

CONFERENCE ON THE ECONOMICS OF AIRPORTS AND AIR NAVIGATION SERVICES

(Montreal, 19 - 28 June 2000)

Agenda Item 5.2.1: Airport charging principles

The ASingle-Till[®]

(Presented by the International Air Transport Association)

SUMMARY

Airports are specifically built for aviation purposes. Non-core activities within the airport perimeter which can be developed due to the aviation activities should benefit its primary users, the airlines, in terms of reducing the cost base for charging purposes.

1. Introduction

1.1 Airports are increasingly developing non-core activities. The primary users should profit from these non-core activities through lower aeronautical charges.

2. Policy Guidance

1.1 ICAO recommends in paragraph 14 i) of Doc 9082/5:

All the cost to be shared is the full cost of providing the airport and its essential ancillary services, but allowing for all revenues, aeronautical or non-aeronautical, accruing from the operation of the airport to its operators.[®]

2.2 The statement *All revenues, Y, accruing from the operation of the airport to its operators[®]* could be interpreted as restricting the scope only to airport operational activities. However, aeronautical operations at the airport are influenced by all activities on the airport premises. If an airport develops non-core activities on the airport premises a claim will be made on available land, environmental capacity, roadways and access, management capacity and focus, as well as capital.

3. Discussion

3.1 The A^{single-till} concept should be considered as an acknowledgement of the partnership between airports and airlines in achieving the optimal capacity/quality/price relationship for the ultimate customer, the passenger.

3.2 Usually the airport premises are codified by law or statute to be used for aeronautical activities. All activities on the airport premises can potentially hamper airline operations and should therefore be included in the A^{single-till} for charges calculation purposes. The possibility for developing these airport activities exists only because of the airline activity at the airport.

3.3 However, there exist certain business risks associated with the development of non-core activities. The extent to which the airlines are exposed to these risks should be a determinant as to whether such non-core activities should be included in the A^{single-till}. Any such decision should be made and agreed to in consultation with the users.

4. The IATA position

4.1 All activities within the airport perimeter should contribute to the A^{single-till} by applying rental or concession payments to the cost base for charging purposes. Considering the possible business risks involved in non-core activities, the users should be consulted prior to any major initiative as to what should be included in the A^{single-till} and to what degree.

5. Action by the Conference

5.1 The Conference is invited to recognise that:

- a) an airport is built for aviation purposes; and
- 2) non-core activities within the airport perimeter, which can be developed due to the aviation activities, should benefit the airlines by lowering aeronautical charges.

5.2 Further, the Conference is invited to recommend that paragraph 14 i) be re-enforced by amending the text:

AY, but allowing for all revenues, aeronautical or non-aeronautical, accruing from the operation of the airport to its operators[@]

to:

AY, but allowing for all revenues, aeronautical or non-aeronautical, accruing from the activities on the airport to its operators[@].

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