



ICAO

SADC SVB/17 Meeting
Agenda Item 7(g)

INTERNATIONAL CIVIL AVIATION ORGANIZATION
EASTERN AND SOUTHERN AFRICAN (ESAF) OFFICE

SEVENTEENTH MEETING OF THE SADC VSAT SUPERVISORY BOARD
(SADC-SVB/17)

Agenda Item 7(g): Collection of Charges and Cost Recovery

(Presented by ATNS)

SUMMARY
This paper aims to demonstrate the challenges faced by the Network Service Provider in the collection of charges and cost recovery, and further suggests the mitigation to address these challenges.
REFERENCES
Bilateral Agreements between ATNS and SADC VSAT II Member States SADC VSAT II Annual Financial Reports Convention on International Civil Aviation (Article 28) APIRG/18 APIRG/19

1. INTRODUCTION

- 1.1. The SADC VSAT II Member States recognized the improved reliability of aeronautical fixed service telecommunications network (AFTN) and air traffic service direct speech (ATS/DS) communications in the SADC Region as well as part of the Africa-Indian

Ocean (AFI) Region and in the interface with adjoining regions. Through this recognition, the SADC VSAT II Member States expressed their wish to continue with the services for a continued seven-year period from 2015 to 2022.

- 1.2. Section 12 of the Bilateral Agreements between ATNS and the SADC VSAT II Member States recognizes the cost recovery mechanism to be applied in relation to the collection of the user charge. The cost recovery model makes provision for the agreement between ATNS and the SADC VSAT II Member States, which authorises ATNS to make use of the IATA Billing and Collection Agency (or another agent or ATNS itself), to recover a SADC VSAT II user charge directly from aircraft operators operating into, out of and over flying the State

2. DISCUSSION

- 2.1. The ability of ATNS and IATA to collect the charges for certain categories of operators is to a large extent limited. This limitation has put some dent on the financial position of the network and this is threatening the ability of the network to be financially sustainable. This outstanding debt (bad debt) is not improving and getting worse by the day. The most common and dominant users of the SADC VSAT II services are tradition commercial aircraft operators. The other categories of users includes military operators as well as operators under the United Nations banner. Included in the military operators is some militaries of SADC States
- 2.2. The commercial aircraft operators are less problematic and generally honour their payment of the network service. Military operators and operators under the United Nations banner are the problematic category of clients. Some of this problematic category of users have entered into agreements with some States to be exonerated from paying for Air Navigation Service charges. ATNS and IATA have no formal record of the agreements in question, if at all they are applicable to any SADC VSAT II Member State.

2.3. In resolving the current bad debt position of the SADC VSAT II network, the following intervention are suggested:

2.3.1. Member States to submit to ATNS any agreements in place with any operator that is exonerated from paying Air Navigation Service charges within their territory.

2.3.2. Member States to regularly update this information by submitting any changes in the status of the agreements with operators to ATNS.

2.3.3. Member States to appoint Focal Points and submit their names and contact details to ATNS by no later than 26 August 2022.

2.3.4. Member States to assist ATNS and IATA in the collection of the outstanding debt through the facilitation of engagements with the operators

3. ACTION BY THE MEETING

3.1 The meeting is invited to approve that:

3.1.1. Member States shall submit to ATNS any agreements in place with any operator that is exonerated from paying Air Navigation Service charges within their territory;

3.1.2. Member States shall regularly update this information by submitting any changes in the status of the agreements with operators to ATNS;

3.1.3 Member States shall appoint Focal Points and submit their names and contact details to ATNS by no later than 26 August 2022

3.1.4 Member States commit to assist ATNS and IATA in the collection of the outstanding debt through the facilitation of engagements with the operators

-END-