

ASSOCIATION OF PRIVATE AIRPORT OPERATORS

Regn No. S/64468/2009

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APAO/MoCA/2012-13/02/13

Date: 04/05/2012

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New Delhi

Sub: Draft Guidelines for Slot Allocation, March 2012 seeking comments from Stakeholders

Dear Sir,

Please refer to the draft "Guidelines for Slot Allocation" issued vide MoCA letter number AV- 24032/004/2008-AAI dated 3rd April 2012 eliciting comments from stakeholders. Our comments on the above draft guidelines are furnished below:

We wish to draw your kind attention that the existing OMDA and Concession Agreements clearly mention that the Airport operator is solely responsible for the management and allocation of *Aircrafts landing and timetable slots at the Airports, for both domestic and international traffic. The Airport Operator shall allocate slots at the Airports in consultation with Airlines, in accordance with IATA Slot Allocation Guidelines as issued and updated from time to time in a fair reasonable and equitable manner.*

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Clause 8.5.4 of OMDA agreement stipulates

"The JVC (Airport Operator) is responsible for the management and allocation of aircrafts landing and timetable slots at the Airports, for both domestic and international traffic. JVC shall allocate slots at the Airports in consultation with Airlines, in accordance with IATA Slot Allocation Guidelines as issued and updated from time to time in a fair reasonable and equitable manner."

Clause 8.11 of Concession Agreement of BIAL and HIAL stipulates:

"Airport Operator shall have the final right to allocate slots at the Airports, subject to the same being allocated fairly and not arbitrarily and shall use reasonable endeavors to accommodate the relevant Airline operators the slots allocated at the Existing Airport at the time of its closure."

The above clauses clearly indicate that Govt. has recognized that the Airport operator has the exclusive and legitimate rights on slot allocation, management and control. It may please be noted that the Airport operators are duty bound to honor the various obligations as per the Concession agreement/OMDA to avoid paying any penalties. In such a situation the slot allocation must be with the exclusive domain of Airport operators.

We recall the series of meetings held on this issue and also detailed submission made by APAO vide letter dated 26th July 2011(copy enclosed) wherein we have categorically submitted that slot allocation is the prerogative of the Airport operator and any intervention by the Ministry should be for recognizing and honoring the sovereign commitments through agreements such as OMDA and Concession Agreements..

We note that the proposed draft guidelines for slot allocation in the present form virtually takes away all the rights and privileges available with the Airport operators as guaranteed by OMDA and Concession Agreements.

It would be pertinent to mention that the expertise of Airport operations in terms of intricate knowledge of its own Airport business & capacity constraints, Airport environment,

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futuristic business outlook, capacity expansion programs and investment mechanisms and timelines are best available only with the concerned Airport operator. Slots are actually assets created by the Airport operator and slot allocation therefore needs to be done judiciously and spread out during the entire 24hrs of Airport operations for ensuring optimum utilization of the infrastructure / assets created. Hence it is only justified that the responsibility of slot allocation must be entrusted with the Airport operator. This position should not be diluted in any manner.

Proposal for formation of various committees to manage slot allocation is neither advisable nor practicable:

The entire draft guidelines are focusing on formation of several committees to manage the slot allocation. This will result into indecisiveness and inordinate delays in decision making, incurring high cost on account of committee meetings, lack of ownership and responsibility etc. leading to compromised decisions. We are of the opinion that the committee formation will only complicate the issue further and will not in any manner facilitate smooth functioning of the slot allocation which is functioning very well today at all the major private Airports. It is the Airport operator who is the most competent to undertake slot allocation at the Airports as is the present practice and hence no committees would need to be set up now.

At present the slot allocation system has been working well. In order to make it more efficient in the Indian scenario, the following improvements need to be introduced.

Our Detailed Comments chapter wise is furnished below for your kind consideration-

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Chapter -I

Definitions:

Page No 2:

MoCA Proposal -

MoCA has defined "SLOT" as the arrival/departure time of a flight at the parking stand.

APAO Comments-

For the definition of "SLOT" to be a more comprehensive from the Airport as well as travelers' perspective, it shall mean to include not only the arrival and departure times of Aircraft at the parking stand but needs to include the route (origin/ destination), day of operation, type of Aircraft and nature of operation as well.

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Chapter -II

Demand and Capacity Management

Page No 9- Para 1:

MoCA Proposal –

A designated Capacity Management Committee at Airport level would regularly conduct a thorough demand and capacity analysis, using commonly recognized methods. In particular, demand and capacity would be assessed whenever there are significant changes in Airport infrastructure, operational practices, or patterns of demand. The constitution of this Committee would be as under:

- i) The concerned Airport Operator*
- ii) A representative of the AAI/ ANS*
- iii) A representative of the DGCA*
- iv) A representative of the BCAS*
- v) A representative of the Bureau of Immigration*

APAO Comments-

Since the Airport operator is responsible for the establishment and maintenance of infrastructure for efficient aircraft operation, the capacity management should be left to the purview of the Airport Operator. Capacity measurement shall be the responsibility of the Airport Operator which will be carried out in co-ordination with the ATS provider.

Further the Airport Operator has been mandated to meet the service quality standards and to achieve traffic linked capacity expansion in OMDA/ Concession Agreement. The Airport operators have acquired the tools and the expertise to carry out capacity and demand analysis. Based on capacity and demand study the Airport

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operator will continue to make huge investments for creating Airport infrastructure by way of developing runway, taxiway, apron area, parking bays, aerobridges, terminal facilities, ATC facilities, car parking etc. Accordingly, it is the Airport operator who should lead and continue to undertake capacity measurement at the Airport.

Therefore the MoCA proposal para should just read as:

"The Airport Operator in coordination with AAI, the ATC service provider, would regularly conduct a thorough demand and capacity analysis, using commonly recognized methods. In particular, demand and capacity would be assessed whenever there are significant changes in Airport infrastructure, operational practices, or patterns of demand".

Page No 9- Para 6:

MoCA Proposal –

When an Airport's infrastructure is no longer able to accommodate all of the demand, the Capacity Management Committee may determine that a change to Level 2 or Level 3 is required.

APAO Comments:

The prerogative to change from one level to another may be left with the Airport Operator. And this would be intimated to all the concerned parties sufficiently beforehand as per IATA guidelines and timelines.

The capacity measurement survey should be undertaken by Airport operator based on which decision to invest huge investment in creating infrastructure will be taken. Therefore it should be the Airport operator who should determine any change in level of coordination.

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Therefore the MoCA proposal para should just read as:

"When an Airport's infrastructure is no longer able to accommodate all of the demand, the Airport Operator may determine that a change to Level 2 or Level 3 is required".

Page No 9- Para 7:

MoCA Proposal-

When a change in level is decided, the Capacity Management Committee would notify all interested parties (Airlines, Airport managing body, Governments, IATA) of the decision to change the level of the Airport. In any event, notification of an Airport level change should be made no later than 15th of June for the next winter season and 15th of December for the next summer season.

APAO Comments:

Notification shall be done by Airport operator. Dates suggested by MOCA are different than that suggested by IATA. The dates notified by IATA are in accordance with calendar of Slot Coordination activities which are followed throughout the world by Airlines. Any change in dates will have impact on worldwide coordination. It is recommended that dates suggested by IATA are to be followed.

Therefore the MoCA proposal para should just read as:

"When a change in level is decided, the Airport Operator would notify all interested parties (Airlines, Airport managing body, Governments, IATA) of the decision to change the level of the Airport. In any event, notification of an Airport level change should be made no later than 1st April for the next winter season and 1st September for the next summer season".

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Page 10- para 8:

MoCA Proposal –

A change in level should only occur after the Capacity Management Committee has ensured that:

- i) A full demand and capacity analysis has been undertaken; and*
- ii) All interested parties have been fully consulted on the analysis and the proposed change of level, and their views have been taken into account.*

APAO Comments:

It should be the Airport Operator to follow these guidelines.

Therefore the MoCA proposal para should just read as:

“A change in level should only occur after the Airport Operator has ensured that:

- i) A full demand and capacity analysis has been undertaken; and**
- ii) All interested parties have been fully consulted on the analysis and the proposed change of level informed”.**

Page 10- Para 10:

MoCA Proposal

That the Capacity Management Committee may, in exceptional circumstances, designate an Airport as Level 3 for a temporary period not to exceed one season. Examples of exceptional circumstances are a significant increase in demand due to a special event (for example, Olympics, World Cup, etc) or a temporary reduction in capacity, resulting in a significant imbalance between demand and capacity at the

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Airport. As the Level 3 designation is temporary and for not more than a single season, Airlines will not accrue historic rights to slots during the temporary change of level.

APAO Comments:

The prerogative to change from one level to another must be left with Airport Operator. Keeping with the spirit expressed above the right to change an Airport level even temporarily should be left with the Airport Operator .

Therefore the MoCA proposal para should just read as:

“The Airport Operator, in exceptional circumstances, designate an Airport as Level 3 for a temporary period not to exceed one season. Examples of exceptional circumstances are a significant increase in demand due to a special event (for example, Olympics, World Cup, etc) or a temporary reduction in capacity, resulting in a significant imbalance between demand and capacity at the Airport. As the Level 3 designation is temporary and for not more than a single season, Airlines will not accrue historic rights to slots during the temporary change of level”.

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Chapter -III

Coordination Mechanism:

Page-12- Para 5:

MoCA Proposal –

A Coordination Committee at Airport level would also be established at a Level 3 Airport to advise the Coordinator on matters relating to capacity, slot allocation and monitoring the use of slots at the Airport. This Committee will consist of the Airport operator, all Airlines using the Airport regularly and their representative organizations, air traffic control authority (a representative of AAI) and representatives of general/ business aviation (where relevant). The Coordinator would attend all meetings of the Committee as an observer. Meetings of the Coordination Committee should be held to review the coordination parameters on a seasonal basis, or when changes in policy or capacity are planned which could significantly affect coordination. The Coordination Committee should provide mediation where there are complaints about the allocation of slots, or issues regarding the use of slots, which cannot be resolved between an Airline and the Coordinator in a mutually acceptable way.

APAO Comments:

Airport Operators has made and shall continue to make investments for creating Airport infrastructure by way of developing runways, taxiways, apron area, parking bays, aerobridges, terminal facilities, ATC facilities, Car parking etc. Besides, also due to deployment of CISF, Immigration, and Customs etc in Airports, there is need for development of related infrastructure and service facilities for them. Slots are actually assets created by the Airport operator and slot allocation therefore needs to be done judiciously and spread out during the entire 24 hours of Airport operations for ensuring optimum utilization of the infrastructure created.

Airport Operator is always issuing the capacity parameters and demand profile of last season to Airlines before the start of season. Meetings are held with AAI in respect of

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Runway capacity parameter and the capacity advised by AAI is taken for allocation of slots in the season.

The existing system of declaration of capacity parameters based upon capacity assessment and in coordination with AAI by the concerned Airport is suitable as it gives the flexibility to adjust maximum flights within the capacity of Airport while meeting the various obligations as per OMDA agreement. Airports are also in good position to decide the timely modification/expansion of Airport facilities to accommodate the increased demand. Airport Operator has the best knowledge of the various assets created, the manpower deployed, the various constraints etc. based on which the Airport assets can be most effectively and economically used. We therefore suggest that there is no requirement for a coordination committee to be established for advising the Airport coordinator on matters relating to capacity, slot allocation and monitoring the use of slot at the Airport.

Regarding providing mediation between Airlines and coordinators on the issue of slots, Dispute Resolution Committee will be serving the same purpose without favoritism.

The Airport operator is in the best position with regards to requirements on capacity matters. Co-ordination between Airport operator and ATS provider would be the ideal, most effective and most realistic model rather than take on board more members for the sake of consultation.

We reiterate that there is no requirement for a coordination committee to be setup for advising the coordinator on matters relating to capacity, slot allocation and monitoring the use of slots at the Airport.

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Chapter -IV

Historicity:

Page 13- para 1:

MoCA Proposal

1. **'Use It or Lose It' Rule:** Historic precedence is only granted for a series of slots if the Airline can demonstrate to the satisfaction of the Coordinators that the series was operated, as allocated by the Coordinator, at least 80% of the time during the period allocated in the previous equivalent season. Coordinators should provide timely feedback to Airlines about flights at risk of failing to meet the minimum 80% usage requirement during the season to allow the Airline to take appropriate action. The data of the on-time performance of an Airline on a given slot for the whole season will be taken into account while determining the slot adherence for eligibility of historicity in the next equivalent season.

APAO Comments:

It is recommended that 90% usage requirement should be used for calculation of Historic precedence.

Therefore the MoCA proposal para should just read as:

'Use It or Lose It' Rule: Historic precedence is only granted for a series of slots if the Airline can demonstrate to the satisfaction of the Coordinators that the series was operated, as allocated by the Coordinator, at least 90% of the time during the period allocated in the previous equivalent season. Coordinators should provide timely feedback to Airlines about flights at risk of failing to meet the minimum 90% usage requirement during the season to allow the Airline to take appropriate action. The data of the on-time performance of an Airline on a given slot for the whole season will be taken into account while determining the slot adherence for eligibility of historicity in the next equivalent season.

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The Slots of the Airlines must be withdrawn who are not making payments on time and are regular defaulters.

Page 13 Para 2(i)

- i) *The following guidelines would be used to determine which slots are eligible for historic precedence and the number of operations required to achieve 80% usage:*
 - (a) The series of slots held on the Historicals Baseline Date of 31st March (summer) and 30th September (winter) is used as the basis for determining eligibility for historic precedence.*
 - (b) For a series of slots newly allocated after the Historicals Baseline Date, the number of slots in the series on the date of first allocation forms the basis of the 80% usage calculation.*
 - (c) Slots allocated on ad-hoc basis are not eligible for historic precedence. However, slots requested as a series but initially allocated as ad-hoc, which form a series by the end of the season, may be eligible for historic precedence.*

APAO Comments:

It is proposed that the Historical Baseline Dates should be in line with IATA Calendar of slot coordination activities.

It is suggested that 90-10 rule should be applied for grandfather rights, provided that the flights are operated within +/- 15 minutes of STA/STD. The 90-10 rule should also be applied on the size of the aircraft. Therefore, the carrier should operate minimum 90% of the time the same size as approved. Airlines should approach the Airport operator for any change in the equipment. However, such changes will be subject to final confirmation by the Slot Coordinator/ Airport Operator.

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The historic Baseline date for summer should be 31st January and not 31st March. Similarly historic Baseline date for winter should be 31st August and not 30th September.

The MoCA Clause should therefore read as:

- i) *"The following guidelines would be used to determine which slots are eligible for historic precedence and the number of operations required to achieve 90% usage:*
 - (a) The series of slots held on the Historic Baseline Date of 31st January (summer) and 31st August (winter) is used as the basis for determining eligibility for historic precedence.*
 - (b) For a series of slots newly allocated after the Historic Baseline Date, the number of slots in the series on the date of first allocation forms the basis of the 90% usage calculation.*
 - (c) Slots allocated on ad-hoc basis are not eligible for historic precedence. However, slots requested as a series but initially allocated as ad-hoc, which form a series by the end of the season, may be eligible for historic precedence".*

The Airport operator should have the right to cancel the slots of an Airline that is not making payments on time and is a regular defaulter as per credit policy of Airport Operator.

Page 13- Para 2 (i)(f)

MoCA Proposal

(f) Ad-hoc non-time related changes to a series of slots (for example, flight number, route or service type) do not affect eligibility for historic precedence. The 80% usage is calculated over the full period of operation of the service.

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APAO Comments:

Changes in flight number, route or service type should be approved by coordinator. The usage should be 90%.

Page 14- Para 3 (i)

MoCA Proposal

- i) When calculating the 80% usage of a series of slots, slots not used will be considered as operated if the non-utilization is justified for any of the following reasons:
 - (a) Interruption of the air services of the Airline due to unforeseeable and unavoidable causes outside the Airline's control, for example a closure of an Airport or airspace or severe weather; or
 - (b) Action intended to affect these services that prevent the Airline from carrying out operations as planned, for example, industrial action or strikes.

APAO Comments:

The calculation of historicity should be based on 90% usage of slots.

Period of non-utilization should not be more than seven days. The Airport Operator would, however, give a fair opportunity to the carrier by seeking reasons for the non operation of the flight by that carrier prior to any cancellation of the slot.

Page 14- Para 4

MoCA Proposal

Airlines must not intentionally operate services at a significantly different time or use slots in a significantly different way from the allocated slots. Airlines that do so on a regular basis

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will not be entitled to historic precedence for either the times they operated or for the allocated times.

APAO Comments:

Airlines should inform the reasons of delayed operation to the coordinator.

Page 15 – Para 6(ii)

MoCA Proposal

- ii) The Coordinator should seek the advice of the Coordination Committee to review the Coordinator's findings in monitoring slot performance.

APAO Comments:

We have submitted that no coordination committee is required for Slot Allocation. Coordinator should discuss the issue of slot performance with the Airlines on regular basis and if Airline is unable to satisfy coordinator for reasons to operate out of OTP window, then the slots can be withdrawn by coordinator. In case of any unresolved issue, it should be discussed first with the Airport Operator and if still unresolved it can be brought before the Dispute Resolution Committee.

Page 15 – Para 6 (iii)

MoCA Proposal

- iii) Continued slot misuse may result in a lower priority for future slot requests.

APAO Comments-

For preventing misuse of slots there should be a penalty clause imposing penalty for any misuse of allotted slots. This will ensure scarce resources are used most efficiently and any misuse is discouraged.

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Further we suggest that in order to avoid misuse of slots the slots not operated continuously for 7 days (both in Summer / Winter Season) or intermittently for more than 21 days in summer and 15 days in winter may be cancelled.

Page 15- Para 7

MoCA Proposal

If an Airline operator does not utilize the allocated slot continuously for 30 days of the start of a schedule, then the same will be withdrawn by the coordinator and Airline will apply afresh for slot which will be processed as per the defined criteria.

APAO Comments-

The MoCA proposal para should just read as:

If an Airline operator does not utilize the allocated slot continuously for 7 days of the start of a schedule, then the same will be withdrawn by the coordinator and Airline will apply afresh for slot which will be processed as per the defined criteria.

Chapter -V

Slot Allocation:

Page 16- Para 1

MoCA Proposal

The Airlines would be required to file their request for allocation of slots, twice each year for the summer and winter seasons with the concerned Coordinator of the Level 3 Airport. The deadline for filing of this request would be 31st December for the ensuing summer season (which would start from 1st April) and 30th June for the ensuing winter season (which would start from 1st October).

APAO Comments:

This will result into conflict with the IATA calendar. It is recommended that dates notified by IATA are to be followed.

Page 16- Para 2

MoCA Proposal-

Based on the requests made by the Airlines and their own published capacity, each Coordinator of the Level 3 Airport would draw up a tentative slot allocation plan. In order to solicit the views of all the stakeholders, the tentative slot allocation plan drawn up by the Airport operators would be published on the website of the respective Airport operators latest by the 15th January for the ensuing summer season and 15th July for the ensuing winter season. The objections/ views of the stakeholders can be submitted to the respective Coordinator within one week of the publication of the tentative slot allocation plan. The Coordinators of the Level 3 Airports, after taking into cognizance the objections/ views of the stakeholders, would then publish a second list of the slot allocation plan by the 31st January for the ensuing summer season and 31st July for the ensuing winter

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season. If required, the Coordinators of the Level 3 Airports can organize a Slot Conference (SC) with the accredited representatives of Airlines.

APAO Comments:

It Conflicts with IATA Calendar of Slot Coordination Activities. It is proposed that all Dates should be in line with IATA Calendar of Slot Coordination Activities.

Further, as per the international best practices the proposed flight schedule of Airlines is a confidential topic (due to factors of Airline market competition) and not be shared with other Airlines in public domain by the Airport coordinator until it is finalized in the schedule conference.

It is also proposed that Domestic Slot Coordination Committee meeting should be held after 15 days of IATA Slot Conference.

Page 17 – Para 4 (e)

MoCA Proposal

(e) If a new entrant is dissatisfied with the response from the Coordinator to its slot request, then it may ask for a meeting of the Dispute Resolution Committee to seek to resolve the situation.

APAO Comments:

If new entrant is dissatisfied with the response from the coordinator he should first discuss it with Airport operator and if still dissatisfied then may approach the Dispute Resolution Committee.

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Page 17 – Para 4(f)

MoCA Proposal

(f) If an existing Airline proposed a new flight to connect new stations from metro to non-metro or non-metro to non-metro stations, then the same may be given priority over other Airlines for allocation of slots. The Airline must operate on the same sector throughout the season and shall not cancel such flights. In case the Airlines do not adhere to these guidelines, slots allocated to such flight will be withdrawn.

APAO Comments

New slots should be given as per availability and keeping the overall picture.

Page 17- Para 4(ii)

MoCA Proposal

(ii) Amendments: After the publication of the final slot allocation plan by the respective Airport operators, no amendments would be made, except adhoc amendments due to weather/technical reasons (attributable to Airport operator)/ operating restrictions (like watch hours/ sunset restrictions etc.) may be considered.

APAO Comments:

Amendment should be proposed only after mutual discussion between Airline and coordinator and having been approved by coordinator.

Page 18 Para 4(v)

MoCA Proposal

v) While allotting the slots, the Coordinator shall factor in the Block Times published by DGCA for specific domestic sectors and ensure availability of slots to the given Airline at the receiving Airport.

APAO Comments:

It should be the prime responsibility of the Airline to file as per DGCA block, because Airline will be filing only for concerned Airport in SCR format if time line of MOCA is to be followed. The coordinator will not know the requested time at Last station of Departure or Next station of Arrival. Airline should advise the block time at the time of filing. Coordinator can compare it with the DGCA approved block times. The coordinator of level 3 Airport shall factor in the Block Times published by DGCA at the respective Airports for verification purpose, but the Airlines will hold the responsibility of ensuring adherence to the block times at all times.

The Airport would consider their own constraints as well while allocating slots and not only factoring the block hours.

Page 18- Para (5)

MoCA Proposal

Dispute Resolution Committee may be constituted as under:

- ii) *Joint Secretary, Ministry of Civil Aviation*
- iii) *DGCA*
- iv) *Member (ANS), AAI*
- v) *Concerned Airport Operator*
- vi) *Defence Authorities (in case of Defence Enclaves)*

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APAO Comments:

The dispute resolution committee should function as Tier II Level mechanism. The issue should first be discussed with Airport Operator by the Airlines and if unresolved then only it should be referred to Dispute Resolution Committee.

Page 18- Para (6)

MoCA Proposal

The unresolved issues will be discussed in the meeting of the Dispute Resolution Committee to be held in the 1st week of February for the ensuing summer season and the 1st week of August for the ensuing winter season. In case of international flights, if there are still unresolved issues between the Airlines and the Airport operators, the same may be discussed in the IATA conference held twice each year for the summer and winter seasons. However, for domestic operations, based on the decision of the Dispute Resolution Committee, a final slot allocation plan would be published by the respective Airport operators by the 15th of February for the ensuing summer season and 15th of August for the ensuing winter season. The Airline will file their schedule with the DGCA as per this final slot allocation plan vetted by the Coordinators of the concerned Airports.

APAO Comments:

IATA organizes slot conference for Summer and Winter season which are before the dates suggested in guidelines. Any issue if unresolved between Airline and coordinator can be referred to Dispute Resolution Committee after it has been discussed with Airport operator. Any issues considered by Dispute Resolution Committee should not be reopened in IATA conference.

Chapter -VI

Slot Return:

Page 19 Para-(1to 4)

MoCA Proposal

1. Airlines should only hold slots that they intend to operate or use. To ensure that scarce capacity is not wasted, Airlines must immediately return any slots they know they will not use. Even at short notice, it may be possible to reallocate returned slots to other operators.
2. In particular, series of slots that an Airline does not intend to operate must be returned no later than the Slot Return Deadline dates of 28th February (summer) and 31st August (winter).
3. Airlines that intentionally hold on to series of slots and return them after the Slot Return Deadline will receive a lower priority by the coordinator during the next equivalent season.
4. A list of Airlines that return series of slots after the Slot Return Deadline will be maintained and published by the Coordinator.

APAO Comments:

Slot Return Deadline proposed conflicts with IATA Calendar of Slot Coordination Activities. It is proposed that all Dates should be in line with IATA Calendar of Slot Coordination Activities.

There are many instances of misuse of slot by Airlines which results in huge revenue loss to Airport Operators. In these circumstances Airport operators cannot maximize utilization of scarce resources. Therefore slots held by the Airlines without utility can be cancelled and allotted to other Airlines.

Infact, for preventing any misuse of slots there should be a penalty clause imposing penalty for any misuse of allotted slots. This will ensure scarce resources are used most efficiently and any misuse is discouraged.

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Chapter -VII

Coordination After Final Slot Allocation

Page 20- Para (1 to 3)

MoCA Proposal

1. *The Coordination process continues even after the finalization of the slot allocation. All fresh requests must be processed by Coordinators promptly.*

APAO Comments :

We suggest that the para should only read as:

" All fresh requests must be processed by Coordinators promptly. "

Page 21 Para 7

MoCA Proposal

Slots of an Airline which ceases to operate at an Airport:

- i) An Airline that ceases operations at an Airport must immediately return all of the slots allocated to it for the remainder of the season and for the next season (if already allocated), and advise the Coordinator whether or not it will use the slots in the future.*
- ii) If an Airline fails to provide the necessary information by a reasonable deadline date set by the coordinator, then the Coordinator may withdraw and reallocate the slots. In the allocation of the withdrawn slots, preference will be given to another Airline that is willing to operate on a virgin route.*

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APAO Comments:

Slots of an Airline which ceases to operate at an Airport may automatically be returned to the Airport Operator.

The Airlines may apply for fresh slots when they intend to commence operations. The Airport operator will process the request subject to availability of the slots and also taking into consideration its outstanding payment status.

Page 21 Para 8

MoCA Proposal

Slots of an Airline that loses its operating license:

- iii) Slots can only be held by an Airline with a valid operating license. If an Airline ceases to hold a valid operating license, its slots revert to the slot pool.
- iv) In the case of bankruptcy (or similar proceedings), the representatives of the Airline should enter into dialogue with the Coordinator to discuss their future intentions for the slots and provide the contact details of the administrator.
- v) The slots may be reserved by the Coordinator for one month, pending reinstatement of the Airline's operating license or a formal takeover of the Airline's activities. The Airline, its legal representatives, or the responsible licensing authority should keep the coordinator informed of the Airline's status.
- vi) If dialogue has not been initiated within a reasonable deadline set by the Coordinator, and if there is no legal protection linked to bankruptcy, then the coordinator should reallocate the slots.

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APAO Comments:

Slots can only be held by an Airline with a valid operating license. If an Airline ceases to hold a valid operating license the slots held by such Airlines which are not being operated for 7 days may be cancelled. The Airline may apply for fresh slots when it intends to restart operations. The Airport operator will process the request subject to availability of the slots and also taking into consideration its outstanding payment status.

Page 21 – Para 9

MoCA Proposal

Slots of an Airline after merger and acquisition:

- vii) *When an Airline is merged or acquired by another Airline, the series of slots held by this Airline will be transferred to the acquiring Airline.*
- viii) *The historic slots held by the merged or acquired Airline will be transferred to the acquiring Airline, which will enjoy the historicity of these slots as if it itself had held these slots.*

APAO Comments

After merger and acquisition the series of slots held by an Airline which is merged or acquired by another Airline should be returned to the Airport operator. It will be prerogative of the Airport operator to allot these slots.

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Chapter -VII

Residual Issues:

Page 22- Para (1)

MoCA Proposal

Change of use of Slots by Airlines:

Airport slots are not route or flight number specific and may be changed by an Airline from one route or type of service to another. Such changes should be intimated to the Coordinator, as soon as they are made.

APAO Comments:

There is possibility that Airline may take slots by indicating a bigger aircraft and later changing the aircraft to a smaller type or an Airline may take slots for a particular sector, that may not be so lucrative, but later changing the sector to a more lucrative sector. Hence It is suggested that Slots should be Route, Sector, Aircraft type and Service specific. Any change should be approved by coordinator.

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Chapter -IX

General Comments:

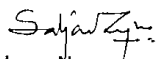
- i) The coordination procedures as entailed in this document would be applicable for level 2 Airports as well since there is not any technical difference of coordination between level 2 and 3 Airports
- ii) SHL distribution and agreement has to be included at all level of Airport for domestic schedule coordination, in the calendar of activities to avoid disagreement between Airport and Airlines during the domestic schedules conference (this is also IATA recommended practice).
- iii) The submission for slot planning between Airlines and Airports needs to be submitted in SSIM Chapter 6 format only (global best practice) to ensure standardization, quality of data and efficiency in processing to meet goals of operational efficiencies.
- iv) When there is a degradation of level in between a season due to some maintenance or some other reason and if its actual time period cannot be predicted during the slot allocation process, slot reallocation preferences/ procedures may also be laid down.

Taking in to account all the above concerns, we would respectfully request the Ministry not to proceed further with the draft guidelines proposal in its present form. We would be pleased to provide any further clarifications/inputs if required in this regard.

Sir, we seek your kind support and consideration in the matter.

Thanks & Regards

For Association of Private Airport Operators


Satyan Nayar
Secretary General, APAO
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ASSOCIATION OF PRIVATE AIRPORT OPERATORS

Mem No. S/64468/2009

Kiran Kumar Grandhi
President

R.K.Jain
Vice President

Satyan Nayar
Secretary General



APAO / MoCA/2/2011-12

date: 26 July 2011

Secretary
Ministry of Civil Aviation,
Rajiv Gandhi Bhawan
Safdarjung Airport,
New Delhi – 110 003

Sub: Slot Allocation System at Indian Airports

Dear Sir,

A kind reference is invited to MoCA letter no AV.24032/004/2008- AAI dated 29th June 2011 wherein the minutes of meeting held on 15th June 2011 on Slot Allocation System at Indian Airport has been circulated. In this connection we wish to submit the following for your kind consideration.

1. The Minutes circulated by MoCA have not fully reflected all the points and concerns discussed in the said meeting particularly as regards our disagreement with IATA who claim that slot allocation is only a planning tool. Also we had opposed the recommendation of IATA policy for promoting slot allocation trading amongst carriers.

The rationale is that slot allocation trading will result in inefficient allocation of slots based on individual understanding between carriers and not necessarily focus on airport efficiency mechanisms, grandfathering and prioritization principles, and valuation of slots. Trading of slots allocated to airlines free of charge is an unfair trade practice, and will result in hoarding of slots which in turn will harm new players in the market and escalate costs of operation for new comers. This can be best handled through the airport

operator who has the knowledge, expertise, and strategic know-how of its business to allocate the scarce slot assets.

We therefore vehemently oppose the proposal of IATA to promote slot allocation trading amongst carriers and wish to emphasize that such slots should be given back to the Airport operator for re allocation based on agreed norms in a fair, transparent and non discriminatory manner to the new and existing incumbent carriers.

2. While we are appreciative of the initiative taken by MoCA to formulate detailed guidelines for improving the Slot Allocation System at Indian Airports, we would like to reiterate that slot allocation at the Airport can be best handled by Airport operator ensuring the most economic and efficient use of slots.
3. It is pertinent to mention that the existing slot allocation system at the five major private Airports is working very satisfactorily. The present model of slot allocation at the Indian Airports are efficient and ensure economical usage of scarce resources and hence we feel that an independent coordinator may not be required to oversee the slot allocation which is working excellently well.
4. We wish to draw your kind attention that the existing concession agreements such as OMDA and SSA clearly mention that the Airport operator is solely responsible for the management and allocation of both domestic and international traffic slots. Any intervention by Ministry should be for recognizing and honouring these sovereign commitments. We cite the relevant clauses:

8.5.4 of OMDA agreement mentions as

" The JVC (Airport Operator) is responsible for the management and allocation of aircrafts landing and timetable slots at the Airports, for both domestic and international traffic. JVC shall allocate slots at the Airports in consultation with Airlines, in accordance with IATA Slot Allocation Guidelines as issued and updated from time to time in a fair reasonable and equitable manner"

8.11 of SSA Agreement mentions as follow:

“ Airport Operator shall have the final right to allocate slots at the Airports, subject to the same being allocated fairly and not arbitrarily and shall use reasonable endeavors to accommodate the relevant airline operators the slots allocated at the Existing Airport at the time of its closure.

The above clauses clearly indicate that Govt. has recognized that the Airport operator has the exclusive and legitimate rights on slot allocation, management and control. This fact must be emphasized while formulating any policy guidelines on slot allocation as the Airport operators are duty bound to honour the various obligations as per the concession agreement / OMDA to avoid paying any penalties.

It is Important that the authorities must honour the Concession Agreement signed between airport operator and GOI that laid down the role of airport operator in slot allocation to operate its business on sound and efficient business practices.

It would be pertinent to mention that Expertise of airport operations in terms of intricate knowledge of its own Airport business & constraints environment, futuristic business outlook & capacity expansion programs, and investment mechanisms are best available with the Airport operator.

5. Airport operators are making huge lumpy investments for creating airport infrastructure by way of developing runways, taxiways, apron area, parking bays, aerobridges, terminal facilities, ATC facilities, Car parking etc. etc. Besides, also due to deployment of CISF, Immigration, and Customs etc in Airports there is need for development of related infrastructure and service facilities for them. Therefore slots are actually assets created by the Airport operator and slot allocation needs to be done judiciously and spread out during the entire 24 hours of airport operations for ensuring optimum utilization of the infrastructure created. It is the Airport operator who is the most competent to undertake

slot allocation at the Airports, as is the present practice. This position should not be diluted in any manner.

6. It may also kindly be noted that the right kind of expertise on efficient and effective management and utilization of slots are with the Airport operators only as they have the best knowledge of the various assets created, the manpower deployed, the various constraints etc. based on which the Airport assets can be most effectively and economically used.
7. We take this opportunity to bring to your kind notice that there are many instances of misuse of the slots by airlines which results in huge revenue loss to the airport operator. In these circumstances Airport Operator cannot maximize utilization of scarce resources. Therefore, such slots can be cancelled and allocate to other airlines.
8. In fact, for preventing misuse of slots there should be a penalty clause imposing high penalty for any misuse of allotted slots by Airlines. This will ensure that scarce resources are used most efficiently and distortions are discouraged.
9. Further, we would also like to submit that slots of the airlines who are regular defaulters in payments shall be withdrawn and allotted to the airlines , who makes payments on time.
10. Non operation of flights continuously for 30 days must result into cancellation of slots and the Airport operators immediately shall allocate the slots to another carrier. The Airport Operator would however give a fair opportunity to the carrier by seeking reasons for the non operation of the flight by that carrier prior to the cancellation of his slot.
11. 80-20 rule should be applied for grandfather rights provided flights operate within minus 15 and plus 15 minutes of STA/STD. It is advisable that when Airlines file slots they should be taking into account the real block time and inherent constraints and delays in their operational system.

12. The 90-10 rule should be applied on the size of the aircraft. Therefore the carrier should operate minimum 90% of the time the same size as approved or bigger size of aircraft as filed.

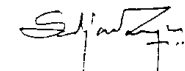
13. We would like to stress that we are open to a consultative process and would be pleased to participate further in the evolution of policy focused on fair and transparent principle that will advance interest of the industry. Guidelines related to this (Prioritization Criteria) could be open-ended as every airport has its own individual characteristics, and would like to have the flexibility and freedom to make judicious choices to respond to its individual business opportunities and challenges

We respectfully submit that our above concerns may kindly be taken into account while drafting the policy guidelines on improving slot allocation system for Indian Airports that will promote Airport infrastructure growth, efficient utilization of slots and maximize the benefit to all stakeholders. We would be pleased to provide any further information / clarification on this issue, if required.

We seek your kind support and consideration in the matter

Thanks and Regards

For Association of Private Airports Operators



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Copy to

1. Joint Secretary, MoCA,
2. Director General, FAST

