



INTERNATIONAL CIVIL AVIATION ORGANIZATION

A35-WP/270
EC/44
30/9/04
English only

ASSEMBLY — 35TH SESSION

ECONOMIC COMMISSION

Agenda Item 28: Regulation and organization of airports and air navigation services

EXPEDITING EFFICIENT GNSS SERVICE AND EQUITABLE COST RECOVERY

(Presented by the United States)

INFORMATION PAPER

SUMMARY

ICAO's Policies on Charges for Airports and Air Navigation Services (Doc 9082/6) sets forth essential policy guidance for States and air navigation service providers regarding the provision and cost recovery of air navigation services. ICAO has undertaken a study on the allocation of GNSS costs, and the Air Navigation Services Economics Panel (ANSEP) has already adopted several principles relating to the provision and cost recovery of GNSS services. This paper reiterates these basic principles and assumptions. Adherence to these principles will expedite the provision of efficient GNSS service and foster equitable cost recovery.

REFERENCES

A35-WP/10, Report by the Council on Regulation and Organization of Airports and Air Navigation Services
ANSEP/5-WP/14, Study on GNSS Cost Allocation – Progress Report
Doc 9082/6, ICAO's Policies on Charges for Airports and Air Navigation Services

1. INTRODUCTION

ICAO Policy Guidance

1.1 *ICAO's Policies on Charges for Airports and Air Navigation Services* (Doc 9082/6) sets forth essential, general policy guidance for States and air navigation service providers regarding the provision and cost recovery of air navigation services. Specific ICAO guidance on allocation of GNSS costs is under development.

GNSS Cost Recovery

1.2 In 1994, the United States, in a letter to ICAO, offered to make the Standard Positioning System element of its Global Positioning System available for the foreseeable future, on a continuous, worldwide basis, free of direct user charges. The United States has reaffirmed this offer. The Russian Federation, in 1996, offered to provide a standard accuracy GLONASS channel to the world aviation community for a period of at least 15 years with no direct charges collected from users.

1.3 *The Report by the Council on Regulation and Organization of Airports and Air Navigation Services*, A35-WP/10, discusses the implementation of a Global Air Navigation System. Paragraph 3.1.2 states that with respect to a global air navigation system, "...ICAO's role in fostering the development of international cooperation will focus on the practical guidance and assistance of States and regions."

1.4 Paragraph 3.3.1 of A35-WP/10 refers to the work of the Air Navigation Services Economics Panel (ANSEP), which under terms of reference established by the ICAO Air Transport Committee, is to assist the Secretariat in undertaking a study on the allocation of GNSS costs. Although this study is still underway, ANSEP/5 has already endorsed certain basic assumptions and principles (*Study on GNSS Cost Allocation – Progress Report*, ANSEP/5-WP/14, paragraph 6.1).

2. KEY PRINCIPLES

2.1 The six basic principles and assumptions endorsed by ANSEP/4 relative to global GNSS are:

- a) Basic GNSS services will be provided free of charge, as GNSS is a common good to a multiple number of user categories in society;
- b) Any cost allocation of GNSS should take place at the regional level, as the development of various system components normally is initiated by regional organizations or individual states with the purpose of satisfying the needs and requirements of users in the regions concerned;
- c) Users of more advanced services will in most cases have to contribute to GNSS components located in their own regions (civil aviation users will, in addition, contribute to costs in those regions where they operate through navigation services charges);

- d) Cost allocation between civil aviation and other users should be discussed and agreed upon (at the regional level), in consultations with civil aviation users, before any costs are recovered from civil aviation;
- e) Cost allocation should be based on users' requirements on the systems; and
- f) Once civil aviation's share at the regional level has been determined, allocation among States (and providers) and en route and aerodrome control services may be performed according to existing ICAO policy and guidance.

2.2 In addition to the basic principles and assumptions listed in paragraph 2.1 above, the *Report of the Fifth Meeting of the Air Navigation Services Economics Panel, AT-WP/1973*, to the 172nd Session of the Council, noted that the ANSEP/5 concluded that new GNSS elements developed for international aviation should not impose unnecessary dual equipment and associated increased costs on aircraft operators.

2.3 Furthermore, ANSEP/5 agreed to work with the Secretariat to identify current and future GNSS users.

3. CONCLUSION

3.1 The basic principles and assumptions adopted by ANSEP, set forth in paragraphs 2.1 and 2.2 above, are essential to expediting efficient GNSS services and fostering equitable cost recovery.

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