



# **Consultation Material on En Route Unit Rates in 2019 and 2021**

**Prepared for the Commission for Aviation Regulation**

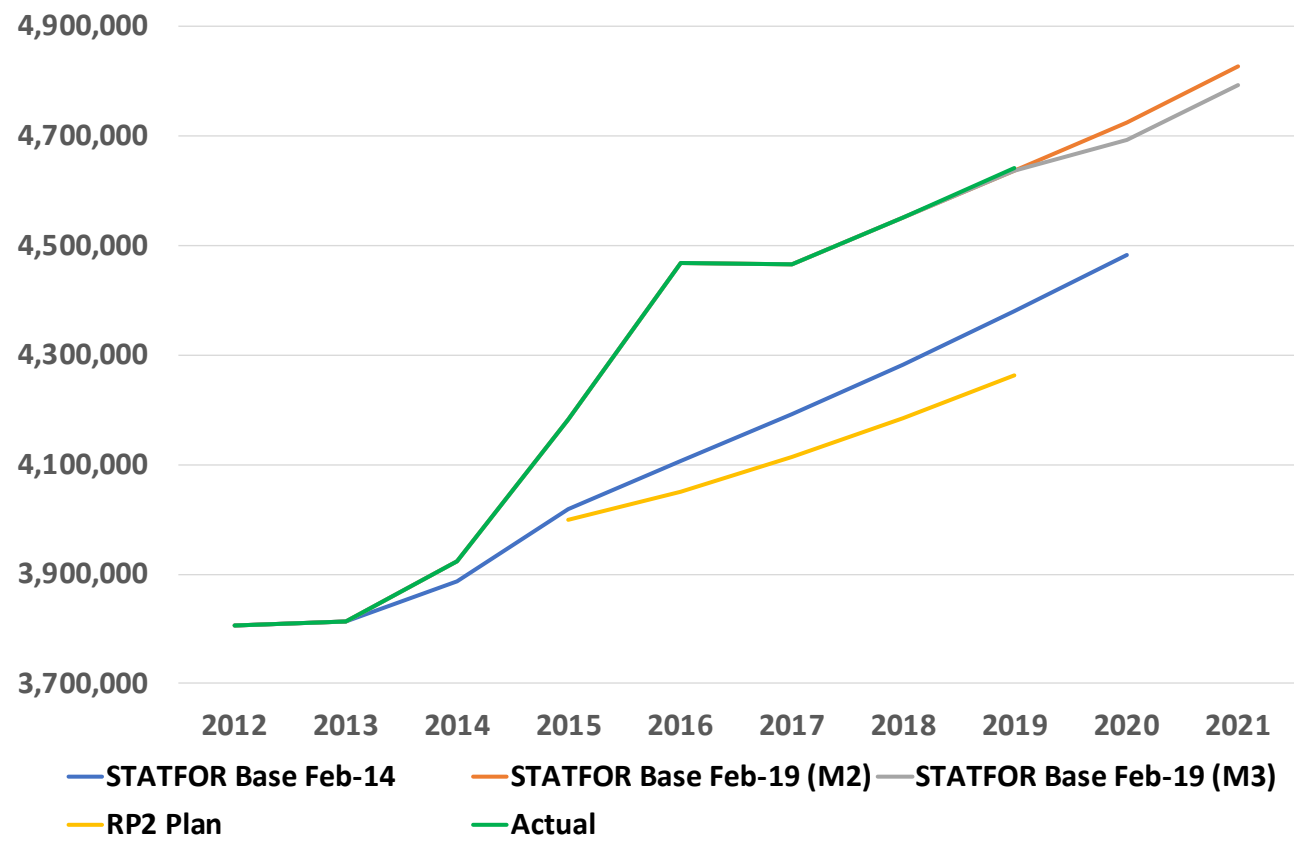
**19 June 2020**

# En Route Traffic – Total Service Units (TSU)



## Planned v Actual Traffic

- Traffic increased by **2.0% in 2019**. The RP2 Plan envisaged 1.8% growth albeit from a lower base
- Traffic was 8.8% higher than planned in 2019
- The RP2 Plan envisaged 8.7% growth (i.e. 4,262 in 2019 compared to 3,922 in 2014)
- Actual traffic increased by **18.3% over the period 2014-2019**
- The original RP3 forecasts (Feb 2019) maintained a relatively consistent rate of growth to 2021



# Key Milestones in 2019



- The IAA safely handled record traffic levels in 2019
- A safe & efficient ANS service for strong growth in traffic was possible due to appropriate investment in people & infrastructure.
- IAA continues to be one of the top performers in Europe with almost zero IAA attributable Terminal & En-Route ATFM delays in 2019.
- The IAA also met its safety, capacity, environment and cost efficiency SES targets for 2019.
- Initiated significant procedural changes in Irish airspace to facilitate reduced fuel burn and emissions for aircraft in Shanwick airspace
- Extended aircraft streaming in Irish airspace to allow expansion of cross border arrival management (XMAN) to London Gatwick, reducing holding times and cutting fuel burn & emissions for aircraft arrivals to that airport.

## 90.2% Customer Satisfaction Rating

97% Excellent or Very Good for Customer Service

100% Response Rate

63% Excellent or Very Good Value for Money

90% Extremely or Very Safe

87% Excellent or Very Good Service Delivery

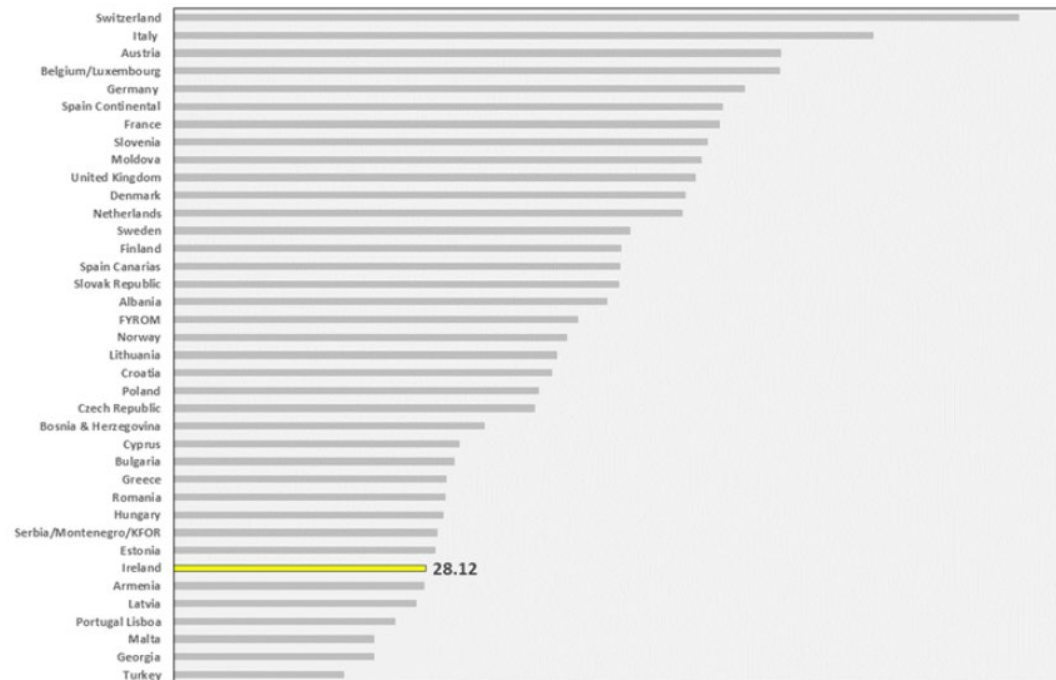
*2019 Customer Survey Headlines*

# En Route Unit Rate 2019



- Ireland's En Route Unit Rate in 2019 was €28.12 (7<sup>th</sup> lowest in EUROCONTROL area) compared to €27.69 in 2018, representing an increase of 1.6%
- The ANSP component of the unit rate was €24.13, representing 85.8% of the overall rate

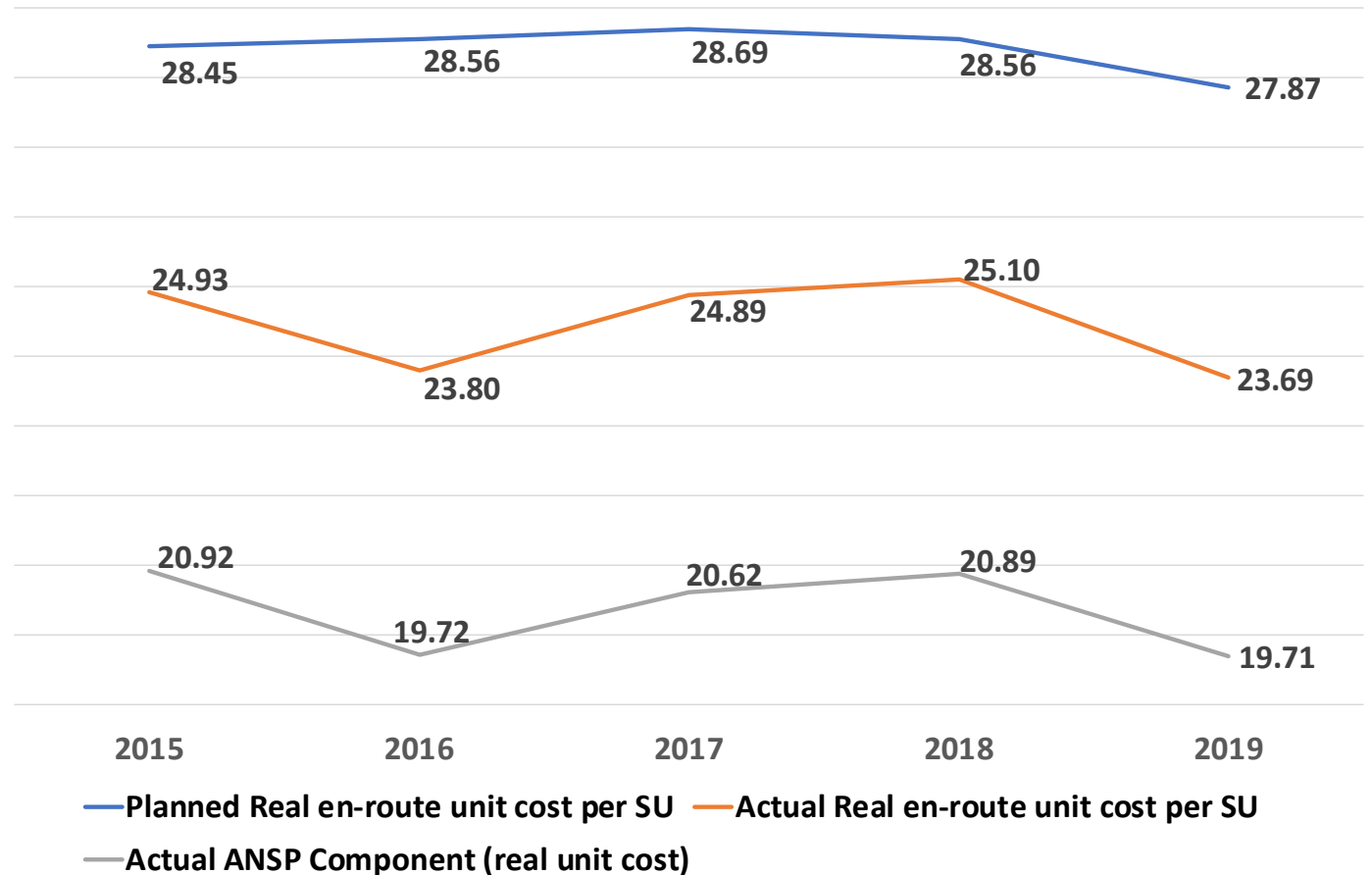
EUROCONTROL En Route unit rates €2019



# En Route Unit Rate 2015-2019



- In real terms (2009 prices), the planned en route unit cost for 2019 was €27.87
- In real terms (2009 prices), the actual en route unit cost for 2019 was €23.69
- In real terms (2009 prices), the actual ANSP component of the en route unit cost for 2019 was €19.71



# En Route Determined v Actual Costs in 2019

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- Actual En Route ANSP Costs amounted to €95.3m in 2019 compared to determined costs of €111.6m
- Staff costs were €7.3m lower than what was determined for 2019
- Other operating costs were €2.8m lower than what was determined for 2019
- Depreciation and the cost of capital were €4.7m and €1.5m lower than what was determined for 2019 respectively

# En Route Unit Rate 2021 (inc. technical adjustments from 2019)



## ANSP Component of Unit Rate in 2021

- Total ANSP Costs amount to almost €125m in 2021 (up 6.6% on 2020)
- Following the relevant adjustments the unit rate is calculated on the basis of a total of €114.4m
- The planned en route unit cost for IAA ANSP in 2021 is €23.89 (nominal)
- This reflects **€5.4m returned** to airspace users as a result of traffic risk sharing in 2019
- This also reflects **€6.1m returned** to airspace users as a result of the inflation adjustment
- The 2021 unit rate is adjusted to reflect a financial incentive of €1.1m realised in 2019
- A further adjustment is made to reflect Union assistance and commercial revenue: **€0.8m returned**



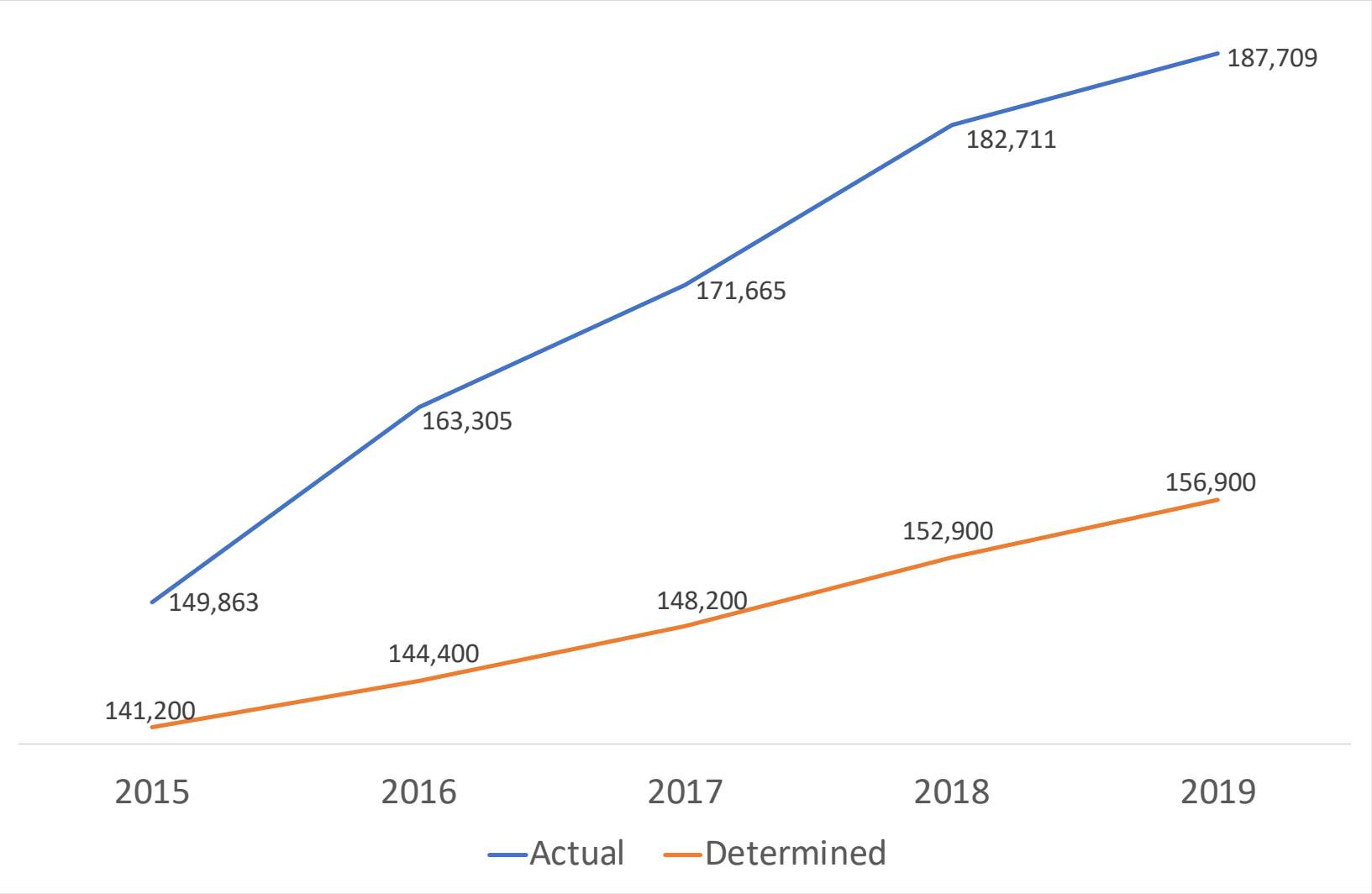
# **Consultation Material on Terminal Unit Rates in 2019 and 2021**

Prepared for the Commission for Aviation Regulation

19 June 2020



# Terminal Determined v Actual Traffic in 2019 (Service Units)



# Terminal Determined v Actual Costs in 2019



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- Actual Terminal ANSP Costs amounted to €22.56m in 2019 compared to determined costs of €25.44m. This represents an 11% reduction on actual versus determined.
  - Staff costs were €2.35m lower than what was determined in 2019. This represents a 19% reduction on actual compared to determined.
  - Other operating costs were €2.57m higher than what was determined in 2019. This equates to a 49% increase on determined costs.
  - Depreciation and the cost of capital were €2.41m and €0.68m lower than what was determined in the Plan for 2019 respectively

# Terminal Unit Rate 2021 (inc. technical adjustments from 2019)



## ANSP Component of Unit Rate in 2021

- ANSP Costs amount to €34.48m in 2021 (up 14.5% on 2020)
- Following the relevant adjustments the unit rate is calculated on the basis of a total of €29.61m
- The planned terminal unit cost for IAA ANSP in 2021 is €151.40 (nominal)
- This reflects **€3.9m returned** to airspace users as a result of traffic risk sharing in 2019 (€19.82 rate reduction)
- This also reflects **€1.4m returned** to airspace users as a result of the inflation adjustment (€7.15 rate reduction)
- A further adjustment is made to reflect Union assistance and commercial revenue: **€0.3m returned** (€1.40 rate reduction)

# Questions

