



WORKING PAPER

ASSEMBLY — 41ST SESSION

ECONOMIC COMMISSION

Agenda Item 36: Economics of Airports and Air Navigation Services — Policy

**REVIEW ON THE AIRPORT AND
AIR NAVIGATION SERVICE CHARGE POLICIES OF ICAO**

(Presented by the Republic of Korea)

EXECUTIVE SUMMARY

According to research on airport & air navigation service charges of the Member States, it was found that the States apply different charging criteria even for the same aircraft and travel distance. Some States even charge fees based on separate charging criteria that are not included in the Council recommendations. This paper proposes regularly updating the data on each State's charging policies and considering establishing additional policies to encourage the Contracting States to impose charges based on fair and transparent criteria in the long term.

Action: The Assembly is invited to:

- a) review the recommendations on charging policies so that airport & air navigation service charges can be imposed in a transparent and fair way;
- b) agree that ICAO establish a regular reporting procedure for the States to report their charging criteria to ICAO; and
- c) establish a digitalized reporting system for airport and air navigation service charges within ICAO that the States can regularly update the criteria.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objective: <i>Economic Development of Air Transport.</i>
<i>Financial implications:</i>	Not determined
<i>References:</i>	Doc 9082 - <i>ICAO's Policies on Charges for Airports and Air Navigation Services</i>

1. INTRODUCTION

1.1 According to the recommendations in Doc 9082 - *ICAO's Policies on Charges for Airports and Air Navigation Services*, the Republic of Korea is planning to revamp its charging criteria for air navigation service charges. After consultation with airlines regarding the charges, it was confirmed that there are cases where airport fees and air navigation system service fees are double-charged.

1.2 Hence, Korea recently conducted research on the charging policies of the Contracting States and it was found that some States impose charges based on separate criteria that are not included in the Council recommendations and that charging policies differ depending on the States, which made it impossible to even formulate a standard for comparison.

1.3 Therefore, it will be necessary to establish guidelines to ensure that the Member States can impose charges in a transparent and fair manner.

2. DISCUSSION

2.1 Doc 9082 Section II provides basic principles on airport charges, including landing, parking & hangar, passenger service, security, noise-related charges, emissions-related aircraft charges to address local air quality (LAQ) problems at or around airports, development of revenues from concessions, rental of premises and "free zones", and fuel concession fees. In addition, Section III states basic principles on air navigation services charges, including approach and aerodrome control charges and route air navigation services charges.

2.2 However, the research on charging principles of the States, including Korea, found that basic rates differ largely depending on countries. Charging criteria that are not covered by the Council recommendations are one of the problems that undermine cooperation with airlines in reshaping charging systems as well.

2.3 Korea is endeavouring to create a charging system that is fair and in line with ICAO's policies. The paper proposes that ICAO develop a comprehensive charging system and review the current recommendations to ensure fairness and appropriateness of the charging policy of each State in the mid-long term.

2.4 A comprehensive charging system that promotes fair and just charging criteria in all Member States will contribute to the development of the air navigation system, boost air traffic, and improve safety.

3. CONCLUSION

3.1 ICAO has been working to establish charging policies that are non-discriminatory, fair, and transparent based on previous reports. However, ICAO is also aware of the fact that the charging policies of each State are different even for similar services. Against this backdrop, the paper proposes that ICAO analyse and review each State's charges on airports and air navigation services to minimize discriminatory charges and promote fairness in charging policies in the long term.