Performance Plan

Bulgaria

Third Reference Period (2020-2024)

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

Date of issue: 13 Apr 2022

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

Signatories

Performance plan details	
State name	Bulgaria
Status of the Performance Plan	Final adopted performance plan (Art. 16(a and b) of IR 2019/317)
Date of issue	17 Nov 2021
Date of adoption of Draft Performance Plan	17 Nov 2021
Date of adoption of Final Performance Plan	13 Apr 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	
Hristo Shterionov DG CAA	

Additional comments	

Document change record		
Version	Date	Reason for change
v 1.0	24 Aug 2021	
v 2.0	30 Sep 2021	reflection of stakeholder consultation outcome
v 3.0	17 Nov 2021	reflection of technical check comments - Ref. Ares(2021)6636569 - 27/10/2021 MOVE.DDG2.E/MR/Im/Ares(2021)7481818
v 4.0	13 April 2022	Adopted draft PP v 3.0 submitted on 17 Nov 2021 without changes in line with COMMISSION DECISION (EU) 2022/778 of 13 April 2022 on the consistency of the performance targets contained in the draft performance plan submitted by Bulgaria pursuant to Regulation (EC) No 549/2004 of the European Parliament and of the Council with the Union-wide performance targets for the third reference period (notified under document C(2022) 2303)

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1 - INTRODUCTION

1.1 - The situation

NSA(s) responsible for drawing up the Performance Plan	DG Civil Aviation Administration

1.1.1 - List of ANSPs and geographical coverage and services

Number of ANSPs	1

ANSP name	Services	Geographical scope
BULATSA	ATM/ANS	All ATM/ANS services in FIR Sofia with exception of ATS, COM and SUR in DF2 cross border sector. ATS, COM and SUR in DF1 cross border sector part of FIR Bucuresti.

Cross-border arrangements for the provision of ANS services

Number CB arrangements where ANSPs provide services in an other State	1

ANSPs providing services in the FIR of another State	
ANSP Name	Description and scope of the cross-border arrangement
BULATSA	DANUBE FAB cross border sector DF1 - ATS, COM, SUR provided by BULATSA.

Number CB arrangements where ANSPs from another State provide services in the State	1

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
ROMATSA	DANUBE FAB cross border sector DF2 - ATS, COM and SUR provided by ROMATSA.

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
Bulgarian NSA	NSA	Determined cost of NSA is included in the cost base
EUROCONTROL	Other	EURDCONTROL costs are part of the cost base

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 Bulgaria

Terminal	Number of terminal charging zones	0

1.1.4 - Other general information relevant to the plan

Performance plan at national level

Art.10.1 from the performance and charging regulation 2019/317 gives the opportunity performance plans to be drawn up either at national or at FAB level. Discussions with the Danube FAB partner Romania were conducted with regards to the level at which performance plans to be prepared. A decision was reached by the Governing Council of Danube FAB for both members performance plans for RP3 to be drawn up at national level.

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

1.Bocal circumstances

Bulgaria adopted its own traffic forecast in the draft performance plan submitted on 24 August 2021, where a consultation was held on 14 September 2021. This was based on traffic development over the summer, where traffic evolution showed that on system level, traffic over the summer months was higher than the high scenario produced by STATFOR in May 2021.

During 116th June 2021 enlarged Committee session, Bulgaria raised the question, how does STATFOR May 2021 forecast correlate with the weekly updated NOP editions produced by the NM. The reason for that, was the difference between those two forecasts in respect of the level of optimism re traffic levels by the end of 2021, which would then serve a basis for performance planning for 2022-2024. Bulgaria pointed out that the base scenario of May 2021 STATFOR forecast (1,727 K service units) was lower than 2020 actuals (1,766 K service units). Therefore, taking into account actual traffic development over the first half of 2021, we also asked if according to STATFOR, another EU-wide lockdown was envisaged in Sep – Dec 2021, as the state of play in May/June was such, that the weekly updated NOPs (forecasts) by the NM were quite in line with the actual development in respect of level of optimism (i.e. recovery of traffic was projected to vary across network between 70-90-100%). So, the NM weekly projections, when extrapolated at annual level were contradictory to May 2021 STATFOR base scenario, even they were well above the high one. STATFOR provided an answer that their traffic forecast scenario was more globally related. Further to that, it was not very clear how such a statement can be translated into specific local traffic figures.

Therefore, considering traffic development over the summer of 2021 (May, June, July and partially August) **Bulgaria adopted a realistic traffic scenario, which was by 10.44%, 8.75%, 7.76% and 7.52% higher then the high May'2021 STATFOR traffic forecast scenario, for the years 2021, 2022, 2023, and 2024 respectively**.

This is evidence, that Bulgaria has acted reasonably in respect of traffic development, and proactively in favour of the users, both over the combined period 2020/2021 by being one the states which has significantly reduced costs and by adopting in August 2021 a bold but realistic forecast for the remaining three years of RP3. This was a move into the right direction, and was to a large extent confirmed by STATFOR October 2021 forecast.

As part of the performance plan, Bulgaria has presented a detailed geopolitical risk analysis, which illustrates how traffic levels in Sofia FIR are influenced by various factors in neighbouring and non-neighbouring airspaces. This analysis is the key for the understanding of RP3 traffic levels. It is to be noted, that over RP2, significant volumes of traffic were rerouted from Ukraine (flying previously through UKFV and UKDV) to Sofia FIR. While traffic is still not flying in UKDV, due to regulatory bans, various actions undertaken by the Ukraine despite the simultaneous availability of two ATC units in the airspace of Simferopol FIR, resulted in a gradual increase of traffic volumes in Simferopol FIR in terms of flight numbers and in terms of number of airlines. With minor exceptions, in 2019/2020/1st half of 2021, the airspace of Simferopol FIR was predominantly flown by users registered in Ukraine, however, recently other non-Ukrainian users started flying there (previously they have entirely avoided Simferopol FIR airspace and flying in Sofia FIR). This recent outflow of traffic from Sofia FIR, could potentially extend and slow down traffic growth in Sofia FIR over 2022.

Another, key local circumstance is the impact of the situation with the use of Iraqi and Iranian airspace due to the conflict escalation in January 2020, followed by the issue of SFAIRs and NOTAMs by FAA and by publications of other regulators. The airspace of Iraq and Iran is key for the levels of Middle East traffic in Sofia FIR, and due the situation from the beginning of 2020, these airspaces have not been used by some key airspace users performing daily medium- and long-haul flights. Further to that, others are impacted by codeshare agreements with US carriers, thus rerouted US flights via Saudi Arabia. As a result only a fraction of those flights which have been using the airspace of Sofia FIR are currently flying through our airspace. In addition, the airspace of Afghanistan was declared uncontrollable in August 2021, and there is no clarity when service provisions and flight operations will be resumed. As a follow up, some Far east flights were also rerouted out of Sofia FIR.

Thus, a big airspace block of adjacent airspaces for more than 5000 km from East to West has been accidently created (Syria, Iraq, Iran, Afghanistan and the Himalayas circumnavigated from East, except for a seldomly used route G500/P500) and avoided by key airspace users flying significantly longer routes, thus currently moving traffic out of Sofia FIR and contributing to slower recovery in 2022, equalling to 77.11% of 2019. However, we expect gradual normalization of the situation as at the end of RP3 re Syria, Iraq, Iran and Afghanistan, thus 2023 resulting in 91,99% of 2019 and 2024 resulting in higher traffic, ie2.34% of 2019.

2. Comparison between Bulgaria local traffic forecast and STATFOR scenarios from May'2021 and Oct' 2021.

STATFOR Forecast May 2021 (System level) **STATFOR Forecast October 2021 (System level)**

n t **et to** **and lack of consultation by STATFOR on October 2021, Bulgaria is not in a position to describe deviations between the local and STATFOR forecast but has provided sufficient details on the grounds to follow the described approach. Local us .**

Additional comments

Operational side (impacting capacity and cost-efficiency KPAs): As a result of the national health policy applied, BULATSA adapted to the crisis, ensuring continuous and safe operations by Sofia ACC. A huge reorganisation of operational staff was made, replacing the flexible rostering with fixed working teams. Each team was prevented from getting in contact with the rest of the teams as practically possible. Since a single COVID 19 infection compromises the entire team, a backup team was always present during the high infection rate periods at national level. The operational working flow was strictly separated from the administration employees, mitigating the risk of a COVID break-out inside BULATSA. The applied resource management approach allowed BULATSA to be able to accommodate each and every actual traffic demand throughout the entire crisis period. Dynamic change in the team definitions, taking account of all known risks and health recommendations allowed even recovery levels close to 80 % to be met with no traffic regulations imposed and no generated delay. BULATSA is strictly monitoring the traffic demand recovery based on the six weeks prediction, provided by Eurocontrol NM as a rolling NOP.

Cost efficiency side: Bulgaria was one of the few states which have decreased and limited the 2020 determined costs (by -14% vs. 2019) and 2021 determined costs (expected by -9% vs. 2019) in response to traffic drop over the first two years of RP3. This has resulted in benefits for the airspace users, as it reduced significantly the amounts to be carried over under article 29.5 of Regulation 2019/317. Bulgaria estimates that the total level of savings for airspace users amounts to more than 100 M BGN (~50 M EUR) in real terms, as per the COVID-19 Measures Information Report submitted on 15 December 2020.
As evidenced by the PRB , Bulgaria is one of the few states that managed to significantly reduce the level of costs for 2020 (PRB advice on the revision of performance targets for RP3, March 2021).

For more details please refer to RP3 Performance plan_ANNEXES.pdf

1.2 - Traffic Forecasts

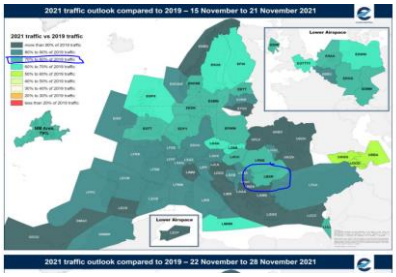
1.2.1 - En route

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

Local Forecast	2017A	2018A	2019A	2020A	2021	2022	2023	2024	CAGR 2019-2024
IFR movements (thousands)	783	871	879	376	510	695	829	915	0,8%
IFR movements (yearly variation in %)		11,2%	0,9%	-57,2%	35,7%	36,2%	19,2%	10,5%	
En route service units (thousands)	3 513	3 938	4 032	1 766	2 232	3 109	3 709	4 127	0,5%
En route service units (yearly variation in %)		12,1%	2,4%	-56,2%	26,4%	39,3%	19,3%	11,3%	

Specific local factors justifying not using the STATFOR base forecasts
(provide justification below or refer to Annex D for more detailed explanation)

Bulgaria is providing detailed comments on the reasons why we can be optimistic for 2022-2024 but we cannot be excessively optimistic for 2022. Based on continuous and detailed surveys, with reference to trajectories flown by airlines and NOP weekly updates over 2021, percentage wise Sofia FIR has been one with being some 10% behind the adjacent ACCs in terms of 2019 traffic levels. Even the last one illustrates this situation. (our traffic rebounded at around 60-70% during the week and about 80-85% over the weekend).



The reason for that is the outflows of medium- (ICAO zone O) and long-haul traffic (ICAO Zones V and W). The local circumstances described in 1.1.4., are the reroutings.
Bulgaria had big inflows of Middle and Far East traffic by the end of 2019, while this is not the case, since the beginning of 2020. An outflow of about 130 flights a day (on average) because of reroutings due to: Iran/Iraq (some 40-55 flights a day), followed by Afghanistan (some 20-25 flights a day), and lately, because of Simferopol FIR. Currently, in November, there are about 70 daily flights of non-Ukrainian users, which have previously flown in Sofia FIR, only, and this number is increasing versus previous months. In addition, there are some 100 flights a day from Ukrainian airspace users.
This is not a negligible amount, neither in terms of flights nor in terms of service units when summed up on an annual basis (please bear in mind that this is predominantly heavy traffic).
A strong rebound for Greece was observed, however the biggest part of Greece traffic is flying West of Bulgaria. At the same time Turkey was not fully recovered in 2021 due to the late removal from UK red list in the end of September 2021, but we would expect that a strong summer season for Turkey in 2022. Particularly for Bulgaria, when compared traffic to/from Turkey has much more impact versus Greece traffic, on the flight numbers in Sofia FIR.
To summarise, in our opinion, traffic forecast is not conservative, and sufficient risk was taken. Indirect evidence for that is that during the summer consultation process, we were maybe the only state that adopted a forecast which was between 7.5% to 10.5% above the high scenario at that time for each year between 2021-2024. But given the local circumstances, we cannot count the same traffic twice (in our and in the adjacent airspaces), and it is not realistic to increase risk further. Local circumstances were communicated/consulted with airspace users by email.
See Annex D for more detailed explanation.

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

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
1. Traffic scenario: The adopted traffic scenario is situated above May'2021 STATFOR high scenario. It is to be noted that historically Bulgaria's own traffic forecast has proven to be closer to the actuals (less deviations) than STATFOR forecast as at the time of performance plan preparation. For integrity of planning, BULATSA takes into account various additional local/regional factors and circumstances and validates the assumptions by internal simulations. User's representatives shared that the uncertainty and volatility of the market are still quite high and at the current moment they operate with flight intentions up to 6 weeks. IATA representative stated that considering STATFOR forecasts available at the time of plan preparation the traffic will decrease because of the restrictions. Bulgarian representatives stated that in case some of the unfavourable risks as described in the geopolitical risk analysis materialise, a revision of the plan will be applied for. **2. Environment KPA**: The reference value of 2.25% is an essentially moving target which cannot be met by any means available to ANSPs. A letter of acknowledgement was received by the Director NM in this regard. Eurocontrol's representative stated that the current HFE methodology has reached its limits and has not been designed to work in the conditions in which Bulgarian airspace operates – adjacent airspace closures and considerable deviation of traffic flows from their normal orientation. Similar problems were observed in other regions as well, e.g., West part of Portugal. IATA representative commented that it will be up to the European Commission and PRB to decide the best way to handle the situation with the problems around the calculation of HFE parameter. **3. Capacity KPA**: Bulgaria stated that it will be able to comply with the local capacity targets for RP3 by undertaking the necessary actions to ensure the number of ACCs ATCOs (which are to be further facilitated by the investments for capacity and flow management). COVID-19 measures on sectors staffing are taken into account. The analysis shows that BULATSA has to act in a preventive manner to deliver the necessary capacity for Sofia FIR. **4. Investments**: Bulgarian representatives presented information on the RP3 investment programme. Investment projects will contribute to meet the challenging requirements for ensuring safety and capacity of airspace in Sofia FIR in view of forecasted high traffic levels and increased complexity of the operations. The investments planned for RP3 are related to the modernisation of the existing infrastructure as well as to the commissioning of new equipment aiming at the enhancement of service provision. All planned investments are in line with the current CP 1 and ATM Master Plan Level 2 and Level 3 (Former ESSIP) and LSSIP, as well as in accordance with the investment needs and replacement cycle of the entity to ensure seamless operations. In view of the traffic structure (>80% overflights), the primary focus is the provision of capacity and flow management in the airspace outside TMAs. Nevertheless, safety and high quality of service provision in TMAs and on airports shall be also ensured, which requires some investments, too. Besides the major investments BULATSA plans the implementation of additional projects in order to ensure the seamless operations within Sofia FIR. Key projects are accompanied by a CBA. **5. Cost efficiency**: IATA acknowledged the outstanding historical performance of Bulgaria and the importance of maintaining it for the future. During a subsequent teleconference with Lufthansa on 16 September 2021 Bulgaria demonstrated that it offers lower unit rates than the ones allowed by the Union-wide tragets in each one of the RP3 years, i.e. Bulgaria outperforms the targets. **Conclusion:** IATA expressed their appreciation for all the efforts Bulgaria has put and the openness and information provided and stated that they would like to see every state compliant with the targets and to continue maintaining them for the future. **For a full and detailed explanation, including statistics and comparison between past local and STATFOR forecasts please refer to Annex C (including Appendix 1 and Appendix 2) which represent an integral part of the performance plan.** **Ще казваме ли нещо за желанието на авиокомпаниите за цената на капитала да се намалява???**

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	Yes	Bulgaria emphasized that a reliable forecast is of crucial importance for the successful implementation of the PP. To effectively manage the situation Bulgaria traditionally establishes its own local forecast, using STATFOR ones as reference points. The past few months showed that May'2021 STATFOR forecast is rather underestimated (e.g., 2021 is forecasted to be lower than 2020). The adopted traffic scenario is situated above May'2021 STATFOR high scenario. It is to be noted that historically Bulgaria's own traffic forecast has proven to be closer to the actuals (less deviations) than STATFOR forecast as at the time of performance plan preparation. For integrity of planning, Bulgaria takes into account various additional local/regional factors and circumstances and validates the assumptions by internal simulations. For a full and detailed explanation, including statistics and comparison between past local and STATFOR forecasts please refer to Annex C (including Appendix 1 and Appendix 2)
Charging policy	No	
Maximum financial advantages and disadvantages for the mandatory incentive scheme on capacity	Yes	The maximum bonus is established at 0.2% of the determined costs, while maximum penalties are twice as high as the bonus, and equal to 0.4% of the determined costs. It is to be noted that the bonus is to be limited, since the focus is on the delivery of capacity over RP3 in view of expected traffic demand. The airspace users expressed their content on the asymmetry of the chosen incentive scheme.
Where applicable, decision to modulate performance targets for the purpose of pivot values to be used for the mandatory incentive scheme on capacity	No	
Symmetric range ("dead band") for the purpose of the mandatory incentive scheme on capacity	Yes	Bulgarian representatives presented the incentive scheme, which has been elaborated in line with the provisions of Regulation 2019/317, considering the guidance material available and historical performance of BULATSA. It is elaborated to reflect in a balanced way the results achieved by BULATSA over RP2 and to limit automatic rewarding of the ANSP. Since the capacity incentive scheme is suspended for the years 2020-2021, to achieve that in the last three years of the reference period, the alert threshold for maximum bonuses and penalties is chosen to match the dead-band. Thus, the ANSP will be rewarded only when outperforms the alert threshold. There are sufficient number of provisions in Regulation 2019/317 stemming from cost risk sharing mechanism in case BULATSA is not performing according to the RP3 PP. Bulgaria has decided not to modulate pivot values. Pivot values are fixed and match the en route ATFM delay contained in the NOP and set in the RP3 PP targets.
Establishment or modification of charging zones	No	
Establishment of determined costs included in the cost base for charges	Yes	Bulgaria was one of the few states which have decreased and limited the 2020 determined costs (by -14% vs. 2019) and 2021 determined costs (expected by -9% vs. 2019) in response to traffic drop over the first two years of RP3. This has resulted in benefits for the airspace users, as it reduced significantly the amounts to be carried over under article 29.5 of Regulation 2019/317. Bulgaria estimates that the total level of savings for airspace users amounts to more than 100 M BGN (~50 M EUR) in real terms, as per the COVID-19 Measures Information Report submitted on 15 December 2020. As evidenced by the PRB , Bulgaria is one of the few states that managed to significantly reduce the level of costs for 2020 (PRB advice on the revision of performance targets for RP3, March 2021). The cost base for the remaining years of the reference period is established on the basis of historical performance and also taking into account the planned activities to ensure seamless service during the gradual returning of the traffic to pre-crisis levels.
Where applicable, values of the modulated parameters for the traffic risk sharing mechanism	No	
Where applicable, decision to apply the simplified charging scheme	No	
New and existing investments, and in particular new major investments, including their expected benefits	Yes	Regarding the project for the New ATM system BULATSA informed that there has been a change in the initial plan. An advance payment was planned by the end of 2024. Due to the drop of traffic and the dynamically changing SES legislation (changes introduced through CP1) BULATSA needed to replan the timescale of the project accordingly. A decision was taken that the project will be implemented during the next RP, while in RP3 only preparatory work and completion of the process for joining an alliance are envisaged. That is why only operational costs related to the Co-ANSP alliance approach chosen by BULATSA are included in the RP3 draft PP. BULATSA informed the participants that a contract with the selected supplier for the New PSR(s) and SSR(s) in the East part of Sofia FIR had been signed in the end of 2019. Regarding the project for the Contingency and data centre there is a slight delay because of an unsuccessful tender procedure. BULATSA has been unable to select a tenderer due to too high financial offers of the tenderers. Then a decision has been made to split the project into separate phases – Stage 1 to be the design phase and Stage2 – the construction of the centre. With regards to the projects for the Reconstruction of the OPS and Technical room, the New ATM system and the project for the Contingency and data centre and other presented projects IATA asked BULATSA to provide information of the interrelations between the different projects. BULATSA explained that the projects for the Reconstruction of the OPS and TECH room are of significant importance in order to deliver the required capacity in terms of the project for the New ATM System. BULATSA emphasized that nevertheless it was quite difficult for the organization to cope with the decreased traffic and the corresponding decrease of financial resources it was decided that the work on the most strategic projects need to be continued although with some delay.

1.3.3 - Consultation of stakeholder groups on the performance plan

#1 - ANSPs	
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

#2 - Airspace Users	
Stakeholder group composition	Mr. Rory Sergison – Head of ATM Infrastructure, Europe, IATA Mr. Stephan Weidenhiller – Senior Manager, Group Regulatory & Industry Charges, Lufthansa
Dates of main meetings / correspondence	14 September 2021 and teleconference with Lufthansa on 16 September 2021
Main issues discussed	Described in 1.3.1 and 1.3.2 above. For a full and detailed explanation, including statistics and comparison between past local and STATFOR forecasts please refer to Annex C (including Appendix 1 and Appendix 2) which represent an integral part of the performance plan.
Actions agreed upon	Described in 1.3.1 and 1.3.2 above. For a full and detailed explanation, including statistics and comparison between past local and STATFOR forecasts please refer to Annex C (including Appendix 1 and Appendix 2) which represent an integral part of the performance plan.
Points of disagreement and reasons	Described in 1.3.1 and 1.3.2 above. For a full and detailed explanation, including statistics and comparison between past local and STATFOR forecasts please refer to Annex C (including Appendix 1 and Appendix 2) which represent an integral part of the performance plan.
Final outcome of the consultation	Described in 1.3.1 and 1.3.2 above. For a full and detailed explanation, including statistics and comparison between past local and STATFOR forecasts please refer to Annex C (including Appendix 1 and Appendix 2) which represent an integral part of the performance plan.

Additional comments
Please refer to Annex C (including Appendix 1 and Appendix 2)

#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	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

#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	Mr. Ulrich Schulte-Strathaus – Deputy Chair of PRB Mr. Nicola Volta – External consultant, PRB Mr. Denis Huet – Head of Aviation Intelligence Unit, Eurocontrol
Dates of main meetings / correspondence	14 September 2021
Main issues discussed	Please refer to Annex C (including Appendix 1 and Appendix 2)
Actions agreed upon	Please refer to Annex C (including Appendix 1 and Appendix 2)
Points of disagreement and reasons	Please refer to Annex C (including Appendix 1 and Appendix 2)
Final outcome of the consultation	Please refer to Annex C (including Appendix 1 and Appendix 2)

Additional comments

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

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

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

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

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

Additional comments

1.5 - Services under market conditions

Number of services under market conditions	Click to select

Services	Charging zone	Geographical scope of the services	State decision and assessment report	Reference to the agreement of the European Commission

Additional comments

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 - BULATSA

2.1.1 - Summary of investments
2.1.2 - Detail of new major investments
2.1.3 - 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 - BULATSA

2.1.1 - Summary of investments

Number of new major investments	3

#	Name of new major investment (i.e. above 5 M€)	Total value of the asset (capex or contractual leasing value)	Value of the assets allocated to ANS in the scope of the PP	**Determined costs** of investment (i.e. depreciation, cost of capital and cost of leasing) (in national currency)					Lifecycle (Amortisation period in years)	Allocation (%)*		Planned date of entry into operation
				2020	2021	2022	2023	2024		Enroute	Terminal	
1	New PSRs and SSRs East part of Sofia FIR	14 567 848 €	14 422 170 €	285 319 BGN	812 321 BGN	1 246 732 BGN	2 274 070 BGN	4 201 714 BGN	12	99,00%	1,00%	30.9.2023
2	Building of Contingency and Data Center and Equipment	16 361 340 €	16 047 202 €	- BGN	- BGN	- BGN	291 788 BGN	1 459 921 BGN	25 for the building and 10 for the equipment	98,08%	1,92%	30.6.2024 for the building and 30.06.2026 for the equipment
3	Reconstruction and modernization of the Operations Room of Sofia Air Traffic Control (ATC) Centre and the adjacent infrastructure and facilities	8 516 345 €	8 352 831 €	692 BGN	3 939 BGN	6 496 BGN	196 802 BGN	426 929 BGN	15	98,08%	1,92%	30.6.2025
Sub-total of **new major investments** above (1)		39 445 533	38 822 203	286 010	816 261	1 253 228	2 762 660	6 088 564				
Sub-total **other new investments** (2)		72 911 480 €	69 265 663 €	1 804 016 BGN	3 254 677 BGN	6 835 934 BGN	12 316 710 BGN	17 103 835 BGN				
Sub-total **existing investments** (3)				32 302 049 BGN	32 026 153 BGN	27 930 149 BGN	24 726 858 BGN	21 895 931 BGN				
Total new and existing investments (1) + (2) + (3)		112 357 013	108 087 866	34 392 075	36 097 091	36 019 311	39 806 229	45 088 330				

** 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.

Name of new major investment 1	***New PSRs and SSRs East part of Sofia FIR***					Total value of the asset	***14 567 848 €***
Description of the asset	New PSRs and SSRs East part of Sofia FIR						
The investment is mandated by a SES Regulation (i.e. PCP/CP1/Interoperability)? Ref. to the Regulation and, if funded through Union assistance programmes, ref. to the relevant grant agreement.)	Yes	Commission Implementing Regulation (EU) No 1207/2011					
Specify links to the PCP/CP1/Interoperability Regulations (add the sub-AF number(s) under each relevant box)	AF1	AF2	AF3	AF4	AF5	AF6	Interoperability
							SPI
Level of impact of the investment	Network	delay prevention and FRA implementation					
	Local	delay prevention and FRA implementation					
	Non-performance	not expected; the existing resources will be adequately used and maintained until the commissioning of the new radars to ensure seamless service;					

Quantitative impact per KPA	Safety	This project will facilitate the achievement of safety targets as shown in Annex O and in particular is a prerequisite for adherence to the expected
	Environment	Assist FRA implementation; since FRA facilitates KEA improvement, this project will consequently contrubute for improvement of environment KPI.
	Capacity	This project is part of the set of activities and measures in RP3 to ensure high quality radar coverage in this part of Sofia FIR and to improve
	Cost Efficiency	The impact of the project on the cost base is shown in the table above. The total impact of the three major investments over RP3 unit rate in
Benefits for airspace users and results of the consultation of airspace users' representatives	The new radars will ensure optimum capacity and flight efficiency achieved through SUR systems modernization in a very complex part of Sofia FIR where the increasing LTFM airport operations take place. They will meet the surveillance performance and interoperability requirements in line with the applicable regulations (SPI IR). The new radars will provide for safe operations and detection of independent non-cooperative targets and aircraft with technical problems. They wil ensure	
Joint investment / partnership	No	
Investment in ATM systems	No	
If investment in ATM system, type?	Click to select	
If investment in ATM system, Reference to European ATM Master Plan / PCP	Click to select	

Name of new major investment 2	***Building of Contingency and Data Center and Equipment***				Total value of the asset		***16 361 340 €***	
Description of the asset	Construction of a contingency ACC & data center. The center will consist of operational & technical room and data center that will support contingency operations and intercenter conectivity in case of significant degradation or interruption of main ACC center operations.							
The investment is mandated by a SES Regulation (i.e. PCP/CP1/Interoperability)?	No	Commission Implementing Regulation (EU) 2017/373						
Specify links to the PCP/CP1/Interoperability Regulations (add the sub-AF number(s) under each relevant box)	AF1	AF2	AF3	AF4	AF5	AF6	Interoperability	
Level of impact of the investment	Network	No impact in RP3						
	Local	No impact in RP3						
	Non-performance	No impact in RP3						
Quantitative impact per KPA	Safety	No impact on safety in RP3						
	Environment	No impact on environment in RP3						
	Capacity	No impact on capacity in RP3						
	Cost Efficiency	The impact of the project on the cost base is shown in the table above. The total impact of the three major investments over RP3 unit rate in						
Results of the consultation of airspace users' representatives	The contingency ACC & data center will allow BULATSA to provide its services in a safe, efficient, continuous and sustainable manner, consistent with the foreseen level of overall demand for Bulgarian airspace thus maintaining adequate technical and operational capacity in complience with the common requirements for providers of air traffic management/air navigation services.							
Joint investment / partnership	No							
Investment in ATM systems	No							
If investment in ATM system, type?	Click to select							
If investment in ATM system, Reference to European ATM Master Plan / PCP	Click to select							

Name of new major investment 3	***Reconstruction and modernization of the Operations Room of Sofia Air Traffic Control (ATC) Centre and the adjacent infrastructure and facilities***	Total value of the asset	***8 516 345 €***
Description of the asset	Please refer to Anex E.		
The investment is mandated by a SES Regulation (i.e. PCP/CP1/Interoperability)?	No	Commission Implementing Regulation (EU) 2017/373	

Specify links to the PCP/CP1/Interoperability Regulations (add the sub-AF number(s) under each relevant box)	AF1	AF2	AF3	AF4	AF5	AF6	Interoperability	
Level of impact of the investment	Network	No impact in RP3						
	Local	No impact in RP3						
	Non-performance	No impact in RP3						
Quantitative impact per KPA	Safety	No impact on safety in RP3						
	Environment	No impact on environment in RP3						
	Capacity	No impact on capacity in RP3						
	Cost Efficiency	The impact of the project on the cost base is shown in the table above. The total impact of the three major investments over RP3 unit rate in						
Results of the consultation of airspace users' representatives	The project will provide the required additional capacity of the ATS units in connection with the implementation of the future project for modernisation of the AATMS and the expected increased number of sectors in the coming years. it will also provide an opportunity for increased ANS efficiency, as well as is going to maintain high efficiency and continuity of operations in the Operations room.							
Joint investment / partnership	Click to select							
Investment in ATM systems	Click to select							
If investment in ATM system, type?	Click to select							
If investment in ATM system, Reference to European ATM Master Plan / PCP	Click to select							

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

Project objectives, scope and expected benefits are summarised in Annex E, as an integral part of the performance plan.

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

Number of new other investments	9

#	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	Reconstruction and Modernisation of the Technical room of the Sofia ATCC and the Adjacent Infrastructure and facilities	4 900 000 €	4 805 920 €	- BGN	- BGN	- BGN	98 695 BGN	427 680 BGN	Project objectives, scope and expected benefits are summarised in Annex E, as an integral part of the performance plan.
2	Modernization of Automated ATC System SATCAS V3DL - hardware upgrade	2 280 000 €	2 223 000 €	- BGN	- BGN	- BGN	152 173 BGN	304 347 BGN	Project objectives, scope and expected benefits are summarised in Annex E, as an integral part of the performance plan.
3	WAM extension to cover the gap between WAM West and WAM East system	1 022 584 €	1 022 584 €	- BGN	- BGN	- BGN	28 000 BGN	178 417 BGN	Project objectives, scope and expected benefits are summarised in Annex E, as an integral part of the performance plan.

4	Software upgrade of SATCAS - V3FR	3 543 253 €	3 454 671 €	195 159 BGN	284 848 BGN	1 029 188 BGN	1 637 421 BGN	1 544 584 BGN	Project objectives, scope and expected benefits are summarised in Annex E, as an integral part of the performance plan.
5	tCAT project	1 554 316 €	1 496 029 €	248 201 BGN	735 254 BGN	694 530 BGN	653 805 BGN	613 080 BGN	Project objectives, scope and expected benefits are summarised in Annex E, as an integral part of the performance plan.
6	tCAT project Phase 2	1 022 584 €	984 237 €	- BGN	- BGN	20 213 BGN	80 850 BGN	313 775 BGN	Project objectives, scope and expected benefits are summarised in Annex E, as an integral part of the performance plan.
7	Deployment of ORACLE X-data (onsite)	1 732 405 €	1 667 440 €	- BGN	26 418 BGN	113 437 BGN	200 497 BGN	823 281 BGN	Project objectives, scope and expected benefits are summarised in Annex E, as an integral part of the performance plan.
8	Enterprise Resource Planning (ERP) system	3 061 589 €	2 946 779 €	160 434 BGN	1 158 973 BGN	1 388 093 BGN	1 307 876 BGN	1 227 659 BGN	Project objectives, scope and expected benefits are summarised in Annex E, as an integral part of the performance plan.
9	Aeronautical Information Management (AIM)	1 790 258 €	1 790 258 €	72 548 BGN	72 548 BGN	153 541 BGN	850 774 BGN	803 867 BGN	Project objectives, scope and expected benefits are summarised in Annex E, as an integral part of the performance plan.

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
BULATSA	Safety policy and objectives	*D*	C	C	C	C	C
	Safety risk management	*C*	C	C	C	D	D
	Safety assurance	*C*	C	C	C	C	C
	Safety promotion	*D*	C	C	C	C	C
	Safety culture	*C*	C	C	C	C	C
	Additional comments						

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

No inconsistency between local and Union-wide safety targets.

** Refer to Annex O, if necessary.*

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

Continuous Human performance improvement - the BULATSA safety policy recognises the human element as the main organisational asset, furthermore additional enhancement related to the improved human performance will be introduced related to fatigue and stress management.
Continuous evolution of the Safety Culture - investing efforts in reinforcing the achieved Safety Culture as it is has ultimate impact on the safe performance. Additional efforts to promote and nurture the Just Culture principles beyond the organisational environment.
Enhancing safety risk management and safety assurance - introducing a highly detailed systemic approach further enhanced by the development of a model of the functional system which will be used for the assessment of changes, for identification of hazards and risk management processes to the control the safety risks in order to maintain the right balance between operational production and protection.
Safety awareness promotion - maintain continuous safety promotion programme to increase the levels of dissemination of the safety messages. Safety campaigns and maintaining unobstructed two-way safety communication channel.
Deployment of technological solutions - continuous improvement through deployment of mature technological solutions which will have direct impact on safety. The validated innovative technological enablers are expected to further enhance the achieved levels of safety.
More detailed /tactical measures comprise of:
ATCO workload assessment based on the complexity of operations taking into account internal and external factors contributing to the the complexity.
Continuous monitoring and safety analysis in order to determine possible emergence of negative trends of operational and ATM specific occurrences;
Safety information sharing among all levels of the organization;
Carrying out the routine daily safety teleconference (daily safety briefing) which is part of the organizational risk management activities with the participation of all directors of ATS units and other key organizational directorates such as ATM, CNS, IT, etc.
Fatigue and stress management activities;
Maintaining a robust critical incident stress management programme;
Follow up on the safety recommendations and corrective actions taken based on ATM-related incident analysis or investigations. All analysis or investigations are strictly monitored and following recommendations are given to the ATS units. ATM-related incident analysis or investigations are public and internal systems ensure access of staff to the results and recommendations. Performance of safety recommendations is part safety monitoring and safety improvement analysis.
Use of Automated data recording systems in order to gather, store and ensure near-real time analysis of safety-related data. This data is used for monitoring of safety, biannual monitoring reports, safety trends analysis, KPIs monitoring.
Collaborative work with both national and international partners and stakeholders.

** Refer to Annex O, if necessary.*

SECTION 3.2: ENVIRONMENT KPA

3.2 - Environment targets

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

a) Environment national performance targets

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

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

Annexes of relevance to this section

ANNEX P. JUSTIFICATIONS FOR THE LOCAL ENVIRONMENT TARGETS

3.2 - Environment targets

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

a) National environment performance targets

	2020A	2020	2021	2022	2023	2024
National reference values	*2,55%*	n/a	2,25%	2,25%	2,25%	2,25%

	2020	2021	2022	2023	2024
	Target	Target	Target	Target	Target
National targets	1,95%	2,25%	2,25%	2,25%	2,25%

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

N/A
Please refer to Annex P.

** Refer to Annex P, if necessary.*

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

Please refer to Annex P.

** 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	0,04	0,08	0,07	0,08

	2020	2021	2022	2023	2024
	Target	Target	Target	Target	Target
National targets	0,17	0,04	0,08	0,07	0,08

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

** Refer to Annex Q, if necessary.*

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

Very close monitoring of the traffic forecast including elaboration of own traffic forecast
Traffic demand will be met with sufficient number of ATCOs. Traffic complexity analysing tool tCAT was introduced into operations - the system provides evaluation of ATCO's workload and further optimises the effectiveness of the selected sector configurations. Dynamic sectorisation is available for both family sector groups which combined with the large number of pre-defined sector configurations allows the use of the most effective opening scheme. A sufficient number of ATCOs will be dilivered to provide airspace access with zero delay.

** Refer to Annex Q, if necessary.*

d) ATCO planning

	Actual			Planning			
Sofia (LBSR ACC)	2018	2019	2020	2021	2022	2023	2024
Number of additional ATCOs in OPS planned to start working in the OPS room (FTEs)				6	2	4	4
Number of ATCOs in OPS planned to stop working in the OPS room (FTEs)				1,5	0	2,5	1,5
Number of ATCOs in OPS planned to be operational **at year-end (FTEs)**	146	156	147	151,5	153,5	155	157,5

Additional comments
COVID 19 outbreak remains a main issue with indefinite duration. The local traffic forecast suggests full recovery by the end of the reference period. The gradual increase of ATCO FTE numbers is compliant with Bulgaria's local estimation for a sustainable traffic increase beyond RP3. Bulgaria's main focus is on maintaining adequate level of capacity in order to handle the traffic seamlessly as per regulatory requirements.

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

a) National capacity performance targets

	2020A	2020	2021	2022	2023	2024
	Actual	Target	Target	Target	Target	Target
National targets	*N/A*	N/A				
Additional comments						

b) Contribution to the improvement of the European ATM network 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

** 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 - Bulgaria

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)	156 370 365	223 847 797	400 562 021	224 347 422	247 033 089	252 002 257	61,2%	12,6%
Total en route costs in real terms (in national currency at 2017 prices)	**154 949 468**	**215 700 647**	**382 249 574**	**210 065 962**	**227 827 874**	**229 524 354**	**48,1%**	**6,4%**
Total en route costs in real terms (in EUR2017) [1]	79 240 611	110 308 549	195 481 083	107 426 991	116 510 371	117 377 944	48,1%	6,4%
YoY variation			77,2%	-45,0%	8,5%	0,7%		
Total en route Service Units (TSU)	2 736 473	4 021 161	3 998 285	3 109 171	3 709 112	4 126 500	50,8%	2,6%
YoY variation			-0,6%	-22,2%	19,3%	11,3%		
Real en route unit costs (in national currency at 2017 prices)	**56,62**	**53,64**	**95,60**	**67,56**	**61,42**	**55,62**	**-1,8%**	**3,7%**
Real en route unit costs (in EUR2017) [1]	**28,96**	**27,43**	**48,89**	**34,55**	**31,41**	**28,44**	**-1,8%**	**3,7%**
YoY variation			78,2%	-29,3%	-9,1%	-9,4%		

National currency	**BGN**
[1] Average exchange rate 2017 (1 EUR=)	**1,955430**

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

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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)	156 370 365	223 847 797	156 370 365	223 847 797	156 370 365	223 847 797
Total en route costs in real terms (in national currency at 2017 prices)	**154 949 468**	**215 700 647**	**154 949 468**	**215 700 647**	**154 949 468**	**215 700 647**
Total en route costs in real terms (in EUR2017) [1]	79 240 611	110 308 549	79 240 611	110 308 549	79 240 611	110 308 549
Total en route Service Units (TSU)	2 736 473	4 021 161	2 743 606	4 031 643	2 736 473	4 021 161

c) Detailed justifications for the adjustments to the baseline values

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

Number of adjustments	0

c.2) Adjustments to the 2014 service units

	Coefficient M2/M3	Source	Service units
Impact of transition to actual route flown	-0,26%	CRCO correction factor May 2019 (on 12 months)	2 736 473

Other adjustment to the 2014 service units	No

Total adjustments to the 2014 service units	2 736 473

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

Number of adjustments	0

c.4) Adjustments to the 2019 service units

Impact of transition to actual route flown	Coefficient M2/M3	Source	Service units
	-0,26%	CRCO correction factor May 2019 (on 12 months)	4 021 161

Other adjustment to the 2019 service units	No

Total adjustments to the 2019 service units	4 021 161

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

Please refer to Annex R.

** 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	Click to select	
Restructuring costs planned for RP3	Click to select	

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

Cost-containment measures in response to the severe reduction in traffic due to the pandemic were put in place - as an exceptional measure, staff costs were reduced, salaries were decreased by 30% for 2020-2021, operational costs were prioritsised, while managing to ensure continuous service provision. Key investment projects were continued.
Bulgaria was one of the few states which have decreased and limited the 2020 determined costs (by -14% vs. 2019) and 2021 determined costs (expected by -9% vs. 2019) in response to traffic drop over the first two years of RP3. This has resulted in benefits for the airspace users, as would reduce significantly the amounts to be carried over under article 29.5 of Regulation 2019/317. Bulgaria estimates that the total level of savings for airspace users would amount to more than 100 M BGN (~50 M EUR) in real terms, as per the COVID-19 Measures Information Report submitted on 15 December 2020.
Bulgaria optimized significantly the level of total cost for the first years of RP3 followed by a less steep reduction in the later years of the reference period while arriving at the end of the period to the targeted DUC level as mandated following the YoY changes stipulated in the EC decision 2021/891 corresponding to traffic development.
Bulgaria continuously applies cost optimization policy. Its targeted improvement combined with enhanced productivity level are the foundation of the cost base establishment. Bulgaria has always been firmly committed to provide high quality seamless service at optimal cost level. At times of unprecedented challenges Bulgaria has given its share and has been active participant in the sustainable recovery of the aviation industry.

** 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

BULATSA cost base for charges verified, fully compliant with the regulatory requirements, no correction measures applied.

** Refer to Annex U, if necessary.*

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

Terminal Charging Zone #1 -

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)						
Total terminal costs in real terms (in national currency at 2017 prices)						
Total terminal costs in real terms (in EUR2017) [1]						
YoY variation						
Total terminal Service Units (TNSU)						
YoY variation						
Real terminal unit costs (in national currency at 2017 prices)						
Real terminal unit costs (in EUR2017) [1]						
YoY variation						

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

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)			
Total terminal costs in real terms (in national currency at 2017 prices)			
Total terminal costs in real terms (in EUR2017) [1]			
Total terminal Service Units (TNSU)			

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	1

Adjustment #1	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
<Title of adjustment>		Click to select	Click to select		-	-
Description and justification of the adjustment						
<Justification>						

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

c.2) Adjustments to the 2019 service units

Adjustment to the 2014 service units	Click to select

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

** Refer to Annex R, if necessary.*

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

** 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

** Refer to Annex U, if necessary.*

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

Terminal Charging Zone #2 -

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)						
Total terminal costs in real terms (in national currency at 2017 prices)						
Total terminal costs in real terms (in EUR2017) [1]						
YoY variation						
Total terminal Service Units (TNSU)						
YoY variation						
Real terminal unit costs (in national currency at 2017 prices)						
Real terminal unit costs (in EUR2017) [1]						
YoY variation						

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

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)			
Total terminal costs in real terms (in national currency at 2017 prices)			
Total terminal costs in real terms (in EUR2017) [1]			
Total terminal Service Units (TNSU)			

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	1

Adjustment #1	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
<Title of adjustment>		Click to select	Click to select		-	-
Description and justification of the adjustment						
<Justification>						

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

c.2) Adjustments to the 2019 service units

Adjustment to the 2014 service units	Click to select

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

** Refer to Annex R, if necessary.*

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

** 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

** Refer to Annex U, if necessary.*

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

Terminal Charging Zone #3 -

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)						
Total terminal costs in real terms (in national currency at 2017 prices)						
Total terminal costs in real terms (in EUR2017) [1]						
YoY variation						
Total terminal Service Units (TNSU)						
YoY variation						
Real terminal unit costs (in national currency at 2017 prices)						
Real terminal unit costs (in EUR2017) [1]						
YoY variation						

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

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)			
Total terminal costs in real terms (in national currency at 2017 prices)			
Total terminal costs in real terms (in EUR2017) [1]			
Total terminal Service Units (TNSU)			

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	1

Adjustment #1	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
<Title of adjustment>		Click to select	Click to select		-	-
Description and justification of the adjustment						
<Justification>						

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

c.2) Adjustments to the 2019 service units

Adjustment to the 2014 service units	Click to select

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

** Refer to Annex R, if necessary.*

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

** 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

** Refer to Annex U, if necessary.*

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

Terminal Charging Zone #4 -

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)						
Total terminal costs in real terms (in national currency at 2017 prices)						
Total terminal costs in real terms (in EUR2017) [1]						
YoY variation						
Total terminal Service Units (TNSU)						
YoY variation						
Real terminal unit costs (in national currency at 2017 prices)						
Real terminal unit costs (in EUR2017) [1]						
YoY variation						

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

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)			
Total terminal costs in real terms (in national currency at 2017 prices)			
Total terminal costs in real terms (in EUR2017) [1]			
Total terminal Service Units (TNSU)			

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	1

Adjustment #1	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
<Title of adjustment>		Click to select	Click to select		-	-
Description and justification of the adjustment						
<Justification>						

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

c.2) Adjustments to the 2019 service units

Adjustment to the 2014 service units	Click to select

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

** Refer to Annex R, if necessary.*

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

** 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

** Refer to Annex U, if necessary.*

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

Terminal Charging Zone #5 -

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)						
Total terminal costs in real terms (in national currency at 2017 prices)						
Total terminal costs in real terms (in EUR2017) [1]						
YoY variation						
Total terminal Service Units (TNSU)						
YoY variation						
Real terminal unit costs (in national currency at 2017 prices)						
Real terminal unit costs (in EUR2017) [1]						
YoY variation						

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

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)			
Total terminal costs in real terms (in national currency at 2017 prices)			
Total terminal costs in real terms (in EUR2017) [1]			
Total terminal Service Units (TNSU)			

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	1

Adjustment #1	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
<Title of adjustment>		Click to select	Click to select		-	-
Description and justification of the adjustment						
<Justification>						

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

c.2) Adjustments to the 2019 service units

Adjustment to the 2014 service units	Click to select

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

** Refer to Annex R, if necessary.*

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

** 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

** Refer to Annex U, if necessary.*

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

Terminal Charging Zone #6 -

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)						
Total terminal costs in real terms (in national currency at 2017 prices)						
Total terminal costs in real terms (in EUR2017) [1]						
YoY variation						
Total terminal Service Units (TNSU)						
YoY variation						
Real terminal unit costs (in national currency at 2017 prices)						
Real terminal unit costs (in EUR2017) [1]						
YoY variation						

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

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)			
Total terminal costs in real terms (in national currency at 2017 prices)			
Total terminal costs in real terms (in EUR2017) [1]			
Total terminal Service Units (TNSU)			

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	1

Adjustment #1	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
<Title of adjustment>		Click to select	Click to select		-	-
Description and justification of the adjustment						
<Justification>						

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

c.2) Adjustments to the 2019 service units

Adjustment to the 2014 service units	Click to select

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

** Refer to Annex R, if necessary.*

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

** 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

** Refer to Annex U, if necessary.*

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

Terminal Charging Zone #7 -

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)						
Total terminal costs in real terms (in national currency at 2017 prices)						
Total terminal costs in real terms (in EUR2017) [1]						
YoY variation						
Total terminal Service Units (TNSU)						
YoY variation						
Real terminal unit costs (in national currency at 2017 prices)						
Real terminal unit costs (in EUR2017) [1]						
YoY variation						

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

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)			
Total terminal costs in real terms (in national currency at 2017 prices)			
Total terminal costs in real terms (in EUR2017) [1]			
Total terminal Service Units (TNSU)			

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	1

Adjustment #1	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
<Title of adjustment>		Click to select	Click to select		-	-
Description and justification of the adjustment						
<Justification>						

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

c.2) Adjustments to the 2019 service units

Adjustment to the 2014 service units	Click to select

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

** Refer to Annex R, if necessary.*

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

** 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

** Refer to Annex U, if necessary.*

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

Terminal Charging Zone #8 -

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)						
Total terminal costs in real terms (in national currency at 2017 prices)						
Total terminal costs in real terms (in EUR2017) [1]						
YoY variation						
Total terminal Service Units (TNSU)						
YoY variation						
Real terminal unit costs (in national currency at 2017 prices)						
Real terminal unit costs (in EUR2017) [1]						
YoY variation						

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

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)			
Total terminal costs in real terms (in national currency at 2017 prices)			
Total terminal costs in real terms (in EUR2017) [1]			
Total terminal Service Units (TNSU)			

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	1

Adjustment #1	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
<Title of adjustment>		Click to select	Click to select		-	-
Description and justification of the adjustment						
<Justification>						

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

c.2) Adjustments to the 2019 service units

Adjustment to the 2014 service units	Click to select

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

** Refer to Annex R, if necessary.*

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

** 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

** Refer to Annex U, if necessary.*

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

Terminal Charging Zone #9 -

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)						
Total terminal costs in real terms (in national currency at 2017 prices)						
Total terminal costs in real terms (in EUR2017) [1]						
YoY variation						
Total terminal Service Units (TNSU)						
YoY variation						
Real terminal unit costs (in national currency at 2017 prices)						
Real terminal unit costs (in EUR2017) [1]						
YoY variation						

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

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)			
Total terminal costs in real terms (in national currency at 2017 prices)			
Total terminal costs in real terms (in EUR2017) [1]			
Total terminal Service Units (TNSU)			

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	1

Adjustment #1	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
<Title of adjustment>		Click to select	Click to select		-	-
Description and justification of the adjustment						
<Justification>						

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

c.2) Adjustments to the 2019 service units

Adjustment to the 2014 service units	Click to select

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

** Refer to Annex R, if necessary.*

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

** 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

** Refer to Annex U, if necessary.*

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

Terminal Charging Zone #10 -

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)						
Total terminal costs in real terms (in national currency at 2017 prices)						
Total terminal costs in real terms (in EUR2017) [1]						
YoY variation						
Total terminal Service Units (TNSU)						
YoY variation						
Real terminal unit costs (in national currency at 2017 prices)						
Real terminal unit costs (in EUR2017) [1]						
YoY variation						

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

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)			
Total terminal costs in real terms (in national currency at 2017 prices)			
Total terminal costs in real terms (in EUR2017) [1]			
Total terminal Service Units (TNSU)			

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	1

Adjustment #1	Entity name	Entity type	Nature	Costs nominal NC	Costs real NC	Costs EUR2017
<Title of adjustment>		Click to select	Click to select		-	-
Description and justification of the adjustment						
<Justification>						

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

c.2) Adjustments to the 2019 service units

Adjustment to the 2014 service units	Click to select

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

** Refer to Annex R, if necessary.*

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

** 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

** Refer to Annex U, if necessary.*

3.4.3 - Pension assumptions

BULATSA

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	9 539 457	8 450 481	17 989 937	8 883 439	9 575 620	10 822 922
En-route activity	8 401 952	7 442 828	15 844 780	7 924 034	8 541 460	9 654 054
Terminal activity	1 137 504	1 007 653	2 145 157	959 405	1 034 160	1 168 868
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?	Yes-2

ATCOs	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total pensionable payroll to which this scheme applies	316	332	648	334	335	338
Employer % contribution rate to this scheme	21,02%	21,02%		21,02%	22,02%	22,02%
Total pension costs in respect of this scheme	**2 391 235**	**2 512 310**	**4 903 546**	**2 695 941**	**2 832 653**	**2 858 020**
Number of employees the employer contributes for in this scheme						

Supporting staff (technical and admin staff)	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total pensionable payroll to which this scheme applies	813	806	1 619	806	806	806
Employer % contribution rate to this scheme	11,02%	11,02%		11,02%	12,02%	12,02%
Total pension costs in respect of this scheme	**3 223 350**	**3 197 563**	**6 420 913**	**3 410 734**	**3 720 238**	**3 720 238**
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

Defined contributiuons
It is a duty of companies-employers in Bulgaria to make mandatory social security contributions for the employees to the Pensions Fund (PF), the Supplementary Mandatory Pension Security Fund (SMPSF), to the General Diseases and Maternity (GDM) Fund, the Unemployment Fund, the Labour Accident and Professional Diseases (LAPD) Fund, Occupational Pension Fund (OPF) and for health insurance. Ossupational Pension Fund is applicable only for specific categories of staff, such as ATCOs for BULATSA.
Social security and health insurance contributions are defined under the Law on the Budget of State Social Security and the Law on the Budget of National Health Insurance Fund for the respective year. The contributions are split between employer and employee in line with the requirements of the Social Security Code (SSC). The social security and pension plans, applied by BULATSA in its capacity of employer, are based on the Bulgarian legislation and are defined contributions plans. They are operated by the State. Under these plans, the employer pays defined monthly contributions to the government funds. The stated in the table above rate is due by the employer for the PF, SMPSF and OPF cumulatively.

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

The demographic structure of the Bulgarian population forces the Governement to undertake measures to gradually increase the social security burden on both employers and employees. Based on recent experience and public announcements by government officials, it is reasonable and prudent to expect certain increase in the contributions, as disclosed above.
In addition, the social security contributions are based on certain level of maximum social security income. For 2019 it has risen by 15.4%. For RP3 it is also envisaged to continue its upward move reaching 3,200 BGN at the end of the period.

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 number of personnel is under the control of the management and is used as a tool to mitigate possible unfavorable effects to a certain extend. However, it cannot be expected that ANSP staffing should accommodate all unfavourable developments against the ANSP determined costs.

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?	Yes
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	**3 924 871**	**2 740 607**	**6 665 478**	**2 776 764**	**3 022 729**	**4 244 664**
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
Defined benefits In accordance with the requirements the Labour Code and the Collective Labour Agreement (CLA), in case of retirement, after the employee has gained the legal right of retirement pension due to years of service and age, the Entity is obliged to pay him/her compensation at the amount of up to six gross salaries and additional compensation in accordance with the CLA. The Management estimates the defined benefit obligation annually with the assistance of independent actuaries. The estimate of the obligation is based on standard rates of inflation and mortality. Future salary increases are also taken into consideration. Discount factors are determined at year-end by reference to the yield of risk-free government securities (government bonds), in which the benefits will be paid and with maturity close to the maturity of the retirement benefits.

Description of the assumptions underlying the calculations of pension costs comprised in the determined costs
The annual report is prepared by a licensed external actuary based on the projected unit credit method representing a liability that will arise at a future point in time. From this point of view, the method is sensitive to the assumptions about the values of the main parameters on which the occurrence of the obligation and the amount of compensation due depend. The main assumptions on which the amount of the liability depends are the following: - Demographic assumptions reflecting specific probabilities, which are based on statistical information about the country's population and applied to the staff structure by gender and age at the time of the assessment; -Mortality rate calculated for each person individually based on his / her gender and age at the time of the assessment (mortality and average life expectancy of the population of Bulgaria for the period 2017-2019 of the National Statistical Institute has been used); -In determining the likelihood of disability, it is assumed that mortality and disability develop in the same way over time and are similar in nature and interrelated. The above-mentioned mortality rates with a 50% correction in the probability of dying was used to determine the disability obligations; -Probability for job quitting is also taken into account Based on the information provided on staff turnover, the probability of leaving or forthcoming redundancy with normal distribution function is used with its relevant characteristics(standard approach in modeling the turnover in the enterprise, and comparative analysis against the actual turnover for the year). This probability is applied to the existing staff structure, according to the distribution of employees by sex and age at the time of the assessment. -Estimated wage change rate is also incorporated in the calculations to determine the amount of the liability at the time of its occurrence. The amount of this percentage is determined on the basis of statistical information on the growth of salaries and the forecast expectations for the coming years, according to the

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.
Defined benefit costs are reported as part of staff costs of the ANSP and in addition disclosed on a separate line in costs by nature in the reporting table (Table 1).

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

BULATSA

N/a	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	Bulgaria does not use loans financing in RP3, therefore information here is not filled in, as this section is not applicable.					
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?	Select
If yes, number of charging zones concerned	Select

Restructuring costs from previous reference periods to be recovered in RP3
(nominal terms in '000 national currency)

Restructuring costs recovery plan from previous RPs	2020D	2021D	2020/2021D	2022D	2023D	2024D

Additional comments

3.4.5.2 Restructuring costs planned for RP3

Restructuring costs foreseen for RP3?	Select
If yes, number of charging zones concerned	1

BULATSA

a) Overall description of the restructuring measures planned for RP3

N/a

b) Where applicable, information on how the restructuring measures make use of shared services, ATM data services and/or how the measures contribute to infrastructure rationalisation

c) Detailed information on the restructuring measures planned for RP3

Number of restructuring measures	Select

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

d) Detailed information on the restructuring costs by nature by charging zone

Restructuring costs planned for RP3 by nature and by charging zone
(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 restructuring costs	-	-	-	-	-	-

	2020D	2021D	2020/2021D	2022D	2023D	2024D
Total restructuring costs by charging zone ('000 national currency)	-	-	-	-	-	-

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?	No
If yes, number of **en route** charging zones concerned	1

BULATSA

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?
No changes in BULATSA functional system, having negative safety impact are forseen due to planned measures aiming at achieving the targets in the different KPAs. If requirements for changes assessed as negatively impacting the ANSP functional system arise (e.g. changes introducing temporarily negative safety implications during the transition period of the implementation/deployment of the change), the respective changes will be managed as per BULATSA / DG CAA procedure for change management and appropriate control and mitigation measures will be put in place.

b) What are the main assumptions used to assess the interdependencies between safety and other KPAs?
1. The safety has paramount priority within BULATSA over other aspects of the services (economic, environmental, etc.) as defined in our Safety Policy; 2. Improvement of BULATSA performance in the other 3 KPAs will not be on account of the safety performance (no trade off with safety).

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?
1. Internal safety PIs are monitored as part of the Ballanced Score Card system in BULATSA, including: timeliness of safety investigations, timeliness of safety directives implementation, number of safety assessments of changes performed on schedule, number of updates safety assessments, number of cpeciffic ATM occurenecs, etc. 2. Internal safety audit reports and findings - monitoring safety targets and safety preformance.

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?
Specific internal targets are monitored for number of operational staff available per position. The planned number of staff available at an operational position (ATCO / ATSEP) alows for participation of staff to safety activities (safety training, safety assessment, safety investigation, etc.)

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.
No specific changes to FS have been intorduced affecting negatively the activities such as safety promotion, safety improvment, safety assurance and safety risk management in order to acheieve targets in other KPAs. Each change to functional system of BULATSA is assessed in accordance to the Regulatory requirements and perfrormed as per internal safety porcedures, and depending on the change is either reviewed and approved/sanctioned by the NSA, or reviewed during annual oversight programme audits. The latter cover also review of BULATSAs financial and personnel resources available / needed to support safe ATC service provision, as well as to acheve targets in other KPAs.

3.6.2 - Interdependencies and trade-offs between capacity and environment

Insufficient capacity in the ACCs could prevent airspace users to use the shortest routes in terms of distance. In certain number of cases shortest routes in terms of distance coincide with the shortest ones in terms of time flown and with the most economic ones. However, in case ANSP cannot deliver capacity, users are forced to find alternative routes, which impacts environment in an unfavourable way. The envisaged set of measures for capacity delivery over RP3 will not impact negatively the environment KPA.

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

Maintaining and improving capacity requires investments in human and technical resources. This can be done either by changing or not changing the modus operandi. In the first case the projects are related to low risk and rely on mature technology. In such cases capacity is increased proportionally. However, when modus operandi is changed, this is related to projects attempting to increase the efficiency of existing ATM processes. These are usually high risk ones due to the novelty of technology. A proper balance between these two is necessary so as to deliver capacity cost-efficiently and in-time. The envisaged set of measures to deliver capacity over RP3 will not prevent the achievement of RP3 DUC trend.

3.6.4 - Other interdependencies and trade-offs

Generally, KPIs related to KPAs can be affected by geopolitical events, which are out of ANSP control.

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	2

Additional comments
First cross-border initiative detailed in Annex N.

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
Second cross-border initiative - VCS: Coordinated through the DANUBE FAB, BULATSA and ROMATSA exploiting cost savings through jointly procured VCS equipment. The systems are operational and VOIP communications have been established at a local level, with joint ongoing activities planned to certify and expand the use of these systems.

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	Basic AMAN and AMAN Upgrade to include Extended Horizon function are not applicable for Bulgarian Airports. The new Istanbul airpot LTFM AMAN extention is implemented in Sofia ACC as a service.
CP1-s-AF1.2 AMAN/DMAN Integration	Basic AMAN and AMAN Upgrade to include Extended Horizon function are not applicable for Bulgarian Airports. The new Istanbul airpot LTFM AMAN extention is implemented in Sofia ACC as a service.
CP1-AF2 - Airport Integration and Throughput	
CP1-s-AF2.1 DMAN synchronised with predeparture sequencing	Not Applicable.
CP1-s-AF2.2.1 Initial airport operations plan (iAOP)	Not Applicable.
CP1-s-AF2.2.2 Airport operations plan (AOP)	Not Applicable.
CP1-s-AF2.3 Airport safety nets	Not Applicable.
CP1-AF3 - Flexible Airspace Management and Free Route Airspace	
CP1-s-AF3.1 Airspace management and advanced flexible use of airspace	Completed. ASM tools to support AFUA and full rolling ASM/ATFCM process and ASM information sharing are implemented. BULATSA has implemented LARA Tool according to the signed agreement with EUROCONTROL. BULATSA AMC uses CIAM application to send AUP/UUP on a daily basis. ATM System updates for the exchange of real time airspace data will be considered with the new ATM system. The Management of Dynamic Airspace configuration is implemented - Dynamic sectorisation, Management of pre-defined Airspace Configuration and VoIP communication.
CP1-s-AF3.2 Free route airspace	Completed. Night FRA was implemented in Bulgaria in 2013. Cross border FRA operations started in 2017. Seasonal FRA as of 2018. H24 SEE FRA implemented on 07 Nov 2019 (AIRAC AIP AMDT 06/19).
CP1-AF4 - Network Collaborative Management	
CP1-s-AF4.1 Enhanced short-term ATFCM measures	Partially completed. STAM phase 1 already implemented, STAM Phase 2 implemented locally. STAM Phase 2 will be expanded to include network coordination via NM B2B by 31.12.2022 with the upgrade of the local complexity management system.
CP1-s-AF4.2 Collaborative NOP	Interactive Rolling NOP is planed. Some implementation tasks will depend on the NM platform (N-Connect) availability. ATM system interface to NM systems is deployed. The planned FOC date is 31.12.2023.
CP1-s-AF4.3 Automated support for traffic complexity assessment	Completed. tCAT is in operational use since 16.11.2020.
CP1-s-AF4.4 AOP/NOP integration	Not Applicable.
CP1-AF5 - SWIM	
CP1-s-AF5.1 Common infrastructure components	Completed. NewPENS is operational with some services as tCAT and AMHS already using it.
CP1-s-AF5.2 SWIM yellow profile technical infrastructure and specifications	Internet Protocol Compliance is achieved. Some dedicated PKI and Cybersecurity components and processes to meet local security requirements were deployed under the 2016_062_AF5 project - Creating local security operation center. Pending the finalisation of SWIM Governance Framework and
CP1-s-AF5.3 Aeronautical information exchange	The implementation of the Aeronautical Information Exchange capabilities is planned. The actual exchange of information will depend on the finalisation of the SWIM Framework considering also the new ATM system developments. The planned FOC date is 31.12.2025.
CP1-s-AF5.4 Meteorological information exchange	The implementation of Meteorological Information Exchange capabilities is completed. The actual exchange of information depends on the overall SWIM framework considering also the new ATM system developments. The planned FOC date is 31.12.2025.

CP1-s-AF5.5 Cooperative network information exchange	Not planned. Some of the services are already implemented as capabilities. Pending the finalisation of the SWIM Framework, the corresponding local plan will be put in place considering also the new ATM system developments. The planned FOC date is 31.12.2025.
CP1-s-AF5.6 Flight information exchange (yellow profile)	Planned. The planned FOC date is 31.12.2025.
CP1-AF6 - Initial Trajectory Information Sharing	
CP1-s-AF6.1 Initial air-ground trajectory information sharing	Planned for the new ATM system. The planned FOC date is 31.12.2027.
CP1-s-AF6.2 Network Manager trajectory information enhancement	Planned for the new ATM system. The planned FOC date is 31.12.2027.
CP1-s-AF6.3 Initial trajectory information sharing ground distribution	Planned for the new ATM system. The planned FOC date is 31.12.2027.

4.3 - Change management

Change management practices and transition plans for the entry into service of major airspace changes or for ATM system improvements, aimed at minimising any negative impact on the network performance
The change management process in BULATSA is endorsed by the DG CAA and it is aligned in accordance to the NSA oversight processes. The change management process assesses the safety impact of changes in the functional systems of the ANSPs together with its external interfaces, including the interfaces with the NM in order to **determine** any negative impact on the network pefromance. This process includes major airspace changes, ATM system improvements and any other changes that are identified to introduce hazards and risks to the organisation's functional system and are determined to impact the stakeholders. The change management process also defines and monitors the **risks assosciated with the life-cycle of the change including the risks in the transition period**. Assurance is provided through monitoring of the performance of risk controls and mitigation measures **during the** implementation **phases** and post-implementation period. The safety assessment documents of the ATM/ANS technical systems are revised each year **for assurance and** evidence that the safety **levels are achieved and maintained**.

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

Bulgaria			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

5.2 - Capacity incentive schemes

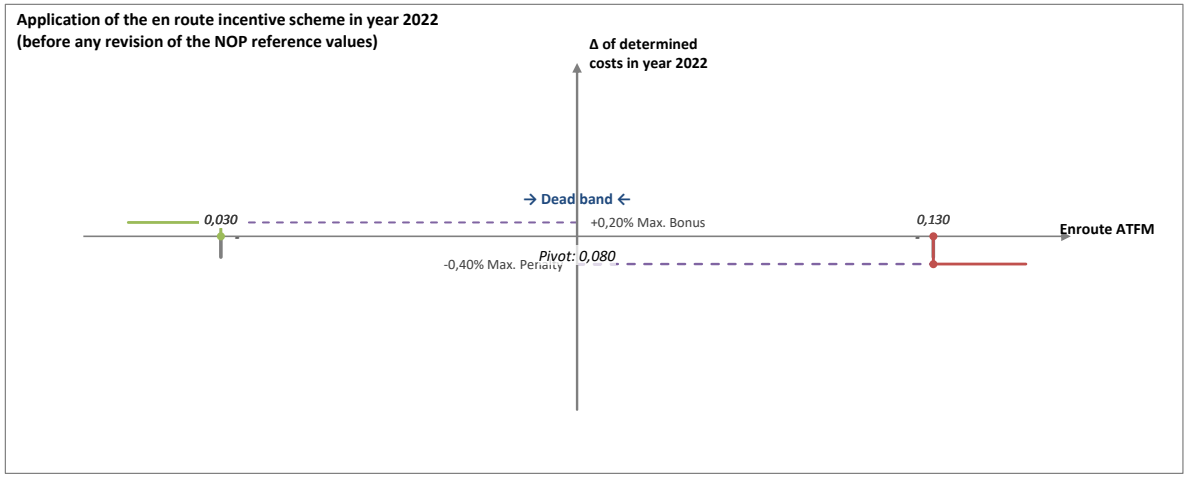
5.2.1 - Capacity incentive scheme - Enroute

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*	0,20%
Max penalty (≥ Max bonus)	*% of DC*	0,40%
The pivot values for RP3 are	fixed	

BULATSA

		2020	2021	2022	2023	2024
NOP reference values (mins of ATFM delay per flight)				0,08	0,07	0,08
Alert threshold (Δ Ref. value in fraction of min)				±0,050	±0,050	±0,050
Performance Plan targets (mins of ATFM delay per flight)				0,08	0,07	0,08
Pivot values for RP3 (mins of ATFM delay per flight)				0,08	0,07	0,08
Financial advantages / disadvantages	Dead band range			[0,03-0,13]	[0,02-0,12]	[0,03-0,13]
	Bonus sliding range			[0,03-0,03]	[0,02-0,02]	[0,03-0,03]
	Penalty sliding range			[0,13-0,13]	[0,12-0,12]	[0,13-0,13]



5.2.1.2 Rationale and justification - Enroute

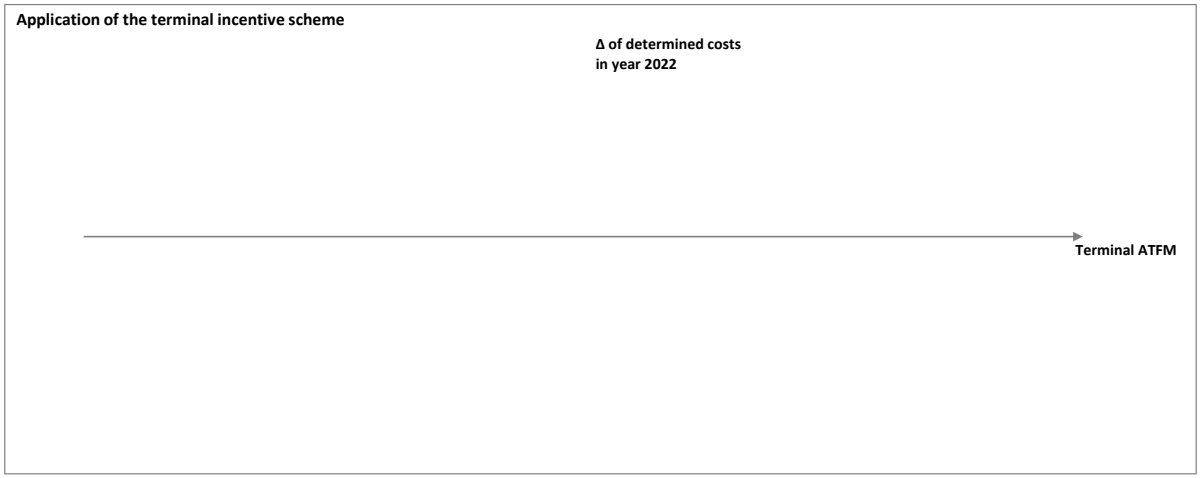
5.2.2 - Capacity incentive scheme - Terminal

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

Terminal	Expressed in	Value
Dead band Δ	Select	
Bonus/penalty range (% of pivot value)	*%*	±50%
Max bonus	*% of DC*	
Max penalty	*% of DC*	
The pivot values for RP3 are	Select	

		2020	2021	2022	2023	2024
Performance Plan targets (mins of ATFM delay per flight)				-	-	-
Bonus/penalty range Δ (in fraction of min)				±0,000	±0,000	±0,000
Pivot values for RP3 (mins of ATFM delay per flight)						
Financial advantages / disadvantages	Dead band range			-	-	-
	Bonus sliding range			-	-	-
	Penalty sliding range			-	-	-

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**

*** 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
Safety KPA – The NSA's bi-annual safety oversight programme covers verification of the compliance with the applicable requirements of the ANSP Management system as per Reg 2017/373 (ATM/ANS.OR.B.005 Management system) and Reg. 2015/340 (ATCO.OR.C.001 Management system of training organisations). The acquired through the EASA questionnaire information and the results of the continuous oversight activities are used to assess the effectiveness of the ANSP management system and achievement of targets in the Safety KPA. **Environment KPA** – The horizontal en route flight efficiency has been ensured by the implementation of Free Route Airspace. Adjustments of the current position reporting coordinates have been initiated in order to ensure proper measurement of the KEA. **Capacity KPA** – Monitoring of compliance to ATFM measures is performed through monthly ANSP reports. The implementation of a dynamic sectorization, introduction of traffic complexity analysis tools and flexible rostering are monitored thought the mechanisms provided by the Reg.2017/373 for oversight of changes in the functional systems. The performance assessment is ensured by acceptance of an annual report submitted by the ANSP as per Reg.255/2010. **Cost Efficiency KPA** – NSA applies a cost-eligibility verification procedure to ensure compliance of the ANSP's cost bases for en route and terminal charges with the requirements of the performance and charging scheme (including proper application of the cost-sharing mechanism). The verification process for actual costs is performed on a yearly basis by 1st June – the deadline of submission of the calculated unit rate for the subsequent year. Determined costs are being verified before each new reference period or when a revision is required during a current reference period. NSA examines the relevant ANSP's accounting documents, asset books, internal and external audit reports and other data sources relevant to the establishment of the cost base for charges.

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
The findings raised by the NSA during the continuous oversight are managed by the ANSP through corrective action plans. A penalty regime is established in the Civil Aviation Act of Bulgaria for organizations which fail to submit a corrective action plan or fail to perform agreed corrective actions within the set terms for elimination of the non-conformity without obtaining NSA's approval for timeline extension. Findings of the performed cost-eligibility oversight are communicated by the NSA to the ANSP, accompanied by relevant corrective measures and subsequent monitoring on their implementation within the set terms.

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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