



*"[air navigation control, [...]] is a task involving the exercise of public authority and is not of an economic nature, since that activity constitutes a service in the public interest which is intended to protect both the users of air transport and the populations affected by aircraft flying over them".  
(Extract of decision C.364/92 of the European Court of Justice).*

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Dear Single Sky Committee Members,

At the next Single Sky Committee meeting you will have a chance to assess and vote on the Revised EU-Wide Performance Targets for RP3. The current proposal laid down by the Commission is fully based on the **PRB's "Advice on the revision of the performance targets for RP3"**.

ATCEUC has thoroughly analyzed this document and considers it a crystal-clear evidence that its authors are **overwhelmingly biased in their views and actions in favor of one stakeholder**. It is blindingly obvious that PRB is solely focused on the financial issues of the commercial airlines, the airspace users, and is willfully ignoring the severe financial problems of the infrastructural ATM service and the obvious impact of their proposals on European ATM.

ATCEUC notes that through this document its authors are operating outside the scope and mission of the PRB when making suggestions and **political remarks** that are **out of this Advisory Body's competence**.

ATCEUC highlights that the majority of **the current PRB team lacks** any **operational background in the ATM sector**. Indeed, many of its members come from the airspace users' sector. PRB has been supporting the "users pay principle" when it obliged ANSPs to give back money to airspace users during the increasing traffic years, but now neglects that same principle when its effect should allow ANSPs to recover the costs that were incurred for the welfare of European citizens throughout the COVID-19 pandemic.

Therefore, ATCEUC urges the Single Sky Committee to **reject** the PRB's "Advice on the revision of performance targets for RP3" since their advice is **not independent and objective** as it should be.

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Based on the PRB's "Advice on the revision of the performance targets for RP3", ATCEUC presents you five Recitals with relevant data analysis.

**1.** On the fourth bullet point of **Paragraph 73 (page 18)**, the PRB writes that *"In times of crisis, Member States should reconsider whether it is appropriate to charge airspace users the remuneration of capital"*. Taking into consideration the Tasks and Responsibilities assigned to the PRB on Article 3. of Reg. 2019/317, **ATCEUC underlines that it is not within the PRB's remit or competence to lay down any politically biased statements** for Member States regarding their compliance with the Performance and Charging Regulation. Member States fully comply with the Regulation when they charge airspace users for the remuneration of capital, and the discussions around this topic occurred in the past, when drafting and adopting the Reg. 2020/1627 "Exceptional measures for the RP3 of the SES Performance and Charging Scheme due to the COVID-19 pandemic". Therefore, ATCEUC urges the Single Sky Committee members to question the reasons behind this statement from the PRB when you have clearly decided in the past to maintain the "users pay principle".

**2.** In a recent "ATM Social Dialogue Meeting" fostered by DG EMPL and attended by DG MOVE representatives, professional staff organizations and the PRB's Chair, Dr. Regula Dettling-Ott, it was stated by the PRB's Chair that the proposed 10% cost-cutting (**Paragraph 77, page 19**) is the sum of 4% of overtime costs (since the PRB considers it will not be necessary to use overtime during the entire RP3), 5% of remuneration of capital and 1% of additional costs. However, **ATCEUC reminds you**, as stated in Recital 1, **it is the Member States' sovereign decision to charge or not to charge the remuneration of capital** and they fully comply with the Performance and Regulation Scheme if they decide to do so. Therefore, **PRB is in no position to force Member States to cut costs**, nor to expect them to do so. The rationale behind the proposed cost-cutting is flawed and unrealistic, as consequently harmful to the ATM sector.

**3.** On **Paragraph 77 (page 19)** PRB writes that *"Costs are composed by quantities, prices and allocation of resources. Member States have several ways to reduce costs without simply cutting staff and investments."* ATCEUC would appreciate if the PRB was honest and wrote the second sentence as follows: Member States have several ways to reduce costs without simply cutting investments, staff and staff costs. If PRB had any real operational know-how of the **ATM sector** and its professional context it would have written the complete version that we propose and would finally realize that in an **infrastructural sector where staff costs represent 67% of the total** the margin for additional cost-cutting is not as large as it is on the airspace user's side, ironically the one that PRB actually knows all about.

**4. On Point 6.4 Simulation of retroactive adjustments with revised targets (page 21)** the PRB observes previous Commission and Member States' decisions regarding the exceptional measures due to the COVID-19 for the RP3 and presents a simulation of its effect for the years to come. Unfortunately, this is once again an extremely biased view of the exceptional measures decided at a much higher level than the PRB itself. The simulation PRB should have presented must include what would happen to the Unit Rate if no exceptional measures have been adopted by the Commission and Member States. Therefore, ATCEUC presents additional simulations of the same data and invite Single Sky Committee Members to take these into consideration in the next decision moments.

	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<i>En route costs (B€<sub>2017</sub>)</i>	5,6	5,6	5,6	5,6	5,6
<i>Service units (M3) (M)</i>	53	57	87	102	116
<i>Proposed Unit Rates without retroactive adjustments (€<sub>2017</sub>)</i>	53,53	53,72	65,07	55,33	48,46
<i>Missing ANSPs revenues (B€<sub>2017</sub>)</i>	<b>2,8</b>	<b>2,6</b>			
<i>Retroactive adjustments (B€<sub>2017</sub>)</i>				1,1	1,1
<i>Simulated unit Rate with retroactive adjustments (€<sub>2017</sub>)</i>	53,53	53,72	65,07	65,88	57,71
<i>Difference between Simulated unit rate with adjustments and proposed unit rate without retroactive adjustments (€<sub>2017</sub>)</i>	0	0	0	10,55	9,25
<i>Remaining amounts to be recovered by the ANSPs during RP4 (B€<sub>2017</sub>)</i>			3,2		
<i>Retroactive adjustments without exceptional measures (B€<sub>2017</sub>)</i>			2,8	2,6	
<i>Simulated unit Rate without exceptional measures (€<sub>2017</sub>)</i>	53,53	53,72	<b>97,25</b>	<b>91,37</b>	48,46
<i>Difference between Simulated unit rate and simulated unit rate without exceptional measures (€<sub>2017</sub>)</i>	0	0	-32,18	-25,49	9,25
<i>Remaining amounts that would be recovered during RP4 without exceptional measures (B€<sub>2017</sub>)</i>			<b>0</b>		

**Table 1.** Full analysis on the financial impact of the COVID-19 Exceptional Measures for the RP3

**4.1.** As highlighted on **Table 1**, the exceptional measures adopted through Reg. 2020/1627 have a direct impact in the ANSP's revenues for 2022 and 2023. For 2022, according with the previous Reg.2019/317, ANSPs should recover the already incurred costs of 2,8 B€<sub>2017</sub>, and for 2023 the same mechanism should deliver 2,6 B€<sub>2017</sub> to this essential infrastructure. **With the exceptional measures already in force, ANSPs will recover 0 (zero!) €<sub>2017</sub> in 2022 and will recover 1,5 B€<sub>2017</sub> less in 2023 than what was expected according with the fundamental principles of the Traffic Risk Sharing Mechanism (TRSM) defined in Reg. 2019/317.** Delaying the payment of the costs already incurred by the European ANSPs has a severe impact in their financial stability, since they rely nearly 100% on the payment of charges to maintain their infrastructural activity.

**4.2** PRB mentions in **Paragraph 82 (page 21)** that *"For at least five years, airspace users will have to pay a substantially higher unit rate to cover the lack of revenue ANSPs incurred due to the downturn of traffic during the pandemic."* ATCEUC highlights that the TRSM has, in the past, given back to the airspace users, from the ANSPs, plenty of money that would have been helpful for the technological developments of the ATM infrastructure as well as to better cope with the increasing demand that caused the 2018 and 2019 capacity crunches. Besides, it must be mentioned that without exceptional measures in place and following blindly the original TRSM defined in Reg. 2019/317, unit rates for 2022 and 2023 would be 97,25 €<sub>2017</sub> and 91,37 €<sub>2017</sub>. **The adoption of Reg. 2020/1627 reduces these unit rates by an average of 30%, a clear financial measure aiding airspace users,** with the negative impact of delaying the fundamental compensation to the ANSPs.

**4.3** Also in **Paragraph 81 (page 21)**, PRB states that *"Because of the retroactive adjustment, the unit rates will most likely be higher than in 2019 both during RP3 and part of RP4, effectively erasing any cost-efficiency gains."* ATCEUC highlights that the TRSM impacts on the final unit rates for each year have nothing to do with cost-efficiency. The missing revenues of a given year are considered as costs in that year, not in the following years when the TRSM generates adjustments in the unit rates. Stating that retroactive adjustments erase any cost-efficiency gains is to look solely from the airspace users' perspective and ignoring the fundamental principles of the Performance and Charging Scheme. Furthermore, and encompassing these fundamental principles, the effective way to reduce the impact of the COVID-19 traffic crisis throughout the final year of the RP3 and part of RP4 is to go back to Reg. 2019/317 under which, as we present in **Table 1**, **no additional amount would remain to be recovered during RP4.**

5. Taking all the data from Recital (4) into consideration, ATCEUC finds PRB's remark from **Paragraph 81 (page 21)** "*The PRB is aware that it would take a decision at political level to avoid this sobering outcome.*" an obvious sign of an absolute incivility towards the ATM sector. The ATM sector would already be struggling with the original Reg. 2019/317 in force, and it will be in an even worse position considering the Reg. 2020/1627. Suggesting further political decisions to worsen even more the ATM financial overlook is uncouth. Notwithstanding that, **it is not in the PRB's Tasks and Responsibilities listed in Article 3. of Reg. 2019/317 to suggest any amendments to the Performance and Charging Scheme Regulation** and its fundamental principles. By doing so, the PRB is also discourteous towards the Single Sky Committee Members, a fact that you should consider when assessing PRB's documents and positions.

Having given these Five Recitals proper consideration, we urge the Single Sky Committee Members to gain a deeper understanding of the ATM sector working with the experts within the ATM sector. The PRB's words and advice are not independent and must be considered as an external and biased view over an essential infrastructure for the European Union.

As always, ATCEUC remains available to cooperate with the Single Sky Committee at any moment.

Volker Dick  
ATCEUC President

