



## **Report**

### ***Stakeholder Consultation Meeting on revised FABEC Performance Plan for RP3***

***2 September 2021***

<b>Meeting:</b> Stakeholder Consultation Meeting on revised FABEC Performance Plan on RP3	<b>Host:</b> FABEC Presidency (Switzerland)
<b>Meeting date &amp; time:</b> 2 September 2021, 10h-15h	<b>Location:</b> Virtual meeting via Webex

## DOCUMENT SUMMARY

<b>Objective:</b> Meeting report	
<b>Origin:</b> FABEC Presidency & FABEC Finance and Performance Committee	<b>Audience:</b> Stakeholders and FABEC representatives (see attendance list)

<b>Title:</b> Meeting report
<b>Reference :</b> -

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## ATTENDANCE LIST

Name	Representing
Zuckschwerdt Marcel	Chairman FABEC Council, FOCA
Pirc Igor	FOCA
Hofmann Roger	FOCA
Lombardi Fiona	FOCA
Van Ham Ference	MoT NL
De Vries Eric	MoT NL
Lafourcade Stéphane	DGAC FR
Mesquida Philippe	DGAC FR
Pichavant Yann	DSAE FR
Coulon Etienne	DSAE FR
Schallnus Mathias	NSA DE
King Bernadette	MoT DE
Michael Lokay	MoT DE
Verstreken Pieter	MoT BE
Clarysse Kris	NSA BE
Vincent Antoine	NSA BE
Schräder Björn	NSA LU
De Sousa Daniel	NSA LU
Hellbach Thomas	DFS
Drews Eckhard	DFS
True Volker	DFS
Thamm Gregor	DFS
Willert Maria	DFS
Hornig Sabine	DFS
Schicker Paulina	DFS
Möller Thomas	DFS
Fade Paul-Virgile	DSNA FR
Chambroy Eric	DSNA FR
Anton Robert	DSNA FR
Bristol Alex	Skyguide

<b>Name</b>	<b>Representing</b>
Lintener Marita	Skyguide
Pitton Edouard	Skyguide
Mariétan Stéphane	Skyguide
Fridrich Raimund	FABEC COM Cell / Skyguide
Sitova Ilona	MUAC
Meesen Nadine	FABEC ANSP Group / Skeyes
Van Poelvoorde Tom	FABEC PMG / Skeyes
Bruggen Job	LVNL
Repko Maarten	LVNL
Probst Pit	ANA LUX
Peters Rob	FABEC States Bureau
Prach François-Xavier	FABEC ANSP Group
Gellert Busso	FABEC ANSP Group / Skeyes
Edard Jean-Michel	FABEC ANSP Group
Sergison Rory	IATA
Baumann Achim	A4E
Rhodes Nick	ERAA
Rado Francesco	easyjet
Thevenaz Jean-Marc	easyjet
Weidenhiller Stephan	DLH
Pikolin Joerg	DLH
Nantier Eric	SWISS
Gillarday Conor	Ryanair
Eyrolle Raphaël	Air France
Priouzeau Emmanuel	Air France
Tiffert Björn	TUIFLY
Jaworska Magdalena	PRB
Patel Jay	PRB
Bardos Pal Peter	PRB
Huet Denis	EUROCONTROL

## **1 WELCOME**

Mr. Marcel Zuckschwerdt, Chairman of the FABEC Council (CM FC), welcomed the participants to the stakeholder consultation meeting on the draft FABEC Performance Plan for RP3. He highlighted the substantial impact of the COVID-19 pandemic on the entire aviation industry including ATM and its regulatory framework on the performance and charging scheme. In relation to RP3, exceptional measures have been put in place in 2020 and based on these measures, the European Commission has adopted revised EU-wide performance targets pursuant to the Commission Implementing Decision (EU) 2021/891. These targets form the basis for the draft FABEC performance targets, which were subject of today's consultation.

CM FC underlined the importance of transparency in respect of all areas of interest for the stakeholders concerned. In order to foster mutual understanding of the respective challenges and expectations, a first informal meeting with airspace users took place on 16 June 2021, where *inter alia* it was agreed that FABEC States would provide information on major investments and their impact on the overall performance. This request was followed up by today's presentations covering the key performance areas ("KPA") safety, environment and capacity provided by FABEC experts.

## **2 SETTING THE SCENE**

Mr. Ference van Ham, NL NSA representative and Chairman of the FABEC Financial and Performance Committee (FPC) responsible for the preparation of the FABEC RP3 Performance Plan, also welcomed the participants and indicated that, although the exact requirements for consultation on the performance plan are unclear, FABEC considers it good practice to consult stakeholders on its plans. He reminded the participants that the focus of the meeting would be on the safety, environment and en route capacity elements of the FABEC plan, with cost efficiency and terminal capacity elements having been consulted at national level.

CM FPC then proceeded to briefly introduce FABEC's reasons for preparing a FAB-level performance plan, and the process applied to develop the plan. With respect to the impact that the COVID pandemic has on performance and planning, he noted that this impact was not only limited to an adaptation of day-to-day operations to significantly reduced traffic levels, but that COVID measures such as distancing requirements and travel restrictions also impacted e.g. ATCO training and system implementation. Furthermore, ongoing uncertainty and lack of availability of relevant data complicated the situation.

As a final point, CM FPC noted that following the meeting, stakeholders were welcome to provide additional written inputs by 10 September 2021.

### 3 PRESENTATION OF REVISED FABEC RP3 PERFORMANCE PLAN

#### a) Safety

Mr. Björn Schröder, LU NSA representative and member of the FPC, introduced the subject matter by referring to the Key Performance Area of safety's sole indicator (KPI), which is the Effectiveness of Safety Management (EoSM), as defined in the Commission Implementing Regulation (EU) 2019/317, Annex 1, section 1, paragraph 1.1.

The EoSM is measured by five safety management objectives, being safety policy and objectives, safety risk management, safety assurance, safety promotion and safety culture.

Commission Implementing Decision (EU) 2021/891 has not changed the safety targets, they remain as previously adopted in 2019: at least level C (Managed) for all safety management objectives and level D (Assured) for safety risk management.

The safety assessment criteria, which is the EoSM level, must be equal or higher than the Union wide targets. For 2024, FABEC targets are proposed accordingly and thus are in line with the EU-wide targets.

Concerning intermediate targets for 2021-2023 paving the way towards the final RP3 level, it became apparent that the EoSM maturity within FABEC differs significantly and therefore, individual targets based on last year's actual safety performance have been chosen by the Competent Authorities.

Mr. Schröder then presented the main measures put in place by ANSPs and Competent Authorities to achieve the safety performance targets for 2021-2024. Additionally, national and therefore ANSP individual measures will be included in the Performance Plan in detail.

He highlighted the intense cooperation between the Competent Authorities and ANSPs, which has been further strengthened in the last two years in view of supporting the performance plan drafting process. In this respect, he underlined the added value proven through this collaboration across all FABEC States.

#### b) Environment

Mr. Mathias Schallnus, DE NSA representative and member of the FPC, started by highlighting the importance of improving environmental friendliness of aviation. Compared to 2019, the key performance area of environment was much more in focus of both political leaders as well as public media. Thus, he pointed out that FABEC was fully committed to setting ambitious targets and to emphasize on reaching them. However, he also underlined the limitation of the KPA's only KPI horizontal flight efficiency of the actual flight trajectory (HFE or KEA), pointing i.a. to the facts that on the one hand further improvement over present level were difficult to achieve as well as the fact the most direct trajectory might not constitute the most fuel efficient flight path due to either the influence of weather (in particular wind) or the necessity to use inefficient flight levels.

He then recalled the definition of the KPI horizontal flight efficiency of the actual flight trajectory as per Implementing Regulation (EU) 2019/317 Annex I, 2.1, the Union-wide targets as set by Article 2 of the Commission Implementing Decision (EU) 2021/891 and the local environment reference values for RP3 as published in a letter by the Network Manager to the European Commission (NMD/D-4727).

In order to provide for a better understanding, Mr. Schallnus presented the FABEC achievements between 2016 and 2021 as well as factors uncontrollable by ANSPs but strongly influencing the outcome of the KPI. In particular, he highlighted the ratio of overflights as well as regional traffic, military activities, short-term capacity measures such as the so-called eNM Summer Measures 2019 and weather. In addition, he showed the strong correlation between delay and HFE as well as adverse weather and delay, pointing out that improvements in the KPA environment are strongly dependent on good performance in the KPA en route capacity.

He then presented an overview of FABEC projects to improve HFE, focussing mainly on the development of Free Route Airspace (FRA), Cooperative Optimisation of Boundaries, Routes and Airspace (COBRA) and the Dutch Airspace Redesign Programme (DARP). Furthermore, he also briefly presented other FABEC programs in the KPA environment without influence on the KPI but with a clear aim on reducing the environmental impact of aviation such as the MUAC contrail prevention program, the improvement of continuous climb and descent operations (CCO/CDO) as well as the extended arrival management (XMAN I/II).

Mr. Schallnus finished by presenting the FABEC targets which are planned to be fully in line with the above mentioned reference values.

### **c) Capacity**

Mr. Stéphane Lafourcade, FR NSA representative and member of the FPC, presented the proposed revised RP3 en route capacity targets. He first recalled the KPI definition, the average en route ATFM delay per flight attributable to air navigation services and the EU-wide targets set by the Commission Implementing Decision (EU) 2021/891, together with the related reference values calculated by the NM for FABEC and its ANSPs that apply for the assessment.

He explained that various important data, inputs and assumptions were gathered and analysed by the FABEC NSAs in order to set the proposed targets. He then provided information on summer traffic situation in 2021 and actual en route capacity performance at FABEC level. In this context, he drew the attention to temporary and local delays generated since July of this year, mainly due to the combination of high traffic peaks and volatility but also due to remaining understaffing in some FABEC ACCs, lack of exposure to high traffic level for refresher and on-the-job training, including the impact of COVID-19 on the OPS rooms.

He presented the revised en route RP3 FABEC targets which have been set at the level of the FABEC reference values for each year of the remaining RP3 (2021-2024). He stated that FABEC States consider these targets being in line with the EU-wide targets, with the objective of enabling traffic recovery. Nevertheless, FABEC States are of the opinion that they set the bar high and that these targets will represent a challenge for some FABEC ANSPs due to the persistently uncertain traffic evolution, the impact of temporary capacity reduction during system implementations and a remaining potential impact of the pandemic evolution on ATCO hiring, training and qualification speed.

He finally recalled that some major inputs will still be missing at the time of submitting the revised RP3 FABEC draft performance plan, as updated NOP 2022-2024 and its delay

forecast will not be finalized and published before October and updated STATFOR traffic forecast is expected mid-October 2021.

Airspace users appreciated the presentation and the information provided. They also welcomed the FABEC RP3 revised en route capacity targets proposed. Nevertheless, with only 70% of the 2019 traffic level they are surprised by delays during summer 2021 as the peaks during weekends could have been better anticipated either by a rostering adaptation at some FABEC ACCs or by an anticipation of the ATCO needs and recruitment.

Mr. Lafourcade recalled that even with an average FABEC traffic between 60%-70% in July and August 2021, delays were mostly generated during limited peak-days where at sector level traffic was between 90%-100% of 2019 traffic for some ACCs and above 125% at some elementary sectors during peak hours, compared to equivalent days in 2019. He explained that capacity measures have been taken by FABEC ANSP, however their implementation takes time. Meanwhile further measures are currently under review to mitigate current COVID-19 impact on traffic and staff, such as improved planning and priority management for refresher training and simulator use, better anticipation of vaccine plans and implementation of higher regulation thresholds.

#### **d) Cost-efficiency**

On behalf of Ana Salas, CH NSA representative and member of the FPC, who was unable to participate in the meeting, Mr. Ference van Ham presented an overview of national cost efficiency targets. These targets had already been consulted at national level in the previous months, but were presented during the current meeting for completeness.

Noting that the targets were presented for information only, and that more detailed discussions had taken place at national level consultation meetings, airspace users reiterated their general concerns with proposed cost levels and associated cost efficiency targets.

#### **e) Incentive scheme**

Mr. Pieter Verstreken, BE NSA representative and member of the FPC, presented the proposed en route incentive scheme. He first presented the legal framework and highlighted the relevant legislation, including the changes introduced by Commission Implementing Regulation (EU) 2020/1627. He mentioned in particular the fact that the as per art. 3(3) of this Implementing Regulation, the incentive scheme will only cover the calendar years 2022 to 2024.

He explained how the en route incentive scheme at a FAB-level would work, and highlighted the two steps, the first being the trigger mechanism at the FAB-level where it is determined whether a bonus, penalty or neither of both in case of a resulted performance within the dead band will be awarded. In case of a bonus at FABEC-level, only those ANSPs that have outperformed their local pivot value beyond the dead band will be awarded a bonus. In case of a penalty at FABEC-level, only those ANSPs that have performed worse than their local pivot value beyond the dead band will be awarded a penalty. In the second step, the specific bonuses or penalties will be calculated as a percentage of the determined costs of year n, which will be added or deducted to the unit rate of year n+2.

With regard to the parameters on the FABEC-level, FABEC NSAs propose a dead band at 23%, which is the widest dead band possible. The reason for this is twofold. On the one hand, this would in the first instance avoid bonuses in case traffic is lower than expected, but it would also provide for a considerable margin in case traffic increases faster than expected. The maximum bonus/malus is set in a symmetric way with a maximum of 0.5%. FABEC NSAs consider that this level is appropriate as this level is considered to have a material impact on revenues, especially in light of the current tight cost planning of FABEC ANSPs. On the ANSP-level, a dead band is determined for each ANSP individually, expressed either as a percentage or as a fraction of minutes.

Concerning the modulation of the pivot value, FABEC NSAs propose that the incentive scheme would only cover CRSTMP en route ATFM delay causes. The reason behind this is the fact that ANSPs are supposed to be responsible only for these causes. For the creation of the pivot value, a CRSTMP-ratio was calculated based upon the historical data of the years 2012-2020. No modulation of the pivot value based upon the November release of year n-1 of the NOP is proposed due to the unavailability of an updated NOP, the shorter timeframe of the incentive scheme and the marginal impact this modulation would have.

After the presentation, an airline representative stated that an incentive scheme with two levels would be only beneficial for ANSPs, as it would prevent the potential imposition of a penalty on specific ANSPs who would perform worse than their expected contribution when FABEC as a whole would reach its target. He therefore advocated that FABEC should use individual incentive schemes for each ANSPs separately.

Mr. Ference Van Ham, CP FPC/NL NSA and Mr. Pieter Verstreken, BE NSA replied firstly that as per Commission Implementing Regulation (EU) 2019/317, it is obligatory to use a FAB-incentive scheme for the en route capacity target, hence it is not possible to use individual incentive schemes for each ANSP separately. Secondly, it was explained that a FABEC-incentive scheme is not more advantageous for ANSPs, as the reasoning stated by the airline representative also would work in the other way. This means that when a specific ANSP would perform better than its expected contribution, while no bonus activating level was reached at FABEC-level, also no bonus would be awarded to the over performing ANSP.

## **4 STAKEHOLDER VIEWS**

### **a) ANSPs**

Mr. Alex Bristol, Chairman of the FABEC ANSP Strategic Board (CM ASB) called for a common understanding of each other's challenges to overcome the crisis experienced by the entire aviation industry and to build for the future (see detailed presentation provided by FABEC ASB and PMG). The request for more financial transparency of ANSPs was taken on board and FABEC ANSPs' aim to provide information as needed; this was followed up as far as possible during today's meeting and national consultations.

He advocated for lessons learnt from the current crisis to be drawn jointly, including how to adapt best to the new reality. Furthermore, he underlined the importance to investigate ways of improvements in view of RP4, which should aim at providing the required flexibility, resilience and scalability at optimum costs.

CM ASB noted that while FABEC ANSPs fully subscribe to the EU-wide safety performance targets, it might be challenging for FABEC ANSPs to reach the targets in the KPA of

environment and capacity as the adopted EU-wide targets are ambitious, and interdependencies and trade-offs might lead to unwanted effects. Therefore, FABEC ANSPs strongly support the consideration of local circumstances in the performance plan approval process.

Mr. Thomas Hellbach, Chairman of the FABEC Performance Management Group (CM PMG), gave an overview of the current traffic situation and the traffic forecast by indicating that several factors (economic, operational, sanitary) indicate a potentially volatile traffic evolution with a direct effect on reaching the performance targets. He questioned whether the existing performance indicator for delay and environment are adequate to measure the performance of ANSPs. He suggested that an evolution toward throughput level would be more adequate for measuring ANSP performance.

CM ASB concluded that ANSP commit to provide the best service possible and they will do their utmost to achieve the proposed targets, which are still considered as challenging.

## **b) Airspace Users**

Mr. Rory Sergison (IATA) presented airspace users' views and expectations. While air traffic has regionally reached encouraging traffic levels this summer, many carriers do not see a sustained traffic growth beyond this period and a full traffic recovery to pre-pandemic levels is not expected before 2025. In order to support this recovery, airspace users expect that FABEC ANSPs provide efficient capacity that is scaled to demand. Furthermore, transparency on investments is key by equally ensuring further cost-containment measures and by conducting a full review of CAPEX.

Airspace users are of the opinion that FABEC States consistently have not delivered the expected performance; therefore, NSAs and ANSPs are requested to take the necessary measures and to adapt costs and practices to reflect the new reality. Solutions should be sought to finance ATS as traffic recovers and under-recoveries should be treated in a fair and equitable manner.

On safety, airspace users fully support the targets set by FABEC, but more transparency by NSA and ANSP is needed, in terms of information on the different ANSP targets.

On environment, the proposed KEA target in line with the reference value is strongly supported. Airspace users note that there is a political pressure on the industry to adequately contribute to the objectives of the Green Deal and the ReFUEL initiative. Therefore, ANSPs must build an efficient airspace by reducing complexities. Moreover, greater focus should be put on improving vertical flight efficiency to reduce CO2 emissions. This said, historical performance would suggest little confidence from airspace users that FABEC will deliver the ambitious targets for environment.

On capacity, the FABEC targets, which are in line with the reference value, are supported, but this should not be seen as a blank cheque for potentially not complying in the domain of cost-efficiency. Current investments and costs should be sufficient. Moreover, a better identification of project benefits is required to close the capacity gap. Airspace users noted that all ATC units mention risks related to future available capacity. Capacity issues at the current (lower) traffic level suggest difficulties to meet the targets. Therefore, mitigation measures shall be identified and planned to manage volatility, staff availability, rostering, training, new ATC system implementation.

Referring to the proposed incentive scheme, airspace users strongly advocate for a penalty-only scheme, thus no bonus should be awarded unless there would be a significant improvement in CAP performance. A CRSTMP limitation is not supported. Furthermore, only the achievement of both FAB and ANSP targets would drive the changes required by airspace users.

Referring to a cost aspect as suggested in the presentation by airspace users, CM FPC inquired on the method of calculation, which would suggest a 250% increase. Mr. Sergison elaborated that the sum results from the expected increases in unit rates. CM FPC highlighted that such a calculation could not be considered correct, as one may not simply add up the determined unit costs increases. Applying the correct calculation method, a cost increase would amount in average to approx. 40%. CM ASB added that there is a differentiation to be made between an increase in costs, or of price, the latter is also driven by the evolution of traffic and charging for the under-recoveries for the years 2020/2021.

### **c) Discussion**

In the context of KEA Mr. Achim Baumann (A4E) inquired what support can be expected from (FABEC) ANSPs to increase fuel-efficiency and thus to contribute to reaching the ambitious environmental/climate objectives. CM FPC acknowledged the limits of the KEA indicator and mentioned that the discussions are being held in the process of the SES 2+ legislative package. Ms Ilona Sitova (CW of FABEC Standing Committee Environment) summarized the current planned activities within FABEC in the area of environment, which address inter alia aspects of horizontal flight efficiency and fuel consumption. A4E and IATA welcomed these activities and they would appreciate their involvement.

IATA noted the significant (unit) cost increase in all ANSPs over the next years and asked how NSAs as regulators plan to manage the performance in terms of ensuring that ANSPs reach the EU-wide targets. On this aspect, CM FPC replied that while solutions are often known for providing the required services, their implementation takes time. NSAs manage performance, but they equally have to take into account what is possible and what ANSPs can deliver within a given timeframe. The focus lies on a balance between the specific situation of today and the support of the recovery phase.

IATA commented that the right level of ATCO recruitments should have been anticipated, also in view of the increasing number of retirements. With regard of ATCO staffing, there should be more flexibility and mobility in the system and the implementation of FRA should reduce complexity and provide harmonization. On this aspect, CM ASB noted that a high pressure on cost-containment in the last decade led to an ATCO shortage, which in turn resulted in capacity constraints shortly before the traffic collapsed following the pandemic. ATCO recruitments as proposed are in line with the retirement scheme. While ANSPs are taking initiatives to increase flexibility, one should avoid making the same mistakes in the future.

Mr. Stephan Weidenhiller (Lufthansa Group) welcomed these initiatives. However, more flexibility on both staff and sector management would be required at the earliest possible, by referring to the fact that airlines have been able to adapt in a short period.

## **5 WRAP UP / CLOSE**

CM FC thanked the meeting participants for the fruitful discussions. He highlighted that FABEC States are fully aware of the continuing difficult operational and economic environment for the entire aviation industry. He also noted that the challenge will remain keeping the costs at a level which is acceptable and sustainable to the airspace users. FABEC States will now finalize the draft revised FABEC Performance Plan for its timely submission to the European Commission by 1 October 2021.