

**54th CONFERENCE OF
DIRECTORS GENERAL OF CIVIL AVIATION
ASIA AND PACIFIC REGION**

*Ulaanbaatar, Mongolia
07 — 11 August 2017*

**AGENDA ITEM 4: ECONOMIC DEVELOPMENT OF
AIR TRANSPORT**

**ADHERENCE TO THE PRINCIPLES AND
RECOMMENDATIONS DETAILED IN ICAO DOCS 9082
AND 9161 FOR SETTING AVIATION CHARGES**

(Presented by the International Air Transport Association)

INFORMATION PAPER

SUMMARY

This paper is to remind States of the key principles and recommendations detailed in ICAO Doc 9082 (ICAO's Policies on Charges for Airports and Air Navigation Services) and ICAO Doc 9161 (Manual on Air Navigation Services Economics), particularly the provisions relating to consultation with airport and airspace Users.

ADHERENCE TO THE PRINCIPLES AND RECOMMENDATIONS DETAILED IN ICAO DOCS 9082 AND 9161 FOR SETTING AVIATION CHARGES

1. INTRODUCTION

1.1 ICAO Doc 9082 (*ICAO's Policies on Charges for Airports and Air Navigation Services*) contains guidance material for States relating to airport and air navigation services charges.

1.2 Doc 9082 encourages States to incorporate four key charging principles, namely 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 (AOs) and Air Navigation Service Providers (ANSPs).

1.3 ICAO Doc 9161 (*Manual on Air Navigation Services Economics*) provides practical guidance to States to assist in the efficient management of air navigation services and in implementing the provisions of Doc 9082.

1.4 Adequate consultation and transparency supports a collaborative approach to change and growth; something acknowledged as a key success factor in today's complex aviation environment.

2. DISCUSSION

2.1 ICAO Doc 9082 acknowledges the importance of the air transport system to States and its influence in fostering economic, cultural and social interchanges between States. It also acknowledges the economic and financial challenges faced by AOs, ANSPs and Users.

2.2 Consultation with AUs is one of the four key charging principles detailed in ICAO Doc 9082.

2.3 Doc 9082 (Section 1, Paras 17–19) contains specific recommendations regarding consultation with Users on charges and airport and air navigation services planning, namely:

2.3.1 Consultation with airport and air navigation services Users (or AUs) before changes in charging systems or levels of charges are introduced is important.

2.3.2 The purpose of consultation is to ensure that the provider gives adequate information to Users and takes their views into account in relation to the proposed changes and the effect the charges will have on them.

2.3.3 Users or their representative organizations should also be consulted concerning capacity development and investment plans.

2.4 Doc 9082 (Section 1, Para 21) encourages States to ensure that a clearly defined, regular consultation process with Users is established by providers.

2.5 Consultation is needed in order to strike a balance between the respective interests of AOs and ANSPs on one hand and of AUs on the other.

2.6 Consultation and cooperation between AOs and ANSPs and AUs is also needed to ensure that the financial burdens facing all stakeholders are shared in a reasonable manner. This particularly applies during periods of economic difficulty.

2.7 Doc 9161 provides practical guidance to States, ANSPs, and designated charging and regulatory authorities, to assist in the efficient management of air navigation services and in implementing the provisions of Doc 9082.

2.8 Consultation with AUs by providers within Asia/Pacific is often not in keeping with the provisions of Docs 9082 and 9161, particularly in terms of:

2.8.1 Occurring at a sufficient amount of time before changes in charging systems or levels of charges are determined and/or introduced;

2.8.2 Users simply being informed of changes and this being deemed consultation;

2.8.3 Sufficient levels of transparency regarding how the revenue raised by charges will be spent;

2.8.4 Adequate and timely consultation concerning capacity development and investment plans.

2.9 Some States within the Asia-Pacific region, including some that sit on the ICAO Air Navigation Council, have recently made changes to their airport and air navigation charges, both in magnitude and calculation design, with complete disregard for the ICAO guidelines described above. Affected stakeholders have consequently borne the brunt of significant and sudden increases without substantiation or any opportunity for negotiation.

2.10 The Value of Aviation in Asia-Pacific States is a significant contributor to the Gross Domestic Product of each country through trade, tourism and jobs. Repeated increases in airport and air navigation charges without adequate notice and consultation can only result in negative long term impacts on the continued growth of the industry.

2.11 IATA is presently embarking on a strategy of close consultation with States in order to balance the needs of the service providers and the service consumers, reflecting our Brand Value of “*Partnering for mutual benefit*”. The strategy, “*Equilibrium*”, emphasises the themes of the ICAO guidelines while recognising the joint efforts required from all stakeholders in the aviation value-chain so that all may operate safely and successfully.

2.12 The process for stakeholder engagement and consultation followed by Airservices Australia in their Long Term Pricing Agreement (LTPA) development, and also the process followed by Airways NZ in their recent Pricing Proposal 2016-2019 engagement, are benchmark examples of how effective consultation can benefit all stakeholders.

2.13 To encourage timely and adequate consultation with AUs by providers it is requested that the meeting takes action to remind States of Docs 9082 and 9161, and the principles and recommendations contained therein, particularly the provisions relating to consultation with airport and airspace Users.

3. ACTION BY THE CONFERENCE

3.1 The Conference is invited to:

- a) Note the content of this paper;
- b) Encourage States, if they have not already done so, to incorporate the four key charging principles from ICAO guidance documents into national legislation, regulation or policies, as well as into future air services agreements; and
- c) Provide direction to ANSPs, AOs and any other service provider entities within their State to comply with the guidance and intent of the ICAO guidance documents (Docs 9082 and 9161), and particularly the provisions relating to consultation with airport and airspace Users.