Agenda Item 1
The Outcome of the 2008
Economic Conference

How it started …

Chicago Convention (Doc 7300)

- Convention on International Civil Aviation, Chicago, 7 December 1944

- Article 44 – Objectives of ICAO

- Article 15 – Airport and similar charges

ICAO's Policies on Charges

- 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 …

Do we need the policies?

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

ANSConf 2000

- Commercialization and privatization
- Economic regulation
- Performance measuring
- Best commercial practices
- Pre-funding
- Single till vs dual till

CEANS 2008 – purpose & goals

- Learn from experiences of commercialization/privatization
- Future challenges
- Cooperation to another level
- Optimize efficiency and cost-effectiveness

CEANS 2008 – Agenda
(main items)

1. Economic oversight
2. Economic performance
3. Consultation with users
4. Implementation of ICAO's Policies on Charges

CEANS – success factors

- Panel meetings to prepare for the Conference
- Symposium on the key topics
- "Give the policies more teeth …"
- Broad participation in discussions
- Progressive recommendations
- Short decision process

Economic oversight

- Responsibility of States to minimize the risk of abuse of dominant position and protect interests of end users
- States should select form of oversight according to their circumstances and regulatory interventions as required
- Regional approach where States lack capacity to adequately perform economic oversight functions

Economic oversight (cont.)

- States should ensure that service providers consult with users and that appropriate performance management systems are developed and implemented

Economic performance

- States should ensure that service providers establish performance objectives

- As a minimum, improve performance in four KPAs (safety, quality of service, productivity and cost-effectiveness), and report at least one indicator and its target for each KPA

- States may choose additional KPAs

Consultation with users

- States should ensure that a clearly defined, regular consultation process is established with users by their airports and ANSPs
- States should ensure that users are consulted on charges as well as capacity development and investments

Other recommendations

- Governance, ownership and control
- More flexibility in setting charges
- Rate of return
- Access to infrastructure
- Economic and organizational aspects related to implementation of the global ATM concept

Implementation of ICAO's Policies on Charges

- Commercialized/privatized airports, less awareness of the policies
- "Only" moral obligation
- After ANSConf 2000, "Council Statements" replaced by "ICAO's Policies" (Doc 9082)
- Supplement to Doc 9082

Implementation of ICAO's Policies on Charges (cont.)

- Important for States to adhere to ICAO's polices on charges
- States should ensure their airports and ANSPs adhere to ICAO's policies
- ICAO should take all relevant measures to ensure the awareness of the policies, in cooperation with the industry

Implementation of ICAO's Policies on Charges (cont.)

- ICAO should encourage States to include main principles on non-discrimination, cost-relatedness, transparency and consultation with users into:

  - national legislation, regulations or policies

  - future air services agreements

CEANS in numbers

- ✓ 535 participants from 103 Contracting States and 17 international organizations

- ✓ 87 working papers

- ✓ 15 recommendations, of which 10 related to Doc 9082 (amendments and additions)

- ✓ Other recommendations call on specific actions by States and by ICAO

CEANS – Actions

Four groups:

1. Contracting States (State letter)
2. Amendments of Doc 9082
3. Revision/expansion of guidance material
4. Other actions

CEANS – Actions: 1

State letter drawing attention to the outcome of the Conference and highlighting certain actions required by States, including:

- economic oversight
- economic performance
- consultation
- implementation of ICAO's policies on charges

CEANS – Actions: 2

Ten recommendations concerning amendments to Doc 9082, including

new text on:

- economic oversight
- economic performance
- consultation
- separation of regulation and provision
- aggregation of cost bases
- differential charges

CEANS – Actions: 3

Revision/expansion of ICAO's guidance material, including:

- governance/ownership/control
- rate of return
- categorization of services for cost allocation and charges
- aircraft weight
- economic aspects of the global ATM concept
- revision of Doc 9082 (improve flow)

(work to be done with assistance of the two economics panels)

CEANS – Actions: 4

1) ICAO/Regional Organizations dialogue on economic performance

2) Promotion of ICAO's policies on charges, in cooperation with the industry

3) ICAO Council to take appropriate action on issues related to slot allocation and night curfews

Approval process and next steps

➢ ICAO Council (14 November 2008) endorsed the recommendations of CEANS and approved the Eight Edition of Doc 9082

➢ Airport Economics Panel and Air Navigation Services Economics Panel to review: 1) Doc 9082 (improve structure/readability); and 2) the two economics manuals

Industry Parnership Agreement

Presentation by Austro Control

Discussion

- Rules and practices for consultation with users in your States?

- Can it be improved?