



Director General of Civil Aviation Authority of the Republic of Kosovo,

Pursuant to Articles 3.5 item (i), 15.1 item (a), (c), (e), (j) in connection with article 45 of the Law No. 03/L-051 on Civil Aviation (“Official Gazette of the Republic of Kosovo”, Year III, No. 28, of 4 June 2008),

Taking into consideration,

International obligations of the Republic of Kosovo towards Multilateral Agreement on Establishing the European Common Aviation Area (hereinafter “ECAA Agreement”) since its provisional entry into force for Kosovo on 10 October 2006,

With the aim of implementing Commission Regulation (EC) No 1794/2006 of 6 December 2006 laying down a common charging scheme for air navigation services,

Upon completion of the process of public consultation of interested parties, in accordance with the Administrative Instruction No. 01/2012 on procedures for public consultation of interested parties,

Hereby issues the following:

## **REGULATION NO. 3/2016**

### **LAYING DOWN A COMMON CHARGING SCHEME FOR AIR NAVIGATION SERVICES**

#### **CHAPTER I**

#### **GENERAL PROVISIONS**

##### **Article 1**

##### **Subject matter and scope**

1. This Regulation lays down the necessary measures for the development of a charging scheme for air navigation services which is consistent with the Eurocontrol Route Charges System.
2. This Regulation shall apply to air navigation services provided by air traffic service providers designated in accordance with Article 8 of Regulation (EC)

No 550/2004 transposed into the internal legal order of the Republic of Kosovo by CAA Regulation No 09/2009, as amended, hereinafter referred to as "Service Provision Regulation", and by providers of meteorological services, if designated in accordance with Article 9(1) of the Service Provision Regulation, for general air traffic within the regions where Republic of Kosovo is responsible for the provision of air navigation services.

3. Republic of Kosovo may apply this Regulation to air navigation services provided in airspace under its responsibility within other ICAO regions, on condition that they inform the Commission and the other States thereof.
4. Republic of Kosovo may apply this Regulation to providers of air navigation services which have received permission to provide air navigation services without certification, in accordance with Article 7(5) of the service provision Regulation
5. Republic of Kosovo may decide not to apply this Regulation to air navigation services provided at airports with less than 50 000 commercial air transport movements per year, regardless of the maximum take-off mass and the number of passenger seats, movements being counted as the sum of take-offs and landings and calculated as an average over the previous three years, provided that the largest airport is covered.

CAA shall inform the Commission thereof. The Commission will publish periodically an updated list of exempted airports.

Without prejudice to the application of the principles referred to in Articles 14 and 15 of the service provision Regulation, CAA may decide not to calculate terminal charges as stipulated in Article 11 of this Regulation and not to set terminal unit rates as referred to in Article 13 of this Regulation in respect of air navigation services provided at aerodromes with less than 150 000 commercial air transport movements per year, regardless of the maximum take-off mass and the number of passenger seats, movements being counted as the sum of take-offs and landings and calculated as an average over the previous three years, provided that the largest airport is covered.

Before taking that decision, Kosovo CAA shall carry out an assessment of the extent to which the conditions laid down in Annex I including consultation with airspace users' representatives are met.

The final assessment as to whether the conditions are met and the decision of the CAA shall be published and communicated to the Commission, giving full reasoning for the CAA's conclusions, including the outcome of the consultation with users.

## **Article 2**

### **Definitions**

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

In addition the following definitions shall apply:

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

### **Article 3**

#### **Principles of the charging scheme**

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

**Article 4**  
**Establishment of charging zones**

1. CAA shall establish charging zones in the airspace falling under their responsibility where air navigation services are provided to airspace users.
2. The charging zones shall be defined in a manner consistent with air traffic control operations and services, after consultation of airspace users' representatives.
3. An en route charging zone shall extend from the ground up to, and including, upper airspace without prejudice to the possibility for a CAA to establish a specific zone for a complex terminal area after consultation with airspace users' representatives.
4. If charging zones extend across the airspace beyond the Republic of Kosovo into the airspace of an EU Member State or ECAA Associated Party, it shall make the appropriate arrangements in cooperation with such other party to ensure consistency and uniformity in the application of this Regulation to the airspace concerned. They shall notify the Commission and Eurocontrol thereof.

**CHAPTER II**

**THE COSTS OF AIR NAVIGATION SERVICE PROVISION**

**Article 5**  
**Eligible services, facilities and activities**

1. Air navigation service providers referred to in Article 1(2) and (4) shall establish the costs incurred in the provision of air navigation services in relation to the facilities and services provided for and implemented under the ICAO Regional Air Navigation Plan, European Region, in the charging zones under their responsibility.

Those costs shall include administrative overheads, training, studies, tests and trials as well as research and development allocated to these services.

2. CAA may establish the following costs when they are incurred in relation with the provision of air navigation services:
  - (a) the costs incurred by the relevant national authorities;
  - (b) the costs incurred by the recognised organisations, as referred to in Article 3 of the service provision Regulation;
  - (c) the costs stemming from international agreements.
3. Without prejudice to other sources of funding, and with a view to a high level of safety, cost efficiency and service provision, the charges may be used to

provide funding for projects designed to assist specific categories of airspace users and/or air navigation service providers in order to improve collective air navigation infrastructures, the provision of air navigation services and the use of airspace in accordance with Community law.

## **Article 6**

### **Calculation of costs**

1. The costs of eligible services, facilities and activities within the meaning of Article 5 shall be established in such a manner as to be consistent with the accounts referred to in Article 12 of the service provision Regulation for the period from 1 January to 31 December. However, the non-recurring effects resulting from the introduction of International Accounting Standards may be spread over a period not exceeding 15 years.
2. The costs referred to in paragraph 1 shall be broken down into staff costs, other operating costs, depreciation costs, cost of capital and exceptional items including non-recoverable taxes and custom duties paid, and all other related costs.

Staff costs shall include gross remuneration, payments for overtime, employers' contributions to social security schemes as well as pension costs and other benefits.

Other operating costs shall include costs incurred through the purchase of goods and services used to provide air navigation services, in particular outsourced services such as communication, external staff such as consultants, material, energy, utilities, rental of buildings, equipment and facilities, maintenance, insurance costs and travel expenses. Where an air traffic service provider purchases other air navigation services, the service provider shall include the actual expenditure for those services in its other operating costs.

Depreciation costs shall relate to the total fixed assets in operation for air navigation services purposes. Fixed assets shall be depreciated, in accordance with their expected operating life, using the straight-line method applied to the historic costs of the assets being depreciated. When the assets belong to an air navigation service provider which is subject to an incentive scheme as referred to in Article 12(2), current cost accounting may be applied instead of historic cost accounting for the calculation of depreciation. The method shall remain constant during the duration of the depreciation.

Cost of capital shall be equal to the product of:

- (a) the sum of the average net book value of fixed assets used by the air navigation service provider in operation or under construction and of the average value of the net current assets that are required for the provision of air navigation services; and

(b) the weighted average of the interest rate on debts and of the return on equity.

Exceptional items shall be non-recurring costs in relation to the provision of air navigation services that have occurred in the year.

3. For the purposes of paragraph 2, fifth subparagraph, the weight factors shall be based on the proportion of the financing through either debt or equity. The interest rate on debts shall be equal to the average interest rate on debts of the air navigation service provider. The return on equity shall take into account the financial risk of the air navigation service provider taking the national bond rate as a guide. When the air navigation service provider is subject to an incentive scheme as referred to in Article 12(2), an additional premium may be added to ensure adequate consideration of the specific financial risk assumed by this provider.

When the assets do not belong to the air navigation service provider, but are included in the calculation of the cost of capital, Kosovo CAA shall ensure that the costs of these assets are not recovered twice.

## **Article 7**

### **Allocation of costs**

1. The costs of eligible services, facilities and activities within the meaning of Article 5 shall be allocated in a transparent way to the charging zones in respect of which they are actually incurred.

Where costs are incurred across different charging zones, they shall be allocated in a proportional way on the basis of a transparent methodology as required in Article 8.

2. The cost of terminal services shall relate to the following services:
  - (a) aerodrome control services, aerodrome flight information services including air traffic advisory services, and alerting services;
  - (b) air traffic services related to the approach and departure of aircraft within a certain distance of an airport on the basis of operational requirements;
  - (c) an appropriate allocation of all other air navigation services components, reflecting a proportionate attribution between en route and terminal services.
3. The cost of en route services shall relate to the costs referred to in paragraph 1 to the exclusion of the costs referred to in paragraph 2.

If exemptions are granted to VFR flights in accordance with Article 9, the air navigation service provider shall identify the costs of air navigation services

provided to VFR flights separately from the costs provided to IFR flights. These costs may be established through a marginal cost methodology taking into account the benefits to IFR flights stemming from the services granted to VFR flights.

### **Article 8** **Transparency of the cost base**

1. Without prejudice to Article 18 of the service provision Regulation, air navigation service providers shall organise an exchange of information on cost bases, planned investments and expected traffic with airspace users' representatives. Subsequently, they shall make their respective costs established in accordance with Article 5 available in a transparent manner to airspace users' representatives, the Commission and, where applicable Eurocontrol at least on an annual basis.
2. The information referred to in paragraph 1 shall be based on the reporting tables and detailed rules set out in Annex II or, where Republic of Kosovo has taken the decision referred to in Article 1(6), or has indicated to the Commission that it is considering taking such a decision, in Annex III part 1.

## **CHAPTER III**

### **THE FINANCING OF AIR NAVIGATION SERVICE PROVISION THROUGH AIR NAVIGATION CHARGES**

#### **Article 9** **Exemptions from air navigation charges**

1. Republic of Kosovo shall exempt from en route charges:
  - (a) flights performed by aircraft of which the maximum take-off weight authorised is less than two metric tons;
  - (b) mixed VFR/IFR flights in the charging zones where they are performed exclusively under VFR and where a charge is not levied for VFR flights;
  - (c) flights performed exclusively for the transport, on official mission, of the reigning Monarch and his immediate family, Heads of State, Heads of Government, and Government Ministers; in all cases, this must be substantiated by the appropriate status indicator on the flight plan;
  - (d) search and rescue flights authorised by the appropriate competent body.
2. Republic of Kosovo may also exempt from en route charges:

- (a) military flights performed by military aircraft of any country;
  - (b) training flights performed exclusively for the purpose of obtaining a licence, or a rating in the case of cockpit flight crew, where this is substantiated by an appropriate remark on the flight plan; flights must be performed solely within the airspace of Republic of Kosovo; flights must not serve for the transport of passengers and/or cargo, nor for positioning or ferrying of the aircraft;
  - (c) flights performed exclusively for the purpose of checking or testing equipment used or intended to be used as ground aids to air navigation, excluding positioning flights by the aircraft concerned;
  - (d) flights terminating at the airport from which the aircraft has taken off and during which no intermediate landing has been made;
  - (e) VFR flights;
  - (f) humanitarian flights authorised by the appropriate competent body;
  - (g) customs and police flights.
3. Republic of Kosovo may exempt from terminal charges the flights referred to in paragraph 1 and 2.
  4. The costs incurred for exempted flights shall not be taken into account for the calculation of the unit rates.

These costs shall be composed of:

- (a) the costs of exempted VFR flights as identified in Article 7(4); and
- (b) the costs of exempted IFR flights, which shall be calculated as the product of the costs incurred for IFR flights and the proportion of the number of exempted service units and the total number of service units; the costs incurred for IFR flights shall be equal to the total costs less the costs of VFR flights.

Government of Kosovo shall ensure that air navigation service providers are reimbursed for the services they provide to exempted flights.

## **Article 10**

### **Calculation of en route charges**

1. The en route charge for a specific flight in a specific en route charging zone shall be equal to the product of the unit rate established for this en route charging zone and the en route service units for this flight.
2. Without prejudice to the implementation by the Republic of Kosovo of an incentive scheme with regard to air navigation service providers in accordance with Article 12(2), the unit rate in the en route charging zone shall be calculated by dividing the forecast number of chargeable en route service units for the relevant year into the forecast costs for air navigation services. The forecast costs shall include the balance resulting from over or under recovery of previous years.
3. The en route service units shall be calculated in accordance with Annex IV.

**Article 11**  
**Calculation of terminal charges**

1. Without prejudice to the possibility under Article 3 of financing terminal air navigation services through other sources of funding, the terminal charge for a specific flight in a specific terminal charging zone shall be equal to the product of the unit rate established for this terminal charging zone and the terminal service units for this flight.
2. Without prejudice to the implementation by the Republic of Kosovo of an incentive scheme with regard to air navigation service providers in accordance with Article 12(2), the unit rate in the terminal charging zone shall be calculated by dividing the forecast number of chargeable terminal service units for the relevant year into the forecast costs for air navigation services. The forecast costs shall include the balance resulting from over or under recovery of previous years.
3. The terminal service units shall be calculated in accordance with Annex V.

**Article 12**  
**Incentive schemes**

1. CAA may establish or approve incentive schemes consisting of financial advantages or disadvantages applied on a non-discriminatory and transparent basis to support improvements in the provision of air navigation services resulting in a different calculation of charges as set out in paragraphs 2 and 3. These incentives may apply to air navigation service providers and/or airspace users.
2. When Republic of Kosovo decides to apply an incentive scheme on air navigation service providers, it shall, following the consultation referred to in Article 17, set in advance the conditions for determining the maximum level of the unit rate or of the revenue for each year over a period not exceeding five years. These conditions shall be set with reference to the projected level of costs (including the cost of capital) over the period and may also stipulate financial modulations (either above or below the expected costs) based on particular aspects of the air navigation service providers' performance which may include efficiency, quality of service, the performance of particular projects, milestones or competencies or a level of cooperation with other air navigation service providers in view of taking into account network effects.
3. When Republic of Kosovo decides to apply an incentive scheme, including night-time modulations, in respect of users of air navigation services, it shall, following the consultation referred to in Article 17, modulate charges incurred by them in order to reflect efforts made by these users to optimise the use of air navigation services, to reduce the overall costs of these services and to increase their efficiency, in particular by decreasing charges according to airborne equipment that increases capacity or to offsetting the inconvenience of choosing less congested routings.

The incentive scheme shall be limited in time, scope and amount. The estimated savings generated by the operational efficiency improvements shall at least offset the cost of the incentives within a reasonable time frame. The scheme shall be subject to regular review involving airspace users' representatives.

4. When approving incentive schemes, CAA shall monitor the proper implementation by air navigation service providers of these incentive schemes.

### **Article 13**

#### **Setting of unit rates for charging zones**

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

### **Article 14**

#### **Schedule for en-route unit rate determination**

1. The provider shall submit to CAA the cost base for en route charges together with the forecasted number of en route units established twice a year during the year preceding en route charges being in force – first a preliminary submission ahead of the approval of the Medium Term Expenditure Framework and a final submission ahead of the budgetary hearings at the Ministry of Finance.

The actual reporting dates to CAA shall be established yearly by CAA depending on the budgetary calendar of the Ministry of Finance during the reporting year.

2. The cost base referred to in paragraph 1 shall be presented in accordance with the tables defined in Annex II and VI to this Regulation.
3. Together with the cost base the provider shall submit to CAA additional information as defined in Annex II and VI of this Regulation relating to the activity of the provider.
4. Until 1 June of the year preceding the year of the en route charges being in force in the case of the cost base, and 1 November in the case of final base, CAA shall provide to EUROCONTROL, if so required, the reporting tables

for en route charge for the following year together with the appropriate additional information.

5. The cost base together with the forecasted number of en route service units established in accordance with the provisions of paragraphs 1-4, shall be the basis for establishing en route unit rates, which the provider shall submit to CAA for approval within the dates set forth per paragraph 1.
6. En route unit rates, established on the basis of the final cost base shall be approved or refused to be approved by CAA by virtue of an administrative decision following ANSA budget approval. CAA shall refuse to approve the en route unit rates if they do not conform to the legal provisions.
7. The provider shall resubmit for approval to CAA the en route unit rates within 7 days from the delivery date of the refusal.

In case en route unit rates are not approved until 1 January of the year of these charges being in force, the provider shall apply en route unit rates established by CAA on the basis of submitted final cost base and the forecasted number of en-route service units presented.

## **Article 15**

### **Schedule for terminal unit rate determination**

1. The provider shall submit to CAA the cost base for terminal navigation charges together with the forecasted number of terminal service units established for each terminal charging zone twice a year during the year preceding terminal charges being in force – first a preliminary submission ahead of the approval of the Medium Term Expenditure Framework and a final submission ahead of the budgetary hearings at the Ministry of Finance.

The actual reporting dates to CAA shall be established yearly by CAA depending on the budgetary calendar during the reporting year published by the Ministry of Finance.

2. The cost base, referred to in paragraph 1, shall be presented in accordance with the tables defined in Annex II and VI of this Regulation.
3. Together with the cost base, the provider shall submit to CAA additional information, as defined in Annex II and VI of this Regulation relating to the activity of the provider.
4. CAA may request that the provider submits additional information and explication.
5. The cost base together with the forecasted number of terminal service units established for each terminal charging zone in accordance with the provisions of paragraphs 1-4, shall be the basis for establishing terminal unit rates in charging zones, which the provider shall submit to CAA for approval within the dates set forth respectively in paragraph 1 and 4.
6. Terminal unit rates, established on the basis of the final cost base shall be approved or refused to be approved by CAA by virtue of an administrative

decision following ANSA budget approval. CAA shall refuse to approve the terminal unit rates if they do not conform to the legal provisions.

7. The provider shall resubmit for approval to CAA the terminal unit rates within 7 days from the delivery date of the refusal.
8. In case terminal unit rates are not approved until 1 January of the year of these charges being in force, the provider shall apply terminal unit rates established by CAA on the basis of submitted final cost base and the forecasted number of terminal service units presented for each terminal charging zone.

#### **Article 16** **Collection of charges**

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

#### **Article 17** **Transparency of the charging mechanism**

1. CAA shall ensure that airspace users' representatives are consulted on the charging policy on a regular basis. To this end, the ANSP shall provide them with the necessary information on their charging mechanism as set out in Annex VI, or where CAA has taken the decision referred to in Article 1(6), with the necessary information as set out in Annex III, part 2, and shall organise an effective and transparent consultation hearing to present this information as well as the information referred to in Article 8.

The air navigation services providers shall draw up a report of the hearing and shall transmit to the CAA information about the results of consultations carried out regarding charges cost bases, including comments presented by users.

2. Without prejudice to Article 18 of the service provision Regulation, the relevant documentation shall be put at the disposal of airspace users' representatives, the Commission, Eurocontrol and national supervisory authorities three weeks before the consultation hearing.

### **CHAPTER IV**

### **FINAL PROVISIONS**

**Article 18**  
**Right to Appeal**

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

**Article 19**  
**Facilitation of compliance monitoring**

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

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

Such inspections and surveys shall be carried out in compliance with the procedures in force in the Republic of Kosovo.

**Article 20**  
**Repeal**

This Regulation repeals Regulation No. 14/2010 laying down a common charging scheme for air navigation services and Regulation No. 2/2011 on terminal navigation charge.

**Article 21**  
**Prevailing version**

In case of interpretation of the Commission Regulation the original version in the English language as published on the Official Journal of the European Union shall be used.

**Article 22**  
**Transitional Provisions**

Entry into force of this Regulation does not derogate the authority given to the North Atlantic Treaty Organization (NATO) regarding the airspace of the Republic of Kosovo.

**Article 23**  
**Entry into force**

This Regulation shall enter into force fifteen (15) days upon its signature.

Prishtina, 10 February 2016

**Dritan Gjonbalaj**  
Director General

ANNEX I

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

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

1. The extent to which air navigation service providers can freely offer to provide or withdraw from the provision of air navigation services at airports:
    - the existence or otherwise of any significant economic barriers that would prevent an air navigation service provider from offering to provide or withdrawing from the provision of air navigation services,
    - the existence or otherwise of any significant legal barriers that would prevent an air navigation service provider from offering to provide or withdrawing from the provision of air navigation services,
    - the length of contract duration,
    - the existence of a procedure allowing assets and staff to be transferred from one air navigation service provider to another.
  2. The extent to which airports can freely determine who will provide their air navigation services, including the option to self-supply:
    - the ability or otherwise of airports to move towards self-supply of air navigation services,
    - the existence or otherwise of legal, contractual or practical barriers to an airport's ability to change air navigation service provider,
    - the role of airspace users' representatives in the selection process of the air navigation service provider.
  3. The extent to which there is a range of air navigation service providers from which airports can choose:
    - the existence or otherwise of structural rigidity which restricts the effective choice of the air navigation services for airports,
    - evidence of alternative air navigation service providers, including the option of self-supply that provides choice in the selection of air navigation services by airports.
  4. The extent to which airports are subject to commercial cost pressures or incentive-based regulation:
    - whether airports actively compete for airline business,
    - the extent to which airports bear the air navigation service charge,
    - whether airports operate in a competitive environment or under economic incentives designed to cap prices or otherwise incentivise cost reductions.
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(n - 3) A	(n - 2) A	(n - 1) A	(n) F	(n + 1) F	(n + 2) P	(n + 3) P	(n + 4) P	(n + 5) P
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Complementary information on the exchange rate of the national currency with the euro

Exchange rate (1 EUR =)								
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(n - 3) A	(n - 2) A	(n - 1) A	(n) F	(n + 1) F	(n + 2) P	(n + 3) P	(n + 4) P	(n + 5) P
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Complementary information on the cost of capital

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

## 2. ADDITIONAL INFORMATION

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

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

ANNEX III

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

1. THE COSTS OF AIR NAVIGATION SERVICES

1.1. Reporting table

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

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

Costs shall be established in National currency.

*Table 1*

Total  
costs

Organisation:

Charging

zone: Year n:

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

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

## 1.2. Additional information

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

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

## 2. THE FINANCING OF AIR NAVIGATION SERVICES

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

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

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ANNEX IV

CALCULATION OF THE ENROUTE SERVICE UNITS

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

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ANNEX V

CALCULATION OF THE TERMINAL SERVICE UNITS

1. The terminal service unit shall be equal to the weight factor for the aircraft concerned.
2. The weight factor, expressed as a figure taken to two decimal places, shall be the quotient, obtained by dividing by fifty the number of metric tons in the highest maximum certified take-off weight of the aircraft, referred to in Annex IV, paragraph 5, to the power of 0,7.





## 2. ADDITIONAL INFORMATION

In addition, CAA shall collect and provide at least the following information:

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