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**CANSO-ETF-IFAIMA-IFATSEA-IFATCA**  
**Common position for the SSC Meeting on 17/18 December**  
**on the final consultation of**  
**RP2 EU wide target proposals**

Following the first debate on the Commission proposal on the RP2 EU targets proposal during the SSC Meeting on 22/23 October, the EU Commission invited the three main stakeholders to work together on a potential compromise proposal on the level of ambition during RP2.

**CANSO, ETF, IFAIMA, IFATSEA and IFATCA** appreciate the EC intention to involve stakeholders in the different phases of the performance scheme and appreciates the efforts to take those views into consideration. In this respect we still see the need to address/solve some issues prior to finalizing the EU targets proposal.

CANSO, ETF, IFAIMA, IFATSEA and IFATCA (hereafter called “the writers”) therefore have prepared this common position paper in order to identify and offer potential solutions on the most important areas of concern.

**I- Need to address all areas of concern**

The writers would like to see equal consideration to all 4 KPAs given to the remaining open issues for the target proposals:

**KPA Environment**

The writers **recommend to support** the PRB recommendation/EU Commission draft decision, provided that

- clarification will be provided on the **responsibility sharing** between **NM** and **ANSPs**
- clarification will be provided on the data available to set the target on the indicator **KEA**

**KPA Capacity**

The writers **recommend to support** the PRB recommendation/EU Commission draft decision, provided that

- a concept is needed to contribute the delay to **cause codes** as well as for a **delay sharing mechanism**. Those two elements are vital pre-conditions to enable a



proper implementation of the required **financial incentive scheme** on the capacity target

- for performance analysis and reporting it is of the utmost importance to assign the delay to the real cause: e.g. not to assign a TMA delay to en-route.

### **KPA Safety**

The writers **appreciate the effort made** by the EU Commission to **address the concerns** by accelerating the target achievement date by two years.

The Safety KPA should be developed at the same maturity level as other KPAs with the development of effective leading and lagging indicators that drive safety improvement within the industry.

Safety is one of the key outputs of the ATM industry and needs appropriate investment in operations expertise, time and money.

The writers are concerned that the latest proposal from the European Commission (dated 5<sup>th</sup> December 2013) does not include **analysis of the trade-offs** of this acceleration on other KPAs, **specifically on the cost efficiency** where we believe the interdependencies have not been duly recognised.

Accelerating the achievement of targets for EoS<sub>M</sub> and RAT methodology requires considerable additional efforts and cost due to the necessary preparatory activities (training, internal communication, proper analysis of required actions). These efforts will call for additional investments, therefore the writers call for these extra costs to be reflected by realistic allowances in the Cost efficiency target.

### **KPA Cost Efficiency**

#### **1. Traffic forecast**

The writers recommend to use the **STATFOR low case scenario for the EU-wide RP2 target setting**.

The proposed **STATFOR base case scenario** indicates a considerably higher increase in traffic than the available internal forecasts from numerous FABs/ANSPs. The experience of the first years of RP1 has highlighted the huge volatility of traffic and the non alignment of actual traffic with forecast. The writers recommend the



need for a mid-term review left open and considered only where actual developments deviate substantially from the forecast.

Bearing in mind the ongoing financial/economic crisis in Europe and the **uncertainties of a traffic forecast**, 5 years is a very long time for the duration of a reference period. It therefore is of particular importance to consider all elements able to support the **stability** of the overall system and at the same time enable the **necessary flexibility** to ANSPs to adapt to changes.

In addition, the writers do see the need to include the **results of the current studies** (on interdependencies, cost of capital and pension costs) whenever they will be ready during the reference period.

## 2. Starting point

The writers strongly recommend to consider the determined costs of the aggregated RP1 Performance Plans as the **starting point for RP2**.

The EU Commission accepted the reasons which made it impossible to reach the set EU target. Therefore it is not justifiable now to try and go back to the original EU target or even beyond as per option 2 in the original Commission proposal. The Commission decision is a legally binding document, on which the stakeholders need to be able to rely when implementing their performance plans and delivering to them accordingly.

## 3. Level of ambition

The writers do not support the **target proposal** from the EU Commission, as well as the PRB one, as it is judged to being **too ambitious**.

**Recognition of the achievements** delivered at EU and local levels should be made, as well as a solid **analysis of the efforts required** to deliver further improvements. According to the PRR 2010, ANSP overall productivity grew significantly over the period 2002-2010, with traffic growth of nearly 40% whilst costs rose by 15%. Over the recent past, ANSP generally exceeded other network industry productivity growth.



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**Cost cutting measures** realized in **2012** in connection with the traffic decrease have been mainly **short term measures** without structural long term effects.

The effects of the recently introduced "**true costs**" element do not correspond to the setting of the legal framework (IR 391/2013).

Those cost items are planned in the performance plans and the IR foresees certain correction possibilities as these are elements outside the control/influence of the ANSPs.

In addition they do not automatically lead to a cost increase as their development during the RP can result in either a decrease or increase of costs. This topic should now not be used as an argument to tighten the cost efficiency target. It clearly is the intention of the EU Commission to treat those elements separately. Therefore, setting an efficiency target on those cost elements is not foreseen in the regulation.

## **II. Interdependencies**

The writers are strongly concerned about the **missing proper model/concept**, to **analyse/consider** the existing **interdependencies** between the KPAs/KPIs.

An **essential element** that should be the base and a prerequisite for the preparation of RP2 therefore is **still missing**. This deficiency can lead to unbalance approach and unrealistic targets.

All four selected KPAs have strong trade-offs: cost-efficiency vs. capacity, flight efficiency vs. capacity, and Safety which is potentially affected by all the three others KPAs.

Such a model was promised by the EU Commission to being available for the EU target setting for RP2. Unfortunately, the corresponding study until now did not deliver such a model.