



Performance review body
of the single european sky



Annex I

D412 - EUROCONTROL evidence for establishing the EU-wide RP3 targets

Updated historical and forecast Cost series
based on the rules of the new performance and charging
Regulation for RP3

22 February 2019



D412 - EUROCONTROL evidence for establishing the EU-wide RP3 targets (V 2.1)

Updated historical and forecast Cost series based on:

- **The rules of the new performance and charging Regulation for RP3;**
- **The latest submissions from States in the context of bilateral meetings with the Commission in January-February 2019.**



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1 Introduction

In the context of the preparation for the third reference period (RP3) of the Single European Sky (SES), EUROCONTROL/PRU gathered a number of evidences in order to support the Performance Review Body (PRB) in the establishment of the RP3 EU-wide targets (see the document *D412 – EUROCONTROL evidence for establishing the EU-wide RP3 targets*, dated 17/05/2018).

One of the evidence described the historical development of costs expressed in €2009 while another one presented the forecast costs and traffic figures for the period 2020-2024, which were provided by Member States to the European Commission (EC) in May 2018.

On 17 December 2018, the Single Sky Committee (SSC) gave a positive opinion to the new Regulation setting up a performance and charging scheme for the Single European Sky (the Performance and Charging regulation). This Regulation introduces a number of changes in the way Determined Costs have to be calculated (in particular by using a €2017 inflation index basis and by applying different inflation rules).

On 17 December 2018, the EUROCONTROL PRU submitted a short report presenting the actual and forecasted en-route cost series provided by Member States to the EC in May 2018 for the period 2012-2024, recalculated based on the new rules concerning the application of the inflation adjustment and expressed in real €2017 terms¹. This report was subsequently updated on 9 January, 18 January and 19 February 2019.

These recalculated costs series were used as basis for the bilateral meetings organised between the EC and Member States in January and February 2019 with the view to get local inputs for RP3 EU-wide target setting. In this context, a number of Member States² provided the EC with revised and up-to-date costs series for the period 2018-2024.

This version 2.1 of the report submitted by the PRU of EUROCONTROL presents the up-to-date cost series based on the latest submissions by Member States.

2 Methodology

Based on the provisions of Article 2(11) & (12) of the new Performance and Charging Regulation, both the nominal actual cost series for the period 2010-2017 and the forecast costs series for the period 2018-2024 have been converted in real terms through an inflation index which uses 2017 as reference year (i.e. 2017 becomes the basis for the computation of the inflation index instead of 2009, as it was the case during first and second reference periods).

Additionally, according to the same Article, in case of deflation (i.e. planned inflation rate below zero) during the period 2018-2024, the yearly percentage change in inflation was capped to zero.

Furthermore, in line with the provisions at Article 22(2) and Article 26 of new the Regulation, the conversion of actual and forecasted costs from nominal to real term values only applies to ANSPs' and MET providers' operating costs (i.e. staff and other non-staff operating costs, including also exceptional items), but does not apply to capital related costs (depreciation and cost of capital) nor to NSA/EUROCONTROL costs, which therefore are expressed in nominal terms.

3 Results

Table 1 below presents the up-to-date en-route cost series based on the latest submissions by Member States in the context of their bilateral discussions with the EC. These series (converted in EUR common

¹ See document "*D412 - EUROCONTROL evidence for establishing the EU-wide RP3 targets – Updated historical and forecast Cost series based on the rules of the new performance and charging Regulation for RP3*" dated 18 January 2019

² To date, 19 States revised their cost series during the bilateral meetings organised with the EC (i.e. Belgium-Luxembourg, Bulgaria, Czech Republic, Denmark, Finland, France, Italy, Malta, the Netherlands, Norway, Poland, Portugal, Romania, Spain Canarias/Continental, Slovakia, Slovenia, Sweden, Switzerland and United Kingdom).

currency using the 2017 actual average exchange rate as published by the CRCO for charging purposes) are based on the new 2017 inflation index basis and computed according to the new inflation methodology described above.

Charging Zones	2010		2011		RP1			RP2			RP3				
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Actual Costs								Forecast Costs						
Austria	181 158	185 913	186 255	186 732	183 194	181 891	188 590	187 302	193 224	194 335	200 824	202 419	204 700	197 184	195 923
Belgium/Lux.	170 618	161 596	166 795	169 054	161 485	166 017	169 392	178 362	189 009	217 237	225 318	230 666	233 918	235 765	239 569
Bulgaria	75 815	75 100	72 922	71 104	79 241	88 839	92 337	99 601	115 713	116 753	125 486	127 609	131 741	135 975	136 304
Croatia	70 324	81 556	77 036	83 017	89 027	86 852	87 319	87 660	94 608	96 167	96 358	98 423	99 877	101 226	102 467
Cyprus	46 294	44 792	47 275	46 342	47 500	50 889	50 131	47 510	57 471	58 647	66 075	69 231	72 341	73 901	75 947
Czech Republic	103 222	104 265	102 177	106 219	110 103	110 383	118 788	124 036	128 484	132 972	143 220	149 593	154 849	152 249	149 942
Denmark	102 825	98 459	97 430	97 356	94 807	97 491	94 222	92 299	93 993	98 796	110 415	111 770	113 566	114 706	116 524
Estonia	15 667	15 973	17 534	17 608	18 826	21 009	22 378	24 199	26 200	29 070	29 797	30 613	30 816	31 920	33 025
Finland	31 633	42 191	45 416	44 207	44 317	45 315	45 626	42 504	42 498	42 703	43 618	45 070	45 422	45 658	46 477
France	1 200 977	1 192 305	1 183 544	1 182 226	1 209 671	1 246 613	1 260 866	1 279 605	1 304 369	1 307 397	1 314 446	1 326 588	1 328 263	1 339 721	1 355 854
Germany	917 752	973 047	1 042 535	1 011 848	1 032 792	1 054 803	1 064 012	954 192	1 007 982	991 094	1 050 316	1 056 396	1 019 659	1 022 567	1 025 763
Greece	167 325	154 066	151 922	147 947	144 827	146 992	142 023	119 232	155 767	161 340	171 730	168 687	166 224	163 263	159 332
Hungary	82 671	83 183	82 663	83 751	83 018	88 502	91 072	95 445	97 505	101 438	108 954	114 230	119 780	124 954	131 163
Ireland	113 068	117 953	110 588	106 180	102 637	106 738	108 792	113 784	121 242	125 294	129 619	133 427	136 017	140 963	141 246
Italy	632 020	624 880	637 729	624 433	664 857	650 120	643 337	629 971	649 608	660 779	672 241	675 918	674 186	677 461	676 892
Latvia	17 816	21 520	21 381	20 912	21 392	21 589	21 446	21 268	22 594	23 761	24 989	25 034	25 489	26 264	26 562
Lithuania	19 755	21 827	22 177	23 210	22 897	23 921	23 452	23 809	23 805	25 065	25 570	25 836	26 044	26 034	25 953
Malta	13 333	15 842	14 847	15 576	15 274	17 120	18 299	20 443	22 154	23 404	27 515	27 371	28 124	28 975	29 547
Netherlands	198 847	169 320	176 431	174 200	179 481	176 969	189 445	189 933	206 166	217 466	235 688	235 541	240 896	241 216	241 909
Norway	96 496	100 872	99 590	113 025	108 098	108 739	101 449	114 799	107 602	110 733	113 645	121 021	123 895	129 071	126 491
Poland	118 490	128 723	139 655	136 521	156 257	145 897	154 723	184 767	195 939	191 988	238 669	248 796	261 315	272 773	275 254
Portugal	119 079	126 385	121 007	111 683	109 323	113 061	114 216	124 562	136 908	143 812	157 766	171 786	176 826	184 286	190 880
Romania	145 314	132 505	160 822	146 996	150 956	147 512	160 922	170 090	220 987	229 947	227 063	239 500	252 457	265 505	279 700
Slovakia	52 316	53 263	57 171	58 150	59 768	57 928	59 810	61 367	62 939	65 677	69 674	73 277	74 489	75 157	77 171
Slovenia	27 927	30 450	28 646	29 758	30 341	31 481	32 868	31 829	33 902	34 008	34 888	35 170	35 043	34 618	34 949
Spain Canarias	115 376	108 507	112 730	107 179	104 720	99 821	97 420	92 194	90 456	91 978	93 634	95 331	96 779	98 112	99 051
Spain Continental	701 129	666 993	672 883	626 072	613 410	599 331	598 013	586 391	594 078	619 002	649 139	658 716	658 058	660 193	659 319
Sweden	222 407	215 050	241 942	206 835	176 625	252 361	221 660	237 313	216 499	228 491	243 618	242 130	242 544	248 772	250 184
Switzerland	174 851	140 542	141 028	133 132	137 494	139 944	129 638	156 184	149 364	156 063	157 011	154 171	148 885	144 853	140 489
United Kingdom	798 528	781 976	787 376	852 530	779 789	765 352	772 747	754 181	795 808	834 179	840 577	804 484	781 389	782 289	779 406
TOTAL	6 733 033	6 669 053	6 819 507	6 733 800	6 732 127	6 843 477	6 874 991	6 844 830	7 156 876	7 329 596	7 627 867	7 698 804	7 703 592	7 775 632	7 823 293

Table 1: ACTUAL and FORECAST en-route costs for each individual Charging Zone based on the new RP3 inflation methodology (States highlighted in yellow have revised their cost series in view of the bilateral meeting with the EC)

Additionally, Chart 1 below displays the evolution of the aggregated actual/forecasted cost series between the “Initial costs series (Spring 2018)” and the “Revised costs series (February 2019 following bilateral meetings)”.

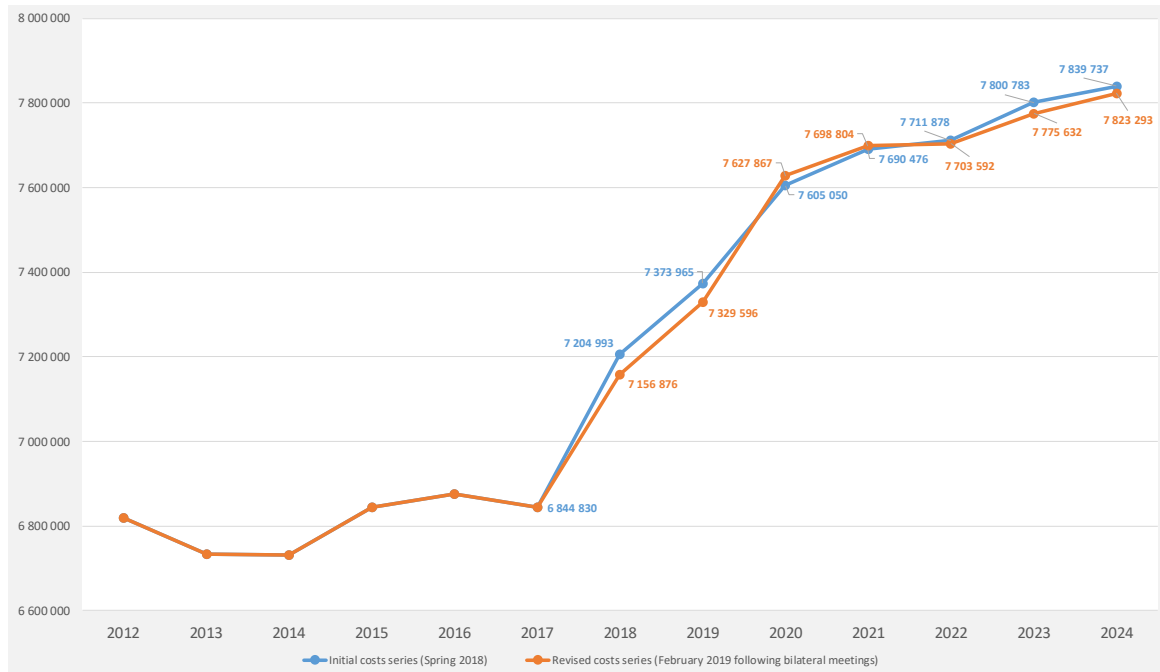


Chart 1: 2012-2014 evolution of ACTUAL and FORECAST en-route costs series at aggregate EU level as submitted by States in May 2018 and in February 2019 ('000EUR and €2017 real terms)