

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

(Montreal, 19 - 28 June 2000)

DRAFT REPORT ON AGENDA ITEM 5.1

Agenda Item 5.1: Status, structure and form of ICAO policy

5.1.1 Documentation

Secretariat (WP/4) suggested certain changes to the structure and form of the Council Statements in Doc 9082/5, including changing the title and the separate identification of basic principles of cost recovery, applicable to both airports and air navigation services. An overall layout of the proposed new document was presented as an Appendix to the working paper for consideration by the Conference. The paper also proposed that States should notify ICAO with regard to the application of the basic principles and that ICAO should disseminate this information.

ECAC (WP/71) referred to a 1996 Council Resolution wherein the Council recommended that any environmental levies on air transport which States may want to introduce should be in the form of charges rather than taxes and that the funds collected should be applied in the first instance to mitigating the environmental impact of aircraft engine emissions. The paper recommended that all ICAO policies regarding charges be integrated into a published official ICAO document.

5.1.2 Discussion

5.1.2.1 The Conference viewed the Secretariat suggestions in WP/4 with interest and there was general support for improving the presentation of the policy guidance with a view to streamlining, increased comprehensibility and transparency. The Secretariat clarified that there was no intention to change any substance and the Conference emphasized this as a prerequisite of any changes in presentation.

5.1.2.2 The proposal to change the title of the Council Statements to *ICAO's Policies on Charges for Airports and Air Navigation Services* (retaining the number Doc 9082), *inter alia* aligning it with other policy guidance adopted by the Council on taxation and on the regulation of international air transport, was widely endorsed.

5.1.2.3 A suggestion to merge the introductory texts of the existing separate Council Statements on Airport Charges and on Charges for Air Navigation Services, which cover the same subject areas and the same basic philosophy, was also widely endorsed.

5.1.2.4 The suggestion to present basic principles of cost recovery in a separate new section met with a number of reservations. Delegates were concerned that the singling out of certain elements might imply that some elements were of a greater importance than others, thereby establishing a somewhat subjective hierarchy of provisions. A number of delegates noted that several of the “basic” principles presented as a sample in WP/4 were in the process of being overtaken through action by the Conference and that in practice many of the principles, “basic” or not, would vary in relative importance according to local circumstances. However, the deliberations and recommendations of the Conference illustrated that there was an increasingly large degree of commonality between the principles related to airports and those related to air navigation services, and there

may therefore be scope for streamlining the presentation. At the same time there was a need to bear in mind that providers of airports and of air navigation services, to whom the policy is directly or indirectly addressed, were primarily interested in their respective activities and some separation of related text was therefore advisable.

5.1.2.5 The Conference turned to the Secretariat suggestion that in the interests of promoting implementation and transparency, there was a need for States to notify ICAO with regard to application of at least the basic principles of cost recovery (or possibly the whole text in Doc 9082) and for ICAO to disseminate this information. This could be done through applying a similar procedure to that already followed for the *ICAO Policies on Taxation in the Field of International Air Transport* (i.e. a State letter seeking information on implementation on policies, notably following amendments to the policies, followed by publication of a supplement to the Document) or by using the ICAO Web-site (at least for dissemination purposes). Some delegates foresaw practical difficulties with such a procedure, primarily because of the extent of the guidance in Doc 9082 and the administrative burden concerned.

5.1.2.6 The Conference therefore concluded that, apart from the change of title and merging of the introductory texts, further work was required on the structure and form of Doc 9082 before the above suggestions could be dealt with by the Council.

5.1.2.7 With regard to WP/71 the Conference noted that the Organization's work on environmental levies was continuing within the Committee on Aviation Environmental Protection. That body would be reporting its recommendations to the Council in early 2001 with possible development or change in existing policy, which was interim in nature.
