



NOTICE OF INTENT



Notice of Intent
15th April, 2024



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BANS's revised charging scheme

The Bahamas Air Navigation Services Authority (BANS) is proposing to implement a revision of the charging scheme for air navigation services (ANS), effective July 1st, 2024.

The BANS is proposing to update current ANS charges to fund the provision of air navigation services being delivered and to enhance the quality and efficiency of air traffic operations at the terminal and en-route phases of flight. The revised charging scheme consists of the following fees:

- **Origin and destination fee:** Applicable to all aircraft performing operations at origin and/or destination (O/D) aerodromes in the sovereign territory of The Bahamas. This O/D fee is calculated based on the amount of service units generated during the operation, multiplied by the O/D service unit rate, set to B\$ 304.09. The following formulas explain how service units and total charges are calculated:

$$\text{O/D service units} = \left(\frac{\text{MTOW(tonnes)}}{50} \right)^{0.7}$$

$$\text{O/D charges} = \text{Unit rate} * \text{Service units}$$

- **Overflight fee:** Applicable to all aircraft not taking-off nor landing in The Bahamas yet flying through The Bahamas' sovereign airspace. The overflight fee is calculated based on the amount of service unit generated during the operation, which takes into consideration the MTOW of the aircraft and the Great Circle Distance ("GCD") flown within The Bahamas' sovereign airspace. The service units are multiplied by the Overflight unit rate, which has been set to B\$3.36. The following formulas explain how service units and total charges are calculated:

$$\text{Overflight service units} = \left(\frac{\text{MTOW(tonnes)}}{50} \right)^{0.5} * \frac{\text{GCD (nm)}}{100}$$

$$\text{Overflight charges} = \text{Unit rate} * \text{Service units}$$



Exemptions to the charges

The following aircraft will be exempted from payment of the ANS charges:

- Aircraft engaged in search and rescue operations or emergency medical services.
- Aircraft performing an emergency landing at an airport other than the airport of its intended destination.
- State aircraft owned or chartered by the Government of The Bahamas.
- Aircraft belonging to the Armed Forces or Governments of ICAO member states.

BANSA's charging scheme motivation

The charging scheme update stems from the need to maximize BANSA's adherence to ICAO's recommendations and principles for charges applications, in particular:

- **Cost relatedness:** the proposed revision reflects more accurately the costs of providing air navigation facilities and services based on a user-pay and proportionality principle. Thus, the sum of all revenues stemming from the updated charges is an accurate representation of BANSA's service costs, and revenues derived from each operation category are proportional to each of the categories' costs. That is to say, the proportion of costs allocable to various categories of users will be determined on an equitable basis so that no user category will be burdened with costs nor properly allocable to them according to sound accounting principles.

Considering the updated charging scheme, the following tables show the total charges estimated to be applied annually by BANSA until FY28-29 compared with costs in the same years, demonstrating how O/D charges are compensating for the excess collected from Overflights between FY21-22 and FY23-24, and how full cost-recovery and cost-relatedness will be achieved by FY28-29.

Charges collected by BANSA (B\$M)	FY21-22 actual	FY22-23 actual	FY23-24 estimate d	FY24-25 estimate d	FY25-26 estimate d	FY26-27 estimate d	FY27-28 estimate d	FY28-29 estimate d	TOTAL
O/D revenues	1.84	3.67	3.65	33.65	35.94	36.92	37.56	38.19	191.42
Overflights revenues	11.59	14.76	44.39	3.01	3.18	3.26	3.34	3.42	86.95
Total	13.43	18.43	48.04	36.66	39.12	40.19	40.90	41.61	278.37



BANSALOGO costs (B\$M)	FY21-22 actual	FY22-23 actual	FY23-24 estimated	FY24-25 estimated	FY25-26 estimated	FY26-27 estimated	FY27-28 estimated	FY28-29 estimated	TOTAL
O/D costs	-11.81	-14.13	-23.45	-26.66	-28.15	-29.01	-29.47	-28.74	-191.42
Overflights costs	-4.05	-4.86	-8.04	-10.00	-12.16	-15.26	-16.60	-15.98	-86.95
Total	-15.86	-18.99	-31.49	-36.66	-40.31	-44.27	-46.07	-44.72	-278.37

Through the implementation of the new charging regime, BANSALOGO aims to assure economic self-sustainability by covering its' projected operating and capital expenditures including depreciation of assets, maintenance, management and administration.

- **Non-discrimination:** the revised charging scheme remains consistent with the categories of flights constituting the base of the current charging scheme, that were determined to be non-discriminatory. Under the new charging regime all fees both for domestic, international and overflight operations are set according to appropriateness principles and on a strictly cost-relatedness basis.
- **Transparency:** the complete cost breakdown underpinning the revision will be shared publicly with the interested parties in a factual and transparent manner following international best practices. The purpose is to assure full disclosure of operational and financial information in support of the calculation of the charges and in line with the BANSALOGO's 5-years strategic plan.
- **Consultation with users:** the new charging scheme revision will undergo a formal consultation process with airspace users, including airline associations and foreign administrations, with the aim of improving cooperation and understanding among all parties involved, according to the following calendar:

Event	Dates
Publication of the Notice of Intent	04/12/2024
First Open Consultation meeting (Virtual)	04/30/2024
Submission of comments to BANSALOGO	04/12/2024 to 05/15/2024
Second Open Consultation meeting (Hybrid: In person in Nassau, Bahamas)	06/12/2024



Questions and concerns

To register to the First Open Consultation meeting, please use the [online form by clicking here](#).

Please direct any questions regarding this Notice of Intent to:

Director,

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