

SES II performance scheme

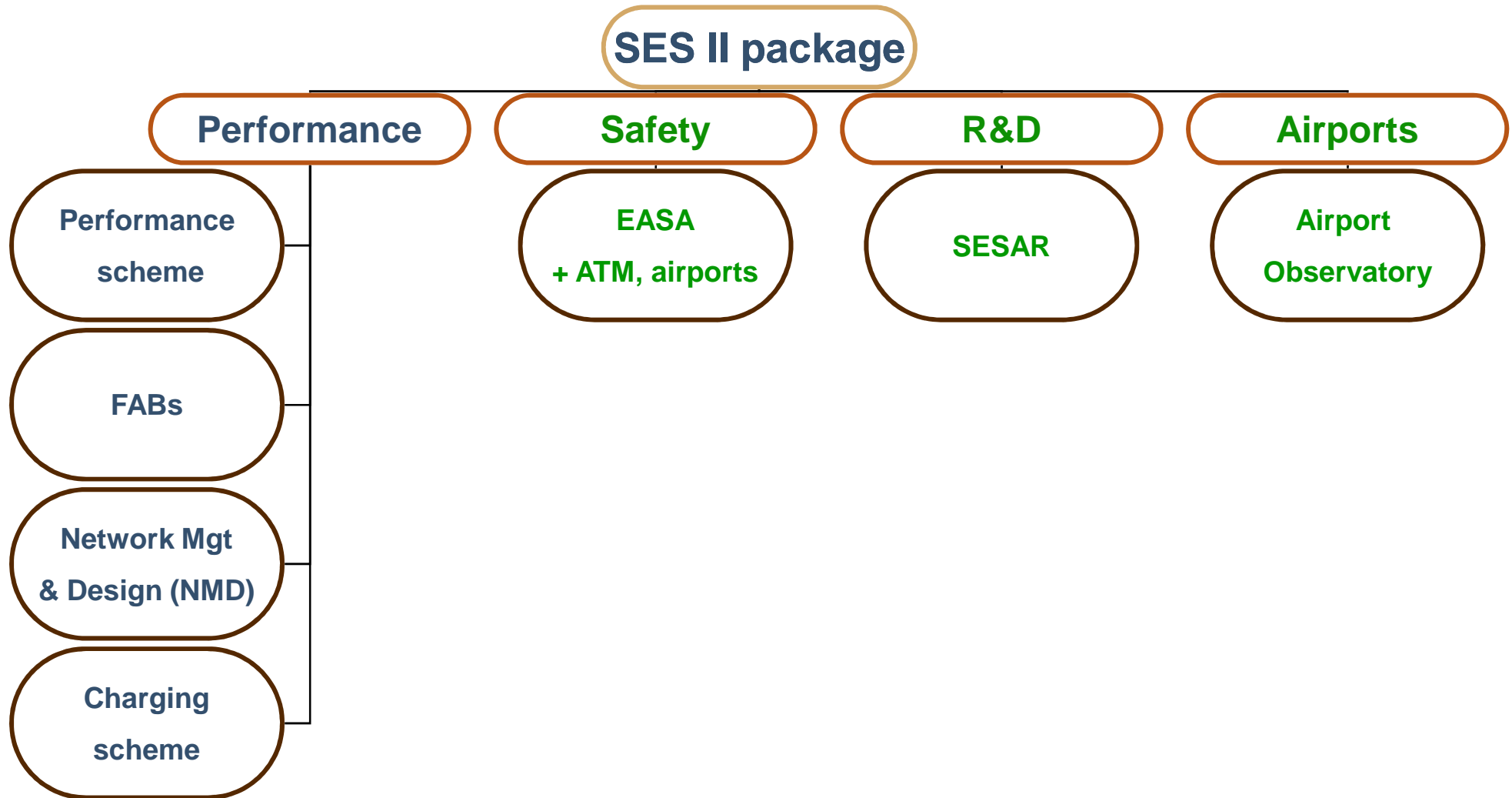
ATCEUC

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Head of Performance Review Unit

Genève, 13 November 2009

Context and objectives of this session

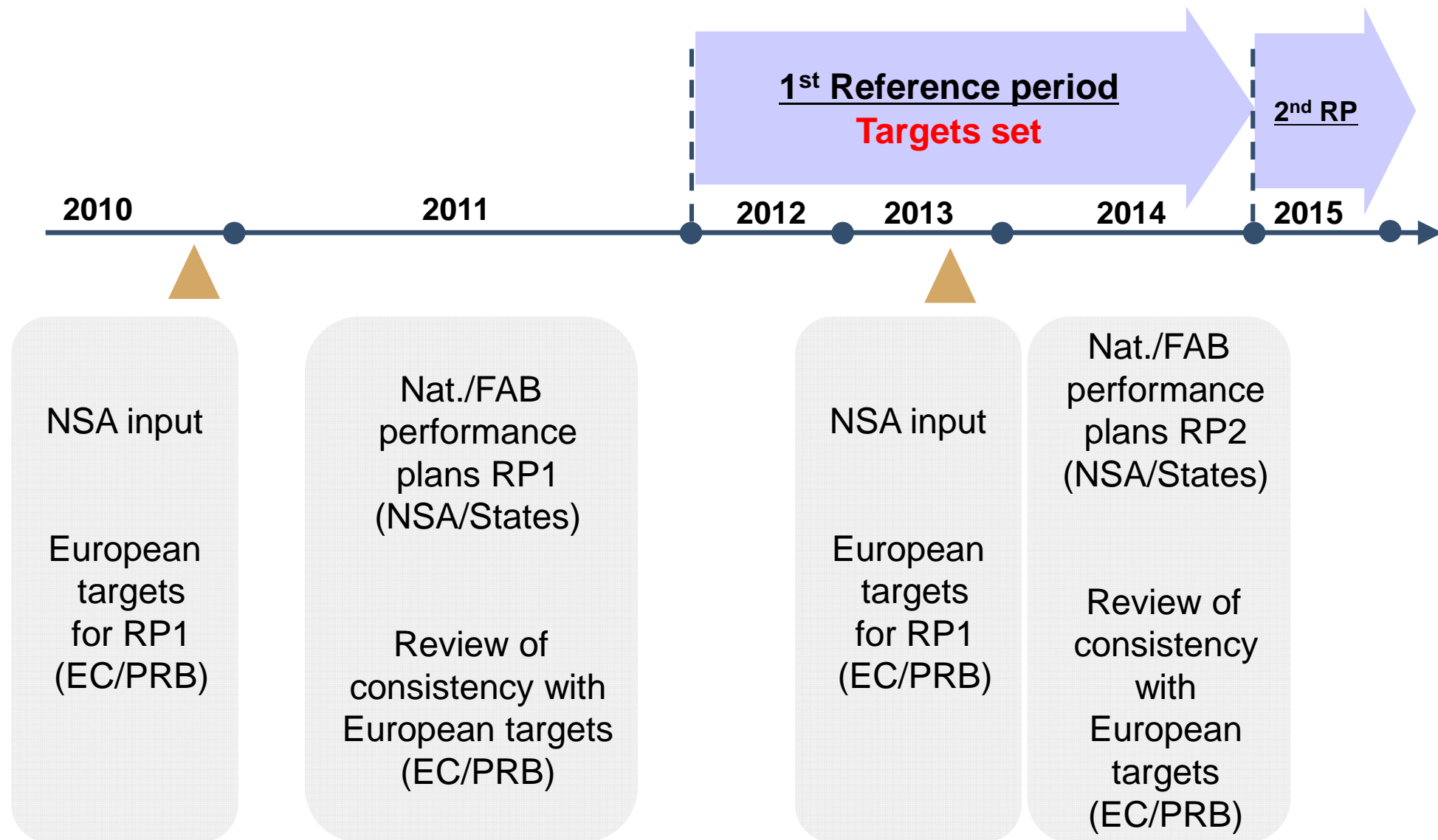
- **SES II package adopted**
- **Focus on performance scheme**
 - Key features
 - Roles and responsibilities
 - Implementation schedule
 - Initial views
on Performance indicators and targets
- **Open discussion**



The SES II Performance scheme

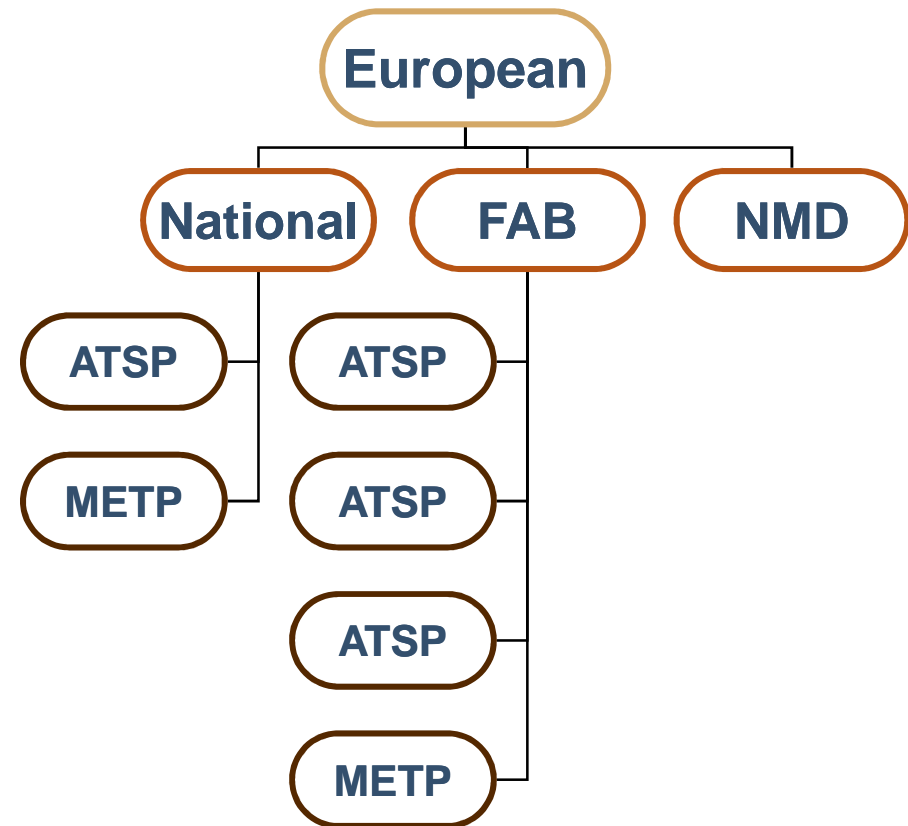
- **The SES II performance scheme (Art 11 FR) includes**
 1. Selection of appropriate KPAs, KPIs
 2. Reference periods for performance targets (3 to 5 years)
 - Reference periods synchronised across Europe
 - First reference period: 2012-14
 3. Community targets (EC)
 4. National/FAB performance plans (States/NSAs)
 - Targets, incentives
 5. Consistency check between European and local targets (EC)
 6. Periodic review, monitoring and benchmarking of performance
 - “Periodic review, monitoring and benchmarking of performance of ANS and **network functions**” (Art 11.1c FR)
 7. An independent Performance Review Body
 - assisting the EC
 - assisting the NSAs on request

Roles, responsibilities and timing

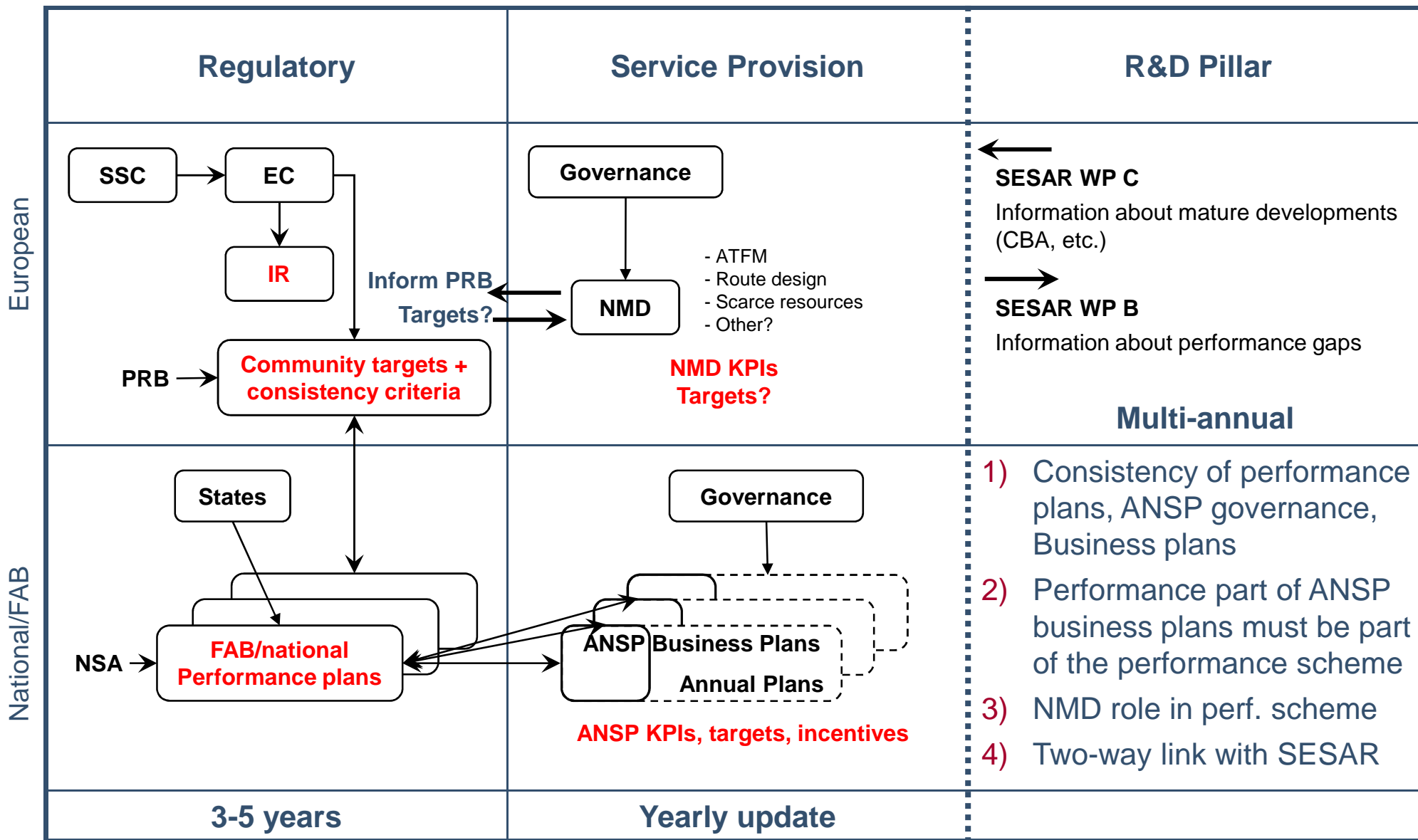


Cascading targets

- **To whom will SES targets apply?**
 - States or FABs (at their discretion)
 - ANSPs
 - METPs
 - NSAs
 - NMD?
 - Depending on who is accountable
 - Depending on KPA



Consistency in SES

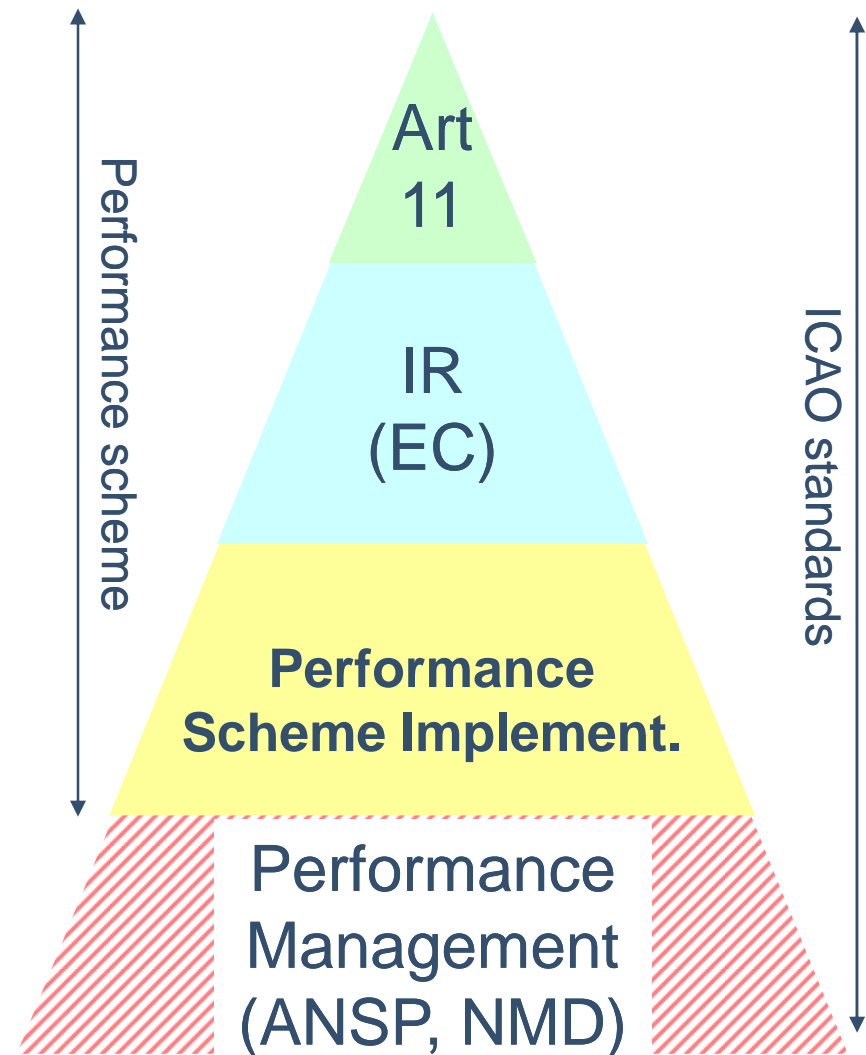


Incentives

- **SES II legislation states:**
 - “[Performance] plans shall include an appropriate incentive scheme as adopted by the Member State(s)”
 - “IRs shall cover ... general principles for the setting up by Member States of the incentive scheme
- **Incentives should define in advance what happens if targets are exceeded or missed**
- **Incentives should focus attention towards improved system performance**
- **Incentives should apply on those who are accountable**
- **Notion of risk sharing**
 - Traffic risk
 - Allowing higher ANSP revenue in case of traffic higher than planned (less than proportional), and conversely lower revenue if traffic lower (also less than proportional).
Incentive to ANSP to be responsive to traffic variations while protecting it in case of traffic downturn
 - Cost risk: Users would no longer bear all ANSP costs above agreed levels
- **Financial and non-financial incentives**

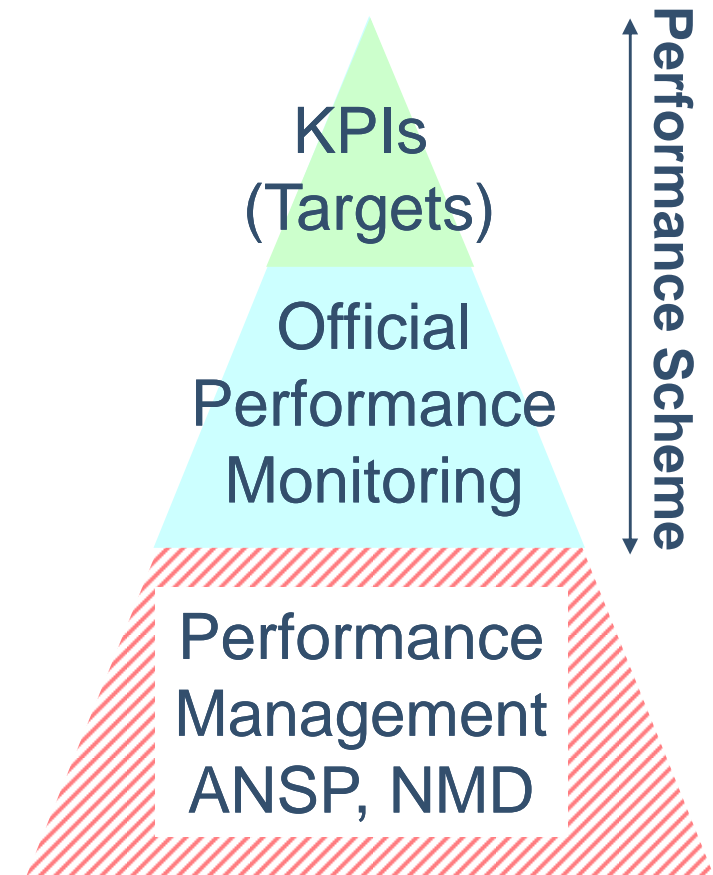
Implementation of performance scheme

- **SES Legislation**
 - Framework regulation Article 11
- **IR being developed under EC authority**
- **PS Implementation (PRC initiative)**
 - Perform PRB duties
 - Refine roles, processes
 - PRB, NSA, ANSPs, users, staff, etc
 - Guidance material for all
- **Performance management**
 - Essential for improved performance!



Performance targets, monitoring and management

- **Performance scheme**
 - Key Performance Indicators (KPI) on which official targets are set
 - Performance Indicators (PI) for official performance monitoring
 - The PRC has developed implementation proposals in a Discussion paper
- **Performance management**
 - Business Plans, Information systems, Management processes, Operations, etc...



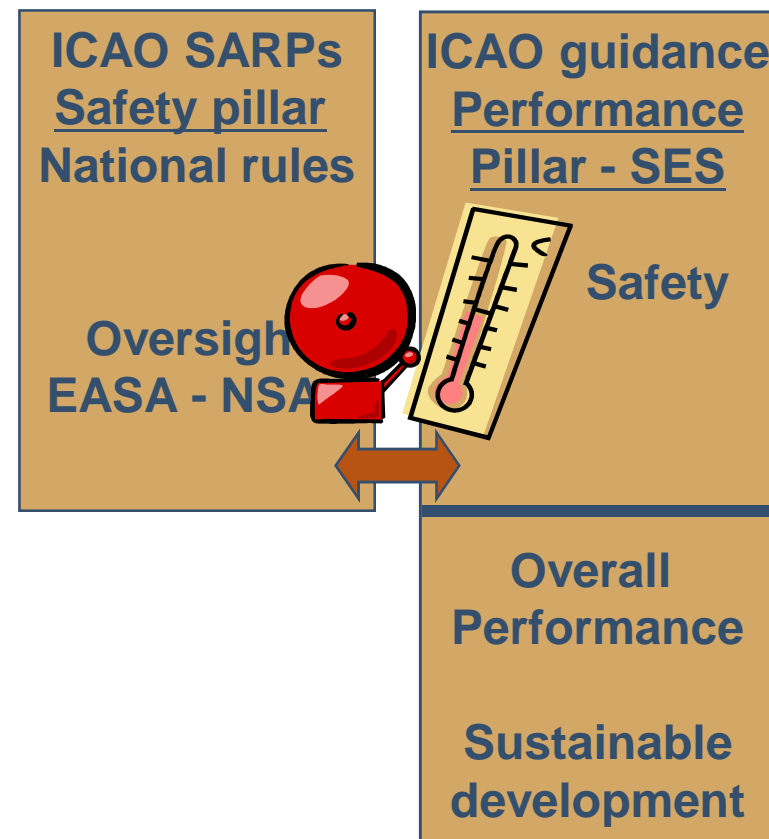
Priorities for first reference period

- **Performance targets for RP 1:**
PRC proposes to focus on 4 specified KPAs
 - Safety
 - Capacity
 - Cost-Efficiency
 - Environment
 - In principle 1 KPI per KPA
- **Performance monitoring**
 - Gate-to-gate from RP1
 - More indicators
 - Will eventually cover all ICAO KPAs
- **Cost-effectiveness (ICAO) = Cost-Efficiency (SES)**



Approach to Safety – Initial views

- **Performance pillar**
 - Explicitly includes Safety
 - Proposed targets for RP 1
 - Safety maturity (European and local targets)
 - Top 3 key risk areas (Local targets)
 - Monitoring using automated safety data acquisition
 - Where available, compulsory from 2015
 - No financial incentives related to safety
 - Consistency with State Safety Programmes
 - Alarm signal when risk level exceeded
 - Corrective actions under Safety Pillar
- **Safety pillar**
 - Rulemaking, Oversight
 - EASA role extended to ATM and airports
- **Link with other Key Performance Areas**
 - Evidence that safety is not compromised
 - No trade-offs with other KPAs



What is measured today

- **European level**

- Sep. Infringements
- Runway Incursions
- Maturity
 - PC target

ANSP	Safety indicators used						
	Accidents	ESARR2 category A incidents	ESARR2 category B incidents	Significant Safety Events	Other definition of incidents	Safety system compliance	Other measure
DSNA (France)					•		
DFS (Germany)		•					
ENAV (Italy)		•					
AENA (Spain)	•	•				•	
NATS (UK)		•	•	•			
Austro Control (Austria)				•			•
EANS (Estonia)		•	•		••		•
Finavia (Finland)	•	•					
Maastricht UAC		•	•				
LVNL (Netherlands)	•				•	•	
NAV (Portugal)		•	•			•	
ROMATSA (Romania)	•	•	•				
LFV ANS (Sweden)	•	•					
Skyguide (Switzerland)					•		

KPA Capacity

- **Capacity plays a central role in ANS performance**
 - Directly influences Punctuality, ENV, Flight-Efficiency, Cost-Efficiency
- **Proposed European/national targets for RP 1**
 - % flights delayed more than 15 minutes due to en-route ATFM

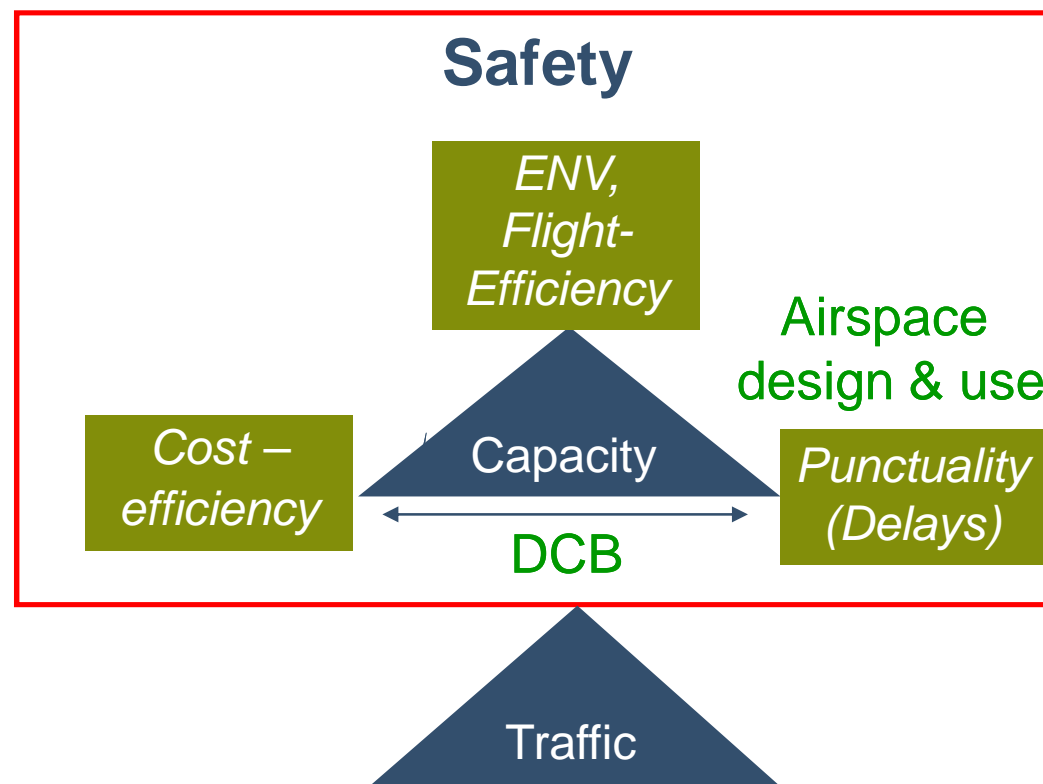
Within safety requirements

Capacity demand balancing

- **Trade-off capacity/delays**
 - Lack of capacity can be captured through ATFM delays
 - Spare capacity is reflected in cost-efficiency

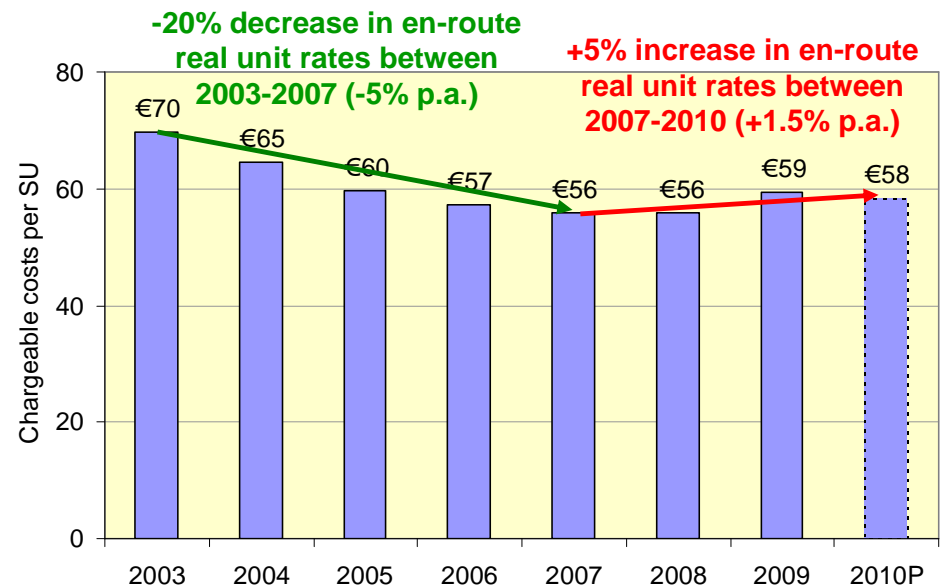
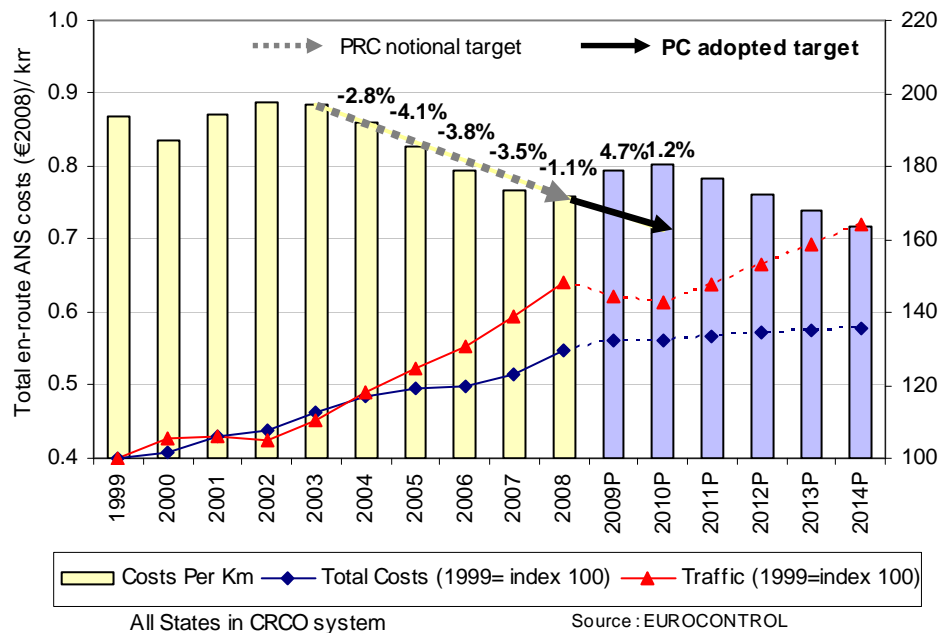
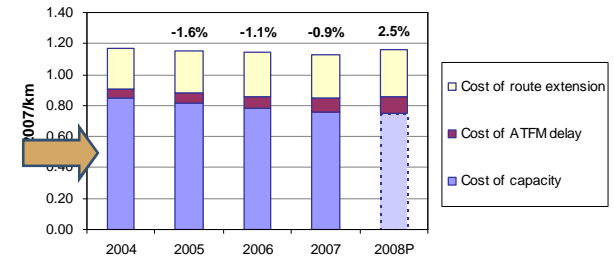
Airspace design and use

- **Trade-off capacity/Flight-Eff.**

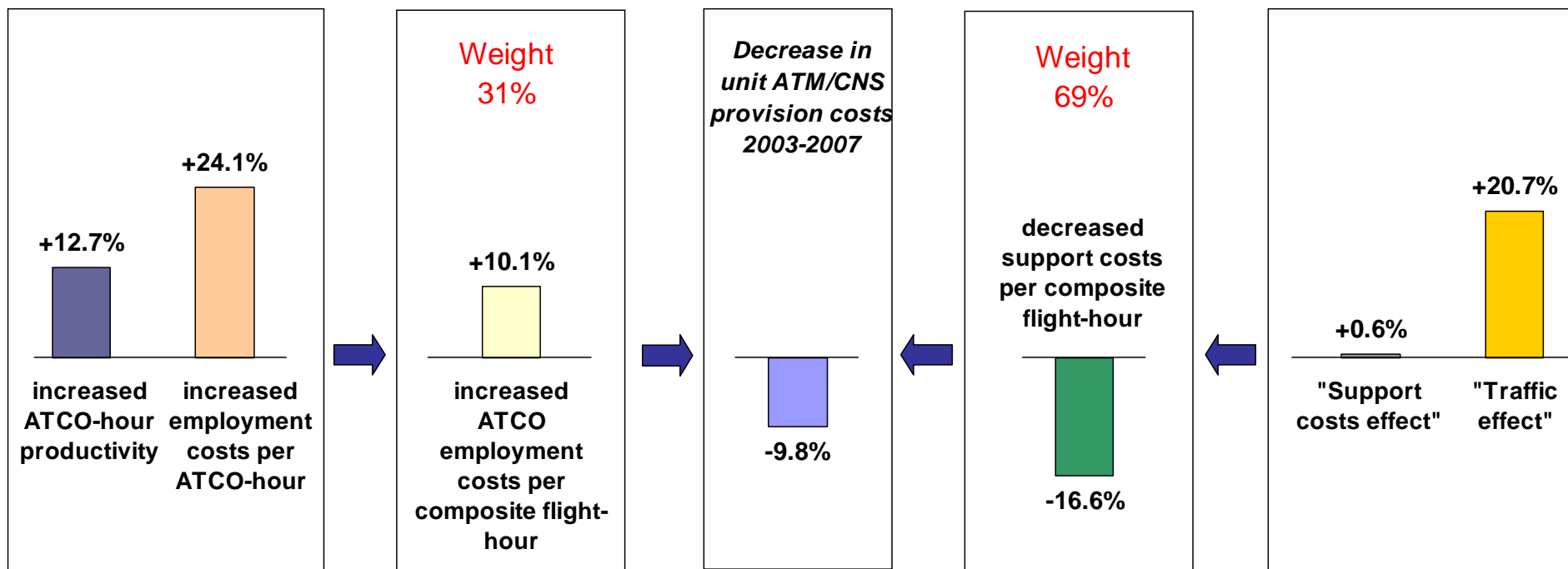


Cost-effectiveness

- User charges (en-route + terminal) in 2007: €8.4 B
- Significant improvement from 2003 to 2007
 - Costs growing slower than traffic
- Trends are reversing with current crisis
- Proposed European/national targets for RP 1
 - En-route unit rates



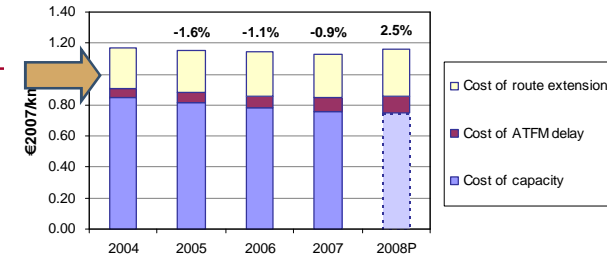
Cost-effectiveness dynamics



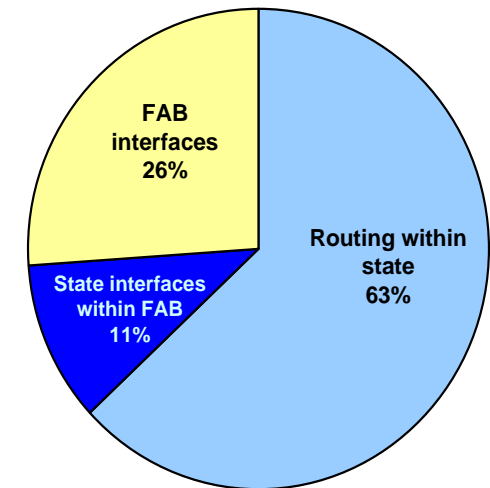
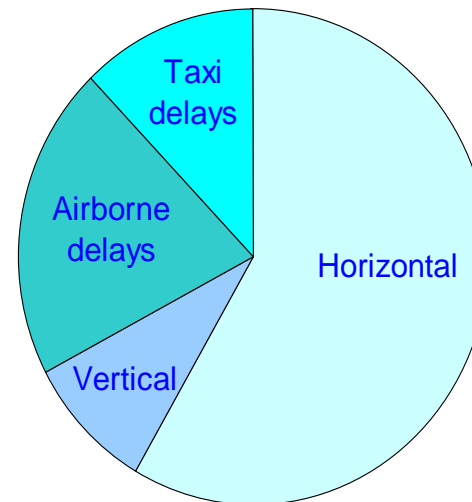
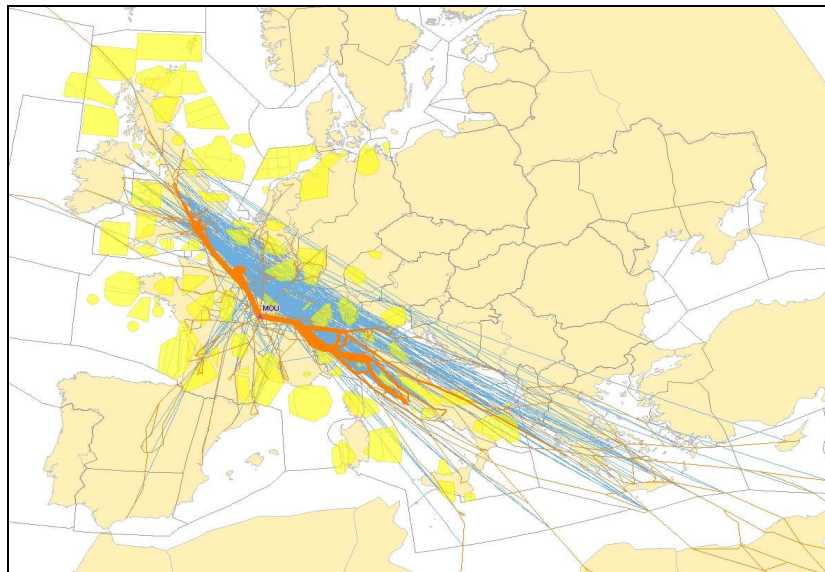
Financial cost-effectiveness trends (2003-07)

Environment, Flight-efficiency

- Environment and flight-efficiency linked
- Flight efficiency: high performance impact
 - High economic impact (>€3 B p.a.)
 - Significant environmental impact
- Indicators just becoming available
- Network-wide issues
- Proposed European KPIs
 - Route efficiency for RP 1 (G.circle/actual)
 - Fuel efficiency from RP 2
 - A target for Network Management function?

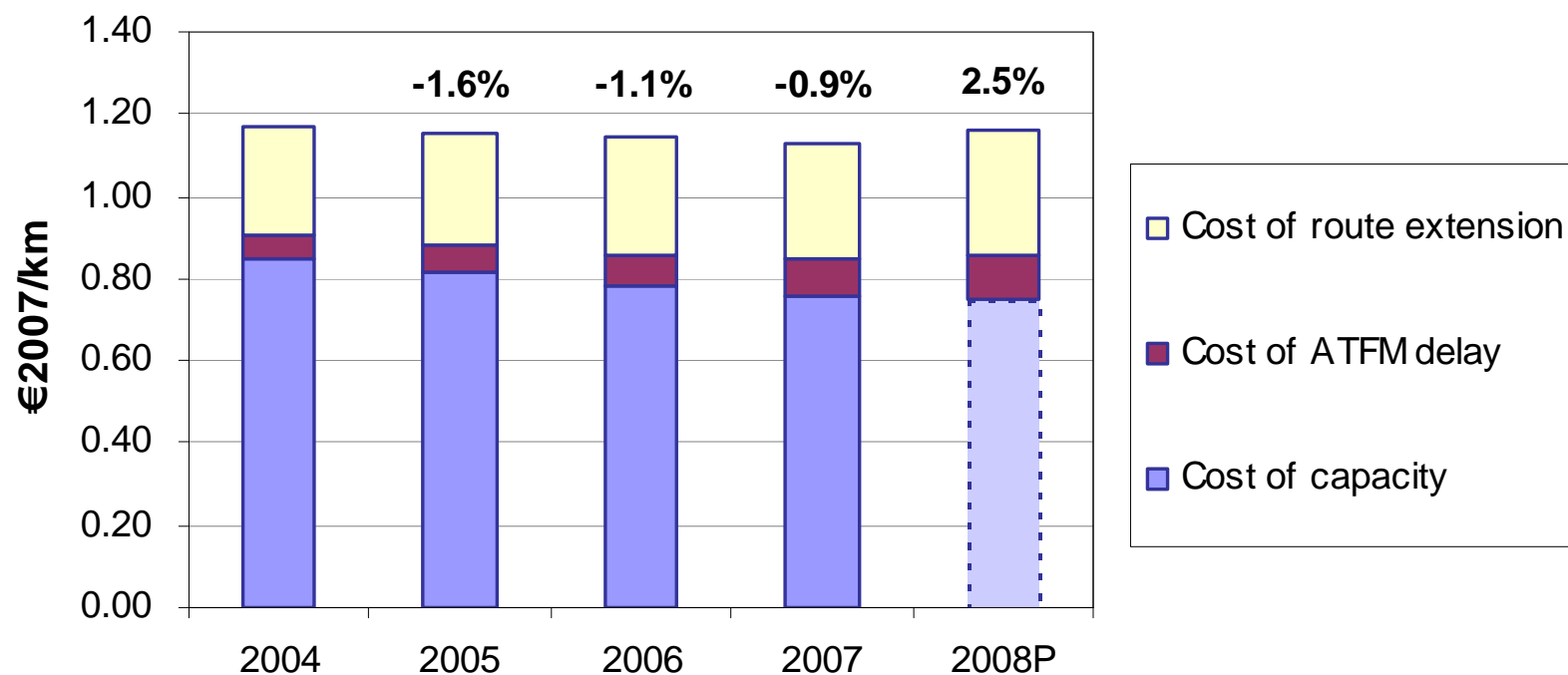


	Fuel	M Euro
Horizontal efficiency	3.6%	2400
Vertical efficiency	0.6%	130
TMA airborne delays	1.6%	
Taxi delays	0.8%	
Total	6.4%	> 3000



Trade-offs

- Total user cost is useful indicator
 - to understand trade-offs and respective weights between KPAs in proposing performance targets (within given safety levels)
 - as ex-post success test
- Not deemed suitable for target setting



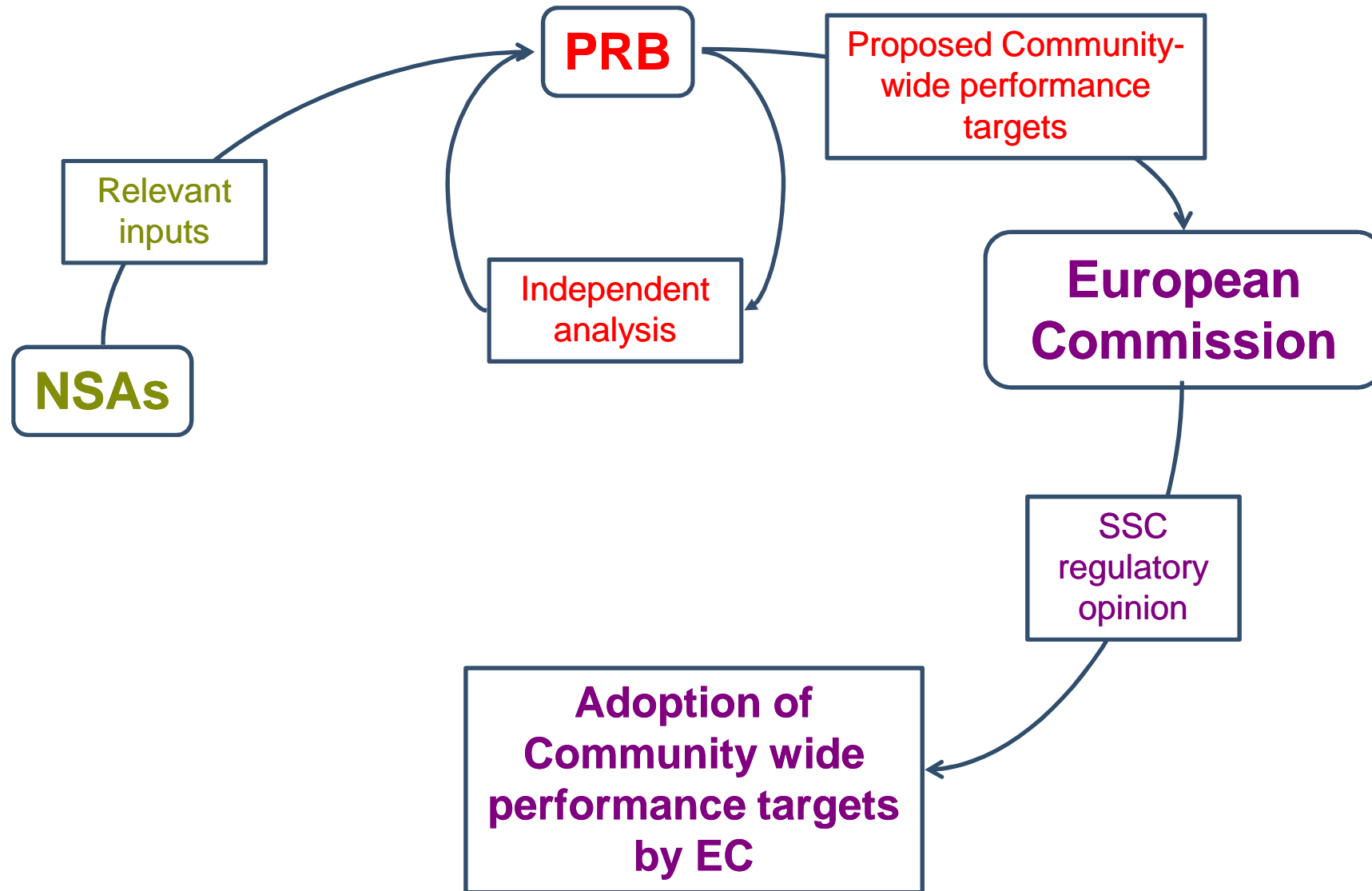
Conclusions

- **The performance scheme is a key element of SES II**
- **Delicate balance to be struck between conflicting demands**
- **Tight deadlines for implementation**
 - First reference period starts in 2012
 - European targets will be officially proposed in second half of 2010
 - FABs/ States will have to adopt their own performance plans in 2011
 - Targets + incentives
 - All stakeholders have a role to play, must get ready
 - Several communication channels
 - EC: ICB, social dialogue, etc
 - PRC: Open meetings, specific briefings, PSFG, etc
 - NSAs, ANSPs, etc
- **The success test is improved performance while respecting safety requirements**
- **Looking forward to further work with all of you!**

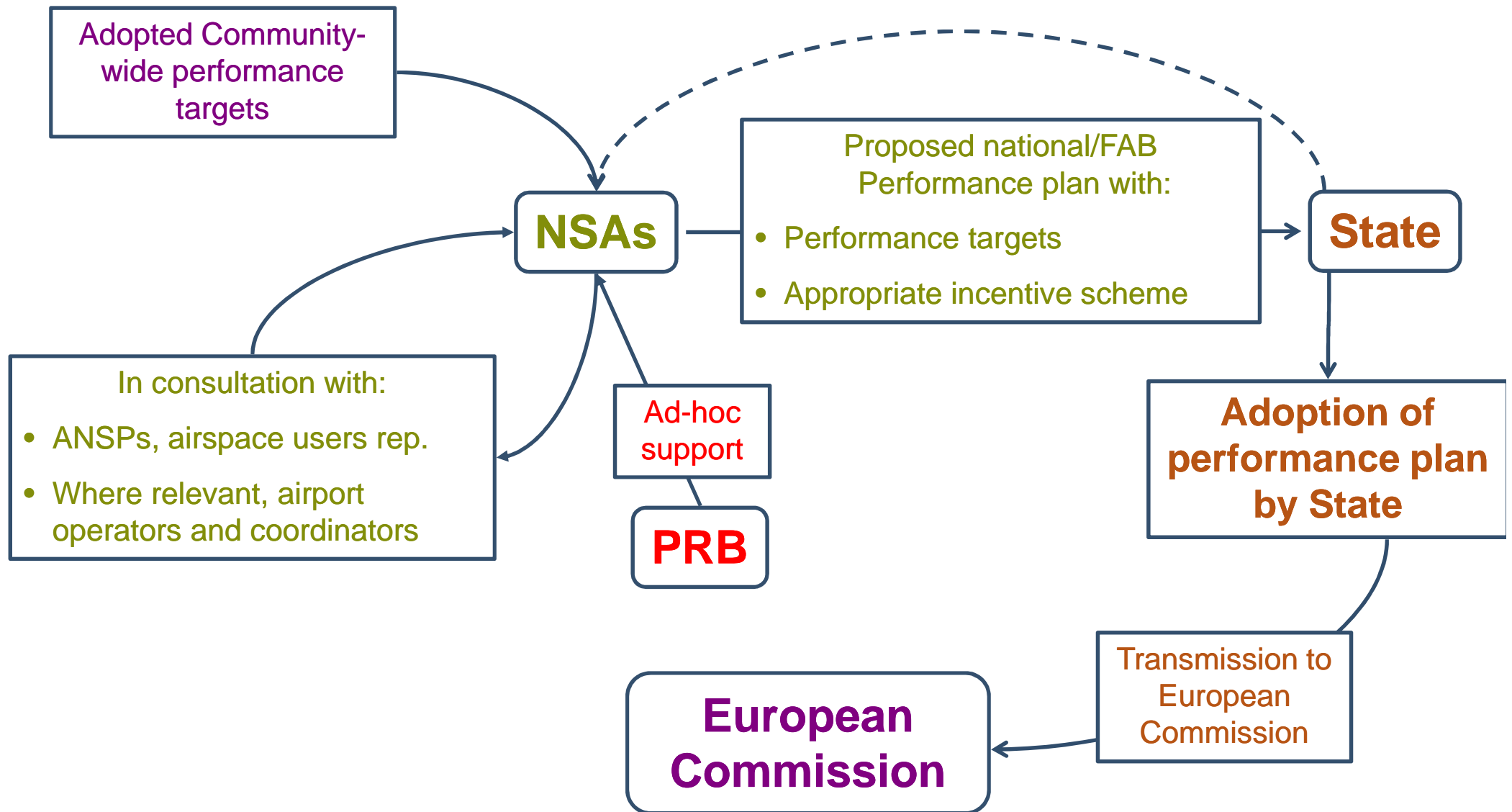


Questions

Target setting process (1/3) – Community-wide targets



Target setting process(2/3) – National/FAB targets



Target setting process(3/3) – Assessment of targets

