Performance Plan

Finland

Third Reference Period (2020-2024)

Status: Final adopted performance plan (Art. 16(a and b) of IR 2019/317)

Date of issue: 2 June 2022

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

Signatories

Performance plan details	
State name	Finland
Status of the Performance Plan	Final adopted performance plan (Art. 16(a and b) of IR 2019/317)
Date of issue	2 June 2022
Date of adoption of Draft Performance Plan	16 November 2021
Date of adoption of Final Performance Plan	30 June 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	
Timo Harakka, Minister of Transport and Communications	

Additional comments	

Document change record		
Version	Date	Reason for change
First draft	24 June 2021	
Draft performance plan for adoption	17 September 2021	Input from consultation meeting (section 1.3), Terminal staff (+pension) and other operational costs decreased. Enroute pension costs revised. WACC-calculations and cost of capital revised. Due to changes in costs, updated sections 2.1, 3.4.1, 3.4.2, 3.4.3. Updated section 3.3.1 d) ATCO planning due to updated information from ANSP.
Revised Draft Performance Plan	10 November 2021	Changes due to Commission letter on verification of completeness. Changes are listed on Annex T.
Final adopted performance plan	2 June 2022	No changes to the 16 Nov 2021 draft performance plan.

SECTION 1: INTRODUCTION

1.1 The situation

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1 - INTRODUCTION

1.1 - The situation

NSA(s) responsible for drawing up the Performance Plan	Finnish Transport and Communications Agency Traficom

1.1.1 - List of ANSPs and geographical coverage and services

Number of ANSPs	2

ANSP name	Services	Geographical scope
Fintraffic ANS	ATS, CNS, AIS, ASM, ATFM	Helsinki FIR
Finnish Meteorological Institute (FMI)	MET	Helsinki FIR

Cross-border arrangements for the provision of ANS services

Number CB arrangements where ANSPs provide services in an other State	Click to select

ANSPs providing services in the FIR of another State	
ANSP Name	Description and scope of the cross-border arrangement

Number CB arrangements where ANSPs from another State provide services in the State	4

ANSPs established in another Member State providing services in one or more of the State's FIRs	
ANSP Name	Description and scope of the cross-border arrangement
Avinor AS	Area Halti and Area Manto - ATC delegated to Norway in these 2 areas in northern Finland.
Avinor AS	Kirkenes TMA - Kirkenes TMA extended to Finnish airspace, ATC delegated to Norway.
LFV	Area Kvarken - ATC delegated to Sweden in this narrow area in Gulf of Bothnia.
EANS	EANS takes care of one IAF (holding) for EFHK.

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	Domain of activity	Rationale for inclusion in the Performance Plan
Finnish Transport and Communications Agency Traficom	NSA	Article 22, 1. a)
Eurocontrol	International organisation (network)	Article 22, 1. c)

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	Finland

Terminal	Number of terminal charging zones	1

Terminal charging zone 1	Finland - TCZ

1.1.4 - Other general information relevant to the plan

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
Finland economy was heavily impacted by the Covid-19 crisis but recovery from the pandemic has progressed over the summer and fall 2021. Economic growth remains strong for the end of the year 2021 and the growth is expected to continue in 2022. Expectations for Finland's GDP growth are 2,9 % in 2022 and 1,4 % in 2023. (Ministry of Finance, Economic Survey Autumn 2021) Travel restrictions have had significant impact on the recovery of traffic, that has been remarkably slower than in the rest of Europe. The recovery of En-route traffic is dependent on Asian traffic, that has been limited by travel restrictions as well. The STATFOR October 2021 forecast seems quite optimistic for Finland. Despite the significant negative impact on traffic, ANSP has been able to succesfully meet most of the RP3 cost-efficiency targets. The enroute baseline value 2019 is lower than 2014 and significantly lower than the EU-target for baseline value. The ANSP has also made remarkable efforts to lower the costs in 2020-2021 and thus achieved the cost-efficiency significantly lower than the EU-target. Substantial cost saving measures have been taken to cope with the financial situation. Personnel are laid-off for different periods of time, non-critical investments are postponed and other daily costs have been minimized. Traffic evolution is monitored closely and personnel, mainly operational, are reverting from lay-offs in order to cope with the required capacity demand. In terms of capacity and environment, Finland is one of the top countries in Europe. The incentive scheme on capacity does not serve the purpose for a state with as low delays as Finland has. Nevertheless, a penalty-only scheme for en-route and terminal capacity has been impelemted. ANSP's strategic investments will focus on enabling full FRA dynamic cross-border service provision between Finland and Estonia. This concept has a positive impact on all performance targets.

Additional comments

1.2 - Traffic Forecasts

1.2.1 - En route

En route Charging zone 1	**Finland**
En route traffic forecast	Local forecast

Local Forecast	2017A	2018A	2019A	2020A	2021	2022	2023	2024	CAGR 2019-2024
IFR movements (thousands)	263	283	285	119	119	242	272	288	0,2%
IFR movements (yearly variation in %)		7,7%	0,8%	-58,3%	-0,1%	103,0%	13,0%	5,7%	
En route service units (thousands)	848	940	1 011	462	481	894	1 087	1 167	2,9%
En route service units (yearly variation in %)		10,8%	7,5%	-54,3%	4,1%	86,0%	21,5%	7,4%	

Specific local factors justifying not using the STATFOR base forecasts (provide justification below or refer to Annex D for more detailed explanation)
STATFOR Base forecast OCT 2021 (Flight Plan 2017-19, Actual Route 2020-2024) (For techinal reasons reported under "Local forecast")

NOTE: Section 1.3 (Stakeholder Consultation) should include details on the consultation with airspace users' representatives and ANSPs concerned on the rationale for not using the STATFOR base forecasts.

1.2.2 - Terminal

Terminal Charging zone 1	**Finland - TCZ**
Terminal traffic forecast	Local forecast

Local Forecast	2017A	2018A	2019A	2020A	2021	2022	2023	2024	CAGR 2019-2024
IFR movements (thousands)	87,9	95,6	96,8	36,4	35,7	84,9	92,1	97,9	0,2%
IFR movements (yearly variation in %)		8,8%	1,3%	-62,4%	-1,9%	137,6%	8,6%	6,3%	
Terminal service units (thousands)	108,8	120,9	124,9	44,1	36,9	108,3	120,7	129,2	0,7%
Terminal service units (yearly variation in %)		11,1%	3,3%	-64,7%	-16,4%	193,8%	11,4%	7,0%	

Specific local factors justifying not using the STATFOR base forecasts (provide justification below or refer to Annex D for more detailed explanation)
STATFOR Base forecast OCT 2021 (For techinal reasons reported under "Local forecast")

NOTE: Section 1.3 (Stakeholder Consultation) should include details on the consultation with airspace users' representatives and ANSPs concerned on the rationale for not using the STATFOR base forecasts.

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
Main points raised by stakeholders during the consultation meeting and the consultation process (written comments) were regarding cost-efficiency and investments. WACC calculation; peer group used in optimal gearing and asset beta estimation. -> Updated WACC takes into account the comments received in user consultation and PRB's paper "Study on cost of capital, Methodology review and update". This lowers WACC from previous calculation which was presented in consultation for 2020-2021 from 4,78% to 4,3% and 2022-2024 from 6,16% to 4,3%. Total cost evolution compared to traffic growth; Staff costs, investments and the possible delay of part of the investments. -> Fintraffic ANS age bonus scheme increases total salaries. This scheme applies to ATCOs and the average employee age is over 46 at the moment. The age bonus rises salaries after 4, 8, 11, 15 and 20 years of being employed. It's also challenging to prepare for retirement in a timely manner. To avoid lack of personnel the recruitment and training of substitutes must begin well in advance. This causes occasionally overlapping resources. Also the efficient recources of technical staff must be ensured for the implementation on the investment plan. Investment plan has been explained in more detail by service categories in additional information. Increase in staff cost due to updated STATFOR OCT traffic forecast -> En-route total costs for the entire RP3 are 603 t€ less than the total cost consulted in August even if staff costs are increased due to STATFOR OCT 2021 traffic forecast udpate. The decrease in total costs is due to decrease in cost of capital. Terminal total costs for RP3 are 257 t€ more than consulted in August. Increase in staff costs is more than deduction on cost of capital. The ANSP had informed the NSA about their scarce resources in technical personnel before. With these OCT2021 updated traffic figures the NSA didn't want to take any risks of undersized staff resources and saw ANSP's cost increase proposal justified.

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	STATFOR base forecast used, no comments were raised.
Charging policy	Yes	Charging policy was presented in the consultation meeting, and no comments were raised.
Maximum financial advantages and disadvantages for the mandatory incentive scheme on capacity	Yes	No comments were raised on the incentive schemes.
Where applicable, decision to modulate performance targets for the purpose of pivot values to be used for the mandatory incentive scheme on capacity	Yes	Performance targets are not expected to change, but pivot values will be set yearly taking into account the possible changing NOP reference values during RP3.
Symmetric range ("dead band") for the purpose of the mandatory incentive scheme on capacity	Yes	Incentive scheme is set to encourage better performance. Thus, it is a penalty only scheme. Symmetric dead band range is impossible to set for en-route capacity with pivot value as low as Finland.
Establishment or modification of charging zones	No	No modification of charging zones, and no comments were raised on charging zones.
Establishment of determined costs included in the cost base for charges	Yes	Cost of capital; Updated WACC (see point 1.3.1). Total cost evolution, staff costs and investments: Added justifications.
Where applicable, values of the modulated parameters for the traffic risk sharing mechanism	No	No modulation of traffic risk sharing parameters, and no comments were raised.
Where applicable, decision to apply the simplified charging scheme	No	Not applying simplified charging scheme.
New and existing investments, and in particular new major investments, including their expected benefits	Yes	Questions/comments on whether investments are necessary at this point, and if some of the investments could be delayed. More detailed justifications added as a result.

1.3.3 - Consultation of stakeholder groups on the performance plan

#1 - ANSPs	
Stakeholder group composition	Fintraffic ANS, main service provider in Finland
Dates of main meetings / correspondence	Continuous email exchange and Skype meetings during the drafting process. Fintraffic ANS was also present in the consultation meeting and they held a presentation on justification of costs and investments.
Main issues discussed	Costs; WACC, staff costs, investments, pension forecasts/contribution, leasing costs Traffic evolution/forecasts
Actions agreed upon	Fintraffic ANS to provide detailed justifications regarding the main issues above.
Points of disagreement and reasons	
Final outcome of the consultation	

Additional comments
Cost verification audits for baseline values and determined costs have taken place while preparing the draft performance plan. Points of discussions have been raised and handled through the administrative audit process.

#2 - Airspace Users	
Stakeholder group composition	IATA, Finnair, SAS, Norwegian, Fedex
Dates of main meetings / correspondence	Meeting with Finnair on 20 August 2021. Consultation meeting on 24 August 2021. Written comments from Finnair on 2 September 2021. Written consultation on updates on 1-5 November 2021. Written comments from IATA on 5 November 2021.
Main issues discussed	WACC, investments, staff costs, cost evolution in general
Actions agreed upon	
Points of disagreement and reasons	Cost evolution (including investment plan, cost of capital and staff costs)
Final outcome of the consultation	Added more justifications on cost evolution to the additional information. Updated WACC. Written response to IATA on 9 November 2021.

Additional comments
NSA was accepting written comments after the consultation meeting (24 August) until 3 September. Finnair was the only stakeholder to provide written comments.

#3 - Professional staff representative bodies	
Stakeholder group composition	N/A
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	Finavia
Dates of main meetings / correspondence	Email exchange on airport capacity on 17-26 May 2021.
Main issues discussed	Airport capacity, delays, runway/taxiway renovations.
Actions agreed upon	Finavia to provide NSA details on runway/taxiway renovation plans for RP3.
Points of disagreement and reasons	
Final outcome of the consultation	Capacity targets for terminal adjusted to include renovations affecting aerodrome capacity.

Additional comments

#5 - Airport coordinator	
Stakeholder group composition	N/A
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
EFHK	Helsinki-Vantaa	Finland - TCZ	168 581	176 997	192 494	179 357

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

Number of airports	0		
ICAO code	Airport name	Charging Zone	Additional information

Additional comments

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 - Fintraffic ANS

- 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 - Finnish Meteorological Institute (FMI)

- 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 - Fintraffic ANS

2.1.1 - Summary of investments

Number of new major investments	Click to select number of new major investments

#	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	
Sub-total of **new major investments** above (1)		0	0	0	0	0	0	0				
Sub-total **other new investments** (2)		67 411 390	47 052 000	775 412	1 666 608	3 621 931	4 872 872	6 257 448		85 %	15 %	
Sub-total **existing investments** (3)				5 320 434	5 450 139	3 035 515	2 345 648	1 999 033		71 %	29 %	
Total new and existing investments (1) + (2) + (3)		67 411 390	47 052 000	6 095 847	7 116 746	6 657 446	7 218 520	8 256 481				

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

2.1.2 - Detail of new major investments

NOTE: Section 1.3 (Stakeholder Consultation) should include details on the consultation with airspace users' representatives on new major investments.

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

SUR domain investments consists of: WAM MLAT, PSR and MSSR lifecycle upgrades and new MSSR investments. The SUR leasing value investments (FINAVIA) consists of: PSR lifecycle upgrade, SMR, MLAT and ADS-B investments.
The SUR investments fulfil requirement in SPI-IR (Regulation (EU) No 1207/2011) regarding Surveillance for ANSP, provides better surveillance coverage and ATM system safety net accuracy, improved surveillance will contribute to more efficient flight profiles, both regarding environmental challenges and the operators capacity and economy. Modern technology enables capacity enhancements. Enabler for FRA operations. WAM technology will reduce costs for surveillance. EFHK PSR lifecycle upgrade is a joint investment with FINAVIA. The SUR lifecycle upgrades offers the use of S-Mode data.
ATM domain investments consists mainly of: TopSky system SW/HW requlative , safety, capacity lifecycle and cybersecurity evolution. ASM, AMHS and FMTP both system and cyber security. The ATM investments are essential from capacity and safety aspect in the future dynamic cross-border FRA environment. Cross-border FRA environment with enhanced ATC tools provides the benefits for the airspace users as increased capacity and more environmental friendly trajectories. FINEST dynamic cross-border cooperation is a joint investment with neighbour ANSP. This reduces the future lifecycle costs for both the main and other ATM systems.
COM domain investments consists of: Procurement of new VoiP VCS system. SWIM and DLS service extention. Part of the COM investments can be seen joinly from the FINEST cross-border cooperation perspective. FINEST cooperation requires investments in the DLS message handling in the ATM systems. COM investments are requlatory investments, but VoIP is a pre-requisite for dynamic cross-border service provision where operational service provision is managed dynamically by two ANSP:s based on traffic demand and manning.
NAV main investments consists of: ENR DME renewals. The leasing investments (Finavia) are ILS and DME renewals.
TRG domain investments consists of: System lifecycle renewal and upgrades of ATM and COM systems used for ATCO training. Lifecycle upgrades and system updates to support ATCO training.
Support system investments consists of data management and info-systems required for centralised service provision on FINEST dynamic cross-border environment
FINEST cross-border cooperation which is the main strategic investment for this period do not bring additional turnover for the ANSP, but allows to dynamically sectorise airspace between the parties and therefore use the resources jointly. With this investments both parties are in a position to respond to the future traffic growth with less resorces required. Common airspace structure offers the customers to benefit from full FRA environment. The cost reduction for both the customers and ANSP´s and the environmental benefits are the main drivers.

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

Number of new other investments	6

#	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	Surveillance domain	22 475 272	14 596 193	275 331	425 937	941 142	1 439 896	1 741 581	
2	ATM domain	30 838 521	21 305 450	433 930	800 644	1 745 978	2 254 460	3 185 382	
3	COM domain	8 179 437	6 536 815	48 813	316 339	683 300	767 882	840 784	
4	NAV domain	4 276 060	3 101 442	17 339	87 635	136 467	267 186	316 356	
5	Support systems	80 000	80 000	0	18 976	82 068	72 692	77 310	
6	Training domain	1 562 100	1 432 100	0	17 077	32 976	70 757	96 035	

2.2 - Investments - Finnish Meteorological Institute (FMI)

2.2.1 - Summary of investments

Number of new major investments	Click to select number of new major investments

#	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	
Sub-total of **new major investments** above (1)		0	0	0	0	0	0	0				
Sub-total **other new investments** (2)		0	0	0	0	0	0	0				
Sub-total **existing investments** (3)				0	0	0	0	0				
Total new and existing investments (1) + (2) + (3)		0	0	0	0	0	0	0				

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

2.2.2 - Detail of new major investments

NOTE: Section 1.3 (Stakeholder Consultation) should include details on the consultation with airspace users' representatives on new major investments.

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

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

Number of new other investments	Click to select number of new other investments

#	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	

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
Fintraffic ANS	Safety policy and objectives	*C*	C	C	C	C	C
	Safety risk management	*C*	D	C	C	C	D
	Safety assurance	*C*	C	C	C	C	C
	Safety promotion	*C*	C	C	C	C	C
	Safety culture	*C*	C	C	C	C	C
	Additional comments	Target for safety risk management adjusted to be in line with the Union-wide targets.					

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

N/A

** Refer to Annex O, if necessary.*

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

The ANSP added the following:
Modification of SMS and change management process in order to fulfill the continuous compliance of 2017/373 requirements has been done. The safety performance targets are systematically reviewed by the safety management top-forums that are also incorporated in the management system. Measures and investments to support and ensure achieving the safety targets are regularly set in the Annual Business and Safety plan. Continuous monitoring of achieving the targets and levels set in the National Aviation Safety Program (FASP) for the ANS part. Maintaining and if necessary found also developing the existing comprehensive safety organization. System investments optimizing airspace and resource management to improve safety and cost-effecient dynamic cross-border service provision.

** 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	*0,88 %*	n/a	0,88 %	0,88 %	0,88 %	0,88 %

	2020	2021	2022	2023	2024
	Target	Target	Target	Target	Target
National targets	0,97 %	0,88 %	0,88 %	0,88 %	0,88 %

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

N/A

** Refer to Annex P, if necessary.*

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

Finland has established a Free Route Airspace (NEFRA), together with NEFAB + DK-SE FAB states. This allows airlines to use optimal routes in the Finnish airspace, which might not always be the great circle route. Airlines overflying Finnish airspace may be re-routed due to airspace restrictions, weather or other factors, which may lead to longer track distances compared to the great circle.

** 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	0,03	0,05	0,05	0,05

	2020	2021	2022	2023	2024
	Target	Target	Target	Target	Target
National targets	0,09	0,03	0,05	0,05	0,05

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

N/A

** Refer to Annex Q, if necessary.*

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

Historical performance of Fintraffic ANS has been very good on en-route, and there has not been en-route ATFM delays in recent years. Fintraffic ANS is expected to reach these targets.
The targets will be achieved through effective resourcing that is based on traffic forecasts that will be verified via airlines confirmed traffic programmes.
Dynamic sectorisation is used for airspace management based on actual traffic.
Projects to support the achievement of the targets; datalink for whole Finland to FL195+, Wide Area Multilateration (WAM) and FINEST dynamic sectorisation with Estonia.

** Refer to Annex Q, if necessary.*

d) ATCO planning

	Actual			Planning			
Tampere (EFIN ACC)	2018	2019	2020	2021	2022	2023	2024
Number of additional ATCOs in OPS planned to start working in the OPS room (FTEs)					12	2	1
Number of ATCOs in OPS planned to stop working in the OPS room (FTEs)			8	3			
Number of ATCOs in OPS planned to be operational **at year-end (FTEs)**		51	43	40	52	54	55

Additional comments
Number of ATCOs have changed from 2019 to 2020/2021 due to temporary layoffs. *Overall, the number of ATCOs in OPS should remain between 50 and 55 during RP3, and it is expected that new staff will start coming in to replace retirees during Q2 of 2022. However, it is difficult to estimate the exact numbers, as it remains to be seen how traffic will start to recover.*

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

a) National capacity performance targets

	2020A Actual	2020 Target	2021 Target	2022 Target	2023 Target	2024 Target
National targets	*0,20*	0,39	0,21	0,28	0,32	0,77

Additional comments	The Finnish NSA has made thorough analysis on the terminal capacity, and especially delays caused by weather. Weather causes seem to have a growing trend, which makes it challenging to set a target value for ATFM arrival delay. The growing trend in delays caused by weather is an indication that challenging weather conditions seem to increase. However, it is difficult to forecast the future weather conditions. Therefore, the base forecast for the weathar causes is an average of the historical average and of the average of different time series forecasts. As the traffic dropped significantly during 2020, that year is left out from the analysis of this target. Although it is noted that the traffic will slowly increase from the drop caused by COVID-pandemic, it is difficult to estimate the effect of the slow traffic increase to delays cause by weather. Therefore, the basis of the revised RP3 capacity targets for terminal is based on the RP2 weather delay average, which is 0,24min/flt. During the consultation process for the initial RP3 performance plan, NSA received new information in relation to weather delays, as the ANSP has updated their process (see point c) below). Therefore, NSA has set the target for delays caused by weather to be 0,19min/flt. In addition to that, other causes have been taken into account. Since 2014 delay causes related to ATC capacity, ATC routing, ATC staffing, ATC equipment, airspace management and special events have been very low. The average delay for these causes is below 0,01 min/flight and the highest has been below 0,02 min/flight. This results in the overall national target for terminal ANS ATFM delay being 0,21min/flt. The airport operator Finavia is planning to renovate runways and taxiways at Helsinki airport during the RP3. NSA has asked information about the timing and estimated delay analysis (forecasts) of these actions. The following estimates for years 2022-2024 have been provided to the NSA: 2022: 0,07 min/flt (runway closure for 2-2,5 months due to work on ILS and runway ends, main effect on departures) 2023: 0,11 min/flt (runway closure for 2 weeks due to annual runway maintenance) 2024: 0,56 min/flt (runway closure for 1,5 months due to runway renovation) The exact timings for the estimates above may change depending on the taxiway/runway conditions.

Airport level	***EFHK-Helsinki-Vantaa***	*0,20*	0,39	0,21	0,28	0,32	0,77
	Airport contribution to national targets						

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

The national performance target for terminal and airport ANS ATFM arrival delay per flight is set taking into account the analysis of weather related delays and the estimated runway/taxiway renovations that are taking place during RP3.
The delays related to causes under ANSP control have been on a very low level, and are expected to be at a very low level during RP3 as well. The punctuality of flights have always been good at Helsinki, thus contributing to the EU wide performance.

** 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

Fintraffic ANS has updated their process in summer 2019 regarding the application of ATFM measures in poor weather conditions. This should lower the delay caused by weahter, as the ATFM measures would be put in place closer to the time of estimated weather conditions, thus smaller number of flights would be affected by the ATFM measures.
However, due to the lack of long-term data, it is difficult to analyse the impact of the updated process.

NSA estimates that the updated process should lower the delay caused by weather by at least 0,05min/flt.

** 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 - Finland

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)	43 969 946	41 907 009	78 857 293	45 493 220	47 725 316	50 403 722	14,6%	20,3%
Total en route costs in real terms (in national currency at 2017 prices)	**44 317 361**	**41 132 463**	**76 779 172**	**43 474 245**	**45 038 050**	**46 941 389**	**5,9%**	**14,1%**
Total en route costs in real terms (in EUR2017) [1]	44 317 361	41 132 463	76 779 172	43 474 245	45 038 050	46 941 389	5,9%	14,1%
YoY variation			86,7%	-43,4%	3,6%	4,2%		
Total en route Service Units (TSU)	793 186	1 010 679	943 058	894 000	1 087 000	1 167 000	47,1%	15,5%
YoY variation			-6,7%	-5,2%	21,6%	7,4%		
Real en route unit costs (in national currency at 2017 prices)	**55,87**	**40,70**	**81,42**	**48,63**	**41,43**	**40,22**	**-28,0%**	**-1,2%**
Real en route unit costs (in EUR2017) [1]	**55,87**	**40,70**	**81,42**	**48,63**	**41,43**	**40,22**	**-28,0%**	**-1,2%**
YoY variation			100,0%	-40,3%	-14,8%	-2,9%		

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

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)	43 969 946	41 907 009	43 969 946	42 772 708	0	-865 699
Total en route costs in real terms (in national currency at 2017 prices)	**44 317 361**	**41 132 463**	44 317 361	41 978 589	0	-846 126
Total en route costs in real terms (in EUR2017) [1]	44 317 361	41 132 463	44 317 361	41 978 589	0	-846 126
Total en route Service Units (TSU)	793 186	1 010 679	793 186	1 010 679	0	0

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

Impact of transition to actual route flown	Coefficient M2/M3	Source	Service units
	0,00 %	Other	
The calculation change has had a very marginal effect on the service units in Finland's airspace.			

Other adjustment to the 2014 service units	Click to select

Total adjustments to the 2014 service units	-

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

Number of adjustments	2

Adjustment #1	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
Adjustment on staff costs	Fintraffic ANS	ANSP	Staff	-143 138	-139 902	-139 902
Description and justification of the adjustment						
There were two findings in the baseline value cost verification which influenced the enroute cost base in staff costs; 1) Mistake in the training cost calculations 2) Clarifications in the cost allocation ratios The ANSP corrected these findings and provided a new calculation on 2019 actuals.						

Adjustment #2	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
Adjustment on other operating costs	Fintraffic ANS	ANSP	Other operating	-722 561	-706 224	-706 224
Description and justification of the adjustment						
There were three findings in the baseline value cost verification which influenced the enroute cost base in other operating costs; 1) Some of the costs which were already reported in the NSA costs were also reported in the ANSP costs 2) Mistake in the training cost calculations 3) Clarifications in the cost allocation ratios The ANSP corrected these findings and provided a new calculation on 2019 actuals.						

Total adjustments to the 2019 baseline value for the determined costs	**Costs nominal NC**	**Costs real NC**	**Costs EUR2017**
	-865 699	**-**	**-**

c.4) Adjustments to the 2019 service units

Impact of transition to actual route flown	Coefficient M2/M3	Source	Service units
	0,00 %	Other	
The calculation change has had a very marginal effect on the service units due to the use of the FRA concept since 2015 and already effective routes.			

Other adjustment to the 2019 service units	No

Total adjustments to the 2019 service units	-

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

Low baseline value 2019 and DUC costs for 2020-2023:
Finland's 2019 baseline value (EUR 40,70) is considerably lower than the EU-target (EUR 50,23). Finland's ANSP has taken remarkable cost-efficiency measures when comparing to the 2014 DUC. In addition the 2019 baseline value was lowered as the result of the NSA baseline value cost verification for the baseline value.
The ANSP has also made remarkable savings to staff and other operating costs in 2020-2021. These actions, as well as updating TSUs to STATFOR Oct21 forecats, have made it possible to achieve the 2020-2021 cost-efficiency target (20,1 %-units lower than the EU-wide target) and also 2022 and 2023 cost-efficiency targets are lower than the set EU-wide targets.

The peer group review:
When comparing the baseline value (2019) for the determined unit cost to the same values of the comparator group (Finland, Sweden, Norway, Denmark and Ireland) the value is considered as consistent with the Union-wide target. The 2019 baseline value is -15 % below the average (excl. Finland) of the comparator group, when using the draft performance plans submitted by 1st October 2021. With the same available estimates the DUC values for entire RP3 years are still well below the average of the comparator group for en-route services.

In addition to what is mentioned above, the NSA is of the opinion that e.g. the excellent level of historical and expected delays should be taken into account when assessing the cost-efficiency.

** 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

Before RP3:
Tampere ACC-unit was closed in summer 2018. After this service has been provided only from one ACC-unit (Helsinki-Vantaa). This has improved cost-efficiency by decreasing rents of premises and telecommunication costs. Due to these changes also FTE of ACC ATCOs have decreased by 10. This has reduced costs by about 2,5M € yearly.
Tampere flight planning center was closed in 2014 which decreased staff by about 20. This has reduced costs by about 0,6 M€ yearly.
Flexible use of both civil and military ATCOs increases cost-effectivity.
Fintraffic ANS (prev. name: ANS Finland) was separated from airport operator Finavia 1.4.2017. This decreased overhead costs. However, 1.1.2019 Fintraffic ANS became a daughter company on new Fintraffic (prev. name:Traffic Management Finland group). This increases the overhead costs.

During RP3:
ANSP's cost cutting measures in 2020-2021: Enroute Staff costs in 2020 and 2021 were on average 15% (-3,3M€/year) lower than in 2019. Savings include for example remarkable temporary lay-offs and abandoning bonuses. Other operating costs in 2020 and 2021 were on average 8% (-0,9M€/year) lower than in 2019. There were savings for example in travel cost and payments to airport operator Finavia.
The investment plan has been carefully reviewed and the depreciation and capital costs have been decreased since the issuance of RP3 draft performance plan in 2019. The excellent capacity level can be maintained despite these cost saving measures.

Crossborder service provision between ANS Finland and EANS (Estonian service provider) will take place. Building the harmonized system requires investments and training but improves cost-efficiency already in the end of RP3 by common rostering and airspace optimization.

** 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

Applied corrections during the cost verification process:
- Correction for the ANSP's internal accounting adjustments on supervision costs which were already reported in the NSA costs
- Revised WACC calculations due to outdated calculations
- Estimates for leasing costs were reduced to better reflect the leasing cost development
- Net book values of fixed and current assets were corrected to match the audited 2020 asset figures.

** Refer to Annex U, if necessary.*

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

Terminal Charging Zone #1 - Finland - 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)	**17 313 820**	30 734 511	17 905 260	18 937 693	20 132 958	**16,3%**
Total terminal costs in real terms (in national currency at 2017 prices)	**16 941 915**	**29 766 514**	**16 960 141**	**17 656 105**	**18 451 042**	**8,9%**
Total terminal costs in real terms (in EUR2017) [1]	**16 941 915**	**29 766 514**	**16 960 141**	**17 656 105**	**18 451 042**	**8,9%**
YoY variation		75,7%	-43,0%	4,1%	4,5%	
Total terminal Service Units (TNSU)	124 927	81 088	108 000	121 000	129 000	3,3%
YoY variation		-35,1%	33,2%	12,0%	6,6%	
Real terminal unit costs (in national currency at 2017 prices)	**135,61**	**367,09**	**157,04**	**145,92**	**143,03**	**5,5%**
Real terminal unit costs (in EUR2017) [1]	**135,61**	**367,09**	**157,04**	**145,92**	**143,03**	**5,5%**
YoY variation		170,7%	-57,2%	-7,1%	-2,0%	

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)	17 313 820	17 405 400	-91 580
Total terminal costs in real terms (in national currency at 2017 prices)	**16 941 915**	17 031 424	-89 510
Total terminal costs in real terms (in EUR2017) [1]	16 941 915	17 031 424	-89 510
Total terminal Service Units (TNSU)	124 927	124 927	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	2

Adjustment #1	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
Adjustment on staff costs	Fintraffic ANS	ANSP	Staff	-8 254	-8 067	-8 067
Description and justification of the adjustment						
ANSP provided a new calculation for 2019 staff costs by reallocating some of the costs after the NSA cost verification.						

Adjustment #2	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
Adjustment on other operational costs	Fintraffic ANS	ANSP	Other operating	-83 326	-81 442	-81 442
Description and justification of the adjustment						
There were two findings in the baseline value cost verification which influenced the terminal cost base in other operating costs; 1) Some of the costs which were already reported in the NSA costs were also reported in the ANSP costs 2) Clarifications in the cost allocation ratios The ANSP corrected these findings and provided a new calculation on 2019 actuals.						

Total adjustments to the 2019 baseline value for the determined costs	**Costs nominal NC**	**Costs real NC**	**Costs EUR2017**
	-91 580	**-89 510**	**-89 510**

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

For RP2 Finland set the target as proposed by the PRB, which was to freeze the real total costs. That led to DUC trend of -2,2 % p.a. between 2015 and 2019. For the RP3 the ANSP has made remarkable saving to staff and other operating costs in 2020-2021. The ANSP has also been able to cut the total costs comparing to the draft Performance Plan submitted in 2019. Also when comparing to the previous RP3 draft Performance Plan, the year to year cost efficiency ratios have been improved towards the end of the RP3 even if the traffic is not quite expected to be fully recovered.

When compared the TN services with the same comparator group countries (where ANSPs have a similar operational and economic environment) that was set for en-route services, the baseline value is about -4 % below the average (excl. Finland) of the comparator group, when using the draft performance plans submitted by 1st October 2021. With the same available estimates the DUC values for the entire RP3 are quite the average of the comparator group.

** Refer to Annex R, if necessary.*

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

ANSP's cost cutting measures in 2020-2021: Terminal Staff costs in 2020 and 2021 were on average 17% (-1,6M€/year) lower than in 2019. Savings include for example remarkable temporary lay-offs and abandoning bonuses. Other operating costs in 2020 and 2021 were on average 8% (-0,5M€/year) lower than in 2019. There were savings for example in travel cost and payments to airport operator Finavia.
These temporary cost cutting measures are also continued after 2021 in case if the traffic doesn't increase as it is forecast.

** 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

Applied corrections during the cost verificiation process:
- Revised WACC calculations due to outdated calculations
- Estimates for leasing costs were reduced to better reflect the leasing cost development
- Net book values of fixed and current assets were corrected to match the audited 2020 asset figures.
- Non-eligible costs deducted from terminal staff and other operational costs, reported pension costs also adjusted.

** Refer to Annex U, if necessary.*

3.4.3 - Pension assumptions

Fintraffic ANS

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	3 222 413	3 652 585	6 874 998	4 569 384	4 809 729	5 066 673
En-route activity	2 233 527	2 554 288	4 787 815	3 194 010	3 335 210	3 484 545
Terminal activity	988 886	1 098 297	2 087 184	1 375 374	1 474 520	1 582 129
Other activities			-			

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	21 743 680	21 549 174	43 292 854	26 336 506	27 721 784	29 202 729
Employer % contribution rate to this scheme	14,82 %	16,95 %		17,35 %	17,35 %	17,35 %
Total pension costs in respect of this scheme	**3 222 413**	**3 652 585**	**6 874 998**	**4 569 384**	**4 809 729**	**5 066 673**
Number of employees the employer contributes for in this scheme	277	277		280	285	295

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
The statutory pension security in Finland consists of defined benefit earnings-related pension that accrues from work, as well as residence-based national pension and guarantee pension that ensure minimum security. In Finland, the earnings-related pension is a statutory benefit for the employee. The employer is liable to arrange pension insurance. The employer arranges pension security for his employees from a pension provider of his own choosing. The employer can take out statutory pension insurance for the employees with a pension insurance company or with an industry-wide pension fund, or by establishing a company pension fund. State employers pay their contributions to the State Pension Fund. Both the employer and the employee pay pension contributions based on the gross wage of the wage earner. The employer levies from the employee's wage/salary the employee's share of the contribution and pays it together with the employer's own contribution to the pension provider. Contribution is mainly affected by the employer's size, which is evaluated on the basis of the total amount of wages and salaries paid by the employer. Employers disburse pension contributions based on the earnings of their employees to their own pension providers, who use them to finance earnings-related pensions currently on their responsibility and, on the other hand, prepare for the payment of future pensions by funding payments. Fintraffic ANS pension costs are covered by the Employees' Pensions Act (TyEL). In September 2014, the Finnish central labour market organisations and the State agreed on an extensive pension reform that came into effect as of the beginning of 2017. This reform changed the sharing keys between the employer and employee. On average, this change lowered the employer's actual contribution for both TyEL and JuEL. There aren't any changes to be expected during RP3.

Description of the assumptions underlying the calculations of pension costs comprised in the determined costs
The level of statutory earnings-related contributions depends on the level on pension benefits, the currently valid funding and financing principles as well as investment profit from pension assets. Development of the national economy and the age structure of the population also affect the need for pension contributions. The contribution rate and changes are set yearly by the State (TyEL and JuEL) and therefore are not under the control of the entity. Contribution rate forecasts for RP3: NSA has received the forecasts explained below from the service provider (ANSF): 2020 pension costs and contribution rate are actuals and 2021 costs are determined by the confirmed contribution rate. 2022-2024 conitribution rates are based on the forecast of the Finnish Centre for Pension (20.1.2021). Fintraffic ANS has also additional pension for ATCOs. These costs are included in the determined staff costs but not in the uncontrollable pension costs. For more information about Ilmarinen and how the TyEL contribution rate is determined: https://www.ilmarinen.fi/en/employer/determining-the-tyel-contribution/

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
The contribution rate and changes are set by the state and there is no means to mitigate this risk.

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?	Select

<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

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

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

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?	No
Is the occupational "Defined benefits" pension scheme funded?	Select

	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

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

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.

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

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

Fintraffic ANS

Select number of loans	Select

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

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

Total loans	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total remaining balance	-	-		-	-	-
Average weighted interest rate %	-	-		-	-	-
Interest amount	-	-	-	-	-	-

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

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?	Select
If yes, number of **en route** charging zones concerned	1

Fintraffic ANS

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

Number of capacity measures, which induce additional costs	Select

	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total additional costs of measures ('000 national currency)	-	-	-	-	-	-

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

Additional costs of measures necessary to achieve the capacity targets for RP3 (nominal terms in '000 national currency)

Click to select	2020D	2021D	2020/2021D	2022D	2023D	2024D
Staff			-			
of which, pension costs			-			
Other operating costs			-			
Depreciation			-			
Cost of capital			-			
Exceptional items			-			
Total additional costs of measures	-	-	-	-	-	-

	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total additional costs of measures ('000 national currency)	-	-	-	-	-	-

Additional comments

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

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?
The changes to Fintraffic ANS existing functional systems that will have safety implications are mainly related to the FINEST cross-border service provision program and to the planned deployment of remote tower operations. FINEST program is planned to be implemented within the RP3 timeframe. The implementation requires changes to multiple ATM functional systems, including ATC system software, Voice Communication over IP, ATCO procedures and the use of common ATCO rostering. These required changes are subject to normal safety assessments (as defined in safety management system) and mitigated as any other ATM functional changes. The impacts of the MROT project compared to current services are institutional, ATM technical, human factor related, procedural and educational. The project transition plan will consider all service elements to avoid any delays or interruptions in ATS services. Project safety case will ensure that all factors influencing to system safety will be identified.

b) What are the main assumptions used to assess the interdependencies between safety and other KPAs?
The overall safety level of Fintraffic ANS has been very good in the recent years. It is expected that the performance plan will not have negative effect on safety, however, this need to be evaluated constatly by the NSA during the reference period.

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?
No additional metrics.

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?
Continuing the long-term resource planning, including the safety related activities, i.e. training, ensures that no adverse trade-offs are foreseen within the reference period.

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 monitored the ANSP's financial situation during the COVID-19 pandemic to ensure that the ANSP has sufficient funding to maintain the required safety level.

3.6.2 - Interdependencies and trade-offs between capacity and environment

No trade-off needs expected between capacity and environment. The key performance indicator for environment is measured on the en-route phase of the flight, and the en-route ATFM delay historical performance of ANSP has been very good in the recent years.
Free Route Airspace has been established, and the airlines can use their preferred route in the airspace concerned.

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

The relationship between capacity and cost-efficiency is a long-term one. Normally, required investments (e.g. recruitment and training) need to be initiated long before they are operational.

Since 2008 the en-route delays have been zero or very close to zero (with 2011 and 2014 being exceptions). According to Fintraffic ANS it is expected that the delay situation remains the same i.e. zero or close zero delays are expected during RP3 also after the traffic starts to recover again. It is and it has been in the interest of Fintraffic ANS to serve at this excellent level.

The costs for producing this quality of service has been taken into account in the cost base and the Fintraffic ANS has indicated that they have no (or minimal) additional costs in providing this level of capacity compared to target capacity and therefore NSA is not aware of any specific investments that is required to maintain the current level of capacity compared to the target capacity. Obviously, no improvement in delay cannot be required (impossible to decrease delays from zero). In the PRBs advice to the Commission, no cost-to-delay elasticity was found for Finland's en-route service. If delays would be increased it would lead to more delay costs for users but no (or minimal) savings to the cost base of service provider.

In TN service there have been delays and since 2013 practically all delays have been caused by the weather. Years 2015, 2018 and 2019 have been exceptions to this because of a runway and taxiway renovations (airport capacity).

According to Fintraffic ANS, in some situations (CAT operations) the delays could be lowered by investing in additional taxiway(s). Also in some slippery runway (or taxiway) conditions, it could be possible to increase capacity by investing to the prevention of these conditions. However, these investments are not directly under the control of Fintraffic ANS because those investment decisions are made by Finavia (airport operator) which is not regulated by the performance regulation (Finavia is not an air navigation service provider). These mentioned airport/aerodrome investments would not be part of the cost-base of the Fintraffic ANS.

3.6.4 - Other interdependencies and trade-offs

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

4.1 - Cross-border initiatives and synergies

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

Number of cross-border initiatives	1

Initiative #1	
Name	FINEST co-operation between Fintraffic ANS and EANS (ANS provider in Estonia)
Description	Dynamic cross-border service provision
Expected performance benefits	Full FRA environment provides savings in fuel for the stakeholders. Reduction on CO2 emission. Cost savings for the ANSP´s in the number of both operational and technical resources and future joint ATM investments. - The programme provides improved safety brought by the common system architecture - Enhancing cost effeciency brought by sharing of technical and operational resources, shared system procurement and maintenance costs - Increased capasity brought by dynamic cross-border sector configurations allowing traffic load and complexity sharing dynamically into several operational sectors. - Reduced enviromental impacts when planned and operated trajectories can be optimised in Finnish/Estonian airspace (vertical and horizontal flight efficiency, shorter connection routes to the main airport Helsinki-Vantaa and less intervention form ATC to make CCO/CDO.)

Additional comments

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
FINEST cross-border cooperation which is the main strategic investment for this period do not bring additional turnover for the ANSP, but allows to dynamically sectorise airspace between the parties and therefore use the resources jointly. With this investments both parties are in a position to respond to the future traffic growth with current or less resorces required. Common airspace structure offers the customers to benefit from full FRA environment over state boundaries. The cost reduction for both the customers and ANSP´s, improved safety provided by sector modelling and the environmental benefits are the main drivers.

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	N/A for Helsinki Airport. Helsinki FIR belongs in the affected airspace from the point of Stockholm Arlanda airport. No initiative has been raised by Arlanda towards Finland FIR and thus Finland has no plan for this issue. ANS Finland in the role of service provider thought do operate in a centralized system environment where AMAN has been used since 2005 in the en-route Airspace as well as cross-border (National boarder) to sequence approaching traffic to EFHK. The benefit of early sequencing can be measured in reduced delays and therefore fuel efficient and environmental friendly procedures for both arrivals and departures. This is monitored annually by Finavia. Investments for RP3 period is allocated for upgrading the old AMAN system functionality to comply with the existing and future requirements.
CP1-s-AF1.2 AMAN/DMAN Integration	N/A for Helsinki Airport.
CP1-AF2 - Airport Integration and Throughput	
CP1-s-AF2.1 DMAN synchronised with predeparture sequencing	N/A for Helsinki Airport. Helsinki-Airport do not operate a dedicated DMAN system, but the interface with CDM and EFS system provides widely support for these requirements.
CP1-s-AF2.2.1 Initial airport operations plan (iAOP)	N/A for Helsinki Airport.
CP1-s-AF2.2.2 Airport operations plan (AOP)	N/A for Helsinki Airport.
CP1-s-AF2.3 Airport safety nets	ATC support tools are integrated in the EFS and A-SMGCS systems. Functional evolutions and lifecycle system upgrades are allocated to RP3 for both systems.The EFS (Electronic Flight Strip system) system renewal is scheduled for 2023. A-SMGCS system renewal is planned to be deployed in 2023. In addition continuity of operational service provision will be ensured by investments in back-up equipment EFS 2022-2023.

CP1-AF3 - Flexible Airspace Management and Free Route Airspace	
CP1-s-AF3.1 Airspace management and advanced flexible use of airspace	Existing ASM tool are to be replaced by LARA ASM-tool. LARA pre-tactical implementation is scheduled for Q4/2021. Tactical deployment is scheduled for Q2/2022 to support FINEST dynamic cross-border service provision implementation. FINEST dynamic cross-border service co-operation programme, where Finland and Estonian en-route service provision is provided from a Virtual Center. - The programme provides improved safety brought by the common system architecture - Enhancing cost effeciency brought by sharing of technical and operational resources, shared system procurement and maintenance costs - Increased capasity brought by dynamic cross-border sector configurations allowing traffic load and complexity sharing dynamically into several operational sectors. - Reduced enviromental impacts when planned and operated trajectories can be optimised in Finnish/Estonian airspace (vertical and horizontal flight efficiency, shorter connection routes to the main airport Helsinki-Vantaa and less intervention form ATC to make CCO/CDO.) In addition the programme enables a large portfolio of opportunities for additional co-operation. FINEST is deployed in several phases during 2021-2022 (i.e. harmonised system configurations, harmonised working methods, deployment of common support systems, dynamic cross-border service provision).
CP1-s-AF3.2 Free route airspace	NEFAB wide continuous FRA 7/24 was implemented 12th Nov 2015, in the Finnish airspace covering airspace from FL095 to FL660. Further North European multi FAB FRA Borealis is under construction. FRA operations place significant requirements especially for SUR and ATM domains. The support of Safety nets and monitoring functions are essential for safe and efficient service provision in FRA environment. Functional evolutions to existing ATM system in 2021, 2022, 2024, deployment of Voice communication over IP (prerequisite for dynamic cross-border service) in 2022, deployment of AIM system in Q3/2022, lifecycle upgrades (4 MSSRs) 2022-2025 and extension of surveillance equipment (Multilateration and ADS-B) are investments allocated for the RP3. Planned deployment of WAM Southern Finland in Q1/2022 and WAM Central and WAM Northern Finland in Q4/2022.
CP1-AF4 - Network Collaborative Management	
CP1-s-AF4.1 Enhanced short-term ATFCM measures	Planning started, for Finland STAM 1 or 2 has not been a requirement before year 2016, though many of STAM 1 functionalities are operational and will form a basis for STAM 2 Part of deployment investements are allocated to RP3.
CP1-s-AF4.2 Collaborative NOP	Plans exist to implement the rolling NOP. Intention is to implement the full integration of AOP with the NOP by 31/12/2021
CP1-s-AF4.3 Automated support for traffic complexity assessment	Initial research is launced and the aim is to have full operational capability by the end of 2022
CP1-s-AF4.4 AOP/NOP integration	Intention is to implement the full integration of AOP with the NOP by 31/12/2021

CP1-AF5 - SWIM	
CP1-s-AF5.1 Common infrastructure components	The planned full operational capability is by end of 2025. “SWIM yellow profile” in general i.e. exchange of ATM data is not a dedicated investment project, but considered in all current and future data exchange infrastructures and service areas. “SWIM blue profile” i.e. exchange of Flight object information for ANS Finland is scheduled for cluster 4 (2027/2028) in the FO IOP Deployment roadmap delivered to European commission by the FO IOP working group. Preliminary discussions of the technical requirements with ATM system supplier is on-going. System upgrade or evolution of current FDPS domain is foreseen to comply with the requirements. The preliminary timing for investments occurs partially for RP3.
CP1-s-AF5.2 SWIM yellow profile technical infrastructure and specifications	The planned full operational capability is by end of 2024. “SWIM yellow profile” in general i.e. exchange of ATM data is not a dedicated investment project, but considered in all current and future data exchange infrastructures and service areas.
CP1-s-AF5.3 Aeronautical information exchange	See answers above.
CP1-s-AF5.4 Meteorological information exchange	See answers above.
CP1-s-AF5.5 Cooperative network information exchange	See answers above.
CP1-s-AF5.6 Flight information exchange (yellow profile)	See answers above.
CP1-AF6 - Initial Trajectory Information Sharing	
CP1-s-AF6.1 Initial air-ground trajectory information sharing	The Initial Trajectory Information Sharing is directly linked with the SWIM blue profile. ANS Finland as part of cluster 4 in the IOP roadmap will do necessary system evolution to comply with the requirements.
CP1-s-AF6.2 Network Manager trajectory information enhancement	
CP1-s-AF6.3 Initial trajectory information sharing ground distribution	

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 Finnish Transport and Communications Agency (Traficom) is responsible for approving the procedures which ATM, ANS/CNS/COM and MET service providers follow to notify Traficom of all planned safety-related changes to their functional systems. Traficom has established administrative procedures and work instructions for change management according to Implementing Regulation (EU) No 2017/373. Safety-related changes to service providers functional systems are managed by procedures, which are approved by Traficom. These procedures are regularly audited by Traficom in the framework of Implementing Regulation (EU) No 2017/373. For major airspace changes, a pre-defined cycle is followed, where airspace change requests are provided to Traficom by end of May each year. The changes are worked through the summer/fall period in a coordination groups consisting of ANSP, airspace users, general and state aviation etc. After the interests of stakeholders have been coordinated, the airspace change is sent for approval to the competent authority. If there are changes that need update on aviation regulations, a separate process for regulatory changes is applied. For restricted areas that are set by a government decree, a separate process is followed that is done by the ministry. The airspace changes will be applied in April of each year, and coordination is done also internationally if there are changes that effect e.g. areas over international waters.

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

Finland			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

Finland - 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	±0,050 min
Max bonus (≤2%)	*% of DC*	0,00 %
Max penalty (≥ Max bonus)	*% of DC*	0,50 %
The pivot values for RP3 are	modulated	

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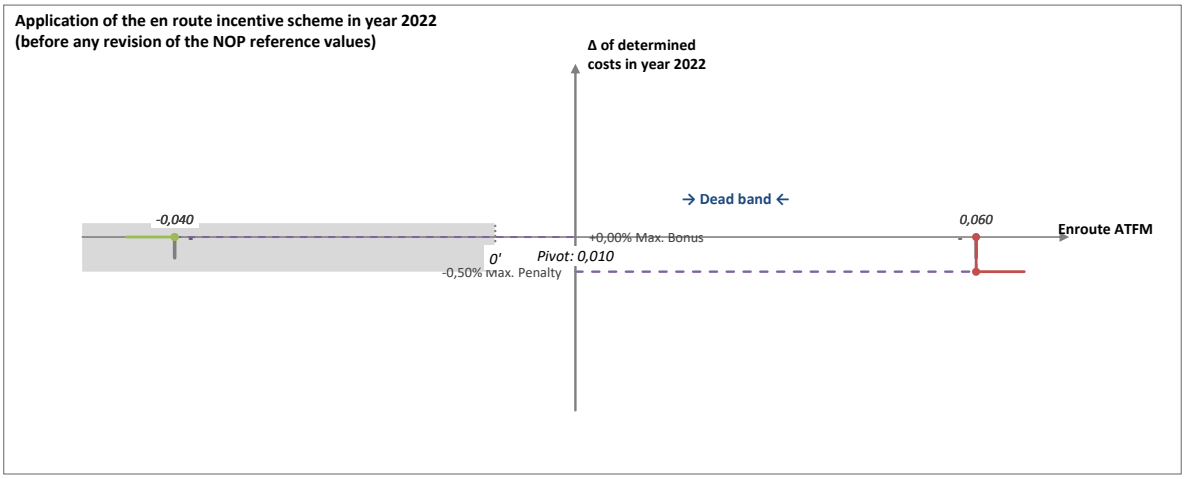
		2020	2021	2022	2023	2024
NOP reference values (mins of ATFM delay per flight)				0,05	0,05	0,05
Alert threshold (Δ Ref. value in fraction of min)				±0,050	±0,050	±0,050
Performance Plan targets (mins of ATFM delay per flight)				0,05	0,05	0,05
Pivot values for RP3 (mins of ATFM delay per flight)*				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

Indicate which of the principles below will be applied for the modulation of the pivot values for the whole RP3:	
a) In order to enable significant and unforeseen changes in traffic to be taken into account:	
a.1) The pivot value for year n IS the reference value from the November release of year n-1 of the NOP.	No
a.2) The pivot value for year n is informed by the November release of the year n-1 of the NOP and calculated according to the following principles and formulas:**	Yes

The purpose of incentive scheme is to encourage **better** performance. This means that it should incentivise a **change**.

Since 2008 the en-route delays have been zero or very close to zero (with 2011 and 2014 being exceptions). According to Fintraffic ANS it is expected that the delay situation remains the same i.e. zero or close zero delays are expected during rest of the RP3. It is and it has been in the interest of Fintraffic ANS to serve at this excellent level.

In this case the scheme could not encourage better performance by generating rewards because it is impossible to improve from zero delay. The costs for producing this quality of service has been taken into account in the cost base and the Fintraffic ANS has indicated that they have no (or minimal) additional costs in providing this level of capacity compared to target capacity and therefore NSA is not aware of any specific investments that is required to maintain the current level of capacity. On the other hand, there should be no penalties below the target values because those values are still very low when comparing e.g. to the Union wide target. Therefore, NSA is of the opinion that a smooth sliding scale is not appropiate in this case.

NSA is of the opinion that the pivot value should be set so that there will be no penalties at or below target values. This entails that the pivot level is commensurate with the actual expected performance. There will be a penalty of 0,5 % if actual delay is 0,01 below (or worse) the target. Target is set to NOP reference values. The low penalty parameter (0,5%) is due to the fact that the capacity the ANSP is providing is on excellent level (basically zero delays), and that the ANSP should not be over-penalized in case the target is not reached, as it is still expected to remain way below EU-wide targets and contribute to the overall performance in EU.

The pivot value will be set yearly with the same principle as presented in the table above and taking into account the possible changing NOP reference values during RP3.

b) The scope of the incentives is limited to delay causes related to ATC capacity, ATC routing, ATC staffing, ATC equipment, airspace management and special events with the codes C, R, S, T, M and P of the ATFCM user manual. If yes, provide below a justification for this decision and an explanation of how the pivot values are calculated.	No

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

5.2.2 - Capacity incentive scheme - Terminal

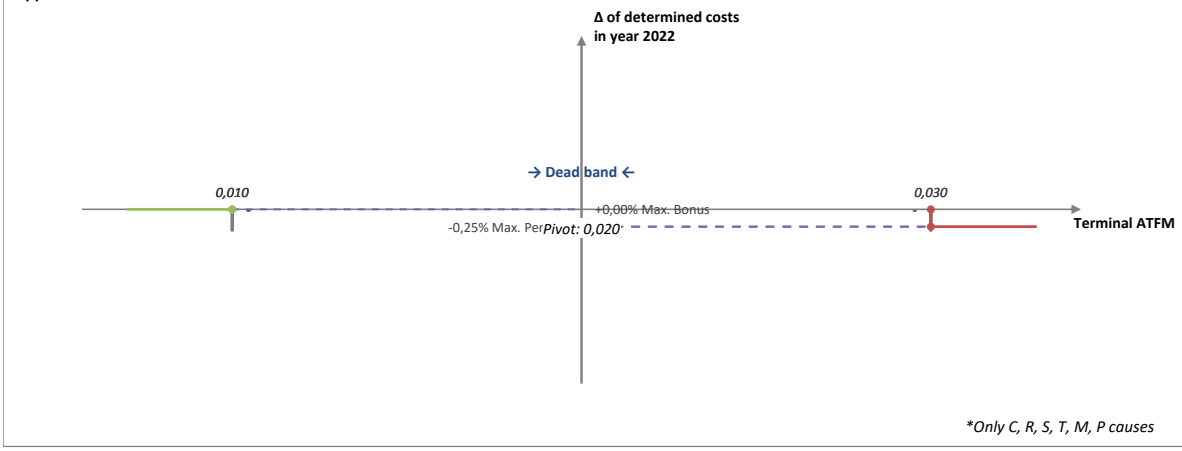
5.2.2.1 Parameters for the calculation of financial advantages or disadvantages - Terminal

Terminal	Expressed in	Value
Dead band Δ	fraction of min	±0,010 min
Bonus/penalty range (% of pivot value)	*%*	±50%
Max bonus	*% of DC*	0,00 %
Max penalty	*% of DC*	0,25 %
The pivot values for RP3 are	modulated	

		2020	2021	2022	2023	2024
Performance Plan targets (mins of ATFM delay per flight)				0,28	0,32	0,77
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**
N/A. Only one terminal charging zone.

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

Indicate which of the principles below will be applied for the modulation of the pivot values for the whole RP3:	
a) The pivot value for year n is modulated in order to enable significant and unforeseen changes in traffic to be taken into account and is based on the principles explained below:**	No
b) The scope of the incentives is limited to delay causes related to ATC capacity, ATC routing, ATC staffing, ATC equipment, airspace management and special events with the codes C, R, S, T, M and P of the ATFCM user manual. If yes, provide below a justification for this decision and an explanation of how the pivot values are calculated.	Yes

The purpose of incentive scheme is to encourage better performance. This means that it should incentivice a change.

Since 2013 practically all delays are caused by the weather. Years 2015 and 2018 have been exceptions to this because of runway renovation, hence airport capacity.

Due to additional information received during the initial RP3 consultation process, NSA is in the opinion that weather and airport capacity causes should not be incentiviced. Investments related to airport capacity are not decided by ANSP, but the airport operator, who is not in the scope of SES regulation. Costs caused by runway renovations belong to the cost base of airport operator, thus included in the airport charges.
Delays caused by weather are very difficult to forecast in a such detail that is required for a meaningful incentive scheme especially because of the new procedure implemented by ANSP (as referred to in 3.3.2 c)) . In addition, due to regulation, if weather causes are incentiviced, airport capacity causes must also be incentiviced.

Since 2014 delay causes related to ATC capacity, ATC routing, ATC staffing, ATC equipment, airspace management and special events have been very low. The average delay for these causes is below 0,01 min/flight and the highest has been below 0,02 min/flight. These causes can be seen as the most controllable causes by the service provider and the recent historical delays are at the excellent level.

These very low delays are practically insignificant when taking into account all causes. However, they should not increase significantly.

In this incentive scheme the pivot value is set to 0,02 min/flight for these limited causes. This entails that the pivot level is commensurate with the historical and expected performance. Dead band is 0,01 min/flight and bonus/penalty range is 50% of the pivot value.

The scheme cannot incentivice better performance than the historical average (bonus range starts and is at maximum at 0,01 min/flight). Taking also into account the performance plan targets and the insignificance of CRSTMP causes to total delays, the bonus is set to 0 %. Penalty rate is set to moderate 0,25 % and it starts at 0,03 min/flight and is at the maximum at the same value. This is due to very low delay value of the penalty starting point. The low penalty parameter (0,25%) is seen as a proportionate when looking at the ATFM delay target for the incentive scheme.

*** 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
The NSA is monitoring all KPIs on a regular basis through various data sources (e.g. PRB Dashboard and PRU portal). The monitoring is done as a review of the actual figures that are obtained from the data sources. This will be done twice a year, in addition to the yearly monitoring report procedure. NSA is allowed to obtain information from ANSP and other entitites based on the Finnish Aviation Act. This will be done as necessary, to monitor the performance and conduct oversight (e.g. cost eligibility). Cost verification audit on ANSP's actual costs is done yearly according to NSA's annual audit plan.

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
If NSA notices that targets are not reached, it will approach the ANSP to discuss about the situation and possible need for corrective actions. If it is foreseen that the targets will be reached by the end of the RP3, no strong measures are expected by NSA.

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*

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