

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

## **EUROCONTROL**

- Decisions of the enlarged Commission -

### **DECISION No. 80**

#### ***amending the Principles for Establishing the Cost-Base for Route Facility Charges and the Calculation of the Unit Rates***

THE ENLARGED COMMISSION,

Having regard to the EUROCONTROL International Convention relating to Co-operation for the Safety of Air Navigation, as amended by the Protocol signed 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(a) and 6.1(a) thereof;

Having regard to the Principles for Establishing the Cost-base for Route Facility Charges and the Calculation of the Unit Rates;

On the proposal of the enlarged Committee and the Provisional Council,

HEREBY TAKES THE FOLLOWING DECISION :

#### **Article 1**

The Principles for Establishing the Cost-Base for Route Facility Charges and the calculation of the unit rates shall be amended as follows:

1.1 In Paragraph 1.1. the references to ICAO Documents shall read as follows:

*(...) "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 (...);*

1.2 in Paragraph 1.2. the last sentence shall be replaced by the following:

*(...) "The Contracting States shall apply these principles to all their providers of air navigation facilities and services whose costs are included in their cost-bases."*

1.3 In Paragraph 2.1.1. the second and third sub-paragraphs shall be revoked.

1.4 Paragraph 2.1.2. shall be replaced by the following:

*"The investment costs shall include cost of capital incurred during the pre-operational phase. The methods for achieving this are either to include the interest costs in the cost of capital as they arise, or to capitalise these costs to be depreciated over the life of the assets. Both accounting methods are acceptable."*

- 1.5 In the third sub-paragraph of Paragraph 2.4 new provisions h. and i. shall be added and shall read as follows:

- “h. *in proportion to the average distance flown or time spent in en-route and approach/aerodrome control zones;*
- i. *in accordance with the organisational structure of Air Traffic Service provision.”*

The whole sub-paragraph starting with “*Cost allocation between en-route and approach/aerodrome services (...)*” and containing the 9 cost-allocation criteria numbered from a. to i. shall be moved to Paragraph 2 “Accounting Principles”, below the sentence ending with “*...generally accepted accounting Principles*”.

- 1.6 Paragraph 2.10. shall be replaced by paragraphs 2.10.1, 2.10.2, 2.10.3 and 2.10.4 and shall read as follows:

“2.10.1. *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 civil aviation users are justified and properly established.*

2.10.2. *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 Annexes (especially Annex 3), Procedures for Air Navigation Services and European Air Navigation Plan as well as by the references of national regulations concerned.*

2.10.3. *Information shall be disclosed to civil aviation users at the product/function level. States shall introduce transparent cost-accounting systems as soon as practicable. When implemented, States shall ensure that detailed documentation on these cost-accounting systems (starting with the inventory) can be made available to civil aviation users relevant representatives.*

2.10.4. *A breakdown of the MET costs by ‘input categories’ (Staff, Operating costs, Amortisation, Interest, Other), shall be disclosed at multilateral level as an annex to the existing EUROCONTROL reporting tables”.*

- 1.7 APPENDIX VI (Glossary of terms) shall be completed with the following definitions:

“**Autonomous ANS authority.** See “Manual on Air Navigation Services Economics”, ICAO Document 9161, paragraphs 2.11. and following.

**Civil aviation authority.** *An autonomous authority that performs regulatory functions. Sometimes it is also made responsible for management of airports and/or air navigation services.*

**Corporatisation.** *Creation of a legal entity, either privately or publicly owned, to manage certain facilities and services either through a specific statute or under existing statute such as company law. Once corporatised the entity becomes autonomous.*

1.8 APPENDIX VII (Economic Regulation):

The word "DRAFT" shall be deleted from the title of the Appendix.

Article 2

These amendments shall come into effect on the first day of the month following the date of the present Decision.

Done at Brussels on 8.10.04

To be signed

P. LUNARDI  
President of the Commission