



Issue Date: September 20, 2023

Re: Proposed Modification to Airport Fees and Charges

In accordance with Article 4 of the Airport Authority (Fees and Charges) Regulations, 2009, the Nassau Airport Development Company (“NAD”) proposes to modify the Tariff of Fees and Charges, effective March 1, 2024 for General Aviation.

Please note this fee does not apply to international or domestic commercial carriers.

On May 1, 2022, NAD implemented an Airport Infrastructure Improvement Fee (AIIF) for General Aviation flights arriving from international destinations. The AIIF fee is a weight-based movement fee for incoming General Aviation aircraft, as shown in the attached fee schedule.

The purpose of this fee was to allow NAD to generate revenue to fund required capital investments at LPIA that impact General Aviation and the airport generally. At the time the AIIF was introduced, a decision was made to impose this fee on international flights only and to impose the fee on domestic flights at a later date given COVID-19 and other economic factors.

Given the fact that international general aviation flights will have had this fee levied upon them for close to two years by March 1, 2024, NAD is recommending that the AIIF is also levied on domestic general aviation flights effective on this date.

The implementation of this fee complies with ICAO’s Policy on Charges for Airports and Air Navigation Services (Doc 9082, 9th Edition). In Section II, subsection 3 (iv) of this document, in relation to charging systems at international airports, ICAO states, “Charges must be non-discriminatory both between foreign users and those having the nationality of the State in which the airport is located...” An extract from this document is attached. The implementation of this fee for domestic general aviation carriers will also be consistent with NAD’s agreement to manage the LPIA and to determine fees and charges.

The new fee is being implemented in accordance with Article 4 of the Airport Authority (Fees and Charges) Regulations and the Airport Transfer Agreement dated April 1, 2007 and Amendment No. 1, dated March 20, 2009 and Amendment No. 2 dated December 28, 2018. A timetable for notification and consultation with the public and general aviation carriers is in accordance with Schedule K of this agreement. The current timeline for notification and consultation with the public and air carriers, and approval of the Airport Authority is as follows pursuant to Schedule K:

1. **June 5, 2023** - 5(a) submit recommendation to the Airport Authority

2. **September 20, 2023** – 5(a) publish “Proposed Modification to Airport Fees and Charges Notice” and invite comments from the public and impacted air carriers.
3. **October 4, 2023** – 5(b) consultative meeting with impacted air carriers
4. **November 3, 2023** – 5(c) deadline for written comments from the public and impacted air carriers
5. **November 13, 2023** – 5(d) NAD to provide:
 - responses to written comments.
 - copies of all written comments and responses to the Airport Authority
 - recommendation to the Airport Authority in writing for the changes to fees and charges taking into account the written comments and responses.
6. **November 30, 2023** – 5(e) “Approval Period” Airport Authority to notify NAD in writing of its determination of NAD’s recommendation:
 - 5(f) If the Airport Authority approves the Recommendation the Airport Authority will:
 - Notify NAD that it consents to the fees as recommended on or before November 30, 2023
 - Authorize NAD to publicly disclose the new fees to the public and to the impacted air carriers, such fees to be effective not less than 90 days from the first publication. In this case, if the Airport Authority was to provide such authorization on November 30, 2023 and the first publication occurred on December 1, 2023, then the effective date will be March 1, 2024.
7. **March 1, 2024** – All Domestic GA air travel charges will be at the revised rates.

Any comments on the recommendation are welcomed and can be provided via email at feedback@nas.bs.

- viii) Airports may produce sufficient revenues to exceed all direct and indirect operating costs (including general administration, etc.) and so provide for a reasonable return on assets at a sufficient level to secure efficient financing in capital markets for the purpose of investing in new or expanded airport infrastructure and, where relevant, to remunerate adequately holders of airport equity.
- ix) The capacity of users to pay should not be taken into account until all costs are fully assessed and distributed on an objective basis. At that stage the contributing capability of States and communities concerned should be taken into consideration, it being understood that any State or charging authority may recover less than its full costs in recognition of local, regional or national benefits received.
- x) Costs directly related to oversight functions (safety, security and economic oversight) for airport services may be included in the airport's cost basis, at the State's discretion.

Airport charging systems

3. Charging systems at international airports should be chosen in accordance with the following principles:
- i) Any charging system should, so far as possible, be simple and suitable for general application at international airports.
 - ii) Charges should not be imposed in such a way as to discourage the use of facilities and services necessary for safety, such as lighting and navigation aids.
 - iii) Charges should be determined on the basis of sound accounting principles and may reflect economic principles as required, provided that these are in conformity with Article 15 of the *Convention on International Civil Aviation* and other principles in the present policies.
 - iv) The charges must be non-discriminatory both between foreign users and those having the nationality of the State in which the airport is located and engaged in similar international operations, and between two or more foreign users.
 - v) Consistent with the form of economic oversight adopted, States should assess, on a case-by-case basis and according to local or national circumstances, the positive and negative effects of differential charges applied by airports. States should ensure that the purpose, creation and criteria for differential charges are transparent. Without prejudice to modulated charging schemes, the costs associated with such differential charges should not be allocated to users not benefiting from them. Charges offered for the purpose of attracting or retaining new air services should only be offered on a temporary basis.
 - vi) To avoid undue disruption to users, increases in charges should be introduced on a gradual basis; however, it is recognized that in some circumstances a departure from this approach may be necessary.
 - vii) Where charges are levied by different entities at an airport, they should, so far as possible, be consolidated for invoicing purposes. The combined revenues should be distributed among the entities concerned as applicable.
 - viii) Maximum flexibility should be maintained in the application of all charging methods to permit introduction of improved techniques as they are developed.

FEE SCHEDULE TO MODIFY AIRPORT FEES AND CHARGES IN ACCORDANCE WITH
AIRPORT AUTHORITY (FEES AND CHARGES) REGULATIONS, 2009

General Aviation
Airport Infrastructure Improvement Fee

MTOW (lbs.)	Piston Engine Aircraft Fee per Landing	Jet Engine Aircraft Fee per Landing
0 – 3,000	\$10.00	\$15.00
3,001 – 5,000	\$15.00	\$30.00
5,001 – 8,000	\$25.00	\$45.00
8,001 – 15,000	\$35.00	\$60.00
15,001 – 25,000	\$50.00	\$120.00
25,001 – 35,000	\$80.00	\$180.00
35,001 – 50,000	\$100.00	\$240.00
50,001 – 100,000	\$120.00	\$300.00
Above 100,001	\$140.00	\$360.00

Applied to each general aviation landing
in addition to landing charge