

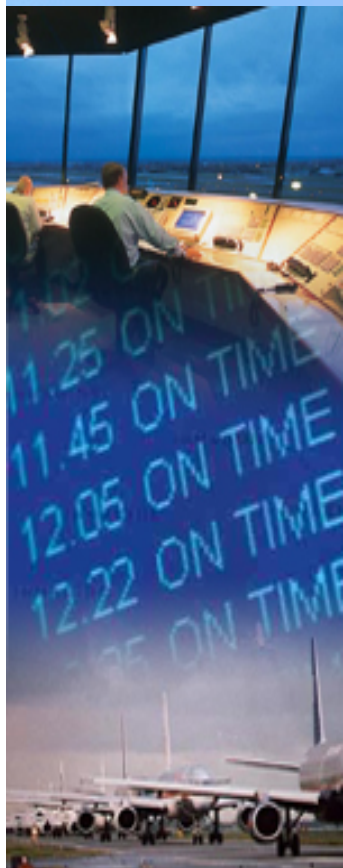
# Air Traffic Management

Influences on profitability of Airports?

# Why Air Traffic Management?

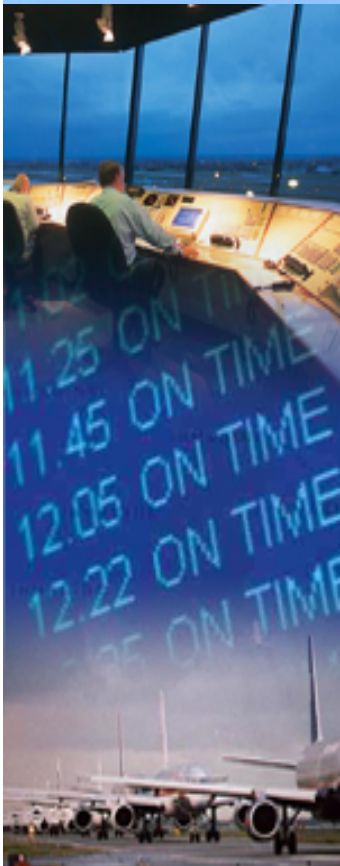
- As with any other commodity, airspace is a valuable resource, particularly when subject to high traffic demand. Since airspace is a fixed volume, its management (i.e. its organization and use) is a vital activity to satisfy the needs of the aircraft operators in the most efficient and equitable manner.

(EUROCONTROL, 2006)



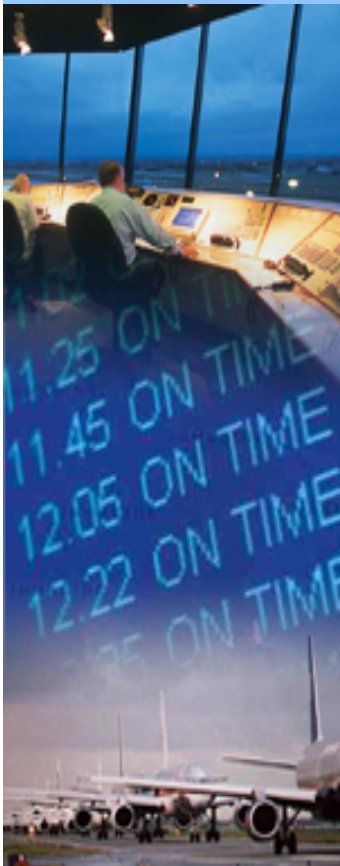
# Air Traffic Management (ATM) Objective

- The objective of Air Traffic Management is to enable aircraft operators to meet their planned times of departure and arrival and adhere to their preferred flight profiles with minimum constraints, without compromising agreed levels of safety. It comprises ground elements and airborne elements which, when functionally integrated, form a total ATM system. (EUROCONTROL, 2006)
- System components include: Air Traffic Control (ATC), Airlines and Airports.



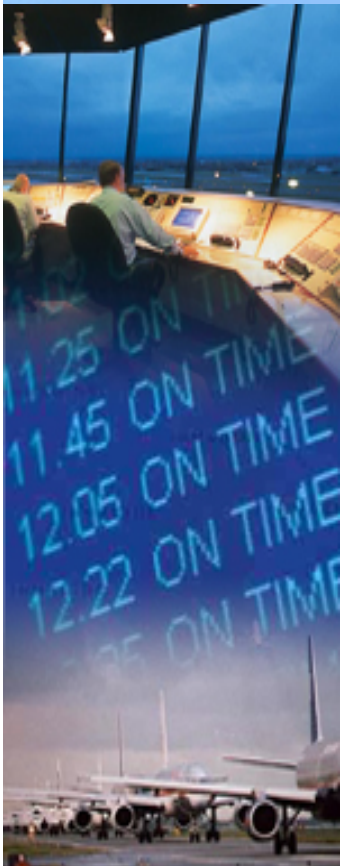
# ATM relationship structure

- The objective of Air Traffic Management is to Enable aircraft operators to meet planned arrival/departure times...
  - Airline direct relationship
  - Airport indirect relationship



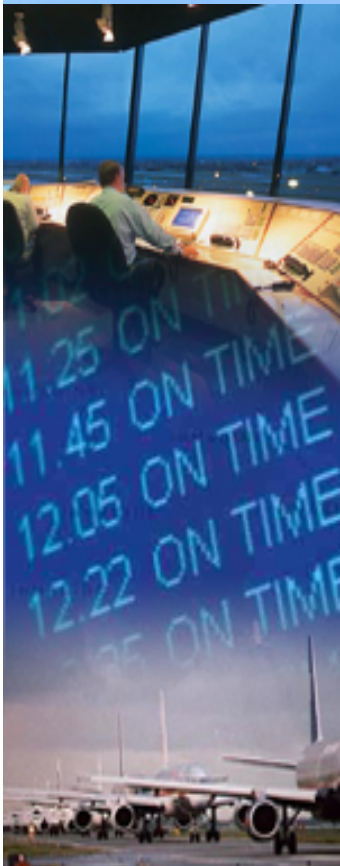
# Can an indirect relationship have a direct effect on profitability?

- Two Airport Operating Revenue Sources:
  - Aeronautical and Non-Aeronautical
- Aeronautical Airport Operating Revenue Sources:
  - Landing fees (Airline)
  - Passenger fees (Passenger through Airline ticket)
  - Aircraft parking fees (Airline)
  - Handling fees, if applicable (Airline)
  - Other aeronautical fees to include but not limited to:
    - ❖ Air Traffic Control (ATC)
    - ❖ Air bridges
    - ❖ Lighting (Graham, 2003)



# Can an indirect relationship have a direct effect on profitability?

- ATM is an Indirect influence through controlling airline arrival and departure times that create revenues for the airport.
  - In specific, the time that an aircraft is the ground, it is being charged a certain rate for a certain amount of time.
  - If the time that aircraft remains on the ground exceeds the standard, the airport charges increase.
  - This time is mainly controlled by the airline but can be influenced by ATC.
- ATM is a Direct cost to the airport because ATC is a regulatory required function.



# Result?

- Through the control of the airspace above an airport, ATM directly effects the revenue possibilities of the airport by either allowing or not allowing an aircraft to reenter the airspace based upon regulation, policy and other traffic.
  - Aircraft parking fees (Airline)
- ATC is a direct cost to the airport.
- Therefore, ATM does influence the profitability of Airports to some extent.



# How much is “some extent”?

## It depends upon:

- Pricing policy of the airport for ground time?
  - Main air carrier favored status?
  - Special pricing for airlines with large number of flights?
- Pricing guidelines per parking space?
  - Terminal parking?
  - Ramp parking?
- Actual cost of ATM services: although this is a constant and a required cost of doing business.



# Questions and Comments

- Can ATM do anything better to create synergies with the airlines and airports?
- Are these contradictory?
- Can Airlines do anything better to create synergies with airports and ATC?
- Can Airports do anything better to create synergies with airlines and ATC?

