PRB | Performance review body of the single european sky

Performance Review Body Monitoring Report

Luxembourg - 2020

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1 OVERVIEW

1.1 Contextual information

National performance plan adopted following Commission Decision (EU) 2024/343 of 13 December 2023

List of ACCs 0

No of airports in the scope of the performance plan:
- **≥80'K** 0
- **<80'K** 1

Exchange rate (1 EUR=)
2017: 1 EUR
2020: 1 EUR

Share of Union-wide:
- **traffic (TSUs) 2020** 2.1%
- **en route costs 2020** 3.5%

Share en route / terminal costs 2020 94% / 6%

En route charging zone(s)
Belgium-Luxembourg

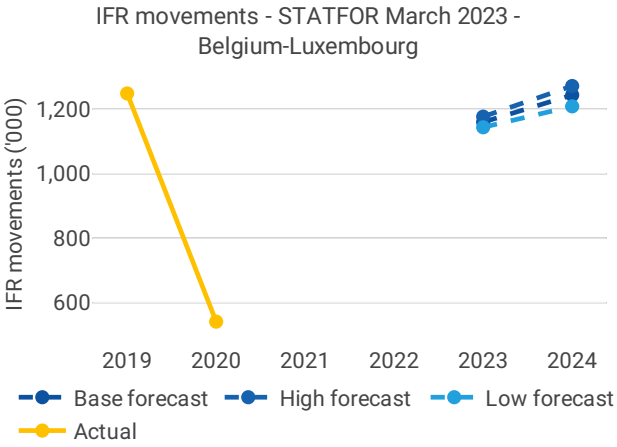
Terminal charging zone(s)
Luxembourg

Main ANSP
- ANA Lux

Other ANSPs
- skeyes
- MUAC

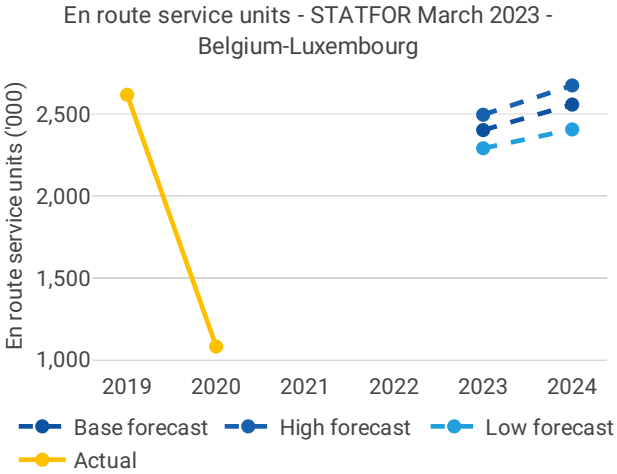
MET Providers
–

1.2 Traffic (En route traffic zone)



- The en route charging zone of Belgium-Luxembourg recorded 541K actual IFR movements in 2020, -57% compared to 2019 (1,249K).

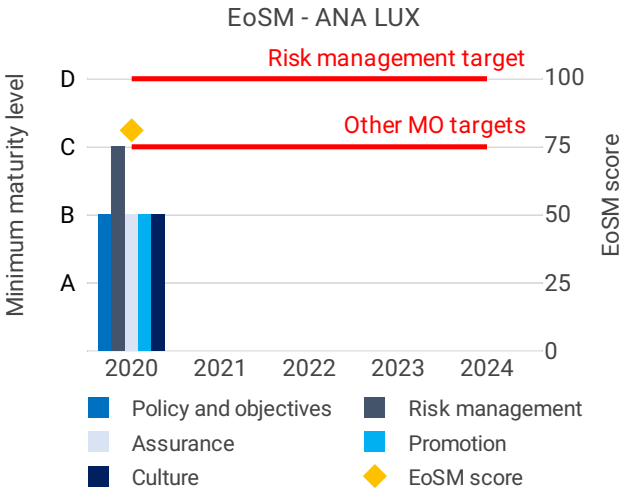
- The reduction in IFR movements for Belgium-Luxembourg is in line with the average reduction at Union-wide level (-57%).



- The en route charging zone of Belgium-Luxembourg recorded 1,081K actual en route service units in 2020, -59% compared to 2019 (2,620K).

- Belgium-Luxembourg service units reduced more than the average reduction at Union-wide level (-57%).

1.3 Safety (Main ANSP)



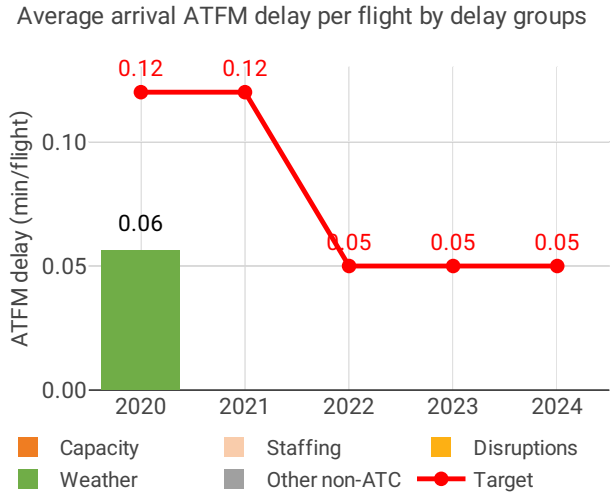
• ANA LUX needs to improve the level of maturity in five out of 28 EoSM questions (one question for each management objective) to achieve the RP3 targets. The PRB considers this feasible to achieve during RP3. The NSA explained that the mindset of some staff is the main hurdle to reach the RP3 targets. ANA LUX has implemented specific safety oriented trainings to significantly improve the safety culture and safety promotion.

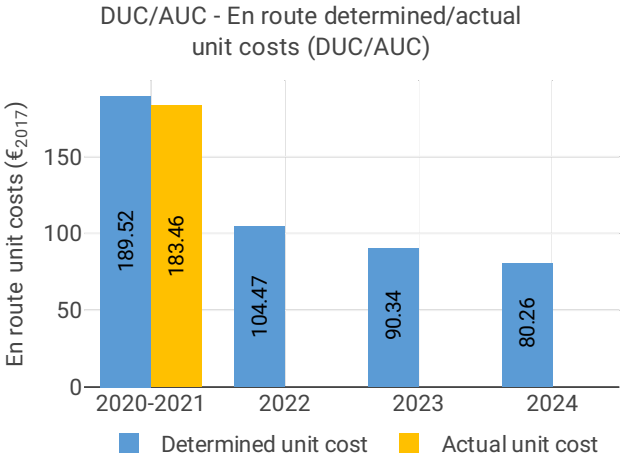
• Rates of occurrence in Belgium decreased for both runway incursions and separation minima infringements. For data on occurrences related to ANA LUX, please refer to Annex III.

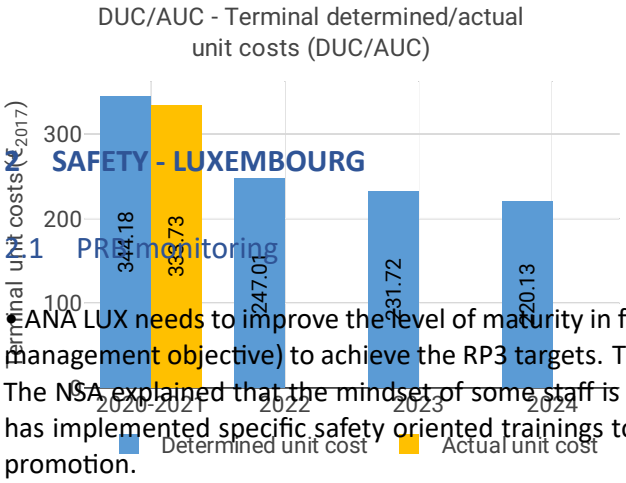
• ANA LUX should improve its SMS by implementing automated safety data recording systems.

1.4 Capacity (Member State)

1.5 Cost-efficiency (En route/Terminal charging zone(s))







• The 2020 actual service units (1,081K) were 57% lower than the actual service units in 2019 (2,538K).

• Belgium-Luxembourg increased all cost categories in 2020, with 2020 actual costs being 19 M€2017 (+10%) higher compared to 2019 actuals. Belgium and Luxembourg are one of the few Member States that increased costs and did not achieve the cost-efficiency targets in 2019.

• The increase in costs is attributable to four main reasons: (i) a change in allocation method of the approach costs, (ii) increased cost of capital due to higher net current assets (+48 M€2017, +323%), (iii) increased MUAC costs, and (iv) increased Eurocontrol costs.

SAFETY - LUXEMBOURG

2.1 PRB monitoring

• ANA LUX needs to improve the level of maturity in five out of 28 EoSM questions (one question for each management objective) to achieve the RP3 targets. The PRB considers this feasible to achieve during RP3. The NSA explained that the mindset of some staff is the main hurdle to reach the RP3 targets. ANA LUX has implemented specific safety oriented trainings to significantly improve the safety culture and safety promotion.

• Rates of occurrence in Belgium decreased for both runway incursions and separation minima infringements. For data on occurrences related to ANA LUX, please refer to Annex III.

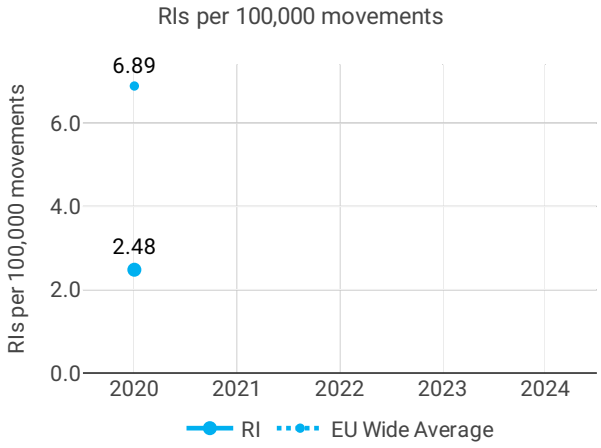
• ANA LUX should improve its SMS by implementing automated safety data recording systems.

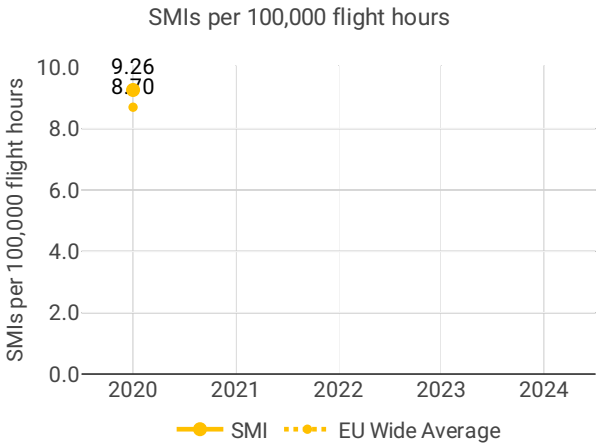
2.2 Effectiveness of Safety Management (EoSM) (KPI#1)

Focus on EoSM

All EoSM components are below 2024 EoSM target levels. Improvements in safety management are still expected in all components during RP3 to achieve 2024 targets.

2.3 Occurrences - Rate of runway incursions (RIs) (PI#1) & Rate of separation minima infringements (SMIs) (PI#2)





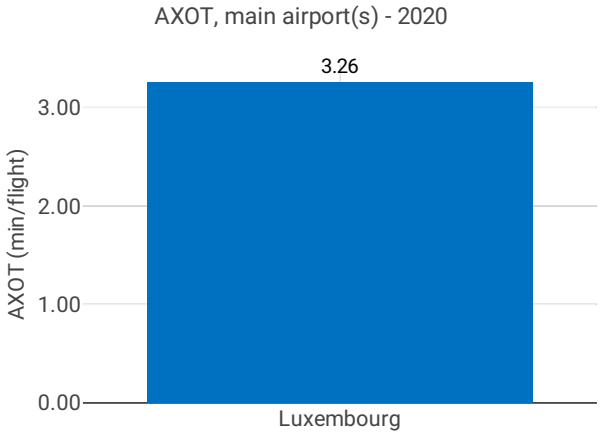
3 ENVIRONMENT - LUXEMBOURG

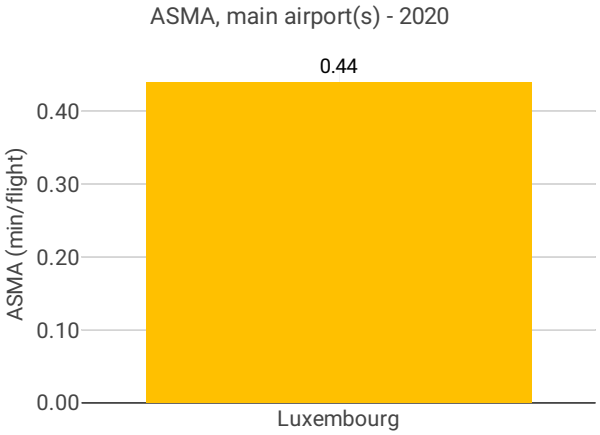
3.1 PRB monitoring

- Please refer to the KEA indicator for Belgium

3.2 Terminal performance

3.2.1 Additional taxi-out time (AXOT) (PI#3) & Arrival Sequencing and Metering Area (ASMA) time (PI#4)





Focus on ASMA & AXOT

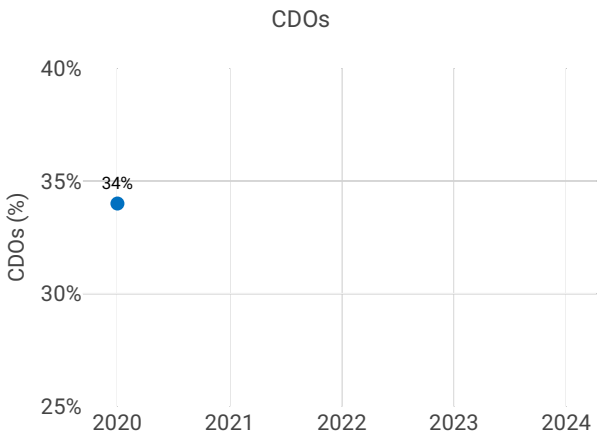
AXOT

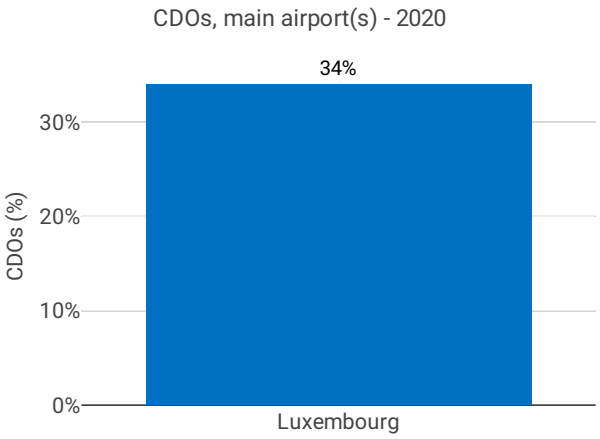
This indicator is not monitored for airports below 80,000 IFR movements annual average during the 2016-2018 period, so it is not monitored for Luxembourg.

ASMA

This indicator is not monitored for airports below 80,000 IFR movements annual average during the 2016-2018 period, so it is not monitored for Luxembourg.

3.2.2 Share of arrivals applying continuous descent operations (CDOs) (PI#5)





Focus CDOs

The share of CDO flights arriving at ELLX in 2020 is 33.5% which is just above the overall RP3 value for 2020 (32.5%).

Airport level

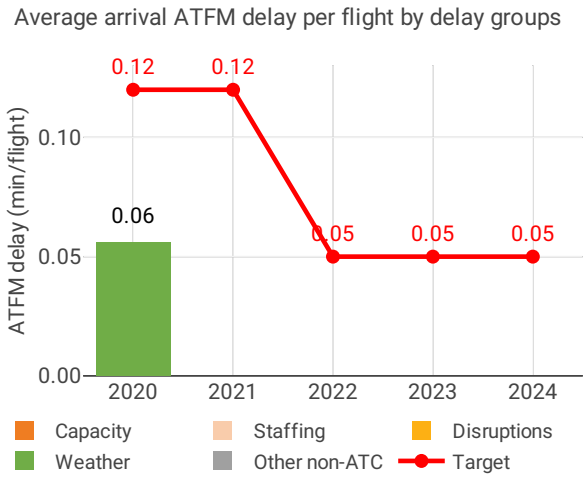
	Additional taxi-out time (PI#3)					Additional ASMA time (PI#4)					Share of arrivals applying CDO (PI#5)				
Airport Name	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
Luxembourg	3.26	NA	NA	NA	NA	0.44	NA	NA	NA	NA	34%	NA	NA	NA	NA

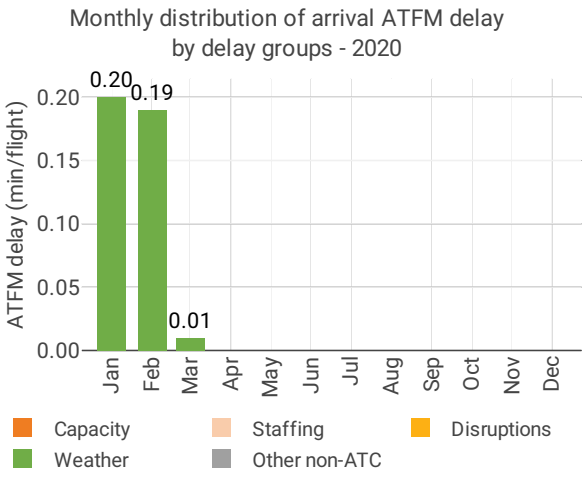
4 CAPACITY - LUXEMBOURG

4.1 PRB monitoring

4.2 Terminal performance

4.2.1 Arrival ATFM delay (KPI#2)





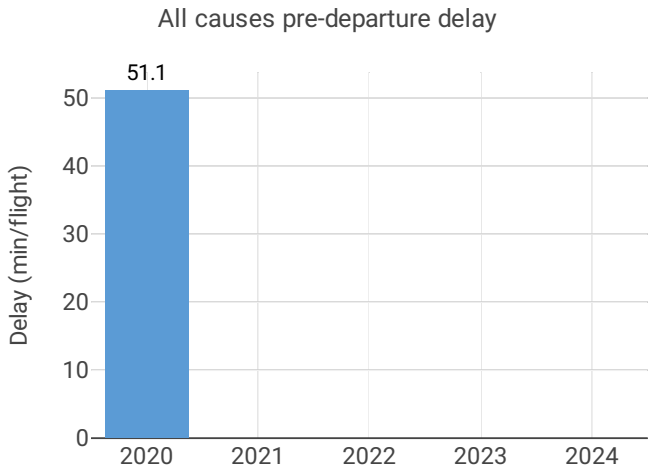
Focus on arrival ATFM delay

The scope of RP3 monitoring for Luxembourg comprises the main airport (ELLX), where traffic decreased by 47% in 2020 compared to the previous year. This traffic reduction had an obvious impact on the ATFM measures, with zero arrival ATFM delays as of April.
In accordance with IR (EU) 2019/317 and the traffic volume, pre-departure delays are not monitored at Luxembourg and the capacity performance monitoring focuses on arrival ATFM delay and slot adherence.

The massive traffic drop due to the COVID-19 pandemic outbreak in Europe as from March 2020 (-47% for the whole year for ANA LUX) has reduced the 2020 March - December traffic to a very low level (from -35% in March down to -83% in April).
The average arrival ATFM delay at Luxembourg in 2020 was 0.06 min/arr, drastically lower compared with 1 min/arr in 2019 (-94%).
Delays were only observed in January and February and a small fraction in March, and they were 100% attributed to weather.

The provisional national target on arrival ATFM delay in 2020 was met.
In accordance with Article 3 (3) (a) of Implementing Regulation (EU) 2020/1627: The incentive scheme shall cover only the calendar years 2022 to 2024.

4.2.2 Other terminal performance indicators (PI#1-3)



Airport level

	Avg arrival ATFM delay (KPI#2)				Slot adherence (PI#1)			
Airport name	2020	2021	2022	2023	2020	2021	2022	2023
Luxembourg	0.06	NA	NA	NA	90.2%	NA%	NA%	NA%

	ATC pre departure delay (PI#2)				All causes pre departure delay (PI#3)			
Airport name	2020	2021	2022	2023	2020	2021	2022	2023
Luxembourg	0.02	NA	NA	NA	51.1	NA	NA	NA

Focus on performance indicators at airport level

ATFM slot adherence

With the drastic drop in traffic, regulated departures from Luxembourg also virtually disappeared as of April. The annual figure is therefore driven by the performance in the first trimester.
Luxembourg's ATFM slot compliance was 90.2%
With regard to the 9.8% of flights that did not adhere, 5.46% was early and 4.34% was late.

ATC pre-departure delay

This indicator is not monitored for airports below 80,000 IFR movements annual average during the 2016-2018 period, so it is not monitored for Luxembourg.

All causes pre-departure delay

This indicator is not monitored for airports below 80,000 IFR movements annual average during the 2016-2018 period, so it is not monitored for Luxembourg.

5 COST-EFFIENCY - LUXEMBOURG

5.1 PRB monitoring

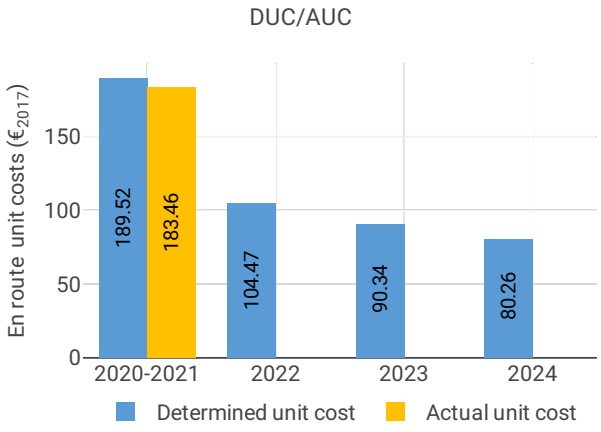
• The 2020 actual service units (1,081K) were 57% lower than the actual service units in 2019 (2,538K).

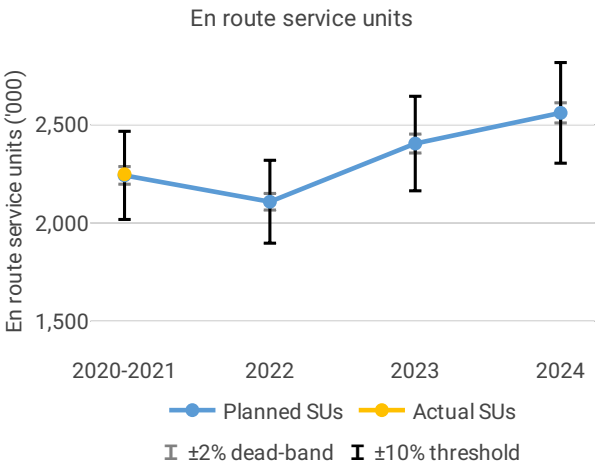
• Belgium-Luxembourg increased all cost categories in 2020, with 2020 actual costs being 19 M€2017 (+10%) higher compared to 2019 actuals. Belgium and Luxembourg are one of the few Member States that increased costs and did not achieve the cost-efficiency targets in 2019.

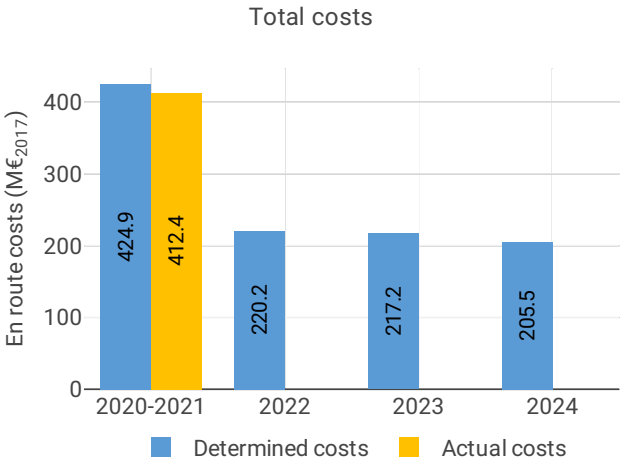
• The increase in costs is attributable to four main reasons: (i) a change in allocation method of the approach costs, (ii) increased cost of capital due to higher net current assets (+48 M€2017, +323%), (iii) increased MUAC costs, and (iv) increased Eurocontrol costs.

5.2 En route charging zone

5.2.1 Unit cost (KPI#1)

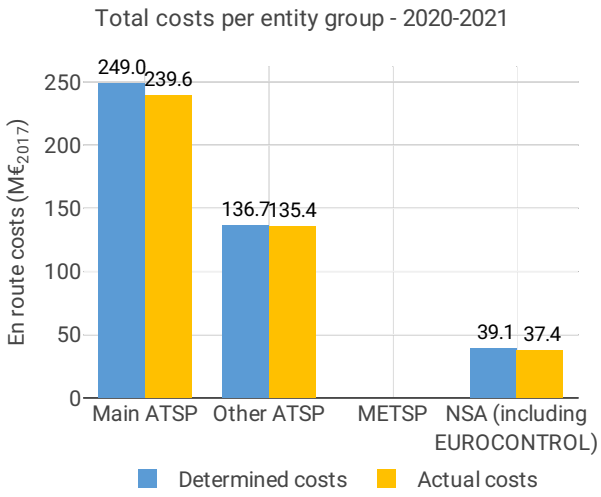


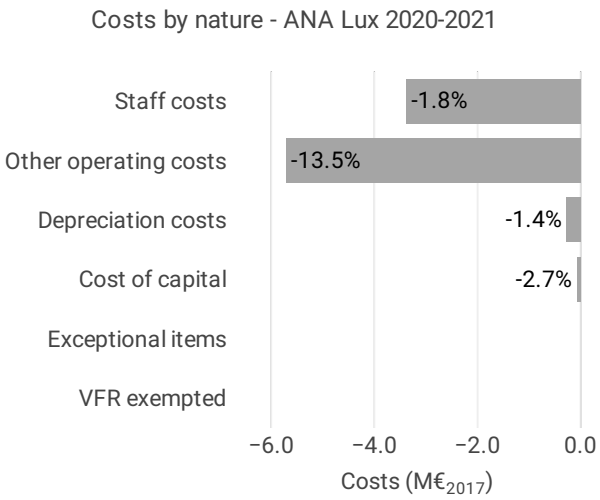




Actual and determined data

Total costs - nominal (M€)	2020-2021	2022	2023	2024
Actual costs	432	NA	NA	NA
Determined costs	442	250	262	252
Difference costs	-10	NA	NA	NA
Inflation assumptions	**2020-2021**	**2022**	**2023**	**2024**
Determined inflation rate	NA	7.8%	4.7%	2.1%
Determined inflation index	NA	115.6	123.9	126.5
Actual inflation rate	NA	NA	NA	NA
Actual inflation index	NA	NA	NA	NA
Difference inflation index (p.p.)	NA	NA	NA	NA





Focus on unit cost

AUC vs. DUC

In the combined year 2020-2021, the en route AUC was -3.0% (or -5.76€2017) lower than the planned DUC. This results from the combination of slightly higher than planned TSUs (+0.3%) and lower than planned en-route costs in real terms (-2.8%, or -11.9 M€2017).

En route service units

The difference between actual and planned TSUs (+0.3%) falls within the ±2% dead band. Hence the resulting additional en-route revenue is kept by the ANSPs.

En route costs by entity

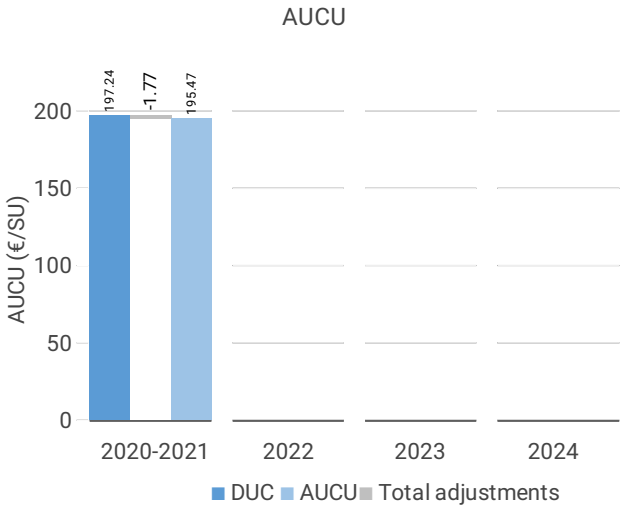
Actual real en route costs are -2.8% (-11.9 M€2017) lower than planned. This is driven by the main ANSP, Skeyes (-3.8%, or -9.4 M€2017), the other ANSPs (MUAC and ANA Luxembourg, -1.0%, or -1.4 M€2017 together) and the NSA/EUROCONTROL costs (-2.7%, or -1.0 M€2017).

En route costs for the main ANSP at charging zone level

The lower than planned en route costs in real terms for Skeyes (-3.8%, or -9.4 M€2017) result from:
- lower staff costs (-1.8%);
- lower other operating costs (-13.5%);
- slightly lower depreciation (-1.4%); and
- lower cost of capital (-2.7%).

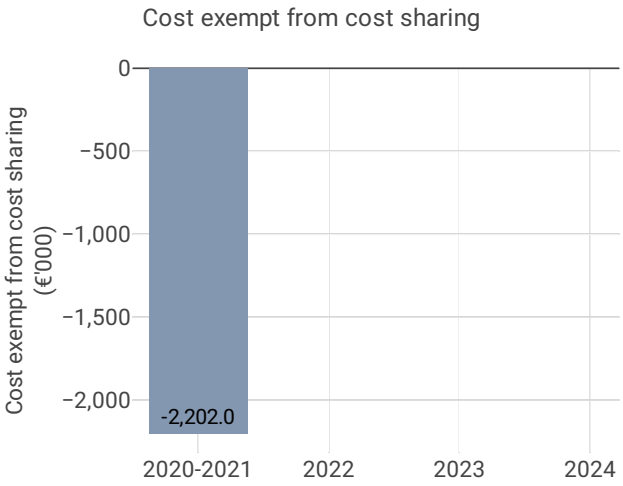
The additional information to the reporting tables does not provide qualitative information explaining the reasons underlying the differences between the determined and actual costs.

5.2.2 Actual unit cost incurred by the users (AUCU) (PI#1)



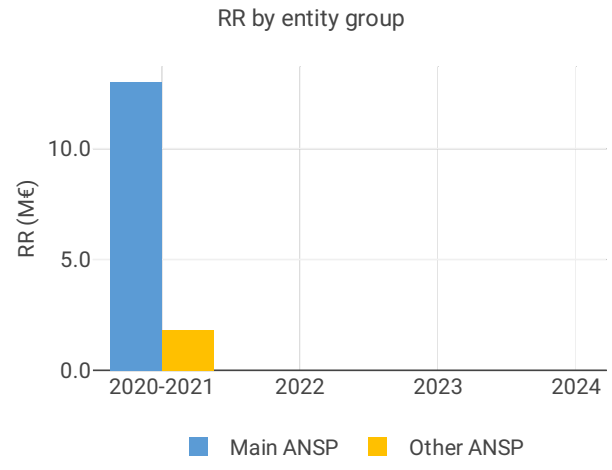
AUCU components (€/SU) – 2020-2021

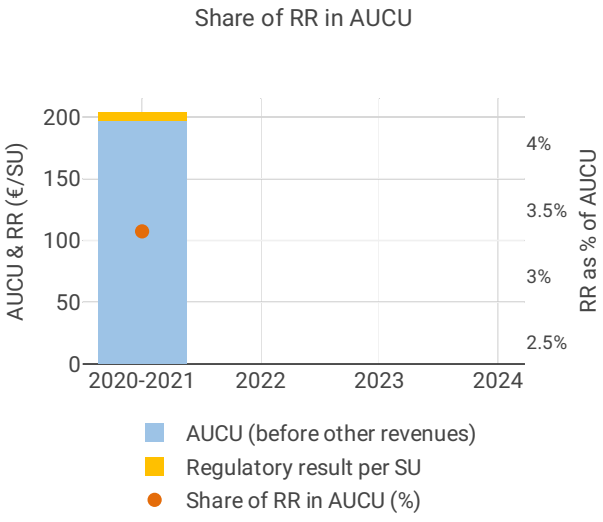
Components of the AUCU in 2020-2021	€/SU
DUC	**197.24**
Inflation adjustment	1.26
Cost exempt from cost-sharing	-0.98
Traffic risk sharing adjustment	0.00
Traffic adj. (costs not TRS)	-0.06
Finantial incentives	0.00
Modulation of charges	0.00
Cross-financing	0.00
Other revenues	-1.99
Application of lower unit rate	0.00
Total adjustments	-1.77
AUCU	**195.47**
AUCU vs. DUC	**-0.9%**

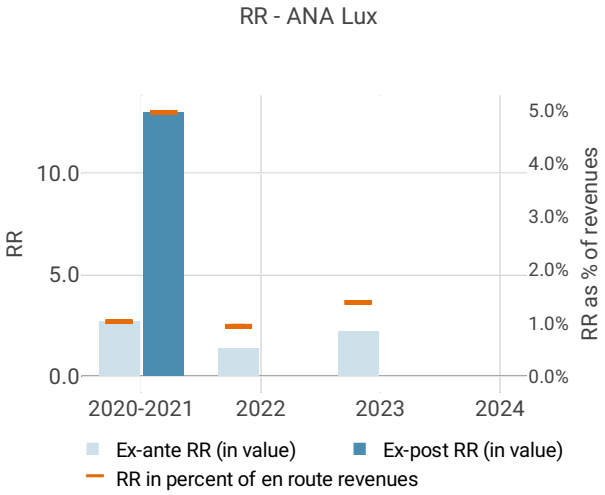


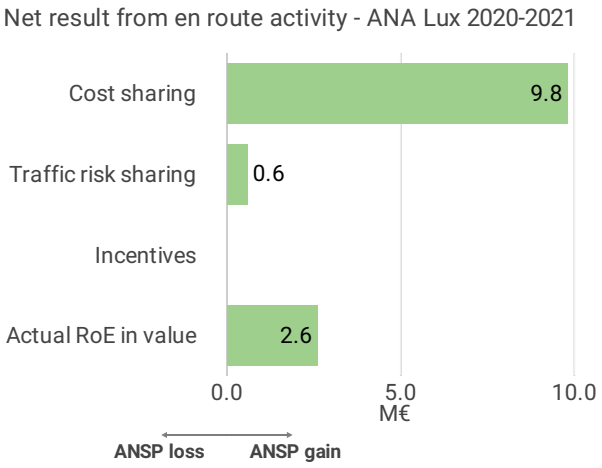
Cost exempt from cost sharing by item - 2020-2021	€'000	€/SU
New and existing investments	-487.9	-0.22
Competent authorities and qualified entities costs	-118.0	-0.05
Eurocontrol costs	-1,590.0	-0.71
Pension costs	-6.1	0.00
Interest on loans	0.0	0.00
Changes in law	0.0	0.00
Total cost exempt from cost risk sharing	**-2,202.0**	**-0.98**

5.2.3 Regulatory result (RR)









Focus on regulatory result

Skeyes net gain on activity in the Belgium-Luxembourg en route charging zone in the combined year 2020-2021

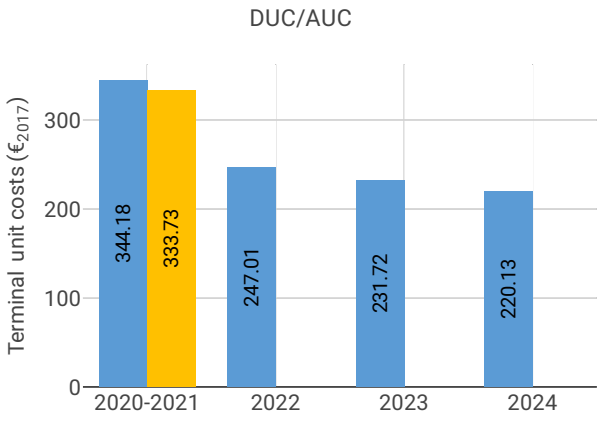
Skeyes reported a net gain of +10.4 M€, resulting from a gain of +9.8 M€ arising from the cost sharing mechanism and a gain of +0.6 M€ arising from the traffic risk sharing mechanism.

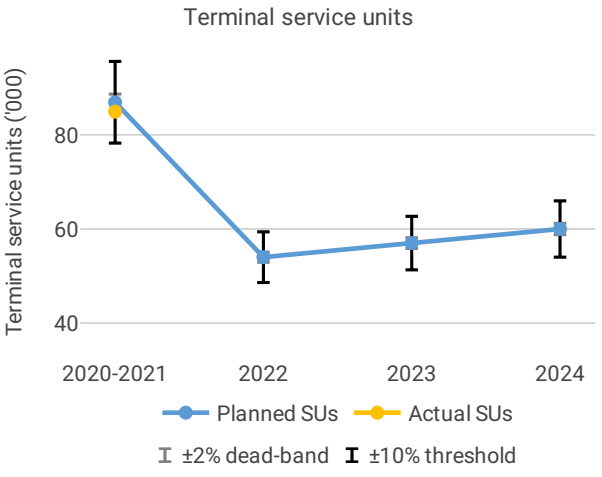
Skeyes overall regulatory results (RR) for the en route activity

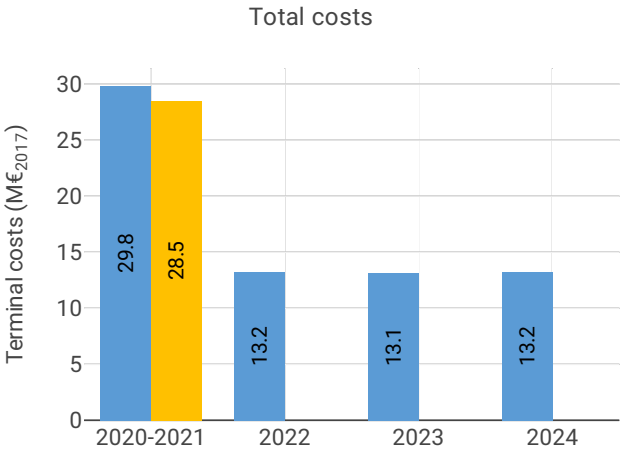
Ex-post, the overall RR corresponding to the net gain from the en route activity mentioned above (+10.4 M€) and the RoE (+2.6 M€) amounts to +13.0 M€ (5.0% of the en route revenues), compared to 1.0% ex-ante. The resulting ex-post rate of return on equity is 11.2%, which is higher than the 2.2% planned in the PP.

5.3 Terminal charging zone

5.3.1 Unit cost (KPI#1)

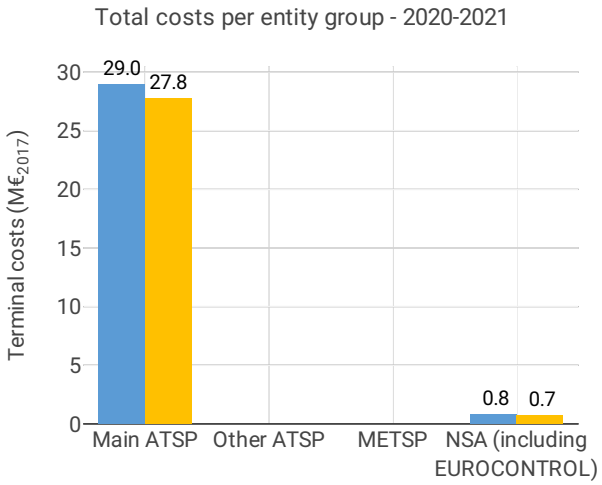


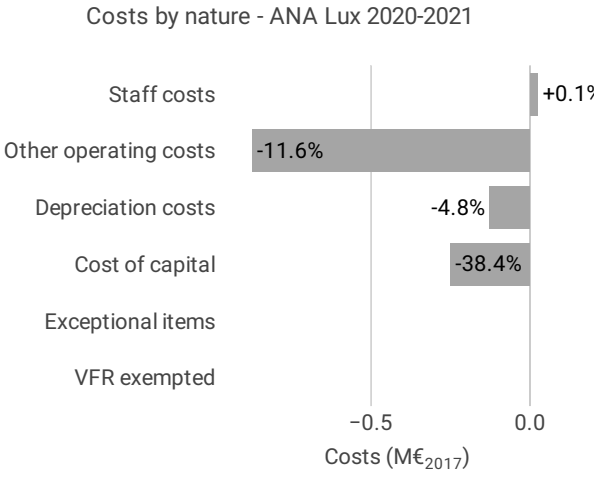




Actual and determined data

Total costs - nominal (M€)	2020-2021	2022	2023	2024
Actual costs	30	NA	NA	NA
Determined costs	31	15	15	16
Difference costs	-1	NA	NA	NA
Inflation assumptions	**2020-2021**	**2022**	**2023**	**2024**
Determined inflation rate	NA	5.6%	2.6%	3.1%
Determined inflation index	NA	113.3	119.1	122.8
Actual inflation rate	NA	NA	NA	NA
Actual inflation index	NA	NA	NA	NA
Difference inflation index (p.p.)	NA	NA	NA	NA





Focus on unit cost

AUC vs. DUC

The AUC for the combined year 2020-2021 is lower than the planned DUC (by -3.0%, or -10.45 €2017). This is due to the combination of lower than planned TNSUs (-1.5%) and lower than planned terminal costs in real terms (by -4.5%, or -1.3 M€2017).

Terminal service units

The difference between actual and planned TNSUs (-1.5%) falls within the ±2% dead band. Hence the resulting loss is borne by the ANSPs.

Terminal costs by entity

Actual real terminal costs for 2020-2021 are -4.5% (-1.3 M€2017) lower than planned. This result is driven by the main ANSP, ANA (-4.2%, or -1.2 M€2017), while the NSA costs are also lower than planned (-13.5%, or -0.1 M€2017).

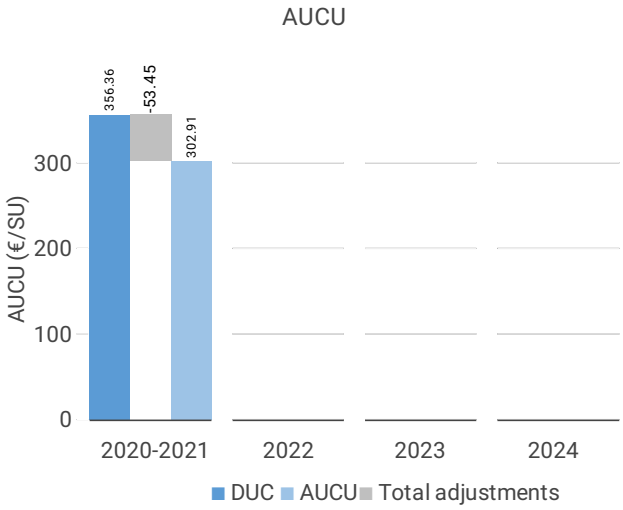
Terminal costs for the main ANSP at charging zone level

Overall, the terminal costs in real terms for ANA in 2020-2021 were lower than the determined costs from the performance plan (by -4.2%, or -1.2 M€2017). This results from:

- slightly higher staff costs (+0.1%), “mainly due to the, so far, higher success rate of ATC students, which is well above the expected 50%”;
- significantly lower other operating costs (-11.6%), mainly due to “lower overhead costs”;
- lower depreciation (-4.8%). “Due to budget constraints, ANA had to revise the investment plan which lead to project cancelations and postponements. The main difference in comparison to the plan is related to the later capitalisation of the A-SMGCS project on December 31 only, although it was initially foreseen

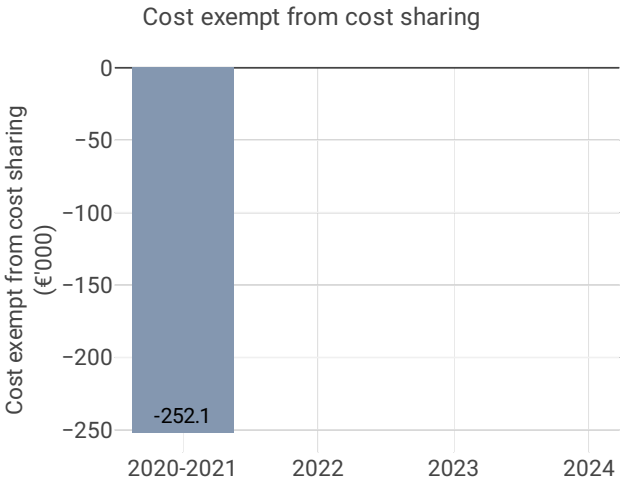
for mid-2021"; and
- lower cost of capital (-38.4%), due to the significantly lower net current assets..

5.3.2 Actual unit cost incurred by the users (AUCU) (PI#1)



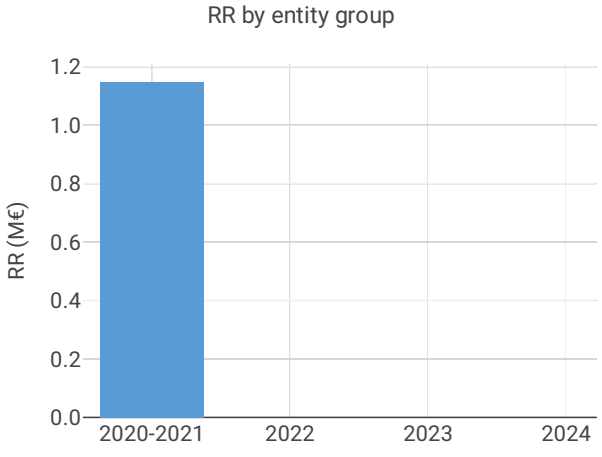
AUCU components (€/SU) – 2020-2021

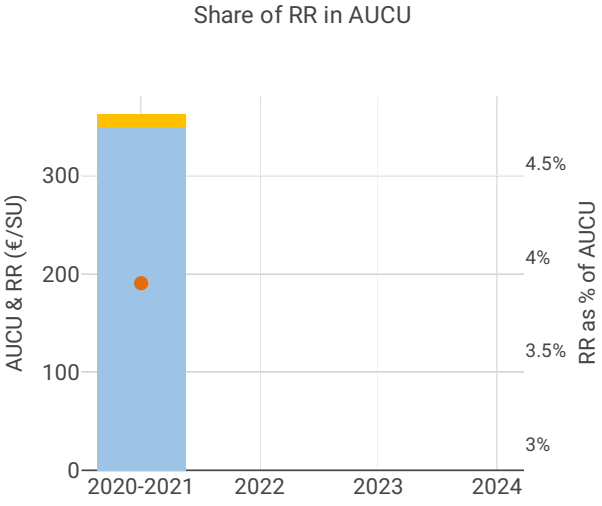
Components of the AUCU in 2020-2021	€/SU
DUC	**356.36**
Inflation adjustment	4.11
Cost exempt from cost-sharing	-2.95
Traffic risk sharing adjustment	0.00
Traffic adj. (costs not TRS)	0.73
Finantial incentives	0.00
Modulation of charges	-9.84
Cross-financing	0.00
Other revenues	-45.51
Application of lower unit rate	0.00
Total adjustments	-53.45
AUCU	**302.91**
AUCU vs. DUC	**-15.0%**

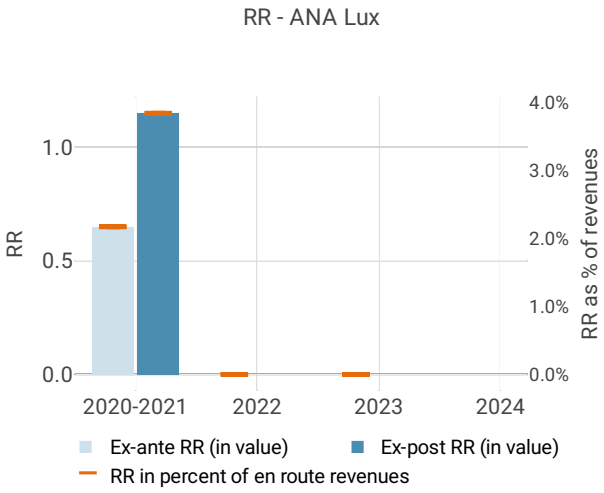


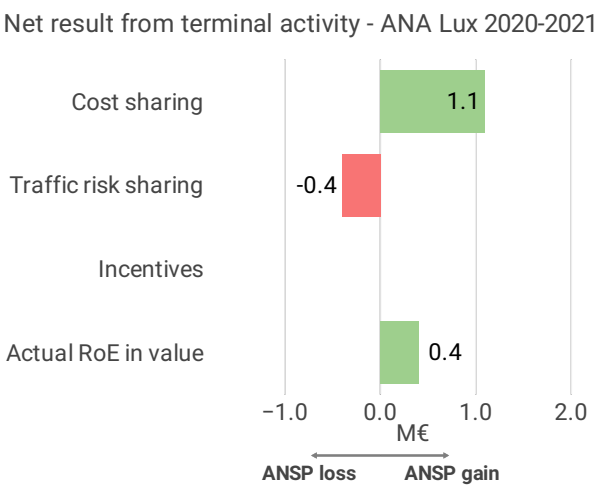
Cost exempt from cost sharing by item - 2020-2021	€'000	€/SU
New and existing investments	-125.9	-1.47
Competent authorities and qualified entities costs	-113.5	-1.33
Eurocontrol costs	0.0	0.00
Pension costs	-12.6	-0.15
Interest on loans	0.0	0.00
Changes in law	0.0	0.00
Total cost exempt from cost risk sharing	**-252.0**	**-2.95**

5.3.3 Regulatory result (RR)









Focus on regulatory result

ANA net gain on activity in Luxembourg terminal charging zone in the combined year 2020-2021

ANA reported a net gain of +0.8 M€, resulting from a gain of +1.2 M€ arising from the cost sharing mechanism and a loss of -0.4 M€ arising from the traffic risk sharing mechanism.

ANA overall regulatory results (RR) for the terminal activity

Ex-post, the overall RR corresponding to the net gain from the terrminal activity mentioned above (+0.8 M€) and the RoE (+0.4 M€) amounts to +1.2 M€ (3.9% of the terminal revenues), compared to 2.2% ex-ante. The resulting ex-post rate of return on equity is 5.2%, which is higher than the 1.8% planned in the PP.