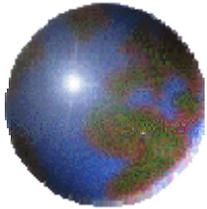
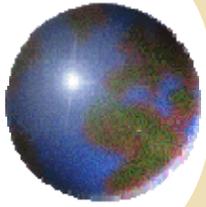




# *Agenda Item 1*



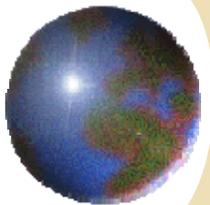
## ICAO Policies on Airport and Air Navigation Charges



# Overview

## Policy Material

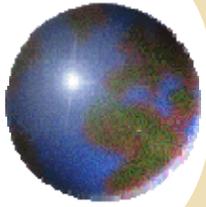
- Chicago Convention, Article 15 (Doc 7300)
- ICAO's Policies on Charges (Doc 9082) and on Taxes (Doc 8632)
- Assembly Resolutions
- ICAO policy on implementation of CNS/ATM systems



Doc 7300

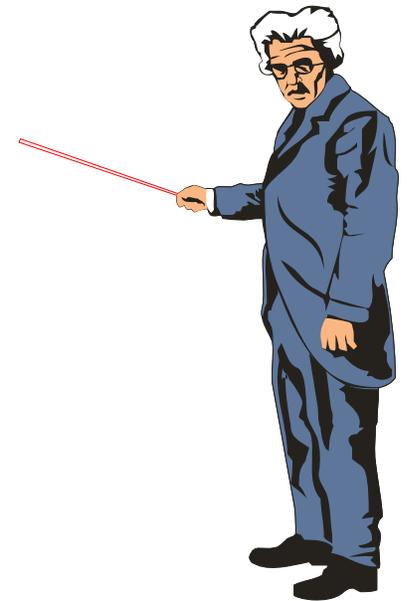
Chicago  
Convention  
(Article 15)

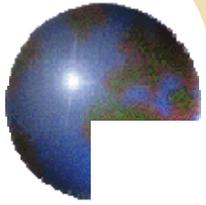




## Article 15 - Airport and similar charges

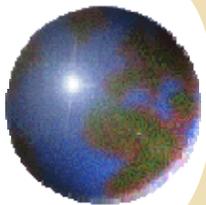
- Uniform conditions shall apply to use of airports and air navigation facilities and services
- Non discrimination in charges
- No charge **solely** for the right to overfly, enter or exit





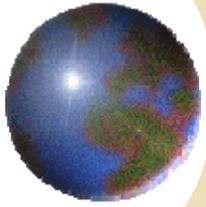
## **The Chicago Convention is binding upon all signatory States**

**A State may delegate operation of facilities and services but remains responsible for ensuring that all provisions of the Convention and Annexes are complied with the States.**



# *Conference on the Economics of Airports and Air Navigation Services*





## *New or revised policy guidance*

- Independent mechanism for economic regulation [§15]
- Performance parameters [§16]
- Best commercial practices [§17]
- Joint charges collection [§18]
- Intermingling of non-aeronautical and aeronautical revenues for establishing charges [§22 i), §22vii)]
- Pre-funding of projects [§24]



Doc 9082/7

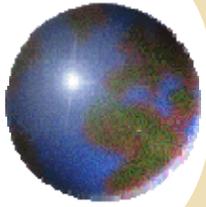
# ICAO's Policies on Charges for Airports and Air Navigation Services



Doc 9082/5

# Statements by the Council to Contracting States on Charges for Airports and Air Navigation Services

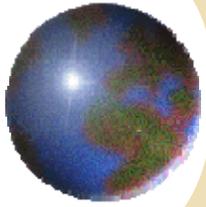




# *ICAO's Policies in Doc 9082/7*

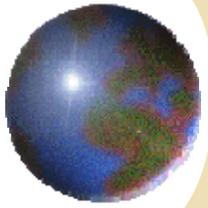
## Contents

- Introduction
- ICAO's Policies on Airport Charges
- ICAO's Policies on Charges for Air Navigation Services
- Appendices



## *Definition of a charge*

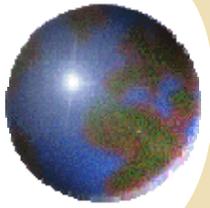
- ✚ charge = to recover the costs of providing facilities and services for aviation
- ✚ tax = to raise national or local government revenue, usually not for aviation



## *Scope and proliferation of charges [§8-9]*

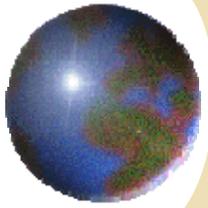
The Council recommends that States:

- Permit imposition of charges only for services and functions provided for civil aviation operations
- Refrain from charges that discriminate against international civil aviation



## *Organizational and managerial issues [§10-18]*

- ✚ Autonomy and privatization
- ✚ Independent mechanism for economic oversight of airports and air navigation services
- ✚ Development and application of performance parameters
- ✚ Best commercial practices
- ✚ Charges collection



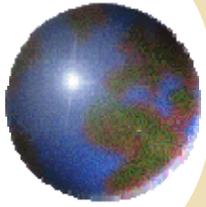
# *Autonomy and privatization*

- Establish autonomous entities where best for providers and users
- Private involvement, State ultimately responsible for safety, security and economic oversight
- ANS: international cooperation encouraged
- Chicago Convention and Annexes must be observed

## *Article 28*

Each Contracting State has  
responsibility for  
Airports and Air Navigation  
Services in its territory in  
accordance with Standards and  
Practices recommended  
or established pursuant to the  
Convention

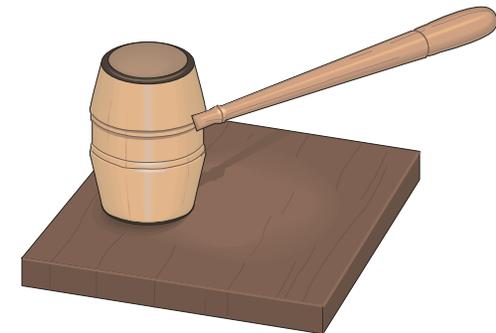
*Doc 7300*

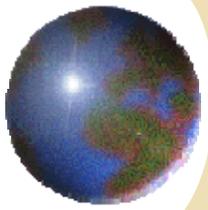


# *Independent Mechanism for Economic Regulation*

## Main Functions

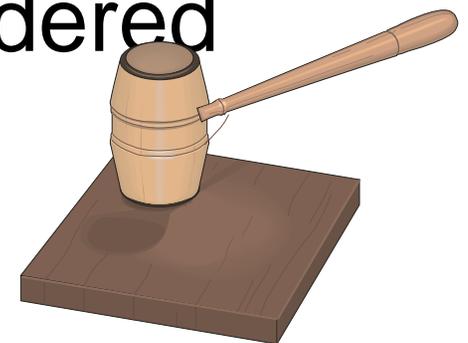
- Ensure non discrimination in charging
- Ensure no overcharging/anti-competitive practices/abuse of position
- Ensure transparency and presentation of financial data

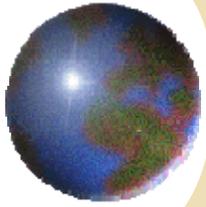




## *Independent Mechanism for Economic Regulation (cont.)*

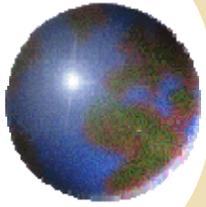
- Assess/encourage efficiency/efficacy
- Establish standards, quality and level of service
- Monitor investments for future demand
- Ensure users views are considered





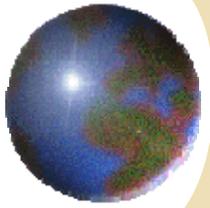
# *Performance Parameters*

- Develop and collect data on performance (safety, delay, predictability, flexibility, efficiency, availability, access, environment and cost of service)
- Evaluate and improve quality of service
- Consultations with users
- Costing systems to understand the true costs



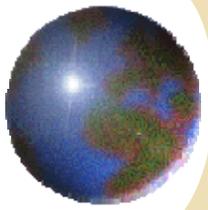
# *Best Commercial Practices*

- Quality/timeliness of services
- Assessing investment proposals
- Consultation with users
- Accounting practices/transparency
- Subsidization
- Development plans



# *Balance of interest and cooperation*

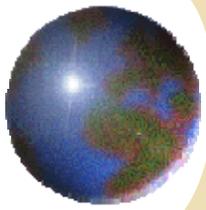
- Importance of air transport to States
- Share economic difficulties



# *ICAO's Policies on Airport Charges*

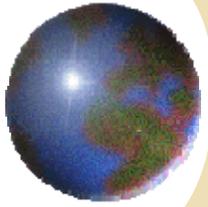
- The cost basis for charges [§ 21-22]
- Airport charging systems [§ 23]
- Pre-funding of projects [§ 24]
- Currency issues [§ 25]
- Landing charges [§ 26]
- Parking and hangar charges [§ 27]
- Passenger service charges [§ 28]

*Doc 9082/6*



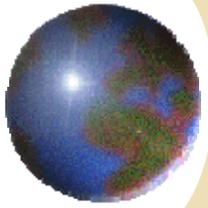
## *ICAO's Policies on Airport Charges (cont.)*

- ✦ Security charges [§ 29]
- ✦ Noise-related charges [§ 30]
- ✦ Consultation with users [§ 31-33]
- ✦ Development of revenues from concessions, rental of premises, and “free zones” [§ 34]
- ✦ Fuel concession fees [§ 35]



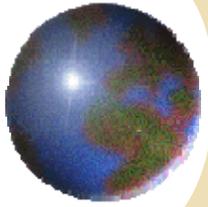
## *Pre-funding of projects [§24]*

- ✚ In specific circumstances involving large-scale investments
- ✚ Safeguards required:
  - ◆ economic regulation
  - ◆ transparent accounting
  - ◆ consultations with users
  - ◆ limited period of time



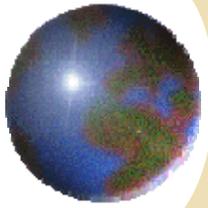
# *Aviation Security Costs* *(§ 29)*

1. Consultations before any security costs are assumed by airports, air carriers or other entities
2. Recovery in a fair and equitable manner
3. Direct relation to costs incurred
4. No charging for general security



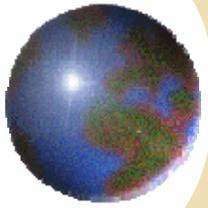
## *Security (cont.)*

Appendix 1 of Doc 9082 updated  
(services to be taken into account when  
determining costs related to airport  
security)



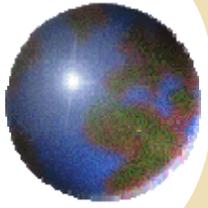
# *Policies on Air Navigation Services Charges*

- Cost basis for charges
- Allocation of costs among aeronautical users
- Charging systems
- Prefunding of projects
- Currency issues



## *Policies on Air Navigation Services Charges (cont)*

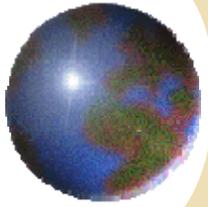
- ✚ Approach and aerodrome control charges
- ✚ Route charges
- ✚ Charges for services used when not over provider State
- ✚ Consultation with users



## *Policies on Air Navigation Services Charges (cont)*

Security measures (§ 38 iv):

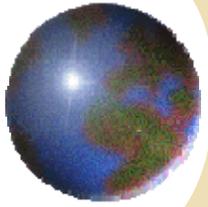
- preventive nature, routine basis
- If not already considered in the context of safety-related measures
- No duplication with airport measures



# Appendices

- Guide to the facilities and services to be taken into account in determining airport costs
- Guide to the facilities and services to be taken into account in determining the total costs of air navigation services
- Glossary of terms

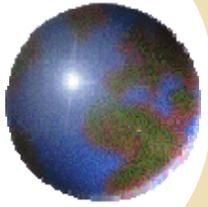
*Doc 9082/7*



# *Airport Economics Manual*

1. ICAO policy on airport charges
2. Organizational structures
3. Airport management
4. Determining the cost basis
5. Charges on air traffic and their collection
6. Development and management of non-aeronautical activities
7. Financing

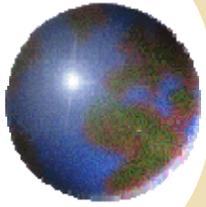
*Doc 9562/2*



# *Manual on Air Navigation Services Economics*

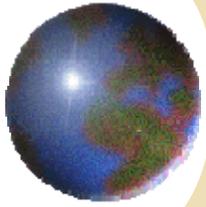
- ICAO Policy on ANS Charges
- Organizational Structures
- International cooperation
- Financial management
- Financing ANS Infrastructure
- Determining the Cost Basis
- ANS Charges and their Collection

*Doc 9161/4*



# *Assembly Resolutions*

- Consolidated Statement of Continuing ICAO Policies in the Air Transport Field (A35-18)
- Consolidated Statement of Continuing ICAO Policies and Practices Related to Environmental Protection (A35-5)



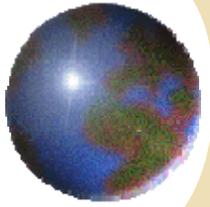
# A35-18 Appendix F

## Section 1. Charging policy

- Definition of a charge and a tax

### The Assembly urges Contracting States

- To ensure that Article 15 is fully respected
- To base recovery of costs on Article 15 and Doc 9082
- To ensure that charges only be applied towards defraying costs
- To publish and communicate charges

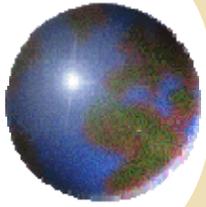


# *A35-18 Appendix F*

## Section 2. Economics and management

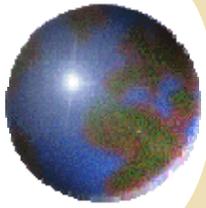
### The Assembly

- Reminds Contracting States that they remain responsible under Article 28
- Urges States to cooperate in recovery of costs of multinational facilities and services
- Requests Council to provide economic and organizational advice
- Requests Council to keep the economic situation under review
- Urges States to provide financial data



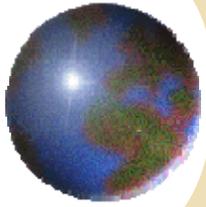
## *A35-5 Appendix I*

- Use of market-based measures to limit or reduce aircraft engine emissions
- Request the Council to develop guidance for implementing these measures
- Evaluate the costs and benefits of measures studied (voluntary measures, charges, emissions trading)



# *CNS/ATM systems*

- ICAO policy on implementation and operation of CNS/ATM systems is in Doc 9750: Global Air Navigation Plan for CNS/ATM Systems
- Based on the observance of a certain number of principles (accessibility, State's responsibility and sovereignty, ICAO's role, technical cooperation, institutional arrangements, GNSS, cost recovery, etc.)



## *Discussion*

- ✚ Are ICAO's policies applied in your State?
- ✚ Have you experienced any problems in the application of ICAO's policies?