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ASSEMBLY — 38TH SESSION

ECONOMIC COMMISSION

Agenda Item 42: Economics of Airports and Air Navigation Services

PUNCTUALITY AS CRITERIA IN SLOT MONITORING

(Presented by Brazil)

EXECUTIVE SUMMARY	
The main purpose of this information paper is to present an alternative to the currently criteria for slot monitoring in congested airports.	
Strategic Objectives:	This information paper relates to Strategic Objective C – *Environmental Protection and Sustainable Development of Air Transport*
Financial implications:	No financial implications.
References:	Manual on the Regulation of International Air Transport, Worldwide Slot Guidelines

1. INTRODUCTION

1.1 As the number of operations increase in a given airport, infrastructure capacity becomes congested and imposes limits to the availability of slots.

1.2 Scarce airport capacity demands slot monitoring to ensure effective infrastructure use. As a widely applied criterion, regularity has been measured to evaluate the effectiveness of operations, likewise to stipulate *grandfathering rights* to the following scheduling period. Normally, a "*use it or lose it*" rule is applied, in which an airline that fails to operate a significant part of their allocated slots to their coordinated timings loses *historical precedence* for its slots next equivalent season.

1.3 Both regularity and punctuality should be monitored and considered when determining eligibility for *historical precedence*. While there is a clear objective parameter to measure good use of slots due to regularity on operations, the lack of parameters to define a punctual operation demands subjective analysis to notice intentional misuse of the slots coordinated timings.

1.4 Concerned with congestion and, consequently, delays on Brazilian coordinated airports, the National Civil Aviation Agency (ANAC) proposed a resolution to address this issue.

2. BACKGROUND

2.1 An airport slot is defined by ICAO[1] as "a specific designated day and time (usually within a 15 or 20-minute period) for an aircraft to arrive at or depart from an airport."

2.2 Since operations depend upon both departing and arriving slots, allocation is usually coordinated among various airports. The mechanism most often used by airlines, coordinators and schedules facilitators are the IATA Slot Conferences, held twice yearly, prior to each scheduling season.

2.3 *Historical precedence* or *grandfathering rights* is an important element to provide stability of operations. Airlines may usually retain slots used in the previous equivalent season, adjusting operations only voluntarily or by exchange of slots.

2.4 As the number of operations increase in a given airport, infrastructure capacity becomes congested and imposes limits to the availability of slots. New entrants can no longer be accommodated, hindering competition.

2.5 Scarce airport capacity demands slot monitoring to ensure effective infrastructure use. As a widely applied criterion, regularity has been measured to evaluate the effectiveness of operations, likewise to stipulate *grandfathering rights* to the following scheduling period. Normally, a "*use it or lose it*" rule is applied, in which an airline that fails to operate a significant part of their allocated slots to their coordinated timings loses *historical precedence* for its slots next equivalent season.

2.6 It is worth noting that flight cancellations due to disruptions beyond the airline's control, such as severe weather conditions, are considered as operated when measuring regularity, therefore separating intentional schedule abuse from normal variations in operational performance.

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[1] Manual on the Regulation of International Air Transport. 2nd Edition, 2004.
Acessed at: http://www.icao.int/sustainability/pages/doc9626.aspx

2.7 International Air Transport Association (IATA) Worldwide Slot Guidelines[2] state that "Airlines must not intentionally operate services at a significantly different time or intentionally use slots in a significantly different way than allocated by the coordinator. Airlines to do so on a regular basis will not be entitled to historic precedence for either the times they operated of for the allocated times."

2.8 Thus, not only regularity but also punctuality should be monitored and considered when determining eligibility for *historical precedence*. While there is a clear objective parameter to measure good use of slots due to regularity on operations, the lack of parameters to define a punctual operation demands subjective analysis to notice intentional misuse of the slots coordinated timings.

2.9 Slots not sufficiently used by airlines should be reallocated, creating incentives to better capacity use, promoting access to new entrants and, thus, stimulating competition. Slots used in a significantly different time than allocated can propagate delays to following flights in sequence, resulting in additional costs to the industry and deteriorating level of service quality. Therefore, understating the misuse of slots may impose unnecessary burdens to society.

3. DETERMINING INTENTIONAL MISUSE OF SLOTS

3.1 Just as regularity can be effectively measured by objective parameters, punctuality should receive equal treatment. Coordinators should not judge on a case-by-case basis, but apply isonomic criteria to identify an intentional use of slot in a significantly different time than allocated.

3.2 Having clear rules to state intentional misuse will ensure legal certainty to coordinators when declaring ineligibility of a series of slots. Furthermore, it will provide incentive to better use of airport capacity and empower airlines to take appropriate action before a loss of slots occurs.

3.3 To address this issue, in March 2013, the National Civil Aviation Agency (ANAC) promoted a public hearing on slot allocation at coordinated airports. The proposed resolution set minimum punctuality parameters to Brazilian airports, that allowed determining stricter levels in specific cases, if necessary. The aim was to improve both use of congested airport capacity and access to new entrants.

3.4 Despite the need of isonomy to measure punctuality, not every airport is subject to the same constraints of physical infrastructure. Delays can affect differently services among airports, being necessary to allow certain flexibility when setting parameters to each individual airport.

3.5 Delays due to bad weather or airport closure are disregarded and will not affect the airline operational performance for that specific series of slot.

4. CONCLUSION

4.1 Scarce airport capacity demands slot monitoring to ensure effective infrastructure use.

4.2 Slots not sufficiently used by airlines should be reallocated, creating incentives to better capacity use, promoting access to new entrants and, thus, stimulating competition. Slots used in a

[2] Worldwide Slot Guidelines (WSG). 5th edition, 2013. Accessed at: http://www.iata.org/wsg

significantly different time than allocated can propagate delays to following flights in sequence, resulting in additional costs to the industry and deteriorating level of service quality.

4.3 Therefore, not only regularity but also punctuality should be monitored and considered when determining eligibility for *historical precedence.*

4.4 Setting objective parameters to measure punctuality will ensure legal certainty to coordinators when declaring ineligibility of a series of slots. Furthermore, it will provide incentive to better use of airport capacity and empower airlines to take appropriate action before a loss of slots occurs.

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