

Principles for establishing the cost-base for en route charges and the calculation of the unit rates

Principles for establishing the cost-base for en route charges and the calculation of the unit rates

[Text approved by the enlarged Commission on 28.11.2019
and entered into force on 1.1.2020]

(This document supersedes the edition No. 18.60.01 of January 2018)

TABLE OF CONTENTS

	<u>Page</u>
1. GENERAL PROVISIONS	2
1.1. Common policy	2
1.2. Charging zones	2
1.3. Options for the calculation of the unit rate	3
1.3.1. Full cost recovery method	3
1.3.2. Determined cost method	3
1.4. Transparency of costs and the charging mechanism	3
1.5. Consultation with airspace users' representatives	4
1.6. Incentives schemes	4
2. ACCOUNTING PRINCIPLES AND COSTS	5
2.1. General accounting principles	5
2.2. General provisions on costs	5
2.3. Costs: Detail by nature	6
2.3.1. Staff costs	6
2.3.2. Operating costs other than staff costs	6
2.3.3. Depreciation	7
2.3.4. Cost of capital	8
2.3.5. Exceptional costs	9
2.4. Costs: Detail by services	9
2.4.1. Air Traffic Management (ATM) costs	9
2.4.2. Communication costs	9
2.4.3. Navigation costs	9
2.4.4. Surveillance costs	9
2.4.5. Search and Rescue (SAR) costs	9
2.4.6. Aeronautical Information costs	9
2.4.7. Meteorological (MET) costs	10
2.4.8. Supervision costs	10
2.4.9. Other State costs	10
2.5. Cost allocation	11
3. CALCULATION OF THE UNIT RATE	12
3.1. General provisions	12
3.2. Full cost recovery method	12
3.2.1. Calculation of en route unit rates	12
3.2.2. Adjustment mechanism	13
3.2.3. Amendment of unit rate	13
3.3. Determined cost method	13
3.3.1. Calculation of en route unit rates	13
3.3.2. Inflation adjustment	15
3.3.3. Traffic risk sharing mechanism	15
3.3.4. Cost risk sharing mechanism	16
3.3.5. Consultation	17
3.4. Incentive schemes	18
3.4.1. Incentive schemes for air navigation service providers	18
3.4.2. Incentive schemes for airspace users (modulation of en route charges)	18
3.5. Calculation of the regional administrative unit rate	19

3.6.	Exempted flights	19
3.7.	Special provisions	19
3.7.1	Simplified charging scheme	19
3.7.2	CNS, MET, AIS services and ATM data services subject to market conditions	19
3.8.	High inflation	22
3.9.	Calculation of the unit rate in euro value	22
4.	COMPLIANCE MONITORING	23
4.1.	Appeal	23
4.2.	Review of charges	23
5.	ENFORCEMENT MEASURES	23
6.	APPLICABILITY	23

ANNEXES

Annex I:	Specimen Reporting Tables – Full cost recovery method	25
Annex II:	Specimen Reporting Tables – Determined cost method	30
Annex III:	Specific transparency requirements for en route services provided under market conditions	39

1. GENERAL PROVISIONS

1.1. Common policy

The Contracting States to the Multilateral Agreement relating to Route Charges have agreed to adopt a common policy in respect of the calculation of the charges and of their cost-base.

The Contracting States have therefore adopted the following “Principles for establishing the cost-base for en route charges and the calculation of the unit rates” (hereinafter “the Principles”).

The Principles are based on those described in the “ICAO’s Policies on Charges for Airports and Air Navigation Services” as contained in ICAO Document 9082 and in the “Manual on Air Navigation Services Economics” as contained in ICAO Document 9161, current versions, subject to any modification made in order to take account of other methods specific to the EUROCONTROL route charges system.

Contracting States shall ensure that the amounts collected on their behalf are used to finance the en route costs determined in accordance with these Principles.

The Contracting States that apply the rules adopted by the European Union on the Single European Sky performance and charging scheme are considered to comply with the rules adopted by EUROCONTROL on these matters.

1.2. Charging zones

1.2.1. Contracting States shall establish en route charging zones in the airspace falling under their responsibility where en route services are provided to airspace users.

1.2.2. The charging zones shall be consistent with the provision of air navigation services, and may include services provided by an air navigation service provider established in another Contracting State. Contracting States shall consult the airspace users’ representatives concerned prior to establishing or modifying charging zones.

1.2.3. A charging zone shall extend from the ground up to, and including, upper airspace. Contracting States may establish a specific zone in complex terminal areas within a charging zone.

1.2.4. Where charging zones extend across the airspace of more than one Contracting State, the Contracting States concerned shall ensure consistency and uniformity in the application of these Principles to the airspace concerned and shall notify EUROCONTROL thereof.

1.2.5. Contracting States shall establish cost-bases, service unit forecast and unit rates for each charging zone.

1.3. Options for the calculation of the unit rate

There are two possible methods for the calculation of unit rates: one based on full cost recovery (hereinafter the “full cost recovery method”) and the other based on determined cost recovery (hereinafter the “determined costs method”).

Contracting States shall establish their cost-base in order to account for the costs of the en-route air navigation systems under their jurisdiction in accordance with one of the two methods described below.

1.3.1. Full cost recovery method

Route charges shall be calculated for the year "n" based on the estimated costs and traffic for that year. An adjustment mechanism shall be applied to ensure that only the actual costs of the service are eventually recovered. This mechanism is described in Paragraph 3.2.2.

Contracting States opting for the full cost recovery method shall establish appropriate forecast operating accounts for the purpose of calculating the unit rate for year "n", whereby the costs for year "n" shall be determined on the basis of actual costs in the last complete financial year (year "n - 2") updated according to available information, particularly budget forecasts relating to years "n - 1" and "n". Adequate steps must be taken to ensure that there is no double counting.

1.3.2. Determined cost method

The cost to be shared among airspace users shall be the determined cost of providing air navigation services. Determined costs shall be the costs determined by the Contracting States at the level of the charging zone.

The determined costs shall be set prior to the start of each reference period as part of the performance plan and specified for each calendar year of that period in real terms and in nominal terms.

The reference period shall cover a minimum of three years and a maximum of five years.

Contracting States may decide to review performance plans.

Contracting States shall not modify an en route charging zone during a reference period.

1.4. Transparency of costs and the charging mechanism

1.4.1. Contracting States shall establish the cost base for each en route charging zone in a transparent manner.

1.4.2. Without prejudice to Paragraph 1.4.3 and/or Paragraph 3.7.2, Contracting States shall establish the cost-base in their national currency.

1.4.3. Where a common charging zone with a single unit rate has been established, the Contracting States concerned shall ensure conversion of national costs into euro or the national currency of one of the States concerned so as to ensure a transparent calculation of the single unit rate. Those Contracting States shall notify as appropriate EUROCONTROL of the applicable currency.

1.4.4. Contracting States shall report data to the EUROCONTROL Central Route Charges Office (CRCO) in accordance with the specimen tables in Annexes I and II. Preliminary data shall be reported not later than 1 June of each year. Final data shall be reported not later than 1 November of each year.

- 1.4.5. Contracting States shall ensure that unit rates are set for each charging zone on an annual basis.
- 1.4.6. For Contracting States applying the full cost recovery method, costs shall cover the period up to "n + 4".
- 1.4.7. For Contracting States applying the determined costs method, data shall cover the current reference period.

1.5. Consultation with airspace users' representatives

- 1.5.1. Contracting States shall ensure that airspace users' representatives are consulted on the charging policy on a regular basis. To this end, they shall provide them with the necessary information on their charging mechanism as set out in Annexes I or II, and shall organise an effective and transparent consultation hearing to present this information, in the presence of the air navigation service providers involved.

The relevant documentation, excluding any information of a confidential nature, shall be put at the disposal of airspace users' representatives, and EUROCONTROL at the latest three weeks before the consultation hearing.

- 1.5.2. Contracting States and/or air navigation service providers shall organise an exchange of information on cost-bases, planned investments and expected traffic with airspace users' representatives if the latter so request. Subsequently, they shall make their respective costs established in accordance with the Principles available in a transparent manner to airspace users' representatives and EUROCONTROL.

The information of a non-confidential nature referred to above shall be based on the reporting tables and detailed rules set out in Annexes I or II (Reporting Tables 1 and 2 plus additional information).

- 1.5.3. Airspace users' representatives shall be consulted by the enlarged Committee for Route Charges, on preliminary and final estimated cost-base figures for year "n", and on any changes to the Principles. The relevant documentation shall be made available to the airspace users' representatives and to EUROCONTROL each year, no later than 1 June and no later than 1 November respectively.
- 1.5.4. The provisions of the paragraphs above shall also apply to any revision of the unit rate during the course of the year. The Contracting States concerned shall ensure that airspace users' representatives are consulted in the enlarged Committee on the revised estimated cost-base and unit rate figures.

1.6 Incentives schemes

Contracting States may establish or approve incentive schemes consisting of financial advantages or disadvantages applied on a non-discriminatory and transparent basis to support improvements in the provision of en route services resulting in a different calculation of charges as set out below. These incentives may apply to air navigation service providers (determined costs only) and/or airspace users.

Contracting States shall monitor the proper implementation of the modulation of air navigation charges by air navigation service providers.

2. ACCOUNTING PRINCIPLES AND COSTS

2.1. General accounting principles

- 2.1.1. The Contracting States shall ensure that air navigation service providers, whatever their system of ownership or legal form, draw up, submit to audit and publish their financial accounts. These accounts shall comply with the International Accounting Standards / International Financial Reporting Standards (IAS/IFRS). Where, owing to the legal status of the service provider, full compliance with the International Accounting Standards is not possible, the Contracting State shall ensure that the provider achieves such compliance to the maximum possible extent.
- 2.1.2. In all cases, the Contracting States shall ensure that air navigation service providers publish an annual report and regularly undergo an independent audit.
- 2.1.3. The Contracting States shall ensure that, when providing a bundle of services, air navigation service providers identify in their internal accounting, the relevant costs and income for en route services, broken down in accordance with the Principles and, where appropriate, shall keep consolidated accounts for other, non-air navigation services, as they would be required to do if the services in question were provided by separate undertakings.
- 2.1.4. The Contracting States shall designate the competent authorities that shall have a right of access to the accounts of service providers that provide en route services in the airspace under their responsibility.
- 2.1.5. The accounting period shall be from 1 January to 31 December.

2.2. General provisions on costs

- 2.2.1. En route charges shall reflect the costs incurred either directly or indirectly in the provision of en route services. The costs of en route services shall be financed by means of en route charges imposed on the users of en route services, and/or other revenues if appropriate, without prejudice to the financing of the costs of en route services that air navigation service providers have provided to exempted flights.

The Contracting States may decide that the public funds obtained by air navigation service providers from public authorities are to be deducted from the determined costs as “other revenues”.

The Contracting States may decide that the revenues obtained by air navigation service providers from commercial activities are to be deducted from the determined costs as “other revenues”.

Revenues derived through en route charges set in accordance with the Principles shall not be used to finance commercial activities of air navigation service providers.

- 2.2.2. Account shall be taken of the whole of the en route air navigation facilities and services for which each Contracting State is responsible by virtue of the ICAO Regional Air Navigation Agreements and the associated Regional Air Navigation Plan on the basis of which national plans are established. This means that only facilities and services provided for civil and military traffic operating in accordance with ICAO rules and regulations (General Air Traffic: GAT) can be included. The Contracting States shall apply the Principles to all their providers of air navigation facilities and services whose costs are included in their cost-bases.

- 2.2.3. These providers shall establish the costs incurred in the provision of en route services in relation to the facilities and services provided for and implemented under the relevant ICAO Regional Air Navigation Plan in the en route charging zones under their responsibility. Costs shall include administrative overheads, training, studies, tests and trials as well as research and development allocated to these services.
- 2.2.4. Contracting States may establish the following costs when they are incurred in relation with the provision of en route services:
- a. the costs incurred by competent authorities and by qualified entities, i.e. entities acting on behalf of these competent authorities;
 - b. the costs stemming from international agreements; i.e. the costs stemming from the EUROCONTROL Convention ("EUROCONTROL costs"), that, in the context of the Principles, exclude the costs related to the Maastricht Control Centre.
- 2.2.5. The costs of eligible services, facilities and activities shall be calculated in such a manner as to be consistent with the accounts referred to in Paragraph 2.1 above for the period from 1 January to 31 December. However, the non-recurring effects resulting from the implementation of IAS/IFRS may be spread over a period not exceeding 15 years.
- 2.2.6. Any adjustment beyond the provisions of the IAS/IFRS shall be specified in the additional information to be provided in accordance with Annex I or II.
- 2.2.7. Costs related to the provision of en route services shall include any non-recoverable taxes and customs duties. They shall be calculated net of ancillary revenues.
- In this case, details and figures shall be provided in the additional information.
- 2.2.8. These costs shall be broken down into staff costs, operating costs other than staff costs, depreciation costs, cost of capital and exceptional costs including non-recoverable taxes and custom duties paid, and all other related costs.
- 2.2.9. All provisions of the Principles relating to the establishment of costs shall apply *mutatis mutandis* to actual costs.

2.3. Costs: Detail by nature

2.3.1. Staff costs

Staff costs shall include gross remuneration, overtime payments, and employers' contributions to social security schemes as well as pension costs and costs of other benefits. Pension costs shall be calculated using prudent assumptions based on the applicable pension scheme or on national law, as appropriate. Those prudent assumptions shall be detailed in the additional information.

2.3.2. Operating costs other than staff costs

Other operating costs shall include costs incurred for the purchase of goods and services used to provide en route services, including outsourced services, material, energy, utilities, rental of buildings, equipment and facilities, maintenance, insurance costs and travel expenses. Where an air traffic service provider purchases other en

route services, the service provider shall include the actual expenditure for those services in its other operating costs.

Operating costs include:

- a. rental costs for land transmission lines;
- b. rental costs of land, buildings and other facilities including taxes and other charges, where applicable;
- c. costs of utilities including water, heating and all energy supplies;
- d. rental costs for communication lines;
- e. repairs and maintenance costs, excluding internal staff costs, but including non-capitalised equipment, e.g. spare parts or other small expensed items;
- f. operating costs of other operational and technical support facilities, including administrative support, legal, consultancy and audit;
- g. costs of application software unless considered as an investment.

2.3.3 Depreciation

- 2.3.3.1. Fixed assets (tangible and intangible assets) shall comprise equipment and buildings, including related works services, land, basic software and, where appropriate, application software, including non-recoverable taxes and customs duties, where applicable.

Depreciation costs shall relate to the total fixed assets in operation for en route services purposes. The value of fixed assets shall be depreciated, in accordance with their expected operating life, using the straight-line method applied to the costs of the assets being depreciated.

Historical or current cost accounting shall be applied for the calculation of the depreciation. The methodology used to calculate depreciation shall not be altered during the duration of the depreciation and shall be consistent with the cost of capital applied, that is to say nominal cost of capital for historical cost accounting and real cost of capital for current cost accounting. Where current cost accounting is applied, the cost of capital shall not include inflation and the equivalent historical cost accounting figures shall also be provided to allow for comparison and assessment.

- 2.3.3.2. In order to be taken into account in a given year, facilities and services shall either be in operation, or be expected to be put into operation by the end of that year. Facilities put into operation during that year shall only be taken into account on a pro-rata basis.

Any temporary shut-down of a facility (i.e. failure or maintenance) shall not be taken into account.

- 2.3.3.3. The percentages to be applied in calculating the depreciation of fixed assets shall be determined in accordance with the expected operating life and the pertinent IAS/IFRS standards.

- 2.3.3.4. When it becomes apparent that the operating life of an asset being depreciated will be shorter than was anticipated when the original depreciation schedule was drawn up, one of the following two methods shall be adopted:

- the net book value of the asset may be written off over the remaining years of the revised operating life;

- the precise amount of the residual value less any proceeds from its disposal may be added in full, in the financial year in which it occurs, to the depreciation charged in that year.

2.3.3.5. Equipment or buildings still in service beyond the above-mentioned depreciation periods are regarded as fully depreciated and no depreciation or cost of capital shall be included in respect of them. If essential changes are made to equipment or buildings already amortised or in course of depreciation, the amount of the capital expenditure relating to these changes shall be depreciated in accordance with the same rules.

2.3.3.6. No depreciation shall be calculated for land.

2.3.3.7. Proceeds from the disposal of assets shall be credited against the cost-base. In exceptional circumstances this could be spread over a number of years, after prior consultation with the airspace users' representatives.

2.3.3.8. Contracting States experiencing high rates of inflation may need to use alternative approaches to calculating depreciation, as further detailed in Paragraph 3.8 below.

2.3.4 Cost of capital

2.3.4.1. Cost of capital shall be equal to the product of:

- a. the sum of the average net book value of fixed assets and possible adjustments to total assets determined by the Contracting States and used by the air navigation service provider in operation or under construction and of the average value of the net current assets, excluding interest-bearing accounts, that are required for the provision of en route services; and
- b. the weighted average of the interest rate on debts and of the return on equity. For air navigation service providers without any equity capital, the weighted average shall be calculated on the basis of a return applied to the difference between the total of the assets referred to in point (a) and the debts.

2.3.4.2. When the assets do not belong to the air navigation service provider, but are included in the calculation of the cost of capital, Contracting States shall ensure that the costs of these assets are not recovered twice.

Where air navigation service providers incur costs from leasing fixed assets, those costs shall not be included in the calculation of the cost of capital.

2.3.4.3. For the purposes of 2.3.4.1 above, the factors to which weight is to be given shall be based on the proportion of financing through either debt or equity. The interest rate on debts shall be equal to the weighted average interest rate on debts of the air navigation service provider. The return on equity shall be based on the financial risk incurred by the air navigation service provider.

For Contracting States applying the full cost recovery method, the cost of capital applied to equity to be used is a matter for the Contracting State (or other economic regulator) to approve, taking into account the low financial risk of providing en route services. In both cases the government bond rate, or alternatively rates payable in financial markets by enterprises of comparable low financial risk, may be taken as a guide.

For Contracting States applying the determined cost method, the return on equity shall be that provided in the performance plan for the reporting period and shall be based on the financial risk incurred by the air navigation service provider as assessed prior to the reference period.

2.3.5. Exceptional costs

Exceptional costs shall consist of non-recurring costs relating to the provision of en route services.

2.4. Costs: Detail by services

2.4.1. Air Traffic Management (ATM) costs

ATM is divided into Air Traffic Services (ATS), Air Traffic Flow Management (ATFM) and Airspace Management (ASM), where ATS is the primary component of ATM.

2.4.2. Communication costs

Communication costs are costs in respect of aeronautical fixed and mobile services to enable ground-to-ground, air-to-ground and air-to-air communications for ATC purposes.

2.4.3. Navigation costs

Navigation costs are costs in respect of facilities and services that provide aircraft with positioning and timing information.

2.4.4. Surveillance costs

Surveillance costs are costs in respect of facilities and services used to determine the respective positions of aircraft to allow safe separation.

2.4.5. Search and Rescue (SAR) costs

Costs included in this category are those for search and rescue services provided to civil aviation by any permanent establishment of facilities and personnel maintained for the purposes of providing such services.

Search and rescue services facilities comprise rescue coordination centres (RCCs), rescue sub-centres (RSCs) if any, long, medium and short-range aircraft (including helicopters and ultra-long range or extra-long range aircraft), rescue boats and vessels, mountain rescue units and any other units, forces or facilities which are designated primarily or exclusively, or which are available to perform aeronautical search and rescue functions when required.

2.4.6. Aeronautical Information costs

Aeronautical Information costs are costs in respect of services established within the defined area of coverage responsible for the provision of aeronautical information and data necessary for the safety, regularity, and efficiency of air navigation.

2.4.7. Meteorological (MET) costs

- 2.4.7.1. Contracting States shall reinforce the co-ordination between the National Authorities concerned (Civil Aviation Authority and MET Authority - when different) and the service providers concerned (aeronautical MET service provider and Air Navigation Service Provider - when different) in order to ensure that MET costs charged to users of en route services are justified and properly established.
- 2.4.7.2. Contracting States shall ensure that their aeronautical MET service provider draws a comprehensive inventory of the MET facilities and services (direct and core) and of the aeronautical MET products and functions exclusively needed to meet aeronautical requirements. Furthermore this inventory shall be supplemented by the relevant references in ICAO Manual on Air Navigation Services Economics (especially Annex 3, current version), Procedures for Air Navigation Services and European Air Navigation Plan as well as by the references of national regulations concerned.
- 2.4.7.3. Information shall be disclosed to users of en route services at the product/function level. Contracting States shall introduce transparent cost-accounting systems as soon as practicable. When implemented, Contracting States shall ensure that detailed documentation on these cost-accounting systems (starting with the inventory) can be made available to users of en route services relevant representatives.

2.4.8. Supervision costs

Supervision costs shall comprise the costs incurred by Contracting States to supervise the provision of air navigation services, in particular with regard to the safe and efficient operation of air navigation service providers.

They include the costs incurred by competent authorities and by qualified entities, i.e. those entities acting on behalf of these competent national authorities.

2.4.9. Other State costs

2.4.9.1. Definition

Other State costs shall comprise the costs incurred by Contracting States in relation with the provision of en route services as referred to in Paragraph 2.2.4 other than the "Supervision costs" above. The other State costs shall include:

- The EUROCONTROL costs as referred to in Paragraph 2.2.4.(b), and;
- if applicable, the costs stemming from other international agreements.

2.4.9.2. EUROCONTROL costs

The EUROCONTROL costs shall be established in accordance with the Principles and on the basis of the Agency's Annual Accounts submitted for the Permanent Commission's approval.

The costs related to the Maastricht Control Centre shall be reported separately.

2.5. Cost allocation

- 2.5.1. The costs of eligible services, facilities and activities within the meaning of Paragraph 2.2 shall be allocated in a transparent way to the en route charging zones in respect of which they are incurred.
- 2.5.2. Where costs are incurred in respect of several en route charging zones, they shall be allocated in a proportional way, on the basis of a transparent methodology.
- 2.5.3. The cost of en route services shall relate to the costs referred to above to the exclusion of the costs relating to the terminal services, defined as follows:
- a. aerodrome control services or aerodrome flight information services which include air traffic advisory services and alerting services;
 - b. air traffic services related to the approach and departure of aircraft within a certain distance of an airport which shall be defined on the basis of operational requirements;
 - c. the proportional part of the air navigation services common to en route and terminal services.

To this end, Contracting States shall lay down the criteria used to allocate costs to charging zones, including in respect of points (b) and (c) of this paragraph and the criteria used to allocate costs between terminal and en route services for each airport and inform EUROCONTROL thereof. Contracting States shall include this information in the additional information to Reporting Table 1 (Annex I and Annex II).

For Contracting States applying the determined cost method, this shall be done before the start of each reference period.

Contracting States shall apply the provisions of paragraphs 2.5.4, 2.5.5, 2.5.6 and 2.5.7 for allocating the costs of ATS facilities, communication services, SAR services and aeronautical information services.

- 2.5.4. Where the utilisation of ATS facilities between en route services on the one hand and terminal services on the other cannot be allocated on a statistical basis, the said facilities shall be classified as follows:
- facilities provided mainly for en route services (allocation of 75% of the corresponding costs to route services);
 - facilities provided virtually to the same extent for en route and terminal services (allocation of 50% of the corresponding costs to route services);
 - facilities provided mainly for terminal services (allocation of 25% of the corresponding costs to route services).

Where the utilisation of an ATS facility (e.g. between civil and military purposes) cannot be determined directly, civil airspace users shall only be charged those costs properly allocable to them.

- 2.5.5. With regard to point-to-point communications where the costs cannot be allocated exactly, 100% of costs shall be charged to route services or telecommunications centres where the link is between two route service centres, but only 50% where the link is between an area control centre and an aerodrome or an approach control centre.

- 2.5.6. Where SAR costs are part of the cost-base, the following provisions shall apply:
- only the aeronautical facilities and services included in the ICAO Regional Air Navigation Plan shall be accounted for;
 - cost allocation attributable to civil aviation and non-civil aviation users (military, agriculture, land and maritime transport, tourism, etc.) shall precede any cost recovery from civil aviation;
 - the allocation of costs shall be determined in such a way as to ensure that no airspace users are burdened with costs not properly allocable to them;
 - these operations shall be performed with the precision and transparency required and airspace users shall be provided with relevant information, in particular with regard to the costs of the facilities and services provided.
- 2.5.7. Aeronautical Information costs shall either be charged to en route services or apportioned between en route services and other services.
- 2.5.8. If exemptions are granted to VFR flights in accordance with Paragraph 3.6, the air navigation service provider shall identify the costs of en route services provided to VFR flights and separate these from the costs provided to IFR flights. These costs may be established through a marginal cost methodology taking into account the benefits to IFR flights stemming from the services granted to VFR flights.
- 2.5.9. The costs incurred for exempted flights shall be composed of:
- a. the costs of exempted VFR flights as identified in Paragraph 2.5.8 above and;
 - b. the costs of exempted IFR flights which shall be calculated as the product of the costs incurred for IFR flights and the ratio of the number of exempted service units to the total number of service units, with the total number of service units consisting of the service units in respect of IFR flights, as well as the service units in respect of VFR flights, where these are not exempted. The costs incurred for IFR flights shall be equal to the total costs less the costs of VFR flights.

3. CALCULATION OF THE UNIT RATE

3.1. General Provisions

In accordance with Paragraph 1.3 Contracting States shall calculate their unit rate by applying either the full cost recovery method or the determined cost method.

3.2. Full cost recovery method

3.2.1. Calculation of en route unit rates

Contracting States applying the full cost recovery method shall calculate their en route unit rate either:

- by dividing the forecast total number of service units for the relevant year into the forecast cost-base for the same year, or
- by dividing the forecast number of chargeable service units for the relevant year into the forecast cost-base reduced to take account of exempted flights.

In both cases, the cost-base shall be reduced by the costs of exempted VFR flights and by other revenues for the calculation of the unit rate.

Any under-recovery of costs resulting from flights exempted from the payment of en route charges shall not be recovered from other airspace users.

The unit rate shall be calculated in accordance with Annex I.

3.2.2. Adjustment mechanism

In accordance with Paragraph 1.3.1, under-recovery or over-recovery as a result of the difference between income/revenue and costs shall be carried over and included in the cost-base of year "n" or to a period of up to six years (for years "n - 1" up to "n + 4") and included in the corresponding cost-bases. An appropriate cost of capital shall be applied to the amounts carried forward. Amounts carried forward to a given year shall be converted into euros at the rate of exchange applied to the other costs for that year. Contracting States wishing to avail of the flexibility to carry forward under/over recoveries for a longer period than "n" shall inform the enlarged Committee in writing and with the appropriate justifications.

3.2.3. Amendment of unit rate

In case of unexpected major changes of traffic or costs, unit rates may be amended during the course of the year.

3.3. Determined cost method

3.3.1. Calculation of en route unit rates

3.3.1.1. Contracting States applying the determined cost method in accordance with Paragraph 1.3.2 shall set an en route unit rate for each charging zone on an annual basis before the start of each year of the reference period.

Without prejudice to Paragraphs 3.3.1.3 and 3.3.1.4, Contracting States shall not modify their unit rate in the course of a year.

3.3.1.2. The en route unit rate shall be calculated by dividing the forecast number of total en route service units for the relevant year as set in the performance plan into the algebraic sum of the following elements:

- a. the determined costs, expressed in nominal terms, of the relevant year as set defined in the performance plan;
- b. the adjustment for inflation in accordance with Paragraph 3.3.2;
- c. the adjustments resulting from the application of the traffic risk-sharing mechanism in accordance with Paragraph 3.3.3;
- d. the adjustments resulting from the application of the cost risk sharing mechanism in accordance with Paragraph 3.3.4;
- e. the adjustments resulting from the application of the financial incentives schemes in accordance with Paragraph 3.4.1;
- f. the adjustments resulting from the modulation of en route charges in accordance with Paragraph 3.4.2;

- g. the adjustments resulting from traffic variations in accordance with Paragraph 3.3.3.4 (applicable to costs incurred by competent authorities and qualified entities, to EUROCONTROL costs, to costs for meteorological services and, if applicable to costs referred to in Paragraph 3.3.3.3);
- h. the adjustments resulting from traffic variations in accordance with Paragraph 3.3.3.5;
- i. a deduction of other revenues where Contracting States have decided, in accordance with paragraph 2.2.1, that such other revenues are to be deducted;
- j. cross-financing between en route charging zones when justified for objective reasons, subject to clear identification;
- k. adjustments for differences in revenue resulting from the temporary application of the unit rate in accordance with Paragraph 3.3.1.3;
- l. adjustments relating to previous reference periods.

3.3.1.3. Contracting States may decide to set their unit rate at a level lower than that calculated in accordance with Paragraph 3.3.1.2. In that case, they shall include that lower unit rate in the reporting tables on unit rate calculation in accordance with Annex II. The resulting difference in revenues shall not be recovered from airspace users.

3.3.1.4. If Contracting States have not adopted a performance plan before the start of the reference period, or where the performance plan is revised in accordance with applicable law during the reference period, the unit rates shall, where necessary, be recalculated and applied as soon as possible on the basis of the adopted performance plan or adopted revised performance plan.

Where a performance plan is adopted after the start of the reference period, any difference in revenue due to the application of the unit rate or unit rates calculated on the basis of the draft performance plan, instead of the unit rate or unit rates calculated on the basis of the adopted performance plan, shall result in a first adjustment of the unit rate in the year following the adoption of the performance plan and a final adjustment of the unit rate two years after that year. The provisions of Paragraphs 3.3.3 (traffic risk sharing mechanism) and 3.3.4 (cost risk sharing) shall be applied on the basis of the adopted performance plan and shall apply retroactively as from the first day of the reference period.

Where a performance plan is revised during the reference period in accordance with applicable law, any difference in revenue due to the application of the unit rate or unit rates calculated on the basis of the adopted performance plan, instead of the unit rate or unit rates calculated on the basis of the adopted revised performance plan, shall result in a first adjustment of the unit rate in the year following the adoption of the revised performance plan and a final adjustment of the unit rate two years after that year. The provisions of Paragraphs 3.3.3 (traffic risk sharing mechanism) and 3.3.4 (cost risk sharing) shall be applied on the basis of the adopted revised performance plan and shall apply retroactively as from the first day of the year to which the revised performance plan applies.

3.3.1.5. Where, having found that an en route unit rate does not comply with the requirements set out in Paragraph 3.3.1.2, Contracting States revise the en route unit rate for year n after the start of the year to which it relates and such revision causes a difference in revenues, the unit rate shall be adjusted as follows:

- a. a first adjustment of the unit rate in the year following the revision of the unit rate, and

- b. a final adjustment of the unit rate two years after that year.

3.3.2. Inflation adjustment

For Contracting States applying the determined costs method, for each year of the reference period, the determined costs included in the cost base of year n expressed in nominal terms shall be adjusted on the basis of the difference in percentage between the actual inflation index and the forecast inflation index for that year n and included as an adjustment for the calculation of the unit rate for year n+2.

The following determined costs shall not be subject to any inflation adjustment:

- a. costs incurred by competent authorities and by qualified entities;
- b. EUROCONTROL costs;
- c. depreciation costs and the cost of capital where historical cost accounting is applied.

3.3.3. Traffic risk sharing mechanism

- 3.3.3.1. Contracting States shall apply a traffic risk sharing mechanism. Under that mechanism, the risk of revenue changes due to deviations from the service unit forecast set out in the performance plan shall be shared between air navigation service providers and airspace users.

The Contracting States shall define the values of the parameters of the traffic risk sharing mechanism after consultation with the airspace users' representatives and air navigation service providers concerned.

- 3.3.3.2 The following costs shall not be submitted to traffic risk sharing:

- a. the determined costs incurred by competent authorities and qualified entities and the EUROCONTROL costs;
- b. the determined costs for meteorological services.

- 3.3.3.3 In addition, Contracting States may exempt from the application of the traffic risk sharing the determined costs of providers of air navigation services which have received permission to provide air navigation services without certification in cases where the provider of such services offers them primarily to aircraft movements other than general air traffic.

- 3.3.3.4 In respect of the determined costs referred in Paragraph 3.3.3.2 and, if applicable, in Paragraph 3.3.3.3, any additional revenue in year (n) due to differences between actual service units and the service unit forecast included in the performance plan for that year shall be passed on to airspace users, and any revenue loss shall be recovered from airspace users, through an adjustment of the unit rate in year (n+2).

- 3.3.3.5. In respect of the adjustments to the unit rate referred to in points (b), (c), (d), (e), (f), (g), (h), (i), (j), (k) and (l) of Paragraph 3.3.1.2, The Contracting States shall define the modalities of the corresponding carry-overs.

3.3.4. Cost risk sharing mechanism

- 3.3.4.1 Contracting States shall apply a cost risk sharing mechanism. Under that mechanism, differences between determined costs included in the performance plan and actual costs shall be shared between air navigation service providers and airspace users.

The differences between determined costs included in the performance plan and actual costs shall be shared as follows:

- a. where, over the whole reference period, actual costs fall below the determined costs, the air navigation service provider or the Contracting State concerned shall retain in full the resulting difference;
- b. where, over the whole reference period, actual costs exceed the determined costs, the air navigation service provider or the Contracting State concerned shall cover in full the resulting difference.

- 3.3.4.2. Paragraph 3.3.4.1 does not apply if the differences result from at least one of the following changes:

- a. unforeseen changes in costs of new and existing investments;
- b. unforeseen changes in the costs incurred by competent authorities or by qualified entities and unforeseen changes in EUROCONTROL costs;
- c. unforeseen and significant changes in pension costs established in accordance with Paragraph 2.3.1 resulting from unforeseeable changes in national pensions law, pensions accounting law or unforeseeable changes in financial market conditions, on the condition that such changes in pension costs are outside the control of the air navigation service provider and, in the case of cost increases, that the air navigation service provider has taken reasonable measures to manage cost increases during the reference period;
- d. unforeseen and significant changes in costs resulting from unforeseeable changes in interest rates on loans that finance costs arising from the provision of air navigation services, on the condition that such changes in costs are outside the control of the air navigation service provider and, in the case of cost increases, that the air navigation service provider has taken reasonable measures to manage cost increases during the reference period;
- e. unforeseen and significant changes in costs resulting from unforeseeable changes in national taxation law or other unforeseeable new cost items not covered in the performance plan but required by law.

The determined costs relating to the costs referred to in this paragraph shall be identified and categorised in the additional information at Annex II.

The differences between determined and actual costs referred to in this paragraph shall be identified and explained annually in accordance with Annex II.

- 3.3.4.3. In respect of the unforeseen changes in costs referred to in point (b) of Paragraph 3.3.4.2, the differences between determined costs and actual costs shall be shared as follows:

- a. where, over a calendar year, actual costs fall below the determined costs established for that calendar year, Contracting States shall reimburse the resulting difference to airspace users through a reduction of the unit rate in year n+2;

- b. where, over a calendar year, actual costs exceed the determined costs established for that calendar year, Contracting States shall recover the resulting difference from airspace users through an increase of the unit rate in year n+2.

In respect of the unforeseen changes in costs referred to in points (a), (c), (d) and (e) of Paragraph 3.3.4.2, the Contracting States shall define how the differences between determined costs and actual costs shall be shared and carried-over, after consultation with airspace user's representatives for the unforeseen changes in costs referred to in point (a).

- 3.3.4.4. The Contracting states shall verify annually whether air navigation service providers apply correctly the provisions of Paragraphs 3.3.4.1, 3.3.4.2 and 3.3.4.3 on the cost-risk sharing mechanism.

The Contracting States shall draw up a report by 1 September of year n+1 on the changes in costs referred to in Paragraph 3.3.4.2 which occurred in year n. The report shall be subject to consultation of airspace users' representatives.

The Contracting States shall also include in the report which is due by 1 September of the year following the final year of the reference period the balance over the whole reference period in respect of the unforeseen changes in the costs referred to in points (a), (c), (d) and (e) of Paragraph 3.3.4.2, where appropriate.

3.3.5. Consultation

- 3.3.5.1. Contracting States applying the determined costs method shall, in a coordinated manner, at the latest four months before the start of each reference period, consult air navigation service providers and the airspace users' representatives on the intended establishment of the determined costs included in the cost base for en route charges, new and existing investments, service unit forecasts and charging policy for the reference period concerned.

Contracting States shall also do so during a reference period, where they intend to revise the service unit forecast or the determined costs as set in the performance plan in accordance with applicable law.

- 3.3.5.2. During the reference period, the Contracting States concerned shall on an annual basis and in a coordinated manner, consult the air navigation service providers and the airspace users' representatives on the actual costs incurred during the previous year, on the difference between the actual costs and the determined costs contained in the performance plan and on the evolution of costs referred to in Paragraph 3.3.4.2. on cost risk sharing.

During the reference period, the Contracting States concerned shall, by 1 August of each year, in a coordinated manner, consult the air navigation service providers and the airspace users' representatives on the following essential elements related to the transparency of unit rates.

- a. charging policy, including inter alia, timing of adjustments to the unit rates;
- b. evolution of traffic compared to the traffic forecast set out in the performance plan;

- c. the application of the traffic risk sharing mechanism referred to in Paragraph 3.3.3 and of the incentive scheme or schemes implemented on the basis of Paragraph 3.4;
- d. if applicable, services foreseen to be subject to market conditions in accordance with Paragraph 3.7.2.

The consultation shall be organised in accordance with the provisions of Paragraph 1.5 above. Airspace users' representatives shall retain the right to request that more consultations be held.

- 3.3.5.3. Contracting States shall provide the reporting tables and the information required in Annex II to the entities invited to the consultation referred to in Paragraph 3.3.5.1 and in Paragraph 3.3.5.2 at least three weeks before the consultation.

3.4. Incentive schemes

3.4.1 Incentive schemes for air navigation service providers

Contracting States applying the determined cost method may adopt financial incentives for the achievement of performance targets in an effective and proportional manner by their air navigation service providers in accordance with applicable law.

These incentives consist in advantages for exceeding, disadvantages for under-achieving target levels of performance, and are to be added to or deducted from the adopted determined costs according to the level of performance achieved.

3.4.2. Incentive schemes for airspace users (modulation of en route charges)

Contracting States, may, on a non-discriminatory and transparent basis, modulate en route charges for airspace users to:

- a. optimise the use of en route services;
- b. reduce the environmental impact of flying;
- c. reduce the level of congestion of the network in a specific area or on a specific route at specific times.
- d. accelerate the deployment of new ATM capabilities, in particular with a view to giving incentives to equip aircraft with systems included in those projects.

Contracting States shall ensure that the modulation of charges in respect of points (a) to (c) of this paragraph does not result in any overall change in annual revenue for the air navigation service provider compared to the situation where charges would not have been modulated. Over- or under recoveries shall result in an adjustment of the unit rate in year n+2.

Before the application of the modulation of charges, Contracting States shall consult airspace users' representatives and air navigation service providers concerned on such intended modulation.

The incentive scheme shall be limited in time, scope and amount. The estimated savings generated by the operational efficiency improvements shall at least offset the cost of the incentives within a reasonable timeframe. The scheme shall be subject to regular review involving airspace users' representatives.

3.5. Calculation of the regional administrative unit rate

- 3.5.1. The regional administrative unit rate shall constitute the remuneration for the costs incurred by EUROCONTROL in operating the Route Charges System. It shall be calculated in accordance with the following rules:

The collection cost-base of year "n" shall be established on the basis of the full cost recovery method and the following categories of costs:

- a. CRCO direct operating costs of year "n" assessed by reference to the Agency's budget estimates;
 - b. investment costs for CRCO administrative purposes to be included in its cost-base for year "n" assessed by reference to the Agency's budget estimates;
 - c. CRCO indirect costs estimated for year "n";
 - d. costs relating to the Internal Audit Unit assessed by reference to the Agency's budget estimates for year "n";
 - e. balance of the CRCO administrative account of year "n - 2" and balance for year "n - 4" carried forward to year "n - 2".
- 3.5.2. The regional administrative unit rate shall be calculated by dividing the amount of the collection cost-base of year "n" by the total number of service units estimated for year "n" for the en route charges area.
- 3.5.3. The regional administrative unit rate shall be added to the unit rate applicable in the en route charging zone.

3.6. Exempted flights

The costs in respect of exempted flights, as specified in the Conditions of Application of the Route Charges System, shall be calculated on the basis of service units generated by exempted flights.

If exemptions are granted to VFR flights, the air navigation service providers shall identify the costs of en route services provided to these flights and shall deduct them directly. The costs to be deducted in respect of exempted VFR flights shall be calculated in accordance with Paragraph 2.5.8.

Contracting States shall cover the costs for the services that air navigation service providers have provided to flights exempted from en route charges.

3.7. Special Provisions

3.7.1. Simplified charging scheme

Contracting States may decide to establish and apply a simplified charging scheme for the duration of an entire reference period in respect of:

- a. one or more en route and one or more terminal charging zones;
- b. one or more air navigation service providers providing services in the charging zone or zones referred to in point (a).

Contracting States may decide to establish and apply a simplified charging scheme only if a set of conditions relating to performance is fully met and if the air navigation service providers concerned and the airspace users concerned have been consulted on the intended decision and airspace users representing at least 65 % of the IFR flights operated in the airspace where the Contracting State or Contracting States concerned are responsible for the provision of air navigation services agree with the intended decision.

If Contracting States decide to establish and apply a simplified charging scheme, they shall not apply:

- a. the traffic risk sharing mechanism referred to Paragraph 3.3.3. By not applying the traffic risk sharing mechanism, the traffic risk is therefore borne in full by the air navigation service provider;
- b. the provisions of Paragraph 3.3.4 related to the cost risk sharing mechanism;
- c. the over or under recoveries resulting from the modulation of air navigation charges pursuant to Paragraph 3.4.2.

Any carry-over from the years preceding the reference period to which the simplified charging scheme is applied, shall still be taken into account in the calculation of unit rates.

If Contracting States decide to establish and apply a simplified charging scheme, they shall specify and substantiate their decision and provide a description of the application of the simplified charging scheme and of its scope in terms of charging zones covered.

3.7.2. CNS, MET, AIS services and ATM data services subject to market conditions

- 3.7.2.1. Contracting States applying the determined costs method may decide before or during a reference period, that the provision of some or all of the CNS, MET, and AIS services and ATM data services provided in their charging zones is subject to market conditions.

Where a Contracting State or Contracting States decide to apply Paragraph 3.7.2.1, for the upcoming reference period or, as the case may be, for the remaining duration of the reference period and in respect of the services concerned they shall not:

- a. Calculate determined costs;
- b. Apply traffic risk sharing and cost risk sharing mechanisms in accordance with Paragraphs 3.3.3 and 3.3.4;
- c. Set financial incentives for the achievement of performance targets in accordance with Paragraph 3.4.1.

Where, during a reference period, a Contracting State or Contracting States decide to apply Paragraph 3.7.2.1 it shall also revise its performance plan in accordance with applicable law.

- 3.7.2.2. A Contracting State shall decide to apply Paragraph 3.7.2.1 only after having completed all of the following steps:

- a. The Contracting State has found, on the basis of a detailed assessment in accordance with the conditions laid down in 3.7.2.3, that the provision of the services concerned is subject to market conditions;

- b. The Contracting State has consulted the airspace users' representatives concerned on the intended decision and on that assessment, and has taken account of their comments where appropriate;
- c. The Contracting State has made its intended decision and that assessment publicly available

3.7.2.3. The criteria for the assessment of whether the provision of CNS, MET, AIS services and ATM data services is subject to market conditions are as follows:

- The extent to which service providers can freely offer to provide or withdraw the provision of these services:
 - a. the existence or otherwise of any significant legal, economic or other barrier that would prevent a service provider from offering to provide or continue to provide those services;
 - b. the scope, duration and value of service contracts, and
 - c. the existence of procedures allowing tangible and intangible assets, intellectual property and staff to be transferred or otherwise be made available from the incumbent to another party.
- The extent to which there is a free choice in respect to service provider:
 - a. the existence of legal, contractual or practical barriers to change service provider;
 - b. the existence of a consultation process to take airspace users' view into account when altering service provision arrangements.
- The extent to which a market structure and competition either exists or a credible prospect of competition exists:
 - a. the existence of a public tendering process (not applicable in case of self-supply);
 - b. evidence of credible alternative service providers able to participate in a tendering process and having provided services in the past.
- The extent to which a provider of CNS, MET, AIS services and ATM data services that also provides en route air navigation services has separate accounting and reporting;

The Contracting State shall complete the assessment no later than 12 months before the start of a reference period.

3.7.2.4. If a Contracting State decides to apply Paragraph 3.7.2.1, it shall assess regularly whether the conditions laid down in Paragraph 3.7.2.3 continue to be met.

If the Contracting State finds that those conditions are no longer met, it shall, without undue delay, revoke its decision, after having completed the steps set out in points (b) and (c) of Paragraph 3.7.2.2.

Upon that revocation, the Contracting State shall, for the upcoming reference period or, as the case may be, for the remaining duration of the reference period, not apply the exemptions (a), (b) and (c) of Paragraph 3.7.2.1 in respect of the services concerned.

If the revocation occurs during the reference period, the Contracting State concerned shall also revise its performance plan in accordance with applicable law.

- 3.7.2.5. If the services subject to the application of Paragraph 3.7.2.1 are provided in a common charging zone, the Contracting States concerned may decide to establish that the provision of some or all of those services are subject to market conditions only jointly. In that case, they shall jointly ensure that the above requirements are respected.

3.8. High inflation

Contracting States experiencing high inflation may convert their costs established for year "n" at constant prices (i.e. not adjusted for inflation) directly into euros, using the actual exchange rate at the time of calculation. This is the preferred method and shall be used by all Contracting States experiencing high inflation rates, i.e. in excess of 15% per annum.

Alternatively, a Contracting State could convert its costs established for year "n" at current prices, into euros, at the average forecast exchange rate for year "n". In this instance the forecast exchange rate shall broadly reflect the forecast differential inflation rate for that Contracting State and the countries of the Economic and Monetary Union (EMU), for year "n".

In either case, the resulting unit rate shall remain constant throughout the year "n".

Contracting States experiencing high rates of inflation may need to use alternative approaches to calculating depreciation. Such approaches shall be based on generally accepted accounting principles. An approach that may be used involves adjusting the portion which is not depreciated of the original book value of the asset concerned by increasing it by a percentage based on the rate of inflation, as measured by an official index, or as reflected in the change of the exchange rate in relation to the euro, when calculating the annual depreciation charged.

In such cases the cost of capital shall be reflected by a "net" rate which includes only the rate of inflation in the hard currency selected. If, for example, the euro is used as hard currency, the euro interest rate has to be used.

Another method would be to establish the costs directly in euro and to use the corresponding cost of capital for the euro.

3.9. Calculation of the unit rate in euro value

- 3.9.1. In order to establish a common currency basis, the CRCO shall convert the reported amounts of the cost-bases for year "n" into euros. The exchange rate used for this purpose shall be the monthly average of the "Closing Rate" calculated by Reuters, based on daily BID rate, for the various national currencies in relation to the euro for the month of April of year "n - 1" in respect of the preliminary data and the month of September of year "n - 1" in respect of the final data.
- 3.9.2. The enlarged Committee shall adopt the euro value rate for each charging zone, together with the corresponding exchange rate, with a view to their submission for approval by the enlarged Commission, in accordance with Articles 3 and 5 of the Multilateral Agreement.

4. COMPLIANCE MONITORING

4.1. Appeal

The Contracting States shall ensure that decisions taken pursuant to the Principles are properly explained and are subject to an effective review and/or appeal procedure, as set out in Paragraph 4.2 below.

4.2. Review of charges

The enlarged Committee shall provide for the review of compliance with the Principles.

Any Contracting State or airspace users' representative may raise concerns regarding the alleged non-compliance or non-application of the Principles by a Contracting State or one of its providers of en route services.

The enlarged Committee shall establish the appropriate rules of procedure to organise this compliance review system.

5. ENFORCEMENT MEASURES

Contracting States shall ensure that effective and proportionate enforcement measures are applied where necessary. These measures may include denial of services, detention of aircraft or other enforcement measures in accordance with applicable law.

6. APPLICABILITY

These Principles shall be applicable on 1 January 2020.

This version of the Principles supersedes Doc. No. 18.60.01 of 1 January 2018.

ANNEX I
SPECIMEN REPORTING TABLES
FULL COST RECOVERY METHOD

Transparency of the en route cost base: Reporting Table 1 and additional information

1. REPORTING TABLE 1

Contracting States as well as air navigation service providers shall fill in the following Reporting Table 1 for each charging zone under their responsibility. The Contracting States shall also provide a consolidated Reporting Table 1 for each en route charging zone under their responsibility.

Where charging zones extend across the airspace of more than one Contracting State, they shall fill in the table jointly in accordance with the arrangements referred to in Paragraph 1.2.4 of the Principles.

For the purpose of calculating the unit rate for year “n”, the reported figures shall be actual figures for year “n - 4” until year “n - 2” and planned figures for year “n - 1” onwards. Actual costs shall be established on the basis of the certified accounts. Planned costs shall be established in accordance with the business plan of the air navigation service provider and reported in the currency in which they are established in accordance with the Principles.

Table 1 - Total Costs

Charging zone name	Year n
Consolidation - all entities or entity name	

Cost details	(n - 4) A	(n - 3) A	(n - 2) A	(n - 1) F	(n) F	(n + 1) P	(n + 2) P	(n + 3) P	(n + 4) P
--------------	--------------	--------------	--------------	--------------	----------	--------------	--------------	--------------	--------------

1. Detail by nature (in nominal terms)

1.1 Staff									
1.2 Other operating costs									
1.3 Depreciation									
1.4 Cost of capital									
1.5 Exceptional items									
1.6 Total costs									
Total % i/i-1									
Staff % i/i-1									
Other op. % i/i-1									

2. Detail by service (in nominal terms)

2.1 Air Traffic Management									
2.2 Communication									
2.3 Navigation									
2.4 Surveillance									
2.5 Search and rescue									
2.6 Aeronautical Information									
2.7 Meteorological services									
2.8 Supervision costs									
2.9 Other State costs									
2.10 Total costs									
Total % i/i-1									
ATM % i/i-1									
CNS % i/i-1									

3. Complementary information on the cost of capital and on the cost of common projects (in nominal terms)

Average asset base									
3.1 Net book val. fixed assets									
3.2 Adjustments total assets									
3.3 Net current assets									
3.4 Total asset base									
Cost of capital %									
3.5 Cost of capital pre tax rate									
3.6 Return on equity									
3.7 Average interest on debts									
Cost of common projects									
3.8 Common Project 1									

4. Complementary information on inflation and on total costs in real terms

4.1 Inflation % (1)									
4.2 Price index (2)									
4.3 Total costs real terms (3)									
Total % i/i-1									

5. Deduction of costs allocated to exempted VFR flights (in nominal terms)

5.1 Total costs									
5.2 Costs for exempted VFR flights									
5.3 Total costs after deduction (4)									

Costs and asset base items in '000 000 national currency - Service units in '000 000

(1) Actual inflation – forecast inflation used for establishing the forecast costs

(2) Price index - base 100 in n-4

(3) Actual - Forecast costs in real terms – at n-4 prices

(4) Actual costs after deduction of VFR costs – Forecast costs after deduction of VFR costs

2. **ADDITIONAL INFORMATION TO REPORTING TABLE 1**

The Contracting States shall ensure the provision of at least the following information:

- Description of the methodology used for allocating costs of facilities or services between different air navigation services based on the list of facilities and services listed in the relevant ICAO Regional Air Navigation Plan, (Doc. 7754, current version) and a description of the methodology used for allocating those costs between different en route charging zones;
- Description of the costs incurred by the Contracting States ("Other State costs");
- Description and explanation of the method adopted for the calculation of depreciation costs: historic costs or current costs. When current cost accounting is adopted, provision of comparable historic cost data;
- Justification for the cost of capital, including the components of the asset base, the possible adjustments to total assets and the return on equity;
- Definition of the criteria used to allocate costs between terminal and en route services;
- Breakdown of the meteorological costs between direct costs and "MET core costs" defined as the costs of supporting meteorological facilities and services that also serve meteorological requirements in general. These include general analysis and forecasting, weather radar and satellite observations, surface and upper-air observation networks, meteorological communication systems, data-processing centres and supporting core research, training and administration;
- Description of the methodology used for allocating total MET costs and MET core costs to civil aviation and between en route charging zones.
- Description and explanation of the differences between planned and actual figures for year "n - 2";
- Description and explanation of the five-year planned costs for years "n" to "n + 4" based on the business plan.

Transparency of the en route cost base: Reporting Table 2 and additional information
Charging Mechanism – Calculation of the unit rate

1. REPORTING TABLE 2

Contracting States as well as air navigation service providers shall fill in the following Reporting Table 2 for each charging zone under their responsibility. Contracting States shall also provide a consolidated table for each charging zone under their responsibility.

When a charging zone extends across the airspace of more than one Contracting State, they shall fill in the table jointly in accordance with the arrangements referred to in Paragraph 1.2.4 of the Principles.

Table 2 - Unit rate calculation

Charging zone name	Year n
Consolidation - all entities or entity name	

Unit rate calculation	(n - 4) A	(n - 3) A	(n - 2) A	(n - 1) F	(n) F	(n + 1) P	(n + 2) P	(n + 3) P	(n + 4) P
-----------------------	--------------	--------------	--------------	--------------	----------	--------------	--------------	--------------	--------------

1. Calculation of the national unit rate

1.1 Total costs prior to ded.of VFR costs (1)									
1.2 Costs of exempted VFR flights (1)									
1.3 Costs of exempted IFR flights									
1.4 Amounts carried over to year i									
1.5 Income from other sources									
1.6 Chargeable costs - total % i/i-1									
1.7 Total service units									
1.8 Chargeable service units									
1.9 Unit rate - nat. currency - 1.5/1.7 % i/i-1									
1.10 Exchange rate (September i-1)									
1.11 Basic national rate in euro % i/i-1									

2. Actual/forecast service units (in '000 000 service units)

2.1 Total service units % i/i-1									
2.1 Chargeable service units % i/i-1									

3. Over(-) or under (+) recoveries to be carried over ('000 000 in national currency)

Charges billed to users									
3.1 Charges billed to users									
Net actual costs chargeable to users									
3.2 Total costs prior to ded.of VFR costs (2)									
3.3 Costs of exempted VFR flights (2)									
3.4 Costs of exempted IFR flights									
3.5 Amounts carried over to year i									
3.6 Income from other sources									
3.7 Chargeable costs - total									
Over(-) or under(+) recovery									
3.8 Balance to be carried over									

4. Carry over of over(-) or under(+) recoveries ('000 000 in national currency)

4.1 Balance year n - 10									
4.2 Balance year n - 9									
4.3 Balance year n - 8									
4.4 Balance year n - 7									
4.5 Balance year n - 6									
4.6 Balance year n - 5									
4.7 Balance year n - 4									
4.8 Balance year n - 3									
4.9 Balance year n - 2									
4.10 Balance year n - 1									
4.11 Amount carried over to year i									

5. Unit cost (Total costs after deduction of VFR costs / Total service units - in national currency)

5.1 Total costs 3.2 / Service units 2.1									
5.2 ANSP component of the unit cost									
5.3 MET component of the unit cost									
5.4 NSA-State component of the unit cost % i/i-1									

Costs and asset base items in '000 000 national currency - Service units in '000 000

(1) Forecast costs used to calculate unit rates for (n-4) to (n-2) – Forecast from year "n - 1" are reported from Table 1

(2) Cost data reported from Table 1

2. ADDITIONAL INFORMATION TO REPORTING TABLE 2

In addition the Contracting States concerned shall provide or shall ensure the provision of at least the following information:

- Description and rationale for the establishment of the different en route charging zones;
- Description and explanation on the calculation of the forecast chargeable service units;
- Description of the policy on exemptions and a description of the financing means to cover the related costs;
- Description of the income from other sources when they exist;
- Description and explanation of incentives applied on air navigation service providers and, in particular, the modalities to be applied in setting regulatory conditions on the level of unit rates. Description and explanation of the objectives in terms of performance and on the modalities to take them into account in the setting of maximum unit rates;
- Description of the plans of air navigation service providers in order to meet projected demand and performance objectives;
- Description and explanation of incentives applied on users of en route services;
- Description and explanation of the methodology used with respect to the recovery of the balance resulting from over or under recovery of previous years.

ANNEX II
SPECIMEN REPORTING TABLES
DETERMINED AND ACTUAL COSTS

1. REPORTING TABLE ON TOTAL COSTS AND UNIT COSTS

- 1.1. A reporting table on total costs and unit costs shall be filled separately for each relevant entity incurring costs in a charging zone using the template of Table 1. In addition, a consolidated reporting table shall be filled using the template of Table 1 aggregating the data from the relevant entities for the charging zone.

When a charging zone extends across the airspace of more than one Member State, a joint reporting table using the template of Table 1 shall be filled in in accordance with the requirements of consistency and uniformity referred to Paragraph 1.2.4.

- 1.2. The reporting tables on total costs and unit costs referred to in point 1.1 shall be filled in as part of the performance plan for each calendar year of the reference period and shall also be filled in annually to report on actual costs and actual service units. Actual service units shall be established on the basis of the figures provided by the EUROCONTROL CRCO. Any difference from these figures shall be duly justified in the additional information.

2. ADDITIONAL INFORMATION TO THE REPORTING TABLES ON TOTAL COSTS AND UNIT COSTS

- 2.1. The following additional information shall be provided, together with the information to be included in reporting tables on total costs and unit costs referred to in point 1.1 prior to the beginning of a reference period, as part of the performance plan:
- (a) a description of the methodology used for allocating costs of facilities or services between different air navigation services, based on the list of facilities and services listed in ICAO Regional Air Navigation Plan, European Region (Doc 7754) as last amended, and a description of the methodology used for allocating those costs between different charging zones;
 - (b) a description of the methodology and assumptions used to establish the costs of air navigation services provided to VFR flights, Paragraph 3.6 when exemptions are granted for VFR;
 - (c) the criteria used to allocate costs between terminal and en route services, in accordance with Paragraph 2.5.3;
 - (d) a breakdown of the meteorological costs between direct costs and the costs of supporting meteorological facilities and services that also serve meteorological requirements in general ('MET core costs'). MET core costs include general analysis and forecasting, surface and upper-air observation networks, meteorological communication systems, data processing centres and supporting core research, training and administration;
 - (e) a description of the methodology used for allocating total meteorological costs and MET core costs referred to in point (d) to civil aviation and between charging zones;

- (f) for each entity, description of the composition of each item of the determined costs by nature and by service (points 1 and 2 of Table 1), including a description of the main factors explaining the planned variations over the reference period;
- (g) for each entity, a description and justification of the method adopted for the calculation of depreciation costs (point 1.3 of Table 1): historical costs or current costs referred to in the fourth subparagraph of Paragraph 2.3.3.1, and, where current cost accounting is used, provision of comparable historical cost data;
- (h) for each entity, description and underlying assumptions of each item of complementary information (point 3 of Table 1), including a description of the main factors explaining the variations over the reference period;
- (i) for each entity, description of the assumptions used to compute the cost of capital (point 1.4 of Table 1), including the composition of the asset base, the return on equity, the average interest on debts and the shares of financing of the asset base through debt and equity;
- (j) description of the determined costs of common projects (point 3.9 of Table 1).

Any changes to points (a) to (j) during the reference period shall be reported together with the information provided in accordance with point 2.2.

2.2. The following additional information shall be provided annually, together with the information to be included in the reporting tables on total costs and unit costs referred to in point 1.1:

- (a) for each entity and for each cost item, a description of the reported actual costs and the difference between those costs and the determined costs, for each year of the reference period;
- (b) a description of the reported actual service units and a description of any differences between those units and the figures provided by the entity that is billing and collecting charges as well as any differences between those units and the forecast set in the performance plan, for each year of the reference period;
- (c) the breakdown of the actual costs of common projects per individual project;
- (d) justification of the difference between the determined and the actual costs of new and existing investments of the air navigation service providers, as well as the difference between the planned and the actual date of entry into operation of the fixed assets financed by those investments for each year of the reference period;
- (e) description of the investment projects added, cancelled or replaced during the reference period with respect to the major investment projects identified in the performance plan, and approved by the Contracting States.

UNIT RATES

1. REPORTING TABLES ON UNIT RATE CALCULATION

A reporting table on unit rate calculation shall be filled in annually and separately for each relevant entity incurring costs in a charging zone using the template of Table 2. In addition, a consolidated reporting table shall be filled annually using the template of Table 2 aggregating the data from the relevant entities for the charging zone.

2. REPORTING TABLES ON COMPLEMENTARY INFORMATION ON ADJUSTMENTS

A consolidated reporting table for each charging zone on complementary information on adjustments shall be filled in annually using the template of Table 3.

3. REPORTING TABLES ON COMPLEMENTARY INFORMATION ON COMMON PROJECTS AND ON REVENUES FROM UNION ASSISTANCE PROGRAMMES

A consolidated reporting table for each charging zone on complementary information on common projects and on revenues from Union assistance programmes shall be filled in annually using the template of Table 4.

4. ADDITIONAL INFORMATION TO THE REPORTING TABLES REFERRED TO IN POINTS 1, 2 AND 3

The following additional information shall be provided together with the information to be included in the reporting tables on unit rate calculation and on complementary information on adjustments, referred to in points 1 and 2:

- (a) description and rationale for establishment of the different charging zones, and potential cross-subsidies between charging zones;
- (b) description of the policy on exemptions and description of the financing means to cover the related costs;
- (c) description of adjustments resulting from the traffic risk sharing mechanism in accordance with Paragraph 3.3.3.1;
- (d) description of the differences between determined costs and actual costs of year n as a result of the changes in costs referred to in Paragraph 3.3.4 including description of the changes referred to in that Paragraph;
- (e) description of adjustments resulting from unforeseen changes in costs in accordance with Paragraph 3.3.4;
- (f) description of the other revenues, if any in accordance with Paragraph 2.2.1 broken down between categories;
- (g) description of the application of the financial incentive schemes referred to in Paragraph 3.4.1 in year n and the resulting financial advantages and disadvantages; description and explanation of the modulation of air navigation charges applied in year n under Paragraph 3.4.2 where applicable, and resulting adjustments.

- (h) description of adjustments relating to the temporary application of a unit rate under Paragraph 3.3.1.4;
- (i) description of the cross-financing between en route charging zones;
- (j) information on the application of a lower unit rate under Paragraph 3.3.1.3 than the unit rate calculated in accordance with Paragraph 3.3.1.2 and the means to finance the difference in revenue;
- (k) information and breakdown of the adjustments relating to previous reference periods impacting the unit rate calculation.

The following additional information shall be provided together with the information to be included in the reporting tables on complementary information on common projects and on Union assistance programme referred to in point 3:

- (l) information on the costs of common projects and other funded projects broken down per individual project, as well as of public funds obtained from public authorities for these projects.

Table 1 - Total Costs and Unit Costs

Charging zone name Currency Entity name										
Determined costs - Performance Plan - Reference Period						Actual costs - Reference Period				
Cost details	N	N+1	N+2	N+3	N+4	N	N+1	N+2	N+3	N+4
1. Detail by nature (in nominal terms)										
1.1 Staff of which, pension costs										
1.2 Other operating costs										
1.3 Depreciation										
1.4 Cost of capital										
1.5 Exceptional items										
1.6 Total costs										
Total % n/n-1										
2. Detail by service (in nominal terms)										
2.1 Air Traffic Management										
2.2 Communication										
2.3 Navigation										
2.4 Surveillance										
2.5 Search and rescue										
2.6 Aeronautical Information										
2.7 Meteorological services										
2.8 Supervision costs										
2.9 Other State costs										
2.10 Total costs										
Total % n/n-1										
3. Complementary information (in nominal terms)										
Average asset base										
3.1 Net book val. fixed assets										
3.2 Adjustments total assets										
3.3 Net current assets										
3.4 Total asset base										
Cost of capital %										
3.5 Cost of capital pre tax rate										
3.6 Return on equity										
3.7 Average interest on debts										
3.8 Share of financing through equity										
Costs of common projects										
3.9 Common projects										
Costs of new and existing investments										
3.10 Depreciation										
3.11 Cost of capital										
3.12 Cost of leasing										
Eurocontrol costs										
3.13 Eurocontrol costs (Euro)										
3.14 Exchange rate (if applicable)										
3.15 Eurocontrol costs (national currency)										
4. Total costs after deduction of costs for services to exempted flights (in nominal terms)										
4.1 Costs for exempted VFR flights										
4.2 Total determined/actual costs										
5. Cost-efficiency KPI - Determined/Actual Unit Cost (in real terms)										
5.1 Inflation %										
5.2 Inflation index (1)										
5.3 Total costs real terms (2)										
Total % n/n-1										
5.4 Total Service Units										
Total % n/n-1										
5.5 Unit cost in real terms prices (3)										
Total % n/n-1										

Costs and asset base items in '000 - Service units in '000

(1) Inflation index - Base 100 in N-3

(2) Determined costs (performance plan) and actual costs in real terms

(3) Determined unit costs (performance plan) and actual unit costs in real terms

Table 2 - Unit rate calculation

Charging zone name						
Currency						
Entity name		Reference Period				
Table 2 A - Adjustments relating to year n		N	N+1	N+2	N+3	N+4
A. Cost-sharing						
Determined costs						
1.1	Determined costs in nominal terms - VFR excl. - Table 1					
Inflation adjustment calculation						
2.1	Determined costs subject to inflation adjustment					
2.2	Forecast inflation index - Table 1					
2.3	Actual inflation index - Table 1					
2.4	Actual / forecast total inflation index (in %)					
2.5	Inflation adjustment relating to year n					
Differences between determined and actual costs						
3.1	New and existing investments					
3.3	Competent authorities and qualified entities costs					
3.4	Eurocontrol costs					
3.5	Pension costs					
3.6	Interest on loans					
3.7	Changes in law					
3.8	Differences between determined and actual costs relating to year n					
B. Traffic risk sharing						
Traffic risk sharing adjustment						
4.1	Determined costs subject to traffic risk sharing					
4.2	% deviation					
4.3	% additional revenue					
4.4	% loss of revenue borne by airspace users					
4.5	% deviation					
4.6	Forecast total service units (performance plan)					
4.7	Actual total service units					
4.8	Actual / forecast total service units (in %)					
4.9	Traffic risk sharing adjustment relating to year n					
Traffic adjustments						
5.1	For determined costs not subject to traffic risk-sharing					
5.2	Adjustments to year n unit rate not subject to traffic risk-sharing					
5.3	Traffic adjustments relating to year n					
C. Financial incentive schemes on capacity and environment						
Adjustments relating to financial incentives						
6.1	Financial incentives relating to capacity					
6.2	Financial incentives relating to environment					
6.3	Additional financial incentives relating to capacity					
6.4	Financial incentives relating to year n					
D. Other adjustments						
Modulation of charges						
7.1	Adjustment to ensure revenue neutrality for modulation of charges in year n					
Revision of the unit rate						
8.1	Temporary unit rate applied in year n					
8.2	Difference in revenue due to the temporary application of unit rate in year n					
Cross-financing between charging zones						
9.1	Cross-financing to (-) / from (+) other charging zone(s) relating to year n					
Other revenues						
10.1	Union assistance programmes					
10.2	National public funding					
10.3	Commercial activities					
10.4	Revenues from contracts with airport operators					
10.5	Total other revenues relating to year n					
Application of a lower unit rate						
11.1	Loss of revenue relating to the application of a lower unit rate in n					
12	Total adjustments relating to year n					
Table 2 B - Calculation of the unit rate for year n (1)						
13.1	Determined costs in nominal terms - VFR excl.					
13.2	Inflation adjustment : amount carried over to year n					
13.3	Traffic risk sharing adjustment : amounts carried over to year n					
13.4	Differences in costs : amounts carried over to year n					
13.5	Financial incentives : amounts carried over to year n					
13.6	Modulation of charges : amounts carried over to year n					
13.7	Traffic adjustments : amounts carried over to year n					
13.8	Other revenues					
13.9	Cross-financing between charging zones					
13.10	Difference in revenue from temporary application of unit rate					
13.11	Grand total for the calculation of year n unit rate					
13.12	Forecast total service units for year n (performance plan)					
13.13	Unit rate for year n (in national currency)					
13.14	Reduction , where applicable (in national currency)					
14	Applicable unit rate for year n					

Costs, revenues and other amounts in '000 - Service units in '000
 (1) Including adjustments relating to previous reference periods

Table 3 - Complementary information on adjustments

Entity name							
Complementary information on adjustments	Amounts	N	N+1	N+2	N+3	N+4	After RP
Inflation adjustment year n							
Inflation adjustment year n+1							
Inflation adjustment year n+2							
Inflation adjustment year n+3							
Inflation adjustment year n+4							
Total inflation Adjustment							
Traffic risk sharing year n							
Traffic risk sharing year n+1							
Traffic risk sharing year n+2							
Traffic risk sharing year n+3							
Traffic risk sharing year n+4							
Total traffic risk sharing adjustment							
Difference in investment costs year n							
Difference in investment costs year n+1							
Difference in investment costs year n+2							
Difference in investment costs year n+3							
Difference in investment costs year n+4							
Total adjustment relating to investment costs							
Difference in competent authorities and QEs costs year n							
Difference in competent authorities and QEs costs year n+1							
Difference in competent authorities and QEs costs year n+2							
Difference in competent authorities and QEs costs year n+3							
Difference in competent authorities and QEs costs year n+4							
Total adjustments relating to competent authorities and QEs costs							
Difference in Eurocontrol costs year n							
Difference in Eurocontrol costs year n+1							
Difference in Eurocontrol costs year n+2							
Difference in Eurocontrol costs year n+3							
Difference in Eurocontrol costs year n+4							
Total adjustments relating to Eurocontrol costs							
Difference in pension costs year n							
Difference in pension costs year n+1							
Difference in pension costs year n+2							
Difference in pension costs year n+3							
Difference in pension costs year n+4							
Total adjustment relating to pension costs							
Difference in interest on loans year n							
Difference in interest on loans year n+1							
Difference in interest on loans year n+2							
Difference in interest on loans year n+3							
Difference in interest on loans year n+4							
Total adjustment relating to interest on loans							
Costs relating to change in law year n							
Costs relating to change in law year n+1							
Costs relating to change in law year n+2							
Costs relating to change in law year n+3							
Costs relating to change in law year n+4							
Total adjustment relating to change in law							
Financial incentives year n							
Financial incentives year n+1							
Financial incentives year n+2							
Financial incentives year n+3							
Financial incentives year n+4							
Total financial incentives							
Modulation of charges year n							
Modulation of charges year n+1							
Modulation of charges year n+2							
Modulation of charges year n+3							
Modulation of charges year n+4							
Total adjustment relating to modulation of charges							
Traffic adjustment year n							
Traffic adjustment year n+1							
Traffic adjustment year n+2							
Traffic adjustment year n+3							
Traffic adjustment year n+4							
Total traffic adjustment							

Revenues received from Union assistance programmes in year n							
Revenues received from Union assistance programmes in year n+1							
Revenues received from Union assistance programmes in year n+2							
Revenues received from Union assistance programmes in year n+3							
Revenues received from Union assistance programmes in year n+4							
Total revenues received from Union assistance programmes							
Revenues received from national public funding in n							
Revenues received from national public funding in year n+1							
Revenues received from national public funding in year n+2							
Revenues received from national public funding in year n+3							
Revenues received from national public funding in year n+4							
Total revenues received from national public funding							
Revenues from commercial activities in year n							
Revenues from commercial activities in year n+1							
Revenues from commercial activities in year n+2							
Revenues from commercial activities in year n+3							
Revenues from commercial activities in year n+4							
Total revenues from commercial activities							
Revenues from contracts with airport operators in year n							
Revenues from contracts with airport operators in year n+1							
Revenues from contracts with airport operators in year n+2							
Revenues from contracts with airport operators in year n+3							
Revenues from contracts with airport operators in year n+4							
Total revenues from contracts with airport operators							
Revenue difference - revision of UR year n							
Revenue difference - revision of UR year n+1							
Revenue difference - revision of UR year n+2							
Revenue difference - revision of UR year n+3							
Revenue difference - revision of UR year n+4							
Total revenue differences from temporary application of UR							

Amounts in '000 (national currency)

Table 4 - Complementary information on common projects and on revenues from Union assistance programmes allocated to the charging zone

Charging zone name

Amounts received

Project reference (as per Grant Agreement)	Project title	Value of funded project in '000 Euro		Amounts granted (as per GA) in '000 Euro		Common project y/n	Actual amounts received (charging zone) in '000 Euro							
		Total	For the charging zone	Total	For the charging zone		Previous RPs	N	N+1	N+2	N+3	N+4		
Total in '000 Euro														
Total in '000 national currency														

Amounts reimbursed to airspace users through other revenues

Amounts reimbursed to transport users through other revenues									
Project reference (as per Grant Agreement)	Project title	Amounts retained in respect of administrative costs for the charging zone in '000 Euro	Total to be reimbursed for the charging zone in '000 Euro	Amounts reimbursed to users (charging zone) in '000 national currency					
				Previous RPs	N	N+1	N+2	N+3	N+4
Total in '000 Euro									
Total in '000 national currency									

ANNEX III

SPECIFIC TRANSPARENCY REQUIREMENTS FOR EN ROUTE SERVICES PROVIDED UNDER MARKET CONDITIONS

Information disclosed in application of this Annex shall be confidential to the Contracting States and not made publicly available.

1. THE COSTS OF AIR NAVIGATION SERVICES

1.1. Reporting table

Contracting States shall fill in the reporting tables in this Annex. Tables A and B shall be filled in for the entire charging zone.

For Table A, the figures shall be actual figures for year ("n - 3") until year ("n - 1") and planned figures for year ("n") onwards. Actual costs shall be established on the basis of final audited accounts. Planned costs shall be established in accordance with the business plan required by the certificate.

For Table B, the annual price shall reflect the value of the contract. The unit of output considered to determine the value of the contract shall be described and reported in the table by the Contracting State concerned.

Costs and prices shall be established in national currency.

Table A:

Organisation: Charging zone:	Year n
---------------------------------	-------------

(n-3)	(n-2)	(n-1)	(n)	(n+1)	(n+2)	(n+3)	(n+4)	(n+5)
A	A	A	F	F	P	P	P	P

Detail by nature

Staff									
Other operating costs									
Depreciation									
Cost of capital									
Exceptional items									
Total costs									

Table B:

Organisation: Charging zone:	Year n
---------------------------------	-------------

Airport i	(n-3)	(n-2)	(n-1)	(n)	(n+1)	(n+2)	(n+3)	(n+4)	(n+5)
Annual Price (a)									
Unit of Output (b)									
Unit Price									

1.2. Additional information

In addition, Contracting States shall provide at least the following information:

- (a) description of the criteria used for allocating costs of facilities or services between different air navigation services taking into account of the whole of the en route air navigation facilities and services for which each Contracting State is responsible by virtue of the ICAO Regional Air Navigation Agreements and the associated Regional Air Navigation Plan on the basis of which national plans are established;
- (b) description and explanation of differences between planned and actual figures for year ("n - 1") in respect to all data provided in Tables A and B;
- (c) description and explanation of five year planned costs and investments in relation to expected traffic;
- (d) description and explanation of the method adopted for calculating depreciation costs: historic costs or current costs;
- (e) justification for the cost of capital, including the components of the asset base.

2. THE FINANCING OF EN ROUTE NAVIGATION SERVICES

Air navigation service providers shall provide a description of the way or ways in which the costs of en route services are financed in respect to each charging zone.