



**BEFORE THE  
FEDERAL AVIATION ADMINISTRATION  
WASHINGTON, D.C.**

In the matter of	)	
	)	
Operating Limitations at New York's	)	Docket No. FAA-2007-029320
John. F. Kennedy International Airport	)	
	)	

COMMENTS OF THE INTERNATIONAL AIR TRANSPORT ASSOCIATION

The International Air Transport Association ("IATA") respectfully submits these comments in response to the Federal Aviation Administration's ("FAA") Notice of Meeting and Request for Information on Operating Limitations at New York's John F. Kennedy International Airport ("JFK"). 72 Fed.Reg. 59579 (October 22, 2007). IATA recognizes that a number of significant policy issues are raised by the FAA's JFK scheduling reduction process. Rather than addressing these issues, IATA's comments will focus solely on responding to the submission by Virgin America and its mischaracterization of the IATA Worldwide Scheduling Guidelines ("WSG").

In its submission, Virgin America argues that the WSG is not an appropriate mechanism to enhance opportunities for new entrants and limited incumbents. In fact, the WSG was designed to manage congestion and reduce delays at congested airports in a manner that promotes the stability of a complex

interconnected international aviation system. This congestion management and delay reduction mandate is identical to the charge given to the Aviation Rulemaking Committee (“ARC”) by Secretary Peters.

That being said, the WSG is entirely consistent with both the goal of enhancing new entrants and the DOT interest in promoting low –fare competition. Indeed, provisions in the WSG have been demonstrated to allow for the effective integration of new entrants into congested airports in a manner that is fair, transparent and efficient.

The WSG has clear provisions for ensuring adequate access by new entrants to congested airports. First, the WSG provides that carriers must use their slots 80% of the time or they will be confiscated for inclusion in a slot pool. Second, the WSG sets aside 50% of those slots for new entrants, i.e. those carriers that hold fewer than 5 slots at an airport on the particular day in question.

History has demonstrated that these provisions, along with a robust secondary market, provide new entrants with access to congested airports in a manner that is consistent with the DOT competition mandate. Some examples at IATA Level Three international airports may be useful:

- **London Heathrow Airport:** In an airport that has been slot controlled since 1970, the number of airlines using that facility has grown from 135 in

2000 to 152 in 2007. Virgin Atlantic started from a position of no slots in 1991 to today where it has 24 daily slot pairs representing 3% of total slots at Heathrow. More recently, India's Jet Airways managed to secure an initial presence at LHR in 2005 through the WSG process and gradually improved their schedule through swaps with other airlines. Currently, the airline runs four daily services out of LHR.

- **Frankfurt Airport:** Despite having 99.1% of their slots allocated, the airport coordinator was able to accommodate new entry for the following airlines beginning in the Summer 2008 season: Royal Jordanian, Kuwait Airways, Siberia Airlines, Varig, Icelandair, Pakistan International Airlines and Etihad. The new Varig was able to secure new slots and re-enter the airport after losing their allocation the year earlier because of their bankruptcy.
- **Sidney Airport:** Sydney Airport was able to facilitate the start up of: Impulse Airlines, Virgin Blue, and Tiger (Australia) for the domestic market and Etihad, Viva Macau and Royal Brunei for international service.

In its submission, Virgin America argues that U.S. policy supports accommodation for new entrants at congested airports. As demonstrated above, IATA's WSG is consistent with that objective. However, the general policy of supporting new entrants does not require DOT to mandate that new entrants obtain the same or greater access to congested airports than that enjoyed by incumbent carriers. The IATA WSG and its grandfathering provisions promote

stability in the international aviation system, in part by reflecting the type of investment incumbent carriers have had to make at airports to support the delivery of a specific operation 80% of the time in the previous season. The provisions of the WSG, along with a robust secondary market, allows for new entrants to gain the access they need to congested airports over a reasonable period of time in a manner that does not disrupt an efficient competitive marketplace.

There are two other points raised in the Virgin America submission that serve to mischaracterize the WSG and its application in the market. First, the Virgin America submission suggests that the WSG does not have application in a domestic market. To the contrary, the WSG is utilized to manage both domestic and international flights at some of the world's leading airports, including Frankfurt, London, Paris, Toronto and Sydney. Second, Virgin America suggests that the IATA approach may be effective "in situations overseas where low-fare carriers cannot or do not fly to major airports" but is not appropriate for the U.S. market. To the contrary, the IATA approach is utilized at many major airports at which new entrants have been able to establish a significant presence, including Paris Orly, Madrid, Barcelona, Geneva (where EasyJet is now the largest operator), Singapore, Kuala Lumpur, Rio de Janeiro and Toronto.

In sum, the WSG provides a foundation to enable all carriers - incumbents and new entrants alike - to utilize a scarce resource in an efficient and transparent and

internationally accepted manner. The dynamic nature of the WSG, along with a secondary market, allows for what are today's new entrants or limited incumbents to become full incumbents over time, limited not by artificial constraints but only by their ability to provide a quality product to the traveling public.

Respectfully submitted,

Douglas E. Lavin  
Regional Vice President, North America  
International Air Transport Association

601 Pennsylvania Avenue, N.W.  
Suite 300  
Washington, D.C. 20004