

On the basis of the Article 265, and with reference to the Article 73 and 241(1) 2) and Article 237(3) of the Air Transport Law (“Official Gazette of RS”, No 73/10 and 57/11),
The Management Board of the Civil Aviation Directorate of the Republic of Serbia enacts

REGULATION LAYING DOWN MEASURES FOR THE DEVELOPMENT OF A CHARGING SCHEME FOR AIR NAVIGATION SERVICES

I. INTRODUCTORY PROVISIONS

Purpose of the Regulation

Article 1

This Regulation lays down the necessary measures for the development of a charging scheme for air navigation services provided in airspace under the responsibility of the Republic of Serbia – Flight Information Region Belgrade (FIR Belgrade) and a common charging scheme.

This Regulation shall be applicable to air navigation services provided by air navigation service providers certified in compliance with the law governing air traffic services and with the Regulations enacted on the basis of that law, for general air traffic.

Transposition of the European Union Regulations

Article 2

This Regulation transposes the Commission Regulation (EC) No 1794/2006 of 6 December 2006 laying down a common charging scheme for air navigation services and the Commission Regulation (EC) No 1191/2010 of 16 December 2010 amending Regulation (EC) No 1794/2006 laying down a common charging scheme for air navigation services.

The Commission Regulation (EC) No 1794/2006 of 6 December 2006 laying down a common charging scheme for air navigation services shall be given in the Appendix 1 to this Regulation.

The Commission Regulation (EC) No 1191/2010 of 16 December 2010 amending Regulation (EC) No 1794/2006 laying down a common charging scheme for air navigation services shall be given in the Appendix 2 to this Regulation.

Definitions

Article 3

For the purpose of this Regulation, the definitions used have the following meaning:

- 1) *ECAA Agreement* means Multilateral Agreement between the European Community and its Member State, the Republic of Albania, Bosnia and Herzegovina, the Republic of Bulgaria, the Republic of Croatia, the Former Yugoslav Republic of Macedonia, the Republic of Island, the Republic of Montenegro, the Kingdom of Norway, Romania, the Republic of Serbia and the United Nations Interim Administration Mission in Kosovo (in accordance with the Safety Council Resolution UN 1244 of 10 June 1999) on the Establishment of a European Common Aviation Area;
- 2) *ICAO* means an International Organization of the Civil Aviation established by the Convention on International Civil Aviation (Chicago, 1944);
- 3) *National supervisory authority* in the Republic of Serbia is the Civil Aviation Directorate of the Republic of Serbia (hereinafter referred to as: Directorate);

- 4) *charges for providing air navigation services* represent en route and terminal charges;
- 5) The Framework Regulation (EC) No 549/2004 of the European Parliament and of the Council of 10 March 2004 laying down the framework for the creation of the single European sky, which is transposed into legislation of the Republic of Serbia in an Appendix 1 to the Regulation on requirements and a manner of issuing and a validity of the certificate for the provision of air navigation services (“Official Gazette of RS”, No 32/11).
- 6) Regulation (EC) No 550/2004 of the European Parliament and of the Council of 10 March 2004 on the provision of air navigation services in the single European sky, which is transposed into legislation of the Republic of Serbia in an Appendix 2 to the Regulation on requirements and a manner of issuing and a validity of the certificate for the provision of air navigation services (“Official Gazette of RS”, No 32/11) given in the Appendix 2 to this Regulation;

Terms “Community”, “Community Regulations”, “Official Journal of the European Union”, “European Union airport” and “Member State” used in this Regulation shall be read in accordance with the paragraphs 2 and 3 of the Annex II of the ECAA Agreement and appropriate provisions of the Lisbon Treaty that amended the Treaty on European Union and Treaty Establishing the European Community.

II. EN ROUTE AND TERMINAL CHARGES

En route charges

Article 4

Route charges shall be calculated and their amount shall be determined in accordance with measures foreseen by ratified international agreements which are binding for the Republic of Serbia.

The Route charges shall constitute the costs incurred by an air navigation service provider in respect of en route air navigation facilities and services in the airspace falling under their responsibility, the costs of the Directorate in respect of regulatory and supervisory activities, the costs of the engaged qualified bodies (recognised organisations) as referred to in Article 3 to the Regulation on providing services, as well as the costs originating from the ratified international agreements.

Conditions of Application of the Route Charges System and Conditions of Payment enacted by the enlarged Commission of the European Organisation for the Safety of Air Navigation (Eurocontrol) given in the Appendix 3 to this Regulation shall be applicable to all that is not foreseen by the provisions referred to in Article 2 thereto, to the measures for calculating the route charges and their amount.

Unit rate publication

Article 5

The unit rate of the Republic of Serbia shall be published in the “Official Gazette of the Republic of Serbia” and in Aeronautical Information Publications.

Exemptions from air navigation charges

Article 6

All flights referred to in Article 9(1) of the Appendix 1 to this Regulation shall be exempted from en route charges.

Apart from the flights referred to in paragraph 1 thereto, from air navigation charges shall be exempted:

- 1) military flights performed by military aircraft of the Republic of Serbia and military flights performed by military aircraft of other States on the basis of international agreements;
- 2) training flights performed exclusively for the purpose of obtaining a licence, or a rating in the case of cockpit flight crew, where this is substantiated by an appropriate remark on the flight plan; flights must be performed solely within the airspace of the Republic of Serbia. These flights must not serve for the transport of passengers and/or cargo, nor for positioning or ferrying of the aircraft;
- 3) flights performed exclusively for the purpose of checking or testing equipment used or intended to be used as ground aids to air navigation, excluding positioning flights;
- 4) circular flights terminating at the airport from which the aircraft has taken off and during which no intermediate landing has been made;
- 5) flights performed exclusively under Visual Flight Rules (VFR);
- 6) humanitarian flights authorized by the appropriate competent body;
- 7) customs and police flights.

Route charges collection

Article 7

The route charges for the Republic of Serbia shall be levied by Eurocontrol – Central Route Charges Office (CRCO), on the basis of the international agreement which is binding for the Republic of Serbia.

The total charges collected, referred to paragraph 1 thereto shall be paid on the account of the Directorate and on the account of the Air Navigation Services Agency of Serbia and Montenegro (hereinafter referred to as: Agency), in accordance with the expenses of the Directorate that is expenses of the Agency for a charging zone. A part of the payment referred to the expenses of the Eurocontrol shall be, in accordance with the agreement on route charges payment for the relevant year between the users in the charging zone, paid on the account of the Eurocontrol in accordance with the instructions given on the Eurocontrol billing document.

Terminal charges

Article 8

For aircraft operators using airport of the Republic of Serbia for take offs and landings, terminal charges shall be calculated, their amount determined and levied in accordance with the Decision on Charges for used Terminal Control Air Traffic Services (“Official Gazette of the Republic of Serbia“, No 91/06 and 45/07).

Enforcement measures

Article 9

Aircraft operators who fail to promptly follow the charges payment instructions for the air navigation services provided and who, in due time, fail to fully pay all air navigation charges shall be temporarily denied, limited or completely canceled those services, and other available measures shall be taken in accordance with the applicable Regulations.

Notification

Article 10

Provisions of the Article 4(4), Article 8(1), Article 13(3) and Article 15(2) of the Appendix 1 to this Regulation laying down the obligation of notifying the European Commission and exchange of information on cost bases with European Commission shall be applicable upon full membership of the Republic of Serbia into European Union.

III. TRANSITIONAL AND FINAL PROVISIONS

Final provisions

Article 11

On the date of the enforcement of this Regulation, the Decision on application of the Conditions of Application of the Route Charges System and Conditions of Payment (“Official Gazette of the Republic of Serbia”, No 2/11) shall cease to be valid.

Entry into force of the Regulation. Application of the Regulation

Article 12

This Regulation shall enter into force on the eighth day following that of its publication in the “Official Gazette of the Republic of Serbia“, except for the Appendix 2 which shall be applicable following the full membership of the Republic of Serbia into European Union.

For the aircraft operators using airports in the Republic of Serbia for take offs and landings, the provisions of the Appendix 1 thereto referred to terminal charges shall apply from 1 January 2015.

No. 1/0-01-0006/2011-0010
In Belgrade, 8 December 2011

Management Board

President
Milutin Mrkonjic

APPENDIX 1

**Commission Regulation (EC) No 1794/2006 of 6 December 2006
laying down a common charging scheme for air navigation services**

**CHAPTER I
GENERAL PROVISIONS
Subject matter and scope**

Article 1

1. This Regulation lays down the necessary measures for the development of a charging scheme for air navigation services which is consistent with the Eurocontrol Route Charges System.

2. This Regulation shall apply to air navigation services provided by air traffic service providers designated in accordance with Article 8 of Regulation (EC) No 550/2004 and by providers of meteorological services, if designated in accordance with Article 9(1) of that Regulation, for general air traffic within the ICAO EUR and AFI regions where Member States are responsible for the provision of air navigation services.

3. Member States may apply this Regulation to air navigation services provided in airspace under their responsibility within other ICAO regions, on condition that they inform the Commission and the other Member States thereof.

4. Member States may apply this Regulation to providers of air navigation services which have received permission to provide air navigation services without certification, in accordance with Article 7(5) of the service provision Regulation.

5. Member States may decide not to apply this Regulation to air navigation services provided at airports with less than 50 000 commercial air transport movements per year, regardless of the maximum take-off mass and the number of passenger seats, movements being counted as the sum of takeoffs and landings and calculated as an average over the previous three years. Member States shall inform the Commission thereof. The Commission will publish periodically an updated list of exempted airports.

6. Without prejudice to the application of the principles referred to in Articles 14 and 15 of the service provision Regulation, Member States may decide not to calculate terminal charges as stipulated in Article 11 of this Regulation and not to set terminal unit rates as referred to in Article 13 of this Regulation in respect of air navigation services provided at aerodromes with less than 150 000 commercial air transport movements per year, regardless of the maximum take-off mass and the number of passenger seats, movements being counted as the sum of take-offs and landings and calculated as an average over the previous three years. Before taking that decision, Member States shall carry out an assessment of the extent to which the conditions laid down in Annex I including consultation with airspace users' representatives are met. The final assessment as to whether the conditions are met and the decision of the Member State shall be published and communicated to the Commission, giving full reasoning for the Member State's conclusions, including the outcome of the consultation with users.

Article 2

Definitions

For the purpose of this Regulation, the definitions in Article 2 of the framework Regulation shall apply.

In addition the following definitions shall apply:

- (a) ‘user of air navigation services’ means the operator of the aircraft at the time when the flight was performed or, if the identity of the operator is not known, the owner of the aircraft, unless he proves that another person was the operator at that time;
- (b) ‘airspace users’ representative’ means any legal person or entity representing the interests of one or several categories of users of air navigation services;
- (c) ‘IFR’ means Instrument Flight Rules, as defined in Annex 2 of the 1944 Chicago Convention on International Civil Aviation (Tenth Edition — July 2005);
- (d) ‘VFR’ means Visual Flight Rules, as defined in Annex 2 of the 1944 Chicago Convention on International Civil Aviation (Tenth Edition — July 2005);
- (e) ‘en route charging zone’ means a volume of airspace for which a single cost base and a single unit rate are established;
- (f) ‘terminal charging zone’ means an airport or a group of airports for which a single cost base and a single unit rate are established;
- (g) ‘commercial air transport’ means any aircraft operation involving the transport of passengers, cargo or mail for remuneration or hire.

Article 3

Principles of the charging scheme

1. The charging scheme shall reflect the costs incurred either directly or indirectly in the provision of air navigation services.
2. The costs of en route services shall be financed by means of en route charges imposed on the users of air navigation services.
3. The costs of terminal services shall be financed by means of terminal charges imposed on the users of air navigation services and/or other revenues, including cross-subsidies in accordance with Community law.
4. Paragraphs 2 and 3 shall be without prejudice to the financing of exemptions of certain users of air navigation services through other sources of funding in accordance with Article 9.
5. The charging scheme shall provide transparency and consultation on the cost bases and on the allocation of the costs among different services.

Article 4

Establishment of charging zones

1. Member States shall establish charging zones in the airspace falling under their responsibility where air navigation services are provided to airspace users.
2. The charging zones shall be defined in a manner consistent with air traffic control operations and services, after consultation of airspace users’ representatives.
3. An en route charging zone shall extend from the ground up to, and including, upper airspace without prejudice to the possibility for a Member State to establish a specific zone for a complex terminal area after consultation with airspace users’ representatives.
4. If charging zones extend across the airspace of more than one Member State, the Member States concerned shall make the appropriate arrangements to ensure consistency and uniformity in the application of this Regulation to the airspace concerned. They shall notify the Commission and Eurocontrol thereof.

CHAPTER II

THE COSTS OF AIR NAVIGATION SERVICE PROVISION

Article 5

Eligible services, facilities and activities

1. Air navigation service providers referred to in Article 1(2) and (4) shall establish the costs incurred in the provision of air navigation services in relation to the facilities and services provided for and implemented under the ICAO Regional Air Navigation Plan, European Region, in the charging zones under their responsibility. Those costs shall include administrative overheads, training, studies, tests and trials as well as research and development allocated to these services.
2. Member States may establish the following costs when they are incurred in relation with the provision of air navigation services:
 - (a) the costs incurred by the relevant national authorities;
 - (b) the costs incurred by the recognized organisations, as referred to in Article 3 of the service provision Regulation;
 - (c) the costs stemming from international agreements.
3. Without prejudice to other sources of funding, and with a view to a high level of safety, cost efficiency and service provision, the charges may be used to provide funding for projects designed to assist specific categories of airspace users and/or air navigation service providers in order to improve collective air navigation infrastructures, the provision of air navigation services and the use of airspace in accordance with Community law.

Article 6

Calculation of costs

1. The costs of eligible services, facilities and activities within the meaning of Article 5 shall be established in such a manner as to be consistent with the accounts referred to in Article 12 of the service provision Regulation for the period from 1 January to 31 December. However, the non-recurring effects resulting from the introduction of International Accounting Standards may be spread over a period not exceeding 15 years.
2. The costs referred to in paragraph 1 shall be broken down into staff costs, other operating costs, depreciation costs, cost of capital and exceptional items including non-recoverable taxes and custom duties paid, and all other related costs. Staff costs shall include gross remuneration, payments for overtime, employers' contributions to social security schemes as well as pension costs and other benefits. Other operating costs shall include costs incurred through the purchase of goods and services used to provide air navigation services, in particular outsourced services such as communication, external staff such as consultants, material, energy, utilities, rental of buildings, equipment and facilities, maintenance, insurance costs and travel expenses. Where an air traffic service provider purchases other air navigation services, the service provider shall include the actual expenditure for those services in its other operating costs. Depreciation costs shall relate to the total fixed assets in operation for air navigation services purposes. Fixed assets shall be depreciated, in accordance with their expected operating life, using the straight-line method applied to the historic costs of the assets being depreciated. When the assets belong to an air navigation service provider which is subject to an incentive scheme as referred to in Article 12(2), current cost accounting may be applied instead of historic cost accounting for the calculation of depreciation. The method shall remain constant during the duration of the depreciation. Cost of capital shall be equal to the product of:
 - (a) the sum of the average net book value of fixed assets used by the air navigation service provider in operation or under construction and of the average value of the net current assets that are required for the provision of air navigation services; and

(b) the weighted average of the interest rate on debts and of the return on equity. Exceptional items shall be non-recurring costs in relation to the provision of air navigation services that have occurred in the year.

3. For the purposes of paragraph 2, fifth subparagraph, the weight factors shall be based on the proportion of the financing through either debt or equity. The interest rate on debts shall be equal to the average interest rate on debts of the air navigation service provider. The return on equity shall take into account the financial risk of the air navigation service provider taking the national bond rate as a guide. When the air navigation service provider is subject to an incentive scheme as referred to in Article 12(2), an additional premium may be added to ensure adequate consideration of the specific financial risk assumed by this provider. When the assets do not belong to the air navigation service provider, but are included in the calculation of the cost of capital, Member States shall ensure that the costs of these assets are not recovered twice.

Article 7

Allocation of costs

1. The costs of eligible services, facilities and activities within the meaning of Article 5 shall be allocated in a transparent way to the charging zones in respect of which they are actually incurred. Where costs are incurred across different charging zones, they shall be allocated in a proportional way on the basis of a transparent methodology as required in Article 8.

2. The cost of terminal services shall relate to the following services:

- (a) aerodrome control services, aerodrome flight information services including air traffic advisory services, and alerting services;
- (b) air traffic services related to the approach and departure of aircraft within a certain distance of an airport on the basis of operational requirements;
- (c) an appropriate allocation of all other air navigation services components, reflecting a proportionate attribution between en route and terminal services.

3. The cost of en route services shall relate to the costs referred to in paragraph 1 to the exclusion of the costs referred to in paragraph 2.

4. If exemptions are granted to VFR flights in accordance with Article 9, the air navigation service provider shall identify the costs of air navigation services provided to VFR flights separately from the costs provided to IFR flights. These costs may be established through a marginal cost methodology taking into account the benefits to IFR flights stemming from the services granted to VFR flights.

Article 8

Transparency of the cost base

1. Without prejudice to Article 18 of the service provision Regulation, Member States and/or air navigation service providers shall organize an exchange of information on cost bases, planned investments and expected traffic with airspace users' representatives if the latter so request. Subsequently, they shall make their respective costs established in accordance with Article 5 available in a transparent manner to airspace users' representatives, the Commission and, where applicable Eurocontrol at least on an annual basis.

2. The information referred to in paragraph 1 shall be based on the reporting tables and detailed rules set out in Annex II or, where a Member State has taken the decision referred to in Article 1(6), or has indicated to the Commission that it is considering taking such a decision, in Annex III part 1.

CHAPTER III
THE FINANCING OF AIR NAVIGATION SERVICE PROVISION
THROUGH AIR NAVIGATION CHARGES

Article 9

Exemptions from air navigation charges

1. Member States shall exempt from en route charges:
 - (a) flights performed by aircraft of which the maximum takeoff weight authorized is less than two metric tons;
 - (b) mixed VFR/IFR flights in the charging zones where they are performed exclusively under VFR and where a charge is not levied for VFR flights;
 - (c) flights performed exclusively for the transport, on official mission, of the reigning Monarch and his immediate family, Heads of State, Heads of Government, and Government Ministers; in all cases, this must be substantiated by the appropriate status indicator on the flight plan;
 - (d) search and rescue flights authorized by the appropriate competent body.
2. Member States may exempt from en route charges:
 - (a) military flights performed by military aircraft of any country;
 - (b) training flights performed exclusively for the purpose of obtaining a licence, or a rating in the case of cockpit flight crew, where this is substantiated by an appropriate remark on the flight plan; flights must be performed solely within the airspace of the Member State concerned; flights must not serve for the transport of passengers and/or cargo, nor for positioning or ferrying of the aircraft;
 - (c) flights performed exclusively for the purpose of checking or testing equipment used or intended to be used as ground aids to air navigation, excluding positioning flights by the aircraft concerned;
 - (d) flights terminating at the airport from which the aircraft has taken off and during which no intermediate landing has been made;
 - (e) VFR flights;
 - (f) humanitarian flights authorized by the appropriate competent body;
 - (g) customs and police flights.
3. Member States may exempt from terminal charges the flights referred to in paragraph 1 and 2.
4. The costs incurred for exempted flights shall not be taken into account for the calculation of the unit rates. These costs shall be composed of:
 - (a) the costs of exempted VFR flights as identified in Article 7(4); and
 - (b) the costs of exempted IFR flights, which shall be calculated as the product of the costs incurred for IFR flights and the proportion of the number of exempted service units and the total number of service units; the costs incurred for IFR flights shall be equal to the total costs less the costs of VFR flights. Member States shall ensure that air navigation service providers are reimbursed for the services they provide to exempted flights.

Article 10

Calculation of en route charges

1. The en route charge for a specific flight in a specific en route charging zone shall be equal to the product of the unit rate established for this en route charging zone and the en route service units for this flight.
2. Without prejudice to the implementation by a Member State of an incentive scheme with regard to air navigation service providers in accordance with Article 12(2), the unit rate in the en route charging zone shall be calculated by dividing the forecast number of chargeable en

route service units for the relevant year into the forecast costs for air navigation services. The forecast costs shall include the balance resulting from over or under recovery of previous years.

3. The en route service units shall be calculated in accordance with Annex IV.

Article 11

Calculation of terminal charges

1. Without prejudice to the possibility under Article 3 of financing terminal air navigation services through other sources of funding, the terminal charge for a specific flight in a specific terminal charging zone shall be equal to the product of the unit rate established for this terminal charging zone and the terminal service units for this flight.

2. Without prejudice to the implementation by a Member State of an incentive scheme with regard to air navigation service providers in accordance with Article 12(2), the unit rate in the terminal charging zone shall be calculated by dividing the forecast number of chargeable terminal service units for the relevant year into the forecast costs for air navigation services. The forecast costs shall include the balance resulting from over or under recovery of previous years.

3. The terminal service units shall be calculated in accordance with Annex V.

Article 12

Incentive schemes

1. Member States may establish or approve incentive schemes consisting of financial advantages or disadvantages applied on a non-discriminatory and transparent basis to support improvements in the provision of air navigation services resulting in a different calculation of charges as set out in paragraphs 2 and 3. These incentives may apply to air navigation service providers and/or airspace users.

2. When a Member State decides to apply an incentive scheme on air navigation service providers, it shall, following the consultation referred to in Article 15, set in advance the conditions for determining the maximum level of the unit rate or of the revenue for each year over a period not exceeding five years. These conditions shall be set with reference to the projected level of costs (including the cost of capital) over the period and may also stipulate financial modulations (either above or below the expected costs) based on particular aspects of the air navigation service providers' performance which may include efficiency, quality of service, the performance of particular projects, milestones or competencies or a level of cooperation with other air navigation service providers in view of taking into account network effects.

3. When a Member State decides to apply an incentive scheme, including night-time modulations, in respect of users of air navigation services, it shall, following the consultation referred to in Article 15, modulate charges incurred by them in order to reflect efforts made by these users to optimize the use of air navigation services, to reduce the overall costs of these services and to increase their efficiency, in particular by decreasing charges according to airborne equipment that increases capacity or to offsetting the inconvenience of choosing less congested routings. The incentive scheme shall be limited in time, scope and amount. The estimated savings generated by the operational efficiency improvements shall at least offset the cost of the incentives within a reasonable time frame. The scheme shall be subject to regular review involving airspace users' representatives.

4. Member States which have established or approved incentive schemes shall monitor the proper implementation by air navigation service providers of these incentive schemes.

Article 13

Setting of unit rates for charging zones

1. Member States shall ensure that unit rates are set for each charging zone on an annual basis. They may also ensure that unit rates are set in advance for each year of a period not exceeding five years.
2. In case of unexpected major changes of traffic or costs, unit rates may be amended during the course of the year.
3. Member States shall inform the Commission and Eurocontrol, where appropriate, of the unit rates set for each charging zone.

Article 14

Collection of charges

1. Member States may collect charges through a single charge per flight.
2. Users of air navigation services shall promptly and fully pay all air navigation charges.
3. Member States shall ensure that effective enforcement measures are applied. These measures may include the denial of services, detention of aircraft or other enforcement measures in accordance with applicable law.

Article 15

Transparency of the charging mechanism

1. Member States shall ensure that airspace users' representatives are consulted on the charging policy on a regular basis. To this end, they shall provide them with the necessary information on their charging mechanism as set out in Annex VI, or where a Member State has taken the decision referred to in Article 1(6), with the necessary information as set out in Annex III, part 2, and shall organize an effective and transparent consultation hearing to present this information as well as the information referred to in Article 8, in the presence of the air navigation service providers involved.
2. Without prejudice to Article 18 of the service provision Regulation, the relevant documentation shall be put at the disposal of airspace users' representatives, the Commission, Eurocontrol and national supervisory authorities three weeks before the consultation hearing.

CHAPTER IV FINAL PROVISIONS

Article 16

Appeal

Member States shall ensure that decisions taken pursuant to this Regulation are properly reasoned and are subject to an effective review and/or appeal procedure.

Article 17

Facilitation of compliance monitoring

Air navigation service providers shall facilitate inspections and surveys by the national supervisory authority or by a recognized organization acting on the latter's behalf, including site visits. The persons authorized by those bodies shall be empowered:

- (a) to examine the relevant accounting documents, asset books, inventories and any other material relevant to the establishment of air navigation charges;
- (b) to take copies of or extracts from such documents;
- (c) to ask for oral explanations on site;
- (d) to enter relevant premises, lands or means of transport.

Such inspections and surveys shall be carried out in compliance with the procedures in force in the Member State in which they are to be undertaken.

Article 18
Entry into force

1. This Regulation shall enter into force on the seventh day following that of its publication in the *Official Journal of the European Union*.
2. This Regulation shall apply from 1 January 2007. However, Member States may defer the application of Articles 9, 10, 12, 13 and 14 in respect of en route charges until 1 January 2008. Member States may defer the application of Article 9 and Articles 11 to 15 in respect of terminal charges until 1 January 2010. If Member States decide to defer application in accordance with the second and third subparagraphs, they shall notify the Commission thereof.

ANNEX I
ASSESSMENT OF THE CONDITIONS FOR THE PROVISION OF AIR
NAVIGATION SERVICES AT AIRPORTS
FALLING WITHIN ARTICLE 1(6)

The conditions to be assessed under Article 1(6) are the following:

1. The extent to which air navigation service providers can freely offer to provide or withdraw from the provision of air navigation services at airports:
 - the existence or otherwise of any significant economic barriers that would prevent an air navigation service provider from offering to provide or withdrawing from the provision of air navigation services,
 - the existence or otherwise of any significant legal barriers that would prevent an air navigation service provider from offering to provide or withdrawing from the provision of air navigation services,
 - the length of contract duration,
 - the existence of a procedure allowing assets and staff to be transferred from one air navigation service provider to another.

2. The extent to which airports can freely determine who will provide their air navigation services, including the option to self-supply:
 - the ability or otherwise of airports to move towards self-supply of air navigation services,
 - the existence or otherwise of legal, contractual or practical barriers to an airport's ability to change air navigation service provider,
 - the role of airspace users' representatives in the selection process of the air navigation service provider.

3. The extent to which there is a range of air navigation service providers from which airports can choose:
 - the existence or otherwise of structural rigidity which restricts the effective choice of the air navigation services for airports,
 - evidence of alternative air navigation service providers, including the option of self-supply that provides choice in the selection of air navigation services by airports.

4. The extent to which airports are subject to commercial cost pressures or incentive-based regulation:
 - whether airports actively compete for airline business,
 - the extent to which airports bear the air navigation service charge,
 - whether airports operate in a competitive environment or under economic incentives designed to cap prices or otherwise incentivise cost reductions.

(n-3)	(n-2)	(n-1)	(n)	(n+1)	(n+2)	(n+3)	(n+4)	(n+5)
A	A	A	F	F	P	P	P	P

Complementary information on the cost of capital

Average operating capital								
Of which, average long term assets								
Cost of capital before tax (%)								
Return on equity (%)								
Average interest on debts (%)								

2. ADDITIONAL INFORMATION

In addition, Member States and air navigation service providers shall provide at least the following information:

- description of the methodology used for allocating costs of facilities or services between different air navigation services based on the list of facilities and services listed in ICAO Regional Air Navigation Plan, European Region (Doc 7754) and a description of the methodology used for allocating those costs between different charging zones,
- description and explanation of the differences between planned and actual figures for year (n – 1),
- description and explanation of the five-year planned costs based on the business plan,
- description of the costs incurred by Member States (Other State costs),
- description and explanation of the method adopted for the calculation of depreciation costs: historic costs or current costs. When current cost accounting is adopted, provision of comparable historic cost data,
- justification for the cost of capital, including the components of the asset base,
- description of the cost for each airport for each terminal charging zone; for aerodromes with less than 20 000 commercial air transport movements per year being calculated as the average over the previous three years, costs may be presented in an aggregated way per aerodrome,
- breakdown of the meteorological costs between direct costs and ‘MET core costs’ defined as the costs of supporting meteorological facilities and services that also serve meteorological requirements in general. These include general analysis and forecasting, weather radar and satellite observations, surface and upper-air observation networks, meteorological communication systems, data-processing centres and supporting core research, training and administration,
- description of the methodology used for allocating total MET costs and MET core costs to civil aviation and between charging zones.

ANNEX III
SPECIFIC TRANSPARENCY REQUIREMENTS FOR THE PROVISION OF AIR
NAVIGATION SERVICES AT
AIRPORTS FALLING WITHIN ARTICLE 1(6)

1. THE COSTS OF AIR NAVIGATION SERVICES

1.1. **Reporting table**

Air navigation service providers shall fill the following reporting table for each terminal charging zone under their responsibility.

The figures shall be actual figures for year (n – 3) until year (n – 1) and planned figures for year (n) onwards. Actual costs shall be established on the basis of the certified accounts. Planned costs shall be established in accordance with the business plan required by the certificate.

Costs shall be established in National currency.

Table 1
Total costs

Organisation:
 Charging zone:
 Year n:

(n-3) A	(n-2) A	(n-1) A	(n) F	(n+1) F	(n+2) P	(n+3) P	(n+4) P	(n+5) P
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Detail by nature

Staff								
Other operating costs								
Depreciation								
Cost of capital								
Exceptional items								
Total costs								

1.2. **Additional information**

In addition, air navigation service providers shall provide at least the following information:

- description of the methodology used for allocating costs of facilities or services between different air navigation services based on the list of facilities and services listed in ICAO Regional Air Navigation Plan, European Region (Doc 7754),
- description and explanation of the differences between planned and actual non-confidential figures for year (n – 1),
- description and explanation of non-confidential five-year planned costs and investments in relation to expected traffic,
- description and explanation of the method adopted for the calculation of depreciation costs: historic costs or current costs,
- explanation for the cost of capital.

2. THE FINANCING OF AIR NAVIGATION SERVICES

Air navigation service providers shall provide the following information for each terminal charging zone:

- description of the way(s) by which the costs of air navigation services are financed.

ANNEX IV
CALCULATION OF THE ENROUTE SERVICE UNITS

1. The enroute service unit shall be calculated as the multiplication of the distance factor and the weight factor for the aircraft concerned.
2. The distance factor shall be obtained by dividing by one hundred the number of kilometers flown in the great circle distance between the entry and the exit point of the charging zones, according to the latest known flight plan filed by the aircraft concerned for air traffic flow purposes.
3. If the exit and entry point of one flight are identical in a charging zone, the distance factor shall be equal to the distance in the great circle distance between these points and the most distant point of the flight plan.
4. The distance to be taken into account shall be reduced by 20 kilometers for each take-off from and for each landing on the territory of a Member State.
5. The weight factor, expressed as a figure taken to two decimal places, shall be the square root of the quotient obtained by dividing by fifty the number of metric tons in the maximum certificated take-off weight of the aircraft as shown in the certificate of airworthiness or any equivalent official document provided by the aircraft operator. Where this weight is unknown, the weight of the heaviest aircraft of the same type known to exist shall be used. Where an aircraft has multiple certificated maximum take-off weights, the maximum one shall be used. Where an aircraft operator operates two or more aircraft which are different versions of the same type, the average of the maximum take-off weights of all his aircraft of that type shall be used for each aircraft of that type. The calculation of the weight factor per aircraft type and per operator shall be effected at least once a year.

ANNEX V
CALCULATION OF THE TERMINAL SERVICE UNITS

1. The terminal service unit shall be equal to the weight factor for the aircraft concerned.
2. The weight factor, expressed as a figure taken to two decimal places, shall be the quotient, obtained by dividing by fifty the number of metric tons in the highest maximum certified take-off weight of the aircraft, referred to in Annex IV, paragraph 5, to the power of 0,7. However, in a transitional period of five years following the calculation of the first terminal unit rate under this Regulation, this exponent shall be comprised between 0,5 and 0,9.

(n-3)	(n-2)	(n-1)	(n)	(n+1)	(n+2)	(n+3)	(n+4)	(n+5)
A	A	A	F	F	P	P	P	P

Balance to be carried over (in national currency)

Charges billed to users								
Actual total costs								
Income from other sources								
Actual cost of exempted flights								
Amounts carried over to year (n)								
Balance of year (n)								

2. ADDITIONAL INFORMATION

In addition, the Member States concerned shall collect and provide at least the following information:

- description and rationale for the establishment of the different charging zones, in particular with regard to terminal charging zones and potential cross-subsidies between airports,
- description and explanation on the calculation of the forecast chargeable service units,
- description and explanation of the methodology used with respect to the recovery of the balance resulting from over or under recovery of previous years,
- description of the policy on exemptions and a description of the financing means to cover the related costs,
- description of the income from other sources when they exist,
- description and explanation of incentives applied on air navigation service providers and, in particular, the modalities to be applied in setting regulatory conditions on the level of unit rates. Description and explanation of the objectives in terms of performance and on the modalities to take them into account in the setting of maximum unit rates,
- description of the plans of air navigation service providers in order to meet projected demand and performance objectives,
- description and explanation of incentives applied on users of air navigation services.

APPENDIX 2

Commission Regulation (EU) No 1191/2010 of 16 December 2010 amending Regulation (EC) No 1794/2006 laying down a common charging scheme for air navigation services

Amendments to Regulation (EC) No 1794/2006 Article 1

Regulation (EC) No 1794/2006 is amended as follows:

1) Article 1 is amended as follows:

(a) Paragraph 1 is replaced by the following:

“1. This Regulation lays down the necessary measures for the development of a common charging scheme for air navigation services that is consistent with the Eurocontrol Route Charges System.”

(b) Paragraphs 5 and 6 are replaced by the following:

“5. Subject to Article 1(3) third sentence of Commission Regulation (EU) No 691/2010, Member States may decide not to apply this Regulation to air navigation services provided at airports with less than 50 000 commercial air transport movements per year, regardless of the maximum take-off mass and the number of passenger seats.

Member States shall inform the Commission of that decision. The Commission shall periodically publish an updated list of those airports where Member States have decided not to apply this Regulation to air navigation services.

6. With respect to air navigation services provided at airports with less than 150 000 commercial air transport movements per year, regardless of the maximum take-off mass and the number of passenger seats Member States may, prior to each reference period referred to in Article 11(3)(d) of Regulation (EC) No 549/2004, decide not to do any of the following:

- (a) calculate determined costs in accordance with Article 6 of this Regulation;
- (b) calculate terminal charges as set out in Article 11 of this Regulation;
- (c) set terminal unit rates as referred to in Article 13 of this Regulation.

The first subparagraph shall apply without prejudice to the application of the principles referred to in Articles 14 and 15 of Regulation (EC) No 550/2004 and is subject to Article 1(3) third sentence of Regulation (EU) No 691/2010.

The Member States which decide not to apply the provisions listed in the first subparagraph shall carry out a detailed assessment of the extent to which the conditions laid down in Annex I to this Regulation are met. That assessment shall include consultation with the representative of airspace users.

Those Member States shall submit a detailed report to the Commission on the assessment referred to in the third subparagraph. That report shall be supported by evidence, include the outcome of the consultation with users and shall provide full reasons for the Member State's conclusions.

After consultation with the Member State concerned, the Commission may determine that the conditions laid down in Annex I to this Regulation have not been met and may, at the

latest two months after reception of the report, request that the Member State re-conduct the assessment under revised conditions.

Where the Commission makes such a determination, it shall identify which part(s) of the assessment is/are to be revised and shall state the reasons therefor.

Where the Commission has requested a revised assessment, the Member State concerned shall submit a report on the conclusions of that revised assessment within two months after reception of the Commission's request.

The final report shall be made public and shall be valid for the duration of the reference period concerned.

2) In Article 2 the following points are added:

‘(h) “determined costs” means costs pre-determined by the Member State as referred to in Article 15(2)(a) of Regulation (EC) No 550/2004;

(i) “reference period” means the reference period for the performance scheme provided for in Article 11(3)(d) of Regulation (EC) No 549/2004;

(j) “commercial air transport movements” means the sum total of take-offs and landings for commercial air transport, calculated as an average over the three years which precede the adoption of the performance plans referred to in Article 12 of Regulation (EU) No 691/2010;

(k) “other revenues” means revenues obtained from public authorities or revenues obtained from commercial activities and/or, in the case of terminal unit rates, revenues obtained from contracts or agreements between air navigation service providers and airport operators, that benefit air navigation service providers with regard to the level of unit rates.“

3) In Article 3, paragraphs 1, 2 and 3 are replaced by the following:

“1. The charging scheme shall be subject to the principles set out in Article 15 of Regulation (EC) No 550/2004.

2. The determined costs of en route air navigation services shall be financed by en route charges imposed on users of air navigation services in accordance with the provisions of Chapter III and/or other revenues.

3. The determined costs of terminal air navigation services shall be financed by terminal charges imposed on users of air navigation services, in accordance with the provisions of Chapter III, and/or other revenues. These may include cross-subsidies granted in accordance with Union law.“

4) In Article 4, paragraphs 3 and 4 are replaced by the following:

“3. An en route charging zone shall extend from the ground up to, and including, upper airspace. Member States may establish a specific zone in complex terminal areas within a charging zone.

4. Where charging zones extend across the airspace of more than one Member State, which may be a consequence of the creation of a common charging zone in a functional airspace block, the Member States concerned shall ensure consistency and uniformity in the application of this Regulation to the airspace concerned to the maximum possible extent.

Where uniform application of this Regulation to the airspace concerned is not possible, Member States shall inform users of such differences in application of this Regulation in a transparent manner and shall notify the Commission and Eurocontrol of such differences.“

5) In Article 5, paragraphs 2 and 3 are replaced by the following:

“2. Member States may establish the following costs as determined costs, in accordance with Article 15(2)(a) of Regulation (EC) No 550/2004, where they are incurred as a result of the provision of air navigation services:

(a) costs incurred by the relevant national authorities;

(b) costs incurred by the qualified entities referred to in Article 3 of Regulation (EC) No 550/2004;

(c) costs stemming from international agreements.

3. In accordance with Article 15a (3) of Regulation (EC) No 550/2004, without prejudice to other sources of funding and in accordance with Union law, part of the revenue resulting from the charges may be used to fund common projects for network-related functions that are of particular importance for the improvement of the overall performance of air traffic management and air navigation services in Europe. In such cases, Member States shall ensure that comprehensive and transparent accounting practices are in place so as to ensure that airspace users are not charged twice. Those determined costs which fund the common project shall be clearly identified in accordance with Annex II.“

6) Article 6 is amended as follows:

(a) Paragraph 1 is replaced by the following:

“1. The determined costs and actual costs shall include the costs relating to eligible services, facilities and activities referred to in Article 5 of this Regulation and established in accordance with the accounting requirements laid down in Article 12 of Regulation (EC) No 550/2004.

The non-recurring effects resulting from the introduction of International Accounting Standards may be spread over a period not exceeding 15 years.

Without prejudice to Articles 16 and 18 of Regulation (EU) No 691/2010, the determined costs shall be fixed prior to the beginning of each reference period as part of the performance plans referred to in Article 11 of Regulation (EC) No 549/2004 and Article 10(3)(b) of Regulation (EU) No 691/2010 for each calendar year during the reference period and in both real and nominal terms. Unit rates shall be calculated on the basis of the costs expressed in nominal terms. For each year in the reference period, the difference between the determined costs expressed in nominal terms prior to the reference period and the determined costs adjusted on the basis of the actual inflation recorded by the Commission (Eurostat) for the year shall be carried over no later than in the year $n+2$.

Determined costs and actual costs shall be established in national currency. Where a common charging zone with a single unit rate has been established for a functional airspace block, the Member States concerned shall ensure conversion of national costs into Euro or the national currency of one of the Member States concerned so as to ensure a transparent calculation of the single unit rate in application of Article 13(1) first subparagraph of this Regulation. Those Member States shall notify the Commission and Eurocontrol thereof.“

(b) Paragraph 2 is amended as follows:

(i) The second subparagraph is replaced by the following:

“Staff costs shall include gross remuneration, payments for overtime, employers’ contributions to social security schemes as well as pension costs and other benefits. Pensions costs may be calculated using prudent assumptions according to the governance of the scheme or to national law, as appropriate. Those assumptions shall be detailed in the national performance plan.“

(ii) The fourth and the fifth subparagraphs are replaced by the following:

“Depreciation costs shall relate to the total fixed assets in operation for air navigation services purposes. Fixed assets shall be depreciated in accordance with their expected operating life, using the straight-line method applied to the costs of the assets being depreciated. Historic or current cost accounting may be applied for the calculation of the depreciation. The methodology shall not be altered during the duration of the depreciation and shall be consistent with the cost of capital applied.

Where current cost accounting is applied, the equivalent historic cost accounting figures shall also be provided to allow for comparison and assessment.

Cost of capital shall be equal to the product of:

(a) the sum of the average net book value of fixed assets and possible adjustments to total assets determined by the national supervisory authority and used by the air navigation service provider in operation or under construction, and of the average value of the net current assets, excluding interest bearing accounts, that are required for the provision of air navigation services; and

(b) the weighted average of the interest rate on debts and of the return on equity. For air navigation service providers without any equity capital, the weighted average shall be calculated on the basis of a return applied to the difference between the total of the assets referred to in point (a) and the debts.

Exceptional items shall consist of non-recurring costs relating to the provision of air navigation services during the same year.

Any adjustment beyond the provisions of the International Accounting Standards shall be specified in the national performance plan for review by the Commission and in the additional information to be provided in accordance with Annex II.“

(c) In paragraph 3, the first subparagraph is replaced by the following:

“For the purposes of the fifth subparagraph of paragraph 2, the factors to which weight shall be given shall be based on the proportion of financing through either debt or equity. The interest rate on debts shall be equal to the average interest rate on debts of the air navigation service provider. The return on equity shall be based on the actual financial risk incurred by the air navigation service provider.“

7) In Article 7 (2), the following subparagraph is added:

“For the purposes of point (b) of the first subparagraph, Member States shall, before the start of each reference period, define the criteria used to allocate costs between terminal and en route services for each airport, and inform the Commission thereof.“

8) Article 8 is replaced by the following:

„Article 8

Transparency of costs and of the charging mechanism

1. Member States shall, at the latest six months before the start of each reference period, offer to consult with the airspace users’ representatives on determined costs, planned investments, service unit forecasts, charging policy and resulting unit rates and shall be assisted by the air navigation service providers. Member States shall, in a transparent manner, make their national or functional airspace blocks costs established in accordance with Article 5 and

their unit rates available to airspace users' representatives, the Commission and, where applicable, Eurocontrol.

During the reference period, Member States shall, on an annual basis, offer to consult with airspace users' representatives on any deviation from the forecast, especially with regard to:

- (a) actual traffic and costs compared to forecast traffic and determined costs;
- (b) the implementation of the risk sharing mechanism set out in Article 11a;
- (c) the incentive schemes set out in Article 12.

The consultation may be organised on a regional basis. Airspace user representatives shall retain the right to request more consultation. User consultation shall also be organised systematically following the activation of an alert mechanism generating a revision of the unit rate.

2. The information referred to in paragraph 1 shall be based on the reporting tables and detailed rules set out in Annexes II and VI, or, where a Member State at national or functional airspace block level has decided not to calculate determined costs or terminal charges or not to set terminal unit rates in accordance with Article 1(6), the information referred to in paragraph 1 shall be based on the reporting tables and detailed rules set out in Annex III.

The relevant documentation shall be made available to the representatives of airspace users, the Commission, Eurocontrol and national supervisory authorities three weeks before the consultation meeting. For the annual consultation referred to in the second subparagraph of paragraph 1, the relevant documentation shall be made available to the representatives of airspace users, the Commission, Eurocontrol and national supervisory authorities each year, no later than 1 November.“

9) Article 9 is amended as follows:

(a) in paragraph 1, point (c) is replaced by the following:

“(c) flights performed exclusively for the transport, on official mission, of the reigning Monarch and his immediate family, Heads of State, heads of Government, and Government Ministers; in all cases, the exemption must be substantiated by the appropriate status indicator or remark on the flight plan.“

(b) Paragraph 4 is amended as follows:

(i) the first subparagraph is deleted;

(ii) in the second subparagraph, the introductory phrase is replaced by the following:

“The costs incurred for exempted flights shall be composed of:“

10) Articles 10 and 11 are replaced by the following:

“Article 10

Calculation of en route charges

1. Without prejudice to the possibility pursuant to Article 3(2) of financing en route air navigation services through other revenues, the en route charge for a specific flight in a specific en route charging zone shall be equal to the product of the unit rate established for that en route charging zone and the en route service units for that flight.

2. The unit rate and the en route service units shall be calculated in accordance with Annex IV.

Article 11

Calculation of terminal charges

1. Without prejudice to the possibility pursuant to Article 3(3) of financing terminal air navigation services through other revenues, the terminal charge for a specific flight in a specific terminal charging zone shall be equal to the product of the unit rate established for this terminal charging zone and the terminal service units for that flight. For charging purposes, approach and departure shall count as a single flight. The unit to be counted shall be either the arriving or the departing flight.
2. The unit rate and the terminal service units shall be calculated in accordance with Annex V.“

- 11) The following Article 11a is inserted:

“Article 11a

Risk sharing

1. This Article lays down the traffic and cost risk sharing mechanisms. It shall apply in accordance with the principles referred to in Article 11 of Regulation (EU) No 691/2010.
2. The following costs shall not be submitted to traffic risk sharing and shall be recovered irrespective of traffic evolution:
 - (a) the determined costs established in application of Article 5(2) with the exception of agreements relating to cross border air traffic service provision;
 - (b) the determined costs of meteorological service providers;
 - (c) the carry-overs authorised from a previous year or reference period and bonuses or penalties resulting from incentive schemes;
 - (d) the over- or under-recoveries resulting from traffic variations, which shall be recovered no later than in year n+2.

In addition, Member States may exempt from traffic risk sharing the determined costs of providers of air navigation services which have received permission to provide air navigation services without certification, in accordance with Article 7(5) of Regulation (EC) No 550/2004.

3. Where, over a given year, the actual number of service units does not exceed or fall below the forecast established at the beginning of the reference period by more than 2 %, the additional revenue or loss in revenue of the air navigation service provider with regard to determined costs shall not be carried over.
4. Where, over a given year n, the actual number of service units exceeds the forecast established at the beginning of the reference period by more than 2 %, a minimum of 70 % of the additional revenue obtained by the air navigation service provider(s) concerned in excess of 2 % of the difference between the actual service units and the forecast with regard to determined costs shall be returned to airspace users no later than in year n+2.

Where, over a given year n, the actual number of service units falls below the forecast established at the beginning of the reference period by more than 2 %, a maximum of 70 % of the loss in revenue incurred by the air navigation service provider(s) concerned in excess of 2 % of the difference between the actual service units and the forecast with regard to determined costs shall be borne by the airspace users in principle no later than in year n+2. However,

Member States may decide to spread the carry-over of such loss in revenue over several years with a view to preserving the stability of the unit rate.

5. The allocation of traffic risk referred to in paragraph 4 shall be set by the national or functional airspace block performance plan for the entire reference period, following the consultation referred to in Article 8.

6. Where, over a given year n , the actual service units are lower than 90 % of the forecast established at the beginning of the reference period, the full amount of the loss in revenue incurred by the air navigation service provider(s) concerned in excess of the 10 % of the difference between the actual service units and the forecast in respect of determined costs shall be borne by the airspace users in principle no later than in year $n+2$. However, Member States may decide to spread the carry-over of such loss in revenue over several years with the view to preserving the stability of unit rate.

Where, over a given year n , the actual service units exceed 110% of the forecast established at the beginning of the reference period, the full amount of the additional revenue obtained by the air navigation service provider(s) concerned in excess of the 10% of the difference between the actual service units and the forecast in respect of determined costs shall be returned to airspace users in year $n+2$.

7. Air navigation service providers without any equity capital or with equity capital not exceeding 5 % of total liabilities as of 31 December 2011 may be exempt of traffic risk sharing during the first reference period, in order to allow achieving a lower proportion of debt financing. Those air navigation service providers exempt from traffic risk sharing shall be specified in the performance plan for review by the Commission and in the additional information to be provided in accordance with Annex II. Member States shall describe and justify the measures planned to achieve the lower proportion of debt financing and their timing.

8. The following principles shall apply to cost risk sharing:

(a) where, over the whole reference period, actual costs fall below the determined costs established at the beginning of the reference period, the resulting difference shall be retained by the air navigation service provider, Member State or qualified entity concerned;

(b) where, over the whole reference period, actual costs exceed the determined costs established at the beginning of the reference period, the resulting difference shall be borne by the air navigation service provider, Member State or qualified entity concerned without prejudice to the activation of an alert mechanism in accordance with Article 18 of Regulation (EU) No 691/2010;

(c) points (a) and (b) may not apply to the difference between actual and determined costs which may be deemed to be out of the control of the air navigation service providers, Member States and qualified entities as a result of:

(i) unforeseen changes in national pension regulations and pension accounting regulations;

(ii) unforeseen changes in to national taxation law;

(iii) unforeseen and new cost items not covered in the national performance plan but required by law;

(iv) unforeseen changes in costs or revenues stemming from international agreements;

(v) significant changes in interest rates on loans.

Without prejudice to Article 6(1), third subparagraph, a list of uncontrollable cost factors shall be determined by the national supervisory authority from the list set out in points (i) to (v) of the first subparagraph and shall form part of the performance plan.

Where, over the whole reference period, actual costs are lower than the determined costs established at the beginning of the reference period, the resulting difference shall be returned to airspace users through a carry-over to the following reference period.

Where, over the whole reference period, actual costs exceed the determined costs established at the beginning of the reference period, the resulting difference shall be passed on to airspace users through a carry-over to the following period. The national supervisory authority concerned shall explicitly agree to the carry-over after having ascertained that:

- (i) the variation of actual costs against determined costs is actually the result of developments that are beyond the influence of the air navigation service provider, Member State or qualified entity concerned;
- (ii) the variation in costs to be passed on to users is specifically identified and categorised.

The amount carried over shall be specified by factors and described in the additional information to be provided in accordance with Annex VI.“

12) In Article 12, paragraphs 1, 2 and 3 are replaced by the following:

“1. Member States, at national or Functional Airspace Block level, may, on a non-discriminatory and transparent basis, establish or approve incentive schemes to support improvements in the provision of air navigation services or the reduction of the environmental impact of aviation, resulting in a different calculation of charges pursuant to paragraphs 2 and 3. Those incentives may apply to air navigation service providers or airspace users.

2. In accordance with Article 11 of Regulation (EU) No 691/2010, Member States, at national or functional airspace block level, may adopt financial incentives for the achievement of performance targets by their air navigation service providers. The unit rate may be adjusted to provide for a bonus or penalty according to the actual performance level of the air navigation service provider against the relevant target. Such bonuses or penalties shall only be activated where performance variations have a substantive impact on users. The applicable level of bonuses and penalties shall be commensurate with the targets to be reached and the performance achieved. The performance variation levels and the applicable level of bonuses and penalties shall be determined following the offer to consult referred to in Article 8 and set by the national or functional airspace block performance plan.

3. Where a Member State decides to apply an incentive scheme with respect to users of air navigation services, it shall, following the offer to consult referred to in Article 8, modulate charges incurred by them to reflect efforts made by those users to, in particular:

- (a) optimise the use of air navigation services;
- (b) reduce the environmental impact of flying;
- (c) reduce the overall costs of air navigation services and increase their efficiency, in particular by decreasing or modulating charges according to airborne equipment that increases capacity or offsetting the inconvenience of choosing less congested routings;
- (d) accelerate the deployment of SESAR ATM capabilities.’.

13) Article 13 is amended as follows:

(a) Paragraphs 1 and 2 are replaced by the following:

“1. Member States shall ensure that unit rates are set for each charging zone on an annual basis.

Unit rates shall be set in national currency. Where Member States which form part of a functional airspace block decide to establish a common charging zone with a single unit rate, that unit rate shall be set in Euro or in the national currency of one of the Member States concerned. The Member States concerned shall notify the Commission and Eurocontrol of the applicable currency.

2. Pursuant to Article 11(4)(e) of Regulation (EC) No 549/2004 and Article 18 of Regulation (EU) No 691/2010, unit rates may be amended in the course of the year where an alert mechanism is activated.“

(b) The following paragraph 4 is added:

“4. For the first year of the reference period, unit rates shall be calculated on the basis of the performance plan communicated by the Member State or functional airspace block concerned on 1 November of the year preceding the beginning of the reference period. Where performance plans are adopted after 1 November of the year preceding the beginning of the reference period, unit rates shall be recalculated where necessary on the basis of the final adopted plan or the applicable corrective measures.“

14) In Article 14, paragraph 1 is replaced by the following:

“1. Member States may collect charges through a single charge per flight. Where charges are billed and collected on a regional basis, the billing currency may be the Euro and an administrative unit rate remunerating billing and collection costs may be added to the unit rate concerned.“

15) Article 15 is deleted.

16) In Article 17 the introductory part of the first subparagraph is replaced by the following:

‘Air navigation service providers shall facilitate inspections and surveys by the national supervisory authority or by a qualified entity acting on the latter’s behalf, including site visits. The authorised persons shall be empowered:’.

17) The following Article 17a is inserted:

“Article 17a

Review

The review by the Commission of the performance scheme, referred to in Article 24 of Regulation (EU) No 691/2010 shall include the risk sharing mechanism set up in Article 11a of this Regulation, the incentive schemes set up pursuant to Article 12 of this Regulation, and their impact and effectiveness in achieving the set performance targets.“

18) Annexes I to VI are amended in accordance with the Annex to this Regulation.

Article 2

Transitional provisions

Those Member States with national regulations which existed prior to 8 July 2010 that establish a reduction on the unit rate beyond the Union-wide targets established in accordance with Regulation (EU) No 691/2010 may exempt their air navigation service providers from Article 11a (3) of Regulation (EC) No 1794/2006. That exemption shall apply for the period

where the national regulations reduce the unit rate, but shall not extend beyond the end of the first reference period in 2014. Member States shall inform the Commission and Eurocontrol of such exemptions.

Member States may decide not to apply the provisions of Regulation (EC) No 1794/2006 as amended by this Regulation to terminal charges until 31 December 2014. They shall notify the Commission thereof. Where Member States exempt terminal charges from the provisions of that Regulation, the full costs of the provision of terminal air navigation services may be recovered until 31 December 2014.

Article 3

Entry into force

This Regulation shall enter into force on the third day of its publication in the Official Journal of the European Union.

It shall start applying to the air navigation services costs, charges and unit rates of the year 2012.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

ANNEX

Annexes I to VI are amended as follows:

- 1) In Annex I, the following point 5 is added:
“5. Where there are more than 150 000 commercial movements per year, the assessment referred to in points 1 to 4 shall be carried out at each individual airport.”
- 2) Annex II is replaced by the following:

“ANNEX II TRANSPARENCY OF COSTS

1. REPORTING TABLE

Member States as well as air navigation service providers shall fill in the following reporting table for each charging zone under their responsibility and for each reference period. Member States shall also provide a consolidated reporting table for each charging zone under their responsibility.

A consolidated table shall be filled in for all airports subject to the provisions of this Regulation. When a charging zone extends across the airspace of more than one Member State, they shall fill in the table jointly in accordance with the arrangements referred to in Article 4(4).

Actual costs shall be established on the basis of the certified accounts. The costs shall be established in accordance with the business plan required by the certificate and reported in the currency in which they are established in accordance with Article 6(1), fourth subparagraph.

In order to facilitate the establishment by the Commission of Union-wide performance targets and without prejudice to the performance plans to be adopted at national or functional airspace block level, Member States as well as air navigation service providers shall fill such reporting table with initial forecast figures eighteen months before the start of a reference period.

Table 1 – Total costs

Charging zone name Entry name						Period of reference: N – (N+4)									
Determined costs						Actual costs									
Cost details						N	N+1	N+2	N+3	N+4	N	N+1	N+2	N+3	N+4
Detail by nature (in normal terms)															
Staff															
Other operating costs															
Depreciation															
Cost of capital															
Exceptional items															
Total costs															
Total % n/n-1															
Staff % n/n-1															
Other op. % n/n-1															
Detail by services (in nominal terms)															
Air traffic Management															
Communication															
Navigation															
Surveillance															
Search and rescue															
Aeronautical Information															
Meteorological services															
Supervision costs															
Other State costs															
Total costs															
Total % n/n-1															
ATM % n/n-1															
CNS % n/n-1															
Complementary information on the cost of capital and on the cost of common projects (in nominal terms)															
Average asset base															
Net book value fixed assets															
Adjustments to total assets															
Net current assets															
Total asset base															
Cost of capital %															
Cost of capital pre tax rate %															
Return on equity %															
Average interest on debts %															
Cost of common projects															
Common Project 1															
Complementary information on inflation and on total costs in real terms															
Inflation % ⁽¹⁾															
Total costs in real terms ⁽²⁾															
Total % n/n-1															
Deduction of costs allocated to exempted VFR flights (in normal terms)															
Total costs															
Costs for exempted VFR flights															
Total costs after deduction ⁽³⁾															

Costs and assets base items in '000 000 national currency – Service units in '000 000

⁽¹⁾ Forecast inflation used for establishing the determined costs in nominal terms – actual inflation recorded by EUROSTAT

⁽²⁾ Determined costs (performance plan) in real terms – actual costs in real terms

⁽³⁾ Determined costs (after deduction of VFR costs) reported at Annex II (in nominal terms)

2. ADDITIONAL INFORMATION

In addition, Member States as well as air navigation service providers shall provide at least the following information:

- Description of the methodology used for allocating costs of facilities or services between different air navigation services based on the list of facilities and services listed in ICAO

Regional Air Navigation Plan, European Region (Doc 7754) and a description of the methodology used for allocating those costs between different charging zones;

- Description and explanation of the method adopted for the calculation of depreciation costs: historic costs or current costs. When current cost accounting is adopted, provision of comparable historic cost data;
- Justification for the cost of capital, including the components of the asset base, the possible adjustments to total assets and the return on equity;
- Description of the total determined costs for each airport submitted to the provision of this Regulation for each terminal charging zone; for airports with less than 20 000 commercial air transport movements per year being calculated as the average over the previous three years, costs may be presented in an aggregated way;
- Definition of the criteria used to allocate costs between terminal and en route services for each regulated airport;
- Breakdown of the meteorological costs between direct costs and “MET core costs” defined as the costs of supporting meteorological facilities and services that also serve meteorological requirements in general. These include general analysis and forecasting, surface and upper-air observation networks, meteorological communication systems, data processing centres and supporting core research, training and administration;
- Description of the methodology used for allocating total MET costs and MET core costs to civil aviation and between charging zones;
- As requested in point 1, eighteen months before the start of a reference period, description of the reported forecast costs and traffic;
- Every year of the reference period, description of the reported actual costs and their difference against the determined costs.“

3) In Annex III, point 1.2 is replaced by the following:

“1.2. Additional information

In addition, air navigation service providers shall provide at least the following information:

- Description of the criteria used for allocating costs of facilities or services between different air navigation services based on the list of facilities and services listed in ICAO Regional Air Navigation Plan, European Region (Doc 7754);
- Description and explanation of differences between planned and actual non-confidential figures for year (n- 1);
- Description and explanation of non-confidential five year planned costs and investments in relation to expected traffic;
- Description and explanation of the method adopted for the calculation of depreciation costs: historic costs or current costs;
- Justification for the cost of capital, including the components of the asset base, the possible adjustments to total assets and the return on equity.“

4) Annex IV is replaced by the following:

“ANNEX IV

Calculation of the en route service units and unit rates

1. Calculation of en route service units

1.1. The en route service unit shall be calculated as the multiplication of the distance factor and the weight factor for the aircraft concerned.

1.2. The distance factor shall be obtained by dividing by one hundred the number of kilometres flown in the great circle distance between the entry and the exit point of the charging zones, according to the latest known flight plan filed by the aircraft concerned for air traffic flow purposes.

1.3. If the exit and entry point of one flight are identical in a charging zone, the distance factor shall be equal to the distance in the great circle distance between these points and the most distant point of the flight plan multiplied by two.

1.4. The distance to be taken into account shall be reduced by 20 kilometres for each take-off from and for each landing on the territory of a Member State.

1.5. The weight factor, expressed as a figure taken to two decimal places, shall be the square root of the quotient obtained by dividing by fifty the number of metric tons in the maximum certificated take-off weight of the aircraft as shown in the certificate of airworthiness or any equivalent official document provided by the aircraft operator. Where this weight is unknown, the weight of the heaviest aircraft of the same type known to exist shall be used. Where an aircraft has multiple certificated maximum take-off weights, the maximum one shall be used. Where an aircraft operator operates two or more aircraft which are different versions of the same type, the average of the maximum take-off weights of all his aircraft of that type shall be used for each aircraft of that type. The calculation of the weight factor per aircraft type and per operator shall be effected at least once a year.

2. Calculation of en route unit rates

2.1. The en route unit rate shall be calculated before the beginning of each year of the reference period.

2.2. It shall be calculated by dividing the forecast number of total en route service units for the relevant year into the algebraic sum of the following elements:

- i) the determined costs of the relevant year,
- ii) the application of the difference between forecasted and actual inflation as referred to in Article 6(1),
- iii) the carry-overs resulting from the implementation of the traffic risk-sharing referred to in Article 11a(2) to (7),
- iv) the carry-overs from the previous reference period resulting from the implementation of the cost risk-sharing referred to in Article 11a(8),
- v) bonuses and penalties resulting from the financial incentives referred to in Article 12(2),
- vi) for the first two reference periods, the over or under recoveries incurred by Member States up to the year 2011 included,
- vii) a deduction of the costs of VFR flights as identified in Article 7(4).“

- 3) Annex V is replaced by the following:

“ANNEX V

CALCULATION OF THE TERMINAL SERVICE UNITS AND UNIT RATES

1. Calculation of terminal service units

- 1.1. The terminal service unit shall be equal to the weight factor for the aircraft concerned.
- 1.2. The weight factor, expressed as a figure taken to two decimal places, shall be the quotient, obtained by dividing by fifty the number of metric tons in the highest maximum certified take-off weight of the aircraft, referred to in Annex IV point 1.5, to the power of 0.7. However, in a transitional period of five years following the calculation of the first terminal unit rate under this Regulation, this exponent shall be comprised between 0.5 and 0.9.

2. Calculation of terminal unit rates

- 2.1. The terminal unit rate shall be calculated before the beginning of each year of the reference period.
- 2.2. It shall be calculated by dividing the forecast number of total terminal service units for the relevant year into the algebraic sum of the following elements:
- i) the determined costs of the relevant year,
 - ii) the application of the difference between forecasted and actual inflation as referred to in Article 6(1),
 - iii) the carry-overs resulting from the implementation of the traffic risk-sharing referred to in Article 11a(2) to (7),
 - iv) the carry-overs from the previous reference period resulting from the implementation of the cost risk-sharing referred to in Article 11a(8),
 - v) bonuses and penalties resulting from the financial incentives referred to in Article 12(2),
 - vi) for the first two reference periods, the over or under recoveries incurred by Member States up to the year preceding the application of this Regulation to terminal charges,
 - vii) a deduction of the costs of VFR flights as identified in Article 7(4).’.

- 4) Annex VI is replaced by the following:

“ANNEX VI

Charging mechanism

1. REPORTING TABLE

Member States as well as air navigation service providers shall fill the following reporting table for each charging zone under their responsibility and for each reference period. Member States shall also provide a consolidated table for each charging zone under their responsibility.

When a charging zone extends across the airspace of more than one Member State, they shall fill the table jointly in accordance with the arrangements referred to in Article 4(4).

Table 2 – Unit rate calculation

Charging zone name Entry name	Period of reference: N – (N+4)
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Unit rate calculation	N	N+1	N+2	N+3	N+4
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Unit rate calculation	N	N+1	N+2	N+3	N+4
<p>1. Determined costs in nominal terms and inflation uprate</p> <p>Determined costs in nominal terms – VFR excl. (reported from Annex II) Actual inflation rate recorded by EUROSTAT – Annex II Forecast inflation rate – Annex II Inflation adjustment – Article 6-1: year n amount to be carried over</p> <p>2. Forecast and actual total service units</p> <p>Forecast total service units (performance plan) Actual total service units Actual/forecast total service units (in %)</p> <p>3. Costs subject to traffic risk sharing (ANSP)</p> <p>Determined costs in nominal terms –VFR excl. (reported from Annex II) Inflation adjustment – Article 6-1: amount carried over year n Traffic –Article 11a (2): amounts carried over to year n Traffic risk sharing – Article 11a (2) to (7): add. revenues carried over to year n Traffic risk sharing – Article 11a (2) to (7): revenue losses carried over to year n Uncontrollable costs – Article 11a (8) (c): amounts carried over to year n Bonus or penalty for performance – Article 12-3 Over(-) or under (+) recoveries ⁽¹⁾: amounts carried over to year n Total for the calculation of year n unit rate</p> <p>Traffic risk sharing – Article 11a (2) to (7): add. revenues year n to be carried-over Traffic risk sharing – Article 11a (2) to (7): revenue losses year n to be carried-over</p> <p>Parameters for traffic risk sharing</p> <p>% additional revenue returned to users in year n+2 – Article 11a (4) first subparagraph %loss of revenue borne by airspace users – Article 11a (4) second subparagraph</p> <p>4. Costs not subject to traffic risk sharing – Article 11a (2)</p> <p>Determined costs in nominal terms – VFR excl. (reported from Annex II) Inflation adjustment – Article 6-1: amount carried over to year n Traffic – Article 11a (2): amounts carried over to year n Uncontrollable costs – Article 11a – 8(c): amounts carried over to year n Total for the calculation of year n unit rate</p> <p>5. Other revenues – applied unit rate (in national currency)</p> <p>Revenues from other sources – Article 3 Grand total for the calculation of the year n unit rate</p> <p>Year n unit rate (in national currency) ANSP component of the unit rate MET component of the unit rate NSA-State component of the unit rate</p> <p>Year n unit rate that would have applied without other revenues</p>					

Costs, revenues and other amounts in '000 000 national currency – Service units in '000 000

⁽¹⁾ Annexes IV-V 2. (VI) – over/under recoveries incurred up to the year of entry into force of the Regulation

2. ADDITIONAL INFORMATION

In addition, the Member States concerned shall collect and provide at least the following information:

- Description and rationale for the establishment of the different charging zones, in particular with regard to terminal charging zones and potential cross-subsidies between airports;

- Description and explanation on the calculation of the forecast chargeable service units;
- Description of the policy on exemptions and description of the financing means to cover the related costs;
- Description of the carry-overs of over or under recoveries incurred by Member States up to the year 2011 for en route charges and up to the year preceding the application of this Regulation for terminal charges;
- Description of the under recoveries carried over in accordance with Article 11a (4) second subparagraph;
- Description by factors of the amounts carried over from the previous reference period in accordance with Article 11a (8) (c);
- Description of the other revenues when they exist;
- Description of the formula used for calculating terminal charges;
- Description and explanation of incentives applied on users of air navigation services.“

**CONDITIONS OF APPLICATION OF THE ROUTE CHARGES SYSTEM AND
CONDITIONS OF PAYMENT**

Article 1

1. A charge shall be levied for each flight performed in accordance with the procedures laid down in application of the Standards and Recommended Practices of the International Civil Aviation Organization in the airspace falling under the responsibility of the Contracting States. For route charge purposes, this airspace shall be divided into en route charging zones, as defined by the Contracting States and listed in Annex 1.
2. The charge shall constitute remuneration for the costs incurred by Contracting States in respect of en route air navigation facilities and services and the operation of the Route Charges System, and for the costs incurred by EUROCONTROL in operating the System.
3. The charges generated in a given charging zone may be subject to value added tax (VAT). EUROCONTROL may, in that case, recover the said tax under the conditions and in accordance with the procedures agreed with the Contracting State(s) concerned.
4. The charges generated in a given charging zone may be subject to incentive scheme(s). EUROCONTROL may implement the incentive scheme(s) under the conditions and in accordance with the procedures agreed with the Contracting State(s) concerned.
5. The person liable to pay the charge shall be the person who was the operator of the aircraft at the time when the flight was performed. The ICAO designator or any other recognised designator in the identification of the flight may be used to identify the operator of the aircraft.
6. If the identity of the operator is not known, the owner of the aircraft shall be regarded as the operator unless he proves which other person was the operator.

Article 2

For each flight entering the airspace of the charging zones listed at Annex 1, a single charge (**R**) shall be collected equal to the sum of the charges accruing in respect of that flight in the airspace of the charging zones concerned:

$$\mathbf{R} = \sum_{\mathbf{n}} \mathbf{r}_i$$

The individual charge (**r_i**) for flights in a charging zone (**i**) shall be calculated in accordance with the provisions of Article 3.

Article 3

The charge for a flight in a given charging zone (**i**) shall be calculated in accordance with the following formula:

$$\mathbf{r}_i = \mathbf{t}_i \times \mathbf{N}_i$$

where (**r_i**) is the charge, (**t_i**) the unit rate of charge and (**N_i**) the number of service units corresponding to such a flight.

Article 4

For a given flight, the number of service units, designated (N_i), referred to in the foregoing article shall be obtained by means of the following formula:

$$N_i = d_i \times p$$

where (d_i) is the distance factor in respect of the charging zone (i) and (p) the weight factor for the aircraft concerned.

Article 5

1. The distance factor (d_i) shall be obtained by dividing by one hundred (100) the number of kilometres in the great circle distance between:

- the aerodrome of departure within, or the point of entry into, the charging zone (i) and
- the aerodrome of first destination within, or the point of exit from, that charging zone (i).

The aforesaid entry and exit points shall be the points at which the lateral limits of the said charging zone are crossed by the route described in the flight plan. This flight plan incorporates any changes made by the operator to the flight plan initially filed as well as any changes approved by the operator resulting from air traffic flow management measures.

2. For flights terminating at the aerodrome from which the aircraft has taken off and during which no intermediate landing has been made (circular flights), article 5.1 is applicable, except in the following two cases:

- a) For a circular flight performed exclusively in a single charging zone the distance factor shall be obtained by dividing by one hundred (100) the number of kilometres in the great circle distance between the aerodrome and the most distant point from the aerodrome, multiplied by two (2);
- b) For a circular flight performed in more than one charging zone Article 5.1. is applicable, except in that charging zone containing the most distant point from the aerodrome, where the distance factor shall be obtained by dividing by one hundred (100) the number of kilometres in the total great circle distance between the point of entry into that charging zone and the most distant point from the aerodrome, and from this most distant point to the point of exit from that charging zone.

3. The distance to be taken into account shall be reduced by twenty (20) kilometres for each take-off from and for each landing on the territory of a Contracting State.

Article 6

1. The weight factor (p) – expressed as a figure taken to two decimals - shall be the square root of the quotient obtained by dividing by fifty (50) the number of metric tons – expressed as a figure taken to one decimal - in the maximum certificated take-off weight of the aircraft as shown in the certificate of airworthiness, the flight manual or any other equivalent official document, as follows:

$$p = \sqrt{\frac{\text{max take-off weight}}{50}}$$

Where the maximum certificated take-off weight of the aircraft is not known to the bodies responsible for the collection of the charge, the weight factor shall be calculated by taking the weight of the heaviest aircraft of the same type known to exist.

2. Where an aircraft has multiple certificated maximum take-off weights, the weight factor shall be established on the basis of the highest maximum take-off weight authorised for the aircraft by its State of registration.

3. Where, however, an operator has indicated to EUROCONTROL - by the last working day of the calendar month in which its aircraft fleet changed and at least annually - that it operates two or more aircraft which are different versions of the same type, the average of the maximum take-off weights of all its aircraft of that type shall be taken for the calculation of the weight factor for each aircraft of that type. The calculation of this factor per aircraft type and per operator shall be effected at least once a year.

Article 7

1. The unit rate of charge (t_i) shall be established in euros.

2. Unless decided differently by the Contracting State(s) concerned, the unit rate of charge for a charging zone for which the euro is not the national currency shall be recalculated monthly by applying the average monthly rate of exchange between the euro and the national currency for the month preceding the month during which the flight takes place. The exchange rate applied shall be the monthly average of the "Closing Rate" calculated by Reuters based on daily BID rate.

Article 8

1. The following flights shall be exempt from the payment of charges:

- a) flights performed by aircraft of which the maximum take-off weight authorised is less than two (2) metric tons;
- b) flights performed exclusively for the transport, on official mission, of the reigning Monarch and his/her immediate family, Heads of State, Heads of Government, and Government Ministers. In all cases, this must be substantiated by the appropriate status indicator or remark on the flight plan;
- c) search and rescue flights authorised by the appropriate competent body.

2. Furthermore, the Contracting State(s) concerned may, in respect of a given charging zone falling under its (their) responsibility, exempt from the payment of the charge:

- a) military flights performed by military aircraft of any State;
- b) training flights performed exclusively for the purpose of obtaining a licence, or a rating in the case of cockpit flight crew, and where this is substantiated by an appropriate remark on the flight plan. Flights must be performed solely within this charging zone. Flights must not serve for the transport of passengers and/or cargo, nor for positioning or ferrying of the aircraft;
- c) flights performed exclusively for the purpose of checking or testing equipment used or intended to be used as ground aids to air navigation, excluding positioning flights by the aircraft concerned;
- d) flights terminating at the aerodrome from which the aircraft has taken off and during which no intermediate landing has been made (circular flights);
- e) flights performed exclusively under VFR within this charging zone;
- f) humanitarian flights authorized by the appropriate competent body;
- g) customs and police flights.

Article 9

The charge shall be payable at EUROCONTROL's Headquarters, in accordance with the Conditions of Payment set out in Annex 2. The currency of account used shall be the euro. Where a debtor has not paid the amount due, measures may be taken to enforce recovery in accordance with applicable law.

Article 10

The Contracting States shall publish the Conditions of Application of the Route Charges System and the unit rates.

APPENDIX I

EN ROUTE CHARGING ZONES

Name of Charging zone	Airspace description	Contracting State(s)
Albania	Tirana Flight Information Region Tirana Upper Flight Information Region	<u>Republic of Albania</u>
Germany	Hannover Upper Flight Information Region Rhein Upper Flight Information Region Bremen Flight Information Region Langen Flight Information Region München Flight Information Region	<u>Federal Republic of Germany</u>
Armenia	Yerevan Flight Information Region	<u>Republic of Armenia</u>
Austria	Wien Flight Information Region	<u>Republic of Austria</u>
Belgium - Luxembourg	Bruxelles Upper Flight Information Region Bruxelles Flight Information Region	<u>Kingdom of Belgium / Grand Duchy of Luxembourg</u>
Bosnia and Herzegovina	Sarajevo Upper Flight Information Region Sarejevo Flight Information Region	<u>Bosnia and Herzegovina</u>
Bulgaria	Sofia Flight Information Region Varna Flight Information Region	<u>Republic of Bulgaria</u>
Cyprus	Nicosia Flight Information Region	<u>Republic of Cyprus</u>
Croatia	Zagreb Flight Information Region Zagreb Upper Flight Information Region	<u>Republic of Croatia</u>
Denmark	Kobenhavn Flight Information Region	<u>Kingdom of Denmark</u>
Continental Spain	Madrid Upper Flight Information Region Madrid Flight Information Region Barcelona Upper Flight Information Region Barcelona Flight Information Region	<u>Kingdom of Spain</u>
Canaries	Islas Canarias Upper Flight Information Region Islas Canarias Flight Information Region	<u>Kingdom of Spain</u>
Finland	Finland Upper Flight Information Region Finland Flight Information Region	<u>Republic of Finland</u>
France	France Upper Flight Information Region Paris Flight Information Region Brest Flight Information Region Bordeaux Flight Information Region Marseille Flight Information Region Reims Flight Information Region	<u>French Republic</u>

Name of Charging zone	Airspace description	Contracting State(s)
United Kingdom	Scottish Upper Flight Information Region Scottish Flight Information Region London Upper Flight Information Region London Flight Information Region	<u>United Kingdom of Great-Britain and Northern Ireland</u>
Greece	Athinai Upper Flight Information Region Athinai Flight Information Region	<u>Hellenic Republic</u>
Hungary	Budapest Flight Information Region	<u>Republic of Hungary</u>
Ireland	Shannon Upper Flight Information Region Shannon Flight Information Region Shannon Oceanic Transition Area enclosed by the following co-ordinates: 51°North 15°West, 51°North 8°West, 48°30' North 8°West, 49°North 15°West, 51°North 15°West at and above FL55 Northern Oceanic Transition Area enclosed by the following co-ordinates : 57°North 15° West, 54°North 15° West, 57°North 10°West, 54°34'North 10°West at and above FL55	<u>Ireland</u>
Italy	Milano Upper Flight Information Region Milano Flight Information Region Roma Upper Flight Information Region Roma Flight Information Region Brindisi Upper Flight Information Region Brindisi Flight Information Region	<u>Italian Republic</u>
Latvia	Riga Flight Information Region	<u>Republic of Latvia</u>
Lithuania	Vilnius Flight Information Region	Republic of Lithuania
Former Yugoslav Yugoslav Republic of Macedonia	Skopje Flight Information Region	<u>The former Yugoslav Republic of Macedonia</u>
Malta	Malta Upper Flight Information Region Malta Flight Information Region	<u>Republic of Malta</u>
Moldova	Chisinau Flight Information Region	<u>Republic of Moldova</u>
Norway	Norway Upper Flight Information Region Norway Flight Information Region Bodo Oceanic Flight Information Region	<u>Kingdom of Norway</u>
Netherlands	Amsterdam Flight Information Region	<u>Kingdom of the Netherlands</u>
Poland	Warszawa Flight Information Region	<u>Republic of Poland</u>
Lisboa	Lisboa Upper Flight Information Region Lisboa Flight Information Region	<u>Portuguese Republic</u>

Name of Charging zone	Airspace description	Contracting State(s)
Santa Maria	Santa Maria Flight Information Region	<u>Portuguese Republic</u>
Romania Belgrade	Bucuresti Flight Information Region Beograd Upper Flight Information Region Beograd Flight Information Region	<u>Romania</u> <u>Republic of Serbia /</u> <u>Montenegro</u>
Slovakia	Bratislava Flight Information Region	<u>Slovak Republic</u>
Slovenia	Ljubljana Flight Information Region	<u>Republic of Slovenia</u>
Sweden	Sweden Upper Flight Information Region Sweden Flight Information Region	<u>Kingdom of Sweden</u>
Switzerland	Switzerland Upper Flight Information Region Switzerland Flight Information Region	<u>Swiss Confederation</u>
Czech Republic	Praha Flight Information Region	<u>Czech Republic</u>
Turkey	Ankara Flight Information Region Istanbul Flight Information Region	<u>Republic of Turkey</u>
Ukraine	Kyiv Flight Information Region Simferopol' Flight Information Region Odesa Flight Information Region Kharkiv Flight Information Region L'viv Flight Information Region	<u>Ukraine</u> ¹

¹ not yet technically integrated

APPENDIX II

CONDITIONS OF PAYMENT

CLAUSE 1

1. The amounts billed shall be payable at EUROCONTROL's Headquarters in Brussels.
2. EUROCONTROL will nevertheless consider payment into the accounts opened in its name with banking establishments in the States designated by the competent bodies of the Route Charges System as a discharge of the payer's liability.
3. The amount of the charge is due on the date of performance of the flight. The latest value date by which payment must be received by EUROCONTROL shall be shown on the bill and is 30 days from the date of the bill.

CLAUSE 2

1. Except as provided in paragraph 2 of this clause, the amount of the charge shall be paid in euros.
2. Any user who is a national of a Contracting State may, whenever payment is made by him into a designated banking establishment situated in the State of which he is a national, discharge the debt in the convertible currency of that State.
3. Where a user avails himself of the facility referred to in the foregoing paragraph, the conversion into national currency of the euro amount shall be effected at the daily exchange rate used for commercial transactions for the value date and place of payment.

CLAUSE 3

Payment shall be deemed to have been received by EUROCONTROL on the value date on which the amount due was credited into a designated bank account of EUROCONTROL. The value date shall be the date on which EUROCONTROL can use the funds.

CLAUSE 4

1. Payments shall be accompanied by a statement giving the references, dates and euro amounts in respect of bills paid and of any credit notes deducted. The requirement to show the amounts of bills in euro shall apply also to users availing themselves of the facility to pay in national currency.
2. Where a payment is not accompanied by the details specified in paragraph 1 above so as to allow its application to a specific bill or bills, EUROCONTROL will apply the payment:
 - first to interest, and then
 - to the oldest bills unpaid.

CLAUSE 5

1. Claims against bills must be submitted to EUROCONTROL in writing or by an electronic medium previously approved by EUROCONTROL. The latest date by which claims must be received by EUROCONTROL shall be shown on the bill and is 60 days from the date of the bill.
2. The date of submission of claims shall be the date on which the claims are received by EUROCONTROL.

3. Claims must be detailed and should be accompanied by any relevant supporting evidence.

4. Submission of a claim by a user shall not entitle him to make any deduction from the relevant bill unless so authorised by EUROCONTROL.

5. Where EUROCONTROL and a user are mutually debtor and creditor no compensation payments shall be effected without EUROCONTROL's prior agreement.

CLAUSE 6

1. Any charge, which has not been paid by the latest date for payment, shall be increased by the addition thereto of interest at a rate decided by the competent bodies, and published by the Contracting States in accordance with Article 10 of the Conditions of Application. The interest, entitled Interest on Late Payment, shall be simple interest calculated from day to day on the unpaid overdue amount.

2. The interest will be calculated and billed in euros.

CLAUSE 7

Where a debtor has not paid the amount due, measures may be taken to enforce recovery. These measures may include the denial of services, detention of aircraft or other enforcement measures in accordance with applicable law.