

CONFERENCE ON THE ECONOMICS OF AIRPORTS AND AIR NAVIGATION SERVICES

(Montreal, 19 - 28 June 2000)

Agenda Item 5.2: Elements for consideration with regard to ICAO policy

CONSULTATIONS WITH USERS

(Presented by the International Air Transport Association)

SUMMARY

This paper describes how consultation forms the cornerstone of a productive working relationship between airports or ANS providers and their users. Consultation, and what it entails, should figure pre-eminently in ICAO guidance.

1. Introduction

1.1 Consultation is the cornerstone of a meaningful relationship between an airport or ANS provider and its user community. This has been recognised by the ICAO Council in regards to the setting of charges and airport or ANS planning in its “*Statements by the Council to Contracting States on Charges for Airports and Air Navigation Services*”.

1.2 The underlying philosophy of the consultative process is transparency of information and the rational of decisions. The timely provision by the airport or ANS entity of enhanced financial and traffic information, together with other relevant supplementary data or information should serve as a prerequisite for meaningful consultation. Airlines on their part, through their representative organisations, should provide consolidated planning information to airports or ANS providers on a medium/long-term forecast basis.

1.3 The goal of consultation should be to reach consensus between the participants and this requires a spirit of openness and understanding from both sides. It is recognised that agreement cannot always be achieved, but decisions that are made following consultation should take into account the users’ views. Where the users’ views are not accepted, the reasons should be explained or justified.

1.4 Current ICAO policy states that failing agreement, an airport or ANS provider would be free to impose a charges revision or new charges. However, the users are of the opinion that they should have the right of referral to the competent regulatory authority or to an independent arbitration board in case of disagreement.

2. **Timing and Format**

2.1 Where significant changes in charges levels or structure are being contemplated, consultation should take place well in advance, i.e. 4 to 6 months prior to implementation, and may require several meetings before a final decision is made.

2.2 It is important to note that *consultation is a process and not an event* where a decision already made is merely announced and subsequently implemented. The airport or ANS provider should seek comments on a proposal, take these comments into consideration and eventually come to a decision based on an understanding of the different stakeholders' interests. Ideally, a proposal should be framed as a number of possible options or scenarios.

2.3 It is not possible to lay down a particular format or procedure for consultations since each case is different, depending on the legal, regulatory or financial framework within which an airport or ANS provider functions. However, "best practice" among airports and ANS providers alike exists, and a number of examples are recognised in the industry.

3. **The IATA Position**

3.1 Airport and ANS providers are not subjected to competition in the same way their customers, the airlines, are. In order to counter-balance this situation, meaningful consultation must exist with full transparency. As a minimum, airport and ANS providers should provide to the users historical, current and forecast traffic and financial data sufficient for airlines to be able to provide meaningful input.

3.2 The benefit to the airlines of such a process is that they know what they are paying for and have been given the opportunity to provide comments. The benefit to the airport or ANS provider is that they will implement changes to their charges levels or structure based on a well-informed decision.

4. **Action by the Conference**

4.1 The Conference should take note of the significance of the consultative process between airports or ANS providers and their user communities, affirming that it is the cornerstone of a productive relationship.

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