





Agenda Item 2 ICAO's Policies on Airport and Air Navigation Services Charges




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How It Started ...

Chicago Convention (Doc 7300)

- Article 44 – Objectives of ICAO
- Article 15 – Airport and similar charges
 - Application of uniform conditions
 - Non discrimination
 - No charge **solely** for the right to overfly, enter or exit

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Need for Policies?

- Guidance to States
- Encourage States to establish financially independent entities
- Efficiency and cost-effectiveness
- Non-discrimination, cost-relatedness, transparency and consultations with users


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History

- Study of international airport charges (1954)
- Airport Charges Conference (1956)
- Statements on airport charges and route facility charges (1957, 1958)
- 1967, 1973, 1981, 1991, 2000, 2008
- ANSConf 2000 and ICAO's policies on charges ...



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Doc 9082 (8th Edition)


Structure:

- Foreword
- General
- Policies on Airport Charges
- Policies on Charges for Air Navigation Services
- Appendices
- Supplement



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Foreword


Definition of charge and tax

- **Charge**
 - to recover the costs of providing facilities and services for aviation
 - Doc 9082
- **Tax**
 - to raise national or local government revenue, usually not for aviation
 - Doc 8632




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General

- Financial situation [§8]
- Scope and proliferation of charges [§9-10]
- Organizational and managerial issues [§11-17]
- Economic oversight [§18-21]
- Economic performance and minimum reporting requirements [§22]
- Consultation with users [§23-26]
- Other factors affecting the economic situation [§27-28]



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General (cont.)

Financial situation [§8]

- Fluctuation with performance of economies


Scope/proliferation of charges [§9-10]

- Permit imposition of charges only for services and functions provided for civil aviation operations
- Refrain from charges that discriminate against international civil aviation



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General (cont.)

Organizational/managerial issues [§11-14]

- **Autonomy and privatization**
 - Establishment of autonomous entities where economically viable and best for providers and users
 - State's ultimate responsibility for safety, security and economic oversight
 - Observance of Chicago Convention, Annexes and policies on charges

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General (cont.)

- **International cooperation** [§15]
 - Adoption of a regional approach
 - Facilitation of the implementation of the ICAO Global ATM Operational Concept
- **Best practices** [§16]
 - Application of best practices of good corporate governance by providers
- **Charges collection** [§17]
 - Use of joint charges collection agencies

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General (cont.)

Economic oversight [§18-21]

- Separation of regulatory and operational functions
- State's responsibility and objectives
- Selection of an appropriate form
- Adoption of a regional approach

Economic performance [§22]

- Development of appropriate performance management systems
- Selection of KPAs, objectives and indicators, and minimum reporting requirements

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General (cont.)

Consultation with users [§23-26]

- Establishment of a clearly defined, regular consultation process

Other factors [§27-28]

- Balance of interest between providers and users
- Increased cooperation to share economic difficulties



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Policies on Charges

Airport Charges

- Cost basis for charges [§29-30]
- Airport charging systems [§31]
- Pre-funding of projects [§32]
- Currency issues [§33]
- Landing charges [§34]
- Parking and hangar charges [§35]
- Passenger service charges [§36]



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Policies on Charges (cont.)

Airport Charges (cont.)

- Security charges [§37]
- Noise-related charges [§38]
- Emissions-related aircraft charges (local air quality problems) [§39]
- Development of revenues from concessions, rental of premises and "free zones"[§40]
- Fuel concession fees [§41]



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Policies on Charges (cont.)

Air Navigation Services Charges

- Cost basis for charges [§42-45]
- Allocation of costs among [§46] aeronautical users
- Charging systems [§47]
- Pre-funding of projects [§48]
- Currency issues [§49]



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Policies on Charges (cont.)

Air Navigation Services Charges (cont.)

- Approach and aerodrome control charges [§50]
- Route air navigation services charges [§51-52]
- Charges for air navigation services used by aircraft when not over the provider State [§53]



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Appendices

1. Guide to the facilities and services to be taken into account in determining airport costs
2. Guide to the facilities and services to be taken into account in determining the total costs of air navigation services
3. Glossary of terms



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Supplement

Follow-up of ANSConf 2000

- Information on States' implementation practices
- Analysis of States responses to a questionnaire on their policies on charges



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Recommendation by CEANS

- Incorporation of main principles into national legislation and air services agreements: non-discrimination, cost-relatedness, transparency and user consultation



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Other Policy Material

- Assembly Resolutions: Consolidated Statements of Continuing ICAO Policies (A36-15 Appendix F, Air Transport & A36-22 Appendix L, Environmental Protection)
- Council Resolution on Environmental Charges and Taxes (1996)
- Provisional policy on allocation of incremental costs of more advanced GNSS services (2007)



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Exercises

- Key principles
 - Chicago Convention
 - ICAO's policies on charges
- Adherence to ICAO's policies

EXERCISES ON AGENDA ITEM 2

INDIVIDUAL

- Q1.** The Chicago Convention does not provide much detail on user charges, except for three basic principles that are included in Article 15. Which of the four following principles is **not embodied in Article 15**?
- (a) Uniform conditions shall apply to aircraft of all other Contracting States.
 - (b) No difference in charges based on the carrier nationality.
 - (c) No charge for the sole right of transit over, entry into or exit from a territory.
 - (d) Charges shall be cost-based.
- Q2.** Which are the most important principles of ICAO's policy on charges (indicate at least four principles)?
- Q3.** The foreign international airlines operating into "State X" have complained about the method of levying landing charges on international flights, claiming that "State X" does not follow ICAO's principles by giving charges discounts to its national airline. In response, "State X" claims it is free to do so as a sovereign State. State your opinion on this issue.

OPEN/GROUP

- Q4.** How can we improve the adherence to ICAO's policies on charges by airports and ANSPs?