



WORKING PAPER

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

Montréal, 15 to 20 September 2008

**Agenda Item 2: Specific issues related to airport economics and management
2.5: Financing and cost recovery of security measures**

**COST RECOVERY OF SECURITY MEASURES
AT AIRPORTS**

(Presented by the Secretariat)

SUMMARY

This paper reviews *ICAO's Policies on Charges for Airports and Air Navigation Services* (Doc 9082, paragraph 29 and Appendix 1) with respect to security measures at airports. Recognizing that the existing policies for the cost recovery of security measures are still adequate, States should ensure that these policies are fully implemented in order to harmonize cost recovery among States and regions.

Action by the Conference is in paragraph 4.

1. INTRODUCTION

1.1 This paper reviews *ICAO's Policies on Charges for Airports and Air Navigation Services* (Doc 9082) with respect to security measures at airports and discusses the need for harmonization in the implementation of the policies among States and regions.

2. DISCUSSION

2.1 The current ICAO policies on security charges for airports were updated based on the outcome of the *High-Level Ministerial Conference on Aviation Security* held in 2002. They list eight aviation security functions (Doc 9082, Appendix 1), including required equipment, facilities and personnel, that need to be taken into account in determining the costs basis of an airport operator. They range from security control of passengers to training of security personnel. Further guidance on security costs and charges is included in *ICAO's Airport Economics Manual* (Doc 9562).

2.2 States are responsible for ensuring the implementation of adequate security measures at airports pursuant to the provisions of ICAO *Annex 17 – Security to the Convention on International Civil Aviation*. They may delegate the task of providing individual security functions to such agencies as airport entities, air carriers and local police. Nevertheless, the recommended ICAO policies in paragraph 29 and Appendix 1 of Doc 9082 should be applied whether or not these functions are outsourced to private contractors. Moreover, States may determine under which circumstances and to what extent the costs involved in providing security facilities and services should be borne by the States, the airport entities or other responsible agencies.

2.3 Any charges or transfers of security costs should be directly related to the costs of providing the security services concerned and should be designed to recover no more than the relevant costs involved. Civil aviation should not be charged for any costs that would be incurred by more general security functions performed by States such as general policing, intelligence gathering and national security.

2.4 There is a need to harmonize the implementation of cost-recovery and charging practices of security measures at airports as national policies/rules/regulations differ between States and regions. While most States have adopted the recommended ICAO policies and adhere to them, some States have not.

2.5 No new developments have taken place regarding security measures at airports, except for large-scale screening of cargo, which would warrant a revision and/or an update of the current policy and guidance material (Doc 9082 and Doc 9562). In this respect, ICAO should monitor the development in order to assess if and when the current policies on cost allocation and cost recovery of security measures at airports will need to be updated.

3. CONCLUSIONS

3.1 From the foregoing discussion, the following conclusion may be drawn:

- a) Recognizing that the current ICAO policies for the cost recovery of security measures at airports are still adequate, States should ensure their implementation in order to foster harmonization worldwide.
- b) ICAO should monitor the development concerning large-scale screening of cargo in order to assess whether the current policies on cost allocation and cost recovery of security measures at airports need to be updated.

4. ACTION BY THE CONFERENCE

4.1 The Conference is invited to review and adopt the conclusion in paragraph 3.1.