



## DIRECTORS GENERAL OF CIVIL AVIATION-MIDDLE EAST REGION

### Sixth Meeting (DGCA-MID/6) (Abu Dhabi, UAE, 1-3 November 2022)

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#### Agenda Item 8: Economic Development of Air Transport

##### ICAO's WORK ON CHARGES FOR AIRPORTS AND AIR NAVIGATION SERVICES

*(Presented by the Secretariat)*

#### SUMMARY

This paper presents the work by the International Civil Aviation Organization (ICAO) Airport Economics Panel and Air Navigation Services Economics Panel (AEP-ANSEP) corresponding to the DGCA-MID/5 conclusions on guidance for the calculation of aeronautical meteorological (MET) services charges and on charges for airports and air navigations services. The paper also seeks the meeting to urge States to enhance the implementation of ICAO's policies on charges and support ICAO's work in the area of airports and air navigation services economics through active response to ICAO surveys and participation in relevant workshops and meetings in this area.

Action by the meeting is at paragraph 3.

#### 1. INTRODUCTION

1.1 At the Fifth Meeting of the Directors General of Civil Aviation of – Middle East Region (DGCA-MID/5), two proposals related to charges for airports and air navigation services were presented based on the outcome of the Joint Arab Civil Aviation Organization (ACAO)/International Air Transport Association (IATA)/International Civil Aviation Organization (ICAO) Airports and Air Navigation Charges Workshop held in Morocco from 27 to 28 November 2018 (DGCA-MID/5-WP/6 refers).

1.2 Following the discussions, the DGCA-MID/5 adopted two conclusions with respect to charges as follows:

*DGCA-MID/5 CONCLUSION 5/5: GUIDANCE FOR THE CALCULATION OF MET CHARGES*

*That, ICAO consider the review of Doc 9082 to provide additional guidance on the calculation/recovery of MET charges, independently from the Airports and Air Navigation charges.*

*DGCA-MID/5 CONCLUSION 5/6: CHARGES FOR AIRPORTS AND AIR NAVIGATION SERVICES*

*That, in order to ensure a balance between the respective interests of airports and ANSPs on one hand and of aircraft operators and end-users on the other, States be urged to:*

- a) incorporate the four key charging principles of non-discrimination, cost relatedness, transparency and consultation with users into their national legislation, regulation or policies, as well as into their future air services agreements, in order to ensure compliance by airport operators and air navigation services providers (ANSPs);*
- b) ensure that airports operators and ANSPs develop and implement appropriate performance management systems that include, inter-alia: iii. definition of performance objectives; and iv. consultations with users and other interested parties to discuss investments, charge revisions and performance levels.*
- c) provide the ICAO MID Office by 31 March 2020 with an update on the National legislation, regulations and policies related to airports and air navigation charges, as well as the mechanism put in place for economic oversight over the airport operators, ANSPs and aircraft operators.*

## **2. DISCUSSION**

2.1 ICAO has been continuously developing and updating its policies on charges and guidance material related to economics and management of airports and air navigation services, and keep them relevant and responsive to the changes and needs of Member States. The issue related to the charges for aeronautical meteorological (MET) services has been addressed by the Airport Economics Panel (AEP) and Air Navigation Services Economics Panel (ANSEP). The work of the panels directly corresponds to the DGCA-MID/5 Conclusion 5/5 on guidance for the calculation of MET charges.

2.2 At the Seventh Joint Meeting of the AEP and ANSEP (AEP-ANSEP/7), held from 26 to 28 March 2019, it was recommended that the AEP-ANSEP should work with the ICAO Meteorology Panel (METP) to consider potential cost recovery mechanisms for the provision of MET services, specifically multinational facilities and services. A Working Group (WG/4) was established by the meeting, comprising members nominated by States and international organizations, and including the World Meteorological Organization (WMO). WG/4 and the relevant working group under the METP have been working jointly on the MET services cost recovery.

2.3 The joint working group conducted a series of meetings to review the existing policies and guidance and to determine what additional guidance material would be required to facilitate the development of a cost recovery framework for the provision of MET services. After extensive discussions and review of the guidance documents and the services to be provided, the joint working group agreed to propose the following changes to the ICAO guidance related to MET services cost recovery contained in the Manual on Air Navigation Services Economics (Doc 9161):

- a) improvement to existing guidance in Doc 9161 to increase readability, consistency, and reflect the current state of the provision of MET services; and
- b) adding a new appendix to Doc 9161 to cover information related to the financial management of multinational MET facilities and services.

2.4 The joint working group also noted that as the System-Wide Information Management (SWIM) environment of global air traffic management evolves, it may be necessary to provide MET service providers with additional cost recovery guidance, particularly given emerging concepts such as the hazardous weather information service (HWIS) that will necessarily demand enhanced or extended multinational collaborations on a global scale within 5 to 10 years.

2.5 The proposed edits and additional appendix to Doc 9161 related to MET services cost recovery were presented to the Eighth Joint Meeting of AEP-ANSEP (AEP-ANSEP/8) in December 2021. The Meeting endorsed the proposed changes and recommended that the AEP-ANSEP should continue its collaboration with the METP on developing additional cost recovery guidance for MET services to meet the needs of future service provision.

2.6 With respect to the DGCA-MID/5 Conclusion 5/6, a State letter was issued calling on States' actions in accordance with the conclusion, however, a meaningful analysis and recommendation could not be done due to the low response rate from States.

2.7 On a similar note, ICAO regularly conducts surveys on States' implementation of ICAO's policies on charges for airports and air navigation services. The latest survey was conducted in 2020, and only four States in the MID region responded to the survey. The survey results are available at: [https://www.icao.int/sustainability/Documents/Report\\_of\\_Survey\\_ICAO-policies-on-charges.pdf](https://www.icao.int/sustainability/Documents/Report_of_Survey_ICAO-policies-on-charges.pdf). The response of States in the MID region to future ICAO surveys will help ICAO better assess the situation and identify actions/assistance required to support implementation by States in the region. In addition, ICAO has been continuously promoting and raising awareness of ICAO's policies and guidance on charges and taxes and providing assistance to States through organizing regional workshops and trainings, and these could be extended to States in this region.

### 3. ACTION BY THE MEETING

3.1 The meeting is invited to:

- a) note the progress made by the AEP-ANSEP on guidance for the cost recovery for the provision of MET services;
- b) urge States to enhance the implementation of ICAO's policies on charges for airports and air navigation services;
- c) encourage States to support the work of ICAO in the area of airports and air navigation services economics, including active response to ICAO surveys and participation in relevant ICAO workshops and meetings; and
- d) agree on the following Draft Conclusion:

**DGCA-MID/6 CONCLUSION 6/X: CHARGES FOR AIRPORTS AND AIR NAVIGATION SERVICES**

*That:*

- a) *ICAO organizes workshop on ICAO's policies on charges and taxes for States in the MID region;*
- b) *States are encouraged to utilize relevant ICAO guidance on charges for airports and air navigation services;*
- c) *States are urged to enhance the implementation of ICAO's policies on charges for airports and air navigation services; and*
- d) *States are encouraged to support the work of ICAO in the area of airports and air navigation services economics, including active response to ICAO surveys and participation in relevant ICAO workshops and meetings.*

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