



International Civil Aviation Organization

## WORKING PAPER

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# CONFERENCE ON THE ECONOMICS OF AIRPORTS AND AIR NAVIGATION SERVICES

Montréal, 15 to 20 September 2008

### Agenda Item 1: Issues involving interaction between States, providers and users

#### 1.1: Economic oversight

#### 1.3: Consultation with users

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

## ISSUES INVOLVING INTERACTION BETWEEN STATES, PROVIDERS AND USERS

(Presented by the Interstate Aviation Committee (IAC))

### SUMMARY

This paper discusses the increased role of the States in the promotion and implementation of *ICAO's Policies on Charges for Airports and Air Navigation Services* (Doc 9082), as well as economic oversight for airports and air navigation services providers.

Action by the Conference is in paragraph 4.

## 1. INTRODUCTION

1.1 During recent years, in many countries airports have been demonstrating a steady trend towards privatization, but on the air navigation services side the trend has been towards commercialization. Although those trends are logical within the frameworks of the market economy, Contracting States, in accordance with the principles set forth in Article 15 of the *Chicago Convention*, are responsible for recovering or giving permission for recovering any services charges as well as for publication of information on those charges and reporting to the International Civil Aviation Organization. In accordance with those principles and taking into consideration ICAO's policies on airports and air navigation services charges enunciated in *ICAO's Policies on Charges for Airports and Air Navigation Services* (Doc 9082), the ICAO Assembly in its Resolution A36-15 urges States to base the recovery of the costs for the provision of airport and air navigation services not only on the principles set forth in Article 15 of the *Chicago Convention* but also on the provisions enunciated in Doc 9082. This should assist in the orderly and economical development of aviation industry on the worldwide basis

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<sup>1</sup> Russian version provided by IAC.

especially now when unprecedented increase of the cost of aviation fuel may cause a global crisis of the aviation transport and aviation industry as a whole.

1.2 This document reconfirms a leading role of ICAO in establishing policy and principles of the recovery of the costs for the provision of airport and air navigation services as well as increased role of the States in the oversight of the services providers in compliance with ICAO's policy.

## 2. DISCUSSION

2.1 Unprecedented increase of the cost of aviation fuel observed recently and its disproportional relative cost in the airlines' operational expenses has generated a great concern of ICAO and IATA. In these circumstances States should pay more attention to the establishment of the level of airport and air navigational services charges and where it is possible undertake appropriate steps towards its decrease, thus supporting development of air transport industry.

2.2 The above issues can be resolved by the States only through the well established system of economic oversight in the form of legislation or through the establishment of an appropriate regulatory mechanism.

2.3 In this connection, WP/4 presented by ICAO Secretariat to this Conference suggests new approaches related to the regulations in this area ensuring a transparent, efficient and cost effective solution.

2.4 In order to maintain an environment of mutual understanding and a much broader cooperation between providers and users of the services, WP/6 recommends that States should ensure that a permanent, regular consultation process is established with participation of all users at the airports and air navigation services and suggests amendments to the document Doc 9082.

2.5 WP/17 suggests the measures for a wide spread awareness and knowledge of policies on charges across the States and all sectors of civil aviation as well as on ICAO's policies on establishing of airports and air navigation services charges.

## 3. CONCLUSION

3.1 On the basis of the above discussion, the Interstate Aviation Committee (IAC) shares ICAO's concern on the increase of the cost of aviation fuel and in this connection supports a necessity of establishing orderly and economically justifiable charges for airport and air navigation services that would determine balanced and mutually acceptable conditions for cooperation between providers and users for the sake of a steady development of air transport services with an appropriate flight safety level.

## 4. ACTION BY THE CONFERENCE

4.1 The Conference is invited to review and endorse WPs/4, 6 and 17 presented by ICAO Secretariat.