



Low-Cost Facilities & Services

All airlines should have access to the same level of minimum cost of facilities and services

SITUATION

Some airports have introduced, or plan to introduce, reduced charges for certain airlines that operate into low cost, purpose built-terminals or previously “mothballed” terminals. This is being extended to operations in parts of the terminal building, e.g. when operating from a particular pier.

IATA POSITION

As per ICAO Policies¹, there must be no discrimination between different groups of users with regards to charges. Airports should offer a generic level of low-cost facilities and services to all airlines to show their strong commitment to cost reduction, cost efficiency and continual improvement. Premium charges are only acceptable where additional facilities or services, such as boarding bridges and premium lounges, are specifically requested by and provided to individual airlines. Airport charges should be the same throughout each airport with no differential charging between airport terminal buildings.

In order to maintain fair competition, IATA will resist any proposal to introduce differential or discriminatory pricing at an airport.

- ✦ Where differential pricing is nonetheless imposed, there must be transparency of airport costs and charges so that any differential is limited to the cost of those services (e.g. boarding bridges, escalators, baggage belts, etc) where a real differentiation in service is offered. In many areas (e.g. runway, tarmac, fire and rescue, security, etc) there is no cost differential involved.
- ✦ All airlines must be given equal and non-discriminatory access to any low-cost terminals that might be built.

KEY REASONS WHY ALL AIRLINES SHOULD HAVE ACCESS TO LOW COST FACILITIES

1. To maintain the **level playing field** between airline competitors.
2. It encourages airports to **reduce costs and improve cost efficiency** to benefit all airlines and passengers.
3. Most of the facilities and services provided are **generic to all airline customers**.
4. To keep the **cost of air travel low**.

¹ ICAO Doc9082/7 – paragraphs 22v) & 40