

**BEFORE THE
U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION
WASHINGTON D.C.**

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In the Matter of :

Notice of Proposed Rulemaking :
Concerning Congestion Management :
Rule for LaGuardia Airport :
Airline Delays and Cancellations :
(14 CFR Part 93) :
_____ :

Docket No. FAA-2006-25709-_____

**Comments of
International Air Transport Association
IATA**

Comments with respect to this document should be addressed to:

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IATA is the association of the world's international airlines. It brings together 250 airlines, including the world's largest. Flights by IATA airlines comprise 94 percent of all international scheduled air traffic. Sixteen of the twenty-five airlines serving LaGuardia are either IATA Members or subsidiaries of IATA Members.

Since 1947 IATA has managed the IATA Schedules Conference. This worldwide forum reaches consensus on schedule adjustments necessary to maximise interline opportunities and discusses and resolves problems of congestion at international airports. With the cooperation of airlines, airports, coordinators and industry experts, IATA has developed a comprehensive set of procedures, the Worldwide Scheduling Guidelines (WSG), which are intended to provide guidance on managing the allocation of scarce resources at congested airports on a fair, transparent and non-discriminatory basis. These procedures foster the fair and transparent allocation and efficient utilisation of scarce airport infrastructure to the acceptance of all parties concerned. This ensures that the requirements of civil aviation are met, mainly through the actions of the airlines themselves acting fairly and responsibly towards the public, airport managing bodies and one another. Above all, they are global standards.

The airline industry is increasingly subjected to serious operational disruptions, with a significant number of delayed departures and arrivals, which result in significant economic penalties. This situation, which negatively impacts passengers, shippers, air traffic control agencies and airports throughout the world, has been the subject of intense consideration by Governments in recent years. Some have considered the introduction of various traffic distribution formulae to help relieve the congestion at busy airports. IATA is opposed in

principle to the imposition of such rules because they can be impractical in the context of an international air transport system.

Airline schedules, by their nature, involve more than one airport, often in different countries or continents. Connectivity, both on-line and interline is a key facet of the scheduling process. Any solution that is likely to ease the problem in one location, even an airport such as LaGuardia with limited international operations, should be considered in an international context, with the active involvement of airlines and others directly involved in the air transport industry.

The WSG are designed with a number of overarching principles in mind: the need for flexibility, the need to ensure long-term stability to an airline's investments, and the need to have a global reference for scheduling. While local rules are encouraged in order to address specific local issues, they should not depart from the global standard to such an extent that they contradict it. IATA's comments on the proposed rules for LaGuardia are driven by two main concerns:

Firstly, that they may set a precedent that departs excessively from global scheduling standards, and lead to similar initiatives in other countries, without due regard for the potential disruptions to the scheduling of international airline operations; IATA is concerned that the FAA's action away from market-based solutions could be viewed as a precedent for regulation of other capacity constrained airports. Such regulation at major international hubs would undoubtedly lead to disputes between governments and losses to both airlines and their customers.

Secondly, that they may lead to less flexibility, and affect the long-term stability of investments made by airlines flying into LaGuardia.

IATA welcomes the opportunity to provide its comments. IATA fully supports the comments made in this docket by the Air Transport Association and by IATA member airlines. We, however, wish to supplement those comments as follows.

Efficient use

The new rule proposes to “Encourage efficient use of scarce air traffic system capacity at LaGuardia” but fails to define what is meant by ‘efficient use’. What an airport may consider as being efficient is not necessarily efficient for an airline, or for consumers. The NPRM appears to focus on airport efficiency without considering the practical effect on airlines or their consumers. The additional regulations appear to be designed to solve the alleged problem of airlines operating uneconomic flights with small aircraft to prevent those slots from being used by their competitors. However the FAA has failed to support this allegation with any evidence.

The proposed rule regarding aircraft size is also very complicated and is likely to be difficult to impossible to implement and could also result in loss of important international connecting services to the detriment of both airlines and their passengers. Even if this complex rule can be implemented it could have the result of airlines dedicating aircraft to LaGuardia that are larger than the market demands which would operate less efficiently than the aircraft that they replaced. Due to long lead times in ordering and delivering aircraft these larger aircraft are not readily available and would have to be diverted from other airports and other routes. Not only would LaGuardia routes be mismatched to passenger supply and demand, but other routes could be affected as well.

IATA believes that to deny airlines the ability to decide which aircraft and which routes to operate introduces inefficiencies and distortions in the market.

While IATA supports the principle of using limited resources efficiently, we do not believe that the proposed rule will achieve this objective. IATA is also of the view that any efforts should not create unduly burdensome regulations that unnecessarily disrupt free market forces in the airline industry.

Confiscation/Reallocation/Expiry of slots

The NPRM proposes that existing slots would be confiscated and reallocated using a process that has not yet been established. The reallocated slots would have a 10-year validity before they too would expire and be reallocated for another 10-year period.

IATA opposes any confiscation of slots and firmly believes that the concept of historical preference for slot allocation must be continued. An airline must be able to operate at the same times as the previous equivalent season. This allows for continuity of service to the public and provides the degree of stability and continuity needed for planning and long-term investment for the airlines.

Respectfully submitted,

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