



International Civil Aviation Organization

**ELEVENTH MEETING OF THE
ASIA/PACIFIC AIR NAVIGATION PLANNING AND
IMPLEMENTATION REGIONAL GROUP (APANPIRG/11)
Bangkok, Thailand, 2 - 6 October 2000**

Agenda Item 7: Any other business

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

(Presented by the Secretariat)

SUMMARY

This paper presents for information only a summary of the results of the Conference on the Economics of Airports and Air Navigation Services (ANSCConf 2000) convened by ICAO in Montreal from 19 to 28 June 2000.

Action by the APANPIRG is proposed at paragraph 3.

1. ANSCConf 2000 and its relevance to PIRG

1.1 Financial aspects, including effective cost recovery, as well as organizational aspects are of critical importance in the implementation of airports and air navigation services and thereby of importance to the work of the PIRGs. The extensive policy and supplementary practical guidance provided by ICAO in this field is periodically reviewed by major conferences, the latest being the Conference on the Economics of Airports and Air Navigation Services (ANSCConf 2000, Montreal 19 to 28 June 2000). A brief summary of issues addressed by, the Conference which may be of interest to APANPIRG is provided below for the information of the Group. A copy of the “yellow” cover report of the Conference is provided separately. It should be noted that the recommendations of the Conference are subject to the Council’s approval, and will be addressed accordingly by the Council later this year. Extensive information on the Conference may be found at the web site www.icao.int/icao/en/atb/ansconf2000.

1.2 A commercial approach to the management and operation of airports and air navigation services, coupled with specific financial and operational guidelines as well as safety and security oversight, should help governments cope effectively with airport and airspace congestion resulting from the consistent growth of air traffic worldwide. This conclusion forms the basis of recommendations made by the ANSCConf 2000 where it was also emphasised that in accordance with the Convention on International Civil Aviation,

States remain responsible for the provision of airports and air navigation services, even if their operation is delegated to a commercial body.

1.3 The Conference made a number of specific recommendations to assist States in dealing with the forecast 2.5 fold increase in total passenger traffic and the doubling of aircraft movements between 1999 and 2020, including to:

- implement an effective oversight mechanism to deal with the monopolistic nature of airports and air navigation services, to measure performance and productivity and to ensure compliance with fair and equitable cost-recovery practices as well as other ICAO policies and principles;
- consider pre-funding (the levy of charges from passengers for future airport services) in specific safeguarded circumstances;
- limit charges to services that are related to civil aviation operations; and
- ensure that levying of passenger service charges does not create additional queuing and delays at airports.

1.4 The Conference also recommended that ICAO develop further guidance on such matters as: the advantages and disadvantages of intermingling non-aeronautical revenues (commercial concessions at airports) with aeronautical revenues (e.g. landing and passenger service charges); allocating the costs of the Global Navigation Satellite Systems (GNSS) to and amongst aviation users; and recovering the costs of search and rescue operations.

2. Recommendations of special interest to PIRGs

2.1 The recommendations of ANSConf 2000 which may be of special interest to the work of PIRGs are most likely found under agenda items: 2 - Organizational issues; 3 - Funding issues; and, particularly 4 - Determinants of the economic regulation of airports and air navigation services; and 5.2 - Elements for consideration with regard to ICAO policy.

2.2 Under agenda item 2 the Conference discussed international cooperative and joint ventures and agreed to two recommendations concerning participation in international cooperation in general and in joint charges collection in particular. It was indicated that international cooperation in the air navigation services field also could include planning, research and development, training, technical support, meteorological services and aeronautical information services.

2.3 The Conference agreed under item 3 that ICAO should consider the feasibility of further assisting States in determining the true costs of operating their air navigation services in order to facilitate both cost-recovery and the financing of implementation of new services such as CNS/ATM.

2.4 The Conference adopted under item 4 recommendations addressing inter alia, the obligations of autonomous operators of airports and air navigation services; an independent mechanism for economic regulation of airports and air navigation services; capacity management; and slot coordination.

2.5 The economic aspects of CNS/ATM operation were discussed under item 5.2. The Conference felt that ICAO in the future should provide more practical guidance and assistance to States rather than developing additional guidance material. This would apply to such areas as cost/benefit analysis, development of business cases, financing, cost recovery and establishment of joint cooperative ventures. The Conference also reaffirmed that all basic ICAO charging principles should be adhered to in the implementation of the CNS/ATM systems.

2.6 As regards GNSS costs, the Conference concluded that it would be premature to decide on allocation methods and requested ICAO to continue its efforts in this area with a more comprehensive study, for which a broad based coalition of civil aviation interests and non-aeronautical users would need to be established in order to estimate acceptable and equitable cost allocation shares for each major user group.

3. Action by the APANPIRG

3.1 The APANPIRG is invited to note the information provided in this paper.

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