed assets in operation or under construction and possible adjustments to total assets determined by the national supervisory authority and used by the air navigation service provider and of the average value of the net current assets, excluding interest-bearing accounts, that are required for the purposes of providing air navigation services; and the weighted average of the interest rate on debts and of the return on equity. For air navigation service providers without any equity capital, the weighted average shall be calculated on the basis of a return applied to the difference between the total regulatory asset base and the debts.
Cross-border services	Article 2(41) of Reg. 549/2004	Any situation where air navigation services are provided in one Member State by a service provider certified in another Member State.
En route charging zone	Article 2(8) of IR 2019/317	A volume of airspace that extends from the ground up to, and including, upper airspace, where en route air navigation services are provided and for which a single cost base and a single unit rate are established.

Term	Source	Definition
Estimated take-off time	Annex I Section 1, 3.1(b) of IR 2019/317	The forecast of time when the aircraft will become airborne calculated by the Network Manager and based on the last estimated off-block time, or target off-block time for those airports covered by airport collaborative decision-making procedures, plus the estimated taxi-out time calculated by the Network Manager.
Eurocontrol	Article 2(20) of Reg. 549/2004	The European Organisation for the Safety of Air Navigation set up by the International Convention of 13 December 1960 relating to Cooperation for the Safety of Air Navigation.
Exceptional event	Article 2(9) of IR 2019/317	Circumstances under which ATM capacity is abnormally reduced so that the level of ATFM delays is abnormally high, as a result of a planned limitation induced through operational or technical change, major adverse weather circumstances, the unavailability of large airspace parts either through natural or political reasons, or industrial action, and the activation of the European Aviation Crisis Coordination Cell (EACCC) by the Network Manager.
Fixed asset	ICAO Doc 9161	Tangible assets that are permanent in nature and generally held for a period of more than one year (normally buildings and equipment).
Functional airspace block	Article 2(25) of Reg. 549/2004	An airspace block based on operational requirements and established regardless of State boundaries, where the provision of air navigation services and related functions are performance-driven and optimised with a view to introducing, in each functional airspace block, enhanced cooperation among ANSPs or, where appropriate, an integrated provider.
IFR air transport movements per year	Article 2(10) of IR 2019/317	The sum of take-offs and landings performed under IFR, calculated as the yearly average over the three calendar years preceding the year in which the draft performance plan was to be submitted in accordance with Article 12.

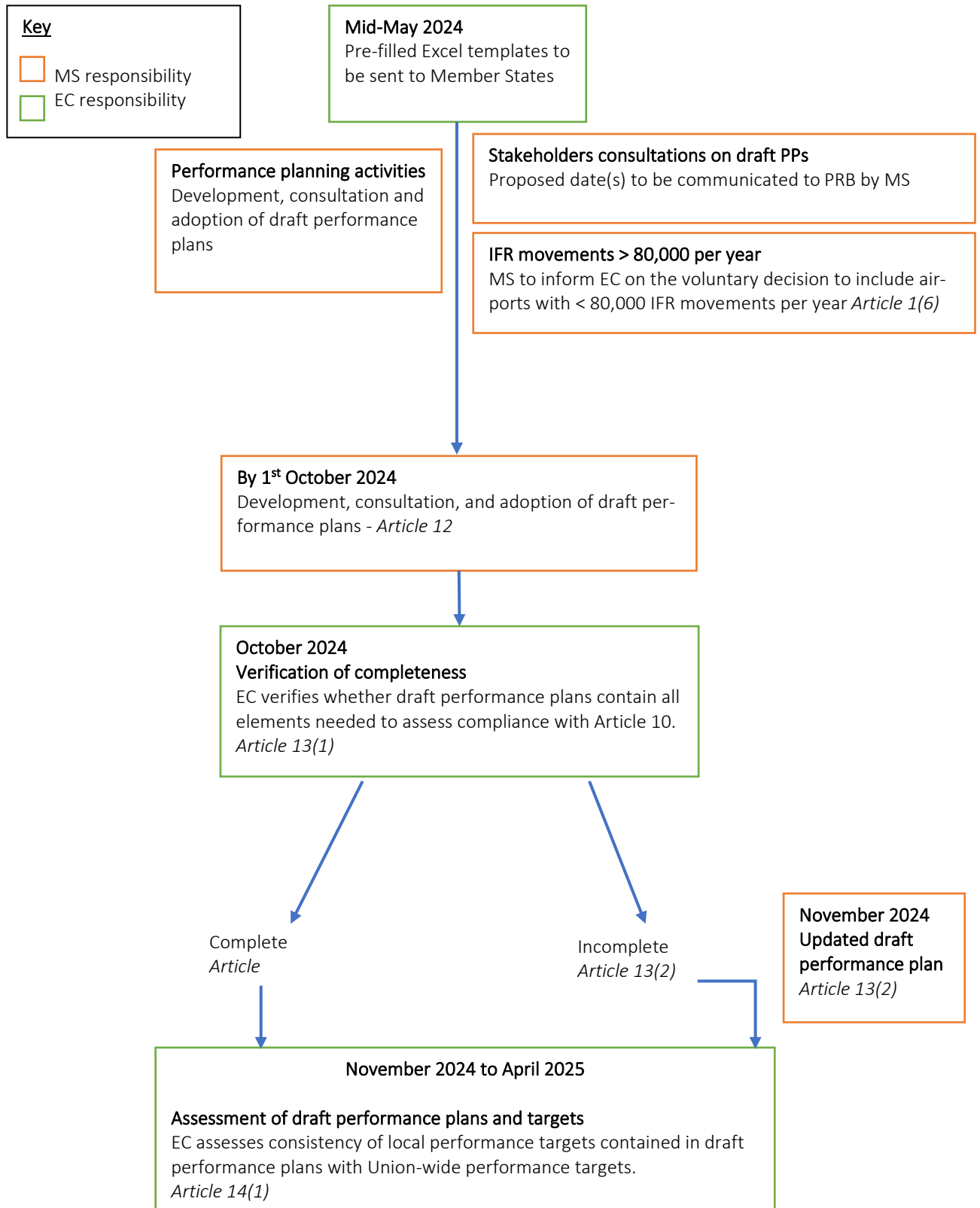
Term	Source	Definition
Key performance areas	Article 11(1) of Reg. 549/2004	A way of categorising performance subjects related to high level ambitions and expectations. In accordance with Article 11(1) of Regulation (EC) No 549/2004, Union-wide and local performance targets are set in the areas of safety, environment, capacity and cost-efficiency.
Key performance indicators	Article 8 of IR 2019/217	Indicators used for the purpose of performance target setting and monitoring of Key Performance Areas, at Union-wide and local level.
Major investment	Article 2(13) of IR 2019/317	Acquisition, development, replacement, upgrade, or leasing of fixed assets representing a total value over the whole lifetime of the assets greater than EUR 5 million in real terms.
New and existing investment	Article 2(15) of IR 2019/317	Acquisition, development, replacement, upgrade or leasing of fixed assets where depreciation costs, cost of capital, or in the case of leasing, operating costs, for that investment are incurred during the reference period covered by the performance plan.
Pivot value	Article 11(3)(c) of IR 2019/317	A value used for the purpose of calculating the financial advantages or disadvantages in the incentive schemes pertaining to the capacity KPA. The value shall be based on the performance targets at national level, or a modulated target set annually by the NSA for the following year in accordance with Article 11(c)(ii) and point 1 of Annex XIII of Implementing Regulation (EU) 2019/317.  The national supervisory authority has to inform the Commission annually about the applied pivot values.
Reference period	Article 2(16) of IR 2019/317	The period of validity and application of the Union-wide performance targets, as set out in point (d) of Article 11(3) of Regulation (EC) No 549/2004 and Article 7 of Implementing Regulation (EU) 2019/317.
Reference values	Point 1.2 of Annex IV of IR 2019/317 Article 2(17) of IR 2019/317, Point 1.3 of Annex IV of IR 2019/317	In the KPA of environment, the 'en route horizontal flight efficiency reference value' means the estimated value by the Network Manager of the flight efficiency of the actual trajectory at national level or at the level of functional airspace blocks, for the purpose of ensuring that the Union-wide target on horizontal en route flight efficiency of the actual trajectory is met.  In the KPA of capacity, the reference values refer to the values computed by the Network Manager in respect of en route ATFM delay for each Member State and each FAB for the purpose of ensuring that the Union-wide en route ATFM delay target is met.
Restructuring costs	Article 2(18) of IR 2019/317	Significant one-time costs incurred by ANSPs in the process of restructuring for introducing new technologies, procedures or business models to stimulate integrated service provision, compensating employees, closing air traffic control centres, shifting activities to new locations, writing off assets or acquiring strategic participations in other ANSPs.

Term	Source	Definition
Terminal charging zone	Article 2(21) of IR 2019/317	An airport or a group of airports, located within the territories of a Member State, where terminal ANS are provided and for which a single cost base and a single unit rate are established.

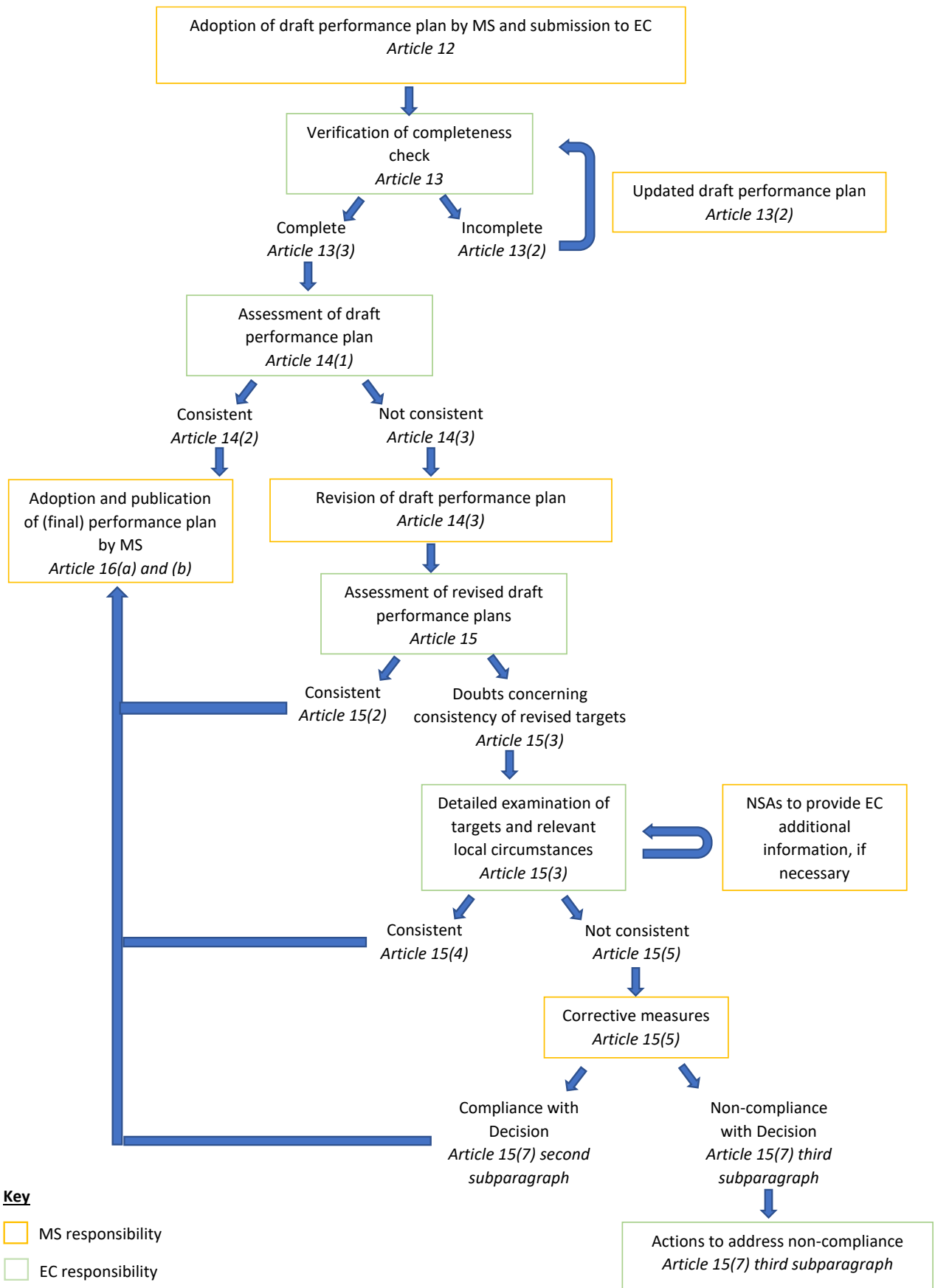


## ANNEX II – TIMELINE FOR DEVELOPMENT AND ASSESSMENT OF DRAFT PERFORMANCE PLANS FOR RP4

Process to adopt draft performance plans for RP4



ANNEX III – PROCESS TO ADOPT DRAFT PERFORMANCE PLANS



## ANNEX IV – APPLICATION OF INDICATORS FOR MONITORING FOR TERMINAL ANS

KPA	Indicators for monitoring (covering TANS at all airports included in the scope of the performance plan)	Indicators for monitoring (only applicable to TANS at airports with a minimum of 80,000 IFR air transport movements per year)
<b>Safety</b>	<ul style="list-style-type: none"> <li>• The rate of runway incursions at airports located in a Member State (point (a) of Section 1.2 of Annex I of IR 2019/317)</li> <li>• The rate of separation minima infringements within the airspace of all controlling air traffic services units in a Member State (point (b) of Section 1.2 of Annex I of IR 2019/317)</li> <li>• The rate of runway incursions at an airport calculated as the total number of runway incursions with any contribution from air traffic services or CNS services (point (c) of Section 1.2 of Annex I of IR 2019/317)</li> <li>• The rate of separation minima infringements within the airspace where the air navigation service provider provides air traffic services (point (d) of Section 1.2 of Annex I of IR 2019/317)</li> <li>• Where automated safety data recording systems are implemented, the use of these systems by the air navigation service providers, as a component of their safety risk management framework, for the purposes of gathering, storing and near-real time analyses of data related to, as a minimum, separation minima infringements and runway incursions (point (e) of Section 1.2 of Annex I of IR 2019/317)</li> </ul>	
<b>Environment</b>	<ul style="list-style-type: none"> <li>• Share of arrivals applying Continuous Descent Operation (CDO) (point (e) of Section 2.2 of Annex I of IR 2019/317)</li> </ul>	<ul style="list-style-type: none"> <li>• Additional time in the taxi-out phase (point (c) of Section 2.2 of Annex I of IR 2019/317)</li> <li>• Additional time in terminal airspace (point (d) of Section 2.2 of Annex I of IR 2019/317)</li> </ul>
<b>Capacity</b>	<ul style="list-style-type: none"> <li>• Percentage of IFR flights adhering to their ATFM departure slots at local level (point (a) of Section 3.2 of Annex I of IR 2019/317)</li> </ul>	<ul style="list-style-type: none"> <li>• Average minutes of air traffic control pre-departure delay per flight caused by take-off restrictions at the departure airport (point (b) of Section 3.2 of Annex I of IR 2019/317)</li> <li>• Average time, expressed in minutes, of departure delay from all causes per flight (point (c) of Section 3.2 of Annex I of IR 2019/317)</li> </ul>
<b>Cost-efficiency</b>	<ul style="list-style-type: none"> <li>• Actual unit cost incurred by users separately for en route and terminal air navigation services (Section 4.2 of Annex I of IR 2019/317)</li> </ul>	