

**CONFERENCE ON THE ECONOMICS OF AIRPORTS AND
AIR NAVIGATION SERVICES**

(Montreal, 19 - 28 June 2000)

DRAFT REPORT ON INTRODUCTION

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INTRODUCTION

Site and duration of the Conference

1. The Conference on the Economics of Airports and Air Navigation Services (ANSCConf 2000) was convened in the Assembly Hall of the Headquarters of the International Civil Aviation Organization in Montreal on 20 June 2000. Dr. Assad Kotaite, President of the Council, opened the Conference, which was also addressed by Mr. M.-Y. Peissik, Chairman of the Air Transport Committee. Mr. R.C. Costa Pereira, the Secretary General, welcomed the participants and introduced the Conference Secretariat. Addresses made at the opening meeting appear at Appendix A. The Conference completed its work on 28 June 2000.

Agenda

2. The Conference adopted the following agenda which had been approved by the Council and presented in ANSCConf-WP/1:

1. **Economic situation of airports, air navigation service providers and their financial relationships with air carriers and other users**

Overview of: ownership and control (including transnational investment, ownership/management of multiple entities, alliances), financial and organizational structure in the provision of airports and air navigation services; and of the financial situation of providers in relation to that of air carriers and other users.

2. **Organizational issues**

Address of: commercialization, including private involvement (privatization and concessionary arrangements); obligations of autonomous entities; methods of regulating charges; setting performance standards and monitoring performance (including data requirements); and international co-operative or joint ventures (in financing, operations and/or charges collection), including joint financing, and related concepts addressed in Chapter XV of the *Convention on International Civil Aviation* and Assembly Resolution A16-10.

3. **Funding issues**

Evaluation of: needs, sources, capacity and mechanisms including public/private partnerships; preparatory requirements including sound and transparent accounting and cost recovery practices; economic planning, cost-benefit analysis including environmental cost effectiveness analysis; and development of business cases.

4. **Determinants of the economic regulation of airports and air navigation services**

Examination of: the role of the State; international obligations including those arising from Articles 15 and 28 of the *Convention on International Civil Aviation* (Doc 7300/7); the form of regulatory mechanisms and such features as protection from abuse of monopoly, particularly where it involves private interests, non-discrimination, scope of user charges, equity in cost recovery, competition in service provision (including, in the case of airports, ground handling), consultation with users and arbitration of disputes. Particular attention will be given in this context to capacity constraints and the issue of slot allocation.

5. ICAO policy

Broad-based evaluation and development of the principles contained in the *Statements by the Council to Contracting States on Charges for Airports and Air Navigation Services* (Doc 9082/5), encompassing:

5.1 Status, structure and form of ICAO policy

Clarity, precision and form of presentation of the *Statements*; dissemination and application of the principles in the *Statements*; need for transparency and publication of policy and practice on airport and air navigation service charges in States; related desirability for feedback and dissemination of application of the *Statements*.

5.2 Elements for consideration with regard to ICAO policy

Major principles such as non-discrimination; cost basis for charges; cost allocation; charging systems including currency aspects; and consultation with users; notably in the light of developments in, for example, marginal cost pricing, pre-funding of projects through charges, recovery of GNSS costs, costs of search and rescue services provided by the military, and reflection of the effect of organizational changes, with distinction where required to focus on:

5.2.1 Airport charging principles

Airport-specific charges such as landing, parking, passenger service, security and noise charges, and development of non-aeronautical revenues and their relevance in determining charges on air traffic.

5.2.2 Air navigation services charging principles

Charges specific to air navigation services such as route, and approach and aerodrome control charges.

6. Guidance and assistance by ICAO

Review of adequacy of activities and documents such as: Manuals and Circulars; workshop and seminar programme; assistance in cost-benefit analysis; development of business cases; seeking of financing; and co-operative cost-recovery, billing and collection schemes; also cooperation with other organizations.

Structure and rules of procedure

3. The Conference met as a single body and held meetings. Formal consideration of the agenda was preceded on Monday, 19 June and the morning of Tuesday, 20 June by a preparatory seminar focussing on some key issues to be addressed by the Conference in an informal setting, with the Conference *per se* commencing in the afternoon of 20 June.

4. The rules of procedure were the *Standing Rules of Procedure for Meetings in the Air Transport Field* (Doc 8683-AT/721). Rule 26, which calls for the preparation of summary minutes, had been suspended by the Council.

Attendance

5. The following Contracting States of ICAO were represented at the Conference:

[names to be inserted]

6. The followingObserver Delegations attended the Conference:

[names to be inserted]

7. A list of participants in the Conference appears at Appendix B.

Officers of the Conference

8. The following officers were elected:

Chairman of the Conference:	Mr. T. Schmidt (Germany)
First Vice-Chairman:	Miss M.F. Nchapi (Lesotho)
Second Vice-Chairman:	Mr. C.A. Alvarez (Chile)

Secretariat

9. Mr. M. Elamiri, Director of the Air Transport Bureau, served as Secretary of the Conference, and Mr. G. Finnsson, Chief, Airport and Route Facility Management Section, served as Deputy Secretary. Assistant Secretaries were Mr. G. Farag, Mr. Ö. Magnusson, Mr. B. Peguillan, Mr. U. Wickrama, Mr. A. Costaguta, Mr. J. Crayston, Mr. J.-C. Bugnet and Mr. Y. Wang. Liaison for the Air Transport Bureau was carried out by Mr. R.I.R. Abeyratne, document coordination by Miss M. Mikkola, credentials coordination by Mrs. M. Boulos, web-page coordination by Mrs. S. Joseph, and secretarial supervision by Mrs. B. Walsh, Mrs. A.M. Fuchs-Ledingham and Mrs. N. Souto. Mr. C.B. Lyle, Deputy Director of the Air Transport Bureau, acted as Adviser to the Conference.

10. Administrative services were provided under the supervision of Mr. V. Pattanayak, Director, Bureau of Administration and Services, by Mr. M. Blanch, Chief, Conference and Office Services Section, Miss A. Craig, Document Control Officer and Mr. S. Gauthier, Supervisor, Internal Distribution Unit. Language services were provided under the supervision of Mr. Y.N. Beliaev, Chief, Language and Publications Branch, assisted by Mrs. R.J. Ezrati, Chief, Interpretation Section.

Documentation

11. A list of the documentation associated with the work of the Conference is presented in Appendix C.

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