



ASSEMBLY — 36TH SESSION

ECONOMIC COMMISSION

Agenda Item 41: Regulation of the provision of airports and air navigation services

**POLICY ON CHARGES FOR AIR NAVIGATION SERVICES IN THE AIRSPACE OF THE
RUSSIAN FEDERATION**

(Presented by the Russian Federation)

EXECUTIVE SUMMARY

This information paper describes the current status and development of charging policy for Russian airspace utilization by air operators.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objective D.
<i>Financial implications:</i>	Not applicable.
<i>References:</i>	

1. INTRODUCTION

1.1 In accordance with the Air Code of the Russian Federation, rules on the development and application of charging scheme, as well as on the collection of charges for civil air navigation services are laid down by the civil aviation authority. Due to changes in the structure of the Government of the Russian Federation, at different times the powers to regulate air navigation charges have been entrusted with various federal executive bodies responsible for state regulation of airspace utilization, such as the Federal Aviation Authority of Russia, the Federal Air Transport Agency of Russia, the Ministry of Transport of the Russian Federation.

1.2 Due to multi-directional scope of responsibilities of the said bodies, which have been responsible for state regulation of both aviation and airspace utilization, policy-making in the area of air navigation services charges has not been systematic. As a result, unit rates for air navigation services charges have not been revised for a long time: aerodrome charges rates – since 2001, en-route charges for foreign users – since 2002, for Russian users – since 2003. Due to the lack of clear and harmonized charging policy the Joint Air Traffic Management System of the Russian Federation had encountered serious financial problems.

2. DISCUSSION

2.1 In March 2006, the Federal Air Navigation Authority (Rosaeronavigatsia) was established in the Russian Federation to oversee improvements in the national air traffic control system as well as in the safety and effectiveness of the Russian Air Navigation System.

2.2 Rosaeronavigatsia has been vested with powers and functions to exercise regulation in the sphere of airspace utilization by all types of aviation, including functions of laying down a common charging scheme for charges collection and establishment of unit rates for air navigation services. Accordingly, the above mentioned powers lay beyond the scope of authority of the Ministry of Defense, the Ministry of Transport, the Federal Air Transport Oversight Authority and the Federal Air Transport Agency of the Russian Federation.

2.3 In October 2006, the Government of the Russian Federation approved the Concept of establishment and development of the Air Navigation System of the Russian Federation, which envisages the modernization of the national ATM system unprecedented by its scale, establishment of consolidated centres of the Joint ATM System and their re-equipment, transition to a nation wide use of satellite communication, navigation and surveillance systems. The implementation of the approved Concept will allow to considerably increase the capacity of the Russian Air Navigation System and efficiency of Russian air routes, as well as to reduce operational costs both for the users and for the System itself.

2.4 Investments in the establishment and development of the Russian Air Navigation System are estimated at the level of 150 billion Roubles, or approximately 6 billion US dollars at current exchange rate. The upgrading of the Moscow ATC Centre alone will require some 6 billion Roubles. Meanwhile, for the past several years the only source for System's maintenance and development has been the revenue from air navigation charges levied from Russian and foreign users in Russian airspace. The ANS charges collection rate is 99.7%.

2.5 In view of the above, Rosaeronavigatsia has been pursuing the establishment of a charging policy for air navigation services in Russian airspace, based on the overall principle of recovering operational costs and ensuring the modernization of ATM system to provide safety in accordance with the provisions laid down in ICAO documents on air navigation services economics.

2.6 The policy on air navigation services charges in the airspace of the Russian Federation is based on the following key principles:

- establishment of air navigation charges unit rates on the basis of regulatory documents of the Russian Federation and ICAO;
- recovery of economically sound air navigation services costs in accordance with the System improvement and development plans;
- revision of the charge type list when establishing new types of air navigation services or isolating individual technological stages into separate types of service;
- correlation between price and quality of services provided as well as operational needs of airspace users;
- non-discrimination policy towards all categories of airspace users and ruling out recovery of air navigation services costs incurred by one category of users at the expense of other users;

- allocation of costs for the air navigation system according to the types of air navigation services when establishing charges unit rates;
- transparency of principles and procedures regarding ANS charges establishment for airspace users;
- predictability of changes in ANS charges unit rates.

2.7 Rosaeronavigatsia pursues a consistent policy on ANS charges and ensures continuous revision and increase of ANS charges to ensure full recovery of economically justified costs.

2.8 In 2006, en-route charges and terminal charges for domestic users were increased by a factor of 1.9 and 2.8 respectively. ANS charges were introduced for domestic routes and aerial work zones.

2.9 Following consultations with IATA, air navigation charges for foreign users in Russian airspace were increased by 9.0% as of 15 February, 2007, and by 8.3% as of 1 November, 2007 (as compared to the charges rates established in 2002).

2.10 Funds thus obtained are allocated to the ATM system modernization, air traffic controllers' training and social welfare improvement.

3. **CONCLUSION**

3.1 The Assembly is invited to note the information contained in this paper.

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