

MEMORANDUM FOR AMBASSADOR KENNEDY**From:** Darrell Trent**Subject:** Iraq Over flights

We are recommending, subject to Ambassador Bremer's Approval, that Iraq Over Flights begin August 16, 2003 which should product \$40 million income per year to Iraq..

Background:

IATA has requested the re-opening of the skies of Iraq to be completed as soon as possible. The primary north/south route will reduce 40 minutes from the previous circumnavigated routing. It is anticipated that 150 aircraft per day will fly this route initially and at a fuel consumption rate of approximately \$100.00 USD per minute; will save these users approximately \$600,000.00 USD per day.

Civil Aviation Authority and the Combined Forces Air Component Commander (CFACC) have proceduralized the resumption of Commercial Air Traffic Services over the country of Iraq. The needed communication link between participating countries (Syria, Jordan, Turkey and Kuwait) is now physically in place, however the interface to the military communication equipment is still under development. CFACC has reported enough ATC assets in place and they are ready to commence this operation at the direction of CPA.

Fees and Collection and process:

The IATA contract has been reviewed and approved by the CPA Contractors office and is ready for signature pending the finalization of fees and bank account information:

- A bank account has been established and control of this account has been placed with the Ministry of Finance.
- This action creates an undue burden on the aviation system. Typically these funds fall under an Aviation Trust Fund and that fund is utilized and managed to maintain, repair and upgrade the Air Navigation System. These funds will directly reduce the overall needed operating budget from external sources and typically most aviation system are self sustainable.
- CAA has developed comparable over flight and landing fees based on a review of adjacent country fees. These fees will be based on aircraft weight and length of flight. Additionally, we have scheduled a conference in Dubai on August 13, to validate our fees with IATA and users within the Mid East Region. Based on this meeting, CAA fees may then be adjusted to appropriately reflect the regional market rates as determined at this conference.

- Fees schedule

	Rate multiplied by Maximum Takeoff	
Iraq	Weight multiplied by Maximum Distance Flown	.002842 USD per ton per km flown

- Estimated revenue for 150 over flight per day is expected to be approximately \$20M USD per year, 300 aircraft per day would equate to \$40M USD per year (based on average aircraft weight for area).

RAMCC procedures:

Regional Air Movement Control Center (RAMCC) presently approves landing slots. RAMCC will monitor the over flight operation and assist CFACC/CAA as needed in order to maintain a cohesive relationship between military assets and commercial aircraft

CFACC Capabilities:

CFACC is ready to commence operations 16 August. Initially, they will authorize over flights on the primary north/south airway between Kuwait and Turkey. Initial estimates project 150 aircraft per day. If no problems are encountered, the remaining airways will be added one per day.

Diplomatic Clearance Procedures:

CAA/State Department will setup an email account for countries/users to request 7 days in advance a diplomatic county clearance to transit Iraqi airspace. This is a standard with all surrounding nations.

AIP/TERPS and Obstruction Evaluation:

CFACC has finalized the AIP and is awaiting CAA and FAA final approval. The air routes have been TERP'ed and an Obstruction Evaluation of Basrah has been completed. The AIP is expected to be published on 16 August.

Use of Funds Collected:

It could be argued that these funds collected should be deposited into a bank account that would be earmarked to pay for the cost of new air traffic control equipment, its related repair expenses, upgrade requirements, and related aviation expenditures.

Approve

Disapprove

See Me