

Transparency

Transparency is an integral aspect of any progressive commercial relationship between a provider and its customers.

Transparency is the means of facilitating knowledge, assessment and opinion on what is happening within an organisation and/or service.

IATA POSITION

Airports and Air Navigation Service Providers (ANSPs) need to ensure that airlines (as users) are provided with adequate information on major developments at airports/ANSPs, the rationale for any charges proposal, charge setting formula and the methods to establish the values used in the formula.

Airport operators/ANSPs should provide airlines with key operational data to support benchmarking and discussions on continuous improvements in performance and cost efficiency.

Also, regulators should be transparent to the users on the rationale for the selected regulatory formula and the methods for determining the values used in the formula. Similarly, third party arbitrators overseeing the consultation process need to be transparent in any ruling or decision.

KEY REASONS WHY TRANSPARENCY IS IMPORTANT

- 1 ICAO fully supports transparency as one of the key charges Policies¹.
- 2 Airlines need to know exactly for what they are paying for.
- 3 Providers, regulators and third-party arbitrators need to justify the charges structure and demonstrate that the charges are cost-based and non-discriminatory in line with ICAO Policies.
- 4 Providers need to justify investment plans and business developments that impact on its users.
- 5 A meaningful and productive consultation can only take place if airlines have enough detailed information to analyse and provide feedback on the provider's charges proposals prior to the consultation meeting.
- 6 Airlines need adequate information to evaluate the operational and financial performance of an airport in order to identify mutually beneficial improvement opportunities.

- 7 Airlines need adequate information to evaluate and benchmark the financial and operational performance of the provider.
- 8 Airlines need adequate information to evaluate the providers' future operational plans to ensure that the investment is cost effective and meets future requirements.

PROVIDERS' DATA THAT SHOULD BE TRANSPARENT TO AIRLINES

Financial Data

- Historical revenue and costs – A minimum of five years
- Forecast revenue and costs – A minimum of five years
- Revenue segments – Commercial/aeronautical
- Corporate financial structure and shareholder commitments
- Unit costs and productivity metrics and targets
- Capital, borrowings, interest costs, depreciation etc

Operational Data

- Historical traffic levels – Aircraft movements, passengers and freight
- Forecast traffic levels
- Staffing levels
- Service levels, core functional delivery, customer satisfaction etc.

Planning Data

- Master planning – Short, mid and long-term
- Business cases to support infrastructure development
- Growth and risk factors – External and internal

¹ ICAO Doc 9082/7 – paragraphs 17, 31 & 49