

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

(Montreal, 19 - 28 June 2000)

- Agenda Item 5:** ICAO policy  
**Agenda Item 5.1:** Status, structure and form of ICAO policy  
**Agenda Item 5.2:** Elements for consideration with regard to ICAO policy

### **INSERTION OF ICAO POLICIES ON CHARGING IN ICAO DOCUMENTS**

(Presented by Albania, Armenia, Austria, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Iceland, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Moldova, Monaco, Netherlands, Norway, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, The former Yugoslav Republic of Macedonia, Turkey, Ukraine, United Kingdom)

#### **SUMMARY**

This paper points out that a Council Resolution dating from 1996 dealing with the question of environmental levies on air transport has never been made public in an official ICAO document and as action by the Conference, recommends in paragraph 7 that all ICAO policies regarding charges should be integrated into a published official ICAO document.

#### **Introduction**

1. ICAO has been addressing the application of economic instruments to reduce or eliminate the adverse environmental consequences of civil aviation for many years. Initially, attention was focused on aircraft noise, which led to the development in 1981 of a specific ICAO policy on noise-related charges, expressed in Statements by the Council to Contracting States on Charges for Airports and Air Navigation Services (Doc 9082/5).

2. In order to avoid a situation where other than aviation bodies take action in this field, it is important that ICAO maintains its leadership role on environmental matters. In this context, the work made by Council's Committee on Aviation Environmental Protection (CAEP), stemming from Recommendation 2/13 of the Conference on Airport and Route Facility Management (CARFM) in 1991, will have a large impact on the future international environmental policy making. Due to the ongoing work of CAEP regarding market

based options, a discussion concerning the design of economic instruments to reduce or eliminate the adverse environmental consequences of aircraft engine emissions is neither desirable nor advisable during this Conference.

3. In a Council Resolution from 1996, the ICAO Council strongly 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 (i.e. by repairing specific damages, and by funding research on development of technology). It also recalled that in application of ICAO principles expressed in Article 15 of the Chicago Convention and in accordance with the guidance provided in the Council Statements:

- a) there should be no fiscal aim behind the charges;
- b) the charges should be related to costs;
- c) the charges should not discriminate against air transport compared with other modes of transport.

4. The Council Resolution from 1996 is an interim policy awaiting the work from CAEP. In its consideration of the policy, the Council noted that although some aspects of existing ICAO policies on charges and taxes are relevant, neither emission-related charges nor emission-related taxes are specifically identified, and that it was desirable to have ICAO's position on this complex subject recorded in a single concise text, notably to make ICAO's position clear to other international policy-making bodies.

5. The Resolution was circulated to States under cover of State letter AN 1/17.9-97/62 of 11 June 1997. However, it has never been made public in an official ICAO document, which has made it difficult for the aviation community and others to observe ICAO's current policy on this subject.

6. The 32nd Session of the ICAO Assembly, through a new appendix in the consolidated statement of ICAO policies and practices related to environmental protection, requests the Council to pursue the question of emission-related levies (charges or taxes), with a view to reaching a conclusion prior to the next Session of the Assembly in 2001. In the meantime, States have been urged to refrain from unilateral action on introducing emission-related levies inconsistent with the current interim guidance.

### **Action by the Conference**

7. ECAC recommends that all ICAO policies regarding charges should be integrated into a published official ICAO document.