

IBAC Technical Report Summary

Subject: CNS/ATM Economics and Financial Impact

Meeting: NAT Economics and Financial Group (NAT EFG/5)

IBAC File: Planning and Implementation Regional Groups (PIRGS)

Reported by: Peter Ingleton

Summary: EFG/5 was held in Dublin, 23-24 April 2002.

As an action arising from EFG/4, IBAC submitted a paper on Differential International Communications Charges in the light of the introduction by Nav Canada of such a charging structure. (A copy of the IBAC paper has been posted on the IBAC website, ref Library/ElectF/ipir/Library/ElectF/ipir/efg5_paper_differentiation.htm.....).

This was the significant item for business aviation considered by the meeting.

The IBAC contribution created considerable interest; IBAC was complimented for surfacing the issue and for its assessment of the potential implications of this precedent.

EFG/5 requested that Nav Canada provide to EFG/6 a paper addressing the progressive and long term impact of this charging structure. In addition, EFG agreed to develop criteria relating to charges-based incentives for user equipage.

Several EFG Members attached such significance to the issue that they intend flagging it for the attention of the next meeting of the ICAO Air Navigation Services Economics Panel (ANSEP). Note - IBAC has Observer status on ANSEP.

Implication for Business Aviation:

Without safeguards in place and left unmanaged, the precedent of introducing incentive-based charges has the potential for distorting the traditional mechanisms and principles for cost recovery, eventually resulting in unit charges which are coercive for some users.....notably, business aviation.

Decisions Required:

POC to note favourable outcome, continue to monitor developments and affirm need for continued IBAC participation in EFG.

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