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**Comments from International Air Transport Association (IATA), concerning the Swedish Transport Agency's report to the inquiry on Peak/Off-Peak Charges in aviation**

The International Air Transport Association (IATA) is a global trade association, representing some 290 airline members across the world and accounting for 82% of total global air traffic. Our members include approximately 50 airlines operating air services to/from Sweden. IATA supports many areas of aviation activity and helps to formulate industry policy on critical aviation issues to drive a safe, secure, and a sustainable industry. For more information on IATA and its work, you can visit [www.iata.org](http://www.iata.org)

IATA welcomes the opportunity to comment on the Swedish Transport Agency's report to the inquiry on Peak/off-peak charges.

**IATA'S GENERAL POSITION ON PEAK/OFF-PEAK CHARGES:**

IATA opposes peak or congestion charging as it redistributes costs between different airline users arbitrarily. Peak charging is largely ineffective in addressing the congestion and capacity shortfalls it is supposed to resolve. It can even make matters much worse by introducing distortions in the overall air transport system.

Airlines have little opportunity to adjust to peak charging in an efficient way due to the complex task of scheduling operations. The challenge is to maximize aircraft utilization and optimize aircraft rotation within the constraints of airport curfews, opening hours, increasing environment restrictions, crew availability, and many other factors. In addition, the market dictates airline scheduling, as schedules are constructed in response to passenger and cargo demand.

Finally, peak/off-peak pricing constitutes a challenge to ICAO's key charging principles of non-discrimination and cost-relatedness, which must be fully complied with. ICAO's guidance also indicates that the effectiveness of peak pricing in redistributing traffic is limited.

**KEY CONSIDERATIONS**

- All charges must be cost-related, transparent and nondiscriminatory to comply with ICAO's policies on charges.
- ICAO guidance shows that peak/off-peak charges have been ineffective in prompting airlines to reschedule flights to less congested airports.
- Capacity constraints should not be used to increase revenue and capacity costs should be shared fairly amongst all users.
- In the case of capacity constraints, all options that may alleviate the problem, as well as the associated costs and benefits, should be subject to meaningful consultations with the airlines.
- Many airports are slot controlled and therefore airlines build their schedule to accommodate the slots that are allocated, which limits the ability to modify the schedules.



## COMMENTS ON THE SWEDISH TRANSPORT AGENCY'S REPORT TO THE INQUIRY ON PEAK/OFF-PEAK CHARGES:

IATA agrees with the Swedish Transport Agency conclusion that it would be difficult to demonstrate a tangible positive effect on the environment by introducing peak/off-peak charges in the aviation sector. Within the charges airport users/passengers pay to the airport, the investment in green infrastructure is already covered and is being paid for. In other words, air transport is already paying for its sustainable infrastructure.

The Swedish Transport Agency concludes in its report that congestion at Swedish airports or in the airspace is not a current problem that needs to be addressed as the capacity is not stretched to the limit (nor was it before the pandemic). A flight in a peak or off-peak time generate the same emissions unless they are required to be holding (ASMA time). This is currently not an issue in Sweden. Furthermore, the Swedish Transport Agency concludes that a peak/off-peak pricing model is not an effective nor practical measure.

IATA agrees with the conclusion in the report that peak/off-peak charges is an ineffective way to handle congestion, as there are other ways to manage capacity utilization at the airport due to the lack of infrastructure to match demand (e.g.: slot coordination). The airlines need to operate at the times requested by the market/demand. Some airlines are less dependent on flying during peak hours, such as those that operate charter traffic and air freight, while others base a relatively large part of their business on offering flights during more attractive times of the day, such as mornings and evenings. Network airlines are also dependent on slot times at airports in other countries. The demand for slot times is particularly high when it comes to traffic to and from the busiest international airport hubs. If an airline is forced to change the departure time from a Swedish airport, it could result in losing their slot time at an international airport, which in turn means that the route may be closed, something that may have a negative impact on connectivity.

The Swedish Transport Agency proposes in the report that if peak/off-peak charges are to be introduced, a new provision should be included in the regulation (2011: 867) on airport charges stipulating that the charges could be differentiated in relation to how much the runway capacity is used. If the government chooses to proceed with a peak/off-peak pricing model, the Swedish Transport Agency suggests that these charges should be subject to a consultation process led by the airport operators together with the airlines.

IATA recommends the Swedish government to refrain from introducing a peak/off-peak pricing model. IATA strongly supports the overall principle that all costs related to the use of airport and airspace infrastructure should be subject to consultations with the airlines in accordance with ICAO's guidelines and principles.

We thank you in advance for taking these comments into account.

A handwritten signature in blue ink, appearing to read "Catrin Mattsson", with a long horizontal line extending to the right.

Catrin Mattsson  
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IATA