

## **BILATERAL AGREEMENT RELATING TO TERMINAL AIR NAVIGATION CHARGES**

### **Summary presentation of services made available by EUROCONTROL**

Air navigation service providers of Member States can avail of EUROCONTROL's expertise in the calculation, billing, collection and accounting of terminal air navigation charges. These services are offered on the basis of a bilateral agreement.

#### **SERVICES OFFERED:**

EUROCONTROL offers a comprehensive package of services comprising:

- Billing of terminal charges, i.e.:
  - Calculation of charges on a per flight basis – tariffs per group of aerodromes;
  - Preparation and dispatch of billing documents including e-billing services;
  - Processing of airlines'/airspace users' claims;
  - Provision of information on tariffs and charges billed to airlines/airspace users.
- Monitoring of payments made by airlines/airspace users;
- Accounting services;
- Reporting on finance, billing and debt recovery;
- Treasury management and advisory services, i.e.:
  - Low-risk short term investment of funds collected;
  - Disbursement of funds collected. We can send funds to third parties, such as financial institutions;
- Collection of charges (excluding enforced recovery);
- Provision of information and advice in view of enforced recovery actions to be taken by the air navigation service provider.

EUROCONTROL collects the terminal charges and takes all necessary measures to ensure that the charges are collected within the due time as stated on the invoice. Where a user defaults and the normal collection measures have been exhausted, the matter may be referred to the air navigation service provider. Enforcement measures will be the sole responsibility of the air navigation service provider.

Billing and collection services can rapidly become operational with minimal procedural and technical arrangements.

#### **ADVANTAGES:**

1. Extensive experience and expertise made available for the provision of billing and collection services;
2. Use of the advanced database on aircraft and operators that EUROCONTROL maintains for the Multilateral Route Charges System – use of flight messages already transmitted for route charge purpose (no additional transmissions required);
3. Comprehensive, clear, regular reporting on finance, billing and debt recovery;
4. High recovery rate typically 99%+, thereby securing a stable cash flow;
5. Low collection costs typically less than 1% of the amounts billed, as a result of economies of scale and high productivity.

### **High recovery rate** resulting from:

- Compliance with ICAO's Policies on charges and Commission Regulation (EC) N° 1191/2010;
- High quality billing that meets airspace users' needs:
  - Correctness of charges;
  - Clarity of billing documents - EUROCONTROL standards;
  - Swift transmission of billing documents to airspace users via e-billing or express mail;
  - Provision of updated statements of accounts to airspace users;
  - Swift treatment of claims received from airspace users;
  - Information on tariffs and charges easily accessible by airspace users via Internet.
- Permanent monitoring of payments made by airlines/airspace users and efficient collection measures;
- Billing of interest on late payment.

### **Low collection costs** resulting from:

- Services that are supported by the infrastructure and facilities available at EUROCONTROL Headquarters as well as the data used to operate the Multilateral System - 39 States in 2016 – EUR 8 billion billed in 2016;
- Professional, experienced staff that is multilingual, with a broad skill-base covering all aspects of ATM operation, aircraft and user data, IT, debt recovery, accounting, treasury and finance;
- Fully integrated operation for the maintenance of user data, e-billing, information to users, debt monitoring, IT and administrative support;
- Standard EUROCONTROL processes and principles;
- High productivity.

### **CURRENT AGREEMENTS IN OPERATION:**

Seventeen bilateral agreements are in operation at 1/1/2017: France (billing of terminal charges only), Ireland (IAA), Denmark (Naviair), Italy (ENAV), Moldova (Moldatsa), Hungary (Hungarocontrol), Slovenia (Slovenia Control), Croatia (Croatia Control), Netherlands (LVNL), Lithuania (Oro Navigacija), Greece (HCAA), Sweden (LFV), Bulgaria (Bulatsa), Spain (AENA), Malta (CAD), Albania (AlbControl) and FYROM (M-NAV). The total amount of terminal charges billed in 2016 was EUR 679 million, corresponding to 3.6 million flights.

All bilateral agreements are successfully operated.

### **STEPS TOWARDS ENTRY INTO OPERATION**

Three steps are conducted in parallel:

- Conclusion of a bilateral agreement with EUROCONTROL.
- Establishment of the air navigation service provider's cost-base(s) and tariff(s) in accordance with ICAO Policies and Regulation N° 1191/2010, following consultation with airspace users. This is an air navigation service provider's responsibility for which EUROCONTROL provides assistance on request.
- Adoption of new/amended regulations providing a legal basis for the billing and collection of terminal air navigation charges by EUROCONTROL. EUROCONTROL provides assistance on request. New/amended regulations must be in force at the date of entry into operation of the bilateral agreement.