



# EU-wide target setting


Thursday, 27 May 2010

Directorate-General  
for Mobility  
and Transport



Chairman: Luc TYTGAT  
Head of Single Sky Unit  
DG-MOVE

# ● Agenda

		Item
1.	10h00	Welcome and SES-2
2.	10h10	The performance scheme
3.	10h30	General approach
	11h10	<b>Coffee</b>
4.	11h30	Approach for safety
5.	12h15	Approach for capacity
		<b>Lunch</b>
6.	14h00	Approach for environment
7.	14:45	Approach for cost-efficiency
		<b>Coffee</b>
8	16:00	NSA and stakeholder input
9	16:30	Conclusions



Directorate-General  
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and Transport



# Agenda Item 1: **Welcome and SES-II Status**

27, May 2010

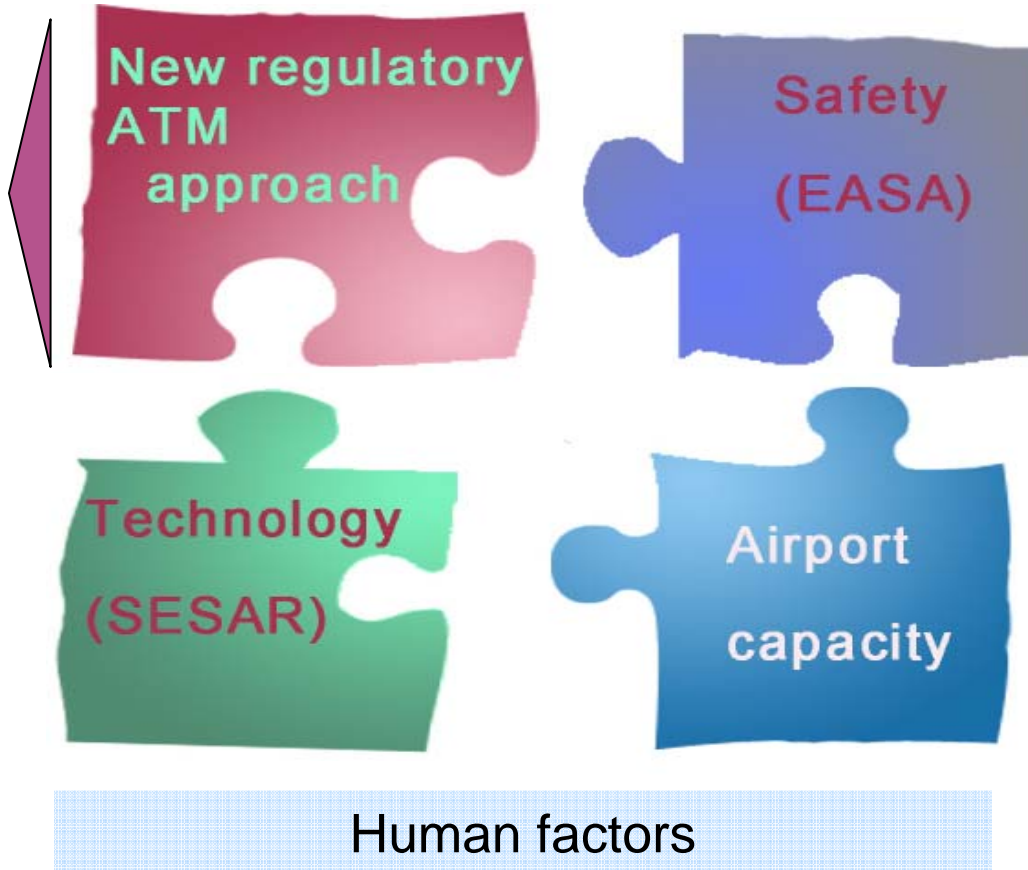
Luc TYTGAT  
Head of Single Sky Unit  
DG-MOVE

## ● SES objective (art 1)

- To enhance current air traffic **safety standards**
- To contribute to the **sustainable development** of the air transport system
- To improve the **overall performance of ATM and ANS** for GAT in Europe, with a view to meeting the requirements of all airspace users

# ● The SES II package

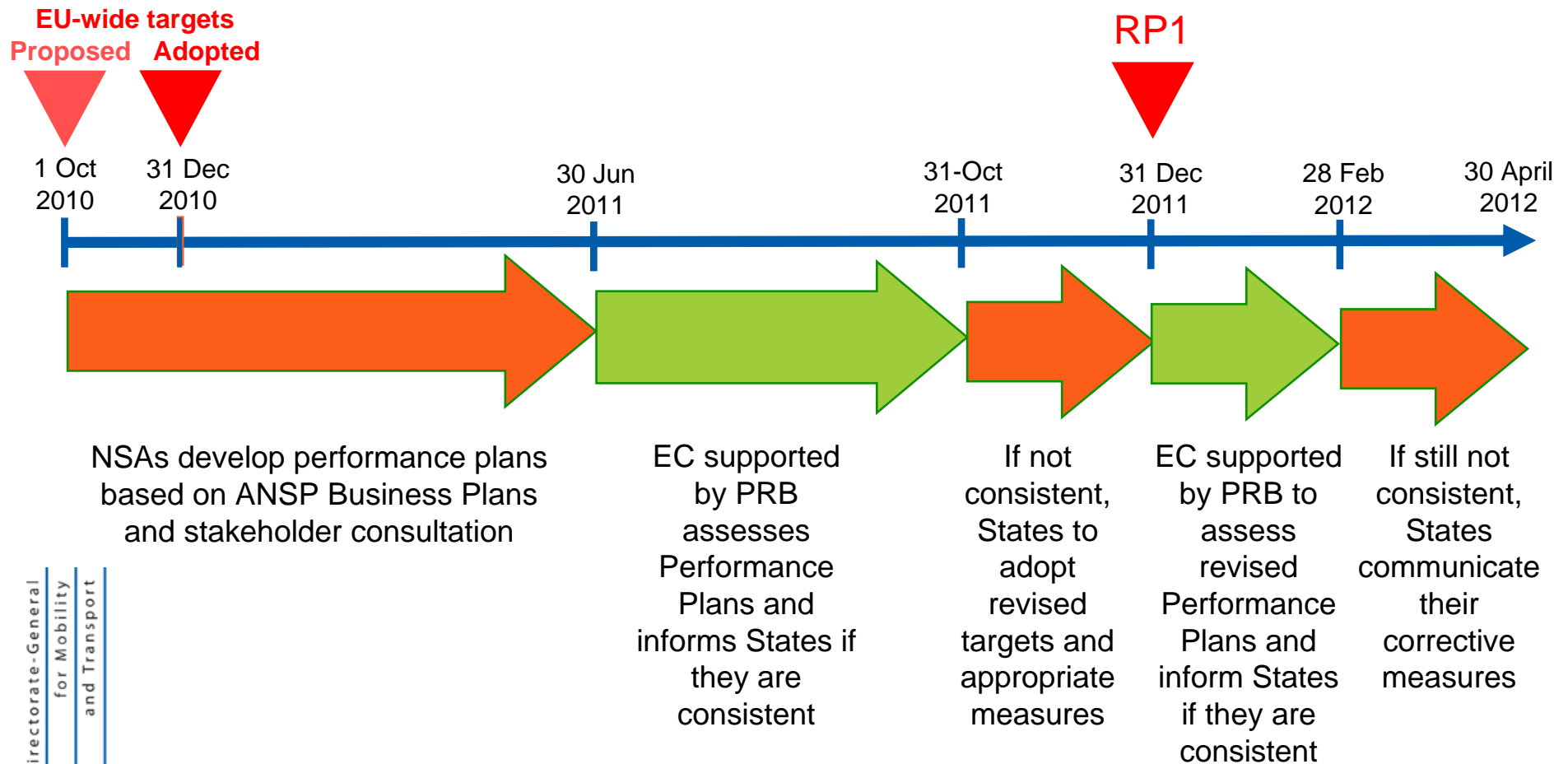
- Performance Scheme
- Charging
- FABs
- Network Management
- Etc.

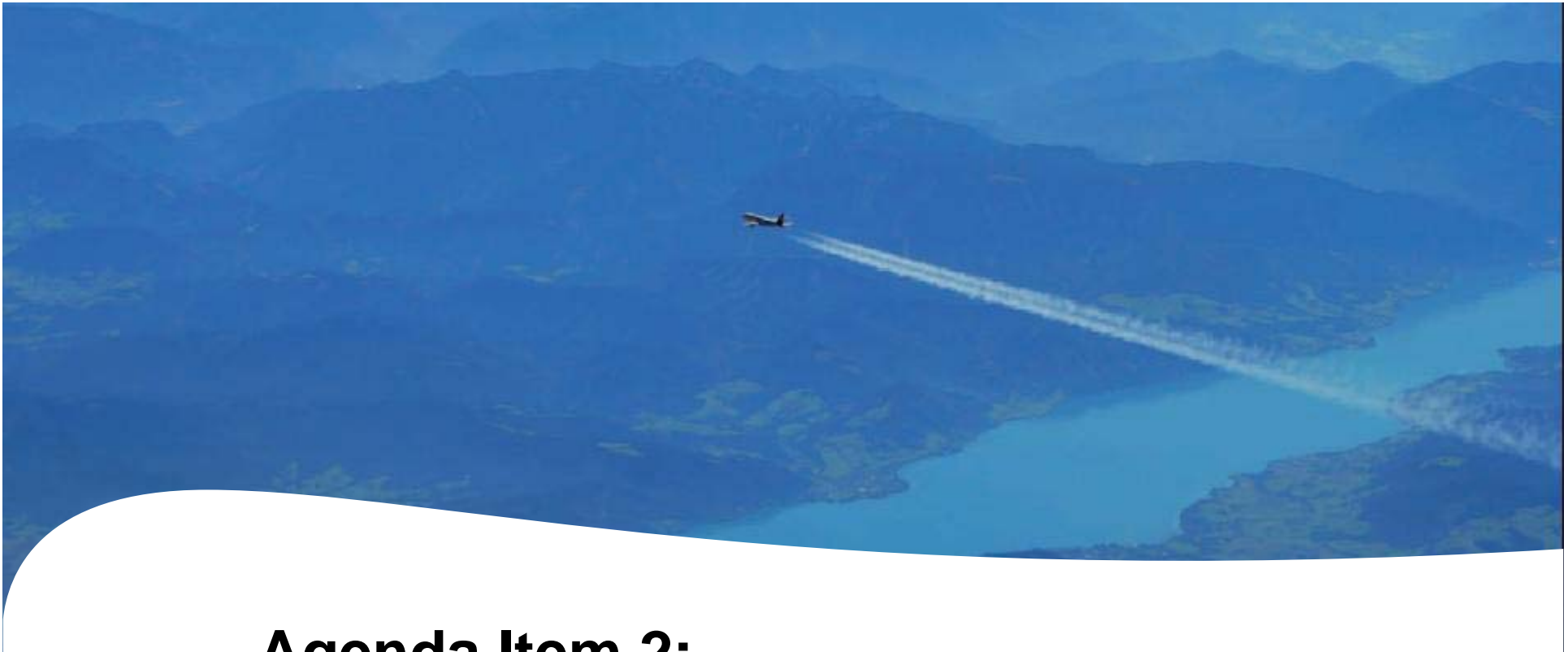


# ● Performance Scheme

- Performance Scheme IR and PRB designation are agreed by the Single Sky Committee
- Until formal adoption:
  - » PRC supported by PRU is assisting the EC
  - » EU-wide target setting proceeding on basis of text agreed by SSC

# ● Process and timeline for performance plan elaboration and assessment





# Agenda Item 2: **The Performance Scheme**

27, May 2010

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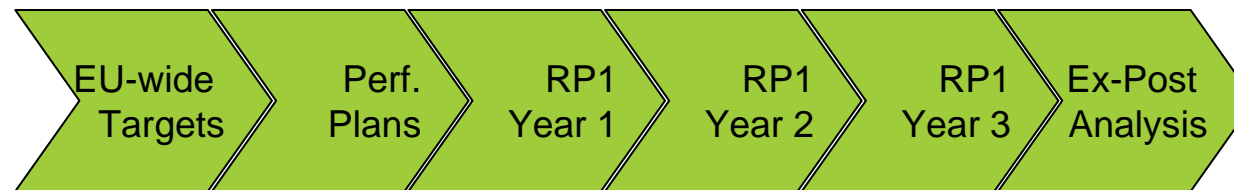
François HUET  
DG-MOVE



# ● The SES Performance Scheme

- Main features:
  - » Key Performance Areas (KPA), Indicators (KPI)
    - EU-wide performance targets on safety, the environment, capacity and cost-efficiency
  - » European targets adopted by EC, with SSC opinion
  - » National/FAB Performance Plans
    - Targets, incentives and corrective measures adopted by States
  - » Reconciliation of European and local targets
  - » Periodic review, monitoring and benchmarking of performance
  - » An independent advisory Performance Review Body (PRB)
    - assisting the EC
    - assisting National Supervisory Authorities (NSA) on request
- European and local targets set for 3 to 5 years
  - » First reference period: 2012-14 (RP1)
  - » Second reference period: 2015-19 (RP2)

# ● Reference periods



- Each reference period requires:
  - » EU-wide performance targets to be set
  - » Elaboration and assessment of performance plans
  - » On-going monitoring and reporting during the reference period
  - » Ex-post analysis of the effectiveness of the scheme during the reference period

# ● EU-wide performance targets

- EU-wide performance targets are adopted by the EC at least 12 months prior to the start of the reference period
- EU-wide targets drive the performance plans established at national or FAB level
- EU-wide targets are established on KPIs specified in the IR:
  - » Other PIs are monitored during the reference period to inform on the level of performance achieved

**EU-wide targets are the main focus of the day**

# ● Performance plans

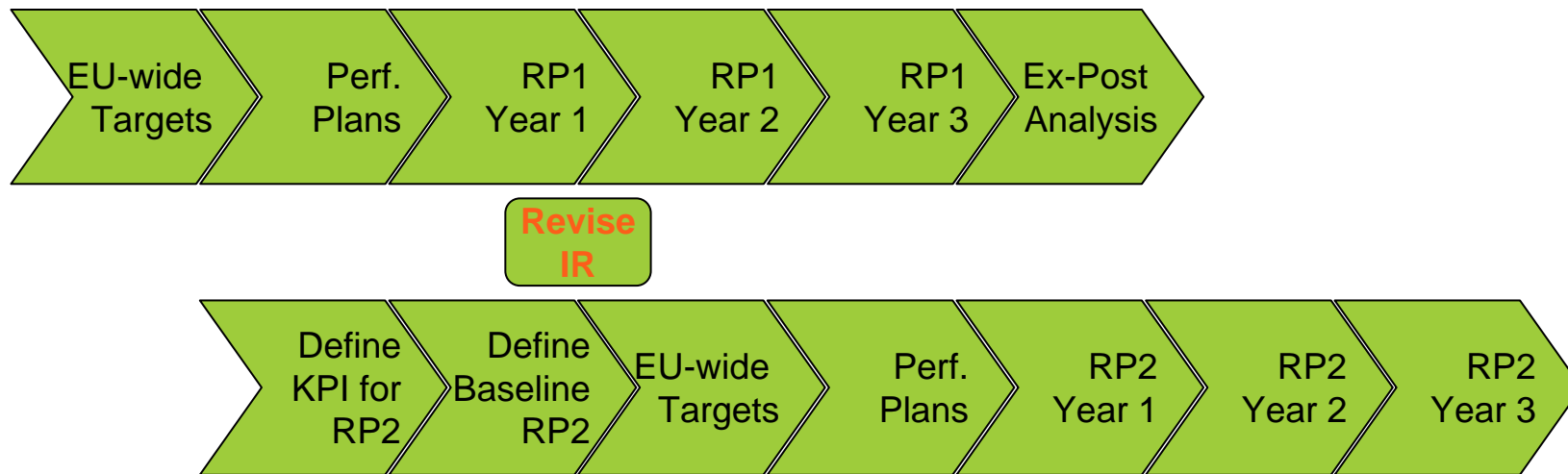
- Performance plans are elaborated by NSAs and adopted by Member States
  - » Either at FAB or National Level
  - » Based on local consultation of stakeholders
  - » Consistent with the business plans of ANSP
  - » Contain targets and incentives/penalties
- EC/PRB assess consistency of performance plans with the EU-wide targets

# ● On-going monitoring and reporting

During the reference period:

- NSAs monitor performance and provide an annual report on the achievement of the targets contained in the performance plans and the application of incentives/penalties
- PRB provides an annual assessment of performance against the EU-wide targets and other performance indicators
- PRB monitors the effectiveness of the scheme and proposes enhancements for the next reference period

## ● Preparations for RP2



- The IR requires that:
  - » The EC shall review effectiveness of the process by 1 July 2013 (art 24)
  - » Changes to KPIs shall be adopted 6 months prior to EU-wide targets are set (art 8)
- IR for RP2 needs to be revised by Q2 of 2013
  - » before June 2013
- Work to define revisions to KPIs starts now!

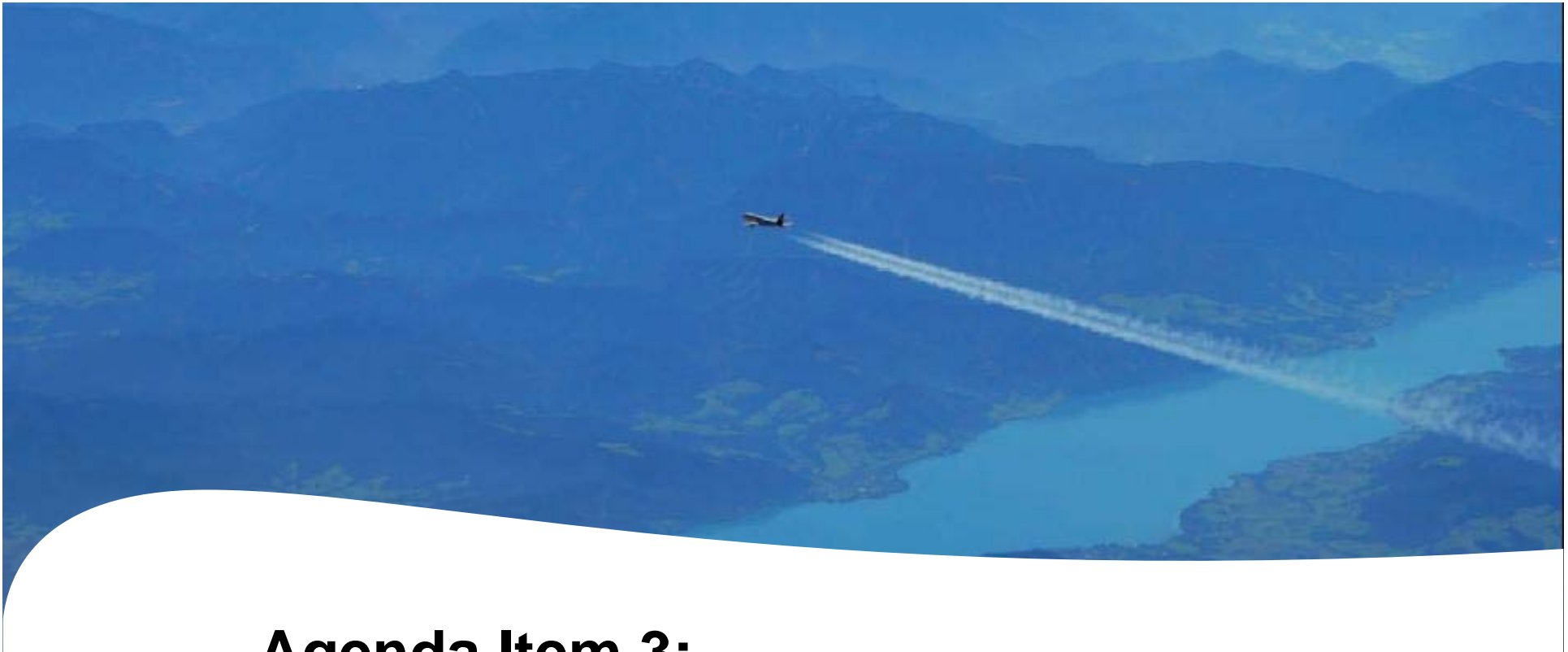
## ● The KPIs for RP2

- Developing a coherent set of KPIs for the RP2 is already a key priority
- Where possible they will be monitored as PIs during RP1
  - » Terminal costs and unit rates
  - » Capacity
  - » Safety
- Pilot Studies may be conducted to validate new KPIs and the associated data flow

# ● Network Manager and the Performance Scheme

- Network Manager functions are included in the scope of the scheme
- Following adoption of the IR and designation of the Network Manager, the Performance Scheme IR will be amended to include KPIs, performance plans and monitoring of Network Functions





**Agenda Item 3:**  
**General Approach to**  
**EU-wide target setting**

27, May 2010

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for Mobility  
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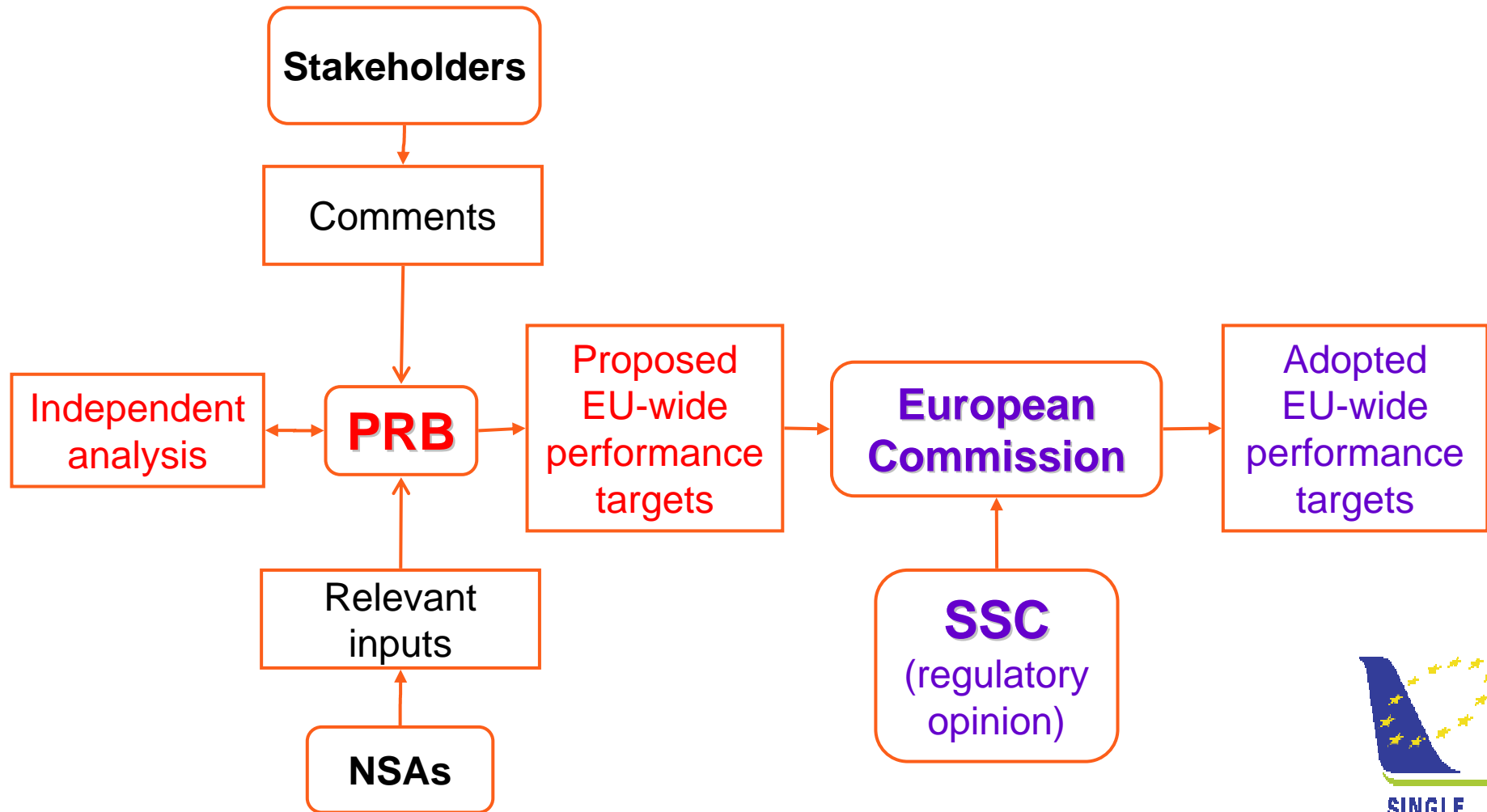
Denis HUET  
PRU

# ● Requirements for EU-wide targets (Art 9)

EC to adopt EU-wide performance targets:

- Following regulatory opinion of the Single Sky Committee
- Based on:
  - » Relevant Inputs from NSAs
  - » Consultation with stakeholders
  - » Consultation of EASA for safety aspects
- Timeline:
  - » To be proposed at least 15 months prior to RP
  - » To be adopted at least 12 months prior to RP
- Shall include alert threshold for each KPI
- Substantiation to include:
  - » Description of assumptions and rationale
  - » Use made of inputs from NSAs
  - » Other factual data, traffic forecasts etc.

# ● The process overview



# ● Develop provisional advice

- Provisional advice is developed by the PRB:
  - » Independent Analysis
  - » Relevant inputs from NSA
  - » Relevant inputs from Stakeholders
- The related processes are the subject of today's workshop
- Provisional advice published by 2 August

## ● Written consultation

- The provisional advice will be subject to written consultation
  - » From 2 August to 3 September
- A comment response document (CRD) will be produced containing all comments and the PRB response
- CRD published prior to the final advice

# ● Develop final advice

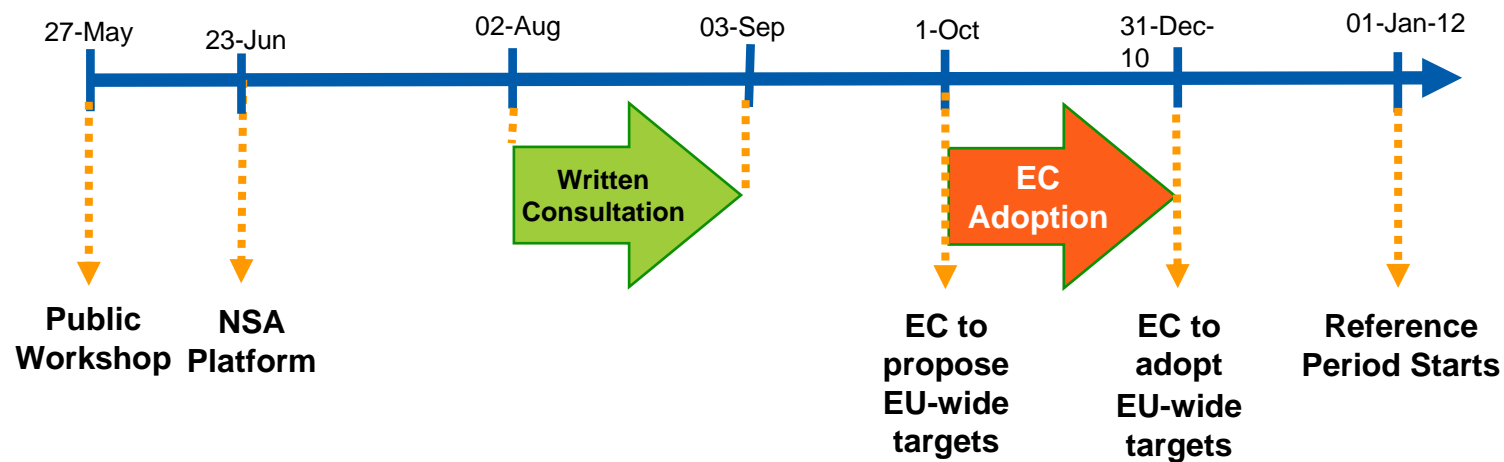
- In developing final advice, PRB will:
  - » Take account of comments received
  - » Refresh analysis on the basis of latest traffic forecasts
  - » Consult with NSAs on any revisions
- Final advice will be delivered to the EC by 30 September 2010

## ● EC adoption

- Requires positive opinion of the Single Sky Committee
- EC may also consult with ICB and social dialogue
- EU-wide targets to be adopted by 31 December 2010

# The timeline

- Provisional advice developed by end of July
- Formal written consultation in August
- Final advice developed in September
- EC adoption from October



**More details on NSA Platform  
in Agenda Item 8**

EU-wide Target Setting Workshop  
Thursday, 27 May 2010

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# ● What will be defined?

- The EU-wide target for each KPI
- The alert threshold to be applied during the reference period
- The process and assumptions used for setting the targets

# ● Forms of analysis

Analysis to be performed depends upon the specific KPI  
The general approaches are:

- Top down:
  - » Understanding of performance margins, dynamics and trade-offs
  - » Efficiency boundary given external conditions
    - Normative analysis under development
- “Horizontal” Benchmarking:
  - » Measure performance in comparable way
  - » Accounting for external factors
- Bottom-up:
  - » States/ANSP plans

# ● Determination of target

- Actual targets will be determined using expert judgment of the PRC to balance the various inputs
- Judgement will include:
  - » Consideration of existing targets including those in the ATM Master Plan and those currently adopted by the EUROCONTROL PC
  - » Inputs received from NSAs and stakeholders
  - » interdependencies between performance targets, having regard to the **overriding safety objectives**

# ● Format of the proposal

- A detailed document containing:
  - » The justification, rationale, evidence and technical analyses for the targets, including
    - A list of assumptions
    - The data used
    - How NSA and stakeholder input was used
  - » The associated procedures
- A draft Commission legal text defining for each KPI the EU-wide target and alert thresholds for each applicable KPI

## ● Scope: KPIs

**Orange** indicates EU-wide target in RP1

KPA	RP1	RP2
Safety	<ol style="list-style-type: none"> <li>Effectiveness of safety management ('maturity')</li> <li>Application of severity classification</li> <li>Application of Just Culture</li> </ol>	Revision of RP1 KPIs on basis of lessons learnt
Environment	<ol style="list-style-type: none"> <li><b>Average horizontal en-route flight efficiency</b></li> <li>Monitoring of effective use of the civil/military airspace structures (e.g. CDRs)</li> </ol>	New KPI to address specific airport ANS-related environmental issues
Capacity	<ol style="list-style-type: none"> <li><b>Minutes of en-route ATFM delay per flight</b></li> <li>Monitoring of airport data (ATFM airport delays, additional time in taxi-out phase and arrival sequencing/metering area)</li> </ol>	New KPI to address specific airport ANS-related capacity issues on the basis of monitoring
Cost Efficiency	<ol style="list-style-type: none"> <li><b>Determined Unit Rate for en-route-ANS</b></li> <li>Monitoring of terminal costs and unit rates</li> </ol>	Determined unit rate for terminal air navigation services

# ● Geographic scope for EU-wide targets

The PRC proposes a pragmatic approach for RP1:

EU States + States which:

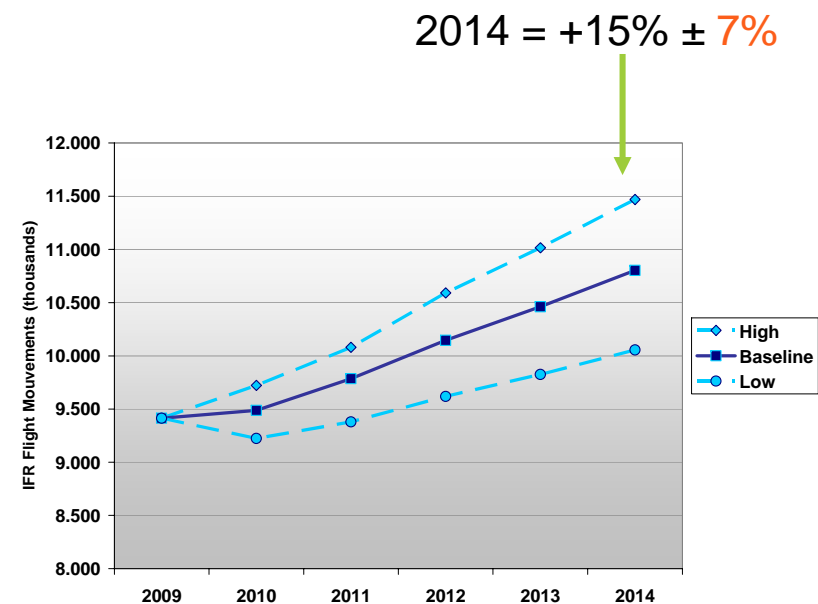
- Have developed specific agreements with EU
- Have nominated NSAs
- Are subject to specific legal requirements to develop a Performance Plan by end June 2011
- Oceanic areas excluded

→ Does not prevent other States from applying the Performance Scheme and adopting national performance plans



# Traffic forecasting

- Traffic forecasting is crucial to the Performance Scheme
- Current crisis leads to greater uncertainty in traffic volumes
  - » Need for some flexibility in ANS provision (capacity, costs)
- EU-wide target setting will make use of STATFOR Medium Term Forecast (MTF):
  - » Provisional Advice:
    - February 2010 STATFOR MTF
  - » Final Advice:
    - September 2010 STATFOR MTF
- Local forecasts considered during performance plan assessments



February 2010 STATFOR  
Medium Term Forecast

# ● Discussion







# Agenda Item 4: **Approach for the Safety KPIs**

27, May 2010

Directorate-General  
for Mobility  
and Transport



Eric Sivel  
EASA

Hannes Bjurstrom  
PRC

# ● The SES II package

- Performance Scheme
- Charging
- FABs
- Network Management
- Etc.



# ● PRB relationship with EASA

## Article 3.7: Relations with EASA

- The Performance Review Body shall cooperate as appropriate with the European Aviation Safety Agency for the tasks referred to in paragraph 3 when they are related to safety performance, to ensure consistency with the objectives and standards established and implemented in accordance with the EASA Regulation

# ● EC/PRB coordination with EASA for Performance Scheme

## Article 6: European Aviation Safety Authority

- ...the Commission [*and PRB*] shall coordinate as appropriate with the EASA:
  - a) the safety aspects of the performance scheme,** including the setting-up, revision and implementation of key safety performance indicators and European Union-wide safety performance targets as well as the provision of proposals for appropriate actions and measures following the activation of an alert mechanism
  - b) the consistency of the safety key performance indicators and targets with the implementation of the European Aviation Safety Programme** as may be adopted by the European Union

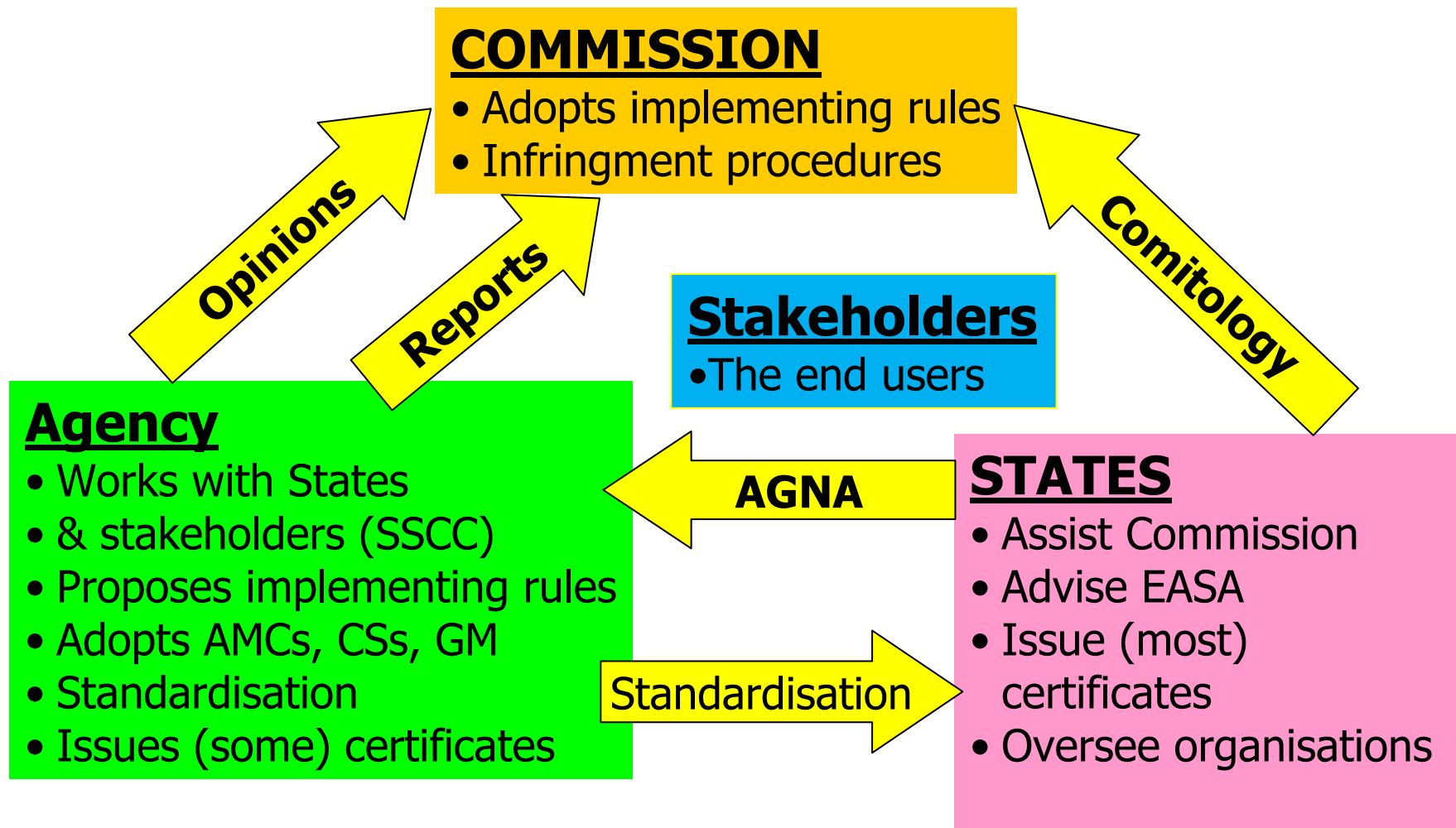
# ● Annex I of Performance Regulation

- No EU-wide targets for the safety KPIs in RP1, but Safety has to be monitored using specified safety performance indicators to be established before end 2011
- Safety data to be collected to validate and assess these key performance indicators
- New safety performance indicators for RP2 to be defined during RP1

# ● European Aviation Safety System

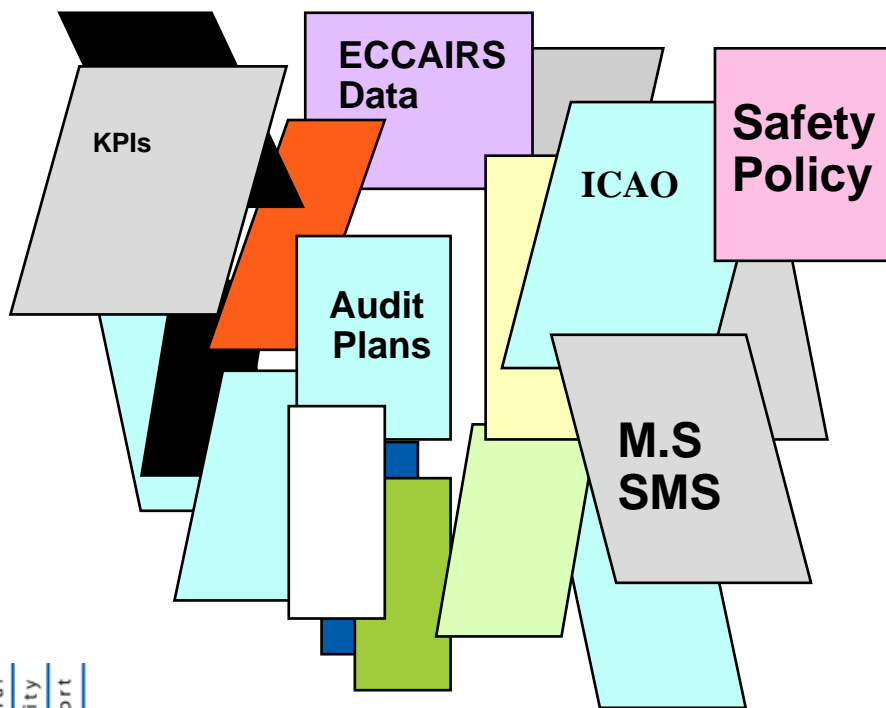
- Maintain a high and uniform level of safety
- Continuous improvement
- Managing safety risks
- Systematic approach
  - » Safety plans

# ● EASA / Community System

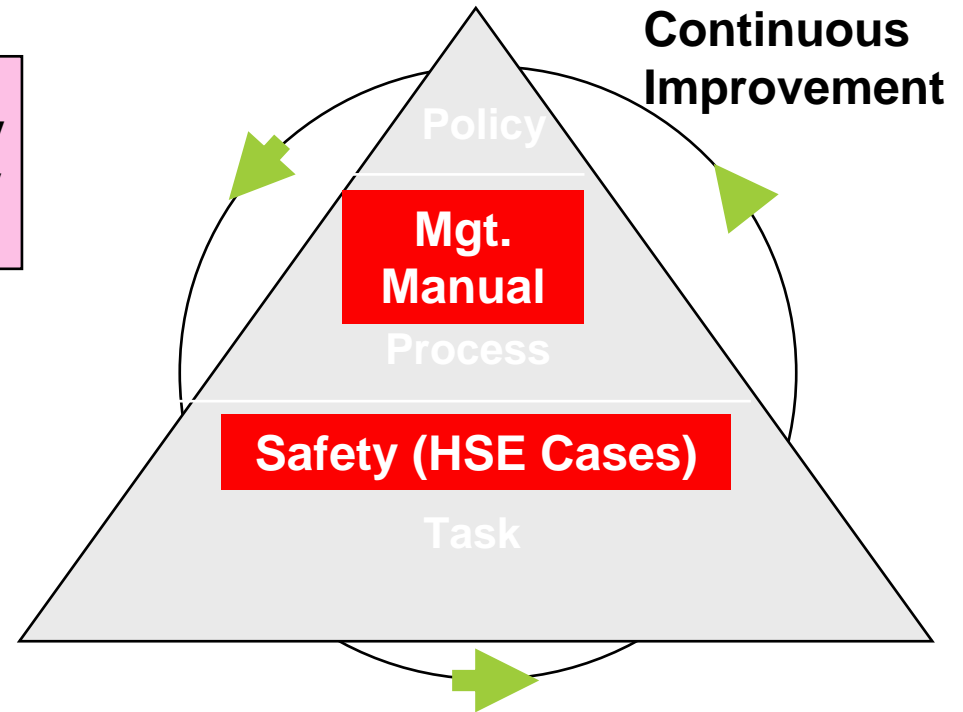


# European Aviation Safety Programme Manual

## A framework for Safety Management



**No Structure**



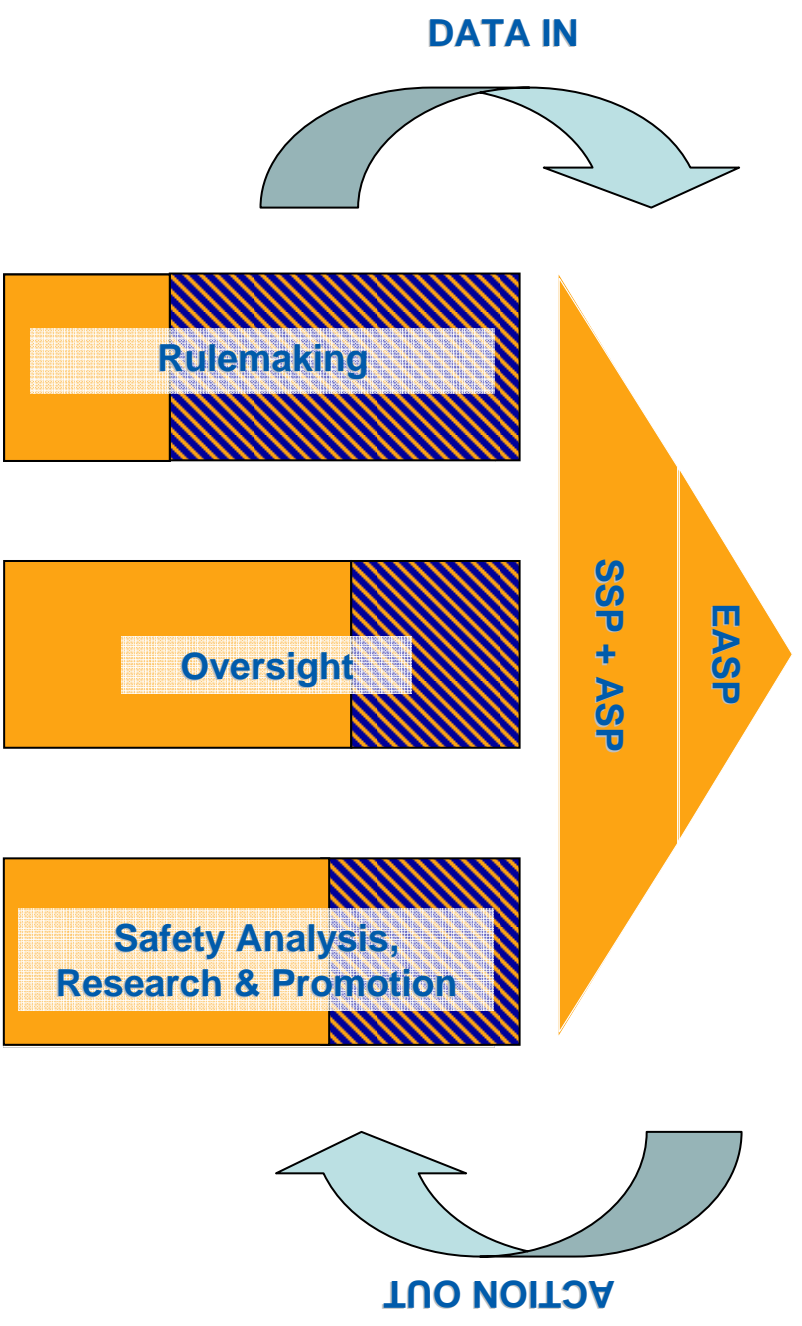
**Structure**



# ● European Aviation Safety Programme

- Integrated set of regulations and activities aimed at improving safety
- Risk assessment methodology allows for identification of safety priorities and monitoring of the effectiveness of the related mitigating measures
  
- Presented to the world at ICAO HLSC
- Ready before start of RP1

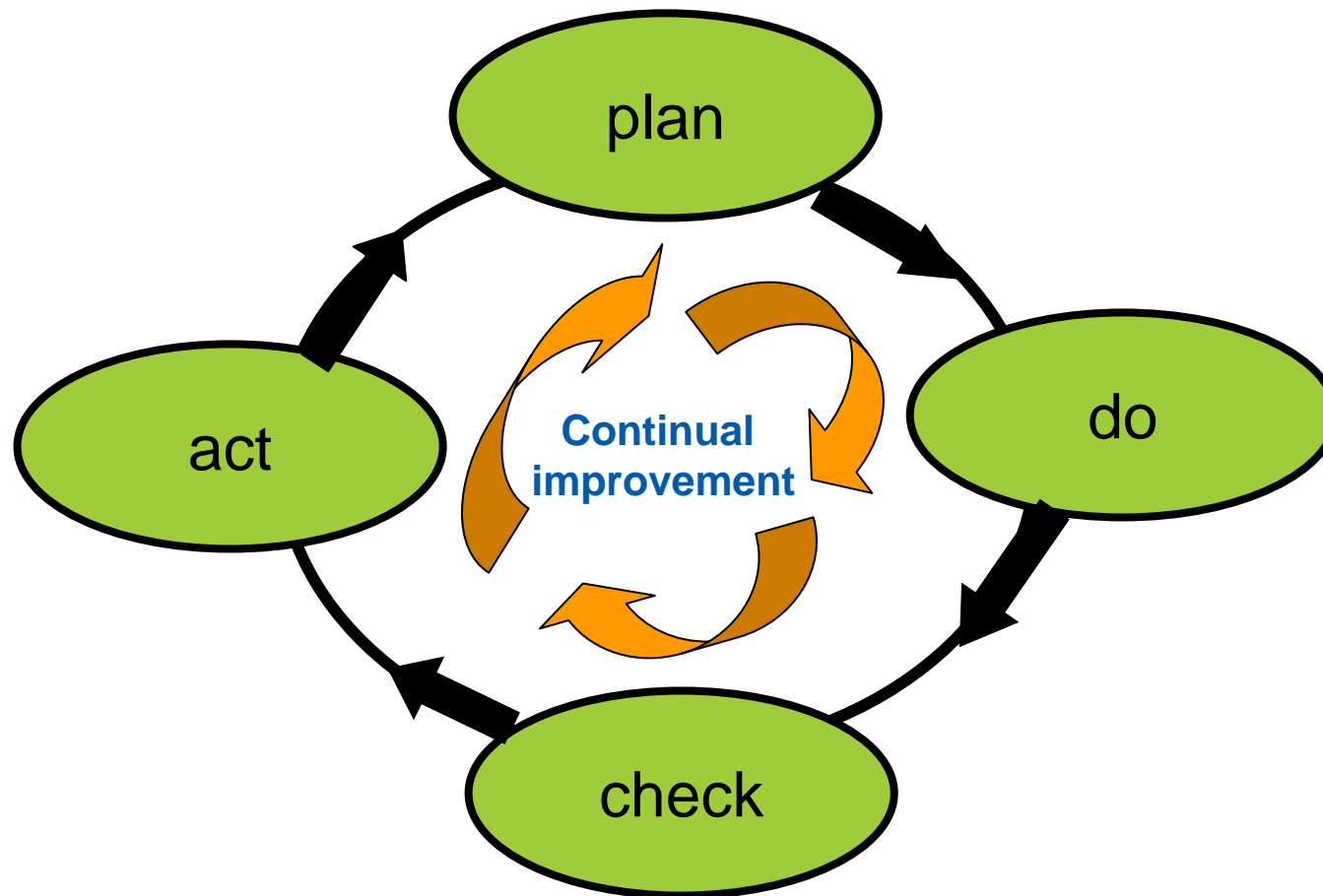
# European Aviation Safety System



# ● EASAC

- Creation of the European Aviation Safety Advisory Committee (EASAC) end of 2009
- Enhance collaboration between partners
- Contribute to the development of the European Aviation Safety Strategy and EASP
- Facilitate the development and regular review of the European Aviation Safety Plan

# ● The P-D-C-A Framework



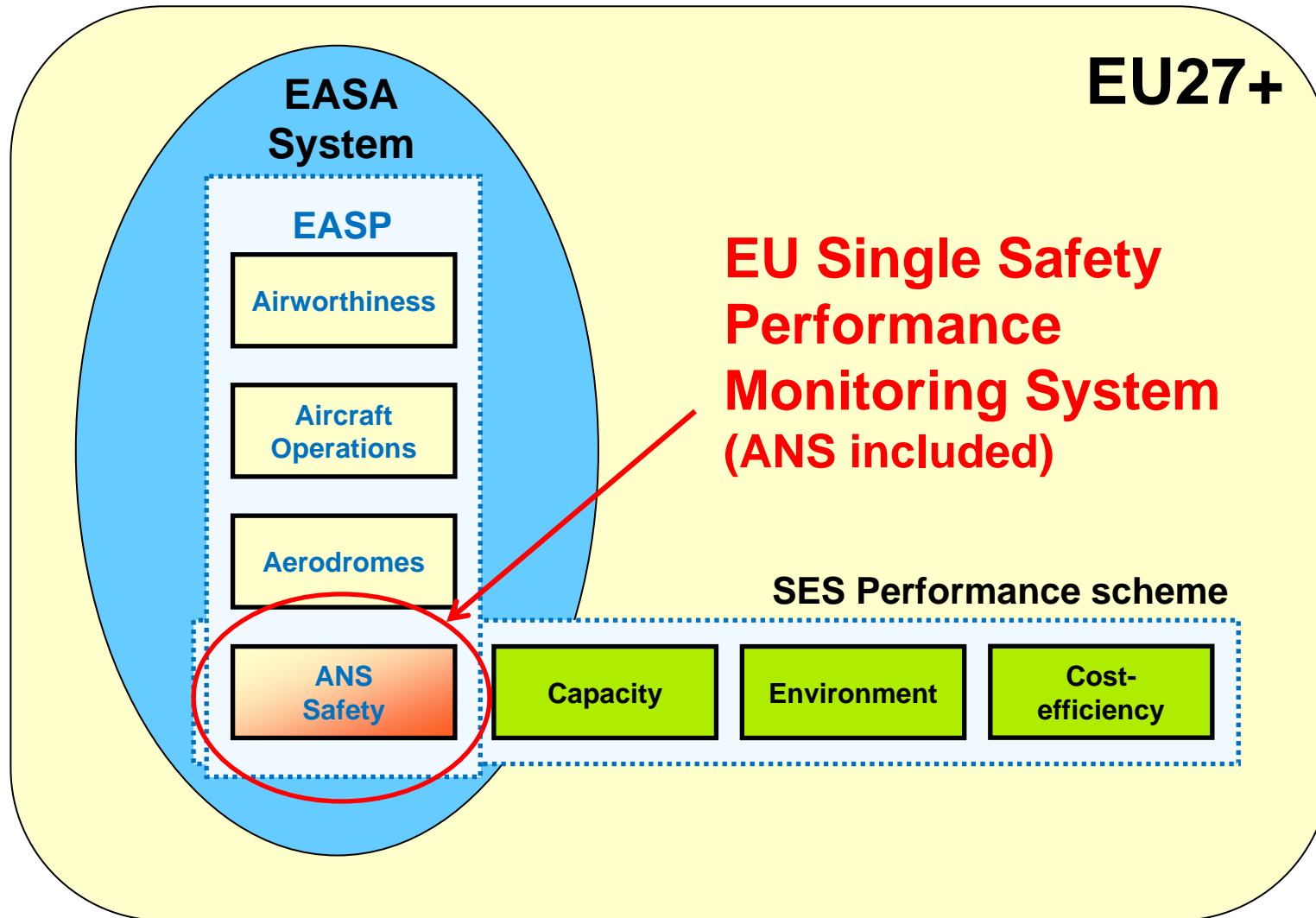
# ● European Aviation Safety Plan

- Safety risks identified at European level
- Fed by National plans
- Commitment to Actions
- Monitoring implementation
- Safety Performance Indicators
- Periodic review
- Emerging issues

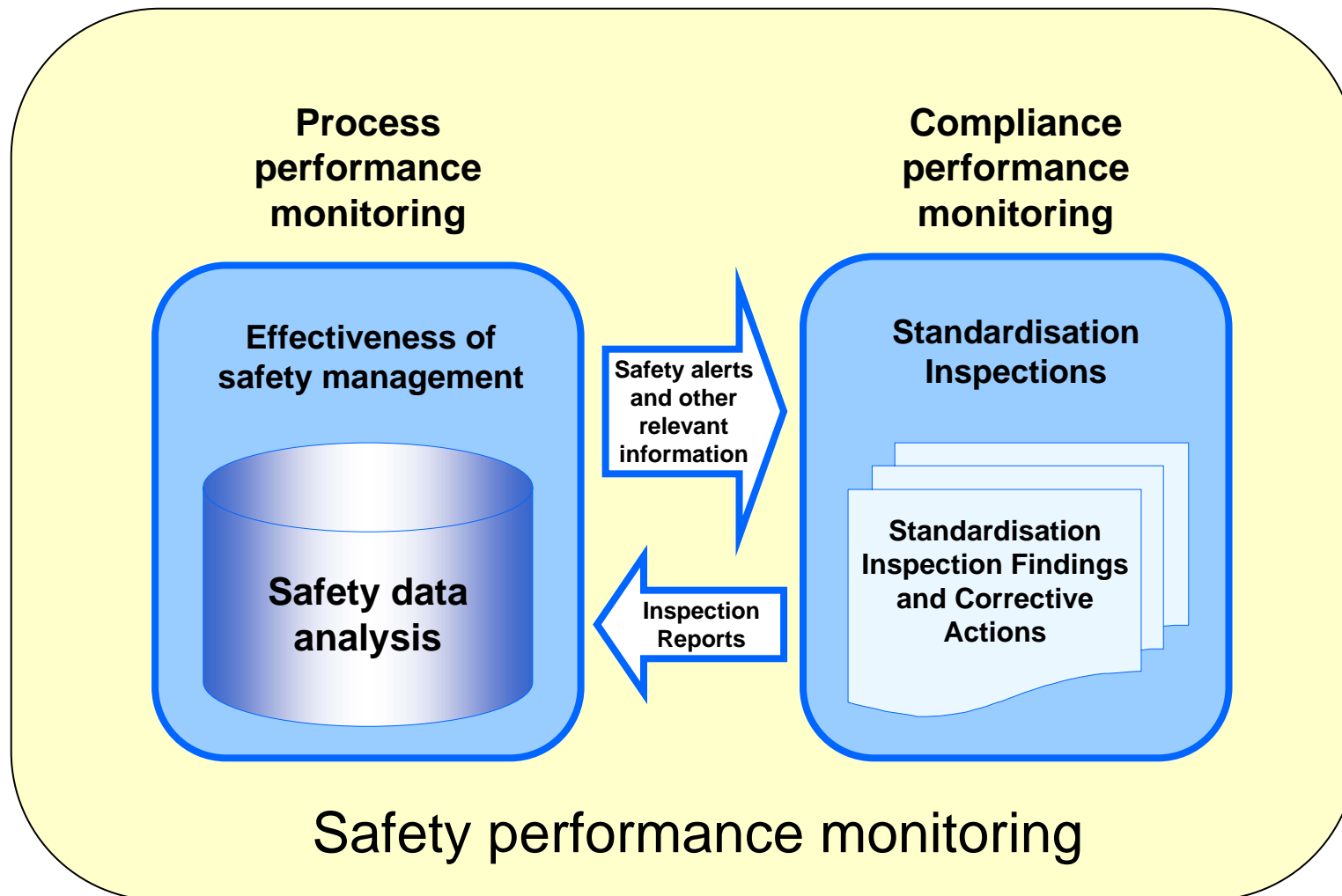
} Direct link with SES  
Performance scheme

- Ready before start of RP1

# ● EASA system and SES Performance Scheme



# ● EU single safety performance monitoring system



# ● Main safety legal requirements in SES Performance Scheme

1. Required KPIs and SPIs
  - » Annex I: Sections 1 & 5
2. Performance Plans
  - » Article 10 & Annex II
3. Assessment criteria
  - » Annex III
4. Data Flow
  - » Article 20 (ECCAIRS) and Annex IV: Sections 1.1 & 2.1
5. Role of PRB and liaison with EASA
  - » Article 3, paragraph 3
  - » Article 3, paragraph 7
  - » Article 6



# ● Safety KPIs to be monitored during RP1

- Effectiveness of safety management ('maturity')
- Application of severity classification
- Application of Just Culture

## **Annex I of Performance scheme IR:**

*... 'shall be developed jointly by the Commission, the Member States, EASA and EUROCONTROL and adopted by the Commission prior to the first reference period.*

*During this first reference period, national supervisory authorities will monitor and publish these key performance indicators, and States may set corresponding targets'*

# ● Preparing Safety indicators

- EU-wide Safety KPIs to be validated:
- Safety maturity KPI:
  - » Include applicable EU Regulations where needed
  - » Add verification mechanism according to EASA BR
- Application of severity classification KPI:
  - » Prepare questionnaires to monitor implementation
- Just Culture KPI:
  - » Elaborate list of evidences about the way Just Culture is implemented

**To be developed and adopted before RP1 !**

Additional SPIs may be developed, for example:

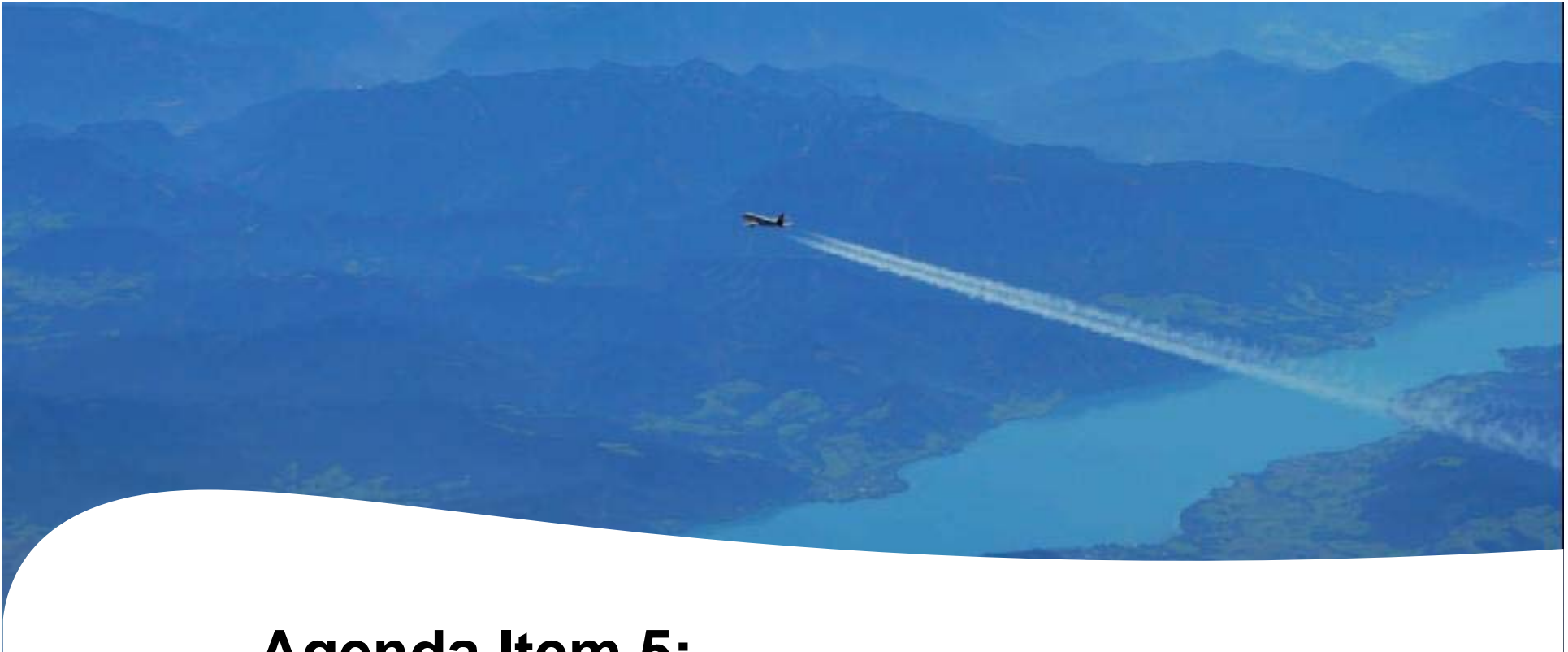
- Second and third tier SPIs (total system approach)
- Reactivity indexes (on Corrective Actions and AIB recommendations)
- Automatic safety data acquisition

# ● Conclusions

- First SES objective is to enhance current air traffic **safety standards**
- The PRB and EASA have specified responsibilities for ANS safety performance:
  - » will work closely together
  - » a single EU ANS safety performance monitoring system, taking advantage of existing experience and plans
- Although no EU-wide safety targets are specified for RP1,
  - » a comprehensive EASA system will be in place by 2012 to ensure and continue improving safety
  - » ANS safety performance will be monitored using SPIs to be developed by end 2011
- National/FAB performance plans will include safety
  - » may include national/FAB safety targets

# ● Discussion





# Agenda Item 5: **Approach for the Capacity KPIs**

27, May 2010

Directorate-General  
for Mobility  
and Transport



Carlo Bernasconi  
PRC

## ● Capacity KPI – En-route

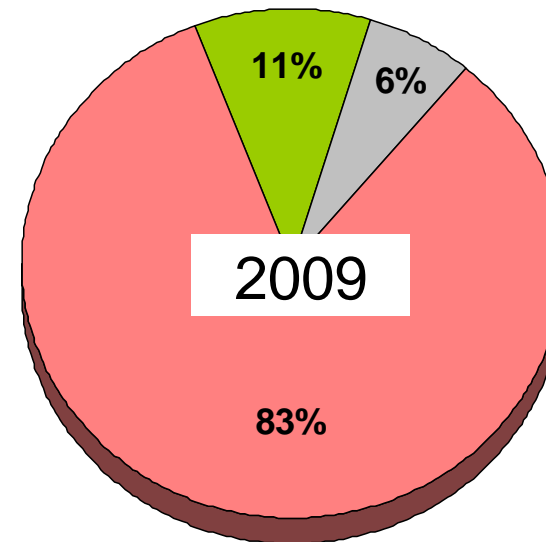
- For the 1<sup>st</sup> reference period, the EU-wide capacity target shall be set in **minutes of en route ATFM delay per flight**:
  - a) The indicator includes all IFR flights within European airspace and covers ATFM delay causes
  - b) The indicator is calculated for the whole calendar year

# ● Capacity indicators – TMA/Airports

- The Commission shall collect, consolidate and monitor as from the first reference period:
  - a) the total of ATFM delays attributable to terminal and airport air navigation services
  - b) the additional time in the taxi out phase
  - c) for airports with more than 100 000 commercial movements per year, the additional time for ASMA (Arrival Sequencing and Metering Area)
- As from the second reference period, a second EU-wide capacity indicator shall be developed on the basis of the monitoring described *[above]* to address the specific airport ANS-related capacity issues

## ● ATFM en-route delay causes

- The indicator shall include all IFR flights within European airspace and covers ATFM delay causes.
  - » EU-wide target to be set on all ATFM delay causes
  - » 83% of ATFM delay attributable to Capacity and Staffing;
  - » Weather ATFM en-route delays not directly caused by ANS but the ANS can influence the results depending on how the situation was handled;



- Capacity/ Staffing (CFMU codes C,S)
- Weather (W)
- Other (all other causes)

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## ● Proposed Approach

The EU-wide capacity target will need to be set in the context of:

- Historic analysis: An agreed baseline – that is the actual performance achieved in the period before the target is set
- Economic optimum: Based on the trade-offs between the cost of providing the capacity and the cost of delays (that is the cost of not providing sufficient capacity)
- Forward looking analysis: The current capacity enhancement plans at pan-European and national/FAB levels, including capacity improvements due to implementation of the first SESAR Implementation Package (IP1)
- The financial incentive mechanisms which will be included and adopted in the revised charging scheme IR

# ● Performance achieved in the past

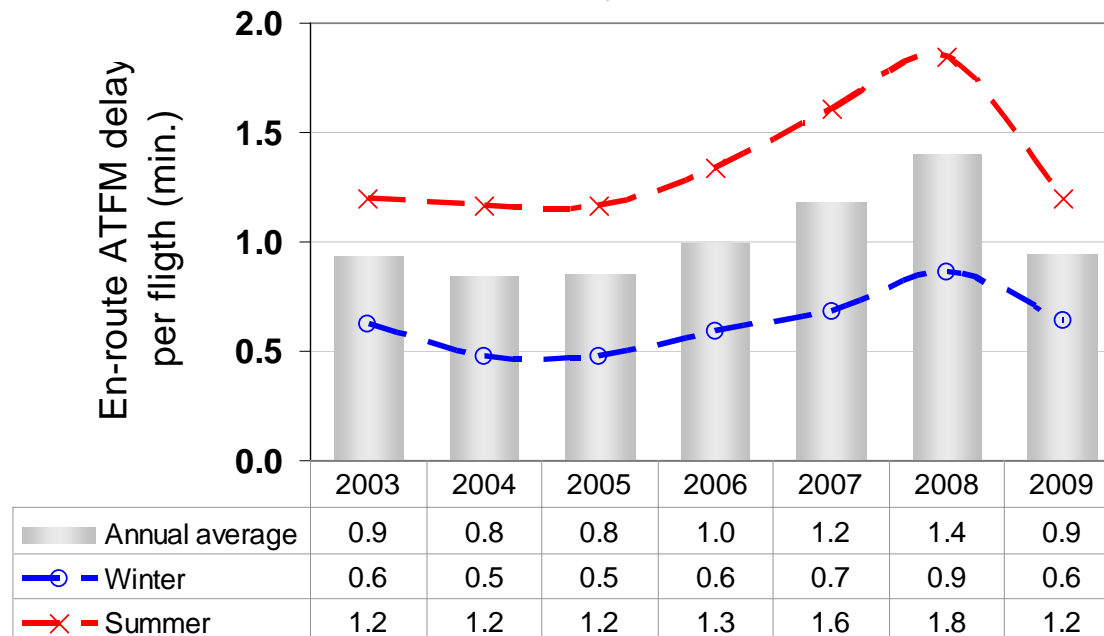
- Target to be set in the context of:
  - » Historic analysis: Calculation of the current EU-wide baseline (i.e. en-route ATFM delay per flight for the full year; all delay reasons included; EU and associated States only)

**En-route ATFM delay per IFR flight**

Scope: EU 27 + 2 States

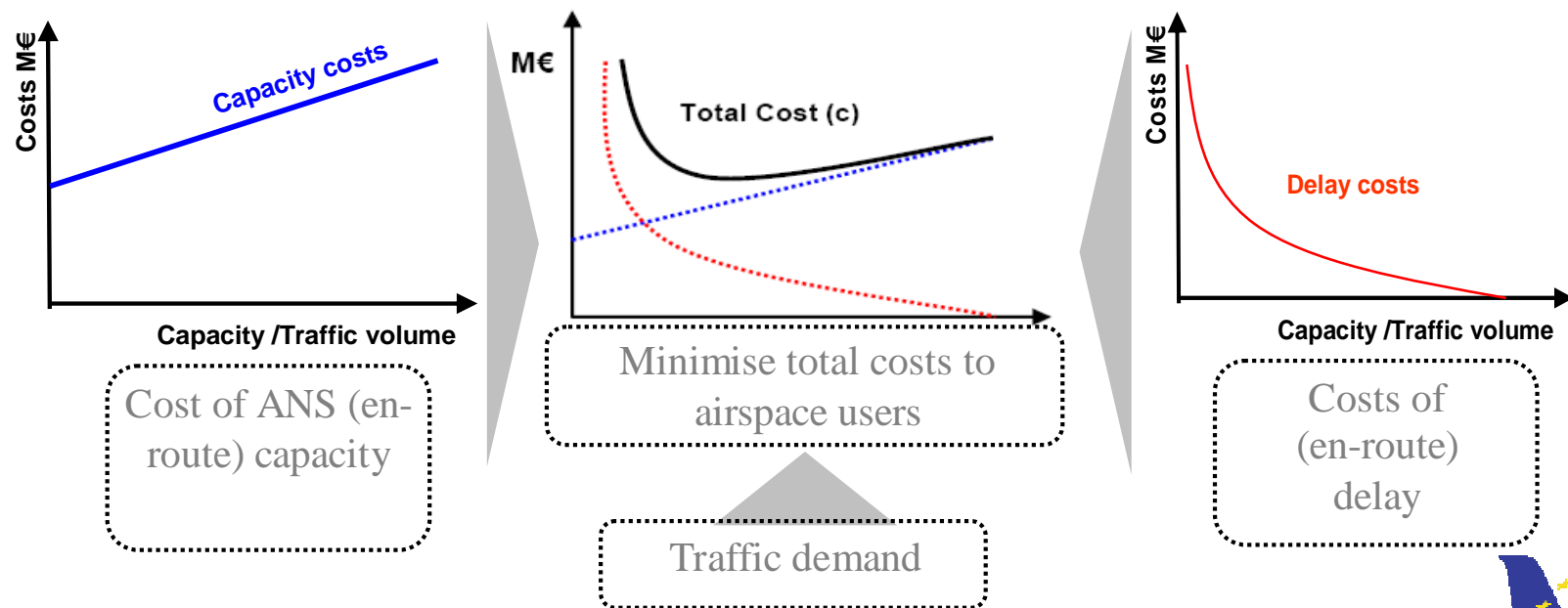
Data Source: CFMU

Period: Calendar year



# Economic system optimum

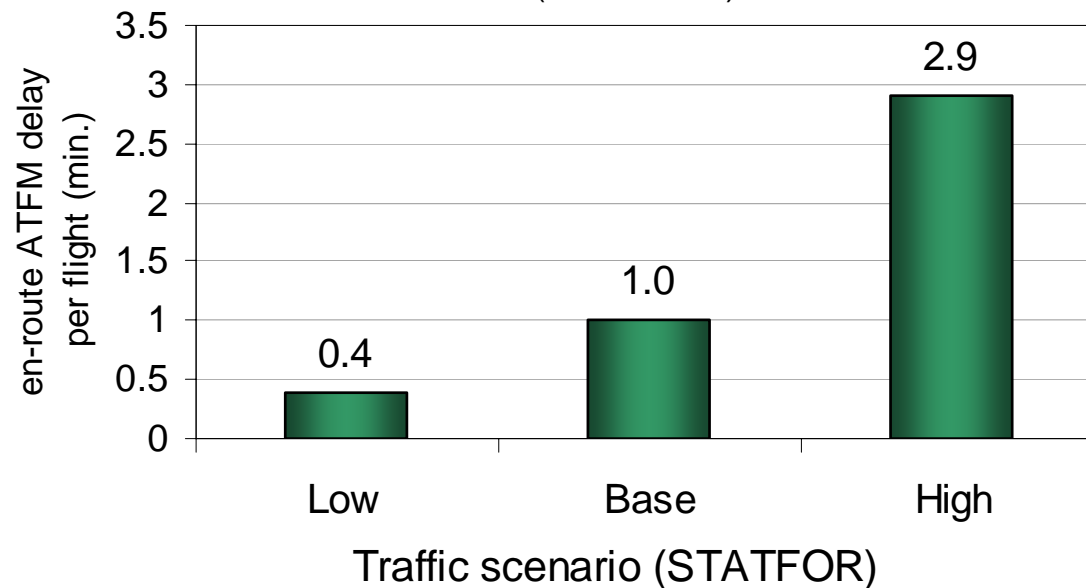
- Target to be set in the context of:
  - » Minimisation of total costs based on the trade-off between the cost of providing en-route capacity and the cost of delays (the cost of not providing sufficient capacity)



# ● Forward looking analysis

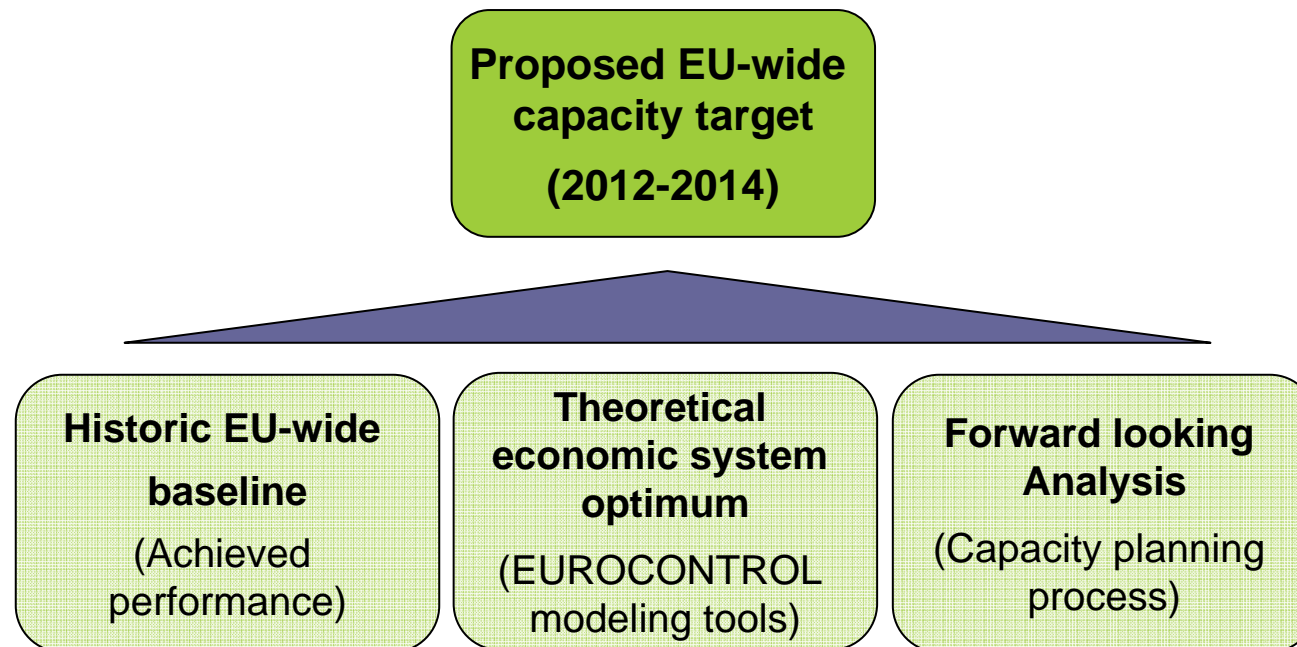
- Target to be set in the context of:
  - » The current European ATM Network Capacity Plan for the period 2011-2014, reflecting capacity improvements planned at pan-European and national/FAB levels and implementation of the first SESAR Implementation Package (IP1)

En-route ATFM delay forecast Summer 2014  
(ECAC Area)



# ● Summary approach for Capacity KPI

- Proposed approach takes three different perspectives for the formulation of the EU-wide capacity target in RP1



# ● Discussion





# Agenda Item 6: **Approach for the Environment KPIs**

27, May 2010

Directorate-General  
for Mobility  
and Transport



Ralf Berghof  
PRC

# ● Definition of Environment KPIs (1/2)

- The first European Union-wide environment KPI shall be the **average horizontal en route flight efficiency**, defined as follows:
  - » The average horizontal en route flight efficiency indicator is the difference between the length of the en route part of the actual trajectory and the optimum trajectory which, in average, is the great circle
  - » En route is defined as the distance flown outside a circle of 40 NM around the airport
  - » The flights considered for the purpose of this indicator are:
    - (a) All IFR flights within European airspace
    - (b) Where a flight departs or arrives outside the European airspace, only that part inside the European airspace is considered
  - » Circular flights and flights with a great circle distance shorter than 80NM between terminal areas are excluded

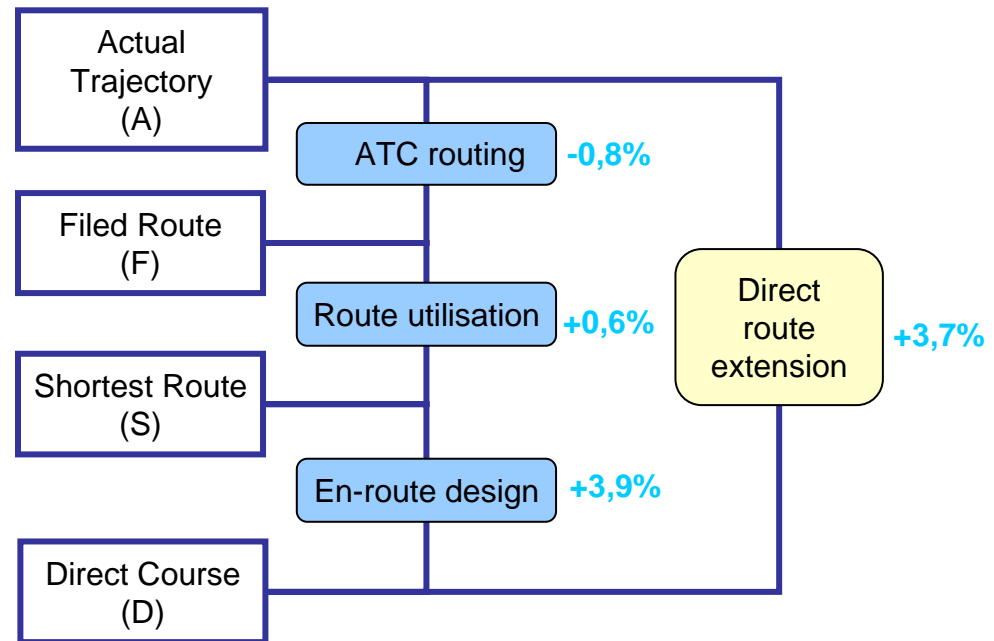
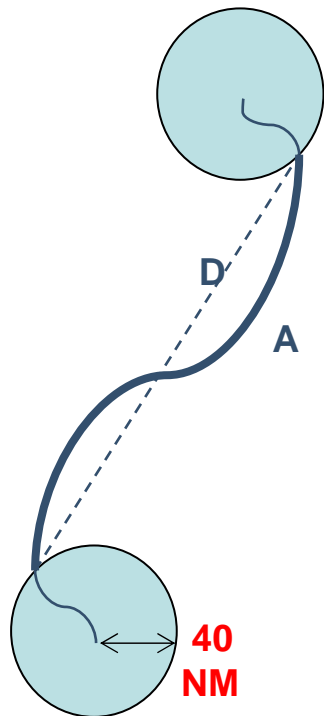


## ● Definition of Environment KPIs (2/2)

- The second European Union-wide environment key performance indicator shall be the **effective use of the civil/military airspace structures**, e.g. CDRs
- For the first reference period, this indicator shall be monitored by the Commission. Target setting shall start as from the second reference period

*CDR : Conditional Route*

# Horizontal en-route flight efficiency

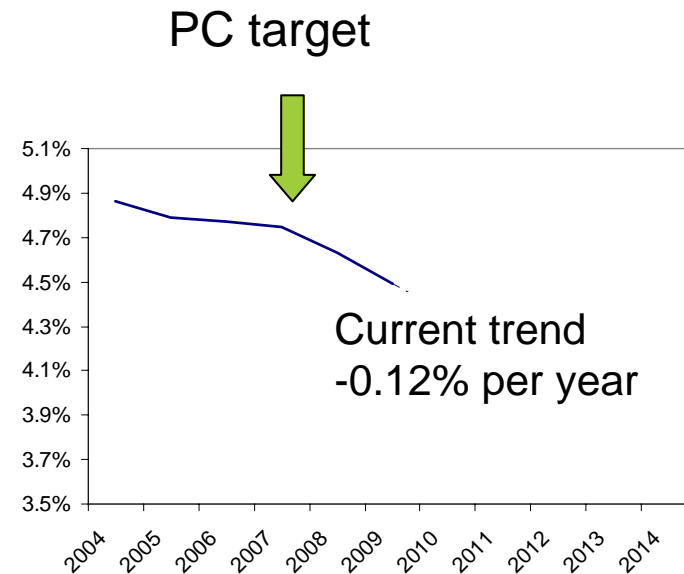


- Surveillance data not yet available from all EU states
- Work in progress with the CFMU to develop flight efficiency measures based on the actual trajectory
- Proposal to set target on filed route (flight plan) for the first reference period

# ● Approach to target setting

Target to be set on the basis of:

- Historical trends
  - » Trend driven by improvement in route design
- Current plan
  - » Expected benefits from ATS Route Network version 7 (2013)
  - » Improvement in route utilisation

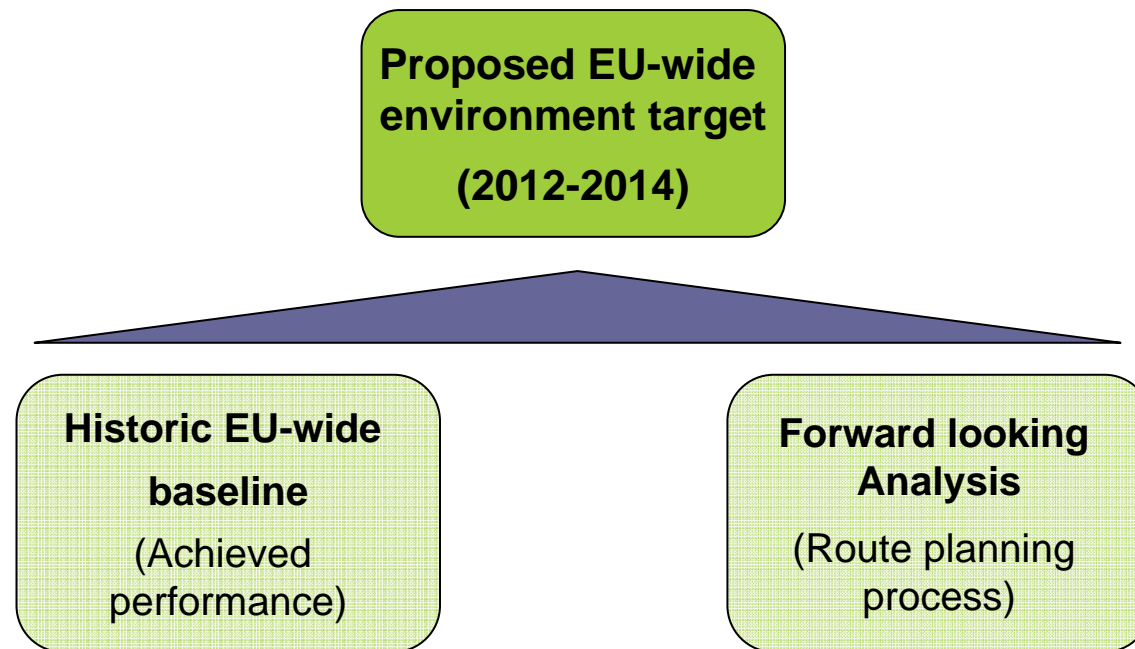


## ● KPIs for RP2

- Implementing Rules require development of KPIs for:
  - » Utilisation of civil/military airspace structure
  - » ANS impact on Environment at and around airport
- Work also needed to address vertical flight efficiency

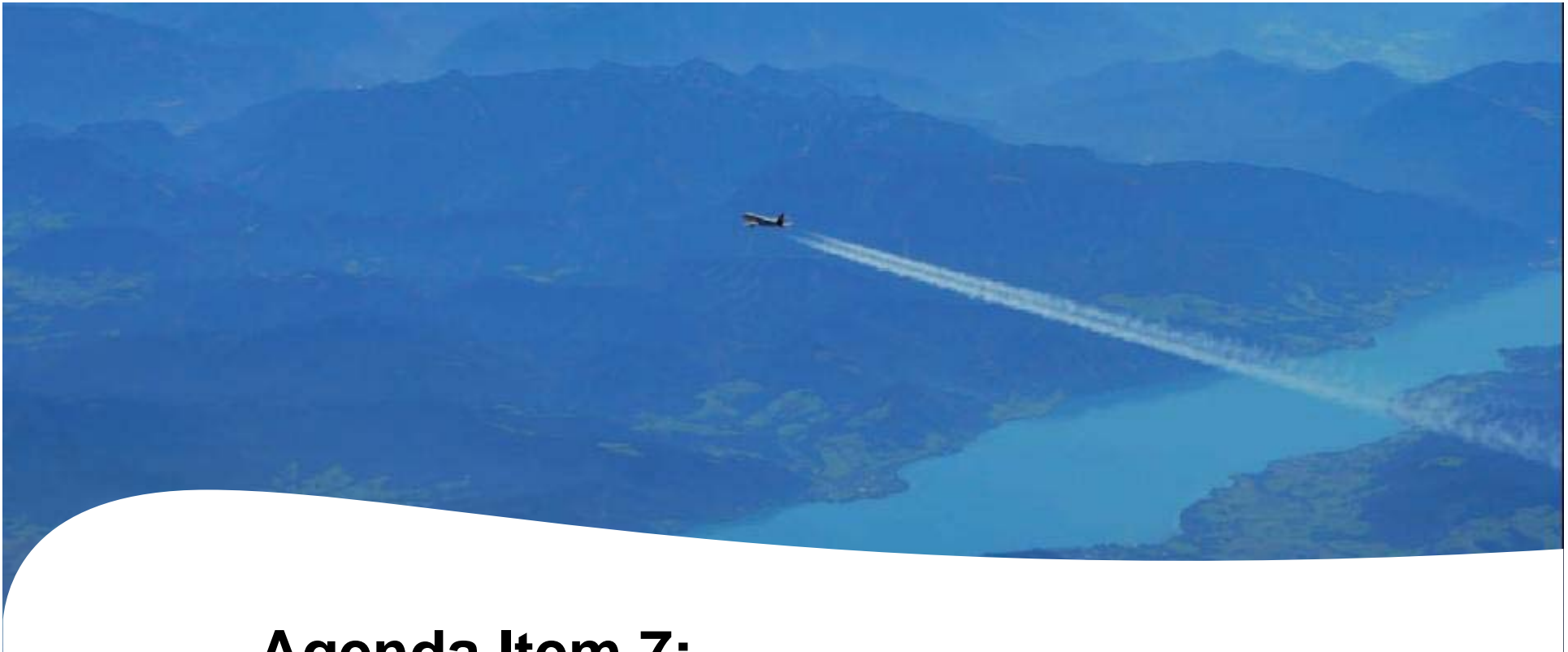
# ● Summary approach for Environment

- Proposed approach takes two different perspectives for the formulation of the EU-wide environment target in RP1



# ● Discussion





# Agenda Item 7: **Approach for the Cost-efficiency KPIs**

27, May 2010

Directorate-General  
for Mobility  
and Transport



Giovanni Nero  
PRU

Keld Ludvigsen  
PRC

## ● Cost-effectiveness KPI – En-route

- For the 1<sup>st</sup> Reference Period, the European Union-wide cost-efficiency key performance indicator shall be **the average EU-wide determined unit rate for en-route air navigation services**, defined as follows:
  - a) The indicator is the result of the ratio between the determined costs and the forecast traffic expected for the period at EU level, as contained in the Commission's assumptions for establishing the EU-wide targets in application of Article 9.4
  - b) The indicator is expressed in Euros and in real terms
  - c) The indicator is provided for each year of the reference period



# ● Cost-effectiveness indicators - TMA

- For the 1<sup>st</sup> Reference Period, terminal air navigation services costs and unit rates shall be collected, consolidated and monitored by the Commission in accordance with the Charging Scheme Regulation
- As from the 2<sup>nd</sup> Reference Period, the second EU-wide cost-efficiency key performance indicator shall be **the average EU determined unit rate for terminal air navigation services**

# ● Link with the Charging Scheme regulation

- SES II introduces an important change with the setting up of a risk sharing arrangement:
  - » Explicit link between the Performance Scheme and Charging Scheme regulations
  - » A tool to incentivise performance improvements
  - » Distinction between traffic risk and cost risk
    - Details are still under discussion
  - » Under/over recoveries from current system to be fully absorbed during RP1
- The EU-wide target is based on the determined costs:
  - » Net of over/under-recoveries (Annex IV of draft Charging Scheme regulation)
  - » Adjustments for legacy under/over-recoveries up to the year 2011 affect the “final” unit rate paid by airspace users

# ● General approach

Evidence is being built up from the following forms of analysis:

- EU-wide analysis using consolidated Route Charges data
  - » Historic and forward looking ANS system performance
- Continental benchmarking of EU-US system performance
  - » Trends in costs and productivity using FAA ATO data
- ANSP benchmarking using ACE data and framework:
  - » Historic and forward looking ANSP analysis
- Econometric benchmarking analysis:
  - » Advanced statistical modelling of the relationship between ANSPs costs and factors affecting the level of these costs

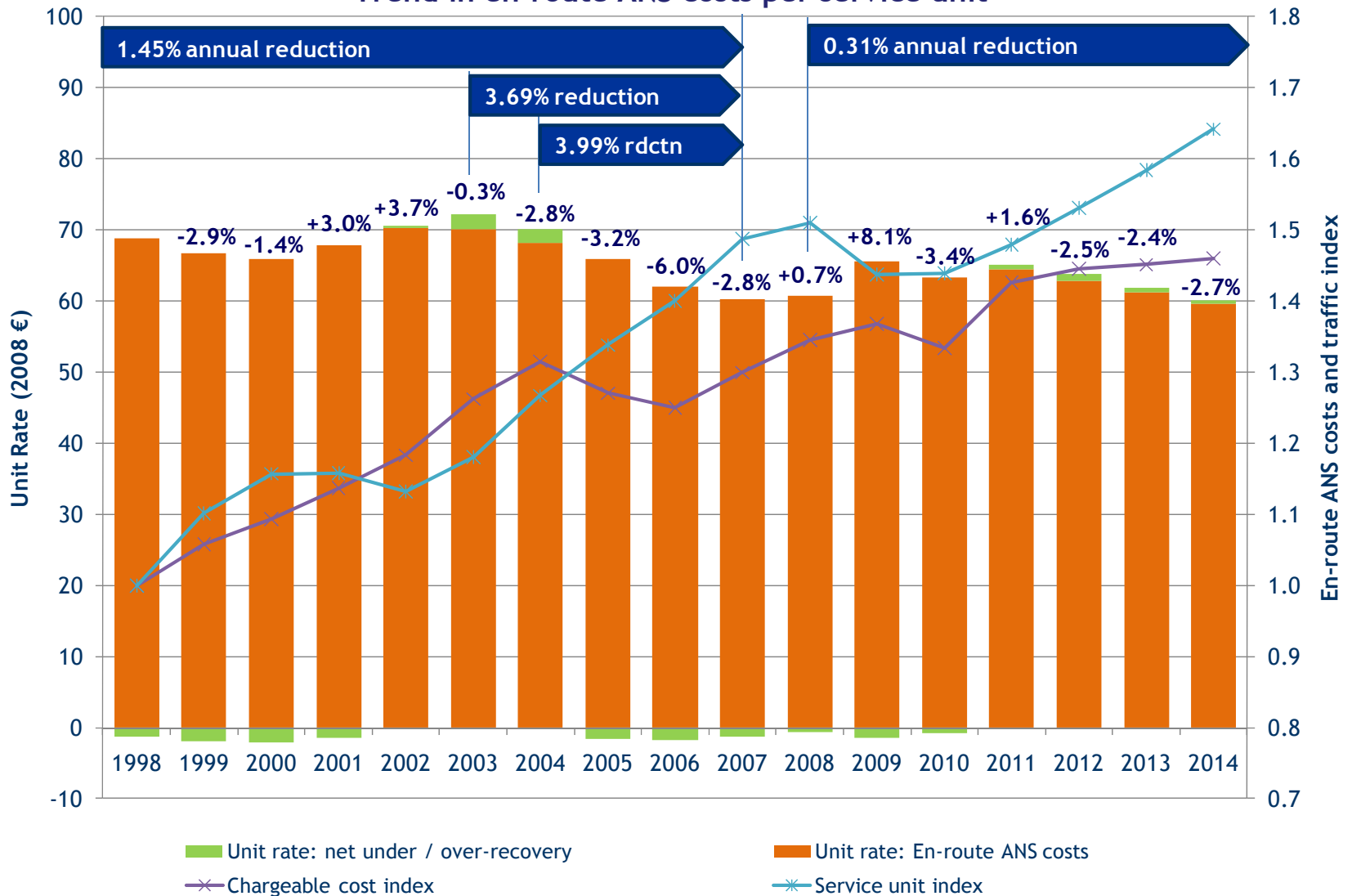
**In any case, expert judgment will be needed**  
**There is no magic formula!**

## ● EU-wide analysis – Methodology used

- Analysis focuses on determined unit rate which does not include adjustments for legacy under or over-recoveries
- The analysis is based on data submitted by:
  - » States for the purposes of the Route Charges (CRCO data)
  - » ANSPs in the context of the ACE benchmarking program
  - » FAA ATO data for the continental benchmarking
- Analysis focuses on en-route as this is what the target will apply to. However,
  - » EU/US comparative analysis is gate-to-gate, as FAA data is gate-to-gate only
  - » ACE analysis is mainly gate-to-gate to avoid distortions due to different costs allocation (en-route vs terminal)

# EU-wide analysis (1/3)

Trend in en-route ANS costs per service unit



## ● EU-wide analysis (2/3)

- Changes in unit costs reflect economic cycles, traffic shock post 9/11 in 2001 and 2002.
  - » 1.45% annual reduction in costs per SU 1998-2007...
  - » ...but 3.99% annual reduction between 2004-2007
- Improvement mainly driven from containment of support costs
- Investment: capital expenditure to depreciation ratios have been maintained over the 2002-2008 period
- Quality of service: En-route ATFM delays significantly improved since 1999 and now relatively close to PC target (1 min per flight)
- However picture not uniform across all the States
- Improvements achieved despite limited incentives under present full cost-recovery mechanism

## ● EU-wide analysis (3/3)

### Looking forward:

- Available forecast predict an economic recovery and associated traffic growth:
  - » EU medium term traffic growth trend is  $\pm 3\%$  per year
- States' forecasts (Nov. 2009) submitted to CRCO show minimal real cost-efficiency improvement until 2014 as real costs are also set to grow:
  - » Unit costs only return to 2008 levels in 2014
- Significant capital investment planned with yearly capex > €1.2B until 2014
- Efficiency improvements from FABs (reduction of fragmentation) are expected to translate into lower unit costs

# ● EU-wide analysis: Comparison to US

- Useful to have a “continental” benchmark:
  - » US is the only realistic comparator for the EU system
- Update of US-Europe Comparison on cost-efficiency and productivity on-going with the FAA:
  - » Trend series covering 2002-2009
- Analysis will also look at drivers:
  - » Different traffic dynamics between 2002-2009
  - » Support costs, investment programmes, etc.
- Not realistic to expect reaching US level at the end of the RP1 (27+ States, fragmentation, etc.)
- US is not ‘the ultimate’ benchmark as scope for improvement also exists in the US



## ● EU-wide analysis: SESAR long term vision

- The SESAR target is for a 50% cost reduction per flight by 2020 compared to 2004 - equivalent to a 54% reduction in cost per SU
- Achievement of the SESAR target in 2020 is mostly linked with a sustained traffic growth and a strong economic business cycle for Europe
- The SESAR long term vision is appropriate, but circumstances have significantly changed:
  - Traffic growth was severely stopped in 2009, the economic outlook remains uncertain

Cost forecasts submitted by States to CRCO do not show any significant progress towards meeting this target

# ● ANSP Benchmarking analysis: Background

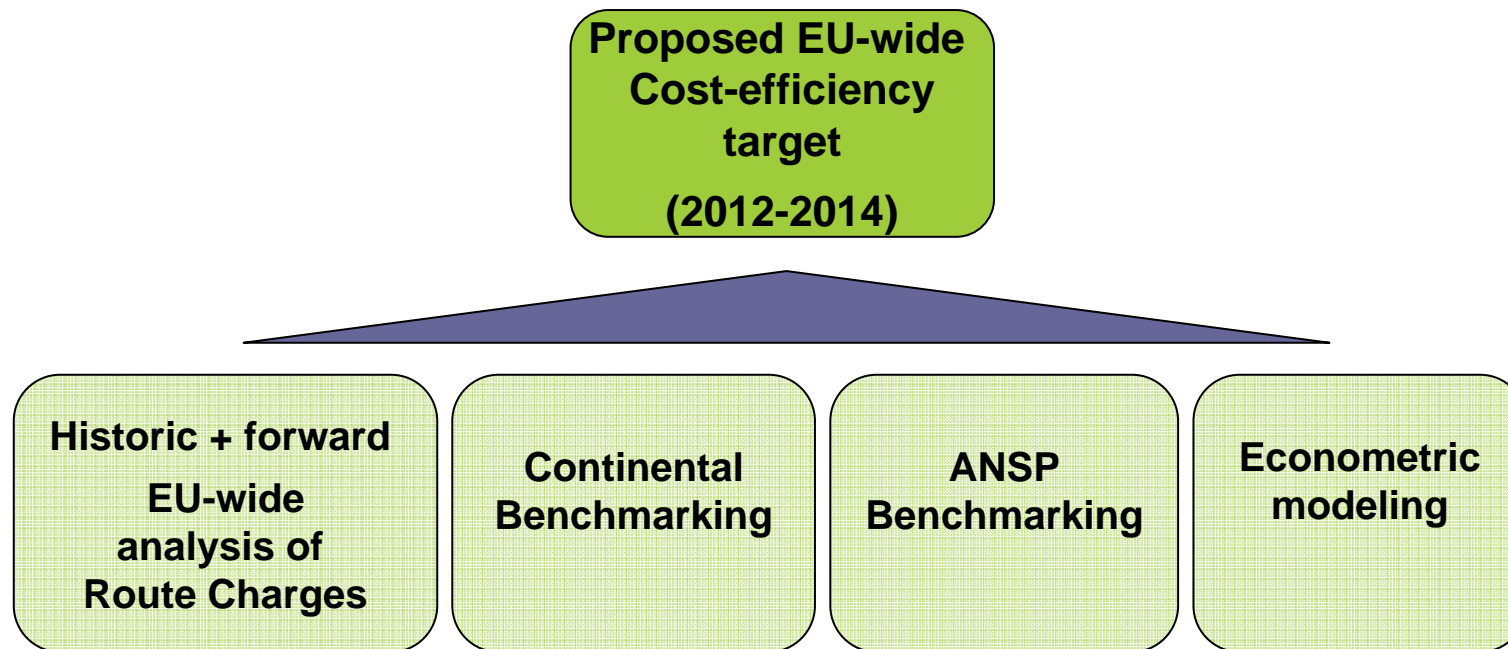
- Looks at historic and forward looking performance of each ANSPs operating in EU27, Norway and Switzerland
- The analysis aims to identify the scope for potential improvement at EU level by examining individual ANSP performance
- Benchmarking analysis builds on ACE data and framework
  - » identify “best in class” performance
  - » identify explanations for differences in performance
  - » identify groupings of ANSPs operating in similar operational and economic environments
    - Size
    - Traffic complexity
    - FAB membership,
    - Cost of living, GDP/head
    - Etc.

# ● Econometric modelling analysis

- 1st objective is to specify a cost function for gate-to-gate ANS
- 2nd objective is to develop a framework which would allow identification of genuine cost-inefficiencies at European level (not local)
- Work is on-going:
  - » Analysis based on data for 7 years (2002 to 2008)
  - » Main difficulty is to deal with the heterogeneity of the sample
- Different econometric techniques exist, they are quite sophisticated and require a large number of observations to obtain results that are statistically meaningful
- No perfect model exists:
  - » Expert judgement will be required on a certain number of technical assumptions and key issues

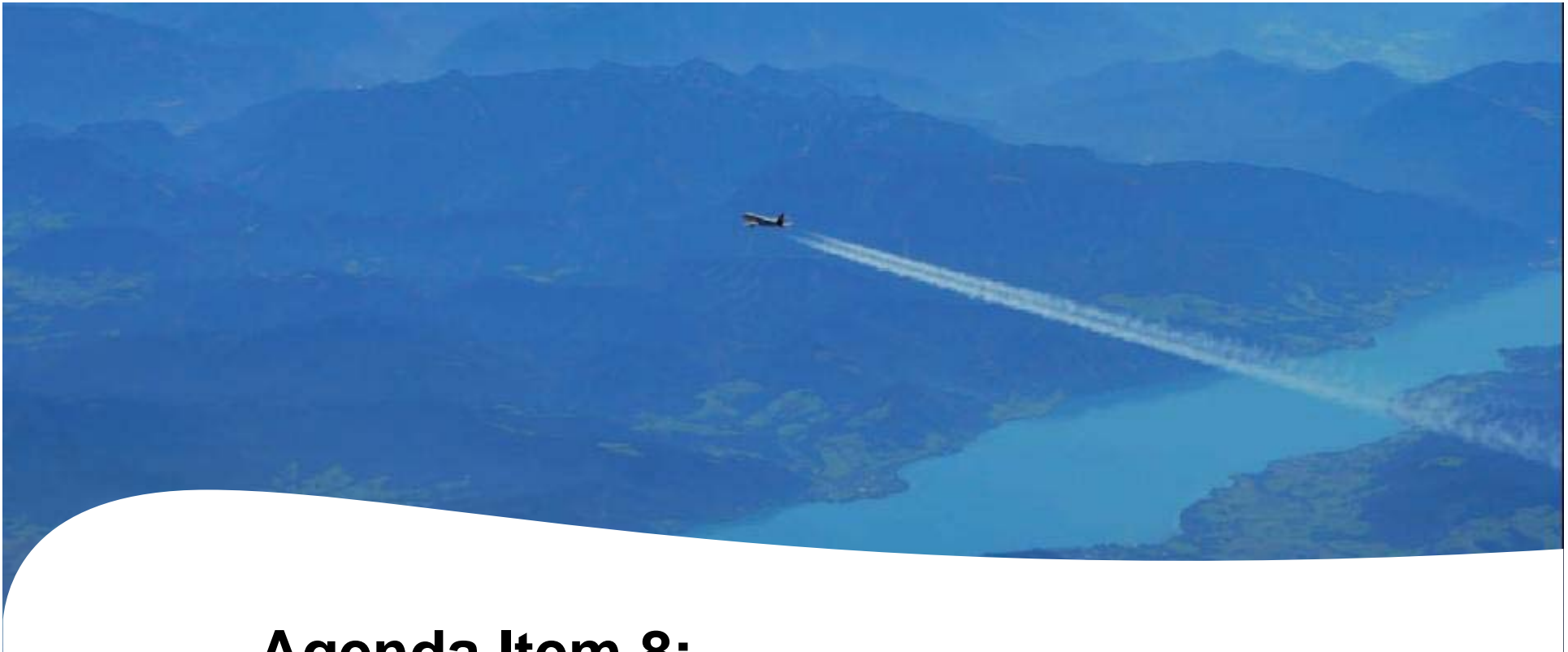
# ● Summary approach for Cost-Efficiency KPI

- Proposed approach takes several different perspectives for the formulation of the EU-wide cost-efficiency target in RP1



# ● Discussion





# Agenda Item 8: **NSA and Stakeholder inputs**

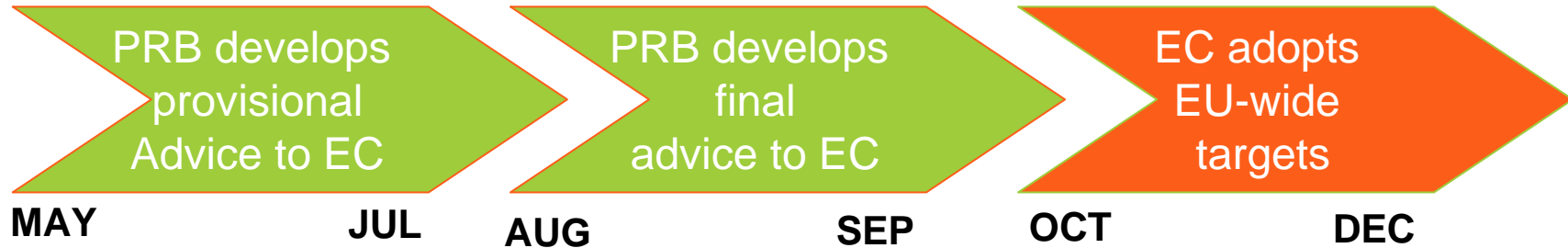
27, May 2010

Directorate-General  
for Mobility  
and Transport



Denis HUET  
PRU

# Summary



**Objective:**

- Explain approach to ensure buy-in and transparency.
- Facilitate inputs from stakeholders and NSAs

**Methods:**

- Public workshop
- NSA Platform
- Bilateral consultations

**Output:**

- Provisional Advice

**Objective:**

- Consultation on provisional advice to ensure NSA and Stakeholders views are known and considered

**Methods:**

- Formal written consultation

**Output:**

- Final Advice
- Comment Response Document

**Objective:**

- Formal adoption by EC

**Methods:**

- Opinion of the SSC
- Consultation with ICB/Social Dialogue

**Output:**

- Commission Decision

# ● National Supervisory Authorities

- A document defining the process for providing NSA input to the EU-wide target setting process will be distributed to NSAs prior to the NSA Coordination Platform on 22-23 June
- The document will structure the input in a specific format



# ● NSA Coordination Platform (23 June)

- During this NSA Coordination Platform, the PRC plans to brief NSAs on:
  - » Progress to date with EU-wide target setting
  - » Requirements placed on NSAs by the Performance Scheme
  - » Use of NSA data and input
  - » Guidance material to be developed by the PRB to support NSAs in preparation of their Performance Plans
  - » How to access assistance from the PRB as defined in the PS IR

## ● Bilateral meetings with NSAs

- The PRC is planning to hold bilateral meetings with NSAs during the target setting process and in preparation of the Performance Plans
- In order to streamline the process, such meetings will be held in Brussels, where possible at FAB level rather than national level, even where Performance Plans are developed at national level

## ● Other Stakeholders

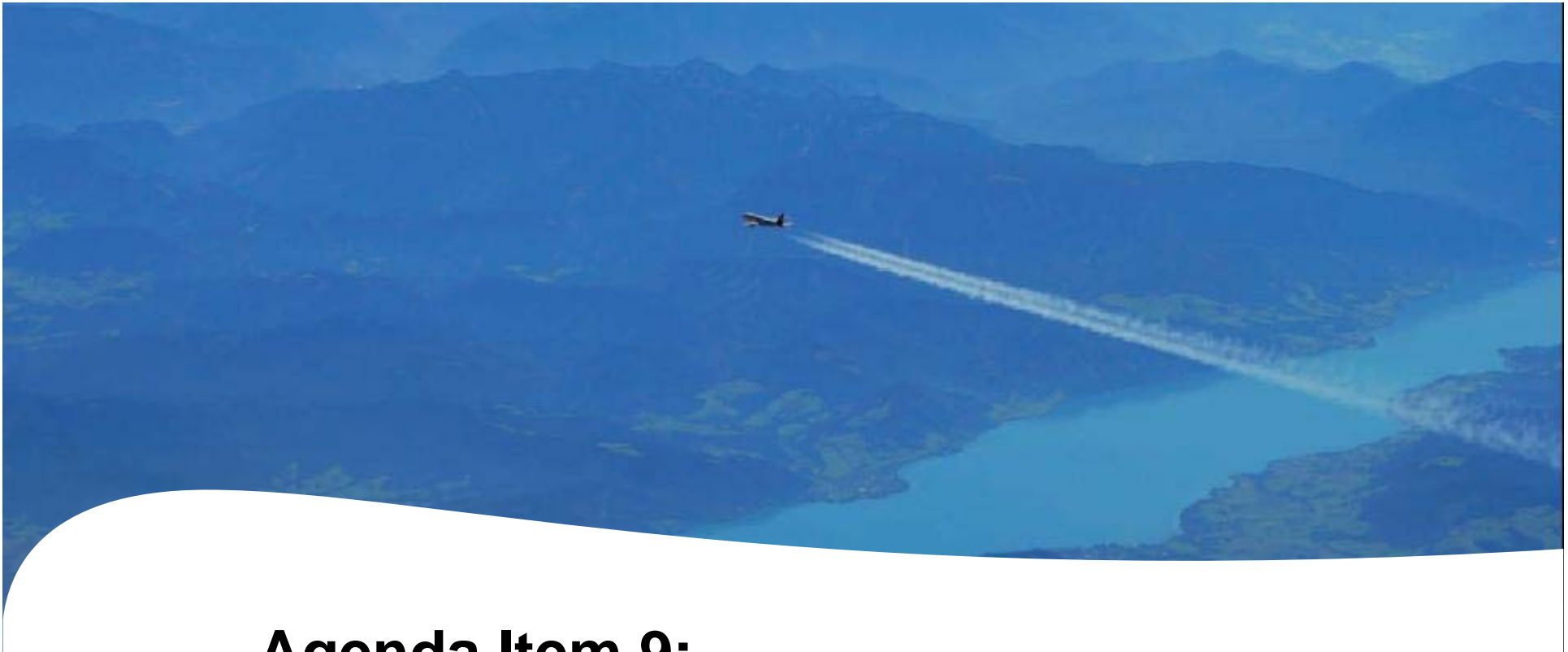
- Stakeholders are encouraged to provide structured and relevant inputs on the EU-wide target setting process:
  - » Email to the EC ([francois.huet@ec.europa.eu](mailto:francois.huet@ec.europa.eu)) pending formal PRB designation
  - » All inputs will be duly considered and acknowledged when drawing up the PRB's provisional advice
- Where requested, bilateral meetings with the PRB can be organised, however in the short time available:
  - » Only one meeting per stakeholder group
  - » Meetings will be held in Brussels

# ● Written Consultation

- The formal written consultation on the EU-wide targets is planned from **2 August until 3 September 2010**
- The consultation will be open to all stakeholders including NSAs
- A formal comment response document will be produced alongside the revised advice to the EC after the consultation process
- The Comment Response Document will be made public prior to transmission of the final advice to the EC

# ● Discussion





# Agenda Item 9: **Conclusions**

27, May 2010

Directorate-General  
for Mobility  
and Transport



Luc TYTGAT  
Head of Single Sky Unit  
DG-MOVE

# ● Conclusions

- The Performance Scheme is a major piece of the SES II package
  - » To enhance current air traffic **safety standards**
  - » To contribute to the **sustainable development** of air transport
  - » To improve the **overall performance of ATM and ANS**
- Performance Scheme IR is agreed by the Single Sky Committee
- Next step is adoption of EU-wide targets by end 2010
  - » All concerned parties have a role to play
- Adoption of National/FAB performance plans to follow in 2011

## ● Concluding remarks

Slides will be dispatched today  
Meeting summary will be provided in two weeks

E-mail comments to:  
[francois.huet@ec.europa.eu](mailto:francois.huet@ec.europa.eu)