

**EUROPEAN ORGANISATION FOR THE SAFETY OF AIR NAVIGATION**

**EUROCONTROL**

- Decision of the enlarged Commission -

**DECISION N° 38**

**relating to the amendment of the Principles for Establishing the Cost-base for Route Facility Charges and the Calculation of the Unit Rates**

THE PERMANENT COMMISSION FOR THE SAFETY OF AIR NAVIGATION, ENLARGED TO INCLUDE THE REPRESENTATIVES OF NON-MEMBER STATES OF THE ORGANISATION PARTICIPATING IN THE ROUTE CHARGES SYSTEM,

Having regard to the EUROCONTROL International Convention relating to Co-operation for the Safety of Air Navigation amended at Brussels on 12 February 1981, and in particular Article 5.2 thereof;

Having regard to the Multilateral Agreement relating to Route Charges, dated 12 February 1981, and in particular Articles 3.2 (e) and 6.1 (a) thereof;

HEREBY TAKES THE FOLLOWING DECISION:

Article 1

Paragraph 1.6 of the Principles for Establishing the Cost-base for Route Facility Charges and the Calculation of the Unit Rates shall be replaced by the following:

"1.6 The cost-base shall be established by National Administrations in their national currency or the ECU. Preliminary data shall be reported to EUROCONTROL's Central Route Charges Office (CRCO) not later than 1 June of year "n+1"; the final data, together with ancillary data (written explanation of major variances), shall be reported not later than 1 November of year "n+1", in accordance with the specimen tables in Appendix II.

For the purpose of constituting the cost-base, costs in respect of EUROCONTROL shall be added to national costs. Costs in respect of EUROCONTROL shall be established in accordance with the same rules as those applicable to national costs (see paragraph 2)."

## Article 2

Paragraph 1.7 of the Principles for Establishing the Cost-base for Route Facility Charges and the Calculation of the Unit Rates shall be amended by the addition of a new sub-clause:

"States experiencing high inflation may convert their national costs established for year "n+2" at constant prices (i.e. not adjusted for inflation) directly into ECU, using the actual exchange rate at the time of calculation. This is the preferred method and should be used by all States experiencing high inflation rates, e.g. in excess of 15% per annum.

Alternatively, a State could convert its national costs established for year "n+2" at current prices, into ECU, at the average forecast exchange rate for year "n+2". In this instance the forecast exchange rate should broadly reflect the forecast differential inflation rate for that State and the countries of the European Monetary System, for year "n+2".

In either case, the resulting unit rate should remain constant throughout the year "n+2".

## Article 3


Indents 4 and 5 of paragraph 2.1.3.1 of the Principles for Establishing the Cost-base for Route Facility Charges and the Calculation of the Unit Rates shall be replaced by the following:

"States experiencing high rates of inflation may need to use alternative approaches to depreciation. Such approaches should be based on sound accounting principles. An approach that may be used involves adjusting the undepreciated portion 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 ECU, when calculating the annual depreciation charged.

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

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

Done at Brussels, on **09. 12. 97**

  
Süreyya Yücel ÖZDEN  
President of the enlarged Commission