Statement on setting Union-wide performance targets for the air traffic management network for the fourth reference period

The Association of German Airlines (Bundesverband der Deutschen Fluggesellschaften e.V. – BDF) would like to express its appreciation for the opportunity to comment on the proposal to set Union-wide performance targets for the air traffic management network for the fourth reference period.

Summary

- We consider the targets proposed are not ambitious enough to make a significant step forward to a more efficient and effective provision of ATC services in Europe
- **KPA Safety:** BDF recognises high safety standards in Europe, RP4 targets could be more ambitious.
- **KPA Environment:** Due to capacity constraints resulting in longer flight routes, environmental targets are unlikely to be met.
- **KPA Capacity:** Capacity targets for RP4 being less ambitious than the target for RP3, which indicate a lack of available capacity, which will lead to operational inefficiency and higher emissions.
- **KPA Cost-Efficiency:** Cost-Efficiency targets will be compensated by anticipated inflation therefore not reducing cost. Cost baseline may include “regulatory gaming” issues since historically actual cost were less than determined cost.

KPA Safety

The BDF recognises the high standards of safety levels in Europe. However, we believe that the RP4 targets could be more ambitious, given that the target levels themselves are unchanged from those set out in RP3. We also recognise that new requirements have been introduced to achieve Level C (“Managed”) while many requirements remain unchanged compared to RP3. Furthermore, some requirements of Level C can be achieved by complying with other SES regulations (e.g. 2017/373) or even with ICAO basic safety guidance and principles. Consequently, we believe that the proposed RP4 targets are not particularly challenging, and that Level D (“Resilient”) could be achieved by the end of RP4 or even before.

Nevertheless, BDF supports EASA’s judgements on the final targets to be applied, in view of the European ambition on safety management.

KPA Environment

The RP4 target is measured against great circle distances, which are not necessarily the most fuel-efficient flight paths. Unfortunately, new indicators that more accurately reflect environmental impact, like the KEO proposed by A4E, are not included in the RP4 target. New indicators considering horizontal and vertical trajectories should be introduced in RP5 at the latest.

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Due to the interdependencies between the different key performance areas, especially between the environment and capacity KPAs, we are concerned that the proposed target will not be met. This will most likely be due to insufficient capacity, especially at peak times, resulting in even longer flight routes.

KPA Capacity

BDF is concerned to see the capacity target for RP4 being less ambitious than the RP3 target. The RP4 target with a value of 0.58 minutes (proposed for 2025 to 2027) is 16% higher than the current target of 0.5 minutes. Achieving the traditional 0.5 minutes Union wide target should be feasible with a greater commitment to improvement. Furthermore, the target is an Union-wide annual average, which does not account for the seasonal fluctuations in air traffic. This results in higher delays during peak periods, such as the summer months. These delays present operational challenges, particularly at the end of the day, when night curfews become an issue, leading to additional fuel consumption. The proposed target value contradicts the objective of reducing CO2 emissions. The capacity target indicates a lack of capacity that will undoubtedly result in increased fuel consumption.

ANSPs in Europe have produced more than 1.5 minutes delay per flight in 2023. This is significantly above both the current and the proposed targets. The RP4 target should be an incentive for ANSPs to improve performance and reach their full potential. However, BDF believes that lowering targets is not the most effective approach for improving ANSP’s performance. Additionally, the malus scheme is not effectively driving the desired behaviour from ANSPs, as it is not sufficiently robust. This demonstrates that the impact of the malus scheme is less than the risk of delays.

KPA Cost-Efficiency

The BDF is disappointed that the EU COM is not suggesting a more ambitious cost efficiency target. The proposed value of -2.1% p.a. of real cost reduction will be fully compensated by the inflation forecasted in a similar range. This target does not aim for a nominal ATC price decrease, where Europe already has the highest price level worldwide.

The BDF has identified a potential issue with the cost baseline, which may include an effect of "regulatory gaming". Our analysis of numerous states indicates that the nominal actual costs have been significantly lower than the determined nominal costs, even when additional factors, such as the unexpected high inflation during 2023 and 2023, could have impacted the cost of ANSPs. To ensure the accuracy of the baseline estimation, it is crucial to consider that cost estimates are persistently overestimated and therefore be lowered.

This proposal also fails to address the inefficiency gap of 16%. While the target may help to reduce the gap slightly. There appears to be a discrepancy between the PRB statement and the academic study regarding the use of additional resources to improve ANSP operations. The PRB states that additional resources available due to less ambitious targets were to improve ANSP operations. However, the academic study sets out that: "Delays did not significantly impact cost efficiency but indicated that minimizing delays might incur higher costs for ANSPs.”. This means that there is no need for additional funds to address the delay issue. Consequently, the additional resources should not be charged to airspace users. ANSPs could have used the regulatory results achieved in RP3, in excess of 3 billion EUR between 2015 and 2022, to finance additional capacity-enhancing activities.