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AIRPORT CHARGES REGULATORY MODEL 1

**FOR AIRPORTS WITH TRAFFIC
OVER 5 MILLION
PASSENGERS PER YEAR**

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Chapter 1. SCOPE

1. For the purpose of implementing the provisions of articles 71 through 82 of decree-law No. 1/2012 transposing Directive 2009/12/EC into domestic legislation, this airport charges regulatory Model (hereinafter: Model) applies to national airports, open to commercial traffic, which recorded a traffic exceeding 5 million passengers per year, as estimated on the basis of the final average of annual passengers carried in the last two years, for which data are available¹.
2. For the purpose of the classification referred to in paragraph 1 above, all airports covered by a single concession agreement, fall under the category of the airport with the highest traffic volume.
3. This Model is aimed at ensuring that the charges applied to the users of the above-mentioned airports comply with the principles set forth in art. 80 (1) of decree-law No. 1/2012.
4. The measures referred to in this Model shall not apply to:
 - a) the charges levied for the remuneration of *en route* and terminal air navigation services, as set out in Commission Regulation (EC) 1794/2006 of 6 December 2006;
 - b) the charges levied as compensation for ground-handling services as per annex (A) to legislative decree N. 18 of 13 January 1999, implementing Council Directive 96/67/EC of 15 October 2006 on free access to the ground-handling market at Community airports²;
 - c) the charges levied to finance the assistance to disabled persons and persons with reduced mobility (PRM), as referred to in Regulation (EC) No. 1107/2006 of the European Parliament and of the Council of 5 July 2006³.
5. The measures referred to in this Model shall apply to the consultation procedures for the review of airport charges initiated from the date of publication of the decision of approval of the Model on the Authority's website.

¹ For the purpose of identifying the final average traffic, including arrivals and departures, reference is made to the statistics published on the Italian Civil Aviation Authority's (ENAC) website and, where not available, to those published on Assaeroporti's website.

² Pursuant to article 19 of legislative decree No. 18/1999, "*Where airport ground-handling services are provided by a single supplier, the relevant charges are approved by the Ministry of transport and navigation, upon ENAC's proposal*".

³ ENAC is the body responsible for the application of Regulation (EC) No. 1107/2006 on the charges levied to finance the assistance to disabled persons and persons with reduced mobility (PRM), in accordance with Ministerial Decree No. 107/T of 24 July 2007.

Chapter 2. DEFINITIONS

For the purposes of the application of this Model, the following terms and expressions shall have the following meaning:

1. **Airport area:** system of “air side”⁴ and “land side”⁵ areas that are open to the public, regardless of their ownership;
2. **Airport charges:** levies collected by the airport managing body and paid by the airport users for the use of infrastructure and services, which are exclusively provided by the airport managing body and are related to aircraft landing, take-off, lighting and parking, and to the processing of passengers and freight (Directive 2009/12/EC, article 2 (4)), including the use of centralized infrastructure and assets for common and exclusive use (decree-law No. 1/2012, converted into Law No. 27/2012, article 72 (1)(d));
3. **Airport Development Plan or Master Plan:** technical and urban planning tool for airport infrastructure development, usually stretching over a period of 10-15 years, based on the estimated air traffic growth, so as to maintain operational safety and quality standards of the services provided to users;
4. **Airport managing body:** body which, in conjunction with other activities or not as the case may be, has as its objective under national laws, regulations or contracts the administration and management of the airport or airport network infrastructures and the coordination and control of the activities of the different operators present in the airports or airport network concerned;
5. **Airport:** any land area specifically adapted for the landing, taking-off and manoeuvring of aircraft, including the ancillary installations which these operations may involve for the requirements of aircraft traffic and services, including the installations needed to assist commercial air services;
6. **Airport network:** group of airports that is designated as such by the Ministry of Infrastructure and Transport according to the guidelines referred to in ministerial decree No 401/2016, which is under the responsibility of the same airport managing body, that can be authorized to introduce a common and transparent airport charging system to be applied to the entire network;
7. **Airport user:** any natural or legal person that is responsible for the carriage of passengers, mail and/or freight by air, to and from the airport concerned;
8. **Airport:** any land area specially designed for aircraft landing, take-off and movements, including the associated facilities which it may involve for traffic purposes and aircraft operations, as well as the facilities that are necessary to provide assistance to commercial air services.
9. **Base year:** last year for which approved financial statements are available, as drafted according to statutory requirements and certified by an auditing company, on the basis of which the airport managing body may draw up certified analytical accounting data;
10. **Bridge Year:** year between the base year and the first year of the regulatory period, in which the airport managing body fulfils the obligations concerning the preparation and presentation to the

⁴ The *air side* area is the airport area (aircraft runways, taxiways and aprons, service and access roads, parts of terminal buildings, other buildings) inside the customs areas and/or security checkpoints.

⁵ The *land side* area is the airport area (service and access roads, parts of terminal buildings) outside the customs areas and/or security checkpoints.

users of the proposed review of the airport charges system or of the amount of all charges levied by the airport managing body;

11. **Certified regulatory analytical accounts:** base-year analytical accounts and related certification that are drafted, upon initial application, in compliance with ENAC⁶ Guidelines as approved by inter-ministerial decree No. 231 of 17 November 2008, published in the Official Gazette No. 42 of 20 February 2009, and with the certification scheme available on ENAC website, this documentation being referred to all services subject to airport charges regulation and to non-regulated services;
12. **Commercial aviation:** any aircraft operation involving the carriage of passengers, freight and mail against payment. Scheduled and chartered flights fall into this category.
13. **Convention:** agreement concluded between ENAC and the airport managing body, which regulates the parties' rights and obligations, arising from the concession of the airport management.
14. **Directive:** Directive 2009/12/EC of the European Parliament and of the Council of 11 March 2009 on airport charges;
15. **ENAC:** National Civil Aviation Agency established by legislative decree No. 250/1997, carrying out activities related to technical regulation, certification and supervision in the field of civil aviation, under the guidance, supervision and control of the Ministry of Infrastructure and Transport;
16. **Four-year investment plan:** investment plan and related time schedule, which is technically approved by ENAC, encompassing planned works and implementing timelines;
17. **General aviation:** traffic other than commercial air transport. This category includes, *inter alia*, the activities of flying clubs, flight schools, small private planes, and advertising, aerial photography and aerial surveying services, airborne spraying, transport of external cargo. For the application of this Model, the activity of air taxis falls into this category, too⁷.
18. **IATA season:** period of reference for air traffic planning. Each year, the summer season runs from the introduction of summer time in EU countries (last Sunday in March), the winter season from the re-establishment of winter time (last Sunday in October).
19. **Independent Supervisory Authority:** the Authority that, pursuant to article 11 of Directive 2009/12/EC of the European Parliament and of the Council of 11 March 2009 on airport charges, shall be established or designated by Member States in order to ensure the correct application of the Directive. In Italy, these tasks have been entrusted with the Authority referred to under 4 above pursuant to paragraph 2 (h) of the law establishing ART (article 37 of Decree Law No. 201 of 6 December 2011);

⁶ Italian Civil Aviation Authority (TN)

⁷ In this respect, reference is made to clarifications made by:

- information note no 2014-003 issued by ENAC on 25 June 2014 reading as follows: "*Air taxi activity, while being an expression of commercial transport in the relationship between aircraft operator and customer, for the purpose of the relationship with aeronautical functions and ground infrastructure interacts with the same modes of a so-called general aviation flight*";
- Regulation on the award of State-owned airports for general aviation, issued by ENAC on 22 December 2016, providing that, "*in this respect, for the purpose of this Regulation, the activities which can be carried out on those airports include private, school, aerial work and aviation flights, including air taxi flights, and therefore excludes any scheduled or chartered flights*".

20. **Movement:** aircraft take-off or landing at an airport. In the counting of airport traffic, the arrival and departure of the same aircraft gives rise to two movements.
21. **Non-regulated products:** any service provided by the airport managing body to airport users, which is not included in the list of regulated products and is subject to separate accounting. Usually, this category encompasses purely commercial activities, and activities that are instrumental to air transport and are carried out by the airport managing body in competition with independent third operators (e.g. handling); non-regulated services include not only the services “produced” inside the airport area, but also those that, “*although produced outside the airport area, are provided inside its perimeter*”, regardless of the modes they are provided by the airport managing body.
22. **Non-relevant products:** any activity performed by the airport managing body that is not related to the typical management or is delivered outside the airport area; in any case, where one or more of these activities are partially or fully provided inside the airport area, they will be treated as non-regulated products, in proportion to the relevant sales; on the other hand, those:
 - a) having an exceptional nature, being non repetitive and attributable to extraordinary events;
 - b) not being attributable to the ordinary production process of services/activities provided inside the airport to the usersshall be treated as non-relevant cost items.
23. **Passengers:** passengers departing from or arriving at an airport. A passenger using a national connection represents a passenger-unit departing from the airport of origin and a passenger-unit arriving at the airport of destination, while in an international connection it represents a single traffic unit at the national airport.
24. **Quality and environmental protection plan:** plan of quality and environmental protection indicators for which the airport managing body commits to achieve improvement targets in the Period;
25. **Regulated products:** services provided by the airport managing body against payment of pre-determined airport charges, and of the fees subject to airport charges regulation in accordance with laws or regulations, as listed in paragraph 7.1 (1).
26. **Regulation Authority, Authority, ART:** Transport Regulation Authority, set up pursuant to article 37 of decree-law No. 201 of 6 December 2011, converted with amendments into Law No. 214 of 22 December 2011;
27. **Regulatory period:** period of application of the measures provided for in this Model for the purpose of setting the charge dynamics, not exceeding four years;
28. **Service Level Agreement (SLA):** agreement to identify the level of service to be provided by the airport managing body against the charges levied, pursuant to article 78 of decree-law No 1/2012.
29. **Service Unit:** specific unit charging standard for each regulated fee;
30. **Target values of quality and environmental protection indicators:** values that the airport managing body commits to achieve each year of the regulatory period, related to the application of a reward/penalty system regulated by this Model;
31. **User Committee:** Committee set up by the airport managing body pursuant to article 8 of legislative decree No. 18 of 13 January 1999, which any carrier using airport services is entitled to join directly or through representative organizations;
32. **WLU:** Work Load Unit or loading unit, i.e. a passenger or 100 kg of freight or mail.

Chapter 3. PROCEDURE FOR THE REVIEW OF AIRPORT CHARGES

3.1 Purpose

1. For the implementation of the provisions of Directive 2009/12/EC and in line with article 37 of decree-law No. 201 of 6 December 2011, certain key features of the relations between the airport managing body and the users need to be defined, especially with regard to the proper functioning of the airport charges and the conditions for their setting.
2. Indeed, the complexity of airport system and air transport requires that all operators involved, in particular airport managing bodies and airlines, engage in regular consultation aimed at identifying any agreement on the planning of their activities, both in the common interest and in the passenger's.
3. As set forth in Directive 2009/12/EC, these consultations should take place at least once a year, unless otherwise agreed in the multi-annual agreements in force between the airport managing body and the airport users.
4. Consultations will be even more effective if they are duly planned in terms of frequency, procedures and formalisation.
5. It is necessary to pre-determine procedures aimed at ensuring transparency and proper description and identification of the different positions expressed in the consultation by the airport managing body and the airport users.
6. Pursuant to article 6.1 of the Directive and article 76 of decree-law No. 1/2012, airport managing bodies shall carry out regular consultations with the airport users, concerning the functioning of the airport charges system, the amount of the charges and the quality of the supplied services. The consultation shall be held at least once a year and the Authority shall be informed accordingly.
7. In line with the provisions of article 6.2 of the Directive, any proposal to modify the system or amount of the charges, except in exceptional cases to be justified with the users, is subject to the obligation to consult the airport users and is therefore subject to the procedure set out in the measures of this Model.

3.2 Launch of the consultation procedure

1. Without prejudice to the provisions under (**Errore. L'origine riferimento non è stata trovata.**), the ordinary consultation procedure for the review of airport charges (hereinafter also: procedure) shall be initiated by the airport managing body in the last year of each regulatory period, that is assumed as bridge year for the following regulatory period, and in any event no later than 4 months before the planned date of application of the new level of charges.
2. The consultation shall be carried out in accordance with the time-limits laid down in this Model, in line with relevant provisions of Directive 2009/12/EC and the procedures set out below.
3. The Authority shall ensure the compliance with the measures of this Model and, where appropriate, take the necessary steps to restore the relationship to be maintained between the airport managing body and the airport users.
4. The consultation for the review of the airport charges system or of the amount of such charges may also be launched in the course of the regulatory period:

- a) by the airport managing body;
- b) by a qualified majority of airport users, i.e., carriers' representatives - fulfilling the information obligations referred to under article 7 (2) of Directive 12/2009/EC, as specified under paragraph 4 (3) - including at least 2/3 of the total WLU achieved in the last year for which data are available. In this case, the request to launch the consultation, which shall be properly substantiated and documented, shall be preliminarily submitted to the Authority.

3.3 Notification of the proposal for the review of airport charges to the Authority

1. The airport managing body shall notify the Authority of its intention to submit a proposal for the review of airport charges to consultation, in accordance with the format under Annex 1, at least fourteen days before the scheduled date for the launch of the user consultation procedure, that is indicated in the notice.
2. The notice, addressed to the Authority's certified e-mail, shall be accompanied by a full copy of the documentation drawn up by the airport managing body in support of the proposal, in accordance with the provisions under chapter 4.
3. The Authority will publish the notice on its website, thereby formalising the launch of the procedure concerning the update of airport charges.
4. Any agreement that may be concluded between the airport managing body and the airport users concerning the review of airport charges shall be ineffective in the event of failure to notify the proposal.

3.4 Consultation on the proposal for the review of airport charges

3.4.1 Opening and communication

- 1 Upon publication of the notice on the Authority's website, the airport managing body, on the scheduled date, will launch the consultation procedure on the proposed review of airport charges with the users concerned, i.e. those that are already operating at the airport and those that, on the date of publication of the notice by the Authority, have already formalised aviation activities in the airport as of the first year of the regulatory period that is submitted to consultation.
- 2 The airport managing body shall give formal notice, by certified e-mail, to the Authority, the airport users and their associations concerning the following:
 - a) launch of the consultation on the proposal for the review of airport charges;
 - b) access procedures to the information folder to be submitted by the airport managing body in support of the proposal, as specified in chapter 4 below; on the date of the launch of the consultation, the information folder shall be accessible to the users on a dedicated section of the airport managing body's website, with restricted access upon registration;
 - c) procedures whereby the users may request clarifications in the period between the launch of the consultation and the public hearing referred to in Measure 2.4.2;
 - d) scheduled date and start and end time of the first hearing with users;
 - e) reasons for the proposed review;
 - f) annual or multi-annual review of airport charges. Upon initial application of this Model, the proposal for the review of airport charges may in any case not exceed a four-year period.
- 3 The documentation made available by the airport managing body is confidential and cannot be disclosed by airport users.

- 4 In order to streamline the conduct of the hearings referred to in paragraph 3.4.2 below, on the basis of the information folder published by the airport managing body and at least 5 days in advance of the date of the hearing, the users may submit to the airport managing body — and for information to the Authority— written comments and/or detailed queries on specific topics.

3.4.2 Public hearings

1. The first public hearing with airport users shall be convened by the airport managing body simultaneously with the launch of the consultation and shall not take place earlier than 30 days after the date of release of the information folder that the airport managing body is required to present in support of the proposal for the review of airport charges.
2. Users may participate in the hearings, with voting rights, either individually or as members of an association. The participation through an association shall be communicated by certified email to the airport managing body in accordance with the terms of the notice referred to in paragraph 3.4.1.
3. To seek substantial agreement, the airport managing body may convene additional public hearings. The date of each additional hearing shall be set, communicated and minuted at the preceding hearing.
4. Unless otherwise agreed between the parties, any additional hearing involving a revised airport charges proposal or the submission of new documents should not take place earlier than 10 days after the previous hearing; this documentation, including any revised airport charges proposal, should therefore be received by the parties concerned at least 5 days before the hearing.
5. To facilitate the conduct of the consultation and its supervision by the Authority, the hearings shall be structured to deal with all issues, taken individually, so that on each of them users are invited to express clearly and analytically their reasoned opinions with respect to each topic. Among the topics to be dealt with in the hearings, the airport managing body shall consider the comments received in application of the provisions under the above paragraph 3.4.1 (4).
6. The hearings shall be open to airport users and their associations and to other stakeholders with specific interests in the airport management. Nonetheless, the voting right shall be reserved only to persons with a written proxy by the legal representative of the airport user. The proxy shall be received by the airport managing body within the scheduled starting time of the hearing, unless otherwise agreed between the parties.
7. To ensure the widest possible participation, and with a view to considering the interests of all airport users, the airport managing body shall ensure adequate participation of general aviation operators in the consultation.
8. For the purpose of reaching an agreement on the airport managing body's proposal, the representativity of each user shall be determined on the basis of the traffic volumes as recorded in the last two IATA seasons prior to the consultation, by excluding from the calculation those users that, based on documentary evidence, appear to have concluded their airport operations for the IATA seasons following those mentioned; this definition shall be made as a percentage of the transported WLU.
9. The necessary and sufficient share of consent to declare that substantial agreement has been reached shall in principle exceed 50% of the representativity values referred to under paragraph 8 above. If a single airport user holds a share of such values exceeding 50%, the agreement is considered to be reached with a share equal to that of the most represented user, increased by 10% of the remaining users so as to ensure significant consensus.

10. Non-attendance or non-voting shall be regarded as an expression of the user consensus on the proposed review of airport charges.
11. During the hearing, the airport managing body shall minute the positions expressed by the users and record and store any documents that may be presented by users in support of their positions. The minutes shall include the names of the participating users and their signatures, and the proxies exercised by the delegates in the name and on behalf of individual users.
12. The minutes of each public hearing shall be signed by all participants, if possible, by the end of the hearing, at the time notified in advance by the airport managing body. Should this be not possible, the signature shall take place within the following two working days. Failure to sign the minutes by a participant within this deadline is regarded as an implicit approval of the position expressed at the hearing. In the event of disagreement on the minutes, any audio recording of the hearing made by the airport managing body is authentic.
13. A user that has not taken part, or, having taken part, has not made any comments, or voting against, may not apply for a dispute resolution against the final proposal that was adopted by the airport managing body in accordance with the procedure laid down in this Model.

3.4.3 *Suspension of the consultation procedure*

1. Without prejudice to the need to ensure a timely completion of the procedure, the airport managing body may address to the Authority a request for its suspension for a period not exceeding 60 days, in special cases and for exceptional and justified needs.
2. The Authority shall assess such cases, in compliance with the principles of cost-effectiveness and efficacy of the administrative action.
3. The Authority reserves the right to terminate the consultation procedure where, in the case of a suspension, the airport managing body does not re-launch the consultation within the time limit referred to under paragraph 1, or where, during the period of suspension, the airport managing body transmits to the Authority the certified regulatory accounting referred to in paragraph 8.1 relating to the bridge year.

Chapter 4. INFORMATION BY AIRPORT MANAGING BODY AND AIR CARRIERS**4.1 Information by the airport managing body to users****4.1.1 Consultation Document**

1. The airport managing body shall draw up the “*Consultation Document*” (hereinafter: Document), that is drafted in English as well. This document illustrates the proposed review of airport charges and other regulated fees, and the main issues of interest for users with a view to reaching an agreement on the proposed changes to the airport charging system or amount thereof.
2. The document shall include at least the following information:
 - a) length of the regulatory period or estimated date of its entry into force, considering the need to publicly disclose the charges and fees at least two months before their entry into force, in accordance with article 6.2 of the Directive;
 - b) explanation of the proposed review of airport charges, its rationale and main impact on existing fees;
 - c) list of airport charges and fees in force on the date of the launch of the consultation;
 - d) proposed dynamics of airport charges and fees for the regulatory period, highlighting the charges referred to in paragraph 7.1 (i) and (j) in a separate table;
 - e) description of the application of the methodology for calculating airport charges as provided for in this Model, with highlight of the main parameters applied;
 - f) explanation of annual efficiency mechanisms and objectives proposed for the regulatory period, and related impact on operating costs, in accordance with the provisions of paragraph 8.4.4 of this Model;
 - g) description of the proposed thresholds for traffic risk sustainability, with clarification of Y, W parameters (in percentage points referred to the accrued WLU compared to those estimated *ex ante*), for the purposes of applying the traffic risk mitigation system referred to in paragraph 8.13;
 - h) description of Z parameter (in percentage points) for the purpose of the application of the profit-sharing system referred to in paragraph 8.4.5;
 - i) cost allocation criteria and methods, for each regulated product and for all non-regulated products, of the activities included in the four-year plan referred to in paragraph 4.1.3;
 - j) description of any proposals for simplification and bundling of regulated products, that are made based on the provisions of paragraph 7.2.1 of the Model;
 - k) description of any proposal for tariff baskets, that are made on the basis of the provisions of paragraph 7.2.2 of the Model, highlighting the following: (i) reasons for the baskets; (ii) criteria for tariff modulation of individual single products; (iii) charges deriving from basket application, as resulting before and after the tariff modulation;
 - l) description of any proposals of sub-classification of charges, operated on the basis of the provisions of paragraph 7.2.3 of the Model;
 - m) description of expected incremental charges in the regulatory period, in application of laws and regulations;

- n) description of the use of any notional items, in application of the measures referred to in paragraph 8.10.3.
3. The airport managing body shall provide users, together with the Consultation Document, the following supporting documentation:
- a) list of regulated services and infrastructure provided in the base year in return for the collected charges and fees (cf. reference in Annex 5);
 - b) overview of regulatory accounting in the base year, showing the overall structure of eligible costs and revenues of each regulated product - before the application of any proposals for bundling, basket and/or unbundling of services - as well as of non-regulated products jointly considered, with separation of eligible costs and revenues for general aviation, in the case of dedicated services or infrastructure or tariff differentiation;
 - c) airport management explanatory report for the 5 years prior to the base year, highlighting any changes in the perimeter of the activities, as well as the following data:
 - traffic development, based on a classification in line with the parameters considered to determine the unit level of charges in the charging proposal;
 - development of (operating and capital) costs for regulated products;
 - changes in the staff of the airport managing body;
 - d) explanatory report of traffic development forecasts in the regulatory period, drawn up in accordance with the provisions of paragraph 4.1.2. below, together with an overview table of the service units provided for each year of the regulatory period and for each regulated product;
 - e) *four-year investment plan* that the airport managing body intends to carry out in the years of the regulatory period, that is drawn up in accordance with the provisions of paragraph 4.1.3 below, highlighting (i) nature of (public/private) funding sources, (ii) expected results of the most significant investment projects and of any technological innovations introduced by the plan, having regard to their effects on airport capacity and service standards provided to users; (iii) expected impact of traffic on the use of main infrastructure and related sub-systems (e.g. stands, gates, loading bridges, security checks, etc.); (iv) with reference to the amounts for each investment, allocation to each regulated product and to all non-regulated products;
 - f) quality and environmental protection plan, that is drawn up in accordance with the provisions of paragraph 4.1.4 below, highlighting the identified indicators and their target values, to be achieved in the regulatory period;
 - g) report on airport system capacity, and on the levels of service (LoS) of major airport infrastructure and facilities, existing in the base year and provided for the regulatory period, to be assessed in accordance with the methodology developed by IATA, in cooperation with ACI, as published in the 10th edition of the “Airport Development Reference Manual”;
 - h) policy concerning the provision of contributions to the aviation activity that the airport managing body intends to implement, in any form, during the regulatory period, in compliance with the relevant principles and criteria established by the existing national and EU legislation, specifying:
 - type of each incentive;
 - overall duration of each incentive (annual, intra-annual or multi-annual);
 - contributions, subsidies or any other payments or economic advantage linked to each incentive;

- type of recipients of these contributions;
 - i) for regulatory periods following the first, end-of-period reporting document referred to in paragraph 8.4.5;
 - j) for the purpose of assessing representativity in the consultation, details of the traffic units transported in the last two IATA seasons preceding the consultation, broken down by each airport user;
 - k) proposed agreement (Service Level Agreement) referred to in paragraph 5.1.1 (2).
4. In the case of *airport networks*, i.e. airports serving the same city or urban area, the information provided in the document, and the supporting documentation referred to in (3), shall be specified for each individual airport, in order to ensure compliance with the transparency principle laid down in article 77 of decree-law No 1/2012.
5. The quantitative information referred to in (2) (c), (d) and (3) (b), (d), (e), (f), (j) shall be provided to users in computer-editable format.

4.1.2 Traffic forecasts

1. The airport managing body shall provide users with traffic forecasts for each year of the regulatory period, in addition to the preliminary data for the bridge year, broken down by homogeneous traffic categories, in line with the parameters assumed for the purpose of determining the unit charges.
2. The above traffic forecasts shall be drawn up:
 - a) in line with the traffic data considered for airport development planning;
 - b) considering the developments expressed by the sectoral bodies of reference (Eurocontrol, IATA, ...);
 - c) considering the communications received by the users pursuant to the provisions under paragraph 4.3.
3. To support traffic forecasts, the airport managing body shall produce an explanatory report on:
 - a) forecasts;
 - b) statistical/forecast sources used;
 - c) any forecasting models used;
 - d) reasons for any misalignments with respect to the developments referred to under paragraph 2 (b) above;
 - e) exceptional and non-repetitive events, if any, leading to discontinuity in the ordinary airport traffic development.
4. Every year, the airport managing body shall submit to the users, ENAC and the Authority any update of the traffic forecasts for the remaining years of the regulatory period, drafted in accordance with the same principles referred to under the preceding paragraphs.

4.1.3 Four-year investment plan

1. The airport managing body that intends to review the levels of airport charges, is required to draw up, with reference to the regulatory period and in line with the expected traffic development referred to in paragraph 4.1.2, the four-year investment plan, so as to allow the airport users to express their views and counterproposals during the consultation, in accordance with article 76 (4) of decree-law no 1/2012.

2. The communication of the information included in the plan is also intended to allow the monitoring of infrastructure costs and upgrading of airport facilities, including in terms of cost effectiveness⁸.
3. The plan is aimed at promoting, in the general interest and for the purpose of ensuring proper use of resources, an optimal and efficient sizing of the airport capacity, facilitating access to infrastructure and promoting technological innovation, that are also intended to optimise service activities.
4. The four-year plan, that shall be consistent with the airport planning tools approved by ENAC, shall include in particular:
 - a) a general report describing each scheduled work and related costs, disaggregated for complex works, as well as the current and future airport infrastructure capacity; extraordinary maintenance work shall be identified separately;
 - b) time-schedule of the works to be carried out in the regulatory period, indicating the timeline of the different stages of design, contract, construction, final acceptance, and estimated date of entry into operation of the finished works;
 - c) information on any operating or capital grants that is provided directly or indirectly by public authorities for the actions included in the plan;
 - d) expected results from the proposed activities, with respect to their impact on the quality of the services delivered to users and on environmental protection.
5. In providing evidence of the already achieved level of use of the infrastructure and of the impact of the planned activities on future airport capacity, the general report referred to in (4) (a) above shall consider the traffic forecasts and their composition and development by type and route.
6. In order to ensure that the four-year plan submitted to consultation is as far as possible consistent with the users' expectations, including as to the operational and service functionality of both planned or already operating infrastructure, the airport managing body shall promote regular discussions with the users and other operators carrying out air-transport related activities, at least on an annual basis, minuting their positions, as well as before the general planning for medium-term airport development is finalised.
7. In compliance with the existing legal framework and with the general principles of transparency and non-discrimination, the drafting of the plan shall consider possible modifications and customisations that are requested and/or necessary for specified traffic sectors.
8. Costs borne by the airport managing body, net of any financing granted by public authorities, in the years of the regulatory period, for the execution of the works included in the four-year plan shall be included in the charge according to the procedures laid down in chapter 8 of this Model.
9. The plan shall highlight, among the planned investments, those for which the airport managing body proposes incentives for their implementation or pre-financing.

⁸ Directive 12/2009/EC: 14th Recital

4.1.4 Quality and Environmental Protection Plan

1. The airport managing body is required to submit, for the purpose of the Consultation Procedure, the *Quality and Environmental Protection Plan*, on which airport users may express their views and counterproposals.
2. The plan referred to under *Errore. L'origine riferimento non è stata trovata.*, in accordance with the criteria laid down by ENAC, with reference to the Service charter, shall include the following:
 - a) quality and environmental protection indicators, their associated weights and improvement targets proposed by the airport managing body for the regulatory period, which the latter commits to comply with;
 - b) qualitative and environmental factors that determined the choice of each target;
 - c) description of measures and resources to be employed for target achievement, also with reference to the planned annual deadlines;
 - d) indication of any investments in infrastructure, facilities, and technologies, as provided for in the four-year plan, which are instrumental to the achievement of the quality and environmental protection targets set forth therein;
 - e) incremental impact of the provision under (d) on production efficiency and environmental protection;
 - f) benchmark information with reference to quality standards for European airports with similar characteristics in terms of infrastructure, traffic, and service standards.

4.2 Information folder from the Airport managing body to the Authority

1. For the purpose of the checks on the correct application of the Model, together with the transmission of the documents to the users, the airport managing body is required to send to the Authority, in computer-editable format, the following data and information:
 - a) regulatory base-year accounting, that is drawn up in accordance with the measures referred to in paragraph 8.1 below, including all the worksheets provided for therein and any additional worksheets connected thereto, with active formulas and possible reconstruction and verification of calculation procedures;
 - b) accompanying report to the accounting referred to under (a) that, in addition to giving evidence of the reconciliation with the financial statements, provides an appropriate description of the key criteria for the construction of the regulatory accounting, with the associated cost allocation methods for regulated and non-regulated products;
 - c) worksheets relating to the construction and updated evaluation of the net invested capital (NIC) in the base year, with active formulas and possible reconstruction and verification of the calculation procedures, with separate evidence of the following:
 - list of assets used in the production process, operating in the base year, with indication of the historical cost, net of government contributions, and their net book value;
 - time series of any deflator that may have been used for the evaluation of depreciable assets operating in the base year, as provided for by paragraph 8.7 of this Model;
 - rates used for the depreciation of the different asset categories, as provided for in paragraph 8.6 of this Model, and updated evaluation of the relevant fund;
 - development, in the four-year period of reference, of the NIC, as identified above, and of depreciation of tangible and intangible fixed assets;

- works in progress allowed in the base year, including their book value and development over the four-year period of reference;
- balance of payables/liabilities in the base year, with development over the four-year period of reference;
- percentages and criteria for NIC allocation to each product, either regulated, non-regulated, or non-relevant;
- d) worksheets relating to the calculation procedure of the return on capital, with specific reference to the updated evaluation of WACC and of the individual parameters used in the procedure for their determination, with active formulas and possible reconstruction and verification of the calculation procedures;
- e) estimates of equity beta of individual listed European airport companies, falling under the sample that may be used for WACC calculation, as provided by leading international financial companies (e.g. Bloomberg, Datastream, etc.) including screenshots of surveys made in the period observed;
- f) input data for estimated costs of investments included in the four-year investment plan (depreciation and return on invested capital), for works that are expected to enter into operation in the regulatory period, and/or for works that are in progress in the same period, together with summary tables of the costs to be considered to determine the parameter described in paragraph 8.10.1, allowing for reconstruction and verification of calculation procedures;
- g) input data for incremental costs arising from laws or regulations adopted in the regulatory period and summary tables for the calculation of v parameter, as described in paragraph 8.10.2, allowing for reconstruction and verification of calculation procedures;
- h) worksheets allowing for reconstruction and verification of calculation procedures of
 - operating costs;
 - capital costs;
 - x , k and v parametersfor each regulated product and for all regulated products, pertaining to the dynamics in the regulatory period of reference compared to the base year, in accordance with the provisions of paragraph 8.4 of this Model;
- i) worksheets for the calculation of sub-classifications of individual charges/fees compared to the average unit value, in accordance with the provisions of paragraph 7.2.3 of this Model, allowing for reconstruction and verification of calculation procedures;
- j) in case of application of tariff baskets, in accordance with the provisions of paragraph 7.2.2 of this Model, all the necessary information to enable the verification of the impact provided for therein, allowing for reconstruction and verification of calculation and simulation procedures;
- k) any other item contributing to defining the regulated charges and fees (e.g. notional items, if proposed), allowing for reconstruction and verification of calculation procedures;
- l) number of staff in the base year, in terms of FTE, showing the number of permanent and fixed-term units, as well as adequate information on any extraordinary changes in the staffing plan provided for in the regulatory period.

4.3 Information folder by the Carrier

1. In addition to the information already supplied in the meetings concerning IATA summer and winter seasonal scheduling, airport users are required to report to the airport managing body, at its written request prior to the launch of the consultation procedure for the review of airport charges, appropriate information on:
 - a) traffic forecasts in the regulatory period;
 - b) forecasts on composition and intended use of air fleet;
 - c) planning of their airport activity in the regulatory period, in terms of requirements and development;
 - d) reporting of any shortcomings related to capacity, functionality, and equipment of existing airport facilities, which are considered to significantly affect overall airport functionality, operational security and standards of services provided to passengers, luggage, aircraft and freight;
 - e) any proposals for differentiation/sub-classification of regulated charges.
2. Information provided according to this paragraph, in accordance with the relevant legislation, shall be treated as confidential and economically sensitive information.

Chapter 5. OUTCOME OF THE CONSULTATION

5.1 Conclusion of the procedure and follow-up

5.1.1 Conclusion of the procedure

1. Regarding the commitments proposed by the airport managing body in the *Consultation Document* and its annexes, through the discussions in the consultation procedure, the airport managing body and the users seek an agreement on the review of the airport charges and on the associated levels of quality and environmental protection. The airport managing body may seek an agreement with the users also on the postponement of the date of entry into force of the new airport charges.
2. In accordance with the provisions of article 78 (3) of decree-law no 1/2012, in the same consultation procedure, the airport managing body and the users seek an agreement (Service Level Agreement) that, on the basis of the proposal referred to in paragraph 4.1.1. (3) (k), in line with the principles referred to in chapter 9 below, identifies the level of service to be provided by the airport managing body in return for the collected charges, pursuant to article 78 of Legislative Decree No 1/2012.
3. At the latest within 80 days from the launch of the consultation procedure, as laid down in article 1 (11a) of decree-law no 133/2014, having considered the positions expressed by the users on individual issues, as discussed and minuted, the airport managing body shall draw up the final proposal on the level of airport charges and related commitments — highlighting in a separate table the charges referred to in paragraph 7.1(i) and (j) below. The airport managing body shall publish the final proposal on its website, declaring the official closure of the procedure and simultaneously notifying thereof:
 - a) airport users;
 - b) Italian associations of carriers and airport managing bodies, for information.
4. At the same time, through the format under Annex 3, the airport managing body shall submit to the Authority the final proposal, together with:
 - a) full copy of the minutes of the hearings and annexes thereto;
 - b) full copy of the additional documentation produced by the airport managing body and the users in the procedure;
 - c) any information update, compared to that initially submitted, in computer-readable form.
5. Where in the consultation procedure it is not possible to reach the necessary consensus threshold to state that an agreement was reached, the airport managing body shall attach to the above final proposal a report stating the grounds for the proposal and the reasons why the views expressed by the users could not be accepted.

5.1.2 In case of agreement

1. In the case of agreement between the airport managing body and the airport users on the proposed review of charges, together with the communications under paragraph 5.1.1 above, the airport managing body shall provide for transmission by certified email of the new airport charges, together with the relevant date of entry into force, to the parties that are in charge of updating IATA ticketing systems at Italian travel agencies, without prejudice to the provisions of article 6 (2) of Directive 2009/12/EC.

5.1.3 In case of non-agreement

1. In case of non-agreement:

- a) any of the parties in the consultation may apply to the Authority for dispute resolution, in accordance with the deadlines and procedures laid down in chapter 6 below;
- b) in order to provide for transmission by certified e-mail of the new level of airport charges, together with the relevant date of entry into force, to the parties that are in charge of updating IATA ticketing systems at Italian travel agencies — without prejudice to article 6.2 of Directive 2009/12/EC — the airport managing body shall await:
 - 20 days of the date of publication of the final proposal on the airport managing body's website, where no requests for dispute resolution have been addressed to the Authority (and, for information, to the airport managing body);
 - 30 days of the date of publication of the final proposal on the airport managing body's website, if, within 20 days of that date, the Authority (and the airport managing body for information) have received requests for dispute resolution, but within the following 10 days the Authority has declared they are not receivable.

5.1.4 Verification by the Authority

1. Within 40 days of receipt of the final proposal referred to in paragraph 5.1.1. (4), the Authority shall:
 - a) initiate the verification procedure on the correct application of the measures referred to in this Model, by determining that the new charging system does not prevent the optimal use of the infrastructure and its capacity, allows for adequate protection of passengers' rights and is not discriminatory or having the effect of restricting competition;
 - b) publish on its website and inform the airport managing body of the outcome of the above verification.
2. The positive outcome of the verification referred to under (1) may be subject to the application by the airport managing body of any duly justified remedial measures imposed by the Authority in the general interest.
3. With respect to the potential impact of the airport charges system, the Authority considers that the imposition of the remedies referred to in the preceding paragraph may be associated with an obligation to re-launch the consultation between the airport managing body and the users, in order to verify the agreement on the charging proposal as amended.
4. Upon implementation of the remedial measures which may be imposed by the Authority, the airport managing body, within the deadline set by the Authority, shall prepare and submit a proposal to modify the charge, that is accompanied, if appropriate, by documentary evidence proving that the consultation referred to under the preceding paragraph has been re-launched.
5. Following the receipt of the amended charging proposal referred to under the above paragraph, the Authority verifies the application of the remedial measures and publishes the results on its website.
6. Where the application of such remedies would affect the level of charges for the regulatory period, the airport managing body shall make the necessary changes and provide for any ensuing (positive or negative) adjustments in the manner laid down by the Authority, or by the latter referred to the parties' decision.

5.2 Annual user consultation

5.2.1 Annual information document

1. Unless otherwise agreed in the consultation, every year the airport managing body shall provide the airport users and their associations with appropriate information on the elements that contributed to set the dynamics of airport charges and fees for the current regulatory period.
2. From the first year of the regulatory period, the airport managing body shall publish on its website, at the latest 90 days before the scheduled date of entry into force of the charges and fees for the following year (therefore, usually no later than the 1st of October of each year of the regulatory period), the Annual Information Document, including the following information:
 - a) state of play of the investments provided for in the four-year plan and related time schedule;
 - b) (positive or negative) changes in operating and management costs that contribute to the determination of fees and charges;
 - c) update or confirmation of the annual k , v parameters, compared to the estimated values for the regulatory period;
 - d) level of quality and environmental protection indicators in the previous year, compared to the target values as included in the *Quality and environmental protection plan* for the same year;
 - e) preliminary WLU and service units, in line with the parameters used to determine the unit level of charges;
 - f) level of charges calculated for the following year;
 - g) update, if any, of the investment time schedule included in the four-year investment plan, for the remaining years of the regulatory period;
 - h) any urgent investments which are not provided for in the four-year plan and will be carried out in the remaining years of the regulatory period;
 - i) date on which the annual hearing of airport users is convened.
3. At the same time the above document will be sent to the Authority, while the documentation listed in paragraph 2 above will be transmitted to ENAC, for the verifications within its remit, that are necessary to monitor the airport managing body's compliance with its obligations under the four-year investment plan and the quality and environmental protection plan, having an impact on k , v and ϵ parameters. The documentation is submitted to ENAC according to the formats defined by circulars of the civil aviation authority concerning the annual reporting on the four-year investment plan and the quality and environmental protection plan.

5.2.2 Annual hearing of airport users

1. The airport managing body shall convene a public hearing of airport users and their associations to be held no earlier than 20 days following the date of publication of the annual information document, and usually no later than the 30th of October.
2. During the hearing, the airport managing body shall inform users of the outcome of the verifications by ENAC, that confirmed or amended the k , v and ϵ parameters already identified in the annual information document.

3. The airport managing body shall draw up the minutes of the hearing referred to under (1), which shall also include its assessments of any written comments that may be presented by each airport user within 5 days prior to the scheduled date of the meeting.
4. At the end of the hearing, the airport managing body shall promptly publish on its website the applicable charges for the new year, and transmit them, by certified email, to the parties in charge of updating IATA ticketing systems at Italian ticket agencies, without prejudice to the provisions of article 6 (2) of Directive 2009/12/EC.
5. The airport managing body shall also send to the Authority, and to the users or associations that participated in the hearing or provided written comments on the *Annual Information Document*, the minutes of the hearing, the outcome of ENAC's verifications on k , v , ε parameters, highlighting any amendments made to the previously published tariff levels.

Chapter 6. SUPERVISORY ACTIVITIES**6.1 Legislative references**

1. In accordance with article 71 of decree-law No 1/2012, as amended by Law No 27/2012, the Transport Regulation Authority shall exercise the supervisory functions referred to in Directive 2009/12/EC, in particular under article 11 (6) and (7).
2. Pursuant to article 80 of decree-law No 1/2012, the Authority verifies that, in the determination of the level of airport charges imposed for the use of infrastructure and services provided by the airport managing body on an exclusive basis, the following principles are applied:
 - a) cost-orientation, transparency, relevance, reasonableness;
 - b) consultation of airport users;
 - c) non-discrimination;
 - d) orientation, in accordance with the principles referred to under (a), towards the EU average airport charges that are applied in other airports with similar characteristics in terms of infrastructure, traffic and service standards.
3. In addition, the Transport Regulation Authority performs the regulatory and supervisory tasks conferred onto it by article 37 of decree-law No 201/2011, converted, with amendments, into Law No 214/2011, as amended by article 36 of decree-law No 1/2012, converted into Law No 27/2012.
4. In particular, pursuant to paragraph (2) of the above-mentioned article 37, the Authority attends to the following:
 - a) ensuring, according to methods that encourage competition, production efficiency and cost containment for users, businesses, and consumers, as well as equitable and non-discriminatory access airport infrastructure;
 - b) where it is deemed necessary with respect to the competition conditions which are actually in place in each market of national and local transport services, setting the criteria to determine tariffs, charges, tolls to be applied by the parties concerned, taking into account the need to ensure the economic equilibrium of the regulated businesses, efficiency of operation and cost containment for users, businesses and consumers;
 - c) checking the correct application of the criteria set out under (b) by the parties concerned.

6.2 Activities by the Authority**6.2.1 General principles**

1. The Authority shall ensure that airport managing bodies take the necessary measures for the appropriate provision of public services, in compliance with the principles laid down by the Prime Minister's Directive of 27 January 1994, published in Official Gazette No 43 of 22 February 1994, including as regards the adoption of the Services Charter⁹ and the protection of the interests of passengers with reduced mobility.
2. The Authority shall also supervise the conditions and modalities, however established, for access to infrastructure, that shall be implemented in compliance with the general principles of

⁹ Law No 481/95, art. 2 (12) (p)

transparency, equity, proportionality, non-discrimination, and efficient cost-orientation, so that all users' needs are taken into consideration with a view to their fulfilment¹⁰.

3. For this purpose, the Authority supports management production efficiency and cost containment for users, businesses, and final consumers, promotes direct and regular consultations with the associations representing their interest, in particular with consumer associations, both on general and specific issues, so as to take into consideration all users' needs¹¹.
4. For the same purpose, without prejudice to ENAC's technical expertise in the field of airport development planning, and to the general policy guidelines of the Minister of Infrastructure and Transport, the Authority reserves the right to issue opinions and recommendations aimed at promoting an efficient use of available resources for infrastructure development and at encouraging cost-effectiveness, quality and efficiency of the services rendered to users.
5. Concerning needs reported by users and/or industry associations, or in any case arising either from direct surveys carried out by the Authority at the national level or from EU benchmarks, the Authority may impose obligations regarding the achievement of specific objectives for improvement of the airport service standards and of productivity growth targets.
6. In the exercise of its supervisory tasks, the Authority shall:
 - a) apply the provisions under paragraphs 2, 3, 4, 5, 6 of article 80 of decree-law No 1/2012;
 - b) verify the proper application by the concerned persons of the criteria set out under (b) of paragraph 6.1(4) above;
 - c) order the cessation of any conduct that is contrary to the adopted regulatory models;
 - d) request to provide information and documents that are necessary for the performance of its tasks;
 - e) adopt the necessary measures, including sanctions, provided for by Law No 481/1995, article 2 (20) and Legislative Decree no 201/2011, converted into Law no 214/2011, article 37 (2) (i), in the case of non-compliance with the Authority's measures or failure to comply with requests for information or related to the performance of controls, or in the case of untruthful information and documents provided by airport managing bodies and users.

Should the Authority assess there has been a failure to fulfil obligations laid down in this Model, it will formally challenge and notify the defaulting party.

Upon expiry of the due deadline without having remedied the non-compliance, the Authority will take the necessary measures, including sanctions, as provided for under (e).

6.2.2 Consultation between airport managing body and airport users

1. The Authority identifies the direct consultation between the airport managing body and airport users, and the hearings of airport managing bodies and users as key tools to appropriately set the airport charges system and improve the level of service, in line with the airport development planning. In this context, the Authority shall:
 - a) promote the regular consultation between airport managing bodies and users, ensuring this is carried out at least once a year, as well as at the time of the airport charges review;

¹⁰ Law no 481/95, article 2 (12) (c)

¹¹ Law no 481/95, article 2 (23)

- b) launch the consultation procedure, where the airport managing body fails to meet the deadlines laid down in the Model, or when it does not follow up on additional requests advanced by airport users for other unexpected requirements, as compared to the ordinary cases covered in this Model.
- 2. The supervision may also be exercised by the Authority through direct participation in the consultation or by promoting discussion on specific issues.
- 3. In particular, the Authority shall verify that the principles and criteria set out in this Model are correctly applied by the airport managing bodies, with regard to:
 - a) drafting of analytical accounting reports and their certification;
 - b) calculation of the initial level of airport charges and other regulated fees, and their dynamics over the regulatory period;
 - c) procedures and timing of regular and annual user consultation.
- 4. The consultation procedure may be cancelled by the Authority, where the exercise of its supervision showed:
 - a) significant infringements of the procedure laid down in this Model;
 - b) serious untruthfulness of the information provided to users and/or by users against evidence of existing documents or information, particularly with respect to the accounting report presented by the airport managing body referring to the base year of the regulatory period.
- 5. The Authority shall ensure that the agreement reached between the airport managing body and the users following the consultation, with regard to regards level of charges and access conditions to airport infrastructure and services, is complied with by the parties during the regulatory period. This supervision is carried out also through annual monitoring activities as provided for and regulated in this Model.
- 6. The Authority shall further ensure that the guidelines and conditions imposed by the Authority's decision following the dispute resolution procedure referred to in paragraph 6.3 of this Model, as well as the remedial measures provided for in paragraph 5.1.4 (2), are properly implemented over the regulatory period.

6.3 Settlement of disputes for non-agreement on airport charges

6.3.1 Request for dispute resolution

- 1. In the event of failure to reach an agreement on a decision concerning airport charges made by the airport managing body, each party in the consultation may address the Authority, within 20 days of publication of the final proposal on the airport managing body's website, as referred to in paragraph 5.1.1 (3), by filing, by certified e-mail, a reasoned and documented request for dispute resolution, to be addressed also to the counterparties for information, in accordance with the format under Annex 4.
- 2. In case of submission of the request referred to in paragraph 1, the charges system or level covered by the final proposal shall not be effective until the Authority has delivered its final decision; where ART's final decision is formalised after the date laid down for the application of the new charges, pending this application, the charges payable by the airport managing body shall remain those in force during the consultation.
- 3. In order to be receivable, the request shall:
 - a) include the information and documents referred to in the format under Annex 4;

- b) be submitted by a party that has participated in the consultation and that, during the consultation, has expressed its views - and had them minuted - on the proposal submitted by the airport managing body;
 - c) contain the specific reasons for its disagreement on the proposal, for which an action by the Authority is requested.
- 4. Within 10 days of receipt, the Authority shall provide for dismissal of the requests that are not receivable pursuant to the preceding paragraphs, and of those that are clearly unfounded for not meeting the factual and legal requirements, or openly instrumental to the postponement of the entry into force of the airport charges system or level. Any dismissal shall be communicated to the airport managing body and to the applicants.

6.3.2 Initiation of dispute resolution procedure

- 1. The Authority shall verify that the request is receivable, and, within 10 days of its receipt, it shall inform the parties by certified e-mail of the initiation of the dispute resolution procedure.
- 2. The notice shall include the following:
 - a) date on which the request was submitted;
 - b) subject-matter of the procedure;
 - c) office where to access the documents;
 - d) person in charge of the procedure;
 - e) deadlines by which the interested parties may produce memorandums and documents;
 - f) closing date of the procedure in accordance with article 11 (7) of Directive 2009/12/EC.
- 3. Together with the notice referred to above, the Authority shall send to the party concerned a copy of the submitted request, including its annexes that are not yet available to the party.
- 4. If it is deemed necessary, the Authority may:
 - a) request the parties to supplement the information by providing written reports on specific issues or additional documents, with an explicit warning of the penalties that may be imposed in case of non-reaction or untrue communications;
 - b) convene a hearing with the parties to obtain their positions or other useful information for the preliminary examination of the procedure.

6.3.3 Access to documents

- 1. The documents that are lodged or acquired during the proceeding shall, as a rule, be accessible to the parties to the proceeding.
- 2. By an application setting out the confidentiality reasons for the protection of its legal position, the party concerned shall request, at the time of the filing or, for documents acquired *ex officio*, within five days of notice of the relevant preliminary inquiry, that certain documents, in full or in part, be excluded from access.
- 3. By a substantiated decision, the Authority shall reconcile the transparency and confidentiality requirements, while respecting the exercise of the right of defence.

6.3.4 Preliminary decision

1. Within four weeks of the date of receipt of the application, the Authority shall adopt a preliminary decision on the entry into force of the airport charges, unless within the same deadline a final decision may be made on the dispute.
2. Pending the adoption of the preliminary decision by the Authority, and in any case until the deadline set for the entry into force of the new charges, the charges payable by the airport managing body shall be those that are in force during the consultation.

6.3.5 Decision on the dispute

1. The dispute resolution procedure shall be settled by a decision of the Authority within four months of the date of receipt of the application. For justified grounds related to the preliminary examination, the deadline may be extended by two months.
2. The Authority's decision shall:
 - a) state the reasons;
 - b) pursue the objectives set out in article 80 of decree-law no 1/2012 and article 37 of decree-law 201/2011, as amended and supplemented;
 - c) be oriented towards restoring the compliance of the airport charges level or system with the principles and criteria underlying these regulatory measures and/or removing access conditions that the Authority considers as restricting or hindering competition or discriminating against users.
3. The decisions adopted by the Authority and their grounds shall be notified to the parties concerned and published on the Authority's website.
4. The decision settling the dispute may be appealed before administrative courts.

6.3.6 Obligations of the airport managing body

1. On the date of entry into force set by the Authority, the airport managing body shall update the airport charges level or system, taking into account the decision referred to in paragraph 6.3.5.
2. The airport managing body shall publish on its website the new charging level, that is set in accordance with the Authority's decision, and shall ensure the implementation of any necessary actions to provide information to the Authority, and to notify the new level of airport charges and the date of entry into force, by certified email, to the parties that are in charge of updating IATA ticketing systems at Italian travel agencies, without prejudice to the provisions of article 6.2 of Directive 2009/12/EC.
3. The determination of the new charging level shall consider any (positive or negative) balance which, from the date of entry into force referred to under paragraph 1 above, shall be recovered or repaid by the airport managing body to align the revenues to the eligible costs.
4. The above balance shall be determined by the difference between:
 - a) already accrued revenues, as resulting from the application of the provisional charging level to actual traffic in the period between: (i) the date identified by the airport managing body for the entry into force of the new charging level following the initial user consultation, and (ii) the date referred to in paragraph 1;
 - b) actually payable revenues, as resulting from the application, to the same traffic and in the same period, of the charging level resulting from the Authority's decision under paragraph 6.3.5.

5. The above balance is increased by an interest rate that is consistent with the rate determined by the Authority for the return on debt capital for regulated products, against the late receipt of the amounts receivable and not yet received (by the airport managing body) or against the holding time of the amounts received and not receivable (by the airport users).
6. At the first annual hearing carried out in accordance with chapter 5, and in the context of the Annual Information Document, the airport managing body shall provide airport users with comprehensive and documented information on the arrangements for recovery or refund of the balance as defined above.

Chapter 7. PRODUCTS SUBJECT TO TARIFF REGULATION**7.1 List of tariff centres**

1. Within the framework of the current national legal framework, the aviation products that are subject to tariff regulation are outlined here below:
 - a) landing and take-off charges;
 - b) aircraft parking and hangar charges;
 - c) passenger boarding charges;
 - d) freight loading and unloading charges;
 - e) charges for security services:
 - security check operations of departing and in-transit passengers;
 - x-ray or other screening of hand baggage;
 - x-ray or other screening of hold baggage, freight and courier postal items;
 - f) any fees for use of centralised infrastructure having the characteristics set out in Legislative Decree No 18/99 including, but not limited to, those under Annex B to the same decree, including e.g.:
 - baggage handling system management (BHS);
 - technical management of loading bridges for passenger boarding and landing or other indivisible systems of passenger transport;
 - management of aircraft power supply, air conditioning and heating centralised systems;
 - management of aircraft centralised de-icing systems;
 - management of centralised IT systems (public information, announcements, airport system, CUTE, etc.);
 - management of static fuel distribution centralised system;
 - management of centralised systems for storage and washing of catering materials;
 - g) any charges for use of common facilities, including e.g.:
 - airside aprons;
 - service and access roads to aprons;
 - aircraft short-term parking areas;
 - short stay of aircraft;
 - hall, passenger access and movement areas;
 - h) any fees for use of facilities for exclusive use, including e.g.:
 - outdoor areas;
 - indoor areas;
 - operating rooms;
 - offices, warehouses, changing rooms;
 - check-in desks;
 - ground handling services, if operated under a monopoly¹²;
 - charges for assistance to passengers with reduced mobility¹³.
2. The tariff centres for the above regulated products shall be appropriately unbundled depending on the determination of the charges that are applicable to any transit passengers, to be connected to the underlying costs.

¹² See chapter 1 (4) (b).

¹³ See chapter 1 (4) (c).

3. Non-regulated products include:

- a) any activity provided by the airport managing body to the airport users, that is not listed under regulated services, such as — as a rule — all activities of a purely commercial nature;
- b) air transport activities carried out by the airport managing body on a competitive basis with third parties.

7.2 Structure of the charge

7.2.1 Bundling of regulated products

1. With a view to promoting the rationalisation of the airport charges system, the airport managing body may submit to consultation the bundling of regulated products, where they are targeted to homogeneous user categories.
2. Bundled products as referred to under paragraph 1, shall be jointly subject to the charge construction systems provided for under chapter 8 of this Model.

7.2.2 Basket and modulation of charges

1. When drafting the airport charges proposal, the airport managing body may apply the tariff basket through:
 - a) combination of a number of regulated products, to be submitted together with the charge construction systems provided for under chapter 8 of this Model;
 - b) following modulation of the unit charges pertaining to each bundled product, to be carried out by:
 - ensuring compliance with the principles laid down in article 80 (1) of decree-law No 1/2012;
 - annually ensuring compliance with the principle of economic neutrality;
 - pursuing a reasonable balancing of the charges of the products included in the basket, by adopting an efficient pricing system that reflects different elasticities of the underlying demand, including for the purpose of alignment with EU average airport charges as applied in airports with similar infrastructure characteristics.
2. The adoption of basket can be aimed at:
 - a) encouraging traffic development, i.e. safeguarding the existing volumes thereof;
 - b) optimising airport capacity management,
 - c) ensuring gradual changes in the unit prices provided for in the regulatory period;
 - d) ensuring investment efficiency;
 - e) encouraging airport competition.
3. If it intends to adopt a basket system, during the consultation the airport managing body shall:
 - a) provide clear evidence of the airport charges deriving from the application of the basket, as resulting before and after the modulation of the charge;
 - b) provide each user, upon request, with all the information necessary to assess the impact of the charge modulation on its traffic volumes;
 - c) provide the Authority with all the necessary information to analyse the impact of the adopted baskets of charges. In particular, the Authority shall verify the following:
 - compliance with the principles laid down in article 80 (1) of decree-law No 1/2012;
 - compliance with the principle of economic and financial neutrality within the period considered as a whole;
 - impact on market segments, based on benchmarks by aircraft type. This includes, but is not limited to, the impact on passenger segment (low cost, full service) and cargo.

- impact on the optimal use of the infrastructure and on the airport managing body's operating efficiency;
- environmental and qualitative impact.

7.2.3 Sub-classification of charges

1. Subject to user consultation, the airport managing body may adopt sub-classifications of charges to enable better use of the airport capacity, or for purposes of environmental protection, including, e.g.:
 - a) peak/off peak charges,
 - b) summer/winter charges;
 - c) charges classified according to aircraft tonne classes,
 - d) charges classified according to type or class of goods for exclusive use;
 - e) charges classified according to aircraft noise or air pollution classes.
2. The airport managing body also adopts the sub-classifications and charge exemptions provided for by existing legislation.

7.3 Charging structure for airports serving the same city or urban area

1. In the case of airports serving the same city or urban area, pursuant to article 74 (3) of decree-law No 1/2012, the airport managing body, for reasons of traffic distribution, may request the Authority to authorise the introduction of common and transparent charging systems to be applied to such airports, without prejudice to the provisions of article 5 of Directive 2009/12/EC and the protection of the principles of transparency and user consultation. For this purpose, the airport managing body shall submit a reasoned proposal to the users participating in the consultation.

7.4 Charging structure for airport networks

1. The airport network managing body, duly designated, pursuant to article 74 (1) of decree-law No 1/2012, may be authorised by the Authority to introduce common and transparent charging systems to be applied to the entire network, without prejudice to the principles set out in article 80 (1) of Legislative Decree No 1/2012.

Chapter 8. METHODOLOGY FOR CHARGE CALCULATION IN THE REGULATORY PERIOD**8.1 Regulatory accounts and additional documentation****8.1.1 General issues**

1. Every year airport managing bodies are required to prepare and present to the Authority, no later than 60 days of the date of approval of the financial statements, the accounts certified by audit firms which, reclassified on the basis of the formats attached to this Model¹⁴, allow:
 - a) identification of relevant revenues and costs of each regulated and non-regulated products offered by the airport managing body to airport users, and of non-relevant revenues and costs;
 - b) evidence of the allocation criteria of operating and capital costs to each regulated product;
 - c) evidence of reconciliation with the results of the financial statements of the base year.
2. At the same time, airport managing bodies shall provide the Authority with an annual reporting on the detailed incentives granted to air carriers, in the form of contributions, subsidies or any other payment, with specification of the following:
 - a) type of incentive;
 - b) contributions, subsidies or any other payment or economic advantage linked to each incentive, their sources and consistency with the existing national and EU legislation, in particular with EU competition and state aid legislation;
 - c) unbundling by recipient of such incentives;
 - d) preliminary documentation supporting favourable and unfavourable findings of the Market Economy Operator ('MEO') test in accordance with Communication 2014/C 99/03 of the European Commission on State aid to airports and airlines;
 - e) in accordance with the obligation of transparency and equal accessibility applicable to all incentive schemes for air carriers, documentation relating to the procedures for granting incentives, in the form of contributions, subsidies or any other payment, to air carriers, depending on the start-up and development of routes that are intended to meet and promote demand in the relevant catchment areas.
3. The airport managing body drawing up the annual accounts based on IAS/IFRS standards is required to reclassify the financial statements according to the Italian accounting standards and, accordingly, to reconcile the latter with the accounting statements drawn up on the basis of the above-mentioned formats.
4. The Authority may request additional information regarding both regulated and non-regulated products, with the obligation for the airport managing body to provide the requested data within the deadline indicated by the Authority.
5. The airport managing body is required to provide the Authority, in addition to the breakdown of costs and revenues per existing billing centre in the base year, with evidence of the amount of the commercial margin achieved in the base year from the exercise of non-regulated activities that imply

¹⁴ Format Annex 2 to the Application Guidelines of CIPE Decision No 38/2007

http://www.enac.gov.it/la_regolazione_economica/aeroporti/contratti_di_programma/normativa_di_riferimento/linee_guida/index.html

a localisation or monopoly rent arising from the exclusive use by the airport managing body of the airport area also for commercial purposes and from the restricted access of third competitors to the airport area.

6. The Authority reserves the right to verify the suitability of the accounts and of the above methodology of reclassification, and to propose amendments, as the case may be.

8.2 Eligibility and allocation criteria of operating cost (OpEx) in the base year

8.2.1 General issues

1. For the annual preparation of the accounting system and for the allocation and eligibility for regulatory purposes of the operating costs (art. 2425 of civil code, items B 6, B 7, B 8, B 9, B 11 and B 14), the airport managing body shall refer, upon initial implementation, to the criteria and principles set out in paragraph 5.2.1.1. of ENAC Guidelines and in this Model. Operating costs include the IRAP¹⁵ applied to labour costs.
2. The following costs represent non-relevant charges, which therefore may not be allocated in the accounting sheet either to regulated or non-regulated products:
 - a) extraordinary costs;
 - b) costs of any kind arising from non-compliance with rules and regulations;
 - c) provisions of any kind;
 - d) financial costs;
 - e) taxes (except for the part of IRAP pertaining to labour cost);
 - f) costs which, in the light of the criterion of relevance, are not attributable to the ordinary production process of services/activities provided to airport users.

The amount of these cost items shall be reported in the table of reconciliation with the results of the financial statements of the base year.

3. The charges borne by the airport managing body in respect of services to third parties that are directly charged thereto, shall be reported in the 'not relevant' section of the regulatory accounting formats referred to in the Model, as they do not contribute to the determination of the costs that are attributable to the regulated products.

8.3 Eligibility and allocation of capital costs (CapEx) in the base year

8.3.1 General issues

1. For the allocation and eligibility for regulatory purposes of capital costs (article 2425 of civil code, items B10.a, B10.b and article 2424 of civil code, items B.I.2, B.I.3, B.I.6, and B.II), upon initial implementation, the provisions of paragraph 5.2.1.1 of ENAC Guidelines and of this Model shall apply.

¹⁵ Regional tax on productive activities (*Imposta Regionale sulle Attività Produttive* – IRAP) (TN)

8.4 Dynamics of charges

8.4.1 General approach

1. Having identified the costs allowed in the base year (OpEx and CapEx), for each regulated product and for any existing non-regulated products in the base year, as updated in the bridge year according to the change in planned inflation only as specified below, their development in the regulatory period is determined:
 - a) as regards OpEx, from the carry-over, in the regulatory period, of the eligible base-year costs, updated in the bridge year, by each regulated product, in relation to (i) planned inflation, (ii) changes in traffic volumes, (iii) elasticity coefficients of each cost item in response to traffic variation, (iv) efficiency target, any of them calculated *ex ante* for each cost item and each product, in accordance with the criteria set out in the following paragraphs;
 - b) with regard to CapEx:
 - annual costs for depreciation allowances, as defined *ex ante* in connection with the evolution, in the regulatory period, of the eligible base-year fixed assets with respect to their depreciation period, in accordance with the criteria set out in the following paragraphs;
 - annual return determined with the application of the relevant rate (WACC) on the residual net invested capital, as resulting at the end of the immediately preceding year, in accordance with the criteria set out in the following paragraphs;
 - c) cost discontinuities accruing in the regulatory period for each product, that cannot be directly and immediately related to traffic growth, and, estimated in the base year, are attributed to the products regulated in the period, in accordance with the criteria set out in the following paragraphs;
2. Having defined the base-year unit charge of each *j*-th product (equal to the ratio between the total eligible costs and the relevant units of service), as well as the development of eligible operating and capital costs over the period, the charge dynamics in the regulatory period is determined, for a maximum of four years, by applying the following formula:

$$c_{t,j} = c_{0,j} \cdot \prod_{z=1}^t (1 + P_z - x_j + k_{z,j} + v_{z,j}) \cdot (1 + \varepsilon_{z,j})$$

where:

- t number of years of the regulatory period;
- $C_{0,j}$ unit charge due per traffic unit for *j* service in the bridge year, including the cost of return on capital;
- $C_{t,j}$ unit charge due per traffic unit for *j* service in year *t*;
- P_z planned inflation rate resulting from the latest available Economic and Financial Document (DEF) for the years of the regulatory period;
- x_j parameter determined in such a way that, for *j* product, the discounted value of the eligible costs in each year (valued on the basis of the cost development in the base year) is equal, in the regulatory period, to the discounted value of the corresponding revenue expected in each year, by discounting the amounts at the nominal rate of return referred to in paragraph 8.8;

- $K_{t,j}$ parameter of charge increase of j product to remunerate new investments, determined for each z year on the basis of the investments made in the immediately preceding year, so that the change in the discounted value of the costs due for new investments is equal to the change in the discounted value of the expected additional revenue, by discounting the amounts at the nominal rate of return referred to in paragraph 8.8;
- $V_{z,j}$ parameter of charge increase of j product defined for each z year of the regulatory period on the basis of the pre-final incremental charges linked to the entry into force of new laws and/or regulations and calculated so that the change in the discounted value of the estimated additional costs is equal to the change in the discounted value of the expected additional revenue, by discounting the amounts at the nominal rate of return referred to in paragraph 8.8, before tax;
- $\varepsilon_{z,j}$ parameter that takes into account the achievement or non-achievement of the quality and environmental protection objectives for j product, as set out for each z year of the period.

8.4.2 Dynamics of base-year eligible operating costs over the regulatory period

1. In accordance with the principles and criteria set out in this Model, the airport managing body shall calculate *ex ante*, for each year of the regulatory period, the variation of each item of operating costs relating to each regulated product, which is defined, on the basis of the base-year eligible costs, updated to the bridge year for inflation¹⁶, on account of:
 - expected traffic variation (Δt) in the years of the period in question;
 - elasticity (η) of each operating cost item in response to traffic variation (WLU);
 - targeted productivity gain from improved efficiency (π_e) submitted to consultation by the airport managing body for the years of the regulatory period (see paragraph 8.4.4);
 - planned inflation rate (P) resulting — for the years of the regulatory period — from the latest available Economic and Financial Document. If available data do not cover the entire regulatory period, the airport managing body may refer to the figure of the last available year, to be used as an estimate for the remaining years of the period.

The system to update the cost dynamics will therefore be as follows:

$$C_{t+1} = C_t \cdot (1 + \Delta t \cdot \eta) \cdot (1 + P_t - \pi_e)$$

The above system does not apply to update to the bridge year the operating costs certified at the base year, for which the airport managing body shall — as indicated above — use the inflation rate that is planned for that year as reported in the latest available Economic and Financial Document.

2. The annual variations in the airport concession fee and security concession fee are defined, for each year of the regulatory period, on the basis of the calculation methods laid down by the executive decree of 30 June 2003 as amended, and by the Decree of the Ministry of Transport of 13 July 2005, respectively. The airport managing body shall, however, replace in the calculation of the final traffic

¹⁶ The update to the Bridge Year (C_{AP}) of the base-year eligible operating costs (C_{AB}), shall be calculated as follows:

$$C_{AP} = C_{AB} \cdot (1 + P_{AP})$$

where P_{AP} is the planned inflation rate for the bridge year as resulting from the latest available Economic and Financial Document (DEF).

volumes (WLU) referred to in the above decrees, the traffic volumes (WLU) provided for each year of the regulatory period under the Consultation Document.

3. The regulated charges defined under this Model include in the eligible costs 100% of the airport concession fee, instead of the reduced fee pursuant to article 11-i of Law No 248/2005.

8.4.3 Elasticity (η) of each operating cost item in response to traffic variation (WLU)

1. Pending the analysis to be carried out by the Authority, on the basis of data requested to airport managing bodies, on the elasticity coefficients with respect to the traffic volumes per each cost item, these coefficients assume constant values in the regulatory period and are equal to those reported in the following table, as already included in ENAC Guidelines:

Costs	Elasticity η
Labour costs	0.35
Consumables	0.30
Maintenance	0.20
Cleaning	0.25
Utilities	0.15
Services of third parties	0.25
Overheads	0.20
Use of third-party asset	0.25

2. Following the analyses referred to under 1 of this paragraph, these elasticity values may be re-defined.
3. The update will consider, *inter alia*, the historical data of the airport managing bodies, and the data from international benchmark analyses on similarly sized airports. The purpose of the historical survey is therefore to ascertain whether, and how much, the variation in the historical costs of the airport managing body is aligned with benchmark values or whether, conversely, they are necessary for the future recovery of spare production capacity, aiming at cost reductions.
4. Where a negative traffic trend is under way or foreseeable in the base year, at the level of the airport system or single airport, for which a solution can be found in the short-term period, *ex ante* planned elasticity will be set at zero, on account of the temporary rigidity of the contractual operating costs. It follows that for those years, the eligible operating costs will be those of the previous year, updated by applying the planned inflation and efficiency coefficient.

8.4.4 Efficiency target

1. The value of the reduction coefficient linked to efficiency (π_e) will be set by the Authority following quantitative (parametric and non-parametric) assessments based on historical data of the airport managing bodies, so as to define an annual productivity increase of a representative airport managing body.
2. Pending such quantitative assessments, the airport managing body shall use the efficiency target, defined on the basis of paragraph 4.1.1 (2.f), as a result of the user consultation.
3. However, this value may not be lower than a threshold value ($0,3 \cdot \bar{P}$), where \bar{P} is the average planned inflation rate for the years of the regulatory period, in accordance with the latest available Economic and Financial Document.

8.4.5 Profit Sharing

1. Starting from the second regulatory period, the airport managing body will prepare the proposal of review of airport charges so that the operating costs of the new base year (i.e. the penultimate year of the regulatory period being concluded) can be increased, up to a maximum of Z% agreed in the consultation on the previous regulatory period, to consider, in proportional share, any productivity surplus achieved by the airport managing body with respect to the objectives that had been set *ex ante* for the previous regulatory period.
2. This productivity surplus is determined by the difference between:
 - estimated *ex ante* operating costs for the penultimate year of the regulatory period being concluded, which may be re-determined during the regulatory period itself to consider traffic variations as compared to forecasts, under equal elasticity, and
 - final operating costs for the same year referred to above, as resulting from the accounts for regulated products.
3. The productivity surplus as calculated above shall be accounted for — up to a maximum of Z% as agreed in the consultation — separately from the costs arising from the base-year accounts of the new regulatory period, as it is not eligible, in the new regulatory period, to the $(\Delta t \cdot \eta)$ variation referred to in paragraph 8.4.2.
4. In the end-of-period reporting document, presented in the new consultation in the bridge year (i.e. the last year of the regulatory period being concluded), the airport managing body shall communicate the final data as determined above.
5. Profit sharing is recognised provided that, for the years between the first and penultimate of the previous regulatory period, the annual values of *q* quality synthetic index defined in the *Quality Plan*, referred to in paragraph 8.14.4 (10) (c), are higher than or equal to zero, and that the achievement of the quality targets has not accrued in conjunction with traffic downturn.

8.5 Net invested capital in the base year and development in the regulatory period

1. As regards the updated asset evaluation to be charged to net invested capital (NIC) in the base year, the airport managing body may alternatively opt:
 - a) for net current value, based on the revaluation index referred to in paragraph 8.7 (revalued NIC);
 - b) for net book value (accounting NIC).In both cases, the value must be assumed net of the revaluations provided for by law, as they may have been made over the years.
2. The choice between the two options that is made by the airport managing body for the first regulatory period shall be binding for the following regulatory periods as well.
3. The option for revalued NIC is associated with the actual rate of return on capital; vice versa, the option for accounting NIC is associated with the nominal rate of return on capital, as indicated also in CIPE¹⁷ Decision No 38/2007.
4. Should the airport managing body opt for revalued NIC, the net invested capital, as identified for the base year of each regulatory period for regulated fees, shall consist of the following items (otherwise, the clarifications under point 10 of this paragraph shall apply):

¹⁷ Inter-ministerial Committee for Economic Planning (TN).

- a) tangible and intangible assets at current value, realised by the airport managing body through self-financing (therefore, net of public contributions), considered gross of the statutory depreciation fund and net of the technical and economic depreciation fund, also at current value;
- b) balance of receivables and payables resulting from the base-year financial statements, calculated as follows.

Accounts receivable, increased by bad debt provisions¹⁸, are allocated to each (regulated, non-regulated, non-relevant) product according to the criterion of relevance, or, alternatively, according to the driver of turnover. The accounts receivable so allocated are considered within the limit of 25%¹⁹ of the eligible regulatory costs for each product in the base year, the latter including the cost of capital. In the first period of application of the Model, the 25% limit of eligible regulatory costs, as defined above, is set at 30%.

Any surplus of accounts receivable of the regulated sector compared to the above limit shall be transferred onto non-regulated and non-relevant products, based on the driver of turnover.

Accounts payable are allocated to each (regulated, non-regulated, non-relevant) product according to the criterion of relevance or, alternatively, based on the driver of external direct costs, as deriving from all operating costs and depreciation directly allocated in the accounting schemes, net of personnel costs.

For the calculation of the balance, accounts receivable and accounts payable may not be allocated to regulated products pertaining to passengers (passenger boarding, passenger and baggage security, PRM), in order not to place thereupon any burden of postponement that is attributable to others.

Once the accounts receivable and payable have been allocated as described above, the corresponding balance shall be calculated for each product.

- c) work in progress (WIP) in the base year, not exceeding the book value, as resulting from the financial statements of that year. From the value of the work in progress in the base year, the airport managing body shall deduct the amount of the designs entered in the WIP, which will be accounted for in the charge through the *k* parameter referred to in paragraph 8.10.1, after the relevant work has entered into operation;
- d) fixed assets realised with public contributions, that are eligible for charging purposes in the cases, within the limits and under the conditions laid down in CIPE Decision No 38/2007, as amended and supplemented, and Section 4 of ENAC guidelines for privatisations that took place prior to CIPE Decision No 86/2000 and after CIPE Decision no 38/2007, respectively.

The base-year NIC value shall be updated to the bridge year on the basis of the expected planned inflation for that year, according to the same methodology developed in paragraph 6 below for the annual update during the regulatory period.

- 5. In the case of revalued NIC, the return for the base year and for each year of the regulatory period shall be calculated *ex ante*, by applying the real *pre-tax* WACC, as defined in accordance with paragraph 8.8, to the NIC value at the beginning of the year.

¹⁸ As provided for by CIPE Decision No 38/2007, paragraph 3.2, page 5, and by ENAC Guidelines, page 8, paragraph 23 (c).

¹⁹ As provided for by CIPE Decision No 38/2007, paragraph 3.2 (e), page 5.

6. The development, for each year t of the regulatory period, of tangible and intangible fixed assets in the base year (both self-financed and, in the cases, within the limits and under the conditions allowed under paragraph 3.2.1 of CIPE Decision No 38/2007, financed with public sources) shall be carried out *ex ante*, by annually deducting the relevant depreciation charge and updating the residual value to be remunerated according to the following formula:

$$(NRV)_{1 \text{ January year } t} = (NRV)_{31 \text{ December year } t-1} \cdot (1+P),$$

where:

$$(NRV)_{31 \text{ December year } t-1} = [(NRV)_{1 \text{ January year } t-1} - (DEP)_{\text{year } t-1}]$$

with:

P planned inflation rate, for each year of the regulatory period, as resulting from the latest available Economic and Financial Document;

(NRV) net residual value of tangible and intangible fixed assets;

(DEP) depreciation of tangible and intangible fixed assets.

Without prejudice to the revaluation index referred to in paragraph 8.7 below, the NIC value to be allowed in the base year and its development for each year of the regulatory period, insofar as it is not regulated in this Model, shall be calculated based on the methodology provided for in section 3 of ENAC Guidelines.

7. The development, for each year t of the regulatory period, of the receivables/payables balance allocated to each product is obtained by multiplying the value of the previous year by the planned inflation rate, for the years of the regulatory period, as resulting from the latest available Economic and Financial Document.
8. As regards the dynamics of work in progress in the period, the value allowed in the base year will be kept constant, until the entry into operation of the work in the period, and will be updated annually, based on the arithmetic average of the planned inflation rate, for the years of the regulatory period, as resulting from the latest available Economic and Finance Document.
9. Also included in the NIC of the base year are:
- costs borne by the airport managing body for expropriation, by statutory or contractual provisions, of areas that are instrumental to air transport services, as included in the airport master plan that has been already technically approved by ENAC and by the bodies in charge of environmental and town-planning assessment, pursuant to the legal procedures laid down for this purpose, and subject to the free transfer of the relevant areas to public property. These costs shall be recognised within the limits of the fair value set through the formal assessment procedure laid down in the existing legislation, within the limits of the strictly relevant part of aviation products that are subject to charge regulation, to which such areas are instrumental, and amortised according to the criteria set out in paragraph 8.6.
 - any measures that are intended to mitigate environmental impact and compliance obligations laid down in the impact assessment measures issued on the airport development plan or on a single project by the competent Ministries, as included in the cost of the work from the beginning of the construction and subject to environmental and town-planning assessment.
10. Where the airport managing body does not opt for asset revaluation (accounting NIC), the NIC identified in the base year of each regulatory period is made up of the same items as described under paragraph 4 above, except that:
- self-financed tangible and intangible fixed assets shall be:

- i. expressed at their net book value in the base year of each regulatory period;
 - ii. considered gross of the statutory depreciation fund and net of the economic and technical depreciation fund, also at book value;
- b) all NIC items shall not be updated every year depending on the planned inflation rate.

8.6 Depreciation rates

- For the technical and economic depreciation of tangible assets, the useful life and ensuing technical and economic depreciation rates are defined in accordance with the best sectoral practices, by referring, in the first place, to those suggested by ICAO in the “*Airport Economics Manual*”.
- As for fixed assets, the technical and economic depreciation rates shall be consistent with the timing for their update and/or replacement as laid down in *ad hoc* legislation. In this respect, the airport managing body shall provide information to users during the consultation.
- Except in documented cases which may be discussed by the airport managing body on a case-by-case basis, the rates to be applied for charging purposes shall be those set out in the table below:

USEFUL LIFE OF AIRPORT ASSETS AND FACILITIES		
GROUP	USEFUL LIFE [years]	RATE [%]
TANGIBLE FIXED ASSETS		
Runways, aprons	30	3.33 %
Runway facilities	10	10%
Passenger and freight terminals	25	4%
Light constructions	10	10%
Baggage Handling System (BHS)	10	10%
Loading and unloading equipment	10	10%
Cars	5	20%
Small and miscellaneous equipment	10	10%
Furniture and furnishings	10	10%
Hardware	5	20%
Land subject to expropriation	see point 2 below	
INTANGIBLE FIXED ASSETS		
Research, development, and advertising costs	5	20%
Software programmes	3	33.33 %
Other intangible fixed assets	5	20%

The airport managing body may opt for financial depreciation, if this is more favourable to users, and in any event if it is so declared and agreed upon during the consultation on the new work to be amortized.

- For the charges referred to in 9 (a) of paragraph 8.5 above, after land acquisition for public use, a depreciation rate is applied that is in line both with the expropriation value under the existing legislation and with the residual concession period (financial depreciation), from the date of acquisition for public use and until the entry into operation of the work, for the construction of which the land was acquired. From that date, the residual value of the land is depreciated by the same rate of the asset pertaining to the land.

8.7 Revaluation index

1. Where the airport managing body opts for the asset revaluation referred to in paragraph 8.5 (4), in the base year of each regulatory period, it shall update the residual value of self-financed assets, based on the gross fixed capital formation index, that is published annually on the Authority's website.

8.8 Rate of return on invested capital

8.8.1 General formula

1. The return on net invested capital due to the airport managing body is determined according to the method based on the weighted average cost of financing sources, risk capital and debt, commonly estimated by applying the Capital Asset Pricing Model (CAPM) methodology, which has already been used in previous regulatory periods and is also commonly applied in other regulated sectors (e.g. AGCOM²⁰, AEEGSI²¹), according to the following formula:

$$R = g \cdot \frac{R_d (1 - t)}{1 - T} + (1 - g) \cdot \frac{R_e}{1 - T}$$

where:

- R_d rate of return on debt capital;
- R_e nominal rate of return on equity;
- g % of financial debt of the airport managing body (*gearing*);
- $(1-g)$ % of equity of the airport managing body;
- t 'tax shield';
- T income tax rate of the airport managing body;
- R net weighted average cost of capital (**WACC**) rate, i.e. rate of return on capital (after tax) in nominal terms; this rate is converted into real terms by applying the Fisher formula:

$$R_{real} = \frac{1 + R}{1 + \bar{P}} - 1$$

where:

- \bar{P} arithmetic average of the planned inflation rates for the years of the regulatory period as resulting from the latest available Economic and Financial Document.
2. WACC variables may be usefully differentiated into endogenous and exogenous variables to the company, i.e. variables that depend wholly or partly on the economic and financial choices of the company and variables that do not depend on these choices but rather on the dynamics of national and international markets.
 3. Included in the first category are financial structure, debt premium, beta coefficient.

²⁰ Regulatory Authority for communications (TN)

²¹ Regulatory Authority for electricity, gas and water (TN)

4. The second category comprehends risk-free rate, equity risk premium and tax rate. Risk-free rate and tax rate result from the cost of public debt and from the tax policies of national governments, while equity risk premium is derived from the overall performance of the market in which the company operates.
5. The differentiation between exogenous and endogenous variables is aimed at defining the most appropriate calculation method to consider the efficiency of opportunity cost. Indeed, as exogenous variables are not influenced by corporate behaviour, they may refer to public sources that provide predetermined values for which no efficiency assessment would be relevant. Differently, endogenous variables, being influenced by the corporate characteristics and choices, require calculation techniques for the measurement of efficiency.

8.8.2 Exogenous variables

1. The *risk-free rate* (**rfr**) is given by the arithmetic mean of the daily gross returns of the ten-year BTP²², as identified by the Bank of Italy with reference to the twelve-month period prior to the start of the consultation.
2. The *equity risk premium* (**erp**) is the premium, compared to a risk-free investment, of equity investments which by their nature deal with risk capital and are therefore measured as the difference between overall return on equity market and return on risk-free financial assets. The Authority sets a value of **5.5 %** for *erp* (*equity risk premium*); this value is both consistent with the range given by the values calculated as arithmetic and geometric mean in the survey by Dimson, Marsh, Staunton and Wilmot (Credit Suisse Yearbook 2017), based on the time series approach, and with the *erp* value estimated by the national regulatory authorities.
3. Regarding the *tax rate* (**T**) and the tax shield (**t**), the corporate taxes concerned are the following:
 - a) corporate income tax (*imposta sul reddito delle società*, IRES);
 - b) regional tax on production activities (*imposta regionale sulle attività produttive*, IRAP).

Given the different nature of these taxes, concerning both their tax base and the non-deductibility of financial charges from IRAP, only the IRES rate is used for the tax shield of the financial charges, while the sum of both taxes is assumed for the calculation of the corporate tax rate. This is a theoretical rate, that approximates both the fact that tax bases do not overlap and that the regions are entitled to vary IRAP rate. This methodology, the formula of which is set out in paragraph 8.8.1 (1) above, ensures stability of the calculation over the regulatory period by considering the standard rates in force in the base year.

8.8.3 Financial structure (gearing)

1. The financial structure provides information on the combination of the financing sources chosen by the company. The main indicator of the financial structure, used for WACC calculation, is the so-called *gearing* (**g**) that measures the ratio of total financial debt in the medium-long term (**D**) to total financing sources. The latter, in addition to medium-long term debt, also include equity (**E**), so that $g = (D / (D + E))$.
2. The value of financial debt (**D**) is to be assumed, in line with other national regulatory authorities and following international practice, on the basis of the annual gross debt, calculated as the average of the calendar year corresponding to the base year.

²² long-term Italian Treasury bond (TN)

3. *Equity (E)*, i.e. usually net assets, is derived from the last available value of the corresponding balance sheet item, as resulting from the financial statements of the base year.
4. For listed companies, with respect to the *Equity* value referred to above, it is possible to refer to market values (*Market Capitalisation*).

8.8.4 Cost of debt

1. The average cost of debt (R_d) is how much would be paid by a company based on market conditions to obtain financing. This indicator includes two components, *risk free rate (rfr)* and *debt premium (pd)*, according to the following relation:

$$R_d = rfr + pd$$

2. The debt premium (pd) to be attributed to each airport managing body, linked to the corporate rating, is calculated as the difference between the average cost of financial debt of the airport managing body and the risk-free rate.
3. The average cost of financial debt of the airport managing body is calculated as the ratio of financial cost to financial debt, with reference to the base year; *financial expense* is taken to mean the income statement item "interest income and other financial charges", while *financial debt* is taken to mean the average annual gross debt, as defined in the previous paragraph.
4. The debt premium (pd) is allowed up to a maximum of 2 percentage points, while the Authority reserves the right to check the conditions of access to credit by the concessionaires of public airport infrastructure, that are consolidated on the market and have significant traffic volumes.
5. In the construction of the debt premium, account may be taken of specific and objective conditions of access to credit by the airport managing body expressed by the relevant rating (average value of last 12 months) and by the average spread applied for similar rating categories (in the same period).
6. In addition, the following is considered:
 - a) ancillary charges related to insurance cover against interest rate swaps;
 - b) ancillary charges directly linked to borrowings/issue of bonds (bank, legal, administrative charges, etc.).

8.8.5 Cost of equity

1. The cost of risk capital is determined according to the following relation:

$$R_e = rfr + \beta_e \cdot erp$$

with

- R_e cost of equity;
 rfr risk-free rate
 β_e equity beta (measure of non-diversifiable systematic risk of equity)
 erp equity risk premium.

2. The parameters rfr and erp are determined in accordance with paragraph 8.8.2.
3. The β_e (*equity beta*) coefficient is usually measured by the covariance of the performance of specific investments to the performance of a market portfolio. It follows that β_e can be derived directly from the stock market for listed companies, whereas it must be derived indirectly for non-listed companies, through values resulting from a sample of comparable listed companies (comparables), while justifying the choice.

4. Therefore, for Italian airport companies, the following methodologies shall be applied:
- a) the β_e (*equity*) of reference for non-listed Italian airport companies (or listed since less than two years) is derived by the airport managing body indirectly, through the methodology set out in (5), (6), (7), (8), (9), by applying the individual β_e of the sample referred to under (3), as derived from the time series of weekly surveys over a three-year period ending with the base year. *Equity beta* estimates for individual listed EU airport companies in the sample shall be those provided by leading international financial companies (e.g. Bloomberg, Datastream, etc.).
 - b) the β_e of reference (*equity*) for Italian airport companies listed on the stock exchange for more than two years, derived by using the methodology set out in (5), (6), (8), (9), is company-specific, equal to the arithmetic average of the weekly surveys over the three-year period ending with the base year. For newly listed companies, a shorter period of observation may be sufficient, in any case not less than two years. The Authority reserves the right to compare the *beta* values as determined in the preceding paragraphs with those derived from international benchmarking of comparable airports.
5. Each *equity beta* coefficient identified as above (“*raw beta*”) shall be adjusted according to the methodology proposed by Bloomberg and set out below to derive the *adjusted equity beta* ($\beta_{e,adj}$):

$$\beta_{e,adj} = \beta_{raw} \cdot \frac{2}{3} + 1 \cdot \frac{1}{3}$$

6. Once identified, the *adjusted equity beta* shall be netted of the specific financial leverage (“*delevering*”). For this purpose, the asset beta (β_a^i) of each company considered is derived by applying the delevering standard methodology referred to in the following formula:

$$\beta_a^i = \frac{\beta_{e,adj}^i}{\left(1 + (1 - t^i) D^i / E^i\right)}$$

with:

- β_a^i asset beta of *i-th* company;
- β_e^i equity beta of *i-th* company;
- t^i corporate tax rate of *i-th* company (tax shield);
- D^i / E^i financial leverage, where E^i and D^i refer to the *i-th* company of the sample; as the companies considered here are listed, the market value (market capitalisation) shall be taken into account for E.

7. For Italian non-listed companies, the *asset beta* will be determined as the arithmetic average of the *adjusted asset beta* of each company in the sample, as calculated above.
8. To apply the notional leverage, the *asset beta* identified above are relevered, so as to obtain the *equity beta* to be attributed to the Italian airport company in question. The *relevering* is carried out according to the following formula:

$$\beta_e = \beta_a \cdot \left[1 + (1 - t_{ires}) \cdot \left(\frac{D^*}{E^*}\right)\right]$$

9. For the purposes of this Model, a notional value of **1**, corresponding to a 50% gearing, shall be assumed for parameter (D^*/E^*) referred to in the previous paragraph, in line with the average leverage expressed by a representative sample of European airports.
10. Correction factors of *equity beta* are not usually allowed. The Authority may assess extraordinary conditions of riskiness, other than those expressed by the listed companies in the sample, which — given the *erp* defined as above — cannot be adequately addressed by applying the provisions of paragraph 8 (9), and can objectively justify limited and transitional corrections to the *beta* factor for the regulatory period subject to consultation.

8.8.6 Summary table

WACC calculation table		
1)	$g=D/(D+E)$	<i>gearing</i>
2)	$(1-g)=E/(D+E)$	equity share of the airport managing body
3)	<i>rfr</i>	risk-free rate
4)	<i>pd</i>	debt premium
5)	$R_d = rfr + pd$	allowed cost of debt
6)	<i>erp</i>	equity risk premium
7)	β_a	asset beta
8)	β_e	equity beta
9)	$R_e = rfr + \beta_e * ERP$	cost of equity
10)	<i>t</i>	tax shield (IRES tax rate)
11)	<i>T</i>	total tax rate
12)	$R_{(nom, gross)} = (R_d * (1-t) * g + R_e * (1-g))$	nominal post-tax WACC
13)	$R_{(nom, net)} = R_{(nom, gross)} / (1-T)$	nominal pre-tax WACC
14)	<i>P</i>	planned inflation rate
15)	$R_{(real, net)} = ((1 + R_{(nom, net)}) / (1-P)) - 1$	real pre-tax WACC

8.9 Incremental WACC

1. While acknowledging that WACC increases may be appreciable tools to incentivise investments, that are also in place in other regulated sectors, the Authority considers that the application of these measures should be exceptional. In fact, there may be investments in the development and modernisation of airport infrastructure which may involve, for certain managing companies and for private investors, excessively burdensome construction and financial risks, particularly when imposed by law for reasons of public interest, public safety or environmental protection.
2. Following reports by ENAC, the Authority may assess the provisional application of limited measures of WACC increase.

8.10 Estimation of cost discontinuities

8.10.1 *k* parameter

1. For the purpose of the consultation referred to in chapter 3, the airport managing body shall provide programmatic evidence, as may be estimated in the bridge year, of *k* parameter referred

to in the formula in paragraph 8.4.1 (2), by determining the estimated regulatory costs for new investments, for each year of the regulatory period, on the following basis:

- a) for *work in progress*: remuneration calculated by applying the rate of return referred to in paragraph 8.8 on the estimated value of the balance of the work in progress, as resulting from the algebraic sum of incremental work in progress and work in progress that has been cancelled due to the entry into operation of the assets;
 - b) for *finished works* (entered into operation):
 - remuneration calculated by applying the rate of return referred to in paragraph 8.8 on the value of the work;
 - relevant depreciation allowances;
 - operating costs (e.g. utilities, maintenance, cleaning, etc.) directly related to the works;
 - c) for extraordinary maintenance:
 - remuneration calculated by applying the rate of return referred to in paragraph 8.8 on the capitalised value of the work;
 - relevant depreciation allowance, usually estimated on account of the depreciation rate that is applicable to the asset subject to maintenance;
 - d) for expropriations and acquisitions of areas:
 - remuneration calculated by applying the rate of return referred to in paragraph 8.8;
 - relevant depreciation allowance, estimated in accordance with paragraph 8.6 (2).
2. For the above purposes, the airport managing body shall estimate the k parameter for each year of the period in question, considering the cost items (referred to in the previous paragraph) pertaining to the investments that are expected to be made in the immediately preceding year, as indicated in the four-year investment plan annexed to the *Consultation Document*.
 3. As regards design costs, the airport managing body shall deduct from the value of the work in progress estimated for each year of the regulatory period, the amount of the designs which, like those already entered in the WIP for the base year, will be calculated in the charge through the k parameter in the year following that of the foreseeable entry into operation of the work to which the design relates.

8.10.2 V parameter

1. In the consultation referred to in chapter 3, to provide airport users with adequate information on the development of airport charges in each year of the regulatory period, the airport managing body sets the v parameter, determining the estimated regulatory costs for incremental charges linked to the entry into force of new laws and/or regulations, which are already foreseeable in the bridge year of each regulatory period.
2. The costs incurred by the airport managing body for the contribution to the fund established by article 1(1328) of Law No 296/2006 (Financial Law 2007) for the financing of airport fire-fighting services are also subject to the provisions referred to in this paragraph, if they are not already included in the operating costs in the base year. In this case, these contribution charges shall be defined on the basis of the preliminary or expected traffic data, for each year of the period.
3. During the annual monitoring, unforeseeable charges in the bridge year, incurred for new laws or regulations, pertaining to the regulated products, will be included in the charge through v parameter, with an obligation to inform users during the annual consultation referred to in chapter 5.

8.10.3 Notional items

- b) To ensure gradual tariff development, (positive or negative) notional items may be included in the eligible costs of a regulated product, so as to anticipate or postpone the calculation of these costs with respect to the year of actual accrual.
- c) The inclusion of notional items in the eligible costs is allowed provided that the principle of economic and financial neutrality in the period considered as a whole is complied with.
- d) Receivable or payable notional items of the airport managing body, as defined *ex ante* and capitalised with the application of the nominal rate of return defined for the regulatory period, shall be highlighted in the consultation for each year and for each regulated product.
- e) The calculation of x , k , and v parameters for a regulated product shall consider the inclusion of these notional items.
- f) In accordance with the principle of economic and financial neutrality, the balance of notional items shall be cancelled out within the regulatory period, unless otherwise agreed between the airport managing body and the users.

8.11 Treatment of commercial margin

1. Pending thorough surveys aimed at establishing the degree of competitiveness and efficient management of each airport, to better assess — in the light of different positions in economic literature — the costs and benefits of any regulatory measures for commercial activities, and in view of the obligation for the airport managing body to provide the Authority with *ad hoc* regulatory accounting data on the commercial margin as set out in paragraph 8.1.1(5), upon first application of the regulatory model, the *dual till* tariff regime may be applied, whereby the airport managing body determines to what extent and how to take account of commercial revenues. In any case, the Authority reserves the right to apply any remedial measures that are deemed necessary to: (i) promote competition on a cost-effective basis, (ii) ensure adequate access to infrastructure, (iii) encourage production efficiency and cost containment for users, businesses, and consumers, where the business policies of the airport managing bodies are not geared to this end and in relation to the actual existing competition.

8.12 Final proposal of charge dynamics and annual monitoring

1. Taking into account the outcome of the consultation and the commitments with the users for the regulatory period, the airport managing body shall forward to the Authority, within the time limits laid down in chapter 5, the final proposal for the average unit charge for each regulated product and for each year of the regulatory period, in accordance with the following formula:

$$c_{t,j} = c_{0,j} \cdot \prod_{z=1}^t (1 + P_z - x_j + k_{z,j} + v_{z,j})$$

together with the table of the annual tariff parameters for each product, relating to the above formula.

2. For the first year of the regulatory period, the charges are inclusive of k and v parameters pertaining to investments and cost discontinuities accrued in the bridge year, as described in paragraph 8.10.
3. The airport managing body shall carry out the necessary ensuing steps for communication to the IATA ticketing network, as provided for in chapter 5.

4. Unless otherwise agreed between the parties following the consultation procedure held in the bridge year, the airport managing body will launch a new consultation at the end of the regulatory period, even in conjunction with the annual consultation for the year corresponding to the bridge year of the new regulatory period, in order to provide an end-of-period reporting to be considered in the construction of the updated charge. This reporting will in any case be part of the *Consultation Document* to be provided to airport users and to the Authority, as set out in chapter 4.
5. For the actual annual costs related to k parameter, the airport managing body shall submit to ENAC and to the Authority, by the 1st of October of each year of the regulatory period, a statement signed by its legal representative — pursuant to Presidential Decree no 445 of 28 December 2000 — certifying the state of compliance as at the 31st of August for each investment planned for the current year under the four-year investment plan of the regulatory period, and for the associated operating costs.
6. In the same statement, the airport managing body shall substantiate the state of compliance and the operating costs associated therewith which, based on reliable estimates, may be accounted for by the 31st of December of that year.
7. For the purpose of the above paragraphs, the airport managing body shall certify, in respect of each investment planned for the current year of the four-year investment plan, the amount of the assets entered into operation and the balance between incremental work in progress and work in progress that has been cancelled due to the entry into operation of the assets.
8. In addition, for the actual annual costs to be calculated with v parameter, the airport managing body shall submit to ENAC and to the Authority, no later than the 1st of October of each year of the regulatory period, a statement by its legal representative — pursuant to Presidential Decree No 445/2000 — certifying the cost discontinuities already occurred on the 31st of August and those that, on the basis of reliable estimates, may be accounted for by the 31st of December of the same year.
9. The annual information document referred to in chapter 5 shall be accompanied by a declaration of the airport managing body that the statement referred to in (5) and (8) has been sent to ENAC for the annual verifications and validations within its remit.
10. The airport managing body shall submit to the Authority, by the 30th of October of each year of the regulatory period, the validations issued by ENAC in respect of (5) and (8), together with any update of the level of regulated charges and fees to be applied for the following year, as defined in accordance with the a.m. ENAC validations.
11. In exceptional cases of justified delays that do not allow users to receive the due information within 60 days of the entry into force of the charges, the airport managing body shall in any case publish the “provisional” level of charges, with the obligation of new disclosure within the following 15 days on account of the validations received.
12. By the deadline provided for the submission of the certified accounts, the airport managing body shall document the outcome of the investments planned for the year that has just ended, as compared to the four-year investment plan that was submitted to consultation, and the results of the cost discontinuities actually accrued in the same year.
13. Any deviation identified between the preliminary data provided by the airport managing body and the final statements will imply the revision of the k and v parameters of the previous year and, at the same time, will result in the application of an adjustment based on the difference between the charge incorporating the final k and v parameters, and the charge incorporating the preliminary k and v parameters; this difference is then multiplied by the service units planned for the year in question. The adjustment shall be entered in the accounts and recovered in the charge under the v

parameter of the following year, increased by the interest calculated on the basis of the nominal rate of return referred to in (8.8) above.

14. If it is found that the data provided by the airport managing body are untrue, the Authority may provide for arrangements to recover the amounts unduly received by the managing body, which shall be refunded to the users, together with the relevant interest as calculated on the basis of the rate of return on debt capital that is set by the Authority for regulated products.
15. In the base year of each regulatory period, the costs of investments provided for in the four-year plan, that are incurred in the immediately preceding regulatory period, shall cease to be accounted for through the k parameter, since they are included in the NIC of the base year of the new regulatory period, at their net current value, which is defined on the basis of the index set out in 8.7 above, or at their net book value.

8.13 Sustainability of traffic risk

1. Starting from the regulatory period following the first, if the deviation of the final WLU resulting at the end of the expired regulatory period, calculated by comparing the total final WLU in the regulatory period with the total WLU estimated by the traffic forecast for the same regulatory period, is:
 - a) positive and above +Y%, 50% of the revenue attributable to the WLU exceeding the Y% threshold, shall be entered in the accounts and set aside in a fund for the implementation of infrastructure investments at no cost for users, starting from the new regulatory period;
 - b) negative and below -Y%, 50% of the lost revenue attributable to the WLU exceeding the Y% threshold, will be recovered in the charge starting from the new regulatory period.
2. The excess margin shall be calculated as the difference between the revenue arising from the charge in force in each year, multiplied by the final actual traffic, and the revenue from the charge in force in each year, as applied to the traffic planned *ex ante* that is increased or decreased by +/- Y% (threshold revenue). As regards the last year of each regulatory period, traffic data as at the 30th of September and estimated traffic data as at the 31st of December, based on the best available estimates, are taken into consideration.
3. Where during the regulatory period the annual deviations of the final WLU are higher than a +/- W% threshold, the parties may request, based on the new traffic estimates, the prompt re-modulation of (x , k , v) parameters in respect of the remaining years of the current period.
4. The values of Y% and W% thresholds are set in the consultation procedure.

8.14 Quality and environmental protection for charges dynamics: parameter ϵ

8.14.1 General principles

1. The parameter for quality and environmental protection operates on the dynamics of the charge according to the following equation:

$$\epsilon_{t,j} = f \cdot q_{t,j} + (1 - f) \cdot a_{t,j}$$

with:

ϵ_t parameter to consider the achievement or non-achievement of quality and environmental protection objectives to be applied to the j -th product in year t ;

q_t, a_t parameters to measure the achievement of the annual quality and environmental protection objectives in year t ; their value is determined by applying the methodology described under 8.14.4 below;

f weight of the quality target, which is assigned a value of 0.5.

2. In order to determine q_t and a_t parameters, representing the achievement of quality and environmental protection targets, it is necessary to:
 - a) define analytical quality and environmental protection indicators;
 - b) assign to each of them a weight by considering that the weights of the indicators of each group (quality — environmental protection) should be equal to 1;
 - c) build the synthetic indicators of quality Q_t and environmental protection A_t to determine the values to be assigned to q_t and a_t parameters.

8.14.2 Quality indicators

1. Quality analytical indicators shall be selected by the airport managing body, in agreement with ENAC, among those upon which the airport managing body may exercise effective monitoring.
2. The indicators should preferably be selected among those that can be measured in physical terms, by giving priority to the indicators of “delivered quality” compared to those of “perceived quality” (collected through surveys), and excluding those that are identified through “Yes/No” evaluations, i.e. through existing or non-existing resources (e.g.: website, PRM facilities, etc.).
3. Quality indicators may be differentiated between indicators of user comfort and indicators related to the overall airport functionality (understood as the ability to manage traffic efficiently), which in turn positively impact on the first.
4. Selected indicators, weights that are appropriately associated with each of them, and target values assumed for the regulatory period shall take into consideration the information arising from the consultation referred to in chapter 5.

8.14.3 Environmental protection indicators

1. To encourage the airport managing body to reduce the environmental externalities related to the airport activity, the environmental indicators that are subject to monitoring constitute a commitment for the managing body to improve the environmental impact of the airport infrastructure under a concession contract every year.
2. The environmental indicators are usually identified by the airport managing body, in agreement with ENAC, as indicated in the document on environmental protection indicators (*Indicatori di tutela ambientale*) issued by the latter. This document identifies the airport environmental objectives on account of the relevant national policies, including with reference to the commitments made in international fora.
3. Selected indicators, their associated weights, and target values assumed for the regulatory period shall take into account the information arising from the consultation, ensuring in any case the consistency with the environmental legislation and policies covering the national airport network.
4. A total weight is assigned to each target indicator, depending on its environmental and social significance, estimated size of the investment required to achieve the target, and airport concerned.
5. Target indicators are selected based on the following criteria:
 - a) they shall comply with the actual needs for improvement of the airport concerned and shall be primarily referred to issues representing major environmental deficiencies, so that, over

the years, the system can also be a tool to standardise the environmental performance of the Italian airport network;

- b) they shall be indicative of the environmental performance of each airport structure, so as to represent a real opportunity to improve the ecological level of the airport concerned;
- c) they shall be well-balanced with respect to the size of the airport concerned and to any charge increase that may be granted in response to target achievement;
- d) they shall have preferably a connection to the environmental requests of local institutions and associations.

In addition, the targets that are considered by ENAC as a priority to improve and standardise the environmental protection of the national airport network may be adopted as common objectives for the environmental improvement of all airports and will be included regardless of the airport managing body's proposals.

Guidance may be provided by the Authority including, for the set of indicators, on the basis of EU benchmarks of the sector.

- 6. In any event, the targets shall constitute an improvement compared to the thresholds that may be laid down in national, regional, or local legislation. Compliance with these thresholds shall be demonstrated by providing appropriate documentation.

8.14.4 Impact on charges

- 1. A reward/penalty scheme is provided based on the year-to-year deviation from synthetic target indicators of quality (**Oq**) and environmental protection (**Oa**), that are set separately, having considered that incremental costs resulting from their achievement are computed in advance in the dynamics of regulated charges.
- 2. Negative deviations are considered as circumstances which, where they are not due to force majeure or to the airport managing body's liability, require a greater impact on the charging system. The penalties resulting from these negative deviations will therefore be doubled compared to the rewards resulting from positive deviations.
- 3. The application of the scheme implies charge variations that should be applied equally to all regulated products, with a variable value ranging between **-2% and +1%**.
- 4. A prerequisite for the determination of the synthetic target indicators is the identification of each analytical indicator of quality and environmental protection. This is aimed at assessing the level of quality and environmental protection achieved in the base year to tailor the targets accordingly.
- 5. The improvement targets (**Oq** and **Oa**) are set — *ex ante* and for each year — in terms of increase in the value of the individual analytical indicators of each set, compared to the value in the base year, taking into account the “state-of-the-art” resulting from the identification referred to above.
- 6. In the case of indicators relating to new works or base-year values equal to zero, the first target value other than zero, as set out *ex ante* during the regulatory period, shall be assumed as base-year value.
- 7. To avoid that base-year values close to zero and negligible deviations may imply an overall leverage effect, in such cases the calculation of the deviation percentage shall be made by computing the values of the base year and the target values using as unit of measurement the complementary to the value of reference.

8. The achievement of target indicators during the regulatory period shall be verified annually on the basis of the synthetic indicators of quality and environmental protection, Q_t and A_t , that are determined according to the following relations:

$$Q_t = \sum_j (Iq_{j,t} \cdot Pq_j) \quad A_t = \sum_j (Ia_{j,t} \cdot Pa_j)$$

with:

$Iq_{j,t}$ value of j -th quality analytical indicator achieved in year t , as a percentage change of the value of the indicator in the base year;

Pq_j weight of j -th quality analytical indicator;

$Ia_{j,t}$ value of j -th analytical environmental protection indicator achieved in year t , expressed as a percentage change of the value of the indicator in the base year;

Pa_j weight of j -th environmental protection indicator.

9. In order to allocate the corresponding values to q and a parameters, the synthetic indices referred to above are compared with the synthetic quality (Oq) and environmental protection (Oa) target indicators, calculated *ex ante* for each year of the regulatory period based on the following formulas:

$$Q_{0,t} = \sum_j (Oq_{j,t} \cdot Pq_j) \quad A_{0,t} = \sum_j (Oa_{j,t} \cdot Pa_j)$$

with:

$Oq_{j,t}$ target of j -th quality analytical indicator (Iq) set for year t , expressed as a percentage change of the value of the indicator in the base year;

$Oa_{j,t}$ target of j -th environmental protection analytical indicator (Ia) set for year t , expressed as a percentage change of the value of the indicator in the base year.

10. The reward/penalty scheme shall be laid down as follows:

- a) by identifying, for each year t , the deviation thresholds S_{qt} and S_{at} to be applied to the synthetic target indicator (for quality and environmental protection, respectively) that is assigned for the same year, by assuming for those parameters a value equal to the difference between the same synthetic indicator per year t and that for year $(t - 1)$, as follows:

$$S_{qt} = Q_{0,t} - Q_{0,(t-1)} \quad S_{at} = A_{0,t} - A_{0,(t-1)}$$

- b) by comparing the values Q_t and $Q_{0,t}$ (quality), and A_t and $A_{0,t}$ (environmental protection), respectively;
- c) the value to be attributed to each q and a parameter is derived from the following table:

Value Q_t	Value q
$Q_t \leq Q_{0,t} - S_{qt}$	- 2 %
$Q_{0,t} - S_{qt} < Q_t < Q_{0,t}$	from -2 % to 0 (linear interpolation)
$Q_{0,t} < Q_t < Q_{0,t} + S_{qt}$	from 0 to + 1 % (linear interpolation)
$Q_t \geq Q_{0,t} + S_{qt}$	+ 1 %

Value A_t	Value a
$A_t \leq A_{0,t} - S_{at}$	-2 %
$A_{0,t} - S_{at} < A_t < A_{0,t}$	from -2 % to 0 (linear interpolation)
$A_{0,t} < A_t < A_{0,t} + S_{at}$	from 0 to + 1 % (linear interpolation)
$A_t \geq A_{0,t} + S_{at}$	+ 1 %

11. The impact of ε parameter on the dynamics of each regulated charge will be derived from the formula under paragraph 8.4.1 above.

8.14.5 Monitoring

1. With reference to ε parameter, given that any deviations in year t from the objectives of year $(t-1)$ have an impact on the charges for year $(t+1)$, during the annual monitoring, the airport managing body shall submit to ENAC and to the Authority, by the 1st of October of each year of the regulatory period, the final value of the analytical quality and environmental protection indicators for the immediately preceding year.
2. Following the annual consultations carried out in each year of the regulatory period, as laid down in chapter 5, after verification of the correct application of this Model, the Authority may acquire any additional elements that are either deemed necessary for the checks required following the non-agreement, or appropriate by the Authority itself for the validation or adjustment of the ε parameter value to be applied to the immediately following year.

Chapter 9 Service Level Agreements (SLA)

9.1 Principles and criteria

1. Concerning the negotiation of service level agreements (SLA), as referred to under paragraph 5.1.1, the airport managing body and the users shall take into account the following general principles:
 - a) service level agreements shall include schemes providing for performance obligations for the airport managing body, considering, where appropriate, a minimum performance level to be requested from users, with a view to clear and precise allocation of liability between the actors involved in the processes and to their effective cooperation;
 - b) for each service included in the proposed SLA, the target value of the service level indicator chosen for the application of the penalties may provide for a gradual efficiency improvement in the regulatory period, based on criteria of competitiveness and sustainability, as compared to the existing performance of the service operator. This target value shall be expressed as a percentage and cannot, as a rule, be 100%;
 - c) for the purpose of the agreement, the airport managing body shall provide users with any possible information on past performance concerning the services included in the proposed SLA;
 - d) the agreement shall define the arrangements to monitor the service level indicators contained therein, in accordance with criteria of transparency and objectivity;
 - e) any settlement of the penalties, that are payable by the airport managing body to individual airport users under the service level agreement shall be free and independent from the settlement of the airport charges payable by the users to the airport managing body for the use of airport services.

Annexes

Annex 1

FORMAT: Proposal for review of airport charges — Notice of launch of consultation

Autorità di Regolazione dei Trasporti
Via Nizza 230
10126 Torino

Subject: Proposal for review of airport charges — Notice of launch of user consultation

I, the undersigned ____, in my capacity as President of the company_____, concession holder for the management of the airport _____, hereby notify the Authority that the opening of the consultation of its airport users on the proposed review of airport charges for the regulatory period ____/____ has been scheduled on ____.

For this purpose, and in accordance with the relevant airport charges regulatory Model, the company has drawn up the *consultation document*, including, *inter alia*, the proposed review of airport charges, and the related additional supporting documents.

This documentation is attached hereto in computer readable form, together with the necessary information for the Authority to carry out its checks on the correct application of the Model.

On the above date, the undersigned company will notify the users of the launch of the consultation on the proposed review of airport charges and make available, with confidential online access, the *consultation document* and related annexes by providing users with prior notice of the public hearing that is scheduled on _____.

We hereby ask the Authority to formalise for the airport (s) of _____ the launch of the procedure concerning the review of airport charges, by giving notice of the communication received on its website.

Date _____

(signature)

Annex 2**COST ACCOUNTING**

Base-year analytical accounts drawn up in accordance with the FORMAT under Annex 2 to the Guidelines for the application of CIPE Decision No 38/2007:

http://www.enac.gov.it/la_regolazione_economica/aeroporti/contratti_di_programma/normativa_di_riferimento/linee_guida/index.html

and related certification addressed to the Authority and drawn up in accordance with the provisions of Assirevi document

<http://www.enac.gov.it/repository/ContentManagement/node/P2115525432/Documentodiricercan.20162.pdf>

Annex 3**FORMAT: Proposal for amendment of airport charges — Transmission**

Autorità di Regolazione dei Trasporti
Via Nizza 230
10126 Torino

Subject: Proposal for amendment of airport charges — Transmission

I, the undersigned ____, in my capacity as President of the company_____, concession holder for the management of the airport _____, hereby notify the Authority that the consultation procedure on the proposed review of airport charges for the regulatory period ____/____, that has been already sent to the Authority on _____ by note n. _____ notifying the launch of the user consultation, was concluded on _____.

For this purpose, and in accordance with the relevant airport charges regulatory Model, the undersigned hereby transmits to the Authority the final proposal drawn up at the end of the Procedure, together with a full copy, in computer readable form, of the documentation concerning the conduct of the Consultation, including the records of the public hearings. This documentation is also accompanied by an update of the information that was originally submitted, in computer readable form as necessary for the Authority to carry out its checks on the correct application of the Model.

[if agreement has been reached]

In this regard, the undersigned declares that an agreement has been reached on the final proposal with the airport users. Therefore, the company will publish the final proposal on _____.

[if no agreement has been reached]

In this regard, the undersigned declares that no substantial agreement has been reached with the airport users on the final proposal, as illustrated in the report attached to this Communication, that highlights the issues on which dissenting positions still remain, with an explanation of the reasons underpinning the opposing views on each issue. Therefore, the company will publish the final proposal in accordance with the terms and conditions set out in paragraph 5.1.3 of the Model.

With regard to the above information and with reference to the documentation submitted together with this note, we hereby ask the Authority to carry out the activities under its remit in accordance with the Airport Charges Regulatory Model.

Date _____

(Signature)

Annex 4**FORMAT: request to the Authority for dispute resolution**

Note: Purpose of this form is to facilitate access to the procedures of appeal to the Transport Regulation Authority for the performance of its supervision on access conditions to airport infrastructure, operation of airport charges system, amount of charges and quality of services provided to users, pursuant to the provisions of Directive 2009/12/EC, decree-law no 1/2012 transposing the Directive into domestic legislation, decree-law no 201/2011, and to the current airport charges model.

TO BE ACCEPTED THE FORM SHALL BE COMPLETED IN FULL.

TO THE AUTORITÀ DI REGOLAZIONE DEI TRASPORTI**I — REQUEST LODGED BY**

Company name, legal representative, registered office, tax number, domicile of choice, fax and certified e-mail.

II — AGAINST

Company name, legal representative, registered office

III — DEED/CONTRACT UNDER DISPUTE**IV — SUBJECT-MATTER OF THE DISPUTE****V — Reasons giving rise to the dispute:**

(Technical, economic, legal) basis of the request

VI — FACTS**VII — PREVIOUS ATTEMPTS TO REACH AN AGREEMENT OR SETTLE THE DISPUTE****VIII — OUTCOME OF PREVIOUS ATTEMPTS TO REACH AN AGREEMENT OR SETTLE THE DISPUTE****IX — REQUESTS ADDRESSED TO THE AUTHORITY****X — DOCUMENTS ATTACHED IN SUPPORT OF THE REQUEST**

(Please attach only copies of supporting documents; the documents that are relevant for discussion may be produced directly at the hearing)

XI — OTHER DOCUMENTS TO BE LODGED

Copy of identity document of the user concerned (mandatory)

SELF-CERTIFICATION OR PERSONAL SWORN DECLARATION

(I, the undersigned, for the purpose of articles 46 and 47 of Presidential Decree no 445/2000, being aware of the legal consequences in case of false statements in accordance with article 76 of the above Presidential Decree, hereby declare that the information provided in this form is true). Place and date

PROXY

(The undersigned hereby delegates Mr/Ms _____, born in _____ on _____ to represent him/her at the hearing on _____, granting him/her for this purpose all the powers granted by law, including the power to reach agreements and settle disputes). Place and date

INFORMATION ON THE PROCESSING OF THE DOCUMENTS LODGED

Place and Date

(signature) *

* (signature of legal representative or other duly authorised person with special power of attorney, granted by public deed or by authenticated contract)

INFORMATION ON THE PROCESSING OF PERSONAL DATA

The data provided under this FORMAT will be processed by manual, computerised or electronic tools for the purpose of dispute resolution. The information on data controller and data protection officer are available on the Authority's website. The data subject may, at any time, address the data controller to verify, rectify, update, delete its data or object to its processing, if it is carried out in breach of the law.

Annex 5

EXAMPLE: List of services and infrastructure provided in return for charges and other fees subject to regulation

REGULATED PRODUCT	PARAMETER	FACILITIES INFRASTRUCTURE	SERVICES
Landing and take-off charges (article 2, Law no 324/76, as amended)	Maximum tons at take-off	Runways; Taxiways and holding bays; Airport markings and signs (runways and taxiways) and related airfield lighting (of competence); _____;	_____;
Aircraft parking and hangar charges (article 2, Law no 324/76, as amended)	Maximum tons at take-off	_____;	_____;
Passenger boarding charges (article 5, Law no. 324/76, as amended)	Number of paying departing passengers	_____;	_____;
Freight loading and unloading charges (decree-law no 47/74, converted into Law No 117/74)	Freight weight	_____;	_____;
Charge for security check on passengers and their cabin baggage (article 5 (3) of decree-law no 9/92 converted into Law No 217/92 and Ministerial Decree No 85/99)	Number of paying departing passengers	_____;	_____;
Charge for security check on hold baggage (article 5 (3) of decree-law no 9/92 converted into Law No 217/92 and Ministerial Decree no 85/99)	Number of paying departing passengers	_____;	_____;
Charges for the use of ▪ check-in desks: - with conveyor, - without conveyor, - for transit; - for information (article 10 of legislative decree no 18/99)	Time of use and square metre	_____;	_____;

REGULATED PRODUCT	PARAMETER	FACILITIES INFRASTRUCTURE	SERVICES
Charges for the use of: <ul style="list-style-type: none"> ▪ offices; ▪ operating rooms for ground handling and air transport; ▪ operating areas for ground handling and air transport (article 10 of Legislative decree no 18/99)	Square metre, location, type	___;	___;
Charges for fuel delivery areas (article 10 of Legislative decree no 18/99) Provision of fuel delivery areas	Square metre	___;	___;
Charges for passenger assistance to disabled persons or persons with reduced mobility	Number of paying departing passengers (PRM and not)	___;	___;
Charges for use of passenger loading bridges (article 10 of Legislative decree no 18/99)	Bridge by type and parking time	___;	___;
Charges for use of centralised facilities for storage of goods (article 10 of Legislative decree no 18/99)	Freight weight	___;	___;