

# ICAO Workshop on Airport and Air Navigation Services Economics

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Agenda Item 6 – Financial Management of air navigation services

*- The EUROCONTROL Route Charges System -*

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*(Unit R1 – System and business development)*

# ICAO Workshop on Airport and Air Navigation Services Economics The EUROCONTROL Route Charges System

## SYSTEM PERFORMANCE

1. Created in 1971 → 38 Participating States in 2008

2. Total billing 2007:		<u>€Mio</u>	<u>% Share</u>
- ROUTE CHARGES :	36 STATES	6.235	90,4
- TERMINAL NAVIGATION CHARGES:	10 STATES	324	4,7
- AIR NAVIGATION CHARGES:	8 STATES	323	4,7
- COMMUNICATION CHARGES:	1 STATE	<u>16</u>	<u>0,2</u>
	<b>Total</b>	<b>6.898</b>	<b>100,0</b>

3. Recovery rate: 99,8% for route charges in 2007

**SYSTEM PERFORMANCE ↔ RESULT of  
FULL COMPLIANCE with ICAO RECOMMENDATIONS  
and a SOLID GOVERNANCE**

1. Common policy on route charges adopted by the 38 European Member States of EUROCONTROL fully complies with ICAO Recommendations.
2. Common governance of the EUROCONTROL Route Charges System - by the 38 States - takes place within a solid institutional, legal, financial and technical framework:
  - allowing for « Check and balance » between Regulators, ANSPs and Airspace Users – both on a bi-lateral as well as on a multilateral basis
  - requiring all States to jointly approve all « UNIT RATES » via a multilateral user consultation.

**KEY Stakeholder Acceptability Criteria:  
Full compliance with ICAO Recommendation**

1. **TRANSPARENCY**
2. **NON-DISCRIMINATION**
3. **MEANINGFUL CONSULTATIONS WITH AIRSPACE USERS**
  - **Bi-lateral consultation**
  - **Multi-lateral consultation**
4. **COST- RELATEDNESS**
5. **EQUITABLE COLLECTION OF CHARGES**

## **BILLING and COLLECTION SERVICES**

### **offered by EUROCONTROL**

- 1. All ECAC States can become Member of EUROCONTROL and thus avail of the services provided by the « Multilateral Route Charges System »**
- 2. The EUROCONTROL Central Route Charges Office (CRCO) will continue to offer bi-lateral billing and collection services for:**
  - Terminal Navigation Charges and Communication Charges to Member States of EUROCONTROL and**
  - Air Navigation Charges (Route and possibly Terminal Navigation Charges) to Non-Member States of EUROCONTROL,**

**providing, that the charges fully comply with ICAO Recommendations.**

## CONCLUSIONS

1. The excellent performance of the Multilateral Route Charges System since its creation 37 years ago was amongst others enabled by its compliance with ICAO Recommendations.
2. Experience and expertise gained by States, ANSPs and Airspace Users within the Multilateral Route Charges System have been fed back to ICAO and have as such contributed to the evolvement of relevant ICAO Recommendations at the global level
3. Finally, each step in the geographical expansion of the Multilateral Route Charges System and each additional bi-lateral billing system, operated by EUROCONTROL, allow for further economies of scale. The improved cost-effectiveness thus achieved together with the equitable collection of charges are both in the interest of ANSPs, airspace users and finally the passengers or buyers of cargo services.



**EUROCONTROL**