

IBAR General Assembly

Fiumicino – July 4° , 2017

Welcome !



IBAR General Assembly . July 4th, 2017

1. Introduction of the new members
2. Approval of the previous Assembly minutes
3. Vote on the IBAR Statute
4. Nomination of the IBAR Vice President

The regional noise taxes levied in Italy

- ❑ According to a 2013 recommendation of the Antitrust Authority, the aircraft noise tax should be of a federal nature and its proceedings should to all effects be invested in noise abatement measures around the airports.
- ❑ Piemonte plans to implement the introduction of the tax with effect JAN18
- ❑ Up to now 6 Regions have introduced an aircraft noise tax
- ❑ Calabria (SUF) and Lombardia (MIL) have suspended the collection of the noise tax.



Additional Municipality taxes

1. On 7JUN17 the Administrative Appeal Court of Rome has confirmed a previous decision by which the additional municipality tax (€ 2,50) is not due for the departures up to 20FEB17 , irrespective of the ticket's date of issue.
2. The Court decision is applicable to all airlines .
3. If the ticket was issued after 16DEC16 through the IATA TTBS, the additional tax has been collected and , consequently , the passenger would be entitled to its refund.

Legal matters

No-show rule : 23JUN – The Italian Antitrust Authority imposes a € 1 million fine on two Carriers for lack of adequate information on their no-show rule and for the impossibility for the passenger to use the subsequent segments after a no-show

Call-centres' Law : No official reply from the Ministries to the IATA/IBAR letter of April .
Any inspections/penalties after April 2017 ?

Ground Handlers limitations 1 : LIN/MXP currently put on hold following an intervention by the Associations.

Ground Handlers limitations 2 : FCO – IBAR will launch a survey to gather data with a view to a possible complaint to the Antitrust Authority

Refurbishment of LIN Airport

1. In JUN17 SEA unveiled the details of major refurbishment plan of the airport. (Terminal , stands , taxiways , runway).
2. Due to runway resurfacing works , SEA plans to close LIN airport for the period APR-JUN19 (still subject to approval).
3. The airlines will be formally notified at the slot conferences.
4. The Associations have requested further meetings to discuss possible alternative options.

Service Level Agreements in MIL/ROM/VCE

1. Initial meeting in MXP on 20JUN17 (IATA , IBAR , ASSAEREO , User Committee , Airport Operators Committee).
2. A Baseline agreement on the level of service provided by the airport managers *in exchange for the charges paid by the Carriers.*
3. Reciprocity on the performance measurement must be avoided.
4. The Associations request active involvement of the airlines in the measurement criteria.
5. The initial airlines' focus is more on the quality standards than on the rebates that may accrue due to an airport failure to achieve the agreed targets.

Transport Regulation Authority

Some of the benefits gained during the 2016 consultations :

1. CTA : an investment plan of € 166m was strongly objected by the Users and the Airport had to go back to ENAC to seek the approval of a downsized plan.
2. CAG : Following a recourse filed by the Associations , the Authority instructed the airport to remove € 7m from the admissible costs on which the charges are based.
3. TRN : The Associations and the Airport agreed to defer the date of implementation of the new charges by 30 days.
4. ROM : Answering to the Users' observations , the Airport Manager deleted € 100m from the initial investment plan

Transport Regulation Authority - Models

A typical formula to determine the charges looks like this :

$$c_{t,j} = c_{0,j} \cdot \prod_{z=1}^t (1 + P_z - x_j + k_{z,j} + v_{z,j}) \cdot (1 + \varepsilon_{z,j})$$

The Authority intends to carry out a comprehensive overhaul of the Models by mid-2019
Meanwhile, with intended effect as of JUL17 :

- ☐ The Weighted Average Capital Cost will be reduced by approximately 2pp (*good , but not enough*).
- ☐ The concept of reciprocity may be introduced in the SLAs (*strongly opposed by the Airlines*).

Transport Regulation Authority

The legal counsel opinion on the ART Requests for contributions

1. Each carrier can communicate to ART, through its fiscal consultant, its revenues data in accordance with ART instructions.
2. According to ART, the carriers which fail to provide such information may be liable to a sanction of up to 1% of the revenue.
3. It is questionable whether this sanction is legal , however, if a carrier would like to avoid any risk, is better to make this communication.
4. This communication should be done also by the carriers which are exempted, being below the threshold of 3.000 euro contribution (which is 0,6/1000 of 5.000.000 euro), just in order to avoid any possible misunderstanding with ART.
5. The carriers who have to pay the contribution because are above the 5.000.000 euro of revenue (provided that they have to communicate to ART the revenue data, as said above), may decide either:
6. a) To pay b) To hold the payment , oppose the same, and ask the suspension to the Court

In case a carrier opposes the payment and asks for the suspension, the possible scenarios are:

1. a) The suspension is given, so it can hold the payment, till the final decision of the Court on the opposition;
2. b) The suspension is not given, so the carrier must pay with reserve , but it has the chance to recover, in case the final decision of the Court on the position is its favor. In this case, ART may ask the payment of a small legal interests, for the late payment.

For those carriers which would like to oppose and ask the suspension, the arguments supporting the request, among others, are:

- a) The law provides that only the manager of the infrastructures must pay for the contribution, but the carriers do not manage infrastructures, and operates in free competition;
- b) In any case, carriers are regulated by ENAC (Civil Aviation) not by ART
- c) In any case, most of the international carriers operate in the airport of Milan , Rome, and Venice, which are regulated only by ENAC.
- d) In any case the costs of ART are not clear and not transparent;

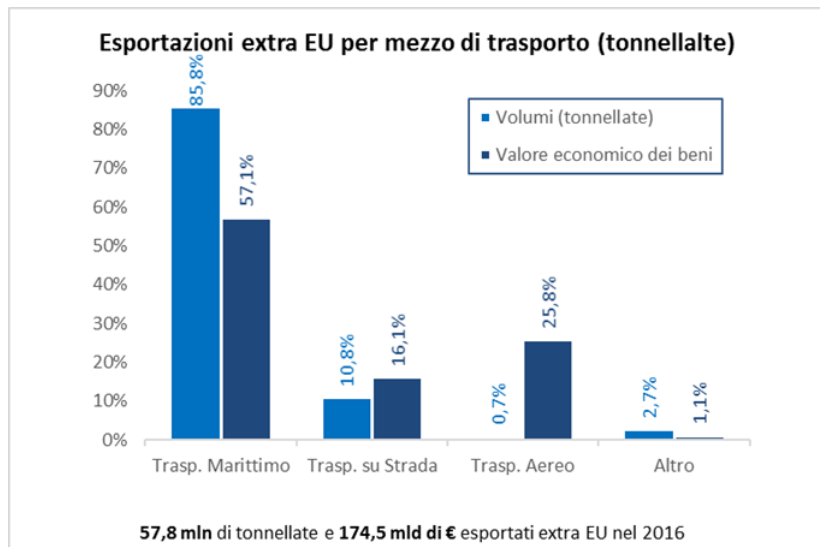
Cluster Cargo Aereo

1. Conclusions of the Air Cargo Working Group coordinated by the Ministry of Infrastructure and Transport
2. Set-up of the Academic Observatory on Air Cargo

Cluster Cargo Aereo @ MIT

Since presentation of CCA in last IBAR GA, here s a short status update:

- Creation of a working Group (GdL) at the Ministry of Transport, with the aim to increase the visibility and attractiveness of air cargo in Italy.
- The Group is composed by various entities (MIT, Ag delle Dogane, ENAC, Assaeroporti, Confindustria, AICAI and Cluster...) and already delivered:
 1. The Documento di Economia e Finanza (DEF) issued by italian government illustrates the scope and se the frame of activities of the GdL



Sviluppo del cargo aereo

Il programma cargo aereo racchiude tutti gli interventi volti a sostenere le attività del trasporto aereo di merci, settore strategico per il supporto alle attività di export di rilevanza per valore dei beni movimentati, nonostante in termini di volumi il settore possa apparire meno significativo. L'obiettivo è recuperare attrattività stante il ruolo marginale che l'Italia svolge (5,9%) rispetto al mercato cargo in Europa.

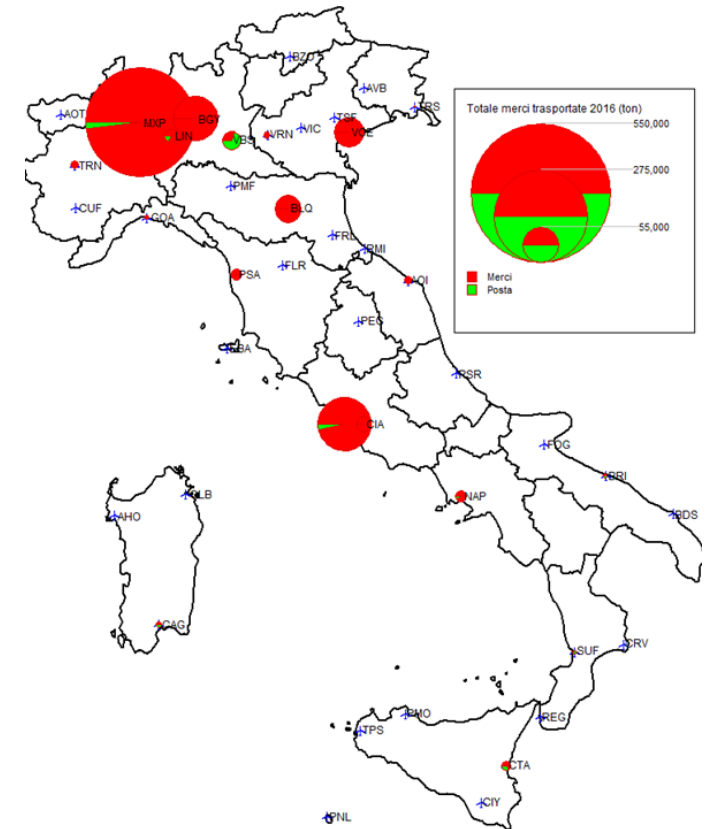
Il programma comprende gli interventi volti ad aumentare attrattività e competitività del cargo aereo e si compone di interventi infrastrutturali relativi allo sviluppo di nuova capacità, e di interventi volti a risolvere i colli di bottiglia. Tra gli interventi infrastrutturali il più significativo è relativo allo sviluppo del **cargo center di Malpensa**, progetto che porterebbe la capacità dell'aerea *cargo city* vicina ad 1 milione di tonnellate quasi doppia rispetto all'attuale movimentato, ma pari al 50% del traffico movimentato da Parigi Charles de Gaulle e da Francoforte. Altri interventi sul *cargo city* sono previsti negli contratti di programma di Fiumicino, Bergamo, Catania, Bologna e Venezia.

Cluster Cargo Aereo @ MIT

2. Creation of a «position paper» on aircargo in Italy to be considered for future investments

- Document is in finalization and will demonstrate, importance of aircargo, concentration of the cargo flows at italian airports
- The actual bottlenecks (processes, infrastructure)
- Will propose solutions
- IBAR position was in favour of digitalization and simplification of processes, rather than «new cargo areas». As well as having the airport operators to coordinate the processes for specials (i.e. pharmaceuticals or live animals)

3. Cluster is also initiating the set up of the «Osservatorio del cargo aereo» with the aim to increase the knowledge of aircargo, by scientific researches and promotion. In scope is also the comparison of european air cargo systems to find and propose BDP's



European BAR network

1. Next Meeting on 23AUG in FRA , hosted by BARIG
2. Coordination on funding , resources , governance , services rendered to the Members

The IBAR 2016 accounts

Excerpts from the External Auditor's Report on the 2016 accounts :

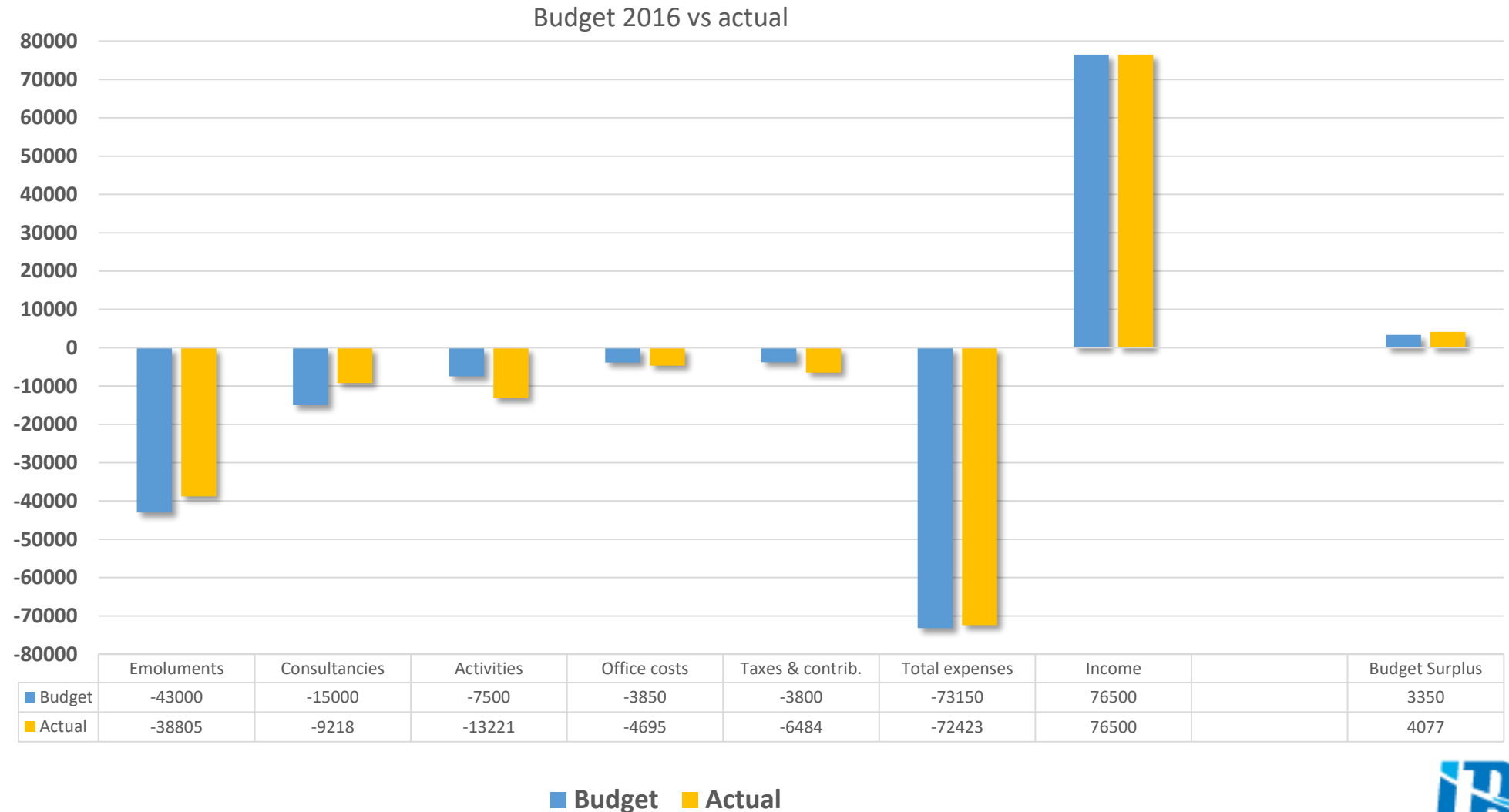
«... 51 membership fees have been duly received».

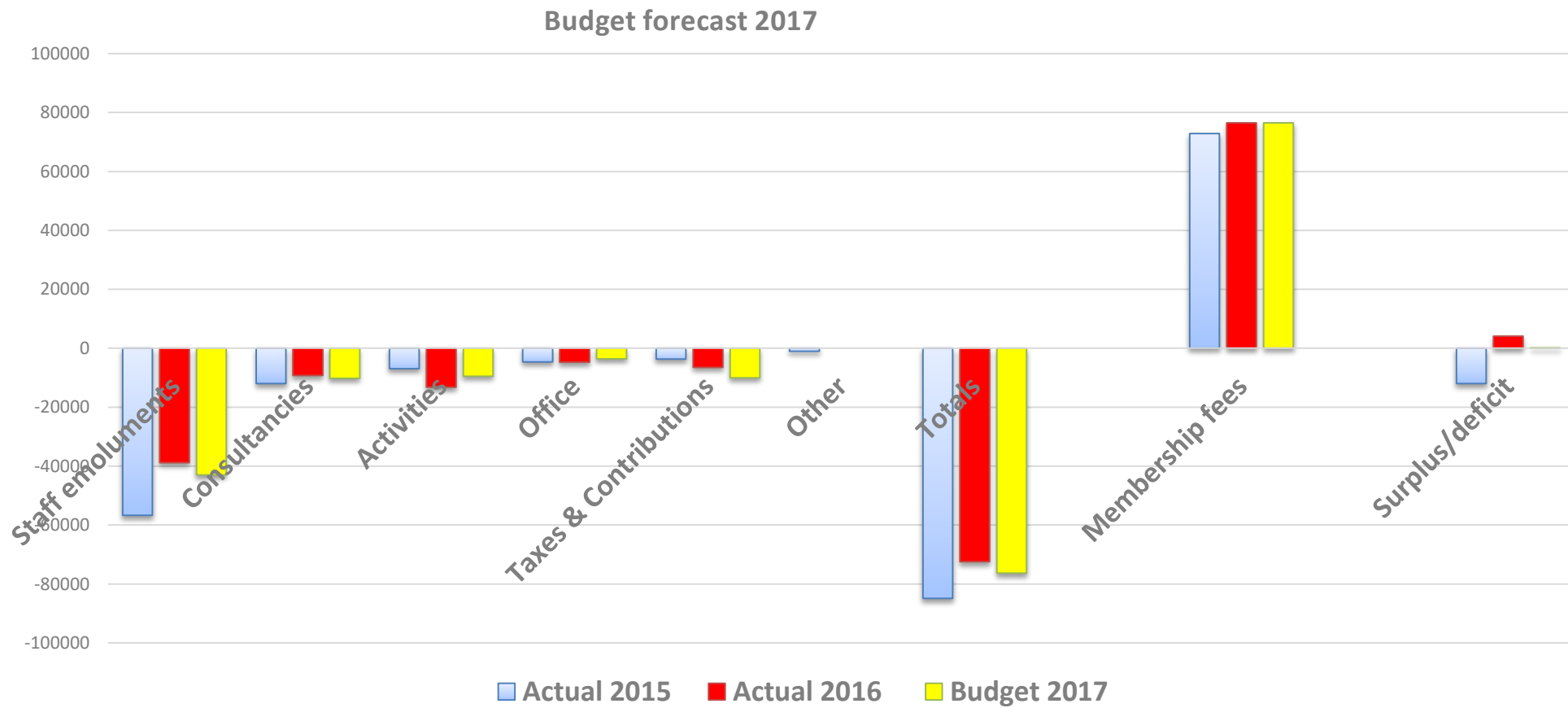
«..the documentation supporting the expenses has been examined and found complete».

«...the Association has no liabilities with regard to past and present social contributions and taxes».

«...it will be advisable for the years to come to achieve a full financial balance and possibly set aside a moderate liquidity supply to tackle any unforeseen circumstances».

The IBAR 2016 accounts





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Thank you !

See you all in December

