

EANAI/1



INTERNATIONAL CIVIL AVIATION ORGANIZATION

South American Regional Office

**FIRST MEETING OF HIGH LEVEL EXPERTS GROUP ON
INSTITUTIONAL ASPECTS
EANAI/1**

FINAL REPORT

(Lima, Peru, 2-5 June 2008)

The designations employed and the presentation of material in this publication do not imply the expression of any opinion whatsoever on the part of ICAO concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

TABLE OF CONTENTS

i -	Table of contents.....	i-1
ii -	History of the Meeting.....	ii-1
	Place and duration of the Meeting	ii-1
	Opening ceremony and other issues	ii-1
	Organization, Officers and Secretariat.....	ii-1
	Working Language.....	ii-1
	Agenda	ii-1
	Attendance	ii-2
	List of Conclusions of EANAI/1 Meeting.....	ii-3
iii -	List of Participants	iii-1
Report on Agenda Item 1:		
	Activities carried out for the implementation of multinational facilities/services in the South American Region.....	1-1
Report on Agenda Item 2:		
	Analysis of the legal matters for the establishment of a Multinational Regional Organization (MRO).....	2-1
Report on Agenda Item 3:		
	Evaluation of the draft Technical Cooperation Project for the implementation of an MRO.....	3-1
Report on Agenda Item 4:		
	Future activities for the implementation of an MRO.....	4-1
Report on Agenda Item 5:		
	Other issues.....	5-1

HISTORY OF THE MEETING

ii-1 PLACE AND DURATION OF THE MEETING

The First Meeting of High Level Experts Group on Institutional Aspects (EANAI/1), took place in the ICAO South American Regional Office, Lima, Peru, from 2 to 5 June 2008.

ii-2 OPENING CEREMONY AND OTHER MATTERS

Mr. José Miguel Ceppi, Regional Director of the ICAO South American Office, welcome participants, pointing out issues to be treated and wishing success in deliberations. Mr. Ernesto López Mareovich, Director General of Aeronautics of Peru welcome participants in the name of the Peruvian State.

ii-3 ORGANIZATION, OFFICERS AND SECRETARIAT

Mrs. Carmen Lanza, Air Transportation General Manager of the INAC, Venezuela, was elected President of the Meeting. Mr. Carlos Stehli, Deputy Director of the ICAO South American Regional Office, acted as Secretary of the meeting, assisted by Mr. José Miguel Ceppi and Dr. Nora Bisso, Legal Affairs Expert and Juridical Consultant of Regional Project RLA/06/901 of ICAO Technical Cooperation.

ii-4 WORKING LANGUAGE

The working language of the Meeting was Spanish. Documentation was prepared in Spanish and English.

ii-5 AGENDA

The following agenda was adopted:

Agenda Item 1: Activities carried out for the implementation of multinational facilities/services in the South American Region

.

- Agenda Item 2: Analysis of the legal matters for the establishment of a Multinational Regional Organization (MRO)
- Agenda Item 3: Evaluation of the draft Technical Cooperation Project for the implementation of an MRO
- Agenda Item 4: Future activities for the implementation of an MRO
- Agenda Item 5: Other issues

ii-6 **ATTENDANCE**

Six States of the SAM Region (Argentina, Bolivia, Brazil, Chile, Peru and Venezuela), attended the meeting, totaling 14 participants included ICAO Officer. The list of participants is shown in pages iii-1 to iii-4.

ii-7

LIST OF CONCLUSIONS OF THE EANAI/1 MEETING

N°	Title	Page
1/1	Constituent agreement for the establishment, operation and management of a regional multinational organisation (RMO)	2-1
1/2	Future study regarding CARSAMMA	2-3
1/3	Regional technical cooperation project document	3-1
1/4	Minimum conditions required for the establishment of the RMO headquarters	4-1

ARGENTINA

Eduardo Rodino
Jefe de Unidad de Control de Gestión y Auditoría
y Relator del Grupo de Tarea sobre Aspectos
Institucionales del GREPECAS

Comando de Regiones Aéreas
Av. Pedro Zanni 250, Piso 4, Of.
473
Buenos Aires, Argentina
Tel.: +5411 4317 6519
Mail: buecruca@faa.mil.ar
Mail 2 eduardo.rodino@gmail.com

BOLIVIA

Marcelo Maldonado
Secretario General

Dirección de Aeronáutica Civil
Av. Mcal. Santa Cruz 1278
Casilla Postal 9360
La Paz, Bolivia
Tel.: +591 2 2379060 Int. 2301
Fax: +591 2 2379060 Int. 2399
Mail: mmaldonado@dgac.gov.bo

Julio Fortún
Director de Navegación Aérea

Dirección de Aeronáutica Civil
Av. Mcal. Santa Cruz 1278
Casilla Postal 9360
La Paz, Bolivia
Tel.: +591 2 2379060 Int. 2601
Fax: +591 2 2114465
Mail: jfortun@dgac.gov.bo

BRASIL

Élcio Picchi
Vice-Director del Departamento de Control de
Espacio Aéreo

DECEA
Av. General Justo, 160 - 5° andar
20.021130–Rio de Janeiro–RJ-
Brasil
Tel.: +55 21 2101 6200
Fax: +55 21 2101 6206
Mail: vicea@decea.gov.br

José Roberto Machado e Silva
Jefe del Sub-Departamento de Operaciones

DECEA
Av. General Justo, 160 - 5° andar
20.021130–Rio de Janeiro–RJ-
Tel.: Brasil
Fax: +55 21 2101 6241
Mail: +55 21 2101 6233
sdop@decea.gov.br

Alvaro Moreira Pequeno
Director del Programa CNS/ATM

CTCEA
Av. Presidente Wilson, 231-5°
andar
Centro-Rio de Janeiro-20030-021
Tel.: +55 21 2103 7666
Fax: +55 21 2103 7699
Mail: pequeno@ctcea.org.br

CHILE

Iván Galán Martínez
Director de Planificación

DGAC
Av. Miguel Claro 1314,
Providencia
Santiago, Chile
Tel.: +562 439 2509
Fax: +562 439 2143
Mail: igalan@dgac.cl

PERÚ

Fredy Núñez Munárriz

DGAC
Jirón Zorritos 1301
Cercado de Lima
Tel.: +511 3157800 Anexo 1515
Fax: +511 3157859
Mail: FNunez@mtc.gob.pe

VENEZUELA

Carmen Lanza
Gerente General de Transporte Aéreo

INAC
Venezuela
Tel.: +58 212 2774537
Fax: +58 212 2774537
Mail: c.lanza@inac.gov.ve

José Gregorio Ochoa Martínez
Jefe del Centro de Control de Área de Venezuela

INAC
Aeropuerto Int. Simón Bolívar,
Edificio ATC, Laguna Edo. Vargas
Venezuela
Tel.: +58 416 6236414
+58 212 3552898
Fax: +58 212 3552216
Mail: ochoamartinezjosegregorio@gmail.com

Ricardo González
Jefe Oficina de Proyectos

INAC
Av. Luis Roche, Torre Británica
Altamira Sur, Caracas, Venezuela
Tel.: +58 212 2774464
Fax:
Mail: ri.gonzalez@inac.gov.ve

ORGANISMOS INTERNACIONALES/INTERNATIONAL ORGANIZATIONS

ORGANIZACIÓN DE AVIACIÓN CIVIL INTERNACIONAL (OACI)

José Miguel Ceppi
Director Regional

Oficina Regional para Sudamérica
Av. Víctor Andrés Belaúnde 147
Centro Empresarial Real, Torre 4,
Piso 4, San Isidro

Tel.: (511) 611-8686 Anexo 101
Fax: (511) 611-86-89
Mail: icaord@lima.icao.int
Mail 2: mail@lima.icao.int

Carlos Stehli
Sub-Director

Oficina Regional para Sudamérica
Av. Víctor Andrés Belaúnde 147
Centro Empresarial Real, Torre 4,
Piso 4, San Isidro

Tel.: (511) 611-8686 Anexo 102
Fax: (511) 611-86-89
Mail: cs@lima.icao.int
Mail 2: mail@lima.icao.int

Nora Bisso
Experta en Asuntos Legales y Asesora Jurídica
Proyecto RLA/06/901

Las Bases 132 – 1706 Haedo
Buenos Aires, Argentina

Tel.: +511 4650 4939
Fax:
Mail: noraadela.bisso@gmail.com
Mail 2: nbisso@fullzero.com.ar

Agenda Item 1: Activities carried out for the implementation of multinational facilities in the South American Region

1.1 The Meeting was duly informed about the treatment given by States to the institutional aspects of the implementation of CNS/ATM systems as multinational facilities. The Meeting took note of the importance of establishing regional mechanisms to facilitate the consolidation, management, and implementation of such systems, with a view to introducing ATM improvements to meet performance objectives, in keeping with the Global and Regional Air Navigation Plans.

1.2 The Meeting was informed that the institutional aspects had been addressed mainly in two fora, GREPECAS and the Meetings of Civil Aviation Authorities (RAACs), supported by inputs from Regional Technical Cooperation Project RLA/98/003. Detailed information was provided about the processes carried out in each forum, as summarised below.

Discussion of institutional aspects within the GREPECAS mechanism

1.3 Discussion of institutional aspects within the framework of GREPECAS dates back to the period of the CNS/ATM/IC Subgroup. The greatest thrust was given when Regional Technical Cooperation Project RLA/98/003 launched its activities with an initial seminar in Bogotá in September 2001 and GREPECAS took over the ATM/CNS Subgroup Institutional Aspects Task Force. This stage proved to be the most fruitful in terms of the results produced by GREPECAS for the treatment and consideration of institutional aspects, with a view to the implementation of multinational facilities.

1.3.1 The work of the GREPECAS mechanism on the issue of institutional aspects came to an end with the analysis, by the GREPECAS/14 meeting, of the work done by the third meeting of the Institutional Aspects Task Force. The GREPECAS/14 meeting reviewed a draft document on a Constitutive Agreement for the establishment of a Regional Multinational Organisation (RMO) and a proposal for making its implementation possible through a regional scheme supported by a technical cooperation project. The GREPECAS/14 meeting formulated Conclusions 14/5 and 14/6 on this matter, which are basically the result of the work of GREPECAS in support of the regional initiatives adopted at RAAC meetings, as will be seen below. It was reported that the Air Navigation Commission, upon examining Conclusion 14/5, took due note of it and encouraged its implementation in the CAR/SAM Regions.

Discussion of institutional aspects by the meetings of Civil Aviation Authorities

1.4 It was reported that the Region started to become interested in the institutional aspects related to the implementation of multinational systems as of the RAAC/6 meeting (Panama City, Panama, 1999), which foresaw the need to set up a High-Level Panel to address institutional aspects once GREPECAS had advanced the respective work (Conclusion 6/9). The group was established during the RAAC/7 meeting (Conclusion 7/5). In the course of the RAAC/8 and RAAC/9 meetings, actions were recommended to strengthen State support for the GREPECAS Institutional Aspects Task Force, in order to move ahead more effectively and efficiently in the performance of tasks concerning institutional aspects in the CAR/SAM Regions.

1.4.1 It was noted that the RAAC/10 meeting (Caracas, Venezuela, June 2007) made a thorough assessment of the work of GREPECAS on institutional aspects and reviewed the scope of Conclusions 14/5 and 14/6. As a result, it formulated Conclusion 10/8, recommending that States take into consideration material recommended by GREPECAS for the establishment of a regional mechanism to consolidate, manage and implement multinational facilities, and requested ICAO to prepare a project document to enable the implementation of this regional mechanism. It also noted that the EANAI/1 meeting had been convened and held in response to the request by the ICAO RAAC/10 meeting that ICAO coordinate with the States to carry out this event in order to review the guidance material prepared by GREPECAS on the establishment of a regional mechanism and the aforementioned project document. It further took note that the RAAC/10 meeting had updated the work programme of the High-Level Panel so that the latter group, in carrying out its tasks, would take account of the progress made on institutional aspects up to that moment.

Agenda Item 2: Analysis of legal matters pertaining to the material available for the establishment of a Regional Multinational Organisation (RMO).

2.1 Under this agenda item, the meeting discussed two issues:

- a) it reviewed the constituent Agreement prepared by GREPECAS for the establishment, operation and management of a Regional Multinational Organisation (RMO); and
- b) it reviewed the preliminary study of CARSAMMA and REDDIG costs presented by the Secretariat.

Constituent Agreement for the establishment, operation and management of a Regional Multinational Organisation (RMO)

2.2 The meeting, pursuant to Conclusion 10/8 of the RAAC/10 Meeting, went on to review the treatment by GREPECAS of the institutional aspects concerning the implementation of multinational facilities and the establishment of a Regional Multinational Organisation (RMO). In doing so, it took note of the multinational facilities that could be established to support the implementation of the ATM operational concept, with a view to achieving global ATM, and the benefits that could be derived from multinational facilities based on the regional deployment of an environment of cooperation and collaboration through a regional mechanism like the RMO.

2.2.1 The meeting proceeded to undertake a detailed review and analysis of the constituent Agreement prepared by GREPECAS for the establishment, operation and management of a Regional Multinational Organisation (RMO), recommended through Conclusion 14/5 of the regional group. The whereas clauses and contents were reviewed article by article, and a series of proposals for reform were formulated, with the result that a corrected text was developed, which is attached as **Appendix A** to this part of the report. The meeting considered that the new text was ready for review by the forthcoming eleventh meeting of Civil Aviation Authorities (RAAC/11) and formulated the following Conclusion:

CONCLUSION

EANA/1/1-

CONSTITUENT AGREEMENT FOR THE ESTABLISHMENT, OPERATION AND MANAGEMENT OF A REGIONAL MULTINATIONAL ORGANISATION (RMO)

That the eleventh meeting of Civil Aviation Authorities (RAAC/11) review the Constituent Agreement for the establishment, operation and management of a Regional Multinational Organisation (RMO) based on the guidance material prepared by GREPECAS (Conclusion 14/5) and incorporating any corrections this meeting may deem necessary, and approve and recommend it to SAM States

for the establishment of an Institutional Agreement for the implementation of a Regional Multinational Organisation (RMO) in the Region.

2.2.2 The meeting noted that if the RAAC/11 meeting approved the Institutional Agreement document, there might be a need to convene a Diplomatic Conference for its approval and channel the ratifications of the agreement by the legislative bodies of the States that signed it.

2.2.3 Regarding the draft bylaws for the constituent Agreement, the meeting felt it was premature to conduct a comprehensive review, since the constituent Agreement still needs to be reviewed.

Preliminary study of CARSAMMA and REDDIG costs presented by the Secretariat.

2.3 The meeting examined a preliminary study of the costs of REDDIG and CARSAMMA, two multinational facilities that could be consolidated and managed by a future RMO in the SAM Region. It took note that REDDIG and CARSAMMA are two multinational systems established under different institutional arrangements, but that fulfil regional/interregional requirements for supporting the provision of air navigation services. On the one hand, REDDIG is a multinational system established by the SAM States (except for Panama) and Trinidad y Tobago to provide an integrated aeronautical fixed communications service solution, while CARSAMMA is a CAR/SAM multinational system established by Brazil under agreements within GREPECAS and oriented towards supporting RVSM implementation in the CAR/SAM Regions as a Regional Monitoring Agency.

2.3.1 It was reported that the study was based on information presented by technical cooperation project RLA/03/901, through which ICAO is managing REDDIG on behalf of the States, and information provided by Brazil. The Secretariat indicated that the study envisaged three cost options for:

- a) REDDIG
- b) CARSAMMA
- c) CARSAMMA and REDDIG in consolidated form

2.3.2 **Appendix B** to this part of the report presents the aforementioned study for the period 2008-2018. It should be noted that cost-benefit figures were obtained for the REDDIG study, showing a benefit of some US\$ 800,000 for the States, but that in the case of the CARSAMMA study, the exercise proved impossible because the corresponding benefits had to be identified first.

2.3.3 The meeting was informed that the cost base presented by Brazil was used as received, but some costs could be seen to be adjustable. In this case, the meeting agreed that ICAO should visit Brazil in order to, on the basis of the result obtained, examine the situation more thoroughly and collect fuller information for a future study to be made and presented to the States so that they can consider the possibility of including CARSAMMA in the future RMO. In the light of this matter, the meeting formulated the following conclusion:

CONCLUSION**EANA/1/2-****FUTURE STUDY REGARDING CARSAMMA**

That ICAO, in order to examine the technical/operational and financial conditions of CARSAMMA, consider visiting Brazil to obtain information that could be used to conduct a cost/benefit study of CARSAMMA that could be presented to the States, with a view towards including this monitoring agency in the possible future RMO.

CONSTITUENT AGREEMENT FOR THE ESTABLISHMENT, OPERATION AND MANAGEMENT OF A REGIONAL MULTINATIONAL ORGANISATION (RMO)

Whereas no aspect inherent to the communications, navigation and surveillance/air traffic management (CNS/ATM) systems is incompatible with the Convention on International Civil Aviation (Chicago, 1944) or with its standards and recommended practices and, as a result, there are no legal obstacles to prevent their establishment and operation, as reflected in Resolutions A32-19, A32-20 and A35-3 of the International Civil Aviation Organization (ICAO) Assembly.

Whereas, in keeping with Article 28 of the Convention on International Civil Aviation (Chicago, 1944), States maintain authority and responsibility over air navigation control and the fulfilment of safety oversight standards within their sovereign airspace.

Whereas ICAO Assembly Resolutions A32-19, A32-20, and A-35-15 on the subject call for cooperation and mutual assistance among States to achieve the maximum degree of uniformity possible in the provision of CNS/ATM services.

Whereas regional initiatives for the development and planning of international air navigation principles and techniques, the enhancement of safety within the sphere of international civil aviation in order to prevent and reduce the negative consequences of operational failures of the CNS/ATM systems, and effective compliance of responsibilities for safety oversight, are all important.

Whereas regional cooperation is effective for putting into practice and consolidating the organisation and implementation of CNS/ATM systems, with a view towards global ATM and the safety system, taking into account for that purpose ICAO standards, recommendations, and guidance and, particularly, ICAO Assembly Resolutions A35-3 and A35-7.

Whereas ICAO Assembly Resolution A35-7 encourages States to promote the creation of regional or subregional associations to collaborate in developing solutions to common problems, in order to strengthen their individual capacities for safety oversight.

Whereas it is necessary to establish international agreements at the regional level to facilitate the establishment, operation and management of communications, navigation, and surveillance/air traffic management (CNS/ATM) and safety systems in the SAM and/or CAR Regions.

Whereas the CNS/ATM systems are global/regional in nature and the investments needed for their implementation and operation are sizeable, and international regional collaboration is essential for greater efficiency and economy, thereby avoiding the duplication of human and material resources, given the benefits to be gained from the sharing of facilities, services and costs and the possibilities for obtaining common financing and benefits.

Whereas cost sharing among users should be reasonable, their imposition and recovery will be carried out according to Article 15 of the Convention on International Civil Aviation (Chicago, 1944).

Whereas an appropriate legal framework is required to regulate the operation of CNS/ATM systems and cooperation for safety oversight, permitting the access of the largest possible number of States, with a view towards applying the principle of uniformity of international air navigation and safety standards and procedures.

Whereas the meetings of Civil Aviation Authorities (RAACs) of the SAM Region recognised the need to create a regional mechanism to study and decide on the feasibility of implementing

CNS/ATM systems (RAAC/6, RAAC/7, RAAC/8, RAAC/9 and RAAC/10).

Whereas the CAR/SAM Regional Planning and Implementation Group (GREPECAS) has completed the task on institutional aspects and has prepared guidance material for the implementation of CNS/ATM systems (Conclusion 14/5) through the establishment of a Regional Multinational Organisation (RMO).

It is resolved to adopt the following:

AGREEMENT FOR THE ESTABLISHMENT OF A REGIONAL MULTINATIONAL ORGANISATION (RMO)

Article 1 – Scope

The Contracting States agree to create a Regional Multinational Organisation (RMO) to provide and manage multinational facilities in order to implement the ATM operational concept with a view to the global ATM, supported by communication, navigation and surveillance/air traffic management (CNS/ATM) systems, and to give assistance on other matters, in keeping with the standards and recommended practices of the International Civil Aviation Organization (ICAO), which is to be called...and henceforth to be known as ... (in this document, “the Organisation”).

Article 2 – Nature

The Organisation shall have a legal status, may exercise its rights and incur obligations, and shall enjoy such management and financial autonomy as may be appropriate for contracting for, acquiring and disposing of the goods and services of the Organisation, as well as for undertaking legal action, taking part in trials, and being represented extrajudicially.

Article 3 – Purpose

The purpose of the Organisation is to provide and manage the multinational facilities envisaged in the CAR/SAM Regional Air Navigation Plan, in accordance with what its bylaws may stipulate, within the territory of the Contracting Parties and in all spheres of responsibility set forth in Regional Air Navigation Agreements and agreements with States/Organisations as may be reached by virtue of any bilateral or multilateral arrangement with the Organisation. Furthermore, the Organisation may provide assistance on other matters for the effective compliance of responsibilities by the Contracting Parties.

The Organisation may also provide other services not envisaged in the CAR/SAM Regional Air Navigation Plan, in keeping with what the respective bylaws stipulate and through the signing of bilateral or multilateral contracts or agreements.

Article 4 – Duties and responsibilities

The Organization shall have the following duties and responsibilities:

- a) Exercise exclusive rights in regard to the provision, determination, receipt and management of the services listed in the previous article.
- b) Establish an economic policy that will make it possible to achieve financial balance by obtaining its own resources.
- c) Obtain loans in the financial markets that may be guaranteed by the Contracting Parties or others, if necessary.
- d) Propose to the Contracting Parties the standardisation of national regulations and procedures with regard to air navigation services and other matters, in accordance with the standards and recommended practices of the Annexes to the Convention on International Civil Aviation (Chicago, 1944).
- e) Carry out the necessary technical, operational and administrative studies and take the corresponding action to fulfil its purpose, taking into account the evolution and development of

international civil aviation and compliance with the standards of the Convention on International Civil Aviation (Chicago, 1944).

f) Propose to the Contracting Parties the relevant amendments to the CAR/SAM Regional Air Navigation Plan.

g) Give its personnel appropriate and continuous training.

h) Establish the necessary links with States and International Organisations for the exercise of its duties and responsibilities.

i) Request from and communicate to the competent national authorities all relevant information and report to them any alleged violations of air navigation standards committed within the sphere of its responsibilities.

j) Assess the standardisation of systems within the territory of the Contracting Parties, in keeping with ICAO standards and recommended practices.

k) Study, advise, recommend, facilitate, decide and implement all matters related to the normal and regular activities of the Organisation.

l) Carry out any other activity demanded of it by the Member States that is related to its purpose and within its capability.

Article 5 – Liability and insurance

The Organisation shall, by taking out adequate insurance policies, cover all risks stemming from its liability for damages to third parties resulting from the operation of the facilities.

Article 6 – Headquarters

The Organisation shall have its headquarters in a city of a State Party to be determined according to the advantages offered for its establishment, to which end it shall sign the respective Headquarters Agreement with that State.

Article 7 - Structure

The Organisation shall consist of an Executive Council, an Executive Director and the necessary and appropriate technical, operational and administrative units to fulfil the responsibilities entrusted to it. The structure of the executive body shall be simple, so that it can operate in an agile manner. The tasks to be performed by officials shall cover technical, operational and administrative aspects.

Article 8 – Executive Council

An Executive Council shall administer the Organisation and shall be comprised of one representative of each Contracting Party, who will be replaced by an alternate if unable to attend, both of whom shall be appointed by that Contracting Party and shall be competent in aeronautical matters.

The Executive Council shall have a Chairman and a Vice-Chairman, elected from among the members in rotation and for such terms as the bylaws may stipulate.

Article 9 – Responsibilities of the Executive Council

The Executive Council shall have the following responsibilities:

a) Adopt a common policy for the operation and management of the multinational systems.

b) Set the rates and fees to be paid by users of the services provided by the Organisation.

c) Appoint the Executive Director and the technical, operational and administrative Directors, at the proposal of the Executive Director.

d) Approve the insurance policies stipulated in Article 5, to be taken out with such companies as it may deem appropriate.

e) Approve the annual budget and any reforms to it.

f) Approve the bylaws and internal regulations of the Organisation and/or make amendments or modifications to them.

g) Approve the amount and terms and conditions of any loans to be obtained in the financial markets for

the accomplishment of its objectives.

h) Consider any proposal of amendments or modifications to this agreement.

i) Establish the policy for the personnel to be hired.

Article 10 – Executive Director

The Executive Director shall be a national of any of the Contracting Parties and shall occupy that position for such a term as the respective bylaws may stipulate.

Article 11 – Responsibilities of the Executive Director

The Executive Director is the legal representative and executive administrator of the Organisation and shall have the following responsibilities:

a) Sign the documents for the operation of the Organisation within its sphere of competence.

b) Present all such reports as required by the Executive Council.

c) Hire and exercise such personnel management duties as the Organisation may require, in accordance with the policy established by the Executive Council.

d) Propose to the Executive Council nominees for technical, operational and administrative Directors, with a view to their hiring.

e) Propose constituent amendments or modifications to the bylaws and internal regulations of the Organisation.

f) Analyse and propose the rates and fees to be collected by the Organisation.

g) Prepare the annual budget and advise the Executive Council on the subject.

h) Perform the duties of Secretary of the Executive Council.

i) Perform any other such task as may be entrusted by the Executive Council.

Article 12 – Decision-making methods

Each Contracting Party shall have one vote in the Executive Council, to be exercised through its representative.

Executive Council meetings shall require a quorum of two-thirds of the members.

Decisions shall be adopted by majority vote of two-thirds of those present, except in such cases specifically requiring a unanimous vote as may be stipulated in the bylaws and shall be binding on each State or Contracting Party.

Article 13 – Personnel

The Organisation shall hire personnel that are nationals of the Contracting States, except in duly justified exceptional circumstances or situations.

The staff shall have its own labour regime to that end the respective bylaws shall be drawn up and approved, based on those of the United Nations.

Article 14 – Financial system

In accordance with Article 15 of the Convention on International Civil Aviation (Chicago, 1944), the Organisation should try to reach a financial balance.

Article 15 - Audits

The Organisation shall undergo such internal, external, and ICAO audits as the bylaws may stipulate.

Article 16 – Fiscal and customs exemptions

The Organisation, its assets, income, activities and any such contracts as it may sign shall be free from taxes, duties, charges and/or any other levy, as well as from any restriction or prohibition deriving from the import or export of what is needed for its operation, within the territory of each of the Contracting Parties.

Article 17 – Privileges and immunities

The Organisation and each of the internal bodies shall, in the territory of each of the Contracting States, enjoy the necessary legal capacity to exercise their responsibilities and such facilities, privileges and immunities necessary to achieve their objectives, which are compatible with their bylaws, international law and the legislation of each State involved.

Their representatives and officials shall also enjoy the necessary privileges and immunities to carry out with independence their responsibilities under this agreement.

All goods and salaries shall enjoy immunity against any legal proceeding, unless such is expressly waived. Even so, such waiver shall not be applied to any legal measure of execution.

Article 18 – Violations

The Organisation shall report to the competent national authorities any alleged violation of air navigation standards committed within the duties and responsibilities provided for in Article 4 and shall send the record accrediting the commission or omission that constitutes the transgression, for the adoption of any such measures as may be appropriate.

Article 19 – Dispute settlement

Any such difference or disagreement as may arise over the interpretation or application of this agreement shall be submitted to the Executive Council for resolution, whose final decision the States Parties agree to accept.

Article 20 – Duration

This agreement shall have an indefinite duration and shall cease to be effective should the Executive Council decide upon the dissolution of the Organisation.

Article 21 – Signing and ratification

This agreement is to be signed and ratified by each of the Contracting Parties and the respective instrument of ratification deposited with ICAO.

Before the date of its entry into effect, this agreement shall be open to the signing of any other interested State of the ICAO South American Region.

ICAO shall notify the Governments of the other signatory States to the Agreement about any other signature or deposit of an instrument of ratification of the Agreement.

Article 22 – Entry into effect

This Agreement shall enter into effect sixty days after the deposit of the instruments of ratification of at least ... (the final number shall depend upon the decision made by the Diplomatic Conference) Contracting States, to which end ICAO shall inform each of the respective Governments about that date.

In the case of any State depositing its instrument of ratification after the date of entry into effect of this Agreement, the Agreement shall become effective for that State sixty days after the date of deposit of its instrument of ratification.

Article 23 – Registration

This Agreement shall be registered with the International Civil Aviation Organization (ICAO) as stipulated in Article 83 of the Convention on International Civil Aviation (Chicago, 1944).

Article 24 – Adherence

Non signatory States to this Agreement may adhere to it, once it has entered into effect, by depositing an instrument of adherence with ICAO.

Before a State can adhere to the Agreement, unanimous approval must be obtained from all the

Contracting Parties and an agreement signed between that State and the Organization, in order to consider such technical, operational, financial and administrative issues as may permit its incorporation.

The adherence shall become effective within thirty days after the deposit of the respective instrument.

Article 25 – Amendments or modifications

Any one of the Contracting Parties may propose amendments or modifications to this Agreement, which shall be submitted to the Executive Council for consideration and approved unanimously by the Contracting Parties.

Article 26 – Denouncement

Contracting Parties may denounce this Agreement two years after it became effective for them, by accordingly notifying ICAO, which shall communicate that act to the other Contracting States.

The denouncement of the Agreement shall become effective one year after the date on which the last of the Contracting Parties received the respective notification.

Article 27 – Dissolution

The Organization may be dissolved by unanimous decision of the Executive Council and shall continue to exist until such a time as it is definitively liquidated. Arrangements shall be made for the distribution and transfer of goods among the Contracting Parties and for the continuous provision of the services for which the Organisation is responsible.

Article 28 – Temporary provision

During its initial stage, the Organisation shall operate on the basis of assistance provided by ICAO through a Technical Cooperation Project until such a time as its operation is consolidated.

ESTABLISHMENT OF A REGIONAL MULTI-NATIONAL ORGANIZATION (RMO) IN THE SAM REGION

1. Cost assessment

This document proposes a preliminary study of the options available to progressively achieve the objective of a seamless and cost effective air navigation system in the CAR/SAM region through the establishment of Regional Multinational Organization.

As a first step, it is proposed to analyse the establishment of a RMO to carry out the functions of digital communications in the SAM and/or the monitoring of RVSM implementation in the CAR/SAM

These two functions are currently carried out by the red digital (REDDIG) and the CAR/SAM monitoring Agency (CARSAMMA).

Three options are analysed under the project case: REDDIG only (SAM region), CARSAMMA only, and REDDIG and CARSAMMA combined. The analysis covers only the costs associated with each option for the period 2008-2018. A full cost recovery scheme is considered under each option. Based on data provided by the REDDIG Administration, a preliminary cost-benefit analysis has been carried out for the REDDIG.

Option 1: REDDIG only

The analysis of this options (Appendix 1 refers) covers the period 2008-2018 since the REDDIG would be completely reviewed after that. Equipment acquisition and installation costs (already incurred in 2003) have been excluded from the analysis. Only recurring costs are covered. These costs are assumed to remain constant over the analysis period.

Recurring (annual) costs:

Personnel:

one network administrator USD 163,200;

one bilingual secretary USD 26,000;

six (6) technicians for an annual amount of 200,000 US\$ (currently provided by Brazil);

one Network Specialist for an annual amount of 30,000US\$ (currently provided by Brazil).

Equipment (and software):

Operating cost: USD 26,000

Maintenance and inspection cost: USD 175,300

Communications cost (Space Satellite Segment): USD 240,000 for the period 2009-2013 and USD 350,000 beyond that period

Software upgrade in 2011: USD 150,000

Other recurring costs:

Training: USD 20,000

Telephone and internet: USD 24,000

Cost recovery:

Assuming a cost of capital equal to zero per cent (the funds are provided by States and not borrowed from Banks) and a margin of 5 per cent, the analysis shows that the average annual amount to be recovered from States (or air carriers) is about one million USD in constant terms. The yearly total amount in current terms is estimated on the basis of an inflation rate of about 3 per cent. The yearly amount to be paid by States (Appendix 2) have been calculated on the basis of their shares in the satellite bandwidth.

Benefits:

The benefits of the REDDIG consist in the cost savings resulting from its implementation. These cost savings are equal to the difference between the costs that would be incurred by States without the REDDIG and those incurred by them when it is implemented.

According to data provided by the REDDIG administration, without the REDDIG, the annual payments covering the lease of communication services would total an estimated amount of 1,170,000 USD. It should be noted that REDDIG represents an integral and dedicated solution for the States and, in order to have a service comparable to the REDDIG, an annual amount of 620,200 USD, considered within the REDDIG recurring cost, should be added to cover the administration and other support costs. Therefore, the total annual payment by States, in case there is no REDDIG, would be 1,790,200 USD.

On the other hand, the total annual payment for the REDDIG is estimated to about one million USD (in constant 2008 values), which implies an average net benefit of about 800,000 USD dollar each year. The table below provides the savings/losses for each State:

State	No REDDIG	REDDIG	Saving/loss from REDDIG
Argentina	165,816	171,052	-5,236
Bolivia	110,544	47,672	62,872
Brazil	353,127	158,493	194,634
Chile	82,908	37,550	45,358
Colombia	110,544	72,547	37,997
Ecuador	82,908	35,930	46,978
French Guyana	82,908	56,828	26,080
Guyana	82,908	14,992	67,916
Paraguay	55,272	32,921	22,351
Peru	193,452	143,661	49,791
Suriname	82,908	17,043	65,865
Trinidad and Tobago	110,544	22,800	87,744
Uruguay	82,908	58,238	24,670
Venezuela	193,452	123,906	69,546
Total	1,790,200	993,633	796,567

As can be observed on the table above, all States achieve cost savings by implementing the REDDIG, except for Argentina which incurs a minor extra-cost of about 5,000 USD..

Option 2: CARSAMMA only

The analysis of this option covers the period 2008-2018 (Appendix 1 refers). Network and Office equipment acquisition and installation costs have been included in the analysis along with the recurring costs, which are assumed to remain constant over the analysis period.

Equipment costs:

Network equipment: USD 900,000 in 2009

Office equipment: USD 238,889 in 2008, 2013 and 2018 (a life cycle of 5 years)

Recurring (annual) costs:*Personnel:*

one chief: USD 129,444;

one bilingual secretary: USD 60,556;

two (2) systems analysts: USD 178,889;

six (6) air traffic controllers: USD 466,667;

two (2) engineers/mathematicians: USD 210,000.

Other recurring costs:

Network operating cost: USD 45,000;

Training: USD 20,000;

Telephone and internet: USD 24,000;

Miscellaneous (including consultancies on evaluation and risks, air travel, etc.): USD 164,111.

Cost recovery:

Assuming a cost of capital equal to zero per cent (the funds are provided by States and not borrowed from Banks) and a margin of 5 per cent, the analysis shows that the average annual amount to be recovered from States (or air carriers) is about **USD 1.52 million in constant terms**. The yearly total amount in current terms is estimated on the basis of an inflation rate of about 3 per cent. The yearly amount to be paid by States (Appendix 3) have been calculated on the basis of their shares in the year 2007 aircraft departures. All CAR/SAM States (and territories) have been included.

Option 3: REDDIG and CARSAMMA

Under this option, the cost recovery for the REDDIG and CARSAMMA would be combined for SAM States only. Since the CARSAMMA cost recovery should cover the Caribbean and Central America region, in addition to the South American region, only a 51% share of the total costs was assigned to the latter, which corresponds to its share in aircraft departures in 2007.

Assuming a cost of capital equal to zero per cent (the funds are provided by States and not borrowed from Banks) and a margin of 5 per cent, the analysis shows that the average annual amount to be recovered from States (or air carriers) is about USD 1.78 million in constant terms. The yearly total amount in current terms is estimated on the basis of an inflation rate of about 3 per cent. (Appendix 4).

Future Work

This analysis is preliminary. All input and assumptions need to be reviewed and validated. For future analyses, it is critical to have a clear definition of the functions to be carried out by potential RMOs in the future.

2. Explanation of the Spreadsheet:

The spreadsheet 'Costs', contains the analysis of costs. A description of the various cells and rows follows:

- **Cell C2:** contains the inflation rate. This rate will be applied to the annual amount to be recovered. This rate can be changed.
- **Cell C3:** contains the profit margin. Normally, this margin should be zero, if the revenues are equal to the costs. But sometimes, a small amount can added to the costs to be recovered in order to account for some non-identified costs. This margin also can be changed.
- **Cell C4:** represents the cost of capital which corresponds to the Bank's interest rate. Since the amounts to be paid will come from Government sources and no loan will be involved, this rate is now zero, but can be changed. If it is changed the annual amounts to be recovered will also change.
- **Cell C5:** represents the recovery period in years. Since this period extends from 2008 to 2018, the number of years is 11.

The table contains the following data:

- **Column A:** contains the component: REDDIG and CARSAMMA
 - **Column B:** contains the cost type: Equipment, Personnel, Other recurring costs
 - **Column C:** contains the cost item
 - **Column D:** contains the number of personnel
 - **Column E:** contains the present values (2008) of the stream of costs over the period 2008-2018. Since the cost of capital is equal to zero, the present value of each stream of costs is equal to the sum of the annual costs. If the cost of capital is different from zero (positive), the present value will be smaller than the sum of the annual costs because of discounting.
-
- **Row 32:** contains the sub-total for the REDDIG costs
 - **Row 58:** contains the sub-total for the CARSAMMA costs
 - **Row 61:** contains the total cost for the REDDIG and CARSAMMA (total of Row 32 and Row 58).
 - **Row 63:** contains the amount of the annual payment for the cost recovery of the REDDIG only, in constant terms (excluding the effect of inflation). This amount is calculated on the basis of an annual annuity of a loan. The amount of the loan is the total cost (cell E32) augmented by the profit margin (ie. multiplied by $1+C3$), the interest rate of the loan is the cost of capital (cell C4) and the period of the loan is the recovery period (cell C5).
 - **Row 65:** contains the amount of the annual payment for the cost recovery of the REDDIG only, in current terms. This amount is obtained by multiplying the amount in constant terms (Row 63) by $(1+\text{inflation rate provided in cell C2})$.
 - **Row 67:** contains the amount of the annual payment for the cost recovery of the CARSAMMA only, in constant terms (excluding the effect of inflation). This amount is calculated on the basis of an annual annuity of a loan. The amount of the loan is the total cost (E58) augmented by the profit margin (ie. multiplied by $1+C3$), the interest rate of the loan is the cost of capital (cell C4) and the period of the loan is the recovery period (cell C5).

- **Row 69:** contains the amount of the annual payment for the cost recovery of the CARSAMMA only, in current terms. This amount is obtained by multiplying the amount in constant terms (Row 67) by (1+ inflation rate provided in cell C2).
- **Row 72:** contains the amount of the annual payment for the cost recovery of both the REDDIG and CARSAMMA, in constant terms (excluding the effect of inflation). This amount is the sum of rows 63 and 67.
- **Row 74:** contains the amount of the annual payment for the cost recovery of both the REDDIG and CARSAMMA, in current terms. This amount is obtained by multiplying the amount in constant terms (Row 72) by (1+ inflation rate provided in cell C2).

REDDIG cost recovery spreadsheet:

This spreadsheet contains the schedule for cost recovery of the REDDIG. Only SAM States are included. Note that Brazil is cited three times. The amount changes from year to year due to inflation. Columns C, E, G, I, K, M, O, Q, S, U, W contain the shares of SAM States in the total annual payment.

CARSAMMA cost recovery spreadsheet:

This spreadsheet contains the schedule for cost recovery of the CARSAMMA. All CAR/SAM States are included. The share of each State is equal to its share in the number of aircraft departures (scheduled flights) in 2007. Row 56 contains the amount to be paid by SAM States and Row 58 contains the amount to be paid by States in the Caribbean and South America.

REDDIG and CARSAMMA(SAM) cost recovery spreadsheet:

This spreadsheet contains the schedule for cost recovery of both the REDDIG and CARSAMMA for the SAM States.

APPENDIX/APÉNDICE 1

Inflation rate 3%
Margin 5%
Cost of Capital 0%
Recovery period (Years) 11

Component	Cost type	Cost	Number	NPV	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REDDIG															
	Equipment														
	Acquisition			0											
	Installation			0											
	Operating			286000	26000	26000	26000	26000	26000	26000	26000	26000	26000	26000	26000
	Maintenance and Ins			1928300	175300	175300	175300	175300	175300	175300	175300	175300	175300	175300	175300
	Software update							150000							
	Communications			2950000		240000	240000	240000	240000	240000	350000	350000	350000	350000	350000
	Personnel														
	Network adm	1	1795200	163200	163200	163200	163200	163200	163200	163200	163200	163200	163200	163200	163200
	Secretary	1	286000	26000	26000	26000	26000	26000	26000	26000	26000	26000	26000	26000	26000
	Support tech	6	2200000	200000	200000	200000	200000	200000	200000	200000	200000	200000	200000	200000	200000
	Network spec	1	330000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000	30000
	Other recurring costs														
	Training			220000	20000	20000	20000	20000	20000	20000	20000	20000	20000	20000	20000
	Telephone and inter			264000	24000	24000	24000	24000	24000	24000	24000	24000	24000	24000	24000
	Sub-total			10409500	664500	904500	904500	1054500	904500	904500	1014500	1014500	1014500	1014500	1014500
					2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
CARSAMMA															
	Equipment														
	Office Equipment			716667	238889					238889					238889
	New Network					900000									
	Personnel														
	Chief	1	1423889	129444	129444	129444	129444	129444	129444	129444	129444	129444	129444	129444	129444
	System Analy	2	1967778	178889	178889	178889	178889	178889	178889	178889	178889	178889	178889	178889	178889
	AT Controller	6	5133333	466667	466667	466667	466667	466667	466667	466667	466667	466667	466667	466667	466667
	Engineer/ma	2	2310000	210000	210000	210000	210000	210000	210000	210000	210000	210000	210000	210000	210000
	Bilingual Sec	1	666111	60556	60556	60556	60556	60556	60556	60556	60556	60556	60556	60556	60556
	Other recurring costs														
	Training			220000	20000	20000	20000	20000	20000	20000	20000	20000	20000	20000	20000
	Network operating c			495000	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000	45000
	Telephone and inter			264000	24000	24000	24000	24000	24000	24000	24000	24000	24000	24000	24000
	Miscellaneous			1805222	164111	164111	164111	164111	164111	164111	164111	164111	164111	164111	164111
	Sub-total			15902000	1537556	2198667	1298667	1298667	1298667	1537556	1298667	1298667	1298667	1298667	1537556
Total				26311500	2202056	3103167	2203167	2353167	2203167	2442056	2313167	2313167	2313167	2313167	2552056
Cost recovery	Annual user charges (constant terms)				993634	993634	993634	993634	993634	993634	993634	993634	993634	993634	993634
	Annual user charges (current terms)				993634	1023443	1054146	1085771	1118344	1151894	1186451	1222045	1258706	1296467	1335361
Cost recovery	Annual user charges (constant terms)				1517918	1517918	1517918	1517918	1517918	1517918	1517918	1517918	1517918	1517918	1517918
	Annual user charges (current terms)				1517918	1563456	1610359	1658670	1708430	1759683	1812474	1866848	1922853	1980539	2039955
Cost recovery	REDDIG and CARSAMMA														
	Annual user charges (constant terms)				2511552	2511552	2511552	2511552	2511552	2511552	2511552	2511552	2511552	2511552	2511552
	Annual user charges (current terms)				2511552	2586899	2664506	2744441	2826774	2911577	2998925	3088893	3181559	3277006	3375316

APPENDIX/APÉNDICE 2

REDDIG annual cost recovery by State/Territory
2008-2018

State	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018											
Argentina	171052	17.2%	176183	17.2%	181469	17.2%	186913	17.2%	192520	17.2%	198296	17.2%	204244	17.2%	210372	17.2%	216683	17.2%	223183	17.2%	229879	17.2%
Bolivia	47672	4.8%	49102	4.8%	50576	4.8%	52093	4.8%	53656	4.8%	55265	4.8%	56923	4.8%	58631	4.8%	60390	4.8%	62202	4.8%	64068	4.8%
Brazil	87468	8.8%	90092	8.8%	92795	8.8%	95579	8.8%	98446	8.8%	101399	8.8%	104441	8.8%	107575	8.8%	110802	8.8%	114126	8.8%	117550	8.8%
Brazil	47388	4.8%	48809	4.8%	50273	4.8%	51782	4.8%	53335	4.8%	54935	4.8%	56583	4.8%	58281	4.8%	60029	4.8%	61830	4.8%	63685	4.8%
Brazil	23638	2.4%	24347	2.4%	25077	2.4%	25829	2.4%	26604	2.4%	27402	2.4%	28224	2.4%	29071	2.4%	29943	2.4%	30842	2.4%	31767	2.4%
Chile	37550	3.8%	38677	3.8%	39837	3.8%	41032	3.8%	42263	3.8%	43531	3.8%	44837	3.8%	46182	3.8%	47568	3.8%	48995	3.8%	50464	3.8%
Colombia	72547	7.3%	74723	7.3%	76965	7.3%	79274	7.3%	81652	7.3%	84102	7.3%	86625	7.3%	89224	7.3%	91900	7.3%	94657	7.3%	97497	7.3%
Ecuador	35930	3.6%	37008	3.6%	38118	3.6%	39262	3.6%	40440	3.6%	41653	3.6%	42902	3.6%	44189	3.6%	45515	3.6%	46881	3.6%	48287	3.6%
France	56828	5.7%	58533	5.7%	60289	5.7%	62098	5.7%	63961	5.7%	65880	5.7%	67856	5.7%	69892	5.7%	71988	5.7%	74148	5.7%	76372	5.7%
Guyana	14992	1.5%	15442	1.5%	15905	1.5%	16382	1.5%	16874	1.5%	17380	1.5%	17901	1.5%	18439	1.5%	18992	1.5%	19561	1.5%	20148	1.5%
Paraguay	32921	3.3%	33909	3.3%	34926	3.3%	35974	3.3%	37053	3.3%	38165	3.3%	39310	3.3%	40489	3.3%	41703	3.3%	42955	3.3%	44243	3.3%
Peru	143661	14.5%	147971	14.5%	152410	14.5%	156983	14.5%	161692	14.5%	166543	14.5%	171539	14.5%	176685	14.5%	181986	14.5%	187445	14.5%	193069	14.5%
Surinam	17043	1.7%	17554	1.7%	18081	1.7%	18624	1.7%	19182	1.7%	19758	1.7%	20350	1.7%	20961	1.7%	21590	1.7%	22238	1.7%	22905	1.7%
Trinidad & Tobago	22800	2.3%	23484	2.3%	24188	2.3%	24914	2.3%	25662	2.3%	26431	2.3%	27224	2.3%	28041	2.3%	28882	2.3%	29749	2.3%	30641	2.3%
Uruguay	58238	5.9%	59985	5.9%	61784	5.9%	63638	5.9%	65547	5.9%	67513	5.9%	69539	5.9%	71625	5.9%	73774	5.9%	75987	5.9%	78267	5.9%
Venezuela	123906	12.5%	127623	12.5%	131452	12.5%	135396	12.5%	139458	12.5%	143641	12.5%	147951	12.5%	152389	12.5%	156961	12.5%	161670	12.5%	166520	12.5%
Total	993634	100.0%	1023443	100.0%	1054146	100.0%	1085771	100.0%	1118344	100.0%	1151894	100.0%	1186451	100.0%	1222045	100.0%	1258706	100.0%	1296467	100.0%	1335361	100.0%

APPENDIX/APÉNDICE 3

**CARSAMMA annual cost recovery by State/Territory
2008-2027**

Country/Territory	Region	Aircraft departures 2007	Share in 2007 departures	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Belize	Central America	94081	3.8%	57571	59298	61077	62909	64797	66741	68743	70805	72929	75117	77371
Costa Rica	Central America	62472	2.5%	38229	39375	40557	41773	43027	44317	45647	47016	48427	49880	51376
El Salvador	Central America	13057	0.5%	7990	8230	8477	8731	8993	9263	9540	9827	10121	10425	10738
Guatemala	Central America	16758	0.7%	10255	10562	10879	11206	11542	11888	12245	12612	12990	13380	13782
Honduras	Central America	41357	1.7%	25308	26067	26849	27654	28484	29338	30219	31125	32059	33021	34011
Mexico	Central America	570904	23.0%	349354	359834	370629	381748	393201	404997	417147	429661	442551	455827	469502
Nicaragua	Central America	6664	0.3%	4078	4200	4326	4456	4590	4727	4869	5015	5166	5321	5480
Panama	Central America	30137	1.2%	18442	18995	19565	20152	20756	21379	22020	22681	23361	24062	24784
Anguilla West Indies	Caribbean	3898	0.2%	2385	2457	2531	2606	2685	2765	2848	2934	3022	3112	3206
Antigua/Barbuda West Indies	Caribbean	14303	0.6%	8752	9015	9285	9564	9851	10146	10451	10764	11087	11420	11763
Aruba	Caribbean	11787	0.5%	7213	7429	7652	7882	8118	8362	8612	8871	9137	9411	9693
Bahamas	Caribbean	71372	2.9%	43675	44985	46335	47725	49156	50631	52150	53714	55326	56986	58695
Barbados	Caribbean	13449	0.5%	8230	8477	8731	8993	9263	9541	9827	10122	10425	10738	11060
Bermuda	Caribbean	5098	0.2%	3120	3213	3310	3409	3511	3616	3725	3837	3952	4070	4193
British Virgin Islands	Caribbean	14084	0.6%	8618	8877	9143	9418	9700	9991	10291	10600	10918	11245	11582
Cayman Islands West Indies	Caribbean	12618	0.5%	7721	7953	8192	8437	8690	8951	9220	9496	9781	10075	10377
Cuba	Caribbean	18901	0.8%	11566	11913	12270	12639	13018	13408	13811	14225	14652	15091	15544
Dominica West Indies	Caribbean	3833	0.2%	2346	2416	2488	2563	2640	2719	2801	2885	2971	3060	3152
Dominican Republic	Caribbean	27545	1.1%	16856	17361	17882	18419	18971	19540	20127	20730	21352	21993	22653
Grenada/Carriacou Windward Is	Caribbean	4563	0.2%	2792	2876	2962	3051	3143	3237	3334	3434	3537	3643	3753
Guadeloupe	Caribbean	29623	1.2%	18127	18671	19231	19808	20402	21014	21645	22294	22963	23652	24361
Haiti	Caribbean	5407	0.2%	3309	3408	3510	3616	3724	3836	3951	4069	4191	4317	4447
Jamaica	Caribbean	22219	0.9%	13596	14004	14425	14857	15303	15762	16235	16722	17224	17740	18273
Martinique	Caribbean	9150	0.4%	5599	5767	5940	6118	6302	6491	6686	6886	7093	7306	7525
Montserrat	Caribbean	1585	0.1%	970	999	1029	1060	1092	1124	1158	1193	1229	1266	1303
Netherland Antilles	Caribbean	47590	1.9%	29122	29995	30895	31822	32777	33760	34773	35816	36891	37997	39137
St. Kitts/Nevis Leeward Islands	Caribbean	8786	0.4%	5376	5538	5704	5875	6051	6233	6420	6612	6811	7015	7225
St. Lucia West Indies	Caribbean	8263	0.3%	5056	5208	5364	5525	5691	5862	6038	6219	6405	6597	6795
St. Vincent/Grenadines Windwa	Caribbean	4748	0.2%	2905	2993	3082	3175	3270	3368	3469	3573	3681	3791	3905
Trinidad & Tobago	Caribbean	15485	0.6%	9476	9760	10053	10354	10665	10985	11315	11654	12004	12364	12735
Turks & Caicos Islands	Caribbean	24193	1.0%	14804	15249	15706	16177	16663	17162	17677	18208	18754	19316	19896
Argentina	South America	102176	4.1%	62525	64400	66332	68322	70372	72483	74658	76897	79204	81580	84028
Bolivia	South America	33762	1.4%	20660	21280	21918	22576	23253	23951	24669	25409	26171	26957	27765
Brazil	South America	594901	24.0%	364038	374959	386208	397794	409728	422020	434681	447721	461153	474987	489237
Chile	South America	74099	3.0%	45343	46704	48105	49548	51034	52565	54142	55767	57440	59163	60938
Colombia	South America	197236	8.0%	120695	124316	128045	131886	135843	139918	144116	148439	152893	157479	162204
Ecuador	South America	66149	2.7%	40479	41693	42944	44232	45559	46926	48334	49784	51277	52815	54400
Falkland Islands	South America	156	0.0%	95	98	101	104	107	111	114	117	121	125	128
French Guiana	South America	1469	0.1%	899	926	954	982	1012	1042	1073	1106	1139	1173	1208
Guyana	South America	3052	0.1%	1868	1924	1981	2041	2102	2165	2230	2297	2366	2437	2510
Paraguay	South America	5772	0.2%	3532	3638	3747	3860	3975	4095	4217	4344	4474	4609	4747
Peru	South America	59011	2.4%	36111	37194	38310	39459	40643	41862	43118	44412	45744	47116	48530
Surinam	South America	1087	0.0%	665	685	706	727	749	771	794	818	843	868	894
Uruguay	South America	8384	0.3%	5130	5284	5443	5606	5774	5948	6126	6310	6499	6694	6895
Venezuela	South America	119355	4.8%	73037	75228	77485	79810	82204	84670	87210	89826	92521	95297	98156
Total		2480539	100.00%	1517918	1563456	1610359	1658670	1708430	1759683	1812474	1866848	1922853	1980539	2039955
SAM States			51.7%	784553	808089	832332	857302	883021	909512	936797	964901	993848	1023663	1054373
Caribbean and South America			48.3%	733365	755366	778027	801368	825409	850172	875677	901947	929005	956876	985582
Total			100.0%	1517918	1563456	1610359	1658670	1708430	1759683	1812474	1866848	1922853	1980539	2039955

APPENDIX/APÉNDICE 4**REDDIG & CARSAMMA annual cost recovery by State/Territory (SAM States Only)
2008-2027**

State	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Argentina	233576	240583	247801	255235	262892	270779	278902	287269	295887	304764	313907
Bolivia	68332	70382	72494	74669	76909	79216	81592	84040	86561	89158	91833
Brazil	522531	538207	554354	570984	588114	605757	623930	642648	661927	681785	702238
Chile	82894	85381	87942	90580	93298	96097	98979	101949	105007	108158	111402
Colombia	193242	199039	205010	211160	217495	224020	230741	237663	244793	252137	259701
Ecuador	76409	78701	81062	83494	85999	88579	91236	93973	96792	99696	102687
France	57727	59459	61243	63080	64972	66922	68929	70997	73127	75321	77581
Guyana	16860	17366	17887	18423	18976	19545	20132	20735	21358	21998	22658
Paraguay	36453	37547	38673	39833	41028	42259	43527	44833	46178	47563	48990
Peru	179772	185165	190720	196442	202335	208405	214657	221097	227730	234562	241598
Surinam	17708	18240	18787	19350	19931	20529	21145	21779	22432	23105	23799
Trinidad & Tobago	32276	33244	34241	35269	36327	37416	38539	39695	40886	42112	43376
Uruguay	63368	65269	67227	69244	71321	73461	75665	77935	80273	82681	85161
Venezuela	196943	202852	208937	215205	221661	228311	235161	242215	249482	256966	264675
Total	1778091	1831434	1886377	1942969	2001258	2061295	2123134	2186828	2252433	2320006	2389606

Agenda Item 3: Assessment of the draft document of the Technical Cooperation Project for the implementation of an RMO

3.1 The meeting, in addressing this Agenda item, examined GREPECAS Conclusion 14/6 and the provision of Article 28 of the draft Agreement (Appendix A to the Report on Agenda Item 2) regarding the assistance ICAO could provide through the technical cooperation mechanism for the implementation of the Regional Multinational Organisation until it becomes consolidated and is able to operate without any assistance.

3.2 In this connection, it was recognised that the important point was to design a regional technical cooperation project document that would provide for key objectives for the fulfilment of the necessary activities to progressively carry out the relevant planning up until the RMO is consolidated. It was reported, in this regard, that Regional Technical Cooperation Project RLA/06/901 had envisaged among its activities the drafting of a project document to provide assistance, with a view towards the establishment of the RMO, and that this activity could include conducting the relevant studies to help with the establishment of this international Organisation.

3.3 With regard to the development of the aforementioned project document, the meeting felt that a draft of this document should be prepared for review during the EANA/2 meeting (see the Report on Agenda Item 5).

3.4 In keeping with the aforementioned, the meeting formulated the following conclusion:

CONCLUSION EANA/1/3- REGIONAL TECHNICAL COOPERATION PROJECT DOCUMENT

That ICAO, considering the activity contemplated in project RLA/06/901 with regard to providing assistance for the establishment and start-up of a Regional Multinational Organisation (RMO):

- a) draft the Regional Technical Cooperation Project Document to provide the necessary assistance for implementing the temporary measure considered in Article 28 of the draft Agreement for the RMO;
- b) carry out any other studies needed to put the RMO into operation; and
- c) present the project document mentioned in a) above to the second meeting of the Institutional Aspects High-Level Panel for consideration.

Agenda Item 4: Future activities for the implementation of an RMO

4.1 The meeting considered two matters under this agenda item:

- a) Headquarters of the Regional Multinational Organisation (RMO)
- b) Diplomatic Conference

Headquarters of the Regional Multinational Organisation

4.2 The meeting took note that Article 6 – Headquarters, of the draft Agreement for the establishment of a Regional Multinational Organisation (RMO), states that the Organisation will operate in the city of a State Party to be determined according to the advantages it offers for the establishment of its Headquarters, to which end a Headquarters Agreement will be signed with that State.

4.2.1 The meeting agreed that these advantages should be established on the basis of clearly determined minimum conditions and that interested States should submit their proposals thereon. It also agreed that, the future RMO being an international organisation, these minimum conditions should be in keeping with the common practice for establishing the headquarters of international intergovernmental organisations, such as, for example, the United Nations.

4.2.2 The meeting further agreed that it would be advisable for ICAO to draft these minimum conditions and then bring them to the attention of the States. In this respect, the meeting formulated the following conclusion:

CONCLUSION**EANAI 1/4-****MINIMUM CONDITIONS REQUIRED FOR THE
ESTABLISHMENT OF THE RMO
HEADQUARTERS**

That:

- a) States interested in hosting the future RMO should submit proposals to ICAO, based on the minimum conditions required for their establishment, which shall be drawn up considering the Headquarters Agreements of the United Nations;
- b) those minimum conditions be defined by ICAO; and
- c) once the cited minimum conditions are available, ICAO should present them to the States for consideration.

4.2.2.1 The minimum conditions indicated in Conclusion EANAI 1/4 should be examined at the EANAI/2 meeting (see Report on Agenda Item 5).

4.2.3 The meeting studied a proposal of those minimum conditions and agreed that they be used for reference purposes and be made a part of the report. This information is set out in **Appendix A** to this part of the report.

4.3 The meeting, in considering the matter of a possible Diplomatic Conference, took note that this was a decision to be made by the RAAC/11 meeting, which should recommend its convening for the signature of the Agreement for the establishment of the RMO. The meeting took note of the information provided about the steps to be taken to convene this Conference. This information is contained in **Appendix B** to this part of the report.

REFERENCE MATERIAL ON MINIMUM CONDITIONS FOR DETERMINING THE ESTABLISHMENT OF THE HEADQUARTERS OF THE FUTURE MRO

This reference material presents the minimum conditions to be offered or granted by a State interested in serving as Headquarters for the MRO, in keeping with Article 15 of the draft Establishing Agreement. The Articles of the Establishing Agreement (Art. XX) are cited where appropriate.

1. Building

1.1 The area of the building (minimum covered area) having been determined and accredited through the drawings for the offices, units, and free spaces (parking area, for example, etc.), with the necessary furnishings and equipment for its required operation, and its place or location (e.g. airport zone, central location, etc.) having been determined to be accessible by public transport, the following must be provided for:

- a) The permanent and cost-free nature of the transfer (of ownership or of the right of use only) of the building; or at least its rental for a nominal fee, in the case of the right of use.
- b) The need to make any permanent or temporary change in the location or size of the building for the performance of the Organization's activities.

2. Services

2.1 The building must have access to and guaranteed public utilities, such as electricity, gas, drinking and/or ordinary water, sewerage system, drainage system, mail, telegraphy, fixed and mobile telephone service, telex, telefax, computer networks and other communications services, garbage collection, and fire alarm and protection. It must be equipped with heating and cooling and elevators (if necessary) and have maintenance services (building and pertinent services) and cleaning service. (Determine which one will be in charge of paying for each of them, the State or the Organization.)

3. MRO Legal, financial and personnel aspects

3.1 Recognition of the necessary legal capacity to perform the functions of the Organization (Art. 2).

3.2 Financial, tax, tariff, fiscal, customs and consular exemptions of all kinds for the Organization, its assets, goods, income, communications, acts and any contracts it may enter into, including the building or buildings belonging to the Organization or those provided to it by the headquarters State (Art. 17). In this connection, all priorities, liens, taxes, quotas, tariffs or customs duties in effect in the State at the time the agreement is signed (i.e. income tax, capital gains tax, correspondence, etc.) must be taken into account or studied specifically and, if applicable, equal treatment must be demanded to that given to diplomatic missions or other equivalent intergovernmental or international organizations.

3.3 Right to import or export or possibility of importing and exporting the equipment, supplies and publications the Organization may need to provide its services, without any limitation or

restriction whatsoever (Art. 17).

3.4 Non subjectation to monetary or exchange restrictions.

3.5 Facilities, privileges and immunities to fulfil the purpose of the Organization, its goods, representatives, officials and salaries (Art. 18). It would be advisable for their listing to be non-restrictive.

3.6 Administrative, judicial, executive or legislative immunity from attachment (with or without removal of property), inspection, requisition, seizure or goods or property, confiscation, expropriation and any other form of intervention of the Organization's real estate and goods.

3.7 Inviolability of the Organization's Headquarters, offices, units, goods, documents and files.

3.8 Immunity of jurisdiction or against judicial and administrative procedures with regard to the Organization, its real estate, goods, documents and assets, in all types of proceedings instituted by reason of acts stemming from the exercise and fulfilment of its functions and objectives, unless an express waiver of that immunity exists (Art. 18).

The Headquarters State may, nonetheless, establish exceptions. By way of example, we can site those relating to:

- a) Civil actions brought by third parties for death, damages or personal injury resulting from an accident caused by an automobile belonging to the Organization.
- b) Traffic violations in which an automobile belonging to the Organization is involved.

3.9 Permit and respect the regulations for the staff, which shall have their own labour system based on that of the United Nations Organization (Art. 12).

3.10 Police or security measures to protect the Organization's real estate and goods and the surrounding area against trespassing and damage.

4. **Period of Effectiveness of the Agreement**

4.1 It may run as of the signing of the Agreement by the Parties, or, rather, as of its ratification, if such is required by the State's constitutional regulations. Specify whether it will be indefinite or for a given period of time which can be automatically renewed.

4.2 Foresee cases of the deposit, modification or amendment and notice of termination of the agreement; and of consultations and dispute settlements among the Parties.

DIPLOMATIC CONFERENCE

1. Preparatory Issues

1.1 In correspondence to Conclusion 10/8 of RAAC/10 Meeting, the States, in coordination with ICAO, should consider holding a Diplomatic Conference or other appropriate event to formalize pertinent documents for the implementation of a regional mechanism once the following steps are complied:

- a) To adopt the GREPECAS Constituent Agreement as the base for the creation of the referred regional mechanism as a Regional Multinational Organization (RMO);
- b) Circulation of the RMO Constituent Agreement by ICAO among the interested States, in order to attain harmonization of the different criteria as well as a high level of uniformity regarding the proposed text, so as to obtain a project of an international instrument to be presented for the consideration of the States in the Diplomatic Conference, for adoption by most of them, as earliest as possible, preferably before finalizing year 2008;

Note: As result of the EANA/1 meeting, States will be requested a final comment on the text of the agreements reached in the meeting, and States that have not participated will be invited to consider being part of these agreements.

- c) To establish agreements to develop the necessary studies for the RMO establishment;
- d) To establish preliminary agreements related to the RMO headquarters; and
- e) The holding of a future Meeting of Civil Aviation Authorities (RAAC) that recommends, based in the above and as a priority matter, to convene a Diplomatic Conference or intergovernmental regional, having as principal objective and unique issue, to carry out a detailed analysis of the multilateral agreement project, with normative content, and the elaboration and approval of its final text to establish a Regional Multinational Organization (RMO).

2. Convening and Holding of a Diplomatic Conference

2.1 Convening the specific Diplomatic Conference from the part of one or more interested States, in coordination with ICAO, in order to hold in a city within the territory of one of these States, as soon as possible, at the end of year 2008 or beginning of year 2009.

Note: Likewise, the convening could be done directly by ICAO or under its sponsorship. (Example: International Conferences on Air Law, held in Montreal, in February 1988; and Aeronautical Law, held in Montreal, in May 1999. In both conferences, international texts were approved). This would have to be evaluated. In this stage, it should be taken into account and made it known to the States, that the agreement project text would be sufficiently studied as to be considered within a Diplomatic Conference (complementing the above paragraph).

2.2 Holding of the Diplomatic Conference with the assistance of plenipotentiary representatives from interested States, which would include faculties for the signature of the text (though this will depend on each participant States' decision) and of Observers (in general, these are international or regional organisms), in order to examine the texts of the instrument project referred, and based in the following aspects:

- a) Inauguration of the Conference
- b) Election of authorities (President and Vice-president), that would count with the support or collaboration of one or more secretary general or executive secretary
- c) Approval of the internal rules and agenda
- d) Creation of a Plenary Commission, whose president would be the Conference president, and of the necessary committees
- e) Constitution of the pertinent committees, that could be:
 1. Credentials Committee (necessary)
 2. Legal Committee (in particular, examines project of articles that present differences among the States)
 3. Technical Committee, and
 4. Drafting Committee (necessary)
- f) Deliberations through plenary sessions (debate on the agreement project text)

- g) Writing or elaboration of the final text of the agreement
- h) Adoption or approval of the final text. (Likewise, resolutions tending to the ratification and deposit of the respective instrument as soon as possible by the States).
- i) Opening of the signature of the agreement in the place where the Conference is held (Only for representatives that count with this faculty, which will be evaluated by the Credentials Committee).

3. Action subsequent to the Diplomatic Conference

3.1 Final consent of the sovereign States to be obliged by the approved agreement, through the ratification by the Legislative Organisms of each State, whose representatives would have subscribe the agreement.

Agenda Item 5: Other matters

5.1 The Panel examined its Terms of Reference and Work Programme, which are contained in **Appendix A** to this part of the report. The Group noted that reasonable advances had been made on tasks 3 and 4 and discussed what remained to be done with regard to tasks 1 and 2. In this connection, it considered that a new Panel meeting was needed to continue moving ahead with the work programme and reviewing the Project Document that ICAO would draw up as discussed under Agenda Item 3.

5.2 Insofar as the second meeting of the Panel (EANAI/2) was concerned, the meeting considered that it should be held between November and December 2008 and could address the following matters:

- 1) Review of the draft Regional Technical Cooperation Project Document to support the implementation of the Regional Multinational Organisation (RMO).
- 2) Matters regarding the RMO Headquarters (Article 6 of the draft Agreement).
- 3) Answers from the States to the consultation about the draft Agreement, as a result of the EANAI/1 meeting.

HIGH LEVEL EXPERTS GROUP ON INSTITUTIONAL ASPECTS

Terms of reference

Based on the results obtained by GREPECAS in its studies on multinational facilities, consider the feasibility of implementing CNS/ATM systems in the SAM Region, taking into account institutional, legal, and economic aspects.

Work programme

- 1) Review the various multinational facilities identified and studied by GREPECAS and the corresponding plans that have been prepared.
- 2) Based on the multinational facilities identified by GREPECAS, and in line with the interests of the States, analyse the financial issues related to their implementation.
- 3) Review the legal matters related to the institutional aspects for each multinational facility.
- 4) Taking into account the guidance material prepared by GREPECAS for the establishment of a Multinational Regional Organisation as the most effective way to consolidate/implement/manage multinational facilities, consider the most appropriate mechanism for its implementation.
