



Airports Council International / Latin America and the Caribbean
Consejo Internacional de Aeropuertos / Latinoamérica y el Caribe

Secretaría Regional ACI-LAC / ACI-LAC Regional Secretariat

DECLARATION OF VARADERO

Adopted in the city of Varadero, Cuba

On November 27, 2002

By the XI ACI-LAC Regional Assembly



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Whereas:

That among the objectives of the Airport Council International - Latin American and The Caribbean (ACI-LAC) there is “Analyzing matters affecting airports of the Latin American and Caribbean Region (the Region) to establish common positions and to promote the development of commercial airports and air transport”;

That is also an ACI-LAC aim “to defend the unified positions to support commercial airports of the Region against the Regional Organizations related to civil aviation matters in the Region, in accordance with the ACI policies and positions as well as with particular conditions of airports of the Region”;

That the airports are a direct and indirect job source, subsequently a key factor for the economic development of the countries and regions;

That the airports are no longer only infrastructure providers intending only to meet airlines needs; airports are business entities on their own, and as such, with the right to obtain revenues;

That the airports can be operated individually and under a self-financing regime or by Airports Systems as an airport network, considering the aviation industry particularities and the needs of each State;

That the airports are operated directly by States of the Region or indirectly through private companies, or through mixed companies properly authorized to that effect;

That only because in some countries the airport activity has been delegated to the private sector does not mean that the States have less interest in the security and quality of the provided service;

That for any airport management model, but predominantly in the indirect management one (concession), the States must dictate the rules that grant the airport operator the required powers for them to be able to enforce the needed competence or authority to effectively apply its airport management policy in order to make all individuals performing activities at the airport comply with the airport regulations and directives;

That airport fees applicable to international flights, and also to domestic flights, are a vital revenues source for the development of secure and qualified airport activity, therefore airlines ought to paid them correctly and on time;

That these airport revenues, as the revenues that airlines obtain from sales of international air tickets, should not be tied to the economic crisis and/or local currency devaluations; for that reason, in order to secure the aero commercial activity principle regarding currency uniformity – basically international - airport fees should be established and maintain in United States Dollars, Euros, or other strong currency that will allow the level of the industry revenues and costs to continue the airport operations;



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That growth and development of airports should not be subject to the constant request considerations of airports fee reduction (or subsidies) from airlines;

That the airports of the Region are not responsible nor the cause of the profitability problems faced by airlines;

That conversely, the efficiency and maximum use of the capabilities of the aero commercial activity in general and of the airports in particular, require airlines to offer lower airfares for the passengers;

That usually, airlines are large well-informed companies with the capacity to communicate and validate their positions; having a substantial market power, usually greater than any airport;

That indeed, many airports may perhaps be under the oppressive power of the airlines companies; to be even forced to charge below costs and have to make investments to provide services to airlines having no assurance of continuity of their flights;

That even in cases of Airports Hubs, there are examples that sometimes carriers domination prevail by means of controlling the slots and the procedures manipulation to allocate them, practices that generate additional costs for the airports and are beyond their influence or control;

That also airports usually suffer consequences from the existence of multiple jurisdictions (municipal, provincial, and federal) deemed to be competent to regulate airport activity from different views and, in many cases, to demand payment of different taxes, fees or contributions creating a double or even triple taxation that opposes the most basic rational principles;

That is also important for the airport security and development to utilize the land and the areas surrounding the airports in a compatible way with the aeronautical activities carried out at airports and create amongst all the competent authorities the Regulatory Plans, in order to integrate in one well complemented joint act, the community with the airport;

That taking into to account the previous considerations as well as the exceptional and unforeseen crisis status for the airport activity in the Region;

For the considerations indicated above:

THE XI ACI-LAC REGIONAL ASSEMBLY DECLARES:

FIRST.-The importance of having each State determine in a free and sovereign manner its own airport management model, in accordance with the characteristics and the traffic of its airport or airport system, allowing them to choose between the airport network model, the self-financing model, or any other suitable model when considering their own needs and the local conditions.

SECOND.-The need to set up standards and/or amend the existing ones to let airports manage and run themselves, taking into consideration their evolution and development in safe conditions, with



modern infrastructure and technology, and not only considering economic or financial interest in cost-reduction expressed by the airlines.

THIRD.-The importance to understand and recognize that airports, regardless of the exploitation model adopted by the country – either state-run, privately operate or other mixed structure - are business entities entitled to obtain profits from their activities, which in present days is an inherent element of airports operation under a private exploitation regime.

FORTH.-The need to ensure -particularly in times of economic instability or local currency devaluation- that airports, air traffic control services and any other services providers are allowed to set up and obtain the aeronautical fees from international flights – even domestic flights – in United States Dollars or any other “hard” currency as to make service-rendering sustainable and feasible.

FIFTH.- The need to have standards to foresee as condition to grant or continued exploitation of flight routes, the accurate and on time payment of all airport fees or air navigation services in force in each country.

SIXTH.-The importance to have regulations which allow airports and air navigation services providers to proceed to immobilize aircrafts -even in regular flights-; the non-provision of airport services - counters, belts, gates, etc.-, and prevent the use of airport infrastructure in the event of late payments or payment in arrears, as such payment confers them the right to get such services.

SEVENTH.-The need to adopt norms or mechanisms by which, in case of further infrastructure or flight control and protection investments, airlines could guarantee that the granted frequencies will be maintained, to avoid the unilateral and sudden closure of routes, services, or stops and if necessary the right of airports to proportionally reduce their obligations.

EIGHT.-The need for States to adopt and guarantee measures and actions to facilitate airport access to domestic and international financial markets and avoid actions or restrictions that would subsequently constitute legal uncertainty and consequently mistrust to acquire that kind of financing.

NINTH.- The need that the contracts -by which airport infrastructure management and/or operation are delegated- have in their application and interpretation, enough flexibility to allow contract execution adjustments to the frequently aviation industry changing conditions.

TENTH.-The need to temporarily alleviate airport costs in order to overcome the severe financial consequences resultant from September 11, 2001 terrorist attacks.

ELEVENTH.- The importance of adopting measures to adjust the airport costs structure to finally benefit the final users, adopting specific standards to achieve that goal or fostering pertinent international treaties.

TWELFTH.- The need to review the tax burdens affecting the airport industry, to make such reduction translate into greater and improved investments to improve quality service, avoiding taxes that disturb



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airport activity or generate double or even triple taxation.

THIRTEENTH.- The need to promote and support the creation of new alliances and cooperation among the airports of the Region to optimize the efforts and outcomes of the airport management and airport operation.

FOURTEENTH.- The need to favour the effective participation of Airports in the negotiation of international treaties, either bilateral, multilateral or of economic integration, to allow airports to coordinate, lead, and give their advise on all matters that support their development and improve the application of the benefits of the aero commercial transport in the Region.

FIFTEENTH.- The need to promote the effective establishment of Regulatory Plans in the areas surrounding airports to integrate cities and towns to the airports, and let them develop under optimum security conditions, need which should be privileged when coordinating the jurisdiction of the different local and federal authorities who might be involved in the matter.

In the city of Varadero, Cuba on November 27, 2002, the XI ACI-LAC Regional Assembly, according to the valid Bylaws and with the unanimous vote of the attendant members, approves this Declaration as proposed by the Regional Board.