



Financing and Management of CNS/ATM

Air navigation services elements

Multinational character

Existing user charges policy

ICAO's Policies on Charges



- Article 15
- Doc 9082
- Assembly Resolution
- Supplementary guidance in Doc 9562 and Doc 9161

Do We Need a Policy?



- In the past ... to encourage establishment of autonomous entities
- Today ... for globalization and harmonization
- Transparency and fairness for users
- To avoid taxation

Is it a Cost Recovery Policy?



- Adjusted to commercial environment
- Best commercial practices
- Performance measuring
- Economic regulation
- Reasonable return on assets
- Pre-funding
- Other economic principles



Charges or Taxes?

- Charges to recover costs of facilities and services for civil aviation
- Taxes to raise national or local government revenues



Cost Basis for Charges

- A general principle ... users to pay their share
- Full costs
- Limited traffic ... less than full costs
- Developing regions ... justified to ask international air carriers to contribute
- Costs for regulation imposed on ANSPs



Charging Systems

- Include all air navigation services (ATM, CNS, MET, AIS and SAR)
- SAR: permanent civil establishment of equipment and personnel
- The ATM provider collects charges
- Two kinds of charges (route charge and approach/aerodrome control charge)

Multinational facilities/services



- CNS/ATM elements of a multinational character
- Guidelines in all regional plans
- States contribute to financing and recover it through their route charges
- Other forms of international cooperation
... Joint Financing Arrangements etc.



Sources of Financing

Developed countries

- Retained earnings
- Commercial loans
- Bonds
- Share capital
- Government funds

Developing regions

- Foreign Government funds and loans
- Regional development banks
- World bank?
- IFFAS



Coming Up ...

- Symposium on the Performance of the Air Navigation System (26-30 March 2007)
- Safety, operational, economic and technical performance
- Expected outcome ... Minimum Reporting Requirements



Conclusion

- Some CNS/ATM elements require multinational arrangements
- Existing ICAO User Charges Policy still valid
- Essential for globalization and harmonization ...
- ... and to secure transparency, fairness and equity