



**FABEC Position Paper on the proposed  
regulatory approach for the revision of the  
SES Performance Scheme  
addressing RP2**

## **Introduction**

FABEC ANSPs support the development of ATM performance management within Europe and consider a successful performance scheme to be a crucial part of this process.

FABEC ANSPs are fully committed to provide their contribution to the implementation of the performance driven approach for the achievement of the Single European Sky objectives. For this reason, the FABEC ANSPs would like to bring the following input to be considered in the work aimed at defining the details of the second Reference Period (RP2).

### **A. Overarching general elements**

#### **1. Duration and focus for RP2**

FABEC ANSPs recognise the need to reinforce the performance scheme with the extension of its scope to a gate-to-gate approach.

A reference period (RP) of three years is very short in consideration of the preparatory work required for the RP. However, in the context of the uncertainty and instability in traffic forecasts created by the current economic crisis, a period of five years is a long time. In this challenging context, FABEC ANSPs support to maintain the foreseen 5 years for the next reference periods, but to consider the following elements, which contribute to the stability of the framework, while allowing for the proper level of flexibility for the ANSPs to be able to adopt to the changing scenarios:

- a yearly review of the traffic forecast, including the adaptation of the unit rate, if necessary
- lowering the threshold (from 10% to 5%), triggering a review in case of problems
- midterm-review with a pragmatic approach to assess the essential parameters and to keep administrative burden at the same time at a minimum level
- upfront process for adjustments prior to starting the new RP in case of necessity

#### **2. Thresholds for airports/scope for the application of the scheme**

Considering the need to analyse interdependencies, data handling and comparability, FABEC ANSPs recommend to harmonize the size of the airports applicable for regulation. In this context, FABEC ANSPs propose to apply all airports with more than 50.000 commercial movements for regulation.

In addition, it should be left to the States, depending on their national law, to add airports representing specific political traffic interests.

#### **3. Fit for Purpose Regulation**

Any expansion of the Performance Scheme should follow “better regulation” principles of subsidiarity, proportionality, transparency and accountability.

The Performance Scheme should set the objectives (and some details wherever it is considered necessary by the regulated actors) without mandating specific tools. The stakeholders should keep the flexibility to decide on which tools they will use to achieve the targets.

Any target setting shall be based upon top-down and bottom-up considerations and shall follow subsidiarity principles.

#### **4. Alternative method to fix the risk premium**

FABEC ANSPs support PRB's intention to review the ROE criterion.

A first suggestion by FABEC ANSPs concerns the comparability of costs and determined unit rates. An idea would be to include risk premiums or costs for building up financial reserves to cope with risk sharing in the cost of capital.

Secondly, FABEC ANSPs suggest considering the following alternative to the ROE criterion. Instead of fixing a % of ROE to cover the risk premium, they would like to discuss the possibility to base the computation of the cost of capital on an "ideal-typical" "healthy" equity/debt ratio. Such a computation would allow to secure a certain risk premium in absolute terms (in €) even for ANSPs with a low equity/debt ratio. Indeed, experience learned from RP1 indicates that assessing the RoE criterion without considering the capital structure of the firm imposes that ANSPs with low equity/debt ratio have very limited risk premium in absolute terms and cannot properly cover their financial risk. Indeed, for a given % on ROE, the risk premium in absolute terms is decreasing because equity is decreasing.

#### **5. FAB dimension**

FABEC ANSPs support the implementation of the performance scheme at FAB level and welcome recognition of the need to establish clear accountability for achieving the targets within FABs. Strong commitment from Member States (and cooperation among them) is key to going forward in this direction. The establishment of a proper institutional and legal framework is a prerequisite for this change. In this line, it is important that possible targets as well as mechanisms for distribution of accountability among FAB entities are decided within the FAB.

FABEC ANSPs support the PRB's recommendation that within a FAB, States can decide to have different charging zones. FAB common charging zones should be a mid-term objective to allow a consistent intra-FAB performance management.

#### **6. Consideration of the SES tools**

FABEC ANSPs believe that the European regulatory framework must provide a well-defined and stable environment, taking into consideration that on-going SES initiatives have an impact on planning and performance: ATM Master Plan update, SESAR Deployment programme, Network Management Functions and Network Manager Plans, Functional Airspace Blocks.

FABEC ANSPs would welcome further explanation on the way the EC will consider the impact of NM's measures on operational stakeholders' performance at national/FAB level.

Coordination/cooperation between all operational stakeholders is essential, including cooperation/coordination between NM and operational units.

Regarding “convergence” (understood as consistency) with ATM Master Plan and SESAR Deployment, FABEC ANSPs recognise the principle that ANSP investment plans must have the appropriate performance focus and demonstrate alignment. FABEC ANSPs accept that PRB should carry out an appropriate assessment in this regard, i.e. at a programme level (not individual project), recognising local performance drivers and taking into account that benefit delivery extends beyond the RP2 period.

In the ATM Master Plan context, the following elements need to be considered:

- Due to economic crisis, the original target date to achieve the SES strategic goals has been set at the point in time when traffic has doubled vs. 2005.
- Investment costs relating to the deployment of SESAR that have been consulted on must be given recognition in the RP2 target setting process.
- Essential operational changes identified in the ATM Master Plan update have been selected through expert judgment and are subject to change between now and the production of the performance plans. They should be reviewed as part of the deployment scenarios when the outcomes of the validation exercises are known.
- The ATM Master Plan update anticipates very few validated operational improvements by the end of 2013 (Release 1 and 2).
- The stakeholders should be involved in the consistency check between RP2 targets and longer term plans. Actual SESAR investment costs and benefits will vary depending on local circumstances, e.g. system platforms, baseline functionality, service requirements, etc.

## **7. Timing to prepare RP2**

The learning process from RP1 should be extended to the whole RP1 duration and the outcomes should be integrated into the operation of the Performance Scheme at the earliest opportunity.

Time needed for developing a reference period, for preparing the performance plans, for assessing them and for target setting is challenging. FABEC ANSPs welcome the additional month for EU-wide target consultation but also suggest maintaining the duration of six months for the submission of the performance plans.

## **8. Importance of the trade-offs between all KPAs**

FABEC ANSPs welcome the proposal to address the interdependencies between all KPAs. An efficient performance management requires trade-offs among KPAs and/or KPIs (for instance, the balance between costs and delay). The importance of those trade-offs has to be recognised at all stages, particularly in the assessment of the performance plans.

FABEC ANSPs propose that the Total Economic Value concept be applied both when setting EU-wide targets and during the assessment of the Performance Plans. Some FABEC ANSPs even like to see it turned into an overarching KPI, although there is no consensus among FABEC ANSPs on this.

Although PRU's Performance Review Reports already include an indicator on total economic cost, there is not yet a commonly shared and agreed methodology interlinking the KPAs. EC guidance might be of help here. States however require a degree of flexibility in the application of the concept at Performance Plan level in order to provide

an analysis of total economic value that properly reflects local circumstances. As such, it is important for local customer requirements to inform the local focus for improvement within the trade-off between KPIs/KPAs.

With regards to safety, FABEC ANSPs recommend a qualitative safety reflection (certify no adverse effect on safety) on the basis of a common methodology rather than a full safety assessment. Otherwise, this would lead to a duplication of efforts, since the execution of safety assessments with regard to changes of the ATM functional system is already performed by ANSPs as regulated within IR 1035/2011.

## **9. Simplicity of the scheme and target setting**

The performance scheme should be as simple as possible to implement. The number of KPAs/KPIs/PIs should be limited to what is relevant to making a material contribution to the objectives of the performance scheme (some proposed RP2 PIs are considered to be of marginal relevance - please see below detailed viewpoints for each KPA.). .). In addition, the performance-oriented approach is about changing behavior, but then the whole system should remain manageable, which doesn't seem to be the case with 11 KPIs and an additional 19 PIs. Finally, one should not neglect the practical issue of data provision. In the current set-up of the performance scheme, with only a limited number of indicators, there is already a strong issue with the availability of data (more precisely on horizontal flight efficiency) which hampers the monitoring, reporting and management of performance.

In this light, any increase in the number of indicators, targets and monitoring activity must be considered against the severity of the problem that is addressed and the additional management/administrative burden that would result.

FABEC ANSPs are not in favour of the suggested possibility to changing or adding indicators during a reference period, as this would be counter-productive towards the necessity of keeping the system stable within one reference period. In addition, it could be difficult to retrace data backwards.

PIs should be effective as a means used in improving the safety/capacity/cost-efficiency/environment performance. To achieve this they should be simple, robust, easy to measure, repeatable and meaningful across all states and within FABs. KPIs and targets associated to them may be set when it is clear how the indicators can be meaningfully influenced and managed by ANSPs (i.e. the causal relation between measures and indicators must be understood). Targets would have to be apportioned in a meaningful way.

A balanced top-down and bottom-up approach shall be sought, a consistent and transparent system and consolidation methodology bridging EU-wide and local targets - e.g. through the definition of more detailed parameters or metrics that are agreed to influence achievable performance- shall ensure realistic target setting, also allowing for NSA analysis of local circumstances. Target setting shall recognise local decision making and stakeholder involvement early in the process, to ensure that local priorities within the trade-off between all KPAs are reflected in targets.

In general, the purpose and intention of target setting is to incentivise ATM actors to make decisions that could lead to improved performance for their customers.

## **10.Flexibility at local level**

As said earlier, it is important that the stakeholders should keep the flexibility to decide on which tools are best used to achieve the targets.

The significant negative impact on traffic volumes of the current economic crisis emphasises the uncertainty inherent in traffic forecasts. Reduced traffic makes cost targets more challenging. NSAs need to retain the flexibility to set targets and alert mechanisms appropriate to local circumstances.

In relation to cost targets this requires recognition of factors related to the ability of the ANSPs to finance their RP2 plans and include costs of achieving structural change.

In relation to safety, each organization must be able to focus, as appropriate, on tackling the most significant risks for them or for the total ATM safety performance.

## **11.Proper set of responsibilities/accountabilities of all stakeholders and incentives**

The extension of the scheme to cover the gate-to-gate dimension calls for a clear definition of the accountability of all local stakeholders in achieving local targets: airports, ground handling, ANSPs, airspace users. (for instance, in the context of runway incursion, horizontal flight efficiency, etc.).

KPIs and incentives set for ANSPs should only be focused on performance factors for which ANSPs carry accountability, and where they have control over performance outcomes and the data that underpin the measurements.

The application of incentives is a key instrument to drive the behaviour of the stakeholders towards improvement of performance for the benefit of operations and the network. The decision on whether to apply incentives or not should be made by NSAs based on their consideration of local circumstances.

## **12.Clear definitions and methodologies**

Clarity on definitions, data sources and measures is key before fixing any (new) KPIs, e.g. en-route/terminal volumes, etc..

FABEC ANSPs strongly support setting the definition of relevant metrics and assessment criteria and the development of robust data validation processes.

Any indicator (EU-wide, regional, local), used for monitoring or for target setting, should be based on metrics and methodologies which are transparent and can be replicated by individual ATM actors (e.g. ANSPs) (for instance to aggregate or compare risk). Transparency of data is fundamental.

## **13.Contestable markets**

FABEC ANSPs welcome the due consideration of the contestable markets and in that context, confidentiality of data, in the proposed regulatory approach for RP2. Contestability assessments should continue to be carried out by NSA / State with appropriate scrutiny by PRB / Commission.

FABEC ANSPs consider that the focus of any regulation should be to mitigate identified market failures that adversely impact on consumers. Where market conditions exist, the scheme needs to ensure that regulation does not duplicate these commercial arrangements and where such markets are developing, regulation should not hinder such development.

FABEC ANSPs support the proposal to enable Airports under “market condition” to be exempted from KPA cost efficiency and to foresee the application of the performance scheme in respect of all other KPAs. Target setting might be useful for some indicators, but financial incentives should be excluded.

#### **14. Mandatory data collection**

The collection of data should be limited to what is really relevant for implementing the performance scheme (e.g. review of the ACE Specification for Information Disclosure, data collection on the mitigation measures).

#### **15. Traffic forecast**

A reliable traffic forecast is quintessential to the success and robustness of the performance scheme, the more so with a reference period of 5 year. Indeed, performance targets are based on traffic forecast, so that the difference between this forecast and the actual traffic evolution can jeopardize the achievability of the targets.

FABEC ANSPs support the need to provide more precise reference to traffic assessment criteria and to clarify the date of the forecast to be used during the assessment of the performance plans. Assessment of traffic forecasts could take into account historical accuracy and be cross checked against local forecast GDP evolution and any other major factors identified to drive traffic volume in different States.

FABEC ANSPs also propose the idea of using an up-to-date traffic forecast in February 2014 to assess whether EU-wide targets need to be adjusted and to support production of performance plans. This would prevent a situation arising as it did with RP1 where due to the negative economic environment and high traffic instability, performance plans and EU-wide targets were not consistent with the latest traffic projections. Note that the criteria governing this review process should be more precise than the alert mechanisms contained in Article 18 of the current Regulation.

## **B. KPA related comments**

### **1. KPA Safety**

#### **Proposed target setting on RP1 Monitoring Indicators**

FABEC ANSPs support the PRB's intention to propose target setting for RP2 for the RP1 monitoring KPIs, provided they are considered as mature and effective by all stakeholders following the foreseen evaluation process.

At present, FABEC ANSPs see the EoSM indicator being potentially mature enough to set a target which would foster improving safety maturity levels.

In addition, a target in regard to the percentage of usage concerning the three occurrence categories of the RAT is also seen as possible and reasonable for RP2.

Maturity for target setting for the indicator "Just Culture" is questionable. Further development for this indicator is needed.

FABEC ANSPs judge it being important to involve all relevant stakeholders in the evaluation of the monitoring indicators' maturity and in their potentially necessary updating.

#### **Proposed monitoring indicators**

The introduction of new monitoring safety indicators is welcomed, provided they are meaningful and aim to improve the addressing of safety risks and the implementation of risk mitigation measures. It shall be avoided to turn them into KPIs with a target automatically/systematically for RP3. Only when adequate control is demonstrated by the State and the ANSP, target setting can be considered.

##### **1. Level of reporting**

In the context of the proposed introduction of automatic equipment for safety data collection, FABEC ANSPs see following major elements that need to be taken into consideration prior to introducing such an indicator:

- Automated tools might be valuable management tools, but this does not imply that they are good safety tools
- The implementation of such tools is subject to considerable investment and human resources requirements. The FABEC Performance Plan for RP1 asks the ANSPs to perform a cost benefit analysis and an initial feasibility study for the implementation of such tools, at least for the en-route area. FABEC ANSPs do recommend using the results of this analysis in the context of RP2 preparation. It is to be noted that just culture needs to be further developed and correctly addressed at the different levels (State & ANSP).

FABEC ANSPs support the PRB's proposal that States may decide on the chosen method for automated data collection.

##### **2. Quality of reports and analysis**

FABEC ANSPs generally support the suggested extension of the RAT methodology application, as this will in a next step enable to set measures to increase the level of safety.



Prior to deciding on which are the most suitable elements, FABEC ANSPs recommend to analyse their cost/resources and effects implications. All initiatives will require investments on ANSP competency (dedicated staff allocation, training), equipment and procedure development.

The use of a common list of causal / contributing factors for the occurrences analysis (operational & technical) is supported. It has to be consistent with the global aviation industry approach.

### 3. Mitigation measures

#### **Reporting on European level**

FABEC ANSPs would appreciate clarification about the intended ANSP contribution in connection with this considered indicator. Duplications with already existing reports at national level should be avoided.

#### **Reporting on national level – Implementation of SPPs**

FABEC ANSPs support this proposal.

#### **Reporting on national level – Trend analysis of lagging indicators**

FABEC ANSPs recognize the use in monitoring and trend analysing lagging indicators at national level, but would like to clarify that no target setting on this indicator should be envisaged, as it would not bring a benefit to safety.

Regarding the intention to introduce an indicator on reporting the evolving trends in different risk areas on a periodic basis, FABEC ANSPs support the usefulness of such an indicator. Such a reporting system would need to be established by the NSAs. Potentially, already existing reports at national level can be used. As the investigation phase can last up to four months, the reporting frequency cannot be set below half-yearly.

#### **Feasibility study and indicator development**

FABEC ANSPs do not support the planned feasibility studies as

- The cost/benefit relation is not assessed
- EU data gathering does not replace local data analysis
- ANSPs already have EU requirements on local runway safety teams (EAPRI/ESSIP)

The regulation shall be applied for the monitoring and improvement of the ANS overall safety performance only, rather than opening a “backdoor” for creating “new common requirements” or defining de facto “new standards for ANSP” through AMC. [EXAMPLE: A-SMGCS REQUIRED FOR DATA GENERATION, NOT SAFETY IMPROVEMENT]

## 2. KPA Environment

### **Proposed target setting for the indicator on en-route “Horizontal Flight Efficiency” (HFE)**

FABEC ANSPs support PRB’s proposal to have EU-wide targets on horizontal flight efficiency.

FABEC ANSPs would like to see a legislative baseline that includes airspace users in the performance scheme with the goal to improve their contribution to HFE, e.g. to address route planning inefficiencies

ANSPs cannot directly control fuel or CO<sub>2</sub> usage as this depends on airlines, airports and other industry partners. Therefore while recognising that an en-route HFE indicator should drive reduction of CO<sub>2</sub>-emissions, a metric based on fuel or CO<sub>2</sub> would mask ANSP performance. Hence ANSPs agree with a HFE metric based on distance.

A meaningful KPI requires the actual trajectory to be taken into account. FABEC ANSPs support the PRB’s intention to adapt the calculation method to the definition of EC 691/2010 (actual trajectory versus GCD). This calculation method has to measure the real actual trajectory based on CPR data and should not approximate it like the CFMU Model 3 does.

The proposed regulatory approach talks about EU target/FAB target and NM target for the environment KPA and then talks about EU target and Performance Plan target for the KPAs. Clarity is required to understand the difference between the various levels. As far as the flight efficiency is concerned, FABEC ANSPs recommend the EU-wide target being set on the NM as this is the only body having the overall network view. FABEC ANSPs would like to keep the NM having the network view which is to their opinion essential, especially in terms of ASM/ATFCM. Targets at other levels are acceptable provided that consistency and/or complementarity with the EU-targets are proven and provided that eventual targets at other levels do not hamper the efficiency of the coordination work between NM and ANSPs nor lead to a loss of network view and effect for the NM.

### **Horizontal and vertical flight efficiency**

Horizontal and vertical flight efficiency determine fuel flow and CO<sub>2</sub> emissions, therefore it is essential to improve the horizontal flight efficiency and to develop ways to optimise the vertical flight trajectory. FABEC ANSPs would be interested to learn, if the PRB did evaluate some options to address the vertical flight efficiency in RP2 and if so, with what results.

Horizontal and vertical flight efficiency are interlinked and should therefore preferentially be assessed simultaneously in order to avoid having a flight flying along the ‘perfect’ horizontal path while being at a very inefficient level. There may also be a relation between Continuous Climb and Continuous descent performance. Therefore FABEC ANSPs suggest to consider a horizontal and vertical flight efficiency indicator that addresses both arrivals and departures.

### **Financial incentives**

The decision on whether to apply incentives should be left to the NSA.

### **Proposed target-setting for the indicators “Additional time in taxi-out phase” and “Additional time in ASMA”**

FABEC ANSPs share the view that the “additional time in taxi-out phase” and “additional time in arrival sequencing and metering area” are not mature enough for target setting in RP2. The necessary next steps for those indicators should be:

1. Finalisation of the definition, including clarification of data sources in order to be able to monitor them in RP1
2. Review of the monitoring in order to assess if they are valid indicators for specific performance improvement areas (taking into account external restrictions like imposed runway use).

Those comments also apply to the suggested monitoring of those 2 indicators for the non-coordinated airports.

### **Proposed monitoring of the effective use of civil/military airspace structures**

FABEC ANSPs support to continue the monitoring of the effective use of civil/military airspace structures, also in the context of interdependencies with other KPAs. In addition, they see a merit in developing an indicator addressing civil/military airspace structures (and their use) in the future as a necessary step towards EU performance improvement, since the military airspace structure (and use) is a key element in the current capacity and flight efficiency limitations.

### **Local noise issues and local air quality**

FABEC ANSPs support the PRB’s view, that SES is not an appropriate tool to address local noise issues. However, they would be interested in the position of PRB on a noise-oriented CDO indicator often asked for by the communities.

FABEC ANSPs also support the PRB’s view on LAQ being an important and primarily also local issue, not to be included in the RP2 approach.

### **General issues**

From our meeting with PRB on 03 May 2012 we understand PRB agrees that ANSPs do **not** have an impact on fuel burn during take-off and landing.

(Positive or Negative) Interdependencies and (Negative) trade-offs between ENV and CAP KPIs have to be analysed and considered prior to target setting.

### **3. KPA Capacity**

#### **Proposed target-setting on the indicator “En-route ATFM delay per flight”**

FABEC ANSPs support the proposal for target setting on en-route ATFM delay per flight applicable from RP2. However, to make it more relevant, the target setting should take into account the traffic level. So far (RP1) one single value has been set despite of the traffic evolution.

#### **Financial incentives**

The decision on whether to apply financial incentives should be left to the NSAs. The regulation can specify design features and criteria to be respected where NSAs consider application is appropriate.

#### **Proposed target setting on the indicator “Terminal ATFM delays”**

FABEC ANSPs support the proposal for target setting on ATFM delays attributable to airport ANS weighing up that further specification is required regarding minutes of the delay attributable to weather, exceptional events or other causes for regulation that could be considered as not being part of the indicator. In addition, there should be no differentiation between coordinated and non-coordinated airports to avoid demotivating the latter ones to become coordinated.

#### **Future indicator**

FABEC ANSPs support investigation for future reference periods for indicators that could better reflect the different airspace characteristics (size, complexity, etc.).

#### **Proposed target setting on the indicator “ATFM slot adherence”**

FABEC ANSPs support the envisaged target setting on the ATFM slot adherence indicator. This indicator corresponds to the requirements of IR 255, is being reported by the CFMU since 2008 and therefore represents a mature indicator, which can help to improve performance in the terminal area.

Clear accountability setting is necessary for the three above indicators: delay has to be split into regulation causes under/not under managerial control. Consideration in overall must be given to highlighting specific performance influences from non-ANS players when monitoring / targeting ANS performance (due to the very direct interactions between players, i.e. airports, airlines and ATM and the existence of different business models for terminal ANS across EUR). The number of KPIs need not necessarily be increased but be better focused on relevant performance drivers. ANSPs are supportive of providing information for benchmarking purposes.

However, the collection of data should be fully justified and present an added value for the performance scheme.

#### **Proposed monitoring on the indicators “ANS related local delay at the gate” and “airport resilience”**

FABEC ANSPs consider that there are sufficient PIs to be monitored on capacity and therefore favour to withdraw the reference to the other indicators (“ANS related local delay at the gate” and “airport resilience”).

#### **4. KPA Cost Efficiency**

##### **Proposed target-setting for the indicator “En-route determined unit rate”**

FABEC ANSPs accept that the En-route Determined Unit Rate is retained as the En-route KPI for cost efficiency at both EU level and Performance Plan level. They would appreciate it, if the definition of the KPI could be revised for better consistency and readability (excluding of VFR service units, treatment of ancillary services, removal of confusion created by the used terminology “determined unit rate” and “charged unit rate”).

##### **No additional KPIs for en-route**

FABEC ANSPs also support the proposal not to introduce additional KPIs for en-route.

##### **Future development of cost-efficiency indicators**

Target setting shall recognise local decision making and stakeholder involvement early in the process, to ensure that local priorities within the trade-off between cost and other KPAs are reflected in targets. While the determined UR is a starting point for en-route and Terminal KPIs, there is a need for improved metrics in the future to analyse costs that are controlled by the ANSP. In this context target setting needs to take into account:

- Financeability of cost allowances (incl. realistic return to incentivise investment)
- Cost of making savings (e.g. redundancy costs)
- Diminishing returns from cost efficiency initiatives
- Only those cost items that ANSPs can control

##### **Proposed monitoring indicator “Gate-to-gate ANS costs per composite TSU”**

Definition clarification is required on the indicator “gate-to-gate ANS costs per composite TSU”.

##### **NSA costs**

FABEC ANSPs would like to recall the importance of clearly defining the NSA cost out of the cost base (which are not under ANSP control).

##### **Determined unit-rate in the terminal area**

Concerning the terminal ANS operation, FABEC ANSPs see a need to consider the following elements, which partly have already been identified also by the regulatory approach document, which is supported by FABEC ANSPs:

- Each terminal ANS operation is generally small in scale and therefore the degree of freedom to make operational and efficiency savings is more limited than in the en-route ANS operation.
- Different business models and/or political requirements for ANS services at Airports/Terminal areas used in different States shall not be hindered or affected.
- Specifically, where airports employ ANSPs to provide services, each airport has very different operating and performance priorities - comparing for example a large international hub with a medium sized regional airport.

- TNC paid by airspace users in some cases are lower than actual terminal ANS costs because of explicit State intervention and/or cross-subsidies
- No common formula for terminal ANS costs and unit rates until 2015. Therefore, data comparability is weak
- No EU-wide average of the terminal ANS costs and unit rates can be directly computed
- 80% of potential cost efficiency problems is captured by en-route ANS cost-efficiency targets

FABEC ANSPs therefore support to keep the en-route determined unit rate at EU and national level, as well as monitoring the terminal unit rate at EU and national level, leaving the determination of a terminal unit rate up to the States.

FABEC ANSPs support the PRB's analysis, that this approach is fully in line with the Commission targets of avoiding over-regulation while still meeting the key objective for RP2 to establish and strengthen the robustness, stability and continuity of the performance scheme.

### **Traffic risk sharing**

FABEC ANSPs support the PRB's statement, that even for en-route during RP1, the connection between "traffic risk sharing" and the "cost of capital" remains an open issue of the Performance Scheme and is still under discussion.

FABEC ANSPs in this context would appreciate the consideration to introduce an alternative method to calculate the risk premium: instead of fixing a % of ROE to cover the risk premium, they would like to discuss the possibility of fixing an absolute interest calculation, resulting in a precise € sum.