



MONDAY, 29 SEPTEMBER 2008

## **ELFAA criticises Polish Air Navigation Services Agency for high costs and charges Calls for a single charging zone for terminal navigation services**

**Warsaw – 29 September 2008.** The European Low Fares Airline Association (ELFAA) attended a consultation meeting on the Polish Air Navigation Services Agency's (PANSAs) 2009 costs and charges, the second such meeting this year which PANSAs was required by law to organise. This meeting followed a July hearing in the Polish Parliament's Air Transport Committee, whereby members of the Parliament and interested parties expressed their concern at PANSAs inflated cost base and charges in 2008, and also as planned for 2009.

Commenting on the meeting, John Hanlon, Secretary General of ELFAA said:

"PANSAs abusive pricing policy has led to a dramatic increase of terminal navigation charges in Poland in 2008: +960% in the case of smaller regional airports. PANSAs "improved" proposal for 2009 assumes a further increase of its already inflated overall cost base of between 34.1% and 41.5%, leading to a unit rate increase for en-route services from €38.1 to €43.67. Unit rates for terminal navigation services at Warsaw airport are proposed to increase from €150.8 to €189.3, while at Polish regional airports from €253.4 to €297.6. Even excluding the impact of exchange rate fluctuations, PANSAs claimed cost savings lead to a nominal reduction of unit rates in PLN at the regional airports of a mere 1%!

The most worrying element of PANSAs cost base is its staff costs, which continue to rise unabated despite the economies of scale due to growing traffic, which should reduce staff costs.

Polish air traffic has grown dramatically from 7 million passengers on joining the EU in 2004 to 20 million in 2007. Most of this growth was delivered by low fares airlines opening up services to the Polish regions. However, these airlines, which currently account for over 50% of traffic, and the Polish regions, have borne the brunt of PANSAs new charging policy in 2008.

The beneficiaries of PANSAs radically changed charging policy in 2008 were airlines overflying Poland at 11 kilometres en-route to other countries, which saw a reduction in the en-route rate. This reduction was possible due to the swingeing increase of up to 960% to the terminal navigation charge for Polish regional airports.

PANSAs pricing policy is clearly to the detriment of passengers and regional airports, which risk losing many of the direct routes, opened by low fares airlines in recent years, as operating to Polish regions becomes prohibitively expensive compared to other European regions.

ELFAA calls on PANSAs to significantly reduce its cost base and to introduce a single charging zone for terminal navigation services in Poland, which would immediately lead to a significant reduction in unit rates at regional airports."



# news

## **NOTES TO THE EDITOR:**

ELFAA airline members include: clickair, easyJet, flybe, Jet2.com, Myair.com, Norwegian, Ryanair, Sky Europe, Sterling, Sverige Flyg, transavia.com and Wizz Air.

ELFAA airline members will carry over 150 million passengers in 2008, using a combined fleet of some 500 of the most technologically-advanced, environmentally-efficient aircraft.

Low fares airlines currently account for over 35% of scheduled intra-European traffic and over 50% of traffic in Poland.

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