International Civil Aviation Organization
ICAO South American Regional Office
Fourteenth Meeting of the Civil Aviation Authorities of the SAM Region (RAAC/14)
(Santiago, Chile, 27, 28 and 30 October 2015)

Agenda Item 6:   **Priorities of implementation for the period 2017-2019**

IMPLEMENTATION OF ICAO'S POLICIES ON CHARGES IN DOC 9082

(Presented by IATA)

SUMMARY
ICAO's policies on charges in Doc 9082 set out the basic principles on which to base the recovery of costs for the provision of airport and air navigation facilities and services. This Working Paper describes the status implementation of ICAO's policies in the South America region and awareness of such policies. It highlights the benefits of implementing the policies, principles and provisions in Doc 9082 and proposes it be a priority of implementation for the period 2017-2019. Action by the RAAC/14 in paragraph 5.
References: Doc9082 - ICAO's policies on charges for airport and air navigation services ATConf/6-WP/9 – ICAO's Working Paper on implementation by States of the recommendations of the CEANS-2008

ICAO Strategic Objectives:	*D - Economic Development of Air Transport:*

1.   **Introduction**

1.1   In order to prevent abuses of dominant position by airports and air navigation services providers and ensure a fair, transparent and equitable recovery of the costs of providing efficient airports and air navigation services facilities and services, IATA fully supports ICAO's policies on charges in Doc 9082.

1.2   ICAO's policies on charges in Doc 9082 set out the basic principles on which to base the recovery of costs for the provision of airport and air navigation facilities and services through charges. Doc 9082 emphasizes four key charging principles of non-discrimination, cost-relatedness, transparency and consultation with the airlines. The incorporation of these four key charging principles into their national legislation, regulation or policies ensures compliance by airport operators and air navigation services providers.

1.3   In line with ICAO's policies on charges, States and regulators have a vital role to play in maintaining vigorous oversight of charges through a robust, independent and effective economic regulation to protect users against providers' potential abuse of dominant position and ensure that charges are cost-effective.

2.   **IMPLEMENTATION OF ICAO'S POLICIES ON CHARGES IN SOUTH AMERICA**

2.1   During the Sixth Worldwide Air Transport Conference (ATConf/6) held in Montréal on March 2013, ICAO reported that its policies on charges in Doc 9082 have been implemented globally in many States, but with a lower implementation rate in the South America region as compared to other ICAO regions (ATConf/6-WP/9 refers):

-    only 40 per cent of States in the South America region have implemented economic oversight measures and performance systems for airports and air navigation services providers;
-    in South America, 40 percent of airports and 50 percent of ANSPs adhere to ICAO policies on charges, as established in Doc 9082
-    South American States claim that 40 percent of airports and 60 percent of ANSPs in the region have a defined and regular consultation with users is in place and that users are consulted on the level and structure of airport and air navigation charges; and
-    only 20 per cent of States have adopted the four key charging principles on non-discrimination, cost-relatedness, transparency and consultation with users in national legislation, regulation or policies to ensure compliance by airports.

2.2   The implementation of ICAO's policies on charges and its four key charging principles is also uneven in the South America region. An improved implementation of such policies is needed to ensure that fairness and equity in the determination and allocation of airport and air navigation services costs are in place throughout the South America region.

3.   **AWARENESS OF ICAO'S POLICIES ON CHARGES IN SOUTH AMERICA**

3.1   In order to raise awareness on the ICAO air transport economic regulatory framework and discuss its implementation globally and in South America, ICAO convened the Second ICAO Air Transport Symposium (IATS/2, held in Montréal in May 2014) and the ICAO Regional Air Transport Conference in the Americas (held in Montego Bay in October 2014).

3.2   At IATS/2, concerns were raised on the proliferation of charges and taxes, and consensus arose on the need for ICAO to continue to take the necessary measures to enhance States' awareness of its policies on charges and promote application more vigorously. During panel discussions at the Symposium attended by representatives of States, the World Bank, IATA and other delegates on funding for safety oversight, it was mentioned that when States are lacking the necessary funding for the safety oversight function, economies of scales through enhanced regional cooperation under the form of regional Safety Oversight Organizations (RSOOs) should be the first step to pursue.

3.3   The Statement on the Development of Air Transport in North America, Central America, the Caribbean and South America adopted by States at Montego Bay on 9 October 2014 specifically calls States to "… endeavour to provide necessary infrastructure of airports and air navigation services to meet the needs of traffics growth and the technical requirements of ICAO, and that the recovery of the costs in providing these services be based on ICAO's policies on charges."

4.   **ICAO'S POLICIES ON CHARGES: A PRIORITY OF IMPLEMENTATION FOR THE PERIOD 2017-2019**

4.1   The lack of implementation of ICAO's policies on charges hinders the sustainable development of air transport in South America and the benefits it bring to local, regional and wider economies.

4.2   States as well as airlines and their airports and air navigation services providers' partners have all a mutual interest in keeping user charges as cost-effective as possible to support airline services and traffic development. Cost-effective charges need to be affordable for airlines and passengers: there is a certain level of user charges that users are prepared to pay for the cost-effective provision of facilities and services which must be transparently determined and agreed on through a process of constructive engagement of the airlines in consultation.

4.3   Meaningful consultation and ongoing dialogue deliver infrastructure and operational investments which airline business partners agree are needed, while fairly remunerating airports and air navigation services providers, potentially delivering reductions in real terms in user charges. When supported by all stakeholders, a process of constructive engagement in consultation, built on principles of non-discrimination, cost-relatedness and transparency is proven to be the most effective way to ensure airport and air navigation investments deliver successful outcomes.

4.4   Consequently, IATA continues to fully support the implementation of ICAO'S policies on charges in order to accurately define a framework for airports and air navigation services providers and their airline business partners to work within. IATA therefore considers that implementation ICAO's policies on charges in Doc 9082 and its four key charging principles of non-discrimination, cost-relatedness, transparency and consultation with users should be a priority of implementation for the period 2017-2019.

4.5   Additionally and together with airport charges experts from our member airlines, IATA has developed position papers on infrastructure charges and economic regulation which provide a sound interpretation of ICAO's policies on charges and describes best practices in implementing them. IATA's position papers on charges are available at: https://www.iata.org/policy/charges/pages/airport-atc-charges.aspx.

5.   **SUGGESTED ACTION**

5.1   The meeting of Civil Aviation Authorities of the SAM region is invited to:

a)   Declare the implementation of ICAO's policies on charges in Doc 9082 as a priority of implementation for the period 2017-2019; and

b)   Encourage States to adhere to ICAO's policies on charges in Doc 9082 and to incorporate the four key charging principles of non-discrimination, cost-relatedness, transparency and consultation with users into national legislation, regulation or policies in order to ensure compliance by airport operators and air navigation services providers.

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