Asia/Pacific Airport Coordinators Association (APACA)

Agenda Item 3

WSG Strategic Review Management Group
(WSRMG)

14th APACA meeting
13 June, 2017
Kuala Lumpur, Malaysia

International Civil Aviation Organization (ICAO)

ICAO 39TH GENERAL ASSEMBLY

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

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.

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

(WP/231 by ACI)

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.

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

(WP/340 by IATA)

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 Civil Aviation Organization (ICAO) Resolution

ICAO 39TH GENERAL ASSEMBLY 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, 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.

Feedback from Workshops at SC139 (1)

5 workshops
Coordinators, Facilitators,
Airlines and Airports

55 participants from
Africa, Americas, Asia,
Europe and Middle East

Feedback from Workshops at SC139 (2)

CERTAINTY	TRANSPARENCY	FLEXIBILITY
Lack of definition in the WSG for base carrier (A, C)	IATA to publish and maintain repository of local rules (A, C)	Different rules for calculation of the 80/20 (C)
Seasons planning is no longer adequate to market demand (A)	GA/BA do not provide the information about their schedules on-time (C)	Introduce rules for secondary trading (for monetary value) to facilitate more slot mobility (C)
How 80/20 rule applies to ad hoc changes, delays, holiday cancellations before handback date (A)	Improve the process for priority in slot allocation (A)	Current principles make it difficult to adjust to market demand (A)
Modernize new entrant rules (A)	The process of allocation of the slot pools at level 3 airports is not always transparent, introduce more rules for monitoring and enforcement of transparency (A)	Introduce year round operations and concentrate on managing the peaks (A, C)
	Publish who applied for what and to whom the slots were allocated (A)	Reduce the period b/w initial submission and slot handback date (C)

Feedback from Workshops at SC139 (3)

SUSTAINABLITY	CONSISTCENCY
GA/BA not part of the WSG – in the EU especially this will be a big problem in future (C)	Rules are not applied in a consistent way by A and C (e.g. 3 day rule) (A, C)
Late handback of slots affects the efficient use of capacity (A, C)	Implement new technologies (e.g. move from email for messages) (C)
Current level 2 not sustainable anymore /obsolete (A, C)	The current WSG provides too much room for interpretation leading to discrepancy and inconsistency in the application of rules (C)
Market demand is becoming more dynamic and we need a new framework that will allow us to plan accordingly (A)	Need for training and education (SSIM Ch.6 and WSG) to ensure consistent application of rules both by A and C (A,C)
Waste of capacity is increasing as current rules are outdated (A)	Need to introduce a process for enforcement of rules (C)
Coordination becomes a private business – in future ensure it remains independent (A, C)	Planning and Operations – currently there is no reference in the WSG on how they interlink and impact coordination (C)
Level 2 airports act as Level 3 airports (A)	Adherence to slot handback rules (A, C)
Level 1 airports – very general and not relevant anymore, are they still needed (A, C)	Length of series – need to be reviewed in light of more dynamic market demand (A)
	Too many variations in the application of the WSG rules and no enforcement – strengthen the rules and introduce enforcement process (A, C)
	Rules for cancellations need to be reviewed (C)
	Adherence to the messaging standards as per SSIM Ch.6 is weak (C)

Task Forces and ACI Feedback

Strategic Review Task Force	Areas for consideration	ACI Task Force	Areas for consideration
A AIRPORT LEVELS	Effectiveness of Level 2 airport principles	A AIRPORT LEVELS	Designation and capacity declaration Categories of Airports
B HISTORIC DETERMINATION SEASON & SERIES LENGTH	Slot Series	B HISTORIC DETERMINATION	Cancellation before the Historic Baseline Date
	SRD timing, purpose and allowance of cancellations		On-time performance
	How can the process better support the needs of the business e.g. speed to market, demand driven scheduling.		Deadline for slot returns
C SLOT PERFORMANCE MONITORING	On Time Performance	C SLOT PERFORMANCE MONITORING	On Time Performance
D MARKET ACCESS	Access to congested markets	D MARKET ACCESS	New Entrant rule Secondary slot allocation criteria
Other areas impacted by TF B	Slot Reservation Fee		
	Utilization of capacity		

WSG Strategic Review Management Group (1)

Role and Mandate

The role of the WSG Strategic Review Management Group (WSRMG) is to manage the strategic review of the Worldwide Slot Guidelines (WSG) and to develop proposals and recommendations to the WSG.

The WSRMG will make effort to ensure that all the global regions, airline models, general and business aviation and airport congestion levels are broadly represented and considered in the development of proposals and recommendations.

Membership

The WSRMG is comprised of three Industry Groups with one delegate from the relevant Industry Association and three delegates from the organizations within such Industry Group:

【1】Airlines
- ★One IATA representative to serve as lead delegate of the Airline Industry Group
- ★Three Airlines from the World Regions

【2】Coordinators or Facilitators
- ★One WWACG representative to serve as lead delegate of the coordination Industry Group
- ★Three Coordinators or Facilitators from the World Regions

【3】Airport Managing Bodies
- ★One ACI representative as lead delegate of the Airports Managing Body Industry Group
- ★Three Airport Managing Bodies from the World Regions

WSG Strategic Review Management Group (2)

Appointment and Voting

Each of these Industry Associations is responsible for selecting its delegate, subject to the conditions on Membership below.

IATA-Member Airlines, WWACG-Member Coordinators or Facilitators and ACI-Member Airport Managing Bodies are eligible to submit nominations to their respective Industry Association for delegate membership. Each Industry Association is responsible to appoint the delegates from its Industry Group, subject to the conditions on Membership below.

The presence of at least nine delegates of the Management Group, including at least two delegates from each Industry Group, is required for quorum.
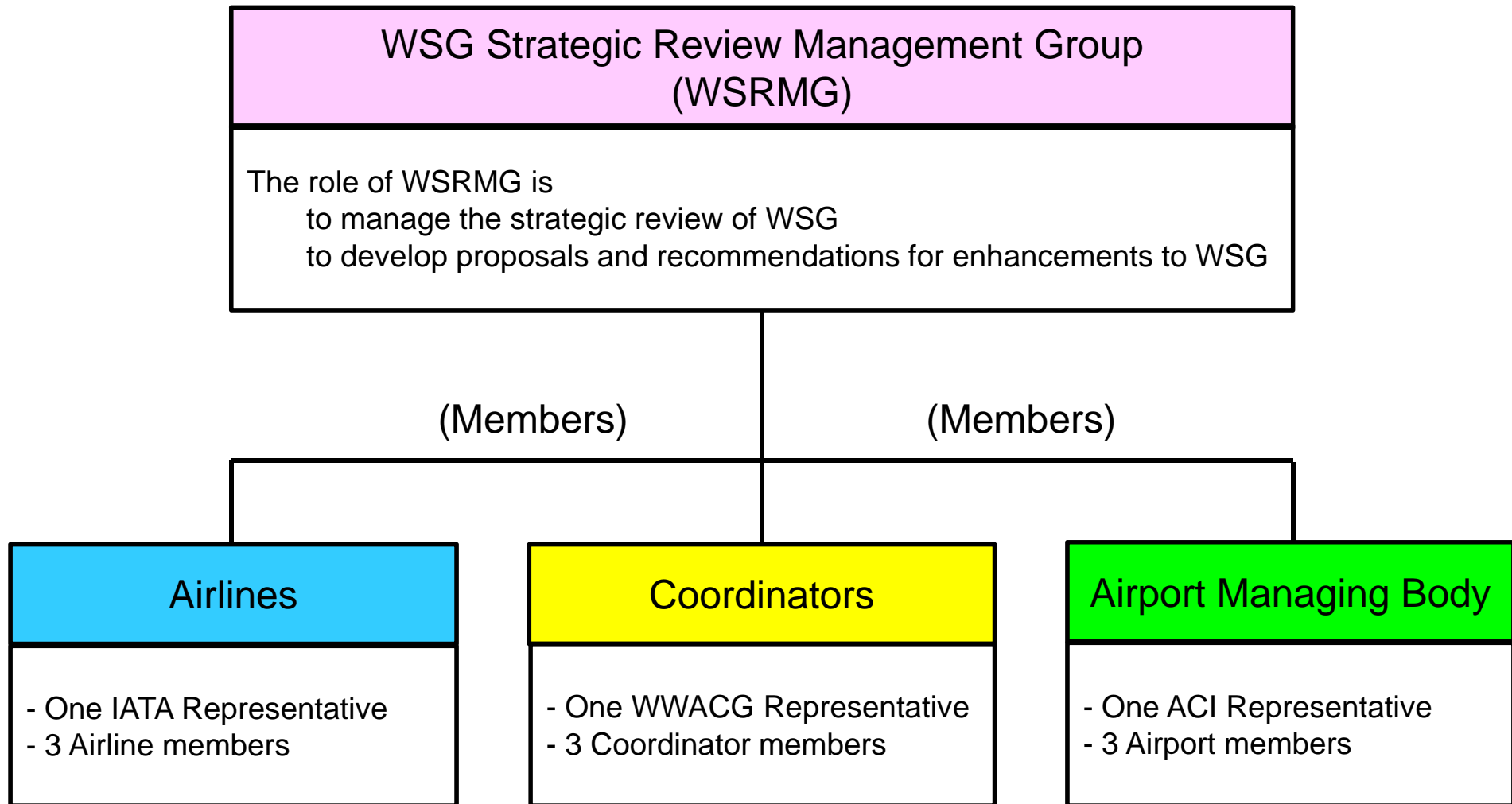
Any proposals for changes to the WSG from the Management Group are to be approved on the basis of consensus. Efforts will be made to reach unanimity in decisions, but at a minimum consensus shall require approval from all three of the Industry Groups, in the form of a majority vote of the delegates in such Industry Group present and voting.

Task Forces

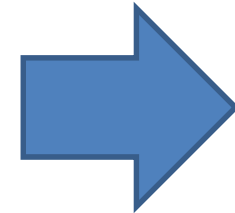The WSRMG may establish task forces to drive its program of work as follows:

★Airport Levels Task Force
★Historic Determination Task Force
★Slot Performance Monitoring Task Force
★Access to Congested Airports Task Force

WSG Strategic Review Management Group (3)

WSG Strategic Review Management Group (WSRMG)

The role of WSRMG is
    to manage the strategic review of WSG
    to develop proposals and recommendations for enhancements to WSG

(Members)   (Members)

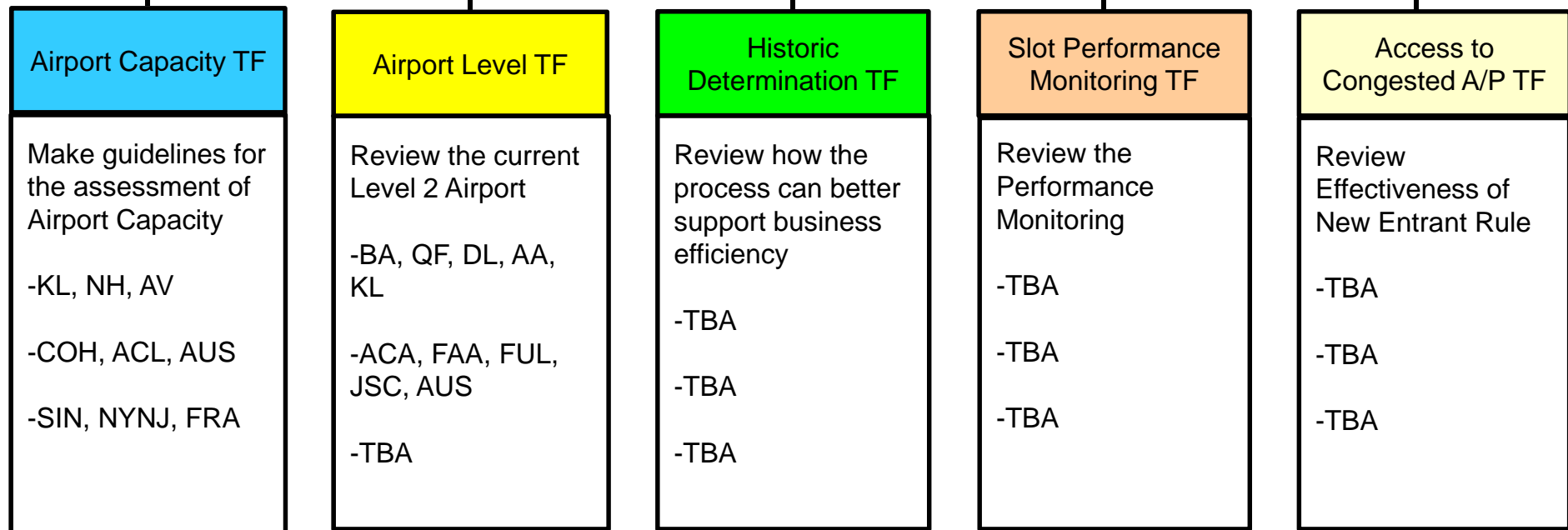| Airlines	Coordinators	Airport Managing Body
- One IATA Representative - 3 Airline members	- One WWACG Representative - 3 Coordinator members	- One ACI Representative - 3 Airport members

WSG Strategic Review Management Group (4)

WSG Strategic Review Management Group (WSRMG)

➡ ICAO 40th General Assembly In 2019

(Task Forces)   (Task Forces)

Airport Capacity TF	Airport Level TF	Historic Determination TF	Slot Performance Monitoring TF	Access to Congested A/P TF
Make guidelines for the assessment of Airport Capacity

-KL, NH, AV

-COH, ACL, AUS

-SIN, NYNJ, FRA | Review the current Level 2 Airport

-BA, QF, DL, AA, KL

-ACA, FAA, FUL, JSC, AUS

-TBA | Review how the process can better support business efficiency

-TBA

-TBA

-TBA | Review the Performance Monitoring

-TBA

-TBA

-TBA | Review Effectiveness of New Entrant Rule

-TBA

-TBA

-TBA |

Historic Determination TF

Historic determination, series and season length TF

I   Objective
- Ø Review how the processes can better support business efficiency in terms of Slot Return/ HBD timing, cancellation policy, the concept of seasons and series and the overall impact on utilization of scarce airport capacity

I   Scope
- Ø Evaluate the effectiveness of SRD, timeframes and how to optimize them and the usage of capacity

- Ø Look at the season's length and need of series of slots

- Ø Collect and analyze global data and stats

- Ø Assess how new technology can support the processes

- Ø Perform impact assessment and proof of concept of the recommendations set by the TF

Slot Performance Monitoring TF

Slot performance monitoring TF

I **Objective**
- Ø Review the performance monitoring in isolation of the 80/20 rule and investigate and analyze whether the planning process can better support performance on the day

I **Scope**
- Ø Look at better definition of the parameters for OTP in the WSG

- Ø Review of the SPC annex and rules with potential reinforcement in the WSG

- Ø Review delay codes and should they be linked to slots

- Ø Evaluate the benefits of overall airport on-time performance

Access to Congested A/P TF

Access to congested airports TF

I Objective

  Ø Review effectiveness of the new entrant rule, and general access to congested airports under fair, transparent and neutral processes that are non-discriminatory and promote competition whilst ensuring certainty for the growth of the air transport industry

I Scope

  Ø Collect and evaluate global data of the current utilization rates of slots, how many new entrant request have been met and how many have not

  Ø Evaluate changes how can make the new entrant rule more effective

  Ø Validate the current list of additional allocation criteria

  Ø Deliver a recommendation on the effectiveness of a revised new level rule