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From the Group Planning and Regulatory Affairs Director

Michelle Cross
Productivity Commission
Airports Inquiry
LB2 Collins Street East
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Australia

BAA 

24 October 2001

Dear Ms Cross

IATA SUBMISSION

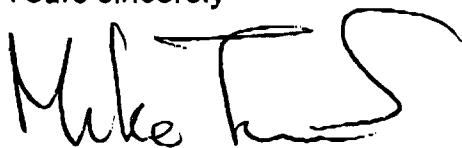
My attention has been drawn to the submission by IATA on 15 October 2001 in response to the Draft Report of the Productivity Commission on the Price Regulation of Airport Services. On page 1 of this submission reference is made to the agreement of ACI and IATA to a 'contribution system which recognises the role played by both airports and airlines in the development of non-aeronautical revenues'. This reference is made in aid of the IATA position that the single-till should be implemented at airports.

For clarification, the Airports Council International (ACI) does not support the mandatory application of a single-till to airport charges. Instead, as paragraph 3 of the IATA/ACI Interpretation of the ICAO Guidance (appended to the IATA submission) makes clear, there is scope for a range of different outcomes at different airports. Paragraph 7 makes this clear. It states 'it may be appropriate for airports to retain non-aeronautical revenues, rather than use such revenues to defray charges'.

I might add further that the ICAO Guidance is exactly that, guidance, and should not be seen in any way as binding on ICAO member states. I recollect that the Australian Government at the ANSConf meeting in Montreal last year made it very clear that it would not mandate a single till and that this would not conflict with any civil aviation treaty obligations it had.

I hope that this clarification assists the Commission.

Yours sincerely



Mike Toms
Vice Chairman, ACI Economics Standing Committee
ACI Delegate, ICAO ANSConf 2000