

Single Till

Single till is the fairest mechanism of charging airline users.

INTRODUCTION

Under the single till principle airport activities (aeronautical and commercial) are taken into consideration to determine the level of airport charges. By contrast, only aeronautical activities are taken into consideration under the dual till principle.

Airport charges derived using the single till approach are therefore likely to be lower than they would under a dual till because of the sharing of profits generated by commercial activities. Airports and their investors, particularly with privatisations, are increasingly aware that their commercial revenue profits are significantly enhanced through application of the dual till.

Application of the single till is a clear recognition that airlines, and the passengers they deliver to airports, are a key factor in the ability to develop commercial revenues at an airport.

IATA POSITION

IATA strongly supports the single till principle under which airports commercial revenues are used to offset the charges cost base. Where a dual till approach is nevertheless imposed, there must be:

- A clear definition of essential services and activities to be included in the aeronautical and/or regulated till.
- Detailed and measurable information on cost allocation methodologies for the cost, revenue and asset allocations between aeronautical and commercial activities, including shared or common areas, with robust independent audit.
- Costs of non-aeronautical activities assessed on stand-alone basis.
- Capital expenditure plans which clearly identify planned spend by till.
- Exclusion of surface access costs from the aeronautical till.
- The rate of return applied to aeronautical activity must reflect the considerably lower risk in these activities.
- Inclusion of concession fees applied on aeronautical related activities within the regulated till.

KEY REASONS FOR THE SINGLE TILL TO BE APPLIED

- 1 Single till is an acknowledgment of the symbiotic and essential relationship between airports and airline users.
- 2 Airlines bring passengers to the airport and as the primary users should share the benefits from the non-core activities.
- 3 Lower fares as result of lower charges increases the attractiveness and competitiveness of airports.
- 4 Airports are built specifically for aviation purposes and priority must be given to airline activity and passenger facilitation.
- 5 Eliminates the need for difficult detailed cost and asset allocation between aeronautical and commercial tills.
- 6 No evidence that dual till provides better incentives for airports to make timely investments than single till.
- 7 Dual till can incentivise airports to invest in potentially higher-return commercial activity rather than essential aeronautical infrastructure.
- 8 Single till incentivises and allows airports to increase retail and commercial revenues, while decreasing charges to airline users.
- 9 Supported by ICAO Policies¹.

¹ ICAO Doc 9082/7 – paragraph 22(i)