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EUROCONTROL

PRB Annual Monitoring Report 2013

Volume 2 – National Overviews

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VOLUME 2 – National Overviews

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1 Introduction

1.1.1 This report complements PRB's Volume I report and presents some more detailed information per State or FAB. This information is structured into 4 main parts:

- A Safety part;
- An en-route Capacity part;
- An airport Capacity part;
- A Cost-efficiency part.

1.1.2 The information contained in the first three parts is self-explanatory. However, the PRB considered that the Cost-efficiency part deserved a reader's guide to assist stakeholders in the reading and the understanding of PRB's analysis.

1.1.3 This reader's guide is presented in the following section.

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

2.1 Introduction

2.1.1 The objective of this Reader's Guide is to facilitate the reading and understanding of the analysis that is presented for the cost-efficiency KPI/PIs monitoring. It covers both en-route and terminal ANS cost-efficiency and comprises typically a five-page framework analysis which is consistently replicated for each State. The framework analysis has 13 specific "Items".

2.1.2 Page one of the cost-efficiency monitoring by State analysis begins with the presentation of contextual information (**Item 1**), in terms of the State's share in total EU-wide determined costs for 2013, the share of en-route and terminal ANS as covered by the SES in gate-to-gate ANS actual costs, identification of the State's main en-route Air Traffic Service Provider (ATSP) and FAB's membership and underlying information on the national currency and 2009 exchange rate to the Euro and change in exchange rate to the Euro between 2012 and 2013 (when relevant).

2.1.3 **Item 2** focuses on the examination of the en-route Determined Unit Rate (DUR) in 2013, comparing the actual performance (as per data submitted in the June 2014 State Reporting Tables submissions and the NSAs 2013 Monitoring Reports) and that stemming from the adopted National/FAB Performance Plans (NPPs). **Item 2** presents the different steps underlying the computation of the real en-route cost per service unit which is presented in both national currency and euros. A comparison is made between the determined en-route unit costs as forecast in the NPP and the actuals over 2009-2013. To ensure consistency with the determined costs data provided in the adopted NPPs, actual costs are expressed in real terms (2009 prices).

2.1.4 **Item 3** reviews the RP1 traffic situation (en-route SUs) in the State/Charging Zone, comparing planned, actual and the latest May 2014 STATFOR forecasts to provide an indication of the likelihood of the traffic alert mechanism being activated.

2.1.5 **Item 4** at the top of the second page shows a comparison between the actual and planned en-route costs by entity at State level and by nature at ATSP level, and a summary of the costs exempt from cost sharing (by factor/item and by entity) as reported by the States. All the costs exempt from cost sharing listed here are as reported by the State through the Reporting Tables and the NSA dedicated report submitted in June 2014. These costs will be eligible for carry-over to the following reference period(s) in part or in whole, if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

2.1.6 **Item 5** and **Item 6** on the second page focus on the (main) en-route State's ATSP, the most significant contributor to the State's en-route costs and the only (or main) entity subject to the

costs and traffic risk sharing mechanisms foreseen by the Charging Regulation. Note that the determined and actual costs for the main ATSP cover the total costs for the air navigation services provided by the main designated ATSP, including Communication, Navigation, Surveillance and Aeronautical MET services if these are provided by this main ATSP/ANSP.

2.1.7 The analysis presented in both **Item 5** and **Item 6** introduce a new analysis, 2012 marked the end of the full cost recovery mechanism. SES ATSPs are now subject to risk sharing arrangements which have direct implications on their profitability (the economic surplus generated by the ATSP with respect to the en-route activity performed in the calendar year and ex-post return on equity) and financial strength. The economic surplus should be interpreted as something which is analogous to the economic profit, rather than an accounting profit, in respect of ANS provided in the year. In this context, the amount of surplus in percentage of the en-route revenue/cost is comparable to the "profit margin" generated by the ATSP with respect to the en-route activity of the year. A surplus can be positive ("profit") or negative ("loss").

2.1.8 More specifically, **Item 5** shows the various steps to calculate the net ATSP gain or loss on en-route activity, taking into account the impact of the cost sharing and traffic risk sharing arrangements and additional gains/penalties resulting from financial incentives linked to capacity and/or environment where applicable. This allows computing a net gain/loss for the ATSP with respect to the en-route activity in the year 2013. Note that the calculation of this net gain/loss takes into account the costs exempt from cost sharing as reported for the ATSP (in **Item 4**). However, as the confirmation by the EC of their eligibility has not yet taken place, it cannot be assumed that the reported exemptions will be allowed in part or in full. For this reason, the results without taking account of the costs exempt from cost sharing is also presented in the text for the ATSP in **Item 7** for those ATSPs having reported considerable exempted amounts likely to change the results significantly. Note, as well, that, for a number of ANSPs, the estimated economic surplus figures for 2012 are different from those published in the 2012 PRB monitoring report. This may be due to one or more of the following reasons:

a) Revision of the 2012 costs exempt from cost-sharing by the States/NSAs, as the NSAs were given the possibility to resubmit their annual report on cost exempt from cost sharing for 2012 by 1 June 2014 together with their report for 2013, following clarifications made by EC on the interpretation of the regulation in relation to these exemptions;

b) Improved reporting and additional information provided by the States/ANSPs on the assumptions underlying the calculation of the cost of capital (in respect of gearing, pre-tax rates, etc.);

c) In few cases, updates in the actual 2012 costs made after the June 2013 submission that served as a basis for the 2012 monitoring.

2.1.9 **Item 6** calculates the estimated economic surplus of the ATSP for the en-route activity and compares planned with actual data for 2012 and 2013. It is important to emphasise that the economic/financial analysis focuses on the ATSP results entitled to the activity in the year 2013. The cash flow position and liquidity balance at the end of the year is impacted by the charging mechanism whereby the eligible under-recoveries (for traffic, etc.) are to be recovered in year N+2 or later. The analysis developed in **Item 6** is based on assumptions (in particular for the share of equity and debt used to compute the weighted average cost of capital). The provision of more detailed information on the computation of the cost of capital as part of the June 2014 submissions has improved the PRB understanding and monitoring analysis.

2.1.10 **Item 7** on the third page provides a commentary and general conclusions on the State and ATSP en-route cost-efficiency performance for the year. This includes a qualitative and quantitative summary of the activity along with any drivers for a divergence from the NPP and comments where relevant.

2.1.11 The first en-route DUR analysis on the fourth page, **Item 8,** provides an explanation of the incremental changes to the DUR (in national currency in nominal terms) to obtain the Chargeable (National) Unit Rate (CUR) – which is the actual en-route unit rate charged to

airspace users and takes into account, where applicable, factors such as exempted VFR flights, bonuses and penalties arising from incentives, and over- or under-recoveries from previous years. These costs and adjustments are divided by the forecast total service units for 2013 as laid out in the performance plan. Note that both the DUR and the CUR presented in **Item 8** are before the addition of the administrative unit rate for the billing and collection of route charges on a regional basis.

2.1.12 As a new feature for this 2013 monitoring analysis, **Item 9,** provides an explanation of the incremental changes to the DUR (in national currency in nominal terms) to obtain the actual en route unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"). This reflects the unit cost that airspace users genuinely incur in respect of the activities performed in 2013 and comprises: the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate, but as well the adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years such as the inflation adjustment, the adjustments resulting from the implementation of the traffic risk-sharing (ATSP), the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing) and the costs exempt from cost sharing (if deemed eligible) . These costs and adjustments are divided by the actual total service units in 2013.

2.1.13 **Item 10 (**on the fifth page**)** provides an overview of the terminal ANS costs and unit rates monitoring for 2013. An overview of the situation in the State is provided: the formula used to calculate the total terminal service units, the number of airports in the terminal charging zone and of them, the number of airports with over 50,000 commercial air transport movements. State terminal ANS data from the NPP is then presented, with the actuals, and a plain comparison made. **Item 11** provides concise commentary and conclusions with respect to the terminal ANS activity.

2.1.14 Finally, the analysis concludes with a short section (**Item 12**) on the monitoring of gate-to-gate ANS costs in 2013. Data from the NPP and actual data is presented along the same lines as for en-route costs (**in Item 2**) and terminal ANS costs (**in Item 10**). The share of en-route costs in gate-to-gate costs is also presented so as to detect if significant changes in the relative shares en-route/terminal have occurred, perhaps as the result of a change in cost allocation. A concise commentary and conclusions on gate-to-gate ANS costs complete the analysis under **Item 13.**

2.1.15 Note that the format of the analysis is slightly different for Spain (to enable the monitoring of the DUR for the two en-route charging zones, Spain Continental and Spain Canarias) and for France (to reflect the application of the determined costs method to terminal ANS services).

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

1. Contextual economic information	
Contextual information: >> presenting the State's size in the context of the SES total (i.e. the State en-route ANS determined costs in 2013 as a % of the total en-route determined costs for the SES area). >> identifies the State main ATSP, State FAB membership, national currency, and exchange rate to the Euro in 2009 and change in exchange rate to the Euro between 2012 and 2013 (when relevant).	Pie chart showing the share of en-route and terminal in gate-to-gate ANS actual costs with respect to the year 2013.

2. En-route DUR monitoring (2013)
State/charging zone - Data from RP1 national performance plan (NPP). Table presenting RP1 NPP data covering the years 2009-2014 (2009 & 2010 data is actual), as included in the European Commission Notification letters to the States dated July 2012, including: >> Determined en-route costs as provided in adopted NPP, in nominal national currency. >> Inflation in percentage increases per annum and indexed (to 100 in 2009). >> Determined en-route costs in real 2009 national currency. >> Total en-route Service Units as provided in adopted NPP. >> Determined en-route unit costs (en-route costs per Service Unit) presented in real 2009 national currency and real 2009 Euros (€2009).
State/charging zone – Actual data from June 2014 Reporting Tables, covering the years 2009-2013, including: >> Actual en-route costs, in nominal national currency, as reported by the States in their en-route Reporting Tables in June 2014. >> Inflation in percentage increases per annum and indexed (to 100 in 2009). The inflation rates are those reported by the States in their en-route Reporting Tables in June 2014, adjusted where necessary to reflect actual inflation from the NPP in 2010, and from Eurostat for 2011,2012 and 2013 in line with the Charging Regulation, where necessary. >> Actual en-route costs in real 2009 national currency. >> Actual en-route Service Units, as reported by the States in their en-route Reporting Tables in June 2014. >> Actual en-route unit costs (en-route costs per Service Unit) presented in real 2009 national currency and real 2009 Euros (€2009), using the 2009 Reuters average exchange rate shown in Item 1.
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP) The table compares 2012 and 2013 actual data to the forecast presented in the NPP, in value and percentage terms**.** **-> Identifies whether the actual real en-route unit cost is lower (improvement of the performance indicator) or higher (deterioration of the performance indicator) than the cost-efficiency target set in the NPP, and what were the drivers for the improvement or deterioration (difference in costs and difference in traffic).**
Chart: comparing actual en-route unit costs and traffic to NPP (in €2009) This chart presents the data provided in the three tables above: >> DURs, as planned in the adopted NPP, in €2009 [bar chart]. >> Actual en-route unit costs in €2009 [bar chart]. >> Forecast and actual Total Service Units (TSU), indexed to 2009 = 100 [line chart].

>> Determined and actual en-route costs, indexed to 2009 = 100 [line chart].

-> Illustrates the planned and actual trends in TSUs, real en-route costs and real en-route unit costs.

3. En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)

Chart: en-route traffic monitoring

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

>> Actual TSUs covering 2009 – 2013.

>> Forecast TSUs as presented in the NPP, with error bars showing the ±2% dead band and the ±10% threshold under the traffic risk sharing mechanism.

>> Forecast TSUs for 2014 as presented in the most recent STATFOR May 2014 forecast. The STATFOR base, high and low cases are presented.

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

-> Shows the trends in actual TSUs vs. NPP and the latest TSU forecast by STATFOR (May 2014) to assess the likelihood of the traffic alert mechanism to be activated during RP1.

4. En-route costs monitoring (2013 actuals compared to NPP)

Chart: costs by nature at State level and by entity at ATSP level, differences between the actual 2013 costs and the national performance plan (in €2009).

The first part of chart compares the actual 2013 en-route costs against the planned costs stemming from the adopted NPP at State level (in €2009) broken down by entity (ATSP, other ANSPs, METSP, NSA/EUROCONTROL) The ATSP is the "main" ATSP of the State concerned (as identified in Item 1. The other ANSPs are the other services providers in the State/Charging zone, if any (e.g. MUAC in Germany, Netherlands and Belgium/Luxembourg, ITAF in Italy, etc.).

The second part of the chart compares the actual 2013 en-route costs against the planned costs stemming from the adopted NPP at ATSP level (in €2009) broken down by nature (staff, other operating costs, depreciation, cost of capital, exceptional costs.

The 2013 actual costs are those reported in the June 2014 Reporting Tables. Note that for some States, adaptations had to be made. These are described in a specific note box at the top of Item 7.

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

-> Identify the main elements driving the differences between 2013 actual costs and determined costs established in the NPP for 2013.

Table: Costs exempt from cost sharing

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

Costs are listed by factor/item and by entity, with their estimated value in 2013, presented in €2009, using the actual inflation index for 2013 as shown in Item 2.

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

Note that all costs exempt from cost sharing listed here are as reported by the State in the June 2014 Reporting Tables and the NSA dedicated report. These costs will be eligible for carry-over to the following reference period(s) in part or in whole, if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

-> Present the costs exempt from cost sharing, as reported by the States.

5. Focus on ATSP – "net" ATSP gain/loss on en-route activity in 2013

Cost sharing table: This table presents in €2009:

>> Determined costs as presented in the NPP for 2013 for the main ATSP, converted into €2009 using the 2013 inflation index of the NPP (as shown in Item 2).

>> Actual 2013 costs for the main ATSP, as reported in the June 2014 Reporting Tables, converted into €2009 using the 2013 actual inflation index (as shown in Item

Chart: combined effect of variations in costs and revenue for 2013

This chart shows the impact of the gain/loss

2). Note that for some States, adaptations had to be made. These are described in a specific note box at the top of Item 7.

>> Difference in determined and actual, showing the gain (+) or loss (-) retained/borne by the ATSP in 2013.

>> any amounts reported as costs exempt from cost sharing for the ATSP, as shown in Item 4, that are to be recovered from (+) reimbursed to (-) airspace users [provided they are deemed eligible by the EC].

>> the total Gain (+)/Loss (-) to be retained by the ATSP under cost sharing arrangements, taking into account the costs exempt from cost sharing. Note that, as the confirmation by the EC of their eligibility has not yet taken place, it cannot be assumed that the reported exemptions will be allowed in part or in full. For this reason, the results without taking account of the costs exempt from cost sharing is also presented in the text for the ATSP in Item 7 for those ATSPs having reported considerable exempted amounts likely to change the results significantly.

to the ATSP in 2013 with respect to each of the items in the tables to the left:

>> Revenues (±) arising from cost sharing;

>> Revenues (±) arising from traffic risk sharing;

>> Revenues (±) arising from financial incentives;

>> Net ATSP gain/loss.

Figures are presented in €2009.

Traffic risk sharing table. This table presents the impact of the traffic risk sharing mechanism and the sharing of this impact between the ATSP and airspace users.

>> Difference in total service units (actual vs NPP) in percentage terms.

>> Determined costs of the main ATSP in 2013 (in NPP) after deduction of costs for exempted VFR flights, as these are the basis for the calculation of the traffic risk sharing. These are expressed in €2009, using the 2013 actual inflation index (as shown in Item 2).

>> The next four lines show the ATSP gain or loss under the traffic risk sharing mechanism. If actual traffic is ±2% when compared to the NPP, this is the 'dead band' and the resultant gain/loss in revenue is borne entirely by the ATSP. The gain or loss in revenue relating to actual traffic that is between 2% and 10% (higher or lower) than the NPP is shared between the ATSP and airspace users: with the ATSP bearing 30% and the airspace users 70%. If the difference between actual and planned traffic exceeds ±10%, the resultant gain/loss relating to traffic beyond ±10% is entirely borne by the airspace users and has therefore no impact on the ATSP gain/loss from traffic risk sharing.

Incentives table: This table shows the gain/loss to the ATSP in 2013 with respect to the financial incentives, as provided in either State Reporting Tables commentary (Additional Information) or the annual NSA Monitoring Report. These are expressed in €2009, using the 2013 actual inflation index (as shown in Item 2).

The **final net gain/loss to the ATSP** is the sum of: the gain/loss with respect to cost sharing, the gain/loss with respect to traffic risk sharing, and the gain/loss with respect to incentives, as noted in the tables above. This figure and its component parts can be seen in the chart on the right-hand-side of the page.

-> Shows the impact of the cost sharing and traffic risk sharing arrangements and additional gains/penalties resulting from financial incentives linked to capacity and/or environment where applicable with respect to the en-route activity in the year 2013. It is important to emphasise that this analysis focuses on the ATSP results entitled to the activity in the year 2013. It does not consider the cash flow position and liquidity balance at the end of the year which are impacted by the charging mechanism whereby the eligible under-recoveries (for traffic, etc.) are to be recovered in year N+2 or later.

6. En-route ATSP estimated surplus (2013)

ATSP estimated profit margin table. This table presents the component data and final conclusions on the main ATSP estimated surplus generated by the ATSP with respect to the en-route activity performed in 2013.

Surplus should be interpreted as something which is analogous to the economic profit, rather than an accounting profit, in respect of ANS provided in the year. In this context, the amount of surplus in percentage of the en-route revenue/costs is comparable to the "profit margin" generated by the ATSP with respect to the en-route activity of the year. A surplus can be positive ("profit") or negative ("loss").

Planned data (as per the NPP) is presented for each year of RP1, all in €2009, using the 2013 inflation index of the NPP (as shown in Item 2). Actual data is presented for 2013 and is expressed in €2009, using the 2013 actual inflation index (as shown in Item 2).

>> a. total asset base, as per the NPP and the June 2014 Reporting Tables.

>> b. estimated proportion of financing through equity (in value and percentage terms).

>> c. estimated proportion of financing through debt (in value and percentage terms).

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

= (d-(a*e))/(a*g)-(a*e). For some ATSPs however, such a computation was not possible as it did not give "realistic" results. For these ATSPs, research was made through the available documentation (NPP, Additional Information to the en-route Reporting Tables, NSA 2013 Monitoring Report, ACE submissions, ATSP Annual Reports, etc.) and assumptions have been taken, which are detailed in a specific note presented in a box at the top of Item 7. These assumptions, as well as the results from the standard formula would need to be confirmed by the States concerned or amended where necessary.

>> d. cost of capital, as reported in the NPP and the June 2014 Reporting Tables. Note that for some ATSPs, adaptations had to be made as a result of the assumptions taken for the proportion of financing through equity and for the pre-tax RoE (see g below). These are described in a specific note box at the top of Item 7.

>> e. average interest on debt (percentage).

>> f. the interest on the debt is calculated as the *average interest on debt* multiplied by the *value of the debt financing.*

>> g. Ex-ante (pre-tax) RoE is the planned Return on Equity (percentage), as reported in the NPP and the June 2014 Reporting Tables. In some cases, through the analysis of the different documentation referred to above, it was found that the rate of RoE as reported by the ATSP in the NPP and/or the Reporting Tables was not the pre-tax rate used for calculating the cost of capital as foreseen by the Charging Regulation. In these cases, the cost of capital (d above) and RoE were recomputed and the details of the adjustments/corrections made are described in the note on top of Item 7.

>> h. the estimated surplus embedded in the cost of capital for en-route is calculated as the *ex-ante (pre-tax) RoE* (%) multiplied by the *value of the equity financing.*

>> i. the net ATSP gain/loss on en-route activity is as presented in the conclusion to the above Item 5 – i.e. the sum of the ATSP gain/loss with respect to cost sharing, traffic risk sharing, and incentives.

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

This table presents, in €2009, the following:

>> the estimated surplus (+/-) for the en-route activity, which is the sum of the *estimated surplus embedded in the cost of capital for en-route* (h above) and the *net ATSP gain(+)/loss(-) on en-route activity* based on actual performance (i above). >> the planned revenue/costs for the en-route activity corresponds to the determined costs for the ATSP as per the NPP (converted into €2009 using the 2013 inflation index of the NPP as shown in Item 2. The actual revenue/costs for the en-route activity is the sum of the *actual costs for the ATSP* and the *Net ATSP gain(+)/loss(-) on en-route activity* (both as presented in Item 5).

>> the estimated surplus (+/-) as a percentage of en-route revenue/costs.

>> the estimated ex-post (pre-tax) RoE is calculated as a percentage of the value of the equity in the asset base. This value should be compared to the ex-ante (pre-tax) RoE presented a few rows above in the same table.

-> Shows the direct implications of the risk sharing arrangements on the ATSP profitability (surplus as a percentage of the en-route revenue/costs and ex-post return on equity - RoE) and financial strength, focusing on the ATSPs results for the en-route activity performed in 2013.

Chart: estimated surplus for en-route activity

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

7. General conclusions on the monitoring of the 2013 en-route DUR

Notes on the information provided by the State

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

At State/Charging zone level:

Text commentary providing general conclusions on the 2013 en-route DUR at State/Charging zone level, including:

>> comparison between actual costs and actual traffic to the costs and traffic forecast in the NPP.

>> comment on the application of the traffic risk sharing mechanism in the State: whether the 2013 difference between actual and planned traffic difference falls within the ± 2% dead band or the ±10% threshold, and whether the forecast traffic outlook (based on the latest, May 2014 STATFOR forecast) exceeds either the dead band or the threshold.

>> comment on the differences between actual 2013 costs and those planned in the adopted NPP, including an analysis of which entity is driving this difference and, when applicable, about the specific cost drivers of this difference nor related to the ATSP.

>> a note on the costs exempt from cost sharing reported by the State. Note that all costs exempt from cost sharing listed here are as reported by the State in the June 2014 Reporting Tables and the NSA dedicated report. These costs will be eligible for carry-over to the following reference period(s) in part or in whole, if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At Air Traffic Service Provider (ATSP) level

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

This section provides text commentary and general conclusions on the 2013 en-route DUR at ATSP level, including, if available:

>> comparison between actual 2013 en-route costs and those forecast in the NPP, noting the key drivers for their differences.

>> comments on actual capital expenditure and asset base as compared to that forecast in the NPP, with reasons for any divergence from the plan if known.

>> a summary of the net result (positive or negative surplus) for the ATSP with respect to the en-route activity in 2013 (cf. Items 5 and 6).

A conclusion for the en-route 2013 monitoring analysis is presented in bold at the bottom of Item 7.

8. En-route DUR 2013 vs 2013 unit rate charged to users

Chart: 2013 Chargeable Unit Rate (CUR) vs 2013 DUR in national currency in nominal terms.

This column chart provides a breakdown of the various components added to the 2013 Determined Unit Rate (DUR) to result in the actual rate charged to airspace users i.e. the so-called 2013 Chargeable Unit Rate (CUR). These components include adjustments detailed below.

The blue column on the far left hand side of the chart presents the 2013 DUR. Each of the incremental columns following the 2013 DUR from left to right show the contribution (in nominal terms) of each adjustment to reach the 2013 CUR, presented in the yellow column on the right-hand-side of the chart.**-> Shows the difference between the 2013 DUR (in nominal terms) and the unit rate charged to airspace users in 2013.**

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

The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR). The CUR takes account of: the DUR , but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues; as well as adjustments relating to the activities of previous years that are carried-over to 2013. These adjustments

include:

* the inflation adjustment (but not applicable in 2013);
* the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
* the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);

* the bonus/penalty from previous year(s).

* the legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by the **forecast total service units** for 2013 as laid out in the performance plan.

Summary of information presented in chart above, comparing the unit rate charged to users in 2013 (CUR 2013) to the nominal Determined Unit Rate (DUR) for that year, with a summary of any drivers of the difference.

9. En-route DUR 2013 vs 2013 actual unit cost for users

Chart: 2013 actual unit cost for users vs 2013 DUR in national currency in nominal terms.

This column chart provides a breakdown of the various components added to the 2013 Determined Unit Rate (DUR) to result in the actual unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"). These components include adjustments detailed below.

The blue column on the far left-hand-side of the chart presents the 2013 DUR (similar to item 8 above). Each of the incremental columns following the 2013 DUR from left to right show the contribution (in nominal terms) of each adjustment to reach the 2013 AUC-U, presented in the yellow column on the right-hand-side of the chart.

-> Shows the difference between the 2013 DUR (in nominal terms) and the actual unit cost for users in 2013

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

The DUR for 2013 (expressed in nominal terms) can also be compared to the actual en route unit cost for users (AUC-U) for 2013, which reflects the unit cost that airspace users genuinely incur in respect of the activities performed in 2013.

The AUC-U comprises: the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate, as well as adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years. These adjustments include:
* the inflation adjustment;
* the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
* the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
* the bonus/penalty for the current year;
* the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by the **actual total service units** in 2013.

Summary of information presented in chart above, comparing the actual en route unit cost for airspace users (AUC-U) for 2013 to the nominal Determined Unit Rate (DUR) for that year, with a summary of any drivers of the difference.

10. Terminal costs and unit rates monitoring (2013)

Table providing overview of situation in the State, including:

>> the exponent (x) applied to the Terminal Service Unit formula applied (MTOW^x) for each year from 2009 – 2014.

>> the number of airports in the terminal charging zone(s).

>> the number of airports with over 50,000 movements.

Table showing State-provided data from the RP1 NPP:

>> Terminal ANS costs, in nominal national currency.

>> Inflation index applied to NPP data (100 in 2009), as shown also in Item 2 (same as for the en-route data).

>> Real Terminal ANS costs in both 2009 national currency and €2009.

Actual data for State as reported in the June 2014 Reporting Tables. Actual data shown for years 2009-2013 when available, with the final right-hand columns comparing the 2013 actuals to the NPP determined data for 2013 (both in percentage and value terms). The table shows:

>> Terminal ANS costs in nominal national currency.

>> Inflation index to apply to actual 2013 State data (100 in 2009), as shown also in Item 2 (same index as for the en-route data).

>> Real terminal ANS costs, in both 2009 national currency and €2009.

>> Total Terminal Service Units – actual 2009-2013.

>> Actual real unit costs (in real 2009 national currency).

>> the Actual unit rate applied in 2013, as reported in the 2013 NSA Monitoring Report or in other documentation if not available through the NSA Monitoring Report.

Table showing the difference between actuals 2012 and 2013 and planned in absolute value and in percentage terms. For all the elements listed above.

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

Text commentary providing:

>> an overview of the Terminal ANS situation in the State and the airports included, as well as the exponent applied in the State's formula for TNS and whether the harmonised SES formula [(MTOW/50)^0.7] applies.

>> comments on the difference between actual 2013 terminal ANS costs and the forecast presented in the NPP, and the driver(s) of this difference, if known.

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

12. Monitoring of gate-to-gate ANS costs (2013)

Gate-to-gate costs from the NPP are the sum of en-route and terminal navigation services costs in €2009, as presented in Items 2 and 10.

This table presents gate-to-gate data from the State's RP1 National Performance Plan, covering projected 2012, 2013 and 2014 performance, as well as 2009-2011 data if available. The table includes:

>> En-route costs (determined costs 2012-2014), presented in real 2009 national currency.

>> Terminal ANS costs, presented in real 2009 national currency.

>> Gate-to-gate ANS costs (i.e. sum of en-route and terminal costs), presented in both real 2009 national currency and €2009.

>> the share, or proportion, as a percentage, of en-route costs in total gate-to-gate ANS costs.

This table presents **actual gate-to-gate ANS data as submitted by the State in the June 2014 Reporting Tables**, covering the years 2009 – 2013 (when available). The table includes:

>> En-route actual costs 2009-2013), presented in real 2009 national currency.

>> Terminal ANS actual costs 2009-2013, presented in real 2009 national currency.

>> Gate-to-gate ANS actual costs 2009-2013 (i.e. sum of en-route and terminal costs), presented in both real 2009 national currency and €2009.

>> the share, or proportion, as a percentage, of en-route costs in total gate-to-gate ANS costs.

Table showing the difference between actuals 2012 and 2013 and planned in absolute value and in percentage terms. For all the elements listed above.

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

Text commentary providing:

>> a comparison between the State's actual 2013 gate-to-gate ANS costs and those presented in the NPP, along with any drivers for the difference, if known.

>> any changes in the proportion of en-route costs in total gate-to-gate ANS costs over the period.

-> Identifies whether the actual share of en-route and terminal ANS costs is in line with the share foreseen in the NPP, to identify any change in cost-allocation methodology and identify transfers (if any) between en-route and terminal ANS costs (as in 12 above).

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Austria

Fact validated edition

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AUSTRIA

Monitoring of SAFETY indicators for 2013

Effectiveness of Safety Management				
	2012	**2013**	**2014**	**State level Observations**
State level	42	42		A follow up inspection took place last year, where all due corrective actions were confirmed as being closed. Despite this, Austria keeps very conservative scores, with no improved targets in any of the EoSMs components. (TV)
ANSP [Austro Control]	81	84		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		**2013**		**2014**		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	38	100%	30	100%			
	ATM Overall		100%		90%			
Runway Incursions (RIs)	ATM Ground	28	0%	10	100%			
	ATM Overall		0%		60%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	64	100%	56	100%			

Above RAT methodology application values are different from the ones in State Report. The AST results are updated and confirmed by Austria after request for clarification.

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	7	3	7	3		
Legal/Judiciary	4	4	4	4		
Occurrence reporting and Investigation	2	0	2	0		
TOTAL	**13**	**7**	**13**	**7**		

Number of questions answered with Yes or No	**ANSP [Austro Control]**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	13	0	13	0		
Legal/Judiciary	2	1	3	0		
Occurrence reporting and Investigation	6	2	6	2		
TOTAL	**21**	**3**	**22**	**2**		

AUSTRIA **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.3	0.24	0.23	
National Target	0.85	0.98	0.23	
Actual performance	0.13	0.21		

National capacity assessment

Capacity [performance] is well within Austrian Performance Plan targets.

The transition of ACC to the new ATM-system Topsky from O-Date to Full-OPS was noteworthy. Due to the thorough preparation of the transition, the perfect collaboration of all involved persons and units, ACG was able to keep a possible negative impact for the customers as low as possible. The assumption in the performance plan was a delay target of 0,98 min/flight for 2013 which was - due to the above mentioned actions - minimized to the notable value of 0,26 (sic) min/flight for the whole year 2013.

[For the future] the capacity is expected to increase in line with the traffic demand, and the delay performance is expected to be close to the reference values.

Military dimension of the plan (Opt.)

Although specifically requested in IR 691/2010 Annex II, Template for Performance Plans, paragraph 4: the performance plan for Austria did not contain any description of how FUA would be applied to increase capacity. No additional information on this was provided in 2013.

PRB Capacity assessment

Austria has provided a level of capacity that is better than both the national target and the level of performance required to be consistent with the EU wide target for 2013. The PRB is encouraged by the successful implementation of the new ATM system, and is confident that Austria will meet the required capacity performance for 2014 and beyond.

The PRB notes the reference in the national monitoring report to capacity performance at “ACC Vienna w/o INN”, and the reported actual ATFM en route delay of 0.26 minutes per flight. The PRB reminds Austria that, for RP1, the SES performance scheme targets are applicable at national level and that the official delay figure is as reported on the PRB dashboard i.e 0.21 minutes per flight for 2013.

Effective booking procedures

The calculation on effective booking procedures could not be performed since Austria did not provide any information on the actual use of airspace. In 2012 Austria provided data for several areas that were deemed to impact available ATC capacity and/or route options for general air traffic, including: GLOCKNER, HOCHSCHWAB, HOCHSCHWAB-HOCH, ISCHL, ODBACH, PYHRN, SCHOBER, SCHOBER-NORD and SCHOBER-SUD.

Recommendations

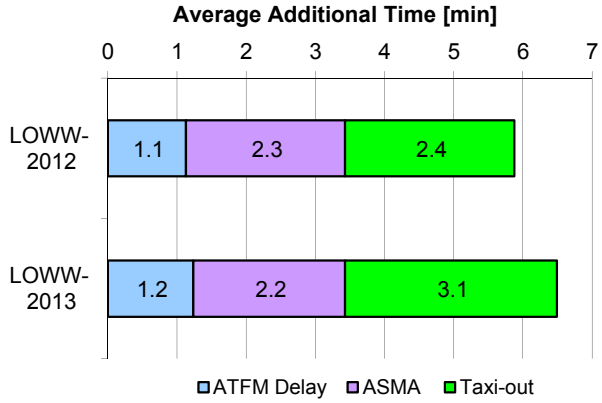
Austria is requested to provide the obligatory data on effective booking procedures for all segregated or restricted areas which impact available ATC capacity and or route options for general air traffic.

AUSTRIA **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Vienna	LOWW	2012	1.1	147 760	2.3	294 272	2.4	290 409	732 441
		2013	1.2	153 171	2.2	254 176	3.1	343 094	750 441
Weighted average		**2012**	**1.1**		**2.3**		**2.4**		
		2013	**1.2**		**2.2**		**3.1**		
Grand Total		**2012**		**147 760**		**294 272**		**290 409**	**732 441**
		2013		**153 171**		**254 176**		**343 094**	**750 441**
				4%		**-14%**		**18%**	**2%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by .*

Critical Issues

- None

Specific Analysis

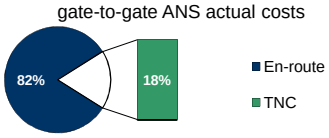
- Data regularly provided on schedule.
- Both the new terminal Skylink and the Collaborative Arrival Regulation Avoidance (CARA) process operated from 2012 at Vienna Airport were expected to result in better performance.
- Performance at Vienna airport indeed noticeably improved in 2012, but slightly degraded again in 2013 despite a slight decrease of traffic by 5%. Total additional time increased in 2013 by 2%. In particular, additional taxi-out time increased from 2.4 to 3.1 minutes/arrival.

AUSTRIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

1. - Contextual economic information

- Austria represents 2.8% of the SES en-route ANS determined costs in 2013.
- ATSP : Austro Control
- FAB : FAB CE
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS actual costs

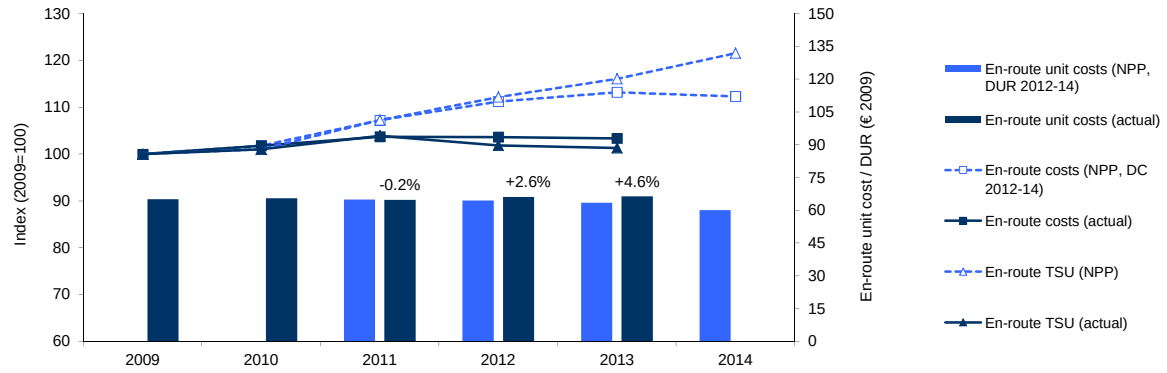


2. - En-route DUR monitoring (2013)

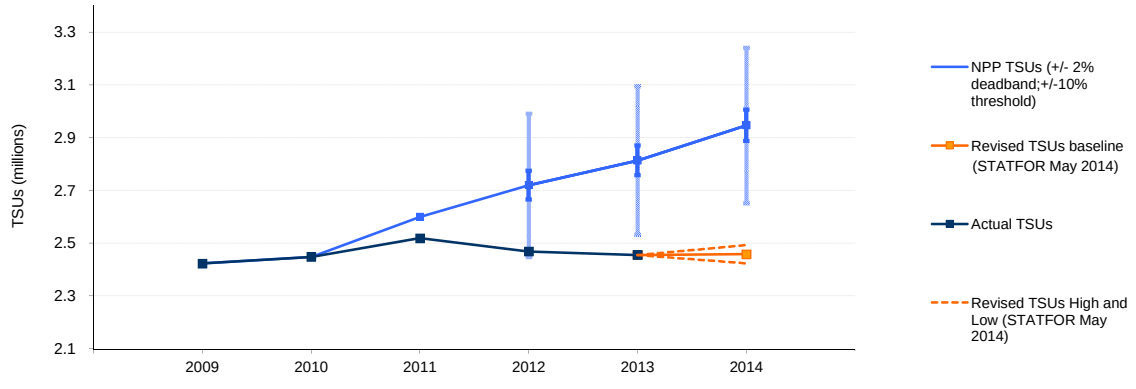
Austria - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	157 658 313	163 593 000	175 739 000	186 854 000	194 975 000	198 234 000
Inflation %		1.9%	2.0%	2.5%	2.5%	2.5%
Inflation index (100 in 2009)	100.0	101.9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

Austria - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	157 658 313	163 593 000	172 598 000	176 965 100	180 251 105	
Inflation %		1.9%	3.6%	2.6%	2.1%	
Inflation index (100 in 2009)	100.0	101.9	105.6	108.3	110.6	
Real en-route costs - (in EUR2009)	157 658 313	160 542 689	163 494 000	163 382 797	162 993 728	
Total en-route Service Units	2 423 824	2 449 000	2 519 384	2 469 156	2 456 012	
Real en-route unit costs per Service Units - (in EUR2009)	**65.05**	**65.55**	**64.89**	**66.17**	**66.37**	

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



3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)

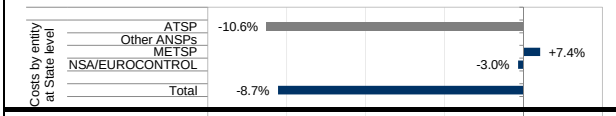


AUSTRIA

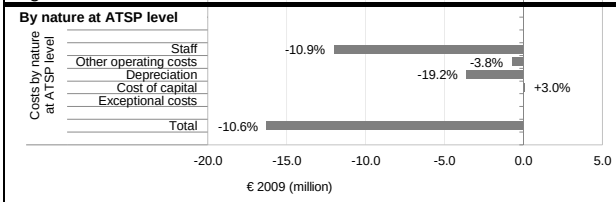
Monitoring of en-route and terminal COST-EFFICIENCY for 2013

4.- En-route costs monitoring (2013 actuals compared to NPP)

By entity at State level



By nature at ATSP level



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension - See note 1	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-142
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP - See note 1	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-142
Total costs exempted from cost sharing	**-142**
to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	

5.- Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

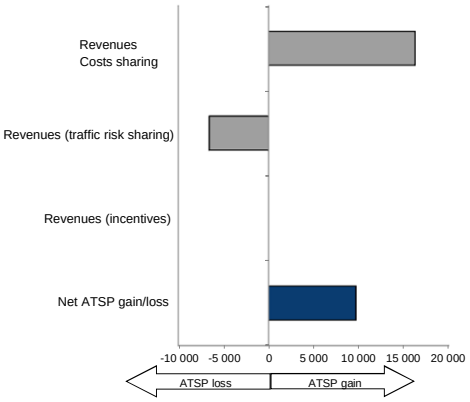
Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	152 893
Actual costs for the ATSP	136 616
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	16 277
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**16 277**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-12.72%
Determined costs after deduction of costs for exempted VFR flights	149 347
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-2 987
ATSP loss (traffic between -2% and -10% below NPP)	-3 584
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-6 571**

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

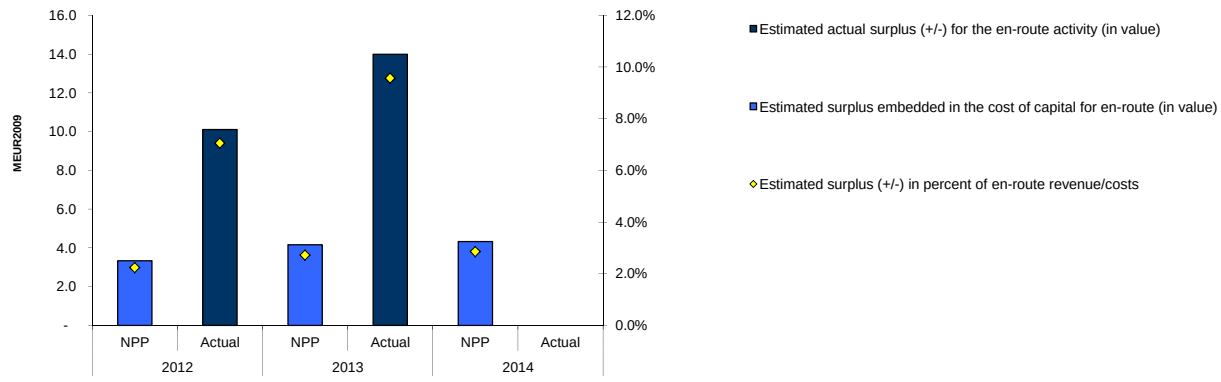
Net ATSP gain(+)/loss(-) on en-route activity	**9 705**

Combined effect of variations in costs and revenue for 2013 ('000€2009)



6.- En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	74 257	82 211	92 491	95 237	96 092	
Estimated proportion of financing through equity (in %) - See note 2	100%	100%	100%	100%	100%	
Estimated proportion of financing through equity (in value)	74 257	82 211	92 491	95 237	96 092	
Estimated proportion of financing through debt (in %)	-	-	-	-	-	
Estimated proportion of financing through debt (in value)	-	-	-	-	-	
Cost of capital pre-tax (in value)	3 342	3 699	4 162	4 286	4 324	
Average interest on debt (in %) - See note 2	-	-	-	-	-	
Interest on debt (in value)	-	-	-	-	-	
Ex-ante RoE pre-tax rate (in %)	4.5%	4.5%	4.5%	4.5%	4.5%	
Estimated surplus embedded in the cost of capital for en-route (in value)	3 342	3 699	4 162	4 286	4 324	
Net ATSP gain(+)/loss(-) on en-route activity		6 402		9 705		
Overall estimated surplus (+/-) for the en-route activity	**3 342**	**10 101**	**4 162**	**13 991**	**4 324**	
Revenue/costs for the en-route activity	**149 402**	**143 349**	**152 893**	**146 322**	**151 739**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**2.2%**	**7.0%**	**2.7%**	**9.6%**	**2.8%**	
Estimated ex-post RoE pre-taxe rate (in %) - See note 2	**4.5%**	**12.3%**	**4.5%**	**14.7%**	**4.5%**	



AUSTRIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7.- General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Austria

Note 1: Costs exempt from cost sharing

Following an amendment of IAS 19 in 2013, any gains/losses arising from a change in actuarial assumptions have to be directly reflected in the financial statements of Austro Control. This contrasts with the methodology that was used by Austro Control until 2012 (i.e. corridor approach) according to which actuarial gains/losses were not recognised in the financial statements if their amount represents less than 10% of the present value of pension obligations. As a result, "unrecognised" actuarial losses amounting to 126 M€ had to be recorded in Austro Control 2013 financial statements. Out of this amount, 88.4 M€ was allocated to en-route ANS. Austria proposes to spread this amount over a 15 years period (5.9 M€ p.a.) and to charge it to the airspace users as a costs exempt from risk sharing.

Note that the amount of cost exempt from risk-sharing presented for Austria in this report excludes the 88.4 M€ as this exceptionally high figure would significantly affect the result of the economic surplus analysis for Austro Control. It is also noted that this amount is not included in Austria 2013 en-route cost-base.

This amount will be considered eligible (or not eligible) only after the EC verification of the information provided in the Austrian NSA report on costs exempt from risk sharing. The outcome of this verification is expected to be available during the fall of 2014.

Note 2: ATSP estimated surplus

The capital structure considered by Austro Control to compute its Weighted Average Cost of Capital (WACC) rate was 84% of debt and 16% of equity. However, it is understood that the share associated with the debt reflects the proportion of pension obligations in Austro Control total liabilities. Indeed, the Austro Control Annual report for 2013 does not reflect any debt from bank borrowings. It specifies that all the interest bearing debt (17.6 M€) is related to IFRS employee benefit provisions, which are netted off by an income from plan assets representing pension fund investments.

Therefore, for the purposes of the analysis of the Austro Control economic surplus with respect to the en-route activity in 2013, the estimated proportion of financing through equity (both planned and actual) has been adjusted to 100%. Accordingly, the rate of RoE that was considered is equal to the WACC rate (i.e. 4.5%). This implies that the whole cost of capital (4.3 M€2009 in 2013) is considered as the estimated surplus embedded in the cost of capital.

At State / Charging Area level

The actual 2013 traffic measured in total Service Units (TSUs) is significantly lower (-12.7%) than the traffic planned in Austria's National Performance Plan for RP1 (NPP). On the other hand, the actual en-route costs at State level for the year 2013 are -8.7% below the determined costs published in the NPP, in real terms (€2009). As a result, Austria's actual real en-route unit cost (66.37 €2009) is +4.6% higher than the Determined Unit Rate (DUR) (63.45 €2009) for 2013.

The difference in actual traffic compared to the NPP plans for 2013 (i.e. -12.7%) exceeds the -10% threshold foreseen in the traffic risk sharing mechanism. Looking forward, based on STATFOR May 2014 baseline forecast, the number of TSUs in 2014 is expected to remain substantially lower than the forecast provided in the Austrian NPP for 2014 (i.e. -16.6%). Indeed, the en-route traffic in 2014 is foreseen to remain at the same level as in 2013 (i.e. +0.1%), while a steady increase is planned in the NPP for the same period. As a result, the difference in traffic with respect to the NPP is likely to exceed again the -10% threshold in 2014.

The Austrian en-route cost-base includes costs relating to: the ATSP (Austro Control), the METSP, the Austrian NSA and the EUROCONTROL Agency. The actual 2013 en-route costs are lower than planned in the NPP (i.e. -8.7% or some -15.6 M€2009). This difference is mainly attributable to the ATSP (i.e. -10.6% or some -16.3 M€2009) as described in the section below. The costs are also lower than planned for the NSA/EUROCONTROL (i.e. -3%), while the actual costs are higher than planned for the METSP (i.e. +7.4%) due to a rise in staff costs.

"Costs exempt from cost-sharing" are reported for a total of -0.14 M€2009 (see note 1 above) to be reimbursed to the users for the en-route activity, corresponding to lower EUROCONTROL costs than planned in the NPP (cf. Table in item 4). These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Actual 2013 Austro Control costs vs. NPP

The actual 2013 Austro Control costs are -10.6% lower in real terms (or some -16.3 M€2009) than planned in the NPP for the same year. This mainly results from significantly lower staff costs (-10.9% or -12.0 M€2009) but also from lower depreciation costs (-19.2% or -3.6 M€2009) and other operating costs (-3.8% or -0.7 M€2009). On the other hand, the cost of capital is higher (i.e. +3.0%) than planned in the NPP.

Staff cost accounts for approximately 2/3 of the total costs. Actual 2013 staff costs are -5.7% lower than in 2011 in real terms. This significantly contrasts with the increase in staff costs that was planned in the NPP for RP1 over the same period (+4.0%). It is understood that this increase was based on the assumption of a relatively high traffic increase, which did not materialise (see above).

In 2013, Austro Control depreciation costs are lower than planned (i.e. -19.2% or -3.6 M€2009). According to the additional information enclosed to the June 2014 Reporting Tables, the lower depreciation costs observed in 2012 and 2013 compared to the planned values is mainly due to the fact that the useful economic life for various large investments (i.e. TWR SBG, power supply ATCCV, etc.) was revaluated in 2012.

The higher cost of capital compared to plans (+3.0%) is mainly driven by the use of a higher asset base used to compute the en-route cost of capital (i.e. some +3%).

Austro Control net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, the en-route activity in 2013 generated a net gain of +9.7 M€2009 for Austro Control. This is the combination of two separate elements:

- a gain of +16.3 M€2009 for Austro Control as a result of the cost-sharing mechanism (due to the lower actual costs than planned in the NPP for 2013), and
- a loss of -6.6 M€2009 as a result of the traffic risk sharing mechanism for 2013.

On the profitability side, the ex-ante estimated surplus embedded in the cost of capital for the en-route activity through the return on equity planned in the NPP amounts to 4.2 M€2009, corresponding to an estimated surplus of 2.7% of the en-route costs/revenue for the activities in 2013. Ex-post, the overall estimated surplus for the year computed by adding the surplus embedded in the cost of capital (4.3 M€2009) and the net gain for the en-route activity in 2013 (9.7 M€2009) amounts to 14.0 M€2009 for 2013 (or 9.6% of the en-route revenue in 2013). The resulting ex-post rate of return on equity for 2013 is 14.7% (compared to 4.5% as initially planned in the NPP).

This indicates that in 2013, Austro Control was in a position to retain the surplus embedded in the cost of capital and to generate extra gains resulting from the lower costs than planned in 2013. This adds to the overall estimated surplus of 10.1 M€2009 for the en-route activity generated in 2012 (or 7.3% of the en-route revenue leading to an ex-post rate of return on equity of 12.3%).

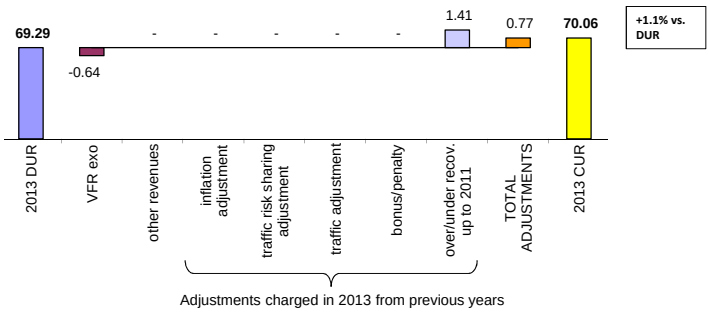
Note that the overall economic surplus in 2012 slightly differs from the figure published in the PRB monitoring report for 2012, due to a revision of the assumptions underlying the calculation of the cost of capital (proportion of financing through equity and the RoE pre-tax rate, see note 2)

Conclusion: In spite of the significantly lower than expected traffic volumes (-12.7%), Austro Control was in a position to generate an overall estimated surplus of 14.0 M€2009 on the en-route activity for the year 2013. This implies an ex-post rate of return on equity of 14.7% (compared to 4.5% as initially planned in the NPP). This result adds to the gains generated by Austro Control in 2012 (10.1 M€2009).

AUSTRIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Austria 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - EUR



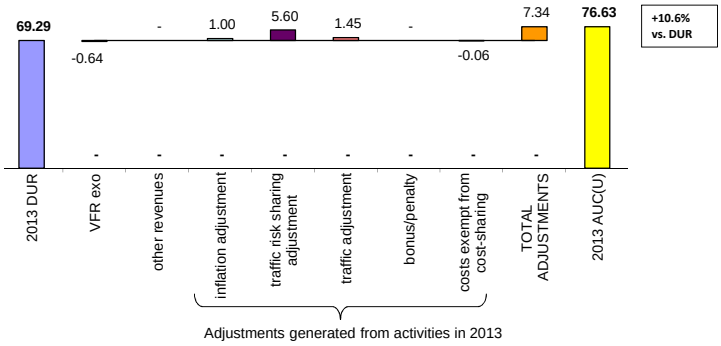
The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  - the inflation adjustment (but not applicable in 2013);
  - the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  - the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  - the bonus/penalty from previous year(s).
  - the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The unit rate charged to airspace users (CUR) in 2013 was 70.06€. This is +1.1% higher than the nominal DUR (69.29€). The difference observed between these two figures (+0.77€) reflects the deduction related to the costs for exempted VFR flights in 2013 (-0.64€) and the under-recovery carried over to 2013 in the context of the full cost-recovery regime in place before RP1 (+1.41€).

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Austria 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the “true cost for users”), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  - the inflation adjustment;
  - the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  - the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  - the bonus/penalty for the current year;
  - the costs exempt from cost sharing (if deemed eligible).

The actual en route unit cost for airspace users in 2013 (76.63€) is +10.6% (or +7.34€) higher than the nominal DUR (69.29€). The difference reflects the traffic risk sharing adjustment (+5.60€), the traffic adjustment related to the costs not subject to traffic risk sharing (+1.45€), the inflation adjustment (+1.00€), and deductions related to the costs for exempted VFR flights in 2013 (-0.64€) and costs exempt from cost-sharing (-0.06€).

AUSTRIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10. - Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^	0.7	0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone		6	6	6	6	6	6
of which, number of airports over 50 000 movements		1	1	1	1	1	1

Austria - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	34 240 000	37 020 000	38 702 000	41 107 000	43 427 000	44 360 000
Inflation index (100 in 2009)	100.0	101.9	103.9	106.5	109.2	111.9
Real terminal ANS costs - (in EUR2009)	**34 240 000**	**36 329 735**	**37 235 660**	**38 584 916**	**39 768 366**	**39 631 963**

Austria - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)	34 240 000	37 020 000	36 486 000	36 689 000	39 089 938	
Inflation index (100 in 2009)	100.0	101.9	105.6	108.3	110.6	
Real terminal ANS costs - (in EUR2009)	**34 240 000**	**36 329 735**	**34 561 479**	**33 873 071**	**35 347 438**	
Total terminal service units	172 644	183 493	187 122	182 127	176 345	
Actual real unit costs - (in EUR2009)	198.3	198.0	184.7	186.0	200.4	
Unit rate applied - (in EUR)				**209.00**	**209.00**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value	-4 418 000	-4 337 062	
	in%	-10.7%	-10.0%	
Inflation index (100 in 2009)	in p.p.	1.8 p.p.	1.4 p.p.	
Real terminal ANS costs - (in EUR2009)	in value	**-4 711 845**	**-4 420 928**	
	in%	**-12.2%**	**-11.1%**	

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

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

The actual terminal ANS 2013 costs for Austria are -11.1% lower in real terms (or some -4.4 M€2009) than planned in the NPP. This difference is mainly driven by significantly lower costs of capital than planned (i.e. -84.2% or -1.9 M€2009). The NSA monitoring report or the additional information enclosed to the June 2014 Reporting Tables does not provide detailed information on the main drivers underlying this deviation. Other costs are also lower than planned: staff cost (i.e. -4.5% or -1.2 M€), other operating costs (i.e. -11.9% or -0.6 M€2009) and depreciation costs (i.e. -11.9% or -0.8 M€2009).

The deviation in terminal ANS related costs is larger than that observed for en-route, in relative terms.

12. - Monitoring of gate-to-gate costs (2013)

Austria - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	157 658 313	160 542 689	169 080 606	175 389 738	178 548 762	177 105 559
Real terminal ANS costs - (in EUR2009)	34 240 000	36 329 735	37 235 660	38 584 916	39 768 366	39 631 963
Real gate-to-gate ANS costs - (in EUR2009)	**191 898 313**	**196 872 424**	**206 316 265**	**213 974 654**	**218 317 127**	**216 737 522**
Share of en-route costs in gate-to-gate ANS costs	**82.2%**	**81.5%**	**82.0%**	**82.0%**	**81.8%**	**81.7%**

Austria - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	157 658 313	160 542 689	163 494 000	163 382 797	162 993 728	
Real terminal ANS costs - (in EUR2009)	34 240 000	36 329 735	34 561 479	33 873 071	35 347 438	
Real gate-to-gate ANS costs - (in EUR2009)	**191 898 313**	**196 872 424**	**198 055 479**	**197 255 868**	**198 341 166**	
Share of en-route costs in gate-to-gate ANS costs	**82.2%**	**81.5%**	**82.5%**	**82.8%**	**82.2%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Real en-route costs - (in EUR2009)	in value	-12 006 941	-15 555 034	
	in %	-6.8%	-8.7%	
Real terminal ANS costs - (in EUR2009)	in value	-4 711 845	-4 420 928	
	in %	-12.2%	-11.1%	
Real gate-to-gate ANS costs - (in EUR2009)	in value	**-16 718 786**	**-19 975 961**	
	in %	**-7.8%**	**-9.1%**	
Share of en-route costs in gate-to-gate ANS costs	in %	**0.9%**	**0.4%**	

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

Actual 2013 gate-to-gate real costs are -9.1% or some -20.0 M€2009 lower than planned as a result of lower en-route and terminal ANS costs.

The allocation of gate-to-gate costs between en-route and terminal ANS appears quite stable overall the RP1 and did not change significantly with respect to the plans made in the NPP.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Bulgaria

Fact validated edition

Edition date: 14/11/2014

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BULGARIA **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	58	71		Bulgaria has slightly adjusted its scores to the results of the audit and to the status of the corrective action plan. However, some of the scores are still overrated and the reported improvements do not correspond to the situation. (TV)
ANSP [BULATSA]	74	77		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	2	100%	2	100%			
	ATM Overall		100%		100%			
Runway Incursions (RIs)	ATM Ground	0	N/A	0	N/A			
	ATM Overall		N/A		N/A			
ATM Specific Occurences (ATM-Specific)	ATM Overall	0	N/A	10	100%			

Above RAT methodology application values are different from the ones in State Report. The results have been updated by Bulgaria through fact-validation.

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	4	6	5	5		
Legal/Judiciary	4	4	3	5		
Occurrence reporting and Investigation	2	0	2	0		
TOTAL	**10**	**10**	**10**	**10**		

Number of questions answered with Yes or No	ANSP [BULATSA]					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	9	4	11	2		
Legal/Judiciary	1	2	2	1		
Occurrence reporting and Investigation	6	2	5	3		
TOTAL	**16**	**8**	**18**	**6**		

BULGARIA **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.11	0.14	0.12	
National Target	0.11	0.13	0.11	
Actual performance	0	0		

National capacity assessment

The Bulgarian ANSP has outstanding performance in capacity terms, considering the reference value provided by EUROCONTROL and the contribution of Bulgaria to capacity targets at FAB and European level. During the RP1, the monitoring of the capacity performance of the ANSP shows that the zero ATFM delay per flight should not be taken as granted.

PRB Capacity assessment

With the excellent capacity performance in 2012 and 2013, Bulgaria has provided a positive contribution to the EU-wide target. The PRB is confident that Bulgaria can provide an adequate contribution to capcity performance for the remainder of RP1.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 32%

No information was provided regarding the allocation of airspace at H-3, so it is impossible to determine how much restricted or segregated airspace, that was surplus to requirements, was released for GAT use.

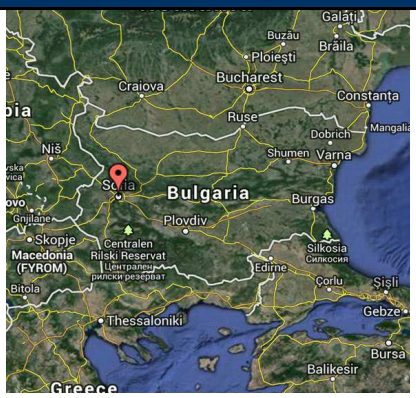
Recommendations

Bulgaria is requested to provide additional information on effective booking procedures, namely the allocation of airspace at H-3.

BULGARIA

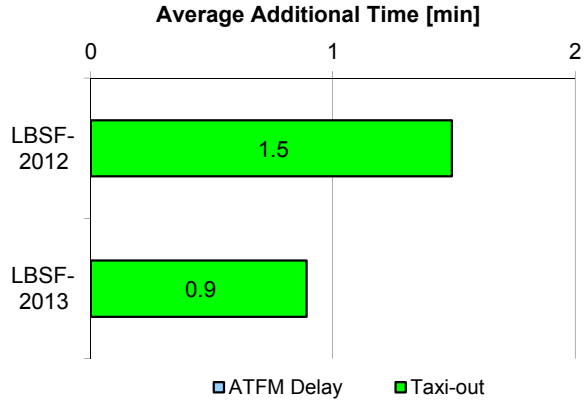
Monitoring of CAPACITY indicators for 2013

Airport subject to RP1



Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Sofia	LBSF	2012	0.0	0	Not Applicable		1.5	29 253	29 253
		2013	0.0	0	Not Applicable		0.9	16 922	16 922
Weighted average		**2012**	**0.0**				**1.5**		
		2013	**0.0**				**0.9**		
Grand Total		**2012**		**0**				**29 253**	**29 253**
		2013		**0**				**16 922**	**16 922**
			⇨				⇧	**-42%**	**-42%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- ⇧ *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst* ⇩ *depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by* ⇨.

Critical Issues

- None

Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

BULGARIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

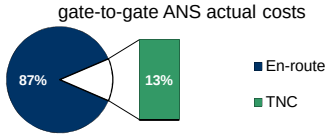
1. - Contextual economic information

- Bulgaria represents 1.2% of the SES en-route ANS determined costs in 2013.
- ATSP : BULATSA
- FAB : DANUBE
- National currency: BGN
- Exchange rate 2009: 1 EUR=1.9553

Note on the actual exchange rate 2013

The BGN exchange rate to the EUR remained stable in 2013 compared to 2012.

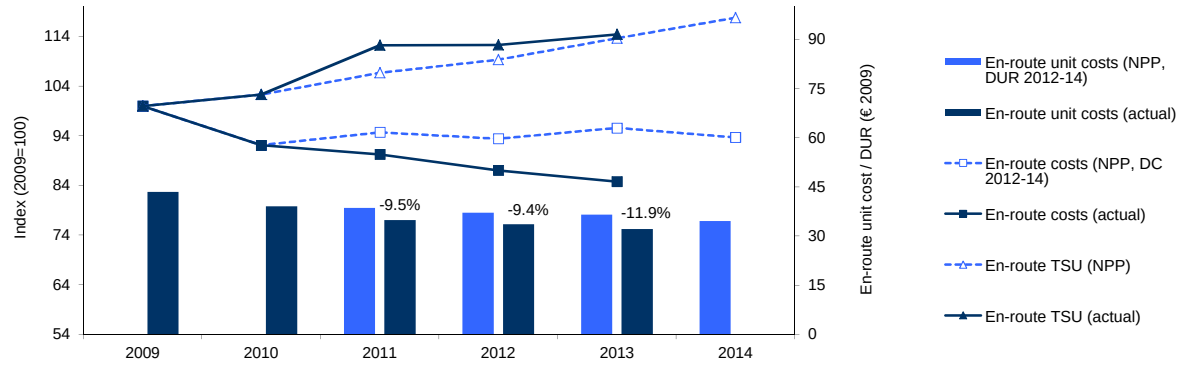
Share of en-route and terminal in gate-to-gate ANS actual costs



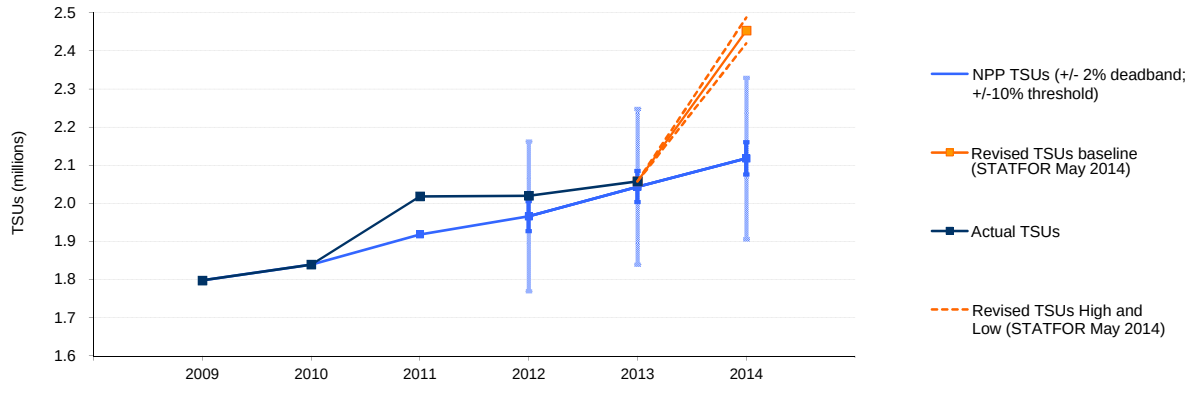
2. - En-route DUR monitoring (2013)

Bulgaria - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal BGN)	152 872 468	145 025 362	156 321 724	159 874 507	167 981 280	169 542 886
Inflation %		3.0%	4.8%	3.7%	2.7%	3.0%
Inflation index (100 in 2009)	100.0	103.0	107.9	111.9	115.0	118.4
Real en-route costs (determined costs 2012-2014) - (in	152 872 468	140 801 322	144 817 428	142 824 251	146 121 183	143 184 049
BGN2009) Total en-route Service Units	1 798 292	1 839 757	1 918 500	1 966 102	2 043 942	2 117 995
Real en-route unit costs per Service Units - (in BGN2009)	**85.01**	**76.53**	**75.48**	**72.64**	**71.49**	**67.60**
Real en-route unit costs per Service Units - (in EUR2009)	**43.48**	**39.14**	**38.61**	**37.15**	**36.56**	**34.57**

Bulgaria - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal BGN)	152 872 468	145 025 362	146 918 540	145 071 417	141 926 169	
Inflation %		3.0%	3.4%	2.4%	0.4%	
Inflation index (100 in 2009)	100.0	103.0	106.5	109.1	109.5	
Real en-route costs - (in BGN2009)	152 872 468	140 801 322	137 949 090	133 022 202	129 619 710	
Total en-route Service Units	1 798 292	1 839 737	2 018 783	2 020 149	2 057 979	
Real en-route unit costs per Service Units - (in BGN2009)	**85.01**	**76.53**	**68.33**	**65.85**	**62.98**	
Real en-route unit costs per Service Units - (in EUR2009)	**43.48**	**39.14**	**34.95**	**33.68**	**32.21**	
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				**2012**	**2013**	**2014**
En-route costs - (in nominal BGN)	in value				-14 803 090	-26 055 111	
	in %				-9.3%	-15.5%	
Inflation %	in p.p.				-1.3 p.p.	-2.3 p.p.	
Inflation index (100 in 2009)	in p.p.				-2.9 p.p.	-5.5 p.p.	
Real en-route costs - (in BGN2009)	in value				-9 802 049	-16 501 473	
	in %				-6.9%	-11.3%	
Total en-route Service Units	in value				54 047	14 037	
	in %				2.7%	0.7%	
Real en-route unit costs per Service Units - (in BGN2009)	in value				**-6.80**	**-8.51**	
	in %				**-9.4%**	**-11.9%**	
Real en-route unit costs per Service Units - (in EUR2009)	in value				**-3.48**	**-4.35**	
	in %				**-9.4%**	**-11.9%**	

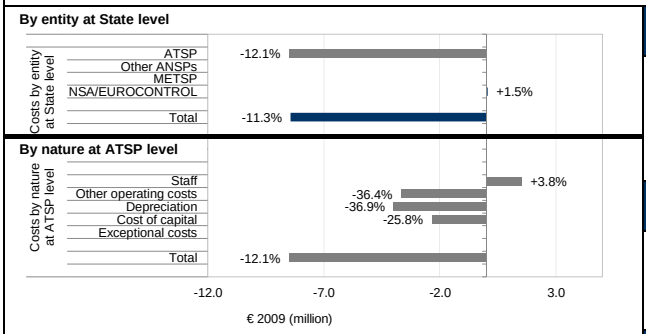


3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



BULGARIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans National	-
taxation law	-10
New cost item required by law	-
International agreements	-183
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	-10
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-183
Total costs exempted from cost sharing	-193
to be recovered from (+)/ reimbursed to (-) users if eligible after EC	

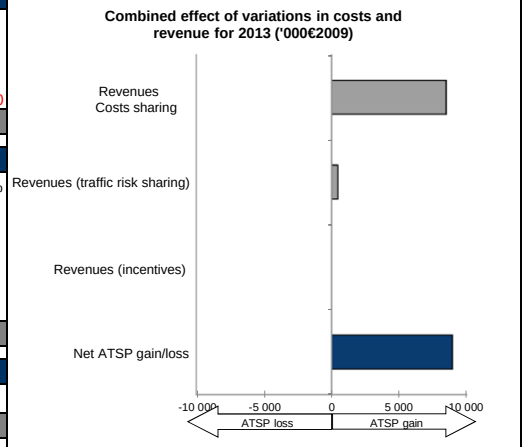
5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	70 341
Actual costs for the ATSP	61 837
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	8 505
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-10
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**8 495**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	0.69%
Determined costs after deduction of costs for exempted VFR flights	67 689
ATSP gain (traffic between 0 and +2% higher than NPP)	465
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-
ATSP loss (traffic between -2% and -10% below NPP)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**465**

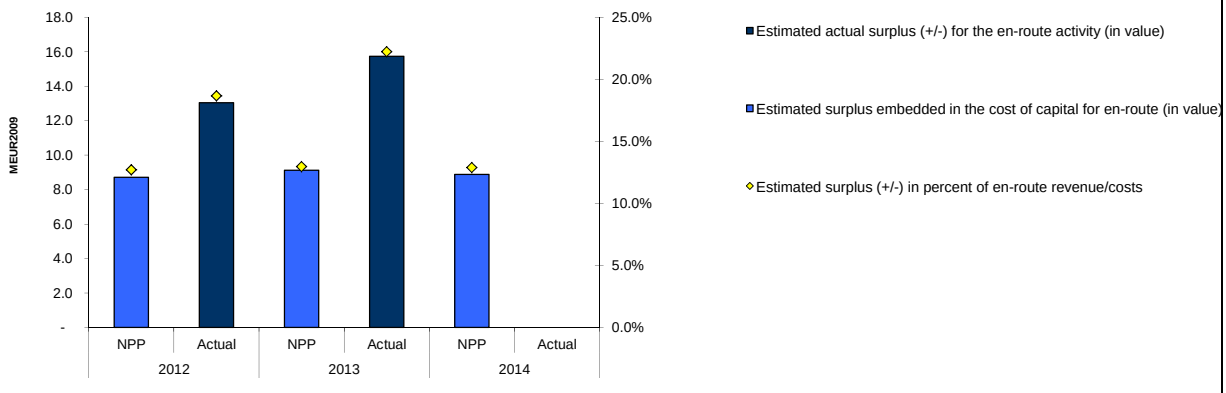
Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

Net ATSP gain(+)/loss(-) on en-route activity	**8 960**



6. - En-route ATSP estimated surplus (2013)

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



BULGARIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Bulgaria

Actual 2012 en-route and terminal ANS costs have been updated since last year due to a technical mistake in the reporting tables, where the depreciation costs, interest costs and the amount of the average balance value of the fixed assets were not correctly reported. In the 2013 NSA Monitoring report this change is reflected only in terminal ANS costs and not in en-route.

At State / Charging Area level

Bulgaria's actual real 2013 en-route unit cost is -11.9% lower than planned, with the related en-route costs -11.3% below the NPP figures in real terms and the number of total en-route service units slightly exceeding the forecast in the NPP (+0.7%).

The actual TSU for 2013 is +0.7% higher than in the NPP, i.e. within the ±2% dead band foreseen in the traffic risk sharing incentive. According to the revised May 2014 STATFOR forecast the TSU for 2014 is also expected to stay above the plan submitted in the NPP and even exceeding the +10% threshold (+15.8%). This is mainly due to the fact that a big part of flights is shifting through Bulgaria because of the partial closure of airspace in Ukraine. It should be also noted that Bulgaria did not pass the ''traffic forecast'' check in the assessment of its RP1 Performance Plan as its TSU forecast was always substantially lower than the STATFOR May 2011 base case scenario and even below the low scenario over RP1.

Actual 2013 costs vs. NPP

Real en-route costs for Bulgaria are -11.3% lower in 2013 than planned as a combination of -15.5% lower nominal total costs and -5.5 points lower inflation index; the annual inflation recorded is lower compared to NPP both in 2012 (-1.3 percentage points) and 2013 (-2.3 percentage points). The cost savings are mostly attributable to BULATSA (-12.1% or -8.5 M€2009). A detailed analysis of BULATSA's costs is provided in the box below.

Costs exempt from cost sharing are reported for a total of -0.2 M€2009 to be reimbursed to the users for the en-route activity, corresponding mostly to unforeseen changes in EUROCONTROL costs (-0.18 M€2009) and partly to ''unforeseen changes in national pension regulations and pension accounting regulations'' (-0.01 M€2009). These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification by the PRB on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Actual 2013 BULATSA costs vs. NPP

In 2013, actual en-route costs for BULATSA are -12.1% lower than planned in real terms. This difference is driven by much lower than planned depreciation costs (-4.0 M€2009 or - 36.9%), other operating costs (-3.7 M€2009 or -36.4%) and cost of capital (-2.4 M€2009 or -25.8%) while staff costs are higher than planned (+1.5 M €2009 or +3.8%). According to the additional information provided along with the en-route reporting tables in June 2014, the lower depreciation costs are due to the delayed investments related to surveillance service provision. Interest costs were also lower than planned because of the postponement of investments and partly because operating capital is lower than planned. This is in line with the fact that:
- actual CAPEX is lower than planned (-75% in real terms). This is partly because of the revision in the budget for the projects carried-over from 2012 (for many of these projects "the procurement procedure is delayed") and partly because several main projects planned in 2013 were postponed and carried-over to 2014 (see *PRB Annual monitoring Report 2013, Volume 3, Capital Expenditure: Bulgaria*)
- actual 2013 total asset base is below planned by -26% (in real terms)

The other operating costs were lower than planned firstly due to the underspending of the budget related to utilities costs (mainly lower than forecasted prices for electricity, heating and gas) and secondly due to the non-fulfilment of the planned costs for external services (i.e. security costs; maintenance and repair of buildings and equipment costs; lower insurance costs etc.). As far as the staff costs are concerned, despite the -0.8% saving in nominal terms (mostly due to optimisation of paid leaves), in real terms staff costs are 3.8% higher than planned in the NPP for 2013 as a result of the lower inflation index than planned (-5.5 points).

BULATSA net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, the en-route activity for the year 2013 generated a net gain of + 9.0 M€2009 for BULATSA overall. This is the combination of two separate elements:
- a gain of +8.5 M€2009 retained by BULATSA as a result of the cost-sharing mechanism, taking into account the costs exempt from costs sharing as submitted in the Reporting Tables (-0.01 M€2009)
- a gain of +0.5 M€2009 as a result of the traffic risk sharing mechanism for 2013 (actual TSU +0.7% higher than planned)

On the profitability side for the en-route activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +9.1 M€2009, corresponding to an estimated surplus of +13.0% of the en-route revenues for 2013. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+6.8 M€2009) and the net gain from the en-route activity in 2013 (+9.0 M€2009), gives a total of +15.7 M€2009 for 2013, corresponding to +22.2% of the en-route revenues in 2013. The resulting ex-post rate of return on equity for 2013 is +16.3% (compared to +7.0% initially planned in the NPP). The calculated surplus embedded in the cost of capital for BULATSA in 2013 is -26% lower than planned in the NPP as a result of a lower than planned total asset base (-26% in real terms) due to postponed investments. Finally it should be noted that Bulgaria has no debt and therefore the cost of capital and the return on equity are one and the same.

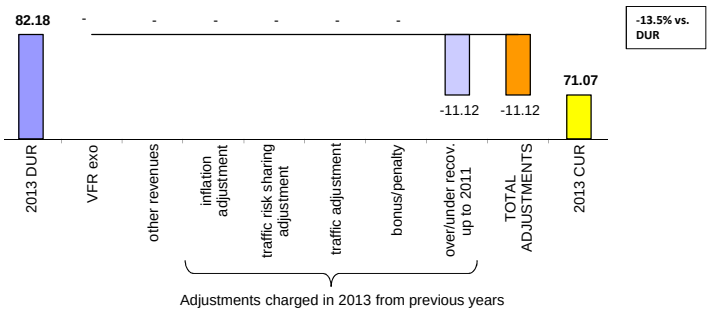
This indicates that in 2013, BULATSA was in a position to retain the part of surplus embedded in the cost of capital and to generate extra gains in 2013 arising from lower costs than planned. This adds to the overall positive estimated surplus for the en-route activity generated by BULATSA in 2012 (+13.0 M€2009 or +18.7% estimated surplus of en-route revenues in 2012 leading to an ex-post rate of return on equity of +13.1%).

Conclusion: Despite slightly higher TSU than expected (+0.7%), BULATSA managed to generate substantial savings (-12.1%) in en-route costs and a net gain of +9.0 M€2009, which resulted in an estimated actual surplus of +22.2% of their en-route revenues for 2013 (much higher than the +13% surplus embedded in their NPP).

BULGARIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Bulgaria 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - BGN



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

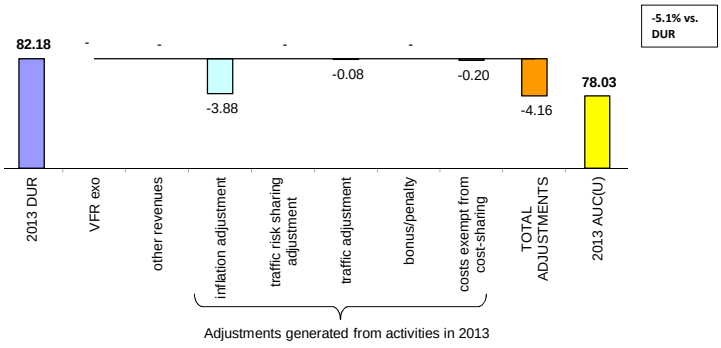
The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The en-route unit rate charged to airspace users in 2013 (71.07 BGN) was significantly lower than the nominal DUR (82.18 BGN) due to over-recoveries (amounting to 22M BGN) carried over to 2013 from the legacy prior to RP1.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Bulgaria 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - BGN



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;

- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

The Actual Unit Cost for users in 2013 (78.03 BGN) was lower than the nominal DUR (82.18 BGN). The difference observed between these two figures (-4.16 BGN) reflects the effects of inflation adjustment (-3.88 BGN), the traffic adjustment (-0.08 BGN) and the costs exempt from cost-sharing (-0.20 BGN).

BULGARIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2013

10. - Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^	0.5	0.5	0.5	0.7	0.7	0.7
Number of airports in terminal charging zone		5	5	5	5	5	5
of which, number of airports over 50 000 movements							

Bulgaria - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in BGN)	23 662 105	22 822 664	20 500 000	21 800 000	22 500 000	23 600 000
Inflation index (100 in 2009)	100.0	103.0	107.9	111.9	115.0	118.4
Real terminal ANS costs - (in BGN2009)	**23 662 105**	**22 157 926**	**18 991 329**	**19 475 079**	**19 571 982**	**19 930 907**
Real terminal ANS costs - (in EUR2009)	**12 101 522**	**11 332 239**	**9 712 744**	**9 960 149**	**10 009 708**	**10 193 273**

Bulgaria - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in BGN)	23 662 105	22 822 664	22 923 652	22 938 087	21 068 329	
Inflation index (100 in 2009)	100.0	103.0	106.5	109.1	109.5	
Real terminal ANS costs - (in BGN2009)	**23 662 105**	**22 157 926**	**21 524 151**	**21 032 915**	**19 241 488**	
Real terminal ANS costs - (in EUR2009)	12 101 522	11 332 238	11 008 107	10 756 874	9 840 683	
Total terminal service units	40 222	40 474	42 454	42 376	43 110	
Actual real unit costs - (in BGN2009)	588.3	547.5	507.0	496.3	446.3	
Unit rate applied - (in BGN)				**415.57**	**415.57**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Terminal ANS costs for the charging zones - (in BGN)	in value	1 138 087	-1 431 671	
	in%	5.2%	-6.4%	
Inflation index (100 in 2009)	in p.p.	-2.9 p.p.	-5.5 p.p.	
Real terminal ANS costs - (in BGN2009)	in value	**1 557 836**	**-330 494**	
	in%	**8.0%**	**-1.7%**	
Real terminal ANS costs - (in EUR2009)	in value	**796 725**	**-169 025**	
	in%	**8.0%**	**-1.7%**	

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

The terminal charging zone in Bulgaria comprises five airports (Sofia, Burgas, Varna, Plovdiv and Gorna/Oryakhovitsa) in 2013. Starting from 2012 the harmonised SES formula (MTOW/50)^0.7 is applied to determine the number of terminal navigation service units (TNSU), although Bulgaria does not formally fully apply all charging regulation requirements as none of their airport recorded more than 50 000 movements.

The actual real 2013 terminal ANS costs are some -0.2 M€2009 (-1.7%) lower than the forecast presented in the NPP.

12. - Monitoring of gate-to-gate costs (2013)

Bulgaria - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in BGN2009)	152 872 468	140 801 322	144 817 428	142 824 251	146 121 183	143 184 049
Real terminal ANS costs - (in BGN2009)	23 662 105	22 157 926	18 991 329	19 475 079	19 571 982	19 930 907
Real gate-to-gate ANS costs - (in BGN2009)	**176 534 573**	**162 959 249**	**163 808 756**	**162 299 330**	**165 693 165**	**163 114 956**
Real gate-to-gate ANS costs - (in EUR2009)	**90 285 160**	**83 342 325**	**83 776 789**	**83 004 823**	**84 740 534**	**83 421 959**
Share of en-route costs in gate-to-gate ANS costs	**86.6%**	**86.4%**	**88.4%**	**88.0%**	**88.2%**	**87.8%**

Bulgaria - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in BGN2009)	152 872 468	140 801 322	137 949 090	133 022 202	129 619 710	
Real terminal ANS costs - (in BGN2009)	23 662 105	22 157 926	21 524 151	21 032 915	19 241 488	
Real gate-to-gate ANS costs - (in BGN2009)	**176 534 573**	**162 959 248**	**159 473 241**	**154 055 117**	**148 861 198**	
Real gate-to-gate ANS costs - (in EUR2009)	**90 285 160**	**83 342 325**	**81 559 475**	**78 788 481**	**76 132 153**	
Share of en-route costs in gate-to-gate ANS costs	**86.6%**	**86.4%**	**86.5%**	**86.3%**	**87.1%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Real en-route costs - (in BGN2009)	in value	-9 802 049	-16 501 473	
	in %	-6.9%	-11.3%	
Real terminal ANS costs - (in BGN2009)	in value	1 557 836	-330 494	
	in %	8.0%	-1.7%	
Real gate-to-gate ANS costs - (in BGN2009)	in value	**-8 244 213**	**-16 831 967**	
	in %	**-5.1%**	**-10.2%**	
Real gate-to-gate ANS costs - (in EUR2009)	in value	**-4 216 342**	**-8 608 381**	
	in %	**-5.1%**	**-10.2%**	
Share of en-route costs in gate-to-gate ANS costs	in %	**-1.7%**	**-1.1%**	

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

The actual 2013 gate-to-gate ANS costs (the aggregation of en-route determined costs and terminal ANS costs) are -10.2% lower (in real terms) than the forecast presented in the NPP; this is largely driven by the reduction in en-route costs.

The relative share of en-route costs in the aggregated gate-to-gate ANS costs has been relatively stable over time at around 86-87%. Compared to the forecast in the National Performance Plan, the actual share of en-route costs in gate-to-gate costs is -1.1 percentage point lower in 2013.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Cyprus

Fact validated edition

Edition date: 14/11/2014

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CYPRUS **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	66	67		Cyprus has not changed any score, except the one related to the safety culture within competent authority. Despite of the audit performed last year, Cyprus kept reporting overrated scores in the areas of 'State safety policy and objectives', 'safety risk management' and 'safety assurance' that do not correspond to the situation. (TV)
ANSP [CYATS]	60	60		

Application of the severity classification of the Risk Analysis Tool (RAT)							
		2012		2013		2014	
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)
Separation Minima Infringements (SMIs)	ATM Ground	4	0%	7	71%		
	ATM Overall		0%		14%		
Runway Incursions (RIs)	ATM Ground	1	0%	1	100%		
	ATM Overall		0%		0%		
ATM Specific Occurences (ATM-Specific)	ATM Overall	146	0%	115	0%		

Above RAT methodology application values are different from the ones in State Report. The AST results are correct. Confirmed by Cyprus after request for clarification.

Just culture						
Number of questions answered with Yes or No	State					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	9	1	9	1		
Legal/Judiciary	8	0	8	0		
Occurrence reporting and Investigation	2	0	2	0		
TOTAL	**19**	**1**	**19**	**1**		

Number of questions answered with Yes or No	ANSP [CYATS]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	12	1	11	2		
Legal/Judiciary	2	1	2	1		
Occurrence reporting and Investigation	6	2	6	2		
TOTAL	**20**	**4**	**19**	**5**		

CYPRUS **Monitoring of CAPACITY indicators for 2013**

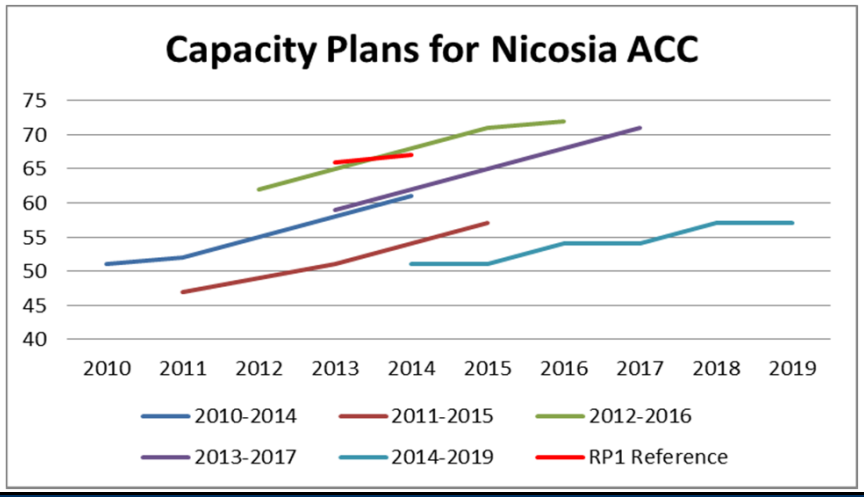
Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.93	0.59	0.3	
National Target	1.9	1.7	1	
Actual performance	1.59	2.16		

National capacity assessment

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

The underlying reason for the failure is the lack of flexibility of the ANSP to manage its own financial resources due to the fact that it is a part of the public sector. The NSA has highlighted the issue at State level and, as a result, a political decision was taken to detach the ANSP form the public sector and to restructure it as an autonomous State company. The study on how to acheive this is currently under way with the assistance of EUROCONTROL.

ANSP capacity plan (Opt.)



PRB Capacity assessment

Nicosia did not provide sufficient capacity to meet either the national performance target, or the minimum level of performance to be consistent with the EU-wide target for 2013. The capacity plans show a continuous decrease in planned capacity and a failure to implement existing capacity plans. Despite the statement of the NSA to the contrary (see NSA report on follow-up to recommendations below), the PRB sees no evidence that the Cyprus ANSP has amended its capacity plans to meet the required performance.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 100%

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

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 0%

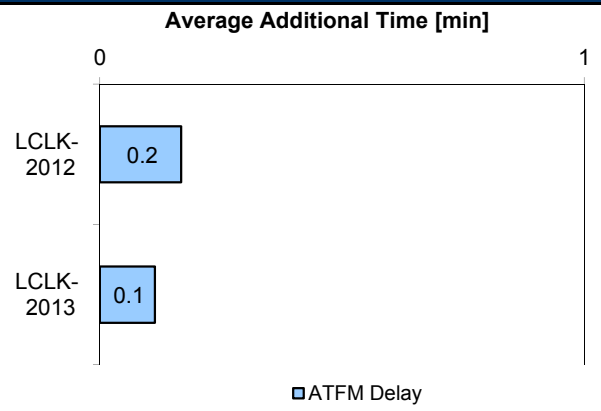
Previous recommendations (Opt.)
Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Cyprus did not contain any specific details of how FUA would be applied to increase capacity. **Extract from notification letter from European Commission July 2012:** Cyprus's revised performance plan is assessed on the clear expectation that Cyprus will adopt and implement effective capacity enhancement measures in coordination with the Network Manager and the other BLUEMED FAB Member States to resolve any capacity shortfall and enable the 2014 reference value of 0.3 minute of average delay per flight to be met at the earliest possible date in the second reference period.
NSA report on follow-up to recommendations (Opt.)
The Cypus air navigation service provider has amended its capacity plans to enable sufficient capacity to be provided in order to meet the targets of the performance plans adopted. The Cypus air navigation service provider has not delivered its planned capacity mainly due to an alteration of traffic flows and increase in airspace complexity as a consequence of political developments in the area (events in Syria). Additionally, the austerity measures imposed on the ANSP as a result of the economic crisis has reduced the willingness and ability of ATC staff to work overtime, and hence to operate the required number of ACC sectors. The cost efficiency target has been achieved.
Recommendations
In light of the insufficient capacity performance in Cyprus for 2012 and 2013, and in accordance with Article 17 of EU Regulation 691/2010, Cyprus is requested to define, apply and communicate appropriate measures to achieve the targets set in the performance plan.

CYPRUS **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Larnaca	LCLK	2012	0.2	3 909	Not Applicable		Missing Data		3 909
		2013	0.1	2 307	Not Applicable		Missing Data		2 307
Weighted average		**2012**	**0.2**		Not Applicable		Missing Data		
		2013	**0.1**		Not Applicable		Missing Data		
Grand Total		**2012**		**3 909**	Not Applicable		Missing Data		**3 909**
		2013		**2 307**	Not Applicable		Missing Data		**2 307**
			⇨	**-41%**					**-41%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- ⇧ *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst* ⇩ *depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by* ⇨

Critical Issues

- Mandatory data items partially missing (STATUS C.R., STND);
- DRWY data missing since January 2011.

Specific Analysis

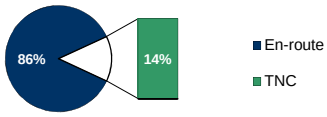
- No specific operational concern regarding RP1 performance monitoring.

CYPRUS **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

1. - Contextual economic information

- Cyprus represents 0.7% of the SES en-route ANS determined costs in 2013.
- ATSP : DCAC Cyprus
- FAB : BLUE MED
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS actual costs

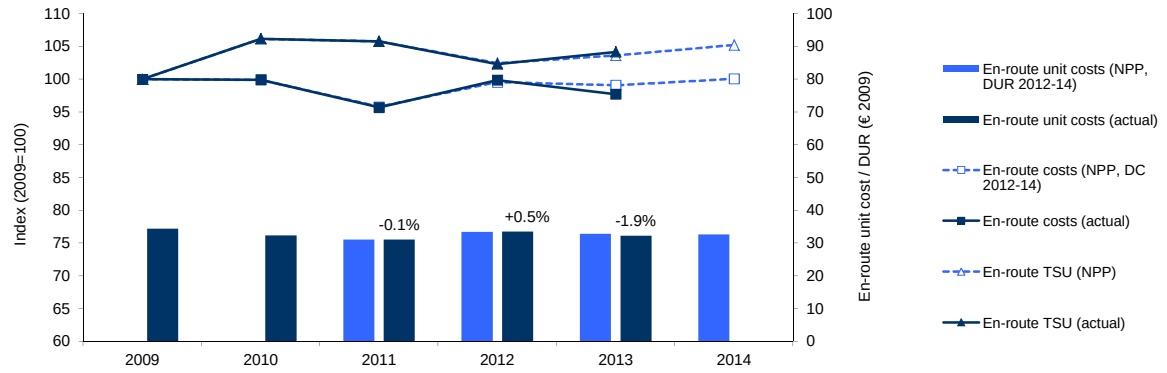


2. - En-route DUR monitoring (2013)

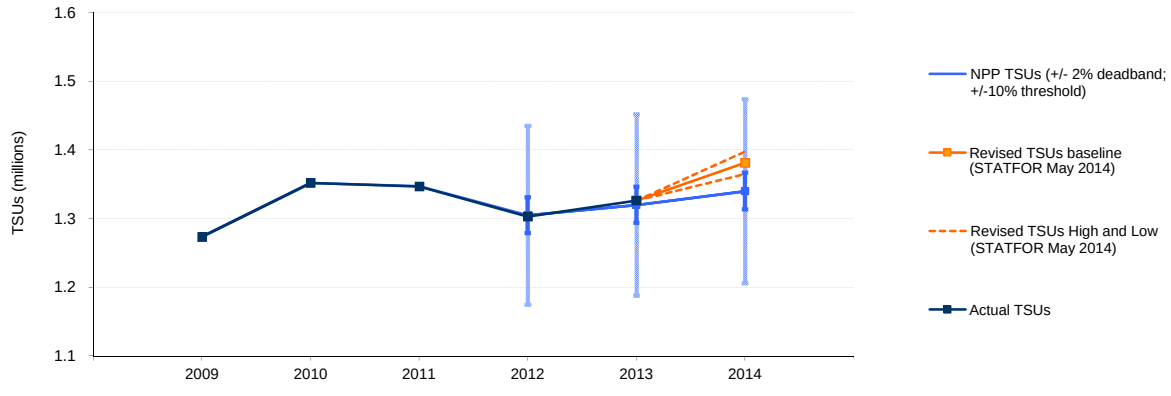
Cyprus - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	43 799 792	44 868 751	44 470 062	47 602 454	48 802 304	50 754 397
Inflation %		2.5%	3.4%	3.0%	3.0%	3.0%
Inflation index (100 in 2009)	100.0	102.5	106.0	109.2	112.4	115.8
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	43 799 792	43 774 391	41 958 827	43 606 147	43 403 173	43 824 563
Total en-route Service Units	1 273 476	1 351 886	1 347 369	1 305 000	1 320 000	1 340 000
Real en-route unit costs per Service Units - (in EUR2009)	**34.39**	**32.38**	**31.14**	**33.41**	**32.88**	**32.70**

Cyprus - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	43 799 792	44 868 751	44 470 062	47 845 941	47 013 036	
Inflation %		2.5%	3.5%	3.1%	0.4%	
Inflation index (100 in 2009)	100.0	102.5	106.1	109.4	109.8	
Real en-route costs - (in EUR2009)	43 799 792	43 774 391	41 918 287	43 744 375	42 811 624	
Total en-route Service Units	1 273 476	1 352 000	1 347 000	1 303 262	1 326 579	
Real en-route unit costs per Service Units - (in EUR2009)	**34.39**	**32.38**	**31.12**	**33.57**	**32.27**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
En-route costs - (in nominal EUR)	in value				243 486	-1 789 268	
	in %				0.5%	-3.7%	
Inflation %	in p.p.				0.1 p.p.	-2.6 p.p.	
Inflation index (100 in 2009)	in p.p.				0.2 p.p.	-2.6 p.p.	
Real en-route costs - (in EUR2009)	in value				138 228	-591 548	
	in %				0.3%	-1.4%	
Total en-route Service Units	in value				-1 738	6 579	
	in %				-0.1%	0.5%	
Real en-route unit costs per Service Units - (in EUR2009)	in value				**0.15**	**-0.61**	
	in %				**0.5%**	**-1.9%**	

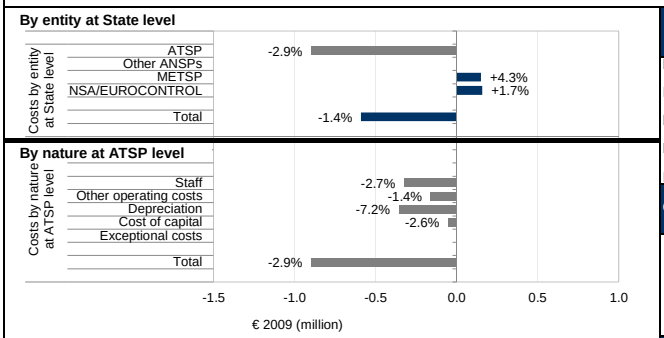


3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



CYPRUS **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	439
New cost item required by law	-
International agreements	112
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	259
Other ANSP	-
METSP	17
NSA/EUROCONTROL	275
Total costs exempted from cost sharing	**551**
to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	

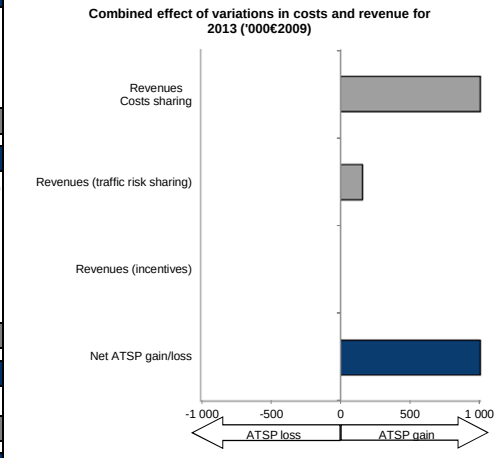
5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	30 779
Actual costs for the ATSP	29 881
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	898
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	259
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**1 157**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	0.50%
Determined costs after deduction of costs for exempted VFR flights	31 515
ATSP gain (traffic between 0 and +2% higher than NPP)	157
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-
ATSP loss (traffic between -2% and -10% below NPP)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**157**

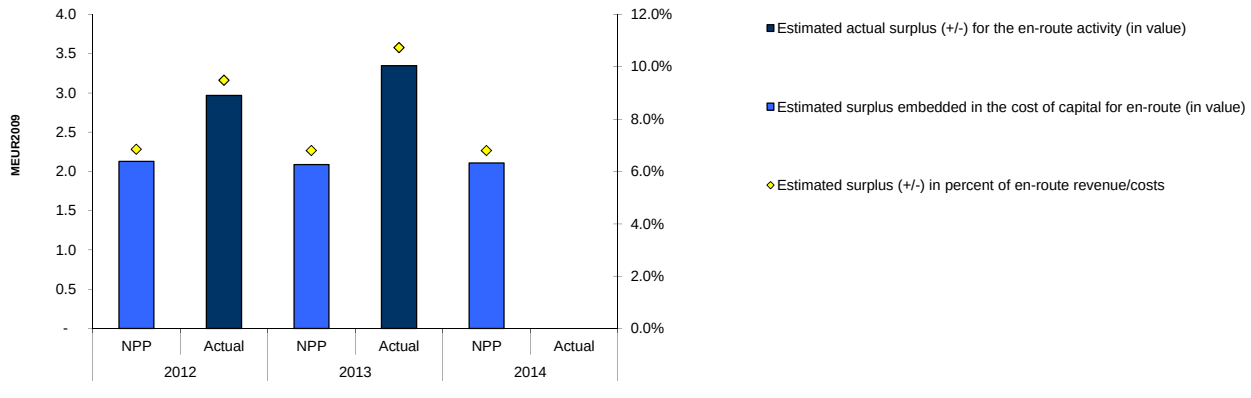
Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

Net ATSP gain(+)/loss(-) on en-route activity	**1 314**



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	35 177	34 272	34 446	33 369	34 582	
Estimated proportion of financing through equity (in %)	100%	100%	100%	100%	100%	
Estimated proportion of financing through equity (in value)	35 177	34 272	34 446	33 369	34 582	
Estimated proportion of financing through debt (in %)	-	-	-	-	-	
Estimated proportion of financing through debt (in value)	-	-	-	-	-	
Cost of capital pre-tax (in value)	2 128	2 056	2 089	2 035	2 109	
Average interest on debt (in %)	-	-	-	-	-	
Interest on debt (in value)	-	-	-	-	-	
Ex-ante RoE pre-tax rate (in %)	6.1%	6.0%	6.1%	6.1%	6.1%	
Estimated surplus embedded in the cost of capital for en-route (in value)	2 128	2 056	2 089	2 035	2 109	
Net ATSP gain(+)/loss(-) on en-route activity		911		1 314		
Overall estimated surplus (+/-) for the en-route activity Revenue/costs	**2 128**	**2 967**	**2 089**	**3 349**	**2 109**	
for the en-route activity	**31 097**	**31 269**	**30 779**	**31 194**	**31 078**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**6.8%**	**9.5%**	**6.8%**	**10.7%**	**6.8%**	
Estimated ex-post RoE pre-taxe rate (in %)	**6.1%**	**8.7%**	**6.1%**	**10.0%**	**6.1%**	



CYPRUS **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Cyprus

The data provided by Cyprus is coherent and consistent.

Note: Return on equity (RoE)
DCAC is a Governmental Department and as such does not have any equity capital and therefore no return on equity. However, it is noted that Cyprus charges cost of capital and has reported cost of capital for 2013. For the purposes of this analysis, it is assumed that the cost of capital pre-tax rate of 6.1% is remuneration for the use of assets funded 100% by the State.

At State / Charging Area level

In 2013, Cyprus real en-route actual unit cost (32.27 €2009) is slightly lower (-1.9%) than planned in the NPP (32.88 €2009). This difference is due to the fact that 2013 real actual en-route costs are -1.4% lower than the determined costs, while the actual number of total service units (TSUs) is slightly higher than planned (+0.5%).

The difference between the actual and planned total en-route service units (+0.5%) is within the ±2% dead band. Looking forward, based on STATFOR May 2014 baseline forecast, the number of TSUs in 2014 is expected to be higher (+3.1%) than the figure provided in the Cyprus NPP for RP1 (which is outside the ±2% dead band but well within the ±10% threshold).

Actual 2013 costs vs. NPP

Real en-route costs for Cyprus are -1.4% lower in 2013 than planned as a combination of -3.7% lower nominal en-route costs and -2.6 points lower inflation index. The cost savings are entirely attributable to DCAC Cyprus (-2.9% in real terms). A detailed analysis of DCAC costs is provided in the box below.

Costs exempt from cost sharing are reported for a total of +0.6 M€2009 to be passed on to users for the en-route activity, corresponding to higher costs arising from an increased actual VAT rate, in accordance with the national regulation, and higher EUROCONTROL costs than planned. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

Note on capacity

On the capacity side, Cyprus has not reached its planned target due to an alteration of traffic flows and increase in airspace complexity as a consequence of political developments in the area (events in Syria). Additionally, the austerity measures imposed on the ANSP as a result of the economic crisis has reduced the willingness of ATC staff to work overtime and hence, to operate the desired number of ACC sectors. The underlying reason for this failure is the lack of flexibility of the ANSP to manage its own financial resources due to the fact that it is a part of the public sector. The NSA has highlighted the issue at State level and, as a result, a political decision was taken to detach the ANSP from the public sector and to restructure it as an autonomous State company." (source: NSA Monitoring Report)

At ATSP level

Actual 2013 DCAC costs vs. NPP

In 2013, actual en-route costs are below the plan in all categories of cost by nature. The biggest cost savings in absolute terms are attributable to lower depreciation costs (-0.4 M€2009 or -7.2%) and staff costs (-0.3 M€2009 or -2.7%) than planned. According to the additional information provided along with the en-route reporting tables in June 2014, the lower depreciation costs than planned reflect "*the fact that two planned investments were accomplished with less expenditure than budgeted. These are the Ground to Air radio equipment and the ATC Simulator".* According to the NSA Monitoring Report, the actual 2013 capex (+4.1 M€) is - 28% lower than planned in the NPP (+5.7 M€) including the postponed investments from previous years. This is in line with the fact that the actual 2013 asset base is below the plan (-3.1%). The savings in staff costs are due to *"the freezing of salaries, the reduction in the allowances spending and the earlier than predicted retirement of some employees."*

DCAC net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, the en-route activity for the year 2013 generated a net gain of +1.3 M€2009 for DCAC overall. This is the combination of two separate elements:

- a gain of +1.2 M€2009 for DCAC as a result of the cost-sharing mechanism, taking into account the costs exempt from cost sharing as submitted in the Reporting Tables (+0.3 M€2009);
- a gain of +0.2 M€2009 as a result of the traffic risk sharing mechanism for 2013;

On the profitability side for the en-route activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +2.1 M€2009, corresponding to an estimated surplus of +6.8% of the en-route costs/revenues for 2013. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+2.0 M€2009) and the net gain from the en-route activity in 2013 (+1.3 M€2009), gives a total of+3.3 M€2009 for 2013, corresponding to +10.7% of the en-route revenue in 2013. The resulting ex-post rate of return on equity for 2013 is +10.0% (compared to+6.1% as initially planned in the NPP).

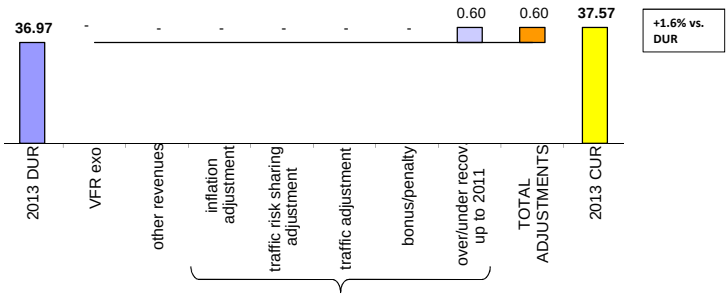
This indicates that in 2013, DCAC was in a position to retain the part of surplus embedded in the cost of capital and to generate extra gains arising from the lower costs than planned in 2013. This adds to the overall positive estimated surplus for the en-route activity generated by DCAC in 2012 (+3.0 M €2009 or +9.5%estimated surplus of en-route costs/revenues in 2012 leading to an ex-post rate of return on equity of +8.7%).

Conclusion: Despite the slightly higher than expected traffic volumes (+0.5%), DCAC managed to make savings in en-route costs (-2.9%) and generate a net gain of +3.3 M€2009 for DCAC, which results in an estimated actual surplus of +10.7% of the en-route revenue for 2013 (up from +6.8% in the NPP).

CYPRUS **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Cyprus 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

The CUR takes account of:

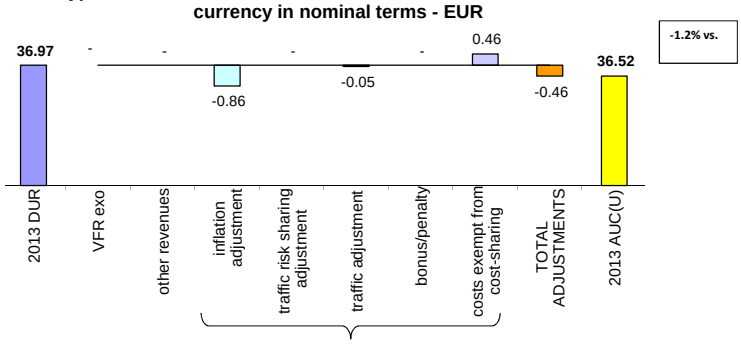
- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;

- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The unit rate charged to users in 2013 was 37.57€. This is higher than the nominal DUR (36.97€). The difference observed between these two figures (0.60€) reflects solely the amount of under-recovery carried over to 2013 in the context of the full cost-recovery regime in place before RP1.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Cyprus 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the “true cost for users”), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;

- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

The unit cost that the users incur in respect of the activities performed in 2013 was 36.52€. This is lower than the nominal DUR (36.97€). The difference observed between these two figures (-0.45€) reflects the inflation adjustment (-0.86€), the traffic adjustment (-0.05€) and the costs exempt from cost-sharing (+0.46€).

CYPRUS **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10.- Terminal costs and unit rates monitoring (2013)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula						
Number of airports in terminal charging zone			2	2	2	2
of which, number of airports over 50 000 movements						

Cyprus - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	0	0	7 434 000	7 850 000	7 781 000	8 004 000
Inflation index (100 in 2009)	100.0	102.5	106.0	109.2	112.4	115.8
Real terminal ANS costs - (in EUR2009)	**0**	**0**	**7 014 200**	**7 190 979**	**6 920 167**	**6 911 161**

Cyprus - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)			7 433 823	7 647 203	7 484 639	
Inflation index (100 in 2009)	100.0	102.5	106.1	109.4	109.8	
Real terminal ANS costs - (in EUR2009)			**7 007 256**	**6 991 651**	**6 815 760**	
Total terminal service units			43 902	42 500	39 000	
Actual real unit costs - (in EUR2009)			159.6	164.5	174.8	
Unit rate applied - (in EUR)				**N/appl**	**N/appl**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value	-202 797	-296 361	
	in%	-2.6%	-3.8%	
Inflation index (100 in 2009)	in p.p.	0.2 p.p.	-2.6 p.p.	
Real terminal ANS costs - (in EUR2009)	in value	**-199 328**	**-104 407**	
	in%	**-2.8%**	**-1.5%**	

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

Cyprus does not charge terminal air navigation services through a separate terminal navigation charge (TNC), since Cyprus has not yet defined a terminal charging zone with a single terminal unit rate but the government currently fully subsidizes terminal charges: *"The Ministry of Communications and Works (MCW), as the responsible authority, carefully examined the possibility of imposing terminal charge for the two airports of the Republic, decided not to impose terminal charge at this stage. The issue will be re-examined during the second reference period (RP2).",* according to the additional information provided along with the terminal reporting tables provided in June 2014.

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

The 2013 actual terminal ANS costs are -1.5% lower than the forecast provided in the NPP in real terms (€2009) as a result of both lower nominal terminal ANS costs (- 3.8%) and inflation index (-2.6 p.p.) than planned. According to the additional information provided along with the terminal reporting tables in June 2014, the lower terminal ANS costs than planned are attributable to staff costs ("*reductions on overtime remunerations due to the austerity measures imposed by the Government*"), other operating costs ("*additional cuts imposed by the Parliament*") and to the cost of capital.

12.- Monitoring of gate-to-gate costs (2013)

Cyprus - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	43 799 792	43 774 391	41 958 827	43 606 147	43 403 173	43 824 563
Real terminal ANS costs - (in EUR2009)	0	0	7 014 200	7 190 979	6 920 167	6 911 161
Real gate-to-gate ANS costs - (in EUR2009)	**43 799 792**	**43 774 391**	**48 973 027**	**50 797 126**	**50 323 339**	**50 735 724**
Share of en-route costs in gate-to-gate ANS costs	**100.0%**	**100.0%**	**85.7%**	**85.8%**	**86.2%**	**86.4%**

Cyprus - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	43 799 792	43 774 391	41 918 287	43 744 375	42 811 624	
Real terminal ANS costs - (in EUR2009)	0	0	7 007 256	6 991 651	6 815 760	
Real gate-to-gate ANS costs - (in EUR2009)	**43 799 792**	**43 774 391**	**48 925 543**	**50 736 027**	**49 627 384**	
Share of en-route costs in gate-to-gate ANS costs	**100.0%**	**100.0%**	**85.7%**	**86.2%**	**86.3%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Real en-route costs - (in EUR2009)	in value	138 228	-591 548	
	in %	0.3%	-1.4%	
Real terminal ANS costs - (in EUR2009)	in value	-199 328	-104 407	
	in %	-2.8%	-1.5%	
Real gate-to-gate ANS costs - (in EUR2009)	in value	**-61 100**	**-695 955**	
	in %	**-0.1%**	**-1.4%**	
Share of en-route costs in gate-to-gate ANS costs	in %	**0.4%**	**0.0%**	

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

In 2013, Cyprus actual gate-to-gate ANS costs (49.6 M€2009) are lower than planned in the NPP (50.3 M€2009) by -1.4% in real terms. The relative share of en-route costs in gate-to-gate ANS costs is slightly higher (86.3%) than the proportion planned in the NPP for 2013 (86.2%). Since 2011, this share has been relatively stable at around 86%.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Czech Republic

Fact validated edition

Edition date: 14/11/2014

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CZECH REPUBLIC **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	38	61		Czech Republic has reported significant improvements in all areas. In particular, all 'safety risk management' scores have turned from A to C. The scores correspond to the current situation where the corrective actions plans have been agreed, although implementation has yet to be verified. (TV)
ANSP [ANS CR]	81	81		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	3	100%	19	100%			
	ATM Overall		100%		100%			
Runway Incursions (RIs)	ATM Ground	14	100%	15	100%			
	ATM Overall		100%		100%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	18	100%	20	91%			

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	2	8	3	7		
Legal/Judiciary	5	3	6	2		
Occurrence reporting and Investigation	2	0	2	0		
TOTAL	**9**	**11**	**11**	**9**		

Number of questions answered with Yes or No	**ANSP [ANS CR]**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	7	6	11	2		
Legal/Judiciary	2	1	2	1		
Occurrence reporting and Investigation	4	4	6	2		
TOTAL	**13**	**11**	**19**	**5**		

CZECH REPUBLIC **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.15	0.16	0.15	
National Target	0.15	0.16	0.15	
Actual performance	0	0.04		

National capacity assessment

The key performance target for capacity has been achieved. The monitoring itself was conducted on periodical basis (quarterly assessments). With respect to actual results and actual trends we expect no significant change of planned result for 2014.

PRB Capacity assessment

With the excellent capacity performance in 2012 and 2013, the Czech Republic has surpassed both the national target and the level of performance required to be consistent with the EU-wide target for both years. The PRB is confident that the Czech Republic can provide a positive contribution to EU-wide capacity performance in RP1.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 35%

The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 16%

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 49%

The PRB notes the statement from the NSA that 90% of military reserved airspace does not impact GAT, and recalls the existing recommendation, from the annual monitoring report 2012, that States should only report on those restricted or segregated areas which Member States have identified as having an impact on available ATC capacity, or on available route options within the relevant airspace.

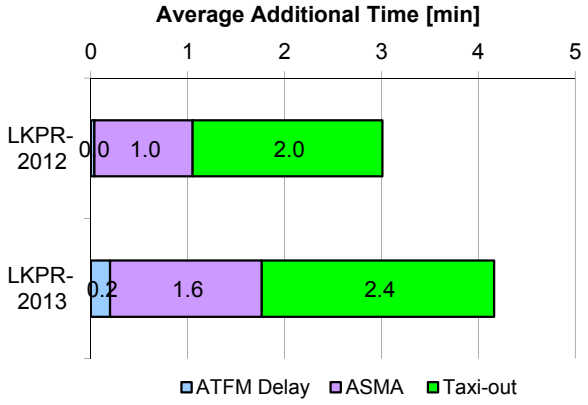
Recommendations

CZECH REPUBLIC **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Prague/Ruzyne	LKPR	2012	0.0	2 436	1.0	61 960	2.0	119 242	183 637
		2013	0.2	12 461	1.6	93 450	2.4	144 609	250 519
Weighted average		**2012**	**0.0**		**1.0**		**2.0**		
		2013	**0.2**		**1.6**		**2.4**		
Grand Total		**2012**		**2 436**		**61 960**		**119 242**	**183 637**
		2013		**12 461**		**93 450**		**144 609**	**250 519**
				412%		**51%**		**21%**	**36%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by*

Critical Issues

• Mandatory data items partially missing (STATUS C.R.). With respect to several problematic issues concerning data exchange between stakeholders in the Czech Republic (NSA, slot coordinator, data management at LKPR), the Czech CAA plans to convene meeting at national level with stakeholders involved where the data issues will be thoroughly discussed and new procedures for smooth data transition will be established. Progress regarding this Czech CAA's action needs to be reported to PRB, through the PRU.

Specific Analysis

• Despite a decrease of traffic volume by 3%, additional ASMA significantly increased between 2012 and 2013. One of the main reasons for this performance degradataion was the general reconstruction of main runway 06/24 at LKPR. The reconstruction has been conducted within two phases – the first phase took place from mid of May till end of August and the following phase continued till the end of September. This reconstruction was the largest building activity at the LKPR aerodrome in 2013.

CZECH REPUBLIC

Monitoring of en-route and terminal COST-EFFICIENCY for 2013

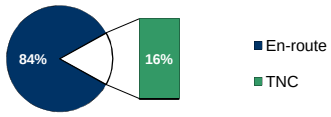
1. - Contextual economic information

- Czech Republic represents 1.6% of the SES en-route ANS determined costs in 2013.
- ATSP : ANS CR
- FAB : FAB CE
- National currency: CZK
- Exchange rate 2009: 1 EUR= 26.4147

Note on the actual exchange rate 2013

In 2013, the CZK depreciated by 3.4% compared to 2012.

Share of en-route and terminal in gate-to-gate ANS actual costs

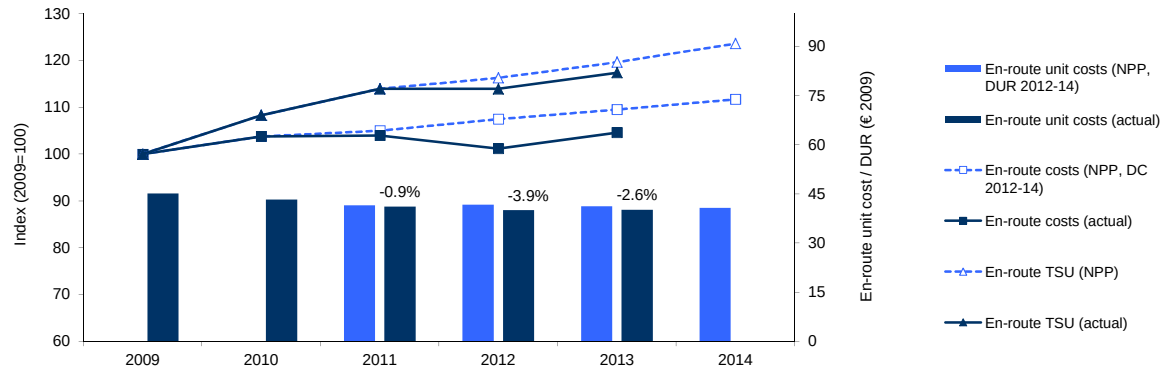


2. - En-route DUR monitoring (2013)

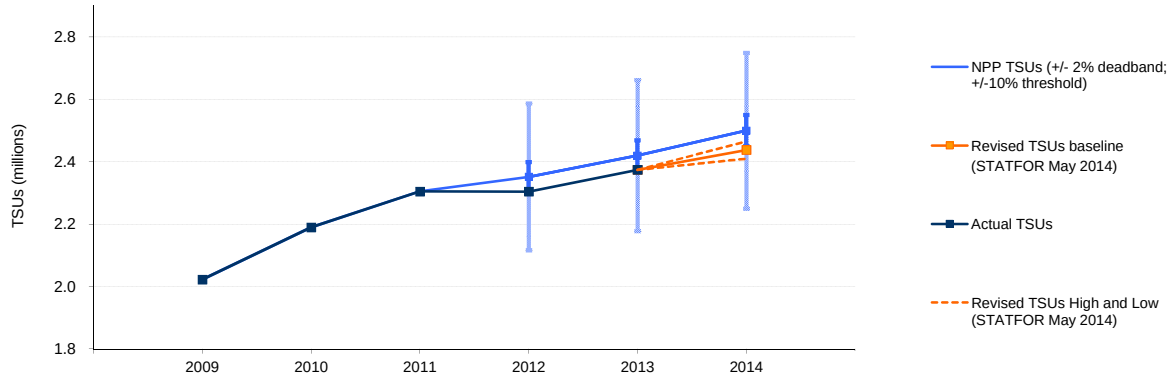
Czech Republic - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal CZK)	2 410 997 795	2 540 591 834	2 623 618 675	2 771 863 500	2 880 339 446	2 997 726 999
Inflation %		1.5%	2.1%	3.2%	2.0%	2.0%
Inflation index (100 in 2009)	100.0	101.5	103.6	106.9	109.1	111.3
Real en-route costs (determined costs 2012-2014) - (in CZK2009)	2 410 997 795	2 503 046 141	2 531 680 691	2 591 793 272	2 640 413 951	2 694 140 585
Total en-route Service Units	2 022 528	2 190 096	2 304 924	2 351 760	2 419 960	2 499 820
Real en-route unit costs per Service Units - (in CZK2009)	**1 192.07**	**1 142.89**	**1 098.38**	**1 102.07**	**1 091.10**	**1 077.73**
Real en-route unit costs per Service Units - (in EUR2009)	**45.13**	**43.27**	**41.58**	**41.72**	**41.31**	**40.80**

Czech Republic - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal CZK)	2 410 997 795	2 540 592 000	2 598 859 000	2 617 061 700	2 742 724 750	
Inflation %		1.5%	2.1%	3.5%	1.4%	
Inflation index (100 in 2009)	100.0	101.5	103.6	107.3	108.8	
Real en-route costs - (in CZK2009)	2 410 997 795	2 503 046 305	2 507 788 655	2 439 955 061	2 521 808 687	
Total en-route Service Units	2 022 528	2 190 096	2 304 684	2 304 641	2 374 021	
Real en-route unit costs per Service Units - (in CZK2009)	**1 192.07**	**1 142.89**	**1 088.13**	**1 058.71**	**1 062.25**	
Real en-route unit costs per Service Units - (in EUR2009)	**45.13**	**43.27**	**41.19**	**40.08**	**40.21**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
En-route costs - (in nominal CZK)	in value				-154 801 800	-137 614 696	
	in %				-5.6%	-4.8%	
Inflation %	in p.p.				0.3 p.p.	-0.6 p.p.	
Inflation index (100 in 2009)	in p.p.				0.3 p.p.	-0.3 p.p.	
Real en-route costs - (in CZK2009)	in value				-151 838 211	-118 605 264	
	in %				-5.9%	-4.5%	
Total en-route Service Units	in value				-47 119	-45 939	
	in %				-2.0%	-1.9%	
Real en-route unit costs per Service Units - (in CZK2009)	in value				**-43.35**	**-28.85**	
	in %				**-3.9%**	**-2.6%**	
Real en-route unit costs per Service Units - (in EUR2009)	in value				**-1.64**	**-1.09**	
	in %				**-3.9%**	**-2.6%**	



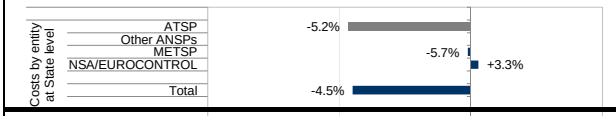
3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



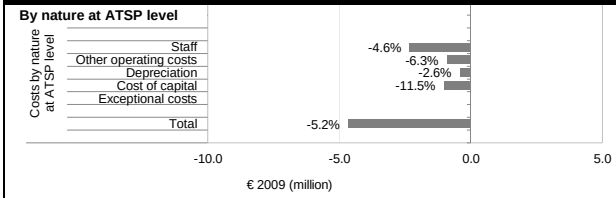
CZECH REPUBLIC **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)

By entity at State level



By nature at ATSP level



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	326
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	326
Total costs exempted from cost sharing	**326**
to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

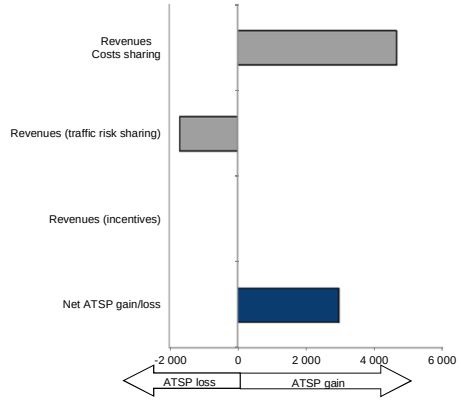
Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	89 488
Actual costs for the ATSP	84 826
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	4 662
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**4 662**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-1.90%
Determined costs after deduction of costs for exempted VFR flights	89 271
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-1 695
ATSP loss (traffic between -2% and -10% below NPP)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-1 695**

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

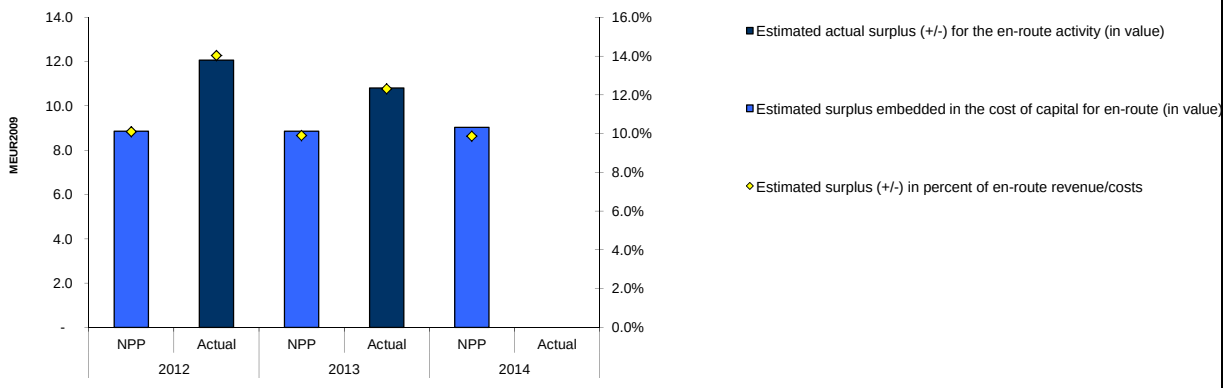
Net ATSP gain(+)/loss(-) on en-route activity	**2 967**

Combined effect of variations in costs and revenue for 2013 ('000€2009)



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	125 724	120 680	125 806	111 317	128 188	
Estimated proportion of financing through equity (in %)	100%	100%	100%	100%	100%	
Estimated proportion of financing through equity (in value)	125 724	120 680	125 806	111 317	128 188	
Estimated proportion of financing through debt (in %)	-	-	-	-	-	
Estimated proportion of financing through debt (in value)	-	-	-	-	-	
Cost of capital pre-tax (in value)	8 851	8 496	8 857	7 837	9 024	
Average interest on debt (in %)	-	-	-	-	-	
Interest on debt (in value)	-	-	-	-	-	
Ex-ante RoE pre-tax rate (in %)	7.0%	7.0%	7.0%	7.0%	7.0%	
Estimated surplus embedded in the cost of capital for en-route (in value)	8 851	8 496	8 857	7 837	9 024	
Net ATSP gain(+)/loss(-) on en-route activity		3 566		2 967		
Overall estimated surplus (+/-) for the en-route activity	**8 851**	**12 062**	**8 857**	**10 804**	**9 024**	
Revenue/costs for the en-route activity	**87 734**	**85 993**	**89 488**	**87 793**	**91 536**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**10.1%**	**14.0%**	**9.9%**	**12.3%**	**9.9%**	
Estimated ex-post RoE pre-taxe rate (in %)	**7.0%**	**10.0%**	**7.0%**	**9.7%**	**7.0%**	



CZECH REPUBLIC **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Czech Republic

The data provided by Czech Republic were coherent and consistent.

At State / Charging Area level

In 2013, Czech Republic's actual real en-route unit cost (40.21 €2009) was -2.6% lower than the DUR provided in the NPP for RP1 (41.31 €2009). This difference is resulting from lower 2013 actual en-route costs (-4.5%) compared to the determined costs. This decrease exceeds the diminution in actual number of en-route TSUs (-1.9%) compared to the RP1 NPP for 2013.

The actual en-route traffic (TSUs) was lower by -1.9% compared to the NPP for 2013 and higher by +3% compared to the level of 2012 but it remained within the ±2% dead band.

Looking forward, based on STATFOR May 2014 baseline forecast for Czech Republic, the number of TSUs in 2014 is expected to be lower (-2.5%) than the figures provided in the NPP for RP1 (which is outside the -/+2% deadband but within the +10% threshold).

Real en-route costs for Czech Republic were -4.5% lower in 2013 than planned as a combination of -4.8% lower nominal en-route costs and -0.6 percentage points lower inflation index.

This evolution is mainly due to the lower costs for ANS CR and the METSP (-5.2% and -5.7% respectively).

Costs exempted from cost sharing are reported for a total of +0.3 M€2009 to be passed on to users for the en-route activity. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Actual 2013 ANS CR costs vs. NPP

In 2013, actual en-route costs were lower than planned in all categories by nature. The biggest cost savings in absolute terms are attributable to lower staff costs (-2.3 M€2009 or -4.6%) and cost of capital (-1.0 M€2009 or -11.5%) than planned.

According to the additional information provided along with the en-route reporting tables in June 2014, the main factor for the lower staff costs was the correlation of benefits with the fulfilment of traffic plan.

Other operating costs were reduced (-6.3%) through savings in areas of maintenance, services, telecommunication fees and others.

The actual cost of capital was -11.5% lower than planned in the NPP. Based on the information provided in the Czech Republic's reporting tables, this mainly reflects the use of a lower asset base to compute ANS CR's cost of capital (-11.5% compared to the NPP). The lower asset base is a result of lower Net Book Value of Fixed Assets (-16.6% in real terms) but higher net current assets (+34.4% in real terms comparing to the NPP). Similarly to the cost of capital, actual 2013 capex are significantly lower (-573 MCZK or -88.6%). According to the NSA monitoring report this is mainly due to i) postponement of main investment projects; and ii) due to delays caused by the process of tendering.

ANS CR net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, the en-route activity for the year 2013 generated a net gain of +3.0 M€2009 for ANS CR overall. This is the combination of two separate elements:

a gain of +4.7 M€2009 for ANS CR as a result of the cost-sharing mechanism;
a loss of –1.7 M€2009 as a result of the traffic risk sharing mechanism for 2013.

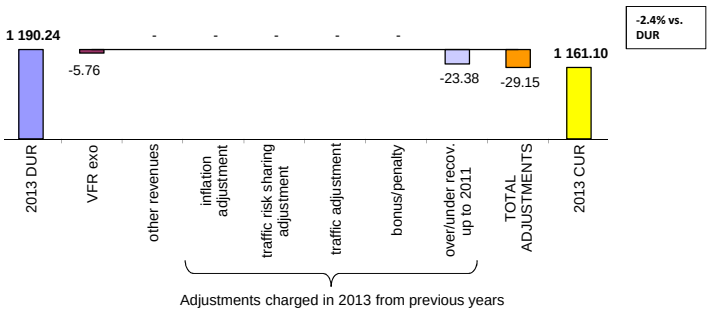
On the profitability side for the en-route activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +8.9 M€2009, corresponding to an estimated surplus of +9.9% of the en-route costs/revenues for 2013. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+7.8 M€2009) and the net gain from the en-route activity in 2013 (+3.0 M€2009), gives a total of +10.8 M€2009 for 2013, corresponding to +12.3% of the en-route revenue in 2013. The resulting ex-post rate of return on equity for 2013 is +9.7% (compared to +7.0% as initially planned in the NPP).

Conclusion : This indicates that in 2013, ANS CR was in a position to retain the part of surplus embedded in the cost of capital and to generate extra gains arising from the lower costs than planned in 2013. This adds to the overall positive estimated surplus for the en-route activity generated by ANS CR in 2012 of +12.1 M€2009 or +14.0% of en-route costs/revenues in 2012 leading to an ex-post rate of return on equity of +10.0%).

CZECH REPUBLIC **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Czech Republic 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - CZK



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

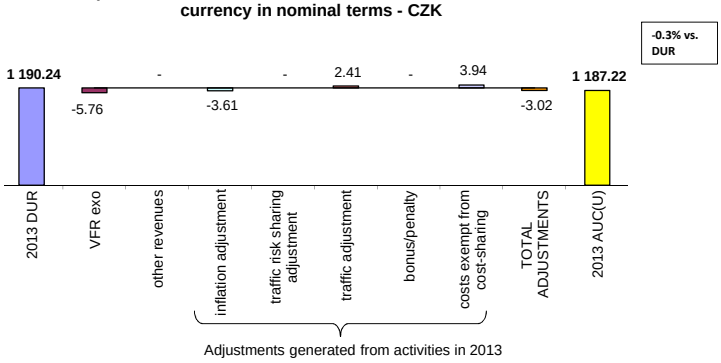
The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The CUR charged to airspace users in 2013 was 1 161.10 CZK. This is lower than the DUR expressed in nominal terms (1 190.24 CZK).The difference between these two figures (-29 CZK, -2.4%) relates to costs for services to exempted VFR and over-recoveries carried over to 2013 in the context of the full cost-recovery regime in place before RP1.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Czech Republic 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - CZK



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

The actual unit cost for airspace users in 2013 (1 187.22 CZK) was similar to the DUR expressed in nominal terms (1 190.24 CZK) due to limited adjustments in 2013 and especially the traffic risk-sharing adjustment as the traffic remained within the +/-2% deadband.

CZECH REPUBLIC **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10. - Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^	0.7	0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone		4	4	4	4	4	4
of which, number of airports over 50 000 movements		1	1	1	1	1	1

Czech Republic - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in CZK)	594 226 434	611 067 517	571 246 000	589 438 400	605 512 600	622 465 700
Inflation index (100 in 2009)	100.0	101.5	103.6	106.9	109.1	111.3
Real terminal ANS costs - (in CZK2009)	**594 226 434**	**602 036 962**	**551 228 150**	**551 146 360**	**555 074 826**	**559 427 228**
Real terminal ANS costs - (in EUR2009)	**22 496 051**	**22 791 740**	**20 868 234**	**20 865 138**	**21 013 861**	**21 178 633**

Czech Republic - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in CZK)	594 226 434	611 768 000	579 482 000	530 308 000	527 267 000	
Inflation index (100 in 2009)	100.0	101.5	103.6	107.3	108.8	
Real terminal ANS costs - (in CZK2009)	**594 226 434**	**602 727 094**	**559 175 540**	**494 420 016**	**484 797 645**	
Real terminal ANS costs - (in EUR2009)	22 496 051	22 817 866	21 169 104	18 717 609	18 353 328	
Total terminal service units	87 641	83 659	85 372	76 247	73 888	
Actual real unit costs - (in CZK2009)	6 780.2	7 204.6	6 549.9	6 484.5	6 561.3	
Unit rate applied - (in CZK)				**6 800.00**	**6 800.00**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Terminal ANS costs for the charging zones - (in CZK)	in value	-59 130 400	-78 245 600	
	in%	-10.0%	-12.9%	
Inflation index (100 in 2009)	in p.p.	0.3 p.p.	-0.3 p.p.	
Real terminal ANS costs - (in CZK2009)	in value	**-56 726 344**	**-70 277 180**	
	in%	**-10.3%**	**-12.7%**	
Real terminal ANS costs - (in EUR2009)	in value	**-2 147 529**	**-2 660 533**	
	in%	**-10.3%**	**-12.7%**	

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

The terminal charging zone of Czech Republic includes 4 airports, one of which handles over 50 000 movements. No changes are foreseen over the 2014 period. The harmonised SES formula (MTOW/50)^0.7 already applies in the Czech Republic's terminal charging zone.

Actual terminal ANS costs are -12.7% lower than the forecast presented in the NPP for the year 2013 (some -2.7 M€2009).

According to the additional information provided with the terminal reporting tables, the main driver for this decrease is the lower traffic compared to the forecast for 2013 due to less flights operated by Czech Airlines which led ANS CR to introduce cost-containment measures.

Significant decreases were made across the different categories of costs by nature i.e. lower staff costs (-12.9%), lower other operating costs (-11.8%), depreciation costs (-12.2%) and lower cost of capital (-34.5%) compared to the plan.

12. - Monitoring of gate-to-gate costs (2013)

Czech Republic - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in CZK2009)	2 410 997 795	2 503 046 141	2 531 680 691	2 591 793 272	2 640 413 951	2 694 140 585
Real terminal ANS costs - (in CZK2009)	594 226 434	602 036 962	551 228 150	551 146 360	555 074 826	559 427 228
Real gate-to-gate ANS costs - (in CZK2009)	**3 005 224 229**	**3 105 083 103**	**3 082 908 841**	**3 142 939 632**	**3 195 488 777**	**3 253 567 813**
Real gate-to-gate ANS costs - (in EUR2009)	**113 770 901**	**117 551 330**	**116 711 863**	**118 984 491**	**120 973 881**	**123 172 620**
Share of en-route costs in gate-to-gate ANS costs	**80.2%**	**80.6%**	**82.1%**	**82.5%**	**82.6%**	**82.8%**

Czech Republic - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in CZK2009)	2 410 997 795	2 503 046 305	2 507 788 655	2 439 955 061	2 521 808 687	
Real terminal ANS costs - (in CZK2009)	594 226 434	602 727 094	559 175 540	494 420 016	484 797 645	
Real gate-to-gate ANS costs - (in CZK2009)	**3 005 224 229**	**3 105 773 399**	**3 066 964 195**	**2 934 375 077**	**3 006 606 332**	
Real gate-to-gate ANS costs - (in EUR2009)	**113 770 901**	**117 577 463**	**116 108 235**	**111 088 715**	**113 823 225**	
Share of en-route costs in gate-to-gate ANS costs	**80.2%**	**80.6%**	**81.8%**	**83.2%**	**83.9%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Real en-route costs - (in CZK2009)	in value	-151 838 211	-118 605 264	
	in %	-5.9%	-4.5%	
Real terminal ANS costs - (in CZK2009)	in value	-56 726 344	-70 277 180	
	in %	-10.3%	-12.7%	
Real gate-to-gate ANS costs - (in CZK2009)	in value	**-208 564 554**	**-188 882 444**	
	in %	**-6.6%**	**-5.9%**	
Real gate-to-gate ANS costs - (in EUR2009)	in value	**-7 895 776**	**-7 150 656**	
	in %	**-6.6%**	**-5.9%**	
Share of en-route costs in gate-to-gate ANS costs	in %	**0.7%**	**1.2%**	

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

In 2013, Czech Republic's gate-to-gate ANS costs (113.8 M€2009) were -5.9% lower than planned in the NPP (121.0 M€2009).

The relative share of en-route costs in gate-to-gate ANS costs in 2013 (83.9%) was slightly higher than planned (82.6%). This is due to the fact that 2013 terminal ANS costs were significantly lower than forecasted (-12.7%) while actual en-route ANS costs were substantially lower than the determined costs provided in the NPP (-4.5%) but proportionally less than the terminal.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

DK-SE FAB

Fact validated edition

Edition date: 14/11/2014

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DK-SE FAB **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.04	0.05	0.08	
National Target	0.2	0.15	0.08	
Actual performance	0.03	0.02		

National capacity assessment
The ANSP in the Danish-Swedish FAB (LFV and Naviair) have delivered better results than expected in the Performance Plan.

Military dimension of the plan (Opt.)
No specific details were provided on how the FUA concept would be applied to provide additional capacity.

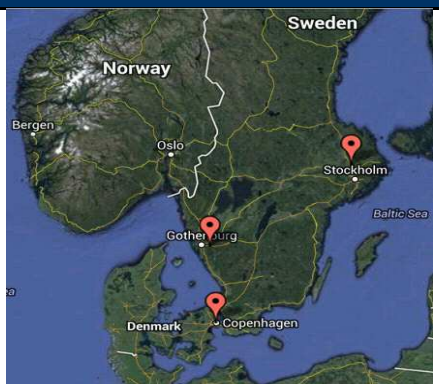
PRB Capacity assessment
The Denmark-Sweden FAB surpassed the FAB target for capacity performance in 2013, as it did in 2012. The level of capacity performance was also consistent with the level required to meet the EU-wide target of 0.6 minutes per flight in 2013. The PRB is confident that the Denmark-Sweden FAB can provide sufficient capacity to be consistent with the EU-wide targets for the first reference period.

Effective booking procedures
See the national reports for Sweden and Denmark.

Recommendations

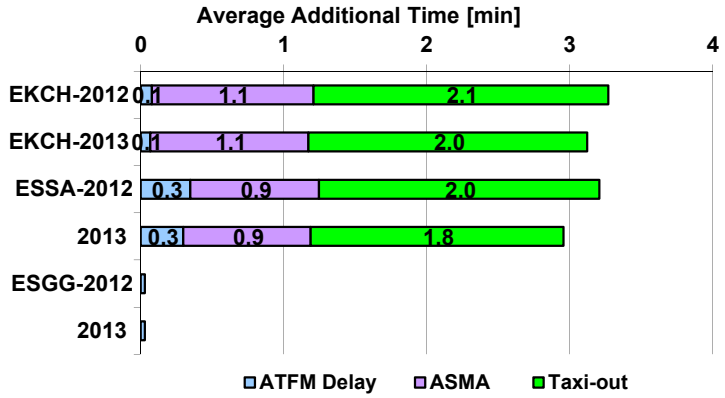
DK-SE-FAB **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1



Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Copenhagen/Kastrup	EKCH	2012	0.1	9 549	1.1	130 268	2.1	235 868	375 685
		2013	0.1	8 339	1.1	128 422	2.0	222 575	359 336
Stockholm/Arlanda	ESSA	2012	0.3	36 551	0.9	91 530	2.0	190 116	318 197
		2013	0.3	32 658	0.9	95 220	1.8	175 030	302 908
Göteborg/Landvetter	ESGG	2012	0.0	897	Not Applicable		Missing Data		897
		2013	0.0	870	Not Applicable		Missing Data		870
Weighted average		2012	0.2		1.0		2.0		
		2013	0.2		1.0		1.9		
Grand Total		2012		46 997		221 799		425 984	694 779
		2013		41 867		223 642		397 605	663 115
			⇨	-11%	⇨	1%	⇨	-7%	-5%

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- ⇧ *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst* ⇩ *depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by* ⇨

Critical Issues

- **Mandatory data items partially missing (STATUS C.R.) at Copenhagen airport.**
- **Missing DRWY data at Göteborg Landvetter Airport since 2012. Data required for the calculation of taxi-out time.**

Specific Analysis

- **No specific operational concern regarding RP1 performance monitoring.**

Performance Review Body
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EUROCONTROL

PRB Annual monitoring report 2013

Denmark

Fact validated edition

Edition date: 14/11/2014

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DENMARK **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	45	48		Denmark has adjusted few scores (3 in total) although not all of them correspond to the true status of the authority/State. Overall, the answers are honest about the status of development within the competent authority. (TV)
ANSP [NAVIAIR]	89	90		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	8	0%	8	13%			
	ATM Overall		0%		0%			
Runway Incursions (RIs)	ATM Ground	38	0%	41	2%			
	ATM Overall		0%		0%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	664	0%	1067	0%			

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	4	6	4	6		
Legal/Judiciary	6	2	6	2		
Occurrence reporting and Investigation	2	0	2	0		
TOTAL	**12**	**8**	**12**	**8**		

Number of questions answered with Yes or No	ANSP [NAVIAIR]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	9	4	9	4		
Legal/Judiciary	2	1	2	1		
Occurrence reporting and Investigation	7	1	6	2		
TOTAL	**18**	**6**	**17**	**7**		

DENMARK **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.08	0.06	0.07	
National Target				
Actual performance	0	0		

National capacity assessment

The Danish NSA is satisfied with the development of the actual performance in general.

PRB Capacity assessment

With the excellent capacity performance in 2012 and 2013, Denmark has surpassed the level of performance required to be consistent with the EU-wide target for both years. The PRB is confident that Denmark can provide a positive contribution to EU-wide capacity performance in 2014.

Effective booking procedures

Although the national monitoring report for 2013 did not contain any information regarding the effective booking procedures, Naviair had previously provided information on effective booking procedures for Denmark in 2013.

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 42%

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

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 53%

Previous recommendations (Opt.)

Denmark is asked to review the temporary restricted areas listed in the AIP have any impact on available ATC capacity, and if so, to report on the allocation and use of such airspace in future.

NSA report on follow-up to recommendations (Opt.)

The information on effective booking procedures is in line with the requested information.

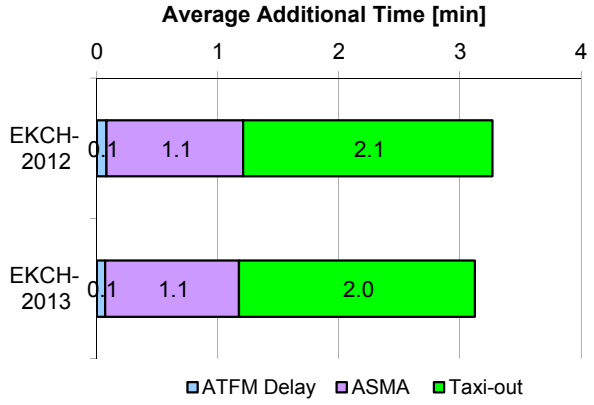
Recommendations

DENMARK **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Copenhagen/Kastrup	EKCH	2012	0.1	9 549	1.1	130 268	2.1	235 868	375 685
		2013	0.1	8 339	1.1	128 422	2.0	222 575	359 336
Weighted average		**2012**	**0.1**		**1.1**		**2.1**		
		2013	**0.1**		**1.1**		**2.0**		
Grand Total		**2012**		**9 549**		**130 268**		**235 868**	**375 685**
		2013		**8 339**		**128 422**		**222 575**	**359 336**
			⇨	**-13%**	⇨	**-1%**	⇨	**-6%**	**-4%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- ⇧ *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst* ⇩ *depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by* ⇨

Critical Issues

- Mandatory data items partially missing (STATUS C.R.)

Specific Analysis

- Almost all delays are due to weather conditions.
- No additional concern regarding RP1 performance monitoring.

DENMARK **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

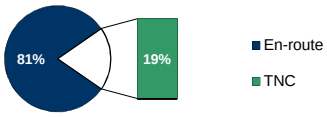
1. - Contextual economic information

- Denmark represents 1.6% of the SES en-route ANS determined costs in 2013.
- ATSP : NAVIAIR
- FAB : DK-SE
- National currency: DKK
- Exchange rate 2009: 1 EUR= 7.44337

Note on the actual exchange rate 2013

In 2013, the DKK depreciated by 0.2% compared to 2012.

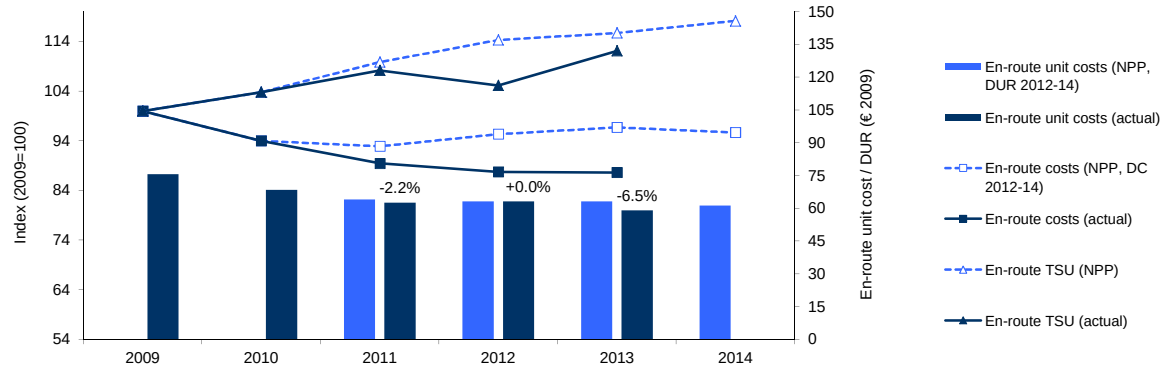
Share of en-route and terminal in gate-to-gate ANS actual costs



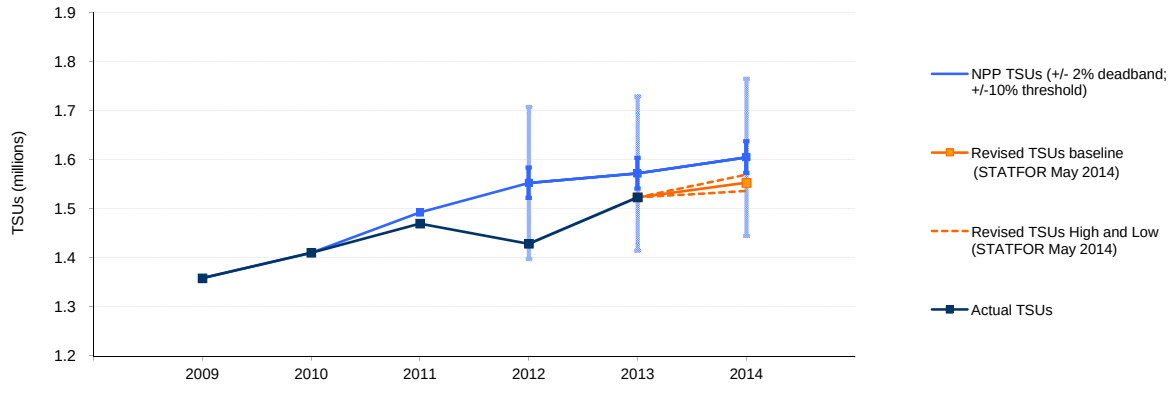
2. - En-route DUR monitoring (2013)

Denmark - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal DKK)	765 672 826	735 661 455	738 016 565	772 363 786	799 231 596	806 319 034
Inflation %		2.2%	1.5%	2.0%	2.0%	2.0%
Inflation index (100 in 2009)	100.0	102.2	103.7	105.8	107.9	110.1
Real en-route costs (determined costs 2012-2014) - (in DKK2009)	765 672 826	719 825 299	711 457 844	729 969 631	740 551 666	732 469 353
Total en-route Service Units	1 358 804	1 410 791	1 492 488	1 553 042	1 572 317	1 605 336
Real en-route unit costs per Service Units - (in DKK2009)	**563.49**	**510.23**	**476.69**	**470.03**	**470.99**	**456.27**
Real en-route unit costs per Service Units - (in EUR2009)	**75.70**	**68.55**	**64.04**	**63.15**	**63.28**	**61.30**

Denmark - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal DKK)	765 672 826	735 661 455	718 962 626	722 109 707	724 607 426	
Inflation %		2.2%	2.7%	2.4%	0.5%	
Inflation index (100 in 2009)	100.0	102.2	105.0	107.5	108.0	
Real en-route costs - (in DKK2009)	765 672 826	719 825 299	684 991 173	671 864 798	670 834 551	
Total en-route Service Units	1 358 804	1 410 791	1 470 012	1 428 735	1 523 724	
Real en-route unit costs per Service Units - (in DKK2009)	**563.49**	**510.23**	**465.98**	**470.25**	**440.26**	
Real en-route unit costs per Service Units - (in EUR2009)	**75.70**	**68.55**	**62.60**	**63.18**	**59.15**	
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				**2012**	**2013**	**2014**
En-route costs - (in nominal DKK) in value				-50 254 078	-74 624 170	
in %				-6.5%	-9.3%	
Inflation % in p.p.				0.4 p.p.	-1.5 p.p.	
Inflation index (100 in 2009) in p.p.				1.7 p.p.	0.1 p.p.	
Real en-route costs - (in DKK2009) in value				-58 104 833	-69 717 114	
in %				-8.0%	-9.4%	
Total en-route Service Units in value				-124 307	-48 593	
in %				-8.0%	-3.1%	
Real en-route unit costs per Service Units - (in DKK2009) in value				**0.23**	**-30.73**	
in %				**0.0%**	**-6.5%**	
Real en-route unit costs per Service Units - (in EUR2009) in value				**0.03**	**-4.13**	
in %				**0.0%**	**-6.5%**	



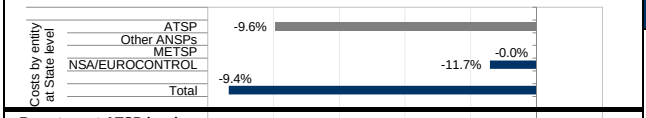
3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



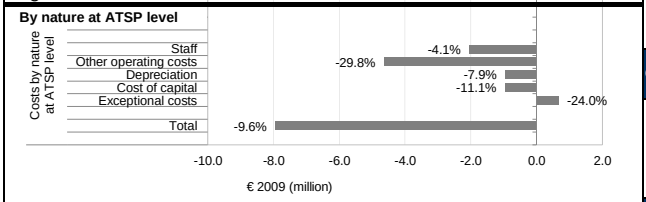
DENMARK **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)

By entity at State level



By nature at ATSP level



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	**-**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

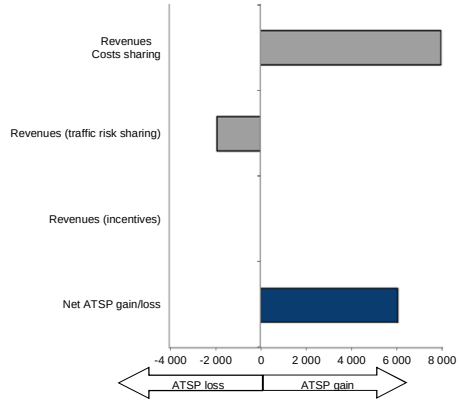
Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	82 961
Actual costs for the ATSP	75 015
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	7 946
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**7 946**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-3.09%
Determined costs after deduction of costs for exempted VFR flights	81 881
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-1 638
ATSP loss (traffic between -2% and -10% below NPP)	-268
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-1 905**

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

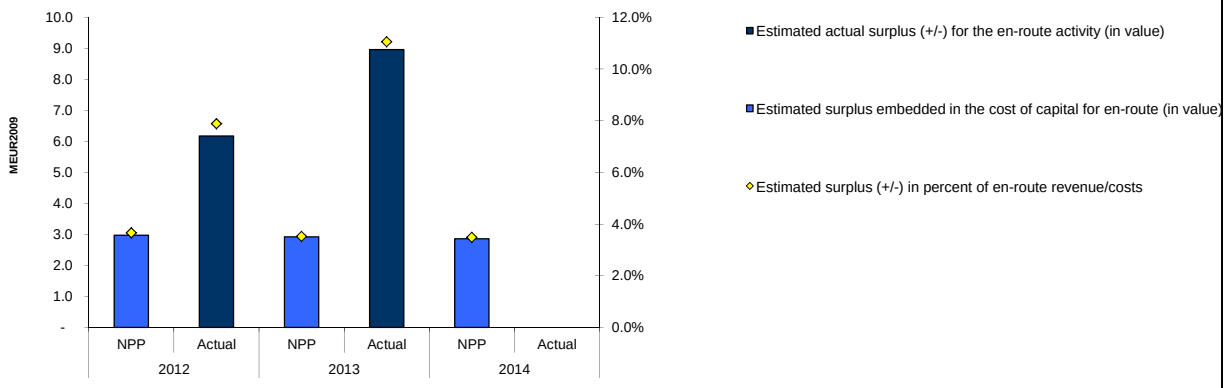
Net ATSP gain(+)/loss(-) on en-route activity	**6 041**

Combined effect of variations in costs and revenue for 2013 ('000€2009)



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	184 635	175 442	185 748	174 147	186 750	
Estimated proportion of financing through equity (in %)	32%	41%	31%	33%	31%	
Estimated proportion of financing through equity (in value)	59 550	72 223	58 383	58 333	57 238	
Estimated proportion of financing through debt (in %)	68%	59%	69%	67%	69%	
Estimated proportion of financing through debt (in value)	125 085	103 219	127 365	115 814	129 512	
Cost of capital pre-tax (in value)	8 025	7 443	8 677	7 712	8 299	
Average interest on debt (in %)	4.0%	3.7%	4.5%	4.1%	4.2%	
Interest on debt (in value)	5 047	3 832	5 757	4 795	5 437	
Ex-ante RoE pre-tax rate (in %)	5.0%	5.0%	5.0%	5.0%	5.0%	
Estimated surplus embedded in the cost of capital for en-route (in value)	2 978	3 611	2 919	2 917	2 862	
Net ATSP gain(+)/loss(-) on en-route activity		2 564		6 041		
Overall estimated surplus (+/-) for the en-route activity	**2 978**	**6 175**	**2 919**	**8 958**	**2 862**	
Revenue/costs for the en-route activity	**81 314**	**78 309**	**82 961**	**81 056**	**82 200**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**3.7%**	**7.9%**	**3.5%**	**11.1%**	**3.5%**	
Estimated ex-post RoE pre-taxe rate (in %)	**5.0%**	**8.6%**	**5.0%**	**15.4%**	**5.0%**	



DENMARK **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Denmark

The June 2014 Reporting Tables for Denmark present the information relating to Denmark Revised NPP and actual data up to 2013. Total en-route service units provided in the Reporting Tables are consistent with the NSA report.

Due to the fact that Denmark did not report total terminal service units in the Reporting Tables or the NSA report, the number of chargeable service units is presented in the table in item 10. Furthermore, the "Actual real unit costs" figure is also calculated taking the chargeable service units into account.

Total costs for both en-route and terminal are consistent between the two sources, as were actual 2012 en-route and terminal costs. However, actual 2013 costs in the NSA report are rounded to the nearest thousand DKK in nominal terms, 724,607,000 DKK for en-route costs and 172,723,000 DKK for terminal costs. These are given to a higher degree of accuracy in the June 2014 Reporting Tables (724,607,426 DKK for en-route and 172,723,143 DKK for terminal). Inflation and exchange rates are in line between the NSA report and the Reporting Tables.

Note that the terminal unit rate applied in 2013 (1,361.00 DKK) is sourced from the NSA report and used in this 2013 monitoring analysis. The 2012 unit rate applied was 1,361.00 DKK in both the Reporting Tables and the NSA Report.

At State / Charging Area level

In 2013, the actual en-route unit cost for Denmark (59.15 €2009) is -6.5% lower than planned in the NPP for RP1 (63.28 €2009). Although actual en-route total service units (TSUs) in 2013 (1,523,724 TSUs) are -3.1% lower than planned (1,572,317 TSUs), actual en-route costs (670.8 MDKK2009) are -9.4% lower than determined (740.6 MDKK2009), which results in a lower unit cost overall.

According to STATFOR's May 2014 publication, TSUs in 2013 (1.5 million) are -3.0% lower than the figures planned in the Denmark NPP (1.6 million). This difference is greater than the +/-2% dead-band but within the +/-10% threshold. Based on the STATFOR May 2014 forecasts, actual 2014 traffic is also expected to continue to be -3.0% lower than planned.

Total en-route costs in 2013 are 670.8 MDKK2009, or -9.4% less than planned, due to a combination of lower costs in nominal terms (-9.3%, with actual costs of 724.6 MDKK compared to the determined cost of 799.2 MDKK) and the actual inflation index being -0.1 percentage points lower than forecast in the NPP (actual inflation in 2013 is -1.5 p.p. lower than had been planned, but this was preceded by higher-than-planned inflation in previous years).

The en-route cost-base includes costs relating to the Danish ATSP (Naviair), the Danish MET (DMI) and NSA-DK. All three entities have lower en-route costs than planned but Naviair is the main contributor to the overall lower cost-base, its costs being -9.6% lower than planned in the NPP.

No costs exempt from cost sharing are reported.

For DMI, actual costs in 2013 are on plan. For NSA-DK, actual costs are -11.7% lower than planned, due to the CAA-DK and the Danish Transport Authority merging together to cover rail, road and air transport, which has reduced staff and other operating costs.

At ATSP level

Actual 2013 Naviair costs vs. NPP

Naviair actual en-route costs in 2013 are 75.0 M€2009, -7.9 M€2009 (or -9.6%) lower than the determined costs. This is due to decreases in all cost categories, in particular other operating costs, which are -29.8% lower than planned. According to the NSA report (supplemented by the Additional Information to Annex C of the DK-SE FAB RP2 Performance Plan for RP1 Monitoring – Year 2013), the decrease in other operating costs is due to lower insurance costs, reduced costs for support and maintenance agreements and a one-off decrease in many small savings, including building operating costs and technical installations (3 MDKK), lower IT costs (2 MDKK) and a temporary pause in training costs.

Actual staff costs are -4.1% lower than planned in real terms due to resource changes to adjust to the lower levels of traffic since 2012, which continued in 2013. These resource changes included a -16 MDKK lower collectively agreed pay, a restraint in local salary and having fewer employees in order to adapt to the lower activity level required.

Depreciation and cost of capital are lower than planned in the NPP (-7.9% and -11.1% respectively). Actual exceptional costs (planned as a revenue) are -24.0% lower than planned.

Naviair did not report any costs exempt from cost sharing for 2013.

In 2013, actual traffic was -3.1% lower than planned, resulting in a loss due to traffic risk sharing of -1.9 M€ for Naviair. No incentives were applied in 2013.

In 2013, the actual total asset base was 174.1 M€2009, or -6.2% lower than planned. In 2013, actual capex was 60.2 MDKK, -1.8 MDKK or -3.0% less than planned in the NPP. Including investments delayed from previous years, postponed investments amount to -3.1 MDKK, or -4.4% of planned investment in 2012 and 2013.

Naviair net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, the en-route activity for the year 2013 generated a net gain of +6.0 M€2009 for Naviair overall. This is the combination of two separate elements:

- a gain of +7.9 M€2009 for Naviari as a result of the cost-sharing mechanism; and
- a loss of -1.9 M€2009 as a result of the traffic risk sharing mechanism for 2013.

On the profitability side of the en-route activity, the ex-ante surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +2.9 M€2009, corresponding to an estimated surplus of +3.5% of the en-route revenues for 2013. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+2.9 M€2009) and the net gain from the en-route activity in 2013 (+6.0 M€2009), gives a total of +9.0 M€2009 for 2013, corresponding to +11.1% of the en-route revenue in 2013. The resulting ex-post rate of return on equity for 2013 is +15.4% (compared to +5.0% as initially planned in the NPP).

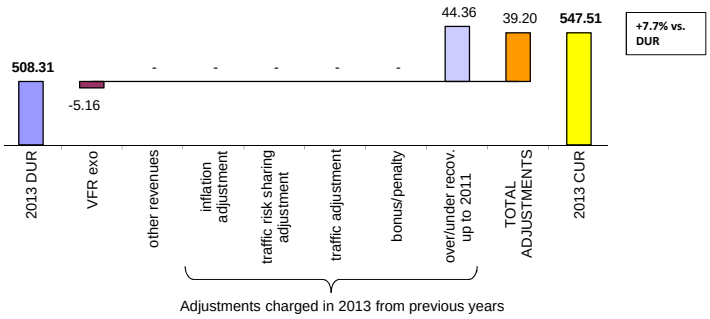
This indicates that in 2013, Naviair was in a position to retain the part of surplus embedded in the cost of capital and to generate extra gains arising from the lower costs than planned in 2013. This adds to the overall positive estimated surplus for the en-route activity generated by Naviair in 2012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

Conclusion : As a result of actual traffic in 2013 that was 3.1% lower than planned, Naviair reduced its en-route costs and in 2013 they were -9.6% lower than planned, which despite the loss under the traffic risk sharing mechanism resulted in a net gain on the en-route activity compared to the NPP. Naviair's estimated surplus in respect of 2013 en-route activity amounts to +9.0 M€2009, corresponding to 11.1% of en-route revenue.

DENMARK **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Denmark 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - DKK



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

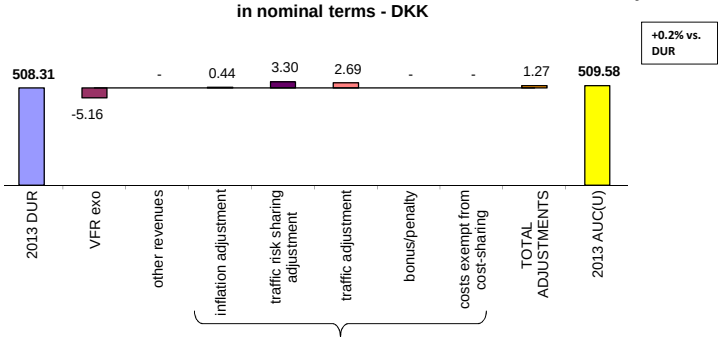
The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The CUR charged to airspace users in 2013 is 547.51 DKK in nominal terms, which is +7.7% more than the DUR of 508.31 DKK. The difference is due to legacy carry-overs incurred up to and including 2011 (+44.36 DKK, or +8.7%) and a small adjustment (-5.16 DKK, or -1.0%) to deduct the costs for services exempt from VFR.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Denmark 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - DKK



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by the **actual total service units** in 2013.

The AUC-U for airspace users in 2013 is 509.58 DKK, which is +0.2% more than the DUR of 508.31 DKK. This is due to the deduction of costs for services to exempted VFR (-5.16 DKK, or -1.0%) and some adjustments generated from activities in 2013:

+3.30 DKK, or +0.6% reflecting the difference in traffic for costs not subject to traffic risk sharing;
+2.69 DKK, or +0.5% increase for traffic adjustment; and
+0.44 DKK, or +0.1% increase for the inflation adjustment.

DENMARK **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10.- Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^	0.7	0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone		1	1	1	1	1	1
of which, number of airports over 50 000 movements		1	1	1	1	1	1

Denmark - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in DKK)	185 064 000	165 750 502	198 980 121	200 894 015	204 035 711	207 053 900
Inflation index (100 in 2009)	100.0	102.2	103.7	105.8	107.9	110.1
Real terminal ANS costs - (in DKK2009)	**185 064 000**	**162 182 487**	**191 819 500**	**189 867 175**	**189 055 321**	**188 090 111**
Real terminal ANS costs - (in EUR2009)	**24 862 932**	**21 788 852**	**25 770 518**	**25 508 227**	**25 399 157**	**25 269 483**

Denmark - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in DKK)	185 064 000	166 550 502	197 620 000	196 482 414	172 723 143	
Inflation index (100 in 2009)	100.0	102.2	105.0	107.5	108.0	
Real terminal ANS costs - (in DKK2009)	**185 064 000**	**162 965 266**	**188 282 326**	**182 811 027**	**159 905 416**	
Real terminal ANS costs - (in EUR2009)	**24 862 932**	**21 894 017**	**25 295 307**	**24 560 250**	**21 482 933**	
Chargeable terminal service units - **See Note 1**	133 215	138 576	145 828	144 110	148 264	
Actual real unit costs - (in DKK2009)	1 389.21	1 176.00	1 291.13	1 268.55	1 078.52	
Unit rate applied - (in DKK)				**1 361.00**	**1 361.00**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Terminal ANS costs for the charging zones - (in DKK)	in value				-4 411 601	-31 312 568	
	in%				-2.2%	-15.3%	
Inflation index (100 in 2009)	in p.p.				1.7 p.p.	0.1 p.p.	
Real terminal ANS costs - (in DKK2009)	in value				**-7 056 148**	**-29 149 904**	
	in%				**-3.7%**	**-15.4%**	
Real terminal ANS costs - (in EUR2009)	in value				**-947 978**	**-3 916 224**	
	in%				**-3.7%**	**-15.4%**	

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

The terminal charging zone in Denmark comprises one airport (Copenhagen), which has more than 50,000 airport movements per year. Denmark uses the harmonised SES formula (MTOW/50)^0.7 throughout RP1. There has been no change to the terminal charging zone as compared to that planned in the NPP.

Note 1: Due to the fact that Denmark did not report total terminal service units, the number of chargeable service units is presented in the table in item 10. Furthermore, the "Actual real unit costs" figure is also calculated taking the chargeable service units into account.

Actual terminal ANS costs in 2013 are 21.5 M€2009, -15.4%, or -3.9 M€2009 lower than planned in the NPP (25.4 M€2009). This difference is of a larger magnitude to that seen in the en-route costs (actual en-route costs were -9.4% higher than planned in real terms). Overall the reduction in total costs is due to lower costs at Naviair: lower staff costs (-6.8 MDKK) in order to adjust to the lower traffic volumes than initially forecast, a one-off reduction of -5.0 MDKK in other operating costs, a reduction of -12.0 MDKK in cost of capital as a result of change in the risk-based assessment and a -0.3 MDKK reduction in exceptional items.

12.- Monitoring of gate-to-gate costs (2013)

Denmark - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in DKK2009)	765 672 826	719 825 299	711 457 844	729 969 631	740 551 666	732 469 353
Real terminal ANS costs - (in DKK2009)	185 064 000	162 182 487	191 819 500	189 867 175	189 055 321	188 090 111
Real gate-to-gate ANS costs - (in DKK2009)	**950 736 826**	**882 007 785**	**903 277 344**	**919 836 807**	**929 606 986**	**920 559 464**
Real gate-to-gate ANS costs - (in EUR2009)	**127 729 352**	**118 495 760**	**121 353 277**	**123 578 004**	**124 890 605**	**123 675 091**
Share of en-route costs in gate-to-gate ANS costs	**80.5%**	**81.6%**	**78.8%**	**79.4%**	**79.7%**	**79.6%**

Denmark - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in DKK2009)	765 672 826	719 825 299	684 991 173	671 864 798	670 834 551	
Real terminal ANS costs - (in DKK2009)	185 064 000	162 965 266	188 282 326	182 811 027	159 905 416	
Real gate-to-gate ANS costs - (in DKK2009)	**950 736 826**	**882 790 564**	**873 273 500**	**854 675 826**	**830 739 968**	
Real gate-to-gate ANS costs - (in EUR2009)	**127 729 352**	**118 600 925**	**117 322 328**	**114 823 773**	**111 608 044**	
Share of en-route costs in gate-to-gate ANS costs	**80.5%**	**81.5%**	**78.4%**	**78.6%**	**80.8%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Real en-route costs - (in DKK2009)	in value				-58 104 833	-69 717 114	
	in %				-8.0%	-9.4%	
Real terminal ANS costs - (in DKK2009)	in value				-7 056 148	-29 149 904	
	in %				-3.7%	-15.4%	
Real gate-to-gate ANS costs - (in DKK2009)	in value				**-65 160 981**	**-98 867 018**	
	in %				**-7.1%**	**-10.6%**	
Real gate-to-gate ANS costs - (in EUR2009)	in value				**-8 754 231**	**-13 282 561**	
	in %				**-7.1%**	**-10.6%**	
Share of en-route costs in gate-to-gate ANS costs	in %				**-0.7%**	**1.1%**	

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

In 2013, Denmark's actual gate-to-gate ANS costs (111.6 M€2009) are -10.6% lower than planned in the NPP (124.9 M€2009). This difference is driven by lower traffic volumes than planned and therefore lower actual costs than planned, primarily ATSP staff costs in both the en-route and terminal ANS cost bases.

The relative share of en-route costs in gate-to-gate ANS costs in 2013 (80.8%) is slightly higher than planned in the NPP (79.7%). The share of en-route costs in gate-to-gate ANS costs has been relatively stable (ranging from 78.4% to 81.5%) since 2010 and in line with the NPP.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Sweden

Fact validated edition

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SWEDEN **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management

	2012	2013	2014	State level Observations
State level	51	58		The scores from Sweden have significantly improved: In some cases the level has improved from A/B to C or D in the case of safety assurance, and in two other areas the score lifted from C to D. The assessment shows that the answers are generally consistent. (LV)
ANSP [LFV NUAC]	76	72		
ANSP [ACR]	67	72		
ANSP [ESNX]	65	62		

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

		2012		2013		2014	
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)
Separation Minima Infringements (SMIs)	ATM Ground	2	100%	36	44%		
	ATM Overall		0%		0%		
Runway Incursions (RIs)	ATM Ground	95	12%	98	5%		
	ATM Overall		0%		0%		
ATM Specific Occurences (ATM-Specific)	ATM Overall	2264	1%	2334	1%		

Just culture

Number of questions answered with Yes or No	State					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	2	8	5	5		
Legal/Judiciary	1	7	4	4		
Occurrence reporting and Investigation	2	0	2	0		
TOTAL	**5**	**15**	**11**	**9**		

Number of questions answered with Yes or No	ANSP [LFV NUAC]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	7	6	8	5		
Legal/Judiciary	2	1	2	1		
Occurrence reporting and Investigation	5	3	5	3		
TOTAL	**14**	**10**	**15**	**9**		

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

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

SWEDEN **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.02	0.03	0.06	
National Target				
Actual performance	0.04	0.03		

National capacity assessment

The ANSP in the Danish-Swedish FAB (LFV and Naviair) have delivered better results than expected in the Performance Plan.

Military dimension of the plan (Opt.)

Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: the performance plan for Denmark-Sweden FAB, in the part relating to FUA implementation in Sweden, did not contain any specific details of how FUA would be applied to increase capacity.

PRB Capacity assessment

The level of capacity performance in Sweden was sufficient to be consistent with the EU-wide target for capacity in 2013. The PRB is confident that Sweden can provide a similar level of capacity in 2014 and likewise meet the effort required to be consistent with the EU-wide target for capacity in 2014.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 96%

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

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 1%

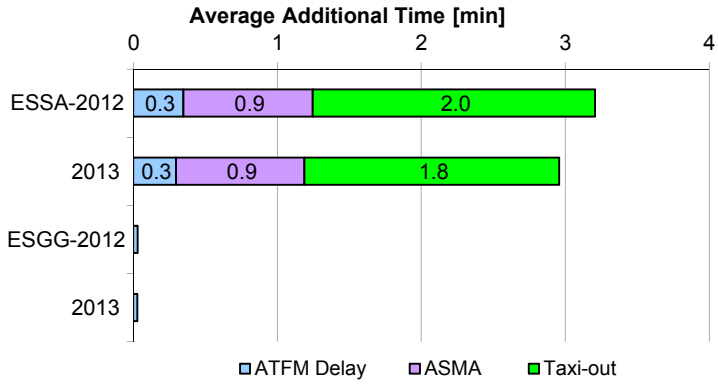
Recommendations

SWEDEN **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Stockholm/Arlanda	ESSA	**2012**	0.3	36 551	0.9	91 530	2.0	190 116	318 197
		2013	0.3	32 658	0.9	95 220	1.8	175 030	302 908
Göteborg/Landvetter	ESGG	**2012**	0.0	897	Not Applicable		**Missing Data**		897
		2013	0.0	870	Not Applicable		**Missing Data**		870
Weighted average		**2012**	**0.3**		**0.9**		**2.0**		
		2013	**0.2**		**0.9**		**1.8**		
Grand Total		**2012**		**37 448**		**91 530**		**190 116**	**319 094**
		2013		**33 528**		**95 220**		**175 030**	**303 778**
			⇨	**-10%**	⇨	**4%**	⇨	**-8%**	**-5%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- *⇧ represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst ⇩ depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by ⇨.*

Critical Issues

- Missing DRWY data at Göteborg Landvetter Airport since 2012. Data required for the calculation of taxi-out time.
- The averages for additional taxi-out times are informative only due the missing data.

Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

SWEDEN **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

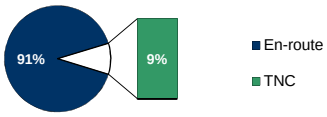
1. - Contextual economic information

- Sweden represents 2.8% of the SES en-route ANS determined costs in 2013.
- ATSP : LFV
- FAB : DK-SE
- National currency: SEK
- Exchange rate 2009: 1 EUR= 10.6102

Note on the actual exchange rate 2013

In 2013, the SEK appreciated by 0.6% compared to 2012.

Share of en-route and terminal in gate-to-gate ANS actual costs

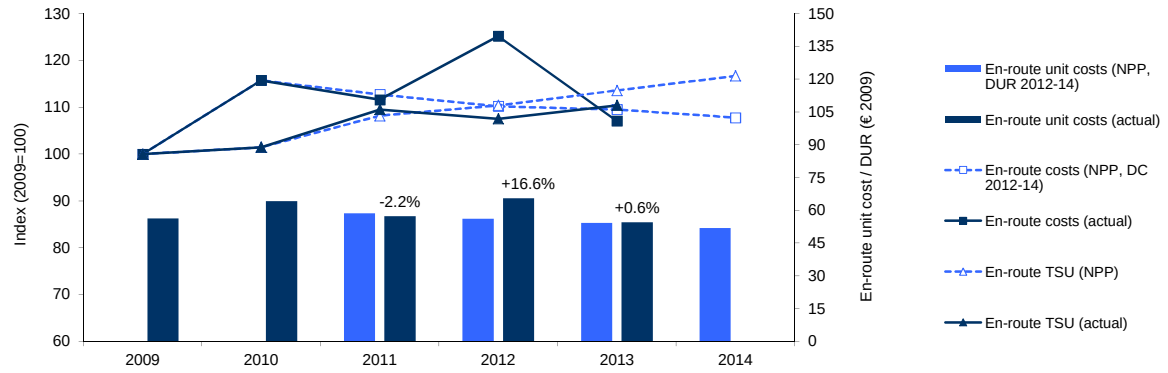


2. - En-route DUR monitoring (2013)

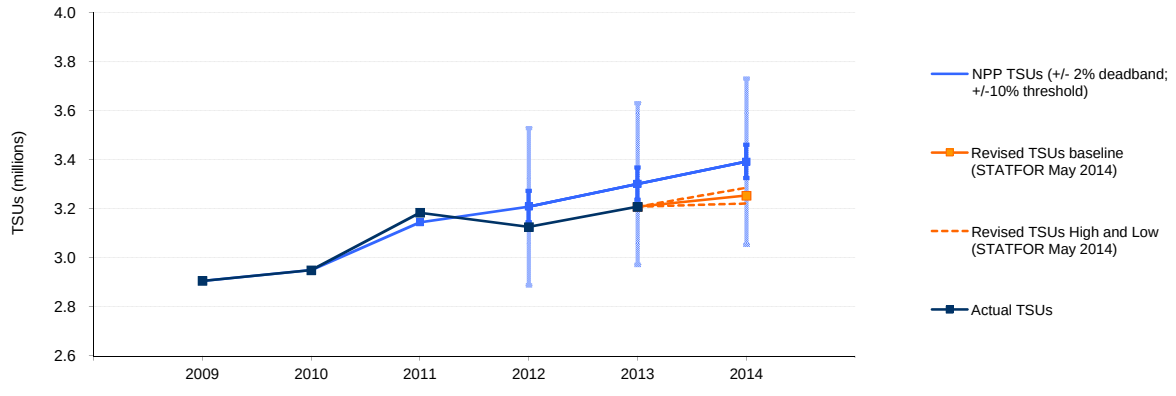
Sweden - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal SEK)	1 735 916 574	2 033 375 950	2 044 177 679	2 042 492 483	2 081 867 340	2 100 445 080
Inflation %		1.2%	3.2%	2.2%	2.6%	2.5%
Inflation index (100 in 2009)	100.0	101.2	104.4	106.7	109.5	112.2
Real en-route costs (determined costs 2012-2014) - (in SEK2009)	1 735 916 574	2 009 264 773	1 957 304 669	1 913 592 064	1 901 054 579	1 871 237 873
Total en-route Service Units	2 906 484	2 950 000	3 145 000	3 209 000	3 302 000	3 393 000
Real en-route unit costs per Service Units - (in SEK2009)	**597.26**	**681.11**	**622.35**	**596.32**	**575.73**	**551.50**
Real en-route unit costs per Service Units - (in EUR2009)	**56.29**	**64.19**	**58.66**	**56.20**	**54.26**	**51.98**

Sweden - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal SEK)	1 735 916 574	2 033 398 394	1 988 440 902	2 250 263 627	1 932 040 001	
Inflation %		1.2%	1.4%	0.9%	0.4%	
Inflation index (100 in 2009)	100.0	101.2	102.6	103.5	104.0	
Real en-route costs - (in SEK2009)	1 735 916 574	2 009 286 950	1 937 734 271	2 173 320 450	1 858 543 658	
Total en-route Service Units	2 906 484	2 950 000	3 184 522	3 126 197	3 208 684	
Real en-route unit costs per Service Units - (in SEK2009)	**597.26**	**681.11**	**608.49**	**695.20**	**579.22**	
Real en-route unit costs per Service Units - (in EUR2009)	**56.29**	**64.19**	**57.35**	**65.52**	**54.59**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
En-route costs - (in nominal SEK)	in value	207 771 144	-149 827 339	
	in %	10.2%	-7.2%	
Inflation %	in p.p.	-1.3 p.p.	-2.2 p.p.	
Inflation index (100 in 2009)	in p.p.	-3.2 p.p.	-5.6 p.p.	
Real en-route costs - (in SEK2009)	in value	259 728 386	-42 510 921	
	in %	13.6%	-2.2%	
Total en-route Service Units	in value	-82 803	-93 316	
	in %	-2.6%	-2.8%	
Real en-route unit costs per Service Units - (in SEK2009)	in value	**98.88**	**3.49**	
	in %	**16.6%**	**0.6%**	
Real en-route unit costs per Service Units - (in EUR2009)	in value	**9.32**	**0.33**	
	in %	**16.6%**	**0.6%**	



3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)

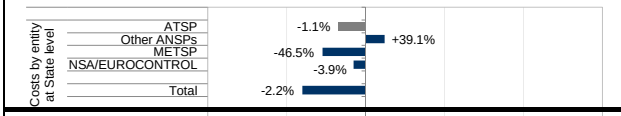


SWEDEN

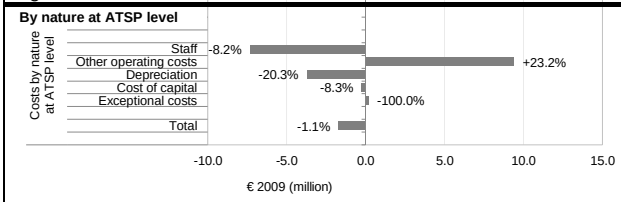
Monitoring of en-route and terminal COST-EFFICIENCY for 2013

4. - En-route costs monitoring (2013 actuals compared to NPP)

By entity at State level



By nature at ATSP level



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	14 846
Interest rates on loans National	-
taxation law	-
New cost item required by law	89
International agreements	-1 602
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	14 918
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-1 585
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	**13 333**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

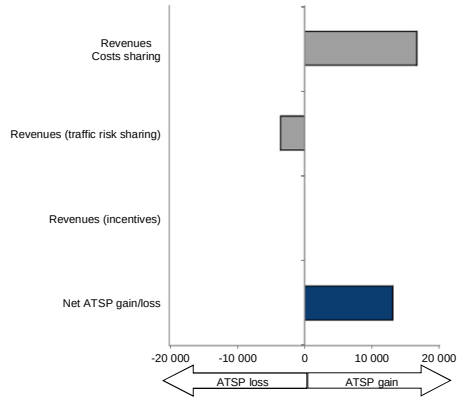
Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	150 814
Actual costs for the ATSP	149 103
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	1 711
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	14 918
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**16 629**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-2.83%
Determined costs after deduction of costs for exempted VFR flights	158 875
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-3 178
ATSP loss (traffic between -2% and -10% below NPP)	-394
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-3 571**

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

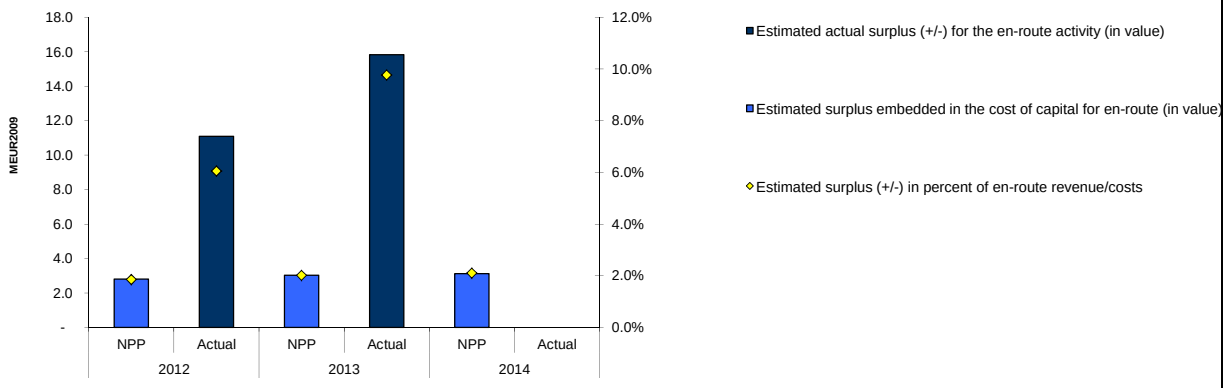
Net ATSP gain(+)/loss(-) on en-route activity	**13 058**

Combined effect of variations in costs and revenue for 2013 ('000€2009)



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	332 060	176 118	354 745	175 238	415 088	
Estimated proportion of financing through equity (in %) - See Note 1	16%	100%	16%	100%	14%	
Estimated proportion of financing through equity (in value)	52 063	176 118	56 115	175 238	57 656	
Estimated proportion of financing through debt (in %)	84%	-	84%	-	86%	
Estimated proportion of financing through debt (in value)	279 997	-	298 630	-	357 432	
Cost of capital pre-tax (in value)	2 811	3 727	3 030	2 777	3 113	
Average interest on debt (in %)	-	0.9%	-	0.1%	-	
Interest on debt (in value)	-	-	-	-	-	
Ex-ante RoE pre-tax rate (in %) - See Note 1	5.4%	2.1%	5.4%	1.6%	5.4%	
Estimated surplus embedded in the cost of capital for en-route (in value)	2 811	3 727	3 030	2 777	3 113	
Net ATSP gain(+)/loss(-) on en-route activity		7 359		13 058		
Overall estimated surplus (+/-) for the en-route activity	**2 811**	**11 086**	**3 030**	**15 835**	**3 113**	
Revenue/costs for the en-route activity	**151 608**	**183 410**	**150 814**	**162 161**	**148 286**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**1.9%**	**6.0%**	**2.0%**	**9.8%**	**2.1%**	
Estimated ex-post RoE pre-taxe rate (in %)	**5.4%**	**6.3%**	**5.4%**	**9.0%**	**5.4%**	



SWEDEN **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Sweden

The June 2014 Reporting Tables for Sweden, along with Sweden's 2013 NSA Monitoring Report, present the information relating to Sweden's Revised NPP and actual data up to 2013. Total en-route service units and determined costs are consistent with the NSA report. Inflation and exchange rates are also in line, which resulted in consistent real en-route unit costs in €2009. However, the actual 2013 en-route unit rate is not consistent between the two sources (Reporting Tables June 2014: 579.22 SEK2009; NSA Monitoring Report 2013: 580.14 SEK2009). For terminal, total costs are consistent for both Sweden Arlanda and Sweden Landvetter, however terminal service units are not consistent for Sweden Arlanda only in 2013 (June 2014 Reporting Tables: 123.6; NSA Monitoring Report 2013: 128.6).

We note that the Swedish NSA reports that the provision of ANS at airports in Sweden have been let competitively since 2010, meaning that the ANSP at a specific airport can change during a reference period. Sweden reports that this can impact both en-route as well as terminal charges as some of the costs for ANS provided at airports are allocated to the en-route charging zone.

Note 1: In preparing this report, some 'adjustments' were made to the data provided by Sweden regarding the cost of capital in the 2013 Reporting Tables. We understand from the additional information to the Reporting Tables June 2013 provided by Sweden that Sweden has "no external loans" and that the only debt considered for the Weighted Average Cost of Capital (WACC) calculation is the pension liability, with the interest rate on debt being the estimated interest rate on the pension liabilities. We understand from the ACE process that this pension cost is reported annually as staff costs, i.e. it is not included in the cost of capital. We therefore have amended the table in section 6 to reflect this, by changing the proportion of financing through equity to 100% (removing the pension liability) and revised the ex-ante RoE pre-tax rate (in %) to reflect the pre tax cost of capital amount as a proportion of the total asset base (which we note does NOT include the pension debt). Note that the terminal unit rates applied in 2013 (1,214.86 SEK in zone 1 and 629.88 SEK in zone 2) are sourced from the NSA report and used in this 2013 monitoring analysis. No other assumptions or corrections beyond the data provided by Sweden in the 2013 Reporting Tables have been made by the PRB in the preparation of this report.

At State / Charging Area level

In 2013, the real en-route unit cost for Sweden (54.59 €2009) is +0.6% higher than planned in the NPP for RP1 (54.26 €2009). This difference is mainly due to actual en-route costs in real terms being -2.2% lower than the determined costs, while en-route Service Units were -2.8% lower than planned. The reduction in costs is due to lower staff costs at LFV and significantly lower METSP costs than planned (infrastructure costs lower than planned).

According to STATFOR's May 2014 publication, the number of total service units (TSUs) in 2013 (3.2 million TSUs) is lower than the figures provided in Sweden's Revised NPP (3.3 million, or -2.8% which lies outside the +/-2% traffic deadband). Based on the STATFOR May 2014 forecasts, actual 2014 traffic is also expected to be lower than planned (-4.3%, which is also outside the +/- 2% deadband but within the 10% threshold).

Total actual en-route costs in 2013 (1,859 MSEK2009) are -2.2% less than planned in the NPP (1,901 MSEK2009). It is noted that actual inflation (0.4% in 2013) has been less than forecast in the NPP (2.6%). In nominal terms, actual en-route costs in 2013 are 1,932 MSEK, -7.2% lower than the planned cost of 2,082 MSEK.

The en-route cost-base includes costs relating to Sweden's ATSP (LFV), other ANSPs (ACR and ARV) the METSP (SMHI), and Sweden's CAA. Actual 2013 en-route costs are lower than planned for each of the ATSP, METSP and NSA/EUROCONTROL costs categories (-1.1%, -46.5%, and -3.9% respectively), however the actual costs for the other ANSPs are significantly higher than the amount reported in the NPP (+39.1%), although in absolute terms this is not significant.

Actual staff costs for the METSP in 2013 were -54.7% lower than planned and actual other operating costs were -45.7% lower than planned, due to "infrastructure". We note from the additional information provided by Sweden that the MET Service Provider, SMHI, became a designated MET provider in 2012, meaning that SMHI's costs were included in LFV's cost base in the NPP, and that some MET-service costs are still included in LFV's cost base. This may be the driver of the significant differences in actual vs planned costs, however detailed information was not available.

Costs exempt from cost sharing are reported for a total of 13.3 M€2009 to be passed on to the users for the en-route activity, corresponding to the difference of the planned and actual values for pension costs for the ATSP (14.8 M€2009) and NSA/EUROCONTROL costs (-1.6 M€2009) along with a small amount relating to a new cost item required by law. The sum of these costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Actual LFV costs vs. NPP

For LFV, total actual en-route costs in 2013 (149.1 M€2009) are -1.1% below the determined costs (150.8 M€2009) in real terms. Staff costs (81.9 M€2009) were -8.2% or -7.3 M€2009 lower than planned, due to the impact of the loss of five towers to competitors (which as noted by the Swedish NSA can also impact en-route costs). This resulted in lower employee numbers than planned and a one-time pension cost reduction. On the other hand, other operating costs (49.9 M€2009),were +23.2% or +9.4 M€2009 higher than planned, as cost cutting programmes has resulted in lower staff volumes and a need to engage the services of consultants. Depreciation was -20.3% or -3.7 M€2009 than planned, due to lower investment levels (some investment costs were replaced with other operating costs, for example for IT systems). The actual cost of capital in 2013 is 2.7 M€2009, or -8.3% lower than planned.

LFV reports 14.9 M€2009 in costs exempt from cost sharing in 2013, the significant proportion of which (14.8 M€2009) is pension costs, with the remainder comprising 0.1 M €2009 for a new cost item required by Swedish law to have three airports in a state of preparedness in case of emergency. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

In 2013, actual traffic was -2.8% lower than planned, resulting in a loss due to traffic risk sharing of -3.6 M€2009 for LFV. This loss is of similar magnitude to that incurred by LFV in 2012 under the traffic risk sharing arrangements. No incentives were applied in 2013.

In 2013, the actual total asset base was 175.0 M€2009. This is considerably (-50.6%) lower than planned; we understand this is due to the removal of the pension obligation in the asset base. In 2013, actual capex was 88 MSEK, -57.0 MSEK less than planned. This is primarily due to the fact that LFV has been "restrictive in starting new investments" and has investigated "different alternatives due to the limitation in resources which is a consequence of saving costs". IT investment is lower as LFV have chosen to purchase services from external suppliers (increasing other operating costs) rather than investing in new infrastructure. A number of other investments have been delayed, the main ones are Legal Recordings, a difference of 10 MSEK from planned and the Datalink and ADQ investments, with a total of approximately -6 MSEK less than planned.

LFV net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, the en-route activity for the year 2013 generated a net gain of +13.1 M€2009 for LFV overall. This is the combination of two separate elements:

- a gain of +16.6 M€2009 for LFV as a result of the cost-sharing mechanism, taking into account the costs exempt from cost sharing as submitted in the Reporting Tables +13.3 M€2009); and
- a loss of -3.6 M€2009 as a result of the traffic risk sharing mechanism for 2013.

On the profitability side for the en-route activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +3.0 M€2009, corresponding to an estimated surplus of +2.0% of the en-route revenues for 2013. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+2.8 M€2009) and the net gain from the en-route activity in 2013 (+13.1 M€2009), gives a total of +15.8 M€2009 for 2013, corresponding to +9.8% of the en-route revenue in 2013. The resulting ex-post rate of return on equity for 2013 is +9.0% (compared to +5.4% as initially planned in the NPP).

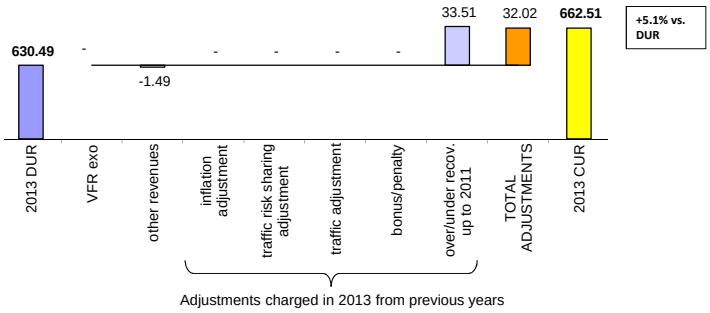
This indicates that in 2013, LFV was in a position to retain the part of surplus embedded in the cost of capital and to generate extra gains arising from the lower costs than planned in 2013. This adds to the overall positive estimated surplus for the en-route activity generated by LFV in 2012 of +11.1 M€2009 or +6.0% estimated surplus of en-route revenues in 2012 leading to an ex-post rate of return on equity of +6.3%). Note that the 2012 figure was updated since the 2012 PRB monitoring report, as a result of updates in the actual 2012 costs made after the June 2013 submission that served as a basis for the 2012 monitoring.

Conclusion : **In 2013, actual traffic was -2.8% lower than planned, and LFV's actual en-route costs were -1.1% lower than planned due to a range of cost-cutting mechanisms, which despite the loss under the traffic risk sharing mechanism resulted in a net gain on the en-route activity compared to the NPP (assuming the costs exempt from cost sharing are allowed by the European Commission). LFV's estimated surplus in respect of the 2014 en-route activity would amount to +3.1 M€2009, corresponding to 2.1% of the en-route revenue. (If the costs exempt from cost sharing are not allowed by the European Commission the actual surplus relating to the 2013 en-route activities would amount to 0.9 M€2009).**

SWEDEN **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Sweden 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - SEK



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

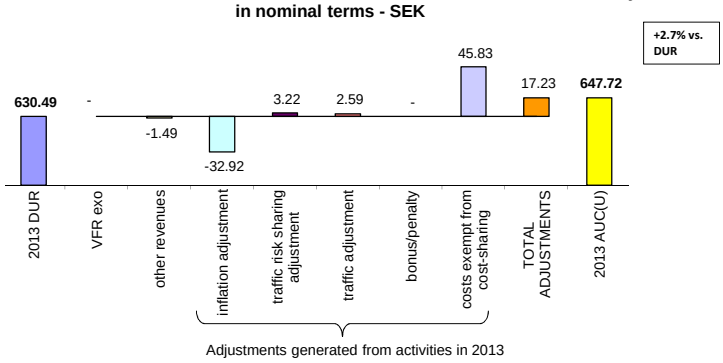
The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

In 2013, Sweden's CUR charged to users is 662.51 SEK, +5.1% higher than the nominal DUR (630.49 SEK). This difference is primarily due to under recoveries up to 2011 (+33.51 SEK, or +5.3%). The remainder of the difference comprises other revenues for the NSA (-1.49 SEK, or -0.2%) relating to charges for audits of ATS units and ANS training academies.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Sweden 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - SEK



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;

- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

In 2013, Sweden's AUC-U is 647.72 SEK, +2.7% higher than the nominal DUR (630.49 SEK). The deduction of other revenues are as above in section 8.

All other adjustments generated from activities in 2013 are as follows:

-32.92 SEK, or -5.2%, for the inflation adjustment;
+3.22 SEK, or +0.5%, under the traffic risk sharing mechanism (traffic in Sweden was -2.8% lower than planned in 2013);
+2.59 SEK, or +0.4%, an adjustment reflecting the difference in traffic for costs not subject to traffic risk sharing; and
+45.83, or +7.3% for costs exempt from cost sharing (pending approval by the European Commission, see above).

SWEDEN **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10. - Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^		0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zones Arlanda			1	1	1	1	1
of which, number of airports over 50 000 movements			1	1	1	1	1
Number of airports in terminal charging zones Landvetter			1	1	1	1	
of which, number of airports over 50 000 movements			1	1	1	1	1

Sweden - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in SEK)	202 043 813	222 209 064	212 883 782	219 860 656	226 192 945	231 619 470
Inflation index (100 in 2009)	100.0	101.2	104.4	106.7	109.5	112.2
Real terminal ANS costs - (in SEK2009)	**202 043 813**	**219 574 173**	**203 836 694**	**205 985 388**	**206 547 807**	**206 344 421**
Real terminal ANS costs - (in EUR2009)	**19 042 413**	**20 694 631**	**19 211 390**	**19 413 902**	**19 466 910**	**19 447 741**

Sweden - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in SEK)	202 043 813	222 209 064	200 976 100	234 971 052	201 641 118	
Inflation index (100 in 2009)	100.0	101.2	102.6	103.5	104.0	
Real terminal ANS costs - (in SEK2009)	**202 043 813**	**219 574 173**	**195 851 069**	**226 936 696**	**193 970 529**	
Real terminal ANS costs - (in EUR2009)	19 042 413	20 694 631	18 458 754	21 388 541	18 281 515	
Total terminal service units	133 935	136 580	155 208	151 900	156 300	
Actual real unit costs - (in SEK2009)	1 508.5	1 607.7	1 261.9	1 494.0	1 241.0	
Unit rate applied - (in SEK) - Charging zone Arlanda				**1 847.13**	**1 214.86**	
Unit rate applied - (in SEK) - Charging zone Landvetter				**913.91**	**629.88**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Terminal ANS costs for the charging zones - (in SEK)	in value	15 110 396	-24 551 827	
	in%	6.9%	-10.9%	
Inflation index (100 in 2009)	in p.p.	-3.2 p.p.	-5.6 p.p.	
Real terminal ANS costs - (in SEK2009)	in value	**20 951 308**	**-12 577 279**	
	in%	**10.2%**	**-6.1%**	
Real terminal ANS costs - (in EUR2009)	in value	**1 974 638**	**-1 185 395**	
	in%	**10.2%**	**-6.1%**	

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

There are two terminal charging zones in Sweden: Sweden – Arlanda and Sweden – Landvetter. Both charging zones comprise one airport (Stockholm – Arlanda and Göteborg Landvetter respectively), each with more than 50,000 airport movements per year. There has been no change to the terminal charging zone as compared to the NPP. The harmonised SES formula (MTOW/50)^0.7 is applied by Sweden.

Actual terminal ANS costs for Sweden in 2013 are 18.3 M€2009, -6.1%, or -1.2 M€2009 lower than planned in the NPP. This difference is higher than that seen in the en-route costs (actual en-route costs were -2.2% lower than planned in real terms). Actual costs were lower than planned in the NPP in both Sweden's terminal charging zones. The Additional Information to the terminal Reporting Tables state that costs were higher than planned, which contradicts the Reporting Tables.

12. - Monitoring of gate-to-gate costs (2013)

Sweden - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in SEK2009)	1 735 916 574	2 009 264 773	1 957 304 669	1 913 592 064	1 901 054 579	1 871 237 873
Real terminal ANS costs - (in SEK2009)	202 043 813	219 574 173	203 836 694	205 985 388	206 547 807	206 344 421
Real gate-to-gate ANS costs - (in SEK2009)	**1 937 960 388**	**2 228 838 946**	**2 161 141 363**	**2 119 577 452**	**2 107 602 387**	**2 077 582 294**
Real gate-to-gate ANS costs - (in EUR2009)	**182 650 693**	**210 065 686**	**203 685 262**	**199 767 908**	**198 639 270**	**195 809 909**
Share of en-route costs in gate-to-gate ANS costs	**89.6%**	**90.1%**	**90.6%**	**90.3%**	**90.2%**	**90.1%**

Sweden - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in SEK2009)	1 735 916 574	2 009 286 950	1 937 734 271	2 173 320 450	1 858 543 658	
Real terminal ANS costs - (in SEK2009)	202 043 813	219 574 173	195 851 069	226 936 696	193 970 529	
Real gate-to-gate ANS costs - (in SEK2009)	**1 937 960 388**	**2 228 861 124**	**2 133 585 341**	**2 400 257 147**	**2 052 514 186**	
Real gate-to-gate ANS costs - (in EUR2009)	**182 650 693**	**210 067 777**	**201 088 136**	**226 221 668**	**193 447 266**	
Share of en-route costs in gate-to-gate ANS costs	**89.6%**	**90.1%**	**90.8%**	**90.5%**	**90.5%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Real en-route costs - (in SEK2009)	in value	259 728 386	-42 510 921	
	in %	13.6%	-2.2%	
Real terminal ANS costs - (in SEK2009)	in value	20 951 308	-12 577 279	
	in %	10.2%	-6.1%	
Real gate-to-gate ANS costs - (in SEK2009)	in value	**280 679 695**	**-55 088 200**	
	in %	**13.2%**	**-2.6%**	
Real gate-to-gate ANS costs - (in EUR2009)	in value	**26 453 761**	**-5 192 004**	
	in %	**13.2%**	**-2.6%**	
Share of en-route costs in gate-to-gate ANS costs	in %	**0.3%**	**0.3%**	

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

In 2013, Sweden's actual gate-to-gate ANS costs (193.4 M€2009) are -2.6% lower than planned in the NPP (198.6 M€2009). This difference is driven by lower actual costs than planned in both en-route and terminal ANS costs, primarily as a result of cost-cutting measures.

The relative share of en-route costs in gate-to-gate ANS costs (90.5%) is approximately equivalent to that planned in the NPP (90.2%) in 2013. Since 2009, the share of en-route costs in gate-to-gate ANS costs has not varied significantly, ranging from 89.6% to 90.6%. This proportion is expected to remain at a similar level in 2014.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Estonia

Fact validated edition

Edition date: 14/11/2014

ESTONIA **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	50	51		Estonia has kept the same scores of the last year with the exception of an improvement on one of the elements of the safety assurance, from B to C. The fact that none of the replies were accompanied by a justification and / or evidence did not allow a proper verification. (LV)
ANSP [EANS]	64	67		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	14	21%	27	96%			
	ATM Overall		0%		96%			
Runway Incursions (RIs)	ATM Ground	0	N/A	2	100%			
	ATM Overall		N/A		100%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	3	0%	1	100%			

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	2	8	1	9		
Legal/Judiciary	2	6	2	6		
Occurrence reporting and Investigation	1	1	1	1		
TOTAL	**5**	**15**	**4**	**16**		

Number of questions answered with Yes or No	**ANSP [EANS]**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	9	4	11	2		
Legal/Judiciary	2	1	3	0		
Occurrence reporting and Investigation	5	3	7	1		
TOTAL	**16**	**8**	**21**	**3**		

ESTONIA **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.11	0.16	0.22	
National Target	0.11	0.16	0.22	
Actual performance	0.11	0.02		

National capacity assessment

Estonia achieved target in the key performance area of capacity.

PRB Capacity assessment

With the excellent capacity performance in 2013, the PRB is confident that Estonia can provide a positive contribution to EU-wide capacity in 2014.

Effective booking procedures

No information on the allocation and use of civil/military airspace structures was provided in the national monitoring report for Estonia.

Previous recommendations (Opt.)

Estonia is invited to ensure that information on the allocation and actual use of airspace structures is made available to the Commission in accordance with IR 691/2010, and IR 2150/2005.

NSA report on follow-up to recommendations (Opt.)

No information on the allocation and use of civil/military airspace structures was provided in the national monitoring report for Estonia.

Recommendations

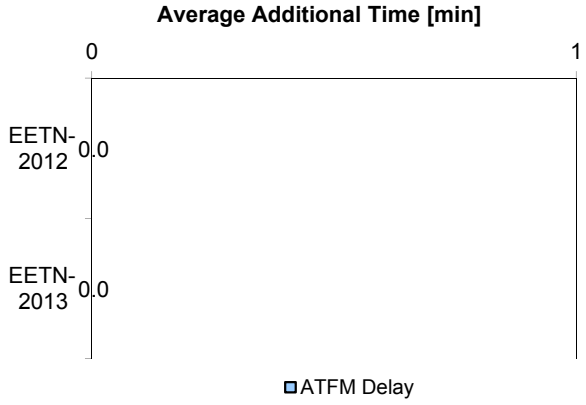
The PRB reminds Estonia of the obligation to provide information on the allocation and use of civil/military airspace structures in accordnace with EU regulation 691/2010 and EC Regulation 2150/2005.

ESTONIA **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Tallinn	EETN	2012	0.0	0	Not Applicable		Missing Data		0
		2013	0.0	0	Not Applicable		Missing Data		0
Weighted average		2012	**0.0**		Not Applicable		Missing Data		
		2013	**0.0**		Not Applicable		Missing Data		
Grand Total		2012		**0**	Not Applicable		Missing Data		**0**
		2013		**0**	Not Applicable		Missing Data		**0**

• *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*

• *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by*

Critical Issues

• Mandatory data items partially missing (STATUS C.R.)

Specific Analysis

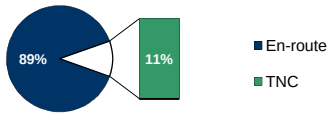
• No specific operational concern regarding RP1 performance monitoring.

ESTONIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

1. - Contextual economic information

- Estonia represents 0.2% of the SES en-route ANS determined costs in 2013.
- ATSP : EANS
- FAB : NEFAB
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS actual costs

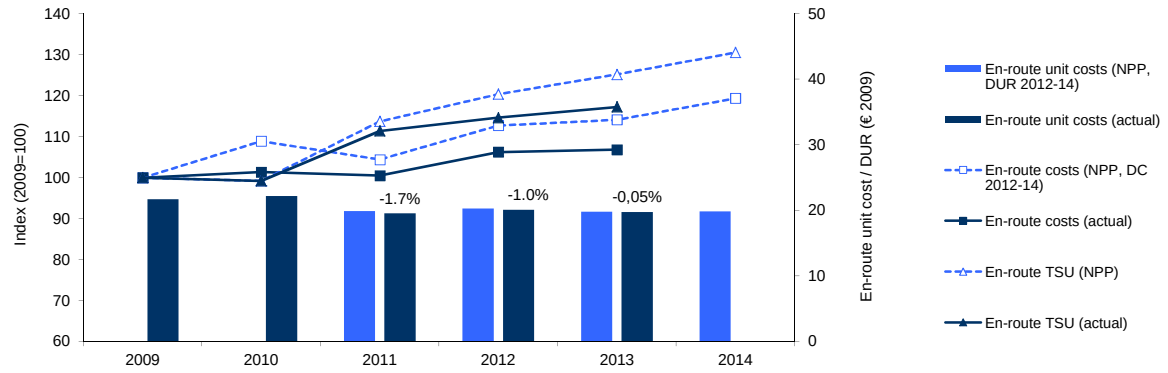


2. - En-route DUR monitoring (2013)

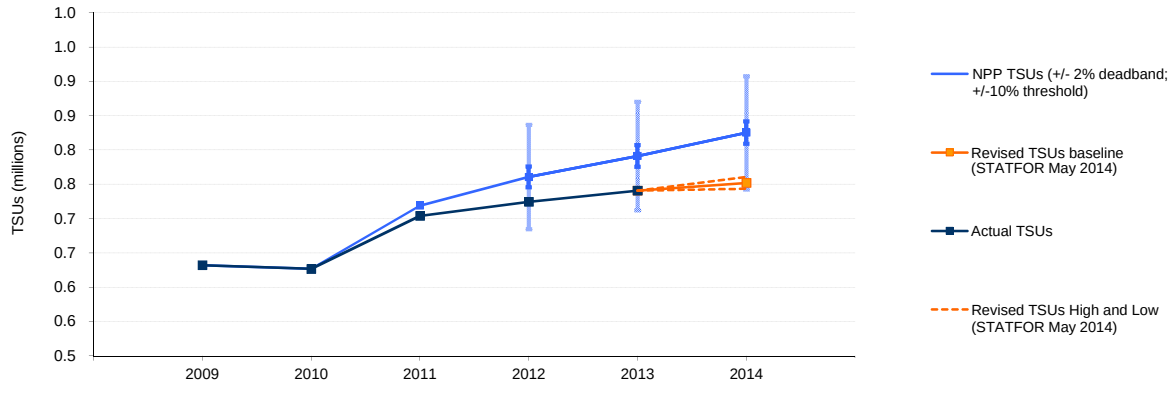
Estonia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	13 715 440	15 383 534	15 410 276	17 099 491	17 834 818	19 181 800
Inflation %		3.0%	4.5%	2.8%	3.0%	2.8%
Inflation index (100 in 2009)	100.0	103.0	107.6	110.6	114.0	117.2
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	13 715 440	14 935 470	14 317 161	15 453 845	15 648 936	16 372 402
Total en-route Service Units	632 129	626 875	719 000	760 800	791 232	825 255
Real en-route unit costs per Service Units - (in EUR2009)	**21.70**	**23.83**	**19.91**	**20.31**	**19.78**	**19.84**

Estonia - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR) - See Note 1	13 715 440	14 316 461	14 919 300	16 435 400	17 052 076	
Inflation %		3.0%	5.1%	4.2%	3.2%	
Inflation index (100 in 2009)	100.0	103.0	108.3	112.8	116.4	
Real en-route costs - (in EUR2009)	13 715 440	13 899 477	13 781 881	14 570 438	14 648 390	
Total en-route Service Units	632 129	626 898	704 211	724 536	740 986	
Real en-route unit costs per Service Units - (in EUR2009)	**21.70**	**22.17**	**19.57**	**20.11**	**19.77**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
En-route costs - (in nominal EUR)	in value	-664 091	-782 742	
	in %	-3.9%	-4.4%	
Inflation %	in p.p.	1.4 p.p.	0.2 p.p.	
Inflation index (100 in 2009)	in p.p.	2.2 p.p.	2.4 p.p.	
Real en-route costs - (in EUR2009)	in value	-883 407	-1 000 546	
	in %	-5.7%	-6.4%	
Total en-route Service Units	in value	-36 264	-50 246	
	in %	-4.8%	-6.4%	
Real en-route unit costs per Service Units - (in EUR2009)	**in value**	**-0.20**	**-0.01**	
	in %	**-1.0%**	**-0.05%**	



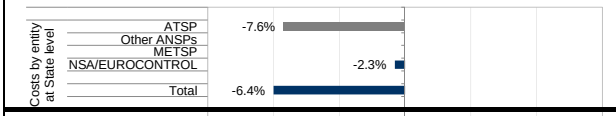
3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



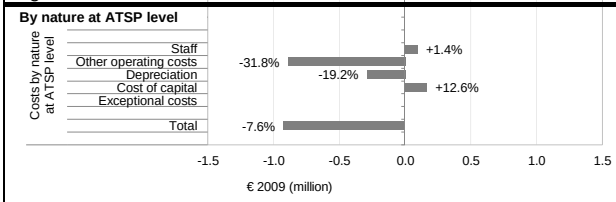
ESTONIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)

By entity at State level



By nature at ATSP level



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans National	-
taxation law	-
New cost item required by law	-
International agreements	-
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-
Total costs exempted from cost sharing	**-**
to be recovered from (+)/ reimbursed to (-) users ~~if eligible after EC verification~~	

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

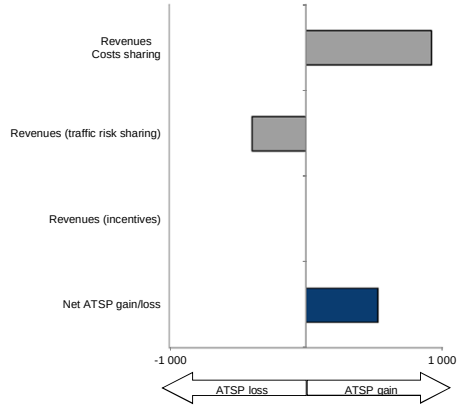
Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	12 178
Actual costs for the ATSP	11 256
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	922
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**922**

Traffic risk sharing ('000€2009)	2013A
***See Note 1**	-6.35%
Determined costs after deduction of costs for exempted VFR flights	11 923
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-238
ATSP loss (traffic between -2% and -10% below NPP)	-156
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-394**

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

Net ATSP gain(+)/loss(-) on en-route activity	**528**

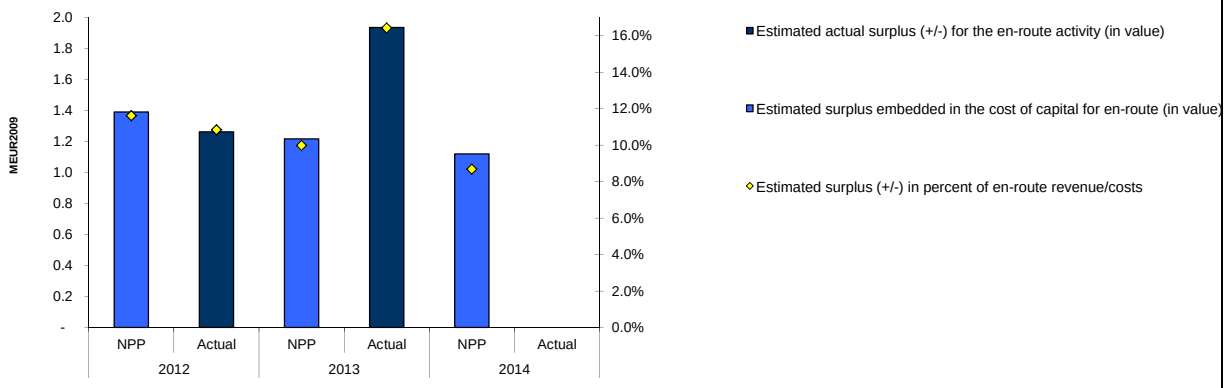
Combined effect of variations in costs and revenue for 2013 ('000€2009)



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	16 422	17 496	16 306	17 745	14 795	
Estimated proportion of financing through equity (in %) *	95%	50%	84%	89%	85%	
Estimated proportion of financing through equity (in value)	15 610	8 742	13 650	15 795	12 580	
Estimated proportion of financing through debt (in %) *	5%	50%	16%	11%	15%	
Estimated proportion of financing through debt (in value)	812	8 754	2 656	1 950	2 215	
Cost of capital pre-tax (in value)	1 419	1 098	1 312	1 477	1 200	
Average interest on debt (in %)	3.7%	3.7%	3.7%	3.7%	3.7%	
Interest on debt (in value) *	30	320	97	71	81	
Ex-ante RoE pre-tax rate (in %)	8.9%	8.9%	8.9%	8.9%	8.9%	
Estimated surplus embedded in the cost of capital for en-route (in value) *	1 389	778	1 215	1 406	1 120	
Net ATSP gain(+)/loss(-) on en-route activity		483		528		
Overall estimated surplus (+/-) for the en-route activity	**1 389**	**1 261**	**1 215**	**1 934**	**1 120**	
Revenue/costs for the en-route activity	**11 977**	**11 644**	**12 178**	**11 784**	**12 899**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**11.6%**	**10.8%**	**10.0%**	**16.4%**	**8.7%**	
Estimated ex-post RoE pre-taxe rate (in %)	**8.9%**	**14.4%**	**8.9%**	**12.2%**	**8.9%**	

***See Note 2**



ESTONIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Estonia

Note 1: 2012 NSA costs

Estonia has updated the 2012 en-route actual costs since the 2012 monitoring process. The updated data reports lower NSA costs (-254 K€): lower staff and other operating costs and the addition of depreciation costs, for which no values were previously reported. This decrease does not have an impact on the profitability analysis for 2012 since it relates to the NSA, not the ATSP. However, the data update has reduced the real unit cost for 2012 from 20.42€2009 to 20.11 €2009. The updated real en-route unit cost is then -1.0% lower than the figure planned in the NPP (20.31 €2009), whereas the original figure was +0.5% higher.

Note 2: ATSP cost of capital calculation

Following a note made in the context of the 2012 monitoring analysis Estonia has not provided clarification on the calculation of its cost of capital. The figures shown in item 6 for the estimated proportion of financing through equity and debt are the values implied by the data submitted in the reporting tables. The planned gearing of 0.71 for all years of RP1, as stated in the Estonian NPP, is inconsistent with the data provided in the reporting tables regarding the cost of capital, return on equity (RoE) and rate of interest on debt. The figure for the 2012 estimated surplus embedded in the cost of capital is therefore different from the value stated in the 2012 Monitoring Report, which applied the planned gearing of 0.71.

At State / Charging Area level

The actual 2013 traffic measured in Total en-route Service Units (TSUs) is lower (i.e. -6.4%) than the traffic planned in the Estonian National Performance Plan for RP1 (NPP). On the other hand, the actual 2013 en-route costs at State level are lower than the Determined Costs published in the NPP (i.e. -6.4% in real terms). As a result, Estonia's actual real en-route unit cost (i.e. 19.77 €2009) is very close (i.e. -0.05%) to the Determined Unit Rate (DUR) for 2013 (i.e. 19.78 €2009).

The difference in actual traffic compared to the NPP for 2013 falls outside the +/- 2% dead band foreseen in the traffic risk sharing mechanism, although it does not exceed the -10% threshold. Therefore, the related loss is shared between the airspace users and the ATSP (which records a loss of some -0.4 M€2009).

According to STATFOR (May 2014 base case scenario) traffic is expected to rise by +1.5% between 2013 and 2014. If this forecast materialises, TSUs will be -8.8% lower than planned in the NPP for the year 2014. Under the low case scenario, traffic would almost reach the alert threshold compared to the NPP (-9.9%).

The difference in 2013 en-route costs compared to the NPP is mainly related to cost reductions achieved by the ATSP, EANS (-0.9 M€2009, or -7.6% in real terms).

Costs are also also lower for the Estonian NSA (-0.1, or -2.3% in real terms). Although the MET services are provided by the Estonian Meteorological and Hydrological Institute, the MET provider is not considered as a separate reporting entity and the MET costs are reported together with the EANS costs under "other operating costs".

Estonia did not report any costs exempted from cost sharing in 2013.

At ATSP level

Actual 2013 EANS costs vs. NPP

EANS actual 2013 en-route costs are -7.6% lower than planned in real terms. This results from: (i) higher staff costs (i.e. +1.4%); (ii) lower other operating costs (i.e. - 31.8%); (iii) lower depreciation costs (i.e. -19.2%) and (iv) higher cost of capital (i.e. +12.6%). Estonia does not provide details on the main drivers underlying the higher staff costs (+0.09 M€2009, or +1.4% in real terms) or the significantly lower other operating costs (-0.89 M€2009, or -31.8% in real terms).

Concerning capital related costs, the actual cost of capital is higher than the figure reported in the NPP (+0.17 M€2009 or +12.6% in real terms). Estonia also reported a higher than planned asset base (+1.4 M€2009, or +8.8% in real terms). According to information provided in the Reporting Table for Route Charges this is due to significantly higher net current assets, while the net book value (NBV) of fixed assets is lower than planned.

On the other hand, depreciation costs in real terms are significantly lower than the figure reported in the NPP (-0.29 M€2009 or-19.2% in real terms) consistent with lower than planned capex and NBV of fixed assets. According to the information provided in the NSA Monitoring Report actual capex in 2013 was -27.0% lower than planned: 1.4M€ compared to 2.0M€. Actual capex includes 1.3M€ of "other capex" not planned in the NPP.

EANS' net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, the en-route activity for the year 2013 generated a net gain of +0.5 M€2009 for EANS. This is the combination of two separate elements:

- a gain of +0.9 M€2009 as a result of the cost-sharing mechanism; and,
- a loss of -0.4 M€2009 as a result of the traffic risk sharing mechanism for 2013.

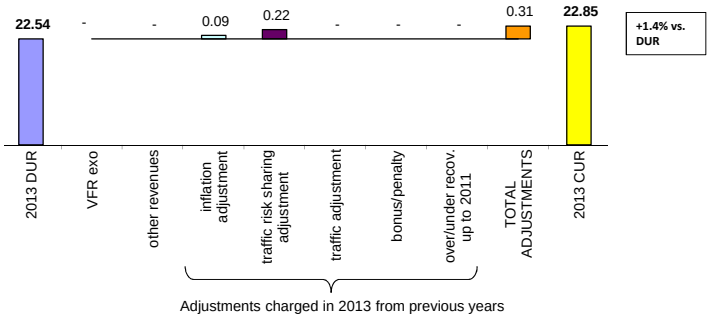
When estimating the EANS economic surplus, it is also important to account for the profit embedded in the cost of capital through the return on equity (+1.4M €2009). As a result, the estimated economic surplus for the en-route activity in 2013 amounts to +1.9 M€2009, which implies an ex-post rate of return on equity of 12.2% (compared to 8.9% as initially planned in the NPP). This adds to the overall surplus generated by EANS in 2012 (+1.3 M€2009 or +10.8% of en-route revenues in 2012, leading to an ex-post rate of return on equity of +14.4% in 2012).

Conclusion: In spite of the lower than expected traffic volumes (-6.4%), EANS reduced its costs sufficiently to compensate for the loss from traffic risk sharing, and achieved a net gain. When also accounting for the profit embedded in the cost of capital through the return on equity, the en-route activity for the year 2013 generated a net gain of +1.9 M€2009 for EANS, which implies an ex-post rate of return on equity of 12.2% (compared to +8.9% as initially planned in the NPP).

ESTONIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Estonia 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

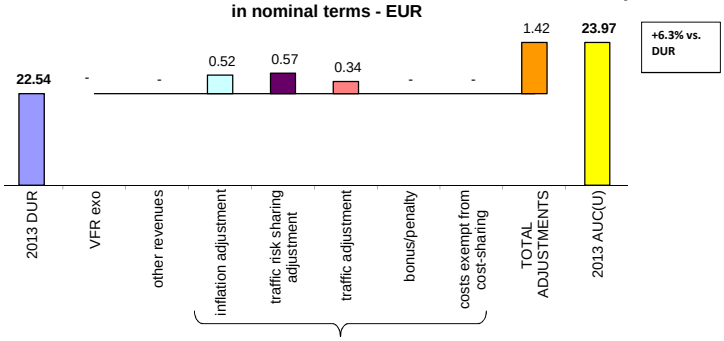
The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The Chargeable Unit Rate (CUR) charged to airspace users in 2013 is 22.85€. This is +1.4% higher than the DUR expressed in nominal terms (22.54€) due to inflation and traffic risk sharing adjustments.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Estonia 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

The Actual Unit Cost for users in 2013 (23.97€) is +6.3% higher than the nominal DUR (22.54€). The difference between these two figures relates to positive adjustments for inflation, following a higher than planned inflation index, and traffic risk sharing, following lower than planned traffic. The shortfall in traffic also results in a positive adjustment related to costs not subject to traffic risk sharing.

ESTONIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10.- Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^		0.5	0.5	0.5	0.7	0.7
Number of airports in terminal charging zone			2	2	2	2	2
of which, number of airports over 50 000 movements							

Estonia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	0	1 382 080	1 741 900	1 864 537	1 917 758	2 050 763
Inflation index (100 in 2009)	100.0	103.0	107.6	110.6	114.0	117.2
Real terminal ANS costs - (in EUR2009)	**0**	**1 341 825**	**1 618 340**	**1 685 095**	**1 682 713**	**1 750 405**

Estonia - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)				1 987 200	2 067 000	
Inflation index (100 in 2009)	100.0	103.0	108.3	112.8	116.4	
Real terminal ANS costs - (in EUR2009)				**1 761 708**	**1 775 633**	
Total terminal service units	12 000	13 000	15 726	19 717	14 337	
Actual real unit costs - (in EUR2009)				89.4	123.8	38.6%
Unit rate applied - (in EUR)				**77.97**	**77.97**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)			2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value		122 663	149 242	
	in%		6.6%	7.8%	
*See Note 1	in p.p.		2.2 p.p.	2.4 p.p.	
Real terminal ANS costs - (in EUR2009)	in value		**76 613**	**92 920**	
	in%		**4.5%**	**5.5%**	

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

Estonia has not updated the 2013 terminal cost figures since the June 2013 submission. Therefore the information used for the terminal analysis is the latest available but does not reflect the actual Estonian costs for 2013.

The terminal charging zone of Estonia comprises 2 airports neither of which handles over 50 000 movements. No changes are foreseen for 2014. The harmonised SES formula (MTOW/50)^0.7 applies from 2013 onwards.

Actual (latest forecast) terminal ANS costs are +5.5% (+0.09 M€2009) higher in real terms than planned in the Estonian NPP. The main driver for this difference is the significantly higher cost of capital (0.7 M€2009) compared to the figure planned in the NPP (0.3 M€2009). No additional information has been provided by Estonia to explain this difference.

The real unit cost for terminal services is 123.85 €2009, +38.6% compared to the real unit cost for 2012. The Unit Rate applied in 2013 is 77.97€, which is the same as in 2012.

12.- Monitoring of gate-to-gate costs (2013)

Estonia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	13 715 440	14 935 470	14 317 161	15 453 845	15 648 936	16 372 402
Real terminal ANS costs - (in EUR2009)	0	1 341 825	1 618 340	1 685 095	1 682 713	1 750 405
Real gate-to-gate ANS costs - (in EUR2009)	**13 715 440**	**16 277 295**	**15 935 501**	**17 138 940**	**17 331 649**	**18 122 807**
Share of en-route costs in gate-to-gate ANS costs	**N/A**	**91.8%**	**89.8%**	**90.2%**	**90.3%**	**90.3%**

Estonia - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	13 715 440	13 899 477	13 781 881	14 570 438	14 648 390	
Real terminal ANS costs - (in EUR2009)	0	0	0	1 761 708	1 775 633	
Real gate-to-gate ANS costs - (in EUR2009)	**13 715 440**	**13 899 477**	**13 781 881**	**16 332 146**	**16 424 023**	
Share of en-route costs in gate-to-gate ANS costs	**N/A**	**N/A**	**N/A**	**89.2%**	**89.2%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)			2012	2013	2014
Real en-route costs - (in EUR2009)	in value		-883 407	-1 000 546	
	in %		-5.7%	-6.4%	
Real terminal ANS costs - (in EUR2009)	in value		76 613	92 920	
	in %		4.5%	5.5%	
Real gate-to-gate ANS costs - (in EUR2009)	in value		**-806 794**	**-907 626**	
	in %		**-4.7%**	**-5.2%**	
Share of en-route costs in gate-to-gate ANS costs	in %		**-1.0%**	**-1.1%**	

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

Actual 2013 gate-to-gate real costs are -1.1% lower than planned due to lower than planned real costs for en-route (-1.0 M€2009, -6.4%) and higher than planned costs for terminal (+0.09 M€2009, +5.5%).

The reduction in en-route ANS costs led to a slightly lower share of en-route in total gate-to-gate costs than planned in the NPP (from 90.3% in the NPP to 89.2%).

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

FABEC

Fact validated edition

Edition date: 14/11/2014

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FABEC **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.52	0.47	0.4	
FAB Target	0.77	0.68	0.5	
Actual performance	0.6	0.47		

FABEC's capacity assessment

En-route ATFM delays have been reduced in 2013 and reached an historically low level as a result of the continuous effort by FABEC ANSPs in enhancing capacity and mitigating delays causes, but also due to the remaining traffic low level.

ANSP capacity plan (Opt.)

See national capacity plans for Belgium and Luxembourg, France, Germany, the Netherlands and Switzerland.

PRB Capacity assessment

A significant improvement in capacity performance in 2013 resulted in FABEC providing sufficient capacity to be consistent with the effort required to meet the EU-wide target in 2013. The PRB is confident that with continued efforts, FABEC can provide sufficient capacity to be consistent with the EU-wide target in 2014, although this will require improvement of the existing capacity plans in some ACCs. The PRB is particularly concerned at the lack of planned capacity improvements within FABEC in spite of the outstanding EU recommendation to develop and implement such plans (see below). Since the FAB targets for both 2012 and 2013 were so far removed from the actual performance, it is difficult to determine the premise from which they were derived.

Effective booking procedures

See national reports for Belgium & Luxembourg, France, Germany, the Netherlands and Switzerland.

Previous recommendations (Opt.)

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

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

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

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

NSA report on follow-up to recommendations (Opt.)

FABEC performance plan Capacity target is met in 2013.

Recommendations

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

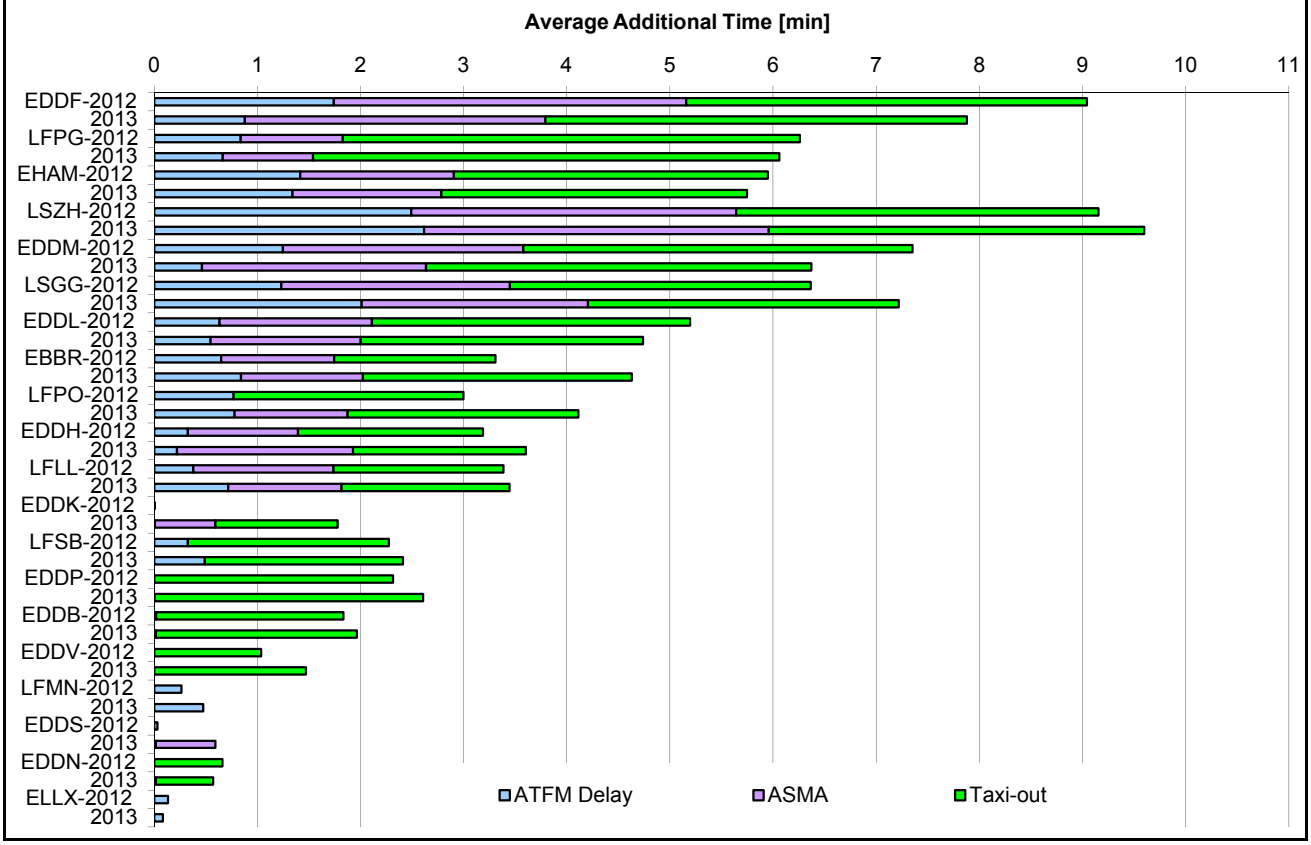
FABEC

Monitoring of CAPACITY indicators for 2013

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring									
Airport Name	**ICAO Code**	**RP1 Year**	**Average of Apt. ATFM arr. Delay [min./arr.]**	**Total Apt. ATFM arr. delay [min.]**	**Additional ASMA time [min./arr.]**	**Total Additional ASMA time [min]**	**Additional taxi-out time [min./ dep.]**	**Total Additional taxi-out time [total]**	**Sum of Total Additional Time [min]**
Frankfurt	EDDF	**2012**	1.7	419 448	3.4	808 812	3.9	902 326	2 130 585
		2013	0.9	207 600	2.9	670 816	4.1	934 605	1 813 021
Paris/Charles-De-Gaulle	LFPG	**2012**	0.8	208 023	1.0	208 891	4.4	1 063 835	1 480 748
		2013	0.7	158 869	0.9	182 273	4.5	1 029 716	1 370 858
Amsterdam	EHAM	**2012**	1.4	306 466	1.5	317 130	3.0	651 006	1 274 602
		2013	1.3	292 065	1.4	307 194	3.0	617 934	1 217 192
Zurich	LSZH	**2012**	2.5	325 850	3.1	384 848	3.5	443 106	1 153 804
		2013	2.6	333 518	3.3	395 373	3.6	447 226	1 176 118
Munich	EDDM	**2012**	1.2	246 297	2.3	448 930	3.8	714 192	1 409 419
		2013	0.5	87 689	2.2	401 736	3.7	675 569	1 164 993
Geneva	LSGG	**2012**	1.2	111 341	2.2	192 128	2.9	249 320	552 789
		2013	2.0	178 695	2.2	186 313	3.0	257 556	622 565
Dusseldorf	EDDL	**2012**	0.6	68 474	1.5	156 011	3.1	330 190	554 675
		2013	0.5	57 328	1.5	148 859	2.7	263 321	469 508
Brussels	EBBR	**2012**	0.6	70 692	1.1	116 249	1.6	161 736	348 677
		2013	0.8	88 623	1.2	120 543	2.6	253 370	462 536
Paris/Orly	LFPO	**2012**	0.8	90 123	**Missing Data**		2.2	253 679	343 802
		2013	0.8	91 029	1.1	119 125	2.2	248 320	458 474
Hamburg	EDDH	**2012**	0.3	23 425	1.1	73 886	1.8	129 819	227 130
		2013	0.2	14 930	1.7	110 808	1.7	109 293	235 031
Lyon/Sartolas	LFLL	**2012**	0.4	22 614	1.4	77 996	1.6	97 745	198 355
		2013	0.7	41 581	1.1	46 681	1.6	89 055	177 317
Cologne/Bonn	EDDK	**2012**	0.0	184	**Missing Data**		**Missing Data**		184
		2013	0.0	367	0.6	31 852	1.2	63 965	96 183
Basle/Mulhouse	LFSB	**2012**	0.3	11 484	Not Applicable		2.0	75 512	86 996
		2013	0.5	17 830	Not Applicable		1.9	73 742	91 572
Leipzig/Halle	EDDP	**2012**	0.0	0	Not Applicable		2.3	67 498	67 498
		2013	0.0	111	Not Applicable		2.6	76 523	76 634
Berlin-Schoenefeld	EDDB	**2012**	0.0	633	Not Applicable		1.8	62 355	62 988
		2013	0.0	423	Not Applicable		1.9	59 835	60 258
Hanover	EDDV	**2012**	0.0	0	Not Applicable		1.0	32 959	32 959
		2013	0.0	0	Not Applicable		1.5	42 890	42 890
Nice	LFMN	**2012**	0.3	18 783	**Missing Data**		**Missing Data**		18 783
		2013	0.5	33 185	**Missing Data**		**Missing Data**		33 185
Stuttgart	EDDS	**2012**	0.0	1 805	**Missing Data**		**Missing Data**		1 805
		2013	0.0	782	0.6	29 258	**Missing Data**		30 040
Nurenberg	EDDN	**2012**	0.0	0	Not Applicable		0.7	18 023	18 023
		2013	0.0	415	Not Applicable		0.6	14 605	15 020
Luxembourg	ELLX	**2012**	0.1	3710	Not Applicable		**Data Quality Issue**		3 710
		2013	0.1	2426	Not Applicable		**Data Quality Issue**		2 426
Weighted average		**2012**	**1.0**		**2.0**		**3.1**		
		2013	**0.8**		**1.8**		**3.1**		
Grand Total		**2012**		**1 929 352**		**2 784 882**		**5 253 299**	**9 967 533**
		2013		**1 607 466**		**2 750 830**		**5 257 523**	**9 615 819**
			⇨	**-17%**	⇨	**-1%**	⇨	**0%**	**-4%**

• These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.

• ⇧ represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst ⇩ depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by ⇨ .

Critical Issues

• Some indicators could not be calculated by the PRU due to missing data and, consequently, could not be reported in the online SES monitoring dashboard.
• Mandatory items are missing for Stuttgart (departure runway), Nice (ARWY, DRWY, STND, Airport Operator Cancellation) and Paris/Orly and Lyon/Sartolas (Airport Operator Cancellation).
• Mandatory data items are partially missing (STATUS C.R.) at both Zurich and Geneva Airports.
• Data quality issues (missing runway and stand information) prohibit taxi-out time to be calculated at Luxembourg airport.
• PRU is currently coordinating a Remedial Action Plan with the aforementioned airport.
• There are still some deviations between the values coming from the Network Manager data in the PRB - dashboard and the values reported by DFS. The German NSA and the PRU work in close coordination to solve this critical issue.
• The FAB averages for additional ASMA and taxi-out times are informative when some data is missing.

Specific Analysis

• ATFM delay remains relatively great at 2 airports in FABEC. Zurich remains close to two and half minutes ATFM delay per arrival, what is the highest record in Europe with London Heathrow. Geneva recorded a significantly great ATFM delay in 2013 (+0.8 minutes/arrival in 2013 compared to 2012). To be noted that weather remains the predominant factor affecting Airport Arrival ATFM Delay in general.
• Zurich accumulated additional ASMA time (3.3 minutes per arrival) greater than the European average. It is also the airport that experienced the greatest performance degradation for ASMA in 2013 compared to 2012 (+0.5 minutes per arrival).
• The newly operated 4th runway at Frankfurt Airport was favourable to performance for inbound traffic. This resulted in an increase in the inbound arrival rate and capacity, with a substantial reduction of both ATFM delay (-0.8 minute per arrival in 2013 compared to 2012) and additional ASMA time (-0.5 minute per arrival in 2013 compared to 2012).
• However, performance for outbound traffic went on degrading at Frankfurt Airport, with an increase of 0.5 minute per departure in additional taxi-out time compared to 2012.
• Discernible reduction in taxi-out time was observed at Brussels airport in 2012 compared to 2011. However, additional taxi-out time increased again in 2013 by 1 minute, despite a slight decrease of traffic by 4%.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Belgium-Luxembourg

Fact validated edition

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BELGIUM **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	62	64		Belgium has taken into account the results of the audits performed in 2012 and 2013. They have reported significant improvements in the area of State's safety legislative framework. Overall, the replies correspond to the situation found in the audit. (TV)
ANSP [Belgocontrol]	73	72		
ANSP [MUAC]	86	86		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	52	58%	45	71%			
	ATM Overall		0%		31%			
Runway Incursions (RIs)	ATM Ground	9	33%	13	100%			
	ATM Overall		0%		100%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	78	100%	107	100%			

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	3	7	3	7		
Legal/Judiciary	3	5	3	5		
Occurrence reporting and Investigation	2	0	2	0		
TOTAL	**8**	**12**	**8**	**12**		

Number of questions answered with Yes or No	ANSP [Belgocontrol]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	10	3	10	3		
Legal/Judiciary	1	2	2	1		
Occurrence reporting and Investigation	4	4	4	4		
TOTAL	**15**	**9**	**16**	**8**		

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

LUXEMBOURG **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	29	35		Although Luxembourg has slightly increased some of the scores, still the majority of them do not reach the target C. In general, the answers correspond to the result of the audit. Some of the aspects of 'safety promotion' are found underrated. (TV)
ANSP [ANA LUX]	43	59		
ANSP [MUAC]	86	86		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	1	0%	1	100%			
	ATM Overall		0%		100%			
Runway Incursions (RIs)	ATM Ground	1	0%	5	20%			
	ATM Overall		0%		20%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	3	67%	9	0%			

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

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

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

BELGIUM / LUXEMBOURG **Monitoring of CAPACITY indicators for 2013**

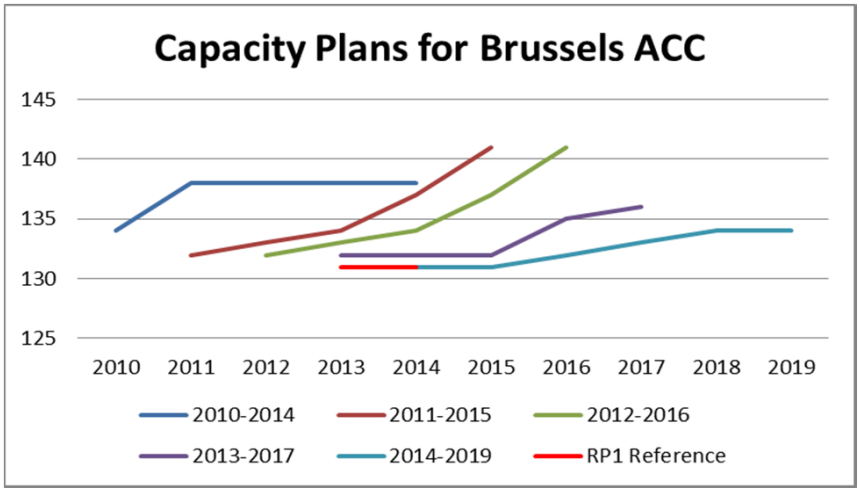
Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.25	0.27	0.21	
National Target				
Actual performance	0.03	0.08		

National capacity assessment

The required contribution of Belgocontrol towards the achievement of the FABEC en-route capacity target has been met.

The capacity plan of Brussels ACC indicates that it is very likely that the required 2014 en-route contribution of Belgocontrol towards the achievement of the FABEC capacity target will be met.

ANSP capacity plan (Opt.)



PRB Capacity assessment

Belgium did not set a national target for capacity in RP1. Despite this, the provided level of capacity for 2013 was above the minimum requirement to be consistent with the EU-wide value for 2013.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 41%

The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 25%

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 34%

Previous recommendations (Opt.)

As a FABEC State, Belgium was requested to develop and implement capacity plans to meet the FABEC 2014 reference value of 0.4 minutes average delay per flight at the earliest possible date in RP2, with the assistance of the Network Manager. As the graphic above shows, the capacity plans for Belgium have been dis-improving rather than improving over the last two years.

NSA report on follow-up to recommendations (Opt.)
Capacity plans are adapted yearly following the capacity planning process established by EUROCONTROL in view of LSSIP reporting. The Brussels ACC Capacity Plan is part of the LSSIP publication, and shows that the capacity planned to be delivered meets the reference capacity profile [for Brussels ACC]. Belgocontrol has provided in 2013 the necessary capacity to achieve its required contribution towards the achievement of the FABEC target, and intends to commits with its 2014 contribution.
Recommendations
The PRB request Belgium to provide information on how the capacity planning of the ANSP, combined with the other FABEC ANSPs, is consistent with the existing recommendation of the European Commission that FABEC Member States require their ANSPs to develop and implement capacity plans that meet the FABEC reference value of 0.4 minutes per flight.

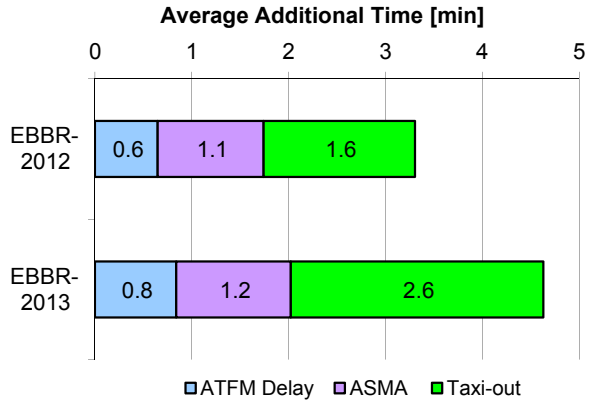
BELGIUM

Monitoring of CAPACITY indicators for 2013

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Brussels	EBBR	2012	0.6	70 692	1.1	116 249	1.6	161 736	348 677
		2013	0.8	88 623	1.2	120 543	2.6	253 370	462 536
Weighted average		**2012**	**0.6**		**1.1**		**1.6**		
		2013	**0.8**		**1.2**		**2.6**		
Grand Total		**2012**		**70 692**		**116 249**		**161 736**	**348 677**
		2013		**88 623**		**120 543**		**253 370**	**462 536**
				25%		**4%**		**57%**	**33%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by .*

Critical Issues

- None

Specific Analysis

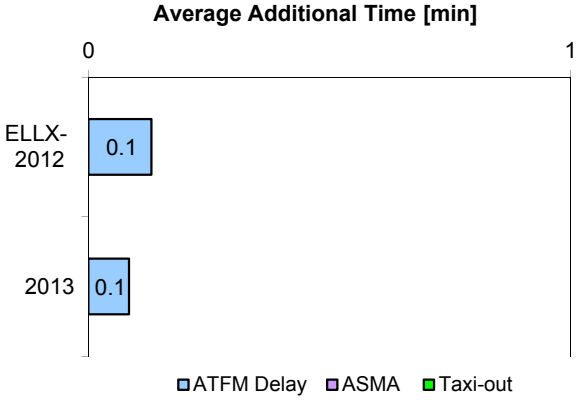
- Discernible reduction in taxi-out time was observed at Brussels airport in 2012 compared to 2011. However, additional taxi-out time increased again in 2013 by 1 minute, despite a slight decrease of traffic by 4%.

LUXEMBOURG

Monitoring of CAPACITY indicators for 2013

Airport subject to RP1

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Luxembourg	ELLX	2012	0.1	3710	Not Applicable		**Data Quality Issue**		**3 710**
		2013	0.1	2426	Not Applicable		**Data Quality Issue**		**2 426**
Weighted average		2012	**0.1**						
		2013	**0.1**						
Grand Total		2012		**3 710**		**0**		**0**	**3 710**
		2013		**2 426**		**0**		**0**	**2 426**
			⇨	**-35%**					**-35%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- ⇧ *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst* ⇩ *depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by* ⇨.

Critical Issues

- Data quality issues (missing runway and stand information) do not allow taxi-out time to be calculated.

Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

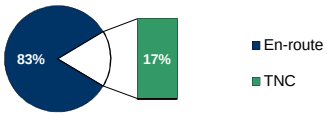
BELGIUM / LUXEMBOURG

Monitoring of en-route and terminal COST-EFFICIENCY for 2013

1. - Contextual economic information

- Belgium-Luxembourg represents 2.4% of the SES en-route ANS determined costs in 2013.
- ATSP : Belgocontrol (Belgium-
- FAB : Lux) FABEC
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS actual costs

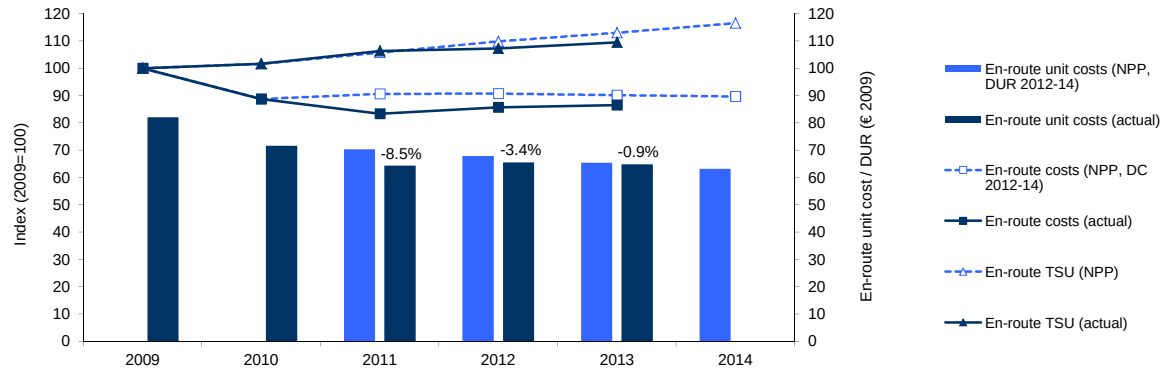


2. - En-route DUR monitoring (2013)

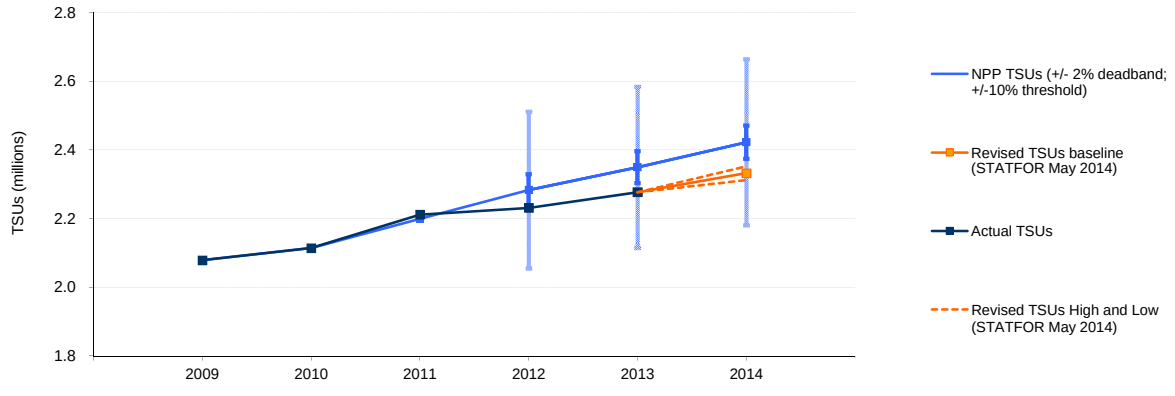
Belgium-Luxembourg - Data from RP1 national performance plan	2009A	2010A	2011F *	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	170 650 791	154 876 930	163 680 729	167 208 194	169 146 337	171 737 556
Inflation %		2.2%	3.5%	2.0%	1.9%	2.0%
Inflation index (100 in 2009)	100.0	102.2	105.8	107.9	109.9	112.1
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	170 650 791	151 542 984	154 741 323	154 976 604	153 849 821	153 143 830
Total en-route Service Units	2 078 793	2 114 555	2 199 997	2 283 649	2 349 875	2 422 721
Real en-route unit costs per Service Units - (in EUR2009)	**82.09**	**71.67**	**70.34**	**67.86**	**65.47**	**63.21**
* Excluding the effects of the one-off reduction in EUROCONTROL costs in 2011						

Belgium-Luxembourg - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A *	2012A	2013A	2014A
En-route costs - (in nominal EUR)	170 650 791	154 876 930	150 631 586	158 794 458	162 308 998	
Inflation %		2.2%	3.5%	2.6%	1.2%	
Inflation index (100 in 2009)	100.0	102.2	105.8	108.5	109.8	
Real en-route costs - (in EUR2009)	170 650 791	151 542 984	142 404 857	146 303 396	147 768 257	
Total en-route Service Units	2 078 793	2 114 555	2 211 673	2 231 537	2 277 014	
Real en-route unit costs per Service Units - (in EUR2009)	**82.09**	**71.67**	**64.39**	**65.56**	**64.90**	
* Including the effects of the one-off reduction in EUROCONTROL costs in 2011						

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
En-route costs - (in nominal EUR)	in value				-8 413 736	-6 837 338	
	in %				-5.0%	-4.0%	
Inflation %	in p.p.				0.6 p.p.	-0.7 p.p.	
Inflation index (100 in 2009)	in p.p.				0.6 p.p.	-0.1 p.p.	
Real en-route costs - (in EUR2009)	in value				-8 673 207	-6 081 563	
	in %				-5.6%	-4.0%	
Total en-route Service Units	in value				-52 112	-72 861	
	in %				-2.3%	-3.1%	
Real en-route unit costs per Service Units - (in EUR2009)	in value				**-2.30**	**-0.58**	
	in %				**-3.4%**	**-0.9%**	



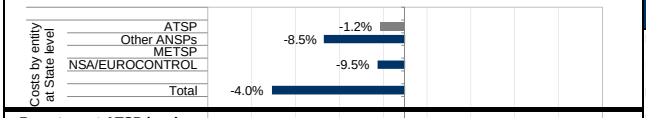
3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



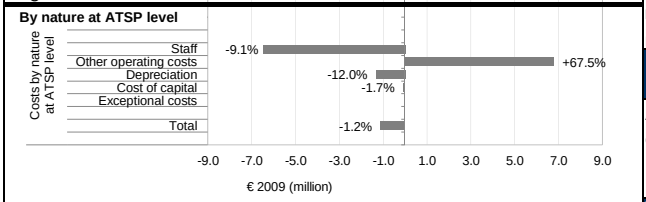
BELGIUM / LUXEMBOURG **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)

By entity at State level



By nature at ATSP level



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-3 568
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP - See Note 3	-1 588
Other ANSP	-651
METSP	-
NSA/EUROCONTROL	-1 330
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	**-3 568**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

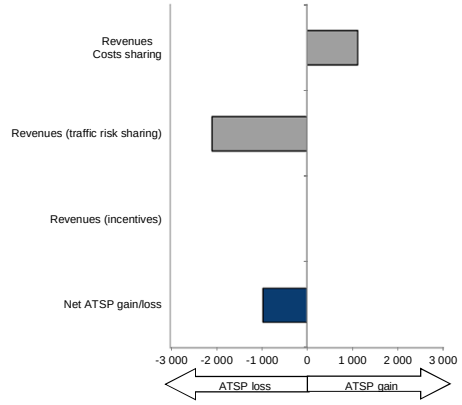
Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	97 315
Actual costs for the ATSP	96 195
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	1 120
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users - See Note 3	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**1 120**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-3.10%
Determined costs after deduction of costs for exempted VFR flights	89 444
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-1 789
ATSP loss (traffic between -2% and -10% below NPP)	-295
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-2 084**

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

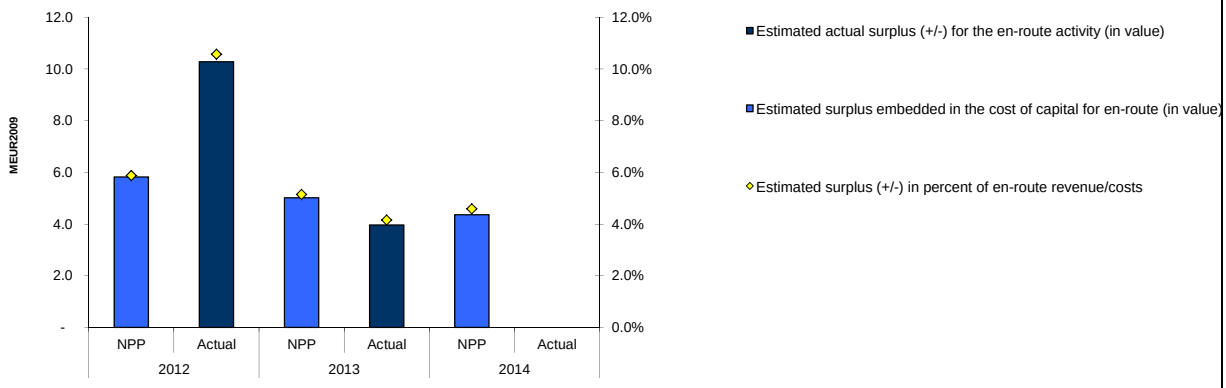
Net ATSP gain(+)/loss(-) on en-route activity	**-964**

Combined effect of variations in costs and revenue for 2013 ('000€2009)



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	106 672	103 655	96 992	95 356	88 019	
Estimated proportion of financing through equity (in %)	91%	91%	97%	97%	100%	
Estimated proportion of financing through equity (in value)	96 804	94 066	94 009	92 411	88 019	
Estimated proportion of financing through debt (in %)	9%	9%	3%	3%	0%	
Estimated proportion of financing through debt (in value)	9 868	9 589	2 983	2 945	-	
Cost of capital pre-tax (in value)	6 117	5 944	5 101	5 015	4 360	
Average interest on debt (in %)	3.0%	3.0%	3.0%	3.0%	3.0%	
Interest on debt (in value)	299	291	90	89	-	
Ex-ante RoE pre-tax rate (in %)	6.0%	6.0%	5.3%	5.3%	5.0%	
Estimated surplus embedded in the cost of capital for en-route (in value)	5 818	5 653	5 011	4 925	4 360	
Net ATSP gain(+)/loss(-) on en-route activity		4 622		-964		
Overall estimated surplus (+/-) for the en-route activity	**5 818**	**10 275**	**5 011**	**3 961**	**4 360**	
Revenue/costs for the en-route activity	**99 108**	**97 219**	**97 315**	**95 231**	**94 938**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**5.9%**	**10.6%**	**5.1%**	**4.2%**	**4.6%**	
Estimated ex-post RoE pre-taxe rate (in %)	**6.0%**	**10.9%**	**5.3%**	**4.3%**	**5.0%**	



BELGIUM / LUXEMBOURG **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Belgium-Luxembourg

Note 1: Actual en-route costs for 2013
The actual en-route costs for 2013 provided by Belgium-Luxembourg in the Reporting Tables submitted in the context of the June 2014 session of the Enlarged Committee for Route Charges slightly differ from the information reported in the NSA Monitoring Report for 2013. The PRB 2013 monitoring analysis provided below is based on the information provided in the June 2014 Reporting Tables.

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

Note 3: Cost exempt from cost-sharing for Belgocontrol
Belgium has reported a difference between the planned and actual revenue received by Belgocontrol and MUAC from the FABEC TEN-T subsidy as "costs exempt from cost-sharing" to be reimbursed to airspace users (-1.6 M€2009 and -0.7 M€2009, respectively).

Without prejudice to the EC verification expected to be available later in 2014, for the purposes of the PRB 2013 monitoring analysis, these amounts of cost exempt from risk sharing are considered as other revenues to be reimbursed to users in Section 9 of this monitoring report (en-route DUR vs actual unit cost for users).

On that basis, the "costs exempt from cost-sharing" reported for Belgocontrol are not considered in the analysis of the economic surplus/loss with respect of the en-route activity in 2013.

At State / Charging Area level

In 2013, Belgium-Luxembourg actual real en-route unit cost (64.90 €2009) is slightly lower (-0.9%) than planned in the Belgium-Luxembourg National Performance Plan (NPP) for RP1 (65.47 €2009). This difference is due to the fact that 2013 actual real en-route costs are -4.0% lower than the determined costs, while the actual number of total service units (TSUs) is -3.1% lower than planned.

The difference between the 2013 actual and planned traffic falls outside the ±2% dead band foreseen in the traffic risk sharing mechanism. Therefore, the related loss of revenues is shared between the airspace users and the ATSP, which records a loss of some -2.1 M€2009 (cf. Table in Item 5). Looking forward, based on STATFOR May 2014 baseline forecast, the en-route traffic is foreseen to increase by +2.4% in 2014. However, even if the high STATFOR scenario will materialise in 2014, the difference in traffic with respect to NPP is likely to exceed again the ±2% dead band (-2.9%), although remaining within the ±10% threshold.

Actual 2013 costs vs. NPP

In 2013, the real en-route costs for Belgium-Luxembourg are -4.0% lower than planned in the NPP mainly due to cost reductions achieved by MUAC (i.e. -8.5% or some -3.7 M€2009, for the share of costs relating to Belgium/Luxembourg). The share of MUAC costs in Belgium/Luxembourg en-route cost-base is around 27%. The costs are also lower than planned for Belgocontrol (i.e. -1.2% or some -1.1 M€2009) and for the NSA/EUROCONTROL (i.e. -9.5% or some -1.2 M€2009). The latter reflects lower actual costs than planned for the EUROCONTROL Agency (i.e. -11.0%), while the actual costs for the NSA are higher +6.0% than planned.

For MUAC, the significantly lower actual costs than planned in the NPP (i.e. -8.5%) reflect lower staff costs (i.e. -5.5% or -1.9 M€2009), other operating costs (-20.8% or -1 M€2009), depreciation costs (i.e. -29.6% or -1.1 M€2009) and costs of capital (i.e. -66.4% or -0.3 M€2009).

"Costs exempt from cost-sharing" are reported for a total of -3.6 M€2009 (cf. Table in Item 4) to be reimbursed to the airspace users for the en-route activity, corresponding to lower EUROCONTROL costs than planned in the NPP (-1.3 M€2009) and to a difference between planned and actual revenue received by Belgocontrol and MUAC from the FABEC TEN-T subsidy (-1.6 M€2009 and -0.7 M2009 respectively). These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Actual 2013 Belgocontrol costs vs. NPP

In 2013, Belgocontrol actual real en-route costs are -1.2% lower than planned in the NPP. This reflects lower actual staff costs (i.e. -9.1%) and capital-related costs (i.e. -12.0% depreciation costs and -1.7% cost of capital). On the other hand, other operating costs were substantially higher (i.e. +67.5%) than planned in the NPP.

According to additional information enclosed to the June 2014 en-route data submission, the lower staff costs than planned (-9.1% or some -6.5 M€2009) are mainly driven by the reduction of the staff number (mainly achieved by replacing the leaving staff at a minimum level).

It is understood that the significantly higher other operating costs compared to plans (+67.5% or some +6.8 M€2009) are mainly relating to a provision for legal matters (lawsuit).
The reduction of capital related costs compared to plans has been mainly achieved through a rescheduling of the investments, originally planned for 2013. Indeed, according to the additional information enclosed to the June 2014 en-route data submission, Belgocontrol actual 2013 investments are significantly lower than planned in the NPP (i.e. some -6 M€ or 52.9%). As a result, the asset base used to compute the en-route cost of capital in 2013 is some -1.6 M€2009 lower than planned for the year 2013.

Belgocontrol net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, Belgocontrol generated a net loss of -1.0 M€2009 in 2013 on the en-route activity. This is the combination of two separate elements: a gain of +1.1 M€2009 as a result of the cost sharing mechanism (due to the lower actual costs than planned in the NPP for 2013); a loss of -2.1 M€2009 as a result of the traffic risk sharing mechanism for 2013.

On the profitability side, the ex-ante estimated surplus embedded in the cost of capital for the en-route activity planned in the NPP amounted to 5.0 M€2009, (some 5.1% of the en-route costs/revenue for the activities in 2013).

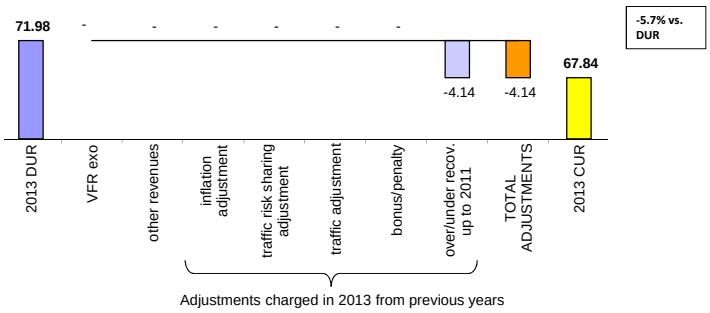
Ex-post, the estimated surplus for the year taking into account the net loss for the en-route activity in 2013 (-1.0 M€2009) and the surplus embedded in the cost of capital (4.9 M€2009) amounts to +4.0 M€2009 for 2013 (or 4.2% of the en-route revenue which is slightly lower than planned (+5.1%) in the NPP).

Conclusion: In 2013, Belgocontrol generated a net loss of -1.0 M€2009 on the en-route activity (mainly due to the lower than expected traffic volumes, i.e. -3.1%). However, taking into account the surplus embedded in the cost of capital, Belgocontrol realised an overall economic surplus in 2013 (+4.0 M€2009 or 4.2% of the en-route revenue).

BELGIUM / LUXEMBOURG **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Belgium-Luxembourg 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

The CUR takes account of:

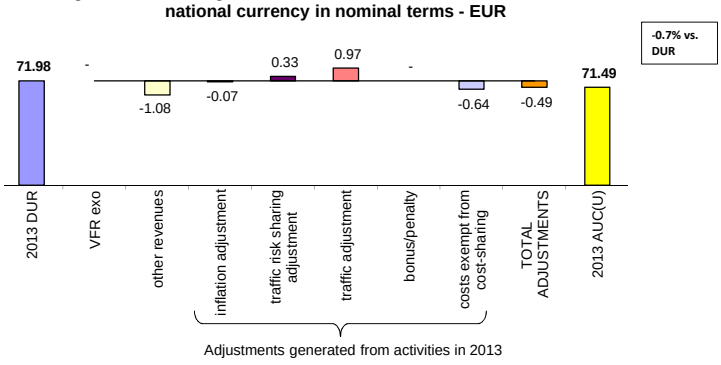
- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;

- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The unit rate charged to users in 2013 was 67.84€. This is lower (i.e. -5.7%) than the nominal DUR (71.98€) due to the amount of over-recovery carried over to 2013 in the context of the full cost-recovery regime in place before RP1 (-4.14€).

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Belgium-Luxembourg 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;

- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

The Actual Unit Cost for users in 2013 (71.49€) is slightly lower (i.e. -0.7%) than the nominal DUR (71.98€). The difference observed between these two figures (- 0.49€) reflects the traffic risk sharing adjustment (+0.33€) and the traffic adjustment related to the costs not subject to traffic risk sharing (+0.97€) compensated by other revenues (-1.08€), the inflation adjustment (-0.07€) and the costs exempt from cost-sharing (-0.64€).

Note that in the calculation of 2013 actual cost for users, the difference between planned and actual revenues received by Belgocontrol and MUAC from the FABEC TEN-T subsidy (-1.6 M€2009 and -0.7 M€2009) is excluded from cost exempt from cost-sharing and reported as other revenues (See Note 3 above).

BELGIUM / LUXEMBOURG **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10.- Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^			0.9			
Number of airports in terminal charging zone				1	1	1	1
of which, number of airports over 50 000 movements				1	1	1	1

Belgium-Luxembourg - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	35 552 346	34 481 353	36 832 379	39 255 539	37 501 825	37 027 975
Inflation index (100 in 2009)	100.0	102.2	105.8	107.9	109.9	112.1
Real terminal ANS costs - (in EUR2009)	**35 552 346**	**33 739 093**	**34 820 783**	**36 383 924**	**34 110 399**	**33 019 021**

Belgium-Luxembourg - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)	35 552 346	34 481 353	37 007 173	35 195 273	33 527 449	
Inflation index (100 in 2009)	100.0	102.2	105.8	108.5	109.8	
Real terminal ANS costs - (in EUR2009)	**35 552 346**	**33 739 093**	**34 986 030**	**32 426 748**	**30 523 833**	
Total terminal service units						
Actual real unit costs - (in EUR2009)						
Unit rate applied - (in EUR)				**N/A**	**N/A**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value				-4 060 267	-3 974 377	
Inflation index (100 in 2009)	in%				-10.3%	-10.6%	
	in p.p.				0.6 p.p.	-0.1 p.p.	
Real terminal ANS costs - (in EUR2009)	in value				**-3 957 175**	**-3 586 567**	
	in%				**-10.9%**	**-10.5%**	

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

Belgium and Luxembourg counts for two terminal charging zones each comprising one airport above 50 000 movements per year (i.e. Brussels-EBBR and Luxembourg-ELLX).

The harmonised SES TNSU formula (MTOW/50)^0.7 was not used in neither Belgium nor Luxembourg Charging Zone during RP1.

The information on planned and actual terminal costs above only relates to Belgium since Luxembourg is subject to reduced reporting requirements during RP1 due to the exemptions based on Article 1(6) and Annex I of Regulation (EC) No 1794/2006.

Note that the TNSU formula (MTOW/50)^0.9 was only applicable in the last two months of 2011. From January till October 2011 (and from January 2012 onwards), the old TNC tariff of 2003 was applied as defined in the Management Contract between Belgocontrol and the Belgian State. Based on the old TNC formula, no terminal service units, but movements were charged at Brussels Airport, thus Belgium did not disclose terminal unit rate/TNSU formula in their TNC reporting tables.

The actual terminal ANS 2013 costs for Belgium are -10.5% lower in real terms (or some -3.6 M€2009) than planned in the NPP. This difference is driven by lower staff costs (-5.8%), other operating costs (-26.7%) and capital related costs (-18.3%).

12.- Monitoring of gate-to-gate costs (2013)

Belgium-Luxembourg - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	170 650 791	151 542 984	154 741 323	154 976 604	153 849 821	153 143 830
Real terminal ANS costs - (in EUR2009)	35 552 346	33 739 093	34 820 783	36 383 924	34 110 399	33 019 021
Real gate-to-gate ANS costs - (in EUR2009)	**206 203 137**	**185 282 077**	**189 562 106**	**191 360 527**	**187 960 220**	**186 162 851**
Share of en-route costs in gate-to-gate ANS costs	**82.8%**	**81.8%**	**81.6%**	**81.0%**	**81.9%**	**82.3%**

Belgium-Luxembourg - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	170 650 791	151 542 984	142 404 857	146 303 396	147 768 257	
Real terminal ANS costs - (in EUR2009)	35 552 346	33 739 093	34 986 030	32 426 748	30 523 833	
Real gate-to-gate ANS costs - (in EUR2009)	**206 203 137**	**185 282 077**	**177 390 887**	**178 730 145**	**178 292 090**	
Share of en-route costs in gate-to-gate ANS costs	**82.8%**	**81.8%**	**80.3%**	**81.9%**	**82.9%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Real en-route costs - (in EUR2009)	in value				-8 673 207	-6 081 563	
	in %				-5.6%	-4.0%	
Real terminal ANS costs - (in EUR2009)	in value				-3 957 175	-3 586 567	
	in %				-10.9%	-10.5%	
Real gate-to-gate ANS costs - (in EUR2009)	in value				**-12 630 383**	**-9 668 130**	
	in %				**-6.6%**	**-5.1%**	
Share of en-route costs in gate-to-gate ANS costs	in %				**0.9%**	**1.0%**	

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

Actual 2013 gate-to-gate costs are -5.1% lower than planned as a result of lower en-route and terminal ANS costs.

The allocation of gate-to-gate costs between en-route and terminal ANS appears quite stable overall for RP1 at 81-82% for en-route. The actual proportion of en-route costs in 2013 is broadly in line with respect to the plans made in the NPP.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

France

Fact validated edition

Edition date: 14/11/2014

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FRANCE **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	72	74		France has made significant progress compared to the last year: They confirmed to have reached the maximum target level (E) in three of the topics, and improved from C to D in two. All the replies were found consistent and well justified. (LV)
ANSP [DSNA]	80	87		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	893	96%	811	96%			
	ATM Overall		96%		96%			
Runway Incursions (RIs)	ATM Ground	230	98%	230	97%			
	ATM Overall		98%		97%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	2454	98%	2311	55%			

Above values for number of occurrences in 2012 and 2013 are different from the ones in State Report. The results have been updated by France through fact-validation.

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	7	3	7	3		
Legal/Judiciary	3	5	3	5		
Occurrence reporting and Investigation	2	0	2	0		
TOTAL	**12**	**8**	**12**	**8**		

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

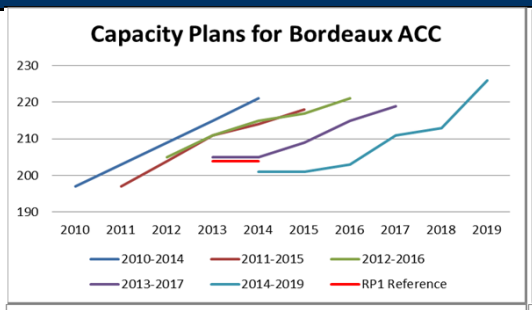
FRANCE **Monitoring of CAPACITY indicators for 2013**

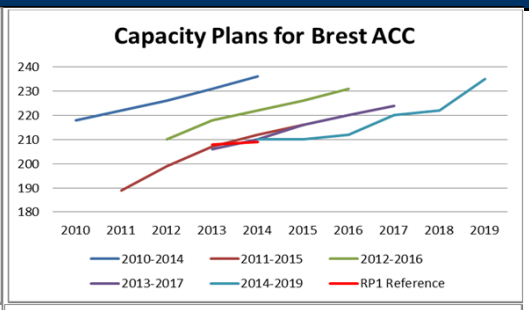
Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.34	0.3	0.24	
National Target				
Actual performance	0.54	0.53		

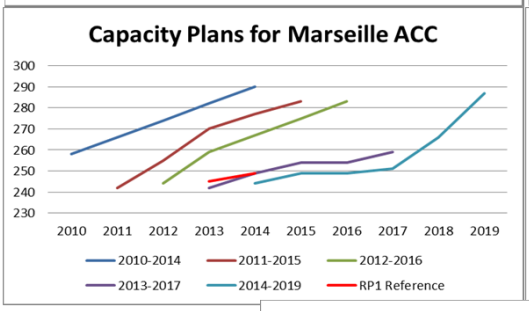
National capacity assessment

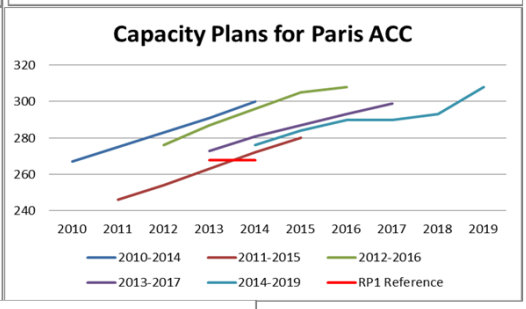
2013 achievements ... for en route... ATFM delays are in progress with regard to 2012 achievements. All targets are met and achievements are consistent with capacity plans set with Eurocontrol CEF and with the national performance plan expectations. Those performances, even taking into account 2013 industrial actions in France, are also a driver to the meeting of the FABEC capacity target (see FABEC 2013 monitoring report).

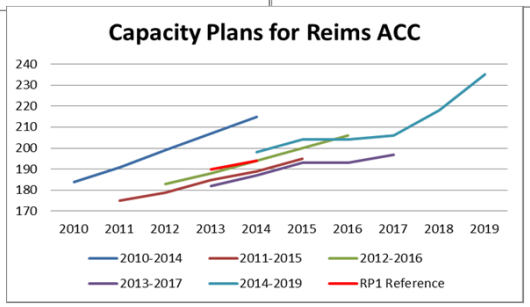
ANSP capacity plan (Opt.)











PRB Capacity assessment

France did not set a national target for capacity in RP1. The capacity performance in France in both 2012 and 2013 has not consistent with the performance effort required to meet the EU-wide target. The PRB notes that the 2014 capacity plans in France have been downgraded or postponed at four of the five ACCs in comparision with the 2013 plans up to 2017.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 54%

The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 11%

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 34%

Previous recommendations (Opt.)
Extract from notification letter from EC July 2012: FABEC's capacity target for the first reference period 2012-2014 is assessed on the clear expectation that: a) the FABEC Member States (Belgium, Germany, France, Luxembourg, the Netherlands and Switzerland) will require their air navigation service providers to develop and implement capacity plans that allow meet the FABEC 2014 reference value of 0.4 minute of average delay per flight at the earliest possible date in the second reference period, with the assistance of the Network Manager; b) where these revised capacity plans shall also improve the 2014 national or functional airspace block capacity targets, the States concerned will adopt and communicate to the Commission, either directly or through FABEC institutions, revised capacity targets by the end of June 2013 at the latest; **Extract from Annual Monitoring Report 2012** France is requested to implement remedial capacity measures at ACCs where capacity problems are expected, either due to a lack of existing capacity or an inability to deploy existing capacity according to traffic demand, to ensure that a suitable contribution can be made to network performance within the timeframe of RP1. France is requested to provide evidence of how it is increasing capacity plans in response to the EC recommendation contained in the notification letter.
NSA report on follow-up to recommendations (Opt.)
No reference is made in the State monitoring report to these existing recommendations.
Recommendations
The PRB request France to provide information on how the capacity planning of the ANSP, combined with the other FABEC ANSPs, is consistent with the existing recommendation of the European Commission that FABEC member states require their ANSPs to develop and implement capacity plans that meet the FABEC reference value of 0.4 minutes per flight.

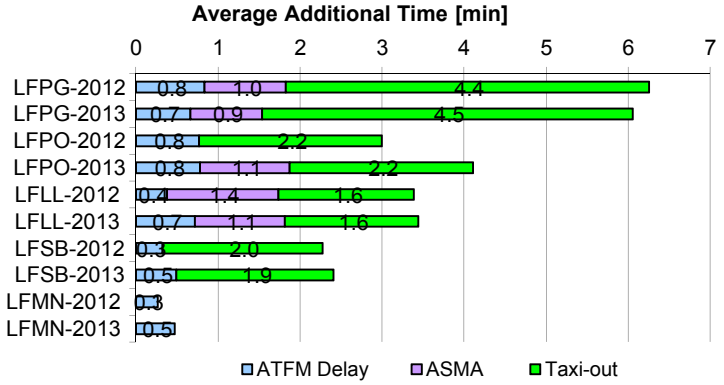
FRANCE

Monitoring of CAPACITY indicators for 2013

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Paris/Charles-De-Gaulle	LFPG	2012	0.8	208 023	1.0	208 891	4.4	1 063 835	1 480 748
		2013	0.7	158 869	0.9	182 273	4.5	1 029 716	1 370 858
Paris/Orly	LFPO	2012	0.8	90 123	Missing Data		2.2	253 679	343 802
		2013	0.8	91 029	1.1	119 125	2.2	248 320	458 474
Lyon/Sartolas	LFLL	2012	0.4	22 614	1.4	77 996	1.6	97 745	198 355
		2013	0.7	41 581	1.1	46 681	1.6	89 055	177 317
Basle/Mulhouse	LFSB	2012	0.3	11 484	Not Applicable		2.0	75 512	86 996
		2013	0.5	17 830	Not Applicable		1.9	73 742	91 572
Nice	LFMN	2012	0.3	18 783	Missing Data		Missing Data		18 783
		2013	0.5	33 185	Missing Data		Missing Data		33 185
Weighted average		2012	**0.7**		**1.1**		**3.3**		
		2013	**0.7**		**1.0**		**3.3**		
Grand Total		2012		**351 027**		**286 887**		**1 490 771**	**2 128 684**
		2013		**342 494**		**348 079**		**1 440 832**	**2 131 405**
			⇨	**-2%**	⇨	**21%**	⇨	**-3%**	**0%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- *⇧ represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst ⇩ depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by ⇨.*

Critical Issues

- Mandatory data missing (Airport Operator Cancellation) for Paris/Orly and Lyon/Sartolas.
- Paris Orly: missing data before May 2012 but provided in 2013.
- Nice: Mandatory data missing (ARWY, DRWY, STND, Airport Operator Cancellation).
- Action Plan maintained by PRU and CODA.

Specific Analysis

- 2013 achievements for terminal and airports capacity generally remain at 2012 levels.
- The national averages are informative only when data is reported as missing.

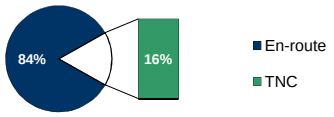
FRANCE

Monitoring of en-route and terminal COST-EFFICIENCY for 2013

1. - Contextual economic information

- France represents 18% of the SES en-route ANS determined costs in 2013.
- ATSP : DSNA
- FAB : FABEC
- National currency: EUR

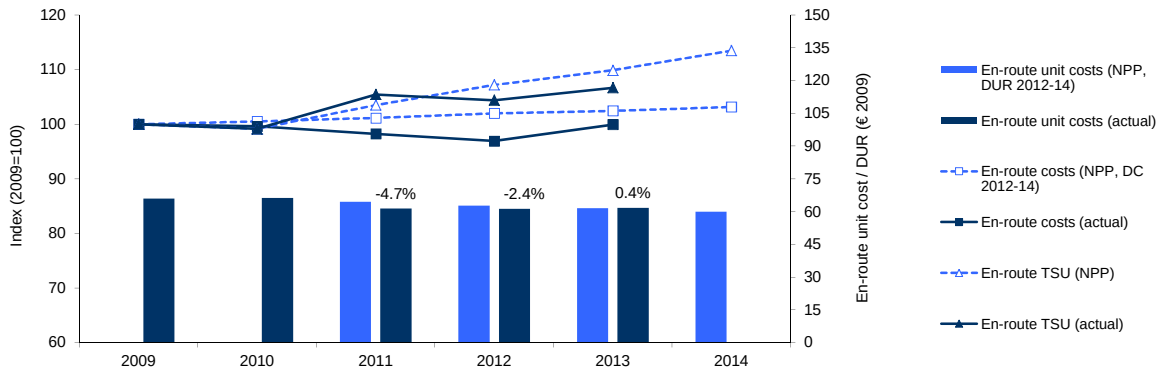
Share of en-route and terminal in gate-to-gate ANS actual costs



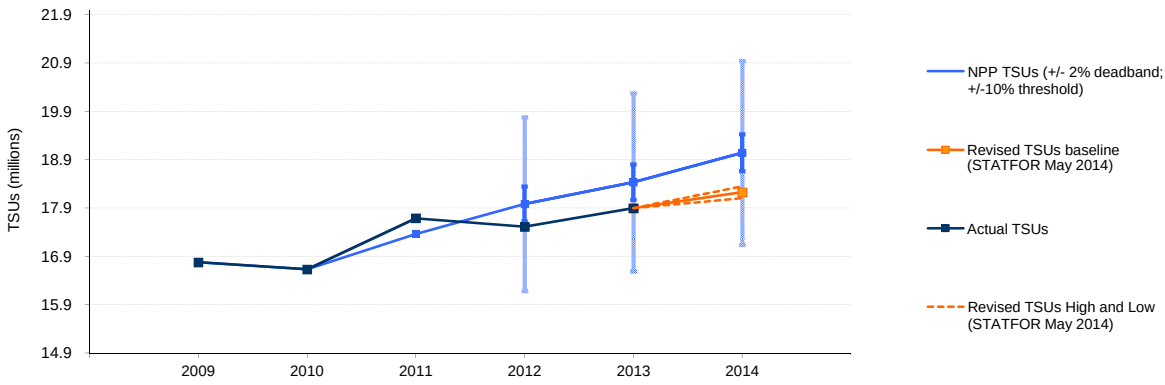
2. - En-route DUR monitoring (2013)

France - Data from RP1 national performance plan		2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	*	1 107 192 099	1 132 478 865	1 156 387 966	1 186 455 378	1 212 968 380	1 242 760 065
Inflation %			1.7%	1.5%	1.8%	1.8%	1.8%
Inflation index (100 in 2009)		100.0	101.7	103.3	105.1	106.9	108.8
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	*	1 107 192 099	1 113 110 738	1 119 813 730	1 129 169 700	1 134 547 984	1 142 421 216
Total en-route Service Units		16 779 861	16 636 697	17 367 156	17 987 000	18 436 674	19 045 084
Real en-route unit costs per Service Units - (in EUR2009)	*	**65.98**	**66.91**	**64.48**	**62.78**	**61.54**	**59.99**
*See Note 1							

France - Actual data from Jun-2014 Reporting Tables		2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	*	1 107 192 099	1 122 132 764	1 131 714 939	1 141 641 065	1 188 501 425	
Inflation %**			1.7%	2.3%	2.2%	1.0%	
Inflation index (100 in 2009)		100.0	101.7	104.1	106.4	107.4	
Real en-route costs - (in EUR2009)	*	1 107 192 099	1 102 941 581	1 087 457 110	1 073 170 666	1 106 268 499	
Total en-route Service Units		16 779 861	16 636 697	17 691 225	17 515 047	17 899 945	
Real en-route unit costs per Service Units - (in EUR2009)	*	**65.98**	**66.30**	**61.47**	**61.27**	**61.80**	
* See Note 1							
** See Note 2							
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					**2012**	**2013**	**2014**
En-route costs - (in nominal EUR)	in value				-44 814 313	-24 466 955	
	in %				-3.8%	-2.0%	
Inflation %	in p.p.				0.5 p.p.	-0.8 p.p.	
Inflation index (100 in 2009)	in p.p.				1.3 p.p.	0.5 p.p.	
Real en-route costs - (in EUR2009)	in value				-55 999 034	-28 279 485	
	in %				-5.0%	-2.5%	
Total en-route Service Units	in value				-471 953	-536 729	
	in %				-2.6%	-2.9%	
Real en-route unit costs per Service Units - (in EUR2009)	in value				**-1.51**	**0.27**	
	in %				**-2.4%**	**0.4%**	

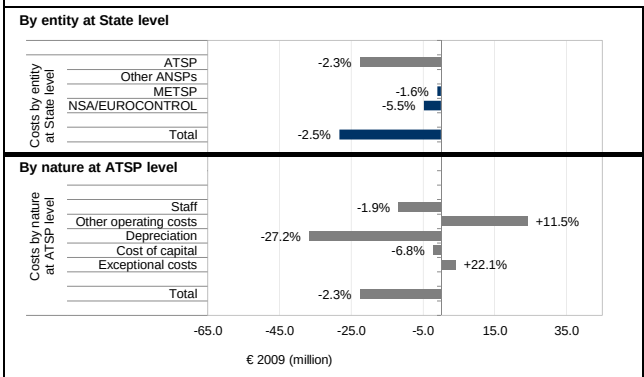


3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



FRANCE **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	5 817
Interest rates on loans	-3 512
National taxation law	-
New cost item required by law	-1 931
International agreements	-1 890
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	1 266
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-2 782
Total costs exempted from cost sharing	**-1 516**
to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	

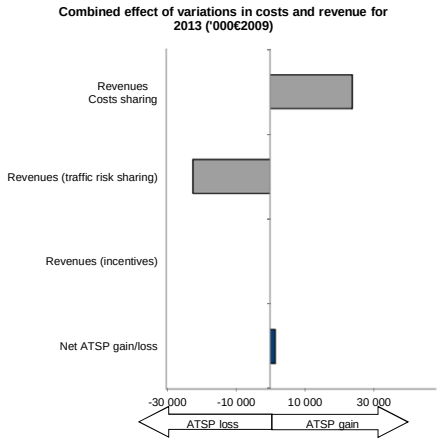
5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	986 356
Actual costs for the ATSP	963 792
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	22 564
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	1 266
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**23 830**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-2.91%
Determined costs after deduction of costs for exempted VFR flights	981 569
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-19 631
ATSP loss (traffic between -2% and -10% below NPP)	-2 683
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-22 315**

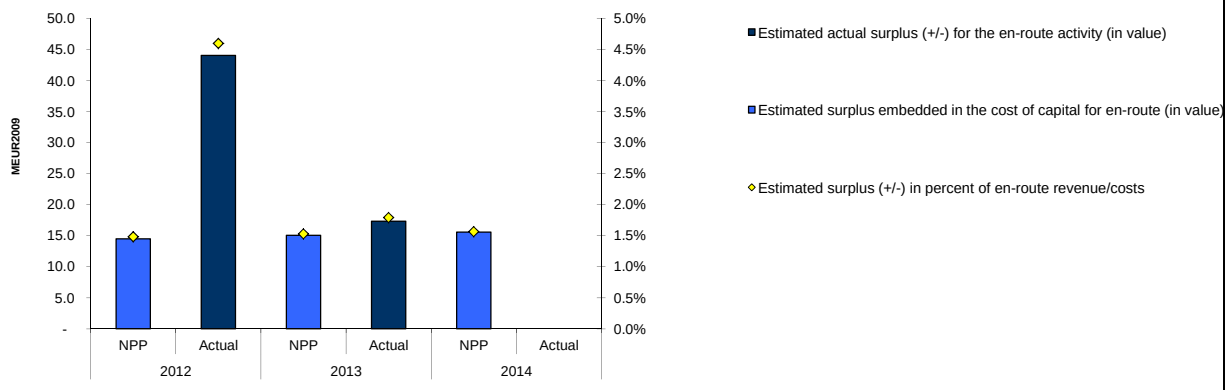
Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

Net ATSP gain(+)/loss(-) on en-route activity	**1 515**



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	673 587	643 124	700 447	732 655	722 182	
Estimated proportion of financing through equity (in %)	27%	35%	27%	27%	27%	
Estimated proportion of financing through equity (in value)	181 243	222 657	188 541	197 646	194 876	
Estimated proportion of financing through debt (in %)	73%	65%	73%	73%	73%	
Estimated proportion of financing through debt (in value)	492 345	420 467	511 906	535 009	527 306	
Cost of capital pre-tax (in value)	30 747	29 964	32 232	30 043	33 518	
Average interest on debt (in %)	3.3%	2.9%	3.4%	2.7%	3.4%	
Interest on debt (in value)	16 247	12 151	17 149	14 231	17 928	
Ex-ante RoE pre-tax rate (in %)	8.0%	8.0%	8.0%	8.0%	8.0%	
Estimated surplus embedded in the cost of capital for en-route (in value)	14 499	17 813	15 083	15 812	15 590	
Net ATSP gain(+)/loss(-) on en-route activity		26 272		1 515		
Overall estimated surplus (+/-) for the en-route activity	**14 499**	**44 085**	**15 083**	**17 327**	**15 590**	
Revenue/costs for the en-route activity	**978 962**	**958 682**	**986 356**	**965 307**	**995 536**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**1.5%**	**4.6%**	**1.5%**	**1.8%**	**1.6%**	
Estimated ex-post RoE pre-taxe rate (in %)	**8.0%**	**19.8%**	**8.0%**	**8.8%**	**8.0%**	



FRANCE **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by France

Note 1: The determined and actual costs for France are considered after deduction of the costs for exempted VFR flights and after deduction of other income in order to ensure consistency with the NPP. The breakdown shown in item 4 presents these deductions as (negative) exceptional costs for the ATSP.

Note 2: The 2013 actual inflation rate will need to be slightly adjusted (from 0.99% to 1.0%) to be fully in line with the EUROSTAT HICP rate published in April 2014, in compliance with the Charging Regulation.

At State / Charging Area

In 2013, France's actual real en-route unit cost (61.8 €2009) was +0.4% higher than the DUR provided in the NPP for RP1 (61.54 €2009). This difference is resulting from lower actual number of en-route TSUs in 2013 (-2.9%), partly compensated by lower actual en-route costs (-2.5%) than planned in the RP1 NPP for 2013.

The difference in actual traffic compared to the NPP for 2013 falls outside the +/-2% dead band foreseen in the traffic risk sharing mechanism, although it does not exceed the 10% threshold.

Looking forward, based on STATFOR May 2014 baseline forecast for France, the number of TSUs in 2014 is expected to be lower (-4.3%) than the figures provided in the NPP for RP1 (which is outside the +/-2% dead band although remaining within the 10% threshold). It should be noted in this respect that the PRB clearly identified in its assessment of the French NPP that the traffic forecast used by France over RP1 (+3.1% p.a.) was substantially higher than the reference STATFOR May 2011 base case scenario (+2.0% p.a.).

Real en-route costs for France were -2.5% lower in 2013 than planned as a combination of -2.0% lower nominal en-route costs and -0.8 percentage points lower inflation index.

This evolution is mainly due to the lower costs for DSNA and the NSA/EUROCONTROL (-2.3% and -5.5% respectively).

Costs exempt from cost sharing are reported for a total of -1.5 M€ to be reimbursed to the users for the en-route activity, corresponding to the combination of positive amounts to be recovered from users (differences linked to pension and to the costs of service provision in the "Geneva" delegated airspace) and negative amounts to be reimbursed to users (changes in interest rates on loans, new costs required by law and differences linked to EUROCONTROL costs). These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

In 2013, actual en-route costs were overall lower than planned, as a result of:

- Lower staff costs (-11.8 M€2009, or -1.9%). The NSA Monitoring report states: "*While a part of this difference actually stems from a presentation issue, for the most part this difference results from the containment of staff costs, materialized by the under-consumption of DGAC staff cost budget*".

- Higher other operating costs (+24.1 M€2009, or +11.5%). The NSA Monitoring report states: "*In addition to the presentation of the "Grand ENAC" costs mentioned above, one should mention the impact of a change in accounting rules that happened: some expenses that were until mid-2010 recorded as CAPEX are now recorded as operating expenses. This change in accounting policy has led to a massive under-consumption of the investment budget and a correlated over-consumption in other operating expenses. In terms of costs, this change translates into a gap in other operating expenses and, to a lesser extent, into a decrease in depreciation*".

- Lower depreciation costs (-36.7 M€2009, or -27.2%) resulting from a lower actual capex than planned in 2013 and the change in accounting policy as described above.

- Lower cost of capital (-2.2 M€2009, or -6.8%). "*For the most part, due to the difference in the average interest on loans*".

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

In this context, DSNA actual en-route costs are -2.3% lower than the determined costs.

As shown in item 5, the en-route activity for the year 2013 generated a net gain of +1.5 M€2009 for DSNA overall. This is the combination of two separate elements:

- a gain of +23 829.9 M€2009 for DSNA resulting from the cost-sharing mechanism;
- a loss of –22 314.6 M€2009 resulting from the traffic risk sharing mechanism for 2013.

On the profitability side for the en-route activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +15.1 M€2009, corresponding to an estimated surplus of +1.5% of the en-route costs/revenues for 2013. Ex-post, the estimated surplus for the year computed by adding the return on equity surplus embedded in the cost of capital (+15.8 M€2009) and the net gain from the en-route activity in 2013 (+1.5 M€2009), gives a total of +17.3 M€2009 for 2013, corresponding to +1.8% of the en-route revenue in 2013. The resulting ex-post rate of return on equity for 2013 is +8.8% (compared to +8.0% as initially planned in the NPP).

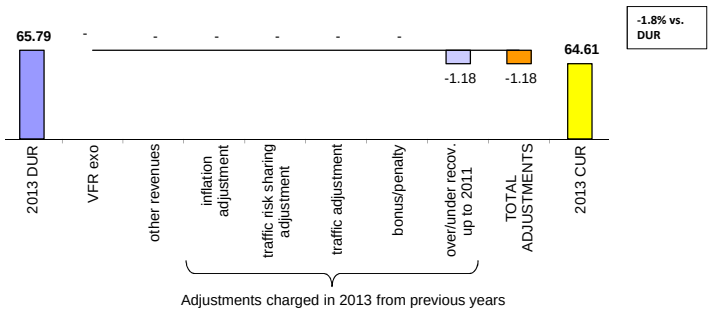
This indicates that in 2013, DSNA was in a position to retain the part of surplus embedded in the cost of capital and to generate extra gains arising from the lower costs than planned in 2013. This adds to the overall positive estimated surplus for the en-route activity gains generated by DSNA in 2012 of +44.1 M€2009 or +4.6% estimated surplus of en-route costs/revenues in 2012 leading to an ex-post rate of return on equity of +19.8%).

Conclusion: In spite of the lower than expected traffic volumes (-2.9%), the en-route activity for the year 2013 generated a net gain of +17.3 M €2009 for DSNA, which results in an estimated actual surplus of +1.8% of the en-route revenue for 2013 (up from the +1.5% in the NPP). Note that the 2012 figure was updated since the 2012 PRB monitoring report, as a result of the revision of the costs exempt from cost sharing submitted by France in respect of 2012 and an update in the actual 2012 costs made after the June 2013 submission that served as a basis for the 2012 monitoring.

FRANCE **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

France 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

The CUR takes account of:

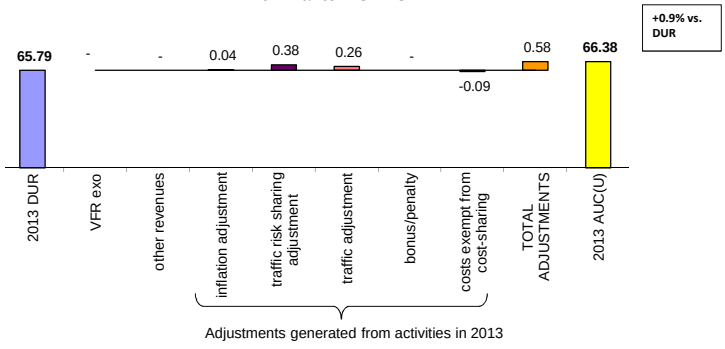
- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;

- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The CUR charged to airspace users in 2013 was 64.61€. This is lower than the DUR expressed in nominal terms (65.79€). The difference between these two figures (- 1.18€, -1.8%) mainly relates to over-recoveries carried over to 2013 in the context of the full cost-recovery regime in place before RP1.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

France 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;

- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by the **actual total service units** in 2013.

The actual unit cost charged to airspace users in 2013 (66.38€) was higher than DUR expressed in nominal terms (65.79€) due to adjustments (mainly relating to the traffic risk-sharing adjustment as the actual traffic falls outside the +/-2% dead band in 2013).

FRANCE **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10.- Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^	0.9	0.9	0.9	0.8	0.8	0.7
Number of airports in terminal charging zone		64	64	61	61	61	60
of which, number of airports over 50 000 movements		9	9	9	9	9	9

France - Data from RP1 national performance plan		2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	*	227 649 904	233 081 583	237 569 586	242 632 818	248 209 170	254 048 236
Inflation index (100 in 2009)		100.0	101.7	103.3	105.1	106.9	108.8
Real terminal ANS costs (determined costs 2012-2014) - (in EUR2009)*		**227 649 904**	**229 095 324**	**230 055 735**	**230 917 767**	**232 162 040**	**233 536 708**
Total terminal Service Units			1 093 649	1 136 301	1 104 710	1 126 697	1 092 051
Real en-route unit costs per Service Units - (in 2009)	*		**209.48**	**202.46**	**209.03**	**206.06**	**213.85**

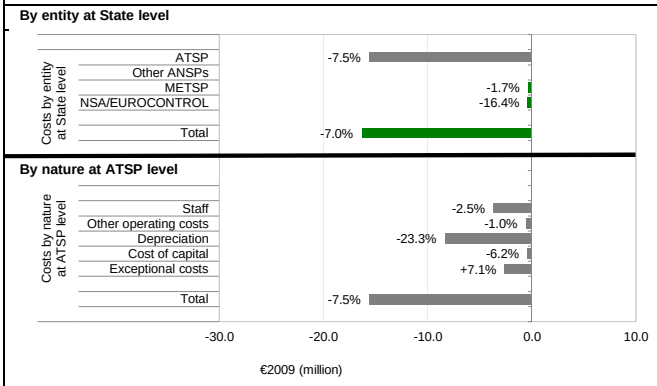
*See note 1

France - Actual data from June 2014 Reporting Tables		2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)		227 649 904	233 081 583	230 604 194	231 135 251	231 883 348	
Inflation index (100 in 2009)	**	100.0	101.7	104.1	106.4	107.4	
Real terminal ANS costs - (in EUR2009)	*	**227 649 904**	**229 095 324**	**221 585 986**	**217 272 818**	**215 839 240**	
Total terminal service units			1 093 649	1 147 108	1 093 192	1 091 822	
Actual real unit costs - (in EUR2009)			**209.48**	**193.17**	**198.75**	**197.69**	
Unit rate applied - (in EUR)					**219.63**	**220.30**	

*See note 1
** See note 2

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value	-11 497 567	-16 325 821	
	in%	-4.7%	-6.6%	
Inflation index (100 in 2009)	in p.p.	1.3 p.p.	0.5 p.p.	
Real terminal ANS costs - (in EUR2009)	in value	**-13 644 949**	**-16 322 800**	
	in%	**-5.9%**	**-7.0%**	

11.- Terminal ANS costs monitoring (2013 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	1 381
Interest rates on loans	-915
National taxation law	-
New cost item required by law	-458
International agreements	-272

Costs exempted from cost sharing (by entity)	2013 ('000€2009) Estimate
ATSP	-264
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	-264

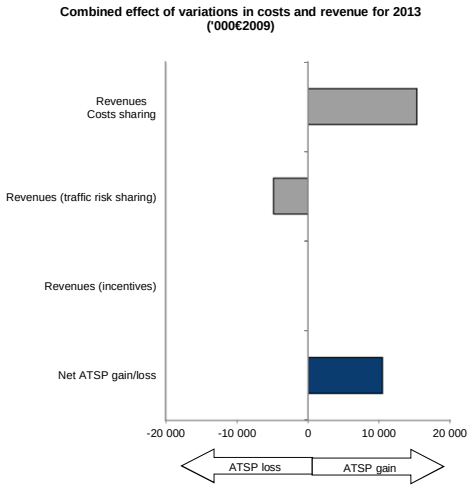
12.- Focus on ATSP - "Net" ATSP gain/loss on terminal ANS activity in 2013

Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	209 025
Actual costs for the ATSP	193 442
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	15 583
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-264
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**15 319**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-3.10%
Determined costs after deduction of costs for exempted VFR flights	208 011
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-4 160
ATSP loss (traffic between -2% and -10% below NPP)	-683
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-4 844**

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

Net ATSP gain(+)/loss(-) on terminal ANS activity	**10 475**

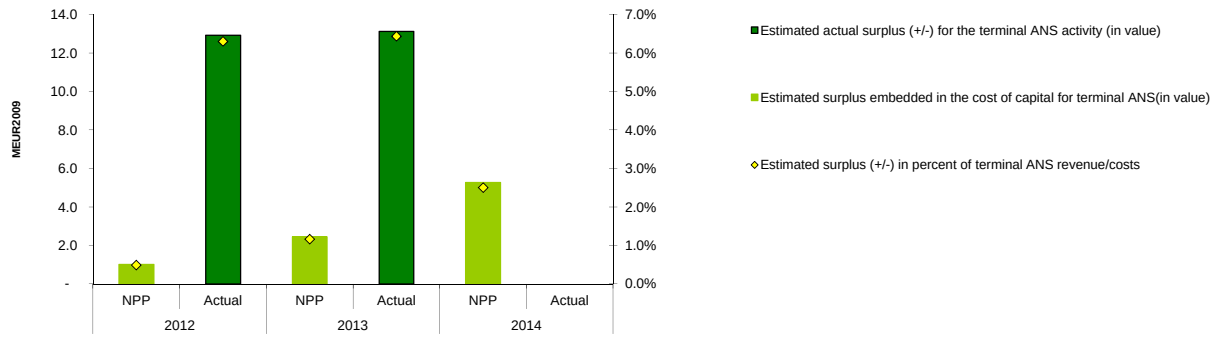


FRANCE

Monitoring of en-route and terminal COST-EFFICIENCY for 2013

13. - Terminal ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	188 028	177 751	182 430	197 277	178 124	
Estimated proportion of financing through equity (in %)	27%	35%	27%	27%	27%	
Estimated proportion of financing through equity (in value)	51 029	61 540	48 962	53 219	48 062	
Estimated proportion of financing through debt (in %)	73%	65%	73%	73%	73%	
Estimated proportion of financing through debt (in value)	136 999	116 212	133 468	144 058	130 062	
Cost of capital pre-tax (in value)	5 542	4 589	6 919	6 493	9 709	
Average interest on debt (in %)	3.3%	2.9%	3.4%	2.7%	3.4%	
Interest on debt (in value)	4 521	3 359	4 471	3 832	4 422	
Ex-ante RoE pre-tax rate (in %)	2.0%	2.0%	5.0%	5.0%	11.0%	
Estimated surplus embedded in the cost of capital for terminal ANS (in value)	1 021	1 231	2 448	2 661	5 287	
Net ATSP gain(+)/loss(-) on terminal ANS activity		11 700		10 475		
Overall estimated surplus (+/-) for the terminal ANS activity	**1 021**	**12 931**	**2 448**	**13 136**	**5 287**	
Revenue/costs for the terminal ANS activity	**207 402**	**205 146**	**209 025**	**203 917**	**210 954**	
Estimated surplus (+/-) in percent of terminal ANS revenue/costs	**0.5%**	**6.3%**	**1.2%**	**6.4%**	**2.5%**	
Estimated ex-post RoE pre-taxe rate (in %)	**2.0%**	**21.0%**	**5.0%**	**24.7%**	**11.0%**	



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

France has one terminal charging zone comprising 61 airports of which 9 are above 50 000 movements per year. The harmonised SES formula (MTOW/50)^0.7 does not apply in 2013 in the French terminal charging zone. It is however planned to be implemented in 2014.

The actual terminal ANS 2013 costs for DSNA are -7.5% lower in real terms (or some -15.6 M€2009) than planned in the NPP. This difference is mainly driven by lower depreciation and staff costs than planned (-23.3% and -2.5%, respectively).

France is the only State applying the determined costs method to the terminal ANS already in RP1. On the profitability side for the terminal activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +2.5 M€2009, corresponding to an estimated surplus of +1.2% of the terminal costs/revenues for 2013. Ex-post, the estimated surplus for the year computed by adding the return on equity surplus embedded in the cost of capital (+2.6 M€2009) and the net gain from the terminal activity in 2013 (+10.5 M€2009), gives a total of +13.1 M€2009 for 2013, corresponding to +6.4% of the terminal revenue in 2013.

Ex-post, due to the relatively low proportion of equity financing of DSNA, the change in the surplus in absolute terms results in a high rate of the RoE in percentage (+24.7% compared to +5.0% as initially planned in the NPP).

15. - Monitoring of gate-to-gate costs (2013)

France - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	1 107 192 099	1 113 110 738	1 119 813 730	1 129 169 700	1 134 547 984	1 142 421 216
Real terminal ANS costs (determined costs 2012-2014) - (in EUR2009)	227 649 904	229 095 324	230 055 735	230 917 767	232 162 040	233 536 708
Real gate-to-gate ANS costs - (in EUR2009)	**1 334 842 003**	**1 342 206 062**	**1 349 869 465**	**1 360 087 467**	**1 366 710 024**	**1 375 957 924**
Share of en-route costs in gate-to-gate ANS costs	**82.9%**	**82.9%**	**83.0%**	**83.0%**	**83.0%**	**83.0%**

France - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	1 107 192 099	1 102 941 581	1 087 457 110	1 073 170 666	1 106 268 499	
Real terminal ANS costs - (in EUR2009)	227 649 904	229 095 324	221 585 986	217 272 818	215 839 240	
Real gate-to-gate ANS costs - (in EUR2009)	**1 334 842 003**	**1 332 036 905**	**1 309 043 096**	**1 290 443 484**	**1 322 107 738**	
Share of en-route costs in gate-to-gate ANS costs	**82.9%**	**82.8%**	**83.1%**	**83.2%**	**83.7%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Real en-route costs - (in EUR2009)	in value				-55 999 034	-28 279 485	
	in %				-5.0%	-2.5%	
Real terminal ANS costs - (in EUR2009)	in value				-13 644 949	-16 322 800	
	in %				-5.9%	-7.0%	
Real gate-to-gate ANS costs - (in EUR2009)	in value				**-69 643 982**	**-44 602 285**	
	in %				**-5.1%**	**-3.3%**	
Share of en-route costs in gate-to-gate ANS costs	in %				**0.1%**	**0.7%**	

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

In 2013, France's gate-to-gate ANS costs (1 322.1 M€2009) were -3.3% lower than planned in the NPP (1 366.7 M€2009).

The relative share of en-route costs in gate-to-gate ANS costs in 2013 (83.7%) was slightly higher than planned (83.0%). This is due to the fact that 2013 terminal ANS costs were significantly lower than forecasted (-7.0%) while actual en-route ANS costs were lower than the determined costs provided in the NPP (-2.5%) but proportionally less than the terminal.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Germany

Fact validated edition

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GERMANY **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	51	55		Germany has improved its scores to levels that generally correspond to the situation identified during the audit and the corrective action plan. Few aspects are yet to be implemented (A/B), most of them the same as for the rest of the States 'measurement of safety culture'. (TV)
ANSP [DFS]	85	90		
ANSP [MUAC]	86	86		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	205	85%	202	74%			
	ATM Overall		0%		0%			
Runway Incursions (RIs)	ATM Ground	125	11%	85	4%			
	ATM Overall		0%		0%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	299	100%	264	100%			

Above RAT methodology application values are different from the ones in State Report. Corrigendum sent by Germany after request for clarification.

Just culture							
Number of questions answered with Yes or No	**State**						
	2012		**2013**		**2014**		
	YES	**NO**	**YES**	**NO**	**YES**	**NO**	
Policy and its implementation	8	2	4	6			
Legal/Judiciary	4	4	3	5			
Occurrence reporting and Investigation	1	1	1	1			
TOTAL	**13**	**7**	**8**	**12**			

Number of questions answered with Yes or No	ANSP [DFS]					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	11	2	11	2		
Legal/Judiciary	2	1	2	1		
Occurrence reporting and Investigation	6	2	6	2		
TOTAL	**19**	**5**	**19**	**5**		

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

GERMANY **Monitoring of CAPACITY indicators for 2013**

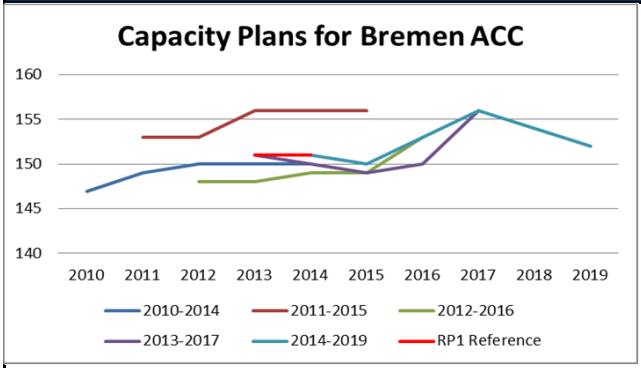
Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.35	0.32	0.29	
National Target				
Actual performance	0.51	0.24		

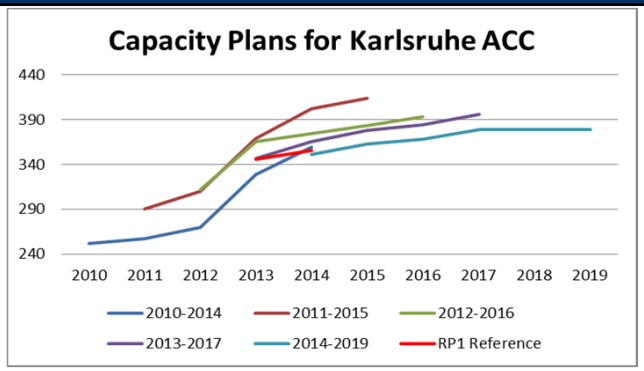
National capacity assessment

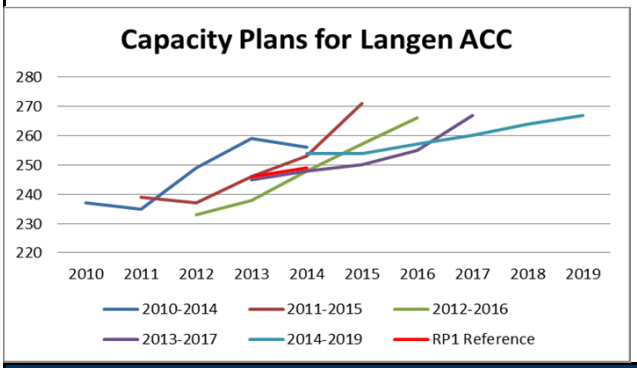
Like in the year 2012, traffic has been the main driver influencing the perfomance contributions for the KPAs Capacity and Cost Efficiency. Germany was again one of the countries most affected by traffic decrease (-1.4% IFR-flights compared to 2012, -10.6% IFR-flights compared to FABEC Performance Plan). While DFS performed well in the area of costs, it had to suffer from the missing traffic. As a result of these developments the actual unit rate does not reflect the real effort of the participating entities.

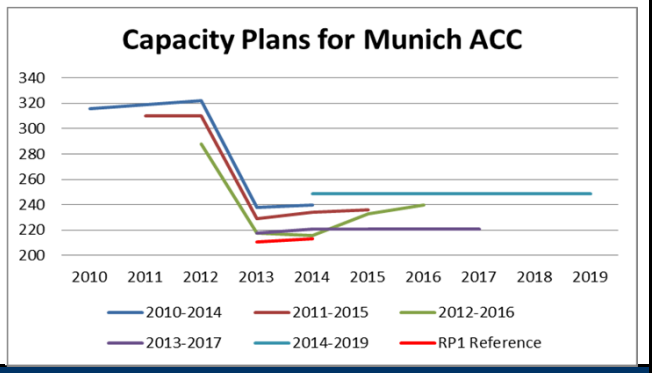
The positive evolution of ATFM delays in 2013 is of course also related to the traffic decrease. However, the measures planned to improve areas with capacity shortages (e.g. ACC Langen) brought a further positive effect. The implementation of the new ATC system (VAFORIT) at UAC Karlsruhe led to further capacity improvements in the upper airspace.

ANSP capacity plan (Opt.)









PRB Capacity assessment

Germany did not set a national target for capacity in RP1. Despite this, a significant improvement in capacity performance in 2013 has resulted in Germany meeting, and indeed surpassing, the performance required to be consistent with the EU-wide target for 2013. The PRB is confident that Germany can meet the required capacity performance to be consistent with the EU-wide target for 2014 although this will require careful monitoring of the capacity situation at Karlsruhe ACC in particular.

Effective booking procedures
The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 45% The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 7% The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 49% When the use of 'Procedure 3' in Germany is analysed, (where airspace can be allocated on the day of operations using the UUP process), the ratio of time that airspace is actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated rises to 52%.
Previous recommendations (Opt.)
Extract from notification letter from EC July 2012: FABEC's capacity target for the first reference period 2012-2014 is assessed on the clear expectation that: a) the FABEC Member States (Belgium, Germany, France, Luxembourg, the Netherlands and Switzerland) will require their air navigation service providers to develop and implement capacity plans that allow meet the FABEC 2014 reference value of 0.4 minute of average delay per flight at the earliest possible date in the second reference period, with the assistance of the Network Manager; b) where these revised capacity plans shall also improve the 2014 national or functional airspace block capacity targets, the States concerned will adopt and communicate to the Commission, either directly or through FABEC institutions, revised capacity targets by the end of June 2013 at the latest; **Extract from Annual Monitoring Report 2012:** Germany is requested to implement remedial capacity measures at ACCs where capacity problems are expected, either due to a lack of existing capacity or an inability to deploy existing capacity according to traffic demand, to ensure that a suitable contribution can be made to network performance within the timeframe of RP1. Germany is requested to provide evidence of how it is increasing capacity plans in response to the EC recommendation contained in the notification letter.
NSA report on follow-up to recommendations (Opt.)
Each year DFS updates its Capacity Enhancement Plan (CEP) based on traffic forecast, transition plans and expert judgement. This is done in close cooperation with FABEC partners and the Network Manager. The results of the capacity planning process are published in the annual LSSIP Germany. For KPA Capacity the positive trend is expected to be pursued in 2014. Due to a system implementation in ACC Langen (Paperless Strip System) the delay is expected to be slightly higher than in 2013, but should remain at a low level allowing to meet the target of 0.43 minutes per flight.
Recommendations
The PRB requests Germany to provide information on how the capacity planning of the ANSP, combined with the other FABEC ANSPs, is consistent with the existing recommendation of the European Commission that FABEC Member States require their ANSPs to develop and implement capacity plans that meet the FABEC reference value of 0.4 minutes per flight.

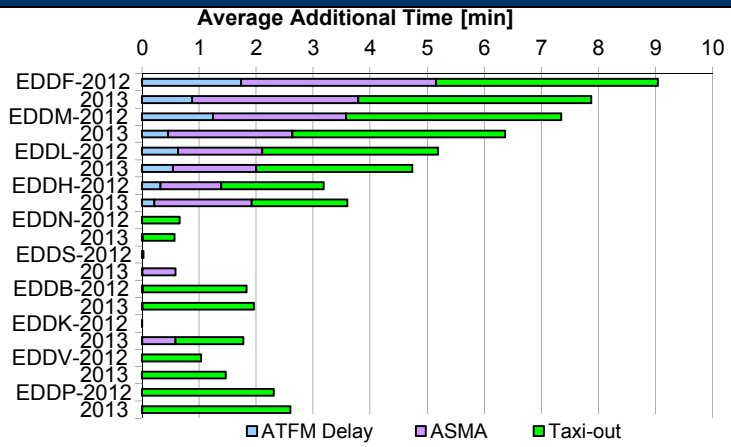
GERMANY

Monitoring of CAPACITY indicators for 2013

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Frankfurt	EDDF	2012	1.7	419 448	3.4	808 812	3.9	902 326	2 130 585
		2013	0.9	207 600	2.9	670 816	4.1	934 605	1 813 021
Munich	EDDM	2012	1.2	246 297	2.3	448 930	3.8	714 192	1 409 419
		2013	0.5	87 689	2.2	401 736	3.7	675 569	1 164 993
Dusseldorf	EDDL	2012	0.6	68 474	1.5	156 011	3.1	330 190	554 675
		2013	0.5	57 328	1.5	148 859	2.7	263 321	469 508
Hamburg	EDDH	2012	0.3	23 425	1.1	73 886	1.8	129 819	227 130
		2013	0.2	14 930	1.7	110 808	1.7	109 293	235 031
Nurenberg	EDDN	2012	0.0	0	Not Applicable		0.7	18 023	18 023
		2013	0.0	415	Not Applicable		0.6	14 605	15 020
Stuttgart	EDDS	2012	0.0	1 805	Missing Data		Missing Data		1 805
		2013	0.0	782	0.6	29 258	Missing Data		30 040
Berlin-Schoenefeld	EDDB	2012	0.0	633	Not Applicable		1.8	62 355	62 988
		2013	0.0	423	Not Applicable		1.9	59 835	60 258
Cologne/Bonn	EDDK	2012	0.0	184	Missing Data		Missing Data		184
		2013	0.0	367	0.6	31 852	1.2	63 965	96 183
Hanover	EDDV	2012	0.0	0	Not Applicable		1.0	32 959	32 959
		2013	0.0	0	Not Applicable		1.5	42 890	42 890
Leipzig/Halle	EDDP	2012	0.0	0	Not Applicable		2.3	67 498	67 498
		2013	0.0	111	Not Applicable		2.6	76 523	76 634
Weighted average		2012	**0.9**		**2.5**		**3.1**		
		2013	**0.4**		**2.0**		**3.0**		
Grand Total		2012		**760 266**		**1 487 640**		**2 257 361**	**4 505 267**
		2013		**369 645**		**1 393 327**		**2 240 605**	**4 003 577**
			⇨	**-51%**	⇨	**-6%**	⇨	**-1%**	**-11%**

• These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.

• ⇧ represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst ⇩ depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented ⇨.

Critical Issues

- Some indicators could not be calculated by the PRU due to missing data and, consequently, could not be reported in the online SES monitoring dashboard (e.g. additional ASMA and taxi-out times at both Stuttgart and Cologne in 2012, departure runway is missing at Stuttgart in 2013). PRU is currently coordinating a Remedial Action Plan with the aforementioned airport.
- There are still some deviations between the values coming from the Network Manager data in the PRB - dashboard and the values reported by DFS. The German NSA and the PRU work in close coordination to solve this critical issue.
- The national averages for additional ASMA and taxi-out times are informative when some data is missing.

Specific Analysis

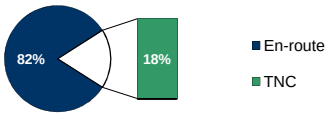
- The newly operated 4th runway at Frankfurt Airport was favourable to performance for inbound traffic. This resulted in an increase in the inbound arrival rate and capacity, with a substantial reduction of both ATFM delay (-0.8 minute per arrival in 2013 compared to 2012) and additional ASMA time (-0.5 minute per arrival in 2013 compared to 2012).
- However, performance for outbound traffic went on degrading at Frankfurt Airport, with an increase of 0.5 minute per departure in additional taxi-out time compared to 2012.
- ATFM delay significantly improved at Munich airport (-0.7 minute per arrival in 2013 compared to 2012).

GERMANY **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

1. - Contextual economic information

- Germany represents 15.1% of the SES en-route ANS determined costs in 2013.
- ATSP : DFS
- FAB : FABEC
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS actual costs

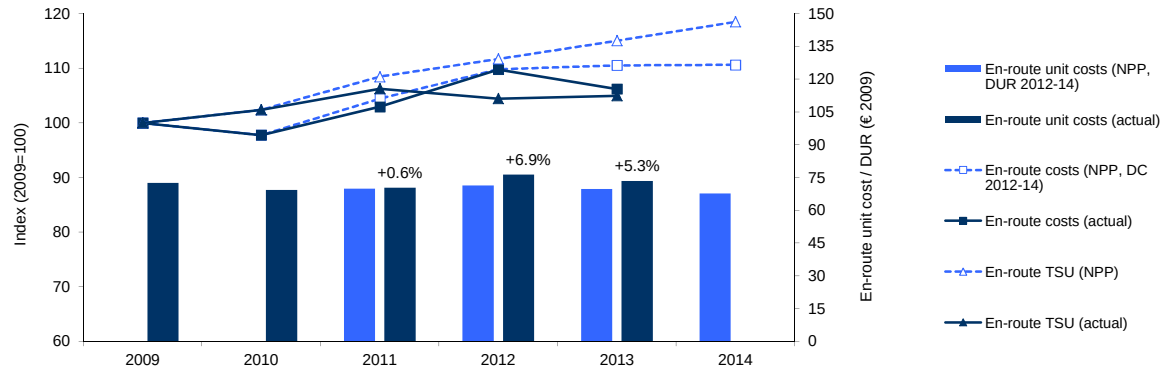


2. - En-route DUR monitoring (2013)

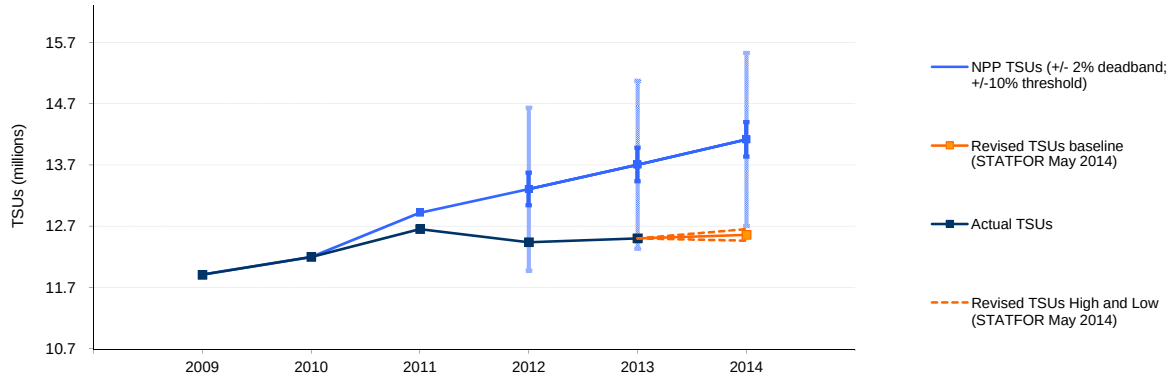
Germany - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	865 464 580	856 264 028	933 313 742	1 000 821 853	1 027 719 867	1 048 860 894
Inflation %		1.2%	2.0%	2.0%	2.0%	2.0%
Inflation index (100 in 2009)	100.0	101.2	103.2	105.3	107.4	109.5
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	865 464 580	846 110 699	904 163 511	950 552 096	956 959 866	957 495 395
Total en-route Service Units	11 912 989	12 201 835	12 922 000	13 308 820	13 708 080	14 119 320
Real en-route unit costs per Service Units - (in EUR2009)	**72.65**	**69.34**	**69.97**	**71.42**	**69.81**	**67.81**

Germany - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR) See note 2	865 464 580	856 264 281	924 293 067	1 006 287 513	988 872 685	
Inflation %		1.2%	2.5%	2.1%	1.6%	
Inflation index (100 in 2009)	100.0	101.2	103.7	105.9	107.6	
Real en-route costs - (in EUR2009)	865 464 580	846 110 949	891 056 654	950 149 542	919 002 204	
Total en-route Service Units	11 912 989	12 201 835	12 657 524	12 442 470	12 506 062	
Real en-route unit costs per Service Units - (in EUR2009)	**72.65**	**69.34**	**70.40**	**76.36**	**73.48**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
En-route costs - (in nominal EUR)	in value				5 465 660	-38 847 182	
	in %				0.5%	-3.8%	
Inflation %	in p.p.				0.1 p.p.	-0.4 p.p.	
Inflation index (100 in 2009)	in p.p.				0.6 p.p.	0.2 p.p.	
Real en-route costs - (in EUR2009)	in value				-402 553	-37 957 662	
	in %				-0.0%	-4.0%	
Total en-route Service Units	in value				-866 350	-1 202 018	
	in %				-6.5%	-8.8%	
Real en-route unit costs per Service Units - (in EUR2009)	in value				**4.94**	**3.67**	
	in %				**6.9%**	**5.3%**	



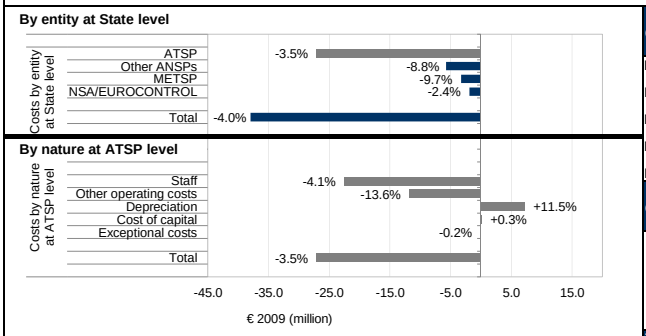
3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



See note 1

GERMANY **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-2 849
Interest rates on loans	-2 346
National taxation law	2
New cost item required by law	-
International agreements	381
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	-5 193
Other ANSP	-
METSP	-
NSA/EUROCONTROL	381
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	**-4 813**

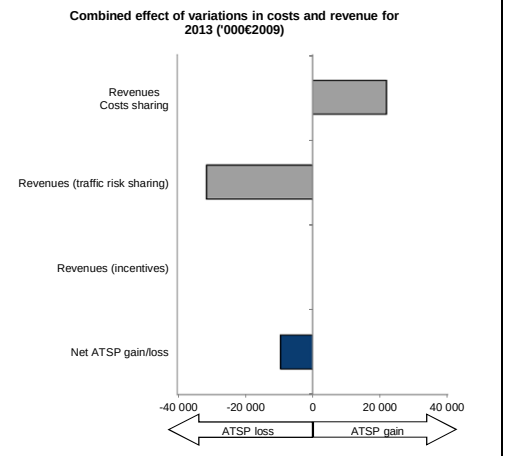
5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	780 345
Actual costs for the ATSP	753 284
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	27 061
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-5 193
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**21 867**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-8.77%
Determined costs after deduction of costs for exempted VFR flights	778 832
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-15 577
ATSP loss (traffic between -2% and -10% below NPP)	-15 815
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-31 392**

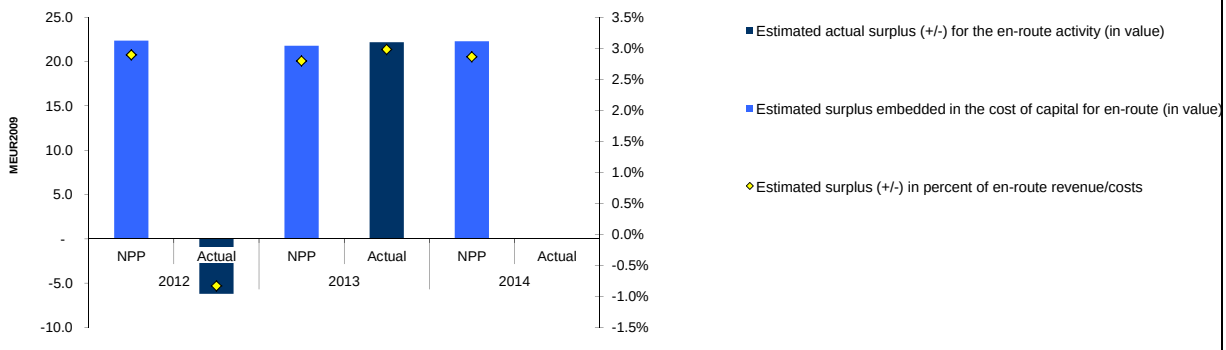
Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

Net ATSP gain(+)/loss(-) on en-route activity	**-9 524**



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	1 069 591	1 201 583	998 312	1 211 646	932 837	
Estimated proportion of financing through equity (in %)	27%	33%	28%	34%	31%	
Estimated proportion of financing through equity (in value)	288 409	391 232	281 299	409 075	287 876	
Estimated proportion of financing through debt (in %)	73%	67%	72%	66%	69%	
Estimated proportion of financing through debt (in value)	781 182	810 351	717 013	802 571	644 961	
Cost of capital pre-tax (in value)	57 406	63 210	53 624	53 774	50 712	
Average interest on debt (in %)	4.5%	4.1%	4.4%	2.8%	4.4%	
Interest on debt (in value)	35 054	32 889	31 824	22 071	28 402	
Ex-ante RoE pre-tax rate (in %)	7.8%	7.8%	7.8%	7.8%	7.8%	
Estimated surplus embedded in the cost of capital for en-route (in value)	22 352	30 320	21 801	31 703	22 310	
Net ATSP gain(+)/loss(-) on en-route activity		-36 516		-9 524		
Overall estimated surplus (+/-) for the en-route activity	**22 352**	**-6 195**	**21 801**	**22 179**	**22 310**	
Revenue/costs for the en-route activity	**773 032**	**745 068**	**780 345**	**743 760**	**779 034**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**2.9%**	**-0.8%**	**2.8%**	**3.0%**	**2.9%**	
Estimated ex-post RoE pre-taxe rate (in %)	**7.8%**	**-1.6%**	**7.8%**	**5.4%**	**7.8%**	



GERMANY **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Germany

Note 1: Total Service Units
The 2014 TSUs forecast provided by STATFOR include military SUs (i.e. some 64 000 SUs representing less than 1% of the TSUs). These military SUs were not included in the planned traffic figures provided for the year 2014 in the German NPP for RP1. For the purposes of the analysis provided in this monitoring report and in order to facilitate the comparison with the traffic data provided in the German NPP, military SUs have been excluded from STATFOR 2014 forecast.

Note 2: NSA supervision costs for 2013 slightly revised
Note that Germany has slightly revised downwards the NSA supervision costs for 2013 after the June session of the enlarged Committee (-160 217€ for en-route and -10 454€ for terminal)". The PRB 2013 monitoring analysis uses the figures disclosed in the June 2014 Reporting Tables and therefore it does not reflect the latest update mentioned above.

At State / Charging Area level

The actual 2013 traffic measured in total Service Units (TSUs) is significantly lower (-8.8%) than the traffic planned in Germany's National Performance Plan for RP1 (NPP). On the other hand, the actual real en-route costs at State level for the year 2013 are -4.0% below the determined costs published in the NPP. As a result, Germany's actual real en-route unit cost (73.48 €2009) is +5.3% higher than the Determined Unit Rate (DUR) (69.81 €2009) for 2013.

The difference in actual traffic compared to the NPP plans for 2013 exceeds the +/- 2% dead band foreseen in the traffic risk sharing mechanism. Looking forward, based on STATFOR May 2014 baseline forecast (see note 1), for Germany the number of TSUs in 2014 is expected to remain substantially lower than the forecast provided in the German NPP for 2014 (i.e. -11%). If these forecasts materialise, the alert threshold on traffic will be reached for the year 2014 and Germany will incur losses in en-route revenue in 2014. The German en-route cost-base includes costs relating to: the German ATSP (DFS), Maastricht UAC (MUAC), the METSP, the German NSA and the EUROCONTROL Agency. The actual 2013 en-route costs are -4.0% lower in real terms than planned in the NPP, or some -38.0 M€2009. In 2013, all the entities have lower cost than planned, although most of the deviation is attributable to DFS (i.e. -3.5% or -27.1 M€2009) as described in the section below and MUAC (-8.8% or -5.7 M€2009) which represents 6.4% of Germany en-route cost-base. Finally, actual costs were lower than planned for the METSP (DWD, -9.7%) and the NSA/EUROCONTROL (-2.4%). For the DWD, this positive achievement mainly reflects lower staff costs than planned in the NPP for RP1.

"Costs exempt from cost-sharing" are reported for a total of -4.8 M€2009 to be reimbursed to the users for the en-route activity. The main drivers correspond to the difference between the planned and actual values related to the pensions (-2.8 M€2009) and Interest rates on loans (-2.3 M€2009). These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Actual 2013 DFS costs vs. NPP
For DFS, actual 2013 costs are -3.5% lower in real terms (or some -27.1 M€2009) than planned in the NPP for the same year. This mainly results from significantly lower staff costs (i.e. -4.1% or -22.5 M€2009), but also from lower other operating costs (i.e. -13.6% or -11.8 M€2009). On the other hand, the actual cost of capital is in line with the figure reported in the NPP (i.e. +0.3%) while the depreciation costs are +11.5% higher (or +7.2 M€2009) than planned.

In October 2011 after the submission of the NPP, a new collective agreement has been signed between the DFS and trade unions. Germany elected to absorb these additional costs within the determined costs envelope from the NPP. In 2012, the additional costs arising from the implementation of this new collective agreement led to an increase in DFS staff costs which was not reflected in the NPP for RP1. Actual 2012 staff costs were overall +1.5% (+9.0 M€2009) higher than planned. This indicates that part of the additional costs arising from the implementation of the new collective agreement (+17.0 M€) was compensated by staff costs reduction measures.
The situation is different in 2013. Indeed, actual staff costs are substantially lower (-22.5 M€2009) than the amount reported in the NPP for 2013. Germany indicates in the additional Information enclosed to the June 2014 Reporting Tables that this significant deviation mainly reflects a reduction of full time equivalents (FTE) and therefore lower remuneration and social security expenses than planned. In addition, the actual pay increase in 2013 was 2% instead of 3% as expected in the NPP. In 2013, actual depreciation costs are +11.5% higher than planned. Germany indicates in the additional Information enclosed to the June 2014 Reporting Tables that "*the increase in depreciation costs is mainly due to the ICAS-Program with its included projects*".
The NSA Monitoring Report includes a table showing the difference between DFS 2013 planned capex (109.7M€) and the actual (130.0 M€ or +18.5% higher), including the main capex planned but postponed in 2012 (19.6M) and "other Capex" planned in the NPP for 2013 (44.5 M€). However, the total amount of the capex associated with the projects listed in the report (some 28.1 M€) only represents 21.6% of the total capex spent by DFS in 2013 (130.0 M€). The actual cost of capital, in real terms (M€2009), is in the same order of magnitude as that planned in the NPP (i.e. +0.3%). This is the combination of two contrasting factors: (a) the use of a higher asset base to compute the cost of capital (+21.4% or some +213.3 M€2009), and (b) a lower actual WACC rate (i.e. 4.4%) than planned (i.e. 5.4%). Based on information provided in the German Reporting Tables, the PRB notes that in 2013 more than the half of DFS asset base relates to "adjustment of total assets" which amounts to 655.2 M€. Germany indicates that this amount mainly comprises two elements:

- Outstanding receivables from the implementation of IFRS in 2007;
- Outstanding receivables for the difference between the obligation and plan assets of the pension scheme (plan deficit/plan surplus).

These "outstanding receivables" are then recovered by DFS through the cost of capital and the unit rate charged to airspace users.
In 2007, the implementation of IFRS led to the reporting of a negative equity in DFS balance-sheet mainly resulting from a change in the treatment of provisions for pensions and similar obligations. The PRB understands that in order to build up a positive equity, DFS was allowed to charge the costs arising from the IFRS conversion to airspace users. These costs (some €700 million) were spread over a period of 15 years and are reported in DFS en-route and terminal cost-bases as exceptional costs. It would be important to make sure that the costs relating to the transition to IFRS are not charged twice to airspace users (i.e. through the exceptional costs and through the cost of capital). This issue would deserve a clarification from Germany.
In addition, following an amendment of IAS 19 in 2013, any gains/losses arising from a change in actuarial assumptions has to be directly reflected in the financial statements of DFS. This contrasts with the methodology that was used by DFS until 2012 (i.e. corridor approach) according to which actuarial gains/losses were not fully recognised in the financial statements. As a result, previously "unrecognised" actuarial losses amounting to 739.3 M€ had to be recorded in DFS 2013 financial statements. It is understood that the previously "unrecognised" losses of the defined benefit scheme have been spread over a 15 years period and that they are reflected in the DCs planned over RP2.

DFS net gain/loss and estimated surplus on en-route activity in 2013
As shown in item 5, DFS generated a net loss of -9.5 M€2009 on the en-route activity in 2013. This is the combination of two separate elements:
-a gain of +21.9 M€2009 as a result of the cost-sharing mechanism (due to lower actual costs than planned in the NPP for 2013), and
-a loss of -31.4 M€2009 as a result of the traffic risk sharing mechanism for 2013;
On the profitability side for the en-route activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to 21.8 M€2009, corresponding to an estimated surplus of 2.8% of the en-route costs/revenues for 2013. Ex-post, the estimated surplus for the year taking into account the net loss for the en-route activity in 2013 (-9.5 M€2009) and the surplus embedded in the cost of capital (+31.7 M€2009), amounts to +22.2 M€2009 (3.0% of the en-route revenue). The resulting ex-post rate of return on equity for 2013 is 5.4% (compared to 7.8% as initially planned in the NPP).

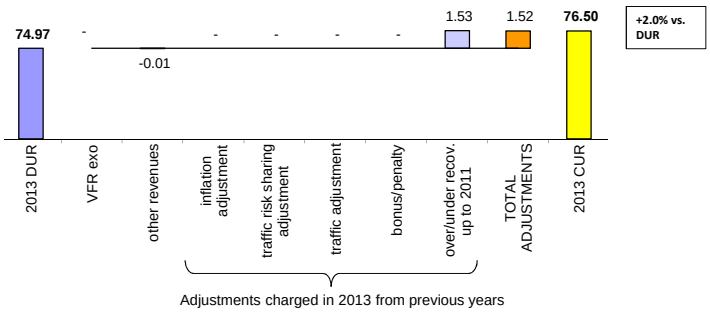
This contrasts with the loss incurred by DFS in 2012 (-6.2 M€2009 leading to an ex-post rate of return on equity of -1.6%). Note that this figure was updated since the 2012 PRB monitoring report, as a result of the revision of the costs exempt from cost sharing submitted by Germany in respect of 2012.

Conclusion: **In a context of lower actual traffic than planned in 2013 (-8.8%), DFS was able to reduce its actual costs compared to plans and to generate an overall economic surplus (+22.2 M€2009 or 3.0% of the en-route revenue). This implies an ex-post rate of return on equity of 5.4% (compared to 7.8% as initially planned in the NPP).**

GERMANY **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Germany 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

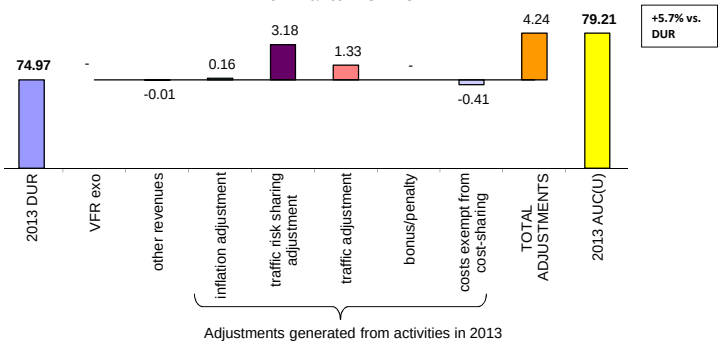
The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The unit rate charged to airspace users (CUR) in 2013 was 76.50€. This is +2% higher than the DUR expressed in nominal terms (74.97€). The difference observed between these two figures (1.52 €) mainly reflects the net amount of under-recovery carried over to 2013 in the context of the full cost-recovery regime in place before RP1.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Germany 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by the **actual total service units** in 2013.

The actual en route unit cost for airspace users in 2013 was 79.21€. This is +5.7% or +4.24€ higher than the nominal DUR (74.97€). The difference reflects the traffic risk-sharing adjustment (+3.18€), the traffic adjustment related to the costs not subject to traffic risk sharing (+1.33€), the inflation adjustment (+0.16€), and deductions related to the costs exempt from cost sharing (-0.41€) and other revenues (-0.01€).

GERMANY **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10. - Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^	0.5	0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone		16	16	16	16	16	16
of which, number of airports over 50 000 movements		11	11	11	11	11	11

Germany - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	208 967 510	222 598 151	221 953 226	231 313 525	233 663 196	241 148 746
Inflation index (100 in 2009)	100.0	101.2	103.2	105.3	107.4	109.5
Real terminal ANS costs - (in EUR2009)	**208 967 510**	**219 958 647**	**215 020 950**	**219 694 999**	**217 575 147**	**220 142 456**

Germany - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)	208 967 510	222 128 938	225 935 662	236 279 260	218 172 400	
Inflation index (100 in 2009)	100.0	101.2	103.7	105.9	107.6	
Real terminal ANS costs - (in EUR2009)	**208 967 510**	**219 494 998**	**217 811 301**	**223 097 900**	**202 757 058**	
Total terminal service units	1 122 291	1 272 339	1 327 797	1 310 562	1 287 989	
Actual real unit costs - (in EUR2009)	186.2	172.5	164.0	170.2	157.4	
Unit rate applied - (in EUR)				**171.29**	**181.99**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value				4 965 735	-15 490 796	
	in%				2.1%	-6.6%	
Inflation index (100 in 2009)	in p.p.				0.6 p.p.	0.2 p.p.	
Real terminal ANS costs - (in EUR2009)	in value				**3 402 901**	**-14 818 089**	
	in%				**1.5%**	**-6.8%**	

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

In 2013, the German Terminal Charging Zone comprises 16 airports, of which 11 above 50 000 movements per year. No changes are foreseen over the year 2014. The harmonised SES formula (MTOW/50)^0.7 already applies in the German Terminal Charging Zone.

Actual terminal ANS costs are -6.8% lower in real terms (or some -14.8 M€2009) than planned in the German NPP. This mainly reflects significantly lower DFS staff costs (10.3M€2013) and operating cost (8.0M€2013) than planned.

12. - Monitoring of gate-to-gate costs (2013)

Germany - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	865 464 580	846 110 699	904 163 511	950 552 096	956 959 866	957 495 395
Real terminal ANS costs - (in EUR2009)	208 967 510	219 958 647	215 020 950	219 694 999	217 575 147	220 142 456
Real gate-to-gate ANS costs - (in EUR2009)	**1 074 432 090**	**1 066 069 347**	**1 119 184 461**	**1 170 247 095**	**1 174 535 013**	**1 177 637 851**
Share of en-route costs in gate-to-gate ANS costs	**80.6%**	**79.4%**	**80.8%**	**81.2%**	**81.5%**	**81.3%**

Germany - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	865 464 580	846 110 949	891 056 654	950 149 542	919 002 204	
Real terminal ANS costs - (in EUR2009)	208 967 510	219 494 998	217 811 301	223 097 900	202 757 058	
Real gate-to-gate ANS costs - (in EUR2009)	**1 074 432 090**	**1 065 605 948**	**1 108 867 954**	**1 173 247 442**	**1 121 759 262**	
Share of en-route costs in gate-to-gate ANS costs	**80.6%**	**79.4%**	**80.4%**	**81.0%**	**81.9%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Real en-route costs - (in EUR2009)	in value				-402 553	-37 957 662	
	in %				0.0%	-4.0%	
Real terminal ANS costs - (in EUR2009)	in value				3 402 901	-14 818 089	
	in %				1.5%	-6.8%	
Real gate-to-gate ANS costs - (in EUR2009)	in value				**3 000 347**	**-52 775 751**	
	in %				**0.3%**	**-4.5%**	
Share of en-route costs in gate-to-gate ANS costs	in %				**-0.2%**	**0.4%**	

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

Actual 2013 gate-to-gate real costs are -4.5% or some -52.8 M€2009 lower than planned as a result of lower en-route and terminal ANS costs.

The allocation of gate-to-gate costs between en-route and terminal ANS appears quite stable overall the RP1 and did not change significantly with respect to the plans made in the NPP.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

The Netherlands

Fact validated edition

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NETHERLANDS **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	41	65		The Netherlands has significantly improved its scores. Overall, the answers are reliable and correspond to the outcome of the audit with the exception of some elements of 'state safety policy and objectives' that are overrated. (TV)
ANSP [LVNL]	76	82		
ANSP [MUAC]	86	86		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	34	18%	89	4%			
	ATM Overall		0%		0%			
Runway Incursions (RIs)	ATM Ground	75	0%	51	0%			
	ATM Overall		0%		0%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	2005	0%	2259	0%			

Above RAT methodology application values (ATM Ground) are different from the ones in State Report. The AST results are correct. Confirmed by the Netherlands after request for clarification.

Just culture						
Number of questions answered with Yes or No	State					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	6	4	7	3		
Legal/Judiciary	7	1	7	1		
Occurrence reporting and Investigation	1	1	2	0		
TOTAL	**14**	**6**	**16**	**4**		

Number of questions answered with Yes or No	ANSP [LVNL]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	10	3	10	3		
Legal/Judiciary	3	0	3	0		
Occurrence reporting and Investigation	6	2	6	2		
TOTAL	**19**	**5**	**19**	**5**		

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

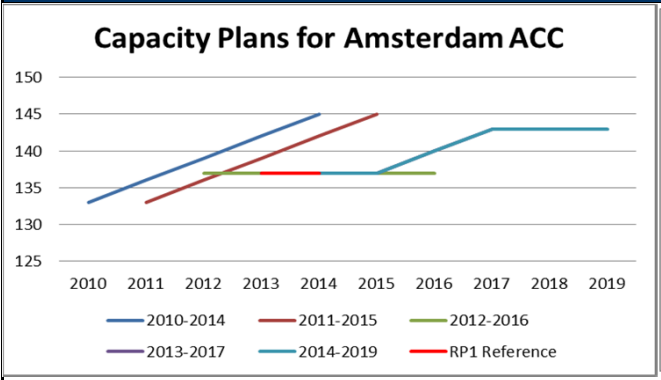
NETHERLANDS **Monitoring of CAPACITY indicators for 2013**

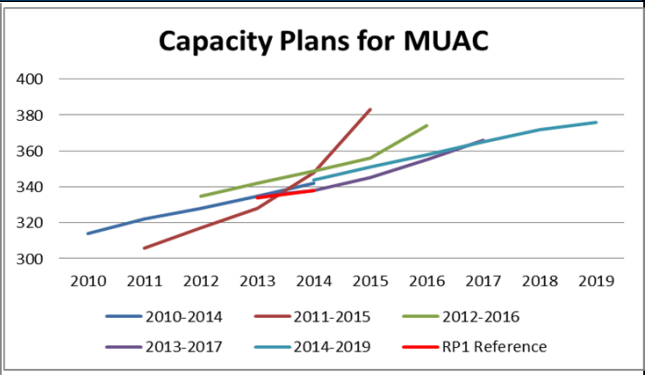
Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.12	0.14	0.18	
National Target				
Actual performance	0.17	0.11		

National capacity assessment

LVNL has performed well on its national environment and capacity targets. It even over performed. [No assessment made of MUAC performance]

ANSP capacity plan (Opt.)





PRB Capacity assessment

A significant improvement in capacity performance has resulted in the Netherlands surpassing the effort required to be consistent with the EU-wide target for capacity in 2013. The PRB notes that although the capacity plans for 2014 appear sufficient to be consistent with the EU-wide target for 2014, they show no discernible improvement for FABEC, despite the outstanding EU recommendation as quoted below.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 89%

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

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 11%

Previous recommendations (Opt.)

Extract from notification letter from EC July 2012:
FABEC's capacity target for the first reference period 2012-2014 is assessed on the clear expectation that:

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

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

Recommendations

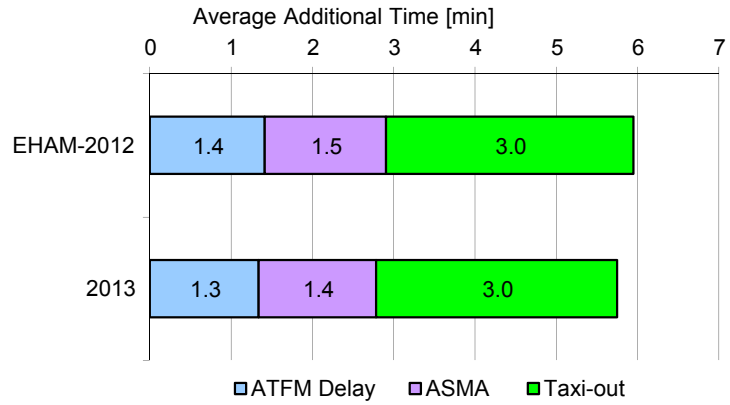
The PRB requests the Netherlands to provide information on how the capacity planning of the ANSPs, combined with the other FABEC ANSPs, is consistent with the existing recommendation of the European Commission that FABEC member states require their ANSPs to develop and implement capacity plans that meet the FABEC reference value of 0.4 minutes per flight.

NETHERLANDS **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Amsterdam	EHAM	2012	1.4	306 466	1.5	317 130	3.0	651 006	1 274 602
		2013	1.3	292 065	1.4	307 194	3.0	617 934	1 217 192
Weighted average		**2012**	**1.4**		**1.5**		**3.0**		
		2013	**1.3**		**1.4**		**3.0**		
Grand Total		**2012**		**306 466**		**317 130**		**651 006**	**1 274 602**
		2013		**292 065**		**307 194**		**617 934**	**1 217 192**
			⇨	**-5%**	⇨	**-3%**	⇨	**-5%**	**-5%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- *⇧ represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst ⇩ depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by ⇨*

Critical Issues

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

Specific Analysis

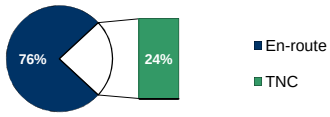
- No specific operational concern regarding RP1 performance monitoring.

NETHERLANDS **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

1. - Contextual economic information

- Netherlands represents 2.5% of the SES en-route ANS determined costs in 2013.
- ATSP : LVNL
- FAB : FABEC
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS actual costs

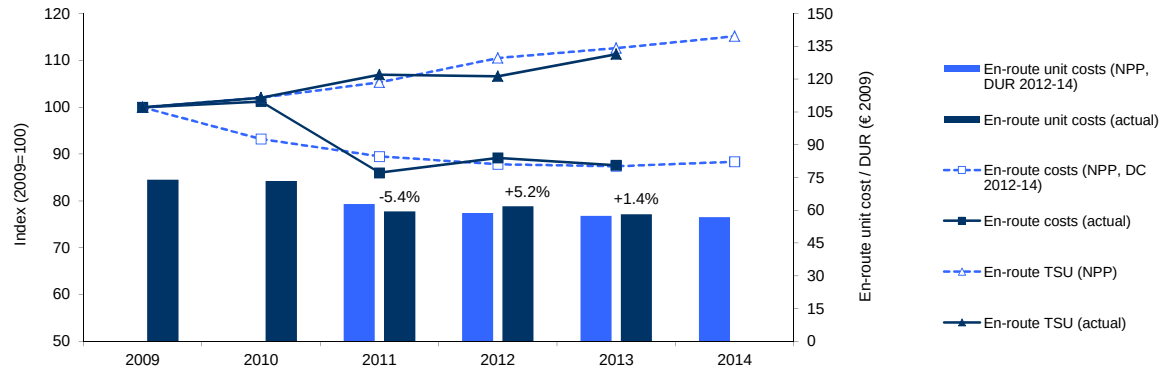


2. - En-route DUR monitoring (2013)

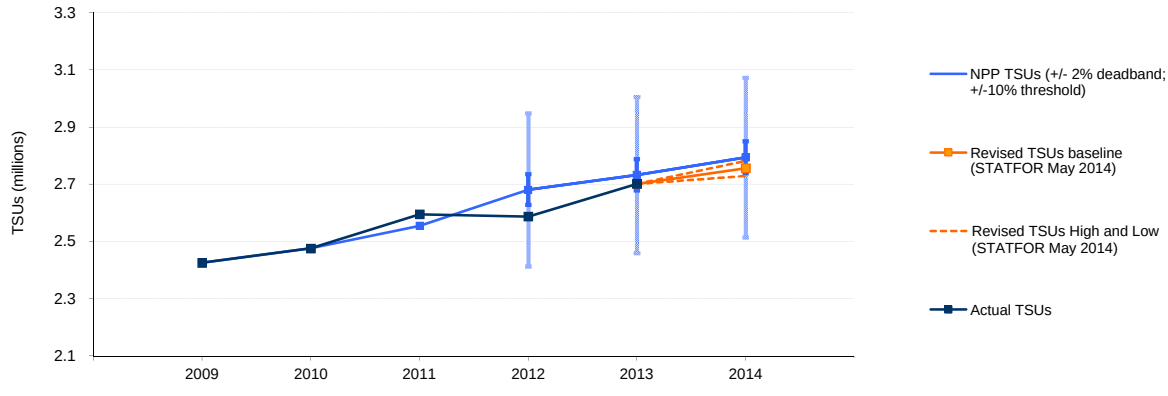
Netherlands - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	179 626 000	169 174 000	165 663 000	165 826 000	168 337 000	173 633 000
Inflation %		1.0%	2.0%	2.0%	2.0%	2.0%
Inflation index (100 in 2009)	100.0	101.0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

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

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

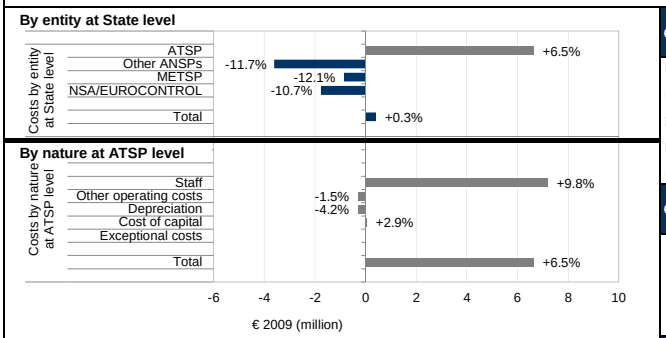


3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



NETHERLANDS **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	1 639
Interest rates on loans	-37
National taxation law	-
New cost item required by law	211
International agreements	-
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	1 813
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-
Total costs exempted from cost sharing	**1 813**
to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	

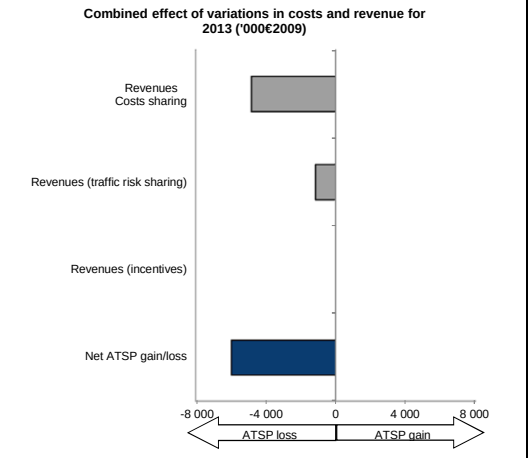
5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	102 694
Actual costs for the ATSP	109 322
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	-6 627
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	1 813
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**-4 814**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-1.14%
Determined costs after deduction of costs for exempted VFR flights	100 409
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-1 149
ATSP loss (traffic between -2% and -10% below NPP)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-1 149**

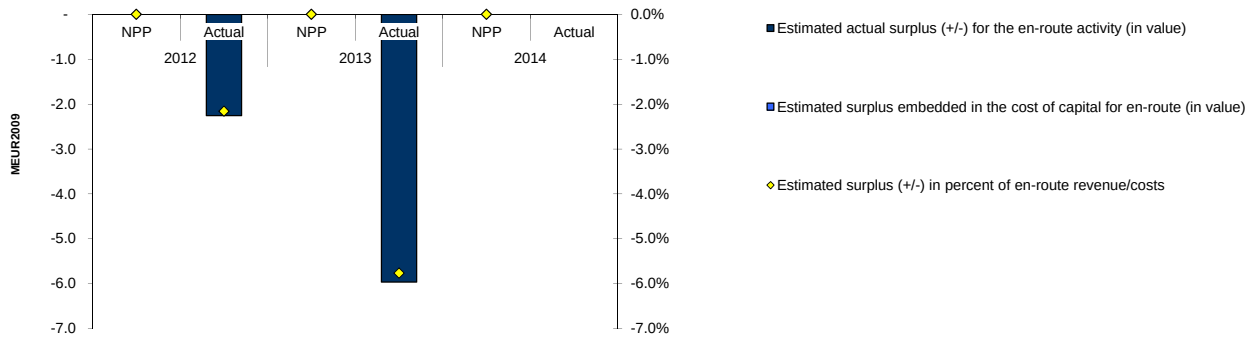
Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

Net ATSP gain(+)/loss(-) on en-route activity	**-5 962**



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	69 946	68 124	83 239	67 980	104 616	
Estimated proportion of financing through equity (in %)	-	-	-	-	-	
Estimated proportion of financing through equity (in value)	-	-	-	-	-	
Estimated proportion of financing through debt (in %)	100%	100%	100%	100%	100%	
Estimated proportion of financing through debt (in value)	69 946	68 124	83 239	67 980	104 616	
Cost of capital pre-tax (in value)	2 392	2 844	1 771	1 822	1 646	
Average interest on debt (in %)	3.4%	4.2%	2.1%	2.7%	1.6%	
Interest on debt (in value)	2 392	2 844	1 771	1 822	1 646	
Ex-ante RoE pre-tax rate (in %)	-	-	-	-	-	
Estimated surplus embedded in the cost of capital for en-route (in value)	-	-	-	-	-	
Net ATSP gain(+)/loss(-) on en-route activity		-2 255		-5 962		
Overall estimated surplus (+/-) for the en-route activity	**-**	**-2 255**	**-**	**-5 962**	**-**	
Revenue/costs for the en-route activity	**103 450**	**104 534**	**102 694**	**103 359**	**103 910**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**0.0%**	**-2.2%**	**0.0%**	**-5.8%**	**0.0%**	
Estimated ex-post RoE pre-taxe rate (in %)	**N/appl.**	**N/appl.**	**N/appl.**	**N/appl.**	**N/appl.**	



NETHERLANDS **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Netherlands

We note that since the 2012 PRB Monitoring Report the Netherlands has updated the costs exempted from cost sharing by removing the part related to the national taxation law (i.e. +0.1 M€2009). This change has a slight effect on the 2012 surplus calculation.

At State / Charging Area level

In 2013, the Netherlands' real en-route unit cost (58.29 €2009) is +1.4% higher than planned in the NPP (57.47 €2009). This difference is due to the fact that 2013 real en-route actual costs are +0.3% higher than the determined costs, while the actual number of total service units (TSUs) is -1.1% lower than planned.

The difference between the actual and planned total en-route service units (-1.1%) is within the ±2% dead band. It should be noted that MUAC costs, which are part of the Dutch en-route cost-base, are not subject to traffic risk sharing in RP1. Looking forward, based on STATFOR May 2014 baseline forecast, the number of TSUs in 2014 is expected to stay within the ±2% dead band of the planned traffic for 2014 (-1.3%).

Actual 2013 costs vs. NPP

For the Netherlands, real 2013 en-route costs are slightly higher (+0.3%) than planned as a combination of +2.1% higher nominal en-route costs and +2.0 points higher inflation index. Among all the different entities, only LVNL shows higher actual costs than planned (+6.5% in real terms). For MUAC (-11.7%), the MET provider (KNMI, -12.1%) and for the NSA/EUROCONTROL (-10.7%) actual en-route costs are substantially lower than planned for the year 2013 in the National Performance Plan (NPP) for RP1. For KNMI and MUAC, these deviations mainly reflect costs containment measures that were implemented in the first years of RP1. MUAC lower actual costs also reflect lower depreciation costs (-31.2% in real terms or -0.8 M€2009) following the postponement of capex projects to future years.

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

In 2013, costs exempt from cost sharing are reported for a total of +1.8 M€2009 to be passed on to users for the en-route activity. These costs are associated to pensions (+1.6 M€2009), to changes in social premiums laws and the introduction of an additional crisis income tax on annual salaries above 150 000 € (+0.2 M€2009) and to a change in the interest rate of loans (-0.04 M€2009). These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Actual 2013 LVNL costs vs. NPP

In 2013, the higher costs than planned observed for LVNL (+6.5% or some +6.6 M€2009) are mostly attributable to higher staff costs (+9.8% or some +7.2 M€2009). According to the additional information enclosed to the June 2014 en-route data submission, part of this deviation is associated to costs exempt from risk sharing, such as "*increases in pension premiums and various kinds of taxes*" (a total of 1.8 M€2009).

Actual depreciation costs are -4.2% lower than the figure provided in the NPP for RP1. This deviation is mainly associated with the postponement of capex projects to future years. For instance, the actual capex associated with the replacement of the AAA system (12.0 M€) is -67% lower than planned in the NPP (36.2 M€).
The actual cost of capital is +2.9% higher than planned, mainly reflecting the use of a higher interest rate than that reported in the NPP for RP1 (2.7% compared to 2.1% as initially planned).

LVNL net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, the en-route activity for the year 2013 generated a net loss of -6.0 M€2009 for LVNL overall. This is the combination of two separate elements:
- a loss of -4.8 M€2009 for LVNL as a result of the cost-sharing mechanism (mostly due to higher staff costs);
- a loss of -1.1 M€2009 as a result of the traffic risk sharing mechanism for 2013.

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

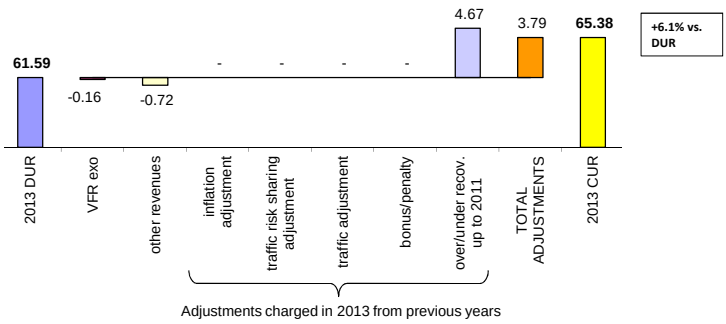
Taking into account the amount of costs exempt from the cost sharing and the traffic risk sharing arrangements, LVNL generated a net loss of -6.0 M€2009 in 2013, which resulted in an actual negative surplus of -5.8% of the en-route revenue for 2013. If the costs exempt from cost sharing reported for LVNL are not found eligible after review by the EC then the actual negative surplus will be even higher (i.e. -7.5% or some -7.8 M€2009). This adds to the net loss incurred in 2012 (-2.3 M€2009 or -2.2% of en-route revenues in 2012).

Conclusion: In a context of lower actual traffic than planned in 2013 (-1.1%), LVNL was not able to reduce its actual costs compared to the plans and generated a net loss of -6.0 M€2009 on the en-route activity. This is the second consecutive year in which LVNL has incurred a loss (following the -2.3 M€2009 loss in 2012). Looking forward, given the latest traffic outlook for 2014, it would be important to closely monitor the evolution of the situation and to understand the impact of these losses of revenue on LVNL's financial strength.

NETHERLANDS **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Netherlands 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

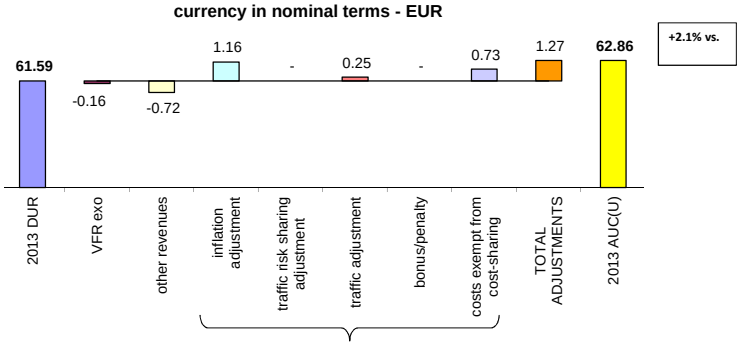
The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The unit rate charged to users in 2013 was 65.38€. This is 6.2% higher than the nominal DUR (61.59€). The difference observed between these two figures (+3.79€) reflects mainly the amount of under-recoveries carried over to 2013 in the context of the full cost-recovery regime in place before RP1 (+4.67€) and partly the effect of a deduction of the costs for services to exempted VFR (-0.16€) and of other revenues (-0.72€).

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Netherlands 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the “true cost for users”), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

The unit cost that the users incur (also sometimes referred to as the “true cost for users”) in respect of the activities performed in 2013 was 62.86€. This is higher than the nominal DUR (61.59€). The difference observed between these two figures (+1.27€) reflects deductions associated with the costs for services to exempted VFR (-0.16€) and other revenues (-0.72€) and additions related to the inflation adjustment (+1.16€), to the traffic adjustment (+0.25€) and to the costs exempt from cost-sharing (+0.73€).

NETHERLANDS **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10.- Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^	0.7	0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone		4	4	4	4	4	4
of which, number of airports over 50 000 movements		1	1	1	1	1	1

Netherlands - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	62 603 512	55 908 000	53 780 000	56 195 000	56 532 000	58 165 000
Inflation index (100 in 2009)	100.0	101.0	103.0	105.1	107.2	109.3
Real terminal ANS costs - (in EUR2009)	**62 603 512**	**55 354 455**	**52 203 456**	**53 478 099**	**52 743 927**	**53 203 435**

Netherlands - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)	62 603 512	55 908 000	55 545 000	51 422 996	53 727 775	
Inflation index (100 in 2009)	100.0	101.0	103.5	106.4	109.2	
Real terminal ANS costs - (in EUR2009)	**62 603 512**	**55 354 455**	**53 653 707**	**48 319 121**	**49 205 442**	
Total terminal service units	311 000	315 000	339 680	339 000	345 000	
Actual real unit costs - (in EUR2009)	201.3	175.7	158.0	142.5	142.6	
Unit rate applied - (in EUR)				**163.12**	**162.50**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value				-4 772 004	-2 804 225	
	in%				-8.5%	-5.0%	
Inflation index (100 in 2009)	in p.p.				1.3 p.p.	2.0 p.p.	
Real terminal ANS costs - (in EUR2009)	in value				**-5 158 978**	**-3 538 485**	
	in%				**-9.6%**	**-6.7%**	

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

The terminal charging zone in the Netherlands comprises 4 airports of which one is above the 50 000 commercial air transport movements threshold (i.e. Schiphol-EHAM). The harmonised SES formula (MTOW/50)^0.7 applies in the TCZ.

The 2013 actual terminal ANS costs (49.2 M€2009) are -6.7% lower than the forecast provided in the NPP in real terms as a result of lower nominal terminal ANS costs (-5.0%) and higher inflation index (+2.0 points) than planned. This is in contrast with the +0.3% higher than planned costs observed in en-route.

Terminal Unit rate

The applied terminal ANS unit rate in 2013 in the terminal charging zone was 162.5€. We note from the NSA Monitoring Report that the LVNL part of the Netherlands' terminal unit rate has been frozen in RP1 at the 2012 level.

12.- Monitoring of gate-to-gate costs (2013)

Netherlands - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	179 626 000	167 499 010	160 806 639	157 808 687	157 057 143	158 821 835
Real terminal ANS costs - (in EUR2009)	62 603 512	55 354 455	52 203 456	53 478 099	52 743 927	53 203 435
Real gate-to-gate ANS costs - (in EUR2009)	**242 229 512**	**222 853 465**	**213 010 095**	**211 286 786**	**209 801 070**	**212 025 269**
Share of en-route costs in gate-to-gate ANS costs	**74.2%**	**75.2%**	**75.5%**	**74.7%**	**74.9%**	**74.9%**

Netherlands - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	179 626 000	181 860 801	154 536 238	160 221 735	157 470 657	
Real terminal ANS costs - (in EUR2009)	62 603 512	55 354 455	53 653 707	48 319 121	49 205 442	
Real gate-to-gate ANS costs - (in EUR2009)	**242 229 512**	**237 215 256**	**208 189 945**	**208 540 856**	**206 676 099**	
Share of en-route costs in gate-to-gate ANS costs	**74.2%**	**76.7%**	**74.2%**	**76.8%**	**76.2%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Real en-route costs - (in EUR2009)	in value				2 413 048	413 513	
	in %				1.5%	0.3%	
Real terminal ANS costs - (in EUR2009)	in value				-5 158 978	-3 538 485	
	in %				-9.6%	-6.7%	
Real gate-to-gate ANS costs - (in EUR2009)	in value				**-2 745 930**	**-3 124 971**	
	in %				**-1.3%**	**-1.5%**	
Share of en-route costs in gate-to-gate ANS costs	in %				**2.1%**	**1.3%**	

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

In 2013, The Netherlands' actual gate-to-gate ANS costs (206.7 M€2009) are lower than planned in the NPP (209.8 M€2009) by -1.5% in real terms. The relative share of en-route costs in gate-to-gate ANS costs is slightly higher (76.2%) than the proportion planned in the NPP for 2013 (74.9%) due to the different cost trends in en-route and terminal. Since 2009, this share has been relatively stable between 74% and 77%.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Switzerland

Fact validated edition

Edition date: 14/11/2014

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SWITZERLAND **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	60	69		In Switzerland, all self-scores are C or higher, with two exceptions. The answers have been found to correspond to the audit and the reported improvements are sufficiently sustained. (TV)
ANSP [Skyguide]	82	86		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	90	3%	128	56%			
	ATM Overall		3%		56%			
Runway Incursions (RIs)	ATM Ground	50	0%	14	29%			
	ATM Overall		0%		29%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	36	0%	30	20%			

Above RAT methodology application values are different from the ones in State Report. Corrigendum sent by Switzerland after request for clarification.

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	7	3	7	3		
Legal/Judiciary	5	3	5	3		
Occurrence reporting and Investigation	2	0	2	0		
TOTAL	**14**	**6**	**14**	**6**		

Number of questions answered with Yes or No	ANSP [Skyguide]					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	12	1	12	1		
Legal/Judiciary	2	1	2	1		
Occurrence reporting and Investigation	7	1	7	1		
TOTAL	**21**	**3**	**21**	**3**		

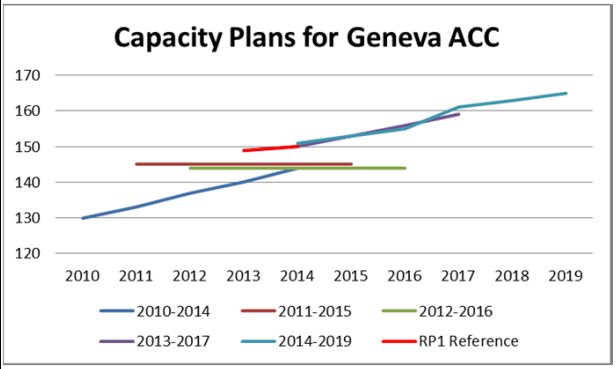
SWITZERLAND **Monitoring of CAPACITY indicators for 2013**

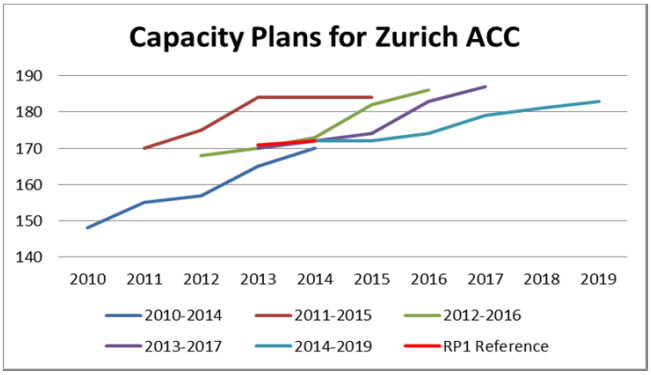
Minutes of ATFM en-route delay

	2012	2013	2014	Observations
Reference value	0.22	0.18	0.14	
National Target				
Actual performance	0.15	0.14		

National capacity assessment

ANSP capacity plan (Opt.)





Military dimension of the plan (Opt.)

Although specifically requested in IR 691/2010 Annex II Template for Performance Plans, paragraph 4: neither the performance plan for Switzerland, nor Annex D of the FABEC performance contained any specific details of how FUA would be applied in Switzerland to increase capacity.

PRB Capacity assessment

Switzerland did not set a national target for capacity in RP1. Despite this, the provided level of capacity for both 2012 and 2013 surpassed the minimum requirement to be consistent with the EU-wide value for those years. The PRB is confident that Switzerland can similarly deliver a sufficient level of performance to be consistent with the EU-wide target for 2014.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 74%

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

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 26%

Previous recommendations (Opt.)

Extract from notification letter from EC July 2012:
FABEC's capacity target for the first reference period 2012-2014 is assessed on the clear expectation that:

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

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

NSA report on follow-up to recommendations (Opt.)
No comments in national report on follow up to existing recommendations.
Recommendations
The PRB requests Switzerland to provide information on how the capacity planning of the ANSP, combined with the other FABEC ANSPs, is consistent with the existing recommendation of the European Commission that FABEC Member States require their ANSPs to develop and implement capacity plans that meet the FABEC reference value of 0.4 minutes per flight.

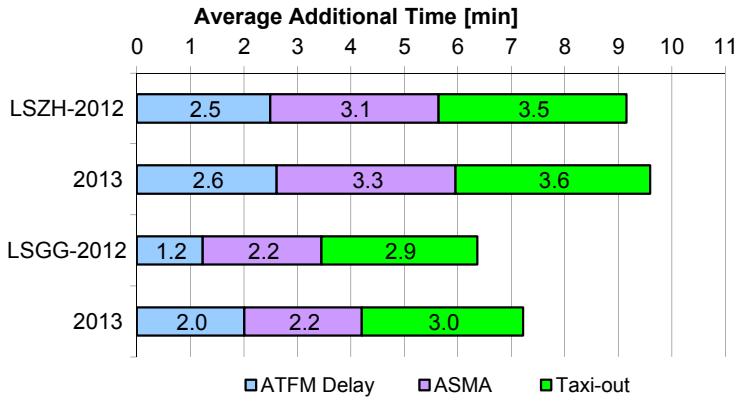
SWITZERLAND

Monitoring of CAPACITY indicators for 2013

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Zurich	LSZH	2012	2.5	325 850	3.1	384 848	3.5	443 106	1 153 804
		2013	2.6	333 518	3.3	395 373	3.6	447 226	1 176 118
Geneva	LSGG	2012	1.2	111 341	2.2	192128.2	2.9	249 320	552 789
		2013	2.0	178 695	2.2	186313.4	3.0	257 556	622 565
Weighted average		2012	**2.0**		**2.8**		**3.3**		
		2013	**2.4**		**2.9**		**3.4**		
Grand Total		2012		**437 191**		**576 976**		**692 426**	**1 706 593**
		2013		**512 213**		**581 687**		**704 783**	**1 798 682**
			⇨	**17%**	⇨	**1%**	⇨	**2%**	**5%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- *⇧ represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst ⇩ depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by ⇨ .*

Critical Issues

- Mandatory data items partially missing (STATUS C.R.) at both Zurich and Geneva Airports.

Specific Analysis

- Zurich remains close to two and half minutes ATFM delay per arrival , what is the highest record in Europe with London Heathrow. Zurich also accumulated additional ASMA time (3.3 minutes per arrival) greater than the European average.
- Geneva recorded a significantly great ATFM delay in 2013 (+0,8 minutes/arrival in 2013 compared to 2012). To be noted that weather remains the predominant factor affecting Airport Arrival ATFM Delay in general.

SWITZERLAND **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

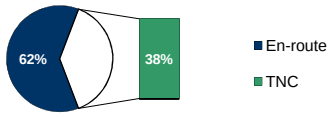
1. - Contextual economic information

- Switzerland represents 1.7% of the SES en-route ANS determined costs in 2013.
- ATSP : Skyguide
- FAB : FABEC
- National currency: CHF
- Exchange rate 2009: 1 EUR= 1.50898

Note on the actual exchange rate 2013

In 2013, the CHF depreciated by 2.1% compared to 2012.

Share of en-route and terminal in gate-to-gate ANS actual costs

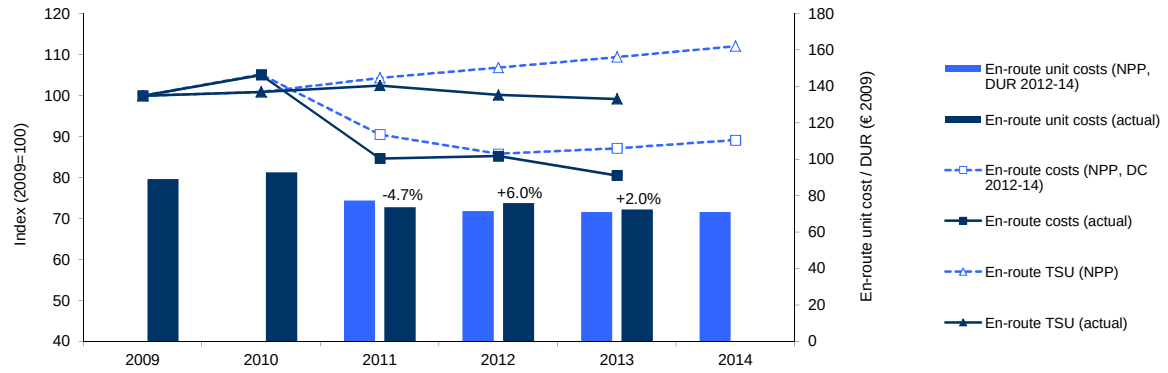


2. - En-route DUR monitoring (2013)

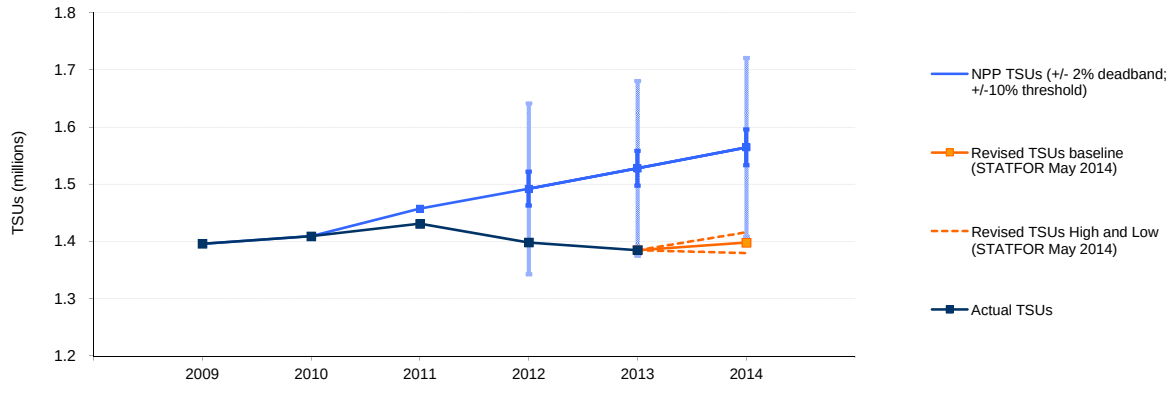
Switzerland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal CHF)	188 135 299	198 786 732	172 099 050	164 351 664	168 083 853	173 182 957
Inflation %		0.4%	0.7%	0.7%	0.7%	0.7%
Inflation index (100 in 2009)	100.0	100.4	101.1	101.8	102.5	103.3
Real en-route costs (determined costs 2012-2014) - (in CHF2009)	188 135 299	197 981 307	170 244 052	161 412 115	163 926 965	167 717 106
Total en-route Service Units	1 396 243	1 409 356	1 457 433	1 492 274	1 527 979	1 564 541
Real en-route unit costs per Service Units - (in CHF2009)	**134.74**	**140.48**	**116.81**	**108.17**	**107.28**	**107.20**
Real en-route unit costs per Service Units - (in EUR2009)	**89.29**	**93.09**	**77.41**	**71.68**	**71.10**	**71.04**

Switzerland - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal CHF)	188 135 299	198 787 950	160 444 633	160 372 890	151 670 618	
Inflation %		0.6%	0.1%	-0.7%	0.1%	
Inflation index (100 in 2009)	100.0	100.6	100.7	100.0	100.1	
Real en-route costs - (in CHF2009)	188 135 299	197 602 336	159 328 378	160 379 793	151 525 621	
Total en-route Service Units	1 396 243	1 409 356	1 431 092	1 398 574	1 384 957	
Real en-route unit costs per Service Units - (in CHF2009)	**134.74**	**140.21**	**111.33**	**114.67**	**109.41**	
Real en-route unit costs per Service Units - (in EUR2009)	**89.29**	**92.92**	**73.78**	**75.99**	**72.50**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
En-route costs - (in nominal CHF)	in value				-3 978 774	-16 413 235	
	in %				-2.4%	-9.8%	
Inflation %	in p.p.				-1.4 p.p.	-0.6 p.p.	
Inflation index (100 in 2009)	in p.p.				-1.8 p.p.	-2.4 p.p.	
Real en-route costs - (in CHF2009)	in value				-1 032 322	-12 401 344	
	in %				-0.6%	-7.6%	
Total en-route Service Units	in value				-93 700	-143 022	
	in %				-6.3%	-9.4%	
Real en-route unit costs per Service Units - (in CHF2009)	in value				**6.51**	**2.12**	
	in %				**6.0%**	**2.0%**	
Real en-route unit costs per Service Units - (in EUR2009)	in value				**4.31**	**1.41**	
	in %				**6.0%**	**2.0%**	



3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)

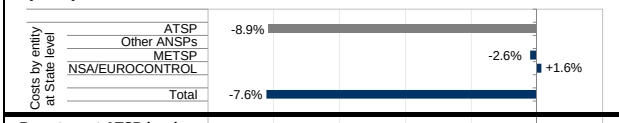


SWITZERLAND

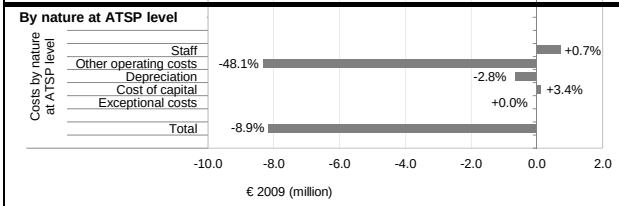
Monitoring of en-route and terminal cost-efficiency for 2013

4. - En-route costs monitoring (2013 actuals compared to NPP)

By entity at State level



By nature at ATSP level



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans	-648
National taxation law	-
New cost item required by law	-202
International agreements	1 619
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	1 155
Other ANSP	-
METSP	-202
NSA/EUROCONTROL	-184
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	**770**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

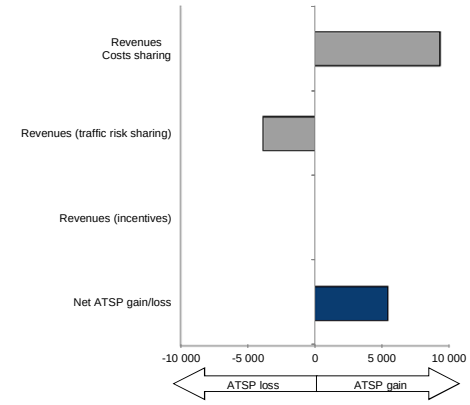
Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	91 720
Actual costs for the ATSP	83 561
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	8 160
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	1 155
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**9 315**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-9.36%
Determined costs after deduction of costs for exempted VFR flights	91 956
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-1 839
ATSP loss (traffic between -2% and -10% below NPP)	-2 030
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-3 870**

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

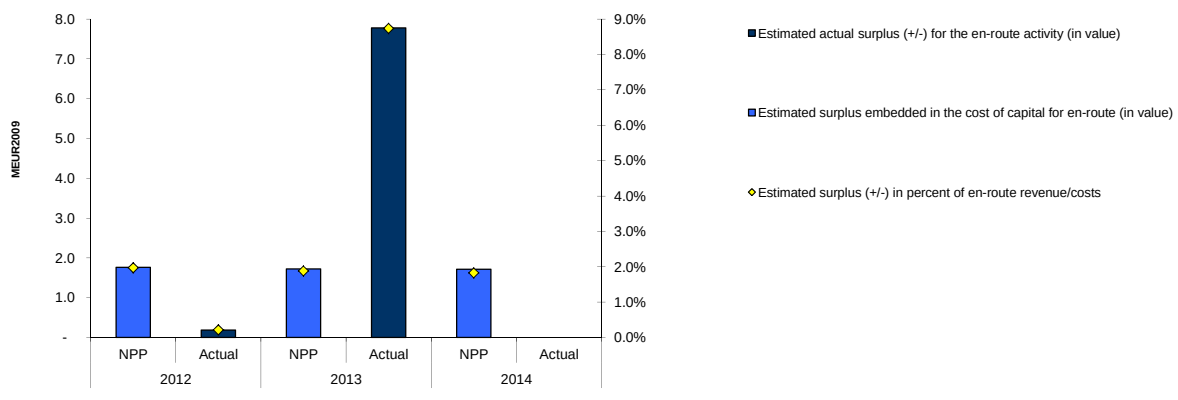
Net ATSP gain(+)/loss(-) on en-route activity	5 445

Combined effect of variations in costs and revenue for 2013 ('000€2009)



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	149 628	152 317	145 779	171 705	141 839	
Estimated proportion of financing through equity (in %)	54%	62%	54%	62%	55%	
Estimated proportion of financing through equity (in value)	80 799	94 437	78 720	106 457	78 011	
Estimated proportion of financing through debt (in %)	46%	38%	46%	38%	45%	
Estimated proportion of financing through debt (in value)	68 829	57 880	67 058	65 248	63 827	
Cost of capital pre-tax (in value)	3 741	3 342	3 644	3 768	3 546	
Average interest on debt (in %)	3.0%	2.2%	3.0%	2.2%	3.0%	
Interest on debt (in value)	2 065	1 291	2 012	1 456	1 915	
Ex-ante RoE pre-tax rate (in %)	2.2%	2.2%	2.2%	2.2%	2.2%	
Estimated surplus embedded in the cost of capital for en-route (in value)	1 765	2 063	1 724	2 331	1 712	
Net ATSP gain(+)/loss(-) on en-route activity		-1 881		5 445		
Overall estimated surplus (+/-) for the en-route activity	**1 765**	**182**	**1 724**	**7 777**	**1 712**	
Revenue/costs for the en-route activity	**89 894**	**86 998**	**91 720**	**89 006**	**94 139**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**2.0%**	**0.2%**	**1.9%**	**8.7%**	**1.8%**	
Estimated ex-post RoE pre-taxe rate (in %)	**2.2%**	**0.2%**	**2.2%**	**7.3%**	**2.2%**	



SWITZERLAND **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Switzerland

Note 1: Planned and actual inflation index

According to Switzerland Performance Plan for RP1, different inflation assumptions (and inflation indexes) were used by different entities participating in the overall Switzerland en-route cost base, resulting in the calculation of a weighted forecast inflation rate for Switzerland. Therefore, this weighted forecast inflation index is used for the en-route DUR monitoring, while the ATSP forecast inflation index is used in the analysis of the Skyguide economic surplus/loss with respect of the en-route activity in 2013.

In addition, following the European Commission advice that the same actual inflation index (based on the actual inflation recorded by the Commission in the Eurostat HICP for 2011 onwards) should be applied to all actual costs for all entities, Switzerland also updated the actual inflation for 2010, which now slightly differs from the actual inflation for 2010 reported in the NPP.

Note 2: Cost of capital considered for the ATSP entity (Skyguide) over RP1

The weighted cost of capital (WACC) rate used to calculate the ATSP (Skyguide) determined costs of capital for RP1 has been capped at 2.5%. After the publication of the PRB 2012 Monitoring Report, Switzerland provided further clarification on the calculation of this WACC and on the estimated proportion of financing through equity. These clarifications implied some changes in the calculation of the estimated surplus embedded in the cost of capital compared to the figures published in the PRB 2012 Monitoring Report.

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

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

At State / Charging Area level

In 2013, Switzerland actual real en-route unit cost (72.50 €2009) is +2.0% higher than the DUR planned in the Switzerland National Performance Plan (NPP) for RP1 (71.10 €2009). This difference is due to the fact that the actual number of total service units (TSUs) is -9.4% lower than planned, while the 2013 actual en-route costs are -7.6% lower than the determined costs (some -12.4 MCHF).

The difference between the 2013 actual and planned traffic falls outside the ±2% dead band foreseen in the traffic risk sharing mechanism. Therefore, the related loss of revenues is shared between airspace users and the ATSP, which records a loss of some -3.9 M€2009 (cf. Table in Item 5). Looking forward, based on STATFOR May 2014 baseline forecast, the number of SUs in 2014 is expected to be substantially lower than the figure planned in the NPP (i.e. -10.6%), and it is therefore likely to exceed the ±10% threshold.

Actual 2013 costs vs. NPP

In 2013, the real en-route costs for Switzerland are -7.6% lower than planned in the NPP. This deviation reflects -9.8% lower nominal en-route costs and -2.4 percentage points lower inflation index.

Switzerland en-route cost-base includes costs relating to the Switzerland ATSP (Skyguide), the METSP, the Switzerland NSA and the EUROCONTROL Agency. Most of the deviation between actual and planned en-route costs for 2013 (-12.4 MCHF) is attributable to Skyguide (i.e. -8.9% or some -8.2 M€). More details on the ATSP are provided below. In 2013, actual costs are also lower for METSP (i.e. -2.6% or some -0.2 M€), while the costs of the NSA/EUROCONTROL are slightly higher than the amount planned in the adopted NPP (+1.6% or some +0.1 M€).

Costs exempt from cost sharing are reported for a total of +0.8 M€2009 to be recovered from airspace users for the en-route activity. This amount corresponds to the combination of positive amount to be recovered from users (differences linked to cross border traffic revenues mainly due to differences in exchange rates) and negative amounts to be reimbursed to users (related to the interest rates on loans and the new cost item required by law). These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Actual 2013 Skyguide costs vs. NPP

In 2013, Skyguide actual real en-route costs are -8.9% lower than planned in the NPP. This deviation mainly reflects substantially lower other operating costs than planned (-48.1% or some -8.3 M€2009). According to Switzerland NSA Monitoring Report for 2013 and the additional information enclosed to the June 2014 en-route data submission, the lower other operating costs reflect the result of cost containment measures (mainly associated to outsourced activities) implemented in order to compensate for the loss in revenues due to the lower traffic than expected. On the other hand, 2013 actual staff costs are slightly higher than planned in the NPP (+0.7% or +0.7 M€2009).

Actual 2013 depreciation costs are lower than planned (i.e. -2.8% or some -0.7 M€2009), while the actual cost of capital is +3.4% higher than planned in the NPP. The latter mainly reflects the use of a higher asset base to compute the cost of capital (+17.8% or some +26 M€2009). The NSA Monitoring Report does not provide detailed information on the main drivers for this difference.

The actual capex for 2013 (i.e. 58.2 MCHF) was slightly higher than planned (i.e. 57.2 MCHF) in the NPP for RP1. Switzerland indicates that this difference (+1.6 M €2009, or +4.4%) mainly reflects the capex associated with the implementation of the stripless technology which was postponed in 2012.

Skyguide net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, Skyguide generated a net gain of +5.4 M€2009 on the en-route activity in 2013. This is the combination of two separate elements:
- A gain of +9.3 M€2009 as a result of the cost sharing mechanism (due to lower actual costs than planned in the NPP for 2013);
- A loss of -3.9 M€2009 as a result of the traffic risk sharing mechanism for 2013.

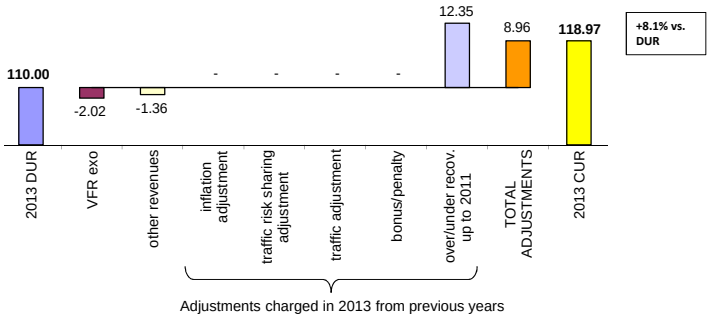
Overall, taking into account the amount of costs exempt from the cost sharing and the traffic risk sharing arrangements, Skyguide generated a net gain of 5.4 M €2009 in 2013 on the en-route activity. When estimating Skyguide economic surplus, it is important to account for the profit embedded in the cost of capital through the return on equity (some 2.3 M€2009 in 2013). As a result, the estimated economic surplus for the en-route activity in 2013 amounts to 7.8 M€2009, which implies an ex-post rate of return on equity of 7.3% (compared to 2.2% as initially planned in the NPP). This contrasts with the relatively smaller gains generated by Skyguide in 2012 (0.2 M€2009 or 0.2% of en-route revenues leading to an ex-post rate of return on equity of 0.2%).

Conclusion: In a context of much lower actual traffic than planned in 2013 (-9.4%), Skyguide was able to significantly reduce its en-route costs compared to the plans (-8.9%) and to generate a net gain of +5.4 M€2009. Taking into account the surplus embedded in the cost of capital, Skyguide realised an overall economic surplus in 2013 (+7.8 M€2009) leading to an ex-post rate of return on equity of 7.3% (compared to 2.2% as initially planned in the NPP).

SWITZERLAND **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Switzerland 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - CHF



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

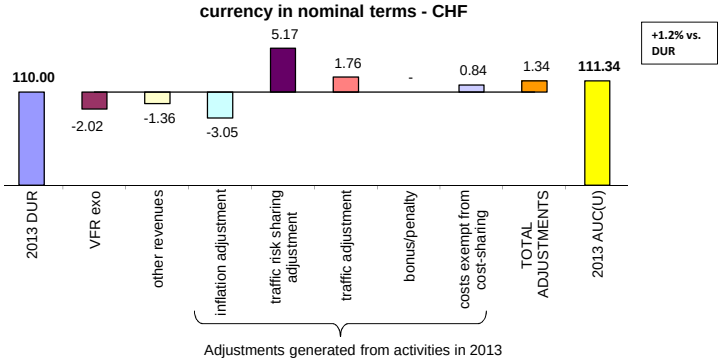
The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The unit rate charged to airspace users (CUR) in 2013 was 118.97 CHF. This is higher than the nominal DUR (110.00 CHF), mainly due to under-recoveries carried over to 2013 in the context of the full cost-recovery regime in place before RP1 (+12.35 CHF).

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Switzerland 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - CHF



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

The Actual Unit Cost for users in 2013 (111.34 CHF) is slightly higher (i.e. +1.2%) than the nominal DUR (110.00 CHF). The difference observed between these two figures (+1.34 CHF) reflects the traffic risk sharing adjustment (+5.17 CHF), the traffic adjustment related to the costs not subject to traffic risk sharing (+1.76 CHF) and the costs exempt from cost-sharing (+0.84 CHF) compensated by deductions related to costs for exempted VFR flights (-2.02 CHF), other revenues (-1.36 CHF), and the inflation adjustment (-3.05 CHF).

SWITZERLAND **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10. - Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^	0.65	0.65	0.65	0.65	0.65	0.65
Number of airports in terminal charging zone		2	2	2	2	2	2
of which, number of airports over 50 000 movements		2	2	2	2	2	2

Switzerland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in CHF)	98 530 979	101 115 151	96 719 058	95 611 321	97 513 657	99 122 799
Inflation index (100 in 2009)	100.0	100.4	101.1	101.8	102.5	103.3
Real terminal ANS costs - (in CHF2009)	**98 530 979**	**100 705 462**	**95 676 555**	**93 901 243**	**95 102 043**	**95 994 371**
Real terminal ANS costs - (in EUR2009)	**65 296 411**	**66 737 440**	**63 404 787**	**62 228 289**	**63 024 058**	**63 615 403**

Switzerland - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in CHF)	98 530 979	101 115 151	96 165 176	91 940 956	94 723 933	
Inflation index (100 in 2009)	100.0	100.6	100.7	100.0	100.1	
Real terminal ANS costs - (in CHF2009)	**98 530 979**	**100 512 078**	**95 496 130**	**91 944 913**	**94 633 377**	
Real terminal ANS costs - (in EUR2009)	65 296 411	66 609 285	63 285 219	60 931 830	62 713 473	
Total terminal service units			255 896	256 502	252 856	
Actual real unit costs - (in CHF2009)			373.2	358.5	374.3	
Unit rate applied - (in CHF)				**372.10**		

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Terminal ANS costs for the charging zones - (in CHF)	in value	-3 670 365	-2 789 724	
	in%	-3.8%	-2.9%	
Inflation index (100 in 2009)	in p.p.	-1.8 p.p.	-2.4 p.p.	
Real terminal ANS costs - (in CHF2009)	in value	**-1 956 330**	**-468 666**	
	in%	**-2.1%**	**-0.5%**	
Real terminal ANS costs - (in EUR2009)	in value	**-1 296 458**	**-310 585**	
	in%	**-2.1%**	**-0.5%**	

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

In 2013, the terminal charging zone of Switzerland comprises two airports (Zurich and Geneva), which both handle more than 50 000 airport movements per year.

The formula applied in RP1 is (MTOW/50)^0.65. It differs from the harmonised formula, which will be mandatory for all SES terminal charging zones from 2015 (MTOW/50)^0.7.

Actual terminal ANS costs are slightly lower than planned in the Switzerland NPP (-0.5% or -0.3 M€2009).

12. - Monitoring of gate-to-gate costs (2013)

Switzerland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in CHF2009)	188 135 299	197 981 307	170 244 052	161 412 115	163 926 965	167 717 106
Real terminal ANS costs - (in CHF2009)	98 530 979	100 705 462	95 676 555	93 901 243	95 102 043	95 994 371
Real gate-to-gate ANS costs - (in CHF2009)	**286 666 278**	**298 686 769**	**265 920 607**	**255 313 358**	**259 029 008**	**263 711 477**
Real gate-to-gate ANS costs - (in EUR2009)	**189 973 544**	**197 939 515**	**176 225 402**	**169 195 985**	**171 658 344**	**174 761 413**
Share of en-route costs in gate-to-gate ANS costs	**65.6%**	**66.3%**	**64.0%**	**63.2%**	**63.3%**	**63.6%**

Switzerland - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in CHF2009)	188 135 299	197 602 336	159 328 378	160 379 793	151 525 621	
Real terminal ANS costs - (in CHF2009)	98 530 979	100 512 078	95 496 130	91 944 913	94 633 377	
Real gate-to-gate ANS costs - (in CHF2009)	**286 666 278**	**298 114 414**	**254 824 508**	**252 324 707**	**246 158 998**	
Real gate-to-gate ANS costs - (in EUR2009)	**189 973 544**	**197 560 216**	**168 872 025**	**167 215 408**	**163 129 397**	
Share of en-route costs in gate-to-gate ANS costs	**65.6%**	**66.3%**	**62.5%**	**63.6%**	**61.6%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Real en-route costs - (in CHF2009)	in value	-1 032 322	-12 401 344	
	in %	-0.6%	-7.6%	
Real terminal ANS costs - (in CHF2009)	in value	-1 956 330	-468 666	
	in %	-2.1%	-0.5%	
Real gate-to-gate ANS costs - (in CHF2009)	in value	**-2 988 651**	**-12 870 010**	
	in %	**-1.2%**	**-5.0%**	
Real gate-to-gate ANS costs - (in EUR2009)	in value	**-1 980 577**	**-8 528 947**	
	in %	**-1.2%**	**-5.0%**	
Share of en-route costs in gate-to-gate ANS costs	in %	**0.3%**	**-1.7%**	

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

Actual gate-to-gate 2013 costs (163.1 M€2009) are -5.0% lower than the sum of en-route determined costs and terminal ANS costs provided in the NPP (171.7 M€2009).

The relative share of en-route costs in 2013 amounts to 61.6%, which is slightly lower than the share planned for 2013 (63.3%).

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Finland

Fact validated edition

Edition date: 14/11/2014

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FINLAND **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	45	59		Finland has improved the scores from C to D with few exceptions. In general, the scores from Finland correspond with the results of visit and subsequent agreed CAP which is now closed and subject to focused inspection. Some parts of the 'state safety policy and objectives' are slightly underrated. (TV)
ANSP [Finavia]	78	73		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	16	100%	39	100%			
	ATM Overall		100%		100%			
Runway Incursions (RIs)	ATM Ground	5	100%	12	100%			
	ATM Overall		100%		100%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	163	1%	224	7%			

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	7	3	7	3		
Legal/Judiciary	6	2	6	2		
Occurrence reporting and Investigation	2	0	2	0		
TOTAL	**15**	**5**	**15**	**5**		

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

FINLAND **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	**2013**	**2014**	**Observations**
Reference value	0.1	0.13	0.16	
National Target	0.05	0.03	0.02	
Actual performance	0.01	0		

National capacity assessment

During 2013 Finland was able to provide excellent results in the area of capacity.

PRB Capacity assessment

With the excellent capacity performance in 2012 and 2013, Finland has surpassed both the national target and the minimum level of service required to be consistent with the EU-wide target. The PRB is confident that Finland can provide a positive contribution to the EU-wide capacity performance in 2014.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 22%

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

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 78%

Although the Member States were asked to provide information on the individual SUAs, the national monitoring report for Finland only contained the aggregated data.

Recommendations

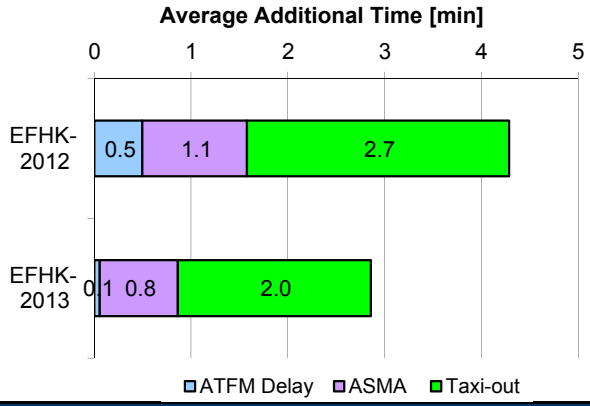
Finland is requested to provide information on the effective booking procedures for the individual SUAs, instead of simply the national aggregated figures.

FINLAND **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Helsinki-Vantaa	EFHK	2012	0.5	42 870	1.1	86 174	2.7	212 970	342 015
		2013	0.1	4 839	0.8	63 094	2.0	157 322	225 255
Weighted average		**2012**	**0.5**		**1.1**		**2.7**		
		2013	**0.1**		**0.8**		**2.0**		
Grand Total		**2012**		**42 870**		**86 174**		**212 970**	**342 015**
		2013		**4 839**		**63 094**		**157 322**	**225 255**
				-89%		**-27%**		**-26%**	**-34%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by .*

Critical Issues

- Mandatory data items partially missing (STATUS C.R.)

Specific Analysis

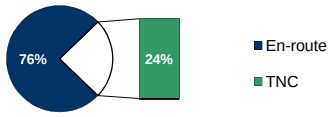
- Total additional time reduced by 34% between 2012 and 2013, due to a major improvement of taxi-out time performance efficiency.

FINLAND **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

1. - Contextual economic information

- Finland represents 0.7% of the SES en-route ANS determined costs in 2013.
- ATSP : Finavia
- FAB : NEFAB
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS actual costs

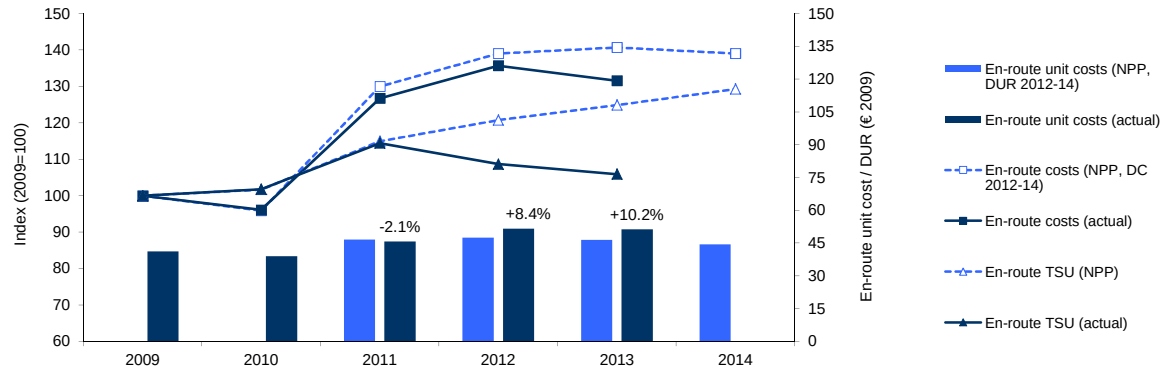


2. - En-route DUR monitoring (2013)

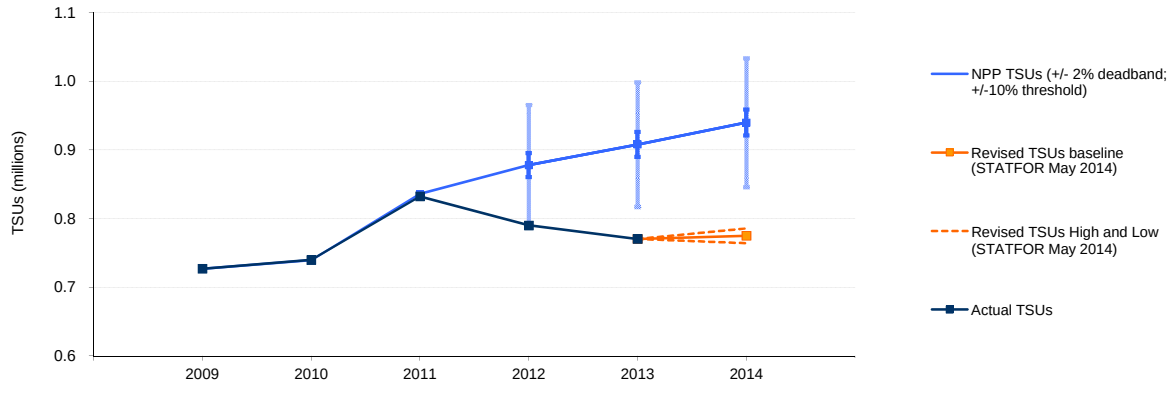
Finland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	30 022 744	29 285 087	41 017 857	45 049 783	46 597 000	47 430 000
Inflation %		1.7%	3.3%	2.7%	2.2%	3.0%
Inflation index (100 in 2009)	100.0	101.7	105.1	107.9	110.3	113.6
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	30 022 744	28 795 562	39 043 765	41 754 278	42 258 623	41 761 230
Total en-route Service Units	727 050	739 502	836 000	878 000	908 000	940 000
Real en-route unit costs per Service Units - (in EUR2009)	**41.29**	**38.94**	**46.70**	**47.56**	**46.54**	**44.43**

Finland - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	30 022 744	29 352 499	39 976 000	44 189 300	43 786 636	
Inflation %		1.7%	3.3%	3.2%	2.2%	
Inflation index (100 in 2009)	100.0	101.7	105.1	108.4	110.8	
Real en-route costs - (in EUR2009)	30 022 744	28 861 848	38 052 050	40 758 308	39 517 523	
Total en-route Service Units	727 050	740 000	832 459	790 296	770 452	
Real en-route unit costs per Service Units - (in EUR2009)	**41.29**	**39.00**	**45.71**	**51.57**	**51.29**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
En-route costs - (in nominal EUR)	in value	-860 483	-2 810 364	
	in %	-1.9%	-6.0%	
Inflation %	in p.p.	0.5 p.p.	-0.0 p.p.	
Inflation index (100 in 2009)	in p.p.	0.5 p.p.	0.5 p.p.	
Real en-route costs - (in EUR2009)	in value	-995 970	-2 741 100	
	in %	-2.4%	-6.5%	
Total en-route Service Units	in value	-87 704	-137 548	
	in %	-10.0%	-15.1%	
Real en-route unit costs per Service Units - (in EUR2009)	in value	**4.02**	**4.75**	
	in %	**8.4%**	**10.2%**	

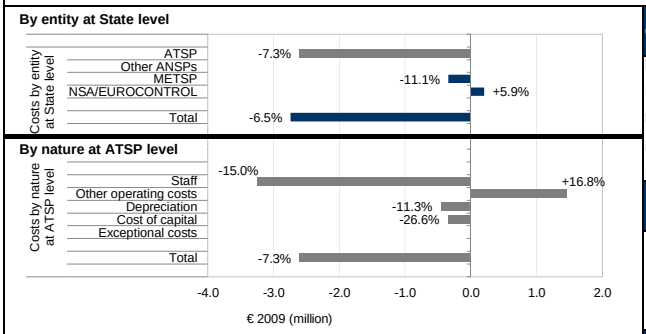


3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



FINLAND **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	344
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	344
Total costs exempted from cost sharing	**344**
to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	

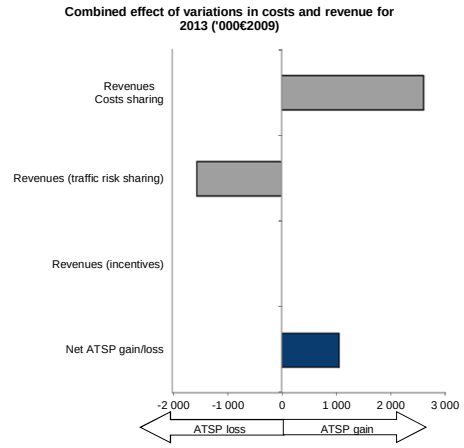
5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	35 734
Actual costs for the ATSP	33 129
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	2 604
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**2 604**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-15.15%
Determined costs after deduction of costs for exempted VFR flights	35 263
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-705
ATSP loss (traffic between -2% and -10% below NPP)	-846
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-1 552**

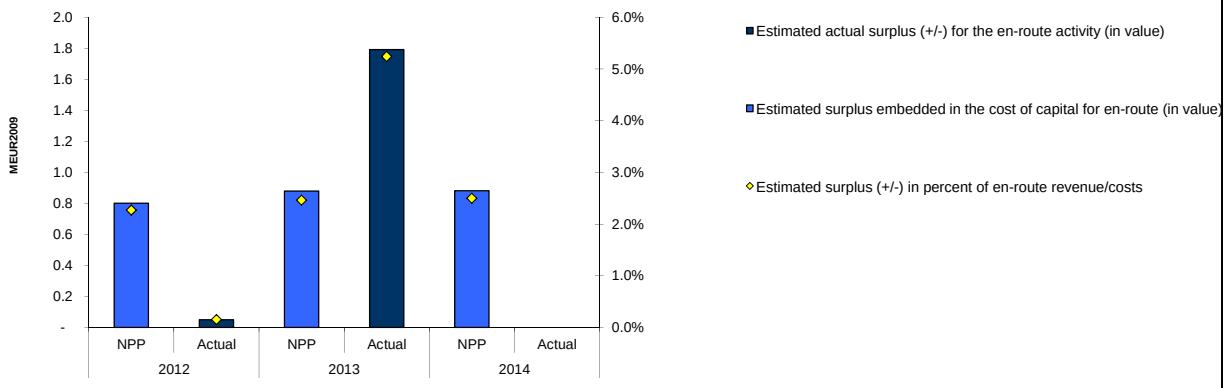
Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

Net ATSP gain(+)/loss(-) on en-route activity	**1 053**



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	25 954	27 154	28 545	23 968	28 542	
Estimated proportion of financing through equity (in %)	52%	46%	52%	52%	52%	
Estimated proportion of financing through equity (in value)	13 581	12 536	14 908	12 509	14 925	
Estimated proportion of financing through debt (in %)	48%	54%	48%	48%	48%	
Estimated proportion of financing through debt (in value)	12 372	14 619	13 637	11 459	13 617	
Cost of capital pre-tax (in value)	1 172	1 017	1 302	956	1 316	
Average interest on debt (in %)	3.0%	1.9%	3.1%	1.9%	3.2%	
Interest on debt (in value)	371	278	423	218	436	
Ex-ante RoE pre-tax rate (in %)	5.9%	5.9%	5.9%	5.9%	5.9%	
Estimated surplus embedded in the cost of capital for en-route (in value)	801	740	880	738	881	
Net ATSP gain(+)/loss(-) on en-route activity		-689		1 053		
Overall estimated surplus (+/-) for the en-route activity	**801**	**51**	**880**	**1 791**	**881**	
Revenue/costs for the en-route activity	**35 349**	**33 815**	**35 734**	**34 182**	**35 238**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**2.3%**	**0.1%**	**2.5%**	**5.2%**	**2.5%**	
Estimated ex-post RoE pre-taxe rate (in %)	**5.9%**	**0.4%**	**5.9%**	**14.3%**	**5.9%**	



FINLAND **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Finland

The June 2014 Reporting Tables for Finland present the information relating to Finland's Revised NPP and actual data up to 2013. Data in the 2013 NSA Monitoring Report and the June 2014 Reporting Tables are not consistent in the following areas:

- Actual 2013 en-route costs. Reporting Tables: 43,786,636€; 2013 NSA Monitoring Report: 43,796,000€; all nominal values.
- Actual 2013 terminal costs. Reporting Tables: 14,082,100€; 2013 NSA Monitoring Report: 14,146,000€; all nominal values.

Note that the terminal unit rate applied in 2013 (134.87€) is sourced from the NSA report and used in this 2013 monitoring analysis. The 2012 unit rate applied of 128.45€ in the Reporting Tables match the NSA Report.

No other assumptions or corrections beyond the data provided by Finland in the 2013 Reporting Tables have been made by the PRB in the preparation of this report.

At State / Charging Area level

Finland's actual 2013 en-route unit cost (51.29 €2009) is +10.2% higher than planned in the NPP (46.54 €2009) as the difference in traffic (TSUs are -15.1% lower than planned in the NPP) is not matched by a comparable difference in costs (real en-route costs are -6.5% lower than the determined costs set in the NPP).

With traffic levels in 2013 -15.1% lower than planned, Finland has exceeded the -10% threshold (it came close in 2012). In 2013, Finavia reported losses due to traffic risk sharing in the region of -1.5 M€2009, similar to that experienced in 2012. Losses are also expected due to traffic risk sharing in 2014.

According to the latest May 2014 STATFOR forecasts (including the high scenario), traffic levels in 2014 are also likely to result in an exceeding of the -10% threshold (Finland's most recent forecast for 2014 predicts that traffic will be -17.5% lower than planned in the NPP).

Total real en-route costs in 2013 are -6.5% lower than planned in 2013. Actual inflation in 2013 was in line with forecast inflation (2.2%). The reductions seen in total costs in 2013 are driven by the ATSP, Finavia, which has actual costs in 2013 that are -7.3% lower than planned, and the MET Service Provider, FMI, with 2013 costs -11.1% lower than planned. NSA/EUROCONTROL costs are +5.9% higher than planned. Cost reductions were seen in all cost categories apart from other operating costs (+16.8% in real terms for Finavia, the main ATSP; see following ATSP section for details).

Costs exempt from cost sharing are reported for a total of +0.3 M€2009 to be passed on to the users for the en-route activity in 2013, corresponding to the difference of the planned and actual values for Eurocontrol costs. These costs will be eligible for carry-over to the following reference period(s), if deemed permissible by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Actual 2013 Finavia costs vs. NPP

For Finavia, total actual en-route costs in 2013 are -7.3% below the determined costs in real terms. Staff costs comprise the bulk of this difference, at -15.0% lower than planned, or -3.2 M€2009. Approximately 1.8 M€2009 of this was due to "cost cutting measures relating to lower traffic growth" (no further detail than this was provided in the Additional Information to the Reporting Tables) but the remainder is due to changes in cost allocation between staff costs and other operating costs. Actual staff costs in 2013 for Finavia now include only ANS-specific staff costs. The staff costs included in Finavia's overhead costs (such as HR and legal costs) are now included in other operating costs. As a result of this change in allocation, other operating costs in 2013 are +16.8% higher than planned.

Depreciation costs were -11.3% lower than planned due to delayed investments. The cost of capital in 2013 is -0.3 M€2009, or -26.6% lower than planned. This is partly due to the average interest on debt (1.9%) being lower than planned (3.1%) but also due to a lower total asset base size as a result of a smaller capital investment programme. Finavia reports no costs exempt from cost sharing in 2013.

In 2013, actual traffic was -15.1% lower than planned, resulting in a loss due to traffic risk sharing of -1.5 M€2009 for Finavia. No incentives were applied in 2013.

In 2013, the actual total asset base was 24.0 M€2009, or -16.0% lower than planned. In 2013, actual capex was 3.3 M€, -9.0 M€ less than planned (in the NPP and in new projects not included in the NPP). Investments planned for 2013 in the NPP amounted to 7.4 M€, of which 1.3 M€, or 18% of the planned total was actually spent. Postponed investments amounted to -2.5 M€, with other delays due to system suppliers or negotiations. 0.9 M€ of capex in 2013 was for new projects that were not included in the NPP.

Finavia net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, the en-route activity for the year 2013 generated a net gain of +1.1 M€2009 for Finavia overall. This is the combination of two separate elements:

- a gain of +2.6 M€2009 for Finavia as a result of the cost-sharing mechanism; and
- a loss of -1.6 M€2009 as a result of the traffic risk sharing mechanism for 2013.

On the profitability side for the en-route activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +0.9 M€2009, corresponding to an estimated surplus of +2.5% of the en-route revenues for 2013. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+0.7 M€2009) and the net gain from the en-route activity in 2013 (+1.1 M€2009), gives a total of +1.8 M€2009 for 2013, corresponding to +5.2% of the en-route revenue in 2013. The resulting ex-post rate of return on equity for 2013 is +14.3% (compared to +5.9% as initially planned in the NPP).

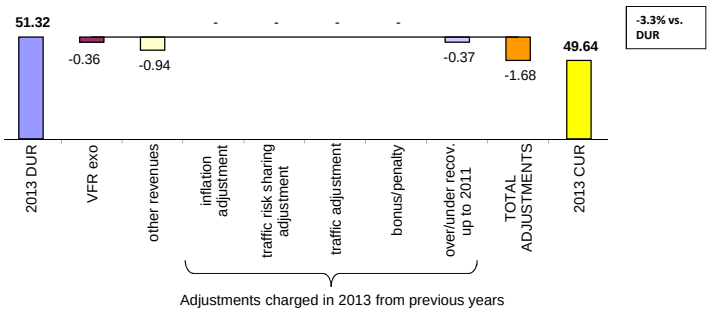
This indicates that in 2013, Finavia was in a position to retain the part of surplus embedded in the cost of capital and to generate extra gains arising from the lower costs than planned in 2013. This adds to the overall positive estimated surplus for the en-route activity generated by Finavia in 2012 of +0.05 M€2009 or +0.1% of en-route revenues leading to an ex-post rate of return on equity of +0.4%).

Conclusion : **As a result of actual traffic in 2013 that was -15.1% lower than planned, Finavia reduced its en-route costs and in 2013 they were -7.3% lower than planned, which despite the loss under the traffic risk sharing mechanism resulted in a net gain on the en-route activity compared to the NPP. Finavia's estimated surplus in respect of the 2014 en-route activity would amount to +0.9 M€2009, corresponding to 2.5% of the en-route revenue. Actual traffic in 2014 is expected to be -17.5% lower than planned, and it will be important to closely monitor the impact of this situation as Finland reports that expected losses due to traffic risk sharing are forecast to be -1.7 M€2009.**

FINLAND **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Finland 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

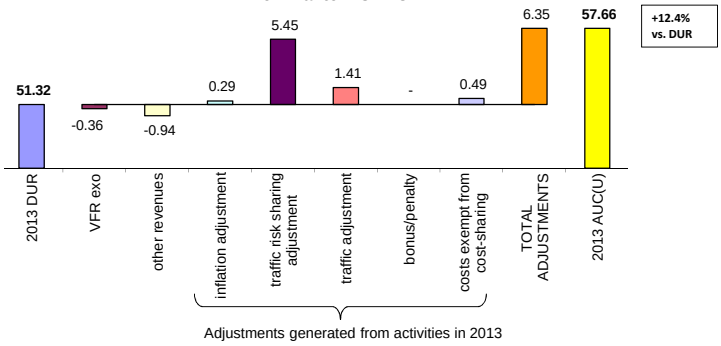
The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

In 2013, Finland's CUR charged to users is 49.64€, -3.3% lower than the nominal DUR. This difference is primarily comprised of other revenues received by Finavia (- 0.94€, or -1.8%). Finavia receives income from the Finnish Defence Force for military flight services and from the Ministry of Interior relating to SAR activities. The remainder of the difference is driven by costs for services to exempted VFR (-0.36€, or -0.7%) and over recoveries up to 2011 (-0.37€, or -0.7%).

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Finland 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

In 2013, Finland's AUC-U is 57.66€, +12.4% higher than the nominal DUR. The deduction of costs for services to exempted VFR and for other revenues are as above in section 8.

All other adjustments generated from activities in 2013 are increases:

+5.45€, or +10.6%, under the traffic risk sharing mechanism (traffic in Finland was -15.1% lower than planned in 2013);
+1.41€, or +2.8%, an adjustment reflecting the difference in traffic for costs not subject to traffic risk sharing;
+0.49€, or +1.0% for costs exempt from cost sharing; and
+0.29€, or +0.6%, for the inflation adjustment.

FINLAND **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10. - Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^	0.7	0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone		1	1	1	1	1	1
of which, number of airports over 50 000 movements		1	1	1	1	1	1

Finland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	19 218 793	21 756 834	13 966 000	14 907 700	15 367 835	15 754 062
Inflation index (100 in 2009)	100.0	101.7	105.1	107.9	110.3	113.6
Real terminal ANS costs - (in EUR2009)	**19 218 793**	**21 393 150**	**13 293 850**	**13 817 164**	**13 937 025**	**13 871 158**

Finland - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)	19 218 793	21 756 834	14 102 000	14 654 000	14 082 100	
Inflation index (100 in 2009)	100.0	101.7	105.1	108.4	110.8	
Real terminal ANS costs - (in EUR2009)	**19 218 793**	**21 393 150**	**13 423 304**	**13 516 219**	**12 709 122**	
Total terminal service units	93 636	94 540	107 768	97 600	97 900	
Actual real unit costs - (in EUR2009)	205.3	226.3	124.6	138.5	129.8	
Unit rate applied - (in EUR)				**128.45**	**134.87**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value				-253 700	-1 285 735	
	in%				-1.7%	-8.4%	
Inflation index (100 in 2009)	in p.p.				0.5 p.p.	0.5 p.p.	
Real terminal ANS costs - (in EUR2009)	in value				**-300 946**	**-1 227 902**	
	in%				**-2.2%**	**-8.8%**	

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

The terminal charging zone in Finland comprises one airport (Helsinki-Vantaa). Helsinki-Vantaa has over 50,000 movements per year. There has been no change to the terminal charging zone as compared to the NPP.

The harmonised SES formula (MTOW/50)^0.7 is applied.

Actual terminal ANS costs in 2013 are -8.8%, or -1.2 M€2009 lower than planned in the NPP. This difference is of a similar magnitude to that seen in the en-route costs (actual en-route costs were -6.5% lower than planned in real terms).

12. - Monitoring of gate-to-gate costs (2013)

Finland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	30 022 744	28 795 562	39 043 765	41 754 278	42 258 623	41 761 230
Real terminal ANS costs - (in EUR2009)	19 218 793	21 393 150	13 293 850	13 817 164	13 937 025	13 871 158
Real gate-to-gate ANS costs - (in EUR2009)	**49 241 537**	**50 188 713**	**52 337 615**	**55 571 443**	**56 195 648**	**55 632 388**
Share of en-route costs in gate-to-gate ANS costs	**61.0%**	**57.4%**	**74.6%**	**75.1%**	**75.2%**	**75.1%**

Finland - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	30 022 744	28 861 848	38 052 050	40 758 308	39 517 523	
Real terminal ANS costs - (in EUR2009)	19 218 793	21 393 150	13 423 304	13 516 219	12 709 122	
Real gate-to-gate ANS costs - (in EUR2009)	**49 241 537**	**50 254 998**	**51 475 355**	**54 274 527**	**52 226 645**	
Share of en-route costs in gate-to-gate ANS costs	**61.0%**	**57.4%**	**73.9%**	**75.1%**	**75.7%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Real en-route costs - (in EUR2009)	in value				-995 970	-2 741 100	
	in %				-2.4%	-6.5%	
Real terminal ANS costs - (in EUR2009)	in value				-300 946	-1 227 902	
	in %				-2.2%	-8.8%	
Real gate-to-gate ANS costs - (in EUR2009)	in value				**-1 296 916**	**-3 969 003**	
	in %				**-2.3%**	**-7.1%**	
Share of en-route costs in gate-to-gate ANS costs	in %				**0.0%**	**0.5%**	

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

In 2013, Finland's actual gate-to-gate ANS costs (52.2 M€2009) are -7.1% lower than planned in the NPP (56.2 M€2009). This difference is driven by lower actual costs than planned in both en-route and terminal ANS costs of similar levels of magnitude.

The relative share of en-route costs in gate-to-gate ANS costs (75.7%) is marginally higher than planned in the NPP (75.2%) in 2013. Since 2011, the share of en-route costs in gate-to-gate ANS costs has not varied significantly, increasing from 73.9% to 75.7%.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Greece

Fact validated edition

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GREECE **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	40	59		Greece has significantly improved the scores for 2013, most of them from A/B to C. Only two have been found overrated (from B to E), but in general the replies correspond with the situation. (TV)
ANSP [HANSP]	42	56		

Application of the severity classification of the Risk Analysis Tool (RAT)							
		2012		2013		2014	
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)
Separation Minima Infringements (SMIs)	ATM Ground	20	95%	22	100%		
	ATM Overall		95%		100%		
Runway Incursions (RIs)	ATM Ground	17	100%	9	100%		
	ATM Overall		76%		100%		
ATM Specific Occurences (ATM-Specific)	ATM Overall	120	87%	39	100%		

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	5	5	8	2		
Legal/Judiciary	4	4	5	3		
Occurrence reporting and Investigation	0	2	0	2		
TOTAL	**9**	**11**	**13**	**7**		

Number of questions answered with Yes or No	**ANSP [HANSP]**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	7	6	7	6		
Legal/Judiciary	3	0	2	1		
Occurrence reporting and Investigation	4	4	5	3		
TOTAL	**14**	**10**	**14**	**10**		

GREECE **Monitoring of CAPACITY indicators for 2013**

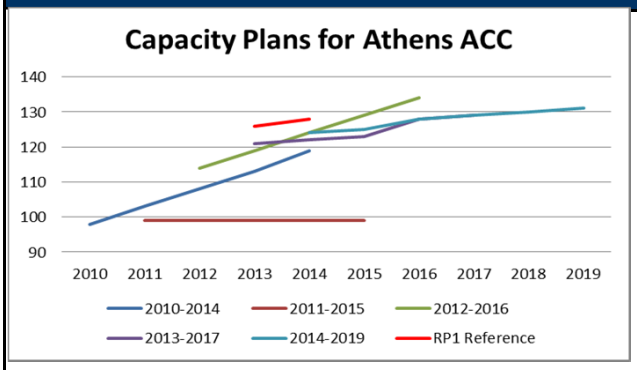
Minutes of ATFM en-route delay

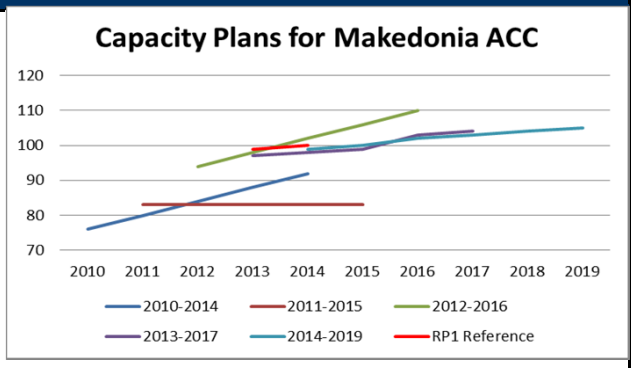
	2012	2013	2014	Observations
Reference value	0.37	0.32	0.26	
National Target	1.1	1	0.95	
Actual performance	0.15	0.06		

National capacity assessment

Capacity target, for a second consecutive year, remained below the capacity values originally anticipated in the Performance Plan of Greece and even lower than the EUROCONTROL reference value of 0.32 minutes of en-route ATFM delay per flight for 2013.

ANSP capacity plan (Opt.)





Military dimension of the plan (Opt.)

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

PRB Capacity assessment

The PRB appreciates the continued efforts from Greece which have delivered capacity performance surpassing both the national targets, and the effort requried to be consistent with the EU-wide target for 2012 and 2013. The PRB is confident that a similar effort from Greece will deliver capacity performance in 2014 which can provide a positive contribution to network performance. Since the national target was so far removed from the actual performance in both 2012 and 2013, it is difficult to determine the premise on which it was derived.

Effective booking procedures

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

Previous recommendations (Opt.)

Extract from notification letter from EC July 2012:
Greece's revised performance plan is assessed on the understanding that Greece will require its air navigation service provider to develop and implement capacity plans that will enable the 2014 reference value of 0.26 minute of average delay per flight to be met at the earliest possible date in the second reference period, with the assistance of the Network Manager.

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

NSA report on follow-up to recommendations (Opt.)

The national monitoring report refers to the amended capacity plans contained in LSSIP 2013. However the national monitoring report contains no reference to the requirement to provide information on the allocation and use of airspace structures in accordance with EU Regulation 691/2010 and EC Regulation 2150/2005

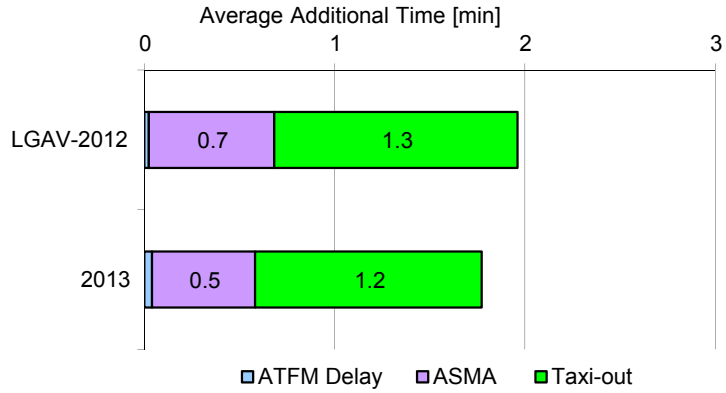
Recommendations
Greece is requested to provide information on how it intends to meet the mandatory reporting requirements on the allocation and use of civil military airspace structures in accordance with EU Regulation 691/2010 (Annex IV 1.1.(h)) and EC Regulation 2150/2005 (Article 4 (m) & (n)).

GREECE **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Athens	LGAV	2012	0.0	1 788	0.7	45 336	1.3	91 615	138 739
		2013	0.0	2 735	0.5	33 266	1.2	76 517	112 517
Weighted average		**2012**	**0.0**		**0.7**		**1.3**		
		2013	**0.0**		**0.5**		**1.2**		
Grand Total		**2012**		**1 788**		**45 336**		**91 615**	**138 739**
		2013		**2 735**		**33 266**		**76 517**	**112 517**
			⇨	**53%**	⇨	**-27%**	⇨	**-16%**	**-19%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- ⇧ *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst* ⇩ *depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by* ⇨

Critical Issues

- None

Specific Analysis

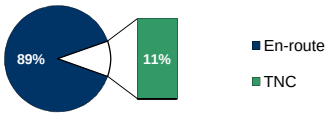
- The traffic demand went on decreasing at Athens Airport (-12% in 2012 compared to 2011, and another -9% in 2013 compared to 2012).

GREECE **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

1. - Contextual economic information

- Greece represents 2.4% of the SES en-route ANS determined costs in 2013.
- ATSP : HCAA
- FAB : BLUE MED
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS actual costs

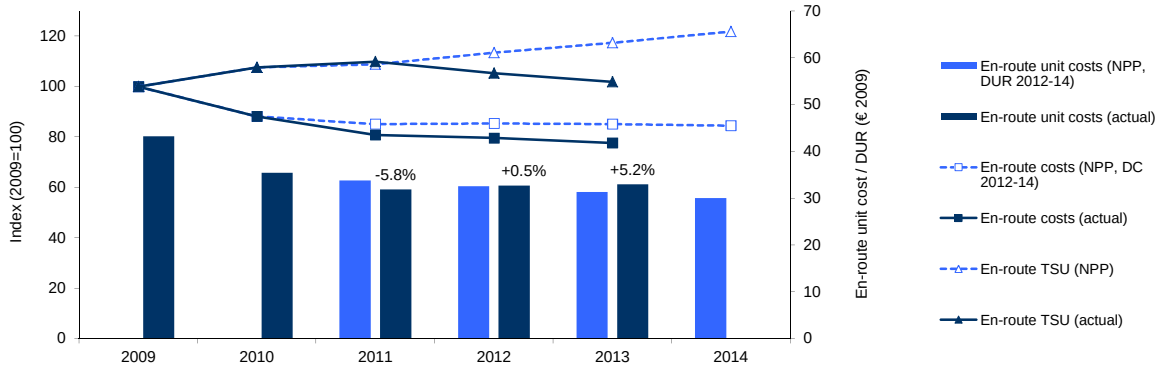


2. - En-route DUR monitoring (2013)

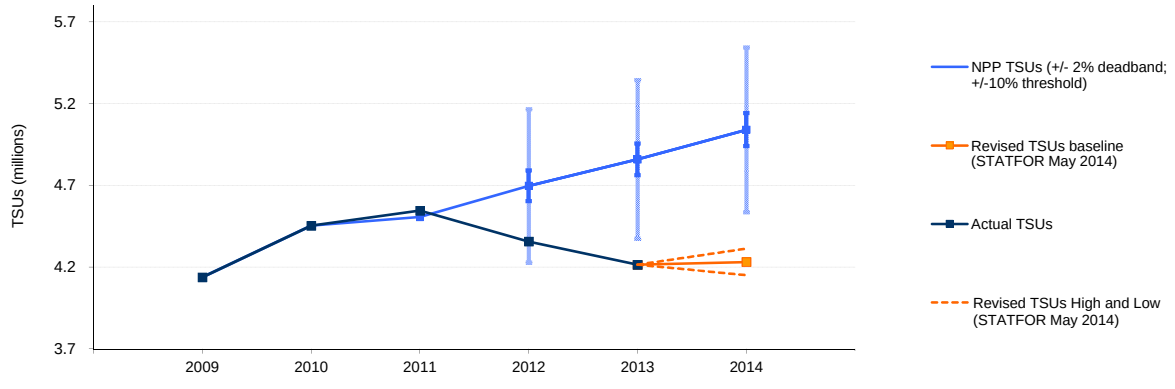
Greece - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	179 113 311	165 386 000	163 624 903	165 004 188	165 541 828	165 909 828
Inflation %		4.7%	2.5%	0.5%	0.7%	1.0%
Inflation index (100 in 2009)	100.0	104.7	107.4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

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

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



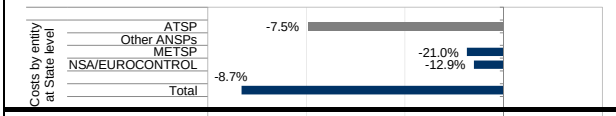
3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



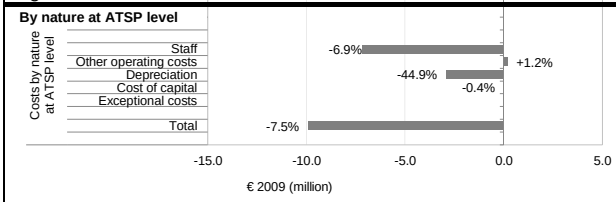
GREECE **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)

By entity at State level



By nature at ATSP level



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-1 620
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-1 620
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	**-1 620**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

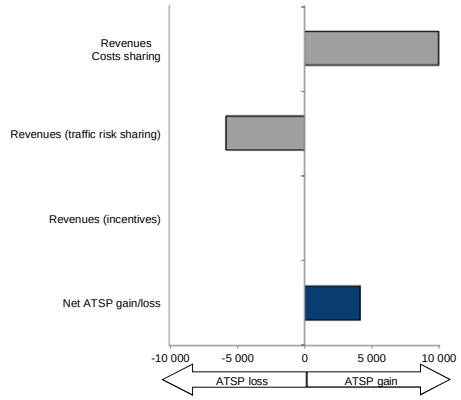
Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	131 902
Actual costs for the ATSP	121 972
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	9 931
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**9 931**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-13.26%
Determined costs after deduction of costs for exempted VFR flights	132 107
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-2 642
ATSP loss (traffic between -2% and -10% below NPP)	-3 171
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-5 813**

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

Net ATSP gain(+)/loss(-) on en-route activity	**4 118**

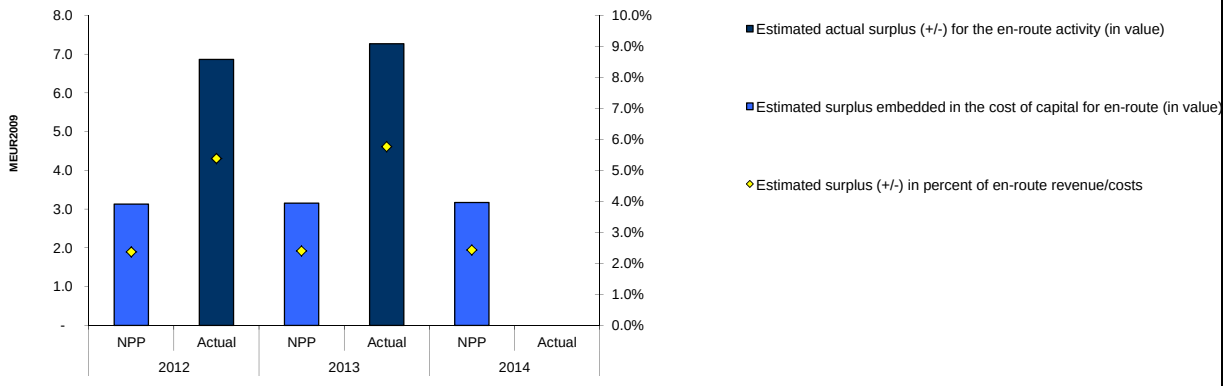
Combined effect of variations in costs and revenue for 2013 ('000€2009)



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	97 318	97 734	96 680	96 293	95 770	
Estimated proportion of financing through equity (in %) *	100%	100%	100%	100%	100%	
Estimated proportion of financing through equity (in value) *	97 318	97 734	96 680	96 293	95 770	
Estimated proportion of financing through debt (in %)	-	-	-	-	-	
Estimated proportion of financing through debt (in value)	-	-	-	-	-	
Cost of capital pre-tax (in value)	3 132	3 127	3 158	3 145	3 174	
Average interest on debt (in %)	-	-	-	-	-	
Interest on debt (in value)	-	-	-	-	-	
Ex-ante RoE pre-tax rate (in %) *	3.2%	3.2%	3.3%	3.3%	3.3%	
Estimated surplus embedded in the cost of capital for en-route (in value)	3 132	3 127	3 158	3 145	3 174	
Net ATSP gain(+)/loss(-) on en-route activity		3 738		4 118		
Overall estimated surplus (+/-) for the en-route activity	**3 132**	**6 865**	**3 158**	**7 263**	**3 174**	
Revenue/costs for the en-route activity	**132 330**	**127 667**	**131 902**	**126 090**	**130 752**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**2.4%**	**5.4%**	**2.4%**	**5.8%**	**2.4%**	
Estimated ex-post RoE pre-taxe rate (in %)	**3.2%**	**8.9%**	**3.3%**	**7.5%**	**3.3%**	

*See Note 1



GREECE **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Greece

Note 1: ATSP gearing
Additional information on the sources of financing for the HCAA asset base has been provided since the 2012 Monitoring Report, indicating that HCAA is financed 100% through equity and has no debt. The ex-ante Return on Equity (RoE) reported in item 6 is adjusted from the en-route reporting tables to ensure consistency of the cost of capital with the asset base.

At State / Charging Area level

The actual 2013 traffic measured in Total en-route Service Units (TSUs) is significantly lower (i.e. -13.3%) than the traffic planned in the Greek National Performance Plan for RP1 (NPP). On the other hand, the actual 2013 en-route costs at State level are lower than the determined costs published in the NPP (i.e. -8.7% in real terms). As a result, Greece's actual real en-route unit cost (i.e. 33.00 €2009) is +5.2% higher than the Determined Unit Rate (DUR) for 2013 (i.e. 31.36 €2009), corresponding to an increase of +1.64 €2009.

The difference in actual TSUs compared to the NPP for 2013 falls outside the +/- 2% dead band foreseen in the traffic risk sharing mechanism, and even exceeds the +/- 10% alert threshold. The losses made between the -2% and -10% boundaries will be shared between the airspace users and the ATSP, with the ATSP fully recovering all losses for the revenue loss between -10% and -13.3%.

According to STATFOR (May 2014 base case scenario) traffic is expected to increase by +0.4% in 2014. If this forecast materialises, the level of TSUs in 2014 will be -16% below the NPP forecast, with an impact on the costs borne by airspace users under the traffic risk sharing arrangements.

The difference in 2013 en-route costs compared to the NPP is mainly related to cost reductions achieved by HCAA (-9.9 M€2009, or -7.5% in real terms). Costs were also lower than planned for the MET service provider, HNMS (-1.9 M€2009, or -21% in real terms) and the NSA/EUROCONTROL (-1.5 M €2009, or -12.9% in real terms). For HCAA and HNMS this was mainly due to reduced staff costs. The reduction in NSA/EUROCONTROL costs is due to a fall in EUROCONTROL costs (-15.2% in real terms).

Costs exempt from cost-sharing are reported for a total of -1.6 M€2009 to be reimbursed to users for the en-route activity, corresponding to the difference between the planned and actual values for EUROCONTROL costs. These costs will be eligible to carry-over to the following legislative period, if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Actual 2013 HCAA costs vs. NPP

HCAA actual 2013 en-route costs are -7.5% lower than planned in real terms. This results from: (i) lower staff costs (i.e. -6.9%); (ii) higher non-staff operating costs (+1.2%); (iii) significantly lower depreciation costs (-44.9%) and iv) lower cost of capital (-0.4%).

The 2013 actual HCAA staff costs are some -6.9% lower than planned (-7.2 M€2009). As it was the case for the year 2012, the 2013 staff costs are fairly in line with the actual 2011 figures, reflecting the continuous application of the First and Second Economic Adjustment Programs.

Depreciation costs are significantly below planned levels (-44.9%, or -2.9 M€2009), due to the postponement of the main capex projects (especially Athinai/makedonia ACC main VCS/RCS and upgrade of the PALLAS System, postponed to 2016). According to the NSA monitoring report, actual capex for 2013 amount to 2.0 M€, and none of these capex relate to the main projects identified in RP1 Performance Plan. As a reference, the NPP for RP1 included a total capex of 26.4 M€, with planned commissioning dates between 2012 and 2016.

HCAA net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, the en-route activity for the year 2013 generated a net gain of +4.1 M€2009 for HCAA. This results from the combination of: a gain of +9.9 M€2009 as a result of the cost-sharing mechanism; and,
a loss of -5.8 M€2009 as a result of the traffic risk sharing mechanism for 2013.

When estimating HCAA economic surplus, it is also important to account for the profit embedded in the cost of capital through the return on equity (+3.1M€2009). As a result, the estimated economic surplus for the en-route activity in 2013 amounts to +7.3 M€2009, which implies an ex-post rate of return on equity of 7.5% (compared to 3.3% as initially planned in the NPP). This adds to the gains generated by HCAA in 2012 (+6.9 M€2009 or +5.4% of en-route revenues in 2012, leading to an ex-post rate of return on equity of +8.9% in 2012).

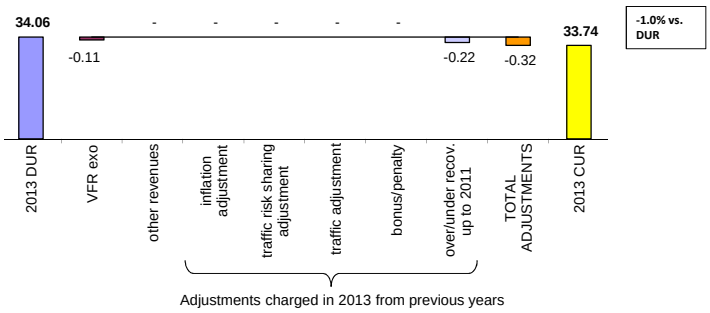
Conclusion: In spite of the significantly lower than expected traffic volumes (-13.3%), HCAA reduced its costs sufficiently to compensate for the loss from traffic risk sharing, and even achieve a net gain. When also accounting for the profit embedded in the cost of capital through the return on equity, the en-route activity for the year 2013 generated a net gain of +7.3 M€2009 for HCAA, which implies an ex-post rate of return on equity of 7.5% (compared to +3.3% as initially planned in the NPP).

GREECE

Monitoring of en-route and terminal COST-EFFICIENCY for 2013

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Greece 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

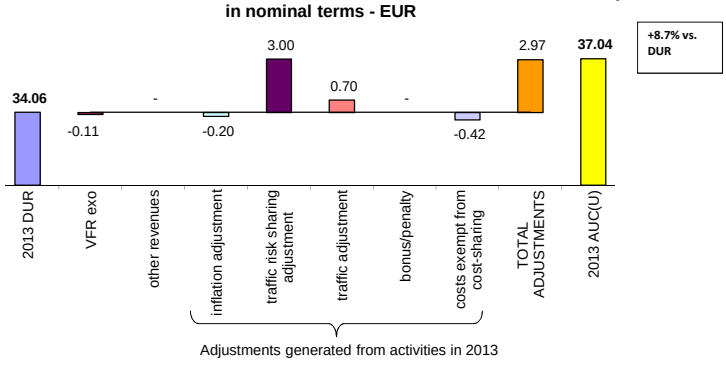
The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The actual chargeable unit rate (CUR) charged to users in 2013 is 33.74€. This is -1.0% lower than the nominal DUR (34.06€) due to adjustments for exempted VFR flights and over recovery carried over from the period up to 2012.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Greece 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

The actual unit cost for users in 2013 (37.04€) is +8.7% higher than the nominal DUR (34.06€) predominantly due to the adjustment for traffic risk sharing (+3.00€) as traffic is significantly lower than planned in the NPP, falling below the -10% alert threshold. The shortfall in traffic also results in a positive adjustment of the costs not subject to traffic risk sharing (+0.70€).
These increases are slightly offset by the deduction of the costs for services to exempted VFR flights, the inflation adjustment and the adjustment for costs exempt from cost sharing.

GREECE

Monitoring of en-route and terminal COST-EFFICIENCY for 2013

10.- Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^		0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone			1	1	1	1	1
of which, number of airports over 50 000 movements			1	1	1	1	1

Greece - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	27 324 000	25 614 190	25 636 200	25 674 170	25 585 170	25 585 170
Inflation index (100 in 2009)	100.0	104.7	107.4	107.9	108.6	109.6
Real terminal ANS costs - (in EUR2009)	**27 324 000**	**24 464 365**	**23 878 864**	**23 795 255**	**23 557 290**	**23 335 602**

Greece - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)	27 324 000	25 613 999	25 636 001	21 002 810	18 265 974	
Inflation index (100 in 2009)	100.0	104.7	107.9	109.0	108.0	
Real terminal ANS costs - (in EUR2009)	**27 324 000**	**24 464 182**	**23 748 978**	**19 264 187**	**16 906 062**	
Total terminal service units		103 899	96 513	83 095	74 587	
Actual real unit costs - (in EUR2009)		235.5	246.1	231.8	226.7	
Unit rate applied - (in EUR)				**74.68**	**115.25**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value	-4 671 360	-7 319 196	
	in%	-18.2%	-28.6%	
Inflation index (100 in 2009)	in p.p.	1.1 p.p.	-0.6 p.p.	
Real terminal ANS costs - (in EUR2009)	in value	**-4 531 068**	**-6 651 228**	
	in%	**-19.0%**	**-28.2%**	

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

Greece counts one terminal charging zone comprising one airport, which has more than 50 000 movements per year (i.e. Athens airport, LGAV). Athens airport is the only airport in Greece that is subject to the charging regulation. The harmonised SES formula (MTOW/50)^0.7 already applies in the Greek Terminal Charging Zone.
The actual terminal ANS 2013 costs are -28.2% (-6.7 M€2009) lower in real terms than planned in the Greek NPP. This difference is mainly driven by lower staff and non-staff operating costs. Greece provides no drivers for the change in other operating costs, while it is inferred that the lower staff costs are relating to the adoption of the Government austerity plan, as it was the case for en-route.

The reduction in costs is proportionately larger for terminal ANS costs (i.e. -28.2% in real terms) than for en-route (i.e. -8.7% in real terms). As a result of these trends, the share of en-route in total gate-to-gate costs reaches 89.2% (compared to 86.6% in the NPP).
The Additional Information provided with the RP2 Terminal Reporting tables indicate that the Greek Government has decided to subsidize 50% of the Terminal Navigation Charge applicable at Athens airport for the years 2010, 2011, 2012 and 2013. For the first 3 months of 2013 a rate of 230.50€ applied. The discounted rate of 115.25€ applied from 1st of April 2013 until the 31st of December 2013. Accounting for the subsidies, the 2013 actual annual equivalent unit cost would be 137.94€ (computed as total actual chargeable costs divided by chargeable service units).

12.- Monitoring of gate-to-gate costs (2013)

Greece - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	179 113 311	157 961 796	152 408 576	152 928 670	152 420 985	151 322 256
Real terminal ANS costs - (in EUR2009)	27 324 000	24 464 365	23 878 864	23 795 255	23 557 290	23 335 602
Real gate-to-gate ANS costs - (in EUR2009)	**206 437 311**	**182 426 160**	**176 287 440**	**176 723 925**	**175 978 275**	**174 657 858**
Share of en-route costs in gate-to-gate ANS costs	**86.8%**	**86.6%**	**86.5%**	**86.5%**	**86.6%**	**86.6%**

Greece - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	179 113 311	157 961 796	144 841 416	142 612 925	139 122 219	
Real terminal ANS costs - (in EUR2009)	27 324 000	24 464 182	23 748 978	19 264 187	16 906 062	
Real gate-to-gate ANS costs - (in EUR2009)	**206 437 311**	**182 425 978**	**168 590 395**	**161 877 112**	**156 028 282**	
Share of en-route costs in gate-to-gate ANS costs	**86.8%**	**86.6%**	**85.9%**	**88.1%**	**89.2%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Real en-route costs - (in EUR2009)	in value	-10 315 744	-13 298 766	
	in %	-6.7%	-8.7%	
Real terminal ANS costs - (in EUR2009)	in value	-4 531 068	-6 651 228	
	in %	-19.0%	-28.2%	
Real gate-to-gate ANS costs - (in EUR2009)	in value	**-14 846 812**	**-19 949 993**	
	in %	**-8.4%**	**-11.3%**	
Share of en-route costs in gate-to-gate ANS costs	in %	**1.6%**	**2.6%**	

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

Actual 2013 gate-to-gate real costs are -11.3% lower than planned due to lower costs reported for both en-route (-13.3 M€2009, -8.7%) and terminal (-6.7 M€2009, -28.2%).

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Hungary

Fact validated edition

Edition date: 14/11/2014

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HUNGARY **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	47	47		Hungary has not indicated any improvement compared to the last year. Assessment showed an insufficient justification provided for many of the responses. General lack of references to national procedures and examples and/or justifications not addressing all the relevant areas of replies given. (LV)
ANSP [HungaroControl]	84	84		
ANSP [Budapest Airport]	44	41		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	0	N/A	13	100%			
	ATM Overall		N/A		85%			
Runway Incursions (RIs)	ATM Ground	1	0%	3	33%			
	ATM Overall		0%		0%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	302	100%	389	100%			

Above RAT methodology application values are different from the ones in State Report. Corrigendum sent by Hungary after request for clarification.

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	2	8	2	8		
Legal/Judiciary	3	5	3	5		
Occurrence reporting and Investigation	1	1	1	1		
TOTAL	**6**	**14**	**6**	**14**		

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

Number of questions answered with Yes or No	ANSP [Budapest Airport]					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	4	9	3	10		
Legal/Judiciary	2	1	2	1		
Occurrence reporting and Investigation	5	3	4	4		
TOTAL	**11**	**13**	**9**	**15**		

HUNGARY **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.03	0.07	0.07	
National Target	0.3	0.07	0.03	
Actual performance	0	0		

National capacity assessment

Military dimension of the plan (Opt.)

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

PRB Capacity assessment

With the excellent capacity performance in 2012 and 2013, Hungary has exceeded the national target and the level of performance required to be consistent with the EU-wide target for both years. The PRB welcomes the commitment from Hungary to provide good capacity performance and is confident that Hungary can provide a positive contribution to EU-wide capacity performance in 2014.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 21%

No information was provided regarding the allocation of airspace at H-3, so it is impossible to determine how much restricted or segregated airspace, that was surplus to requirements, was released for GAT use.

Recommendations

Hungary is requested to provide additional information on effective booking procedures, namely the allocation of airspace at H-3.

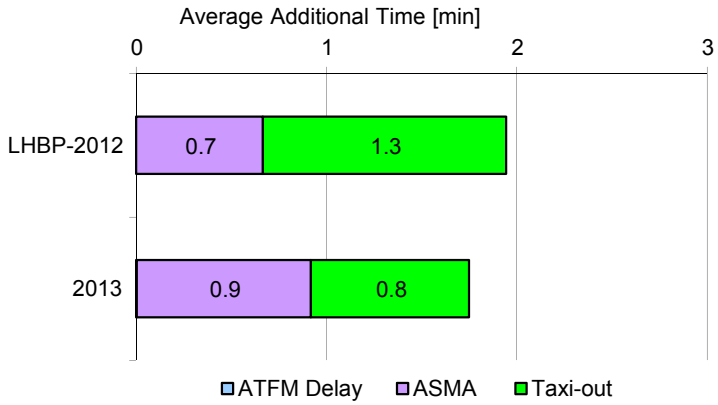
HUNGARY

Monitoring of CAPACITY indicators for 2013

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Budapest/Ferihegy	LHBP	2012	0.0	0	0.7	28 418	1.3	49 334	77 752
		2013	0.0	124	0.9	37 126	0.8	32 912	70 162
Weighted average		**2012**	**0.0**		**0.7**		**1.3**		
		2013	**0.0**		**0.9**		**0.8**		
Grand Total		**2012**		**0**		**28 418**		**49 334**	**77 752**
		2013		**124**		**37 126**		**32 912**	**70 162**
			⇨		⇨	**31%**	⇧	**-33%**	**-10%**

• *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*

• *⇧ represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst ⇩ depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by ⇨*

Critical Issues

• None

Specific Analysis

• The additional ASMA time observed in 2013 was most likely before the introduction of Continuous Descent Operations at Budapest Liszt Ferencs International Airport. No additional ASMA time should be observed in 2014.

HUNGARY **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

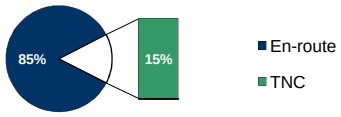
1. - Contextual economic information

- Hungary represents 1.3% of the SES en-route ANS determined costs in 2013.
- ATSP : HungaroControl
- FAB : FAB CE
- National currency: HUF
- Exchange rate 2009: 1 EUR= 279.699

Note on the actual exchange rate 2013

In 2013, the HUF depreciated by 2.6% compared to 2012.

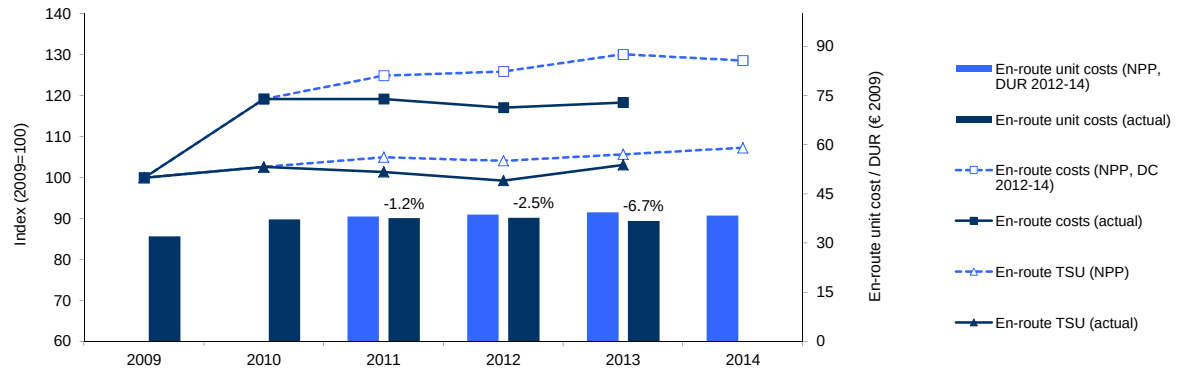
Share of en-route and terminal in gate-to-gate ANS actual costs



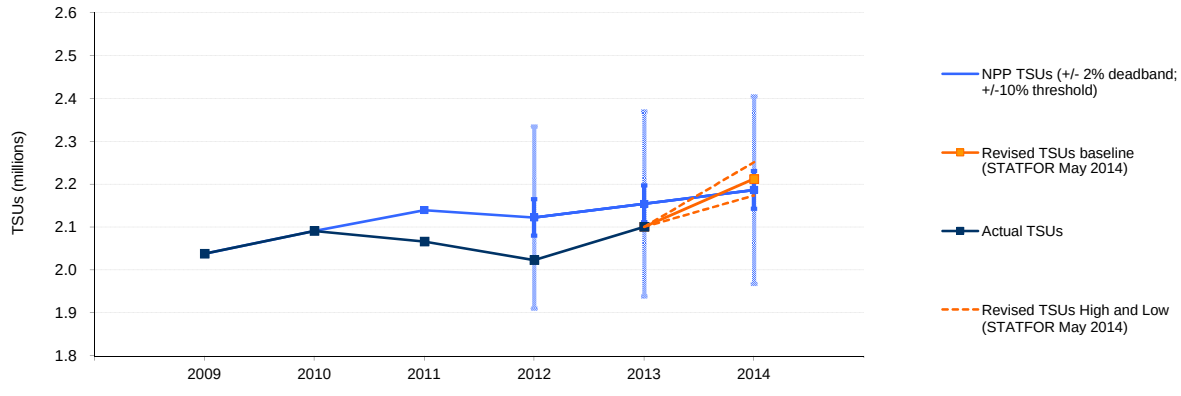
2. - En-route DUR monitoring (2013)

Hungary - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal HUF)	18 270 090 911	22 847 491 091	24 913 550 640	25 989 958 427	27 665 785 366	28 157 420 160
Inflation %		4.9%	4.1%	3.5%	3.0%	3.0%
Inflation index (100 in 2009)	100.0	104.9	109.2	113.0	116.4	119.9
Real en-route costs (determined costs 2012-2014) - (in HUF2009)	18 270 090 911	21 780 258 428	22 817 268 201	22 998 168 700	23 768 044 350	23 485 839 168
Total en-route Service Units	2 038 443	2 091 322	2 139 950	2 122 692	2 154 532	2 186 850
Real en-route unit costs per Service Units - (in HUF2009)	**8 962.77**	**10 414.59**	**10 662.52**	**10 834.44**	**11 031.65**	**10 739.57**
Real en-route unit costs per Service Units - (in EUR2009)	**32.04**	**37.23**	**38.12**	**38.74**	**39.44**	**38.40**

Hungary - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal HUF)	18 270 090 911	22 847 491 091	23 736 569 065	24 636 627 717	25 328 078 317	
Inflation %		4.9%	3.9%	5.7%	1.7%	
Inflation index (100 in 2009)	100.0	104.9	109.0	115.2	117.2	
Real en-route costs - (in HUF2009)	18 270 090 911	21 780 258 428	21 778 447 107	21 385 294 625	21 617 987 651	
Total en-route Service Units	2 038 443	2 091 322	2 067 028	2 023 649	2 101 186	
Real en-route unit costs per Service Units - (in HUF2009)	**8 962.77**	**10 414.59**	**10 536.12**	**10 567.69**	**10 288.47**	
Real en-route unit costs per Service Units - (in EUR2009)	**32.04**	**37.23**	**37.67**	**37.78**	**36.78**	
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				**2012**	**2013**	**2014**
En-route costs - (in nominal HUF)	in value				-1 353 330 709	-2 337 707 050	
	in %				-5.2%	-8.4%	
Inflation %	in p.p.				2.2 p.p.	-1.3 p.p.	
Inflation index (100 in 2009)	in p.p.				2.2 p.p.	0.8 p.p.	
Real en-route costs - (in HUF2009)	in value				-1 612 874 075	-2 150 056 699	
	in %				-7.0%	-9.0%	
Total en-route Service Units	in value				-99 043	-53 346	
	in %				-4.7%	-2.5%	
Real en-route unit costs per Service Units - (in HUF2009)	in value				**-266.74**	**-743.18**	
	in %				**-2.5%**	**-6.7%**	
Real en-route unit costs per Service Units - (in EUR2009)	in value				**-0.95**	**-2.66**	
	in %				**-2.5%**	**-6.7%**	



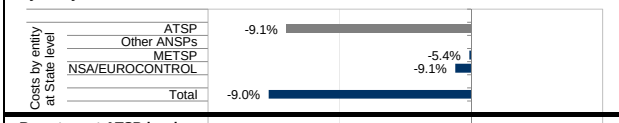
3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



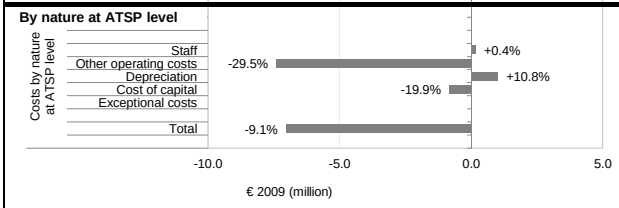
HUNGARY **Monitoring of en-route and terminal cost-efficiency for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)

By entity at State level



By nature at ATSP level



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	1 124
New cost item required by law	-
International agreements	-557
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	1 124
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-557
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	**567**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

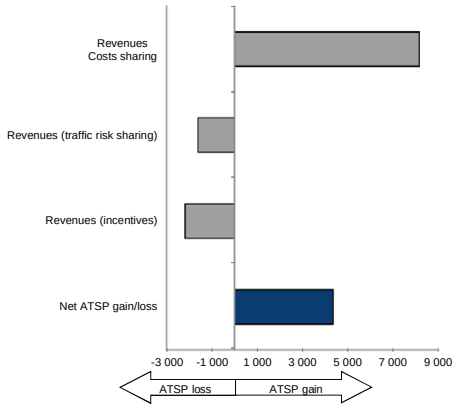
Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	77 151
Actual costs for the ATSP	70 130
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	7 022
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	1 124
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**8 146**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-2.48%
Determined costs after deduction of costs for exempted VFR flights	75 522
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-1 510
ATSP loss (traffic between -2% and -10% below NPP)	-108
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-1 618**

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-) - See Note 1	-2 182
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-2 182**

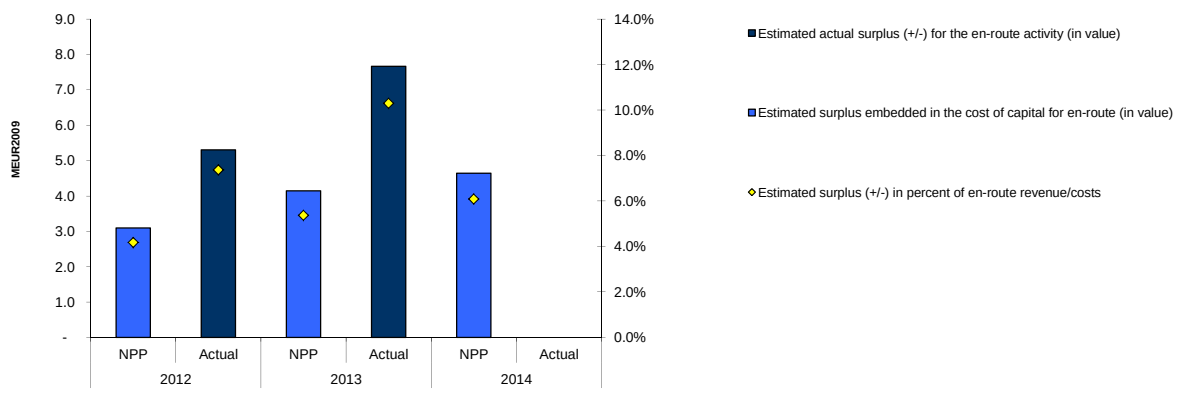
Net ATSP gain(+)/loss(-) on en-route activity - See Note 1	**4 346**

Combined effect of variations in costs and revenue for 2013 ('000€2009)



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	29 501	22 890	39 496	31 649	44 226	
Estimated proportion of financing through equity (in %)	100%	100%	100%	100%	100%	
Estimated proportion of financing through equity (in value)	29 501	22 890	39 496	31 649	44 226	
Estimated proportion of financing through debt (in %)	-	-	-	-	-	
Estimated proportion of financing through debt (in value)	-	-	-	-	-	
Cost of capital pre-tax (in value)	3 098	2 403	4 147	3 323	4 644	
Average interest on debt (in %)	-	-	-	-	-	
Interest on debt (in value)	-	-	-	-	-	
Ex-ante RoE pre-tax rate (in %)	10.5%	10.5%	10.5%	10.5%	10.5%	
Estimated surplus embedded in the cost of capital for en-route (in value)	3 098	2 403	4 147	3 323	4 644	
Net ATSP gain(+)/loss(-) on en-route activity		2 900		4 346		
Overall estimated surplus (+/-) for the en-route activity	**3 098**	**5 303**	**4 147**	**7 669**	**4 644**	
Revenue/costs for the en-route activity	**74 314**	**71 911**	**77 151**	**74 476**	**76 253**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**4.2%**	**7.4%**	**5.4%**	**10.3%**	**6.1%**	
Estimated ex-post RoE pre-taxe rate (in %)	**10.5%**	**23.2%**	**10.5%**	**24.2%**	**10.5%**	



HUNGARY **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Hungary

Note 1: The net gain for HungaroControl's en-route activity in 2013 has been reduced by an amount of 714.9 million HUF (2.2 M€2009) corresponding to a decrease in the" asset management fee" agreed with the users and reimbursed through "other revenues" deducted for the calculation of the 2014 unit rate (the determined costs have not been revised). For transparency purposes, this amount is presented as a penalty in the table and graph of item 5 in this report.

At State / Charging Area level

In 2013, Hungary's actual real en-route unit cost (36.78 €2009) was -6.7% lower than planned in the NPP for RP1 (39.44 €2009). This difference is due to the fact that in 2013 the actual en-route costs reduction (-9.0% compared to NPP) is not compensated by an equivalent reduction in traffic (TSUs -2.5% lower than planned).
The actual en-route traffic (TSU) is lower by -2.5% compared to the NPP for 2013, however it shows an increase of +3.8% compared to the level of 2012. Looking forward, based on STATFOR May 2014 base forecasts, the traffic (TSU) is expected to exceed by +1.2% the figure provided in the Hungarian NPP for RP1, i.e. remaining within the -/+ 2% dead band.

The Hungarian en-route cost-base includes costs related to the Hungarian ATSP (HungaroControl), to the METSP, to the Hungarian NSA and to the EUROCONTROL Agency.
The 2013 actual en-route costs are -9.0% lower than the determined costs. This evolution is mainly due to the lower costs recorded at HungaroControl and at the NSA/EUROCONTROL (-9.1% each). The costs for the METSP are lower by -5.4% than planned in the NPP.

It is important to note that the inflation was significantly lower than planned (-1.3p.p) which influenced the level of expenses downwards.

Costs exempt from cost sharing are reported for an amount of 0.57 M€2009 to be recovered from users for the en-route activity. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

In 2013 HungaroControl's actual real en-route costs were lower by -9.1% than planned in the NPP for RP1. This mainly reflects a lower level in other operating costs (-29.5%) and in cost of capital (-19.9%).

Staff costs have remained quite stable +0.4% due to 2 opposite effects: a decrease in salaries and social security contribution and the continuation of the early retirement scheme.
On the other hand, in other operating costs, savings were made thanks to the lower than planned maintenance costs, related materials and electricity costs. As in 2012, cost savings continued in 2013 in the field of corporate trainings, advisory services and travelling costs. The main driver though is the modification of asset management fee resulting in a saving of about 715 MHUF (2.2 M€2009). Depreciation costs have increased by +10.8%. According to the Hungarian Additional Information provided along with the en-route reporting tables it is "… mainly due to the modified accounting policy applied for the 2 headquarter buildings: these assets were previously handled as a coherent item with a common depreciation key related to building. In the meantime, there is a change in the accounting policy and these assets were divided into several parts with different depreciation keys depending on the type of asset. The shorter useful life of some parts resulted in a higher amount of depreciation". Regarding cost of capital, the capital employed in 2013 was lower than planned due to some investments which did not materialize in 2013 and which were postponed. The actual cost of capital is significantly lower than planned (-19.9%). This reflects the fact that a lower asset base than planned (-19,9%) was used to compute the ATSP's cost of capital in 2013. According to the Hungarian NSA Monitoring Report, the capex spent by HungaroControl on main investment projects is -55% lower than planned. The reason is that some investments planned for CAPEX in 2013 were shifted and did not materialize in 2013. This shift resulted in lower than planned employed capital but did not affect 2013 depreciation costs.

Taking into account costs exempt from cost sharing, HungaroControl actual en-route costs are some 7.0M€ lower than the determined costs reported for the year 2013. As shown in item 5, the en-route activity for the year 2013 generated a net gain of +6.5 M€2009 for HungaroControl overall. This is the combination of two separate elements:
- A gain of 8.1 M€2009 for HungaroControl as a result of the cost-sharing mechanism, taking into account the costs exempt from cost sharing as submitted in the Reporting Tables (1.1 M€2009);
- A loss of -1.6 M€2009 as a result of the traffic risk sharing mechanism for 2013.

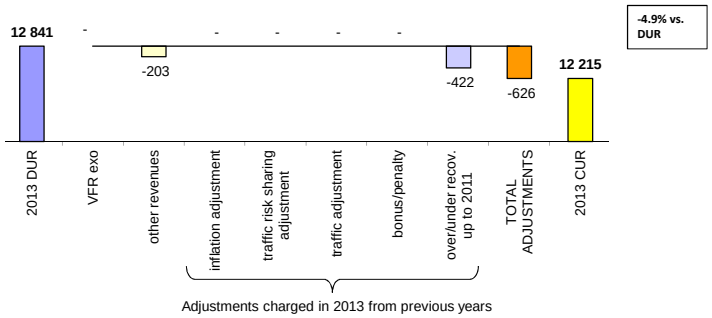
On the profitability side for the en-route activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +4.1 M€2009, corresponding to an estimated surplus of +5.4% of the en-route costs/revenues for 2013. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+3.3 M€2009), the net gain from the en-route activity in 2013 (+6.5 M€2009) including the asset management fee reimbursed to users (-2.2 M€, see note 1), gives a total of +7.7 M€2009 for 2013, corresponding to +10.3% of the en-route revenue in 2013. The resulting ex-post rate of return on equity for 2013 is +24.2% (compared to +10.5% as initially planned in the NPP).

Conclusion: This indicates that in 2013, HungaroControl was in a position to retain the part of surplus embedded in the cost of capital and to generate extra gains arising from the lower costs than planned in 2013. This adds to the gains generated by HungaroControl in 2012 (+5.3 M€2009 or +7.4% of en-route revenue in 2012 leading to an ex-post rate of return on equity of +23.2%). Note that the 2012 figure was updated since the 2012 PRB monitoring report, as a result of the revision of the costs exempt from cost sharing submitted by Hungary in respect of 2012.

HUNGARY **Monitoring of en-route and terminal cost-efficiency for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Hungary 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - HUF



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).
The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;

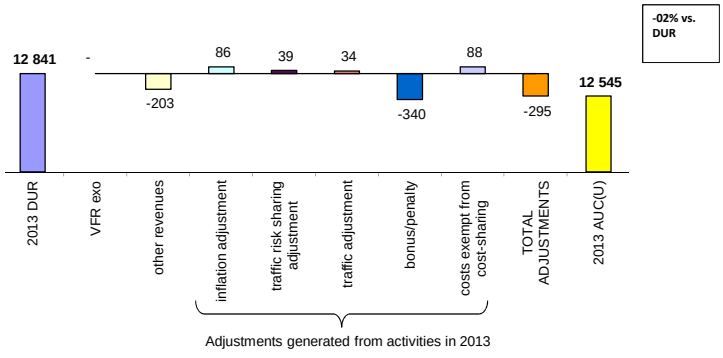
- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2013 as laid out in the performance plan.

The UR charged to users in 2013 was 12 215 HUF. This is significantly lower than the nominal DUR (12 841 HUF). This is the result of a combination of over-recoveries carried over to 2013 from the legacy prior to RP1 and the existence of other revenues. Other revenues consist of E.U.fundings, renting offices or the selling of AIP and schedule data.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Hungary 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - HUF



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;

- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by the **actual total service units** in 2013.

The AUC-U calculated for 2013 is 12 545 HUF. This is slightly lower than the DUR (12 841 HUF) mainly due to the reimbursement of the asset management fee to users in 2014 (see note 1).

HUNGARY **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10.- Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^	0.5	0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone		1	1	1	1	1	1
of which, number of airports over 50 000 movements		1	1	1	1	1	1

Hungary - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in HUF)	5 226 995 382	5 527 709 352	5 958 387 520	5 093 821 268	5 528 644 684	5 788 537 370
Inflation index (100 in 2009)	100.0	104.9	109.2	113.0	116.4	119.9
Real terminal ANS costs - (in HUF2009)	**5 226 995 382**	**5 269 503 672**	**5 457 035 332**	**4 507 454 723**	**4 749 732 216**	**4 828 164 544**
Real terminal ANS costs - (in EUR2009)	**18 687 930**	**18 839 909**	**19 510 386**	**16 115 377**	**16 981 585**	**17 262 001**

Hungary - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in HUF)	5 226 995 382	5 527 709 819	5 370 415 741	4 708 465 096	4 499 023 759	
Inflation index (100 in 2009)	100.0	104.9	109.0	115.2	117.2	
Real terminal ANS costs - (in HUF2009)	**5 226 995 382**	**5 269 504 117**	**4 927 389 246**	**4 087 081 822**	**3 840 000 763**	
Real terminal ANS costs - (in EUR2009)	18 687 930	18 839 910	17 616 757	14 612 429	13 729 047	
Total terminal service units	55 535	55 839	58 857	49 524	49 128	
Actual real unit costs - (in HUF2009)	94 121.4	94 369.6	83 718.5	82 527.3	78 163.2	
Unit rate applied - (in HUF)				**93 707.00**	**111 789.00**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Terminal ANS costs for the charging zones - (in HUF)	in value				-385 356 172	-1 029 620 924	
	in%				-7.6%	-18.6%	
Inflation index (100 in 2009)	in p.p.				2.2 p.p.	0.8 p.p.	
Real terminal ANS costs - (in HUF2009)	in value				**-420 372 900**	**-909 731 452**	
	in%				**-9.3%**	**-19.2%**	
Real terminal ANS costs - (in EUR2009)	in value				**-1 502 947**	**-3 252 537**	
	in%				**-9.3%**	**-19.2%**	

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

The terminal charging zone of Hungary comprises one airport, Budapest Ferenc Liszt International Airport, which handles more than 50 000 airport movements per year. The harmonised SES formula (MTOW/50)^0.7 already applies in the Hungarian Terminal Charging Zone.

The basic unit rate established for 2013 was 111 789 HUF. The Hungarian terminal charges are charged in euro, and the unit rate expressed in euro is adjusted on a monthly basis.

Actual terminal ANS 2013 costs are -19.2% lower than the forecast presented in the NPP for the year 2013 (some 3.2 M€2009). The main drivers for this difference are the lower level of other operating costs. Some of the planned investments were postponed or delayed which means that in 2013 less terminal related depreciation and cost of capital were incurred. But the lower cost of capital was driven also by the lower than planned average risk free rate in 2013 (5.92% instead of 7.0%).

The actual terminal traffic for 2013 was 49 128 total service units which is -0.8% lower than in 2012 mainly due to the slow recovery after MALÉV bankruptcy. It was also noted that Ryanair reduced its flights from April 2013. Based on Hungarian data, the forecast for 2014 shows a 3% grow in terminal service unit.

12.- Monitoring of gate-to-gate costs (2013)

Hungary - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in HUF2009)	18 270 090 911	21 780 258 428	22 817 268 201	22 998 168 700	23 768 044 350	23 485 839 168
Real terminal ANS costs - (in HUF2009)	5 226 995 382	5 269 503 672	5 457 035 332	4 507 454 723	4 749 732 216	4 828 164 544
Real gate-to-gate ANS costs - (in HUF2009)	**23 497 086 293**	**27 049 762 101**	**28 274 303 533**	**27 505 623 423**	**28 517 776 566**	**28 314 003 712**
Real gate-to-gate ANS costs - (in EUR2009)	**84 008 474**	**96 710 257**	**101 088 325**	**98 340 085**	**101 958 808**	**101 230 264**
Share of en-route costs in gate-to-gate ANS costs	**77.8%**	**80.5%**	**80.7%**	**83.6%**	**83.3%**	**82.9%**

Hungary - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in HUF2009)	18 270 090 911	21 780 258 428	21 778 447 107	21 385 294 625	21 617 987 651	
Real terminal ANS costs - (in HUF2009)	5 226 995 382	5 269 504 117	4 927 389 246	4 087 081 822	3 840 000 763	
Real gate-to-gate ANS costs - (in HUF2009)	**23 497 086 293**	**27 049 762 546**	**26 705 836 353**	**25 472 376 447**	**25 457 988 414**	
Real gate-to-gate ANS costs - (in EUR2009)	**84 008 474**	**96 710 258**	**95 480 629**	**91 070 674**	**91 019 233**	
Share of en-route costs in gate-to-gate ANS costs	**77.8%**	**80.5%**	**81.5%**	**84.0%**	**84.9%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Real en-route costs - (in HUF2009)	in value				-1 612 874 075	-2 150 056 699	
	in %				-7.0%	-9.0%	
Real terminal ANS costs - (in HUF2009)	in value				-420 372 900	-909 731 452	
	in %				-9.3%	-19.2%	
Real gate-to-gate ANS costs - (in HUF2009)	in value				**-2 033 246 975**	**-3 059 788 152**	
	in %				**-7.4%**	**-10.7%**	
Real gate-to-gate ANS costs - (in EUR2009)	in value				**-7 269 411**	**-10 939 575**	
	in %				**-7.4%**	**-10.7%**	
Share of en-route costs in gate-to-gate ANS costs	in %				**0.3%**	**1.6%**	

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

In 2013, Hungary actual gate-to-gate ANS costs are -10.7% lower than planned in the NPP.

The relative share of en-route costs in gate-to-gate ANS costs (84.9%) is higher than planned (83.3%) and has gradually increased since 2009 from 77.8% to 84.9% in 2013.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Ireland

Fact validated edition

Edition date: 14/11/2014

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IRELAND **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	85	85		Ireland keeps high scores; only few scores have been slightly downgraded from E and D to C. Overall, the marks are high but they have been justified and were found to be consistent. (LV)
ANSP [IAA]	79	77		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	18	100%	13	100%			
	ATM Overall		100%		100%			
Runway Incursions (RIs)	ATM Ground	25	72%	14	100%			
	ATM Overall		72%		71%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	37	46%	37	100%			

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	9	1	9	1		
Legal/Judiciary	8	0	8	0		
Occurrence reporting and Investigation	2	0	2	0		
TOTAL	**19**	**1**	**19**	**1**		

Number of questions answered with Yes or No	**ANSP [IAA]**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	11	2	12	1		
Legal/Judiciary	3	0	3	0		
Occurrence reporting and Investigation	5	3	5	3		
TOTAL	**19**	**5**	**20**	**4**		

IRELAND **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.09	0.13	0.14	
National Target	0.07	0.14	0.14	
Actual performance	0	0		

National capacity assessment

In terms of achievement of its Capacity targets for 2013, Ireland's actual performance exceeded that set for the specific target "Minutes of en-route ATFM delay per flight" (where actual delay per flight experienced in 2013 was zero).

Military dimension of the plan (Opt.)

The Irish NSA had previously confirmed (in 2012) that the allocation and activation of restricted or segregated areas has no adverse impact on either ATC capacity or available route options for general air traffic.

PRB Capacity assessment

With the excellent capacity performance in 2012 and 2013, Ireland has exceeded the national target and the level of performance required to be consistent with the EU-wide target for both years. The PRB is confident that Ireland can provide a positive contribution to EU-wide capacity performance in 2014

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 70%

No information was provided regarding the allocation of airspace at H-3, so it is impossible to determine how much restricted or segregated airspace, that was surplus to requirements, was released for GAT use.

The PRB is mindful, however, that in 2012, the Irish NSA stated that the allocation and activation of restricted and segregated areas has no adverse impact on available ATC capacity or on available route options.

Recommendations

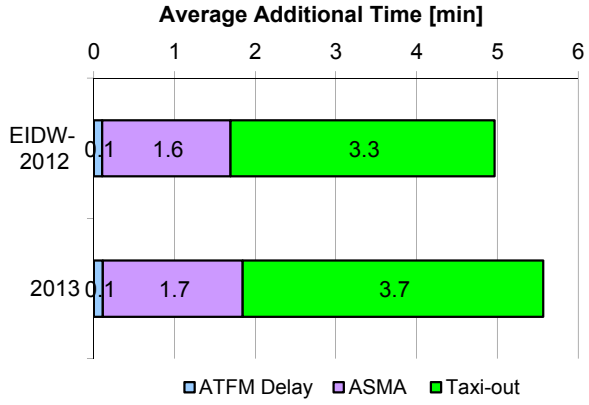
The PRB recommends that Ireland review the impact of allocation of restricted or segregated areas on general air traffic. If there is an adverse impact then Ireland should report all requested information on those areas, including the allocation status at H-3. If there is no impact on general air traffic, then the PRB requests confirmation of such and does not require further information on effective booking procedures.

IRELAND **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Dublin	EIDW	2012	0.1	8 321	1.6	124 167	3.3	245 635	378 123
		2013	0.1	9 543	1.7	142 650	3.7	294 214	446 407
Weighted average		**2012**	**0.1**		**1.6**		**3.3**		
		2013	**0.1**		**1.7**		**3.7**		
Grand Total		**2012**		**8 321**		**124 167**		**245 635**	**378 123**
		2013		**9 543**		**142 650**		**294 214**	**446 407**
			⇨	**15%**	⇨	**15%**	⇩	**20%**	**18%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- ⇧ *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst* ⇩ *depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by* ⇨

Critical Issues

- None

Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

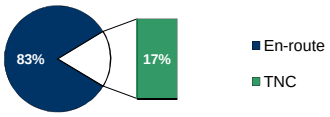
IRELAND

Monitoring of en-route and terminal COST-EFFICIENCY for 2013

1. - Contextual economic information

- Ireland represents 1.9% of the SES en-route ANS determined costs in 2013.
- ATSP : IAA
- FAB : UK-Ireland
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS actual costs

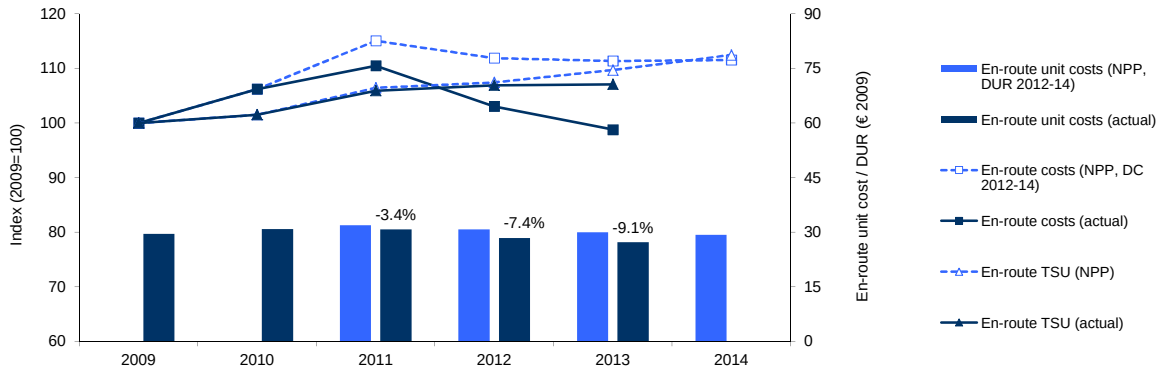


2. - En-route DUR monitoring (2013)

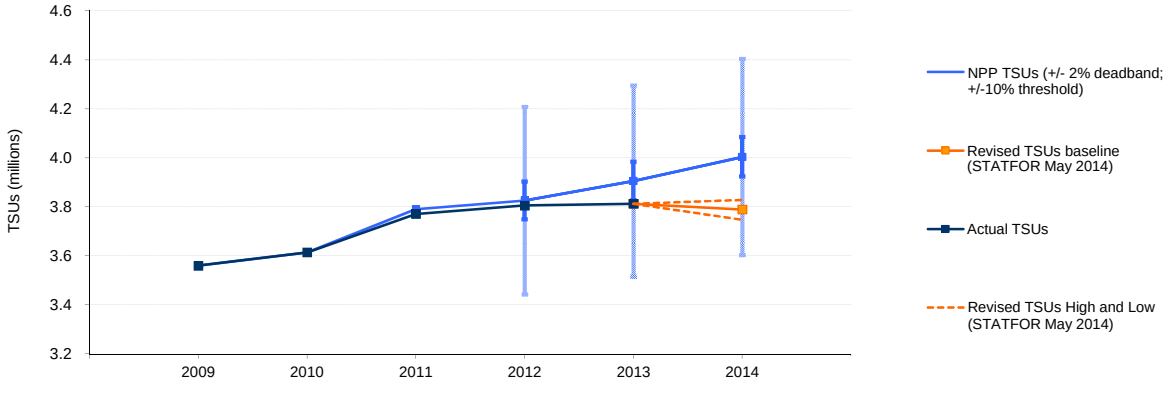
Ireland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	105 200 000	109 931 000	120 637 000	118 505 000	119 609 000	121 704 000
Inflation %		-1.6%	1.3%	1.0%	1.4%	1.6%
Inflation index (100 in 2009)	100.0	98.4	99.7	100.7	102.1	103.7
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	105 200 000	111 718 496	121 025 249	117 709 295	117 165 564	117 340 321
Total en-route Service Units	3 560 633	3 615 036	3 791 000	3 826 000	3 906 000	4 004 000
Real en-route unit costs per Service Units - (in EUR2009)	**29.55**	**30.90**	**31.92**	**30.77**	**30.00**	**29.31**

Ireland - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	105 200 000	109 931 000	115 774 000	109 977 000	105 991 000	
Inflation %		-1.6%	1.2%	1.9%	0.5%	
Inflation index (100 in 2009)	100.0	98.4	99.6	101.5	102.0	
Real en-route costs - (in EUR2009)	105 200 000	111 718 496	116 261 368	108 380 730	103 932 921	
Total en-route Service Units	3 560 633	3 615 036	3 771 478	3 805 985	3 812 940	
Real en-route unit costs per Service Units - (in EUR2009)	**29.55**	**30.90**	**30.83**	**28.48**	**27.26**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
En-route costs - (in nominal EUR)	in value				-8 528 000	-13 618 000	
	in %				-7.2%	-11.4%	
Inflation %	in p.p.				0.9 p.p.	-0.9 p.p.	
Inflation index (100 in 2009)	in p.p.				0.8 p.p.	-0.1 p.p.	
Real en-route costs - (in EUR2009)	in value				-9 328 564	-13 232 643	
	in %				-7.9%	-11.3%	
Total en-route Service Units	in value				-20 015	-93 060	
	in %				-0.5%	-2.4%	
Real en-route unit costs per Service Units - (in EUR2009)	in value				**-2.29**	**-2.74**	
	in %				**-7.4%**	**-9.1%**	

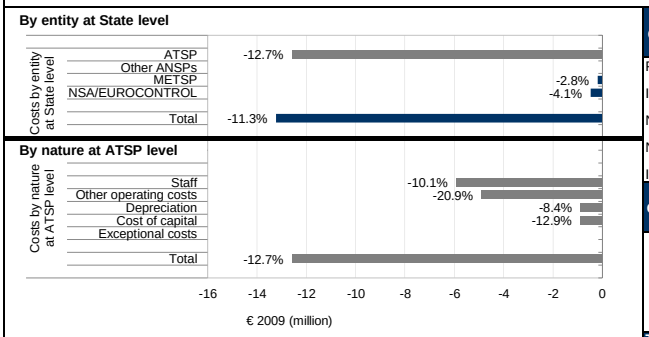


3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



IRELAND **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-77
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-77
Total costs exempted from cost sharing	-77
to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	

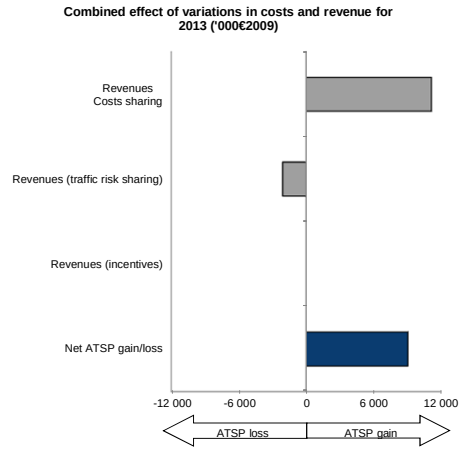
5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	99 104
Actual costs for the ATSP - See Note 1	87 922
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	11 183
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**11 183**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-2.38%
Determined costs after deduction of costs for exempted VFR flights	99 082
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-1 982
ATSP loss (traffic between -2% and -10% below NPP)	-114
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-2 095**

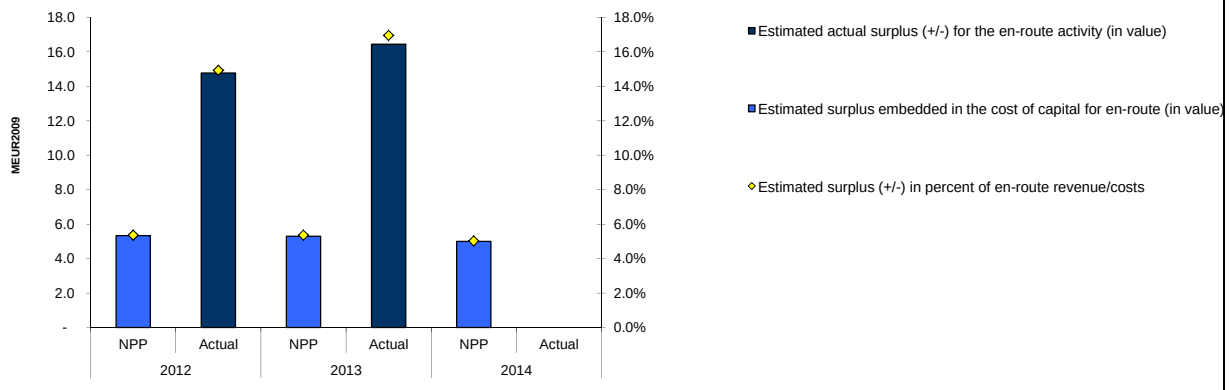
Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

Net ATSP gain(+)/loss(-) on en-route activity	**9 087**



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	85 623	81 371	82 304	71 677	76 179	
Estimated proportion of financing through equity (in %) - See Note 1	64%	100%	63%	100%	62%	
Estimated proportion of financing through equity (in value)	54 443	81 371	51 740	71 677	47 612	
Estimated proportion of financing through debt (in %) - See Note 1	36%		37%		38%	
Estimated proportion of financing through debt (in value)	31 180	-	30 564	-	28 568	
Cost of capital pre-tax (in value) - See Note 1	6 764	7 966	6 832	7 347	6 475	
Average interest on debt (in %) - See Note 1	4.6%		5.0%		5.2%	
Interest on debt (in value) - See Note 1	1 434	-	1 528	-	1 486	
Ex-ante RoE pre-tax rate (in %)	9.8%	9.8%	10.3%	10.3%	10.5%	
Estimated surplus embedded in the cost of capital for en-route (in value)	5 330	7 966	5 303	7 347	4 990	
Net ATSP gain(+)/loss(-) on en-route activity		6 807		9 087		
Overall estimated surplus (+/-) for the en-route activity	**5 330**	**14 774**	**5 303**	**16 434**	**4 990**	
Revenue/costs for the en-route activity	**99 515**	**98 999**	**99 104**	**97 009**	**99 216**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**5.4%**	**14.9%**	**5.4%**	**16.9%**	**5.0%**	
Estimated ex-post RoE pre-taxe rate (in %)	**9.8%**	**18.2%**	**10.3%**	**22.9%**	**10.5%**	



IRELAND **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Ireland

Note 1: Return on equity (RoE) and the Cost of capital (WACC)
We note that for the purpose of the 2012 PRB monitoring report Ireland reported nominal figures for the RoE and the interest on debt while a real terms figure was provided for the cost of capital. For this reason the PRB made some assumptions regarding the parameters used for the calculation of the cost of capital and its components. As a more detailed explanation of this calculation was provided by Ireland this time round, we are in a position not only to reflect this for 2013 but also to update the economic surplus calculation for 2012.

The changes in parameters for the year 2012 compared to the 2012 PRB Monitoring Report are the following:

- For 2012P the average interest of debt changes from 3.6% to 4.6%, while for 2012A and 2012P the ROE is increased from 9.5% to 9.8%
- For 2012P the share of equity financing is 64% instead of the 74% assumed last year
- For 2012A the share of equity financing is 100% as in 2012 IAA had no debt (source: ACE 2012).

Note that on Page 1 and in Section 4 of Page 2 the reported actual cost of capital for 2013 is unchanged from the 2014 June reporting tables using the assumption of 36.1% debt financing, while in Sections 5 and 6 on Page 2 for the purpose of the surplus calculation the 2013A cost of capital was recalculated using the assumption of 100% equity financing.

At State / Charging Area level

In 2013, Ireland's real en-route unit cost (27.26 €2009) is -9.1% lower than planned in the NPP (30.00 €2009). This difference is due to the fact that 2013 actual real en-route costs are -11.3% lower than the determined costs, while the actual number of total service units (TSUs) is slightly lower than planned (-2.4%).
The difference between the actual and planned total en-route service units (-2.4%) falls outside the ±2% dead band. Looking forward, based on STATFOR May 2014 baseline forecast, the number of TSUs in 2014 is expected to be lower (-5.4%) than the figure provided in the Ireland NPP for RP1 (which also falls outside the ±2% dead band but is well above the -10% threshold).

Actual 2013 costs vs. NPP

Real en-route costs for Ireland are -11.3% lower in 2013 than planned as a combination of -11.4% lower nominal en-route costs and -0.1 percentage point lower inflation index. The cost savings are mostly attributable to IAA (-12.7% in real terms). A detailed analysis of IAA's costs is provided in the box below.

Costs exempt from cost sharing are reported for a total of -0.08 M€2009 to be reimbursed to users for the en-route activity, corresponding to lower EUROCONTROL costs than planned. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

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At ATSP level

Actual 2013 IAA costs vs. NPP

In 2013, actual en-route costs are below the performance plan in all categories of cost by nature for IAA. The biggest cost savings in absolute terms are attributable to lower staff costs (-5.9 M€2009 or -10.1%) and other operating costs (-4.9 M€2009 or -20.9%). According to the additional information provided along with the en-route reporting tables in June 2014, the lower staff costs than planned reflect "*higher than expected departures and retirements*", two new student ATCO programmes to replace some retirees and the lack of pay awards in 2013. The savings in other operating costs are attributable to "*savings across a range of ANSP technical and administration expenses*". Depreciation costs and the cost of capital are also below the plan in real terms (-8.4% and -12.9%, respectively) reflecting changes in the investment project plans and significantly lower asset base (-12.9%) than planned. This is in line with the fact that the actual 2013 capex (+2.7 M€) is -76% lower than planned in the NPP (+12.1 M€) including the postponed investments from previous years.

IAA net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, the en-route activity for the year 2013 generated a net gain of +9.1 M€2009 for IAA overall. This is the combination of two separate elements:

- a gain of +11.2 M€2009 for IAA as a result of the cost-sharing mechanism;
- a loss of -2.1 M€2009 as a result of the traffic risk sharing mechanism for 2013;

On the profitability side for the en-route activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +5.3 M€2009, corresponding to an estimated surplus of +5.4% of the en-route costs/revenues for 2013. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+7.3 M€2009) and the net gain from the en-route activity in 2013 (+9.1 M€2009), gives a total of +16.4 M€2009 for 2013, corresponding to +16.9% of the en-route revenue in 2013. The resulting ex-post rate of return on equity for 2013 is +22.9% (compared to +10.3% as initially planned in the NPP).

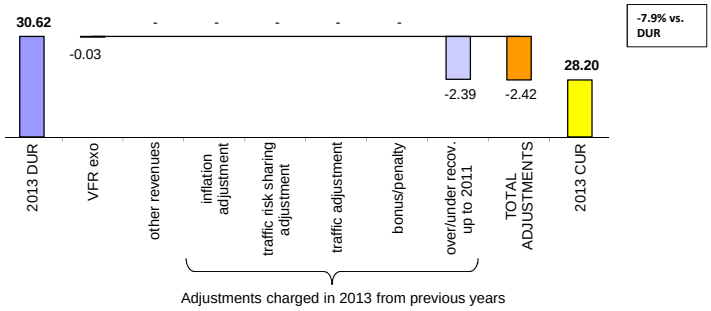
This indicates that in 2013, IAA was in a position to retain the part of surplus embedded in the cost of capital and to generate extra gains arising from the lower costs than planned in 2013. This adds to the overall positive estimated surplus for the en-route activity generated by IAA in 2012 (+14.8 M€2009 or +14.9% estimated surplus of en-route costs/revenues in 2012 leading to an ex-post rate of return on equity of +18.2%).

Conclusion: In 2013 IAA's actual en-route costs are significantly lower than planned (-12.7%) while traffic is only slightly lower than foreseen in the NPP (-2.4%). The en-route activity for the year 2013 generated a net gain of +9.1 M€2009 for IAA which results in an estimated actual surplus of +16.4 M€2009 (+16.9% of the en-route revenue for 2013, up from the +5.4% planned in the RP1 PP).

IRELAND **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Ireland 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

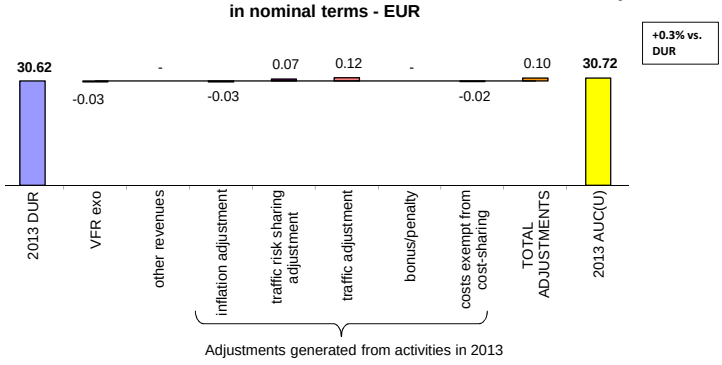
The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The unit rate charged to users in 2013 was 28.20€. This is lower than the nominal DUR (30.62€). The difference observed between these two figures (-2.42€) reflects mainly the amount of over-recoveries carried over to 2013 in the context of the full cost-recovery regime in place before RP1 and partly a deduction of the costs for services to exempted VFR (-0.03€) in 2013.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Ireland 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

The unit cost that the users incur in respect of the activities performed in 2013 was 30.72€. This is slightly higher than the nominal DUR (30.62€). The difference observed between these two figures (+0.10€) reflects the deduction of the costs for services to exempted VFR (-0.03€), the inflation adjustment (-0.03€), the traffic risk sharing adjustment (+0.07€), the traffic adjustment (+0.12€) and the costs exempt from cost-sharing (-0.02€).

IRELAND **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10.- Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^		0.9	0.9	0.8	0.8	0.7
Number of airports in terminal charging zone			3	3	3	3	3
of which, number of airports over 50 000 movements			1	1	1	1	1

Ireland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	25 621 000	25 416 000	26 229 000	24 959 000	25 101 000	25 819 000
Inflation index (100 in 2009)	100.0	98.4	99.7	100.7	102.1	103.7
Real terminal ANS costs - (in EUR2009)	**25 621 000**	**25 829 268**	**26 313 413**	**24 791 412**	**24 588 223**	**24 893 264**

Ireland - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)	25 621 000	23 241 000	25 246 000	23 163 000	22 072 000	
Inflation index (100 in 2009)	100.0	98.4	99.6	101.5	102.0	
Real terminal ANS costs - (in EUR2009)	**25 621 000**	**23 618 902**	**25 352 277**	**22 826 799**	**21 643 417**	
Total terminal service units	159 785	137 483	135 824	129 658	136 935	
Actual real unit costs - (in EUR2009)	160.3	171.8	186.7	176.1	158.1	
Unit rate applied - (in EUR) - See Note 2				**160.24**	**153.72**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value				-1 796 000	-3 029 000	
	in%				-7.2%	-12.1%	
Inflation index (100 in 2009)	in p.p.				0.8 p.p.	-0.1 p.p.	
Real terminal ANS costs - (in EUR2009)	in value				**-1 964 613**	**-2 944 806**	
	in%				**-7.9%**	**-12.0%**	

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

The terminal charging zone in Ireland comprises three airports (Dublin, Shannon and Cork) in RP1. The charge for 2013 is based on the non-harmonised formula of (MTOW/50)^0.8. The harmonised SES formula (MTOW/50)^0.7 is going to be applied with effect from 2014.

The 2013 actual terminal ANS costs are -12.0% lower than the forecast provided in the NPP in real terms. The main driver for this difference is the lower nominal terminal ANS costs (-12.1%) while the inflation index is very close to the plan (-0.1 pp).

Note 2 on Terminal unit rate

IAA's terminal charges are subject to price cap / economic regulation by the Commission for Aviation Regulation covering the years 2012-2015, therefore the effective terminal unit rate is independent from the planned terminal costs and TNSUs.
The terminal unit rate applied by Ireland for 2013 was 153.72€. A discounted rate of 147.63€ was applied though from 01/09/2013 to 30/09/2013. See information circular (Ref. EI 2013/02) available at http://www.eurocontrol.int/sites/default/files/publication/files/ei-2013-02.pdf

12.- Monitoring of gate-to-gate costs (2013)

Ireland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	105 200 000	111 718 496	121 025 249	117 709 295	117 165 564	117 340 321
Real terminal ANS costs - (in EUR2009)	25 621 000	25 829 268	26 313 413	24 791 412	24 588 223	24 893 264
Real gate-to-gate ANS costs - (in EUR2009)	**130 821 000**	**137 547 764**	**147 338 662**	**142 500 707**	**141 753 787**	**142 233 584**
Share of en-route costs in gate-to-gate ANS costs	**80.4%**	**81.2%**	**82.1%**	**82.6%**	**82.7%**	**82.5%**

Ireland - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	105 200 000	111 718 496	116 261 368	108 380 730	103 932 921	
Real terminal ANS costs - (in EUR2009)	25 621 000	23 618 902	25 352 277	22 826 799	21 643 417	
Real gate-to-gate ANS costs - (in EUR2009)	**130 821 000**	**135 337 398**	**141 613 644**	**131 207 529**	**125 576 338**	
Share of en-route costs in gate-to-gate ANS costs	**80.4%**	**82.5%**	**82.1%**	**82.6%**	**82.8%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Real en-route costs - (in EUR2009)	in value				-9 328 564	-13 232 643	
	in %				-7.9%	-11.3%	
Real terminal ANS costs - (in EUR2009)	in value				-1 964 613	-2 944 806	
	in %				-7.9%	-12.0%	
Real gate-to-gate ANS costs - (in EUR2009)	in value				**-11 293 177**	**-16 177 449**	
	in %				**-7.9%**	**-11.4%**	
Share of en-route costs in gate-to-gate ANS costs	in %				**0.0%**	**0.1%**	

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

In 2013, Ireland's actual gate-to-gate ANS costs (125.6 M€2009) are lower than planned in the NPP (141.8 M€2009) by -11.4% in real terms.

The relative share of en-route costs in gate-to-gate ANS costs is slightly higher (82.8%) than the proportion planned in the NPP for 2013 (82.7%). Since 2010, this share has been relatively stable at around 83%.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Italy

Fact validated edition

Edition date: 14/11/2014

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ITALY **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	80	80		Italy has not reported any change on the scores for the past year (2013), hence the scores are still found overrated and not corresponding to the outcome of the inspection. (TV)
ANSP [ENAV]	82	77		

Application of the severity classification of the Risk Analysis Tool (RAT)							
		2012		2013		2014	
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)
Separation Minima Infringements (SMIs)	ATM Ground	108	85%	107	100%		
	ATM Overall		0%		32%		
Runway Incursions (RIs)	ATM Ground	89	62%	73	73%		
	ATM Overall		0%		19%		
ATM Specific Occurences (ATM-Specific)	ATM Overall	20	0%	6	67%		

Above RAT methodology application values are different from the ones in State Report. The AST results are updated and confirmed by Italy after request for clarification.

Just culture						
Number of questions answered with Yes or No	State					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	2	8	2	8		
Legal/Judiciary	3	5	3	5		
Occurrence reporting and Investigation	2	0	2	0		
TOTAL	**7**	**13**	**7**	**13**		

Number of questions answered with Yes or No	ANSP [ENAV]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	11	2	12	1		
Legal/Judiciary	2	1	2	1		
Occurrence reporting and Investigation	7	1	7	1		
TOTAL	**20**	**4**	**21**	**3**		

ITALY **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.14	0.14	0.12	
National Target	0.14	0.14	0.12	
Actual performance	0	0		

National capacity assessment

Italy has virtually no delay. The planned capacity has been delivered, wth a strong reduction of costs.

Military dimension of the plan (Opt.)

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

PRB Capacity assessment

With the excellent capacity performance in 2012 and 2013, Italy has exceeded the national target and the level of performance required to be consistent with the EU-wide target for both years. The PRB is confident that Italy can provide a positive contribution to EU-wide capacity performance in 2014.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 42%

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

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 58%

Recommendations

The PRB reminds Italy of the obligation to report on the individual restricted and segregated areas that impact available ATC capacity, and or route options for general air traffic, rather than simply aggregating over all areas.

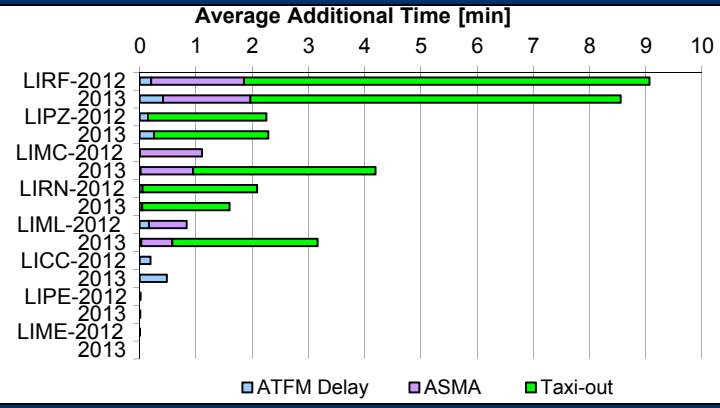
ITALY

Monitoring of CAPACITY indicators for 2013

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Rome/Fiumicino	LIRF	2012	0.2	32 177	1.7	254 968	7.2	1 051 458	1 338 602
		2013	0.4	62 724	1.6	228 471	6.6	920 036	1 211 231
Venice/Tessera	LIPZ	2012	0.1	6 208	Not Applicable		2.1	87 886	42 021
		2013	0.3	10 351	Not Applicable		2.0	80 215	40 474
Milan/Malpensa	LIMC	2012	0.0	278	1.1	91 208	Missing Data		91 486
		2013	0.0	1 052	0.9	71 627	3.2	242 385	315 064
Napoli Capodichino	LIRN	2012	0.0	1 423	Not Applicable		2.0	60 566	61 989
		2013	0.0	1 238	Not Applicable		1.6	40 629	41 867
Milan/Linate	LIML	2012	0.2	9 736	0.7	29790.93	Missing Data		39 527
		2013	0.0	1 427	0.6	24896.43	2.6	115 949	142 272
Catania Fontanarossa	LICC	2012	0.2	5 176	Not Applicable		Under development. See comment below.*		5 176
		2013	0.5	13 398	Not Applicable				13 398
Bologna	LIPE	2012	0.0	528	Not Applicable		Missing Data		528
		2013	0.0	221	Not Applicable		Missing Data		221
Bergamo/Orio Alserio	LIME	2012	0.0	60	Not Applicable		Missing Data		60
		2013	0.0	0	Not Applicable		Missing Data		0
Weighted average		2012	**0.1**		**1.3**		**5.5**		
		2013	**0.2**		**1.2**		**4.3**		
Grand Total		2012		**55 586**		**375 967**		**1 199 909**	**1 631 462**
		2013		**90 411**		**324 995**		**1 399 214**	**1 814 620**
			⇨	**63%**	⇨	**-14%**	⇧	**17%**	**11%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- ⇧ *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst* ⇩ *depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by* ⇨.

Critical Issues

- The data issue for the two Milano airports was solved in 2013.
- Partial or no data is however provided for Bergamo and Bologna airports, what prohibited taxi-out time calculation.
- *Data flow was successfully set up with Catania Airport in September 2013, but not complete enough in 2013 to calculate taxi-out time.
- The national averages are informative only when data is reported as missing.

Specific Analysis

- Although it significantly decreased in 2013 compared to 2012, additional taxi-out time remains relatively high in average at Roma Fiumicino (6.6 minutes per departure), and represents the 2nd worst performance after London Heathrow.

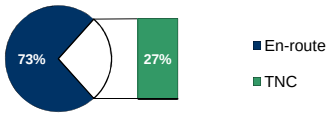
ITALY

Monitoring of en-route and terminal COST-EFFICIENCY for 2013

1. - Contextual economic information

- Italy represents 9.6% of the SES en-route ANS determined costs in 2013.
- ATSP : ENAV
- FAB : BLUE MED
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS actual costs

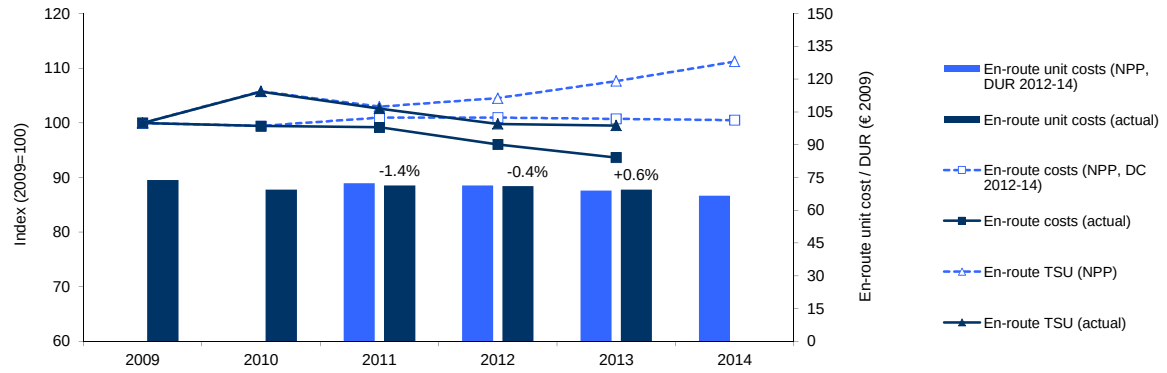


2. - En-route DUR monitoring (2013)

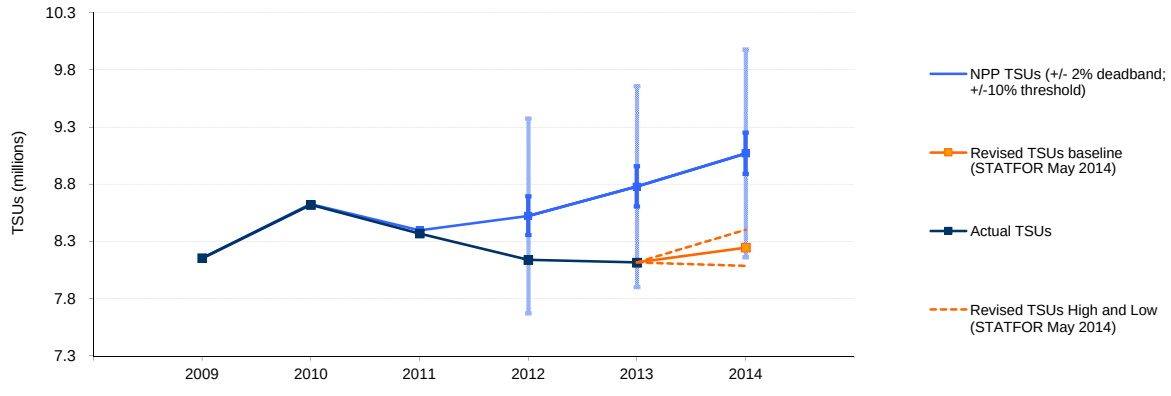
Italy - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	602 560 561	609 025 448	630 521 093	644 020 778	655 301 570	666 974 089
Inflation %		1.6%	2.0%	2.1%	2.0%	2.0%
Inflation index (100 in 2009)	100.0	101.6	103.6	105.8	107.9	110.1
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	602 560 561	599 204 487	608 464 111	608 529 861	607 048 027	605 746 111
Total en-route Service Units	8 154 586	8 628 649	8 399 127	8 525 114	8 780 867	9 070 636
Real en-route unit costs per Service Units - (in EUR2009)	**73.89**	**69.44**	**72.44**	**71.38**	**69.13**	**66.78**

Italy - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	602 560 561	609 025 448	625 199 629	625 275 875	617 862 849	
Inflation %		1.6%	2.9%	3.3%	1.3%	
Inflation index (100 in 2009)	100.0	101.6	104.6	108.0	109.4	
Real en-route costs - (in EUR2009)	602 560 561	599 204 487	597 782 165	578 756 115	564 555 390	
Total en-route Service Units	8 154 586	8 621 257	8 369 860	8 139 130	8 117 393	
Real en-route unit costs per Service Units - (in EUR2009)	**73.89**	**69.50**	**71.42**	**71.11**	**69.55**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
En-route costs - (in nominal EUR)	in value	-18 744 903	-37 438 721	
	in %	-2.9%	-5.7%	
Inflation %	in p.p.	1.2 p.p.	-0.7 p.p.	
Inflation index (100 in 2009)	in p.p.	2.2 p.p.	1.5 p.p.	
Real en-route costs - (in EUR2009)	in value	-29 773 746	-42 492 638	
	in %	-4.9%	-7.0%	
Total en-route Service Units	in value	-385 984	-663 474	
	in %	-4.5%	-7.6%	
Real en-route unit costs per Service Units - (in EUR2009)	**in value**	**-0.27**	**0.42**	
	in %	**-0.4%**	**0.6%**	



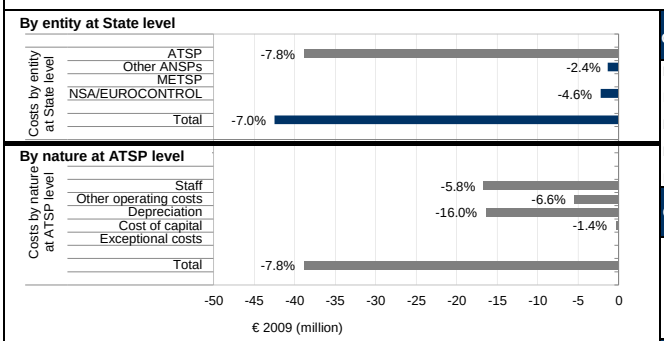
3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



ITALY

Monitoring of en-route and terminal COST-EFFICIENCY for 2013

4. - En-route costs monitoring (2013 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	-

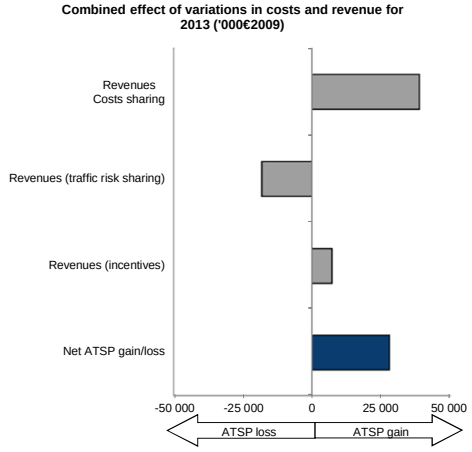
5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	501 796
Actual costs for the ATSP	462 895
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	38 901
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**38 901**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-7.56%
Determined costs after deduction of costs for exempted VFR flights	494 948
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-9 899
ATSP loss (traffic between -2% and -10% below NPP)	-8 250
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-18 149**

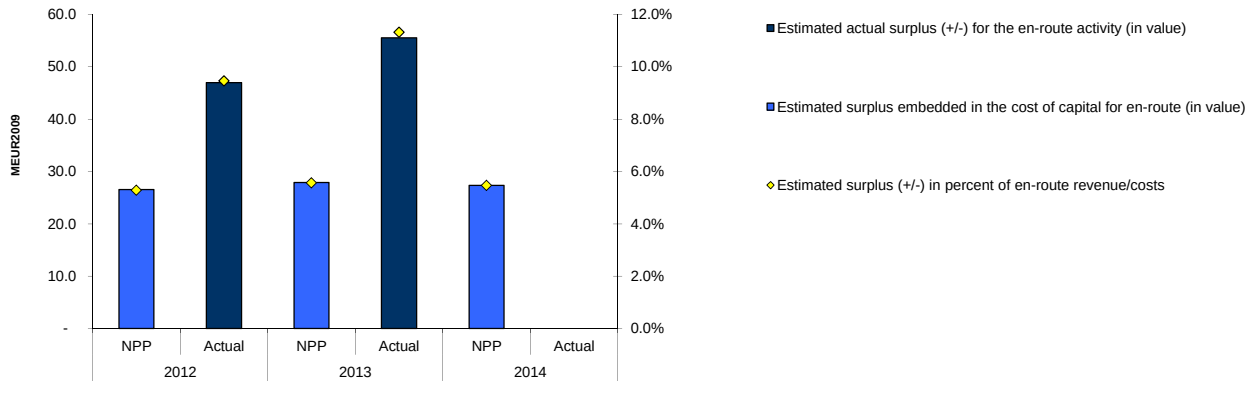
Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	7 310
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**7 310**

Net ATSP gain(+)/loss(-) on en-route activity	**28 063**



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	983 040	962 971	978 048	964 702	958 871	
Estimated proportion of financing through equity (in %)	100%	100%	100%	100%	100%	
Estimated proportion of financing through equity (in value)	983 040	962 971	978 048	964 702	958 871	
Estimated proportion of financing through debt (in %)	-	-	-	-	-	
Estimated proportion of financing through debt (in value)	-	-	-	-	-	
Cost of capital pre-tax (in value)	26 542	26 000	27 874	27 494	27 328	
Average interest on debt (in %)	-	-	-	-	-	
Interest on debt (in value)	-	-	-	-	-	
Ex-ante RoE pre-tax rate (in %)	2.7%	2.7%	2.9%	2.9%	2.9%	
Estimated surplus embedded in the cost of capital for en-route (in value)	26 542	26 000	27 874	27 494	27 328	
Net ATSP gain(+)/loss(-) on en-route activity		20 977		28 063		
Overall estimated surplus (+/-) for the en-route activity	**26 542**	**46 977**	**27 874**	**55 557**	**27 328**	
Revenue/costs for the en-route activity	**502 623**	**496 447**	**501 796**	**490 957**	**500 240**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**5.3%**	**9.5%**	**5.6%**	**11.3%**	**5.5%**	
Estimated ex-post RoE pre-taxe rate (in %)	**2.7%**	**4.9%**	**2.9%**	**5.8%**	**2.8%**	



ITALY **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Italy

We note that for the purpose of this PRB monitoring report the en-route and terminal reporting tables provided by Italy on July 7th were used. Unlike the NSA monitoring report for Italy and the previous en-route and terminal Reporting Tables submissions for the establishment of the 2015 unit rates, these data include actual (but still unapproved by the Ministry of Transport) 2013 cost figures.

We also note that since the 2012 PRB Monitoring Report Italy has updated some actual en-route figures for years preceding 2013. The differences in the reported total en-route service units are attributable to the fact that Italy used to report their own system data in the past but now they aligned their TSU reporting with the Eurocontrol CRCO system report. The changes are the following:
- For 2010A, the total service units (and therefore the unit costs) slightly changed.
- For 2011A, the total service units were increased by 4.3% resulting in a -4.3% decrease in unit costs.
- For 2012A, total costs and total service units were slightly changed in a way that unit costs stayed the same. This has an effect on the 2012 surplus calculation as well.

At State / Charging Area level

In 2013, Italy's real en-route unit cost (69.55 €2009) is +0.6% higher than planned in the NPP (69.13 €2009). This difference is due to the fact that 2013 real en-route actual costs are -7.0% lower than the determined costs, while the actual number of total service units (TSUs) are also much lower than planned (-7.6%).

The difference between the actual and planned total en-route service units (-7.6%) falls outside the ±2% dead band but it is within the -10% threshold. Looking forward, based on STATFOR May 2014 baseline forecast, the number of TSUs in 2014 is expected to be much lower (-9.1%) than the figure provided in the Italy NPP for RP1 (which is close to the -10% threshold).

Actual 2013 costs vs. NPP

Real en-route costs for Italy are -7.0% lower in 2013 than planned as a combination of -5.7% lower nominal en-route costs and +1.5 points higher inflation index. The cost savings are mostly attributable to ENAV (-7.8% in real terms) but also to lower actual costs than planned for the military ANSP ITAF and for NSA/ EUROCONTROL (-2.4% and -4.6% in real terms, respectively). A detailed analysis of ENAV's costs and savings is provided in the box below.

No costs exempt from cost sharing related to the 2013 en-route activity are reported.

At ATSP level

Actual 2013 ENAV costs vs. NPP

In 2013, actual en-route costs are below the performance plan in all categories of cost by nature for ENAV. The biggest cost savings in volume are attributable to lower staff costs (-16.7 M€2009 or -5.8%) and depreciation costs (-16.4 M€2009 or -16.0%). According to the NSA State Monitoring Report and the additional information enclosed to the June 2014 en-route data submission, the lower staff costs than planned reflect savings in salary/overtime payments and also a new redundancy policy adopted in the end of 2012, while the depreciation costs were mainly affected by postponed investments and renegotiated deals with suppliers. This is consistent with the fact that the actual total asset base in 2013 is -1.4% lower than planned resulting also in savings in the cost of capital (-0.4 M €2009 or - 1.4%). In fact, according to the NSA monitoring report the cumulative 2012-2013 actual capex is some -45 M€ (or -17%) lower than planned in the NPP for the same period including the postponed investments from previous years. The savings in other operating costs (-5.5 M€2009 or -6.6%) are attributable to "*costs not directly related to the core business of the Company*".

ENAV net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, the en-route activity for the year 2013 generated a net gain of +28.1 M€2009 for ENAV overall. This is the combination of three separate elements:

- a gain of +38.9 M€2009 for ENAV as a result of the cost-sharing mechanism (mostly lower staff and depreciation costs);
- a loss of -18.1 M€2009 as a result of the traffic risk sharing mechanism for 2013;
- a gain of +7.3 M€2009, corresponding to a bonus of 8.0 M€ (in nominal terms) awarded to ENAV as part of the incentive mechanism for the capacity target described in the Italy NPP

On the profitability side for the en-route activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +27.9 M€2009, corresponding to an estimated surplus of +5.6% of the en-route costs/revenues for 2013. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+27.5 M€2009) and the net gain from the en-route activity in 2013 (+28.1 M€2009), gives a total of+55.6 M€2009 for 2013, corresponding to +11.3% of the en-route revenue in 2013. The resulting ex-post rate of return on equity for 2013 is +5.8% (compared to+2.9% as initially planned in the NPP).

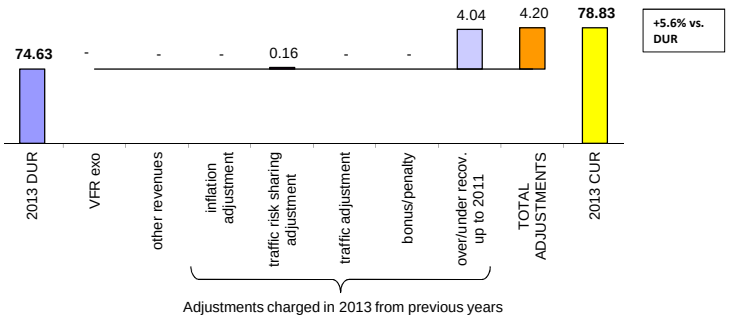
This indicates that in 2013, ENAV was in a position to retain the part of surplus embedded in the cost of capital and to generate extra gains arising from the lower costs than planned in 2013. This adds to the overall positive estimated surplus for the en-route activity generated by ENAV in 2012 (+47.0 M€2009 or +9.5%estimated surplus of en-route costs/revenues in 2012 leading to an ex-post rate of return on equity of +4.9%).

Conclusion: Despite the lower than expected en-route TSU traffic volumes (-7.6%), ENAV managed to generate savings in en-route costs (-7.8%) and generate a net gain of +28.1 M€2009 including the bonus for reaching the capacity target, which results in an estimated actual surplus of +11.3% of the en-route revenue for 2013 (up from the +5.6% in the NPP).

ITALY **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Italy 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

The CUR takes account of:

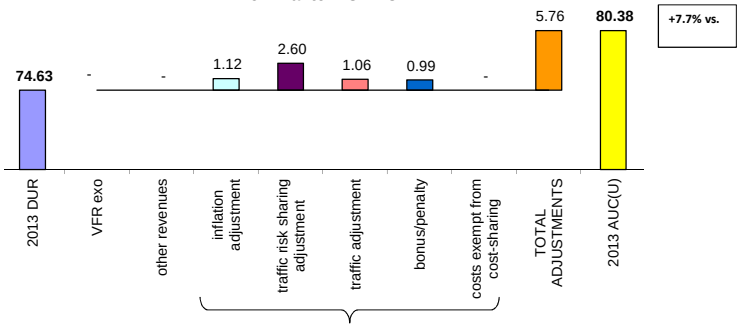
- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;

- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The unit rate charged to users in 2013 was 78.83€. This is higher than the nominal DUR (74.63€). The difference observed between these two figures (+4.20€) reflects mainly the amount of under-recoveries carried over to 2013 in the context of the full cost-recovery regime in place before RP1 (+4.04€) and partly an adjustment related to the traffic risk sharing (+0.16€).

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Italy 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;

- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

The unit cost that the users incur in respect of the activities performed in 2013 was 80.38€. This is higher than the nominal DUR (74.63€). The difference observed between these two figures (+5.76€) reflects the addition of the inflation adjustment (+1.12€), the traffic risk sharing adjustment (+2.60€), the traffic adjustment (+1.06€) and the bonus for 2013 (+0.99€).

ITALY **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10.- Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^	0.95	0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone		39	47	47	47	47	
of which, number of airports over 50 000 movements		10	11	11	11	11	

Italy - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	180 118 090	212 109 538	223 061 164	235 190 617	248 312 872	255 821 981
Inflation index (100 in 2009)	100.0	101.6	103.6	105.8	107.9	110.1
Real terminal ANS costs - (in EUR2009)	**180 118 090**	**208 689 124**	**215 258 005**	**222 229 653**	**230 028 198**	**232 337 617**

Italy - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)	180 118 090	212 109 538	223 944 803	227 483 201	226 016 101	
Inflation index (100 in 2009)	100.0	101.6	104.6	108.0	109.4	
Real terminal ANS costs - (in EUR2009)	**180 118 090**	**208 689 124**	**214 123 942**	**210 558 730**	**206 516 071**	
Total terminal service units	35 270 775	908 813	925 436	892 822	854 922	
Actual real unit costs - (in EUR2009)	5.1	229.6	231.4	235.8	241.6	
Unit rate applied - (in EUR) Unit Rate 1				**121.50**	**246.05**	
Unit rate applied - (in EUR) Unit Rate 2				**254.34**	**185.00**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value	-7 707 416	-22 296 771	
	in%	-3.3%	-9.0%	
Inflation index (100 in 2009)	in p.p.	2.2 p.p.	1.5 p.p.	
Real terminal ANS costs - (in EUR2009)	in value	**-11 670 923**	**-23 512 127**	
	in%	**-5.3%**	**-10.2%**	

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

The terminal charging zone in Italy comprises 47 airports in RP1 of which 39 are controlled by ENAV and 8 by ITAF. 11 airports are above the 50 000 commercial air transport movements threshold (10 managed by ENAV and 1 by ITAF). The harmonised SES formula (MTOW/50)^0.7 applies in the TCZ.

The 2013 actual terminal ANS costs (206.5 M€2009) are -10.2% lower than the forecast provided in the NPP in real terms. The drivers for this difference are the lower nominal terminal ANS costs (-9.0%) and higher inflation index (+1.5 points) than planned. The cost savings affect mostly the staff costs, and to a smaller extent other operating costs and depreciation costs.

Terminal Unit rate

In 2013, there was a mid-year change in the terminal ANS unit rate as "*ENAV has used 19,8 M€ of its Unit Rate Stabilisation Fund to reduce the level of the applied unit rate in the last four months of 2013. The unit rate applied from September to December 2013 has been equal to 185€ per SU, instead of 246,05€*" as for the first 9 months of 2013.

12.- Monitoring of gate-to-gate costs (2013)

Italy - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	602 560 561	599 204 487	608 464 111	608 529 861	607 048 027	605 746 111
Real terminal ANS costs - (in EUR2009)	180 118 090	208 689 124	215 258 005	222 229 653	230 028 198	232 337 617
Real gate-to-gate ANS costs - (in EUR2009)	**782 678 651**	**807 893 610**	**823 722 116**	**830 759 514**	**837 076 225**	**838 083 728**
Share of en-route costs in gate-to-gate ANS costs	**77.0%**	**74.2%**	**73.9%**	**73.2%**	**72.5%**	**72.3%**

Italy - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	602 560 561	599 204 487	597 782 165	578 756 115	564 555 390	
Real terminal ANS costs - (in EUR2009)	180 118 090	208 689 124	214 123 942	210 558 730	206 516 071	
Real gate-to-gate ANS costs - (in EUR2009)	**782 678 651**	**807 893 610**	**811 906 107**	**789 314 845**	**771 071 461**	
Share of en-route costs in gate-to-gate ANS costs	**77.0%**	**74.2%**	**73.6%**	**73.3%**	**73.2%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Real en-route costs - (in EUR2009)	in value	-29 773 746	-42 492 638	
	in %	-4.9%	-7.0%	
Real terminal ANS costs - (in EUR2009)	in value	-11 670 923	-23 512 127	
	in %	-5.3%	-10.2%	
Real gate-to-gate ANS costs - (in EUR2009)	in value	**-41 444 670**	**-66 004 764**	
	in %	**-5.0%**	**-7.9%**	
Share of en-route costs in gate-to-gate ANS costs	in %	**0.1%**	**0.7%**	

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

In 2013, Italy's actual gate-to-gate ANS costs (771.1 M€2009) are lower than planned in the NPP (837.1 M€2009) by -7.9% in real terms. The relative share of en-route costs in gate-to-gate ANS costs is slightly higher (73.2%) than the proportion planned in the NPP for 2013 (72.5%). Since 2010, this share has been relatively stable at around 73-74%.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Latvia

Fact validated edition

Edition date: 14/11/2014

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LATVIA **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	57	57		Latvia has downgraded significantly its scores, in some cases from C to B. The assessment shows that, although the replies are generally fairly well justified, there seems to be some underestimations within the first element when it comes to national secondary regulations as justification is provided for a higher level. On the other hand, 'safety promotion' improved to C, and the answers were found to be sufficiently justified. (LV)
ANSP [LGS]	57	60		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	3	100%	2	100%			
	ATM Overall		100%		100%			
Runway Incursions (RIs)	ATM Ground	2	100%	2	100%			
	ATM Overall		100%		0%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	33	100%	9	100%			

Above RAT methodology application values are different from the ones in State Report. The AST results are updated and confirmed by Latvia after request for clarification.

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	4	6	4	6		
Legal/Judiciary	1	7	1	7		
Occurrence reporting and Investigation	2	0	2	0		
TOTAL	**7**	**13**	**7**	**13**		

Number of questions answered with Yes or No	ANSP [LGS]					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	11	2	10	3		
Legal/Judiciary	2	1	2	1		
Occurrence reporting and Investigation	6	2	6	2		
TOTAL	**19**	**5**	**18**	**6**		

LATVIA **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.02	0.04	0.05	
National Target	0.02	0.03	0.03	
Actual performance	0	0		

National capacity assessment

The planned capacity targets were achieved. Monitoring results for Environment indicate that considerable efforts must be allocated from military airspace users in order to increase airspace use efficiency. The issue has been discussed with the military authorities.

Military dimension of the plan (Opt.)

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

PRB Capacity assessment

With the excellent capacity performance in 2012 and 2013, Latvia has exceeded the national target and the level of performance required to be consistent with the EU-wide target for both years. The PRB welcomes the committment from Latvia to provide a positive contribution to EU-wide capacity in 2013 and 2014 and is confident that Latvia will rise to the challenge.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 18%

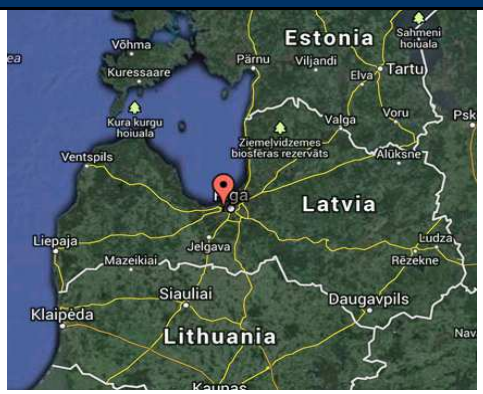
The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 0%

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 82%

Recommendations

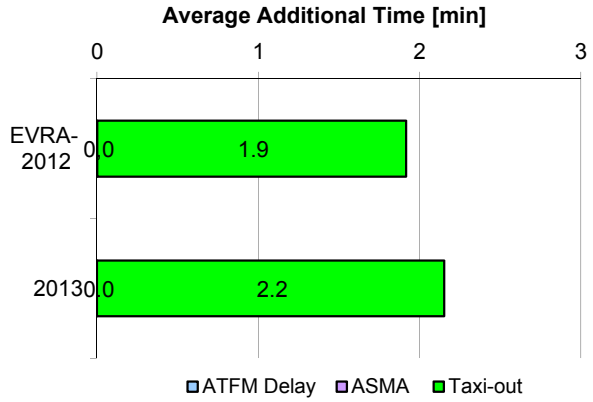
LATVIA **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1



Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Riga Intl	EVRA	2012	0.0	65	Not Applicable		1.9	63 342	63 407
		2013	0.0	19	Not Applicable		2.2	67 946	67 965
Weighted average		**2012**	**0.0**				**1.9**		
		2013	**0.0**				**2.2**		
Grand Total		**2012**		**65**		**0**		**63 342**	**63 407**
		2013		**19**		**0**		**67 946**	**67 965**
			⇨	**-71%**			⇨	**7%**	**7%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- ⇧ *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst* ⇩ *depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by* ⇨

Critical Issues

- None

Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

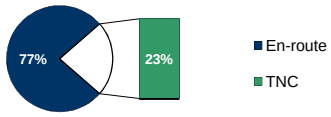
LATVIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

1. - Contextual economic information

- Latvia represents 0.3% of the SES en-route ANS determined costs in 2013.
- ATSP : LGS
- FAB : NEFAB
- National currency: EUR

*See Note 1

Share of en-route and terminal in gate-to-gate ANS actual costs

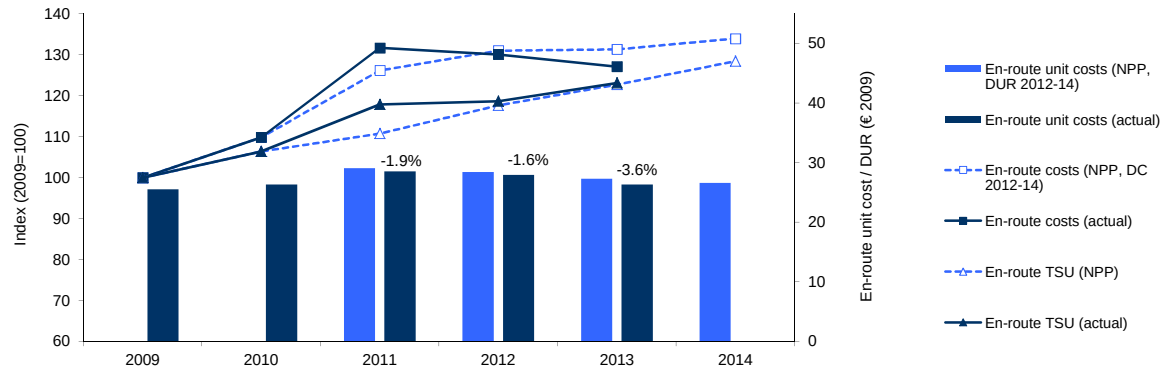


2. - En-route DUR monitoring (2013)

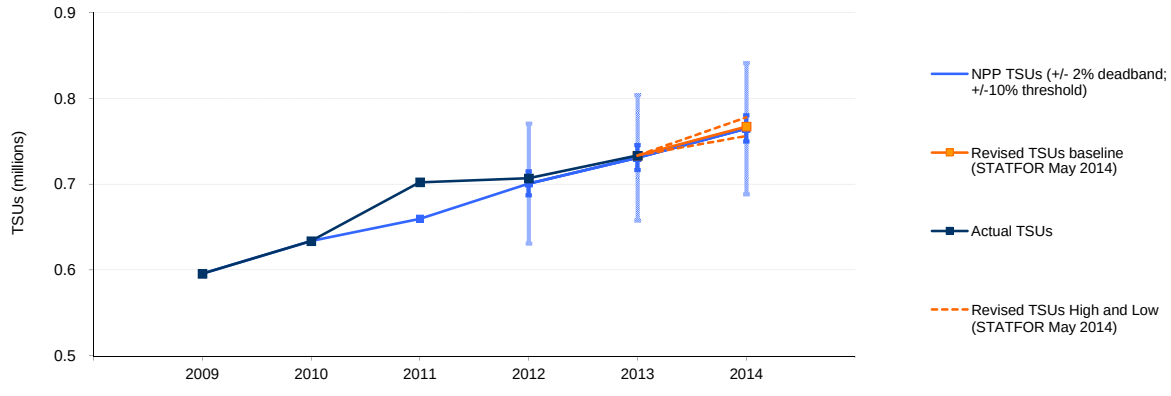
Latvia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	15 219 037	16 533 770	19 781 494	21 013 230	21 425 204	22 223 722
Inflation %		-1.1%	4.2%	2.3%	1.7%	1.7%
Inflation index (100 in 2009)	100.0	98.9	103.1	105.4	107.2	109.0
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	15 219 037	16 717 665	19 195 307	19 932 105	19 983 169	20 381 458
Total en-route Service Units	595 873	634 000	660 000	701 000	731 000	765 000
Real en-route unit costs per Service Units - (in EUR2009)	**25.54**	**26.37**	**29.08**	**28.43**	**27.34**	**26.64**

Latvia - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	15 219 037	16 533 770	20 649 203	20 861 147	20 390 743	
Inflation %		-1.1%	4.2%	2.3%	0.0%	
Inflation index (100 in 2009)	100.0	98.9	103.1	105.4	105.4	
Real en-route costs - (in EUR2009)	15 219 037	16 717 665	20 037 304	19 787 846	19 341 645	
Total en-route Service Units	595 873	634 000	702 400	707 109	733 633	
Real en-route unit costs per Service Units - (in EUR2009)	**25.54**	**26.37**	**28.53**	**27.98**	**26.36**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
En-route costs - (in nominal EUR)	in value				-152 083	-1 034 461	
	in %				-0.7%	-4.8%	
Inflation %	in p.p.				0.0 p.p.	-1.7 p.p.	
Inflation index (100 in 2009)	in p.p.				-0.0 p.p.	-1.8 p.p.	
Real en-route costs - (in EUR2009)	in value				-144 259	-641 525	
	in %				-0.7%	-3.2%	
Total en-route Service Units	in value				6 109	2 633	
	in %				0.9%	0.4%	
Real en-route unit costs per Service Units - (in EUR2009)	**in value**				**-0.45**	**-0.97**	
	in %				**-1.6%**	**-3.6%**	



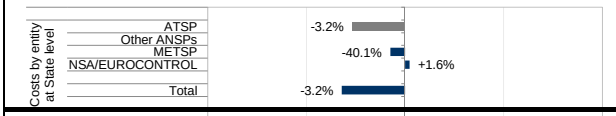
3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



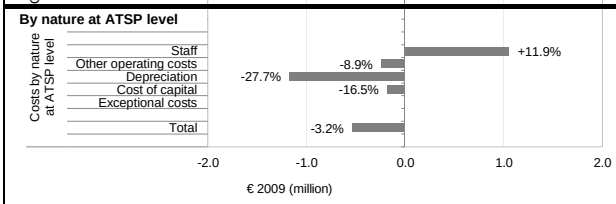
LATVIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)

By entity at State level



By nature at ATSP level



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	19
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	19
Total costs exempted from cost sharing	**19**
to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

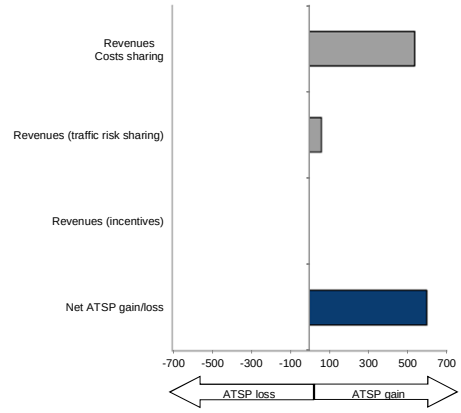
Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	16 882
Actual costs for the ATSP	16 344
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	537
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**537**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	0.36%
Determined costs after deduction of costs for exempted VFR flights	17 169
ATSP gain (traffic between 0 and +2% higher than NPP)	62
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-
ATSP loss (traffic between -2% and -10% below NPP)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**62**

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

Net ATSP gain(+)/loss(-) on en-route activity	**599**

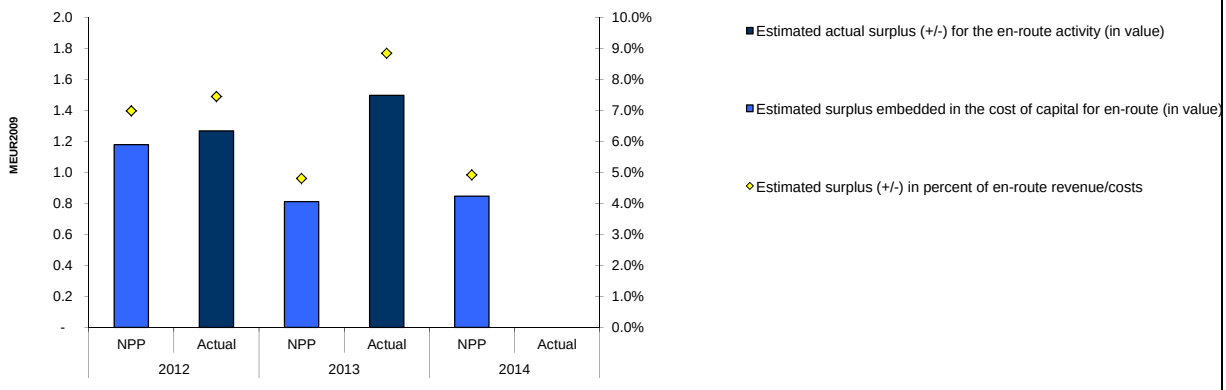
Combined effect of variations in costs and revenue for 2013 ('000€2009)



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	19 302	17 264	18 404	15 483	16 934	
Estimated proportion of financing through equity (in %) *	89%	94%	76%	100%	100%	
Estimated proportion of financing through equity (in value)	17 087	16 166	13 988	15 483	16 934	
Estimated proportion of financing through debt (in %) *	11%	6%	24%	-	-	
Estimated proportion of financing through debt (in value)	2 215	1 097	4 417	-	-	
Cost of capital pre-tax (in value)	1 312	1 146	1 076	898	847	
Average interest on debt (in %)	6.0%	2.8%	6.0%	3.0%	-	
Interest on debt (in value)	133	30	265	-	-	
Ex-ante RoE pre-tax rate (in %)	6.9%	6.9%	5.8%	5.8%	5.0%	
Estimated surplus embedded in the cost of capital for en-route (in value) *	1 179	1 115	811	898	847	
Net ATSP gain(+)/loss(-) on en-route activity		153		599		
Overall estimated surplus (+/-) for the en-route activity	**1 179**	**1 268**	**811**	**1 497**	**847**	
Revenue/costs for the en-route activity	**16 883**	**17 030**	**16 882**	**16 943**	**17 217**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**7.0%**	**7.4%**	**4.8%**	**8.8%**	**4.9%**	
Estimated ex-post RoE pre-taxe rate (in %)	**6.9%**	**7.8%**	**5.8%**	**9.7%**	**5.0%**	

*See Note 2



LATVIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Latvia

Note 1

Latvia joined the euro (€) zone on 1st January 2014 at an exchange rate of 0.702804 LVL. For comparability across RP1, all figures are expressed in € as submitted by Latvia in the En-Route and Terminal reporting tables. For other data sources that are expressed in LVL, comparison is made by conversion at this exchange rate.

Note 2

The estimated surplus embedded in the cost of capital planned for 2013 has been updated compared to the 2012 Monitoring Report. The planned % financing through equity is 76%, consistent with the Additional Information provided with the June 2014 en-route Reporting Tables.

At State / Charging Area level

In 2013, Latvia's real en-route unit cost (26.36 €2009) is -3.6% lower than the DUR provided in the NPP for RP1 (27.34 €2009). This difference is mainly due to the fact that 2013 actual en-route costs are lower than the determined costs (-3.2%) while the actual number of TSUs is slightly higher than planned in the NPP (+0.4%) .

The actual number of en-route TSUs is slightly higher than planned (+0.4%) and therefore remains within the +/- 2% dead band foreseen in the traffic risk sharing mechanism for ATSP costs. Looking forward, based on the STATFOR May 2014 base case forecasts for Lithuania, the number of TSUs in 2014 is expected to be close to the figures forecasted in the NPP (+0.3%).

The Latvian en-route cost-base includes costs relating to: the en-route ATSP (LGS), the MET service provider (LVĢMC), the Latvian NSA and the EUROCONTROL Agency. The lower 2013 en-route costs compared to the NPP are mainly related to cost reductions achieved by LGS (-0.5 M€2009, or -3.2% in real terms), which are discussed in more detail below. Actual costs are also lower than planned for LVĢMC (-0.1 M€2009, or -40.1% in real terms), which according to the NSA monitoring report is due to the same factors as for LGS, discussed below. On the other hand, NSA/ EUROCONTROL costs increased by +1.6% in real terms which is a combination of higher NSA costs (+1.9% in real terms) and higher EUROCONTROL costs (+2.5% in real terms).

Costs exempted from cost sharing are reported for a total of +0.02 M€2009 to be passed on to users for the en-route activity, corresponding to the difference between the planned and actual values for EUROCONTROL costs. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Actual 2013 LGS costs vs. NPP

In 2013, LGS' actual costs are -3.2% lower than planned in real terms, due to higher than planned staff costs offset by lower than planned costs for all other categories.

Staff costs are +11.9% higher than planned (+1.1 M€2009). According to the Latvian NSA Monitoring Report for 2013, this deviation is due to the pressure faced by LGS from trade unions as salaries in Latvia are lower than in the majority of neighbouring countries.

On the other hand, actual other operating costs are -8.9% lower in real terms than planned (-0.2 M€2009). Information provided in the NSA Monitoring Report indicates that this difference is mainly due to i) lower fixed asset maintenance costs and ii) lower training costs.

Depreciation costs are -27.7% lower than planned (-1.2 M€2009) and the cost of capital is -16.5% lower than planned (-0.2 M€2009). This is predominantly due to lower capex in 2012 and 2013 compared the level planned in the NPP and a lower than planned asset base (-2.9 M€2009, -15.9%).

According to the information provided in the NSA Monitoring Report actual capex in 2013 was -21.7% lower than planned (4.7 M€ compared to 6.0 M€). Actual capex in 2013 includes 1.4 M€ relating to the modernisation of VHF for Riga FIR.

LGS' net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, the en-route activity for the year 2013 generated a net gain of +0.6 M€2009 for LGS. This is the combination of:

- a gain of +0.5 M€2009 as a result of the cost-sharing mechanism; and,
- a gain of +0.06 M€2009 as a result of the traffic risk sharing mechanism.

When estimating LGS' economic surplus, it is also important to account for the profit embedded in the cost of capital through the return on equity (+0.9 M€2009). As a result, the estimated economic surplus for the en-route activity in 2013 amounts to +1.5 M€2009, which implies an ex-post rate of return on equity of 9.7% (compared to 5.8% as initially planned in the NPP). This adds to the gains generated by LGS in 2012 (+1.3 M€2009 or +7.4% of en-route revenues in 2012, leading to an ex-post rate of return on equity of +7.8% in 2012).

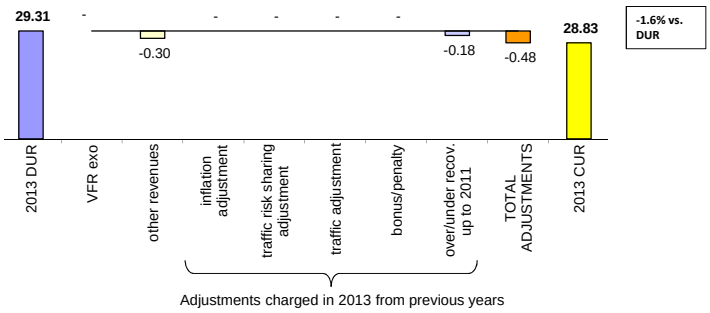
Conclusion: In the context of slightly higher than planned traffic (+0.4%) LGS' en-route costs were -3.2% below the NPP resulting in a gain of +0.5 M€2009 from cost sharing and a gain of +0.06 M€2009 from traffic risk sharing. When also accounting for the profit embedded in the cost of capital through the return on equity, the en-route activity for the year 2013 generated a net gain of +1.5 M€2009 for LGS, which implies an ex-post rate of return on equity of +9.7% (compared to +5.8% as initially planned in the NPP).

LATVIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2013

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Latvia 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

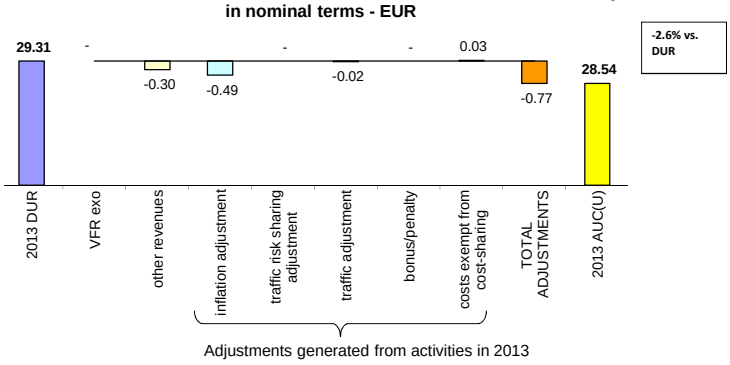
The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The Chargeable Unit Rate (CUR) charged to airspace users in 2013 was 28.83€. This is -1.6% lower than the DUR expressed in nominal terms (29.31€). The difference between these two figures (-0.48€) mainly relates to other revenues and over-recoveries carried over to 2013 from the legacy prior to RP1 (full cost recovery regime).

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Latvia 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

The Actual Unit Cost for users in 2013 was 28.54€ which is -2.6% lower than the nominal DUR (29.31€). The difference between these two figures (0.77€) is predominantly due to a negative inflation adjustment following a lower than planned inflation index and a reduction due to other revenues. There is also a minor reduction related to traffic, following higher traffic than planned, offset by adjustment from costs exempted from cost sharing.

LATVIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10.- Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^			0.7	0.7	0.7	0.7
Number of airports in terminal charging zone				3	3	3	3
of which, number of airports over 50 000 movements				1	1	1	1

Latvia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	0	0	8 141 088	8 357 894	8 504 895	9 047 642
Inflation index (100 in 2009)	100.0	98.9	103.1	105.4	107.2	109.0
Real terminal ANS costs - (in EUR2009)	**0**	**0**	**7 899 842**	**7 927 882**	**7 932 468**	**8 297 626**

Latvia - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)			6 984 835	6 517 898	6 035 811	
Inflation index (100 in 2009)	100.0	98.9	103.1	105.4	105.4	
Real terminal ANS costs - (in EUR2009)			**6 777 853**	**6 182 554**	**5 725 270**	
Total terminal service units			34 500	32 000	32 093	
Actual real unit costs - (in EUR2009)			196.5	193.2	178.4	
Unit rate applied - (in EUR)				**89.73**	**89.73**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)			2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value		-1 839 995	-2 469 084	
	in%		-22.0%	-29.0%	
Inflation index (100 in 2009)	in p.p.		0.0 p.p.	-1.8 p.p.	
Real terminal ANS costs - (in EUR2009)	in value		**-1 745 328**	**-2 207 198**	
	in%		**-22.0%**	**-27.8%**	

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

The terminal charging zone of Latvia comprises 3 airports of which only one (Riga) handles over 50 000 movements. No changes are foreseen for 2014. The harmonised SES formula (MTOW/50)^0.7 already applies in Latvia's terminal charging zone.

For consistency with en-route, the planned figures for terminal are converted using the pegged exchange rate (i.e. 0.702804), see note 1. Actual terminal ANS costs are -27.8% lower in real terms (-2.2 M€2009) than the forecast presented in the NPP for the year 2013 due to lower than planned costs for all categories. Staff costs are -18.4% lower in real terms (-0.7 M€2009), in contrast with the en-route staff costs which are +11.9% (+1.1 M€2009) above the NPP figure. Although not mentioned in the NSA monitoring report these opposite variations could possibly be explained by changes in cost allocation between en-route and terminal ANS.

Other operating costs are -40.3% lower than planned in real terms (-0.5 M€2009). It is inferred that the lower depreciation costs (-0.9 M€2009, -39.4% in real terms) and cost of capital (-0.08 M€2009, or -15.9% in real terms) reflect the lower than planned capex and asset base.

In the Additional Information to the Terminal Reporting Tables, Latvia does not refer to the 2013 TNC costs as published in RP1 NPP. For this reason, the trends presented in these documents and the comments provided by Latvia are not relevant for the purposes of RP1 monitoring. The 2013 real unit cost for terminal services (i.e. 178.40 €2009) decreased compared to 2012 (-7.7%), while the Unit Rate applied (89.73 €) has been frozen since 2011.

12.- Monitoring of gate-to-gate costs (2013)

Latvia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	15 219 037	16 717 665	19 195 307	19 932 105	19 983 169	20 381 458
Real terminal ANS costs - (in EUR2009)	0	0	7 899 842	7 927 882	7 932 468	8 297 626
Real gate-to-gate ANS costs - (in EUR2009)	**15 219 037**	**16 717 665**	**27 095 150**	**27 859 987**	**27 915 637**	**28 679 084**
Share of en-route costs in gate-to-gate ANS costs	**N/A**	**N/A**	**70.8%**	**71.5%**	**71.6%**	**71.1%**

Latvia - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	15 219 037	16 717 665	20 037 304	19 787 846	19 341 645	
Real terminal ANS costs - (in EUR2009)	0	0	6 777 853	6 182 554	5 725 270	
Real gate-to-gate ANS costs - (in EUR2009)	**15 219 037**	**16 717 665**	**26 815 157**	**25 970 401**	**25 066 915**	
Share of en-route costs in gate-to-gate ANS costs	**N/A**	**N/A**	**74.7%**	**76.2%**	**77.2%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)			2012	2013	2014
Real en-route costs - (in EUR2009)	in value		-144 259	-641 525	
	in %		-0.7%	-3.2%	
Real terminal ANS costs - (in EUR2009)	in value		-1 745 328	-2 207 198	
	in %		-22.0%	-27.8%	
Real gate-to-gate ANS costs - (in EUR2009)	in value		**-1 889 587**	**-2 848 723**	
	in %		**-6.8%**	**-10.2%**	
Share of en-route costs in gate-to-gate ANS costs	in %		**4.7%**	**5.6%**	

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

In 2013, Latvia's gate-to-gate ANS costs (25.1 M€2009) are -10.2% lower than planned in the NPP (27.9 M€2009), following lower than planned real costs for en-route (-0.6 M€2009, -3.2%) and terminal (-2.2 M€2009, -27.8%).

The significant reduction in terminal ANS costs has increased the share of en-route in total gate-to-gate costs from 71.6% in the NPP to 77.2%.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Lithuania

Fact validated edition

Edition date: 14/11/2014

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LITHUANIA

Monitoring of SAFETY indicators for 2013

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	58	58		Lithuania has not indicated any progress. The answers were found to be fairly consistent and well justified. (LV)
ANSP [ORO NAVIGACIJA]	83	85		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	0	N/A	0	N/A			
	ATM Overall		N/A		N/A			
Runway Incursions (RIs)	ATM Ground	0	N/A	0	N/A			
	ATM Overall		N/A		N/A			
ATM Specific Occurences (ATM-Specific)	ATM Overall	17	100%	17	100%			

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	6	4	6	4		
Legal/Judiciary	7	1	7	1		
Occurrence reporting and Investigation	2	0	2	0		
TOTAL	**15**	**5**	**15**	**5**		

Number of questions answered with Yes or No	ANSP [ORO NAVIGACIJA]					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	11	2	11	2		
Legal/Judiciary	2	1	3	0		
Occurrence reporting and Investigation	8	0	8	0		
TOTAL	**21**	**3**	**22**	**2**		

LITHUANIA **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	**2013**	**2014**	**Observations**
Reference value	0.04	0.05	0.06	
National Target	0.04	0.05	0.05	
Actual performance	0	0		

National capacity assessment

General performance achievement is very good.

Military dimension of the plan (Opt.)

The national monitoring report confirms that there is no requirement to apply FUA to increase capacity for general air traffic as, "ATC capacity is sufficient."

PRB Capacity assessment

With the excellent capacity performance in 2012 and 2013, Lithuania has exceeded the national target and the level of performance required to be consistent with the EU-wide target for both years. The PRB welcomes the commitment from Lithuania to provide a positive contribution to EU-wide capacity in 2014 and is confident that Lithuania will rise to the challenge.

Effective booking procedures

The national monitoring report contained the following statement: “ATC capacity is sufficient. Environment KPI has not been established for RP1 and therefore monitored.”

In 2012, Lithuania stated that the allocation and activation of restricted or segregated areas has no impact on available ATC capacity, or on available route options for general air traffic.

The PRB understands that the above statement confirms the 2012 situation for 2013.

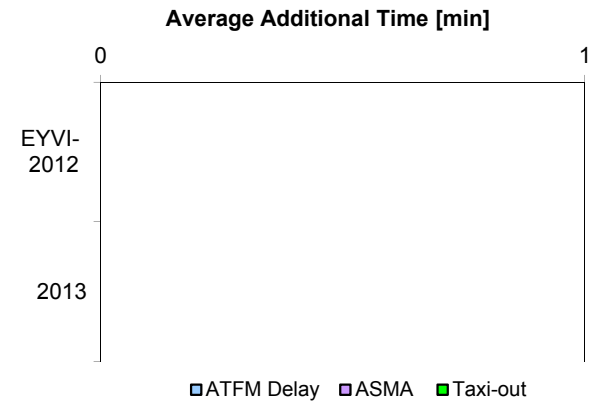
Recommendations

LITHUANIA **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Vilnius Intl	EYVI	2012	0.0	0.0	Not Applicable		**Missing Data**		0
		2013	0.0	0.0	Not Applicable		**Missing Data**		0
Weighted average		2012	**0.0**						
		2013	**0.0**						
Grand Total		2012		**0**					**0**
		2013		**0**					**0**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by .*

Critical Issues

- Missing Mandatory data. Addendum of NPP for RP1 of 30 January 2012 clarifies that data will be available at the latest for RP2. Representative of Vilnius Int. Airport reconfirmed their plans to provide these data from 1 January 2015.

Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

LITHUANIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

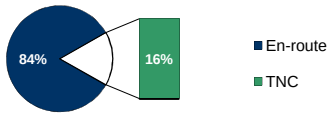
1. - Contextual economic information

- Lithuania represents 0.3% of the SES en-route ANS determined costs in 2013.
- ATSP : Oro Navigacija
- FAB : Baltic
- National currency: LTL
- Exchange rate 2009: 1 EUR= 3.45061

Note on the actual exchange rate 2013

The LTL exchange rate to the EUR remained stable in 2013 compared to 2012.

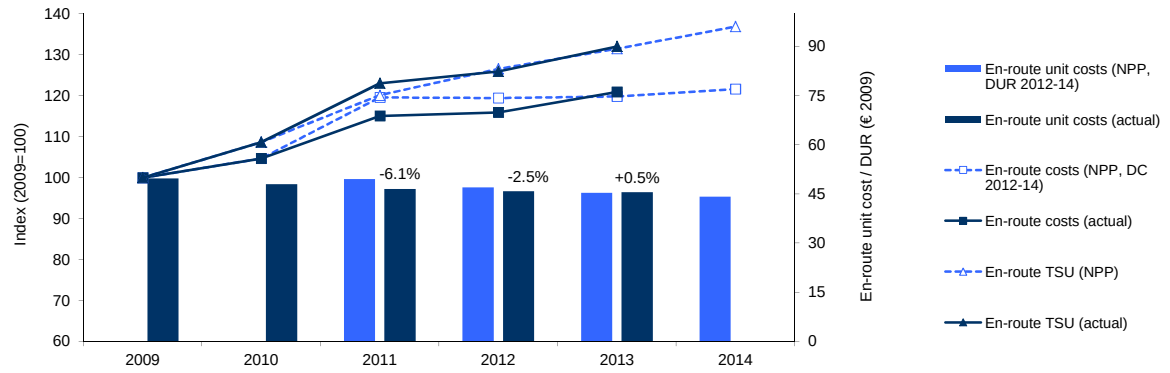
Share of en-route and terminal in gate-to-gate ANS actual costs



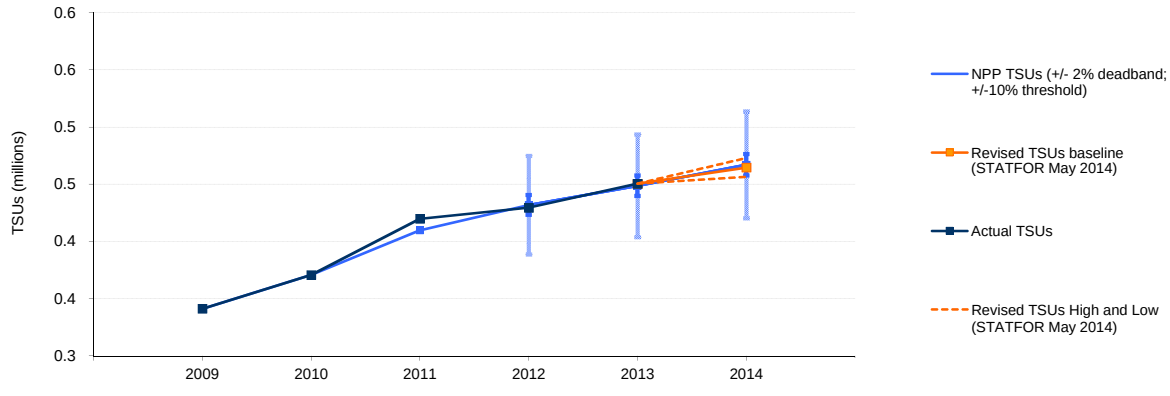
2. - En-route DUR monitoring (2013)

Lithuania - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal LTL)	58 633 924	62 118 000	72 560 295	74 222 874	76 109 996	79 164 791
Inflation %		1.2%	2.2%	2.4%	2.2%	2.5%
Inflation index (100 in 2009)	100.0	101.2	103.5	106.0	108.4	111.0
Real en-route costs (determined costs 2012-2014) - (in LTL2009)	58 633 924	61 381 423	70 133 122	70 031 323	70 239 218	71 289 683
Total en-route Service Units	341 247	370 823	409 819	431 858	448 700	467 097
Real en-route unit costs per Service Units - (in LTL2009)	**171.82**	**165.53**	**171.13**	**162.16**	**156.54**	**152.62**
Real en-route unit costs per Service Units - (in EUR2009)	**49.79**	**47.97**	**49.59**	**47.00**	**45.37**	**44.23**

Lithuania - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal LTL)	58 633 924	62 118 000	71 053 687	73 888 590	77 991 286	
Inflation %		1.2%	4.1%	3.2%	1.2%	
Inflation index (100 in 2009)	100.0	101.2	105.3	108.7	110.0	
Real en-route costs - (in LTL2009)	58 633 924	61 381 423	67 445 872	67 962 045	70 885 047	
Total en-route Service Units	341 247	370 823	419 921	429 631	450 551	
Real en-route unit costs per Service Units - (in LTL2009)	**171.82**	**165.53**	**160.62**	**158.19**	**157.33**	
Real en-route unit costs per Service Units - (in EUR2009)	**49.79**	**47.97**	**46.55**	**45.84**	**45.59**	
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				**2012**	**2013**	**2014**
En-route costs - (in nominal LTL)	in value				-334 284	1 881 290	
	in %				-0.5%	2.5%	
Inflation %	in p.p.				0.8 p.p.	-1.0 p.p.	
Inflation index (100 in 2009)	in p.p.				2.7 p.p.	1.7 p.p.	
Real en-route costs - (in LTL2009)	in value				-2 069 278	645 828	
	in %				-3.0%	0.9%	
Total en-route Service Units	in value				-2 227	1 851	
	in %				-0.5%	0.4%	
Real en-route unit costs per Service Units - (in LTL2009)	in value				**-3.98**	**0.79**	
	in %				**-2.5%**	**0.5%**	
Real en-route unit costs per Service Units - (in EUR2009)	in value				**-1.15**	**0.23**	
	in %				**-2.5%**	**0.5%**	



3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)

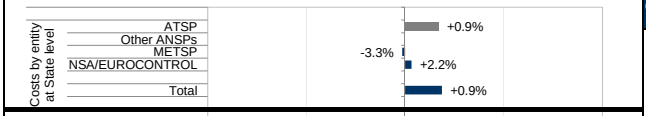


LITHUANIA

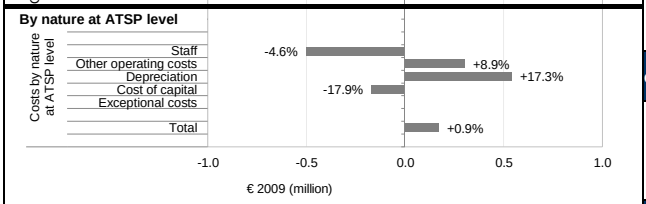
Monitoring of en-route and terminal COST-EFFICIENCY for 2013

4. - En-route costs monitoring (2013 actuals compared to NPP)

By entity at State level



By nature at ATSP level



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	101
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	101
Total costs exempted from cost sharing	**101**
to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

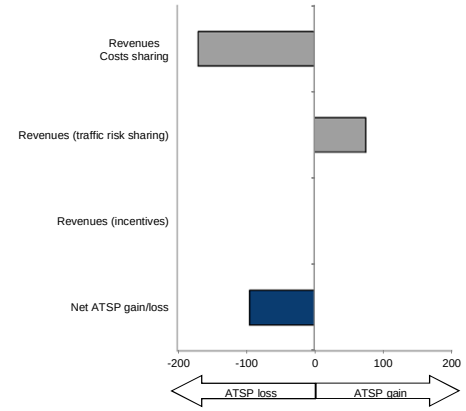
Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	18 452
Actual costs for the ATSP	18 622
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	-169
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	-169

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	0.41%
Determined costs after deduction of costs for exempted VFR flights	18 173
ATSP gain (traffic between 0 and +2% higher than NPP)	75
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-
ATSP loss (traffic between -2% and -10% below NPP)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	75

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	-

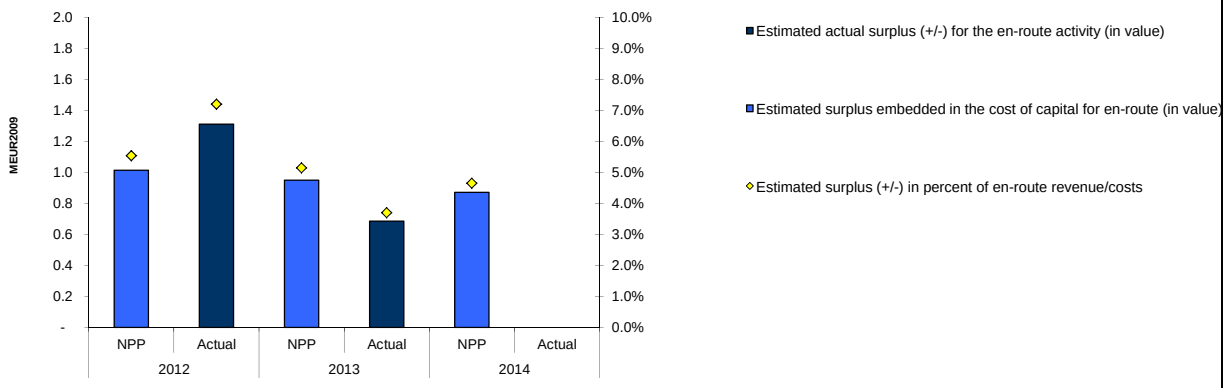
Net ATSP gain(+)/loss(-) on en-route activity	-95

Combined effect of variations in costs and revenue for 2013 ('000€2009)



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	33 776	29 526	31 663	26 009	29 039	
Estimated proportion of financing through equity (in %)	100%	100%	100%	100%	100%	
Estimated proportion of financing through equity (in value)	33 776	29 526	31 663	26 009	29 039	
Estimated proportion of financing through debt (in %)	-	-	-	-	-	
Estimated proportion of financing through debt (in value)	-	-	-	-	-	
Cost of capital pre-tax (in value)	1 013	886	950	780	871	
Average interest on debt (in %)	-	-	-	-	-	
Interest on debt (in value)	-	-	-	-	-	
Ex-ante RoE pre-tax rate (in %)	3.0%	3.0%	3.0%	3.0%	3.0%	
Estimated surplus embedded in the cost of capital for en-route (in value)	1 013	886	950	780	871	
Net ATSP gain(+)/loss(-) on en-route activity		426		-95		
Overall estimated surplus (+/-) for the en-route activity	**1 013**	**1 311**	**950**	**686**	**871**	
Revenue/costs for the en-route activity	**18 313**	**18 221**	**18 452**	**18 527**	**18 722**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**5.5%**	**7.2%**	**5.1%**	**3.7%**	**4.7%**	
Estimated ex-post RoE pre-tax rate (in %)	**3.0%**	**4.4%**	**3.0%**	**2.6%**	**3.0%**	



LITHUANIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Lithuania

At State / Charging Area level

In 2013, Lithuania's real en-route unit cost (45.59 €2009) is +0.5% higher than the DUR provided in the NPP for RP1 (45.37 €2009). This difference results from the combination of higher real en-route costs (+0.9%) and higher traffic (+0.4%).

The actual number of en-route TSUs is only slightly higher than planned (+0.4%) and therefore remains within the +/- 2% dead band foreseen in the traffic risk sharing mechanism for ATSP costs. Looking forward, based on STATFOR May 2014 base case forecasts for Lithuania, the number of TSUs in 2014 is expected to be close to the figures provided in the NPP for RP1 (-0.5%).

The 2013 actual inflation index is +1.7 point higher than expected meaning that while nominal en-route costs are +2.5% greater than planned, real en-route costs are only +0.9% above the NPP.

The Lithuanian en-route cost-base includes costs relating to: the en-route ATSP (Oro Navigacija), the MET service provider (LHMS), the Lithuanian NSA and the EUROCONTROL Agency. The main contributor to the higher than planned costs at State level is Oro Navigacija (+0.9%, or 0.2 M€2009), which is discussed in more detail below. In 2013, actual en-route costs for the NSA/EUROCONTROL are also higher than planned in real terms (+2.2%) due to the combination of lower NSA costs (-15.1% in real terms) and higher EUROCONTROL costs (+7.4%). According to the Additional Information to the en-route reporting tables this increase is due to *"revised contribution to the Agency after reallocation of the sharing keys"*. On the other hand, actual en-route costs for the MET service provider (LHMS) are lower by - 3.3% in real terms, due to lower depreciation costs (-14.0% in real terms) as a result of *"postponed entry into operation of acquired assets*".

Costs exempted from cost sharing are reported for a total of +0.1 M€2009 to be passed on to users for the en-route activity, corresponding to the difference between planned and actual values for EUROCONTROL costs. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Actual 2013 Oro Navijacija costs vs. NPP
In 2013, Oro Navigacija actual costs were higher than planned in the NPP (+0.9%, or +0.2 M€2009). This slight positive difference results from the combination of contrasted trends for the different cost categories:

Actual staff costs are lower than planned (-4.6%, or -0.5 M€2009). The PRB understands from the Additional Information to the en-route Reporting Tables that the level of actual staff costs was contained to compensate for higher other operating costs and higher depreciation costs.

Actual other operating costs are higher than planned (+8.9%, or +0.3 M€2009). Information provided in the NSA Monitoring Report indicates that this difference is mainly due to *"post warranty contracts, write-offs of en-route charges and increased electricity price".*

Actual depreciation costs are higher than planned (+17.3% or +0.5M€2009). According to the Additional Information provided with the en-route reporting tables this is due to a change in strategy relating to the main ATM System (Eurocat). Although, during the preparation of the NPP for RP1 it was foreseen to have an extended operational life (until 2016), it was finally decided to implement upgrades to the system in 2011 and 2012 but to keep its operating life unchanged (ending in 2013).

Actual cost of capital is lower than planned (-17.9%, or -0.2 M€2009) reflecting a lower asset base (-17.9%, or -5.7 M€2009).

According to information provided in the NSA Monitoring Report , the actual 2013 capex (2.8 MLTL) are significantly lower than planned in the NPP (-1.6 MLTL or - 36.6%)These figures refer to gate-to-gate capex as some items are not allocated between terminal and en-route.

Oro Navigacija's net gain/loss and estimated surplus on en-route activity in 2013
As shown in item 5, the en-route activity for the year 2013 generated a net loss of -0.1 M€2009 for Oro Navigacija. This results from the combination of:
- a loss of -0.2 M€2009 as a result of the cost-sharing mechanism; and
- a gain of +0.1 M€2009 as a result of the traffic risk sharing mechanism for 2013;

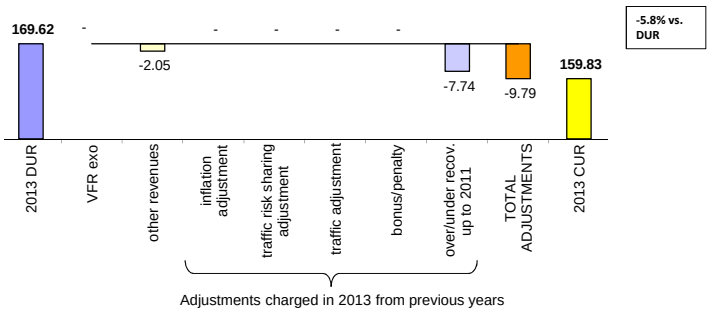
When estimating Oro Navigacija economic surplus, it is also important to account for the profit embedded in the cost of capital through the return on equity (+0.8 M€2009). As a result, the estimated economic surplus for the en-route activity in 2013 amounts to +0.7 M€2009, which implies an ex-post rate of return on equity of 2.6% (compared to the +3.0% planned in the NPP).
This adds to the gains generated by Oro Navigacija in 2012 (+1.3 M€2009 or +7.2% of en-route revenues, implying an ex-post rate of return on equity of +4.4% in 2012).

Conclusion: In the context of slightly higher than planned traffic (+0.4%) Oro Navigacija en-route costs were +0.9% above the NPP resulting in a loss of - 0.2 M€2009 from cost sharing and a gain of +0.1 M€2009 from traffic risk sharing. When also accounting for the profit embedded in the cost of capital through the return on equity, the en-route activity for the year 2013 generated a net gain of +0.8 M€2009 for Oro Navigacija, which implies an ex-post rate of return on equity of 2.6% (compared to the +3.0% planned in the NPP).

LITHUANIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Lithuania 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - LTL



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;

- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:

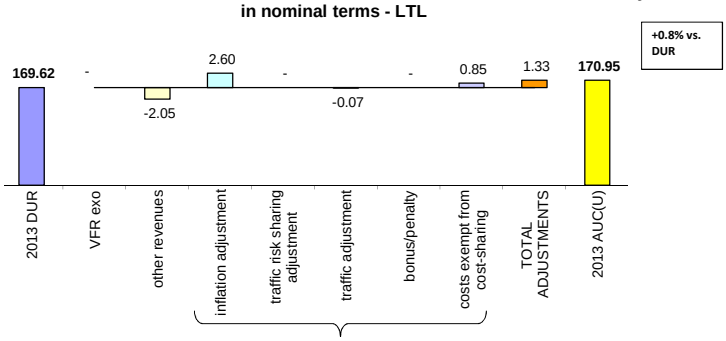
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2013 as laid out in the performance plan.

The Chargeable Unit Rate (CUR) charged to airspace users in 2013 was 159.83 LTL. This is lower than the DUR expressed in nominal terms (169.62 LTL). The difference between these two figures (-9.79 LTL) mainly relates to other revenues from a number of services, including the provision of radar information to the Lithuanian military and selling AIP and AIC and over-recoveries carried over to 2013 from the legacy prior to RP1 (full cost recovery regime).

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Lithuania 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - LTL



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;

- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:

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

The Actual Unit Cost for users in 2013 was 170.95 LTL which is slightly higher than the nominal DUR (169.62 LTL). The difference observed between these two figures (1.33 LTL) is mainly due to the combination of inflation adjustment (following a higher than planned inflation index), costs exempt from cost-sharing and other revenues (see comment above).

LITHUANIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10. - Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^	0.5	0.5	0.5	0.7	0.7	0.7
Number of airports in terminal charging zone		3	4	4	4	4	4
of which, number of airports over 50 000 movements							

Lithuania - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in LTL)	9 468 000	10 968 000	12 603 000	13 252 000	13 866 000	14 972 000
Inflation index (100 in 2009)	100.0	101.2	103.5	106.0	108.4	111.0
Real terminal ANS costs - (in LTL2009)	**9 468 000**	**10 837 945**	**12 181 424**	**12 503 626**	**12 796 440**	**13 482 624**
Real terminal ANS costs - (in EUR2009)	**2 743 863**	**3 140 878**	**3 530 223**	**3 623 599**	**3 708 457**	**3 907 316**

Lithuania - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in LTL)	9 468 000	10 968 000	11 413 953	13 846 672	15 270 225	
Inflation index (100 in 2009)	100.0	101.2	105.3	108.7	110.0	
Real terminal ANS costs - (in LTL2009)	**9 468 000**	**10 837 945**	**10 834 400**	**12 736 041**	**13 878 867**	
Real terminal ANS costs - (in EUR2009)	2 743 863	3 140 878	3 139 851	3 690 954	4 022 149	
Total terminal service units	14 117	17 236	18 361	19 495	21 275	
Actual real unit costs - (in LTL2009)	670.7	628.8	590.1	653.3	652.3	
Unit rate applied - (in LTL)				**739.69**	**726.36**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Terminal ANS costs for the charging zones - (in LTL)	in value				594 672	1 404 225	
	in%				4.5%	10.1%	
Inflation index (100 in 2009)	in p.p.				2.7 p.p.	1.7 p.p.	
Real terminal ANS costs - (in LTL2009)	in value				**232 415**	**1 082 426**	
	in%				**1.9%**	**8.5%**	
Real terminal ANS costs - (in EUR2009)	in value				**67 355**	**313 691**	
	in%				**1.9%**	**8.5%**	

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

The terminal charging zone of Lithuania comprises 4 airports, none of which has over 50,000 air transport movements per year. No changes are foreseen for 2014. The harmonised SES formula (MTOW/50)^0.7 is applied from 2012 onwards.

Actual terminal ANS costs are +8.5% higher in real terms than the forecast presented in the NPP for the year 2013 (some 0.3 M€2009). The main drivers for this difference are: significantly higher depreciation costs (+42.1% in real terms) and other operating costs (+19.3% in real terms) while the cost of capital is significantly lower than planned (-37.3% in real terms).
According to the Additional Information to the terminal reporting tables, as for en-route, the higher depreciation costs relate to the shorter than planned operating life of Eurocat system while the other operating costs relate to the *"increase in post warranty contracts, electricity price and unexpected huge amounts in write-offs"*. The cost of capital is significantly lower than planned due to the decision of Oro Navigacija to use a return on equity equal to 1.5% instead of 3.0% initially planned.

The 2013 real unit cost for terminal services is 652.35 LTL2009 and has remained almost stable compared to 2012 (-0.1%), while the unit rate applied in nominal terms (726.36 LTL) is -1.8% lower than that applied in 2012.

12. - Monitoring of gate-to-gate costs (2013)

Lithuania - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in LTL2009)	58 633 924	61 381 423	70 133 122	70 031 323	70 239 218	71 289 683
Real terminal ANS costs - (in LTL2009)	9 468 000	10 837 945	12 181 424	12 503 626	12 796 440	13 482 624
Real gate-to-gate ANS costs - (in LTL2009)	**68 101 924**	**72 219 368**	**82 314 546**	**82 534 950**	**83 035 659**	**84 772 308**
Real gate-to-gate ANS costs - (in EUR2009)	**19 736 199**	**20 929 449**	**23 855 071**	**23 918 945**	**24 064 052**	**24 567 340**
Share of en-route costs in gate-to-gate ANS costs	**86.1%**	**85.0%**	**85.2%**	**84.9%**	**84.6%**	**84.1%**

Lithuania - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in LTL2009)	58 633 924	61 381 423	67 445 872	67 962 045	70 885 047	
Real terminal ANS costs - (in LTL2009)	9 468 000	10 837 945	10 834 400	12 736 041	13 878 867	
Real gate-to-gate ANS costs - (in LTL2009)	**68 101 924**	**72 219 368**	**78 280 272**	**80 698 086**	**84 763 913**	
Real gate-to-gate ANS costs - (in EUR2009)	**19 736 199**	**20 929 449**	**22 685 923**	**23 386 615**	**24 564 907**	
Share of en-route costs in gate-to-gate ANS costs	**86.1%**	**85.0%**	**86.2%**	**84.2%**	**83.6%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Real en-route costs - (in LTL2009)	in value				-2 069 278	645 828	
	in %				-3.0%	0.9%	
Real terminal ANS costs - (in LTL2009)	in value				232 415	1 082 426	
	in %				1.9%	8.5%	
Real gate-to-gate ANS costs - (in LTL2009)	in value				**-1 836 863**	**1 728 255**	
	in %				**-2.2%**	**2.1%**	
Real gate-to-gate ANS costs - (in EUR2009)	in value				**-532 330**	**500 855**	
	in %				**-2.2%**	**2.1%**	
Share of en-route costs in gate-to-gate ANS costs	in %				**-0.6%**	**-1.0%**	

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

In 2013, Lithuania's gate-to-gate ANS costs (24.6 M€2009) are +2.1% higher than planned in the NPP (24.1 M€2009), following higher than planned real costs for en-route (+0.65 M€2009, +0.9%) and terminal (+ 1.1 M€2009, +8.5%).

The relative share of en-route costs within the total cost base has gradually decreased over time from 86% in 2009 to 84% in 2013 and is planned remain at this level in 2014.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Malta

Fact validated edition

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MALTA **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	74	56		Although Malta has significantly decreased some of the scores compared to the past year, the answers do not correspond to the result of the audit. The processes related to occurrence investigation are underscored. (TV)
ANSP [MATS]	80	80		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	2	100%	6	100%			
	ATM Overall		100%		100%			
Runway Incursions (RIs)	ATM Ground	3	100%	12	83%			
	ATM Overall		100%		83%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	87	5%	63	22%			

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	8	2	7	3		
Legal/Judiciary	3	5	5	3		
Occurrence reporting and Investigation	2	0	1	1		
TOTAL	**13**	**7**	**13**	**7**		

Number of questions answered with Yes or No	**ANSP [MATS]**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	11	2	11	2		
Legal/Judiciary	2	1	2	1		
Occurrence reporting and Investigation	5	3	5	3		
TOTAL	**18**	**6**	**18**	**6**		

MALTA **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.02	0.03	0.05	
National Target	0.02	0.03	0.05	
Actual performance	0	0		

National capacity assessment

Malta has excess capacity in its FIR and although the NPP lists a target of 0.02 minutes of en-route ATFM delay per flight, no delay has been recorded during 2013. thus, the capacity target has been achieved.

Military dimension of the plan (Opt.)

The NSA for Malta has confirmed in 2012 that the allocation and activation of restricted or segregated areas has no adverse impact on either ATC capacity, or on the ability of aircraft operators to file flight plans.

PRB Capacity assessment

With the excellent capacity performance in 2012 and 2013, Malta has exceeded the national target and the level of performance required to be consistent with the EU-wide target for both years. The PRB is confident that Malta can provide a positive contribution to EU-wide capacity performance in 2014.

Effective booking procedures

The national monitoring report did not contain any information on effective booking procedures.

In 2012, the NSA for Malta stated that the allocation and activation of restricted or segregated areas has no impact on available ATC capacity, or on available route options for general air traffic.

The PRB understands that the above statement holds true for 2013 and that therefore there is no need for Malta to report on effective booking procedures.

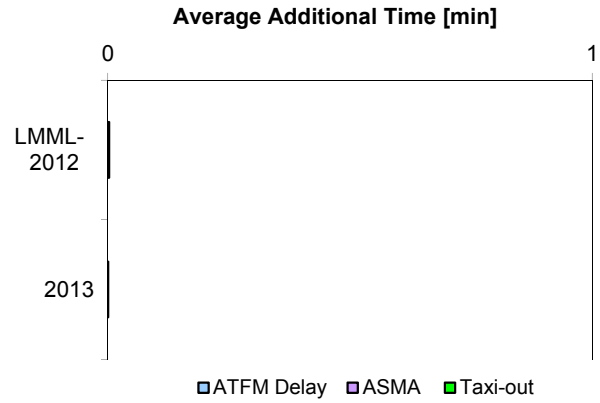
Recommendations

MALTA **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Malta/Luqa	LMML	2012	0.0	46	Not Applicable		**Missing Data**		**46**
		2013	0.0	13	Not Applicable		**Missing Data**		**13**
Weighted average		2012	**0.0**						
		2013	**0.0**						
Grand Total		2012		**46**					**46**
		2013		**13**					**13**
			⇨	**-72%**					**-72%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- ⇧ *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst* ⇩ *depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by* ⇨

Critical Issues

- Data quality issue for the calculation of unimpeded taxi-out time.

Specific Analysis

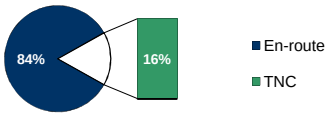
- No specific operational concern regarding RP1 performance monitoring.

MALTA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

1. - Contextual economic information

- Malta represents 0.2% of the SES en-route ANS determined costs in 2013.
- ATSP : MATS
- FAB : BLUE MED
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS actual costs

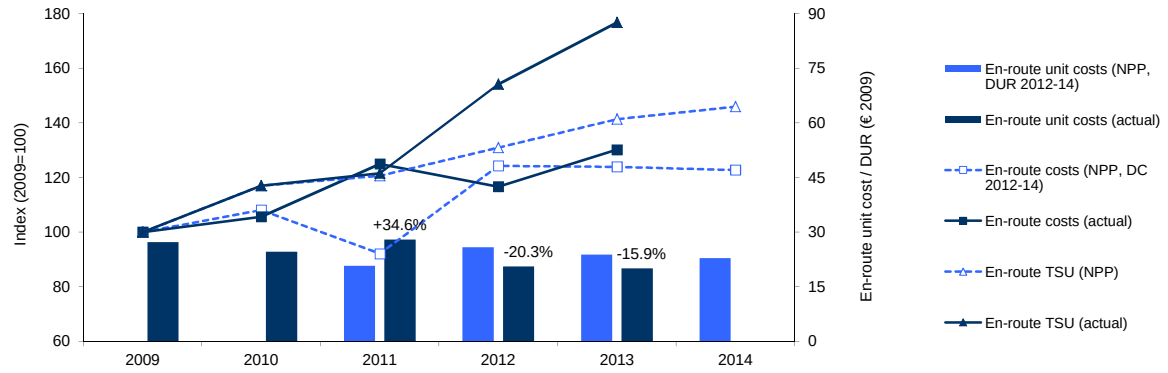


2. - En-route DUR monitoring (2013)

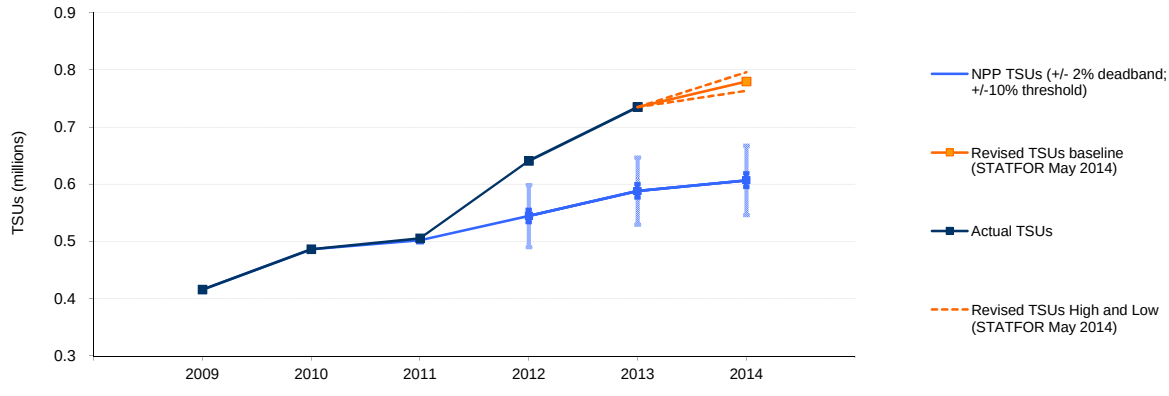
Malta - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	11 335 319	12 506 056	10 937 810	15 097 776	15 417 209	15 637 660
Inflation %		2.0%	2.7%	2.3%	2.4%	2.4%
Inflation index (100 in 2009)	100.0	102.0	104.8	107.2	109.7	112.4
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	11 335 319	12 260 839	10 441 425	14 088 564	14 049 457	13 916 358
Total en-route Service Units	416 028	486 800	502 000	544 747	588 338	607 164
Real en-route unit costs per Service Units - (in EUR2009)	**27.25**	**25.19**	**20.80**	**25.86**	**23.88**	**22.92**

Malta - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	11 335 319	12 220 386	14 811 130	14 264 142	16 084 832	
Inflation %		2.0%	2.5%	3.2%	1.0%	
Inflation index (100 in 2009)	100.0	102.0	104.6	107.9	109.0	
Real en-route costs - (in EUR2009)	11 335 319	11 980 771	14 166 552	13 220 319	14 760 172	
Total en-route Service Units	416 028	486 800	505 867	641 289	735 327	
Real en-route unit costs per Service Units - (in EUR2009)	**27.25**	**24.61**	**28.00**	**20.62**	**20.07**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
En-route costs - (in nominal EUR)	in value	-833 634	667 623	
	in %	-5.5%	4.3%	
Inflation %	in p.p.	0.9 p.p.	-1.4 p.p.	
Inflation index (100 in 2009)	in p.p.	0.7 p.p.	-0.8 p.p.	
Real en-route costs - (in EUR2009)	in value	-868 245	710 715	
	in %	-6.2%	5.1%	
Total en-route Service Units	in value	96 542	146 989	
	in %	17.7%	25.0%	
Real en-route unit costs per Service Units - (in EUR2009)	**in value**	**-5.25**	**-3.81**	
	in %	**-20.3%**	**-15.9%**	



3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)

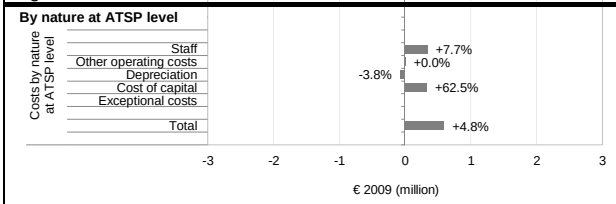


MALTA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)

By entity at State level

By nature at ATSP level



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	-

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

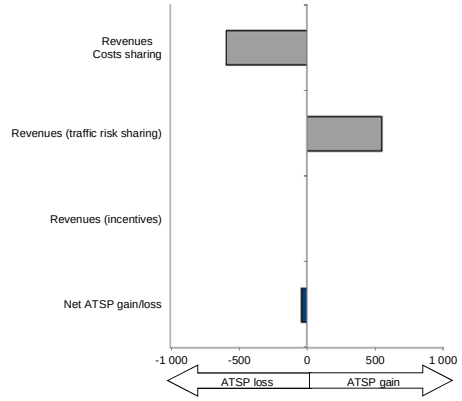
Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	12 403
Actual costs for the ATSP	12 993
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	-591
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**-591**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	24.98%
Determined costs after deduction of costs for exempted VFR flights	12 489
ATSP gain (traffic between 0 and +2% higher than NPP)	250
ATSP gain (traffic between +2% and +10% higher than NPP)	300
ATSP loss (traffic between 0 and -2% below NPP)	-
ATSP loss (traffic between -2% and -10% below NPP)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**550**

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

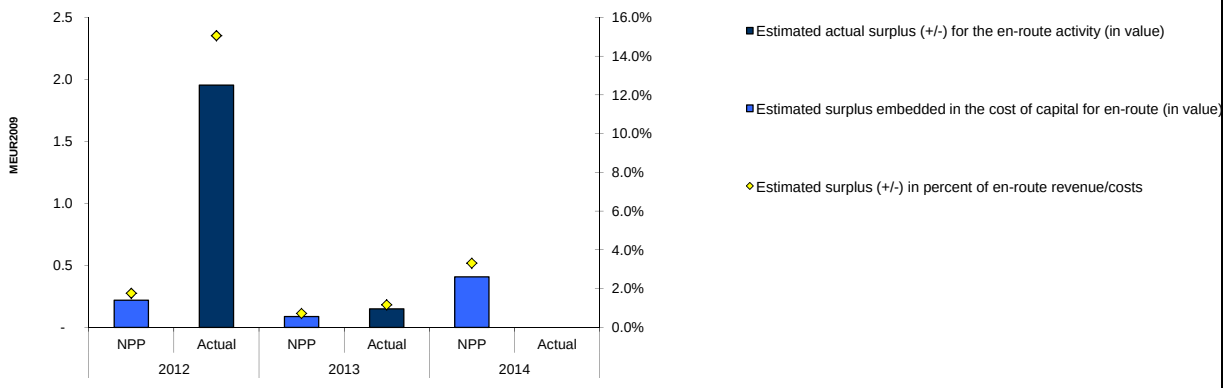
Net ATSP gain(+)/loss(-) on en-route activity	**-41**

Combined effect of variations in costs and revenue for 2013 ('000€2009)



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	9 238	11 221	9 022	18 877	8 721	
Estimated proportion of financing through equity (in %)	49%	100%	13%	13%	63%	
Estimated proportion of financing through equity (in value)	4 546	11 221	1 172	2 542	5 520	
Estimated proportion of financing through debt (in %)	51%	-	87%	87%	37%	
Estimated proportion of financing through debt (in value)	4 692	-	7 850	16 336	3 201	
Cost of capital pre-tax (in value)	476	539	520	845	583	
Average interest on debt (in %)	5.5%	5.5%	5.5%	4.0%	5.5%	
Interest on debt (in value)	258	-	432	653	176	
Ex-ante RoE pre-tax rate (in %)	4.8%	4.8%	7.6%	7.6%	7.4%	
Estimated surplus embedded in the cost of capital for en-route (in value)	218	539	88	192	407	
Net ATSP gain(+)/loss(-) on en-route activity		1 414		-41		
Overall estimated surplus (+/-) for the en-route activity	**218**	**1 952**	**88**	**150**	**407**	
Revenue/costs for the en-route activity	**12 429**	**12 972**	**12 403**	**12 952**	**12 297**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**1.8%**	**15.0%**	**0.7%**	**1.2%**	**3.3%**	
Estimated ex-post RoE pre-taxe rate (in %)	**4.8%**	**17.4%**	**7.6%**	**5.9%**	**7.4%**	



MALTA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Malta

The data provided in the NSA Monitoring report 2013 are incomplete.

At State / Charging Area level

The actual 2013 traffic measured in Total en-route Service Units (TSU) continues to be significantly higher (+25.0%) than the traffic planned in Malta's National Performance Plan for RP1 (NPP); similar trend with 2012 (+17.7% vs NPP) while the 2013 actual TSU are +15% higher than in 2012. At the same time, the actual en-route costs in nominal terms for the year 2013 are +4.3% higher than the determined costs published in the NPP (or +5.1% in real terms). Despite the increase in en-route costs, Malta's actual real en-route unit costs (i.e. 20.07 €2009) decreased by -15.9% in comparison to what was planned.

The change in actual TSU compared to the NPP plan for 2013 (+25.0%) exceeds the +10% threshold foreseen in the traffic risk sharing mechanism. According to the additional information provided along with the en-route reporting tables in June 2014, during 2012 and 2013 the reported actual service units varied significantly in comparison to the forecast due to the fact that the Libyan airspace was closed and a great number of flights diverted through Maltese airspace. This situation lasted until the first quarter of 2014. According to the revised May 2014 STATFOR base case forecast the TSU for 2014 are also expected to stay above the plan submitted in the NPP (+28.5%) still significantly exceeding the +10% threshold.

Actual 2013 costs vs. NPP

Real en-route costs for Malta are +5.1% higher in 2013 than planned as a combination of +4.3% higher nominal total costs and -0.8 point lower inflation index. These higher than planned costs are driven mostly by MATS activities (+4.8% or +0.6 M€2009). More detailed analysis on MATS costs is provided below.

Malta has not reported any "costs exempt from cost sharing" for 2013.

At ATSP level

Actual 2013 MATS costs vs. NPP

In 2013, actual MATS en-route costs are +4.8% higher than planned in real terms. This cost difference, in absolute terms, is driven mostly by staff costs (+7.7% or +0.3 M€2009) and the cost of capital (+62.5% or +0.3 M€2009). According to the additional information provided along with the en-route reporting tables in June 2014, staff costs are higher than what was planned because of a higher than expected increase in wages due to collective agreements renewal. Cost of capital is higher due to the fact that the actual CAPEX exceeds the forecasted one for 2013. However the realised net book value of fixed assets was not much higher than what was planned, as the additional information document indicates (see a detailed analysis in the paragraph below). Depreciation costs are -3.8% (-0.1 M€2009) lower than planned since fully depreciated assets, that are still in use, were not taken into account when the budget was made.

The asset base used to compute the cost of capital is significantly higher in actual terms than the planned one presented in the NPP (i.e. +109% or +9.8 M €2009). A closer look at the information provided by Malta in the June 2014 en-route submission shows that the difference in the asset base is entirely related to the net current assets (i.e. +10.4 M€ higher than planned or +9.5 M€ in real terms), while the component relating to the net book value of fixed assets slightly increased (+0.3 M€2009). This is not really intuitive considering the higher cost of capital and CAPEX in 2013. There is no information provided from Malta explaining the asset base calculation provided within the en-route reporting tables. This issue would deserve a clarification.

MATS net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, the en-route activity for the year 2013 generated a net loss of -0.04 M€2009 for MATS overall. This is the combination of two elements:
- a loss of –0.6 M€2009 for MATS as a result of the cost-sharing mechanism, due to higher than planned costs;
- a gain of +0.5 M€2009 as a result of the traffic risk sharing mechanism for 2013. More precisely the change in actual TSU compared to the plan (i.e. +25.0%) generates a gain of some +0.25 M€2009 for the ATSP for the traffic increase within the ±2% dead band and +0.3 M€2009 gain for the traffic change between +2% and +10%. Finally, according to the traffic risk sharing mechanism, all gains above the +10% threshold will be returned to airspace users through carry over to future years.

On the profitability side, the actual surplus embedded in the cost of capital is +0.2 M€2009, which is significantly higher than planned due to the difference in actual and planned asset base while the estimated proportion of financing through equity remained the same (13%). The estimated surplus for the year computed by adding the actual surplus embedded in the cost of capital (i.e. +0.2 M€2009) and the net loss from the en-route activity in 2013 (- 0.04 M€2009), gives a total of +0.2 M€2009 for 2013 or +1.2% of the en-route activity turnover (compared to +0.7% in the NPP). The resulting ex-post rate of return on equity for 2013 is +5.9% (compared to +7.6% as initially planned in the NPP).

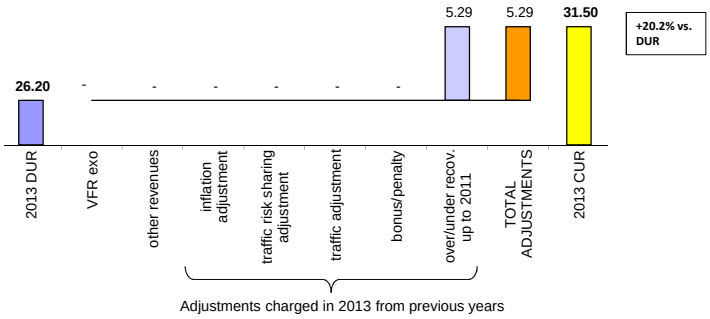
This indicates that in 2013, MATS was in a position to retain the part of the surplus embedded in the cost of capital which more than compensates the losses arising from the higher costs than planned in 2013. This adds to the overall positive estimated surplus for the en-route activity generated by the ATSP in 2012 (+2.0 M€2009 or +15.0% estimated surplus of en-route costs/revenues in 2012 leading to an ex-post rate of return on equity of +17.4%)

Conclusion: MATS recorded high level of traffic in 2013 (+15% vs 2012 actual TSUs) and higher than planned actual en-route costs (+4.8%) while generated a net loss of -0.04 M€2009 (as opposed to 2012, where despite the high traffic MATS managed to reduce its costs). Overall, MATS' actual surplus amounted to +1.2% of the en-route revenue for 2013 (up from the +0.7% of the NPP), mainly as a result of the higher than planned asset base.

MALTA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Malta 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

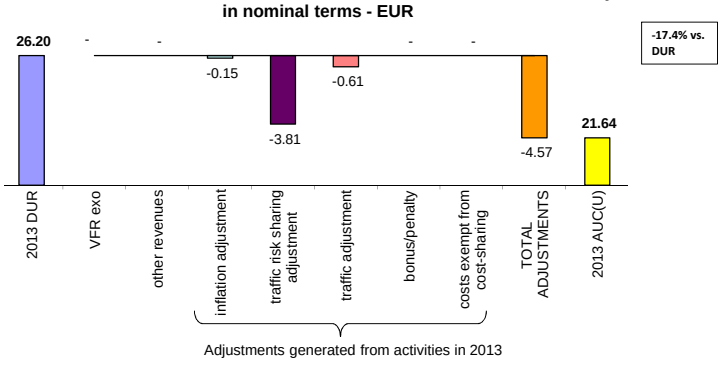
The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The en-route unit rate charged to airspace users in 2013 (31.50€) was higher than the nominal DUR (26.20€) due to under-recoveries carried over to 2013 from the legacy prior to RP1.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Malta 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

The Actual Unit Cost for users in 2013 (21.64€) was lower than the nominal DUR (26.20€). The difference observed between these two figures (-4.57€) reflects the inflation adjustment (-0.15€), the traffic risk sharing adjustment (-3.81€) and the traffic adjustment (-0.61€).

MALTA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10. - Terminal costs and unit rates monitoring (2013)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula						
Number of airports in terminal charging zone				1	1	1
of which, number of airports over 50 000 movements						

Malta - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	0	4 120 000	4 100 000	3 990 000	4 340 000	4 200 000
Inflation index (100 in 2009)	100.0	102.0	104.8	107.2	109.7	112.4
Real terminal ANS costs - (in EUR2009)	**0**	**4 039 216**	**3 913 932**	**3 723 288**	**3 954 973**	**3 737 689**

Malta - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)				2 664 658	3 126 283	
Inflation index (100 in 2009)	100.0	102.0	104.6	107.9	109.0	
Real terminal ANS costs - (in EUR2009)				**2 469 663**	**2 868 819**	
Total terminal service units						
Actual real unit costs - (in EUR2009)						
Unit rate applied - (in EUR)				**N/appl**	**N/appl**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value	-1 325 342	-1 213 717	
	in%	-33.2%	-28.0%	
Inflation index (100 in 2009)	in p.p.	0.7 p.p.	-0.8 p.p.	
Real terminal ANS costs - (in EUR2009)	in value	**-1 253 625**	**-1 086 154**	
	in%	**-33.7%**	**-27.5%**	

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

It is understood from previous years and from the additional information provided along with the TANS Reporting Tables that Malta has no Terminal ANS charging zone for the time being and that no unit rate is applicable for TANS. The regulation (EC) No1794/2006 does not apply, as any airport records more than 50 000 commercial air transport movements (this will change as from RP2/2015).

However Malta has reported cost information for one airport (i.e. Malta/Luqa airport - LMML). The costs borne by Malta for TANS are recovered through ''income from other sources''.

The actual Terminal ANS 2013 costs are -27.5% lower in real terms (or some -1.1 M€2009) than planned in the NPP, as a result of both lower nominal terminal ANS costs (-28%) and inflation index (-0.8 p.p.) than planned.

12. - Monitoring of gate-to-gate costs (2013)

Malta - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	11 335 319	12 260 839	10 441 425	14 088 564	14 049 457	13 916 358
Real terminal ANS costs - (in EUR2009)	0	4 039 216	3 913 932	3 723 288	3 954 973	3 737 689
Real gate-to-gate ANS costs - (in EUR2009)	**11 335 319**	**16 300 055**	**14 355 356**	**17 811 852**	**18 004 430**	**17 654 047**
Share of en-route costs in gate-to-gate ANS costs	**100.0%**	**75.2%**	**72.7%**	**79.1%**	**78.0%**	**78.8%**

Malta - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	11 335 319	11 980 771	14 166 552	13 220 319	14 760 172	
Real terminal ANS costs - (in EUR2009)	0	0	0	2 469 663	2 868 819	
Real gate-to-gate ANS costs - (in EUR2009)	**11 335 319**	**11 980 771**	**14 166 552**	**15 689 982**	**17 628 991**	
Share of en-route costs in gate-to-gate ANS costs	**100.0%**	**100.0%**	**100.0%**	**84.3%**	**83.7%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Real en-route costs - (in EUR2009)	in value	-868 245	710 715	
	in %	-6.2%	5.1%	
Real terminal ANS costs - (in EUR2009)	in value	-1 253 625	-1 086 154	
	in %	-33.7%	-27.5%	
Real gate-to-gate ANS costs - (in EUR2009)	in value	**-2 121 870**	**-375 439**	
	in %	**-11.9%**	**-2.1%**	
Share of en-route costs in gate-to-gate ANS costs	in %	**5.2%**	**5.7%**	

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

Actual 2013 gate-to-gate ANS costs (en-route + Terminal ANS cost) are -2.1% lower in real terms than planned, as a combination of higher en-route costs (+5.1%) and significantly lower terminal ANS costs (-27.5%).

As a consequence, the actual share of en-route costs in gate-to-gate ANS costs (i.e. 84%) differs significantly from the NPP (i.e. 78% for 2013), while it remains quite stable overall during RP1.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Norway

Fact validated edition

Edition date: 14/11/2014

NORWAY

Monitoring of SAFETY indicators for 2013

Effectiveness of Safety Management				
	2012	**2013**	**2014**	**State level Observations**
State level	48	53		Norway keeps high scores, although some of the topics related to 'State legislative framework' where the answers were not fully consistent with each other. Overall the justifications corresponded with the answers. There were quite a few changes in the answers compared to last year however these were generally well justified. In the area of 'Safety risk management' there seemed to be some underestimation. (LV)
ANSP [Avinor]	80	80		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		**2013**		**2014**		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	65	9%	81	49%			
	ATM Overall		9%		0%			
Runway Incursions (RIs)	ATM Ground	120	3%	110	35%			
	ATM Overall		1%		0%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	1315	1%	1340	0%			

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	3	7	7	3		
Legal/Judiciary	6	2	6	2		
Occurrence reporting and Investigation	2	0	2	0		
TOTAL	**11**	**9**	**15**	**5**		

Number of questions answered with Yes or No	**ANSP [Avinor]**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	11	2	11	2		
Legal/Judiciary	2	1	2	1		
Occurrence reporting and Investigation	5	3	5	3		
TOTAL	**18**	**6**	**18**	**6**		

NORWAY **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.04	0.04	0.05	
National Target	0.04	0.04	0.05	
Actual performance	0.28	0.04		

National capacity assessment

No assessment was made in the national monitoring report.

Military dimension of the plan (Opt.)

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

PRB Capacity assessment

A significant improvement in capacity performance resulted in Norway meeting the national target, and the performance level required to be consistanet with the EU-wide capacity target for 2013. The PRB is confident that a similar effort will enable Norway to meet the required level of capacity performance in 2014.

Effective booking procedures

Although the national monitoring report for 2013 did not contain any information regarding the effective booking procedures, Avinor had previously provided information on effective booking procedures for Norway in 2013.

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 46%

No information was provided regarding the allocation of airspace at H-3, so it is impossible to determine how much restricted or segregated airspace, that was surplus to requirements, was released for GAT use.

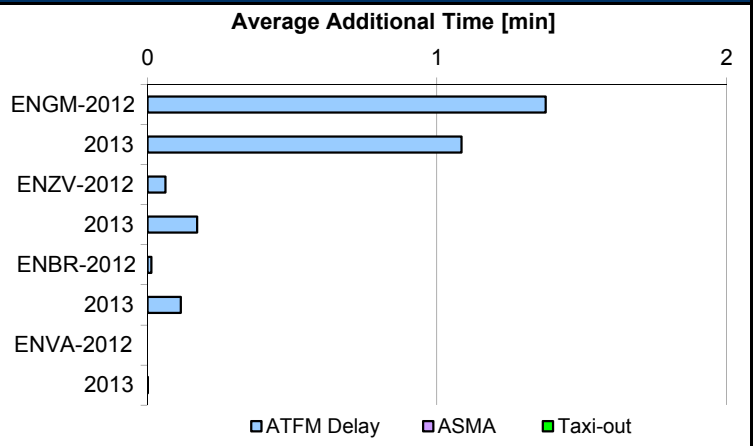
Recommendations

Norway is requested to provide additional information on effective booking procedures, namely the allocation of airspace at H-3.

NORWAY **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Oslo/Gardermoen	ENGM	2012	1.4	162 048	Missing Data		Missing Data		162 048
		2013	1.1	130 720	Missing Data		Missing Data		130 720
Stavanger/Sola	ENZV	2012	0.1	2 338	Not Applicable		Missing Data		2 338
		2013	0.2	6 774	Not Applicable		Missing Data		6 774
Bergen/Flesland	ENBR	2012	0.0	643	Not Applicable		Missing Data		643
		2013	0.1	5 766	Not Applicable		Missing Data		5 766
Trondheim/Vaernes	ENVA	2012	0.0	0	Not Applicable		Missing Data		0
		2013	0.0	5	Not Applicable		Missing Data		5
Weighted average		2012	**0.7**						
		2013	**0.6**						
Grand Total		2012		**165 029**					**165 029**
		2013		**143 265**					**143 265**
			⇨	**-13%**					**-13%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- ⇧ *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst* ⇩ *depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by* ⇨

Critical Issues

- Missing data for ASMA calculation at Oslo Airport since 2012.
- Missing data for all airports for unimpeded taxi-out time calculation since 2012.
- Remedial Action Plan maintained by PRU with the aforementioned airports.

Specific Analysis

- No specific operational concern regarding RP1 performance monitoring.

NORWAY **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

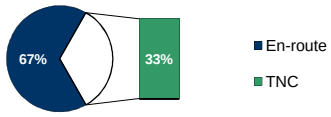
1. - Contextual economic information

- Norway represents 1.5% of the SES en-route ANS determined costs in 2013.
- ATSP : Avinor (Continental)
- FAB : NEFAB
- National currency: NOK
- Exchange rate 2009: 1 EUR= 8.72807

Note on the actual exchange rate 2013

In 2013, the NOK depreciated by 4.4% compared to 2012.

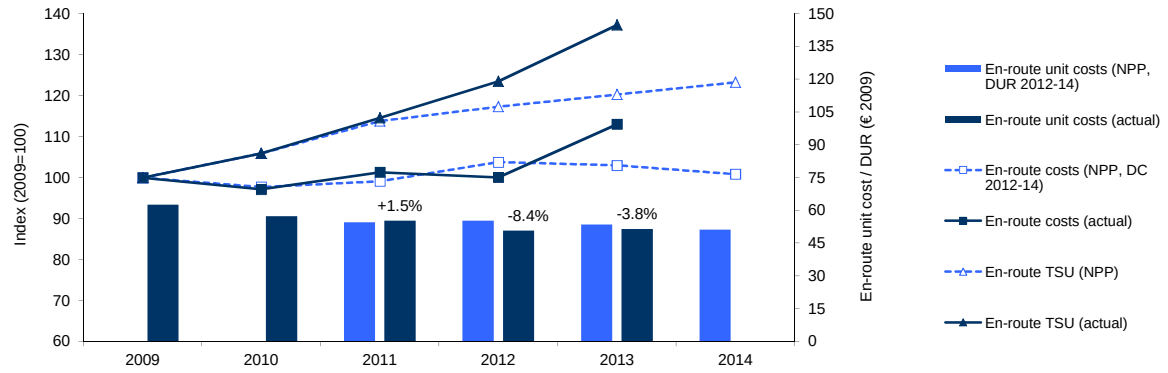
Share of en-route and terminal in gate-to-gate ANS actual costs



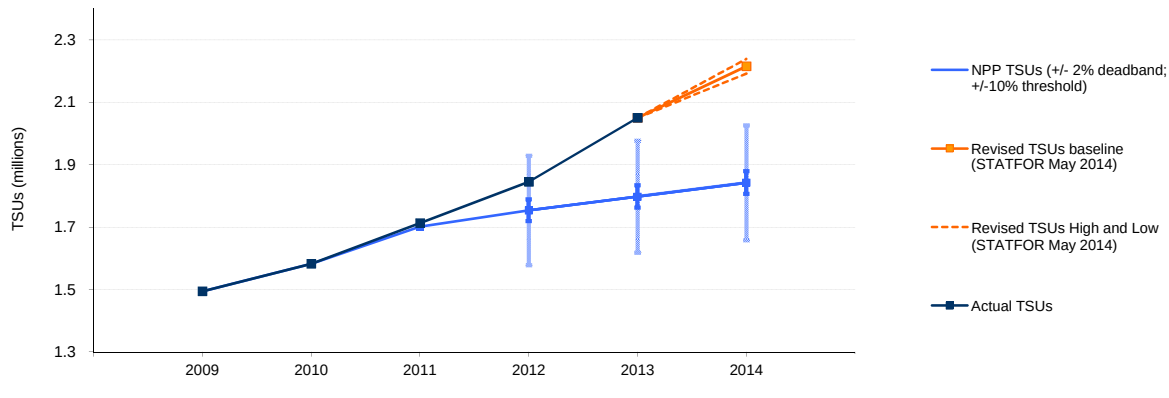
2. - En-route DUR monitoring (2013)

Norway - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal NOK)	816 343 600	811 264 608	834 553 721	885 743 710	893 184 025	891 017 436
Inflation %		1.7%	1.4%	1.4%	1.6%	1.9%
Inflation index (100 in 2009)	100.0	101.7	103.1	104.6	106.2	108.3
Real en-route costs (determined costs 2012-2014) - (in NOK2009)	816 343 600	797 703 646	809 273 632	847 054 227	840 718 058	823 040 957
Total en-route Service Units	1 494 584	1 582 742	1 701 332	1 753 798	1 797 642	1 842 584
Real en-route unit costs per Service Units - (in NOK2009)	**546.20**	**504.00**	**475.67**	**482.98**	**467.68**	**446.68**
Real en-route unit costs per Service Units - (in EUR2009)	**62.58**	**57.74**	**54.50**	**55.34**	**53.58**	**51.18**

Norway - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal NOK)	816 343 600	806 335 205	851 265 387	844 093 366	972 353 675	
Inflation %		1.7%	1.2%	0.4%	2.0%	
Inflation index (100 in 2009)	100.0	101.7	102.9	103.3	105.4	
Real en-route costs - (in NOK2009)	816 343 600	792 856 642	827 110 453	816 874 443	922 547 869	
Total en-route Service Units	1 494 584	1 582 742	1 712 781	1 845 568	2 050 929	
Real en-route unit costs per Service Units - (in NOK2009)	**546.20**	**500.94**	**482.90**	**442.61**	**449.82**	
Real en-route unit costs per Service Units - (in EUR2009)	**62.58**	**57.39**	**55.33**	**50.71**	**51.54**	
Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)				**2012**	**2013**	**2014**
En-route costs - (in nominal NOK)	in value				-41 650 344	79 169 650	
	in %				-4.7%	8.9%	
Inflation %	in p.p.				-1.0 p.p.	0.4 p.p.	
Inflation index (100 in 2009)	in p.p.				-1.2 p.p.	-0.8 p.p.	
Real en-route costs - (in NOK2009)	in value				-30 179 784	81 829 811	
	in %				-3.6%	9.7%	
Total en-route Service Units	in value				91 770	253 287	
	in %				5.2%	14.1%	
Real en-route unit costs per Service Units - (in NOK2009)	in value				**-40.37**	**-17.86**	
	in %				**-8.4%**	**-3.8%**	
Real en-route unit costs per Service Units - (in EUR2009)	in value				**-4.63**	**-2.05**	
	in %				**-8.4%**	**-3.8%**	

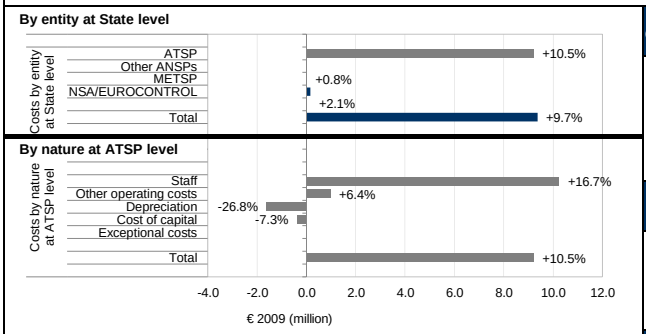


3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



NORWAY **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	96
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	96
Total costs exempted from cost sharing	**96**
to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	

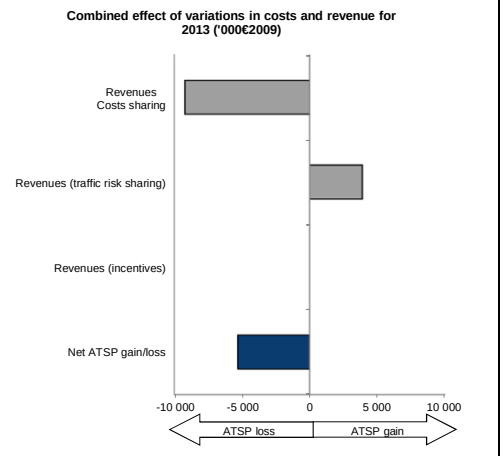
5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	88 027
Actual costs for the ATSP	97 240
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	-9 213
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**-9 213**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	14.09%
Determined costs after deduction of costs for exempted VFR flights	88 730
ATSP gain (traffic between 0 and +2% higher than NPP)	1 775
ATSP gain (traffic between +2% and +10% higher than NPP)	2 130
ATSP loss (traffic between 0 and -2% below NPP)	-
ATSP loss (traffic between -2% and -10% below NPP)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**3 904**

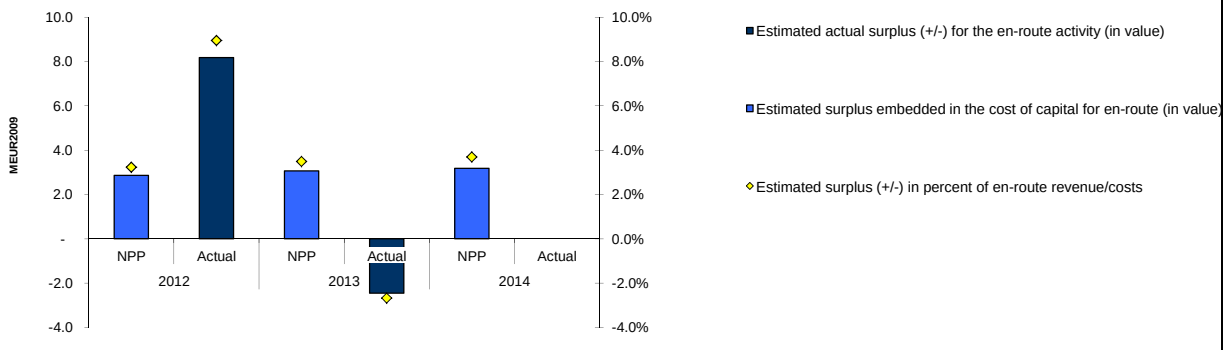
Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

Net ATSP gain(+)/loss(-) on en-route activity	**-5 309**



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	66 826	51 647	71 580	66 300	73 769	
Estimated proportion of financing through equity (in %)	39%	39%	39%	39%	39%	
Estimated proportion of financing through equity (in value)	26 044	20 185	27 879	25 902	28 868	
Estimated proportion of financing through debt (in %)	61%	61%	61%	61%	61%	
Estimated proportion of financing through debt (in value)	40 781	31 461	43 701	40 398	44 901	
Cost of capital pre-tax (in value)	5 075	3 926	5 435	5 039	5 609	
Average interest on debt (in %)	5.4%	5.4%	5.4%	5.4%	5.4%	
Interest on debt (in value)	2 210	1 705	2 369	2 190	2 434	
Ex-ante RoE pre-tax rate (in %)	11.0%	11.0%	11.0%	11.0%	11.0%	
Estimated surplus embedded in the cost of capital for en-route (in value)	2 865	2 220	3 067	2 849	3 175	
Net ATSP gain(+)/loss(-) on en-route activity		5 963		-5 309		
Overall estimated surplus (+/-) for the en-route activity	**2 865**	**8 183**	**3 067**	**-2 460**	**3 175**	
Revenue/costs for the en-route activity	**88 749**	**91 416**	**88 027**	**91 931**	**86 040**	
Estimated surplus (+/-) in percent of en-route revenue/	**3.2%**	**9.0%**	**3.5%**	**-2.7%**	**3.7%**	
costs Estimated ex-post RoE pre-taxe rate (in %)	**11.0%**	**40.5%**	**11.0%**	**-9.5%**	**11.0%**	



NORWAY **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Norway

The June 2014 Reporting Tables for Norway present the information relating to Norway's Revised NPP and actual data up to 2013. Total en-route service units and terminal service units provided in the Reporting Tables are consistent with the NSA report. Total en-route determined costs are also consistent, but for actual costs in 2013, the Reporting Tables present 972 MNOK in nominal terms as opposed to 964 MNOK in the NSA report (923 MNOK compared to 915 MNOK in real terms). Actual 2012 costs are consistent and inflation and exchange rates are also in line. Total determined and actual terminal costs are consistent in the two sources.

Note that the terminal unit rate applied in 2013 (1,609.00 NOK) is sourced from the NSA report and used in this 2013 monitoring analysis. The 2012 unit rate applied of 1,857.25 NOK in the Reporting Tables match the NSA Report. No other assumptions or corrections beyond the data provided by Norway in the 2013 Reporting Tables have been made by the PRB in the preparation of this report.

At State / Charging Area level

In 2013, the actual en-route unit cost for Norway (51.54 €2009) is -3.8% lower than planned in the NPP for RP1 (53.58 €2009). Although actual en-route costs in 2013 (923 MNOK 2009) are +9.7% higher than the determined costs (841 MNOK2009), en-route service units were +14.1% higher than planned, which resulted in the lower unit cost.

According to STATFOR's May 2014 publication, total service units (TSUs) in 2013 (2.05 million TSUs) is +14.1% higher than the figures provided in the Norway NPP (1.80 million). This difference is both outside the +/-2% deadband and above the +10% threshold). Based on the STATFOR May 2014 forecasts, actual 2014 traffic is also expected to be higher than planned (+20.3%, which is again over the +10% threshold).

Total en-route costs in 2013 are 922.5 MNOK2009, or +9.7% higher than planned, due to a combination of higher costs in nominal terms (+8.9%, with actual costs 972.4 MNOK compared to the determined cost of 893.2 MNOK) and actual inflation (2.0% in 2013) being 0.4 percentage points higher than forecast in the NPP.

The en-route cost-base includes costs relating to Norway's ATSP (Avinor), the Norwegian MET provider and NSA/EUROCONTROL costs. Both the MET and NSA/EUROCONTROL actual en-route costs are slightly higher than planned (+0.8% and +2.1% respectively) however Avinor is the main contributor to the higher cost-base, with costs +10.5% higher than planned in the NPP.

Costs exempt from cost sharing are reported for a total of +0.1 M€2009 to be recovered from the users for the en-route activity, corresponding to the difference in the planned and actual values for Eurocontrol costs. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions. It should be noted that Norway did not submit a stand-alone costs exempt from risk sharing report to the European Commission by the June 30th 2014 deadline.

At ATSP level

Actual 2013 Avinor costs vs. NPP

Avinor actual en-route costs in 2013 are 97.2 M€2009, +9.2 M€2009 or +10.5% higher than the determined costs reported in the NPP, due to a significant increase in staff costs (+16.7% in real terms) and also an increase in other operating costs (+6.4%). The Norwegian NSA reports that the increase in staff costs is primarily due to an increase in resources required to accommodate traffic being +14.1% higher than forecast. Other drivers for the higher actual costs than planned were that pension costs increased considerably due to the implementation of IAS19R, and the agreements reached with unions resulting from the staffing problems at ACC Oslo in the summer of 2012, Avinor has stated these latter two issues should not affect the costs in 2014.

Depreciation and cost of capital are significantly lower than planned in the NPP (-26.8% and -7.3% respectively), due to lower capital investment activity. Avinor states that the investment delay recorded in 2012 has impacted 2013 but that the investment level is increasing, with a resultant impact on depreciation and capital costs expected in future years.

Avinor did not report any costs exempt from cost sharing for 2012 or 2013.

In 2013, actual traffic was +14.1% higher than planned, resulting in a gain due to traffic risk sharing of +3.9M€2009 for Avinor. No incentives were applied in 2013.

In 2013, the actual total asset base was 66.3M€2009, or -7.4% lower than planned. In 2013, actual capex was 115.7 MNOK, +3.3MNOK or +2.9% higher than planned in the NPP. Including investments delayed from 2012, postponed investments amounted to -74.3MNOK, or -26.2% of planned investment in 2012 and 2013.

Avinor net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, the en-route activity for the year 2013 generated a net loss of -5.3 M€2009 for Avinor overall. This is the combination of two separate elements:

- a loss of -9.2 M€2009 for Avinor as a result of the cost-sharing mechanism; and
- a gain of +3.9 M€2009 as a result of the traffic risk sharing mechanism for 2013.

On the profitability side for the en-route activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +3.1 M€2009, corresponding to an estimated surplus of +3.5% of the en-route revenues for 2013. Ex-post, the estimated (negative) surplus for the year calculated by adding the surplus embedded in the cost of capital (+2.8 M€2009) and the net loss from the en-route activity in 2013 (-5.3 M€2009), gives a total of -2.5 M€2009 for 2013, corresponding to -2.7% of the en-route revenue in 2013. The resulting ex-post rate of return on equity for 2013 is -9.5% (compared to +11.0% as initially planned in the NPP).

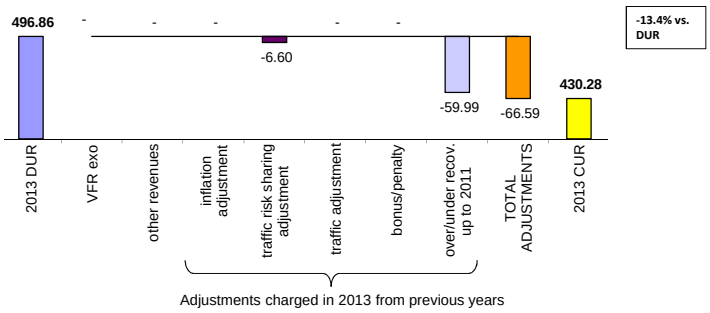
Avinor experienced a net loss in 2013, which partially cancels out the overall positive estimated surplus for the en-route activity incurred in 2012 of +8.2 M€2009 (or +9.0% estimated surplus of en-route revenues in 2012 leading to an ex-post rate of return on equity of +40.5%). Note that this figure was updated since the 2012 PRB monitoring report, as a result of improved reporting on the assumptions underlying the calculation of the cost of capital in respect of the proportion of financing through equity and through debt.

Conclusion : Due to the higher than expected traffic (+14.1%), actual costs were +9.7% higher than planned in the NPP in real terms. These higher costs are primarily due to higher ATSP staff costs to response to the higher than planned traffic levels, and higher other operating costs. As a result, the en-route activity for the year 2013 generated a net loss of -5.3 M€2009 for Avinor, which results in an estimated actual negative surplus of -2.7% of the en-route revenue for 2013 (down from a planned +3.5% in the NPP).

NORWAY **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Norway 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - NOK



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

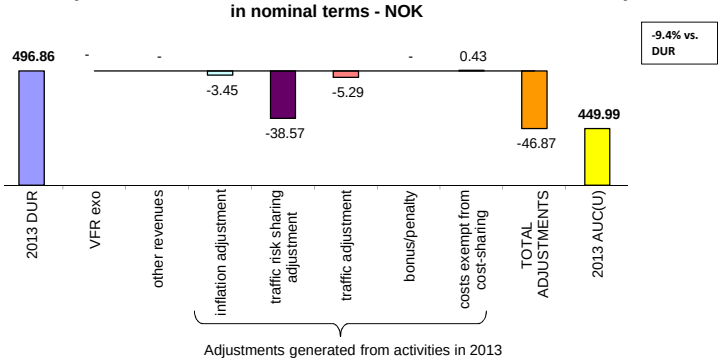
The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The CUR charged to airspace users in 2013 is 430.28 NOK in nominal terms, which is -13.4% less than the DUR of 496.86 NOK. This difference is due to legacy carry-overs incurred up to and including 2011 (-59.99 NOK, or -12.1%) and a small adjustment (-6.60 NOK, or -1.3%) relating to traffic risk sharing.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Norway 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - NOK



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

The AUC-U for airspace users in 2013 is 449.99 NOK, which is -9.4% less than the DUR of 496.86 NOK. This is due to adjustments generated from activities in 2013:
-38.57 NOK, or -7.8% reflecting the difference in traffic for costs not subject to traffic risk sharing;
-5.29 NOK, or -1.1% deduction for traffic adjustment;
-3.45 NOK, or -0.7% deduction for the inflation adjustment; and
+0.43 NOK, or +0.1% increase for costs exempt from cost sharing.

NORWAY **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10. - Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^		0.9	0.9	0.9	0.9	0.9
Number of airports in terminal charging zone			4	4	4	4	4
of which, number of airports over 50 000 movements			4	4	4	4	4

Norway - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in NOK)	0	399 773 247	409 364 496	441 644 803	427 137 945	433 534 776
Inflation index (100 in 2009)	100.0	101.7	103.1	104.6	106.2	108.3
Real terminal ANS costs - (in NOK2009)	**0**	**393 090 705**	**396 964 131**	**422 353 660**	**402 047 701**	**400 460 039**
Real terminal ANS costs - (in EUR2009)		**45 037 529**	**45 481 318**	**48 390 270**	**46 063 758**	**45 881 855**

Norway - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in NOK)		399 773 235	403 728 452	408 645 293	488 993 427	
Inflation index (100 in 2009)	100.0	101.7	102.9	103.3	105.4	
Real terminal ANS costs - (in NOK2009)		**393 090 693**	**392 272 525**	**395 467 977**	**463 946 253**	
Real terminal ANS costs - (in EUR2009)		45 037 528	44 943 788	45 309 900	53 155 652	
Total terminal service units		217 615	233 918	247 004	260 537	
Actual real unit costs - (in NOK2009)		1 806.4	1 677.0	1 601.1	1 780.7	
Unit rate applied - (in NOK)				**1 857.25**	**1 609.00**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Terminal ANS costs for the charging zones - (in NOK)	in value				-32 999 510	61 855 483	
	in%				-7.5%	14.5%	
Inflation index (100 in 2009)	in p.p.				-1.2 p.p.	-0.8 p.p.	
Real terminal ANS costs - (in NOK2009)	in value				**-26 885 682**	**61 898 553**	
	in%				**-6.4%**	**15.4%**	
Real terminal ANS costs - (in EUR2009)	in value				**-3 080 370**	**7 091 895**	
	in%				**-6.4%**	**15.4%**	

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

The terminal charging zone in Norway comprises four airports (Oslo, Bergen, Stavanger and Trondheim), all of which have more than 50,000 airport movements per year and are all operated by Avinor. Norway does not use the harmonised SES formula (MTOW/50)^0.7 and the formula (MTOW/50)^0.9 is applied to determine the number of terminal service units throughout RP1. There has been no change to the terminal charging zone as compared to planned in the NPP.

Actual terminal ANS costs in 2013 are 53.2 M€2009, +15.4%, or +7.1 M€2009 higher than planned in the NPP (46.1 M€2009). This difference is of a higher magnitude to that seen in the en-route costs (actual en-route costs were +9.7% higher than planned in real terms). This is due to higher staff costs than planned, due to the implementation of IAS19R impacting pension costs, agreements with unions following operational issues in 2012 and some unexpected operational impact resulting from the construction of Terminal 2 at Oslo Lufthavn. The first two of these drivers are not expected to impact costs beyond 2013.

12. - Monitoring of gate-to-gate costs (2013)

Norway - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in NOK2009)	816 343 600	797 703 646	809 273 632	847 054 227	840 718 058	823 040 957
Real terminal ANS costs - (in NOK2009)	0	393 090 705	396 964 131	422 353 660	402 047 701	400 460 039
Real gate-to-gate ANS costs - (in NOK2009)	**816 343 600**	**1 190 794 351**	**1 206 237 763**	**1 269 407 886**	**1 242 765 759**	**1 223 500 996**
Real gate-to-gate ANS costs - (in EUR2009)	**93 530 826**	**136 432 722**	**138 202 118**	**145 439 700**	**142 387 236**	**140 180 016**
Share of en-route costs in gate-to-gate ANS costs	**100.0%**	**67.0%**	**67.1%**	**66.7%**	**67.6%**	**67.3%**

Norway - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in NOK2009)	816 343 600	792 856 642	827 110 453	816 874 443	922 547 869	
Real terminal ANS costs - (in NOK2009)	0	393 090 693	392 272 525	395 467 977	463 946 253	
Real gate-to-gate ANS costs - (in NOK2009)	**816 343 600**	**1 185 947 335**	**1 219 382 979**	**1 212 342 420**	**1 386 494 122**	
Real gate-to-gate ANS costs - (in EUR2009)	**93 530 826**	**135 877 386**	**139 708 203**	**138 901 546**	**158 854 606**	
Share of en-route costs in gate-to-gate ANS costs	**100.0%**	**66.9%**	**67.8%**	**67.4%**	**66.5%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Real en-route costs - (in NOK2009)	in value				-30 179 784	81 829 811	
	in %				-3.6%	9.7%	
Real terminal ANS costs - (in NOK2009)	in value				-26 885 682	61 898 553	
	in %				-6.4%	15.4%	
Real gate-to-gate ANS costs - (in NOK2009)	in value				**-57 065 466**	**143 728 363**	
	in %				**-4.5%**	**11.6%**	
Real gate-to-gate ANS costs - (in EUR2009)	in value				**-6 538 154**	**16 467 371**	
	in %				**-4.5%**	**11.6%**	
Share of en-route costs in gate-to-gate ANS costs	in %				**0.7%**	**-1.1%**	

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

In 2013, Norway's actual gate-to-gate ANS costs (159 M€2009) are +11.6% higher than planned in the NPP (142 M€2009). This difference is driven by higher traffic volumes than planned and therefore higher actual costs than planned, primarily ATSP staff costs and other operating costs in both the en-route and terminal ANS cost bases.

The relative share of en-route costs in gate-to-gate ANS costs in 2013 (66.5%) is slightly lower than planned in the NPP (67.6%). The share of en-route costs in gate-to-gate ANS costs has been relatively stable (ranging from 66.5% to 67.8%) since 2010 and in line with the NPP.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Poland

Fact validated edition

Edition date: 14/11/2014

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POLAND **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	55	55		Poland has downgraded significantly some replies from C to B and from D to C, adjusting the scores to what it was observed during the audit. (TV)
ANSP [PANSA]	68	67		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	2	100%	0	N/A			
	ATM Overall		100%		N/A			
Runway Incursions (RIs)	ATM Ground	53	87%	26	50%			
	ATM Overall		87%		50%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	101	71%	47	9%			

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	4	6	5	5		
Legal/Judiciary	7	1	7	1		
Occurrence reporting and Investigation	1	1	2	0		
TOTAL	**12**	**8**	**14**	**6**		

Number of questions answered with Yes or No	ANSP [PANSA]					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	6	7	6	7		
Legal/Judiciary	1	2	1	2		
Occurrence reporting and Investigation	2	6	2	6		
TOTAL	**9**	**15**	**9**	**15**		

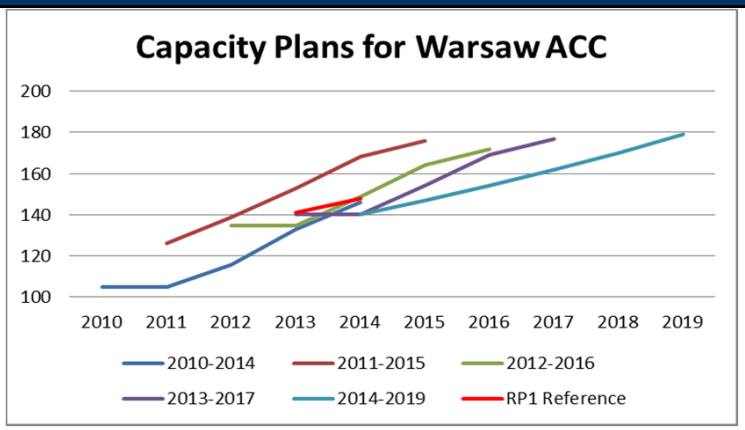
POLAND **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.32	0.31	0.26	
National Target	1	1.5	0.48	
Actual performance	0.52	0.51		

National capacity assessment

The period from November 2013 is a transitional period for PANSA connected with the launch of operational air traffic control system P-21 Pegasus. The process of achieving the capacity target is taking place. Particularly important is a smooth transition from the previous air traffic management system to the new one and, consequently the fulfilment of a basic condition for the introduction at the end of 2015 of a vertical sectors split.

ANSP capacity plan (Opt.)



Military dimension of the plan (Opt.)

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

PRB Capacity assessment

Although capacity performance surpassed the national target for 2013, it remained inconsistent with the effort required to meet the EU-wide target. The PRB recognises the difficulty in the transition to the new ATM system and is cogniscent of the significant efforts by the Network Manager and the surrounding ANSPs to re-route a lot of traffic away from congested areas. Without this effort, the capacity performance would have been significantly worse. The PRB looks forward to an improved capacity performance from Poland in 2014, following the implementation of the new ATM system.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 44%

The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 11%

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 45%

Previous recommendations (Opt.)

Extract from notification letter from EC July 2012
Furthermore, Poland's performance plan is assessed on the clear expectation that Poland will require its air navigation service provider to develop and implement capacity plans that will enable the 2014 reference value of 0.26 minute of average delay per flight to be met in 2015, with the assistance of the Network Manager.

Extract from the Annual Monitoring Report 2012
Poland is invited to provide more detailed data on the allocation and use of individual restricted and segregated areas instead of the aggregated data provided.

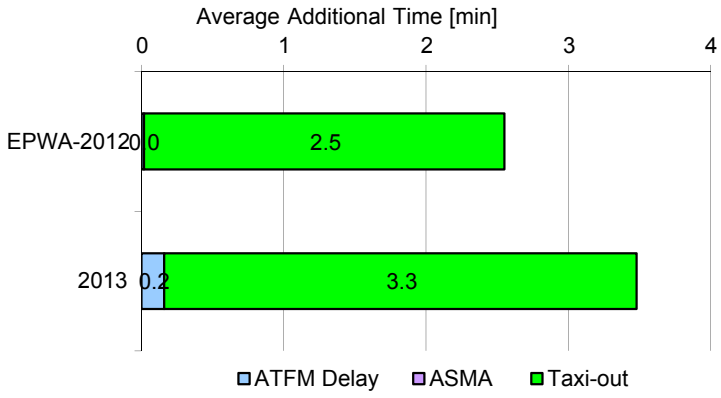
NSA report on follow-up to recommendations (Opt.)
No information was provided in the national monitoring report in response to the above recommendations.
Recommendations
In light of capacity performance in 2012 and 2013, and in accordance with Article 17 of EU Regulation 691/2010, Poland is requested to define, apply and communicate appropriate measures to achieve the targets set in the performance plan. The PRB reminds Poland of the obligation to report on the individual restricted and segregated areas that impact available ATC capacity, and or route options for general air traffic, rather than simply aggregating over all areas.

POLAND **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Warsaw Chopin	EPWA	2012	0.0	1 264	Missing CPR Data		2.5	160 467	161 731
		2013	0.2	11 318	Missing CPR Data		3.3	230 039	241 357
Weighted average		**2012**	**0.0**				**2.5**		
		2013	**0.2**				**3.3**		
Grand Total		**2012**		**1 264**				**160 467**	**161 731**
		2013		**11 318**				**230 039**	**241 357**
				795%				**43%**	**49%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst , depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by .*

Critical Issues

- Missing CPR Data since 2012.

Specific Analysis

- Taxi-out time performance significantly deteriorated at Warsaw airport in 2013 compared to 2012.

POLAND

Monitoring of en-route and terminal COST-EFFICIENCY for 2013

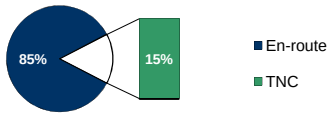
1. - Contextual economic information

- Poland represents 2.1% of the SES en-route ANS determined costs in 2013.
- ATSP : PANSA
- FAB : Baltic
- National currency: PLN
- Exchange rate 2009: 1 EUR= 4.32383

Note on the actual exchange rate 2013

In 2013, the PLN depreciated by 0.3% compared to 2012.

Share of en-route and terminal in gate-to-gate ANS actual costs

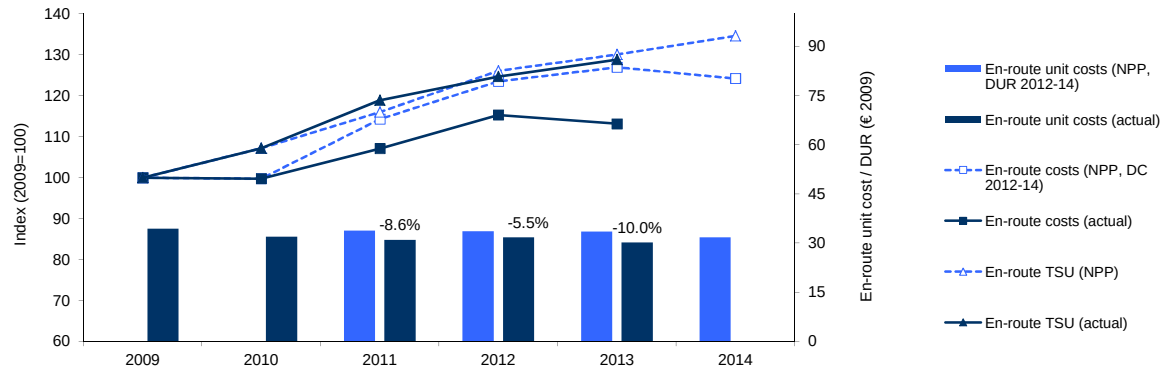


2. - En-route DUR monitoring (2013)

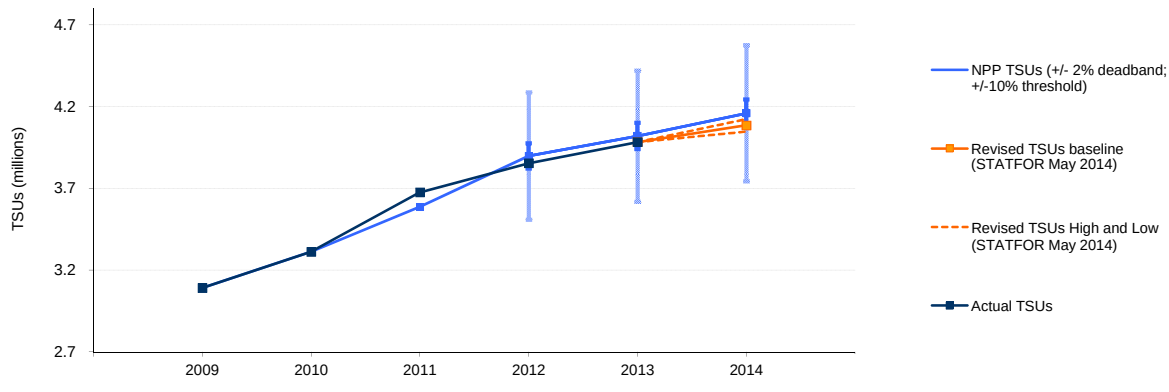
Poland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal PLN)	459 836 760	471 159 428	561 585 902	624 280 299	658 448 534	660 703 387
Inflation %		2.7%	4.1%	2.9%	2.6%	2.5%
Inflation index (100 in 2009)	100.0	102.7	106.9	110.0	112.8	115.7
Real en-route costs (determined costs 2012-2014) - (in PLN2009)	459 836 760	458 772 569	525 522 297	567 754 139	583 517 084	571 234 473
Total en-route Service Units	3 092 271	3 312 823	3 587 255	3 898 889	4 021 000	4 161 000
Real en-route unit costs per Service Units - (in PLN2009)	**148.71**	**138.48**	**146.50**	**145.62**	**145.12**	**137.28**
Real en-route unit costs per Service Units - (in EUR2009)	**34.39**	**32.03**	**33.88**	**33.68**	**33.56**	**31.75**

Poland - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal PLN)	459 836 760	471 159 429	525 538 742	586 633 207	580 252 627	
Inflation %		2.7%	3.9%	3.7%	0.8%	
Inflation index (100 in 2009)	100.0	102.7	106.7	110.7	111.5	
Real en-route costs - (in PLN2009)	459 836 760	458 772 569	492 514 188	530 153 821	520 225 739	
Total en-route Service Units	3 092 271	3 312 823	3 676 460	3 854 458	3 983 698	
Real en-route unit costs per Service Units - (in PLN2009)	**148.71**	**138.48**	**133.96**	**137.54**	**130.59**	
Real en-route unit costs per Service Units - (in EUR2009)	**34.39**	**32.03**	**30.98**	**31.81**	**30.20**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
En-route costs - (in nominal PLN)	in value	-37 647 092	-78 195 906	
	in %	-6.0%	-11.9%	
Inflation %	in p.p.	0.8 p.p.	-1.8 p.p.	
Inflation index (100 in 2009)	in p.p.	0.7 p.p.	-1.3 p.p.	
Real en-route costs - (in PLN2009)	in value	-37 600 318	-63 291 345	
	in %	-6.6%	-10.8%	
Total en-route Service Units	in value	-44 431	-37 302	
	in %	-1.1%	-0.9%	
Real en-route unit costs per Service Units - (in PLN2009)	in value	**-8.08**	**-14.53**	
	in %	**-5.5%**	**-10.0%**	
Real en-route unit costs per Service Units - (in EUR2009)	in value	**-1.87**	**-3.36**	
	in %	**-5.5%**	**-10.0%**	



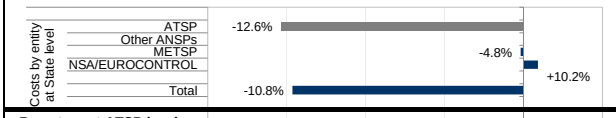
3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



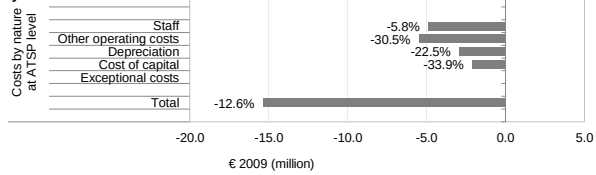
POLAND **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)

By entity at State level



By nature at ATSP level



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	1 024
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	1 024
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	**1 024**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

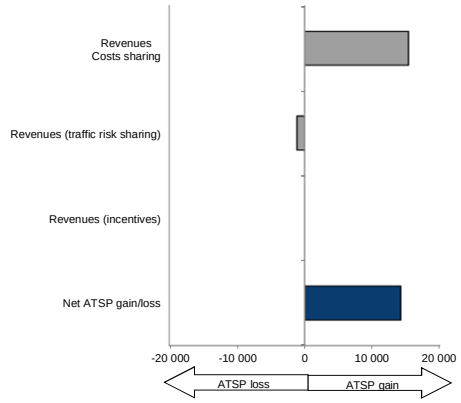
Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	121 986
Actual costs for the ATSP	106 604
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	15 382
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**15 382**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-0.93%
Determined costs after deduction of costs for exempted VFR flights	123 279
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-1 144
ATSP loss (traffic between -2% and -10% below NPP)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-1 144**

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

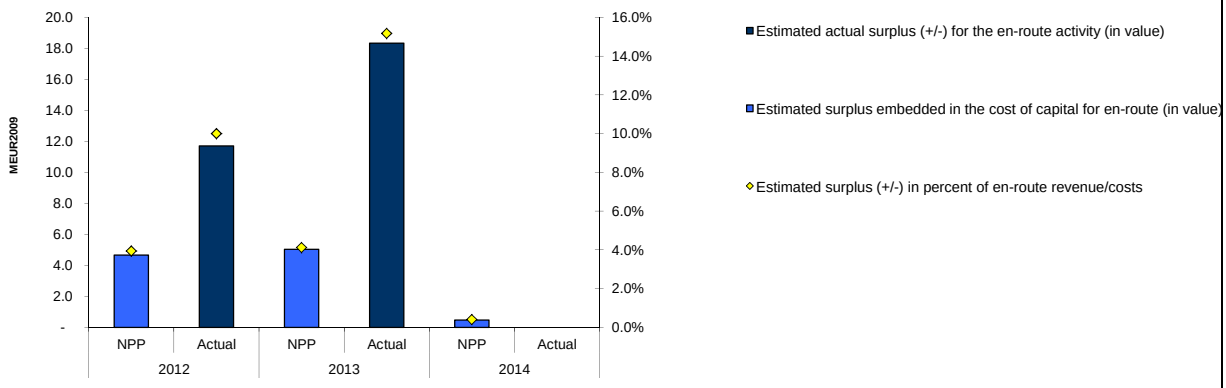
Net ATSP gain(+)/loss(-) on en-route activity	**14 239**

Combined effect of variations in costs and revenue for 2013 ('000€2009)



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	144 486	110 010	163 152	116 718	175 977	
Estimated proportion of financing through equity (in %)	92%	100%	88%	100%	85%	
Estimated proportion of financing through equity (in value)	133 281	110 010	143 840	116 718	148 701	
Estimated proportion of financing through debt (in %)	8%	-	12%	-	16%	
Estimated proportion of financing through debt (in value)	11 205	-	19 312	-	27 276	
Cost of capital pre-tax (in value)	5 332	3 850	6 183	4 085	2 100	
Average interest on debt (in %)	6.0%	-	6.0%	-	6.0%	
Interest on debt (in value)	667	-	1 149	-	1 623	
Ex-ante RoE pre-tax rate (in %)	3.5%	3.5%	3.5%	3.5%	0.3%	
Estimated surplus embedded in the cost of capital for en-route (in value)	4 665	3 850	5 034	4 085	477	
Net ATSP gain(+)/loss(-) on en-route activity		7 851		14 239		
Overall estimated surplus (+/-) for the en-route activity	**4 665**	**11 702**	**5 034**	**18 324**	**477**	
Revenue/costs for the en-route activity	**118 356**	**117 018**	**121 986**	**120 842**	**119 157**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**3.9%**	**10.0%**	**4.1%**	**15.2%**	**0.4%**	
Estimated ex-post RoE pre-taxe rate (in %)	**3.5%**	**10.6%**	**3.5%**	**15.7%**	**0.3%**	



POLAND **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Poland

The June 2014 Reporting Tables for Poland present the information relating to Poland's Revised NPP and actual data up to 2013. Total en-route service units and costs are consistent with the NSA report. Inflation and exchange rates are also in line, which resulted in consistent real en-route unit costs in €2009. For terminal, service units are consistent and total costs are consistent apart from a minor difference in 2013 actual costs, where the Reporting Table shows 103,770,090 PLN but the NSA Monitoring Report 2013 is one PLN less.

Note that the terminal unit rate applied in 2013 (812.38 PLN) is sourced from the NSA report and used in this 2013 monitoring analysis. The 2012 unit rate applied of 781.06 PLN in the Reporting Tables matches the NSA Report. No other assumptions or corrections beyond the data provided by Poland in the 2013 Reporting Tables have been made by the PRB in the preparation of this report.

At State / Charging Area level

In 2013, the real en-route unit cost for Poland (30.20 €2009) is -10.0% lower than planned in the NPP for RP1 (33.56 €2009). This difference is mainly due to actual en-route costs in real terms being -10.8% lower than the determined costs, while en-route Service Units were -0.9% lower than planned. The reduction in costs is due to lower staff costs and other operating costs than planned.

According to STATFOR's May 2014 publication, the number of total service units (TSUs) in 2013 (3.98 million TSUs) is slightly lower than the figures provided in Poland's Revised NPP (4.02 million, or -0.9% which is within the +/-2% deadband). Based on the STATFOR May 2014 forecasts, actual 2014 traffic is also expected to be lower than planned (-1.8%, which is within the +/- 2% deadband).

Total actual en-route costs in 2013 (520.2 MPLN2009) are -10.8% less than planned in the NPP (583.5 MPLN2009). It is noted that actual inflation (0.8% in 2013) has been less than forecast in the NPP (2.6%). In nominal terms, actual en-route costs in 2013 are 580.3 MPLN, -11.9% lower than the planned cost of 658.4 MPLN.

The en-route cost-base includes costs relating to Poland's ATSP (PANSA), the METSP (IMWM), and Poland's CAA (which also include EUROCONTOL costs). While for PANSA and IMWM, 2013 en-route costs are significantly lower than planned (-12.6%, and -4.8% respectively), the costs of the CAA are higher than the amount reported in the NPP (+10.2%). The difference in reported CAA costs results from higher EUROCONTROL costs, as a consequence of changes in the exchange rate and allocation key - we note that Poland's CAA costs (excluding EUROCONTROL costs) are lower than the determined costs in the NPP.

We note that actual en-route costs in 2012 have been updated from those published in the 2012 Monitoring Report. As was recorded at the time, the application of the methodology to allocated PANSA's costs between en-route and terminal was under review by the Polish CAA.

Costs exempt from cost sharing are reported as 1.0 M€2009 to be passed on to the users for the en-route activity, corresponding to the difference between the planned and actual values for Eurocontrol costs, mainly due to differences in exchange rates. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

Overall, Poland's en-route charging zone cost reductions were driven by lower staff costs for all entities concerned and other operating costs for PANSA. Actual depreciation costs and cost of capital are significnatly lower than planned (approximately -28% for both) due to the partly unrealised investment plan of PANSA and IMWM.

At ATSP level

Actual 2013 PANSA costs vs. NPP

PANSA actual en-route costs are some -15.4 M€2009 lower than the determined costs reported for 2013, due to reductions in all cost items as compared to planned. Other operating costs are -30.5% lower than planned (or -5.5 M€2009), mainly due to lower actual costs of materials and energy, outsourced services and cost of training and travel than planned. Staff costs were -5.8% lower than planned (-4.9 M€2009), due to monitoring and optimisation by PANSA management, a suspension of employment of non-ATCO staff and a reduction in the need for on the job training due to the P21 system being implemented. Depreciation and cost of capital were also lower than planned, -22.5% and -33.9% respectively, due to lower than planned investment activity and postponement of some investment.

For 2012 and 2013 the only category of costs exempt from cost sharing for Poland is EUROCONTROL costs.

In 2013, actual traffic was -0.9% lower than planned, resulting in a loss due to traffic risk sharing of -1.1 M€2009 for PANSA. No incentives were applied in 2013. In 2013, the actual total asset base was 116.7 M€2009, or -28.5% lower than planned.

In 2013, actual capex was 27.2 MPLN, -84.3MPLN or -75.6% less than planned in the NPP. Including investments delayed from previous years, postponed investments amounted to -117.5 MPLN.

PANSA net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, the en-route activity for the year 2013 generated a net gain of +14.2 M€2009 for PANSA overall. This is the combination of two separate elements:

- a gain of +15.4 M€2009 for PANSA as a result of the cost-sharing mechanism; and
- a loss of -1.1 M€2009 as a result of the traffic risk sharing mechanism for 2013.

On the profitability side for the en-route activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +5.0 M€2009, corresponding to an estimated surplus of +4.1% of the en-route revenues for 2013. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+4.1 M€2009) and the net gain from the en-route activity in 2013 (+14.2 M€2009), gives a total of +18.3 M€2009 for 2013, corresponding to +15.2% of the en-route revenue in 2013. The resulting ex-post rate of return on equity for 2013 is +15.7% (compared to +3.5% as initially planned in the NPP).

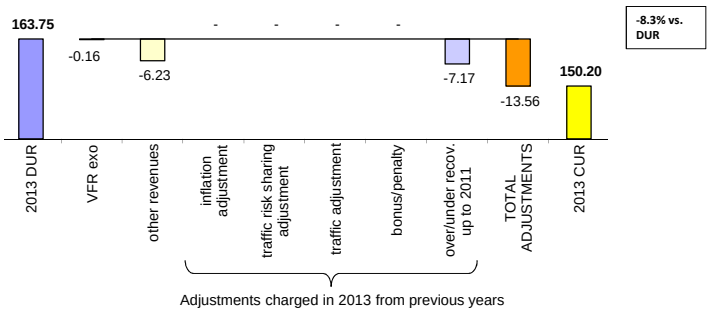
This indicates that in 2013, PANSA was in a position to retain the part of surplus embedded in the cost of capital and to generate extra gains arising from the lower costs than planned in 2013. This adds to the overall positive estimated surplus for the en-route activity generated by PANSA in 2012 of +11.7 M€2009 or +10.0% of en-route revenues in 2012 leading to an ex-post rate of return on equity of +10.6%. Note that the 2012 figure was updated since the 2012 PRB monitoring report, as a result of the updates in the actual 2012 costs made after the June 2013 submission that served as a basis for the 2012 monitoring.

Conclusion : Whilst traffic volumes were slightly lower than expected (-0.9%), PANSA's actual en-route costs in 2013 were -12.6% lower than planned in the NPP. As a result, the en-route activity for the year 2013 generated a net gain of +14.2 M€2009 for PANSA, which results in an estimated actual surplus of +15.2% of the en-route revenue for 2013 (up from a planned +4.1% in the NPP).

POLAND **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Poland 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - PLN



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

The CUR takes account of:

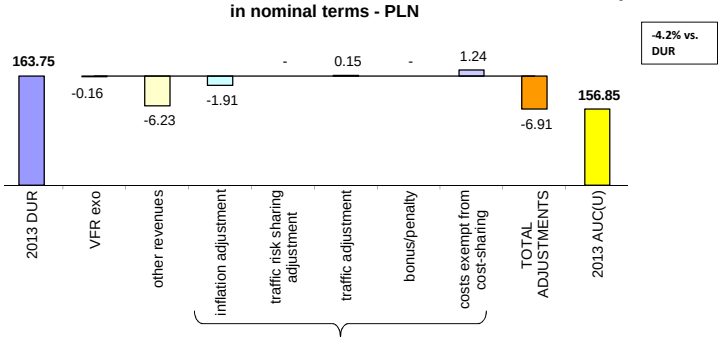
- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;

- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The CUR charged to airspace users in 2013 is 150.20 PLN, which is -8.3% less than the DUR of 163.75 PLN. The CUR is lower due to a deduction of other revenues received by PANSA (-6.23 PLN, or -3.8%) and legacy carry-overs incurred up to and including 2011 (-7.17 PLN, or -4.4%). A small adjustment (-0.16 PLN, or -0.1%) is made to reflect the deduction of costs for services exempt from VFR.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Poland 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - PLN



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;

- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

The AUC-U for airspace users in 2013 is 156.85 PLN, which is -4.2% less than the DUR of 163.75 PLN. This is due to adjustments generated from activities in 2013:

-6.23 PLN, or -3.8% deduction due to other revenues;
-1.91 PLN, or -1.2% deduction for the inflation adjustment;
-0.16 PLN, or -0.1% deduction of costs for services to exempted VFR;
+1.24 PLN, or +0.8% increase for costs exempt from cost sharing; and
+0.15 PLN, or +0.1% reflecting the difference in traffic for costs not subject to traffic risk sharing.

POLAND **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10.- Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^	0.5	0.5	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone		11	11	11	13	13	13
of which, number of airports over 50 000 movements		1	1	1	1	1	1

Poland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in PLN)	122 938 882	116 336 331	141 412 605	111 077 280	113 550 465	115 911 332
Inflation index (100 in 2009)	100.0	102.7	106.9	110.0	112.8	115.7
Real terminal ANS costs - (in PLN2009)	**122 938 882**	**113 277 830**	**132 331 450**	**101 019 663**	**100 628 421**	**100 215 240**
Real terminal ANS costs - (in EUR2009)	**28 432 867**	**26 198 493**	**30 605 146**	**23 363 468**	**23 272 983**	**23 177 424**

Poland - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in PLN)	122 938 882	116 336 331	121 715 004	106 796 553	103 770 090	
Inflation index (100 in 2009)	100.0	102.7	106.7	110.7	111.5	
Real terminal ANS costs - (in PLN2009)	**122 938 882**	**113 277 830**	**114 066 503**	**96 514 483**	**93 035 119**	
Real terminal ANS costs - (in EUR2009)	28 432 867	26 198 493	26 380 894	22 321 526	21 516 831	
Total terminal service units	126 670	133 012	134 574	150 318	149 649	
Actual real unit costs - (in PLN2009)	970.5	851.6	847.6	642.1	621.7	
Unit rate applied - (in PLN)				**781.06**	**812.38**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Terminal ANS costs for the charging zones - (in PLN)	in value	-4 280 728	-9 780 375	
	in%	-3.9%	-8.6%	
Inflation index (100 in 2009)	in p.p.	0.7 p.p.	-1.3 p.p.	
Real terminal ANS costs - (in PLN2009)	in value	**-4 505 181**	**-7 593 302**	
	in%	**-4.5%**	**-7.5%**	
Real terminal ANS costs - (in EUR2009)	in value	**-1 041 942**	**-1 756 152**	
	in%	**-4.5%**	**-7.5%**	

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

The terminal charging zone of Poland comprises 13 airports, of which only one, Frederic Chopin Airport, handles more than 50,000 airport movements per year. There has been no change to the terminal charging zone as compared to the NPP.

The harmonised SES formula (MTOW/50)^0.7 has been applied in the Poland Terminal Charging Zone since 2011.

Actual terminal ANS costs in 2013 are -7.5%, or -1.8 M€2009 lower than planned in the NPP. This difference is of a similar magnitude to that seen in the en-route costs (actual en-route costs were -10.8% lower than planned in real terms). All three entities (PANSA, IMWM and the CAA) reported lower actual costs than planned in 2013. At PANSA, actual costs were lower than planned for all cost elements, including staff costs, where employment of all non-ATCO staff was suspended. At the METSP, IMWM, staff costs depreciation and cost of capital were lower than planned, but other operating costs were higher than planned due to an underestimate of basic systems costs when planning. At the METSP, planned salary increases were cancelled and employment in aeronautical weather observation systems (AWOS) services was lower than expected as AWOS equipment purchases did not take place. Actual CAA costs were lower than planned due to a lower than anticipated share of terminal costs in the actual total ANS cost base.

12.- Monitoring of gate-to-gate costs (2013)

Poland - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in PLN2009)	459 836 760	458 772 569	525 522 297	567 754 139	583 517 084	571 234 473
Real terminal ANS costs - (in PLN2009)	122 938 882	113 277 830	132 331 450	101 019 663	100 628 421	100 215 240
Real gate-to-gate ANS costs - (in PLN2009)	**582 775 641**	**572 050 399**	**657 853 747**	**668 773 802**	**684 145 505**	**671 449 713**
Real gate-to-gate ANS costs - (in EUR2009)	**134 782 274**	**132 301 778**	**152 146 071**	**154 671 623**	**158 226 735**	**155 290 498**
Share of en-route costs in gate-to-gate ANS costs	**78.9%**	**80.2%**	**79.9%**	**84.9%**	**85.3%**	**85.1%**

Poland - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in PLN2009)	459 836 760	458 772 569	492 514 188	530 153 821	520 225 739	
Real terminal ANS costs - (in PLN2009)	122 938 882	113 277 830	114 066 503	96 514 483	93 035 119	
Real gate-to-gate ANS costs - (in PLN2009)	**582 775 641**	**572 050 399**	**606 580 690**	**626 668 304**	**613 260 858**	
Real gate-to-gate ANS costs - (in EUR2009)	**134 782 274**	**132 301 779**	**140 287 821**	**144 933 613**	**141 832 787**	
Share of en-route costs in gate-to-gate ANS costs	**78.9%**	**80.2%**	**81.2%**	**84.6%**	**84.8%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
Real en-route costs - (in PLN2009)	in value	-37 600 318	-63 291 345	
	in %	-6.6%	-10.8%	
Real terminal ANS costs - (in PLN2009)	in value	-4 505 181	-7 593 302	
	in %	-4.5%	-7.5%	
Real gate-to-gate ANS costs - (in PLN2009)	in value	**-42 105 499**	**-70 884 647**	
	in %	**-6.3%**	**-10.4%**	
Real gate-to-gate ANS costs - (in EUR2009)	in value	**-9 738 010**	**-16 393 949**	
	in %	**-6.3%**	**-10.4%**	
Share of en-route costs in gate-to-gate ANS costs	in %	**-0.3%**	**-0.5%**	

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

In 2013, Poland's actual gate-to-gate ANS costs (142 M€2009) are -10.4% lower than planned in the NPP (158 M€2009). This difference is driven by lower actual costs than planned in all areas in both en-route and terminal ANS costs: staff costs, other operating costs, depreciation and cost of capital.

The relative share of en-route costs in gate-to-gate ANS costs (84.8%) is slightly lower than planned in the NPP (85.3%).

In RP1, PANSA allocates costs between en-route and terminal using Activity Based Costing. Some costs can be directly allocated to en-route or terminal services. Other costs, which cannot be directly allocated, i.e. human resources and financial staff, are allocated using an "allocation keys catalogue" in the "Cost Calculation" model. From RP2, the method of cost allocation will be modified as PANSA optimises its service provision, which means some of the allocation keys can no longer be used.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Portugal

Fact validated edition

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PORTUGAL **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	47	47		Portugal has adjusted some aspects of 'state safety policy' although some of the reported improvements are considered to be overrated. The rest of the scores are the same as the previous year, and they are in general correct. (TV)
ANSP [NAV Portugal]	60	74		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	10	30%	8	100%			
	ATM Overall		0%		0%			
Runway Incursions (RIs)	ATM Ground	6	100%	6	100%			
	ATM Overall		0%		33%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	0	N/A	50	100%			

Above RAT methodology application values are different from the ones in State Report. The AST results are updated and confirmed by Portugal after request for clarification.

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	6	4	6	4		
Legal/Judiciary	8	0	8	0		
Occurrence reporting and Investigation	2	0	2	0		
TOTAL	**16**	**4**	**16**	**4**		

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

PORTUGAL **Monitoring of CAPACITY indicators for 2013**

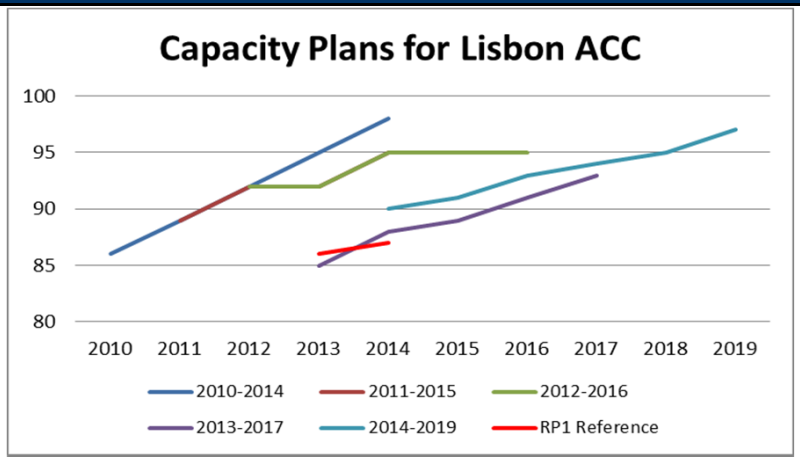
Minutes of ATFM en-route delay

	2012	2013	2014	Observations
Reference value	0.28	0.21	0.16	
National Target	0.25	0.2	0.15	
Actual performance	0.65	0.27		

National capacity assessment

The recent changes in traffic flows have required the adoption of a “New Capacity Plan”, whose main objectives are to meet the traffic demand and increase 3 movements per hour, avoiding a huge cost increase for airspace users;
The “status quo” would lead to delays higher than 0.40 minutes per flight;
According to the above mentioned plan, it will be possible to keep the delays at 0.20 minutes per flight, through the implementation of new operational procedures;
A better capacity performance would require the opening of the 2 new sectors, as well as hire new ATCO (more 28 hours per day). The Lisbon FIR en-route charges will remain lower than the average of European Union;
Notwithstanding the recent changes in traffic flows, with implications in the quality of services (delay), all efforts will be done in order to meet the demand without increasing costs and delays;
Since 2009, the ANSP has been developing all efforts in order to create more competitive advantages for its users.

ANSP capacity plan (Opt.)



Military dimension of the plan (Opt.)

The NSA for Portugal has confirmed that the allocation and activation of restricted or segregated areas has no adverse impact on either ATC capacity, or on the ability of aircraft operators to file flight plans.

PRB Capacity assessment

As in 2012, the capacity performance for 2013 did not meet the national target, nor the effort required to be consistent with the EU-wide capacity target. Although 2013 is an improvement on the 2012 performance, it is evident that the planned measures to improve capacity, as presented by the NSA in the 2012 monitoring report, have not been successful. The PRB is mindful that according to the network manager there should not be any capacity shortfall in Portugal. Whilst it is accepted that November and December traffic levels were higher then in the same period for 2012, they were still below the levels handled between April and October in 2013. The overall traffic level for Lisbon ACC did not exceed 2011 levels, which were handled with a delay of only 0.16 minutes per flight, below the targeted 0.20 minutes for 2013.

Effective booking procedures

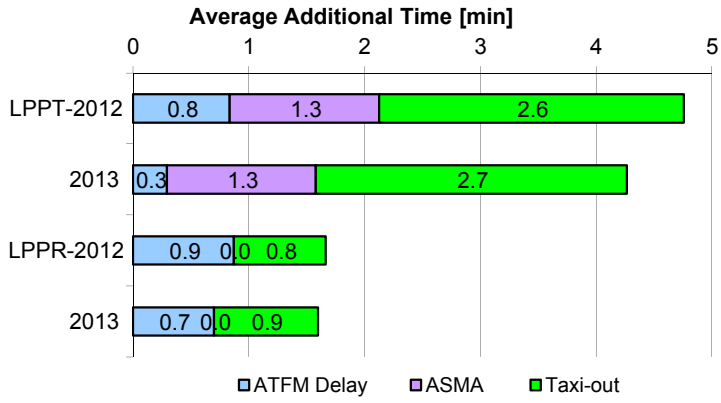
The segregated or restricted areas were not reported to the Network Manager via AUP/UUP in 2013, because the areas required for military activities were activated at tactical level and all of them in the lower airspace. This means that no impact was recorded in ATC capacity. Therefore there were no restrictions in the planning of any flights within Lisbon UIR/FIR.

Previous recommendations (Opt.)
Extract from the Annual Monitoring Report 2012. The NSA of Portugal is invited to provide additional information to the Commission on how the problems in deploying sufficient capacity have been addressed.
NSA report on follow-up to recommendations (Opt.)
2013 Reasons: the unexpected traffic increase during the November & December; Lisboa ACC training activities between October and December impossible to be delayed, linked with new functionalities and maintenance of licenses validity; west sector split not implemented, partially due to neighbor FIRs issues. 2013 -14 ANSP's Actions: co-ordination with NM in order to prepare the 2014-2019 capacity plan with adequate measures.
Recommendations
In light of the capacity performance in 2012 and 2013, and in accordance with Article 17 of EU Regulation 691/2010, Portugal is requested to define, apply and communicate appropriate measures to achieve the targets set in the performance plan.

PORTUGAL **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Lisbon	LPPT	2012	0.8	60 230	1.3	83 784	2.6	158 001	302 015
		2013	0.3	21 529	1.3	90 127	2.7	191 534	303 190
Porto	LPPR	2012	0.9	25 597	Not Applicable		0.8	22 769	48 366
		2013	0.7	20 844	Not Applicable		0.9	26 063	46 907
Weighted average		2012	**0.8**		**1.3**		**2.0**		
		2013	**0.4**		**1.3**		**2.2**		
Grand Total		2012		**85 827**		**83 784**		**180 770**	**350 381**
		2013		**42 373**		**90 127**		**217 597**	**350 097**
			⇨	**-51%**	⇨	**8%**	⇨	**20%**	**0%**

• These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.

• ⇧ represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst ⇩ depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by ⇨

Critical Issues

• None

Specific Analysis

• ATFM delay significantly improved at Lisbon airport (-0.5 minute per arrival in 2013 compared to 2012).

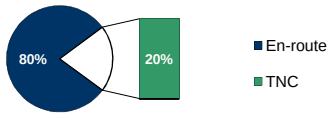
• It is also to be noted that the data was not available for Lisbon in January 2012 for the calculation of ASMA. Consequently, the total additional ASMA time reported in this table covers February to December 2012 only, and the average is calculated over these 11 months.

PORTUGAL Continental **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

1. - Contextual economic information

- Portugal Continental represents 1.6% of the SES en-route ANS determined costs in 2013.
- ATSP : NAV Portugal
- FAB : (Continental) SW FAB
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS actual costs

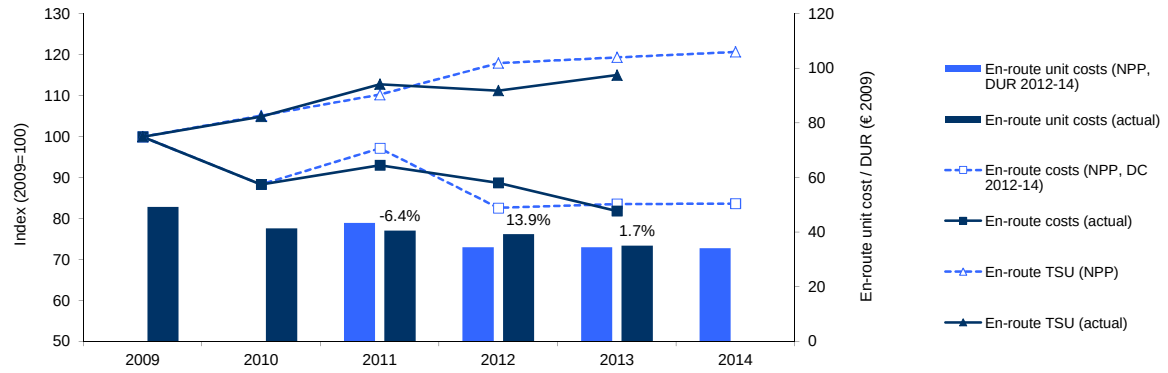


2. - En-route DUR monitoring (2013)

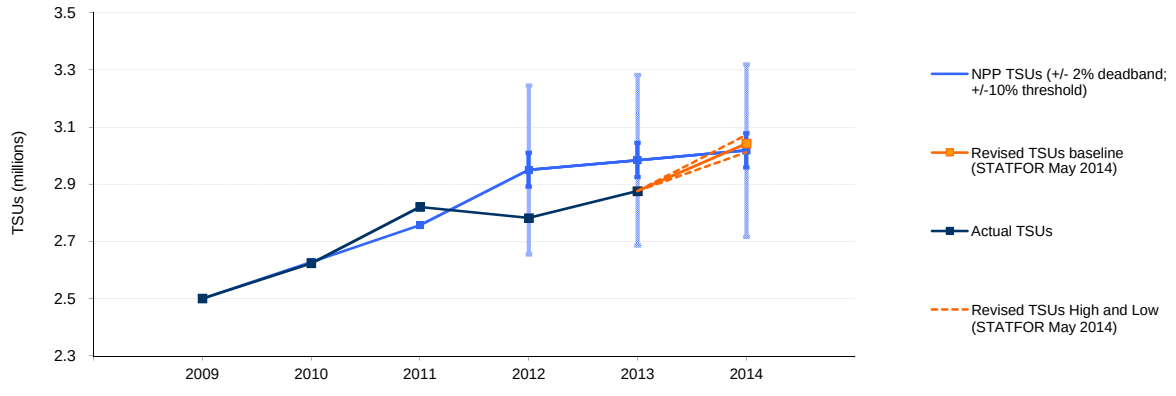
Portugal Continental - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	123 220 317	110 340 648	123 739 855	106 616 262	109 366 877	111 001 402
Inflation %		1.4%	1.9%	1.4%	1.4%	1.4%
Inflation index (100 in 2009)	100.0	101.4	103.3	104.8	106.2	107.7
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	123 220 317	108 817 207	119 756 050	101 759 123	102 943 223	103 039 195
Total en-route Service Units	2 501 219	2 628 788	2 757 489	2 950 581	2 984 808	3 018 536
Real en-route unit costs per Service Units - (in EUR2009)	**49.26**	**41.39**	**43.43**	**34.49**	**34.49**	**34.14**

Portugal Continental - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	123 220 317	110 340 648	120 421 412	118 060 986	109 368 546	
Inflation %		1.4%	3.6%	2.8%	0.4%	
Inflation index (100 in 2009)	100.0	101.4	105.1	108.0	108.4	
Real en-route costs - (in EUR2009)	123 220 317	108 817 207	114 632 036	109 324 017	100 871 366	
Total en-route Service Units	2 501 219	2 624 149	2 821 265	2 782 280	2 876 753	
Real en-route unit costs per Service Units - (in EUR2009)	**49.26**	**41.47**	**40.63**	**39.29**	**35.06**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
En-route costs - (in nominal EUR)	in value	11 444 724	1 669	
	in %	10.7%	0.0%	
Inflation %	in p.p.	1.4 p.p.	-1.0 p.p.	
Inflation index (100 in 2009)	in p.p.	3.2 p.p.	2.2 p.p.	
Real en-route costs - (in EUR2009)	in value	7 564 894	-2 071 857	
	in %	7.4%	-2.0%	
Total en-route Service Units	in value	-168 301	-108 055	
	in %	-5.7%	-3.6%	
Real en-route unit costs per Service Units - (in EUR2009)	in value	**4.81**	**0.58**	
	in %	**13.9%**	**1.7%**	



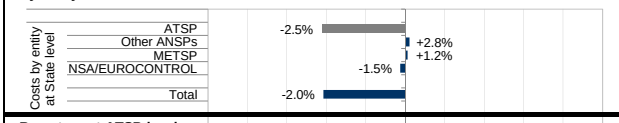
3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



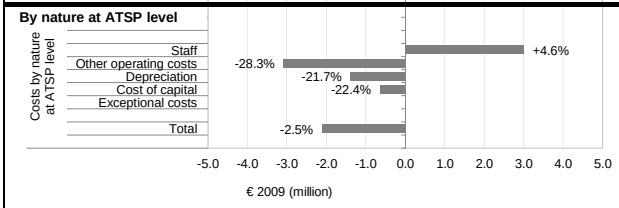
Portugal Continental **Monitoring of en-route and terminal cost-efficiency for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)

By entity at State level



By nature at ATSP level



See Note 1

Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	2 879
Interest rates on loans	-
National taxation law	-
New cost item required by law	2 741
International agreements	-92
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	5 620
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-92
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	**5 528**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

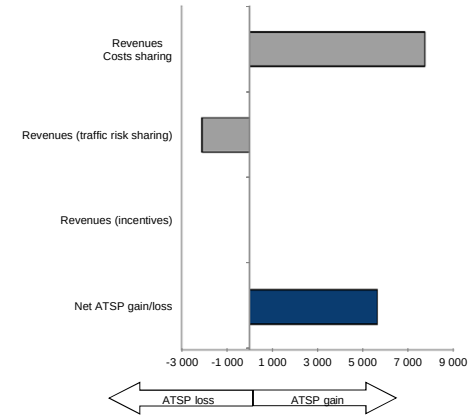
Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	86 177
Actual costs for the ATSP	84 062
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	2 114
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	5 620
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**7 735**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-3.62%
Determined costs after deduction of costs for exempted VFR flights	84 441
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-1 689
ATSP loss (traffic between -2% and -10% below NPP)	-410
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-2 099**

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

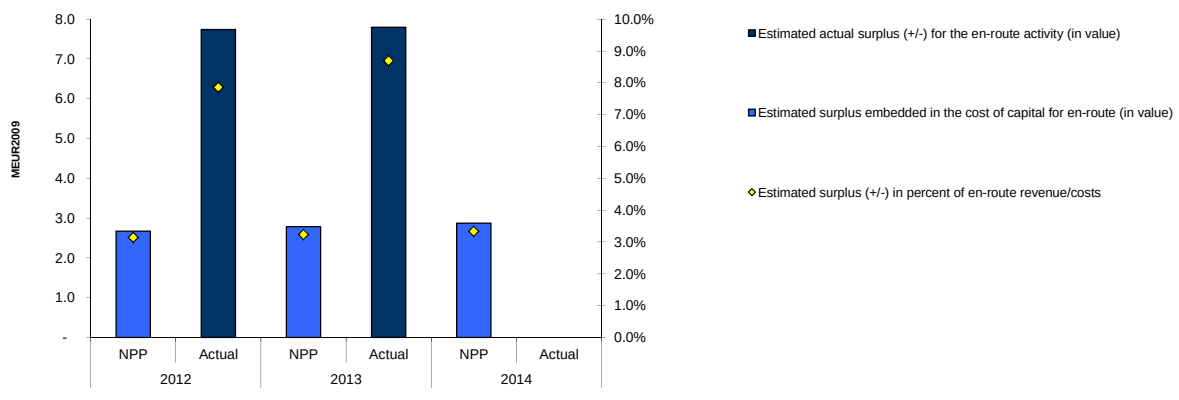
Net ATSP gain(+)/loss(-) on en-route activity	5 635

Combined effect of variations in costs and revenue for 2013 ('000€2009)



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	41 055	34 560	42 827	33 233	44 188	
Estimated proportion of financing through equity (in %)	86%	86%	86%	86%	86%	
Estimated proportion of financing through equity (in value)	35 293	29 709	36 816	28 568	37 986	
Estimated proportion of financing through debt (in %)	14%	14%	14%	14%	14%	
Estimated proportion of financing through debt (in value)	5 762	4 850	6 011	4 664	6 202	
Cost of capital pre-tax (in value)	2 775	2 336	2 895	2 247	2 987	
Average interest on debt (in %)	1.9%	1.9%	1.860%	1.9%	1.9%	
Interest on debt (in value)	107	90	112	87	115	
Ex-ante RoE pre-tax rate (in %)	7.6%	7.6%	7.6%	7.6%	7.6%	
Estimated surplus embedded in the cost of capital for en-route (in value)	2 668	2 246	2 783	2 160	2 872	
Net ATSP gain(+)/loss(-) on en-route activity		5 495		5 635		
Overall estimated surplus (+/-) for the en-route activity	**2 668**	**7 741**	**2 783**	**7 795**	**2 872**	
Revenue/costs for the en-route activity	**84 991**	**98 502**	**86 177**	**89 698**	**86 157**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**3.1%**	**7.9%**	**3.2%**	**8.7%**	**3.3%**	
Estimated ex-post RoE pre-taxe rate (in %)	**7.6%**	**26.1%**	**7.6%**	**27.3%**	**7.6%**	



PORTUGAL Continental **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Portugal Continental

Note 1: SAR (Air Force and Navy) costs
In the NPP for RP1, planned SAR costs (4.0 M€, for 2012, 4.1 M€ for 2013 and 4.2 M€ for 2014) were allocated to the main ATSP, NAV Portugal. In the Reporting Tables provided in June 2013 and 2014, SAR costs are excluded from NAV Portugal's costs and recorded as another ANSP's costs. Therefore, in order to ensure a consistent comparison of planned and actual costs, SAR costs were excluded from NAV Portugal determined costs and allocated to the other ANSP determined costs. It is understood that these SAR services are provided by the Portuguese Airforce and Navy.

At State / Charging Area level

Portugal's actual real en-route unit cost (i.e. 35.06 €2009) is +1.7% higher than the Determined Unit Rate (DUR) for 2013 (i.e. 34.49 €2009) as the shortfall in traffic was greater than the reduction in costs. This corresponds to an increase of +0.58 €2009.

The actual 2013 traffic measured in Total Service Units (TSUs) is lower (i.e. -3.6%) than the traffic planned in Portugal's National Performance Plan for RP1 (NPP). On the other hand, the actual 2013 en-route costs at State level are -2.0% below the determined costs published in the NPP (in real terms).

The change in actual traffic compared to the NPP for 2013 falls outside the +/- 2% dead band foreseen in the traffic risk sharing mechanism, although it does not exceed the -10% threshold. Therefore, the related loss is shared between the airspace users and the ATSP (which records a loss of some -2.1 M€2009). According to the STATFOR May 2014 baseline forecast, TSUs are expected to rise by +5.8% between 2013 and 2014. If this forecast materialises, TSUs will be +0.8% higher than planned in the NPP for the year 2014.

Actual costs in nominal terms are in line with the NPP, however, as the inflation index is 2.2 p.p. higher than planned, actual costs are -2.0% lower than planned in the NPP when expressed in €2009. This overall trend results from a combination of lower costs than planned for the main ATSP (-2.1 M€2009, or -2.5% in real terms) and the NSA/EUROCONTROL (-0.1 M€2009, or-1.5% in real terms). Actual costs are higher than planned for the SAR provider (+0.1 M €2009, or +2.8% in real terms) and the MET provider (+0.06 M€2009, or +1.2% in real terms).

Costs exempted from cost sharing are reported for a total of 5.5 M€2009. These costs correspond to an unexpected variation in pension costs for the ATSP (+2.9 M€2009), and the reinstatement of the 2010 salary levels (+2.7 M€2009) reported as a new cost item required by law. Costs exempted from cost sharing also comprise a -0.09 M€2009 reduction in EUROCONTROL costs. These costs will be eligible for carry-over to the following reference periods, if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Actual 2013 NAV Portugal costs vs. NPP
NAV Portugal actual 2013 en-route costs are -2.5% lower than planned in real terms. This mainly results from the combination of opposite effects: higher staff costs (i.e. +4.6%, or +3.0 M€2009), lower other operating costs (i.e. -28.3%, or -3.1 M€), lower depreciation costs (i.e. -21.7%, or -1.4 M€) and lower cost of capital (i.e. - 22.4%, or -0.6 M€2009).

According to the Additional Information to the Reporting Tables, the increase in staff costs is due to *"changes in the legal framework for retirement age"* and "*the reinstatement of 2010 salary levels"*. It is also mentioned that when excluding the effect of these two changes, staff costs decreased by -1.4M€. The Portuguese Government introduced a "Growing and Stability Programme" in 2010, which affected NAV Portugal employment costs over the 2011-2012 period: decreasing wages and freezing progressions and promotions. The PRB understands that the above-mentioned *"reinstatement of 2010 salary levels"* reflects the termination of the exceptional measures applied in 2011 and 2012.

It is understood from the Additional Information to the Reporting Tables that the decrease in other operating costs compared to plans is related to savings in external services (mainly travels, repair and maintenance, rents and specialised works).

Depreciation costs (-21.7% or -1.4 M€2009) and cost of capital (-22.4% or -0.6 M€2009) were also lower than planned mainly due to the rescheduling of some investments originally planned for 2013. The asset base used to calculate the cost of capital in 2013 is some -9.5 M€2009 lower than planned. The actual 2013 en-route investments reported in the NSA Monitoring Report are significantly lower than planned for the same year in the NPP (i.e. some -9.7 M€ lower). This is mainly due to the postponement of two large projects. The iTEC project (ATM, 8M€ originally planned but no actual spend in 2013) commissioning date has been postponed from 2014 to 2019/2020 and the North Radar enhancement project (Surveillance, 1.4M€ capex originally planned, but no actual spend in 2014) has been postponed from 2014 to 2014/2015. The ATM system is delayed awaiting government approval on the contract signature.

NAV Portugal net gain/loss and estimated surplus on en-route activity in 2013
As shown in item 5, the en-route activity for the year 2013 generated a net gain +5.6 M€2009 for NAV Portugal overall. This is the combination of two separate elements:
- a gain of 7.7 M€2009 for NAV Portugal as a result of the cost-sharing mechanism, taking into account the costs exempted from cost sharing as submitted in the Reporting Tables (+5.6 M€2009); and,
- a loss of -2.1 M€2009 as a result of the traffic risk sharing mechanism for 2013.

When estimating NAV Portugal economic surplus, it is also important to account for the profit embedded in the cost of capital through the return on equity (+2.2M€2009). As a result, the estimated economic surplus for the en-route activity in 2013 amounts to +7.8 M€2009, which implies an ex-post rate of return on equity of 27.3% (compared to 7.6% as initially planned in the NPP). This adds to the gains generated by NAV Portugal in 2012 (+7.7 M€2009 or +7.9% of en-route revenues in 2012, leading to an ex-post rate of return on equity of +26.1% in 2012).

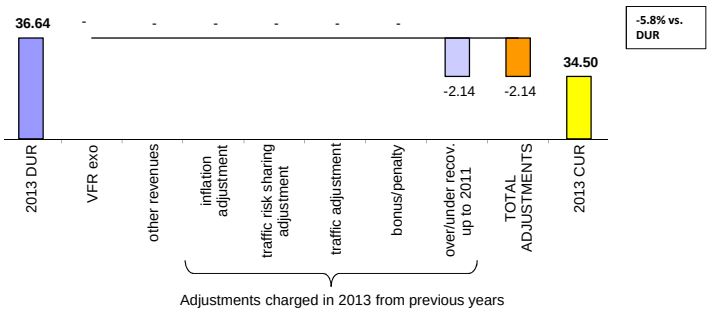
If, however, the unexpected variation of the retirement age affecting pension costs and the reinstatement of 2010 salary levels (i.e. +5.6 M€2009) are not considered as costs exempted from the cost sharing mechanism, NAV Portugal would have roughly 0 net gains/losses on the 2013 en-route activity. The estimated surplus would be +2.2 M€2009, corresponding to +2.6% of the en-route revenue in respect of the activities in 2013. For 2012 if the +19.6 M€2009 of exemptions related to the unexpected variation in the assumptions for pensions funds are not accepted by the European Commission the estimated surplus for 2012 would be -11.6 M€2009 corresponding to -15.1% of the en-route revenue.

Conclusion: In a context of lower actual traffic than planned in 2013 (-3.6%), NAV Portugal was able to reduce its actual costs compared to plans by -2.5% or -2.1 M€2009, mainly through lower non-staff operating costs and lower capital related costs. In addition, NAV Portugal reported an amount of +5.6 M€2009 as costs exempt from cost sharing to be recovered from airspace users in respect of pension and salary level reinstatement. If these costs are deemed eligible after EC verification and adding the surplus embedded in the cost of capital, NAV Portugal generates a net gain of +7.8 M€2009 in 2013, which results in an estimated actual surplus of +8.7% of the en-route revenue for 2013 (up from the +3.2% in the NPP).

PORTUGAL Continental **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Portugal Continental 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;

- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:

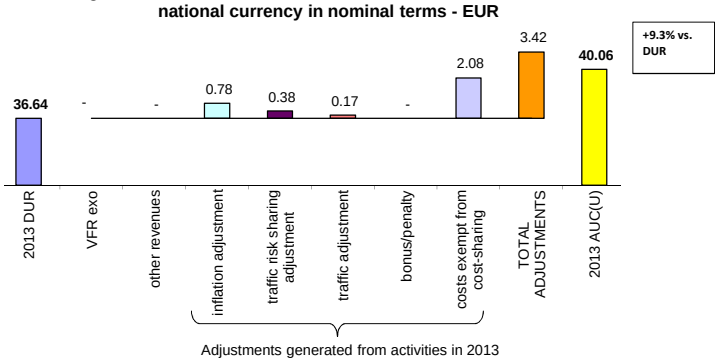
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

These costs and adjustments are divided by **the forecast total service units** for 2013 as laid out in the performance plan.

The actual Chargeable Unit Rate (CUR) charged to users in 2013 was 34.50€. This is -5.8% lower than the nominal DUR (36.64€), due to carry-over to 2013 of over-recoveries incurred before the entry into force of the determined costs method.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Portugal Continental 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;

- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:

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

These costs and adjustments are divided by the **actual total service units** in 2013.

The actual unit cost for users in 2013 (40.06€) was +9.3% higher than the nominal DUR (36.64€) due predominantly to an adjustment for costs exempt from risk sharing. A higher than planned inflation index also led to an upward adjustment in the actual unit cost compared to the DUC.

The actual unit cost was also increased by traffic risk sharing adjustments and the effect of traffic on costs not subject to risk sharing, due to lower than planned traffic. As per the new agreements signed, the SAR costs are not being submitted to traffic risk sharing in RP2, according to Article 13(2)(a) of Regulation (EU) No 391/2013.

PORTUGAL Continental **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10.- Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^		0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone			9	9	9	9	9
of which, number of airports over 50 000 movements			2	2	2	2	2

Portugal Continental - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	28 746 046	27 074 815	31 399 855	25 968 337	26 132 847	26 651 711
Inflation index (100 in 2009)	100.0	101.4	103.3	104.8	106.2	107.7
Real terminal ANS costs - (in EUR2009)	**28 746 046**	**26 701 001**	**30 388 936**	**24 785 292**	**24 597 937**	**24 739 965**

Portugal Continental - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)	28 746 046	27 074 815	31 227 975	29 578 006	27 749 019	
Inflation index (100 in 2009)	100.0	101.4	105.1	108.0	108.4	
Real terminal ANS costs - (in EUR2009)	**28 746 046**	**26 701 001**	**29 726 660**	**27 389 120**	**25 593 112**	
Total terminal service units	170 976	176 894	179 351	177 634	180 399	
Actual real unit costs - (in EUR2009)	168.1	150.9	165.7	154.2	141.9	
Unit rate applied - (in EUR)				**139.78**	**174.56**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value				3 609 669	1 616 172	
	in%				13.9%	6.2%	
Inflation index (100 in 2009)	in p.p.				3.2 p.p.	2.2 p.p.	
Real terminal ANS costs - (in EUR2009)	in value				**2 603 827**	**995 175**	
	in%				**10.5%**	**4.0%**	

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

Portugal counts one terminal charging zone comprising nine airports of which two have above 50,000 movements per year (i.e. Lisbon-LPPT and Porto-LPPR airports). The harmonised SES formula (MTOW/50)^0.7 already applies in the Portuguese Terminal Charging Zone.

The actual terminal ANS 2013 costs are +4.0% higher in real terms (or some +1.0 M€2009) than planned in the Portuguese NPP, due predominantly to higher staff costs, as is the case for en-route. This deviation contrasts with the -2.5% difference observed for the actual en-route costs, as at terminal ANS level, the reductions in other operating costs and depreciation costs were not sufficient to compensate for higher staff costs.

In the NSA Monitoring Report and the TNC Reporting Tables, Portugal does not refer to the 2013 TNC costs as published in RP1 NPP. For this reason, the trends presented in these documents and the comments provided by Portugal are not relevant for the purposes of RP1 monitoring.

The real unit cost for terminal services is 141.87 €2009 (-8.0% compared to the real unit cost for 2012). The unit rate applied in 2013 is 174.56€ (+24.9% higher than the rate applied in 2012).

12. - Monitoring of gate-to-gate costs (2013)

Portugal Continental - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	123 220 317	108 817 207	119 756 050	101 759 123	102 943 223	103 039 195
Real terminal ANS costs - (in EUR2009)	28 746 046	26 701 001	30 388 936	24 785 292	24 597 937	24 739 965
Real gate-to-gate ANS costs - (in EUR2009)	**151 966 363**	**135 518 209**	**150 144 986**	**126 544 416**	**127 541 160**	**127 779 161**
Share of en-route costs in gate-to-gate ANS costs	**81.1%**	**80.3%**	**79.8%**	**80.4%**	**80.7%**	**80.6%**

Portugal Continental - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	123 220 317	108 817 207	114 632 036	109 324 017	100 871 366	
Real terminal ANS costs - (in EUR2009)	28 746 046	26 701 001	29 726 660	27 389 120	25 593 112	
Real gate-to-gate ANS costs - (in EUR2009)	**151 966 363**	**135 518 209**	**144 358 696**	**136 713 137**	**126 464 478**	
Share of en-route costs in gate-to-gate ANS costs	**81.1%**	**80.3%**	**79.4%**	**80.0%**	**79.8%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Real en-route costs - (in EUR2009)	in value				7 564 894	-2 071 857	
	in %				7.4%	-2.0%	
Real terminal ANS costs - (in EUR2009)	in value				2 603 827	995 175	
	in %				10.5%	4.0%	
Real gate-to-gate ANS costs - (in EUR2009)	in value				**10 168 721**	**-1 076 682**	
	in %				**8.0%**	**-0.8%**	
Share of en-route costs in gate-to-gate ANS costs	in %				**-0.4%**	**-1.0%**	

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

Real 2013 gate-to-gate costs are -0.8% lower than planned as the reduction in en-route costs (-2.1 M€2009, -2.0%) was greater than the increase in terminal costs (+1.0 M€2009, +4.0%).

The allocation of gate-to-gate costs between en-route and terminal ANS appears quite stable over RP1 (80% share to en-route) and did not change significantly with respect to plans made in the NPP.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Romania

Fact validated edition

Edition date: 14/11/2014

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ROMANIA **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	69	68		The scores provided by Romania are high; only three topics have been downgraded from E to D based on the fact that the current procedures listed as justification and/or references are under revision. Overall, the assessment shows overestimation of the replies. (LV)
ANSP [ROMATSA]	80	80		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	11	100%	2	100%			
	ATM Overall		0%		100%			
Runway Incursions (RIs)	ATM Ground	6	100%	4	100%			
	ATM Overall		0%		100%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	408	100%	271	100%			

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	8	2	9	1		
Legal/Judiciary	2	6	4	4		
Occurrence reporting and Investigation	1	1	2	0		
TOTAL	**11**	**9**	**15**	**5**		

Number of questions answered with Yes or No	**ANSP [ROMATSA]**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	11	2	11	2		
Legal/Judiciary	2	1	2	1		
Occurrence reporting and Investigation	6	2	6	2		
TOTAL	**19**	**5**	**19**	**5**		

ROMANIA **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0	0	0	
National Target	0	0	0	
Actual performance	0	0		

National capacity assessment

Romania achieved the capacity performance target.

Military dimension of the plan (Opt.)

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

PRB Capacity assessment

As in 2012, Romania has provided excellent capacity performance and is consistent with the national target, and the effort required to meet the EU-wide target for 2013. The PRB expects Romania to have similar excellent capacity performance in 2014.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 49%

The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 8%

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 43%

Although the Member States were asked to provide information on the individual SUAs, the national monitoring report for Romania only contained the aggregated data.

Recommendations

Romania is requested to provide information on the effective booking procedures for the individual SUAs, instead of simply the national aggregated figures.

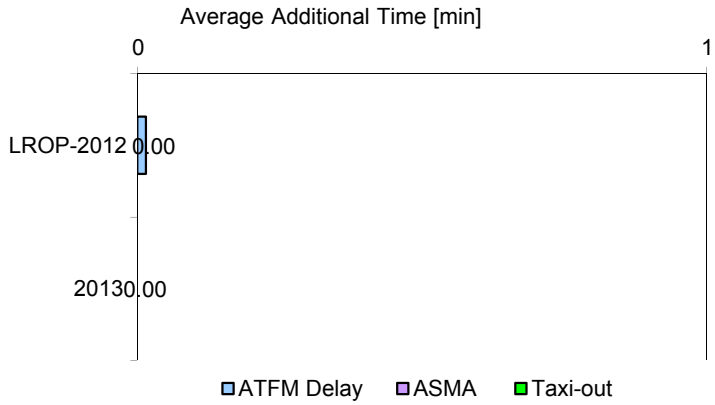
ROMANIA

Monitoring of CAPACITY indicators for 2013

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Otopeni-Intl.	LROP	2012	0.0	672	Not Applicable		**Data Quality Issue**		672
		2013	0.0	0	Not Applicable		**Data Quality Issue**		0
Weighted average		2012	**0.0**						
		2013	**0.0**						
Grand Total		2012		**672**					**672**
		2013		**0**					**0**
			⇨	**-100%**					**-100%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- ⇧ *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst* ⇩ *depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by* ⇨.

Critical Issues

- Missing AOBT data required for the calculation of taxi-out time, since 2012.

Specific Analysis

- No specific operational concern regarding RP1 performance monitoring;
- Traffic demand increased by 16.0% in 2012 compared to 2011, but stabilised in 2013.

ROMANIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

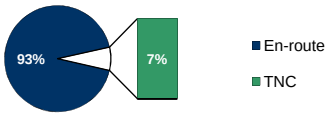
1. - Contextual economic information

- Romania represents 2.1% of the SES en-route ANS determined costs in 2013.
- ATSP : ROMATSA
- FAB : DANUBE
- National currency: RON
- Exchange rate 2009: 1 EUR= 4.23303

Note on the actual exchange rate 2013

In 2013, the RON appreciated by 0.9% compared to 2012.

Share of en-route and terminal in gate-to-gate ANS actual costs

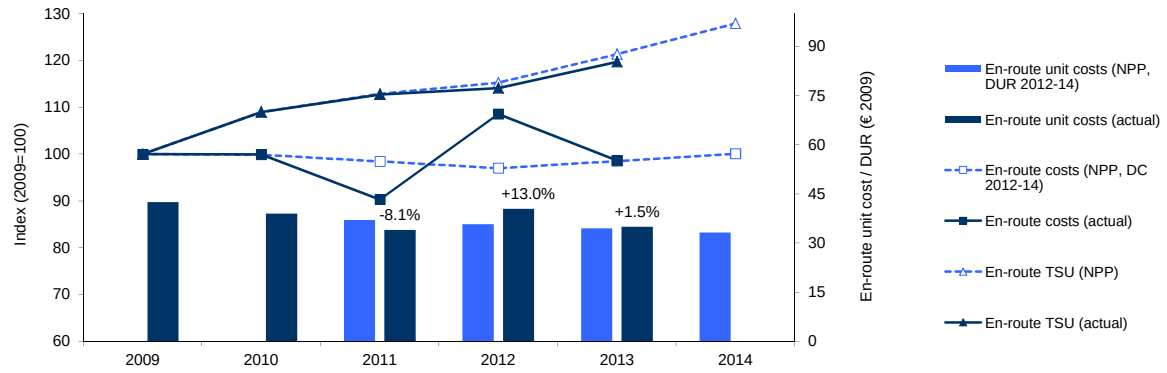


2. - En-route DUR monitoring (2013)

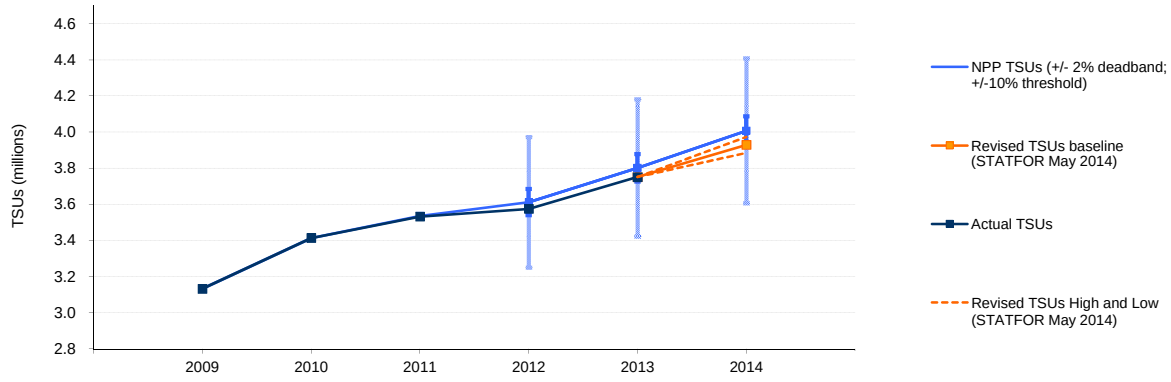
Romania - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal RON)	563 745 065	597 674 629	627 846 218	646 508 472	676 701 094	706 950 096
Inflation %		6.1%	6.6%	4.5%	3.1%	2.8%
Inflation index (100 in 2009)	100.0	106.1	113.1	118.2	121.9	125.3
Real en-route costs (determined costs 2012-2014) - (in RON2009)	563 745 065	563 312 562	555 112 100	546 997 499	555 327 696	564 349 440
Total en-route Service Units	3 132 895	3 414 282	3 537 000	3 612 000	3 802 000	4 008 000
Real en-route unit costs per Service Units - (in RON2009)	**179.94**	**164.99**	**156.94**	**151.44**	**146.06**	**140.81**
Real en-route unit costs per Service Units - (in EUR2009)	**42.51**	**38.98**	**37.08**	**35.78**	**34.51**	**33.26**

Romania - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal RON)	563 745 065	597 831 159	571 676 524	710 305 485	666 182 726	
Inflation %		6.1%	5.8%	3.4%	3.2%	
Inflation index (100 in 2009)	100.0	106.1	112.3	116.1	119.8	
Real en-route costs - (in RON2009)	563 745 065	563 460 093	509 271 423	611 960 764	556 150 177	
Total en-route Service Units	3 132 895	3 414 282	3 532 683	3 575 195	3 751 523	
Real en-route unit costs per Service Units - (in RON2009)	**179.94**	**165.03**	**144.16**	**171.17**	**148.25**	
Real en-route unit costs per Service Units - (in EUR2009)	**42.51**	**38.99**	**34.06**	**40.44**	**35.02**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
En-route costs - (in nominal RON)	in value				63 797 014	-10 518 368	
	in %				9.9%	-1.6%	
Inflation %	in p.p.				-1.1 p.p.	0.1 p.p.	
Inflation index (100 in 2009)	in p.p.				-2.1 p.p.	-2.1 p.p.	
Real en-route costs - (in RON2009)	in value				64 963 265	822 480	
	in %				11.9%	0.1%	
Total en-route Service Units	in value				-36 805	-50 477	
	in %				-1.0%	-1.3%	
Real en-route unit costs per Service Units - (in RON2009)	in value				**19.73**	**2.18**	
	in %				**13.0%**	**1.5%**	
Real en-route unit costs per Service Units - (in EUR2009)	in value				**4.66**	**0.52**	
	in %				**13.0%**	**1.5%**	



3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)

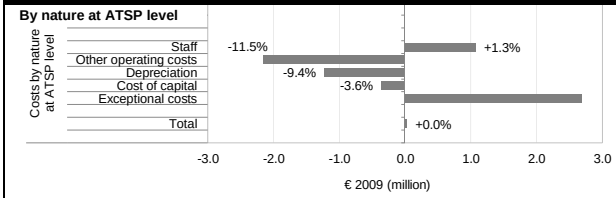


ROMANIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)

By entity at State level

By nature at ATSP level



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	187
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL	187
Total costs exempted from cost sharing	**187**
to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

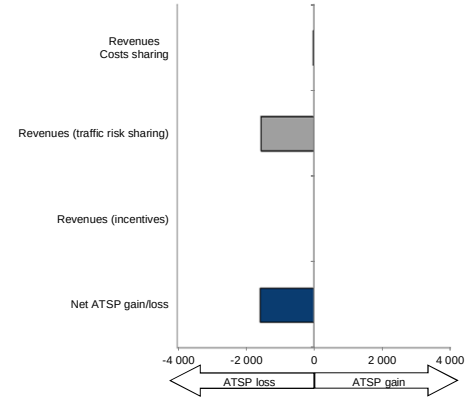
Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	121 811
Actual costs for the ATSP	121 835
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	-24
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	-24

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-1.33%
Determined costs after deduction of costs for exempted VFR flights	116 555
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-1 547
ATSP loss (traffic between -2% and -10% below NPP)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	-1 547

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	-

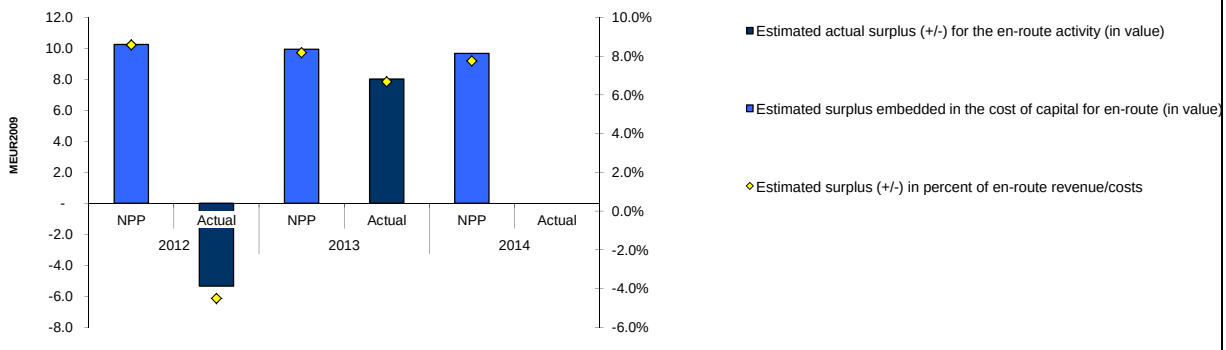
Net ATSP gain(+)/loss(-) on en-route activity	-1 572

Combined effect of variations in costs and revenue for 2013 ('000€2009)



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	128 325	127 966	124 467	119 889	121 076	
Estimated proportion of financing through equity (in %)	100%	100%	100%	100%	100%	
Estimated proportion of financing through equity (in value)	128 325	127 966	124 467	119 889	121 076	
Estimated proportion of financing through debt (in %)	-	-	-	-	-	
Estimated proportion of financing through debt (in value)	-	-	-	-	-	
Cost of capital pre-tax (in value)	10 256	10 237	9 947	9 591	9 677	
Average interest on debt (in %)	-	-	-	-	-	
Interest on debt (in value)	-	-	-	-	-	
Ex-ante RoE pre-tax rate (in %)	8.0%	8.0%	8.0%	8.0%	8.0%	
Estimated surplus embedded in the cost of capital for en-route (in value)	10 256	10 237	9 947	9 591	9 677	
Net ATSP gain(+)/loss(-) on en-route activity		-15 571		-1 572		
Overall estimated surplus (+/-) for the en-route activity	**10 256**	**-5 334**	**9 947**	**8 020**	**9 677**	
Revenue/costs for the en-route activity	**119 685**	**118 517**	**121 811**	**120 264**	**124 927**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**8.6%**	**-4.5%**	**8.2%**	**6.7%**	**7.7%**	
Estimated ex-post RoE pre-taxe rate (in %)	**8.0%**	**-4.2%**	**8.0%**	**6.7%**	**8.0%**	



ROMANIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Romania

The data provided by Romania are consistent and coherent.

At State / Charging Area level

The actual 2013 traffic measured in en-route total service units (TSU) is slightly lower (-1.3%) than planned in Romania's National Performance Plan for RP1 (NPP). Furthermore, despite the lower traffic, the 2013 real en-route actual costs is very close to the NPP (+0.1%). As a result, Romania's real en-route actual unit costs increased by +1.5% in 2013 vs. NPP.

In 2013, as in 2012, Romania recorded some exceptional costs linked to ROMATSA's "provisions for employee benefits". However, the amount in 2013 (+2.7 M€2009 or 2% of Romania's 2013 en-route determined costs) was not as high as in 2012 (+19.4 M€2009) This does not represent a cost directly linked to ROMATSA's operational activities in 2013. In fact without the impact of this increase in provisions, the actual costs for Romania would have been -1.9% lower than planned in real terms. In such a case, Romania's real en-route actual unit costs would have been -0.6% lower than the determined unit rate for 2013.

The actual TSU for 2013 is -1.3% lower than in the NPP, i.e. within the ±2% dead band foreseen in the traffic risk sharing mechanism for the ATSP costs. According to the revised May 2014 STATFOR base case forecast the traffic for 2014 is also expected to stay below the plan submitted in the NPP but without exceeding the dead band (-1.9%).

Actual 2013 costs vs. NPP

Real en-route actual costs for Romania in 2013 are close (+0.1%) to planned determined costs as a combination of -1.6% lower nominal total costs and -2.1 points lower inflation index. Some cost savings (-0.1 M€2009) are attributed to other ANSPs activities (AIS). According to the en-route reporting tables submitted in June 2014 and the NSA monitoring report for 2013, the activities of AIS, as from 2014, are transferred to ROMATSA.

Costs exempt from cost sharing are reported for a total of +0.2 M€2009 to be passed on to the users for the en-route activity, corresponding mostly to unforeseen changes in EUROCONTROL costs. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Actual 2013 ROMATSA costs vs. NPP

In 2013, actual real en-route costs for ROMATSA are in line with what was planned in the NPP. Cost savings, in absolute terms, are attributed to other operating costs (-2.2 M€2009 or -11.5%), depreciation costs (-1.2 M€2009 or -9.4%) and the cost of capital (-0.4 M€2009 or -3.6%) while staff costs slightly increased (+1.1 M€2009 or +1.3%). Finally, as it was mentioned above ROMATSA had some exceptional costs (+2.7M€2009) related to "provisions for employee benefits". When excluding these exceptional costs the actual en-route costs for ROMATSA would have been -2.2% lower than the determined costs in real terms.

As far as ROMATSA's CAPEX is concerned, it is significantly lower than planned (-74% below the NPP in real terms or -25.5 M€2009). This is mainly due to significant underspending for the "ATM System ROMATSA 2015+" since the total planned CAPEX for this project was revised downwards (see *PRB Annual monitoring Report 2013, Volume 3, Capital Expenditure: Romania*). The PRB understands that this fact does not impact the capital-related costs (cost of capital and depreciation) for 2013, as the asset base for 2012-2014 was capped at the level of 2010 for the establishment of the determined costs for RP1. It should be noted that Romania has no debt and therefore the cost of capital and the return on equity are one and the same. The actual level of ROMATSA asset base for 2013 is - 3.7% lower than what was presented in the NPP while the depreciation costs are -9.4% below the plan.

ROMATSA net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, the en-route activity for the year 2013 generated a net loss of - 1.6 M€2009 for ROMATSA overall. This is the combination of two separate elements:

- in 2013 ROMATSA's actual costs were in line with the determined costs
- a loss of -1.5 M€2009 as a result of the traffic risk sharing mechanism for 2013 (actual TSU -1.3% lower than planned)

This is an improvement in comparison to 2012 when ROMATSA had a higher loss (-15.6 M€2009). Mostly due to "provisions for employee benefits" recorded as exceptional costs for year 2012.

On the profitability side, ROMATSA's 2013 net loss does not exceed the +9.6 M€2009 surplus embedded in the costs of capital and results in a +8.0 M€2009 overall estimated surplus for the en-route activity or +6.7% of the en-route activity turnover. However, it should be noted that without the increase in the provision costs, the net result for 2013 would have been a gain of +1.1 M€2009 and would have resulted in an overall estimated surplus of +10.7 M€2009 for the en-route activity or +8.9% of the activity turnover. This would represent an ex-post actual RoE of +8.9% for ROMATSA, compared to the +8.0% RoE presented in the NPP.

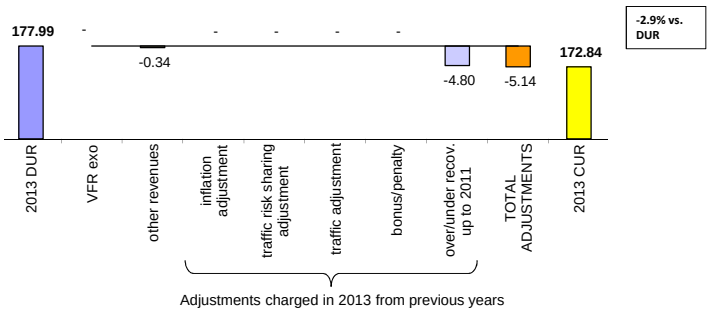
When excluding the exceptional costs for both 2012 and 2013, ROMATSA was in a position to retain the part of surplus embedded in the cost of capital and to generate extra gains in 2013 arising from lower costs than planned. This adds to the overall positive estimated surplus for the en-route activity generated by ROMATSA in 2012 (+ 14.1M€2009 or +11.9% estimated surplus of en-route revenues in 2012 leading to an ex-post rate of return on equity of +11.0%).

Conclusion: Despite the fact that the en-route activity for the year 2013 generated a net loss of -1.6 M€2009 for ROMATSA (mostly due to an increase of employee benefit provisions), ROMATSA has a positive surplus of +6.7% of the en-route activity turnover in 2013. Without taking into account the provisions, the en-route activity for the year 2013 would have generated a net gain of +1.1 M€2009 for ROMATSA, which would correspond to an estimated actual surplus of +8.9% of the en-route revenue for 2013 (higher than the +8.2% presented in the NPP)

ROMANIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Romania 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - RON



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

The CUR takes account of:

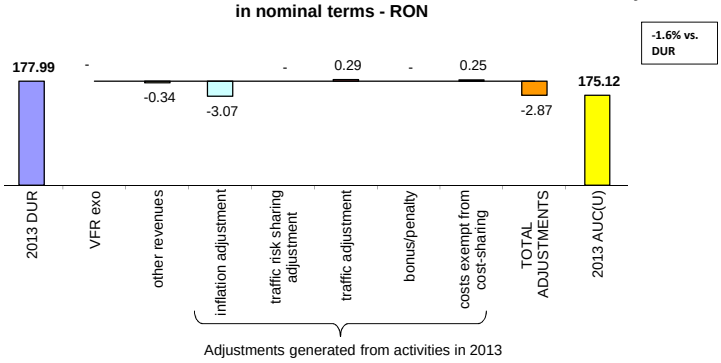
- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;

- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The en-route unit rate charged to airspace users in 2013 (172.84 RON) was slightly lower than the nominal DUR (177.99 RON) due mainly to over-recoveries carried over to 2013 from the legacy prior to RP1 (-4.80 RON) and partly to other revenues in 2013 (-0.34 RON).

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Romania 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - RON



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;

- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by the **actual total service units** in 2013.

The Actual Unit Cost for users in 2013 (175.12 RON) was slightly lower than the nominal DUR (177.99 RON). The difference observed between these two figures (- 2.87 RON) reflects the traffic adjustment (+0.29 RON), costs exempt from cost-sharing (+0.25 RON) compensated by the inflation adjustment (-3.07 RON) and other revenues (-0.34 RON).

ROMANIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10.- Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^		0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone			1	1	1	2	2
of which, number of airports over 50 000 movements			1	1	1	1	1

Romania - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in RON)	35 409 481	32 977 000	34 677 547	38 465 138	41 139 249	42 637 910
Inflation index (100 in 2009)	100.0	106.1	113.1	118.2	121.9	125.3
Real terminal ANS costs - (in RON2009)	**35 409 481**	**31 081 056**	**30 660 256**	**32 544 560**	**33 760 496**	**34 037 312**
Real terminal ANS costs - (in EUR2009)	**8 365 044**	**7 342 508**	**7 243 099**	**7 688 242**	**7 975 492**	**8 040 886**

Romania - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in RON)	35 409 481	33 038 248	35 281 391	41 611 302	50 241 071	
Inflation index (100 in 2009)	100.0	106.1	112.3	116.1	119.8	
Real terminal ANS costs - (in RON2009)	**35 409 481**	**31 138 782**	**31 430 019**	**35 850 046**	**41 942 817**	
Real terminal ANS costs - (in EUR2009)	8 365 044	7 356 145	7 424 946	8 469 122	9 908 462	
Total terminal service units	36 715	38 697	37 480	45 377	47 596	
Actual real unit costs - (in RON2009)	964.4	804.7	838.6	790.0	881.2	
Unit rate applied - (in RON)				**931.51**	**931.51**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Terminal ANS costs for the charging zones - (in RON)	in value				3 146 165	9 101 821	
	in%				8.2%	22.1%	
Inflation index (100 in 2009)	in p.p.				-2.1 p.p.	-2.1 p.p.	
Real terminal ANS costs - (in RON2009)	in value				**3 305 485**	**8 182 321**	
	in%				**10.2%**	**24.2%**	
Real terminal ANS costs - (in EUR2009)	in value				**780 879**	**1 932 970**	
	in%				**10.2%**	**24.2%**	

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

The terminal charging zone in Romania as from 2013 comprises two airports; Bucharest Henri Coandă International Airport and Bucharest Aurel Vlaicu International Airport. The harmonised SES formula (MTOW/50) ^ 0.7 already applies to the Romanian TCZ in order to determine the number of terminal navigation service units (TNSU).
According to the Nov. 2012 Terminal Reporting Tables the Unit rate applied for 2013 is 931.51 RON, same as in 2012.

In their RP1 performance plan submitted in June 2011, Romania only declared terminal ANS costs for one airport (''*Romania has decided to apply Regulation (EU) 691/2010 and Regulation (EC) 1794/2006 only on Bucharest Henri Coandă International Airport, the only airport in Romania that is above the threshold of 50.000 commercial movements per year''*). With effect from 2013, a second airport was added (Bucharest Aurel Vlaicu International Airport), thus the data reported for the terminal charging zone "Terminal Bucharest airports" includes costs and traffic information for those two airports.

Therefore actual 2013 terminal ANS costs reported, are +24.2% higher (in real terms) than the forecast presented in the NPP in June 2011, mostly due to the inclusion of this new airport (and related costs) in the TCZ. The +24.2% cost increase reflects a combination of:
- reduced real costs by -1% for terminal ANS services in Bucharest Henri Coandă International Airport
- addition of the new airport costs (+8.5 M€2009) which represent a share of 20% of the total actual TCZ costs

Finally, in 2013 Romania had some exceptional costs related to the adjustments in the provision for employee benefits (1.0 M€2009 or +2% of the actual terminal ANS costs).Without the effect of the exceptional costs, the actual 2013 terminal ANS costs would have been +21% higher (in real terms) than the NPP forecast.

12.- Monitoring of gate-to-gate costs (2013)

Romania - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in RON2009)	563 745 065	563 312 562	555 112 100	546 997 499	555 327 696	564 349 440
Real terminal ANS costs - (in RON2009)	35 409 481	31 081 056	30 660 256	32 544 560	33 760 496	34 037 312
Real gate-to-gate ANS costs - (in RON2009)	**599 154 545**	**594 393 618**	**585 772 356**	**579 542 060**	**589 088 192**	**598 386 752**
Real gate-to-gate ANS costs - (in EUR2009)	**141 542 712**	**140 418 003**	**138 381 338**	**136 909 509**	**139 164 663**	**141 361 330**
Share of en-route costs in gate-to-gate ANS costs	**94.1%**	**94.8%**	**94.8%**	**94.4%**	**94.3%**	**94.3%**

Romania - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in RON2009)	563 745 065	563 460 093	509 271 423	611 960 764	556 150 177	
Real terminal ANS costs - (in RON2009)	35 409 481	31 138 782	31 430 019	35 850 046	41 942 817	
Real gate-to-gate ANS costs - (in RON2009)	**599 154 545**	**594 598 875**	**540 701 442**	**647 810 810**	**598 092 994**	
Real gate-to-gate ANS costs - (in EUR2009)	**141 542 712**	**140 466 492**	**127 733 903**	**153 037 141**	**141 291 934**	
Share of en-route costs in gate-to-gate ANS costs	**94.1%**	**94.8%**	**94.2%**	**94.5%**	**93.0%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Real en-route costs - (in RON2009)	in value				64 963 265	822 480	
	in %				11.9%	0.1%	
Real terminal ANS costs - (in RON2009)	in value				3 305 485	8 182 321	
	in %				10.2%	24.2%	
Real gate-to-gate ANS costs - (in RON2009)	in value				**68 268 750**	**9 004 802**	
	in %				**11.8%**	**1.5%**	
Real gate-to-gate ANS costs - (in EUR2009)	in value				**16 127 632**	**2 127 271**	
	in %				**11.8%**	**1.5%**	
Share of en-route costs in gate-to-gate ANS costs	in %				**0.1%**	**-1.3%**	

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

Romania's gate-to-gate 2013 actual ANS costs are +1.5% higher than the costs presented in the NPP. When excluding the exceptional costs/ provisions for employees' benefits (both in en-route and terminal) Romania would record slightly lower costs than planned (-0.6%).

The relative share of en-route costs within the total gate-to-gate ANS costs has been relatively stable over time at around 93-94%. Compared to the forecast in the National Performance Plan, the actual share of en-route costs in gate-to-gate costs was -1.3 percentage points lower in 2013.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Slovakia

Fact validated edition

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SLOVAKIA **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	55	55		Slovakia reviewed and changed many scores since last year. They have adapted the scores to the justifications presented, in most of the cases from D to C; overall the justifications are found consistent with the new scores. On the other hand, Slovakia has indicated substantial improvements in the components 'safety assurance' and 'safety promotion' to the status of 'implemented'. (LV)
ANSP [LPS SR]	70	82		
ANSP [SAF (Slovak Air Force), Airport Sliac]	46	45		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	5	100%	8	100%			
	ATM Overall		100%		100%			
Runway Incursions (RIs)	ATM Ground	2	100%	4	100%			
	ATM Overall		100%		100%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	225	100%	183	100%			

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	5	5	5	5		
Legal/Judiciary	5	3	6	2		
Occurrence reporting and Investigation	2	0	2	0		
TOTAL	**12**	**8**	**13**	**7**		

Number of questions answered with Yes or No	ANSP [LPS SR ATS]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	12	1	12	1		
Legal/Judiciary	2	1	2	1		
Occurrence reporting and Investigation	6	2	6	2		
TOTAL	**20**	**4**	**20**	**4**		

Number of questions answered with Yes or No	ANSP [SAF (Slovak Air Force), Airport Sliac]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	11	2	9	4		
Legal/Judiciary	1	2	1	2		
Occurrence reporting and Investigation	4	4	5	3		
TOTAL	**16**	**8**	**15**	**9**		

SLOVAKIA **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	**2013**	**2014**	**Observations**
Reference value	0.24	0.22	0.19	
National Target	0.3	0.32	0.19	
Actual performance	0	0		

National capacity assessment

The targets set by NPP have been achieved.

PRB Capacity assessment

With the excellent capacity performance in 2012 and 2013, the Slovak Republic has exceeded the national target and the level of performance required to be consistent with the EU-wide target for both years. The PRB is confident that the Slovak Republic can provide a positive contribution to EU-wide capacity performance in 2014.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 26%

No information was provided regarding the allocation of airspace at H-3, so it is impossible to determine how much restricted or segregated airspace, that was surplus to requirements, was released for GAT use.

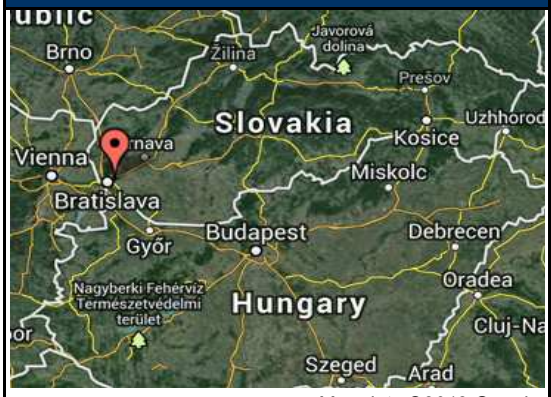
Recommendations

Although the Member States were asked to provide information on the individual SUAs, the national monitoring report for Slovakia only contained the aggregated data.

Furthermore, Slovakia is requested to provide additional information on effective booking procedures, namely the allocation of airspace at H-3.

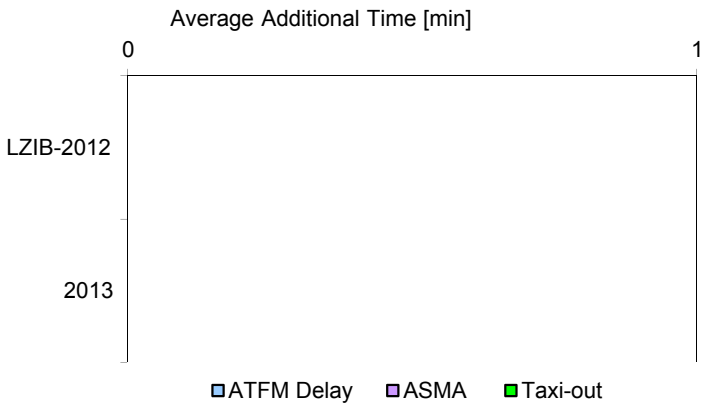
SLOVAKIA **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1



Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Bratislava Ivanka	LZIB	2012	0.0	0	Not Applicable		Missing Data		0
		2013	0.0	0	Not Applicable		Missing Data		0
Weighted average		**2012**	**0.0**						
		2013	**0.0**						
Grand Total		**2012**		**0**					**0**
		2013		**0**					**0**

• *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*

• ↑ *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst* ↓ *depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by* → .

Critical Issues

• Missing STND data required for the calculation of unimpeded taxi out time, since 2012;
• Mandatory data items partially missing (STATUS C.R., AIBT).

Specific Analysis

• No specific operational concern regarding RP1 performance monitoring.

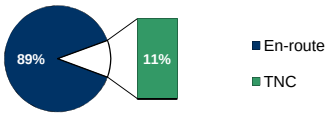
SLOVAKIA

Monitoring of en-route and terminal COST-EFFICIENCY for 2013

1. - Contextual economic information

- Slovakia represents 0.9% of the SES en-route ANS determined costs in 2013.
- ATSP : LPS
- FAB : FAB CE
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS actual costs

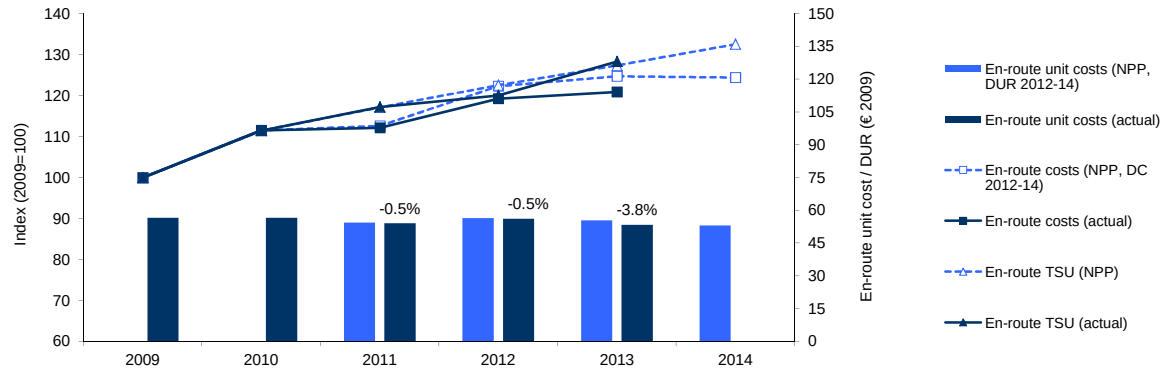


2. - En-route DUR monitoring (2013)

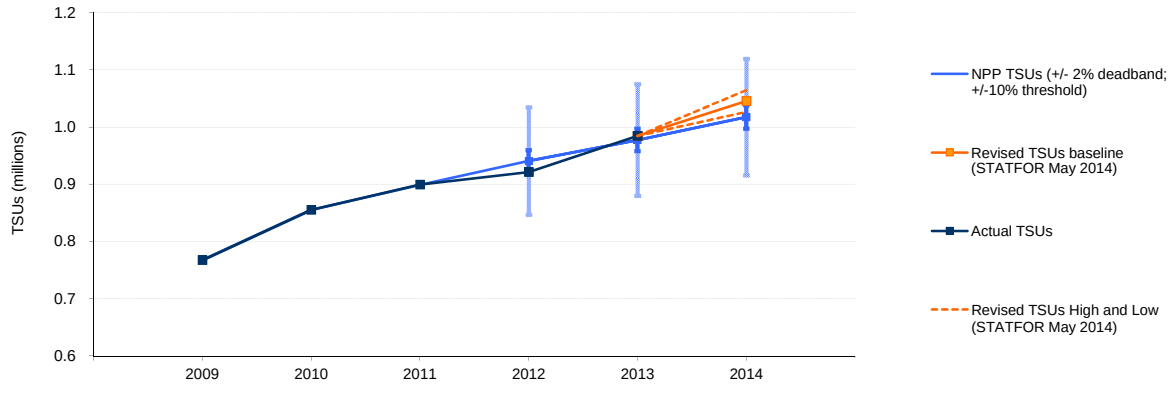
Slovakia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	43 454 247	48 820 000	50 953 000	56 840 978	59 611 000	61 113 092
Inflation %		0.7%	3.4%	2.7%	2.9%	2.8%
Inflation index (100 in 2009)	100.0	100.7	104.1	106.9	110.0	113.1
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	43 454 247	48 480 636	48 939 751	53 164 947	54 205 547	54 057 812
Total en-route Service Units	767 550	855 572	899 074	940 852	977 545	1 017 625
Real en-route unit costs per Service Units - (in EUR2009)	**56.61**	**56.66**	**54.43**	**56.51**	**55.45**	**53.12**

Slovakia - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	43 454 247	48 820 000	51 087 000	56 355 263	57 977 094	
Inflation %		0.7%	4.1%	3.7%	1.5%	
Inflation index (100 in 2009)	100.0	100.7	104.8	108.7	110.3	
Real en-route costs - (in EUR2009)	43 454 247	48 480 636	48 733 791	51 841 258	52 545 006	
Total en-route Service Units	767 550	855 572	899 810	921 643	984 989	
Real en-route unit costs per Service Units - (in EUR2009)	**56.61**	**56.66**	**54.16**	**56.25**	**53.35**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
En-route costs - (in nominal EUR)	in value	-485 715	-1 633 906	
	in %	-0.9%	-2.7%	
Inflation %	in p.p.	1.0 p.p.	-1.4 p.p.	
Inflation index (100 in 2009)	in p.p.	1.8 p.p.	0.4 p.p.	
Real en-route costs - (in EUR2009)	in value	-1 323 689	-1 660 541	
	in %	-2.5%	-3.1%	
Total en-route Service Units	in value	-19 209	7 444	
	in %	-2.0%	0.8%	
Real en-route unit costs per Service Units - (in EUR2009)	**in value**	**-0.26**	**-2.10**	
	in %	**-0.5%**	**-3.8%**	



3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)

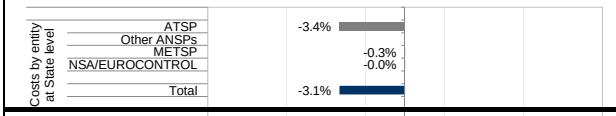


SLOVAKIA

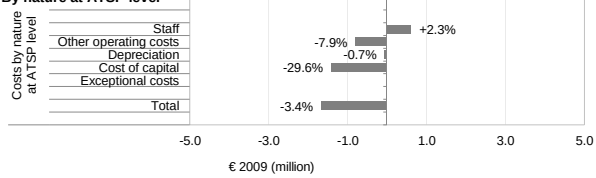
Monitoring of en-route and terminal COST-EFFICIENCY for 2013

4. - En-route costs monitoring (2013 actuals compared to NPP)

By entity at State level



By nature at ATSP level



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans	-744
National taxation law	-
New cost item required by law	-74
International agreements	-57
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	-817
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-57
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	**-875**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

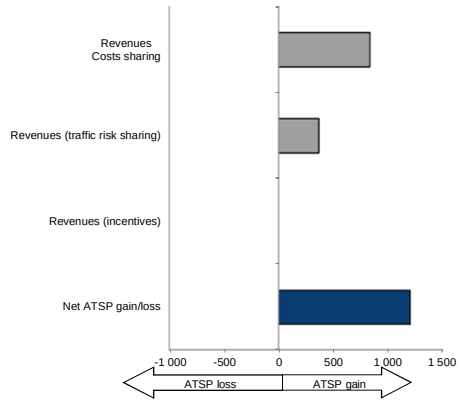
Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	48 555
Actual costs for the ATSP	46 901
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	1 654
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-817
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**837**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	0.76%
Determined costs after deduction of costs for exempted VFR flights	48 339
ATSP gain (traffic between 0 and +2% higher than NPP)	368
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-
ATSP loss (traffic between -2% and -10% below NPP)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**368**

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

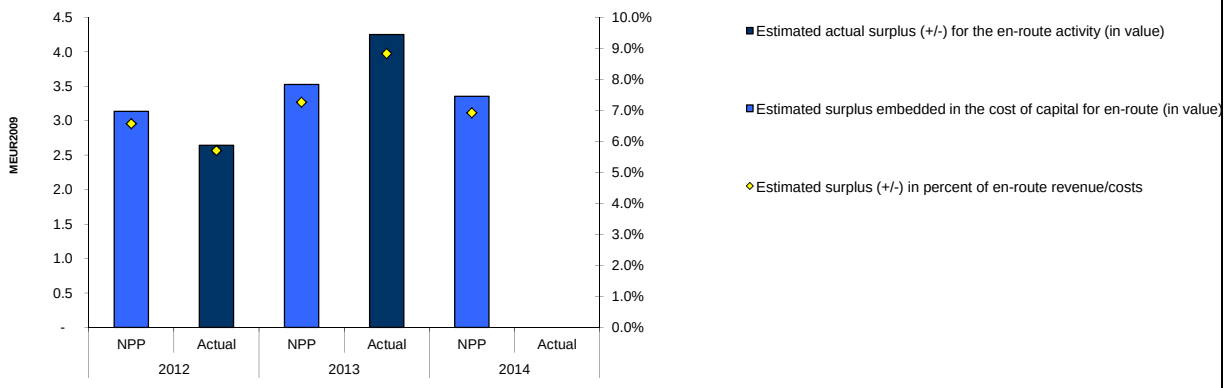
Net ATSP gain(+)/loss(-) on en-route activity	**1 205**

Combined effect of variations in costs and revenue for 2013 ('000€2009)



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	52 244	46 663	63 513	54 681	59 707	
Estimated proportion of financing through equity (in %)	83%	83%	73%	73%	75%	
Estimated proportion of financing through equity (in value)	43 530	38 889	46 135	39 828	44 561	
Estimated proportion of financing through debt (in %)	17%	17%	27%	27%	25%	
Estimated proportion of financing through debt (in value)	8 714	7 774	17 378	14 853	15 146	
Cost of capital pre-tax (in value)	3 744	2 954	4 741	3 337	4 416	
Average interest on debt (in %)	7.0%	2.0%	7.0%	2.0%	7.0%	
Interest on debt (in value)	610	154	1 216	294	1 060	
Ex-ante RoE pre-tax rate (in %)	7.2%	7.2%	7.6%	7.6%	7.5%	
Estimated surplus embedded in the cost of capital for en-route (in value)	3 134	2 800	3 525	3 043	3 355	
Net ATSP gain(+)/loss(-) on en-route activity		-159		1 205		
Overall estimated surplus (+/-) for the en-route activity	**3 134**	**2 641**	**3 525**	**4 248**	**3 355**	
Revenue/costs for the en-route activity	**47 690**	**46 306**	**48 555**	**48 106**	**48 487**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**6.6%**	**5.7%**	**7.3%**	**8.8%**	**6.9%**	
Estimated ex-post RoE pre-taxe rate (in %)	**7.2%**	**6.8%**	**7.6%**	**10.7%**	**7.5%**	



SLOVAKIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Slovakia

At State / Charging Area level

In 2013, Slovakia's real en-route unit cost (53.35 €2009) was -3.8% lower than planned in the NPP for RP1 (55.45 €2009). The reason is the combined effect of the lower than planned 2013 actual en-route costs -3.1% and the slightly higher than planned actual number of total service units (TSUs) +0.8%.

The actual en-route traffic (TSU) was slightly higher (by +0.8%) compared to the NPP for 2013 and significantly higher (by +6.9%) compared to the actual level of 2012. The NSA Monitoring report states that "The increase was driven by overflights (+5.4%) while both arrivals/departures and internal flights continued to decrease further against 2012 (by -6% and -22.6%, respectively)".

Looking forward, based on STATFOR May 2014 base forecasts, the traffic (TSU) is expected to grow and will be higher by +2.8% than the figure provided in the Slovakian NPP for 2014, which means that the traffic is forecast to go beyond the -/+ 2% dead band but will remain within the -/+10% threshold.

The Slovakian en-route cost-base includes costs related to the Slovakian ATSP (LPS), to the MET SHMU, to the Slovakian NSA (DU SR) and to the EUROCONTROL Agency.
The 2013 actual en-route costs are -3.1% lower than the determined costs. This evolution is mainly due to the lower costs for LPS (-3.4%), the costs for the MET SHMU and NSA/EUROCONTROL being close to the amounts planned in the NPP.
The inflation was much lower than planned (-1.4p.p) which influenced the level of expenses downwards.
Costs exempt from cost sharing are reported for an amount of -0.88 M€2009 to be reimbursed to users for the en-route activity. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

In 2013 LPS actual real en-route costs are lower by -3.4% than planned in the RP1 NPP. This mainly reflects lower other operating costs (by -7.9%) and cost of capital (by -29.6%). These decreases are partly compensated by the increase in staff costs (+2.3%) higher than the planned figure in the NPP for RP1.
The increase in staff costs is mainly due to changes in the health and social insurance legislation.
The lower level of other operating costs is explained by a new insurance contract which involves significantly lower costs than planned.
The lower level of the cost of capital is explained by two factors: an actual asset base lower than planned and lower actual interest rate on debts (from 7% as initially planned to 2%).
According to the Slovakian NSA Monitoring report, the capex spent by LPS on main investment projects is significantly lower than planned taking into account the postponed investments from 2012 (Construction works Mosnik). In 2013 other investment projects were postponed such as investments for radar technology for the Mosnik building, the ATM system upgrade (E2000 System) and the HW and SW for AIM Services .

A big part of the costs exempt from cost sharing (to be reimbursed to airspace users) is attributed to the ATSP.

As shown in item 5, the en-route activity for the year 2013 generated a net gain of +1.2 M€2009 for LPS overall. This is the combination of two separate elements:
- A gain of +0.8 M€2009 for Slovakian LPS as a result of the cost-sharing mechanism;
- A gain of +0.4 M€2009 as a result of the traffic risk sharing mechanism for 2013.

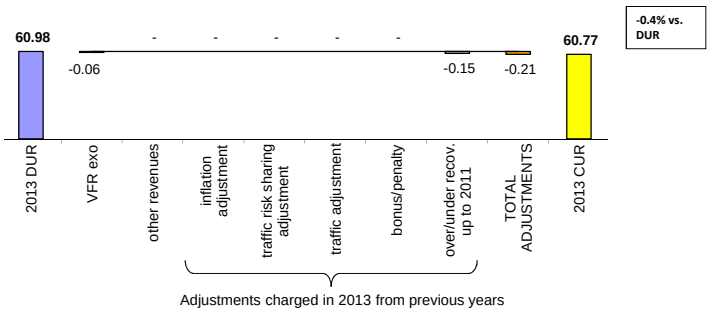
On the profitability side for the en-route activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +3.5M€2009, corresponding to an estimated surplus of +7.3% of the en-route costs/revenues for 2013. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+3.0 M€2009) and the net gain from the en-route activity in 2013 (+1.2 M€2009), gives a total of +4.2 M€2009 for 2013, corresponding to +8.8% of the en-route revenue in 2013. The resulting ex-post rate of return on equity for 2013 is +10.7% (compared to +7.6% as initially planned in the NPP).

Conclusion:
This indicates that in 2013, LPS was in a position to retain the part of surplus embedded in the cost of capital and to generate extra gains arising from the lower costs than planned in 2013 and the gain arising from traffic risk sharing. This adds to the gains generated by LPS in 2012 (+2.6 M€2009 or +5.7% of en-route revenue in 2012 leading to an ex-post rate of return on equity of +6.8%).

SLOVAKIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Slovakia 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

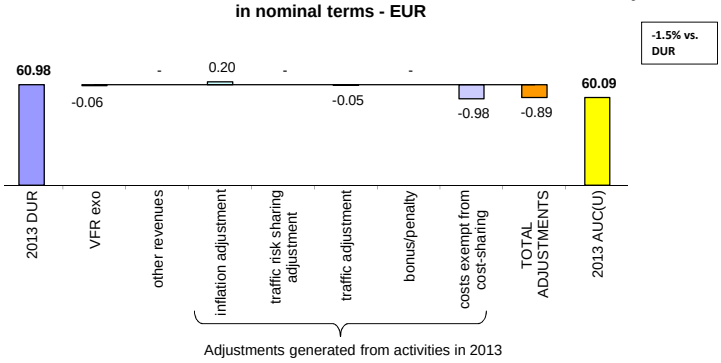
The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The UR charged in 2013 (60.77€) was lower than the nominal DUR (60.98€) as a result of the deduction of costs for exempted VFR flights and carry-overs of over-recoveries incurred prior to RP1.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Slovakia 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the “true cost for users”), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

The AUC-U calculated for 2013 (60.09€) is lower than the DUR (60.98€) mainly due to the costs exempt from cost sharing as currently filed by Slovakia in 2013 (to be reimbursed to airspace users).

SLOVAKIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10. - Terminal costs and unit rates monitoring (2013)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula						
Number of airports in terminal charging zone		5	6	6	6	6
of which, number of airports over 50 000 movements						

Slovakia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	7 438 000	5 530 000	5 268 000	6 145 312	6 390 300	6 579 897
Inflation index (100 in 2009)	100.0	100.7	104.1	106.9	110.0	113.1
Real terminal ANS costs - (in EUR2009)	**7 438 000**	**5 491 559**	**5 059 851**	**5 747 881**	**5 810 835**	**5 820 272**

Slovakia - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)	7 438 000	5 528 000	5 625 000	5 878 567	7 374 000	
Inflation index (100 in 2009)	100.0	100.7	104.8	108.7	110.3	
Real terminal ANS costs - (in EUR2009)	**7 438 000**	**5 489 573**	**5 365 897**	**5 407 699**	**6 683 103**	
Total terminal service units		682 657	654 041	581 137	551 288	
Actual real unit costs - (in EUR2009)		8.0	8.2	9.3	12.1	
Unit rate applied - (in EUR)				**6.47**	**6.47**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)			2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value		-266 745	983 700	
	in%		-4.3%	15.4%	
Inflation index (100 in 2009)	in p.p.		1.8 p.p.	0.4 p.p.	
Real terminal ANS costs - (in EUR2009)	in value		**-340 182**	**872 267**	
	in%		**-5.9%**	**15.0%**	

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

The terminal charging zone of Slovakia comprises six airports. As all airports are below 50 000 movements, Slovakia is not bound to apply the common formula (MTOW/50)^X where 0.5<X<0.9 in RP1.

Actual terminal ANS 2013 costs are 15% higher than the forecast presented in the NPP for the year 2013 (some 0.9 M€2009). The main driver for this difference is an increase in staff costs at LPS level. According to the NSA Monitoring report, "the increase is mainly a consequence of legislative changes in social and health insurance and of ATCOs overtimes reported in 2013".
However, the traffic decreased by -5% in 2013 over 2012 (551.288 TSU against 581.137 TSU in 2012) which is a further drop from 2008 when two domestic operators (SkyEurope, Air Slovakia) declared bankruptcy.

12. - Monitoring of gate-to-gate costs (2013)

Slovakia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	43 454 247	48 480 636	48 939 751	53 164 947	54 205 547	54 057 812
Real terminal ANS costs - (in EUR2009)	7 438 000	5 491 559	5 059 851	5 747 881	5 810 835	5 820 272
Real gate-to-gate ANS costs - (in EUR2009)	**50 892 247**	**53 972 195**	**53 999 602**	**58 912 828**	**60 016 382**	**59 878 084**
Share of en-route costs in gate-to-gate ANS costs	**85.4%**	**89.8%**	**90.6%**	**90.2%**	**90.3%**	**90.3%**

Slovakia - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	43 454 247	48 480 636	48 733 791	51 841 258	52 545 006	
Real terminal ANS costs - (in EUR2009)	7 438 000	5 489 573	5 365 897	5 407 699	6 683 103	
Real gate-to-gate ANS costs - (in EUR2009)	**50 892 247**	**53 970 209**	**54 099 688**	**57 248 956**	**59 228 109**	
Share of en-route costs in gate-to-gate ANS costs	**85.4%**	**89.8%**	**90.1%**	**90.6%**	**88.7%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)			2012	2013	2014
Real en-route costs - (in EUR2009)	in value		-1 323 689	-1 660 541	
	in %		-2.5%	-3.1%	
Real terminal ANS costs - (in EUR2009)	in value		-340 182	872 267	
	in %		-5.9%	15.0%	
Real gate-to-gate ANS costs - (in EUR2009)	in value		**-1 663 871**	**-788 273**	
	in %		**-2.8%**	**-1.3%**	
Share of en-route costs in gate-to-gate ANS costs	in %		**0.3%**	**-1.6%**	

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

The actual gate-to-gate ANS 2013 costs (59.2 M€2009) were -1.3% lower than planned in the NPP (60 M€2009).

The relative share of en-route costs in gate-to-gate ANS costs (88.7%) is lower than planned (90.3%) and has decreased by -2.1% compared to 2012. This is due to the fact that 2013 terminal ANS costs were significantly higher than forecasted (+15%) while actual en-route ANS costs were lower than the determined costs provided in the NPP (-3.1%).

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Slovenia

Fact validated edition

Edition date: 14/11/2014

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SLOVENIA **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	50	51		Slovenia has indicated good progress on component 'State safety policies and objectives'. However, most of the questions were insufficiently justified as the justification just replicates the score text. (LV)
ANSP [Slovenia Control]	72	73		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	6	100%	3	100%			
	ATM Overall		100%		100%			
Runway Incursions (RIs)	ATM Ground	6	100%	3	100%			
	ATM Overall		100%		100%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	37	100%	41	100%			

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	4	6	4	6		
Legal/Judiciary	6	2	6	2		
Occurrence reporting and Investigation	1	1	2	0		
TOTAL	**11**	**9**	**12**	**8**		

Number of questions answered with Yes or No	**ANSP [Slovenia Control]**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	13	0	13	0		
Legal/Judiciary	2	1	1	2		
Occurrence reporting and Investigation	6	2	6	2		
TOTAL	**21**	**3**	**20**	**4**		

SLOVENIA **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.31	0.26	0.22	
National Target	0.31	0.03	0.03	
Actual performance	0	0		

National capacity assessment

No delay was recorded for Ljubljana ACC, capacity plans were sufficient, in particular with traffic reduction experienced in 2013. Important operation change expected beginning of 2014 with re-opening of Kosovo airspace (KFOR sector), which is expected to influence traffic flows in the region. No capacity issues expected for the future as well.

PRB Capacity assessment

With the excellent capacity performance in 2012 and 2013, Slovenia has exceeded the national target and the level of performance required to be consistent with the EU-wide target for both years. The PRB is confident that Slovenia can provide a positive contribution to EU-wide capacity performance in 2014.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 41%

The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations could not be calculated.

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations could not be calculated.

Recommendations

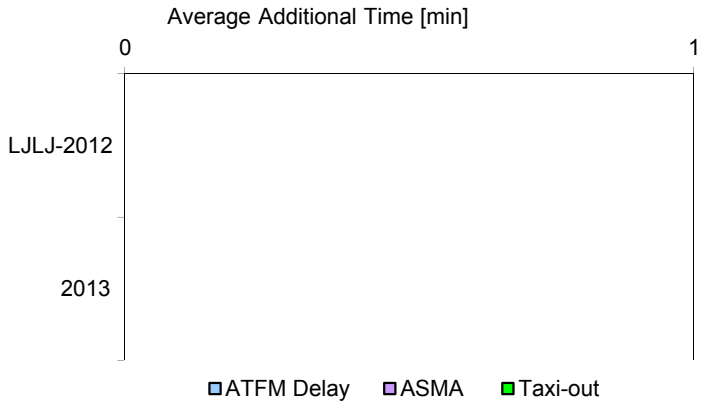
SLOVENIA

Monitoring of CAPACITY indicators for 2013

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Ljubljana	LJLJ	2012	0.0	0	Not Applicable		**Missing Data**		0
		2013	0.0	0	Not Applicable		**Missing Data**		0
Weighted average		2012	**0.0**						
		2013	**0.0**						
Grand Total		2012		**0**					**0**
		2013		**0**					**0**

• *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*

• ⇧ *represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst* ⇩ *depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by* ⇨

Critical Issues

• Missing DRWY data for the calculation of unimpeded taxi out time, since 2012;
• Mandatory data items partially missing (STATUS C.R.).

Specific Analysis

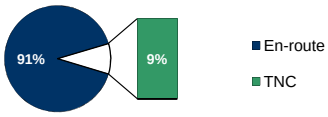
• No specific operational concern regarding RP1 performance monitoring.

SLOVENIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

1. - Contextual economic information

- Slovenia represents 0.5% of the SES en-route ANS determined costs in 2013.
- ATSP : Slovenia Control
- FAB : FAB CE
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS actual costs



2. - En-route DUR monitoring (2013)

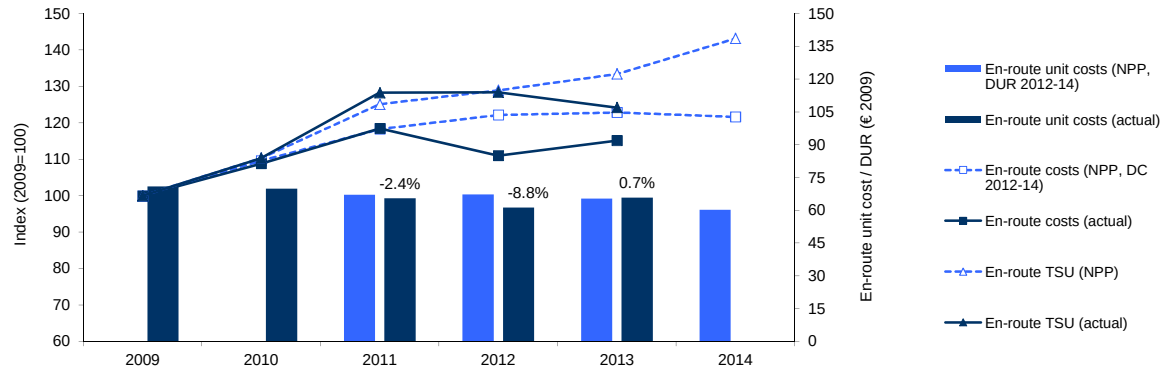
Slovenia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR) *	23 493 772	26 211 708	28 930 090	30 790 503	31 687 890	32 084 460
Inflation %		1.8%	2.2%	3.1%	2.3%	2.3%
Inflation index (100 in 2009)	100.0	101.8	104.0	107.3	109.7	112.3
Real en-route costs (determined costs 2012-2014) - (in EUR2009) *	23 493 772	25 748 240	27 806 806	28 705 125	28 877 550	28 581 573
Total en-route Service Units	330 983	365 201	414 180	426 792	441 730	473 976
Real en-route unit costs per Service Units - (in EUR2009) *	**70.98**	**70.50**	**67.14**	**67.26**	**65.37**	**60.30**

See Note 1

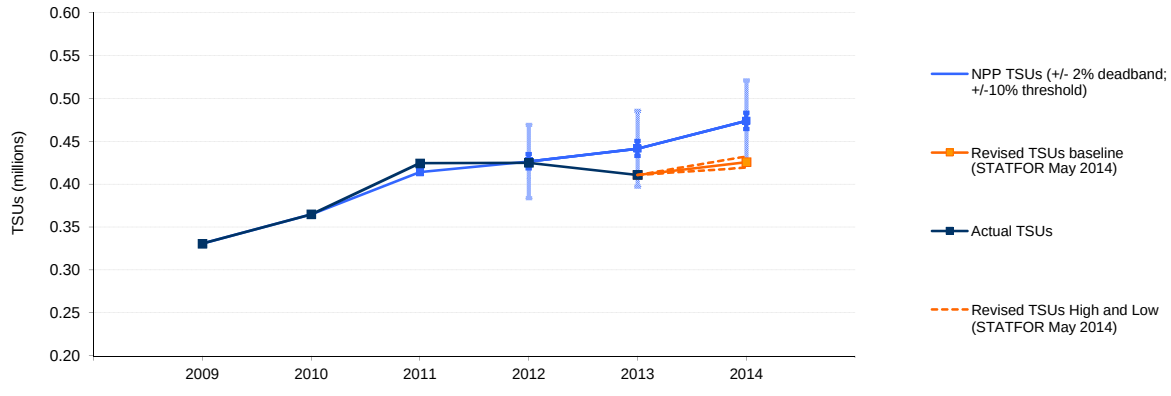
Slovenia - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR) *	23 493 772	26 032 613	28 929 420	27 878 188	29 465 767	
Inflation %		1.8%	2.1%	2.8%	1.9%	
Inflation index (100 in 2009)	100.0	101.8	103.9	106.8	108.9	
Real en-route costs - (in EUR2009) *	23 493 772	25 572 312	27 833 397	26 091 432	27 063 062	
Total en-route Service Units	330 983	365 201	424 670	425 205	411 103	
Real en-route unit costs per Service Units - (in EUR2009) *	**70.98**	**70.02**	**65.54**	**61.36**	**65.83**	

See Note 1

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
En-route costs - (in nominal EUR)	in value	-2 912 315	-2 222 123	
	in %	-9.5%	-7.0%	
Inflation %	in p.p.	-0.3 p.p.	-0.4 p.p.	
Inflation index (100 in 2009)	in p.p.	-0.4 p.p.	-0.9 p.p.	
Real en-route costs - (in EUR2009)	in value	-2 613 693	-1 814 488	
	in %	-9.1%	-6.3%	
Total en-route Service Units	in value	-1 587	-30 627	
	in %	-0.4%	-6.9%	
Real en-route unit costs per Service Units - (in EUR2009)	in value	**-5.90**	**0.46**	
	in %	**-8.8%**	**0.7%**	

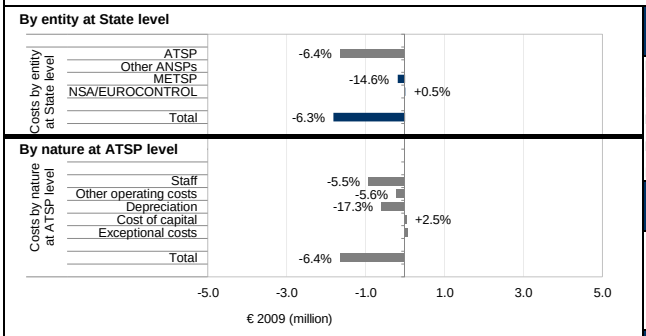


3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



SLOVENIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements*	40
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	-
Other ANSP	-
METSP	-
NSA/EUROCONTROL*	40
Total costs exempted from cost sharing	**40**
to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	

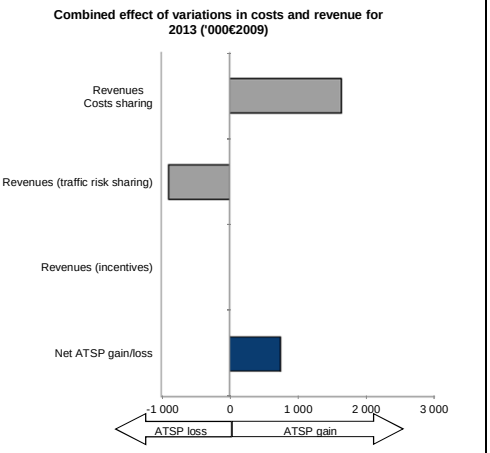
* See Note 2

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	25 484
Actual costs for the ATSP	23 846
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	1 639
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**1 639**

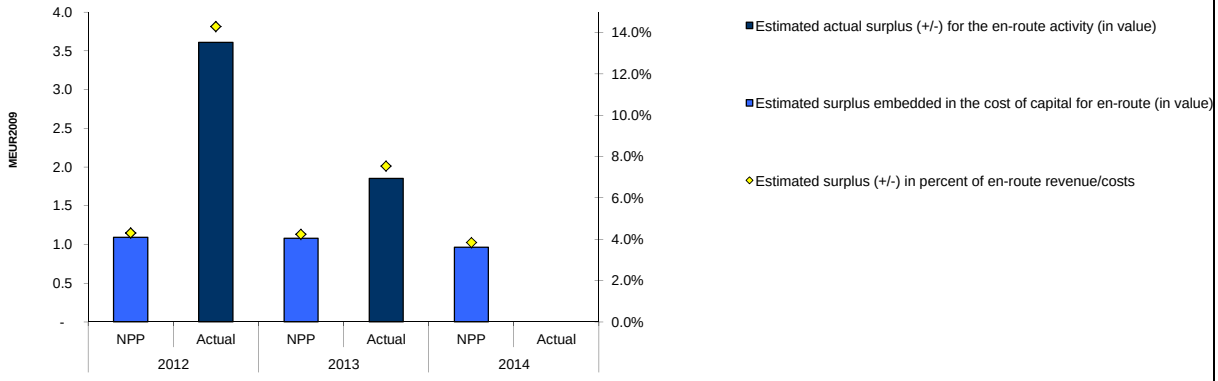
Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-6.93%
Determined costs after deduction of costs for exempted VFR flights	25 684
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-514
ATSP loss (traffic between -2% and -10% below NPP)	-380
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-894**

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**
Net ATSP gain(+)/loss(-) on en-route activity	**745**



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	24 147	25 504	23 957	24 545	21 358	
Estimated proportion of financing through equity (in %)	65%	65%	65%	65%	65%	
Estimated proportion of financing through equity (in value)	15 724	16 607	15 600	15 983	13 908	
Estimated proportion of financing through debt (in %)	35%	35%	35%	35%	35%	
Estimated proportion of financing through debt (in value)	8 423	8 897	8 357	8 562	7 451	
Cost of capital pre-tax (in value)	1 456	1 538	1 445	1 480	1 288	
Average interest on debt (in %)	4.4%	4.4%	4.4%	4.4%	4.4%	
Interest on debt (in value)	366	387	364	372	324	
Ex-ante RoE pre-tax rate (in %)	6.9%	6.9%	6.9%	6.9%	6.9%	
Estimated surplus embedded in the cost of capital for en-route (in value)	1 090	1 151	1 081	1 108	964	
Net ATSP gain(+)/loss(-) on en-route activity		2 457		745		
Overall estimated surplus (+/-) for the en-route activity	**1 090**	**3 608**	**1 081**	**1 852**	**964**	
Revenue/costs for the en-route activity	**25 328**	**25 233**	**25 484**	**24 590**	**25 170**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**4.3%**	**14.3%**	**4.2%**	**7.5%**	**3.8%**	
Estimated ex-post RoE pre-taxe rate (in %)	**6.9%**	**21.7%**	**6.9%**	**11.6%**	**6.9%**	



SLOVENIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Slovenia

Note 1: For Slovenia, the determined and actual costs for RP1 are considered after deduction of revenues from other sources (i.e. commercial activities, mounting to 70K€ in 2013) in order to ensure consistency with the NPP. The break-down shown in item 4 (graph) presents these deductions as (positive) exceptional costs for the ATSP.

Note 2: The EUROCONTROL costs are costs exempt from cost sharing. In 2013, the actual EUROCONTROL costs were higher than planned in the NPP (+43 K€). These costs are to be recovered from the users if eligible by the EC. In the reporting tables presented by Slovenia (T3), we noticed a mistake in the formula calculating the difference between actual costs and planned costs. We have corrected this in this monitoring report.

At State / Charging Area level

In 2013, Slovenia's real en-route unit cost (65.83 €2009) was +0.7% higher than planned in the NPP for RP1 (65.37 €2009). This difference is resulting from lower actual number of en-route TSUs in 2013 (-6.9%), which was not completely compensated by lower actual en-route costs (-6.3%) than planned in the RP1 NPP for 2013.

The actual en-route traffic (TSU) is lower by -6.9% compared to the NPP for 2013 and lower by -3.3% compared to the level of 2012. Looking forward, based on STATFOR May 2014 base forecasts, the traffic (TSU) is expected to grow but will be lower by -10% than the figure provided in the Slovenian NPP for 2014. According to Slovenia's NSA RP1 Monitoring Report, an important operational change is expected beginning of 2014 (April) with the re-opening of the Kosovo airspace (KFOR sector), which is expected to influence traffic flows in the region.

The Slovenia en-route cost-base includes costs related to the Slovenian ATSP (Slovenia Control), to the MET ASRO, to the Slovenian NSA and to the EUROCONTROL Agency.

The 2013 actual en-route costs are -6.3% lower than the determined costs. This evolution is mainly due to the lower costs for Slovenia Control and the METSP (-6.4% and -14.6%, respectively). The costs for the NSA/EUROCONTROL are as planned in the NPP (+0.5%). The inflation was lower than planned (-0.4p.p) which influenced the level of expenses downwards. Costs exempt from cost sharing are reported for an amount of -0.04 M€2009 to be recovered from users for the en-route activity. This amount is due to higher EUROCONTROL costs than planned. These costs will be eligible for carry-over to the following reference period(s), if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

In 2013 Slovenia Control actual real en-route costs are lower by -6.4% than planned in the NPP for RP1. This mainly reflects the lower staff costs (-5.5%) and depreciation costs (-17.3%). The lower level of staff costs is explained in the Additional Information paper provided along with the en-route reporting tables "by an efficient social dialogue on State and ANSP level regarding staff costs, since some rights from collective agreements were not used on the side of employees due to crisis situation in Slovenia and lower than expected traffic amount".
In regard to depreciation costs, the main project at Slovenia Control (new ATCC) was delayed from originally planned start of operation in January 2012 to March 2013. This resulted in delays in other investments as well, which in turn resulted in lower depreciation in 2013. Other operating costs were reduced (-5.6%) through mitigation measures needed due to significantly lower traffic than planned. The actual cost of capital is slightly higher than planned (+2.5%). This reflects the fact that a slightly higher asset base than planned (+2.4%) was used to compute the ATSP's cost of capital in 2013. We understand that this is mainly the result of the postponement of the investments related to the new ATCC building in 2012 and some unforeseen investments occurred in 2013. On the other hand, some investments planned to generate CAPEX in 2013 (Multilateration/ADS-B, New VHF station) were shifted and did not materialize in 2013.

There are no costs exempt from cost sharing attributed to the ATSP.

As shown in item 5, the en-route activity for the year 2013 generated a net gain of +0.75 M€2009 for Slovenia Control overall. This is the combination of two separate elements:
- A gain of +1.6 M€2009 for Slovenia Control as a result of the cost-sharing mechanism;
- A loss of -0.9 M€2009 as a result of the traffic risk sharing mechanism for 2013.

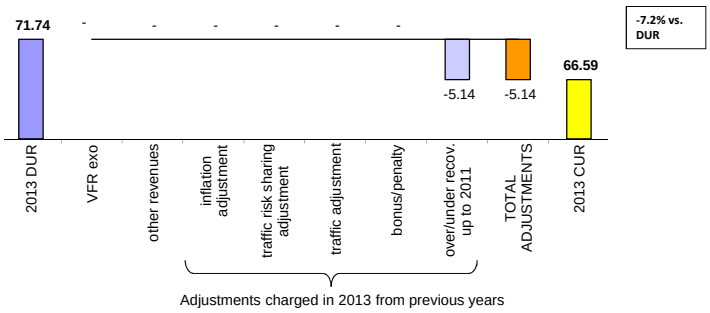
On the profitability side for the en-route activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +1.0 M€2009, corresponding to an estimated surplus of +4.2% of the en-route costs/revenues for 2013. Ex-post, the estimated surplus for the year computed by adding the surplus embedded in the cost of capital (+1.1 M€2009) and the net gain from the en-route activity in 2013 (+0.75 M€2009), gives a total of +1.85 M€2009 for 2013, corresponding to +7.5% of the en-route revenue in 2013. The resulting ex-post rate of return on equity for 2013 is +11.6% (compared to +6.9% as initially planned in the NPP).

Conclusion: This indicates that in 2013, Slovenia Control was in a position to retain the part of surplus embedded in the cost of capital and to generate extra gains arising from the lower costs than planned in 2013. This adds to the gains generated by Slovenia Control in 2012 (+3.6 M€2009 or +14.3% of en-route revenue in 2012 leading to an ex-post rate of return on equity of +21.7%). Note that the 2012 figure was updated since the 2012 PRB monitoring report, as a result of improved reporting on the assumptions underlying the calculation of the cost of capital in respect of average interest rates on debt.

SLOVENIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Slovenia 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

The CUR takes account of:

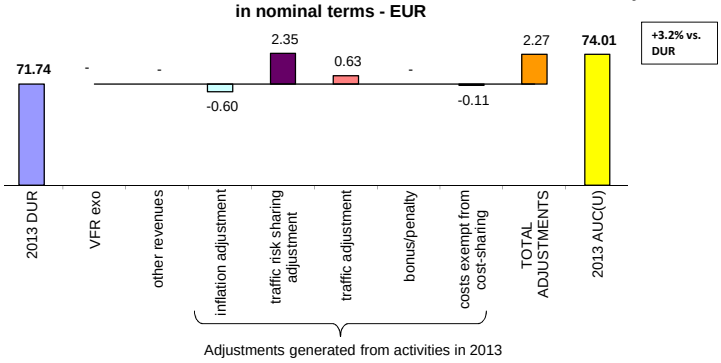
- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;

- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The UR charged to users in 2013 (66.59€) was lower than the nominal DUR (71.74€) due to some carry-overs of over-recoveries incurred prior to RP1.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Slovenia 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;

- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by the **actual total service units** in 2013.

The AUC-U calculated for 2013 (74.01€) is higher than the DUR (71.74€) mainly due to the loss resulting of the traffic risk sharing and to the adjustment resulting from the traffic variation (for costs not subject to traffic risk sharing).

SLOVENIA **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10. - Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^	0.7	0.7	0.7	0.7	0.7	0.7
Number of airports in terminal charging zone		3	3	3	3	3	3
of which, number of airports over 50 000 movements							

Slovenia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	3 420 816	2 962 000	3 204 000	3 272 000	3 496 000	3 620 000
Inflation index (100 in 2009)	100.0	101.8	104.0	107.3	109.7	112.3
Real terminal ANS costs - (in EUR2009)	**3 420 816**	**2 909 627**	**3 079 597**	**3 050 394**	**3 185 946**	**3 224 779**

Slovenia - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)	3 420 816	2 962 125	3 227 622	3 037 742	2 992 634	
Inflation index (100 in 2009)	100.0	101.8	103.9	106.8	108.9	
Real terminal ANS costs - (in EUR2009)	**3 420 816**	**2 909 749**	**3 105 340**	**2 843 048**	**2 748 608**	
Total terminal service units	13 327	12 519	12 555	11 198	11 353	
Actual real unit costs - (in EUR2009)	256.7	232.4	247.3	253.9	242.1	
Unit rate applied - (in EUR)				**256.74**	**256.73**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value				-234 258	-503 366	
	in%				-7.2%	-14.4%	
Inflation index (100 in 2009)	in p.p.				-0.4 p.p.	-0.9 p.p.	
Real terminal ANS costs - (in EUR2009)	in value				**-207 346**	**-437 338**	
	in%				**-6.8%**	**-13.7%**	

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

The terminal charging zone in Slovenia comprises three airports (Ljubljana, Maribor and Portoroz). The harmonised SES formula (MTOW/50)^0.7 already applies in the Slovenia terminal charging zone.
Actual real 2013 terminal ANS costs are -13.7% lower than the forecast presented in the NPP for the year 2013 (some 0.4 M€2009).

12. - Monitoring of gate-to-gate costs (2013)

Slovenia - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	23 493 772	25 748 240	27 806 806	28 705 125	28 877 550	28 581 573
Real terminal ANS costs - (in EUR2009)	3 420 816	2 909 627	3 079 597	3 050 394	3 185 946	3 224 779
Real gate-to-gate ANS costs - (in EUR2009)	**26 914 589**	**28 657 867**	**30 886 403**	**31 755 519**	**32 063 496**	**31 806 352**
Share of en-route costs in gate-to-gate ANS costs	**87.3%**	**89.8%**	**90.0%**	**90.4%**	**90.1%**	**89.9%**

Slovenia - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	23 493 772	25 572 312	27 833 397	26 091 432	27 063 062	
Real terminal ANS costs - (in EUR2009)	3 420 816	2 909 749	3 105 340	2 843 048	2 748 608	
Real gate-to-gate ANS costs - (in EUR2009)	**26 914 589**	**28 482 061**	**30 938 737**	**28 934 480**	**29 811 670**	
Share of en-route costs in gate-to-gate ANS costs	**87.3%**	**89.8%**	**90.0%**	**90.2%**	**90.8%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Real en-route costs - (in EUR2009)	in value				-2 613 693	-1 814 488	
	in %				-9.1%	-6.3%	
Real terminal ANS costs - (in EUR2009)	in value				-207 346	-437 338	
	in %				-6.8%	-13.7%	
Real gate-to-gate ANS costs - (in EUR2009)	in value				**-2 821 039**	**-2 251 826**	
	in %				**-8.9%**	**-7.0%**	
Share of en-route costs in gate-to-gate ANS costs	in %				**-0.2%**	**0.7%**	

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

The actual real 2013 gate-to-gate ANS costs are -7% lower than planned in the NPP.
The relative share of en-route costs in gate-to-gate ANS costs in 2013 (90.8%) is slightly higher than planned (90.1%) but remains relatively stable since 2010. The slight increase in 2013 is due to the fact that 2013 real terminal ANS costs are significantly lower than forecasted (- 13.7%) while actual real en-route ANS costs are substantially lower than the determined costs provided in the NPP (-6.3%) but proportionally less than the terminal.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

Spain

Fact validated edition

Edition date: 14/11/2014

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SPAIN **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	59	49		Compared to last year a number of answers have been downgraded. As a consequence the answers provided now correspond to the results detected during the inspection and implementation of the CAP. (TV)
ANSP [AENA]	69	76		

Application of the severity classification of the Risk Analysis Tool (RAT)							
		2012		2013		2014	
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)
Separation Minima Infringements (SMIs)	ATM Ground	122	16%	181	100%		
	ATM Overall		16%		33%		
Runway Incursions (RIs)	ATM Ground	123	1%	85	100%		
	ATM Overall		1%		1%		
ATM Specific Occurences (ATM-Specific)	ATM Overall	738	3%	309	0%		

Above RAT methodology application values are different from the ones in State Report. Corrigendum sent by Spain after request for clarification.

Just culture						
Number of questions answered with Yes or No	State					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	8	2	9	1		
Legal/Judiciary	5	3	5	3		
Occurrence reporting and Investigation	2	0	2	0		
TOTAL	**15**	**5**	**16**	**4**		

Number of questions answered with Yes or No	ANSP [AENA]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	5	8	5	8		
Legal/Judiciary	2	1	2	1		
Occurrence reporting and Investigation	5	3	4	4		
TOTAL	**12**	**12**	**11**	**13**		

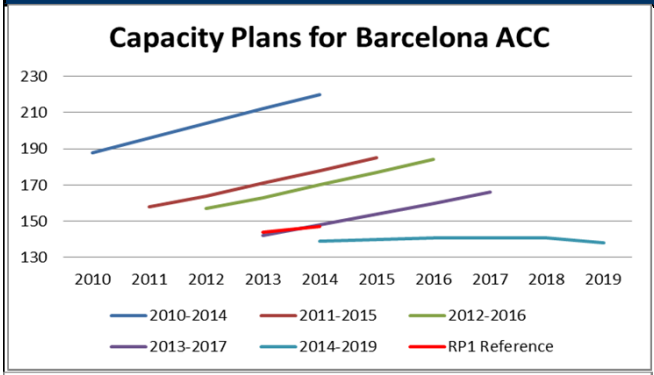
SPAIN **Monitoring of CAPACITY indicators for 2013**

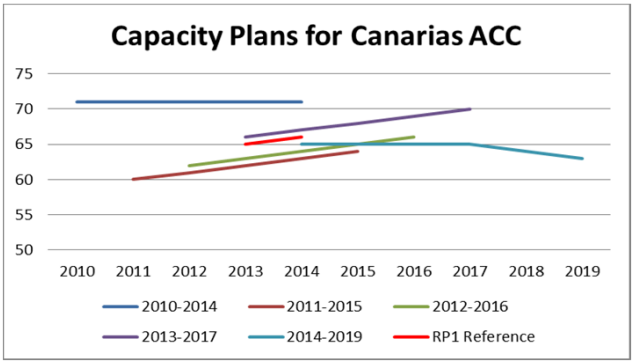
Minutes of ATFM en-route delay

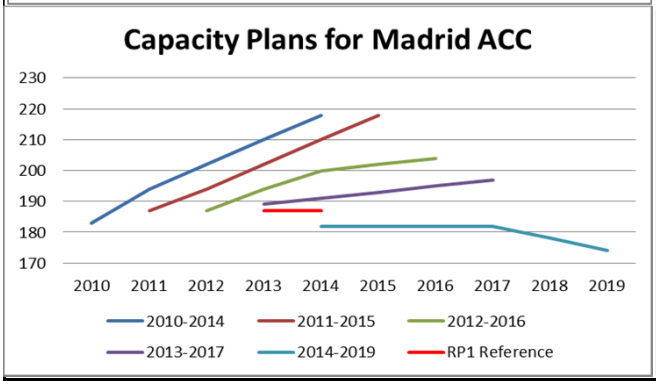
	2012	2013	2014	Observations
Reference value	0.52	0.42	0.31	
National Target	0.8	0.75	0.5	
Actual performance	0.48	0.41		

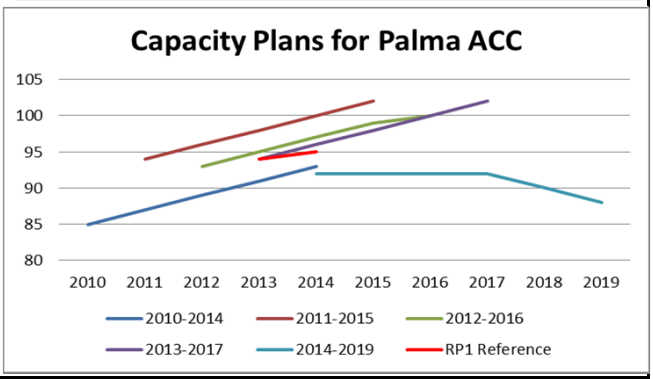
National capacity assessment

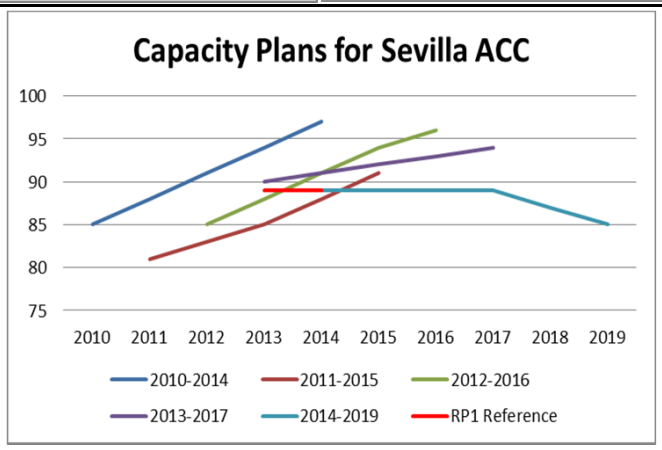
ANSP capacity plan (Opt.)











Military dimension of the plan (Opt.)

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

PRB Capacity assessment

As in 2012, Spain has provided sufficient capacity to be consistent with the effort required to meet the EU-wide capacity performance target. Since the national target was so far removed from the actual performance, it is difficult to determine the premise on which it was derived. However, the PRB is greatly concerned that Spain is continuously degrading the capacity plans, year on year, at the ACCs. Since Spain has not yet achieved the level of capacity performance expected in 2014, the downgrade of capacity plans forewarns of a capacity crisis in Spain during RP2.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 58%

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

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 42%

Previous recommendations (Opt.)

Extract from notification letter from EC July 2012
The Commission considers that the capacity target could have been further improved. Spain's revised performance plan is assessed on the understanding that Spain will require its air navigation service provider to develop and implement capacity plans that will enable the 2014 reference value of 0.31 minute of average delay per flight to be met at the earliest possible date in the second reference period, with the assistance of the Network Manager.

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

NSA report on follow-up to recommendations (Opt.)

The national monitoring report for 2013 contained information on the allocation and use of airspace structures in accordance with IR 691/2010 and IR 2150/2005.

There was no reference to the development and implementation of revised capacity plans.

Recommendations

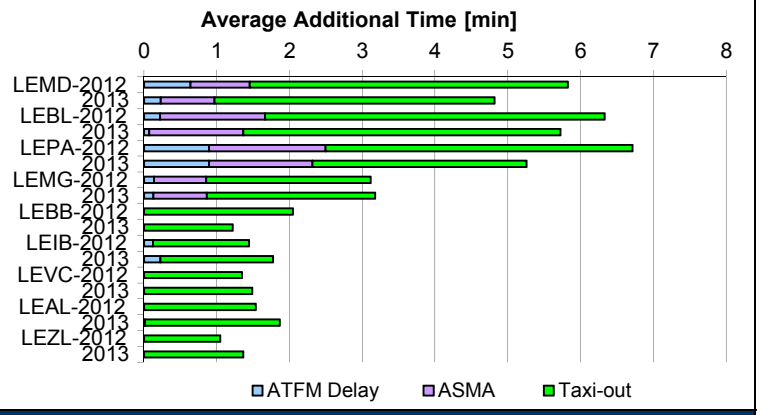
The PRB request Spain to provide information on how the capacity planning of the ANSP is consistent with the existing recommendation of the European Commission that Spain will require its air navigation service provider to develop and implement capacity plans that will enable the 2014 reference value of 0.31 minute of average delay per flight to be met at the earliest possible date in the second reference period, with the assistance of the Network Manager.

SPAIN CONTINENTAL **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Madrid/Barajas	LEMD	2012	0.6	118 951	0.8	147 188	4.4	792 531	1 058 670
		2013	0.2	38 463	0.7	119 118	3.9	618 930	776 512
Barcelona	LEBL	2012	0.2	32 382	1.4	198 878	4.7	647 442	878 702
		2013	0.1	9 754	1.3	166 577	4.4	573 265	749 597
Palma De Mallorca	LEPA	2012	0.9	77 724	1.6	121 955	4.2	350 676	550 356
		2013	0.9	75 861	1.4	106 292	2.9	234 494	416 647
Malaga	LEMG	2012	0.1	6 976	0.7	33 422	2.3	109 981	150 379
		2013	0.1	6 455	0.7	33 525	2.3	114 496	154 477
Bilbao	LEBB	2012	0.0	0	Not Applicable		2.0	48 399	48 399
		2013	0.0	0	Not Applicable		1.2	24 954	24 954
Ibiza	LEIB	2012	0.1	3 465	Not Applicable		1.3	36 850	40 315
		2013	0.2	6 019	Not Applicable		1.5	42 278	48 297
Valencia	LEVC	2012	0.0	0	Not Applicable		1.3	38 207	38 207
		2013	0.0	61	Not Applicable		1.5	39 810	39 871
Alicante	LEAL	2012	0.0	32	Not Applicable		1.5	47 562	47 594
		2013	0.0	493	Not Applicable		1.9	62 161	62 654
Sevilla San Pablo	LEZL	2012	0.0	0	Not Applicable		1.0	23 121	23 121
		2013	0.0	0	Not Applicable		1.4	25 402	25 402
Weighted average		2012	**0.4**		**1.1**		**3.6**		
		2013	**0.2**		**1.0**		**3.2**		
Grand Total		2012		**239 530**		**501 443**		**2 094 770**	**2 835 743**
		2013		**137 106**		**425 513**		**1 735 792**	**2 298 411**
			⇨	**-43%**	⇨	**-15%**	⇨	**-17%**	**-19%**

- *These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.*
- *⇧ represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst ⇩ depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by ⇨*
- *Based on this convention, a decrease of 12 seconds/arrival in ATFM delay can only be considered as stabilised performance although, in relative terms, it is reported as -43% when 2013 is compared to 2012.*

Critical Issues

- In this report the scope of performance monitoring for Spain is broken down into Spain Continental and Spain Canarias.
- As reported in the Spanish Monitoring NPP 2012 report, ASMA and Taxi-Out values from AENA AN are different from the ones included in the PRB Dashboard. Work is in progress with PRU in order to clarify the causes for such differences, avoiding potential misunderstandings when analysing results.

Specific Analysis

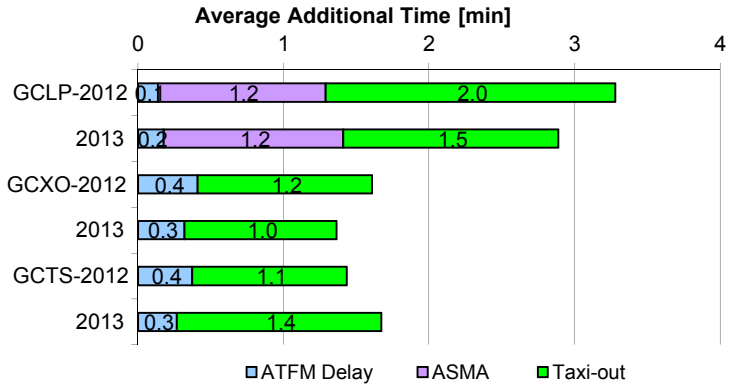
- With Fiumicino Airport, Madrid experienced the greatest improvement in relative terms (-17%) of additional taxi-out time in Europe, in 2013 compared to 2012. This 24 seconds/departure improvement is however reported as stabilised performance because it is smaller than the 30-second convention used and explained here above.

SPAIN CANARIAS **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
Las Palmas	GCLP	2012	0.1	6 815	1.2	43 143	2.0	89 446	139 404
		2013	0.2	8 262	1.2	45 060	1.5	67 248	120 570
Tenerife Norte	GCXO	2012	0.4	10 685	Not Applicable		1.2	32 543	43 228
		2013	0.3	7 330	Not Applicable		1.0	24 940	32 270
Tenerife Sur/Reina Sofia	GCTS	2012	0.4	10 061	Not Applicable		1.1	28 294	38 355
		2013	0.3	7 264	Not Applicable		1.4	37 254	44 518
Weighted average		2012	**0.3**		**1.2**		**1.5**		
		2013	**0.2**		**1.2**		**1.4**		
Grand Total		2012		**27 561**		**43 143**		**150 283**	**220 986**
		2013		**22 856**		**45 060**		**129 441**	**197 357**
			⇨	**-17%**	⇨	**4%**	⇨	**-14%**	**-11%**

• These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.

• ⇧ represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst ⇩ depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by ⇨

• Based on this convention, a decrease of 6 seconds/arrival in ATFM delay can only be considered as stabilised performance although, in relative terms, it is reported as -17% when 2013 is compared to 2012.

Critical Issues

• In this report the scope of performance monitoring for Spain is broken down into Spain Continental and Spain Canarias.
• As reported in the Spanish Monitoring NPP 2012 report, ASMA and Taxi-Out values from AENA AN are different from the ones included in the PRB Dashboard. Work is in progress with PRU in order to clarify the causes for such differences, avoiding potential misunderstandings when analysing results.

Specific Analysis

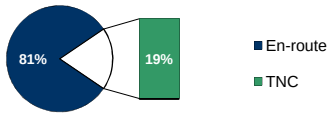
• No specific operational concern regarding RP1 performance monitoring.

SPAIN CONTINENTAL **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

1. - Contextual economic information

- Spain Continental represents 10.6% of the SES en-route ANS determined costs in 2013.
- ATSP : Aena (Continental)
- FAB : SW FAB
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS actual costs

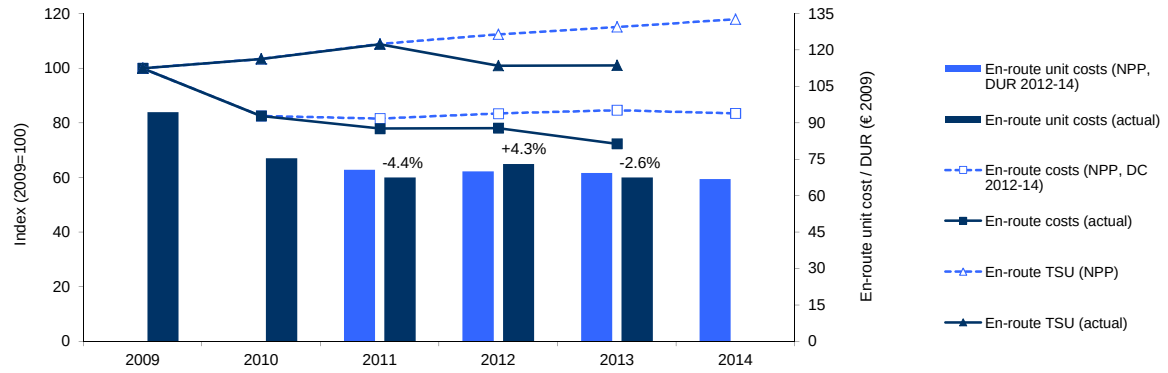


2. - En-route DUR monitoring (2013)

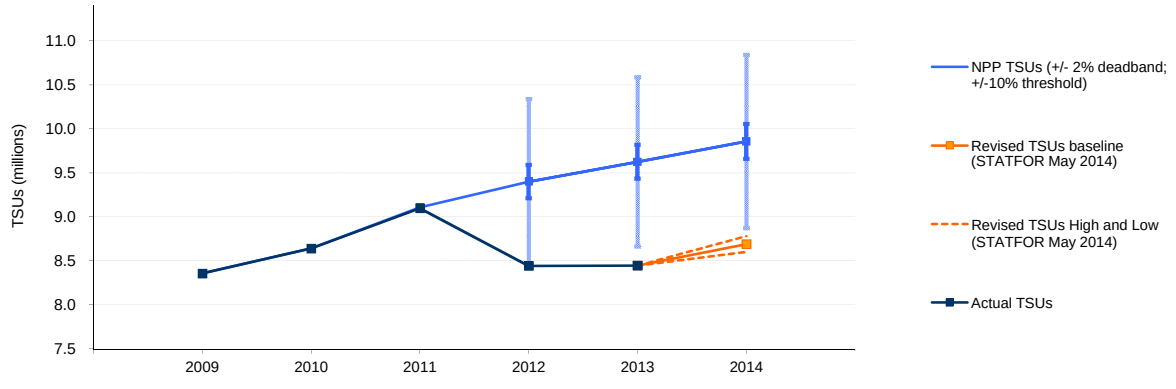
Spain Continental - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	789 446 433	665 210 698	674 583 170	700 300 162	720 236 750	721 590 771
Inflation %		2.0%	2.6%	1.5%	1.4%	1.5%
Inflation index (100 in 2009)	100.0	102.0	104.7	106.3	107.8	109.4
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	789 446 433	651 894 700	644 352 174	658 817 012	668 421 934	659 664 833
Total en-route Service Units	8 358 173	8 641 861	9 110 035	9 400 616	9 626 232	9 857 260
Real en-route unit costs per Service Units - (in EUR2009)	**94.45**	**75.43**	**70.73**	**70.08**	**69.44**	**66.92**

Spain Continental - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	789 446 433	665 224 115	647 349 290	664 818 640	624 628 195	
Inflation %		2.0%	3.1%	2.4%	1.5%	
Inflation index (100 in 2009)	100.0	102.0	105.2	107.7	109.3	
Real en-route costs - (in EUR2009)	789 446 433	651 907 848	615 316 039	617 110 293	571 235 442	
Total en-route Service Units	8 358 173	8 641 861	9 099 189	8 443 969	8 447 044	
Real en-route unit costs per Service Units - (in EUR2009)	**94.45**	**75.44**	**67.62**	**73.08**	**67.63**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)		2012	2013	2014
En-route costs - (in nominal EUR)	in value	-35 481 523	-95 608 554	
	in %	-5.1%	-13.3%	
Inflation %	in p.p.	0.9 p.p.	0.1 p.p.	
Inflation index (100 in 2009)	in p.p.	1.4 p.p.	1.6 p.p.	
Real en-route costs - (in EUR2009)	in value	-41 706 718	-97 186 492	
	in %	-6.3%	-14.5%	
Total en-route Service Units	in value	-956 647	-1 179 188	
	in %	-10.2%	-12.2%	
Real en-route unit costs per Service Units - (in EUR2009)	**in value**	**3.00**	**-1.81**	
	in %	**4.3%**	**-2.6%**	



3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



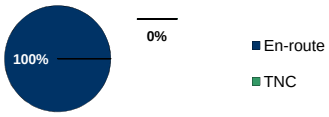
SPAIN CANARIAS

Monitoring of en-route and terminal COST-EFFICIENCY for 2013

1. - Contextual economic information

- Spain Canarias represents 1.6% of the SES en-route ANS determined costs in 2013.
- ATSP : Aena (Canarias)
- FAB : SW FAB
- National currency: EUR

Share of en-route and terminal in gate-to-gate ANS actual costs

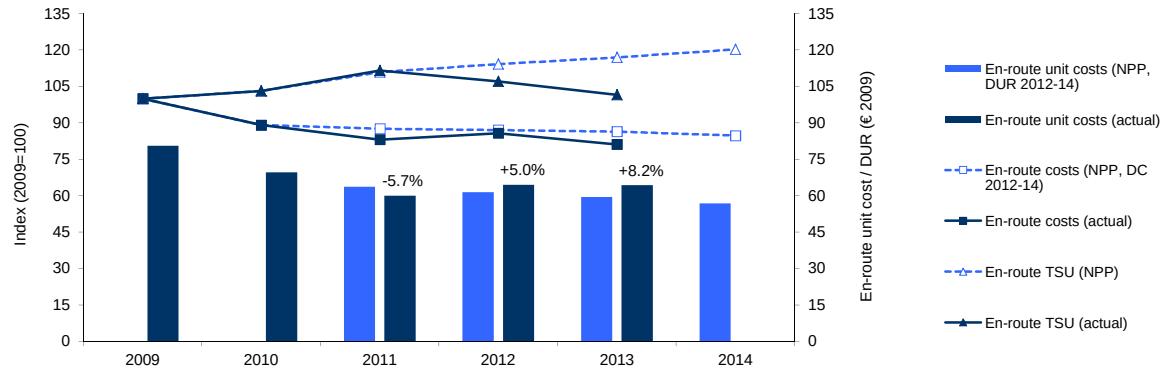


2. - En-route DUR monitoring (2013)

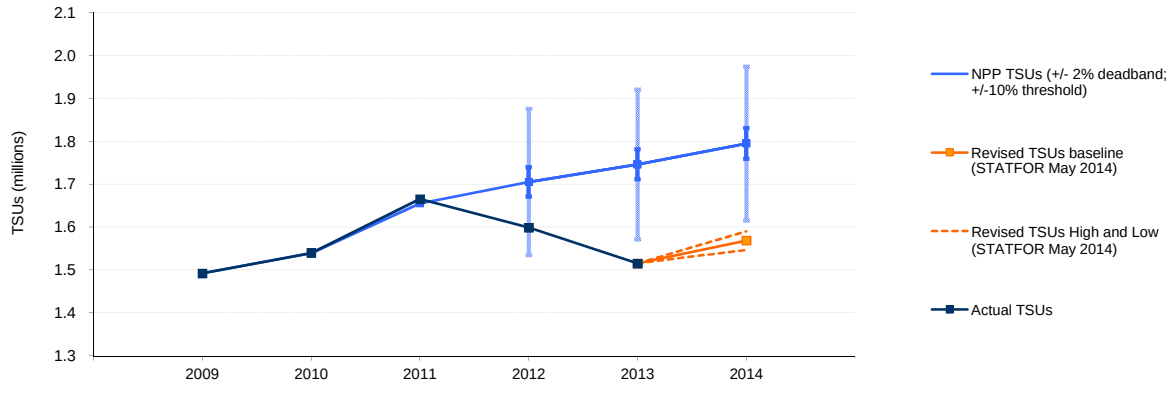
Spain Canarias - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal EUR)	120 326 752	109 449 714	110 443 775	111 451 532	112 037 851	111 614 238
Inflation %		2.0%	2.6%	1.5%	1.4%	1.5%
Inflation index (100 in 2009)	100.0	102.0	104.7	106.3	107.8	109.4
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	120 326 752	107 258 781	105 494 311	104 849 562	103 977 695	102 035 656
Total en-route Service Units	1 492 498	1 539 855	1 655 554	1 705 420	1 746 350	1 795 248
Real en-route unit costs per Service Units - (in EUR2009)	**80.62**	**69.66**	**63.72**	**61.48**	**59.54**	**56.84**

Spain Canarias - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal EUR)	120 326 752	109 450 125	105 288 074	111 197 098	106 784 464	
Inflation %		2.0%	3.1%	2.4%	1.5%	
Inflation index (100 in 2009)	100.0	102.0	105.2	107.7	109.3	
Real en-route costs - (in EUR2009)	120 326 752	107 259 184	100 078 029	103 217 433	97 656 608	
Total en-route Service Units	1 492 498	1 539 855	1 665 737	1 599 207	1 515 812	
Real en-route unit costs per Service Units - (in EUR2009)	**80.62**	**69.66**	**60.08**	**64.54**	**64.43**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
En-route costs - (in nominal EUR)	in value				-254 434	-5 253 387	
	in %				-0.2%	-4.7%	
Inflation %	in p.p.				0.9 p.p.	0.1 p.p.	
Inflation index (100 in 2009)	in p.p.				1.4 p.p.	1.6 p.p.	
Real en-route costs - (in EUR2009)	in value				-1 632 129	-6 321 087	
	in %				-1.6%	-6.1%	
Total en-route Service Units	in value				-106 213	-230 538	
	in %				-6.2%	-13.2%	
Real en-route unit costs per Service Units - (in EUR2009)	in value				**3.06**	**4.89**	
	in %				**5.0%**	**8.2%**	



3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)

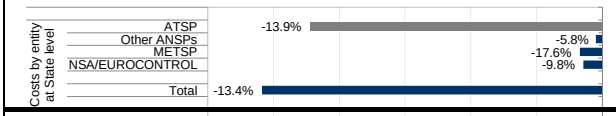


SPAIN Continental & SPAIN Canarias

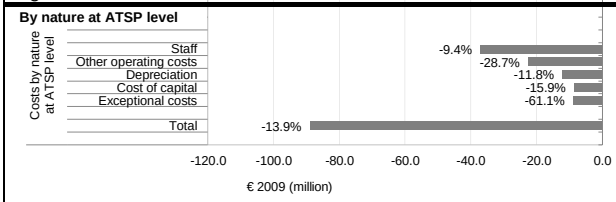
Monitoring of en-route and terminal COST-EFFICIENCY for 2013

4. - En-route costs monitoring (2013 actuals compared to NPP)

By entity at State level



By nature at ATSP level



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	-
Interest rates on loans	22
National taxation law	1 070
New cost item required by law	-
International agreements	-4
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	1 070
Other ANSP	22
METSP	-
NSA/EUROCONTROL	-4
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	**1 089**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

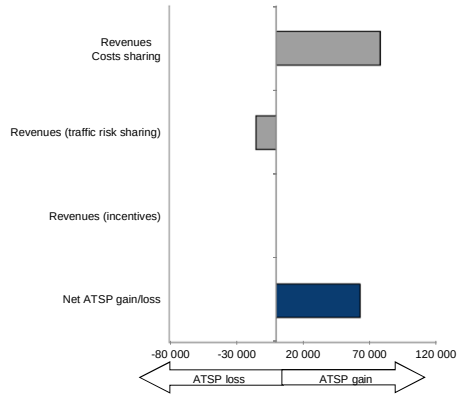
Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	641 461
Actual costs for the ATSP - See Note 1	564 296
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	77 166
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	1 070
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**78 236**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-12.40%
Determined costs after deduction of costs for exempted VFR flights	629 565
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP) - See Note 2	-
ATSP loss (traffic between -2% and -10% below NPP) - See Note 2	-15 110
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-15 110**

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-**

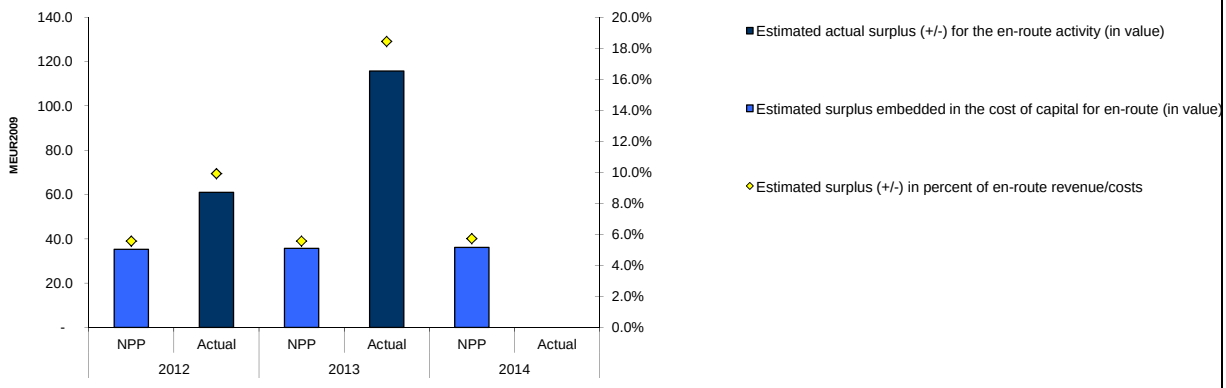
Net ATSP gain(+)/loss(-) on en-route activity	**63 127**

Combined effect of variations in costs and revenue for 2013 ('000€2009)



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	748 099	616 550	763 231	632 744	776 998	
Estimated proportion of financing through equity (in %)	42%	71%	41%	73%	41%	
Estimated proportion of financing through equity (in value)	312 572	435 284	314 781	463 774	317 179	
Estimated proportion of financing through debt (in %)	58%	29%	59%	27%	59%	
Estimated proportion of financing through debt (in value)	435 527	181 266	448 450	168 970	459 819	
Cost of capital pre-tax (in value) - See Note 1	52 597	57 871	53 440	56 730	54 746	
Average interest on debt (in %)	4.0%	4.8%	4.0%	2.5%	4.1%	
Interest on debt (in value)	17 349	8 771	17 775	4 183	18 671	
Ex-ante RoE pre-tax rate (in %) - See Note 1	11.3%	11.3%	11.3%	11.3%	11.4%	
Estimated surplus embedded in the cost of capital for en-route (in value)	35 249	49 100	35 666	52 547	36 075	
Net ATSP gain(+)/loss(-) on en-route activity		11 938		63 127		
Overall estimated surplus (+/-) for the en-route activity	**35 249**	**61 038**	**35 666**	**115 673**	**36 075**	
Revenue/costs for the en-route activity	**633 019**	**615 880**	**641 461**	**627 422**	**631 019**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**5.6%**	**9.9%**	**5.6%**	**18.4%**	**5.7%**	
Estimated ex-post RoE pre-taxe rate (in %)	**11.3%**	**14.0%**	**11.3%**	**24.9%**	**11.4%**	



SPAIN Continental & SPAIN Canarias **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by Spain Continental & Spain Canarias

The June 2014 Reporting Tables for Spain present the information relating to Spain's NPP and actual data up to 2013. Within the 2014 Reporting Tables total costs by nature do not exactly match total costs by service (a difference of €2.25) for the 2013 actuals. The costs presented in the 2013 NSA Monitoring Report match the total costs by nature. The costs presented in the monitoring analysis are taken from the 2014 Reporting Tables total costs by service and as such are not consistent in the following areas:

- Actual 2013 en-route costs. Reporting Tables: €106,784,464; 2013 NSA Monitoring Report: €106,784,462; all nominal values.

Several assumptions have been applied by the PRB to the data provided by Spain in the 2013 Reporting Tables in the preparation of this report. These include:

Note 1: "Correction" to the 2012 actual cost of capital reported for AENA, as per last year's 2012 Monitoring analysis. This correction is to change the rate of return on equity (RoE) from the RoE post-tax value presented by Spain (7.89% for 2012) to the RoE pre-tax (i.e. 11.28%). Details can be found in the 2012 Monitoring Report.

"Correction" to the 2013 actual cost of capital reported for AENA. This correction is to change the rate of return on equity (RoE) from the pre-tax value presented by Spain (8.78% for 2013) to the planned RoE pre-tax value (11.33% for 2013). As a result AENA's cost of capital relating to equity would be some +10.72 M€ higher than presented (or +9.81 M€2009) for Spain Continental and +2.19 M€ (or +2.00M€2009) for Spain Canarias. The total actual costs for AENA, taking into account of this "correction" would be 564.3 M€2009 instead of 552.5 M€2009.

Note 2: Exemption from the application of the dead-band in traffic risk sharing.

For 2012, the Additional Information to the June 2013 Reporting Tables (see A.I.3 d) indicates that Spain has invoked the application of Article 2 of EU Regulation 1191/2010 amending the Charging Regulation 1794/2006 and has applied the exemption of the dead-band on AENA traffic risk sharing. For the purpose of this analysis, the application of this exemption reflects the European Commission's interpretation of this article, i.e. the application of the 30%/70% risk sharing on the difference in traffic between +2% and -2%. For 2013, Spain has considered that the range of the dead-band is not shared and that it is allocated to users (100%). For the purpose of this analysis there has been no traffic risk sharing applied to the dead-band, i.e. any gains (or losses) resulting from the difference in traffic between +2% and -2% is allocated to users.

The Spanish 2013 NSA Monitoring Report notes that although the difference in traffic in both Spain Continental (-12.3% vs. NPP) and Spain Canarias (-13.2%) has been higher than the 10% threshold set in the Performance Regulation, the NPP has not been revised.

At State / Charging Area level

Spain Continental's actual 2013 en-route unit cost (67.63 €2009) is -2.6% lower than planned in the NPP (69.44 €2009) as the difference in traffic (TSUs are -12.2% lower than planned in the NPP) is exceeded by difference in costs (real en-route costs are -14.5% lower than the determined costs set in the NPP).

Spain Canarias's actual 2013 en-route unit cost (64.43 €2009) is +8.2% higher than planned in the NPP (59.54 €2009) as the difference in traffic (TSUs are-13.2% lower than planned in the NPP) is not matched by a comparable difference in costs (real en-route costs are -6.1% lower than the determined costs set in the NPP). With traffic levels in 2013 -12.2% lower than planned, Spain Continental has exceeded the -10% threshold in 2013 (this threshold was marginally exceeded in 2012 also, at -10.2% difference in traffic between actual and planned).

Spain Canarias has also exceeded the -10% threshold in 2013, with traffic -13.2% lower than planned. The traffic threshold was not exceeded in 2012 (-6.2%). In 2013, AENA reports losses due to traffic risk sharing in the region of -€15.1 M€2009, approximately -€2.5 M€2009 less (-15%) than the losses experienced in 2012. Losses are also expected due to traffic risk sharing in 2014.

According to the May 2014 STATFOR forecasts, outturn traffic levels in 2014 are also likely to more than -10% lower than planned (the most recent traffic forecast for 2014 predicts that total traffic will be -13% lower than planned in the NPPs; -12% and -16% for Continental and Canarias respectively).

Total real en-route costs in 2013 are -14.5% lower than planned in 2013 for Spain Continental (actual 2013 costs 571.3 M€2009) and -6.1% lower for Spain Canarias (actual 2013 costs 97.7 M€2009). Actual inflation in 2013 is approximately in line with the forecast in the NPP (1.4%), however inflation in previous years has been higher than planned resulting in the inflation index being 1.6 p.p. higher in 2012 (index based in 2009).

The -103.5 M€2009 reductions seen in total costs in 2013 against the plan are driven primarily by the ATSP, AENA, which has actual costs in 2013 that are -13.9% lower than planned. Other entities also contribute to the overall reduction in costs, including the MET Service Provider, other ANSPs and NSA/EUROCONTROL (-14.5 M€2009 in total), however the overall reduction is driven by AENA (a reduction of -89.0 M€2009). Cost reductions were seen in all cost categories across both en-route charging zones.

Costs exempt from cost sharing are reported for a total of 1.1 M€2009 to be passed on to the users for the en-route activity in 2013, applying mainly to AENA (VAT increase). EA-ANSP contributes a small amount due to changes in interest on loans, as does NSA/EUROCONTROL, recording a negative cost of -0.04 M€2009. These costs will be eligible for carry-over to the following reference period(s), if deemed permissible by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Actual 2013 AENA costs vs. NPP

For AENA, total actual en-route costs in 2013 are -13.9% below the determined costs in real terms. Staff costs comprise just under half of this difference, at -9.4% lower than planned, or a difference of -37.0 M€2009. These savings were "*derived in great measure by the Social Plan for Voluntary Lay-offs adopted in 2012*", reducing staff by 249 in the first half of 2013. Other operating costs are -28.7% lower in real terms than planned. These savings were the result of a combination of "austerity policies" adopted by AENA.

Depreciation costs are -11.8% lower than planned due "*rationalisation of investment plans*". This decrease is anticipated as actual capex in 2012 was -45.5% lower than that planned in the NPP, while the capex planned for 2013 has also not fully materialised (-67.8% vs. NPP). The cost of capital in 2013 is 44.9 M€2009, which is -8.5 M€2009 lower than planned (-15.9%). This is primarily due to a lower total asset base size (-17.1%) as a result of a smaller capital investment programme. The higher-than-planned equity ratio (73% equity vs. 41% in NPP) is offset by the pre-tax return on equity rate (8.8%) being lower than planned (11.3%), while the average interest on debt is also lower than that foreseen in the NPP (2.5% vs. 4.0%). AENA reports a significant reduction (-61.1%) in exceptional costs. This fall is the result of the "*actuarial review and the new ATCO collective agreement signed in 2011*" which led to the revision of the existing provision (a decrease of 144 M€2009) and consequent reduction of the annual pending amounts in 2011 and through RP1.

Costs exempt from cost sharing for AENA are reported for a total of 1.1 M€2009 to be passed on/reimbursed to the users for the en-route activity, corresponding to the difference of the planned values for operating costs as a result of increases in national taxation (VAT). As noted above, these costs will be eligible for carry-over to the following reference period(s), if deemed permissible by the European Commission.

In 2013, actual traffic was -12.4% lower than planned, resulting in an overall loss due to traffic risk sharing across Spain Continental and Spain Canarias en-route charging zones of -15.1 M€2009 for AENA. This amount is determined by applying the assumption taken by Spain that traffic risk sharing does not apply in the dead-band i.e. that all losses resulting from the difference in traffic between +2% and -2% are allocated to the users. In the case that this exemption from traffic risk sharing in the dead-band is not accepted, losses for AENA would be larger. No incentives were applied in 2013. In 2013, the actual total asset base was 632.7 M€2009, or -17.1% lower than planned. In 2013, actual capex was 52.1 M€, -109.9M€ less than planned in the NPP. Investments planned for 2013 in the NPP amounted to 162M€, reduced in the 2013 Air Navigation Annual Plan to 88.1 M€, of which 52.1 M€ was actually spent. No postponed investments have been brought over from previous years. There was no capex in 2013 for new projects that were not included in the NPP.

AENA net gain/loss and estimated surplus on en-route activity in 2013

As shown in item 5, the en-route activity for the year 2013 generated a net gain of +63.1 M€2009 for AENA overall. This is the combination of two separate elements:

- a gain of +78.2 M€2009 for AENA as a result of the cost-sharing mechanism, taking into account the costs exempt from cost sharing as submitted in the Reporting Tables (1.1 €2009); and
- a loss of -15.1 M€2009 as a result of the traffic risk sharing mechanism for 2013 (assuming no losses to AENA from dead-band).

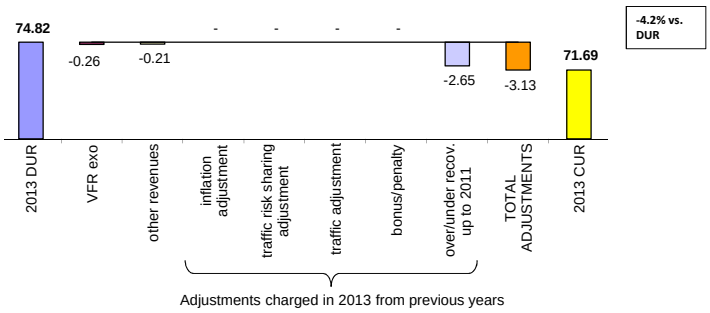
On the profitability side for the en-route activity, the ex-ante estimated surplus embedded in the cost of capital through the return on equity planned in the NPP amounted to +35.7 M €2009, corresponding to an estimated surplus of +5.6% of the en-route revenues for 2013. Ex-post, the estimated surplus for the year is calculated by adding the surplus embedded in the cost of capital (+52.5 M€2009) and the net gain from the en-route activity in 2013 (+63.1 M€2009), gives a total of +115.7 M€2009 for 2013, corresponding to +18.4% of the en-route revenue in 2013. The resulting ex-post rate of return on equity for 2013 is +24.9% (compared to +11.3% as initially planned in the NPP). This indicates that in 2013, AENA was in a position to retain the part of surplus embedded in the cost of capital and to generate extra gains arising from the lower costs than planned in 2013. This adds to the overall positive estimated surplus for the en-route activity generated by AENA in 2012 of +61.0 M€2009 or +9.9% estimated surplus of en-route revenues in 2012 leading to an ex-post rate of return on equity of +14.0%.

Conclusion : **Within the context of actual traffic in 2013 that was overall -12.4% lower than planned across both Spain Continental and Spain Canarias charging zones, AENA reduced its en-route costs through staff savings, austerity policies and reduced investments and in 2013 they were -13.9% lower than planned, which despite the loss under the traffic risk sharing mechanism (assuming no losses to AENA within the dead-band) resulted in a net gain on the en-route activity compared to the NPP. AENA's estimated surplus in respect of the 2013 en-route activity would amount to 115.7 M€2009, corresponding to 18.4% of the en-route revenue.**

SPAIN Continental **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Spain Continental 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR). The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;

- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

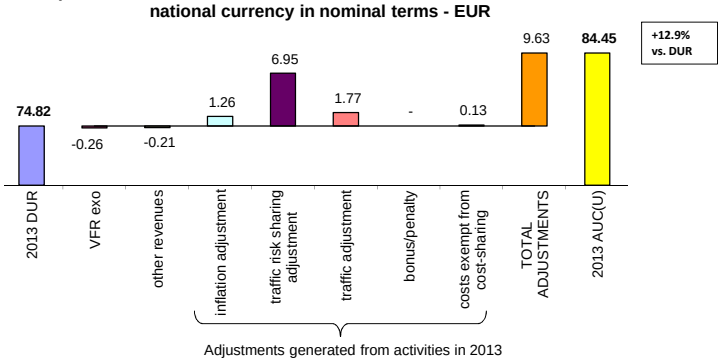
These costs and adjustments are divided by **the forecast total service units** for 2013 as laid out in the performance plan.

In 2013, Spain Continental's CUR charged to users is 71.69€, -4.2% lower than the nominal DUR (74.82€). This difference is primarily comprised of over-recoveries up to 2011 received by AENA (-2.65€, or -3.5%). The remainder of the difference is driven by costs for services to exempted VFR (-0.26€, or -0.4%) and other revenues (-0.21€, or -0.3%).

AENA receives other revenues from publications and other minor technical and consulting activities, which accounts for approximately 1% of total en-route costs in absolute terms.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Spain Continental 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;

- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by the **actual total service units** in 2013.

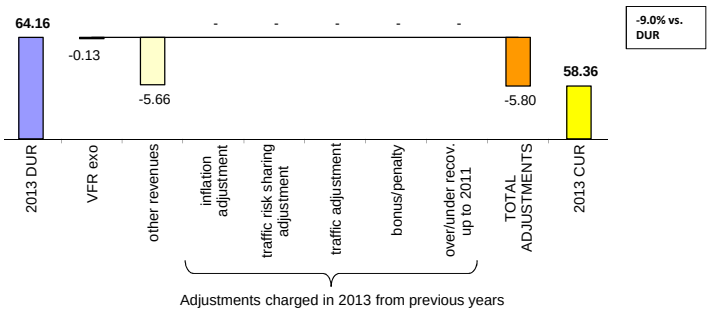
In 2013, Spain Continental's AUC-U is 84.45€, +12.9% higher than the nominal DUR (74.82€). The deduction of costs for services to exempted VFR and for other revenues are as above in section 8.

All other adjustments generated from activities in 2013 are increases:
- 6.95€, or +9.3%, under the traffic risk sharing mechanism (traffic in Spain Continental was -12.2% lower than planned in 2013);
- 1.77€, or +2.4%, an adjustment reflecting the difference in traffic for costs not subject to traffic risk sharing;
- 1.26€, or +1.7%, for the inflation adjustment; and
- 0.13€, or +0.2% for costs exempt from cost sharing.

SPAIN Canarias **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

Spain Canarias 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

The CUR takes account of:

- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;

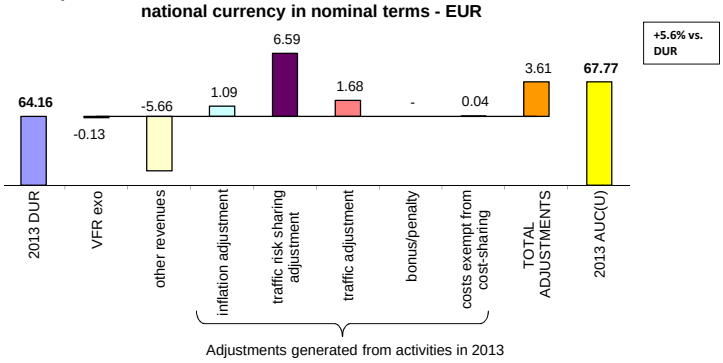
- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

In 2013, Spain Canarias's CUR charged to users is 58.36€, -9.0% lower than the nominal DUR (64.16€). This difference is primarily comprised of other revenues received by AENA (-5.66€, or -8.8%). The remainder of the difference is driven by costs for services to exempted VFR (-0.13€, or -0.2%).

AENA receives other revenues from publications and other minor technical and consulting activities, which accounts for approximately 1% of total en-route costs in absolute terms.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

Spain Canarias 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - EUR



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;

- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

These costs and adjustments are divided by the **actual total service units** in 2013.

In 2013, Spain Canarias's AUC-U is 67.77€, +5.6% higher than the nominal DUR (64.16€). The deduction of costs for services to exempted VFR and for other revenues are as above in section 8.

All other adjustments generated from activities in 2013 are increases:

6.59€, or +10.3%, under the traffic risk sharing mechanism (traffic in Spain Canarias was -13.2% lower than planned in 2013);
1.68€, or +2.6%, an adjustment reflecting the difference in traffic for costs not subject to traffic risk sharing;
1.09€, or +1.7%, for the inflation adjustment; and
0.04€, or +0.1% for costs exempt from cost sharing.

SPAIN **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

10. - Terminal costs and unit rates monitoring (2013)

		2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula	(MTOW/50)^		0.9	0.9	0.9	0.9	0.9
Number of airports in terminal charging zone			12	12	12	12	12
of which, number of airports over 50 000 movements			11	11	11	11	11

Spain - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in EUR)	296 699 042	207 969 277	197 696 761	182 534 898	170 362 749	169 074 168
Inflation index (100 in 2009)	100.0	102.0	104.7	106.3	107.8	109.4
Real terminal ANS costs - (in EUR2009)	**296 699 042**	**203 806 207**	**188 837 112**	**171 722 217**	**158 106 620**	**154 564 453**

Spain - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in EUR)	296 699 042	207 969 277	193 055 354	171 334 877	145 953 159	
Inflation index (100 in 2009)	100.0	102.0	105.2	107.7	109.3	
Real terminal ANS costs - (in EUR2009)	**296 699 042**	**203 806 207**	**183 502 257**	**159 039 639**	**133 477 192**	
Total terminal service units	953 954	966 720	1 008 085	935 578	890 486	
Actual real unit costs - (in EUR2009)	311.0	210.8	182.0	170.0	149.9	
Unit rate applied - (in EUR)				**17.12**	**17.12**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Terminal ANS costs for the charging zones - (in EUR)	in value				-11 200 021	-24 409 590	
	in%				-6.1%	-14.3%	
Inflation index (100 in 2009)	in p.p.				1.4 p.p.	1.6 p.p.	
Real terminal ANS costs - (in EUR2009)	in value				**-12 682 578**	**-24 629 428**	
	in%				**-7.4%**	**-15.6%**	

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

The terminal charging zone in Spain comprises twelve airports, of which eleven have over 50,000 movements per year. There has been no change to the terminal charging zone as compared to the NPP.

The terminal service unit formula (MTOW/50)^0.9 is applied, which is not harmonised with the SES formula using the 0.7 exponent.

Actual terminal ANS costs in 2013 are 133.5 M€2009, -15.6%, or -24.6 M€2009 lower than planned in the NPP. This difference is of a similar magnitude to that seen in the en-route costs (actual en-route costs were -13.4% lower than planned across both Spain Continental and Spain Canarias charging zones in real terms).

12. - Monitoring of gate-to-gate costs (2013)

Spain - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in EUR2009)	909 773 184	759 153 481	749 846 485	763 666 574	772 399 629	761 700 489
Real terminal ANS costs - (in EUR2009)	296 699 042	203 806 207	188 837 112	171 722 217	158 106 620	154 564 453
Real gate-to-gate ANS costs - (in EUR2009)	**1 206 472 226**	**962 959 688**	**938 683 597**	**935 388 790**	**930 506 250**	**916 264 942**
Share of en-route costs in gate-to-gate ANS costs	**75.4%**	**78.8%**	**79.9%**	**81.6%**	**83.0%**	**83.1%**

Spain - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in EUR2009)	909 773 184	759 167 032	715 394 068	720 327 727	668 892 050	
Real terminal ANS costs - (in EUR2009)	296 699 042	203 806 207	183 502 257	159 039 639	133 477 192	
Real gate-to-gate ANS costs - (in EUR2009)	**1 206 472 226**	**962 973 239**	**898 896 325**	**879 367 365**	**802 369 242**	
Share of en-route costs in gate-to-gate ANS costs	**75.4%**	**78.8%**	**79.6%**	**81.9%**	**83.4%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Real en-route costs - (in EUR2009)	in value				-43 338 847	-103 507 579	
	in %				-5.7%	-13.4%	
Real terminal ANS costs - (in EUR2009)	in value				-12 682 578	-24 629 428	
	in %				-7.4%	-15.6%	
Real gate-to-gate ANS costs - (in EUR2009)	in value				**-56 021 425**	**-128 137 008**	
	in %				**-6.0%**	**-13.8%**	
Share of en-route costs in gate-to-gate ANS costs	in %				**0.3%**	**0.4%**	

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

In 2013, Spain's actual gate-to-gate ANS costs (802.4 M€2009) are -13.8% lower than planned in the NPP (930.5 M€2009). This difference is driven by lower actual costs than planned in both en-route and terminal ANS costs of similar proportions.

The relative share of en-route costs in gate-to-gate ANS costs (83.4%) is marginally higher than planned in the NPP (83.0%) in 2013. Since 2011, the share of en-route costs in gate-to-gate ANS costs increased from 79.6% to 83.4%. This increase is in line with the NPP.

Performance Review Body
designated by
the European Commission

EUROCONTROL

PRB Annual monitoring report 2013

United Kingdom

Fact validated edition

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UNITED KINGDOM **Monitoring of SAFETY indicators for 2013**

Effectiveness of Safety Management				
	2012	2013	2014	State level Observations
State level	84	80		UK keeps high scores although this year they have downgraded themselves in two cases from E and D to C. Overall, the marks are high but they have been justified and were found to be consistent. (LV)
ANSP [NATS NERL]	84	84		
ANSP [NATS NSL]	84	84		
ANSP [Newcastle Airport]	62	66		
ANSP [East Midlands Airport]	73	82		

Application of the severity classification of the Risk Analysis Tool (RAT)								
		2012		2013		2014		
		No reported	Assessed (%)	No reported	Assessed (%)	No reported	Assessed (%)	
Separation Minima Infringements (SMIs)	ATM Ground	304	24%	289	100%			
	ATM Overall		24%		100%			
Runway Incursions (RIs)	ATM Ground	210	6%	162	100%			
	ATM Overall		6%		100%			
ATM Specific Occurences (ATM-Specific)	ATM Overall	318	15%	209	100%			

Just culture						
Number of questions answered with Yes or No	**State**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	8	2	7	3		
Legal/Judiciary	7	1	7	1		
Occurrence reporting and Investigation	2	0	2	0		
TOTAL	**17**	**3**	**16**	**4**		

Number of questions answered with Yes or No	**ANSP [NATS NERL]**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	11	2	11	2		
Legal/Judiciary	2	1	2	1		
Occurrence reporting and Investigation	7	1	7	1		
TOTAL	**20**	**4**	**20**	**4**		

Number of questions answered with Yes or No	**ANSP [NATS NSL]**					
	2012		**2013**		**2014**	
	YES	**NO**	**YES**	**NO**	**YES**	**NO**
Policy and its implementation	11	2	11	2		
Legal/Judiciary	2	1	2	1		
Occurrence reporting and Investigation	7	1	7	1		
TOTAL	**20**	**4**	**20**	**4**		

Number of questions answered with Yes or No	ANSP [Newcastle Airport]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	5	8	4	9		
Legal/Judiciary	3	0	2	1		
Occurrence reporting and Investigation	1	7	2	6		
TOTAL	**9**	**15**	**8**	**16**		

Number of questions answered with Yes or No	ANSP [East Midlands Airport]					
	2012		2013		2014	
	YES	NO	YES	NO	YES	NO
Policy and its implementation	4	9	8	5		
Legal/Judiciary	1	2	2	1		
Occurrence reporting and Investigation	2	6	3	5		
TOTAL	**7**	**17**	**13**	**11**		

UNITED KINGDOM **Monitoring of CAPACITY indicators for 2013**

Minutes of ATFM en-route delay				
	2012	2013	2014	Observations
Reference value	0.31	0.28	0.27	
National Target	0.31	0.26	0.26	
Actual performance	0.07	0.13		

National capacity assessment

Actual performance in 2013 has been better than planned performance.

PRB Capacity assessment

With the capacity performance in 2012 AND 2013, the United Kingdom has met both the national target and the level of performance required to be consistent with the EU-wide target for those years. The PRB welcomes the commitment of the United Kingdom to improve capacity performance and is confident that the United Kingdom can provide a positive contribution to capacity performance in 2014.

Effective booking procedures

The ratio of time airspace was actually used for activity requiring segregation or restriction from GAT and the amount of time it was allocated as being restricted on the day of operations: 33%

The ratio of time airspace, that was surplus to requirement, was released with more than 3 hours' notice to the Network Manager and the amount of time it was allocated as being restricted on the day of operations: 24%

The ratio of time airspace was neither used nor released with at least 3 hours' notice to the Network Manager, but was allocated as being restricted on the day of operations: 42%

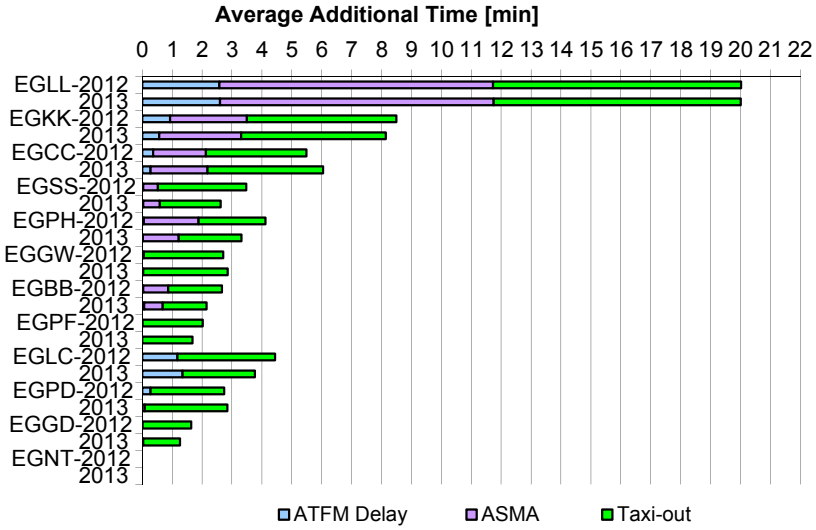
Recommendations

UNITED KINGDOM **Monitoring of CAPACITY indicators for 2013**

Airport subject to RP1

Map data ©2012 Google

Observations



Airport Performance Monitoring

Airport Name	ICAO Code	RP1 Year	Average of Apt. ATFM arr. Delay [min./arr.]	Total Apt. ATFM arr. delay [min.]	Additional ASMA time [min./arr.]	Total Additional ASMA time [min]	Additional taxi-out time [min./dep.]	Total Additional taxi-out time [total]	Sum of Total Additional Time [min]
London/Heathrow	EGLL	**2012**	2.6	611 700	9.2	2 104 568	8.3	1 944 368	4 660 635
		2013	2.6	612 200	9.2	2 037 174	8.3	1 876 409	4 525 783
London/Gatwick	EGKK	**2012**	0.9	114 686	2.6	305 864	5.0	565 241	985 791
		2013	0.6	70 923	2.7	329 661	4.8	557 236	957 820
Manchester	EGCC	**2012**	0.4	30 969	1.8	144 644	3.4	263 878	439 491
		2013	0.3	23 503	1.9	155 675	3.9	304 503	483 681
London/Stansted	EGSS	**2012**	0.0	2 372	0.5	33 089	3.0	192 265	227 725
		2013	0.0	2 056	0.6	35 725	2.0	138 220	176 001
Edinburgh	EGPH	**2012**	0.1	2 736	1.8	98 659	2.2	115 795	217 190
		2013	0.0	1 200	1.2	64 762	2.1	109 995	175 957
London/Luton	EGGW	**2012**	0.0	2 380	Not Applicable		2.7	128 787	131 167
		2013	0.0	1 234	Not Applicable		2.8	131 446	132 680
Birmingham	EGBB	**2012**	0.0	1 296	0.8	35 462	1.8	75 949	112 707
		2013	0.1	2 951	0.6	27 238	1.5	65 280	95 470
Glasgow	EGPF	**2012**	0.0	174	Not Applicable		2.0	77 173	77 347
		2013	0.0	0	Not Applicable		1.7	63 649	63 649
London/City	EGLC	**2012**	1.2	41 362	Not Applicable		3.3	115 118	156 480
		2013	1.3	49 447	Not Applicable		2.4	89 423	138 870
Aberdeen	EGPD	**2012**	0.3	9 718	Not Applicable		2.5	81 374	91 092
		2013	0.1	3 077	Not Applicable		2.8	93 816	96 893
Bristol/Lulsgate	EGGD	**2012**	0.0	296	Not Applicable		1.6	47 946	48 242
		2013	0.0	760	Not Applicable		1.2	38 445	39 205
Newcastle	EGNT	**2012**	0.0	0	Not Applicable		**Data quality issue**		0
		2013	0.0	0	Not Applicable		**Data quality issue**		0
Weighted average		**2012**	**1.0**		**4.6**		**4.7**		
		2013	**0.9**		**4.5**		**4.5**		
Grand Total		**2012**		**817 689**		**2 722 284**		**3 607 892**	**7 147 865**
		2013		**767 351**		**2 650 236**		**3 468 420**	**6 886 008**
			⇨	**-6%**	⇨	**-3%**	⇨	**-4%**	**-4%**

• These statistics are based on the SES Dashboard released on 30/04/2014. Please connect to the SES dashboard for updated figures, if required.

• ⇧ represents performance improved by more than 30" in average per movement (arrival or departure accordingly) whilst ⇩ depicts degraded performance by more than 30" in average per movement. Stabilised performance is represented by ⇨.

Critical Issues
• Mandatory data items partially missing (STATUS C.R.) at Heathrow, Gatwick, Edinburgh, Luton, Aberdeen and Glasgow airports. • Data quality issue (AOBT), and missing data (DRWY, STATUS C.R.) at Newcastle airport. • Data continuously provided over-schedule by Gatwick Airport. • For Gatwick and Birmingham Airports the UK CAA figures differ with one decimal, however, this difference does not affect the national average.
Specific Analysis
• London Heathrow remains close to two and half minutes ATFM delay per arrival , what is the highest record in Europe with Zurich. To be noted that weather remains the predominant factor affecting Airport Arrival ATFM Delay in general. • Within the European context, London Heathrow also remains the outlier for additional ASMA time (9.2 minutes per arrival). The local scheduling process, economic attractiveness of the airport slots and operational procedures maintain a significant systemic level of delay. • Additional taxi-out time remains great in average at London Heathrow with 8.3 minutes per departure, what is the highest record with Roma Fiumicino. • London Gatwick also accumulated additional ASMA time greater than the European average (2.7 minutes per arrival).

UNITED KINGDOM

Monitoring of en-route and terminal COST-EFFICIENCY for 2013

1. - Contextual economic information

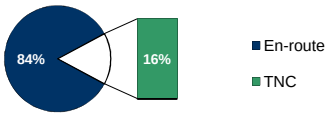
- United Kingdom represents 11.7% of the SES en-route ANS determined costs in 2013.
- ATSP : NATS (Continental)
- FAB : UK-Ireland
- National currency: GBP
- Exchange rate 2009: 1 EUR= 0.890647

Note on the actual exchange rate 2013

In 2013, the GBP depreciated by 4.7% compared to 2012.

*** See Note 1**

Share of en-route and terminal in gate-to-gate ANS actual costs



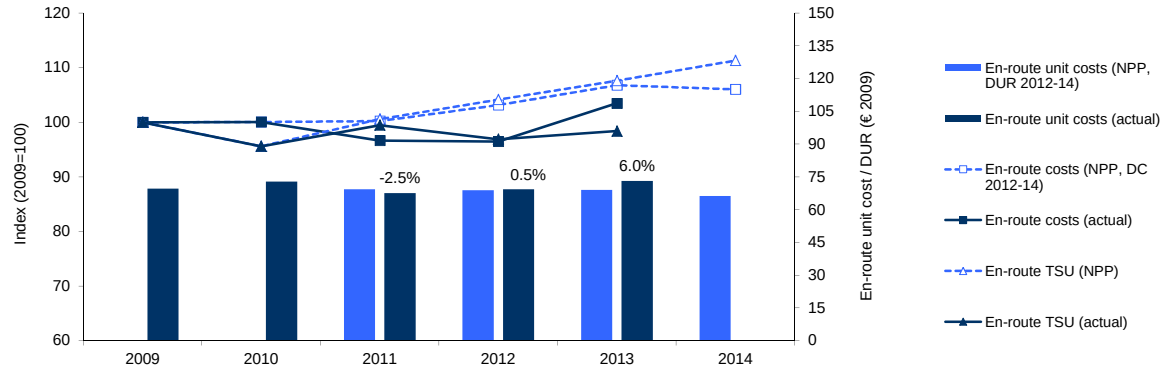
2. - En-route DUR monitoring (2013)

United Kingdom - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
En-route costs (determined costs 2012-2014) - (in nominal GBP) *	614 961 027	635 819 000	653 245 588	683 622 576	720 239 536	728 678 295
Inflation %		3.3%	2.5%	1.7%	1.8%	1.9%
Inflation index (100 in 2009)	100.0	103.3	106.0	107.8	109.7	111.7
Real en-route costs (determined costs 2012-2014) - (in GBP2009) *	614 961 027	615 272 884	616 521 390	634 383 429	656 811 034	652 161 188
Total en-route Service Units	9 914 403	9 480 262	9 971 189	10 324 932	10 667 227	11 034 647
Real en-route unit costs per Service Units - (in GBP2009)*	**62.03**	**64.90**	**61.83**	**61.44**	**61.57**	**59.10**
Real en-route unit costs per Service Units - (in EUR2009)*	**69.64**	**72.87**	**69.42**	**68.99**	**69.13**	**66.36**

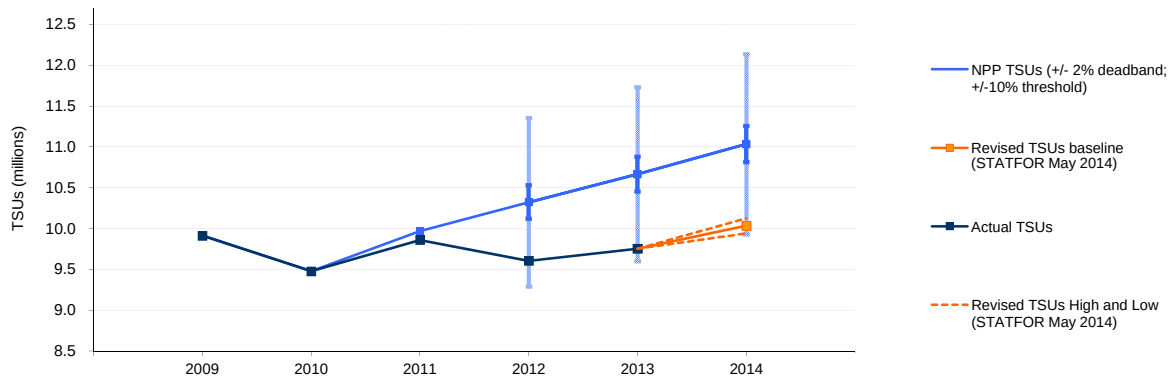
***See Note 2**

United Kingdom - Actual data from Jun-2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
En-route costs - (in nominal GBP)	614 961 027	635 819 108	641 778 915	658 740 665	724 832 527	
Inflation %		3.3%	4.5%	2.8%	2.6%	
Inflation index (100 in 2009)	100.0	103.3	108.0	111.0	113.9	
Real en-route costs - (in GBP2009)	614 961 027	615 272 988	594 296 850	593 388 797	636 378 036	
Total en-route Service Units	9 914 403	9 480 262	9 860 804	9 607 878	9 754 933	
Real en-route unit costs per Service Units - (in GBP2009)	**62.03**	**64.90**	**60.27**	**61.76**	**65.24**	
Real en-route unit costs per Service Units - (in EUR2009)	**69.64**	**72.87**	**67.67**	**69.34**	**73.25**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
En-route costs - (in nominal GBP)	in value				-24 881 910	4 592 990	
	in %				-3.6%	0.6%	
Inflation %	in p.p.				1.1 p.p.	0.8 p.p.	
Inflation index (100 in 2009)	in p.p.				3.3 p.p.	4.2 p.p.	
Real en-route costs - (in GBP2009)	in value				-40 994 632	-20 432 998	
	in %				-6.5%	-3.1%	
Total en-route Service Units	in value				-717 054	-912 294	
	in %				-6.9%	-8.6%	
Real en-route unit costs per Service Units - (in GBP2009)	in value				**0.32**	**3.66**	
	in %				**0.5%**	**6.0%**	
Real en-route unit costs per Service Units - (in EUR2009)	in value				**0.36**	**4.11**	
	in %				**0.5%**	**6.0%**	



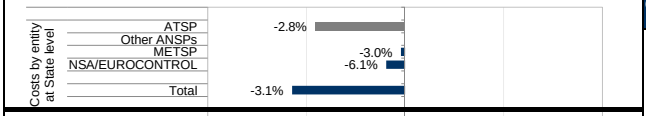
3. - En-route traffic monitoring (Actual 2012-2013 TSU compared to NPP and STATFOR 2014 May 2014 TSU forecasts compared to NPP)



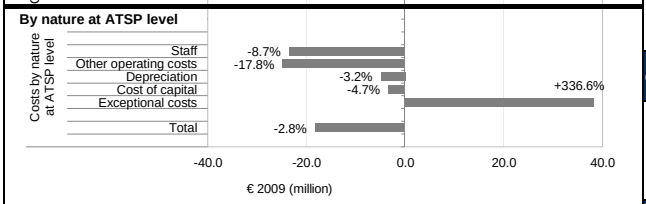
UNITED KINGDOM **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

4. - En-route costs monitoring (2013 actuals compared to NPP)

By entity at State level



By nature at ATSP level



Costs exempted from cost sharing (by factor/item)	2013 ('000€2009) Estimate
Pension	2 142
Interest rates on loans	-
National taxation law	-
New cost item required by law	-
International agreements	-316
Costs exempted from cost sharing (by entity)	**2013 ('000€2009) Estimate**
ATSP	2 142
Other ANSP	-
METSP	-
NSA/EUROCONTROL	-316
Total costs exempted from cost sharing to be recovered from (+)/ reimbursed to (-) users if eligible after EC verification	**1 826**

5. - Focus on ATSP - "Net" ATSP gain/loss on en-route activity in 2013

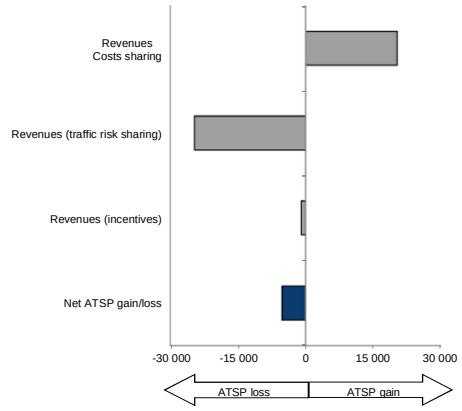
Cost sharing ('000€2009)	2013A
Determined costs for the ATSP (NPP)	645 146
Actual costs for the ATSP	626 922
Difference in costs: gain (+)/Loss (-) retained/borne by the ATSP	18 224
Amounts excluded from cost sharing to be recovered from (+) reimbursed to (-) users	2 142
Gain (+)/Loss (-) to be retained by the ATSP in respect of cost sharing	**20 366**

Traffic risk sharing ('000€2009)	2013A
Difference in total service units (actual vs NPP)	-8.55%
Determined costs after deduction of costs for exempted VFR flights	621 115
ATSP gain (traffic between 0 and +2% higher than NPP)	-
ATSP gain (traffic between +2% and +10% higher than NPP)	-
ATSP loss (traffic between 0 and -2% below NPP)	-12 422
ATSP loss (traffic between -2% and -10% below NPP)	-12 209
Gain (+)/Loss (-) to be retained by the ATSP in respect of traffic risk sharing	**-24 632**

Incentives ('000€2009)	2013A
ATSP bonus (+) / penalty (-)	-972
Gain (+)/Loss (-) to be retained by the ATSP in respect of incentives	**-972**

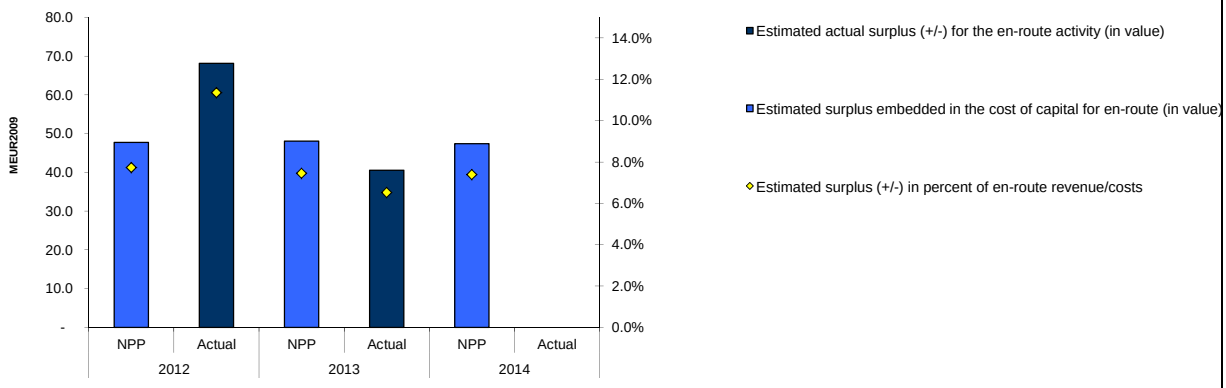
Net ATSP gain(+)/loss(-) on en-route activity	**-5 238**

Combined effect of variations in costs and revenue for 2013 ('000€2009)



6. - En-route ATSP estimated surplus (2013)

ATSP estimated surplus ('000€2009)	2012P	2012A	2013P	2013A	2014P	2014A
Total asset base	1 034 824	1 016 752	1 042 024	993 331	1 026 584	
Estimated proportion of financing through equity (in %)	40%	40%	40%	40%	40%	
Estimated proportion of financing through equity (in value)	413 843	408 744	416 706	396 833	410 554	
Estimated proportion of financing through debt (in %)	60%	60%	60%	60%	60%	
Estimated proportion of financing through debt (in value)	620 982	608 007	625 318	596 498	616 030	
Cost of capital pre-tax (in value)	69 989	68 936	70 474	67 149	69 432	
Average interest on debt (in %)	3.6%	3.6%	3.6%	3.6%	3.6%	
Interest on debt (in value)	22 231	21 767	22 386	21 355	22 054	
Ex-ante RoE pre-tax rate (in %)	11.5%	11.5%	11.5%	11.5%	11.5%	
Estimated surplus embedded in the cost of capital for en-route (in value)	47 757	47 169	48 088	45 795	47 378	
Net ATSP gain(+)/loss(-) on en-route activity		20 961		-5 238		
Overall estimated surplus (+/-) for the en-route activity	**47 757**	**68 130**	**48 088**	**40 557**	**47 378**	
Revenue/costs for the en-route activity	**618 268**	**600 177**	**645 146**	**621 684**	**640 583**	
Estimated surplus (+/-) in percent of en-route revenue/costs	**7.7%**	**11.4%**	**7.5%**	**6.5%**	**7.4%**	
Estimated ex-post RoE pre-taxe rate (in %)	**11.5%**	**16.7%**	**11.5%**	**10.2%**	**11.5%**	



UNITED KINGDOM **Monitoring of en-route and terminal COST-EFFICIENCY for 2013**

7. - General conclusions on the monitoring of the 2013 en-route DUR

Notes on information provided by United Kingdom

Note 1: Exchange rate of the British Pound against the Euro
Between 2012 and 2013, the British Pound depreciated by 4.7% against the Euro. This issue does not affect the monitoring analysis provided in this document since the UK financial data expressed in Pounds (both actual and determined costs) were converted into Euros using the actual 2009 exchange rate.

Note 2: UK Determined Costs
The Determined Costs (DCs) provided by the UK in the Reporting Tables submitted in the context of the June session of the Enlarged Committee for Route Charges slightly differ from the information reported in the NPP for the years 2013 and 2014. This difference is due to the fact that the DCs of the MET Service Provider (UK MET Office) were still under discussion at the time of adoption of the NPP and have subsequently been revised downwards. In order to pass through the benefits of the reduction in determined MET costs to airspace users as quickly as possible, the UK has applied the revised costs to the 2013 and 2014 unit rates. The 2013 Monitoring Report uses the revised figures.

At State / Charging Area level

The actual 2013 traffic measured in Total en-route Service Units (TSUs) is -8.6% lower than the traffic planned in the UK National Performance Plan for RP1 (NPP). On the other hand, the actual 2013 en-route costs at State level are lower than the determined costs published in the NPP (i.e. -3.1% in real terms). As a result, the UK's actual real en-route unit cost (i.e. 73.25 €2009) is +6.0% higher than the Determined Unit Rate (DUR) for 2013 (i.e. 69.13 €2009), corresponding to an increase of +4.11 €2009.

The difference in actual TSUs compared to the NPP for 2013 falls outside the +/- 2% dead band foreseen in the traffic risk sharing mechanism, although it does not exceed the -10% threshold. The related loss is therefore shared between the airspace users and the ATSP.

According to STATFOR (May 2014 base case scenario) traffic is expected to rise by +2.9% between 2013 and 2014. However, the number of TSUs in 2014 is expected to be -9.0% lower than the figures provided in the UK NPP for RP1. Under the low case scenario, traffic would almost reach the alert threshold compared to the NPP (-9.9%).

In the UK, the actual cumulative inflation for the period 2009-2013 (13.9%) was 4.2 p.p. higher than planned in the NPP (9.7%). For this reason, while in nominal terms actual 2013 en-route costs are +0.6% higher than the determined costs, real en-route costs are lower than the real determined values (-3.1%).

The real reduction in costs is mainly due to lower costs related to the ATSP (NERL, -2.8%), which is discussed in more detail below. Costs were also lower than planned for the MET service provider (-0.9 M€2009, or -3.0% in real terms) and the NSA/EUROCONTROL (-3.8 M€2009, or -6.1% in real terms). NSA/ EUROCONTROL real costs were lower than planned due to lower EUROCONTROL costs and lower staff costs for the UK NSA (CAA).

Costs exempt from cost sharing are reported for a total of +1.8 M€2009 to be passed on to users for the en-route activity. These costs correspond to an unexpected variation in pensions costs (+2.1 M€2009) and a reduction in EUROCONTROL costs (-0.3 M€2009). These costs will be eligible for carry-over to the following reference period, if deemed allowed by the European Commission after verification on the basis of the NSA report establishing and justifying these exemptions.

At ATSP level

Actual 2013 NERL costs vs. NPP
NERL actual 2013 en-route costs are -2.8% lower than planned in real terms. This results from a combination of exceptional costs of 49.7 M€2009 (+38.3 M€2009 compared to planned in the NPP) and a reduction in all other cost categories.

Staff costs are -8.7% lower than planned in the NPP (-23.5 M€2009) as a result of pay restraints and lower headcount. The actual staff costs reported by NERL for the year 2013 do not include the accounting pension contributions as reported under IFRS but comprise regulatory pension allowances. According to the Additional Information provided with the November 2013 Reporting Tables the regulatory allowance for 2013, in accordance with the economic regulation regime, is 79.3 M£ compared to an accounting cost of 40.6 M£. Taking into account the accounting pension costs instead of the UK CAA allowances would lead to lower actual staff costs for NERL in 2013. The UK reported 49.7 M€2009 of exceptional costs in 2013 (+336.8% above the planned). According to the Additional Information provided with the en-route Reporting Tables this resulted from a higher than anticipated cost of the NERL voluntary redundancy programme in 2013, impacting over 240 people from all parts of NERL's business.

Other operating costs are -17.8% lower than planned in the NPP for 2013 (-24.8 M€2009). According to the Additional Information provided with the en-route Reporting Tables this reflects the costs reduction measures implemented by NERL, in particular continued supply chain savings, reduction in training costs and lower non-capitalisable expenditure on investment projects.

Actual depreciation costs are -3.2% lower than planned in real terms (-4.9 M€2009). As for the staff costs, the actual depreciation costs provided for NERL comprise the regulatory depreciation allowances which differ from the accounting depreciation costs. According to the Additional Information provided with the November 2013 Reporting Tables the regulatory allowance for 2013 is 150.9 M£ compared to an accounting cost of 81.0 M£.

The actual cost of capital is -4.7% lower in real terms than the figure reported in the NPP for the year 2013 (-3.3 M€2009). This difference mainly reflects the use of a lower asset base (-4.7% in M€2009) to compute the actual cost of capital for NERL. The reported asset base is indexed to inflation and includes adjustment for working capital as well as pension pass through adjustments, rolling incentive mechanisms and capitalised finance costs.

Information provided in the UK NSA Monitoring Report shows that NERL actual 2013 capex related to en-route are -14% lower than planned in the NPP (93.8 M£ compared to 109.0 M£), mainly due to the postponement of capex associated with the "New Common Workstation" (NCW) project (-17 M£) following a change in investment strategy so that the NCW is delivered as part of the iTEC FDP. There was also capex underspend on the iTEC FDP (-2.7 M£) and CNS infrastructure (-5.8 M£) offset by an overspend (+10.6 M£) on Centre Systems Software Development.

NERL net gain/loss and estimated surplus on en-route activity in 2013
As shown in item 5, the en-route activity for the year 2013 generated a net loss of -5.2 M€2009 for NERL. This is the combination of three separate elements:
a gain of +20.4 M€2009 for NERL as a result of the cost-sharing mechanism, taking into account the costs exempt from cost sharing as submitted in the Reporting Tables (+2.1 M€2009);
a loss of -24.6 M€2009 as a result of the traffic risk sharing mechanism for 2013; and,
a loss of -1.0 M€2009, corresponding to a penalty of £986k (nominal terms) eligible for payment by NERL as part of the incentive mechanism associated with the quality of service performance. The penalty was incurred because of an ATM system failure shutting down a large part of the UK airspace on December 7th 2013. The amount will be carried over the 2015 unit rate.

When estimating the NERL economic surplus, it is also important to account for the profit embedded in the cost of capital through the return on equity (+45.8 M €2009). As a result, the estimated economic surplus for the en-route activity in 2013 amounts to +40.6 M€2009, which implies an ex-post rate of return on equity of 10.2% (compared to 11.5% as initially planned in the NPP). This adds to the overall surplus generated by NERL in 2012 (+68.1M€2009 or +11.4% of en-route revenues in 2012, leading to an ex-post rate of return on equity of +16.7% in 2012).

For the calculation of the cost of capital NERL uses an inflation-adjusted regulated asset base and a real RoE and rate of interest on debt. This means that the ex-ante and ex-post rates of return on equity are in real terms.

It is noteworthy that the 2012 economic surplus has been updated since the 2012 PRB monitoring report, as a result of the addition of -3.1 M€2009, related to NERL pension costs, to the costs exempt from cost sharing submitted by the UK in respect of 2012.

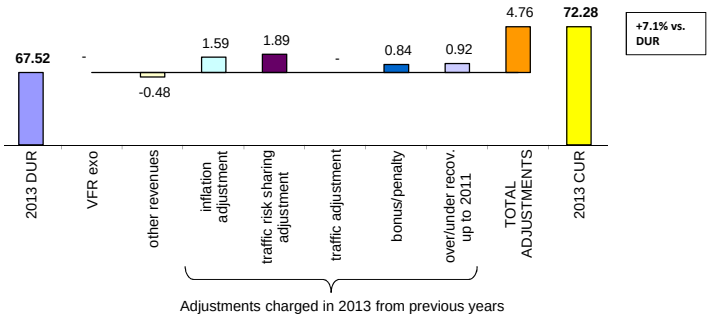
Conclusion: In 2013, despite a +20.4 M€2009 gain retained in respect of cost sharing, lower actual traffic than planned (-8.6%) and associated revenue losses (-24.6 M€2009) in addition to a penalty (1.0 M€2009) meant that NERL made a loss on en-route activity of -5.2 M€2009. However, the surplus embedded in the cost of capital (+45.8 M€2009) minus the en-route loss (-5.2 M€2009) results in an estimated surplus on the en-route activity for NERL of +40.6 M€2009 in 2013, which corresponds to +6.5% of the en-route revenue (down from +7.5% in the NPP).

UNITED KINGDOM

Monitoring of en-route and terminal COST-EFFICIENCY for 2013

8. - En-route DUR 2013 vs. 2013 unit rate charged to users

United Kingdom 2013 Chargeable Unit Rate (CUR) vs. 2013 DUR in national currency in nominal terms - GBP



The DUR for 2013 expressed in nominal terms differs from the actual en-route unit rate charged to users in 2013 (CUR).

The CUR takes account of:

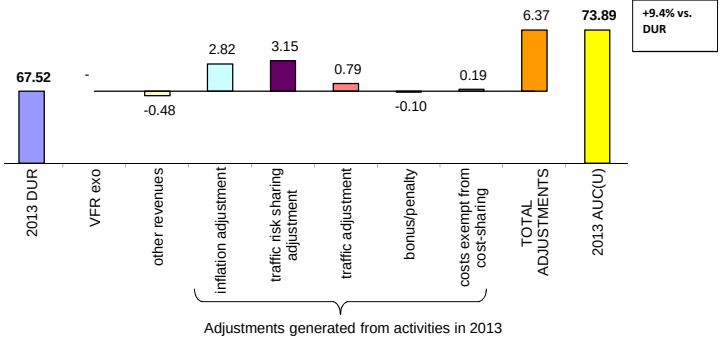
- the DUR, but also, a deduction of the costs for services to exempted VFR in 2013, as determined prior to the reference period and a deduction of 2013 other revenues;
- as well as **adjustments relating to the activities of previous years that are carried-over to 2013**. These adjustments include:
  * the inflation adjustment (but not applicable in 2013);
  * the adjustment resulting from the implementation of the traffic risk-sharing (ATSP) (but not applicable in 2013);
  * the adjustment resulting from the difference in traffic (for costs not subject to traffic risk sharing) (but not applicable in 2013);
  * the bonus/penalty from previous year(s).
  * the legacy carry-overs incurred in the full cost recovery regime up to and including 2011. For 2013, in most charging zones, these consist exclusively of legacy carry-overs incurred in the full cost recovery regime up to and including 2011.

The actual Chargeable Unit Rate (CUR) charged to users in 2013 is £72.28. This is +7.1% higher than the nominal DUR (£67.52), due predominantly to adjustments for inflation and traffic risk sharing, following from higher than planned inflation and lower than planned traffic. NERL has a specific methodology for calculating these adjustments related to the conditions of its licence.

The CUR is also increased by adjustment for the bonus and under recovery up to 2011, slightly offset by a reduction due to other revenues. The other revenues relate to the rebate of £5 million that was given to airspace users in the context of NERL's 2012 financial results through a reduction in the 2013 chargeable unit rate.

9. - En-route DUR 2013 vs. 2013 actual unit cost for users

United Kingdom 2013 Actual Unit Cost for users vs. 2013 DUR in national currency in nominal terms - GBP



The DUR for 2013 expressed in nominal terms can also be compared to the actual en route unit cost unit cost for airspace users (AUC-U) for 2013 (also sometimes referred to the "true cost for users"), which reflects the unit cost that the users incur in respect of the activities performed in 2013. The AUC-U comprises:

- the DUR, the deduction of the costs for services to exempted VFR in 2013 and the deduction of 2013 other revenues that has already been billed to the users through the chargeable unit rate;
- as well as **adjustments relating to the activities of 2013 but which will be charged or reimbursed to users in future years**. These adjustments include:
  * the inflation adjustment;
  * the adjustments resulting from the implementation of the traffic risk-sharing (ATSP);
  * the adjustments resulting from the difference in traffic (for costs not subject to traffic risk sharing);
  * the bonus/penalty for the current year;
  * the costs exempt from cost sharing (if deemed eligible).

The actual unit cost for users in 2013 (£73.89) is +9.4% higher than the nominal DUR (£67.52) due predominantly to adjustments for inflation and traffic risk sharing, following from higher than planned inflation and lower than planned traffic.

The actual unit cost is also increased by traffic adjustment for costs not subject to risk sharing and costs exempted from cost sharing, offset by a reduction due to other revenues (i.e. the rebate noted above) and the 2013 penalty.

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10.- Terminal costs and unit rates monitoring (2013)

	2009	2010	2011	2012	2013	2014
Terminal Service Unit Formula						
Number of airports in terminal charging zones Zone A	10	10	9	9	9	9
of which, number of airports over 50 000 movements	9	9	9	9	9	9
Number of airports in terminal charging zones Zone B	4	4	4	4	4	
of which, number of airports over 50 000 movements	4	4	4	4	4	4

United Kingdom - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Terminal ANS costs for the charging zones - (in GBP)	136 840 188	138 349 000	141 025 000	143 959 593	148 462 679	153 777 405
Inflation index (100 in 2009)	100.0	103.3	106.0	107.8	109.7	111.7
Real terminal ANS costs - (in GBP2009)	**136 840 188**	**133 878 334**	**133 096 848**	**133 590 644**	**135 388 188**	**137 629 536**
Real terminal ANS costs - (in EUR2009)	**153 641 328**	**150 315 819**	**149 438 384**	**149 992 807**	**152 011 053**	**154 527 591**

United Kingdom - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Terminal ANS costs for the charging zones - (in GBP)	136 840 188	130 232 458	126 651 472	129 685 562	134 741 215	
Inflation index (100 in 2009)	100.0	103.3	108.0	111.0	113.9	
Real terminal ANS costs - (in GBP2009)	**136 840 188**	**126 024 073**	**117 281 152**	**116 819 811**	**118 298 154**	
Real terminal ANS costs - (in EUR2009)	153 641 328	141 497 218	131 680 848	131 162 863	132 822 716	
Total terminal service units						
Actual real unit costs - (in GBP2009)						
Unit rate applied - (in GBP) - Charging zone Zone A						
Unit rate applied - (in GBP) - Charging zone Zone B						

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Terminal ANS costs for the charging zones - (in GBP)	in value				-14 274 031	-13 721 465	
	in%				-9.9%	-9.2%	
Inflation index (100 in 2009)	in p.p.				3.3 p.p.	4.2 p.p.	
Real terminal ANS costs - (in GBP2009)	in value				**-16 770 833**	**-17 090 035**	
	in%				**-12.6%**	**-12.6%**	
Real terminal ANS costs - (in EUR2009)	in value				**-18 829 944**	**-19 188 337**	
	in%				**-12.6%**	**-12.6%**	

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

In RP1, costs relating to the London approach service charge are neither captured in the en-route ANS cost monitoring nor in the terminal ANS cost monitoring.

In 2013, the two UK terminal charging zones comprise 13 airports (9 in zone A and 4 in zone B). Zone A includes airports handling between 50 000 and 150 000 commercial air transport movements per year. Zone B comprises airports with more than 150 000 commercial air transport movements per year. In the UK, terminal ANS costs are not recovered through Terminal Navigation Charges (TNC) but through revenues arising from contractual arrangements with airports operators.
Actual terminal ANS costs are -12.6% lower in real terms than planned in the UK NPP (-19.2 M€2009). The reduction in terminal costs is higher than the -3.1% observed for en-route. According to the Additional Information to the Terminal Reporting Tables, the lower than planned costs for Zone A were due to the fact that i) staff costs were lower than planned, and ii)planned restructuring costs were not incurred. For Zone B, costs were lower than planned due to savings associated with operation assets and deferred restructuring costs.

12.- Monitoring of gate-to-gate costs (2013)

United Kingdom - Data from RP1 national performance plan	2009A	2010A	2011F	2012P	2013P	2014P
Real en-route costs (determined costs 2012-2014) - (in GBP2009)	614 961 027	615 272 884	616 521 390	634 383 429	656 811 034	652 161 188
Real terminal ANS costs - (in GBP2009)	136 840 188	133 878 334	133 096 848	133 590 644	135 388 188	137 629 536
Real gate-to-gate ANS costs - (in GBP2009)	**751 801 215**	**749 151 217**	**749 618 238**	**767 974 073**	**792 199 222**	**789 790 724**
Real gate-to-gate ANS costs - (in EUR2009)	**844 106 829**	**841 131 467**	**841 655 828**	**862 265 379**	**889 464 875**	**886 760 663**
Share of en-route costs in gate-to-gate ANS costs	**81.8%**	**82.1%**	**82.2%**	**82.6%**	**82.9%**	**82.6%**

United Kingdom - Actual data from June 2014 Reporting Tables	2009A	2010A	2011A	2012A	2013A	2014A
Real en-route costs - (in GBP2009)	614 961 027	615 272 988	594 296 850	593 388 797	636 378 036	
Real terminal ANS costs - (in GBP2009)	136 840 188	126 024 073	117 281 152	116 819 811	118 298 154	
Real gate-to-gate ANS costs - (in GBP2009)	**751 801 215**	**741 297 061**	**711 578 002**	**710 208 608**	**754 676 189**	
Real gate-to-gate ANS costs - (in EUR2009)	**844 106 829**	**832 312 982**	**798 945 039**	**797 407 511**	**847 334 791**	
Share of en-route costs in gate-to-gate ANS costs	**81.8%**	**83.0%**	**83.5%**	**83.6%**	**84.3%**	

Difference between Actuals and Planned in absolute value and in percentage (Actuals vs. NPP)					2012	2013	2014
Real en-route costs - (in GBP2009)	in value				-40 994 632	-20 432 998	
	in %				-6.5%	-3.1%	
Real terminal ANS costs - (in GBP2009)	in value				-16 770 833	-17 090 035	
	in %				-12.6%	-12.6%	
Real gate-to-gate ANS costs - (in GBP2009)	in value				**-57 765 465**	**-37 523 033**	
	in %				**-7.5%**	**-4.7%**	
Real gate-to-gate ANS costs - (in EUR2009)	in value				**-64 857 867**	**-42 130 084**	
	in %				**-7.5%**	**-4.7%**	
Share of en-route costs in gate-to-gate ANS costs	in %				**0.9%**	**1.4%**	

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

Real 2013 gate-to-gate costs are -4.7% lower than planned following reductions in en-route (-20.4 M€2009, -3.1%) and terminal (-17.1 M€2009, -12.6%) costs compared to planned.

The allocation of gate-to-gate costs between en-route and terminal ANS appears quite stable over RP1 (approximately 83% share to en-route) and did not change significantly with respect to planned in 2013 (84.3% actual, 82.9% planned).