Information Notice No. 6

Adoption of RP3 Performance Plan

CIVIL AVIATION DIRECTORATE - ANS & ADR Unit

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Commission Implementing Regulation (EU) 2019/317 of 11 February 2019 laying down a performance and charging scheme in the single European sky and repealing Implementing Regulations (EU) No 390/2013 and (EU) No 391/2013

Introduction

The purpose of this Information Notice is to publish the updated adopted performance plan as of 14th December 2022.

Legal Basis

In accordance with Article 38(1)(d) of Commission Implementing Regulation (EU) 2019/317, Malta is required to publish adopted performance plans referred to in Article 16 of the said Regulation.

Attachment

The Performance Plan as approved by the NSA is attached to this notice.

ANS & ADR Unit

Performance Plan

Malta

Third Reference Period (2020-2024)

Status: Final performance plan revised during the reference period (Art. 16 of IR 2019/317)

Date of issue: 01/07/2022

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** Only as per Article 15(6) of the Regulation*

Signatories

Performance plan details	
State name	Malta
Status of the Performance Plan	Final performance plan revised during the reference period (Art. 16 of IR 2019/317)
Date of issue	01/07/2022
Date of adoption of Draft Performance Plan	14/07/2022
Date of adoption of Final Performance Plan	14/12/2022

We hereby confirm that the present performance plan is consistent with the scope of Regulation (EU) No 2019/317 pursuant to Article 1 of Regulation (EU) No 2019/317 and Article 7 of Regulation (EC) No 549/2004.

Name, title and signature of representative	
Capt. Charles PACE Director General for Civil Aviation Civil Aviation Directorate Transport Malta	Capt. Charles Pace Director General Civil Aviation Directorate Transport Malta

Additional comments	The NSA has reviewed the draft Performance Plan and the reported costs. The NSA considers the costs as being compliant with the requirements, fair and reasonable.

Document change record		
Version	Date	Reason for change
	01-Jul-22	revised forcast and inflation
	04/08/2022	re submission due to updating PRB comments
	25/09/2022	minor edits to format, deleted cells and print arrangements
	02/10/2022	Edits to format, completed missing selections align TSUs reported
	14/12/2022	Final version updating incentive scheme as per C(2022)8743 recommendation

SECTION 1: INTRODUCTION

1.1 The situation

- 1.1.1 - List of ANSPs and geographical coverage of services
- 1.1.2 - Other entities in the scope of the Performance and Charging Regulation as per Article 1(2) last para.
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1 - INTRODUCTION

1.1 - The situation

NSA(s) responsible for drawing up the Performance Plan	Malta NSA.

1.1.1 - List of ANSPs and geographical coverage and services

Number of ANSPs	2

ANSP name	Services	Geographical scope
Malta Air Traffic Services Ltd.	Air Navigation	Malta Flight Information Region
Malta International Airport Plc.	Malta Airport	

Cross-border arrangements for the provision of ANS services

Number CB arrangements where ANSPs provide services in an other State	0

Number CB arrangements where ANSPs from another State provide services in the State	0

1.1.2 - Other entities in the scope of the Performance and Charging Regulation as per Article 1(2) last para.

Number of other entities	2

Entity name	NSA and MATS	Rationale for inclusion in the Performance Plan

1.1.3 - Charging zones (see also 1.4-List of Airports)

En-route	Number of en-route charging zones	1
En-route charging zone 1	Malta	
Terminal	Number of terminal charging zones	1
Terminal charging zone 1	Malta - TCZ	

1.1.4 - Other general information relevant to the plan

Covid-19 had significant impact on all entities involved in aviation. This revised performance plan was prepared following a thourough assessment of how costs could be curtailed without impacting the safety of operations.

Relevant local circumstances with high significance for performance target setting and updated view on the impact of the COVID-19 crisis on the operational and financial situation of ANSPs covered in the performance plan.
Covid-19 had a significant impact on MATS as up to the end of July 2021 it lost more than €26.5 in revenue. Like other ANSPs, most of the operating costs of MATS are of a fixed or semi-fixed nature. Wages account for 49% of its total costs. Although MATS took immediate actions to control its costs (like the suspension of all capital projects, ban on overtime, freezing all wage increases - all collective agreements were extended up to 31/12/2022 without any wage increases, travelling and on other non-essential expenses), MATS is still suffering significant monthly losses.

Additional comments
Nil.

1.2 - Traffic Forecasts

1.2.1 - En route

En route Charging zone 1 | **Malta**

En route traffic forecast | STATFOR Base forecast MAY 2021 (Flight Plan 2017-19, Actual Route 2020-2024)

STATFOR Base forecast MAY 2021 (Flight Plan 2017-19, Actual Route 2020-2024)	2017A	2018A	2019A	2020A	2021	2022	2023	2024	CAGR 2019-2024
IFR movements (thousands)	116	125	130	56	72	113	136	141	1.6%
IFR movements (yearly variation in %)		8.2%	4.2%	-57.0%	28.5%	56.9%	20.4%	3.7%	
En route service units (thousands)	916	935	1,020	396	528	811	1,006	1,044	0.5%
En route service units (yearly variation in %)		2.0%	9.1%	-61.2%	33.3%	53.6%	24.0%	3.8%	

1.2.2 - Terminal

Terminal Charging zone 1 | **Malta - TCZ**

Terminal traffic forecast | STATFOR Base forecast MAY 2021

STATFOR Base forecast MAY 2021	2017A	2018A	2019A	2020A	2021	2022	2023	2024	CAGR 2019-2024
IFR movements (thousands)	25.8	29.2	30.1	12.2	19.0	31.0	35.0	36.0	3.6%
IFR movements (yearly variation in %)		13.2%	3.1%	-59.4%	55.5%	63.2%	12.9%	2.9%	
Terminal service units (thousands)	31.2	35.1	37.0	14.5	19.0	31.0	35.0	36.0	-0.5%
Terminal service units (yearly variation in %)		12.5%	5.4%	-60.7%	30.8%	63.2%	12.9%	2.9%	

1.3 - Stakeholder consultation

1.3.1 - Overall outcome of the consultation of stakeholders on the performance plan

Description of main points raised by stakeholders and explanation of how they were taken into account in developing the performance plan
The NSA has been consulting MATS on a regular basis and meetings had been held too. The NSA consulted the stakeholders (IATA, Ryanair, PRB and EUROCONTROL [as observer])on 8 July, 2022 and comments were received up to 11th July, 2022 cob. The draft Performance Plan and the Reporting Tables have been sent. Comments were made by Airmalta, and IATA that a proper consultation did not take place. These were sent via e-mail and were received on 11 July, 2022. These comments were taken into account by both MATS and the NSA . The draft Performance plan and tables were revised accordingly. A consultation took place on 3rd August 2022 where Air Malta, Ryanair and a member of a trade union participated in person. They were satisfied with the presentation given. Later, a virtual presentation was also given to IATA where a member from PRB was present. Following the observation of PRB during the consultation meeting of yesterday afternoon with the airspace users, we have reduced the net current assets values for years 2022 to 2024. This lead to a reduction in the cost of capital, costs of MATS and the real unit rate for Malta for both en-route and TNC.

1.3.2 - Specific consultation requirements of ANSPs and airspace users on the performance plan

Topic of consultation	Applicable	Results of consultation
Where applicable, decision to diverge from the STATFOR base forecast	No	
Charging policy	No	
Maximum financial advantages and disadvantages for the mandatory incentive scheme on capacity	No	
Where applicable, decision to modulate performance targets for the purpose of pivot values to be used for the mandatory incentive scheme on capacity	No	
Symmetric range ("dead band") for the purpose of the mandatory incentive scheme on capacity	Yes	
Establishment or modification of charging zones	No	
Establishment of determined costs included in the cost base for charges	Yes	Additional staff will be required in the near future due to staff retirement. The only costs result from fixed costs. Staff overtime has been banned and all negotiations on collective agreements have been suspended until the end of 2022. Other operating expenses were only increased to cater for increases brought about by new requirements (staff competency and training) or market induced costs (insurances).
Where applicable, values of the modulated parameters for the traffic risk sharing mechanism	No	
Where applicable, decision to apply the simplified charging scheme	No	
New and existing investments, and in particular new major investments, including their expected benefits	Yes	MATS has suspended its planned capital projects due to lack of revenue generated by overflying and terminal air traffic as a result of suspension of air travel.

1.3.3 - Consultation of stakeholder groups on the performance plan

#1 - ANSPs	
Stakeholder group composition	CEO & CFO of MATS
Dates of main meetings / correspondence	regular
Main issues discussed	The impact of Covid-19 on MATS and what actions MATS was taking to reduce its operating costs including the measures taken to minimise the cost of wages and salaries (by extending collective agreements without any salary increments up to 31/12/2022, ban on all overtime, etc). The revised CAPEX for years 2021 to 2024 and the projects prioritisation exercise was discussed.
Actions agreed upon	MATS commits to do its utmost to continue to provide safe and efficient air traffic services at the least possible cost. The suspension of the new ATCC project was considered as the right decision in the existing circumstances. MATS will try to find a much cheaper solution to expand its old-dated infrastructure including the urgent extension of its crammed technical and equipment room and the existing small VCR.
Points of disagreement and reasons	None

Final outcome of the consultation	Both parties agreed that MATS has taken the right measures to control its operating expenditure and at the same time ensure the provision of safe and efficient services. The proposed costs for 2021 to 2024 were considered to be reasonable and that there was no further room for cost-cuttings from MATS.

Additional comments

#2 - Airspace Users	
Stakeholder group composition	Airmalta, Ryanair, member of a trade union and IATA
Dates of main meetings / correspondence	06/07/2022, 26/7/2022 by correspondence and 4th August, 2022 consultation
Main issues discussed	net current assets values 2020-2024
Actions agreed upon	to reduce them
Points of disagreement and reasons	6/7/22 - They wanted more detail and information about all entities 6/7/22 - A proper consultation has not been followed
Final outcome of the consultation	6/7/22 - NSA invited the airlines for a meeting to discuss further. On 03/08/2022 a consultation took place where the cost of capital for MATS was updated.

Additional comments
On the 3rd August a consultation meeting took place, where MATS, Airmalta and Ryanair joined. IATA and a member of the PRB had theirs virtually later on during the day. After the consultation we did a reduction in the cost of capital, costs of MATS and the real unit rate for Malta for both en-route and TNC.

#3 - Professional staff representative bodies	
Stakeholder group composition	none
Dates of main meetings / correspondence	
Main issues discussed	
Actions agreed upon	
Points of disagreement and reasons	
Final outcome of the consultation	

Additional comments

#4 - Airport operators	
Stakeholder group composition	none
Dates of main meetings / correspondence	
Main issues discussed	
Actions agreed upon	
Points of disagreement and reasons	
Final outcome of the consultation	

Additional comments

#5 - Airport coordinator	
Stakeholder group composition	none
Dates of main meetings / correspondence	

Main issues discussed	
Actions agreed upon	
Points of disagreement and reasons	
Final outcome of the consultation	

Additional comments

#6 - Other (specify)	
Stakeholder group composition	
Dates of main meetings / correspondence	
Main issues discussed	
Actions agreed upon	
Points of disagreement and reasons	
Final outcome of the consultation	

Additional comments

1.4 - List of airports subject to the performance and charging Regulation

1.4.1 - Airports as per Article 1(3) (IFR movements ≥ 80 000)

ICAO code	Airport name	Charging Zone	IFR air transport movements			
			2016	2017	2018	Average

1.4.2 Other airports added on a voluntary basis as per Article 1(4)

Number of airports	1		
ICAO code	Airport name	Charging Zone	Additional information
LMML	Malta/Luqa	Malta - TCZ	

Additional comments
Nil.

1.5 - Services under market conditions

Number of services under market conditions	0

1.6 - Process followed to develop and adopt a FAB Performance Plan

Description of the process
Not applicable.

1.7 - Establishment and application of a simplified charging scheme

Is the State intending to establish and apply a simplified charging scheme for any charging zone/ANSP?	No

SECTION 2: INVESTMENTS

2.1 - Investments - Malta Air Traffic Services Ltd.

2.1.1 - Summary of investments
2.1.2 - Detail of new major investments
2.1.3 - Other new and existing investments

2.2 - Investments - Malta International Airport Plc.

2.2.1 - Summary of investments
2.2.2 - Detail of new major investments
2.2.3 - Other new and existing investments

Annexes of relevance to this section

ANNEX E. INVESTMENTS

NOTE: The requirements as per Annex II, 2.2.(c) are addressed in item 4.1.2

2.1 - Investments - Malta Air Traffic Services Ltd.

2.1.1 - Summary of investments

Number of new major investments	0

#	Name of new major investment (i.e. above 5 M€)	Total value of the asset (capex or contractual leasing value)	Value of the assets allocated to ANS in the scope of the PP	**Determined costs** of investment (i.e. depreciation, cost of capital and cost of leasing) (in national currency)					Lifecycle (Amortisation period in years)	Allocation (%)*		Planned date of entry into operation
				2020	2021	2022	2023	2024		Enroute	Terminal	
1												
2												
50												
Sub-total of **new major investments** above (1)		0		0	0	0	0	0				
Sub-total **other new investments** (2)		8,292,000	8,292,000	114,116	457,592	379,408	128,040	267,256		87%	13%	
Sub-total **existing investments** (3)				3,474,023	3,470,703	3,909,535	4,337,791	4,391,407				
Total new and existing investments (1) + (2) + (3)		8,292,000	8,292,000	3,588,139	3,928,295	4,288,943	4,465,831	4,658,663				

** The total % enroute+terminal should be equal to 100%.*

2.1.3 - Other new and existing investments

2.1.3.1 - Overall description and justification of the costs nature and benefits of other new and existing investments in fixed assets planned over the reference period

Due to the pandemic MATS has suspended all capital projects and made an exercise to identify those projects in the previous CAPEX programme that were essential for the safety of its operations. Due to this projects prioritisation exercise the actual capex for year 2020 amounted to just €687,499 and the planned capex for years 2021 to 2024 in total will amount to €6.4 million to be expensed as follows:- year 2021 : €2.179 million, year 2022 : €2.196 million, year 2023 €730K and year 2024 : €1.297 million.

2.1.3.2 - Details of the main other new investments in fixed assets planned over the reference period

Number of new other investments	2

#	Name of investment	Total value of the asset (capex or contractual leasing value)	Value of the assets allocated to ANS in the scope of the PP	**Determined costs** of investment (i.e. depreciation, cost of capital and cost of leasing) (in national currency)					Description
				2020	2021	2022	2023	2024	
1	AGDL Datalink	1,890,000	1,890,000	0	196,432	131,288	0	0	Cost of Capital at 4.8% + depreciation at applicable rates.
2	Others (miscellaneous)	4,512,000	4,512,000	114,116	261,160	248,120	128,040	267,256	same as above

2.2 - Investments - Malta International Airport Plc.

2.2.1 - Summary of investments

Number of new major investments	0

2.2.3 - Other new and existing investments

2.2.3.1 - Overall description and justification of the costs nature and benefits of other new and existing investments in fixed assets planned over the reference period

N/A

2.2.3.2 - Details of the main other new investments in fixed assets planned over the reference period

Number of new other investments	0

SECTION 3: PERFORMANCE TARGETS AND MEASURES FOR THEIR ACHIEVEMENT

3.1 - Safety targets

3.1.1 - Safety KPI #1: Level of Effectiveness of Safety Management achieved by ANSPs

3.2 - Environment targets

3.2.1 - Environment KPI #1: Horizontal en route flight efficiency (KEA)

3.3 - Capacity targets

3.3.1 - Capacity KPI #1: En route ATFM delay per flight

3.3.2 - Capacity KPI #2: Terminal and airport ANS ATFM arrival delay per flight

3.4 - Cost efficiency targets

3.4.1 - Cost efficiency KPI #1: Determined unit cost (DUC) for en route ANS

En Route Charging Zone #x

3.4.2 - Cost efficiency KPI #2: Determined unit cost (DUC) for terminal ANS

Terminal Charging Zone #x

3.4.3 - Pension assumptions

3.4.4 - Interest rate assumptions for loans financing the provision of air navigation services

3.4.5 - Restructuring costs

3.4.6 - Additional determined costs related to measures necessary to achieve the en route capacity targets

3.5 - Additional KPIs / Targets

3.6 - Description of KPAs interdependencies and trade-offs including the assumptions used to assess those trade-offs

3.6.1 - Interdependencies and trade-offs between safety and other KPAs

3.6.2 - Interdependencies and trade-offs between capacity and environment

3.6.3 - Interdependencies and trade-offs between cost-efficiency and capacity

3.6.4 - Other interdependencies and trade-offs

Annexes of relevance to this section

ANNEX A. REPORTING TABLES & ADDITIONAL INFORMATION (EN-ROUTE)
ANNEX B. REPORTING TABLES & ADDITIONAL INFORMATION (TERMINAL)
ANNEX F. BASELINE VALUES (COST-EFFICIENCY)
ANNEX H. RESTRUCTURING MEASURES AND COSTS
ANNEX M. COST ALLOCATION
ANNEX J. OPTIONAL KPIs AND TARGETS
ANNEX O. JUSTIFICATIONS FOR THE LOCAL SAFETY TARGETS
ANNEX P. JUSTIFICATIONS FOR THE LOCAL ENVIRONMENT TARGETS
ANNEX Q. JUSTIFICATIONS FOR THE LOCAL CAPACITY TARGETS
ANNEX R. JUSTIFICATIONS FOR THE LOCAL COST-EFFICIENCY TARGETS
ANNEX U. VERIFICATION BY THE NSA OF THE COMPLIANCE OF THE COST BASE

SECTION 3.1: SAFETY KPA

3.1 - Safety targets

3.1.1 - Safety KPI #1: Level of Effectiveness of Safety Management achieved by ANSPs

a) Safety national performance targets

b) Detailed justifications in case of inconsistency between local and Union-wide safety targets

c) Main measures put in place to achieve the safety performance targets

Annexes of relevance to this section

ANNEX O. JUSTIFICATIONS FOR THE LOCAL SAFETY TARGETS

3 - PERFORMANCE TARGETS AT LOCAL LEVEL

3.1 - Safety targets

3.1.1 - Safety KPI #1: Level of Effectiveness of Safety Management achieved by ANSPs

a) Safety performance targets

	Number of Air Traffic Service Providers	1

		2020A	2020	2021	2022	2023	2024
		Actual	Target	Target	Target	Target	Target
MATS	Safety policy and objectives	*C*	C	C	C	C	D
	Safety risk management	*C*	C	C	C	C	D
	Safety assurance	*C*	C	C	C	C	D
	Safety promotion	*C*	C	C	C	C	D
	Safety culture	*C*	C	C	C	C	C
	Additional comments	Nil					

b) Detailed justifications in case of inconsistency between local and Union-wide safety targets

No inconsistencies.

** Refer to Annex O, if necessary.*

c) Main measures put in place to achieve the safety performance targets

All details are found in the 2020 Safety Performance Report. The MATS Safety, Quality, Security and Compliance management section has already in place a sturdy SMS which has been achieving continous improvement since its inception way back more that 16 years ago. The Safety maturity levels achieved along the years are clear evidence that MATS strives for continous improvement. This can be verified from results of previous years EoSM feedback.
MATS are regularly participating in the CANSO/EUROCONTROL SoE and thus we have a clear picture of what is needed from the new questionnaire. The current Safety plan for RP3 (SQSC/Safety Plan for RP3) clearly indicates the planned updates to improve the risk managment, this barrier methods whcih include new software (Bow-Tie methodology), the addition of support human resources fully trained in Cyber security which has direct impact on the safety risk landscape of our organisation and we are also training risk assessors in this area and enrolling them on NEASOG /SAFOPS.
MATS are also moving ahead with introducing a SOC, NOC and C-SERT involvement (Eurocontrol CSERT, CSERT Malta and MITA). Full training to the risk assessng team on the management of changes introduced by EU2017/373 Annex IV which impacted the legacy change managment processes and these require updating, this was lattely inspected by EASA and given a clean bill. This process is part of a holisitc plan of continous improvement of our IMS which includes the safety pillar with all, its requirements. MATS SQSC has just been inspected by EASA and given a very good rating due to its resilent setup which in line with ISO 9001-2015 requirments will be continously improved by setting objectives over and above those set by the performance scheme.

** Refer to Annex O, if necessary.*

SECTION 3.2: ENVIRONMENT KPA

3.2 - Environment targets

3.2.1 - Environment KPI #1: Horizontal en route flight efficiency (KEA)

a) Environment national performance targets

b) Detailed justifications in case of inconsistency between national targets and national reference values

c) Main measures put in place to achieve the environment performance targets

Annexes of relevance to this section

ANNEX P. JUSTIFICATIONS FOR THE LOCAL ENVIRONMENT TARGETS

3.2 - Environment targets

3.2.1 - Environment KPI #1: Horizontal en route flight efficiency (KEA)

a) National environment performance targets

	2020A	2020	2021	2022	2023	2024
National reference values	*2.53%*	n/a	1.82%	1.80%	1.80%	1.80%

	2020	2021	2022	2023	2024
	Target	Target	Target	Target	Target
National targets	1.46%	1.82%	1.80%	1.80%	1.80%

b) Detailed justifications in case of inconsistency between national targets and national reference values

No inconsistencies.

** Refer to Annex P, if necessary.*

c) Main measures put in place to achieve the environment performance targets

Free Route Airspace is already implemented from FL305 and above on a 24H basis and a significant number of flight plannable DCT routes are published below FL305 on a 24H basis. An extension of FRA in the LMMMUIR from FL195 and above is planned from 2022. Implementation of PBN-based T-bar instrument approach procedures are published on all runways, including LPV minima. INTRAC project planned for implementation in 2023 will introduce a revised TMA with PBN (RNAV1) STAR&SIDs enabling CCO/CDO.

** Refer to Annex P, if necessary.*

SECTION 3.3: CAPACITY KPA

3.3 - Capacity targets

3.3.1 - Capacity KPI #1: En route ATFM delay per flight

a) Capacity national performance targets

b) Detailed justifications in case of inconsistency between national targets and national reference values

c) Main measures put in place to achieve the target for en-route ATFM delay per flight

d) ATCO planning

3.3.2 - Capacity KPI #2: Terminal and airport ANS ATFM arrival delay per flight

a) Capacity national performance targets

b) Contribution to the improvement of the European ATM network performance

c) Main measures put in place to achieve the target for terminal and airport ANS ATFM arrival delay per flight

Annexes of relevance to this section

ANNEX Q. JUSTIFICATIONS FOR THE LOCAL CAPACITY TARGETS

3.3 - Capacity targets

3.3.1 - Capacity KPI #1: En route ATFM delay per flight

a) National capacity performance targets

	2020A	2020	2021	2022	2023	2024
National reference values	*0.00*	n/a	0.01	0.01	0.01	0.01

	2020	2021	2022	2023	2024
	Target	Target	Target	Target	Target
National targets	-	0.01	0.01	0.01	0.01

b) Detailed justifications in case of inconsistency between national targets and national reference values

No inconsistencies.

** Refer to Annex Q, if necessary.*

c) Main measures put in place to achieve the target for en-route ATFM delay per flight

Sector capacities are well above the required demand. FRA above FL305 is in place 24H.

** Refer to Annex Q, if necessary.*

d) ATCO planning

	Actual			Planning			
#REF!	2018	2019	2020	2021	2022	2023	2024
Number of additional ATCOs in OPS planned to start working in the OPS room (FTEs)		2		1	10		
Number of ATCOs in OPS planned to stop working in the OPS room (FTEs)	2	1	2	1	1	1	0
Number of ATCOs in OPS planned to be operational **at year-end (FTEs)**	31	32	30	30	39	38	38

Additional comments
Number of ATCOs planned to be ACC rated in 2022 [subject to ATCOs passing course]. New recruits will be 5 in 2022 and 5 in 2024 and will start with a TWR rating.

3.3.2 - Capacity KPI #2: Terminal and airport ANS ATFM arrival delay per flight

a) National capacity performance targets

	2020A	2020	2021	2022	2023	2024
	Actual	Target	Target	Target	Target	Target
National targets	*0.00*	n/a	0.01	0.01	0.01	0.01
Additional comments						

Airport level	***LMML-Malta/Luqa***		2020	2021	2022	2023	2024
	Airport contribution to national targets	0					

b) Contribution to the improvement of the European ATM network performance

In view of the forecast increase in traffic MATS will continue to provide unconstrained access to the airspace with no capacity constraints in both en-route and terminal airspace.

** Refer to Annex Q, if necessary.*

c) Main measures put in place to achieve the target for terminal and airport ANS ATFM arrival delay per flight

FRA to be extended to FL200 in the Malta FIR in 2022. A new TMA with PBN SID&STARs to enable route efficiency together with CCO/CDO is planned for 2023/2024.

** Refer to Annex Q, if necessary.*

SECTION 3.4: COST-EFFICIENCY KPA

3.4 - Cost efficiency targets

3.4.1 - Cost efficiency KPI #1: Determined unit cost (DUC) for en route ANS

En Route Charging Zone #x

a) RP3 revised cost-efficiency performance targets (IR 2020/1627)

b) Information on the baseline values for the determined costs and the determined unit costs

c) Detailed justifications for the adjustments to the baseline values

d) Where a deviation from the Union-wide performance targets is observed, please indicate if the NSA considers those deviations to be necessary and proportionate

e) Main measures put in place to achieve the targets for determined unit cost (DUC) for en route ANS

f) Findings of the verification by the NSA (under Art. 22(7) of IR 2019/317) of the compliance of the cost base for charges with the requirements of Article 15(2) of Reg. 550/2004 and Article 22 of IR 2019/317, and where applicable identification of

3.4.2 - Cost efficiency KPI #2: Determined unit cost (DUC) for terminal ANS

Terminal Charging Zone #x

a) RP3 revised cost-efficiency performance targets (IR 2020/1627)

b) Information on the baseline values for the determined costs and the determined unit costs

c) Detailed justifications for the adjustments to the baseline values

d) Main measures put in place to achieve the targets for determined unit cost (DUC) for terminal ANS

e) Findings of the verification by the NSA (under Art. 22(7) of IR 2019/317) of the compliance of the cost base for charges with the requirements of Article 15(2) of Reg. 550/2004 and Article 22 of IR 2019/317, and where applicable identification of

3.4.3 - Pension assumptions

3.4.3.1 Total pension costs

3.4.3.2 Assumptions for the "State" pension scheme

3.4.3.3 Assumptions for the occupational "Defined contributions" pension scheme

3.4.3.4 Assumptions for the occupational "Defined benefits" pension scheme

3.4.4 - Interest rate assumptions for loans financing the provision of air navigation services

3.4.5 - Restructuring costs

3.4.5.1 Restructuring costs from previous reference periods to be recovered in RP3

3.4.5.2 Restructuring costs planned for RP3

3.4.6 - Additional determined costs related to measures necessary to achieve the en route capacity targets

a) Overall description of the measures necessary to achieve the en-route capacity targets for RP3, which induce additional costs

b) Detailed information on the additional costs of measures necessary to achieve the capacity targets for RP3

c) Detailed information on the additional costs of measures necessary to achieve the capacity targets for RP3 by nature by ANSP

d) Demonstration that the deviation from the Union-wide targets is exclusively due to the additional determined costs related to measures necessary to achieve the performance targets in capacity

Annexes of relevance to this section

ANNEX A. REPORTING TABLES & ADDITIONAL INFORMATION (EN-ROUTE)

ANNEX B. REPORTING TABLES & ADDITIONAL INFORMATION (TERMINAL)

ANNEX F. BASELINE VALUES (COST-EFFICIENCY)

ANNEX H. RESTRUCTURING MEASURES AND COSTS

ANNEX M. COST ALLOCATION

ANNEX R. JUSTIFICATIONS FOR THE LOCAL COST-EFFICIENCY TARGETS

ANNEX U. VERIFICATION BY THE NSA OF THE COMPLIANCE OF THE COST BASE

NOTE: The following requirements as per Annex II, 3.3 are addressed in the Annexes A and B:

Point 3.3 (d) on cost-allocation;

Point 3.3 (e) on the return on equity and cost of capital;

Point 3.3 (f) on assumptions for pension costs and interest on debt for other entities, inflation forecast and adjustments beyong IFRS;

Point 3.3 (g) on adjustments to the unit rates carried over from previous reference periods;

Point 3.3 (h) on costs exempt from cost-sharing;

Point 3.3 (k) reporting tables and additional informations.

3.4 - Cost efficiency targets

3.4.1 - Cost efficiency KPI #1: Determined unit cost (DUC) for en route ANS

En Route Charging Zone #1 - Malta

a) RP3 revised cost-efficiency performance targets (IR 2020/1627)

En route charging zone Name of the CZ	Baseline 2014 2014 B	Baseline 2019 2019 B	RP3 revised cost-efficiency targets (determined 2020-2024) 2020/2021 D	 2022 D	 2023 D	 2024 D	2024 D vs. 2014 B	2024 D vs. 2019 B
Total en route costs in nominal terms (in national currency)	14,890,731	23,443,684	**41,991,952**	**23,764,564**	**23,778,505**	**25,626,024**	72.1%	9.3%
Total en route costs in real terms (in national currency at 2017 prices)	**15,273,990**	**22,900,841**	**40,725,294**	**22,250,004**	**21,740,183**	**23,058,376**	51.0%	0.7%
Total en route costs in real terms (in EUR2017) [1]	15,273,990	22,900,841	40,725	22,250,004	21,740,183	23,058,376	51.0%	0.7%
YoY variation			77.8%	-45.2%	-2.3%	6.1%		
Total en route Service Units (TSU)	710,573	996,416	923,964	811,000	1,006,000	1,044,000	46.9%	4.8%
YoY variation			-7.3%	-12.2%	24.0%	3.8%		
Real en route unit costs (in national currency at 2017 prices)	**21.50**	**22.98**	**44.08**	**27.44**	**21.61**	**22.09**	2.8%	-3.9%
Real en route unit costs (in EUR2017) [1]	**21.50**	**22.98**	**44.08**	**27.44**	**21.61**	**22.09**	2.8%	-3.9%
YoY variation			91.8%	-37.6%	-21.2%	2.2%		

National currency	**Euro**
[1] Average exchange rate 2017 (1 EUR=)	**1.00**

b) Information on the baseline values for the determined costs and the determined unit costs

En route charging zone Name of the CZ	Baseline 2014 2014 B	Baseline 2019 2019 B	Actuals 2014 2014 A	Actuals 2019 2019 A	2014 Baseline adjustments	2019 Baseline adjustments
Total en route costs in nominal terms (in national currency)	14,890,731	23,443,684	14,890,731	23,443,684		
Total en route costs in real terms (in national currency at 2017 prices)	15,273,990	22,900,841	15,273,990	22,900,841		
Total en route costs in real terms (in EUR2017) [1]	15,273,990	22,900,841	15,273,990	22,900,841		
Total en route Service Units (TSU)	710,573	996,416	727,375	1,020	-16,802	-23,561

c) Detailed justifications for the adjustments to the baseline values

c.1) Adjustments to the 2014 baseline value for the determined costs

Number of adjustments	0

c.2) Adjustments to the 2014 service units

	Coefficient M2/M3	Source	Service units
Impact of transition to actual route flown	-2.31%	CRCO correction factor May 2019 (on 12 months)	-16,802

Other adjustment to the 2014 service units	No

Total adjustments to the 2014 service units	-16,802

c.3) Adjustments to the 2019 baseline value for the determined costs

Number of adjustments	0

c.4) Adjustments to the 2019 service units

	Coefficient M2/M3	Source	Service units
Impact of transition to actual route flown	-2.31%	CRCO correction factor May 2019 (on 12 months)	-23,561

Other adjustment to the 2019 service units	No

Total adjustments to the 2019 service units	-23,561

d) Description and justification of the consistency between local and Union-wide cost-efficiency targets

Throughout the last years Malta, and in particular MATS, strived to provide safe and efficient services at the least possible cost. Recruitment of new employees was only approved where it was a safety or operational requirement. In fact, MATS was always one of the most cost-efficient ANSPs in Europe and the DUR of Malta was always one of the cheapest. All possible cost-cutting measures were implemented and now it is not possible anymore to take further cost-saving measures without seriously impacting the safety of its operations and business continuity of MATS. This needs to be taken into consideration when assessing the cost-efficiency of MATS.

** Refer to Annex R, if necessary.*

e) Where a deviation from the Union-wide performance targets is observed, please indicate if the NSA considers those deviations to be necessary and proportionate under:

Additional costs of measures necessary to achieve the capacity targets for RP3	No	
Restructuring costs planned for RP3	No	

f) Main measures put in place to achieve the targets for determined unit cost (DUC) for en route ANS

MATS has taken all possible measures to achieve the cost-efficiency targets including the suspension of the largest capital project of MATS (new ATCC), strict austerity measures including extension of ATCOs', ATSEPs' and Administrative staff's collective agreements up to year 2022 without any increases in wages (except for the compulsory cost of living adjustments), curtailment of overtime and other operating and administrative costs. New recruitment was only approved where the positions were deemed essential for the safety of operations and to ensure business continuity in terms of the succession plan advised by two independent consultancy firms.

** Refer to Annex R, if necessary.*

g) Findings of the verification by the NSA (under Art. 22(7) of IR 2019/317) of the compliance of the cost base for charges with the requirements of Article 15(2) of Reg. 550/2004 and Article 22 of IR 2019/317, and where applicable identification of corrections applied to the cost base as a result of this verification

The NSA has reviewed the cost base for charges and confirms that it is compliant with the requirements of Article 15(2) of Reg. 550/2004 and Article 22 of IR 2019/317. The costs are considered to be fair and reasonable and there was no need for corrections.

** Refer to Annex U, if necessary.*

3.4.2 - Cost efficiency KPI #2: Determined unit cost (DUC) for terminal ANS

Terminal Charging Zone #1 - Malta - TCZ

a) RP3 revised cost-efficiency performance targets (IR 2020/1627)

Terminal charging zone Name of the CZ	Baseline 2019 2019 B	RP3 revised cost-efficiency targets (determined 2020-2024) 2020/2021 D	 2022 D	 2023 D	 2024 D	2024 D vs. 2019 B
Total terminal costs in nominal terms (in national currency)	**5,184,269**	10,407,520	5,757,104	6,088,716	6,673,787	**28.7%**
Total terminal costs in real terms (in national currency at 2017 prices)	**5,066,275**	**10,081,618**	**5,374,588**	**5,565,036**	**5,999,409**	**18.4%**
Total terminal costs in real terms (in EUR2017) [1]	**5,066,275**	**10,081,618**	**5,374,588**	**5,565,036**	**5,999,409**	**18.4%**
YoY variation		99.0%	-46.7%	3.5%	7.8%	
Total terminal Service Units (TNSU)	36,972	33,528	31,000	35,000	36,000	**-2.6%**
YoY variation		-9.3%	-7.5%	12.9%	2.9%	
Real terminal unit costs (in national currency at 2017 prices)	**137.03**	**300.69**	**173.37**	**159.00**	**166.65**	**21.6%**
Real terminal unit costs (in EUR2017) [1]	**137.03**	**300.69**	**173.37**	**159.00**	**166.65**	**21.6%**
YoY variation		119.4%	-42.3%	-8.3%	4.8%	

National currency	**EUR**
[1] Average exchange rate 2017 (1 EUR=)	**1.00**

b) Information on the baseline values for the determined costs and the determined unit costs

Terminal charging zone Name of the CZ	Baseline 2019 2019 B	Actuals 2019 2019 A	2019 Baseline adjustments
Total terminal costs in nominal terms (in national currency)	5,184,269	5,184,269	0
Total terminal costs in real terms (in national currency at 2017 prices)	5,066,275	5,066,275	0
Total terminal costs in real terms (in EUR2017) [1]	5,066,275	5,066,275	0
Total terminal Service Units (TNSU)	36,972	36,972	0

c) Detailed justifications for the adjustments to the baseline values

c.1) Adjustments to the 2019 baseline value for the determined costs

Number of adjustments	0

Total adjustments to the 2019 baseline value for the determined costs	Costs nominal NC	Costs real NC	Costs EUR2017
	-	-	-

c.2) Adjustments to the 2019 service units

Adjustment to the 2014 service units	No

d) Description and justification of the contribution of the the local targets to the performance of the European ATM network

Throughout the last years Malta, and in particular MATS, strived to provide safe and efficient services at the least possible cost. Recruitment of new employees was only approved where it was a safety or operational requirement. In fact, MATS was always one of the most cost-efficient ANSPs in Europe and the DUR of Malta was always one of the lowest. All possible cost-cutting measures were implemented and now it is not possible any more to take further cost-saving measures without seriously impacting the safety of the operations and business continuity of MATS. This needs to be taken into consideration when assessing the cost-efficiency of MATS.

** Refer to Annex R, if necessary.*

e) Main measures put in place to achieve the targets for determined unit cost (DUC) for terminal ANS

MATS has taken all possible measures to achieve the cost-efficiency targets including the suspension of the largest capital project of MATS (new ATCC), strict austerity measures including extension of ATCOs', ATSEPs' and Administrative staff's collective agreements up to year 2022 without any increases in wages (except for the compulsory cost of living adjustments), curtailment of overtime and other operating and administrative costs. New recruitment was only approved where the positions were deemed essential for the safety of operations and to ensure business continuity in terms of the succession plan advised by two independent consultancy firms.

** Refer to Annex R, if necessary.*

f) Findings of the verification by the NSA (under Art. 22(7) of IR 2019/317) of the compliance of the cost base for charges with the requirements of Article 15(2) of Reg. 550/2004 and Article 22 of IR 2019/317, and where applicable identification of corrections applied to the cost base as a result of this verification

The NSA has reviewed the cost base for charges and confirms that it is compliant with the requirements of Article 15(2) of Reg. 550/2004 and Article 22 of IR 2019/317. The costs are considered to be fair and reasonable and there were no requirements for corrections.

** Refer to Annex U, if necessary.*

3.4.3 - Pension assumptions

Malta Air Traffic Services Ltd.

3.4.3.1 Total pension costs (in nominal terms in '000 national currency)

Pension costs	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total pension costs	-	-	-	-	-	-
En-route activity	0	0	-	0	0	0
Terminal activity	0	0	-	0	0	0
Other activities	0	0	-	0	0	0

3.4.3.2 Assumptions for the "State" pension scheme (in nominal terms in '000 national currency)

Are there different contribution rates for different staff categories? If yes, how many?	No

<Staff category name>	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total pensionable payroll to which this scheme applies			-			
Employer % contribution rate to this scheme						
Total pension costs in respect of this scheme			-			
Number of employees the employer contributes for in this scheme						

Description on the relevant national pension regulations and pension accounting regulations on which the assumptions are based, as well as information whether changes of those regulations are to be expected during RP3
Pensions are paid by the State and no provisions have been made here.

Description of the assumptions underlying the calculations of pension costs comprised in the determined costs
Nil.

Describe the actions taken ex-ante to manage the cost-risk (cost increase) associated with this item, as well as the actions taken to limit the impact of the unforeseen change on the costs to be passed on to airspace users
Nil.

3.4.3.3 Assumptions for the occupational "Defined contributions" pension scheme (in nominal terms in '000 national currency)

Are there different contribution rates for different staff categories? If yes, how many?	No

<Staff category name>	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total pensionable payroll to which this scheme applies			-			
Employer % contribution rate to this scheme						
Total pension costs in respect of this scheme			-			
Number of employees the employer contributes for in this scheme						

Description on the relevant national pension regulations and pension accounting regulations on which the assumptions are based, as well as information whether changes of those regulations are to be expected during RP3
See above.

Description of the assumptions underlying the calculations of pension costs comprised in the determined costs
Nil.

Describe the actions taken ex-ante to manage the cost-risk (cost increase) associated with this item, as well as the actions taken to limit the impact of the unforeseen change on the costs to be passed on to airspace users
Nil.

3.4.3.4 Assumptions for the occupational "Defined benefits" pension scheme (in nominal terms in '000 national currency)

Does the ANSP assume liability for meeting future obligations for the occupational "Defined benefits" scheme?	Yes
Is the occupational "Defined benefits" pension scheme funded?	No

	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total pensionable payroll to which this scheme applies			-			
Employer % contribution rate to this scheme						
Total pension costs in respect of this scheme			**-**			
Number of employees the employer contributes for in this scheme						

Description on the relevant national pension regulations and pension accounting regulations on which the assumptions are based, as well as information whether changes of those regulations are to be expected during RP3
See above.

Description of the assumptions underlying the calculations of pension costs comprised in the determined costs
Nil.

Where, in the Reporting Tables, some occupational "defined benefits" costs (e.g. interest expense related to pensions) are reported in other cost item(s) than staff costs, the cost item(s) should be indicated here below along with corresponding explanations.
See above.

Describe the actions taken ex-ante to manage the cost-risk (cost increase) associated with this item, as well as the actions taken to limit the impact of the unforeseen change on the costs to be passed on to airspace users
Nil.

3.4.4 - Interest rate assumptions for loans financing the provision of air navigation services

Malta Air Traffic Services Ltd.

Select number of loans	1

Interest rate assumptions for loans financing the provision of air navigation services
(Amounts in nominal terms in '000 national currency)

Loan #1	2020D	2021D	2020/2021D	2022D	2023D	2024D
Description	Covid-19 Eurocontrol loan					
Remaining balance	3,464,196	692,839		2,627		
Interest rate %	1.59%	1.59%		1.59%		
Interest amount	7,528	53,879	61,407	2,627		

Other loans	2020D	2021D	2020/2021D	2022D	2023D	2024D
Description	N/A					
Remaining balance						
Average weighted interest rate %	-	-		-	-	-
Interest amount			-			

Total loans	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total remaining balance	3,464,196	692,839		2,627	-	-
Average weighted interest rate %	0.22%	7.78%		100.00%	-	-
Interest amount	7,528	53,879	61,407	2,627	-	-

3.4.5 - Restructuring costs

3.4.5.1 Restructuring costs from previous reference periods to be recovered in RP3

Restructuring costs from previous reference periods approved by the European Commission?	No

3.4.5.2 Restructuring costs planned for RP3

Restructuring costs foreseen for RP3?	No

Additional comments
Nil.

3.4.6 - Additional determined costs related to measures necessary to achieve the en route capacity targets

Additional costs of measures necessary to achieve the capacity targets for RP3?	No

SECTION 3.5: ADDITIONAL KPIS / TARGETS

3.5 Additional KPIs / Targets

Annexes of relevance to this section

ANNEX J. OPTIONAL KPIs AND TARGETS

SECTION 3.6: DESCRIPTION OF KPAS INTERDEPENDENCIES AND TRADE-OFFS INCLUDING THE ASSUMPTIONS USED TO ASSESS THOSE TRADE-OFFS

3.6 - Description of KPAs interdependencies and trade-offs including the assumptions used to assess those trade-offs

- 3.6.1 - Interdependencies and trade-offs between safety and other KPAs
- 3.6.2 - Interdependencies and trade-offs between capacity and environment
- 3.6.3 - Interdependencies and trade-offs between cost-efficiency and capacity
- 3.6.4 - Other interdependencies and trade-offs

3.6 - Description of KPAs interdependencies and trade-offs including the assumptions used to assess those trade-offs

3.6.1 - Interdependencies and trade-offs between safety and other KPAs

a) Do the measures to reach the targets in the different KPAs require changes in the ANSP functional system that have safety implications? If yes, which mitigation measures are put in place?
Currently no issues have been identified in terms of the ANSP functional system to achieve the intended targets. The only foreseen investment is in human resources in order to ensure that we have enough hands on deck to meet the requirements originating from the new regulatory regime, mainly based on EU 2017/373 and its supporting rules, which is quite huge.

b) What are the main assumptions used to assess the interdependencies between safety and other KPAs?
The main assumption is originating from historical evidence and the support that the safety unit (MATS SQSC section) has always received through the years. The safety setup at MATS is very mature and staff rotation is almost non-existent at MATS. This gives MATS a smooth continuation and a continuous improvement context which offer solid assurance and a solid assumption. Safety will be protected because that is engrained in the organisation.

c) What metrics, other than those indicators described in the Regulation, are you monitoring during RP3 to ensure targets in the KPAs of capacity , environment, and cost-efficiency are not degrading safety?
The level of reporting is being monitored in collaboration with other BLUE-MED partners, monitoring and evaluating CNS availability. This is all recoreded in the MATS Safety performance report and target setting which is prepared annually based on data gathered. The culture at MATS is that Safety is not degraded, with decisions taken when targets are set for the other performance areas. This has never been the case and, if this happens, this issue will be picked during the SA covering the change and mitigated as required.

d) Do targets allow trade-offs in operational decision making to managing resource shortfalls in order to preserve safety performance? Do targets restrict the release of staff for safety activities, such as training?
Up till now this was not the case, staff are always released for safety work and the required competence training. Altghough this is an expensive issue in terms of O/T and training, safety was always offered the full support in a practical cost effective setup.

e) Has the State reviewed the ANSP financial and personnel resources that are needed to support safe ATC service provision through safety promotion, safety improvement, safety assurance and safety risk management after changes introduced to achieve targets in other KPAs? Please, explain.
The NSA has reviewed the modus operandi of MATS on many occasions by means of inspections and audits as necessary. All the resources needed for the SQSC section were always provided, this is because the SQSC section always tries to use cost effective methods and work within a well informed and mature management structure.

3.6.2 - Interdependencies and trade-offs between capacity and environment

An audit on MATS pertaining to (EU) 2017/373 Annex IX Part ATFM and related legislation, both EU and ICAO has clearly demonstrated that the Maltese ANSP is not affected by an interdependencies and trade-offs between capacity and environment. This is because:
In Malta's case, air traffic capacity always exceeds demand unless there is an abnormal event such as volcanic ash or a controlled event such as the Malta International Air Show.
There are few non-adherences to flow management which however, have to be monitored just the same.

3.6.3 - Interdependencies and trade-offs between cost-efficiency and capacity

same as above

3.6.4 - Other interdependencies and trade-offs

Nil.

SECTION 4: CROSS-BORDER INITIATIVES AND SESAR IMPLEMENTATION

4.1 - Cross-border initiatives and synergies

4.1.1 - Planned or implemented cross-border initiatives at the level of ANSPs

4.1.2 - Investment synergies achieved at FAB level or through other cross-border initiatives

4.2 - Deployment of SESAR Common Projects

4.3 - Change management

Annexes of relevance to this section

ANNEX N. CROSS-BORDER INITIATIVES

4.3 - Change management

Change management practices and transition plans for the entry into service of major airspace changes or for ATM system improvements, aimed at minimising any negative impact on the network performance
The change management practices that are being applied by MATS are those stipulated in EU2017/373 Annex IV covering System Changes as follows: •SQSC SAF PROC 10-14 Notification of System Changes •SQSC SAF 05-06 SA/SSA assessment process •SQSC Form 43 OED Template for SA/SSA •SQSC Form 28 Safety Criteria Management The procedures for change management mentioned above have now been tested in several safety assessments, approved by the CA reviewed and accepted by EASA in the latest inspection (December 2020 and October 2021). Important changes directly related to performance The next major change, now that the Contingency OPS room setup which is intended to assure continuation of service in case of a major failure in the main OPS room has been completed, is the DLS infrastructure, a project which is ongoing, and the ADS-B coverage in the entire Malta FIR, a project which is also ongoing, these projects are intended to improve performance mainly efficiency in the delivery of ATC services to our customers in the en-route sector. This is in addition to CNS projects to replace equipment which is approaching its end-of-life date (i.e., no longer supported by the manufacturer) and the modernisation of the G to G comms to IP infrastructure. The investment in IP infrastructure is extremely important to the ATC service delivery because all CSPs are not offering leased lines services and now all is moving to VoIP and also to New-PENS, all our investment is directed in this area to assure continuous and expeditious service to our customers. The details of the projects are entered in the dedicated tabs. The Management Team has also conducted a project prioritisation exercise based on safety criticality, regulatory requirements, financial impact and cost effectiveness. The objective of this investment is all intended to assure that MATS meets all safety KPis and assure a step change in the overall performance of ATC service delivery.

4.1 - Cross-border initiatives and synergies

4.1.1 - Planned or implemented cross-border initiatives at the level of ANSPs

Number of cross-border initiatives	3

Additional comments
Nil.

4.1.2 - Investment synergies achieved at FAB level or through other cross-border initiatives

Details of synergies in terms of common infrastructure and common procurement
MATS is participating in the following initiatives: **OPERATIONS** : MATS is heavily involved with Italy on the continous development of the ATS network to enable continous climb and descent profiles. MATS is also planning to implement cross-border FRA by 2025 as per CP1 regulation. **TECHNICAL :** OLDI upgrade to FMTP; Radar sharing on PENS; and other data sharing particularly involving Datalink messages. **SAFETY:** MATS is involved in the BlueMed Safety cross border initiatives like sharing of safety data, analysis of cross border occurences, safety assessments, etc. MATS is also active in AF5 BMIP.

4.2 - Deployment of SESAR Common Projects

4.2.1 - Common Project One (CP1)

CP1 ATM Functionality (CP1-AF) / Sub functionality (CP1-s-AF)	Recent and expected progress
CP1-AF1 - Extended AMAN and Integrated AMAN/DMAN in High-Density TMAs	
CP1-s-AF1.1 AMAN extended to en-route airspace	Malta will not be getting any SESAR funds on this project.
CP1-s-AF1.2 AMAN/DMAN Integration	NIL
CP1-AF2 - Airport Integration and Throughput	
CP1-s-AF2.1 DMAN synchronised with predeparture sequencing	NIL
CP1-s-AF2.2.1 Initial airport operations plan (iAOP)	NIL
CP1-s-AF2.2.2 Airport operations plan (AOP)	NIL
CP1-s-AF2.3 Airport safety nets	NIL
CP1-AF3 - Flexible Airspace Management and Free Route Airspace	
CP1-s-AF3.1 Airspace management and advanced flexible use of airspace	NIL
CP1-s-AF3.2 Free route airspace	Malta has already implemented FRA and will not be getting any SESAR funds on this project.
CP1-AF4 - Network Collaborative Management	
CP1-s-AF4.1 Enhanced short-term ATFCM measures	NIL
CP1-s-AF4.2 Collaborative NOP	NIL
CP1-s-AF4.3 Automated support for traffic complexity assessment	NIL
CP1-s-AF4.4 AOP/NOP integration	NIL
CP1-AF5 - SWIM	
CP1-s-AF5.1 Common infrastructure components	NIL
CP1-s-AF5.2 SWIM yellow profile technical infrastructure and specifications	NIL
CP1-s-AF5.3 Aeronautical information exchange	NIL
CP1-s-AF5.4 Meteorological information exchange	NIL
CP1-s-AF5.5 Cooperative network information exchange	NIL

CP1-s-AF5.6 Flight information exchange (yellow profile)	NIL
CP1-AF6 - Initial Trajectory Information Sharing	
CP1-s-AF6.1 Initial air-ground trajectory information sharing	NIL
CP1-s-AF6.2 Network Manager trajectory information enhancement	NIL
CP1-s-AF6.3 Initial trajectory information sharing ground distribution	NIL

SECTION 5: TRAFFIC RISK SHARING ARRANGEMENTS AND INCENTIVE SCHEMES

5.1 - Traffic risk sharing parameters

- 5.1.1 Traffic risk sharing - En route charging zones
- 5.1.2 Traffic risk sharing - Terminal charging zones

5.2 - Capacity incentive schemes

- 5.2.1 - Capacity incentive scheme - Enroute
  - 5.2.1.1 Parameters for the calculation of financial advantages or disadvantages - Enroute
  - 5.2.1.2 Rationale and justification - Enroute
- 5.2.2 - Capacity incentive scheme - Terminal
  - 5.2.2.1 Parameters for the calculation of financial advantages or disadvantages - Terminal
  - 5.2.2.2 Rationale and justification - Terminal

5.3 - Optional incentives

Annexes of relevance to this section

- ANNEX G. PARAMETERS FOR THE TRAFFIC RISK SHARING
- ANNEX I. PARAMETERS FOR THE MANDATORY CAPACITY INCENTIVES
- ANNEX K. OPTIONAL INCENTIVE SCHEMES

5.1 - Traffic risk sharing

5.1.1 Traffic risk sharing - En route charging zones

Malta			Traffic risk-sharing parameters adapted?			no
			Service units lower than plan		Service units higher than plan	
	Dead band	Risk sharing band	% loss to be recovered	Max. charged if SUs 10% < plan	% additional revenue returned	Min. returned if SUs 10% > plan
Standard parameters	±2.00%	±10.0%	70.0%	5.6%	70.0%	5.6%

5.1.2 Traffic risk sharing - Terminal charging zones

Malta - TCZ			Traffic risk-sharing parameters adapted?			no
			Service units lower than plan		Service units higher than plan	
	Dead band	Risk sharing band	% loss to be recovered	Max. charged if SUs 10% < plan	% additional revenue returned	Min. returned if SUs 10% > plan
Standard parameters	±2.00%	±10.0%	70.0%	5.6%	70.0%	5.6%

5.2 - Capacity incentive schemes

5.2.1 - Capacity incentive scheme - Enroute

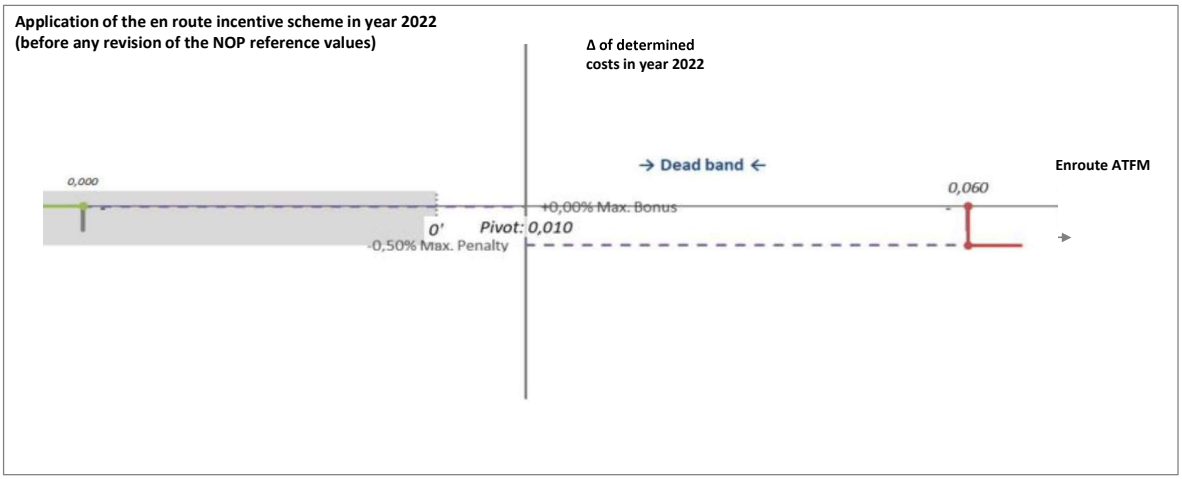
5.2.1.1 Parameters for the calculation of financial advantages or disadvantages - Enroute

Enroute	Expressed in	Value
Dead band Δ	fraction of min	+/-0,050min
Max bonus (≤2%)	*% of DC*	1.00%
Max penalty (≥ Max bonus)	*% of DC*	1.00%
The pivot values for RP3 are	modulated	

Malta Air Traffic Services Ltd.

		2020	2021	2022	2023	2024
NOP reference values (mins of ATFM delay per flight)				0,05	0,05	0,05
Alert threshold (Δ Ref. value in fraction of min)				±0.050	±0.050	±0.050
Performance Plan targets (mins of ATFM delay per flight)				0,05	0,05	0,05
Pivot values for RP3 (mins of ATFM delay per flight)*				0,01	0,01	0,01
Financial advantages / disadvantages	Dead band range			{0-0,06}	{0-0,06}	{0-0,06}
	Bonus sliding range			n/a	n/a	n/a
	Penalty sliding range			{0,06-0,06}	{0,06-0,06	{0,06-0,06

** When modulation applies, these figures are only indicative as they will be updated annually on the basis of the November n-1 NOP and the methodology described in 5.2.1.2.a2 below. The pivot values for year n have to be notified to the EC by 1 January n.*



5.2.1.2 Rationale and justification - Enroute

Explain how the bonus and penalties are going to be apportioned between the different terminal charging zones and ANSPs providing services in each of them**

5.2.2 - Capacity incentive scheme - Terminal

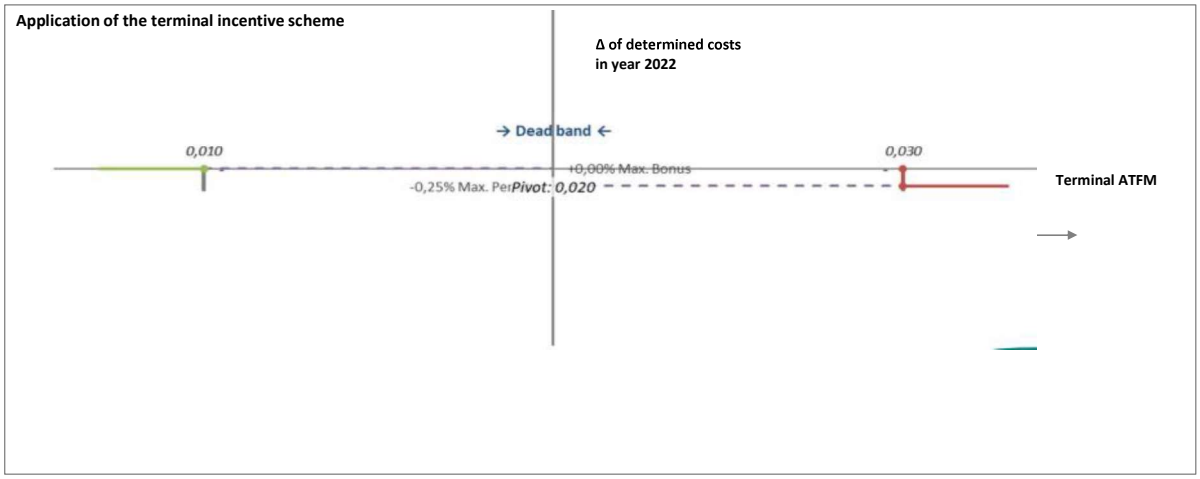
5.2.2.1 Parameters for the calculation of financial advantages or disadvantages - Terminal

Terminal	Expressed in	Value
Dead band Δ	fraction of min	+/-0,010min
Bonus/penalty range (% of pivot value)	*%*	±50%
Max bonus	*% of DC*	1.00%
Max penalty	*% of DC*	1.00%
The pivot values for RP3 are	modulated	

		2020	2021	2022	2023	2024
Performance Plan targets (mins of ATFM delay per flight)				0.02	0.02	0.02
Bonus/penalty range Δ (in fraction of min)				±0.010	±0.010	±0.010
Pivot values for RP3 (mins of ATFM delay per flight)*				0,02	0,02	0,02
Financial advantages / disadvantages	Dead band range			{0,01-0,03}	{0,01-0,03}	{0,01-0,03}
	Bonus sliding range			{0,01-0,01}	{0,01-0,01}	{0,01-0,01}
	Penalty sliding range			{0,03-0,03}	{0,03-0,03}	{0,03-0,03}

** When modulation applies, these figures are only indicative as they will be updated annually on the basis of the methodology described in 5.2.1.2.a below. The pivot values for year n have to be notified to the EC by 1 January n.*

Application of the terminal incentive scheme



5.2.2.2 Rationale and justification - Terminal

Explain how the bonus and penalties are going to be apportioned between the different terminal charging zones and ANSPs providing services in each of them**
Only one TZ and one major ANSP.

*** Refer to Annex I, if necessary.*

SECTION 6: IMPLEMENTATION OF THE PERFORMANCE PLAN

6.1 Monitoring of the implementation plan

6.2 Non-compliance with targets during the reference period

6 - IMPLEMENTATION OF THE PERFORMANCE PLAN

6.1 Monitoring of the implementation plan

Description of the processes put in place by the NSA to monitor the implementation of the Performance Plan including the yearly monitoring of all KPIs and PIs defined in Annex I of the Regulation and a description of the data sources
5.3.1 of the Handbook of the NSA states that the NSA shall ensure that the service provider providing such services complies with the applicable requirements. In addition, the NSA shall ensure that the service provider has produced a business plan covering a minimum of five (5) years which sets the overall aims and goals of the service provider and the strategy to be used in achieving them, as well as the performance targets in terms of safety, capacity, environment and cost efficiency as applicable pursuant to Commission Implementing Regulation (EU) No 390/2013. The NSA shall ensure that the business plan includes justifications for major investment projects including, where relevant, the estimated impact on the appropriate performance targets.

6.2 Non-compliance with targets during the reference period

Description of the processes put in place and measures to be applied by the NSA to address the situation where targets are not reached during the reference period
5.13 of the Handbook of the NSA states that the NSA shall analyse findings of audits and inspections for their safety significance and shall decide whether enforcement measures are required, or not, on the basis of the safety risk imposed by the non-compliance of a service provider. In the case of no or very low safety risk, the NSA may accept the continued provision of services while corrective actions are being taken. When a serious non-compliance is identified, the NSA shall issue a Level 1 finding because a significant safety risk poses questions as to the capability of a service provider to continue to provide services. In such cases, the Head of the NSA shall communicate the finding to the service provider in writing and require immediate corrective action to be taken in order to address the non-compliance. The Head of the NSA may, if deemed appropriate, limit, suspend or revoke in whole or in part the certificate issued to the service provider. In the case of a Level 2 finding, the NSA shall agree on a period of time during which corrective action plan may be implemented and shall assess the corrective action and implementation plan proposed by the service provider. If this assessment is acceptable to the NSA, the corrective action may be implemented. If, in the case of a Level 2 finding, the service provider fails to submit a corrective action plan or fails to implement the corrective action which was agreed to by the NSA, the finding may be raised to a Level 1 finding and further action may be taken in this regard. An observation may be issued if a finding is neither classified as a Level 1 or a Level 2 finding. The NSA shall keep a record of all findings and observations. The Head of the NSA may impose appropriate enforcement measures that may include financial penalties on the service provider depending on the nature and repetitiveness of the findings. These penalties shall be effective, proportionate and dissuasive.

7 - ANNEXES

ANNEX A. REPORTING TABLES & ADDITIONAL INFORMATION (EN-ROUTE)
- ANNEX A.x - En route Charging Zone #x

ANNEX B. REPORTING TABLES & ADDITIONAL INFORMATION (TERMINAL)
- ANNEX B.x - Terminal Charging Zone #x

ANNEX C. CONSULTATION
ANNEX D. LOCAL TRAFFIC FORECASTS
ANNEX E. INVESTMENTS
ANNEX F. BASELINE VALUES (COST-EFFICIENCY)
ANNEX G. PARAMETERS FOR THE TRAFFIC RISK SHARING
ANNEX H. RESTRUCTURING MEASURES AND COSTS
ANNEX I. PARAMETERS FOR THE MANDATORY CAPACITY INCENTIVES
ANNEX J. OPTIONAL KPIs AND TARGETS
ANNEX K. OPTIONAL INCENTIVE SCHEMES
ANNEX L. JUSTIFICATION FOR SIMPLIFIED CHARGING SCHEME
ANNEX M. COST ALLOCATION
ANNEX N. CROSS-BORDER INITIATIVES
ANNEX O. JUSTIFICATIONS FOR THE LOCAL SAFETY TARGETS
ANNEX P. JUSTIFICATIONS FOR THE LOCAL ENVIRONMENT TARGETS
ANNEX Q. JUSTIFICATIONS FOR THE LOCAL CAPACITY TARGETS
ANNEX R. JUSTIFICATIONS FOR THE LOCAL COST-EFFICIENCY TARGETS
ANNEX S. INTERDEPENDENCIES
ANNEX T. OTHER MATERIAL
ANNEX U. VERIFICATION BY THE NSA OF THE COMPLIANCE OF THE COST BASE
ANNEX Z. CORRECTIVE MEASURES*

** Only as per Article 15(6) of the Regulation*