

# Asia/Pacific Airport Coordinators Association (APACA)

Agenda Item 2

ICAO Assembly – 39<sup>th</sup> Session

13th APACA meeting  
8 November, 2016  
Atlanta, Georgia, U.S.A.

# International Civil Aviation Organization (ICAO) 39<sup>th</sup> General Assembly

## **39<sup>TH</sup> GENERAL ASSEMBLY**

Duration: 27 September (Tue.) to 7 October (Fri.), 2016  
Place: ICAO Head Quarter, Montreal, Canada

## **ECONOMIC COMMISSION**

### **Agenda Item 39: Economic Regulation of International Air Transport - Policy**

The Council will report on ICAO work in the implementation of the recommendations of the Sixth Worldwide Air Transport Conference (ATConf/6, March 2013). Priorities for the 2017-2018-2019 triennium will be proposed based on the need to harmonize the global regulatory framework for international air transport, facilitate and support the liberalization process, and maximize aviation's contribution to economic development.

# Airport Council International (ACI) WP (1)

## Agenda Item 39: Economic Regulation of International Air Transport – Policy

### AIRPORT SLOTS

(Presented by the Airports Council International (ACI))

#### EXECUTIVE SUMMARY

Airport operators wish to promote efficiency in the allocation and use of the capacity that they build, maintain and operate, which in turn affects issues such as destinations served, aircraft seat capacity, competition, delays to aircraft, cost and level of service in passenger terminals, connectivity, and full use of allocated slots.

Airports Council International ACI wishes to engage with States and industry stakeholders to improve industry guidance on slot allocation and to explore means of modernizing allocation criteria to address the evolution of the industry and new challenges.

**Action:** The Assembly is invited to agree to the recommendations in paragraph 3.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objective D — <i>Economic Development of Air Transport</i>
<i>Financial implications:</i>	None
<i>References:</i>	Not applicable

## Airport Council International (ACI) WP (2)

### 2. DISCUSSION

2.1 Airport operators wish to promote the greatest possible efficiency in the use of the infrastructure that they have built, which implies the full and effective use of all slots. Airport operators will also aim to build new capacity to meet demand, but for a variety of reasons they may be limited in their ability to do so.

2.2 The allocation of slots in turn affects issues such as destinations served, aircraft seat capacity, competition, delays to aircraft, level of service in terminals, apron capacity and level of noise and emissions. An efficient allocation of slots facilitates meeting the demands of aviation industry stakeholders, but that alone is not sufficient - airport operators must take into account the social and economic welfare of consumers and local communities, with which they interact on a daily basis.

2.3 Furthermore, given the specific circumstances of airports and regions, adequate flexibility should be ensured through the allowance of local rules, as acknowledged in the European Union Regulation on slots.

## Airport Council International (ACI) WP (3)

2.4 An airport slot is currently defined as “a permission given by a coordinator for a planned operation to use the full range of airport infrastructure necessary to arrive or depart at a Level 3 airport on a specific date and time”. (IATA WSG; 7th Edition, chapter 1.6.1.). The definition of a slot should be explicit not only with reference to the benefit to the aircraft operator to use the infrastructure at a given date and time, but also with regard to its obligation to use the allocated capacity. Under the current guidelines, the non-utilisation of allocated slots (hence airport infrastructure) has no consequence for airlines during the season in course, which may result in inefficient use of airport capacity and an economic impact for the community and the airport operator, as well as potential adverse consequences to competition at the airport.

2.5 Beyond the “use it or lose it” rule, early or late arrival or departure without operational cause is not defined in terms of clearly stated time windows and it lies within each Slot Coordinator’s discretion to make these calculations as per their own standards and local rules.

2.6 Within the context of an increasing level of congestion at a growing number of airports, a wider discussion is needed between States and the industry to improve current slot allocation methods and to ensure the most efficient use of the existing capacity from an overall perspective in the future. We note that tools are available to allow simultaneous optimization of differing criteria (e.g. effect on connectivity, effect on hub operations, operational challenges, competition, and economic value) and can enable an optimal outcome according to the defined efficiency goals.

## Airport Council International (ACI) WP (4)

2.7 Under the current industry guidelines, **important criteria for the efficient use of scarce capacity such as destinations served, size of aircraft or best offer for the public are ignored or at best regarded as optional secondary criteria.** The operator of each slot coordinated airport should be able to prioritise the secondary criteria for use by the coordinator of the airport, depending on its circumstances.

2.8 **Moreover, the potential benefits of alternative allocation methods for slot allocation should be explored.** Market mechanisms have been used in other fields to allocate limited resources in the most efficient way.

2.9 In this context, ACI also believes that when new air services agreements are signed, the granting of slots for new services should not be part of these agreements, as this may distort slot allocation priorities and lead to unforeseen impacts on other services and operators.

## Airport Council International (ACI) WP (5)

### 3. RECOMMENDATIONS TO THE ASSEMBLY

#### 3.1 The Assembly is invited to:

- I agree that the interests of airport operators should be considered together with the interests of airlines in the definition of slot allocation policy and the development of industry slot guidelines for the common benefits of passengers and communities.
- I recognize airport operators as significant players in local rules for slot allocation to suit the needs of the individual airport and its users. Local cooperation benefits all parties and improve the outcome in terms of efficiency of operational and economic use of airport facilities.
- I recommend amendment of the definition of an airport slot and the understanding of slot allocation, in order to contain both permission for the aircraft operator to use the required infrastructure, but also the obligation for the aircraft operator to use that allocated capacity, with proportionate sanctions for intentional misuse.
- I recommend a reference to a Panel to explore and evaluate the potential benefits of alternative capacity allocation methods for airport slots.

# International Air Transport Association (IATA) WP (1)

## Agenda Item 39: Economic Regulation of International Air Transport — Policy

### AIRPORT SLOT ALLOCATION

(Presented by the International Air Transport Association (IATA))

#### EXECUTIVE SUMMARY

The industry has developed the Worldwide Slot Guidelines (WSG) for the management and allocation of airport slots to ensure the most efficient use is made of congested airport infrastructure. IATA (which facilitates the production and updating of the WSG) believes that States, airport operators, slot coordinators, along with the other air transport industry stakeholders, are fundamental partners in developing robust airport slot management policies and procedures. IATA has committed to ensuring all of these stakeholders remain key contributors and participants in the review and revision process for the WSG.

**Action:** The Assembly is invited to:

- a) recognize the critical role that all stakeholders currently play on both a global and local basis in defining the slot allocation policies and rules, and to that end support IATA's efforts to enhance the involvement of States, airports, airlines, slot coordinators and air traffic management organizations in future global optimization efforts;
- b) support the strategic review of the WSG as a key initiative to ensure the continual improvement and optimization of the WSG policies and processes, and to that end encourage States and other stakeholders to provide input into the process; and
- c) determine that the existing industry working groups and fora offered by the WSG sufficiently address slot allocation issues and therefore obviating the need for a panel or similar duplicative structures to address such issues.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objective D — <i>Economic development of air transport.</i>
<i>Financial implications:</i>	None
<i>References:</i>	ACI WP/231-EC/23 ATConf/6-WP/104 Doc 9587, <i>Policy and Guidance Material on the Economic Regulation of International Air Transport</i>

## International Air Transport Association (IATA) WP (2)

### 3. RECOMMENDATION TO THE ASSEMBLY

#### 3.1 The Assembly is invited to:

- a) recognize the critical role that all stakeholders currently play on both a global and local basis in defining the slot allocation policies and rules, and to that end support IATA's efforts to enhance the involvement of States, airports, airlines, slot coordinators and air traffic management organizations in future global optimization efforts;
- b) support the strategic review of the WSG as a key initiative to ensure the continual improvement and optimization of the WSG policies and processes, and to that end encourage States and other stakeholders to provide input into the process; and
- c) determine that the existing industry working groups and fora offered by the WSG sufficiently address slot allocation issues and therefore obviating the need for a panel or similar duplicative structures slot issues.

# International Civil Aviation Organization (ICAO) Resolution

## Agenda Item 39: Economic Regulation of International Air Transport - Policy

39.30 Concerning the issue of slot allocation raised in WP/231 presented by ACI, and WP/340, presented by IATA, the Commission heard and welcomed the joint statement made by both Organizations, which recognized the need to optimize the use of scarce capacity, particularly at capacity constrained airports.

As such, the two Organizations agreed to work collaboratively on the ongoing process to develop a more efficient and effective slot allocation process. They also agreed that such a process must ensure transparency, certainty, consistency, fairness and non-discrimination, as well as remaining globally harmonized.

The Commission noted that ACI and IATA would work with States, the industry stakeholders as partners and would report progress to the next session of the Assembly.