

PREVIEW

9th European Aviation Conference
Aviation, Climate Change
and the Environment

12th and 13th November 2020
Heilbronn

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Heilbronn

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EAC

EUROPEAN AVIATION CONFERENCE

European Aviation Conference

Pricing in Aviation:
Issues and Innovations
Are prices too high or
too low or just right?

7th - 8th NOV.
VIENNA

Top Floor,
Law Faculty of Vienna University
Schottenbastei 10-16,
A-1010 Vienna

The conference is supported by:

ACR

Aviation Capacity Resources AB

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EAC

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Since 2012, the European Aviation Conference (EAC) has offered a unique meeting place for industry stakeholders, researchers and government officials from across Europe and around the world to discuss issues relevant for aviation policy. It is the goal of the conference to find best practices and practical solutions for challenges the aviation industry is facing. The conference takes place in a different European city each year.

Conference email address:
info@eac-conference.com

For further information please visit:
www.eac-conference.com

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Austrian Aviation Association

Wednesday, November 6th

19:00 – 22:00 | Welcome Reception

Bel Etage Cerha Hempel Law Firm,
Dr.-Karl-Lueger-Platz 2, A-1010 Vienna

Day One, Thursday, November 7th

9:00 | Welcome to the Conference

Paul Oberhammer, Dean of Law faculty, University of Vienna
Andreas Reichhardt, Austrian Ministry for Transport, Innovation and Technology (req.)

Chair: Peter Malanik, Austrian Aviation Association

9:30 - 10:00 | Opening Address

The policy context for aviation pricing Silvia Gehrler, ICAO

ICAO provides guidance to governments on charging policies in aviation. ICAO's policies have evolved in recent years. What are the trends of ICAO guidance on charging principles?

Chair: Peter Malanik, Austrian Aviation Association

10:00 - 10:30 | Keynote Address

The airline ancillary charges pricing revolution Jay Sorensen, IdeaWorksCompany

Revenue from nowhere

Ancillary revenues have grown in 15 years from almost nothing to over 100 billion US-\$, more than three times the total profits of the global airlines. IdeaWorksCompany is well known for its extensive tracking and analysis of airline ancillary charges and other sources of ancillary revenues.

Chair: Thomas Jaeger, Department of European Law, University of Vienna

Coffee Break with Poster Session

11:00 - 12:30 | Panel Discussion

Pricing in an era of ancillary revenues

Does unbundling in airline pricing work? For some airlines, ancillary revenues are approaching 50% of total revenues and globally, ancillary revenues are close to \$100 billion however, these revenues are not part of fare data published by governments or airlines. Is the trend towards enhanced ancillary revenues reducing or increasing the cost of air travel for passengers?

Chair: Ian Douglas, UNSW, Sydney

Panelists:

- Christiaan Behrens, SEO & Free University of Amsterdam
- Gabor Nagy, European Commission, DG MOVE
- Jay Sorensen, IdeaWorksCompany
- Mike Tretheway, InterVISTAS
- Matthias Viehmann, Lufthansa

Lunch 12:30 to 13:30

Sponsored by Air Navigation Services of the Czech Republic

13:30-15:00

IATA's New Distribution Capability initiative and blockchain. What will new distribution technologies mean for air fares? Evolution or Revolution? The threat/opportunity of block chain and New Distribution Capability

IATA's 3rd wave of industry transformation has a cornerstone in supporting a fundamental revision in the underlying technology for distribution/sales of the airline product. This is intended to dramatically reduce cost, increase consumer transparency, enable merchandising strategies by airlines and drive major innovation in ticket distribution. What are the initial indications of the major change in distribution?

Chair: William Morrison, Wilfrid Laurier University, Canada

Panelists:

- Henry Coles, IATA
- Peter Malanik, President, Austrian Aviation Association
- Benny Mantin, University of Luxembourg
- Sanaf Nadeem, SITA
- Christian Popp, Lufthansa

Afternoon Break with Poster Session

15:30-16:00

Current Business Environment and Market Outlook

Jason Bender, Boeing Company

16:00- 17:15

International Transport Forum at the OECD Session: Have airline Joint Ventures resulted in higher air fares and reduced service? Will increased intervention by competition authorities on both sides of the Atlantic encourage more competition?

What has been the impact of this apparently more relaxed approach on competition and the level of air fares? Are the competition authorities about to adopt a more rigorous approach, possibly under pressure from new entrant airlines? If so, what will be the impact on JVs and airline competition, and on consumers?

Chair: Barry Humphreys, BKH Aviation, UK
Jagoda Egeland, ITF by video

Panelists:

- Leo Basso, Universidad de Chile
- Daniel Boeshertz, European Commission DG COMP
- Pieter Cornelisse, KLM Royal Dutch Airlines
- Peter Lewisch, University of Vienna

17:30-18:30 | Debate

Are the new airline pricing strategies contributing to financial sustainability of the industry?

The history of the airline industry has been one of a steady 2% per annum reduction in real air fares, facilitated by improved technology and deregulation/liberalisation. But this has been accompanied by a record of poor airline profitability. If the airline industry is ever to be 'normalised', with a sustainable financial model, is it necessary to achieve sustainable rates of return to investors? How can this be done?

Chair: Andreas Papatheodorou, University of Aegean
Jody Kositsky & Mike Tretheway, InterVISTAS (pro/yes) versus Andrew Charlton, ATM Policy Institute & Bill Hemmings, Transport & Environment (con/no)

19:00 - 22:00 | Gala Dinner

Palais Pallavicini, Josefsplatz 5, A-1010 Vienna

Award Ceremony:

European Prize in Aviation Economics and Management

Day Two, Friday, November 8th

8:45 - 9:00

Welcome and Review of Previous Day's Proceedings

- Peter Forsyth, Monash University, Melbourne
- Franz Stefan Meissel, Vice-Dean of Law faculty, University of Vienna
- Michael Tretheway, InterVISTAS, Vancouver

9:00 - 9:45 Martin Kunz Lecture

The economics context and evolution of aviation policy: Is economics good for aviation policy?

Hans-Martin Niemeier, University of Applied Sciences of Bremen

9:45 - 11:00 Passenger Based Airport Pricing

The economics and implications of airport fee structures is a popular topic among airport scholars and practitioners. Airlines for Europe claimed that airport charges increased by 80% over the last decade, whereas ACI Europe claims that they have actually risen only by 25%. What is the actual record? What are the trends to passenger based airport charges?

Chair: Peter Forsyth, Monash University

Panelists:

- Rafael Echevarne, Montego Bay Airport, Jamaica
- Nikolaus Gretzmacher, Vienna Airport
- Thomas Reynaert, Airlines for Europe
- Fabio Soleri, Aeroporti di Roma

Coffee Break with Poster Session

11:30 - 13:00

The Future Impact and Role of Non-Aviation Revenues for Airports

Non-aeronautical revenues are a key contributor to the financial success of airports. But at last year's conference we heard that non-aeronautical revenues are declining at many airports. What is the impact of online-shopping on commercial revenues? What about new forms of ground transport? What are the trends of the non-aeronautical revenues?

Chair: Thomas Immelmann

Panelists:

- Luigi Battuello, SEA Milan Airports
- Mark Friesen, Managing Partner, QUINTA Consulting
- Romano Pagliari, Cranfield University
- Walter Seib, HMSHost International / Autogrill

Lunch 13:00 to 14:00

Sponsored by SEA - Milan Airports

14:00 - 15:15

What is wrong with ATM pricing?

ANSP pricing is governed by the accounting rules established by ICAO last century – 'cost recovery' is the basis for ATM charging. It also assumes technology from last century too. In the meantime, the rest of the industry takes a modern, economic pricing approach, with dynamic offer management, continuous pricing, volume discounts, differential pricing and demand-based charging. Digitization is driving different thinking in the way services are delivered, as well as priced. When will the ATM community start to price their product effectively and efficiently, taking advantage of the new digital technologies? Should there be brokers?

Chair: Andrew Charlton, ATM Policy Institute
Industry Address: Wilhelm Wohlfahrt, ACR Aviation Capacity Resources, Sweden

Panelists:

- Nicole Adler, Hebrew University, Jerusalem
- Margaret Arblaster, Monash University, Melbourne
- Lubos Hlinovsky, Czech ANSP
- Magdalena Jaworska, Performance Review Body of the Single European Sky

15:15-15:30

Conference Wrap-Up, Closing Remarks, Presentation by EAC 2020 Host

Conference ends 15:30

Directly after the conference:
Annual General Meeting of the
German Aviation Research Society
(Members only)