

CONFERENCE ON THE ECONOMICS OF AIRPORTS AND AIR NAVIGATION SERVICES

(Montreal, 19 - 28 June 2000)

Agenda Item 4: Determinants of the economic regulation of airports and air navigation services

ICAO SECRETARIAT STUDY ON THE ALLOCATION OF FLIGHT DEPARTURE AND ARRIVAL SLOTS AT INTERNATIONAL AIRPORTS

(Presented by the International Air Carrier Association)

INFORMATION PAPER

SUMMARY

This paper presents the International Air Carrier's views on the Study on the allocation of flight Departure and Arrival Slots at International Airports as referred by the Air Transport Committee to the ANSCConf 2000.

1. Introduction

1.1 The International Air Carrier Association, founded in 1971, and having observer status at ICAO, represents Member airlines that on the whole specialise in serving the leisure demand of the market, either operating charter flights or developing new scheduled services. It's Members operate approximately 600 modern, environmentally friendly, aircraft and directly employs over 52000 people.

2. Capacity constraints and the issue of slot allocation

2.1 IACA appreciates the timing of this conference and welcomes the ICAO secretariat's study on the allocation of Flight Departure and Arrival Slots at International Airports. Capacity issues, and especially the lack of capacity at a growing number of airports, are of great concern to IACA. On the one side, the market demand is continuously growing, involving more competition among airlines and resulting in descending seat prices, but on the other hand carriers are faced with mounting problems involving the capacity of airports in a negative way. IACA is seeking a common unconstrained capacity methodology for use at all airports. Such

a tool will allow for clear identification of special problem areas. (Currently we maintain that many airports are subject to implied constraints of a varying nature, which leads to a very real under-utilisation of the available resources). Similarly some entrepreneurial airports offer capacity greater than they can achieve. This leads to increased pressure on other related fragile infrastructures and in turn leads to the overall deterioration of the total system. IACA believes that slot allocation is not itself a solution to the shortage of capacity at congested airports but remains a rationing mechanism introduced as a stop-gap measure while the underlying problem of insufficient capacity is rectified. Any airport which is designated as coordinated has ultimately failed.

2.2 In reply to the ICAO secretariat's study, in general:

- IACA supports independent coordinators
- IACA believes that slot allocation transfers must be totally transparent
- IACA insists that any regional regulations pertaining to slot allocation should deviate as little as possible from the current, worldwide accepted coordination system
- IACA believes that the only reason for any regional slot allocation regulation should be to endorse a coordination system which achieves the most optimal use of existing airport capacity and which reduces as many limitations as possible.
- IACA believes that the aim of any rules should be to secure total neutrality, non discrimination, equal rights and transparency in the airport coordination process. With regard to local rules, IACA does not wish to see a multiplicity of local rules but agrees to a broad framework of same.
- IACA believes that airport capacity analysis should be undertaken on a regular basis using a universally recognised

2.3 In the ICAO study there are several recommendations to improve the existing system. Firstly to appoint independent coordinators. As can be seen above IACA fully shares this view. With regard to the other 2 suggestions IACA remains unconvinced that the inherent discriminatory elements could be overcome. (These suggestions were that in coordinating flights at a fully coordinated airport a preference could be given to international flights based on stage length of the flight or that a preference could be given based on flight stage length alone). IACA fully supports the current Scheduling coordination conference and procedures which are global and would be concerned with any moves towards further intervention by Member States to artificially determine who flies where and at what time, ultimately it must be the market which determines this. IACA agrees that the objectives must be greater access and wishes to see flexibility and speed without over-burdening regulation.

2.4 With regard to seasonal peaks in traffic, IACA accepts that peak day operations without doubt create problems for airports. Likewise they create problems for the airlines. However IACA airlines in general fly on the days required by tour operators, which, they claim, reflects customer demand. IACA has and will continue to work with international Tour Operator Associations in an effort to smooth and reduce peak day demands. IACA disagrees with any form of peak pricing which only results in moving demand and does nothing to solve any capacity problems in reality.

2.5 With regard to aircraft noise, IACA would advocate a “modern” approach to SIDS and STARS that would result in reducing noise envelopes by utilising the best possible use of aircraft technical specifications.

2.6 With regard to the high density rule as applied in the US, IACA understands that this temporary solution is now being lifted and that there is also growing opposition to the current buy/sell system as applied in the US.

2.7 IACA agrees with the conclusion of the 1994 ICAO Worldwide Air Transport Conference that *“on slot allocation, no worldwide regulatory arrangement was practicable because of the many varied conditions that existed in and between airports; the continued use of the IATA scheduling committees for slot allocation continues to prove a viable way to deal with the problem of slot allocation for congested airports”*. There could be a role for ICAO to insist that all Member States support the IATA scheduling worldwide system.

2.8 Should there be subsequent follow up action on this study by ICAO and it’s Member States IACA and its Member airlines (with decades of experience of this subject) offers ICAO it’s assistance.

– END –