



AEP-ANSEP/4

# International Civil Aviation Organization

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## AIRPORT ECONOMICS PANEL AND AIR NAVIGATION SERVICES ECONOMICS PANEL

### FOURTH JOINT MEETING (AEP-ANSEP/4)

Montreal, 7– 11 February 2011

**REPORT**

**FOURTH JOINT MEETING  
OF THE  
AIRPORT ECONOMICS PANEL  
AND  
THE AIR NAVIGATION SERVICES ECONOMICS PANEL  
(AEP-ANSEP/4) (2011)**

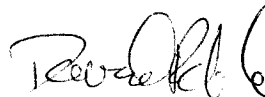
**LETTER OF TRANSMITTAL**

To: Chairperson, Air Transport Committee

From: Chairperson

Airport Economics Panel and  
Air Navigation Services Economics Panel (AEP-ANSEP/4) (2011)

I have the honour to submit the report of the fourth Joint Meeting of the Airport Economics Panel and the Air Navigation Services Economics Panel (AEP-ANSEP/4) which was held in Montréal, from 7 to 11 February 2011.



David Reble  
Chairperson

Montréal, 11 February 2011

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**FOURTH JOINT MEETING**  
**AIRPORT ECONOMICS PANEL**  
**AND**  
**AIR NAVIGATION SERVICES ECONOMICS PANEL (AEP-ANSEP)**

**Montréal, 7 to 11 February 2011**

**HISTORY OF THE MEETING**

**1. DURATION**

1.1 The fourth joint meeting of the ICAO Airport Economics Panel and Air Navigation Services Economics Panel (AEP-ANSEP/4) was held at ICAO Headquarters in Montréal, from 7 to 11 February 2011.

1.2 The Director of the Air Transport Bureau, Mrs. Folasade Odutola, opened the meeting, at 10:00 hours, with a welcoming address and thanked the participants for their continued support to the Secretariat in the follow-up work to the Conference on the Economics of Airports and Air Navigation Services (CEANS – 2008).

1.3 The Chief of the Economic Analysis and Policy Section (EAP) of the Air Transport Bureau, Mrs. Narjess Teyssier, introduced the members of the Secretariat and made some remarks on the agenda for the meeting.

1.4 Ambassador Michel Wachenheim, Permanent Representative of France on the ICAO Council and Chairperson of the Air Transport Committee, closed the meeting. In his concluding remarks, Ambassador Wachenheim expressed the Committee's appreciation for the assistance that the panels are providing to the Secretariat to carry out the various tasks included in the terms of reference of the panels, and emphasized the importance of ICAO's work in the field of air transport, in particular the policies and guidance on airport and air navigation services charges and economics, in achieving a better balance in the air transport value chain.

**2. ATTENDANCE**

2.1 The meeting was attended by members, alternate and observers nominated by twenty-five Member States and seven international organizations, as well as by advisers and others as shown in the list below. A total of sixty-five participants attended the meeting.

<b>MEMBERS, ALTERNATES, ADVISERS AND OBSERVERS</b>		<b>NOMINATED BY</b>
Mr. Norberto E. Luongo	Member	Argentina
Mr. Andrew Clarke	Member	Australia
Mr. Warren Mundy	Observer	Australia
Mr. Rogério Coimbra	Member	Brazil
Mrs. Viviane Gil Franco	Adviser	Brazil
Mr. David Reble	Member	Canada
Ms. Tess Sliwinski	Adviser	Canada
Mr. John Weerdenburg	Adviser	Canada
Mrs. Viviana Iturriaga	Member	Chile
Mr. Keld Ludvigsen	Member	Denmark
Mr. Yves Tatibouet	Member	France
Mr. Christian Forgues	Observer	France
Mr. Georges Lachenaud	Observer	France
Mrs. Marina Köster	Member	Germany
Mrs. Mirka Jelinek	Member	Germany
Mr. Thomas Möller	Adviser	Germany
Mr. Bernhard Persch	Adviser	Germany
Mrs. Mary Coveney	Member	Ireland
Mr. Koichi Yamagishi	Member	Japan
Mr. Takayuki Watanabe	Adviser	Japan
Mr. Takahiro Tsutsumi	Adviser	Japan
Mr. Dionisio Méndez Mayora	Member	Mexico
Mrs. Dolores Jiménez Hernández	Alternate	Mexico
Mr. Bert Rolvink	Member	Netherlands
Mr. Hans de Bruijn	Adviser	Netherlands
Mr. Edwin Kleiboer	Adviser	Netherlands
Mr. Rotimi Arogunjo	Member	Nigeria
Mr. J. T. Bala	Adviser	Nigeria
Mr. R. Raheem	Adviser	Nigeria
Mr. Bert Prvanov	Member	New Zealand
Mrs. Vera Mironova	Member	Russian Federation

<b>MEMBERS, ALTERNATES, ADVISERS AND OBSERVERS</b>		<b>NOMINATED BY</b>
Mr. Dmitry Aleev	Adviser	Russian Federation
Mrs. Tatiana Budarina	Adviser	Russian Federation
Mr. Andrey Khvostunkov	Adviser	Russian Federation
Mr. Vladlen Korovkin	Adviser	Russian Federation
Mr. Evgeny Melnikov	Adviser	Russian Federation
Mr. Roman Radkevich	Adviser	Russian Federation
Mr. Y. Romanenko	Adviser	Russian Federation
Mr. Leandro Calvo Lucas	Member	Spain
Mr. Ameer Abdelghani	Member	Tunisia
Mr. Iain Osborne	Member	United Kingdom
Mr. Jeffrey C. Wharff	Member	United States
Mr. Albert J. Muldoon	Adviser	United States
Mr. Mike Nichols	Adviser	United States
Mr. Michael Rudis	Adviser	United States

**Note:** Nominees from the following States were unable to attend the meeting:

Morocco  
Pakistan  
Senegal  
Trinidad and Tobago

<b>OBSERVERS</b>	<b>NOMINATED BY</b>
Mr. E. Zoe Etundi	Cameroon
Mr. Luis F. Carranza-Cifuentes	Guatemala
Mr. Antonino Bardaro	Italy
Mr. Klemen Ferjan	Slovenia
Mr. Alojz Krapež	Slovenia
Mr. William Ndlovu	South Africa
Mr. Cuneyt Yavuzcan	Turkey

<b>OBSERVERS</b>	<b>ORGANIZATIONS</b>
Mr. Gérard Borel	Airports Council International (ACI)
Mr. Christoph Köppchen	Airports Council International (ACI)
Mr. Andreas Schimm	Airports Council International (ACI)

Mr. Eugene Hoeven	Civil Air Navigation Services Organisations (CANSO)
Mr. Adriaan Heerbaart	EUROCONTROL
Mr. Denis Huet	EUROCONTROL
Mr. Georg Schneider	EUROCONTROL
Mr. Simon Brain	European Commission
Mr. Cyriel Kronenburg	International Air Transport Association (IATA)
Mr. Wolfgang Scheel	International Air Transport Association (IATA)
Mr. Peter Ingleton	International Business Aviation Council (IBAC)
Mr. John Sheehan	International Council of Aircraft Owner and Pilot Associations (IAOPA)
Mr. Frank Hofmann	International Council of Aircraft Owner and Pilot Associations (IAOPA)

**Note:** Nominees from the following organization were unable to attend the meeting:  
World Meteorological Organisation (WMO)

<b>SECRETARIAT</b>	
Mr. Julián de la Cámara	International Civil Aviation Organization (ICAO)
Mr. Toru Hasegawa	
Mr. Bernard Péguillan	
Mr. Frederic Malaud	

### 3. OFFICERS AND SECRETARIAT

3.1 Mr. David Reble (Canada) was elected Chairperson of the meeting.

3.2 The Secretary of the meeting was Mr. Julián de la Cámara, Infrastructure Manager in the Economic Analysis and Policy Section (EAP) of the Air Transport Bureau, assisted by Mr. Toru Hasegawa, Assistant to the Director, Air Transport Bureau. Mr. Bernard Péguillan and Mr. Frederic Malaud served as Advisers to the meeting.

### 4. TERMS OF REFERENCE

4.1 The ICAO Air Transport Committee had established the following revised Terms of Reference for the two panels:

#### *Airport Economics Panel*

Actively assist the Secretariat in the work required as follow-up to the *Conference on the Economics of Airports and Air Navigation Services* (CEANS) as follows:

- a) development or amendment, as required, of guidance material for the *Airport Economics Manual* (Doc 9562) on economic oversight; economic performance and minimum reporting requirements; consultation with users; governance, ownership and control of airports (including the issues of non-viable airports and airport concession processes); aggregation of costs bases for setting charges; methodologies on rate of return; and differential charges; and
- b) revision of *ICAO's Policies on Charges for Airports and Air Navigation Services* (Doc 9082) in order to improve the structure and readability of this document.

### ***Air Navigation Services Economics Panel***

Actively assist the Secretariat in the work required as follow-up to the *Conference on the Economics of Airports and Air Navigation Services* (CEANS) as follows:

- a) development or amendment, as required, of guidance material for the *Manual on Air Navigation Services Economics* (Doc 9161) on economic oversight; economic performance and minimum reporting requirements; consultation with users; governance, ownership and control of air navigation services providers (ANSPs); methodologies on rate of return; categorization of services for cost allocation and charging purposes; and role of aircraft weight in charging formulae;
- b) monitoring developments on economic and organizational aspects related to the implementation of the global air traffic management (ATM) operational concept;
- c) provision of input regarding the transition from Aeronautical Information Services (AIS) to Aeronautical Information Management (AIM);
- d) development of a case study on the provision of certain services by private third-party providers and development of a draft service level agreement between ANSPs and private third-party providers;
- e) assistance to the Secretariat in the continuing work on cost allocation aspects of the global air navigation satellite system (GNSS);
- f) revision of *ICAO's Policies on Charges for Airports and Air Navigation Services* (Doc 9082) in order to improve the structure and readability of this document; and
- g) development of ICAO guidance on funding for oversight functions both at the national and regional level.

## **5. AGENDA OF THE MEETING**

5.1 As per the Terms of Reference, the main objective of the AEP-ANSEP/4 meeting was for the Panels to assist the Secretariat in the revision of the two economics manuals and of Doc 9082. To that effect, the Agenda for the meeting shown hereunder was approved by the Air Transport Committee (AT-SD/189-1) on 13 January 2010 (AEP-ANSEP/4-WP/1 refers):



- Item 1: Review of the follow-up work on the Conference on the Economics of Airports and Air Navigation Services (CEANS) recommendations concerning revision of ICAO's guidance material (*Airport Economics Manual* (Doc 9562) and *Manual on Air Navigation Services Economics* (Doc 9161));
- Item 2: Review of the follow-up work on other conference recommendations;
- Item 3: Review of the follow-up work on the Council decision concerning the structure and readability of *ICAO's Policies on Charges for Airports and Air Navigation Services* (Doc 9082);
- Item 4: Review of cost allocation aspects of global navigation satellite system (GNSS);
- Item 5: Development of guidance on possible ways to fund various oversight functions; and
- Item 6: Any other business.

## 6. WORKING ARRANGEMENTS

6.1 The panel met as a single body. Discussions in the main meeting were conducted in Arabic, English, French, Russian and Spanish. Some working papers were presented in English only. The report was issued in Arabic, English, French, Russian and Spanish.

6.2 A list of the documentation prepared or made available for the meeting is as shown below:

WP No.	Number of pages	Presented by	Title	Agenda Item(s)
1	1	Secretariat	Agenda	---
2	2	Secretariat	Terms of Reference	---
3	6	Secretariat	Work programme and working arrangements	---
4	18	Rapporteur	Economic oversight	1
5	10	Rapporteur	Consultation with users	1
6	24	Rapporteur	Ownership, control and governance	1
7	15	Rapporteur	Economic performance and minimum reporting requirements (airports)	1
8	18	Rapporteur	Economic performance and minimum reporting requirements (air navigation services)	1
9	14	Rapporteur	Cost of capital	1
10	18	Rapporteur	Cost basis and setting charges (airports)	1
11	8	Secretariat	Setting charges (air navigation services)	1
12	21	Rapporteur	Cost allocation and charging systems (air navigation services)	1

13	5	Secretariat	Economic and organizational aspects related to implementation of the global air traffic management (ATM) operational concept (air navigation services)	1
14	17	Secretariat	Restructuring of Chapter 1 of Doc 9562 and Doc 9161	1
15	7	Secretariat	Restructuring of Doc 9562 and Doc 9161	1
16	14	Secretariat	New Chapter 5 of Doc 9161, Parts B and C	1
17	34	Rapporteur	Proposed revision of ICAO's policies on charges for airports and air navigation services (Doc 9082)	3
18	10	Secretariat	Funding of oversight functions	5
19	11	Secretariat	Provision of certain air navigation services by third-party operators	2
20	9	Secretariat	Implementation by States of the recommendations of the Conference on the Economics of Airports and Air Navigation Services (CEANS-2008)	2
21	7	Secretariat	Single European Sky	6
22	8	United States	Funding options for regional safety oversight organizations	5
23	4	Secretariat	Service level agreements for air navigation services third-party providers	2
Flimsy No. 1	3	Secretariat	Allocation of incremental costs for more advanced GNSS services	4
24	4	Secretariat	Draft conclusions	3
25	3	Secretariat	Draft conclusions	1
26	3	Secretariat	Draft conclusions	1
27	2	Secretariat	Draft conclusions	2
28	2	Secretariat	Draft conclusions	4
29	2	Secretariat	Draft conclusions	6
30	2	Secretariat	Draft conclusions	5
31	17	Secretariat	Final conclusions	1, 2, 3, 4, 5, 6

## 7. WORKING GROUPS

7.1 A list of the working groups established by the AEP-ANSEP/4 meeting appears in the Appendix to this report.

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**Agenda Item 1: Review of the Follow-up Work on the Conference on the Economics of Airports and Air Navigation Services (CEANS) Recommendations Concerning Revision of ICAO’s Guidance Material (*Airport Economics Manual* (Doc 9562) and *Manual on Air Navigation Services Economics* (Doc 9161))**

***Economic Oversight (Airports and Air Navigation Services) — (WP/4)***

**1.1 INTRODUCTION**

1.1.1 WP/4 proposed a new paragraph on the “enforcement of competition law”, a redrafting of the paragraph on “rate of return regulation”, and the elimination of all references to “economic regulation”, while stressing the importance for States of implementing an internally consistent economic oversight function, in particular concerning economic performance and consultation with users.

**1.2 DISCUSSION**

1.2.1 In the introductory text to Chapter 1, Part C, some inconsistencies in the wording with Doc 9082 regarding the definition of economic oversight were drawn to the attention of the Secretariat.

1.2.2 The meeting agreed to soften the language relating to both light-handed and robust approaches in the section addressing institutional requirements in the two manuals. It was suggested that the word “may” be removed.

1.2.3 The meeting also adopted a suggestion geared at clarifying the text in paragraph 1.C16 of Appendix A (airports) and in paragraph 1.C15 of Appendix B (air navigation services) on the potential consequences of rate of return regulation, which could result in over-investment in new capacity beyond users’ requirements.

**1.3 CONCLUSIONS**

1.3.1 On the basis of the documentation and its discussion, the meeting reached the following conclusions:

- a) A number of editorial changes, which do not affect the contents or the substance of the revised text, will be incorporated in the final version of the manuals;
- b) In paragraph 1.C1 of Appendix A (airports) “and operational” should be retained;
- c) In paragraph 1.C1 of the two Appendices (airports and air navigation services), the text in the last sentence should be re-aligned with that of Doc 9082 to read as follows: “In performing its economic oversight function, a State will have in particular to ensure that providers develop and implement appropriate performance management systems and that consultations with users are effective”;

- d) The word “may” should be removed from the first and the twelfth lines of paragraph 1.C10 of Appendix A and from paragraph 1.C11 of Appendix B; and
- e) The last sentence in paragraph 1.C16 of Appendix A and in paragraph 1.C15 of Appendix B should read as follows: “... cost-effectiveness and may also encourage over-investment beyond the requirement of users”.

### ***Consultation with Users (Airports and Air Navigation Services) — (WP/5)***

#### **1.4 INTRODUCTION**

1.4.1 WP/5 proposed a number of changes to the *Airport Economics Manual* (Doc 9562) and the *Manual on Air Navigation Services Economics* (Doc 9161) concerning consultation with users. These changes include the re-ordering of text in two sections of the manuals, in order to improve the readability and logical flow, and adjustments to the text addressing, inter alia, effective consultation, decision documents and sensitive data.

#### **1.5 DISCUSSION**

1.5.1 The meeting noted that there would be a number of editorial changes to be made in the two manuals, which would not affect the substance of the text in the final versions.

1.5.2 Noting that the term “end-users” appears for the first time in Chapter 1 of Doc 9562, it was agreed that a footnote should be included with the definition contained in Doc 9082, Appendix 3, Glossary of Terms.

1.5.3 Some amendments were agreed regarding the title of the consultation process section as well as for paragraph 1.D6 of both Appendices.

1.5.4 Two proposals were made for the deletion of the word “regulators” in the first sentence of paragraph 1.D1 of both manuals, and for the deletion of the last sentence of 1D.11 of Doc 9562 regarding the possible burden of complex consultation processes for small airports. Following an exchange of views, the two proposals were not retained.

#### **1.6 CONCLUSIONS**

1.6.1 On the basis of the documentation and its discussion, the meeting reached the following conclusions:

- a) A number of editorial changes, which do not affect the contents or the substance of the revised text, will be incorporated in the final version of the manuals;
- b) The definition of “end-users” (refer to Doc 9082, Glossary of Terms) should be included as a footnote to paragraph 1.D2, fifth line, in Appendix A (airports); and

- c) In paragraph 1.D6 of both Appendices, the last sentence should be shortened to read “The consultation process could be maintained even...”.

### ***Ownership, Control and Governance (Airports and Air Navigation Services) — (WP/6)***

#### **1.7 INTRODUCTION**

1.7.1 WP/6 proposed a series of amendments to the *Airport Economics Manual* (Doc 9562) and the *Manual on Air Navigation Services Economics* (Doc 9161) concerning ownership, control and governance. Refined and expanded text was proposed for the section dealing with private ownership and participation/involvement at airports, in particular through extracts coming from a Latin American Civil Aviation Commission (LACAC) Resolution that addresses lease/concession issues in the region. Besides, it was proposed to expand the text in the two manuals to better address the separation of regulatory and operational functions.

#### **1.8 DISCUSSION**

1.8.1 The meeting was of the opinion that Doc 9562 should not reproduce the wording of the LACAC Resolution as such but should instead be re-written in a more generic manner. It was suggested that a footnote be included with a reference to the said Resolution. Further, the meeting agreed that the revised text should not make any reference to “royalties” and that the expression “concession fees” could be used instead.

#### **1.9 CONCLUSIONS**

1.9.1 On the basis of the documentation and its discussion, the meeting reached the following conclusions:

- a) In paragraph 2.7 of Appendix A (airports) and paragraph 2.8 of Appendix B (air navigation services), the last sentence should read: “Separation enhances transparency in the decision-making process and makes clear...”; and
- b) Instead of reproducing verbatim the LACAC Resolution, paragraph 2.31 of Appendix A should be re-written in a more generic manner and a footnote should be inserted with a reference to the said Resolution for further details. Besides, the word “royalties” should be replaced with “concession fees”.

### ***Economic Performance and Minimum Reporting Requirements (Airports and Air Navigation Services) — (WP/7 and WP/8)***

#### **1.10 INTRODUCTION**

1.10.1 WP/7 proposed a number of amendments to the existing text for economic performance in the *Airport Economics Manual* (Doc 9562), namely a clarification of the notion of users, the addition of passenger quality of service indicators, a statement according to which this guidance on airport

performance management should not be taken as overly prescriptive, and a focus placed on internal benchmarking, rather than on external benchmarking.

1.10.2 Since the revised text for the *Manual on Air Navigation Services Economics* (Doc 9161) presented at the AEP-ANSEP/3 meeting concerning economic performance and minimum reporting requirements for air navigation services had been largely accepted, the only main change proposed in WP/8 related to the notion of users, which was clarified.

## 1.11 DISCUSSION

1.11.1 The meeting felt that the text proposed for Doc 9562, Chapter 3, Part B could not be considered as final for the following reasons:

- a) given the many differences in the nature of airport and air navigation services, the contents for airports were still too much aligned with that of Doc 9161 and did not fully reflect such differences;
- b) in many airports some services are provided by parties other than the airport itself, for example ground handling services, security and border control, and, therefore, the airport may not have full control over the performance of these third-parties;
- c) issues related to end-users are not properly addressed in the proposed text and, therefore, more material to that effect should be developed, including indicators on quality of service; and
- d) as presented, the text is addressed to all types and sizes of airports, while it is recognized that it may be a burden for small airports to comply with such detailed guidance.

## 1.12 CONCLUSIONS

1.12.1 On the basis of the documentation and its discussion, the meeting reached the following conclusions:

- a) The whole text on economic performance management for Doc 9562 is to be revamped by a Working Group, composed of Ireland (Rapporteur), Canada, Chile, Germany, Nigeria, South Africa, the United Kingdom, the United States, the European Commission, ACI and IATA. The task of the Working Group will be to keep the key principles and guidance, and in particular references to benchmarking, in the main body of Chapter 3 of the manual and to move detailed information to a new Appendix;
- b) In paragraph 3.33, wording should be added regarding the implementation of performance management systems to take into account the size and scale of an airport's activity as well as the fact that an airport may not always be in a position to control the performance of other providers of services at the airport (e.g. ground handling services, security or border control). In this respect, the revised text should

emphasize the need for full collaboration between airports and other interested parties for the benefit of end-users; and

- c) The new draft text will be circulated among the members of the Working Group by mid-March 2011. When this draft text has been agreed by the Working Group, it will be circulated to all the members of the Airport Economics Panel for their review and approval before the final text is incorporated in Chapter 3 of the manual.

1.12.2 The draft text for Doc 9161, Chapter 4 was approved as presented in WP/8 with one amendment, namely in paragraph 4.38, second line, where “and end-users” should be deleted.

### ***Cost of Capital (Airports and Air Navigation Services) — (WP/9)***

#### **1.13 INTRODUCTION**

1.13.1 In WP/9, draft text was proposed on the issue of reasonable rate of return for airports and air navigation services, to be included in Chapter 4 of the *Airport Economics Manual* (Doc 9562) and Chapter 5 of the *Manual on Air Navigation Services Economics* (Doc 9161).

#### **1.14 DISCUSSION**

1.14.1 One view was expressed that there seemed to be a circular argument regarding the determination of the value of assets calculated from future cash flows when these are derived from charges calculated on the basis of the assets themselves. As a result, the meeting agreed that the reference to the net present value of future cash flows accruing to the asset should be excluded from the list of possible ways to determine the value of assets.

1.14.2 The meeting agreed that risks could be different depending on the size and use of airports, and that this possibility should be taken into account when calculating the rate of return. This would apply, for example, to airports where there is only one user or a few users.

1.14.3 Some other amendments, both for the text and the values of the formulae were agreed as specified in the conclusions below. Regarding the values for the example of calculation of the weighted average cost of capital (WACC), the meeting agreed with the figures proposed by the Secretariat, which better reflect current market conditions.

#### **1.15 CONCLUSIONS**

1.15.1 On the basis of the documentation and its discussion, the meeting reached the following conclusions:

- a) In paragraph 4.A2 of Appendix A (airports) and paragraph 6.A2 of Appendix B (air navigation services), *delete* “the net present value of future cash flows accruing to the asset”;

- b) At the end of paragraph 4.A8 in both Appendices, *add* “According to national jurisdiction, taxation may also influence the calculation of WACC”;
- c) *Add* a note to paragraph 4.A9 of Appendix A as follows: “Airports of different size and use may face different risk profiles. Such differences should be considered when calculating the rate of return”;
- d) *Amend* the titles on both Attachments to the Appendices to read “Calculation of the Weighted Average Cost of Capital (WACC)”;
- e) In paragraph 1.3 of both Attachments to the Appendices, *delete* “Expected” from the formula;
- f) *Insert* a note in paragraph 3.3 of both Attachments to the Appendices stating that the calculation of cost of capital should be either in nominal or real terms but not a combination of both; and
- g) Regarding the examples provided in both Attachments to the Appendices for the calculation of WACC, *use* the following values: 2% for the government bond and 7% for average market rate of return.

### ***Cost Basis and Setting Charges (Airports) — (WP/10)***

#### **1.16 INTRODUCTION**

1.16.1 WP/10 proposed changes to the revised text presented at AEP-ANSEP/3 concerning the cost basis and the setting of charges included revised text for the *Airport Economics Manual* (Doc 9562) for local air quality emissions charges, for aggregation of costs, congestion management, discounts and incentives.

#### **1.17 DISCUSSION**

1.17.1 A question was raised concerning the text proposed in paragraph 4.H25 of the Appendix to WP/10 regarding the suitability of generating profits from local air quality (LAQ) charges. The Secretariat clarified that, as is the case for security charges and noise related charges, there should not be a profit element when determining the levels of LAQ charges, i.e. revenues from such charges should only defray the related costs.

1.17.2 At a question on what should be the cost base for LAQ charges, the Secretariat advised that such information is included in the “Guide to the facilities and services to be taken into account in determining airport costs” in Appendix 1 of Doc 9082.

1.17.3 When discussing paragraph 4.H18 of the Appendix to WP/10, one issue was raised regarding the various terms used for passenger charges. The Secretariat clarified that the text proposed only relates to the charges for passenger processing at the terminals and thus does not address any pre-funding issues such as airport improvement fees.



1.17.4 The meeting discussed the appropriateness of having four separate sub-headings under the section on economic pricing with overlapping coverage. Several opinions were expressed calling for the rationalization of the text in the whole section. In this respect, the meeting agreed that relevant text in the sub-heading on incentives should be moved to other sub-headings within the said section.

## 1.18 CONCLUSIONS

1.18.1 On the basis of the documentation and its discussion, the meeting reached the following conclusion:

1.18.1.1 Appropriate text from the sub-section on “Incentives” (paragraphs 4.G14-4.G19 in the Appendix) should be moved to the previous sub-sections on “Application of economic pricing for cost recovery” and “Congestion management”.

### ***Setting Charges (Air Navigation Services) — (WP/11)***

## 1.19 INTRODUCTION

1.19.1 WP/11 proposed some amendments to the *Manual on Air Navigation Services Economics* (Doc 9161) presented at AEP-ANSEP/3 concerning the setting of charges, including the alignment of the text on general principles for economic pricing with that of the *Airport Economics Manual* (Doc 9562), the introduction of a paragraph on market power, as well as a paragraph on congestion and a revised text for differential charges.

## 1.20 DISCUSSION

1.20.1 Several views were expressed that the text proposed for economic pricing in the Appendix to WP/11 should take due account of the differences with the text developed for airports. One of the reasons mentioned was that for air navigation services safety is a paramount consideration and, therefore, the text should be more clearly focused on air navigation concerns. For example, temporary reductions of charges could be applied so as to encourage aircraft operators to introduce new technologies.

1.20.2 The meeting decided that the title of the sub-section under the section on economic pricing dealing with differential components for setting charges should be shortened to address only temporary reductions of charges. In the same sub-section, it was agreed that paragraph 5.F12 was not relevant in the context of air navigation charges and should be deleted, except for the first sentence that should be moved to the end of the preceding paragraph.

## 1.21 CONCLUSIONS

1.21.1 On the basis of the documentation and its discussion, the meeting reached the following conclusions:

1.21.1.1 The following amendments to the draft text for setting charges were agreed:

- a) *Delete* “Discounts, special rebates and other” from the title of the sub-section for paragraphs 5.F11-5.F13;
- b) In paragraph 5.F11, sixth line, *replace* “to elicit specific” with “specifically to elicit distinct”;
- c) *Strike* paragraph 5.F12 except for the first sentence, which is *to be moved* at the end of paragraph 5.F11; and
- d) In paragraph 5.F13 d), second and fourth/fifth lines, *delete* the references to start-up aids and similar incentive schemes and *replace* them with text referring to the introduction of new technologies (e.g. early equipage).

### ***Cost Allocation and Charges Systems (Air Navigation Services) — (WP/12)***

#### **1.22 INTRODUCTION**

1.22.1 The Appendix to WP/12 proposed draft text for the *Manual on Air Navigation Services Economics* (Doc 9161), (new) Chapter 5, (new) Parts D and G, concerning categorization of services for cost allocation and charging purposes, and the role of aircraft weight in the calculation of air navigation services charges. The main amendments proposed to the revised text presented at AEP-ANSEP/3 included: a) the acknowledgement that tower and approach services may be provided by different entities, which was introduced where appropriate; b) a refinement of the text on zone charging; and c) a clarification on the role of weight in the charging formula.

#### **1.23 DISCUSSION**

1.23.1 Views were expressed that zone charging, in particular for high frequency, preferred routes, should not be seen as an opportunity to over-charge users. In this respect, the meeting agreed that the draft text at the end of paragraph 5.G29 should include some wording on the need for zone charges to be cost-related as any other types of charges.

1.23.2 A discussion ensued regarding the parties to be included at consultations with users and/or their representative organizations. In this respect, it was pointed out that the texts proposed in Doc 9082 and the economics manual were not consistent, as sometimes they refer to “user representatives”, or “user organizations”, or “user bodies”. The meeting agreed that the term to be used should be “user organizations”.

#### **1.24 CONCLUSIONS**

1.24.1 On the basis of the documentation and its discussion, the meeting reached the following conclusions:

1.24.1.1 The following amendments to the draft text for cost allocation and charges systems were agreed:

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- a) *Add* at the end of paragraph 5.G29, third bullet point, the following text: “In this respect, a provider should not levy charges that are solely intended to increase revenue without a proper cost base”; and
  - b) Paragraph 5.G30, *replace* “users’ representatives” with “users or their representative organizations”.

***Economic and Organizational Aspects Related to Implementation of the Global Air Traffic Management (ATM) Operational Concept (Air Navigation Services) — (WP/13)***

**1.25 INTRODUCTION**

1.25.1 WP/13 proposed changes to the revised text for the *Manual on Air Navigation Services Economics* (Doc 9161) presented at AEP-ANSEP/3 concerning the economic and organizational aspects related to the implementation of the global air traffic management (ATM) operational concept. These proposed amendments included revised text to incorporate oversight aspects and alignment of terminology with that in other ICAO documents.

**1.26 DISCUSSION**

1.26.1 There was general support for the revised text as proposed in the Appendix to WP/13 regarding organizational aspects of the global ATM operational concept, except for the inclusion of the word “control” in paragraph 3.83. Some members were of the opinion that that word was not necessary while others indicated that the word could be misleading because of its relation to air traffic operations. Following a long exchange of views, the meeting agreed that “control” should be replaced with “supervision”.

**1.27 CONCLUSIONS**

1.27.1 On the basis of the documentation and its discussion, the meeting reached the following conclusion:

1.27.1.1 In paragraph 3.83, second line, “control” should be replaced with “supervision”.

***Restructuring of Chapter 1 of Doc 9562 and Doc 9161 — (WP/14)***

**1.28 INTRODUCTION**

1.28.1 WP/14 presented the main changes proposed for the revised Chapter 1 of the two economics manuals. The new part A summarized key charging principles as they arise from the Chicago Convention, Assembly Resolutions and ICAO’s policies on charges; and Part B described the responsibilities of States.

## 1.29 DISCUSSION

1.29.1 The meeting agreed that the text proposed in the section “Assembly Resolutions” regarding environmental charges should be limited to noise and local air quality aspects only.

1.29.2 It was pointed out that the interpretation of Article 28 of the Chicago Convention as presented in paragraph 1.13 of the Appendix to WP/14 was too extensive and should be more closely aligned with the actual wording of the said Article.

## 1.30 CONCLUSIONS

1.30.1 On the basis of the documentation and its discussion, the meeting reached the following conclusions:

1.30.1.1 The following amendments to the draft text in Chapter 1 were agreed:

- a) In paragraphs 1.7 and 1.8 of both Appendices, *delete* all references to climate change, including the footnote; and
- b) *Replace* paragraph 1.13 of both Appendices with the following text: “Under Article 28 of the Chicago Convention, basic responsibilities are assigned to the Contracting States. For example, it is the Contracting State that is responsible for the provision of facilities and services, in accordance with the standards and practices recommended or established from time to time, pursuant to the Convention. In addition, there are obligations that States have undertaken in air services agreements, where again the State alone is responsible for the observance of stipulations addressing, for example, access to airports and routes”.

### ***Restructuring of Doc 9562 and Doc 9161 — (WP/15)***

## 1.31 INTRODUCTION

1.31.1 WP/15 presented the main changes proposed for the re-structuring of the *Airport Economics Manual* (Doc 9562) and the *Manual on Air Navigation Services Economics* (Doc 9161), in the form of new tables of contents, which were shown in the Appendices.

## 1.32 DISCUSSION

1.32.1 The meeting agreed with the Secretariat’s proposal for the re-structuring of the two economics manuals and noted that a new Appendix will be added to Doc 9562 (on airport performance management) and a new Appendix will be added to Doc 9161 (template service level agreement).

### 1.33 CONCLUSIONS

1.33.1 On the basis of the documentation and its discussion, the meeting reached the following conclusion:

1.33.1.1 The new structure of the two economics manuals was approved, while noting that a new Appendix has to be added to Doc 9562 with detailed information on airport performance management and a new Appendix has to be added to Doc 9161 with a template service level agreement between States/ANSPs and third-party providers (see WPs/19 and 23).

#### *New Chapter 5 of Doc 9161, Parts B and C — (WP/16)*

### 1.34 INTRODUCTION

1.34.1 WP/16 presented revised text relating to: a) Aeronautical Information Services/Aeronautical Information Management, and b) exempted flights, to be included in Parts B and C of the new Chapter 5 of Doc 9161.

### 1.35 DISCUSSION

1.35.1 The meeting agreed with the Secretariat's proposed revised text for Aeronautical Information Services/Aeronautical Information Management.

1.35.2 While being aware that there might be sensitivities, the meeting stated that the lack of a definition of "State aircraft" made it difficult for ANSPs to apply ICAO's current charging policy on exempted flights. Therefore, the meeting agreed to draw the Air Transport Committee's attention to the need for ICAO to develop a definition of "State aircraft" and/or "State flights".

1.35.3 There was a long discussion on the issue of reimbursement to ANSPs of costs incurred by exempted flights. It was emphasized that as per Doc 9082, users should not be burdened with costs that are not properly allocable to them as per sound accounting practices. The meeting agreed that the text proposed in paragraphs 5.C19 through 5.C22 in the Appendix to WP/16 should be amended accordingly.

### 1.36 CONCLUSIONS

1.36.1 On the basis of the documentation and its discussion, the meeting reached the following conclusion:

1.36.1.1 The draft text in the Appendix should be amended by deleting 5.C19 through 5.C22, inserting relevant text from Doc 9082, paragraph 51 (i.e. from "The allocation of costs..." through "sound accounting principles") and adding a new sentence as follows: "For charging purposes for civil aviation, costs allocable to exempted flights should not be included".

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**Agenda Item 2: Review of the follow-up work on other conference recommendations*****Provision of Certain Air Navigation Services by Third-Party Operators — (WP/19)***  
***Service Level Agreements for Air Navigation Services Third-Party Providers — (WP/23)*****2.1 INTRODUCTION**

2.1.1 WP/19 described issues regarding the availability and sustainability of the necessary infrastructure required for the provision and improvement of air navigation services where some of such services are out-sourced or sub-contracted to third-party operators. A template service level agreement (SLA) for possible use by States and/or air navigation services providers to ensure that third-party operators deliver the agreed services as per recognized safety and performance requirements was included in the Appendix to WP/19.

2.1.2 WP/23 dealt with challenges affecting satellite communication services and proposed some additional items that could be included in a prospective service level agreement between States and/or air navigation services providers and third-party operators (Appendix to WP/19 refers).

**2.2 DISCUSSION**

2.2.1 In the course of the discussions three different views emerged. First, some members felt that it was out of scope for the economics panels to address the issue of the proposed template SLA and that such initiative should be left to industry to deal with. A second opinion was that instead of the economics panels, the issue should be addressed either by the Air Traffic Management Requirements and Performance Panel (ATMRPP), or by the Aeronautical Communications Panel (ACP), or by the North Atlantic Systems Planning Group. The third view was that since the task had been recommended by CEANS 2008, it was the responsibility of AEP-ANSEP to develop guidance on this topic. Following a lengthy debate on the pros and cons of the different approaches, the meeting agreed that the AEP-ANSEP was the appropriate body to provide guidance on this matter.

2.2.2 Regarding the proposal in WP/23 to include relevant text in the template SLA (Appendix to WP/19 refers), the meeting decided that only the contents in paragraphs 2.1 through 2.5 should be included, as it was considered that the proposed text from paragraph 2.6 through 2.9 on multiple SLAs throughout the supply chain for the purpose of business continuity would be difficult to implement.

**2.3 CONCLUSIONS**

2.3.1 On the basis of the documentation and its discussion, the meeting reached the following conclusion:

2.3.1.1 Guidance material for Doc 9161 should be developed by using appropriate text from paragraph 2.1 through paragraph 2.5 of WP/23. A reference to the template service level agreement (SLA), as proposed in the Appendix of WP/19, should be included at the end of the guidance material. The SLA template would constitute a new Appendix to Doc 9161.

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***Implementation by States of the recommendations of the Conference on the Economics of Airports and Air Navigation Services (CEANS - 2008) — (WP/20)***

**2.4 INTRODUCTION**

2.4.1 WP/20 presented the results of a survey conducted by the Secretariat through a State letter (SD 38/4-10/38, dated 31 May 2010) on the implementation by States of the Recommendations of the *Conference on the Economics of Airports and Air Navigation Services* (CEANS – 2008). It was based on the responses received from 47 ICAO Member States.

**2.5 CONCLUSION**

2.5.1 The meeting noted the contents of this information paper.

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**Agenda Item 3: Review of the follow-up work on the Council decision concerning the structure and readability of ICAO's Policies on Charges for Airports and Air Navigation Services (Doc 9082)**

***Proposed Revision of ICAO's Policies on Charges for Airports and Air Navigation Services (Doc 9082) — (WP/17)***

### 3.1 INTRODUCTION

3.1.1 In November 2008, the ICAO Council decided that a complete review of *ICAO's Policies on Charges for Airports and Air Navigation Services* (Doc 9082) should be undertaken in order to improve the structure and readability of this document (C-DEC 185/11 refers). WP/17 proposed a number of amendments to Doc 9082, including editorial adjustments in an effort to harmonize, shorten, and, in some cases, clarify the existing text.

### 3.2 DISCUSSION

3.2.1 At the outset, the delegation of the Russian Federation stated that the proposed revised text for Doc 9082 prepared for the AEP-ANSEP/4 meeting was available in the English language only and that they would not be in a position to make any comments on the proposed amendments until such time when the revised Doc 9082 is available in the Russian language.

3.2.2 The Chairman confirmed that in the revisions proposed for Doc 9082, care had been taken not to modify the substance of the policies on charges.

3.2.3 The meeting reviewed the proposed amendments to Doc 9082 on a section-by-section basis. Two general remarks were made: a) that the term "aircraft operators" should replace "air carriers" throughout the document, and b) that the term "end-users" should be included where applicable.

3.2.4 There was a lengthy discussion regarding the appropriateness of the wording in paragraph 37 i) on cost basis for airport charges, which currently mixes costs and revenues, although the paragraph relates to costs only. It was stated that the reference to aeronautical revenues in this paragraph was not adequate because, depending on the form of economic oversight, such revenues may be estimated only after the contributions from non-aeronautical revenues have been considered. Further, it was pointed out that the current text was overly complicated and, therefore, difficult to understand. For clarity purposes, the meeting agreed that the paragraph should be divided into two sentences: a) the first sentence to end with "management and administration"; and b) by removing the reference to aeronautical revenues, the second sentence to read: "Consistent with the form of economic oversight adopted, these costs may be offset by non-aeronautical revenues".

3.2.5 The meeting agreed the specific amendments to Doc 9082 detailed in the conclusions below.



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### 3.3 CONCLUSIONS

3.3.1 On the basis of the documentation and its discussion, the meeting reached the following conclusions:

3.3.1.1 The following amendments were agreed for Doc 9082 — Foreword:

- a) Paragraph 1, *add* the following text at the end of the paragraph: “As per a recommendation adopted by CEANS and endorsed by the ICAO Council, States are encouraged to incorporate the four key charging principles of non-discrimination, cost-relatedness, transparency and consultation with users into their national legislation, regulation or policies, as well as into their future air services agreements, in order to ensure compliance by airport operators and air navigation services providers (ANSPs).”;
- b) Paragraph 4, third line, *replace* “are business with” with “have”, and fifth line, “Air carriers” with “Aircraft operators”;
- c) Paragraph 5, first line, *delete* “are likely to” and, fifth line, *delete* “, airport and airspace congestion,”;
- d) Paragraph 6, last line, *delete* “, and other improvements in infrastructure”;
- e) Paragraph 7, penultimate line, *replace* “air carriers” with “aircraft operators and end-users” and *delete* from “which ...” to the end of the sentence;
- f) Paragraph 8, second line, *replace* “air carriers” with “aircraft operators and end-users”;
- g) Paragraph 10, first line, *replace* “CEANS” with “the 2008 Conference”; and
- h) Paragraph 11, last sentence, *replace* “Information on the airport and air navigation services charges actually levied in States is updated and published annually in ICAO’s *Aeronautical Charges* (Doc 7100)” with “ICAO collects and publishes information on aeronautical charges for airports and air navigation services worldwide (Doc 7100 refers).”.

3.3.1.2 The following amendments were agreed for Doc 9082, Part I — General:

- a) Paragraph 17, add “of these entities” at the end of the sentence;
- b) Paragraph 23, first and second lines, *re-phrase* as follows: “States’ exercise of their economic oversight responsibilities should be clearly separated...”;
- c) Paragraph 24, fourth line, *delete* “commercial”; i) *replace* “their dominant position” with “any dominant position they may have”; iii) after “future demand”, *add*: “in a cost-effective manner”;
- d) Paragraph 30, second line, *delete* “that have a direct impact on charges”; and

- e) Paragraph 34, *insert* after “specific circumstances” the following text: “.., after having allowed for possible contributions from non-aeronautical revenues,..”.

3.3.1.3 The following amendments were agreed for Doc 9082’s Part II – Airports:

- a) Paragraph 36, *re-phrase* the last sentence as follows: “Moreover, it is recommended that States consider the application by airports, where appropriate, of internationally accepted accounting standards.”;
- b) Paragraph 37, i) *end* the sentence after “management and administration” and *replace* the text with the following new sentence: “Consistent with the form of economic oversight adopted, these costs may be offset by non-aeronautical revenues”; and
- c) Paragraph 39, i) *end* the sentence after “weight formula” and *replace* the next sentence with the following: “The maximum certificated take-off weight as indicated in the certificate of airworthiness (or other prescribed document) should be used, while considering local restrictions that may affect aircraft maximum take-off weight”; ii) last line, *change* the reference to read “53”.

3.3.1.4 The following amendments were agreed for Doc 9082’s Part III – Air Navigation Services:

- a) Paragraph 47, last line, *replace* “cost-based” with “calculated”; and
- b) Paragraph 49, ii) *keep* the original text and *delete* sub-paragraph vii).

3.3.1.5 The proposed new text on AIS-AIM for Appendix 2 of Doc 9082’s was agreed. The Secretary of the panels will report to the Air Transport Committee that this additional text is in response to the requirement of item c) of the Terms of Reference of the Air Navigation Services Economics Panel.

3.3.1.6 The definition of benchmarking for the Glossary of Terms in Appendix 3 to Doc 9082 to be amended as follows: “The process of either making comparisons over time within a single organization (internal benchmarking) or of comparing performance between two or more organizations (external benchmarking), in order to make improvements.”

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**Agenda Item 4: Review of cost allocation aspects of global navigation satellite system (GNSS)*****Allocation of Incremental Costs of More Advanced GNSS Services — (Flimsy No. 1)*****4.1 INTRODUCTION**

4.1.1 In February 2007 the ICAO Council adopted a “provisional” policy for the allocation of incremental costs of more advanced GNSS. The Council requested the Secretary General to coordinate technical, legal and economic aspects associated with GNSS cost allocation and elaborate on the “principles” accordingly, so that the guidance can be redrafted with appropriate wording for inclusion in *ICAO’s Policies on Charges for Airports and Air Navigation Services* (Doc 9082). The three ICAO Bureaux involved, namely the Air Transport Bureau, the Air Navigation Bureau and the Legal Bureau, have discussed the various issues requested by the Council. WP/22 reflected the outcome of these discussions.

**4.2 DISCUSSION**

4.2.1 At the outset, several members stated that the allocation of GNSS costs is a very complex issue that should be approached with caution. In particular, it was noted that technologies for GNSS applications are still under development, and that a better understanding of the costs and benefits for all possible users is still required. The meeting also agreed that the definition of basic services provided in paragraph 3.1 of this paper would need further elaboration.

4.2.2 Based on the foregoing, the meeting felt that it was premature to include the “provisional” policy guidance in Doc 9082. The meeting recommended that ICAO continue to monitor the situation and consider the inclusion of the policy in Doc 9082 only when the outstanding questions have been answered. The Chairman reiterated that any possible allocation of incremental costs of more advanced GNSS services to civil aviation should be in line with ICAO’s policies on charges as stated in paragraph 51 of the revised Doc 9082.

**4.3 CONCLUSIONS**

4.3.1 On the basis of the documentation and its discussion, the meeting reached the following conclusions:

4.3.1.1 The current policy guidance should be kept as provisional, and therefore should not be included in Doc 9082 at this time for the following reasons:

- a) GNSS technologies are still being developed;
- b) a better understanding of possible use of GNSS within transport and other industries is required; and
- c) the definition of basic services is still unclear and needs further refinements, in particular with respect to the interpretation of basic versus open services.

**Agenda Item 5: Development of guidance on possible ways to fund various oversight functions*****Funding of Oversight Functions — (WP/18)******Funding Options for Regional Safety Oversight Organizations — (WP/22)*****5.1 INTRODUCTION**

5.1.1 WP/18 presented the results of a survey conducted by the Secretariat on funding of oversight functions (safety, security, and economic oversight of airports and air navigation services providers), both at the national and the regional levels. The paper also summarized some elements of the guidance provided in the draft Chapter 5 of the ICAO *Safety Oversight Manual* (Doc 9734), which includes possible avenues to secure sustainable funding of Regional Safety Oversight Organizations (RSOOs).

5.1.2 WP/22 made reference to WP/18 and stated that while safety oversight can be funded, in part, through a variety of means, in most cases Government contributions play a significant role, and that the issue of funding becomes particularly important when considering the establishment of an RSOO. The paper suggested that a full range of funding options beyond charges and taxes should be considered, including contributions from governments, commercial sources and international organizations.

**5.2 DISCUSSION**

5.2.1 In presenting WP/18, the Secretariat advised that according to the survey undertaken, currently the majority of funds for oversight functions, both at national and regional levels, are from treasury, although certain States had indicated that they were considering the introduction of charges to fund certain or part of their oversight functions. WP/22 was presented by the United States and was supported by some States and some international organizations.

5.2.2 A presentation was made by ICAO's Air Navigation Bureau on the establishment of RSOOs and the need to ensure their financial sustainability. The meeting was appraised that passenger safety levies and/or en route charges were being considered as possible options for RSOOs funding.

5.2.3 The meeting recognized the importance of the establishment and operation of RSOOs, in particular as they perform a number of oversight functions on behalf of several States, sometimes with limited traffic volumes and resources, in developing regions or sub-regions. However, in the ensuing discussion some members were of the view that the existing ICAO policies on charges are geared towards the provision of airport and air navigation services and, therefore, their application to fund functions related to RSOOs was questioned. It was clarified that the costs for oversight functions directly related to the provision of airport and air navigation services may be included in the cost basis for charges as long as such costs are imposed on the providers of services. Other views were expressed that all possible options for funding of oversight functions should be kept open and should be considered.

5.2.4 There was general consensus that ICAO should address this issue. Accordingly, a Working Group was established to develop guidance material on the issue of funding oversight functions on a broad basis, covering all types of oversight functions at the national and the regional levels. The meeting agreed that the work would be done by correspondence and that the findings should be ready by

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July 2011 so that they can be included in the agenda of the forthcoming Symposium on RSOOs, planned for 26-28 October 2011. The United States volunteered to be the Rapporteur of this Working Group.

### 5.3 CONCLUSIONS

5.3.1 On the basis of the documentation and its discussion, the meeting reached the following conclusions:

5.3.1.1 The existing ICAO policies and guidance on charges are addressed to States and are relevant to airports and air navigation services only and, therefore, passenger levies or en route charges for the purpose of funding RSOOs activities would not be within the scope of the existing ICAO policies on charges; and

5.3.1.2 A working group, composed of Canada, Germany, Mexico, Nigeria, South Africa, the United States (Rapporteur), the European Commission, ACI, CANSO and IATA, should develop guidance material on the issue of funding oversight functions on a broader perspective, i.e. to cover all types of oversight functions at the national and the regional levels. In view of the forthcoming Symposium on RSOOs, planned for October 2011, the working group should finalize the guidance by July 2011 through correspondence.

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**Agenda Item 6: Any other business**

***Single European Sky — (WP/21)***

**6.1 INTRODUCTION**

6.1.1 WP/21 and its Appendix proposed revised text on the Single European Sky (SES) for Part F (Political cooperation) of Chapter 3 (International cooperation) of the *Manual on Air Navigation Services Economics* (Doc 9161).

**6.2 DISCUSSION**

6.2.1 The meeting agreed to the new text as an update and replacement of text on the Single European Sky initiative for Doc 9161, Chapter 3, Part F. The meeting noted that some small editorial changes were necessary.

**6.3 CONCLUSION**

6.3.1 On the basis of the documentation and its discussion, the meeting reached the following conclusion:

6.3.1.1 The draft text for Doc 9161, Chapter 3, International Cooperation, was approved with some editorial amendments that will be communicated to the Secretariat.

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**LIST OF WORKING GROUPS**

<b>Working Group No.</b>	<b>Topics</b>	<b>Participants (experts from) (R = Rapporteur)</b>
WG/1	Economic Performance (Airports)	<b>Ireland (R)</b> Argentina Canada Chile Germany Nigeria South Africa United Kingdom United States European Commission ACI IATA
WG/2	Guidance on funding of oversight functions	<b>United States (R)</b> Canada Germany Mexico Nigeria South Africa European Commission ACI CANSO IATA

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