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Международная
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авиации

منظمة الطيران
المدني الدولي

国际民用
航空组织

Tel.: [REDACTED]

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Ref.: EC 2/89 – 23/2

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

Action required: Member States should observe ICAO's policies on charges and base their revision of charges on the principles set forth in the policies

Sir/Madam,

I have the honour to refer to *ICAO's Policies on Charges for Airports and Air Navigation Services* (Doc 9082), and highlight the importance for Member States to observe ICAO's policies and base their revision of charges on the principles set forth in the policies.

The financial situation of airports and air navigation services providers (ANSPs), as well as their primary users, fluctuates with the performance of global, national and regional economies. Under certain circumstances, particularly during periods of economic difficulty, airports and ANSPs may find it necessary to increase their charges. However, it is recommended that caution be exercised when attempting to compensate for shortfalls in revenue through increased charges, in view of the multiplier effects on the aircraft operators and other end users.

ICAO's policies on charges contain the recommendations and conclusions of the ICAO Council based on the economic situation of airports and air navigation services provided for international civil aviation and set the principles on establishing charges for service provision. Furthermore, ICAO has developed the *Airport Economics Manual* (Doc 9562) and the *Manual on Air Navigation Services Economics* (Doc 9161) to provide practical guidance to States, airport operators, ANSPs, and designated charging and regulatory authorities to assist in the efficient management of airports and air navigation services as well as implementing ICAO's policies on charges.

The 41st Session of the ICAO Assembly further called on Member States to base the recovery of the costs of provision of airport and air navigation services for international civil aviation on the principles set forth in Article 15 of the Chicago Convention and ICAO's policies as contained in Doc 9082, regardless of the organizational structure under which the airports and air navigation services are operated. Relevant Assembly Resolution can be found in A41-27 (*Consolidated statement of continuing ICAO policies in the air transport field*), Appendix C – Airports and air navigation services economics.

I wish to encourage all States to implement Assembly Resolution A41-27, observe ICAO's policies on charges contained in Doc 9082, and incorporate the four key charging principles of non-discrimination, cost relatedness, transparency and consultation with users into their national legislation, regulation or policies, in order to ensure compliance by airport operators and ANSPs.

Please accept, Sir/Madam, the assurances of my highest consideration.

Juan Carlos Salazar
Secretary General

Enclosure:

Assembly Resolution A41-27 (*Consolidated statement of continuing ICAO policies in the air transport field*),
Appendix C– Airports and air navigation services economics

ATTACHMENT to State letter EC 2/89 – 23/2

Assembly Resolution A41-27 Appendix C

Airports and air navigation services economics

Section I. Charging policy

Whereas Article 15 of the Convention establishes the basis for the application and disclosure of charges for airports and air navigation services;

Whereas ICAO's Policies on Charges for Airports and Air Navigation Services as contained in Doc 9082 make a conceptual distinction between a charge and a tax in that “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”;

Whereas the matter of aircraft engine emission-related levies and market-based measures is addressed separately in Assembly Resolution A41-20, *Consolidated statement of continuing ICAO policies and practices related to environmental protection — General provisions, noise and local air quality* (Appendix H, *Aviation impact on local air quality*), and in Assembly Resolution A41-21, *Consolidated statement of continuing ICAO policies and practices related to environmental protection — Climate change*;

Whereas the Council has been directed to formulate recommendations for the guidance of Member States with regard to the principles on which providers of airports and air navigation services for international civil aviation may charge to recover the costs of their provision and derive other reasonable revenue therefrom, and with regard to the methods that may be employed to that effect;

Whereas Member States have called on the Organization to provide advice and guidance aimed at promoting equitable recovery of airport and air navigation services costs consistent with ICAO's policies while maintaining a balance between the respective financial interests of providers of airports and air navigation services on the one hand and air carriers and other users on the other;

Whereas the Council has adopted policy guidance on the allocation of Global Navigation Satellite System (GNSS) costs to ensure an equitable treatment of all users who can actually derive benefits from GNSS services; and

Whereas there was significant decline in air traffic due to the impact of the COVID-19 pandemic, resulting in the reduction of revenue from charges for airports and air navigation services, and the ensuing risks to the financial stability of the service providers;

The Assembly:

1. *Urges* Member States to ensure that Article 15 of the Convention is fully respected;
2. *Urges* Member States to base the recovery of the costs of the airports and air navigation services they provide or share in providing for international civil aviation on the principles set forth in Article 15 of the Convention and ICAO's policies as contained in Doc 9082, regardless of the organizational structure under which the airports and air navigation services are operated;

3. *Urges* Member States to ensure that airport and air navigation services charges are applied towards defraying the costs of providing facilities and services for civil aviation;
4. *Urges* Member States to make every effort pursuant to Article 15 of the Convention to publish and communicate to the Organization any charges that may be imposed or permitted to be imposed by a Member State for the use of airports and air navigation facilities by the aircraft of any other Member State;
5. *Urges* Member States to adopt the principles of non-discrimination, cost-relatedness, transparency and consultation, as set out in ICAO's policies in Doc 9082, in national legislation, regulation or policies, as well as in air services agreements, to ensure compliance by airports and air navigation services providers;
6. *Urges* Member States to ensure that the current ICAO policies for cost recovery of security measures and functions at airports and by air navigation services providers, as set out in Doc 9082, are implemented so that security user charges are reasonable, cost-effective and foster harmonization worldwide;
7. *Urges* Member States to cooperate in the recovery of costs of multinational air navigation facilities and services and to consider the use of the ICAO policy guidance on the allocation of GNSS costs;
8. *Urges* Member States to strike an appropriate balance between service providers and users when implementing economic and financial measures in times of crisis, including the revision of charges, through effective consultation and ensuring that difficulties are shared amongst all parties in a reasonable manner;
9. *Requests* the Council to continue to update, as required, ICAO's policies on user charges and related guidance material with a view to contributing to increased efficiency and improved cost-effectiveness in the provision and operation of airports and air navigation services and a sound cooperation between providers and users, and reinforce the responsiveness of the policies to future crisis;
10. *Requests* the Council to continue to update, as required, guidance on funding of appropriate oversight functions and on the allocation of GNSS costs, as well as to address the cost recovery for provision of aeronautical meteorological (MET) service for international civil aviation;
11. *Requests* the Council to address the issues of the appropriateness of a global cost recovery system for the provision of space weather information services for international civil aviation, including the development of a cost recovery mechanism consistent with ICAO's charging principles; and
12. *Requests* the Council to continue to promote ICAO's policies on user charges and related guidance material in order to increase the awareness of, and implementation by, Member States and their airports and air navigation services entities.

Section II. Aviation infrastructure management and financing

Whereas Member States are placing increased emphasis on improving efficiency and cost-effectiveness in the provision of airports and air navigation services;

Whereas Member States are increasingly assigning the operation of airports and air navigation services to commercialized and privatized entities, which may have less awareness and knowledge of States' obligations specified in the Convention and its Annexes and of ICAO's policies and guidance material in the economic field, and are using multinational facilities and services to meet the commitments they have assumed under Article 28 of the Convention;

Recognizing the need to make substantial investments over the long term in the development and modernization of quality aviation infrastructure commensurate with the level of predicted traffic growth, including the future needs of new entrants and relevant Sustainable Development Goals;

Whereas the aviation industry has been paying for a vast majority of its own infrastructure costs, rather than being financed through taxation, public investment or subsidies;

Whereas the development of air transport infrastructure and the global plan for Aviation System Block Upgrades (ASBUs) requires necessary business case justification to secure funding and financing to support implementation;

Whereas the need to address the financial challenges posed by the COVID-19 pandemic on airports and air navigation services providers, and the medium- and long-term implications on funding and financing for aviation infrastructure development cannot be over emphasized; and

Recalling that the Declaration and Framework for a *Plan of Action for Development of Aviation Infrastructure in Africa* was adopted within the framework of the Lomé Plan of Action (2017-2019) of the African Union at the Third ICAO World Aviation Forum (IWAF/3) in Abuja, Nigeria in November 2017;

The Assembly:

1. *Reminds* Member States that with regard to airports and air navigation services they remain responsible for the commitments they have assumed under Article 28 of the Convention, regardless of what entity or entities operate the airports or air navigation services concerned;
2. *Encourages* Member States to consider the establishment of autonomous entities to operate airports and air navigation services providers, taking into account economic viability as well as the interests of the users and other interested parties;
3. *Urges* Member States to establish good governance, for example, the creation of enabling institutional, legal and regulatory frameworks, the use of a data-driven approach, and the cooperation and compatible decision-making among transport authorities and other ministries in charge of related portfolios, which can provide a strong impetus to boost investment in aviation infrastructure;
4. *Urges* Member States to develop national and/or regional aviation infrastructure programmes and plans, which should be aligned and integrated with an appropriately-balanced development of transport

modes, linked with national and/or regional development frameworks and strategies, and harmonized with the international economic and financial frameworks;

5. *Encourages* Member States to establish a transparent, stable and predictable investment climate to support aviation infrastructure development, for example, by engaging stakeholders, diversifying funding sources and elevating the role of private sector, including through private investment, business reform, private finance initiatives, public-private partnership and various incentive schemes;

6. *Encourages* Member States to consider the appropriateness of financial and regulatory support to airports and air navigation service providers in response to any unprecedented economic difficulties stemming from the COVID-19 pandemic. Such support should be consistent with the principle of fair and equal opportunity to compete;

7. *Requests* the Council to continue to develop and update, as required, guidance and tools on financing for the development and modernization of quality aviation infrastructure, including mechanisms to support operational improvements as described in the ASBU modules;

8. *Requests* the Council to continue to assess the emerging funding and financing needs arising from the industry technology advancement, including investment in infrastructure to support the operation of the unmanned aircraft systems;

9. *Requests* the Council to keep the ICAO Guidance on Economic and Financial Measures to Mitigate the Impact of the Coronavirus Outbreak on Aviation updated and promote its use to support the recovery of airports and air navigation services from the COVID-19 pandemic; and

10. *Requests* the Council to continue to conduct and support relevant follow up work to implement the *Declaration and Framework for a Plan of Action for Development of Aviation Infrastructure in Africa* under existing arrangements, especially under the ICAO Comprehensive Regional Implementation Plan for Aviation Safety in Africa (AFI Plan).