

ATNS Charges







ATNS role in the determination of charges/fees/tariffs/costs imposed on low-cost carriers

- The charges are determined based on the Maximum Certificated Mass (MCM) of the aircraft and the type of movement (Aerodrome Charge, TMA Access Charge, Area Charge).
- The charges apply uniformly to all operators based on the weight and distance, without distinguishing between low-cost carriers and other carriers. Any aircraft weighing above 5000kg gets charged the Aerodrome, TMA Access, Area Charges.
- Aerodrome and TMA Access Charges are applied on aircraft weighing less than 5000kg only if they operate from OR Tambo.
- ATNS does not impose different charges on low-cost airlines as opposed to all other operators.



ATNS role in the determination of charges/fees/tariffs/costs imposed on low-cost carriers

- On non-regulated airports (small aerodromes) ATNS charges the airport operators for services provided by the ATNS air traffic controllers stationed at these airports.
- The fees are negotiated and agreed with each individual airport and are contractual.



ATNS role in the determination of charges/fees/tariffs/costs imposed on low-cost carriers

- The role of ATNS in the determination of charges is outlined as follows:
 - i. Submission of Permission application
 - ii. Consultation with Stakeholders
 - iii. Provision of information to the RC
 - iv. Determination of the tariff
 - v. Approval and gazetting of the tariff



What charges/fees/tariffs/cost ATNS impose and the purpose of these

- The charges are based on the Approach document, which is in line with ICAO's Policies on Charges for Airports and Air Navigation Services (Doc 9082).
- ATNS bills air traffic charges for services such as aerodrome control, approach control, area control, flight information, air traffic advisory, and alerting services.
- The entity follows a cost-recovery principle.
- The purpose of these charges is to ensure ATNS can finance its obligations, deliver services in a cost-effective manner, adhere to agreed service levels, and be commercially sustainable.



Of the charges/fees/tariffs/cost charged by the entities, what influences these charges

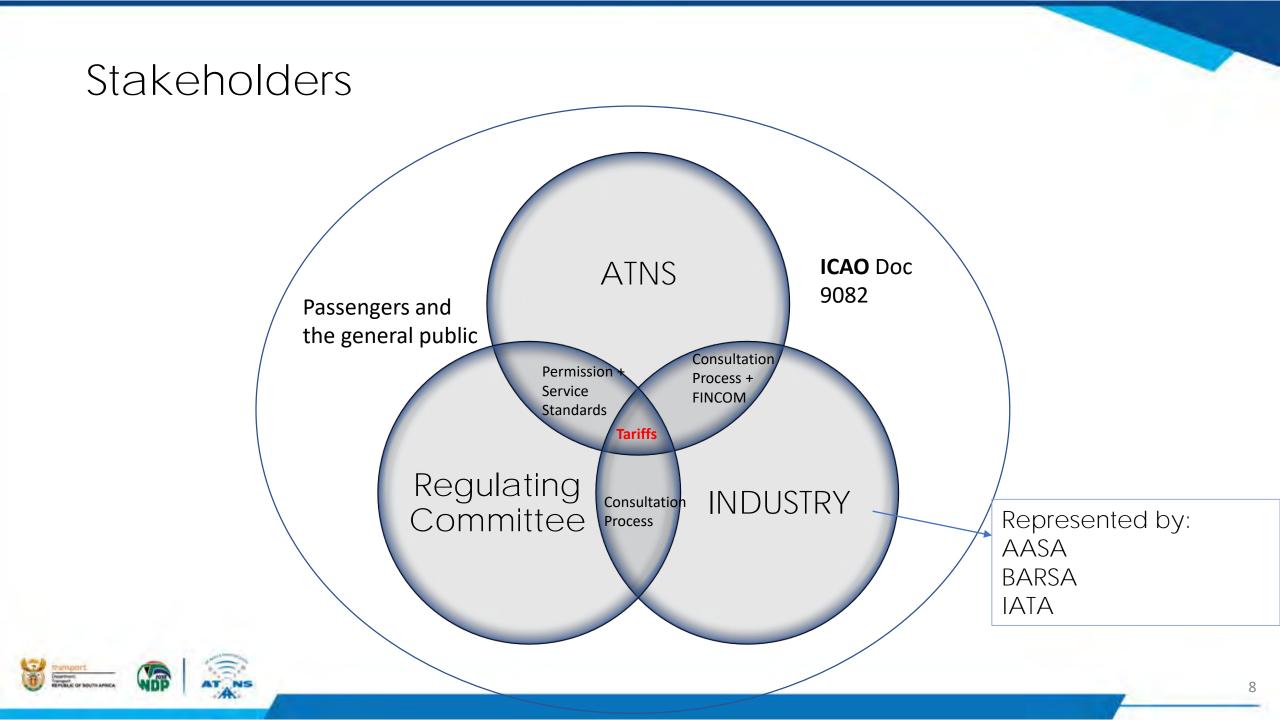
- The charges imposed by ATNS are influenced by several factors that ensure that the charges imposed are fair, reasonable, and reflective of the costs and investments required to provide the services:
 - i. Regulatory Asset Base (RAB)
 - ii. Rate of Return
 - iii. Operating Costs
 - iv. Capital Expenditure (Capex)
 - v. Traffic Forecasts
 - vi. Non-regulated Revenue



Whether there is a difference in charges imposed on low-cost carriers versus other carriers

- The regulated tariffs for ATNS are applied uniformly to all aircraft regardless of the type of carrier.
- This is in line with the approach document and the ICAO's Policies on Charges for Airports and Air Navigation Services (Doc 9082)no differentiation or discrimination.





Building Blocks of Economic Regulation

Operating and maintenance costs	
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Return on existing assets	Depreciation + allowed profit= WACC x RAB
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Return on new investment	Depreciation + allowed profit= WACC x NNI (NNI= net new investment)
Allowed revenue	

- Regulated Asset Base (RAB) is a proxy value of the regulated operating assets we expect to earn a return on
- The higher the RAB ("CAPEX"), the greater the level of revenue ATNS is allowed to earn
- Delaying actual CAPEX spend enables gains from the allowed revenue based on forecast CAPEX and may lead to Claw-back





Thank you

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