



DIRECTORS GENERAL OF CIVIL AVIATION-MIDDLE EAST REGION

Fourth Meeting (DGCA-MID/4) (Muscat, Oman, 17-19 October 2017)

Agenda Item 9: Air Transport

CHARGES FOR AIRPORT AND AIR NAVIGATION SERVICES

(Presented by IATA)

SUMMARY

This paper addresses the challenges faced by airlines in the MID region pertaining to the revision of user charges by service providers for both; Airports and Air Navigation Services.

Action by the meeting is at paragraph 3.

REFERENCES

- ICAO Doc 9082 – ICAO's Policies on Charges for Airports and Air Navigation Services.

1. INTRODUCTION

1.1 ICAO Doc 9082 is a main reference for the aviation industry which outlines the policies and recommendations for setting user charges by airports and air navigation service providers.

1.2 The key charging principles outlined in ICAO Doc 9082 include: cost relatedness, non-discrimination, transparency, and meaningful user consultation with users.

2. DISCUSSION

2.1 Considering the continued positive developments in the MID region and the investments made by airports and air navigation service providers to improve the aviation infrastructure; a need for revisiting user charges became a necessity for service providers to recover the cost of such investments and ensure sustainability.

2.2 IATA and its member airlines highly appreciate the investments made by the States and service providers, however, would like to address key elements of the ICAO charging principles that create challenges when not applied in accordance with Doc.9082, summarized as follows:

2.2.1 Charges increases being published in AIPs without prior notification to airlines can potentially have a significant impact on Airlines' financial performance as such increases cannot have been considered during airlines' budgeting processes.

2.2.2 If the application of a stepped approach as recommended by the ICAO principles whenever a significant charge increase is involved is not considered, this can also contribute to a negative financial impact on airlines.

2.2.3 The conduct of meaningful user consultation meetings;

- a) To provide operators with the opportunity to contribute to discussions, have visibility over the cost base and understand the justifications for charge increases.
- b) To give Users the opportunity to provide input and feedback to the service provider during the cycle of consultation and for that contribution to be accepted, acknowledged and considered.

2.2.4 Charge increases are not aligned to operational improvements.

2.2.5 Noting that the process of setting charges is not regulated in many cases, combined with complexities across multiple stakeholder entities, can create difficulties in charges discussions during consultation processes. In such circumstances the ICAO Doc 9082 provides the only basis for cost relatedness, non-discrimination, transparency, and meaningful user consultation with users.

2.3 IATA has conducted several workshops to promote the ICAO building block methodology for user charges, and would like to thank the States and service providers who supported this effort. The collaborative approach, when followed by States and service providers, in the setting/reviewing user charges was highly appreciated by airlines.

3. ACTION BY THE MEETING

3.1 The meeting is invited to:

- a) take note of the challenges faced by the airline community pertaining to user charges setting;
- b) encourage the MID States to follow the charging policies outlined in ICAO Doc 9082; and
- c) promote States' to engage with IATA MID for support in the form of workshops to promote the ICAO building block methodology for user charges.

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