

Doc 9082



ICAO's Policies on Charges for Airports and Air Navigation Services

Approved by the Council
and published by its decision

Ninth Edition — 2012

International Civil Aviation Organization

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AMENDMENTS

Amendments are announced in the supplements to the *Catalogue of ICAO Publications*; the Catalogue and its supplements are available on the ICAO website at www.icao.int. The space below is provided to keep a record of such amendments.

RECORD OF AMENDMENTS AND CORRIGENDA

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FOREWORD

1. ICAO's *Policies on Charges for Airports and Air Navigation Services* contain the recommendations and conclusions of the Council resulting from ICAO's continuing study of charges in relation to the economic situation of airports and air navigation services provided for international civil aviation. The policies, which are intended for the guidance of Contracting States, are mainly based on the recommendations made in this field by the various conferences on the economics of airports and air navigation services, which are held regularly by ICAO. The last such conference took place in Montréal from 15 to 20 September 2008 (*Report of the Conference on the Economics of Airports and Air Navigation Services (CEANS)* (Doc 9908) refers). 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).
2. ICAO's commitment in the field of airport and air navigation services charges has its principal origin in Article 15 — *Airport and similar charges*, of the *Convention on International Civil Aviation*. This commitment has found further expression in the Organization's *Consolidated Statement of Continuing ICAO Policies in the Air Transport Field*, which is updated at each regular Session of the Assembly; currently, in Resolution A37-20, Appendix F — *Airports and air navigation services*, the Assembly, inter alia, requests the Council to ensure that the guidance and advice contained in Doc 9082 are current and responsive to the requirements of Contracting States.
3. The Council wishes to draw attention to the distinction between the policies contained in this document, which concern airport and air navigation services charges only, the policies on customs duty in Article 24 of the *Convention on International Civil Aviation*, and the Council's policies and guidance on taxation set out in *ICAO's Policies on Taxation in the Field of International Air Transport* (Doc 8632), which address taxation of fuel, lubricants and other consumable technical supplies, as well as taxation of income of international air transport enterprises and aircraft and other moveable property; and taxes on the sale and use of international air transport. As considered by the Council, a charge is a levy that is designed and applied specifically to recover the costs of providing facilities and services for civil aviation, and a tax is a levy that is designed to raise national or local government revenues, which are generally not applied to civil aviation in their entirety or on a cost-specific basis.
4. The financial situation of airports and of ANSPs, as well as of their primary users, fluctuates with the performance of global, national and regional economies. Airports and ANSPs have a high proportion of fixed costs, mainly funded by traffic, and therefore in times of decreased demand are challenged to maintain high standards of safety, security and quality of service. Aircraft operators seek to reduce the charges they pay. It is recognized that it is difficult to reconcile the long-term planning horizon of airports and ANSPs with the shorter-term requirements of aircraft operators. Therefore, a mutual understanding between providers and users is important in addressing these challenges.
5. A number of factors exert an important influence on the organization and economic development of airports and air navigation services. These include the growing liberalization of air services, air carrier concentration including mergers and alliances, changes in approaches to financing with airports (in particular) and ANSPs being expected to assume primary responsibility for financing investments in their infrastructure requirements, capacity management and environmental concerns.
6. The number of autonomous entities operating airports or air navigation services is expected to increase. This is resulting in more situations where an airport is operated by a different entity from that providing air navigation services (both approach/aerodrome control and route air navigation services). Also, additional resources will be required to deal with the problem of airport and airspace congestion, and to implement satellite-based communications,

navigation and surveillance (CNS) and air traffic management (ATM) systems, based on the ICAO Global ATM Operational Concept, as well as other multinational facilities and services.

7. Under these circumstances many airports and ANSPs may find it necessary to increase their charges and, in the case of airports, place greater emphasis on further developing revenues from non-aeronautical sources. However, recognizing that users face restrictions with regard to their choice of particular airports and of routes to be flown, it is recommended that caution be exercised when attempting to compensate for shortfalls in revenue and that account be taken of the effects of increased charges on aircraft operators and end-users.

8. There should be a balance between the respective interests of airports and ANSPs on one hand and of aircraft operators and end-users on the other, in view of the importance of the air transport system to States and its influence in fostering economic, cultural and social interchanges between States. This applies particularly during periods of economic difficulty. It is therefore recommended that States encourage increased cooperation between airports and ANSPs and aircraft operators to ensure that the economic difficulties facing them all are shared in a reasonable manner.

9. The problems involved in providing and maintaining the airport and air navigation facilities and services required by the Regional Air Navigation Plans are particularly difficult for the less advanced economies, principal among these problems being the limited financial resources available for economic development in general, the higher priority assigned to other sectors of the economy whose needs are considered more urgent, the under utilization of airports and air navigation services, the high cost of obtaining equipment from other States and the difficulties in recruiting and retaining sufficient numbers of qualified personnel. The Council will continue to take appropriate action towards obtaining more assistance for the States concerned in planning and financing airport and air navigation infrastructure as well as with regard to the provision of adequate human resources.

10. Further to a suggestion arising from the 2008 Conference (CEANS), the ICAO Secretariat collects information from States on their implementation of the principles applicable to charges for airports and air navigation services, as set out in the present document. This information is published on the ICAO website (<http://www.icao.int>) in the form of a supplement to this document and is updated from time to time.

11. A glossary of terms as used in the present policies on charges is contained in Appendix 3. To assist States in the implementation of the policies, the ICAO Secretariat has developed and maintains two manuals: the *Airport Economics Manual* (Doc 9562) and the *Manual on Air Navigation Services Economics* (Doc 9161). Parallel Assembly and Council policy on the regulation of air carriers is contained in *Policy and Guidance Material on the Economic Regulation of International Air Transport* (Doc 9587), which is similarly complemented by a *Manual on the Regulation of International Air Transport* (Doc 9626). ICAO collects and publishes information on aeronautical charges worldwide in *Tariffs for Airports and Air Navigation Services* (Doc 7100), while traffic and financial data for airports and air navigation services are collected through statistical forms and periodic surveys that are published on ICAO's websites (<http://www.icao.int> and <http://www.icaodata.com>, respectively).

SECTION I. GENERAL

Council

1. The Council strongly encourages States to apply the following policies regarding charges for airports and air navigation services.

Scope and proliferation of charges

2. It is recommended that States:
 - i) Permit the imposition of charges only for services and functions which are provided for, directly related to, or ultimately beneficial for, civil aviation operations; and
 - ii) Refrain from imposing charges which discriminate against international civil aviation in relation to other modes of international transport.
3. In this regard the Council is concerned about the proliferation of charges on air traffic and notes that the imposition of charges in one jurisdiction can lead to the introduction of charges in another jurisdiction.

Organizational and managerial issues

Autonomy and privatization

4. Experience gained worldwide indicates that where airports and air navigation services are operated by autonomous entities their overall financial situation and managerial efficiency have generally improved. Such autonomous entities were established by governments, although many, in particular airports, have since been transferred partly or completely to private enterprises.
5. It is therefore recommended that where this is economically viable and in the best interest of providers (airports and ANSPs) and users, States consider establishing autonomous entities to operate their airports or air navigation services, recognizing that in some circumstances a single entity may operate both airports and air navigation services, and that the entity may be in the form of an autonomous civil aviation authority.
6. When considering the commercialization or privatization of airports and ANSPs, States should bear in mind that they are ultimately responsible for safety, security and economic oversight of these entities.
7. Whenever an autonomous entity is established, whether by a government or by private interests, to operate an airport(s) and/or provide air navigation services, the State should ensure that all relevant obligations of the State specified in the Convention on International Civil Aviation, its Annexes and in air services agreements are complied with and that ICAO's policies are observed.

International cooperation

8. International cooperation is encouraged through a regional approach in the provision and operation of air navigation services where this is beneficial for the providers and users concerned and with a view to facilitating the efficient and cost-effective implementation of the ICAO Global ATM Operational Concept on the basis of the guidance provided in the *Global Air Navigation Plan* (Doc 9750). (See also Foreword, paragraph 6, and Section I, paragraph 11.)

Best practices

9. States should ensure the use of best practices of good corporate governance for airports and ANSPs, as applicable. Consideration should be given to: objectives and responsibilities of the entities; shareholders' rights; responsibilities of the board; role and accountability of management; relationship with interested parties; and disclosure of information.

10. In order to promote transparency, efficiency and cost-effectiveness in the provision of an appropriate quality of services and facilities, airports and ANSPs should apply management best practices in all areas of their business.

Charges collection

11. States should ensure that a legal framework for the collection of charges is in place. Airports and ANSPs or, where applicable, a State, should have an effective system for the collection of charges. Accounting systems must be precise and invoicing accurate. The system should also include credit control and enforceable recovery procedures. It is recommended that the entity responsible for air navigation services consider participating in joint charges collection when it is advantageous.

Economic oversight

12. States' exercise of their economic oversight responsibilities should be clearly separated from the operation and provision of airports and air navigation services, with roles and powers clearly defined for each function.

13. The main purpose of economic oversight should be to achieve a balance between the interests of airports and ANSPs, including government-operated providers, and those public policy objectives that include, but are not limited to, the following:

- i) Minimize the risk of airports and ANSPs engaging in anti-competitive practices or abusing any dominant position they may have;
- ii) Ensure non-discrimination and transparency in the application of charges;
- iii) Ascertain that investments in capacity meet current and future demand in a cost-effective manner; and
- iv) Protect the interests of passengers and other end-users.

To promote these objectives, consistent with the form of economic oversight adopted, States should ensure that airports and ANSPs consult with users and that appropriate performance management systems are in place.

14. States should adopt an approach to economic oversight that meets their specific circumstances. The degree of competition between providers, the costs and benefits of different forms of oversight, as well as the legal,