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UNITING AVIATION

ICAO POLICIES ON CHARGES FOR AIRPORTS AND AIR NAVIGATION SERVICES

Sijia Chen

Air Transport Officer

Economic Regulatory Framework, ICAO

ICAO Airport and Air Navigation Services Charges Workshop

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Objectives of the Session

Understand the purpose, scope and implementation of ICAO's policies on charges for airports and air navigation services



- 1 • ICAO's policies: context, scope, status
- 2 • How policies are developed
- 3 • Where they are found (ICAO documents)
- 4 • How they are applied



Foundation for ICAO's Policies on Charges





Article 15 - Airport and similar charges

Doc 7300/9



Convention on International Civil Aviation
Convention relative à l'aviation civile internationale
Convenio sobre Aviación Civil Internacional
Конвенция о международной гражданской авиации

The document supersedes Doc 7300/8.
Le présent document remplace et remplace le Doc 7300/8.
Este documento reemplaza el Doc 7300/8.
Настоящий документ заменяет Doc 7300/8.

North Edition – Nouvelle édition – Nueva edición – Издание четвертое — 2006

International Civil Aviation Organization
Organisation de l'aviation civile internationale
Organización de Aviación Civil Internacional
Международная организация гражданской авиации

Three basic principles

Uniform conditions for the use of facilities and services

No discrimination in charges

No charge solely for the right of airspace overfly, enter or exit



Convention neither defines "charge" nor states charges should reflect the costs of services



ICAO's Policies on Charges for Airports and Air Navigation Services (Doc 9082)

ICAO Council's recommendations based on outcomes of various conference

Detailed policies to set the principles for establishing charges

ICAO's Policies on Charges for Airports and Air Navigation Services (Doc 9082)

Periodically review and update

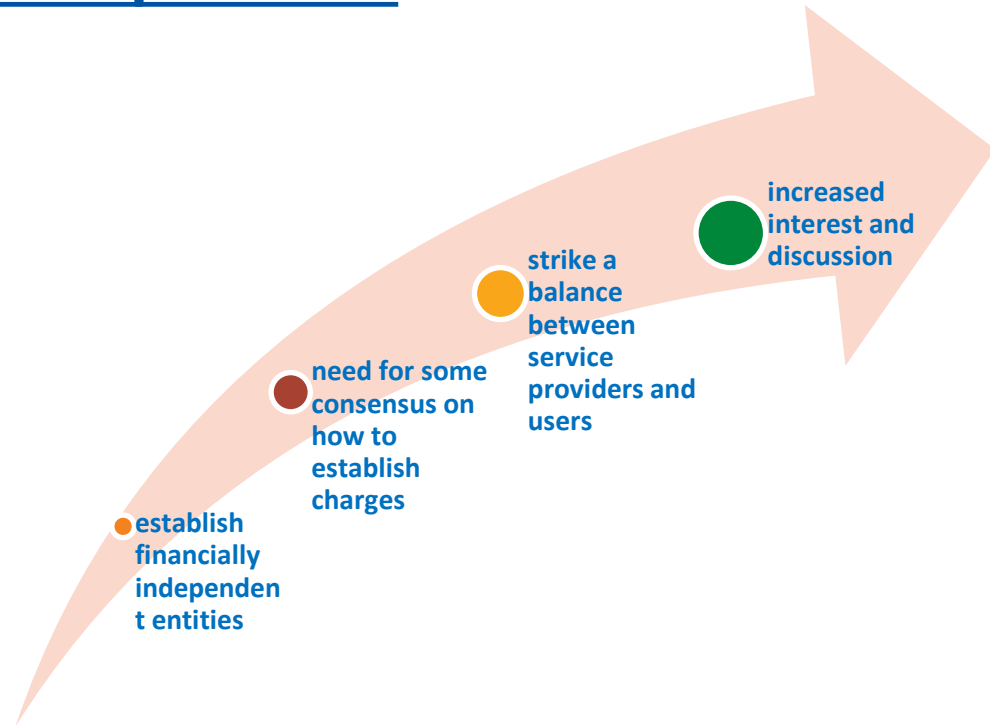


Tenth edition published in 2024



Why Policies on Charges are Important?

- In the past, policies were used to encourage States to **establish financially independent entities** to operate airports
- Currently there is a **need for some consensus** on how to establish and levy charges
- **Strike a balance** between the interest of service providers and users
- Subject is generating **increased interest and discussion**





Tenth Edition of ICAO's Policies on Charges for Airports and Air Navigation Services (Doc 9082) Published in 2024

Main updates

Clarifying the four key charging principles

Highlighting the compliance with Article 15 of the Chicago Convention

Incorporating changes adopted in relevant guidance manuals

Updating terminologies and improving the readability of the text



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Charging Policy





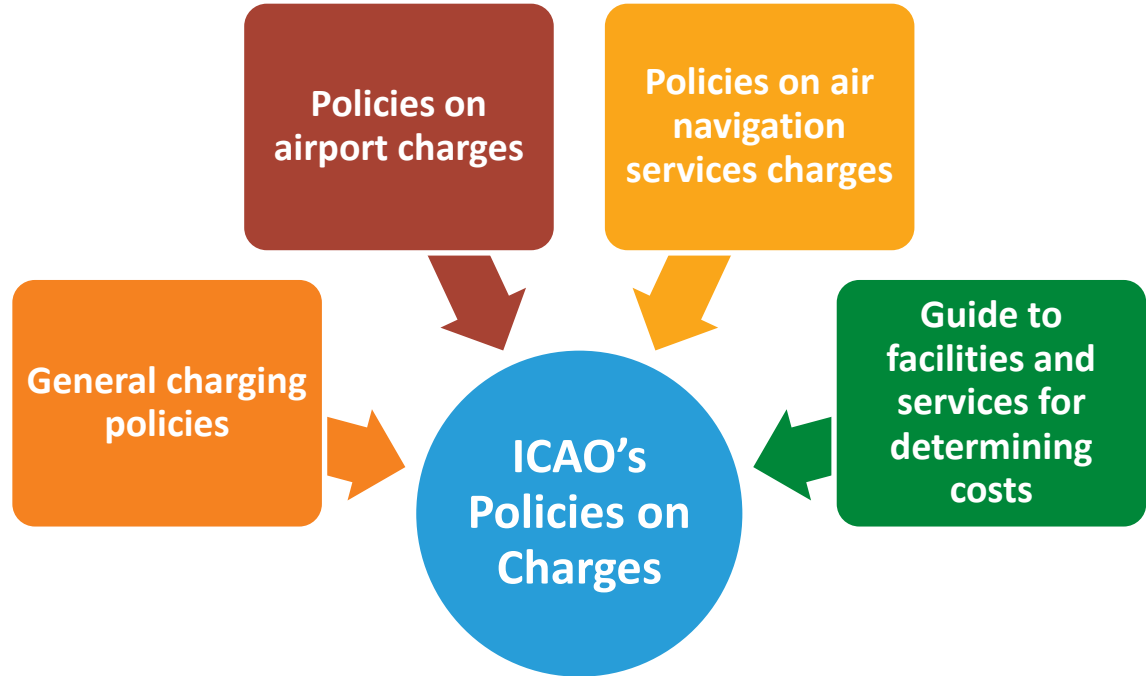
Charge

VS

Tax

A **CHARGE** is a levy designed and applied specifically to **recover the costs of providing facilities and services for civil aviation**

An **AVIATION TAX** is a levy 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.





General policies on charges

- Scope of charges
- Key charging principles
- Organization and managerial issues
- Economic oversight
- Economic performance
- Consultation with users
- Pre-funding



Balance of interests & cooperation

FOREWORD PARA 7-8

- ICAO Council recognizes that airports and ANSPs may need to periodically increase charges
- Important to consider potential effects on users
- Important to **balance interests** of airports/ANSPs and air carriers, especially in difficult economic times



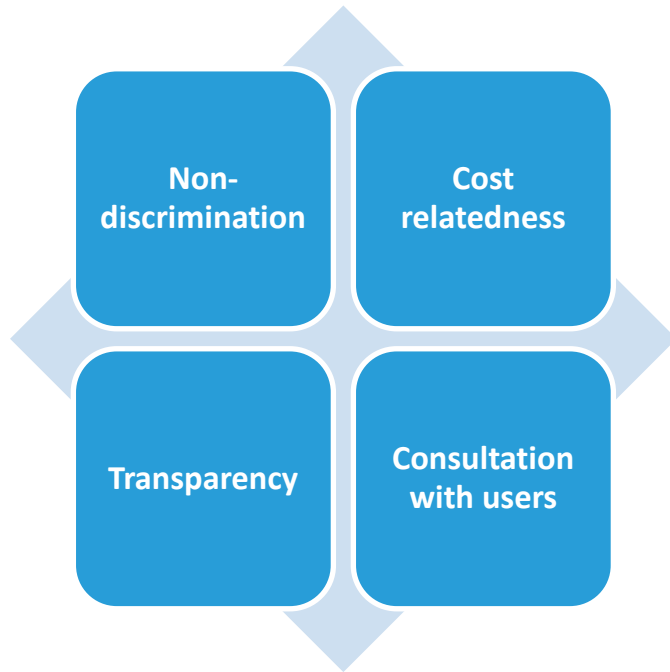
Scope & proliferation of charges

SECTION I PARA 2

- Only allow charges for services and functions provided for civil aviation operations
- Refrain from charges discriminating against international civil aviation compared to other modes of international transport
- Consider how the imposition of charges in one jurisdiction can lead to charges in another



Four key charging principles



States are encouraged to incorporate the four key charging principles:

- Non-discrimination
- Cost-relatedness
- Transparency
- Consultation with users

into national regulation, regulation or policies and future air services agreements in order to ensure compliance by airport operators and ANSPs



Non-discrimination

- Non-discrimination requires the application of uniform conditions, to all users from any Contracting State, for the use of equivalent airport or air navigation services. In particular, charges must not discriminate between foreign and domestic users, or between two or more foreign users, engaged in similar operations.

Cost-relatedness

- Charges should reflect the cost of facilities and services provided to the users. The allocation of costs should be determined on an equitable basis, so that no users shall be burdened with costs not properly allocable to them according to sound accounting principles. The resulting charges should also be determined on a sound accounting basis and may reflect economic principles to the extent that the resulting charges are in conformity with Article 15 of the Chicago Convention and principles in the present policies.



Transparency

- Sufficient, accurate and appropriate information should be exchanged between the service providers and users in a timely and efficient manner with the objective of identifying the connection between the provision of facilities and services and charges, to enable users to understand, among others, charging methodologies and their administration.

Consultation with users

- Service providers and users should participate in constructive engagement before the introduction of new charges or changes thereto. Such engagement should include, but is not limited to, discussions on performance, capacity development and investment plans. Transparent and relevant information relating to the proposed changes should be provided, and the views of users should be given proper consideration during the process.



Economic Oversight

Main elements:

- Separation between oversight and provision/operation
- Achieve a balance between the interests of airports and ANSPs and public policy objectives
- Prevent anti-competitive practices and abuse of dominant position
- Ensure non-discrimination and transparency in charges
- Ascertain that investments meet demand
- Protect the interests of passengers and other end-users
- Ensure that consultations with users are taking place and that performance management systems are in place



Performance systems

Performance Parameters *[Section I §16]*

- Define performance objectives
- Select and report at least one indicator for each KPAs
- Evaluate and improve performance objectives
- Undertake consultations with all parties concerned



Consultation with Users

CHAPTER I SECTION 1.7

- Airports should consult users before making changes
- Objectives: inform the users and listen to their views
 - Inform users proposed changes
 - Provide adequate information to users
 - Give proper consideration to users' views
- Agreement between providers and users

Consultation process

Notify of intent to change at least 4 months in advance

Be transparent and provide relevant information

Give users advance notice of final decisions

Carefully assess potential effects on parties concerned



Project Pre-funding

- In specific circumstances involving large-scale investments
- Safeguards required:
 - Effective and transparent economic oversight
 - Comprehensive and transparent accounting
 - Advance and transparent consultations with users
 - Limited period of time and smoother transition



Policies on airport charges

Cost basis for airport charges

Airport charging systems

Individual charge

- Landing charges
- Parking and hanger charges
- Passenger services charges
- Security charges
- Noise-related charges
- emissions-related charges to address LAQ

Revenues from concessions, fuel concessions



Cost basis for airport charges

- General
 - Users bear full and fair share of costs involved
 - Airports to maintain adequate accounts
- Principles for determining cost basis
 - Share full cost (airport and ancillary services)
 - Only charge for facilities provided under regional air navigation plans
 - Possibility to develop aggregated cost bases
 - Allocate costs equitably
 - Identify costs for approach and aerodrome control separately
 - Reasonable return
 - Full/partial recovery
 - Costs related to oversight functions may be included



Airport charging systems

- Simple and suitable for general application
- Don't discourage use of facilities necessary for safety
- Reflect sound accounting and other economic principles
- No discrimination between foreign and national users
- Transparency and fairness for modified charges
- Gradual increases
- Consolidation of charges
- Maintain flexibility to allow introducing improvements
- Charges for general/business aviation to be reasonably assessed



**Policies on air
navigation
services
charges**

Cost basis

Allocation of costs among aeronautical users

Charging systems

Individual charges

- Approach and aerodrome control charges
- Route air navigation services charges

Charges to aircraft not over the provider State



Cost basis for ANS charges

- Full cost of providing the air navigation services, including appropriate amounts for cost of capital and depreciation of assets, as well as the costs of maintenance, operation, management and administration.
- The costs to be taken into account should be those assessed in relation to the facilities and services, including satellite services, provided for and implemented under the ICAO Regional Air Navigation Plan(s)
- The costs of air navigation services provided during the en-route, approach and aerodrome phases of aircraft operations should be identified separately
- The costs of supporting services such as aeronautical meteorological services (MET), aeronautical information services (AIS) and other ancillary services should also be identified separately
- Costs related to oversight functions may be included



Allocation of costs of air navigation services among aeronautical users

- Equitable
- Ensure that no users are burdened with costs not properly allocable to them
- Ensure that basic utilization data in respect of air navigation services are maintained
- Utilization data: number of flights by user category, distances flown and information on aircraft type or weight



Charging system - ANS charges

- Charges should not be imposed in such a way as to discourage the use of facilities and services necessary for safety or the introduction of new aids and techniques.
- States should refrain from segmenting Flight Information Regions (FIRs) solely for the purpose of generating revenue unrelated to the costs of service provision.



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Survey on Implementation of ICAO's Policies on Charges





Implementation of ICAO's Policies on Charges

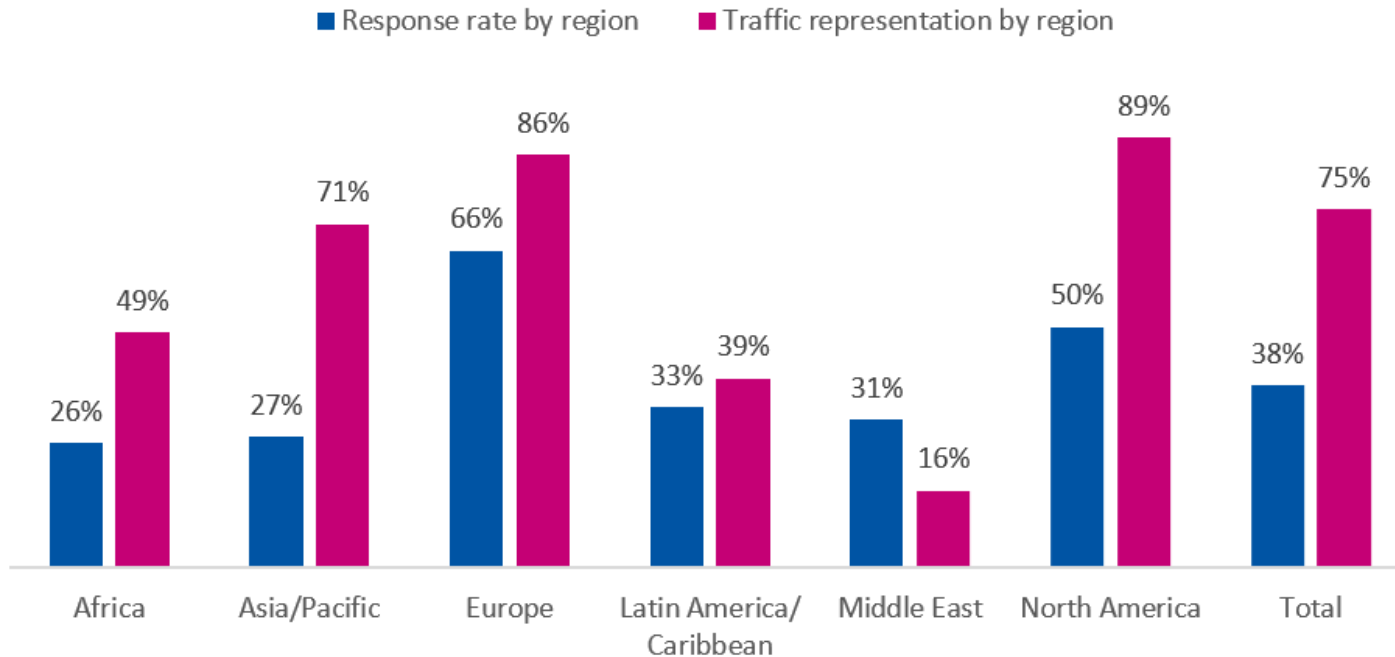
- ❑ **Surveys on status of implementation of ICAO's policies on charges done in 2020.**

- ❑ **Of 79 States and territories that responded (covering 75% of aircraft departures in 2019)**

- ❑ **Survey scope:**
 - ❑ awareness of ICAO's policies on charges for airports and air navigation services;
 - ❑ national rules and legislations on charges for airports and air navigation services;
 - ❑ implementation of ICAO's policies on charges;
 - ❑ forms of economic oversight on airports and air navigation services providers (ANSPs) adopted by States; and
 - ❑ any other comments and/or suggestions for improving the implementation of ICAO policies on charges.



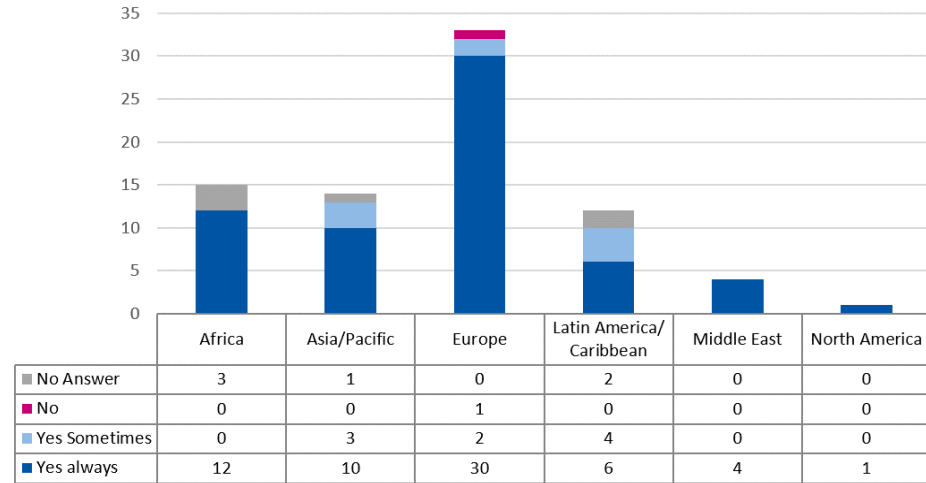
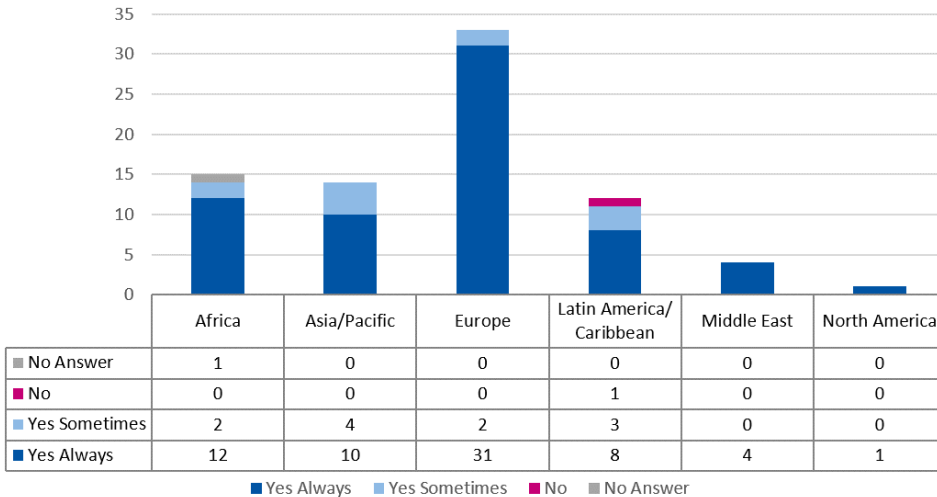
Survey response rate and traffic representation





Given regard to ICAO's policies and guidance - airports

Given regard to ICAO's policies and guidance - ANSPs

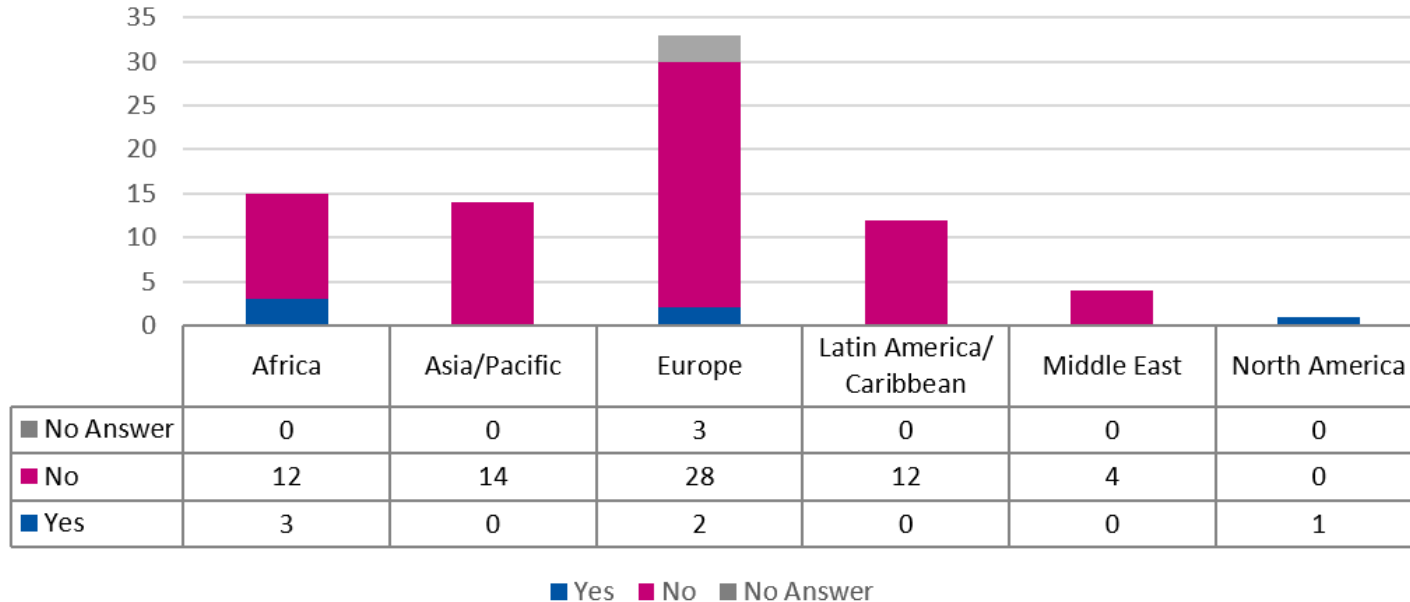


■ Yes Always ■ Yes Sometimes ■ No ■ No Answer

■ Yes always ■ Yes Sometimes ■ No ■ No Answer

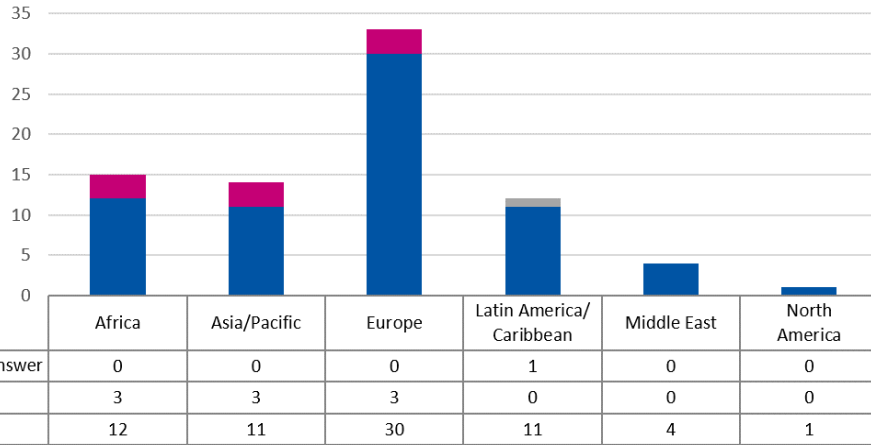


Issues in ensuring “no fees, dues or other charges shall be imposed by any contracting State in respect solely of the right of transit over or entry into or exit from its territory of any aircraft of a contracting State or persons or property thereon”



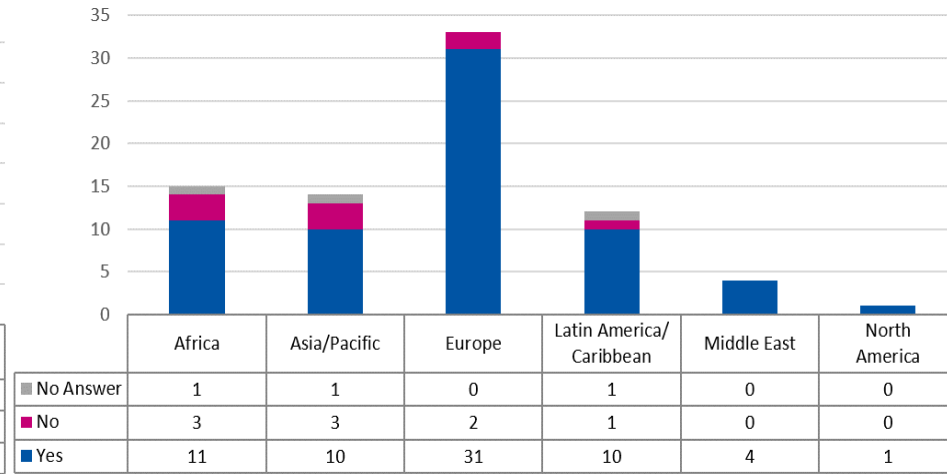


Rules and regulations governing charges for airports



■ Yes ■ No ■ No Answer

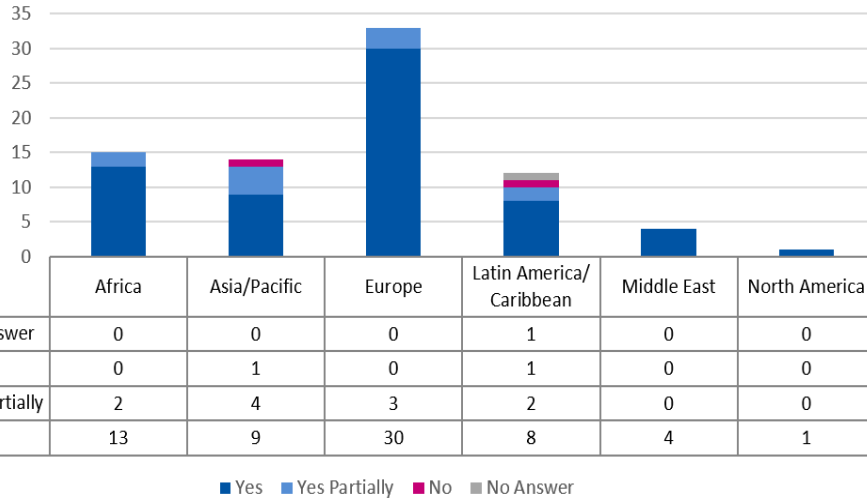
Rules and regulations governing charges for ANSPs



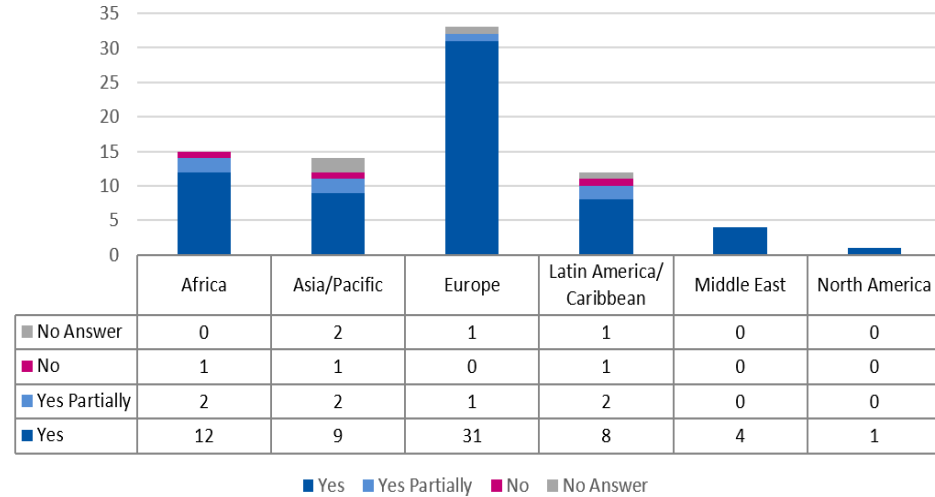
■ Yes ■ No ■ No Answer



States' implementation of ICAO's policies on charges for airports



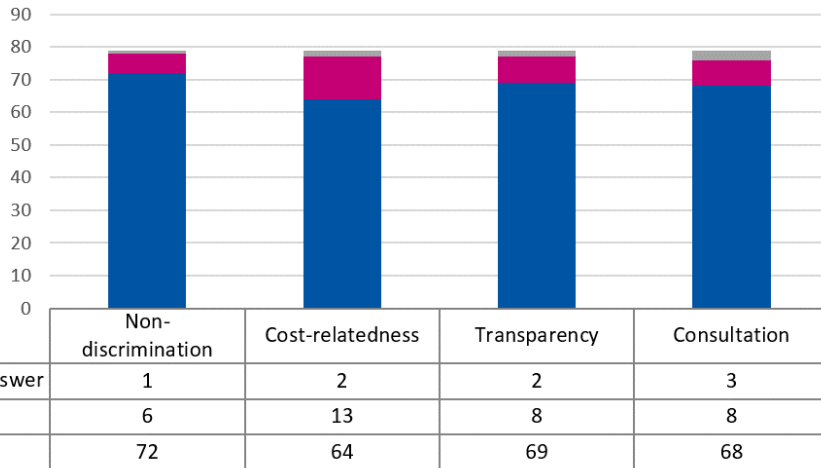
States' implementation of ICAO's policies on charges for ANSPs



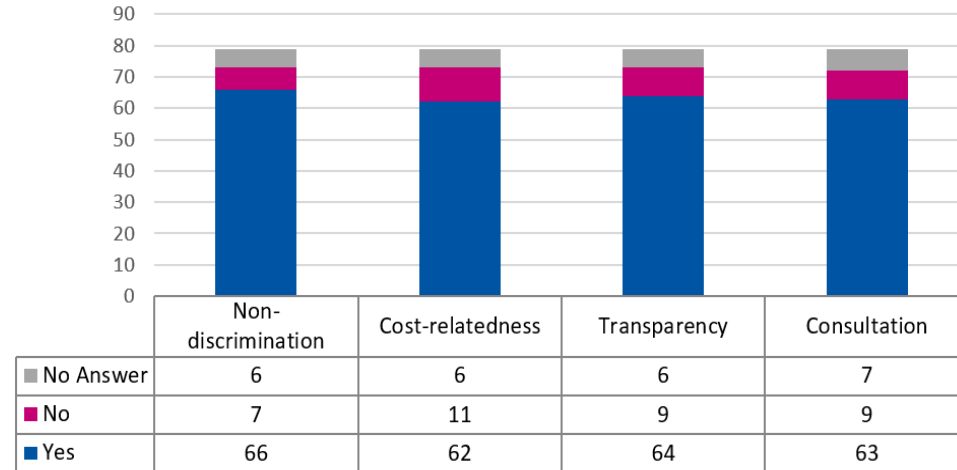


Adoption of ICAO key charging principles - airports

Adoption of ICAO key charging principles - ANSPs



■ Yes ■ No ■ No Answer



■ Yes ■ No ■ No Answer

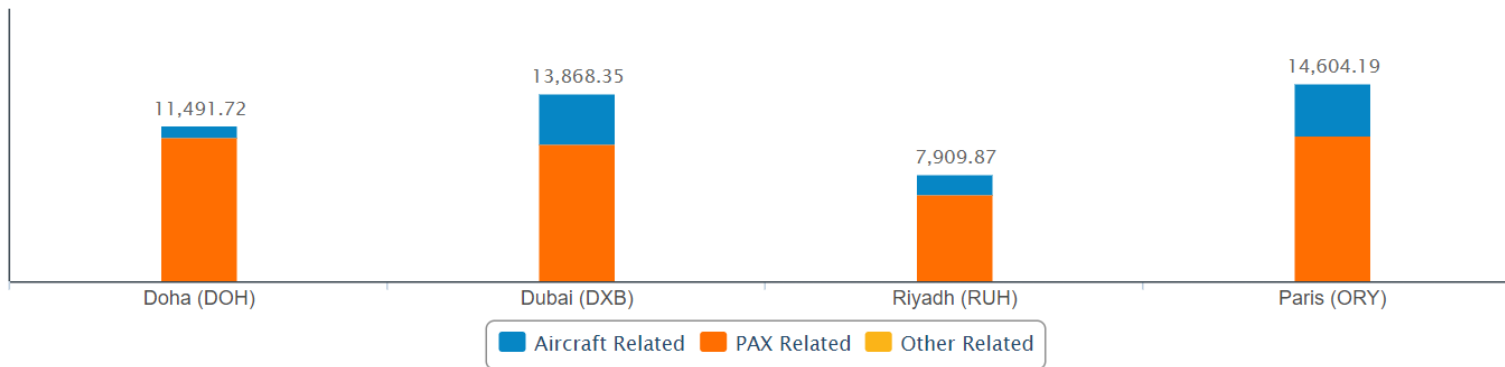


Aircraft Manufacturer Model

BOEING/777/300ER

Charges by Classification	Doha (DOH)	Dubai (DXB)	Riyadh (RUH)	Paris (ORY)
Aircraft Related	902.53	3,744.47	1,509.87	3,909.07
PAX Related	10,589.19	9,948.27	6,400.00	10,695.12
Other Related	0.00	175.61	0.00	0.00
Total (USD)	11,491.72	13,868.35	7,909.87	14,604.19

Currency: USD





Charges	Doha (DOH)	Dubai (DXB)	Riyadh (RUH)	Paris (ORY)
Aircraft Parking Charge	0.00	0.00	N/A	2,042.46
Landing	902.53	1,934.90	1,509.87	1,866.61
Aircraft Security fee	N/A	81.68	N/A	N/A
Take-off charge	N/A	1,727.90	N/A	N/A
Passenger Security Service Charge (PSSC)	814.55	397.50	N/A	N/A
PAX Service Charge (PSC)	9,774.64	5,962.43	6,400.00	6,743.90
Advanced Passenger Information Charge (API)	N/A	805.88	N/A	N/A
PAX Facility Charge (PFC)	N/A	2,782.47	N/A	N/A
Airport Tax	N/A	N/A	N/A	3,951.22
PAX Boarding Charge	N/A	175.61	N/A	N/A
Total (USD)	11,491.72	13,868.35	7,909.87	14,604.19



Highlights

Charges is designed and applied specifically to recover the costs of providing facilities and services for civil aviation

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

Incorporating key principles in ICAO's policies on charges: **non-discrimination, cost-relatedness, transparency and consultation with users**, into national legislation, regulation or polices

In general, users should not be charged for facilities and services they do not use

Allocation of costs should be equitable so that no users shall be burdened with costs not properly allocated to them

Airports and ANSPs should maintain accounts that provide a satisfactory basis for determining and allocating the costs to be recovered



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Central African
(WACAF) Office
Dakar

European and
North Atlantic
(EUR/NAT) Office
Paris

Middle East
(MID) Office
Cairo

Eastern and
Southern African
(ESAF) Office
Nairobi

Asia and Pacific
(APAC) Sub-office
Beijing

Asia and Pacific
(APAC) Office
Bangkok



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