

Consultation Slides on State/NSA En Route Unit Rate in 2019 and 2021



This presentation provides an overview of the State/NSA component of both the en route unit rate in place in 2019 and summarises the relevant technical adjustments for the planned unit rates in 2021.

The State/NSA component of the ENR unit rate includes NSA costs, Other State costs and EUROCONTROL costs (*Slides 2-4*)

The following technical adjustments are detailed as follows in the context of the RP2 Plan:

- ❖ Inflation Adjustment (*Slide 5*)
- ❖ Traffic Adjustment (*Slide 6*)
- ❖ Costs Exempt (*Slide 7*)

Other relevant components of the unit rates are detailed including the EUROCONTROL costs (*Slide 7*)

An overview of the NSA component of the en route unit rate in 2021 is provided (*Slide 8*)

Consultation Slides on State/NSA Unit Rate in 2019 and 2021

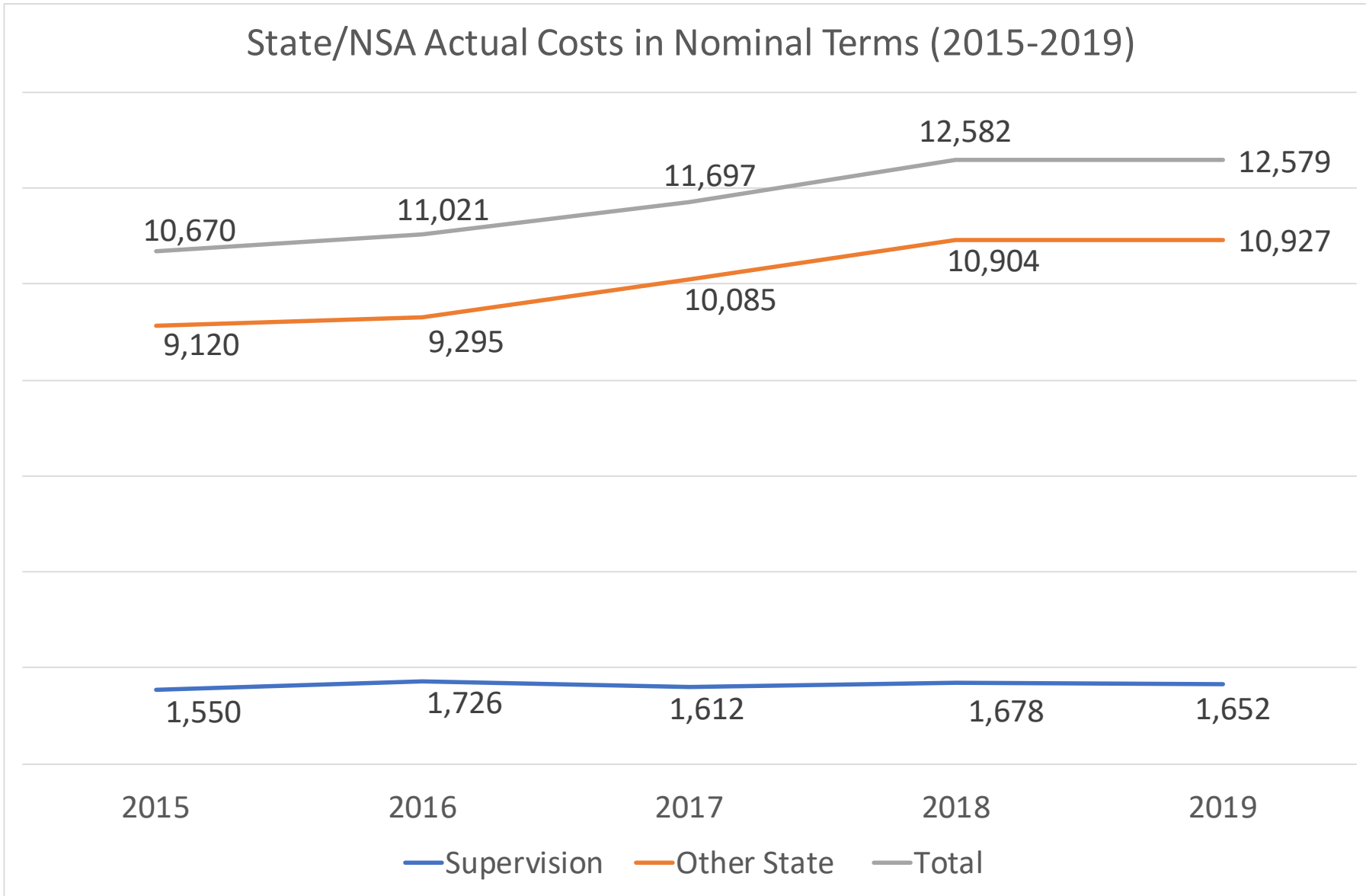


- Total State/NSA Costs (€12.58m nominal) remained largely unchanged in 2019 compared to 2018 as an increase in staff costs was offset by a reduction in other operating costs.
- In real terms, total costs reduced by 0.9% year-on-year to €12.09m in 2019.
- In nominal terms, staff costs increased by 7.3%, from €1.62m to €1.74m in 2019.
- In nominal terms, other operating costs reduced by 1.1% from €10.87m to €10.75m in 2019.
- Supervisory costs accounted for 13% of total costs in 2019 and reduced on 2018 by 1.5% to €1.65m
- Other State costs accounted for 86.9% of total costs in 2019 and increased on 2018 by 0.2% to €10.93m

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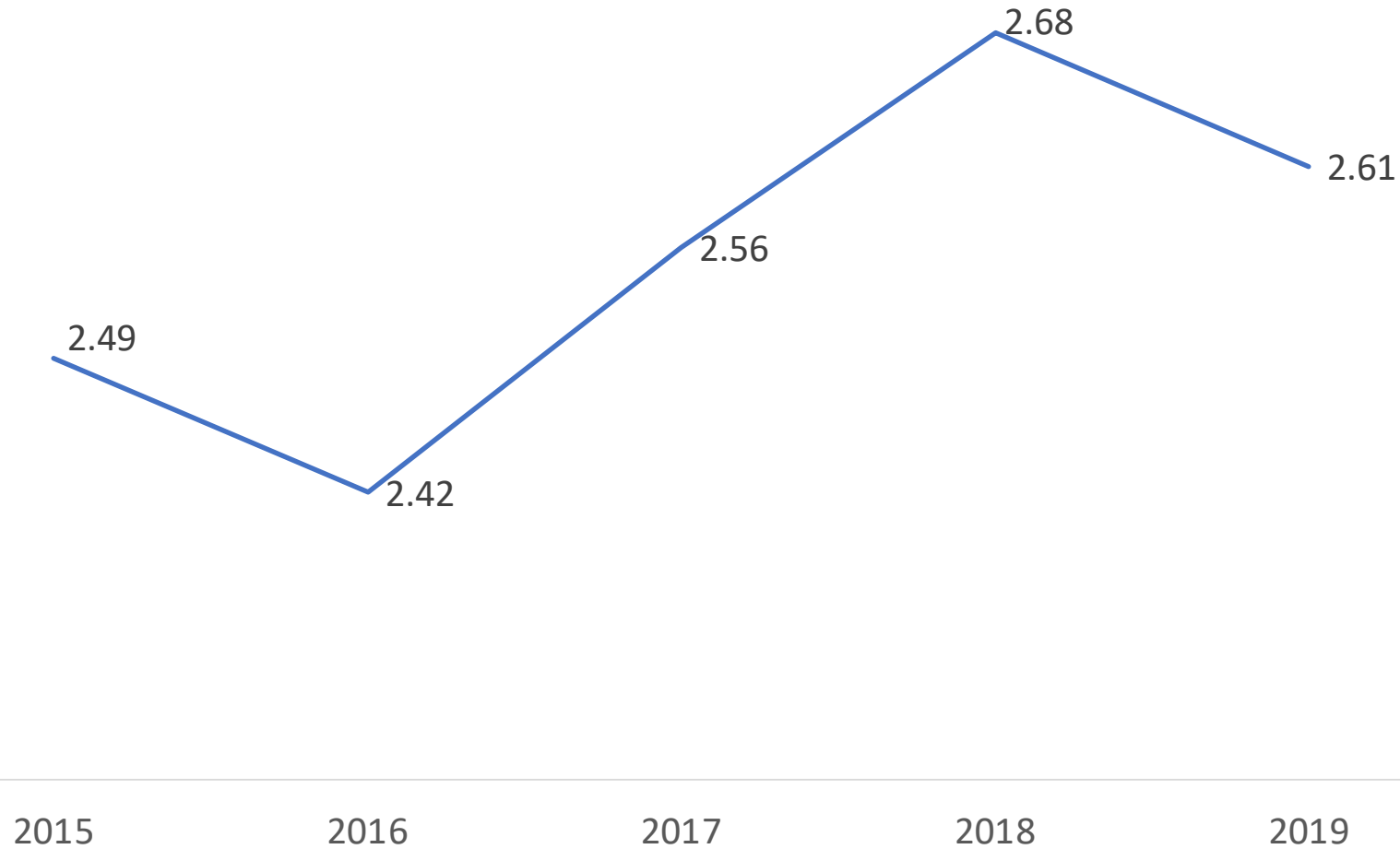
State/NSA Actual Costs in Nominal Terms (2015-2019)



Consultation Slides on State/NSA Unit Rate in 2019 and 2021



State/NSA Unit Cost (real)



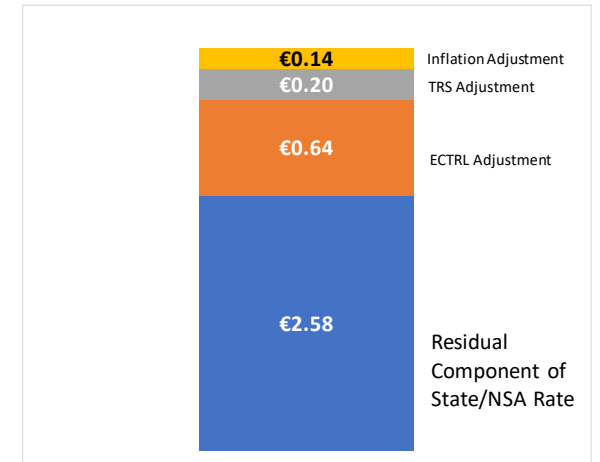
Consultation Slides on State/NSA Unit Rate in 2019 and 2021



State/NSA inflation adjustment to en route unit rate in 2021

RP2 Forecast Inflation versus Actual Inflation

	2015	2016	2017	2018	2019
Actual Inflation	0.0%	-0.2%	0.3%	0.7%	0.9%
RP2 Price Index (F)	103.7	105.0	106.4	108.2	110.1
RP2 Price Index (A)	102.3	102.1	102.4	103.1	104.0



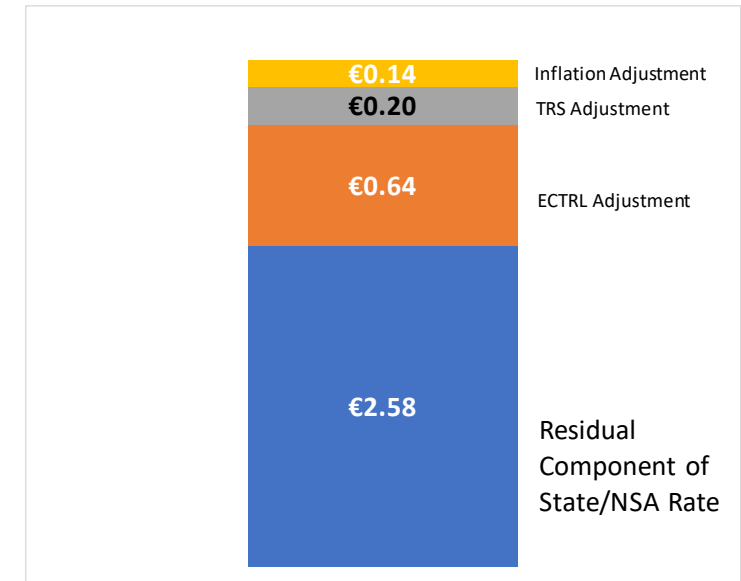
- Cumulative inflation in 2019 was below what had been forecast in the RP2 Plan
- This will result in an adjustment of €0.65m in 2021
- The State/NSA inflation adjustment in 2021 (based on 2019 outturn) will result in a €0.14 reduction in the 2021 unit rate (nominal terms)

Consultation Slides on State/NSA Unit Rate in 2019 and 2021



State/NSA traffic sharing adjustment to en route unit rate in 2019

- ❖ Traffic in 2019 (total service units) was 8.9% higher than planned
- ❖ Specific to the State/NSA component of the en route unit rate, there was an over recovery of €0.94m in 2019 as a result of traffic being higher than planned
- ❖ This will be returned to airspace users in 2021 and will result in a €0.20 reduction in the 2021 en route unit rate (nominal terms)



Consultation Slides on State/NSA Unit Rate in 2019 and 2021

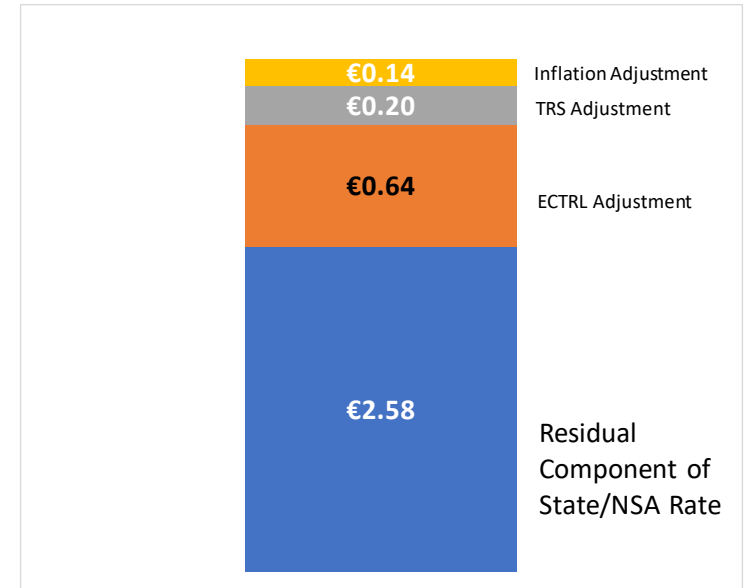


Costs exempted from the cost sharing arrangements

- ❖ Other operating costs in 2019: €0.468m
- ❖ This corresponds to the variation in EUROCONTROL costs
- ❖ 2015-2019 to be returned to airspace users in 2021 (€3.1m in total)

EUROCONTROL Costs

	2015	2016	2017	2018	2019
EUROCONTROL Determined (€'000)	6,836	7,148	7,411	7,653	7,900
EUROCONTROL Actual (€'000)	6,583	6,569	6,425	6,875	7,432
Difference	-253	-579	-986	-778	-468



- ❖ EUROCONTROL accounted for 67%/ €1.74 of the €2.61 State/NSA component of the en route unit rate in 2019

Consultation Slides on State/NSA Unit Rate in 2019 and 2021



State/NSA component of En Route Unit Rate in 2021

- Total Costs in Real Terms: €17.0m (Staff €2.77m / Other Operating Costs €14.24m)
- Traffic (service units) for 2021 based on STATFOR Feb 2019: 4,790,288
- State/NSA component of En Route Unit Rate in 2021: €2.58 (down 22% on 2020)
- Cost increases in RP3 period reflect increased headcount to take account of current and anticipated Regulatory oversight requirements
- Reduction in State/NSA component of En Route Unit Rate in 2021 driven by EUROCONTROL adjustment (€3.1m returned to airspace users covering the period 2015-2019)

Consultation Slides on State/NSA En Route Unit Rate in 2019 and 2021



- ❖ **Questions for IAA NSA on Actual 2019 costs versus Planned 2019 costs?**
- ❖ **Questions for IAA NSA on technical adjustments feeding through to planned unit rate in 2021?**

Consultation Slides on State/NSA Terminal Unit Rate in 2019 and 2021



This presentation provides an overview of the State/NSA component of terminal unit rate in place in 2019 and summarises the relevant technical adjustments for the planned unit rates in 2021.

The State/NSA component of the Terminal unit rate includes NSA costs and Other State costs (*Slide 11*)

The following technical adjustments are detailed as follows in the context of the RP2 Plan:

- ❖ Inflation Adjustment (*Slide 12*)
- ❖ Traffic Adjustment (*Slide 13*)

An overview of the NSA component of the terminal unit rate in 2021 is provided (*Slide 14*)

Consultation Slides on State/NSA Unit Rate in 2019 and 2021



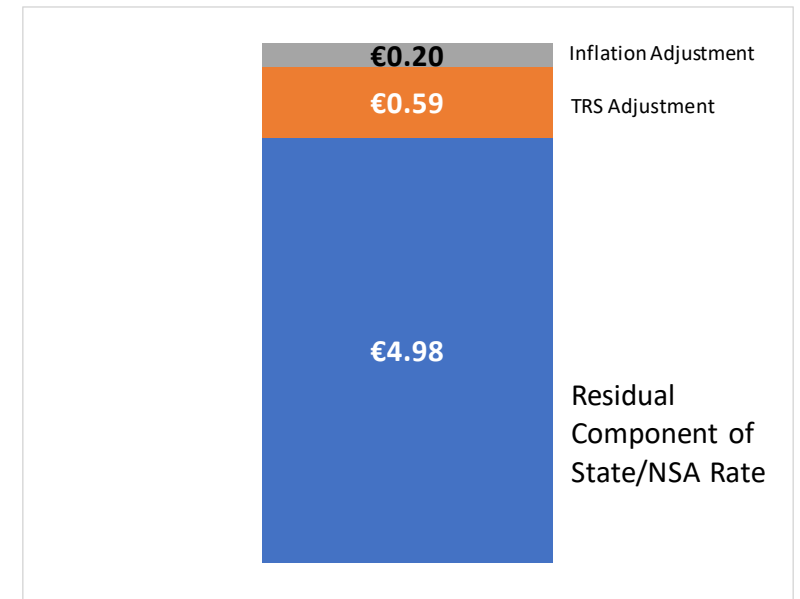
- Total State/NSA Costs were €0.79m in 2019 down 6.3% on 2018
- This decline was driven by other operating costs falling by almost 14% from €0.53m to €0.46m.
- Staff costs increased by 7.1%, from €0.29m to €0.31m in 2019.
- Supervisory costs accounted for 42% of total costs in 2019 and reduced on 2018 by 1.5% to €0.33m
- Other State costs accounted for 86.9% of total costs in 2019 and reduced on 2018 by 9.4% to €0.46m

Consultation Slides on State/NSA Unit Rate in 2019 and 2021



State/NSA inflation adjustment to terminal unit rate in 2021

- Cumulative inflation in 2019 was below what had been forecast in the RP2 Plan
- This will result in an adjustment of €0.04m in 2021
- The State/NSA inflation adjustment in 2021 (based on 2019 outturn) will result in a €0.20 reduction in the 2021 unit rate (nominal terms)

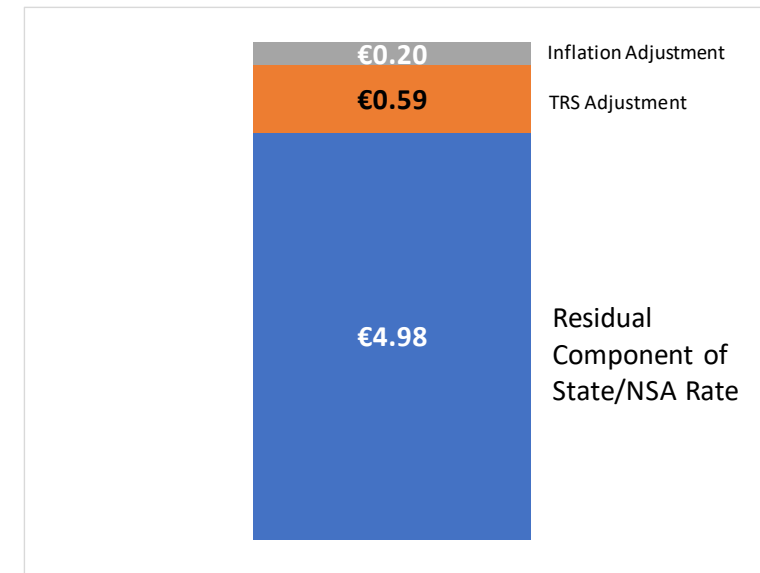


Consultation Slides on State/NSA Unit Rate in 2019 and 2021



State/NSA traffic sharing adjustment to terminal unit rate in 2019

- ❖ Traffic in 2019 was almost 20% higher than forecast in the Plan for RP2
- ❖ Specific to the State/NSA component of the terminal unit rate, there was an over recovery of €0.12m in 2019 as a result of traffic being higher than planned
- ❖ This will be returned to airspace users in 2021 and will result in a €0.59 reduction in the 2021 en route unit rate (nominal terms)



Consultation Slides on State/NSA Unit Rate in 2019 and 2021



State/NSA component of Terminal Unit Rate in 2021

- Total Costs: €1.13m split by 44% and 56% for staff and other operating costs respectively
- Traffic for 2021 based on STATFOR Feb 2019: 195,600 (i.e. 4.2% higher than 2019)
- State/NSA component of Terminal Unit Rate in 2021: €4.98 (down 1% on 2020)

Consultation Slides on State/NSA Terminal Unit Rate in 2019 and 2021



- ❖ **Questions for IAA NSA on Actual 2019 costs versus Planned 2019 costs?**
- ❖ **Questions for IAA NSA on technical adjustments feeding through to planned unit rate in 2021?**