

EVALUATION ROADMAP				
TITLE OF THE EVALUATION	EVALUATION OF THE SINGLE EUROPEAN SKY (SES) PERFORMANCE AND CHARGING SCHEMES			
LEAD DG – RESPONSIBLE UNIT	DG MOVE, UNIT E.2	DATE OF THIS ROADMAP	06 / 2015	
TYPE OF EVALUATION	Ex-post Evaluation Mixed	PLANNED START DATE	10 / 2015	
		PLANNED COMPLETION DATE	12 / 2016	
		PLANNING CALENDAR	http://ec.europa.eu/smart-regulation/evaluation/index_en.htm	
This indicative roadmap is provided for information purposes only and is subject to change.				

A. Purpose
(A.1) Purpose
<p>The purpose is to evaluate (ex-post) the impact, effectiveness and scope of the SES performance and charging schemes for air navigation services for the first reference period (2012-2014) ¹ (Commission Implementing Regulation (EU) No 390/2013² and Commission Implementing Regulation (EU) No 391/2013³).</p> <p>The outcome of the ex-post evaluation will contribute to the revision of the performance and charging schemes in view of the third reference period (RP3, 2020-2025).</p>
(A.2) Justification
<p>Article 25 of Regulation (EU) No 390/2013 and Article 21 of Regulation (EU) No 391/2013 require a review by the Commission of the impact, effectiveness and scope of the SES performance and charging schemes by the end of each reference period.</p>

B. Content and subject of the evaluation
(B.1) Subject area
<p>Air navigation services (ANS) are provided in Europe by monopoly service providers that are in most of the cases fully state-owned. The monopoly service provision and the absence of competition require a strong economic regulation. This economic regulation is established under the Single European Sky (SES) performance and charging schemes.</p> <p>The SES performance scheme was first introduced in 2009 in the SES legislation. It foresees the setting of Union-wide performance targets for fixed reference periods of 3-5 years in four key performance areas: safety, environment, capacity (delay) and cost-efficiency. Members States at the level of functional airspace blocks (FABs)⁴</p>

¹ Before the entry into force of Commission Implementing Regulations (EU) No 390/2013 and (EU) No 391/2013, Commission Regulation (EU) No 691/2010 and Commission Regulation (EC) No 1794/2006 were applicable.

² Commission Implementing Regulation (EU) No 390/2013 of 3 May 2013 laying down a performance scheme for air navigation services and network functions, OJ L 128, 9.5.2013.

³ Commission Implementing Regulation (EU) No 391/2013 of 3 May 2013 laying down a common charging scheme for air navigation services, OJ L 128, 9.5.2013.

⁴ FABs are large portions of airspace spanning across national borders, in which air navigation services (ANS) are optimised.

<p>have to develop performance plans including binding targets at national or FAB level that are consistent with the Union-wide performance targets.</p> <p>The first reference period lasted from 2012 to 2014. In 2014, Union-wide targets were set for the second reference period, which started in 2015 and will end in 2019.</p>
<p>(B.2) Original objectives of the intervention</p> <p>The aim of the SES performance and charging schemes is to improve air traffic management (ATM) performance towards the aspirational goals of the Single European Sky by setting Union-wide and binding national/FAB performance targets to be met by air navigation service providers over fixed reference periods. During the first reference period (RP1, 2012-2014) Union-wide performance targets are set in the key performance areas of environment, capacity and cost-efficiency. In addition, safety performance was monitored to ensure that high safety levels are maintained or improved. The performance targets should lead to more direct routes (less fuel burn and less CO₂), that services are delivered with less delays and that cost-efficiency is improved.</p> <p>Until today, the European air traffic management sector remains fragmented and produces its services at comparatively high costs. It is less efficient than it could be.</p> <p>High ANS costs have a negative impact on the competitiveness of European airspace users. Depending on the business model, the direct cost for air navigation services represent between 6 and 20% of the total operating costs, excluding fuel, of airlines. In addition, there are cost of delays and cost due to flight inefficiency (longer routes).</p> <p>The relation between the objectives and the problems the performance and charging schemes directive aims to address is presented in the diagram in the Annex.</p>
<p>(B.3) How the objectives were to be achieved</p> <p>The ATM performance improvements were to be achieved by setting Union-wide and binding national/FAB performance targets over fixed reference periods. Targets in the key performance areas of safety (only as of RP2 starting in 2015), environment (during RP1 only at network level), capacity and cost-efficiency should improve efficiency and quality of air navigation services.</p> <p>Before the start of a reference period, Union-wide targets are set by the Commission (for RP1 in 2011). Member States are to adopt national/FAB performance plans which include binding national/FAB targets. These targets are subsequently assessed by the Commission as to whether they are consistent with the Union-wide performance targets. If they are not consistent, the Commission may recommend to revise national/FAB targets.</p> <p>The <i>environment target</i> is expressed in horizontal en route flight efficiency of the last filed flight plan and implemented through the Network Manager⁵.</p> <p>The <i>capacity target</i>, expressed in minutes of en route ATFM (Air Traffic Flow Management) delay per flight attributable to air navigation services, is broken down to the national/FAB level through reference values established by the Network Manager.</p> <p>The <i>cost-efficiency target</i>, expressed in determined unit cost for en route air navigation services (including Eurocontrol costs), is defined as the ratio between en route determined costs and the forecast traffic in en route service units (product of distance factor and weight factor for the aircraft concerned) in the charging zone (in most cases there is one en route charging zone per Member State) in real terms and in national currency.</p> <p>The binding targets in the key performance area of cost-efficiency are the basis for the calculation of user charges under Regulation (EU) No 391/2013. Therefore, the SES performance scheme is the instrument of economic regulation of monopoly ANS providers.</p> <p>Furthermore, the Commission has to monitor the performance of the ATM system and report regularly to the Single Sky Committee. This may include intervention if targets are not met during a reference period.</p> <p>For the implementation of the SES performance and charging schemes, the Commission is assisted by the independent Performance Review Body.</p> <p>The relation between inputs results and impacts of the performance and charging schemes is presented in the diagram in the Annex.</p>

⁵ The Network Manager as established by Article 3 of Regulation (EC) No 551/2004 and Article 3 of Commission Regulation (EU) No 677/2011 is the body, which authorises every take-off of an airplane in Europe as well as organises the air traffic flow in Europe.

C. Scope of the evaluation/FC
<p>(C.1) Topics covered</p> <p>Evaluation of the impact, effectiveness and scope of the introduction of the SES performance and charging schemes during the first reference period (RP1, 2012-2014) in the four key performance areas⁶ including the set-up of the Performance Review Body and its support functions and comparison with past arrangements in all 28 Member States and Switzerland (such as the performance review by Eurocontrol and the full cost recovery mechanism). This assessment will also include the review of coherence and complementarity of other SES initiatives (Functional Airspace Blocks, Network Manager, SESAR) contributing to the achievements of performance targets.</p>
<p>(C.2) Issues to be examined</p> <p>The ex-post evaluation will assess the implementation of the SES performance and charging schemes during RP1 and whether the objectives and results correspond to the needs of the aviation sector and, thereby, usefully supplemented the EU aviation and transport policy in more general terms.</p> <p>Overall, the study will measure the effects of performance improvement during RP1 (also looking at interdependencies between the targets) and evaluate whether these effects could have been achieved in the absence of the SES performance and charging schemes. In this context, the ex-post evaluation will also assess (on the basis of samples) the quality of the data submitted in accordance with the legal obligation.</p> <p>The effectiveness will be assessed against the objectives of the intervention that means, whether, for example, more direct routes (less fuel burn and less CO₂) are offered, that services are delivered with less delays and that cost-efficiency and safety are improved.</p> <p>Regarding efficiency, the evaluation will assess whether the effects were attained at a reasonable costs and whether the implementation of the schemes through a system with less complexity (at lower costs) could have achieved the same results. Furthermore, the evaluation will assess coherence, internal (within the procedures of the performance and charging schemes) and towards other SES initiatives (FABs, SESAR, Network Functions, etc.).</p> <p>Finally, the evaluation will assess whether it would have been possible to achieve similar results without EU intervention.</p>
<p>(C.3) Other tasks</p> <p>In addition, the ex-post evaluation will assess (by taking samples) the quality of the data that is used for the purposes of the performance and charging schemes.</p>

D. Evidence base
<p>(D.1) Evidence from monitoring</p> <p>The performance Regulation foresees the annual reporting on the achievement of performance targets (Article 18 of Commission Implementing Regulation (EU) No 390/2013. For the first reference period, monitoring reports are available for the years 2012 and 2013. The monitoring report for the year 2014 will be available in autumn 2015. The reports are published under http://www.eusinglesky.eu/prb-reports.html and comprise 4 volumes (European view, national overviews, capital expenditure report, safety report).</p> <p><u>Preliminary results from the first reference period</u></p> <ul style="list-style-type: none"> • Safety – in 2012 and 2013 there were no fatal accidents in the European Union with an ANS contribution. The number of serious incidents indicates a decreasing trend since 2010. In addition, improvements are visible in both safety management and in the application of the severity classification of occurrences.

⁶ Even if no safety target was introduced during RP1, it is a key objective and performance area in the legislation. In addition, EASA started its safety oversight function in the field of ATM during that period.

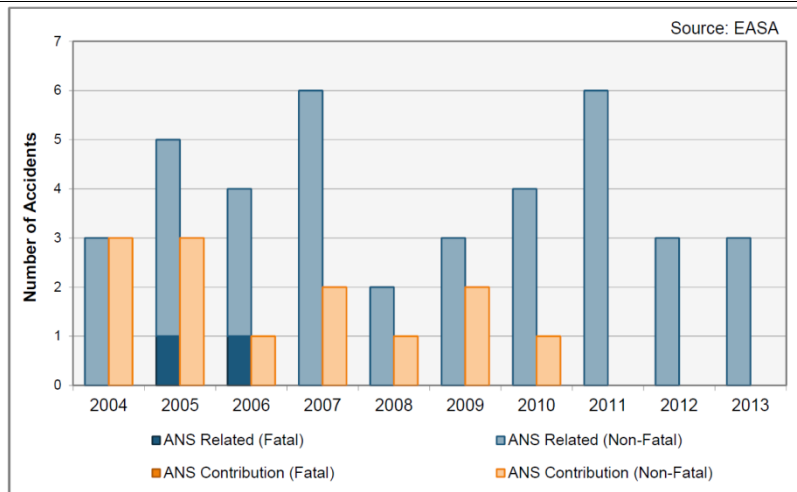


Figure 1: ANS accidents

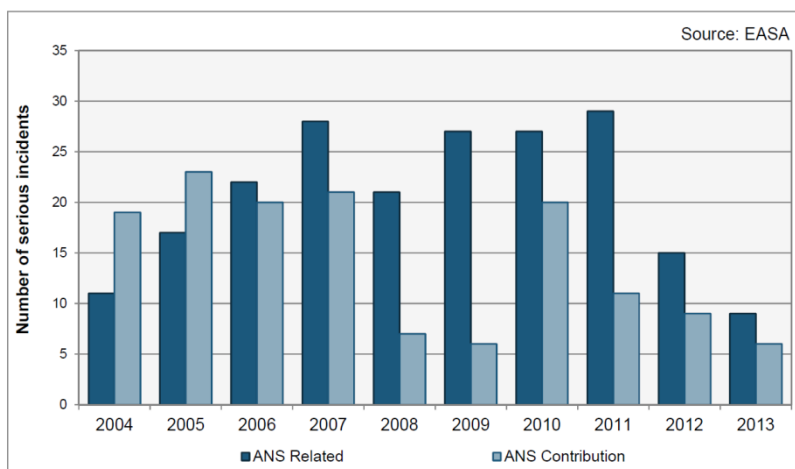


Figure 2: ANS serious incidents

- Environment** – horizontal en-route flight efficiency (shorter routes) of the last filed flight plan trajectory improved slightly in 2013, but this was not enough to meet the target profile. The results from 2014 (4.9%), measured in deviations of the flight plan trajectory from the great circle distance and summed over all IFR (instrument flights) in the European Union, indicate that the RP1 target of 4.67% was not achieved (see Figure 2 below).

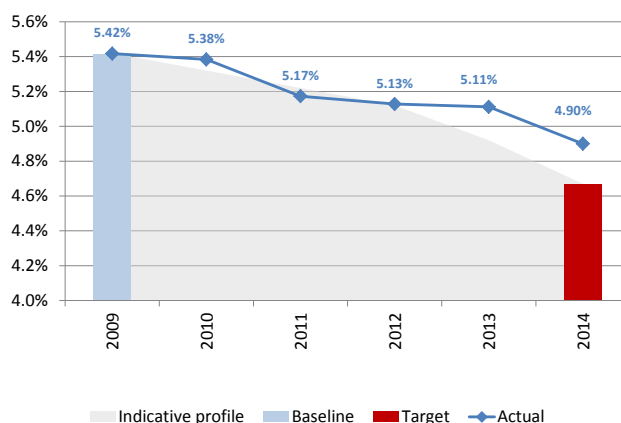


Figure 3: Flight efficiency yearly values

- Capacity** – In 2013, en-route ATFM (Air Traffic Flow Management) delays attributable to air navigation services and measured in minutes of delay per flight decreased by -15% compared with 2012, in the context of a -1.3% traffic decrease. For 2014 the system failed to achieve the network target of 0.5 min delay per flight partially due to weather but also social disruption with poor contingency management of the effects. En-route ATFM delay was concentrated in Cyprus, France, Germany, Poland, Spain.

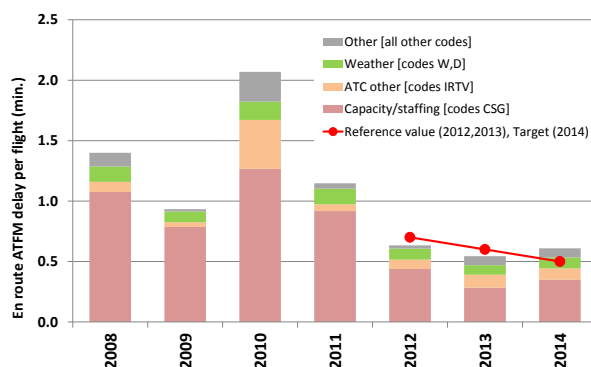


Figure 4: En-route ATFM delays 2008-2014

- **Cost-efficiency** – the results for the first two years of the first reference period indicate that air navigation service providers are able to reduce their cost-bases in light of lower than planned traffic. As a result, for 2013, the actual en-route unit costs in real terms almost equal the planned determined unit rate for 2013. Results from 2014 are not yet available. Retention of service providers' profit margins is however evident as costs are adjusted in the downturn of traffic and falling revenues. Overall, it has been observed that the actual user charges have risen during RP1.

(D.2) Previous evaluations and other reports

There was no previous evaluation. For monitoring results see D.1 above

(D.3) Evidence from assessing the implementation and application of legislation (complaints, infringement procedures)

There were no infringement procedures or complaints.

(D.4) Consultation

A 12 week internet based public open consultation will be organised during the ex-post evaluation period.

In addition, key stakeholder groups as listed in Article 10 of Regulation (EC) No 549/2004, i.e. air navigation service providers, airspace users, airport operators, manufacturing industry and professional staff representative bodies, will be further consulted through a dedicated stakeholder workshop and interviews, in particular to collect additional information and opinions on performance improvements during RP1. The consultation strategy will be further defined in the course of the evaluation study.

The launch of stakeholder consultations related to this initiative will be announced in the consultation planning that can be found at:

http://ec.europa.eu/yourvoice/consultations/docs/planned-consultations_en.pdf.

(D.5) Further evidence to be gathered

None

E. Other relevant information/ remarks

Intervention Logic

