



**WORKING PAPER**

**CONFERENCE ON THE ECONOMICS OF AIRPORTS AND  
AIR NAVIGATION SERVICES**

**Montreal, 15 to 20 September 2008**

**Agenda Item 4: Implementation of ICAO's policies on charges**

**IMPLEMENTATION OF ICAO'S POLICIES ON CHARGES**

(Presented by the Secretariat)

**SUMMARY**

This paper discusses how to promote the adherence to *ICAO's Policies on Charges for Airports and Air Navigation Services* (Doc 9082). Several reports show that ICAO's policies have not been properly implemented by certain States and service providers. With the objective of increasing the awareness and knowledge of ICAO's policies and obtaining the broadest possible adherence to them, the paper proposes several actions to be taken, including an explicit re-affirmation by the ICAO Council of its support for the policies and promotional activities by the ICAO Secretariat. The paper also concludes that States should ascertain that their service providers implement ICAO's policies.

Action by the Conference is in paragraph 5.

**1. INTRODUCTION**

1.1 ICAO has developed over the years a comprehensive set of policies which are contained in *ICAO's Policies on Charges for Airports and Air Navigation Services* (Doc 9082). However, it has been noted that there are still instances where the policies are not being properly implemented, or not being applied at all. This is often due to a lack of awareness of, and firm commitment by, States and their service providers to follow them. This situation may not improve with the trend towards commercialization and privatization of service providers and the associated risk of less awareness of the policies among such providers.

1.2 This paper reviews the state of implementation of ICAO's policies on charges by States, and discusses appropriate means of promoting adherence to the policies.

## 2. STATUS AND IMPLEMENTATION OF ICAO'S POLICIES

2.1 ICAO's policies on charges differ in status from the *Convention on International Civil Aviation* (Chicago Convention, Doc 7300), in that an ICAO Contracting State is not legally bound to adhere thereto, unlike the articles of the Chicago Convention. However, since the principles in Doc 9082 have been elaborated from recommendations by major international conferences at which States fully participated, States are morally committed to follow them and to ensure that their service providers' practices are in conformity with these policies. The ICAO Assembly Resolution A36-15, accordingly, urges States to base the recovery of the costs of the provision of airports and air navigation services not only on the principles set forth in Article 15 of the Chicago Convention but also on the principles enunciated in Doc 9082, regardless of the organizational structure under which airports and air navigation services are operated.

2.2 The latest available information on States' adherence to some of the main principles of ICAO's policies is shown in Supplement No. 2 to Doc 9082 (published under "Free publications" on the ICAO website). It indicates that the majority of States reporting such information adhere to the policies, but some States have reported non-adherence to paragraphs 22 and 23 of Doc 9082, regarding airport charges, and to paragraphs 38, 39, 40 and 41 of Doc 9082 concerning air navigation services charges. Also, a few other States have not identified their level of adherence to the policies. It has to be noted that more than half of the Contracting States have not provided any information. An update of the information on implementation of the policies has been prepared for this Conference. This is shown in WP/20.

2.3 In addition to the information mentioned above, there are, reportedly, several examples of non-adherence to ICAO's policies, including:

- a) increases in airport and/or air navigation services charges implemented without proper, or any, consultation with users;
- b) increases in charges without justification;
- c) lack of transparency in the presentation of financial information to users;
- d) indirect cross-subsidies to national users and/or other categories of users through higher charges for international services (i.e. discriminatory treatment of certain categories of users, which in certain cases may be a breach of Article 15 of the Chicago Convention); and
- e) non-disclosure by some service providers of their charges levels.

## 3. DISCUSSION

3.1 Non-adherence by service providers to ICAO's policies on charges may lead to diverging approaches for the setting of charges and may make it more difficult for States to fulfil their obligations under the Chicago Convention and to ensure a fair and efficient provision of airports and air navigation services.

3.2 With the goal to increase the awareness of ICAO's policies and their implementation throughout the world, several measures may be considered involving various parties, i.e. ICAO, States, service providers, and the air transport industry at large, including industry organizations.

3.3 ICAO itself is obviously the starting point for any such efforts. A logical first step would be an explicit re-affirmation by the ICAO Council of its support for the policies on charges in Doc 9082 and its expectation that States adhere to the policies and that they subsequently ensure adherence to these by their service providers.

3.4 A statement made by the Council alone, would, however, not enhance States' knowledge of ICAO's policies *per se*. An increased awareness and understanding by States of the contents of the policies would be fundamental to obtain optimal adherence. This could be achieved through various promotional activities.

3.5 Past experiences by the ICAO Secretariat of regional workshops on the economics of airports and air navigation services indicate that they are a very useful means of making States familiar with ICAO's policies and to emphasize the importance of adhering to them. The regional workshops also provide the participants with means to determine what the practices in other States are, and situations where application of the policies may raise difficulties. Provided that careful attention is given to ensuring an adequate and active participation, dissemination and exchange of information through regional workshops provide an excellent opportunity to raise the knowledge of ICAO's policies and, hence, to facilitate their subsequent application. In addition, consideration should be given to the provision of training courses in cooperation with some key partners in the industry.

3.6 Other possible ways to promote and enhance the understanding of the policies on charges are through flyers summarizing the salient features of Doc 9082, which could be distributed at ICAO meetings as well as other meetings with ICAO participation, and by making policies and guidance material, as well as related documentation, available online. It may also be of interest to actively monitor the implementation of the policies not only from a State's perspective, but also from the users' point of view.

3.7 Individual States could also undertake specific actions directed at their service providers. It is the States' responsibilities to ascertain that their service providers are aware of the relevant obligations of the States regarding the provision of airports and air navigation services, and action by States could include some kind of educational activities tailored to their service providers' needs and to adequately impart an appropriate level of understanding of ICAO's policies.

3.8 Industry organizations, whether they are global, regional or national, can also play a significant role in encouraging service providers to adhere to ICAO's policies. Such organizations generally have a greater knowledge of these policies, and it would be beneficial if they could contribute to an increased awareness of ICAO's policies and the need to adhere to them. Although the specific approach would be best determined by the individual organizations, at the least, information regarding the policies could be part of educational or similar activities.

## 4. CONCLUSIONS

4.1 From the foregoing discussion, the following conclusions may be drawn:

- a) States should recognize that non-adherence to ICAO's policies on charges is directly related to their obligations with respect to Article 15 of the Chicago Convention and undermines the efficient and cost-effective provision and operation of airports and air navigation services, as well as the relationship with users, in particular, with respect to transparency and the fair treatment of different categories of users;

- b) States should ensure that their service providers adhere to ICAO's policies on charges and should report any deviations from the adherence to these policies; and
- c) ICAO should take all relevant measures to ensure a widespread awareness and knowledge of its policies on charges across the States and the industry, where educational and promotional efforts should have as high a priority as efforts to encourage adherence.

5. **ACTION BY THE CONFERENCE**

5.1 The Conference is invited to:

- a) review and adopt the conclusions in paragraph 4; and
- b) discuss other possible ways and means to encourage greater adherence to, and implementation of, ICAO's policies on charges.

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