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

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Wednesday, November 6th

19:00 - 22:00  Welcome Reception
Bel Stage Colta Hotel, Fiume, Dr. Karl-Lieben-Platz 9, A-1010 Vienna

Day One, Thursday, November 7th

9:00  Welcome to the Conference
Paul Oehlermann, Dean of Law faculty, University of Vienna Andreas Thewchoh, Austrian Ministry for Transport, Innovation and Technology Vice-Chair: Peter Mallianik, Austrian Aviation Association

9:30 - 10:40  Opening Address

The policy context for aviation pricing
Sigi Veit, ICAO
ICAQ provides guidance to governments on charges policies in aviation. ICAQ’s policies have evolved in recent years. What are the trends of ICAQ guidance on charging principles? Chair: Peter Mallianik, Austrian Aviation Association

10:40 - 11:00  Keynote Address

The airline ancillary charges pricing revolution
Jay Sorensen, IdeaWorksCompany
Ancillary revenue streams have grown in 15 years from almost nothing to over 10 billion USD, 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, Director 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 unbridling in airline pricing work? For some airlines, ancillary revenues are accounting for 50% or more of total revenues and globally, ancillary revenues are close to $10 billion however, these revenues are not part of the fare published by governments or airlines. Is the trend towards enhanced ancillary revenue reducing or increasing the cost of air travel for passengers? Chair: Jan Douglass, LTNi, London

12:30 - 13:30  Lunch to 12:30
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? revolution or revolution? The threat/opportunity of Modchian 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/isolation of the air industry. The industry is being forced 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, William Latimer University, Canada

Panelists:
- Henry Glick, IATA
- Peter Mallianik, President, Austrian Aviation Association
- Barry Marrin, University ofLuxembourg
- Samuel Nedres, IATA
- Christian Popp, Lufthansa

Afternoon Break with Poster Session

15:30 - 16:00  Current Business Environment and Market Outlook
Jason Bande, Boeing Company

16:00 - 17:30  International Transport Forum at the OECD Session: what can airlines do to tackle the levying of new taxes 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 the next administration? If so, what will be the impact on JVs and airline competition, and on consumers?

Chair: Henry Schumacher, IATA, Aviation UK

Panelists:
- Leonel Lucca, Universidad de Chile
- David Bosshart, European Commission DG COMP
- Pieter Correllisse, KLM Royal Dutch Airlines
- Peter Lewis, University ofalonovo

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 steadily 2% per annum reduction in real air fares, facilitated by improved technology and deregulation/self-servicing. But this has been accompanied by a record of poor airline profitability. If the airlines are to compete in a world with a sustainable financial model, is it necessary to achieve sustainable rates of return to investors? How can this be done?

Chair: Christian Tichy, IATA

Panelists:
- Jody Kostasoglou & Mike Tretheway, InterVISTAS (present)
- Andrew Charlton, ATMI Policy Institute & Bill Hemmings, Transport & Environment (cont.

19:00 - 22:00  Gala Dinner
Palais Pallavicini, Josephsplatz 5, 1010 Vienna
Awards Ceremony;
- Europe 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
- Francois Mistilis, President, Austrian Aviation Association
- Michael Tretheway, InterVISTAS, Vancouver

9:00 - 9:45  Martin Romz Lecture

The economics context and evolution of aviation policy: economics good for aviation policy?
- Dr. Martin Honecker, University of Applied Sciences of Emden

9:45 - 11:00  Passenger Based Air Price Rating
The economics and implications of airport fee structures is a populist and important policy theme in the current climate and a key concern for the airlines.

Chair: Peter Forsyth, Monash University

Panelists:
- Rafael Escalante, Montego Bay Airport, Jamaica
- Nikolaus Griesmeier, Vienna Airport
- Thomas Heyneke, Airports for Europe
- Fabio Solin, Aeropuertos de Roma

11:30 - 13:00  Coffee Break with Poster Session

13:00 - 14:00  The Future Impact and Role of Non-Airline Revenue 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 the airport experience? About new forms of ground transport? What are the trends of the non-aeronautical revenues? Chair: Thomas Immelmann

Panelists:
- Luke Sefried, SEA - Milan Airports
- Mark Finney, Managing Partner, QNUTA Consulting
- Romano Peghini, Cranfield University
- Wole Soft, HNTB International / Autopilot

14:00 - 15:15  What is wrong with ATM pricing?
ATM pricing is governed by the accounting rules established by ICAQ last century, but “host recovery” is the basis for ATM charging. It also imposes technology from last century too. In the future, the ATM takes a more modern economic pricing approach, with dynamic pricing component, reducing volume discounts, different demand pricing and demand-based charging. Digitalization is driving different behavior and the ATM is delivered as a service as an airtime. What will be the future of ATM? Should we rethink the ATM pricing?Chair: Andrew Chatfield, ATMI, ATM Policy Institute Industry Address, Wilhelm Wulffhahn, AERI Aircraft Density Resources, Sweden

Panelists:
- Nicole Adler, Hebrew University, Jerusalem
- Tatsuya Arai, Menzies Aviation, Tokyo
- Louis Filimonov, Czech ANSP
- Magdalena Jurewicz, Performance Service Body of the Single European Sky

15:15 - 16:00  Conference Wrap-Up, Closing Remarks, Presentation by IAC 2020 Host

Conference ends 15:30

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