



analyses
of
DFS
show



All about Performance

USA and Europe – that's a poor comparison

Single Sky - Commission acts to unblock congestion in Europe's airspace



When: 11/06/2013 at 16:30

Where: Strasbourg, France

Topic: Business | Environment, consumers and health

Organiser: European Commission

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The news:

The European Commission will next Tuesday present proposals to speed up the reform of Europe's air traffic control system. Inefficiencies in Europe's fragmented airspace bring extra costs of close to 5 billion Euros each year to airlines and their customers. They add 42

kilometres to the distance of an average flight forcing aircraft to burn more fuel, generate more emissions, pay more in costly user charges and suffer greater delays. The United States controls the same amount of airspace, with more traffic, at almost half the cost.

With 27 member states, the EU's airspace is highly fragmented. On average, a plane zig-zags 49 extra kilometers (30 miles) per flight. Where the US has 22 en-route air navigation service providers, Europe has more than 60. That wastes fuel, affects the environment and increases prices. The US, at about half the cost, runs a similar-sized airspace.

<http://www.dw.de/eus-single-sky-fights-national-delays/a-16682912>



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- when comparing the systems you must relate correct parameters
- exchange rate must be considered (variation in the last 20 years between 0,85 and 1,60 Dollar/EUR).

	U.S.A.	Europe
(Continental) Airspace	10,4 mill km ²	11,5 mill km ²
Sectors (max)	955 ^a	684 ^a
Controlled Flights per day	48.000^b	29.000^b
Pax per day	2,2 mill ^c	2,2 mill ^c
Pax Miles per day	1,1 bn	1,2 bn
ATC Controllers	17.000 ^d	17.000 ^d
Yearly salaries + benefits per employee	119.000 EUR ^e	104.000 EUR ^e
Cost of ATC per year	6,7 billion EUR^f	8 billion EUR^f

sources:

a Performance Review Report 2010

c Amount of IFR Passenger Flights x average amount of seats x SLF (data from 2008)

e U.S.A.: FAA Budget FY 2010 / 41000 FTE; Europe: DFS Annual Report 2010 / 6000 Employees, Currency exchange Rate JUL 2013

f Cost USA: Budget FAA ATO FY 2011, Cost Europe: Eurocontrol PRR 2010, Currency Exchange Rate JUL 2013

b Performance Review Report 2010

d Performance Review Report 2008



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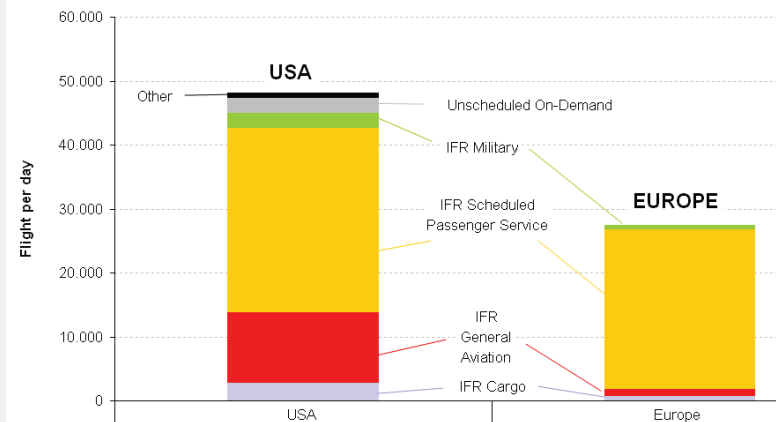
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traffic volume for controlled flights is nearly the same in USA and Europe.

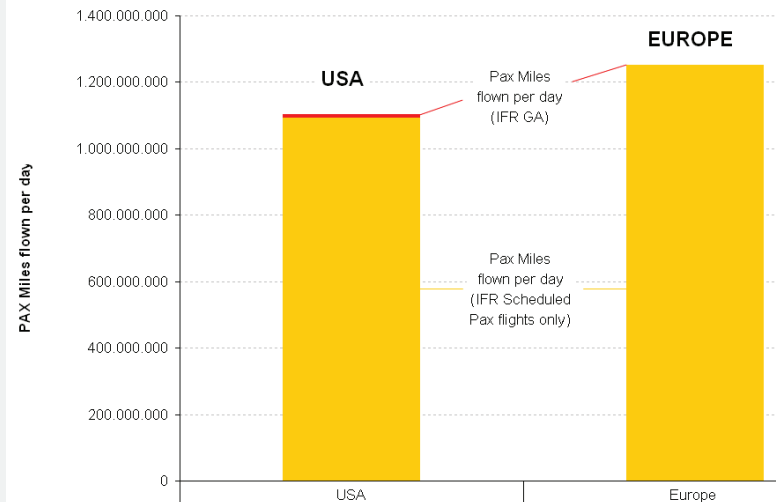
General Aviation in USA is distinct higher – but has no impact for revenues

a view on the key performance indicator passenger miles per day, is the performance of european ANSPs even explicit better then in the USA

Flights of Commercial Aviation Fleet + General Aviation Fleet / USA and Europe



Passenger Transportation Performance of Commercial Aviation Fleet + General Aviation Fleet / USA and Europe

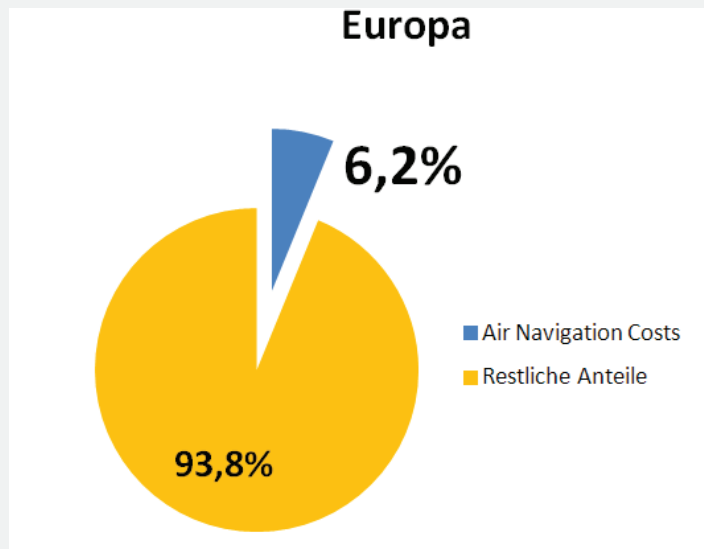


October 2013, Malta

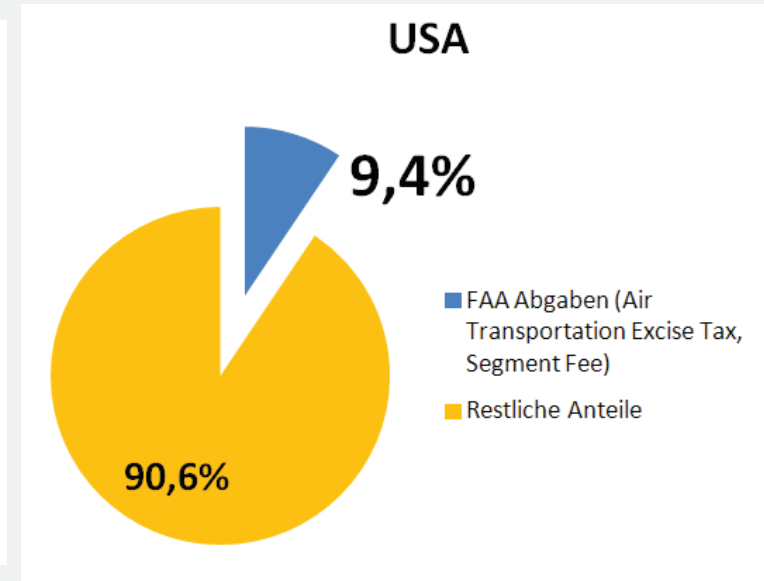


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USA and Europe – that's a poor comparison Costs of ATM on a ticket



(Total Operating Costs Europe 2011, Source AEA)



(related on average Domestic Ticket Price 2012, Quelle FAA)

Despite supposed higher system costs is the amount of ATC costs on ticket costs in fact in Europe lower then in the USA.



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Funding of FAA via tax

Aviation tax ²	Comment	Tax rate
Domestic passenger ticket tax	Ad valorem tax	7.5% of ticket price
Domestic flight segment tax	Domestic segment = A flight leg consisting of one takeoff and one landing per flight	Rate is indexed by the Consumer Price Index \$3.90 per passenger per segment
International arrival & departure tax	Head tax assessed on pax arriving or departing for foreign destinations that are not subject to pax ticket tax	Rate is indexed by the Consumer Price Index \$17.20 per passenger
Overflight fees	For en-route	\$56.86 per 100 NM
Frequent flyer tax	Ad valorem tax assessed on mileage awards	7.5% of value miles
Domestic cargo / mail		6.25% of amount paid for the transportation of property by air

Source/remarks:

¹ Taxpayer Relief Act of 1997, Public Law 105-35 – updated January 2013

² Only relevant aviation taxes are mentioned here – e.g. Tax on General Aviation, Fuel Tax or Oceanic has not been selected or taken into consideration here.



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USA and Europe – that's a poor comparison The FAA tax structure applied to Germany¹

Aviation tax	Comment	Tax revenues in EUR
Domestic passenger ticket tax	Assumed 100 EUR ticket cost	EUR 434 million
Domestic flight segment tax	22,916,048 passengers within Germany and 34,890,600 within remaining EU ¹	EUR 173 million
International arrival & departure tax	50,115,000 pax starting /ending their flight in Germany from / to outside EU ²	EUR 663 million
Overflight fees	455,673,452 km overflights ³	EUR 83 million
Frequent flyer tax	Value per 1000 miles EUR 7.30; only Miles and More ⁵	EUR 90 million
Domestic cargo / mail	Domestic air freight revenues: EUR 2,900 million ⁴	EUR 181 million

The transmission of the system of USA on Germany would have the impact, that DFS under consideration of the exchange rate could count with a budget of 1.267.500 TEUR p.a.

Source/remarks:

¹ Exchange rate used EUR 1 = US\$ 1.30 ; German Federal Statistical Office, Fachserie 8, Reihe 6.1.; Verkehr – Luftverkehr auf ausgewählten Plätzen, Anlage „Originäreinsteiger.“

² German Federal Statistical Office, Fachserie 8, Reihe 6.1.; Verkehr – Luftverkehr auf ausgewählten Plätzen – here only DFS controlled aerodromes were taken into account. The assumption was that there was an equal number of disembarkments as embarkments in other EU countries.

³ EUROCONTROL, CRCO: Report on the Operation of the Route Charges System in 2012 & DFS data

⁴ German Federal Ministry of Transport, Building and Urban Development (BMVBS): Traffic statistics for 2011/2012, pages 86 et seq

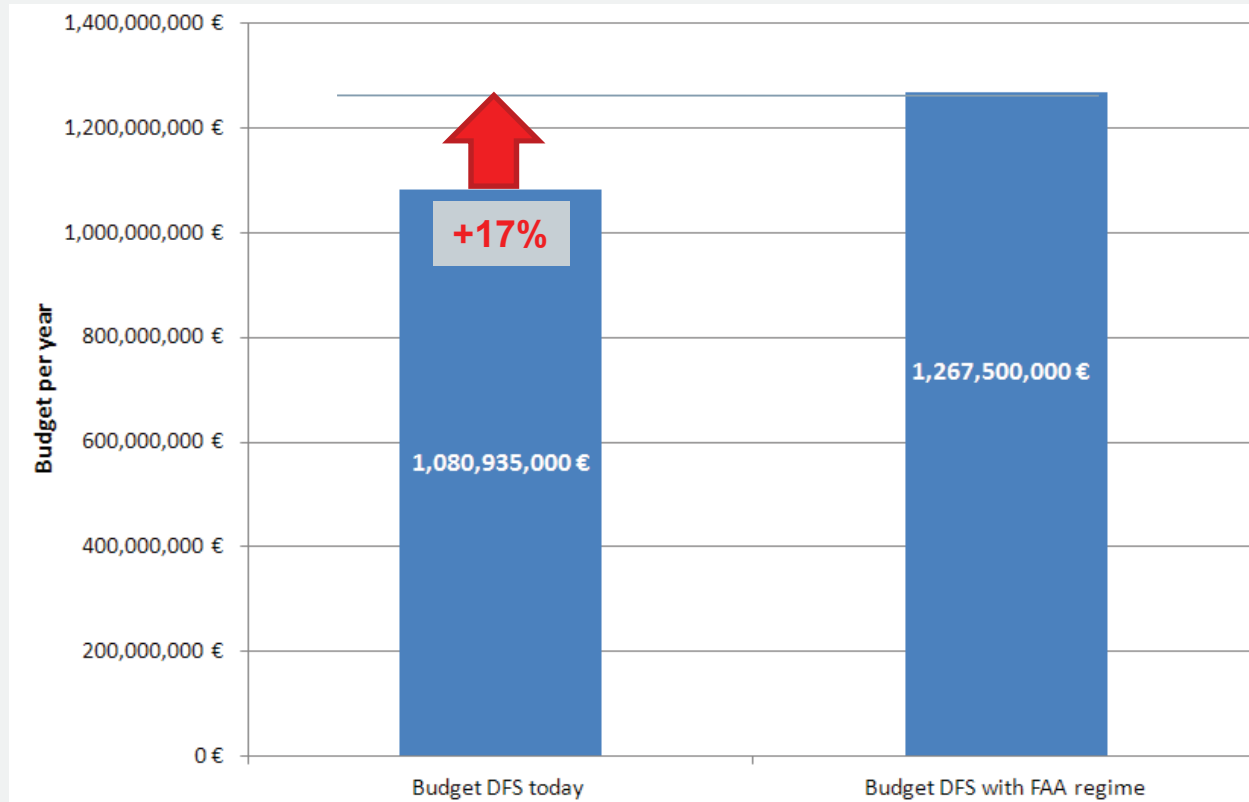
⁵ Lufthansa annual report 2008, page 136; value per 1000 miles: EUR 7.30 ; Wikipedia.de: Miles and More 198 billion miles accrued in 2010

+ Intra-EU flights regarded as domestic flights and comparable to continental USA + FAA ATO attains 78% of FAA budget



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In total the transmission of the funding system of FAA would increase the budget of DFS by 17%.