

Matching Capacity & Demand at LaGuardia Airport

William R. DeCota

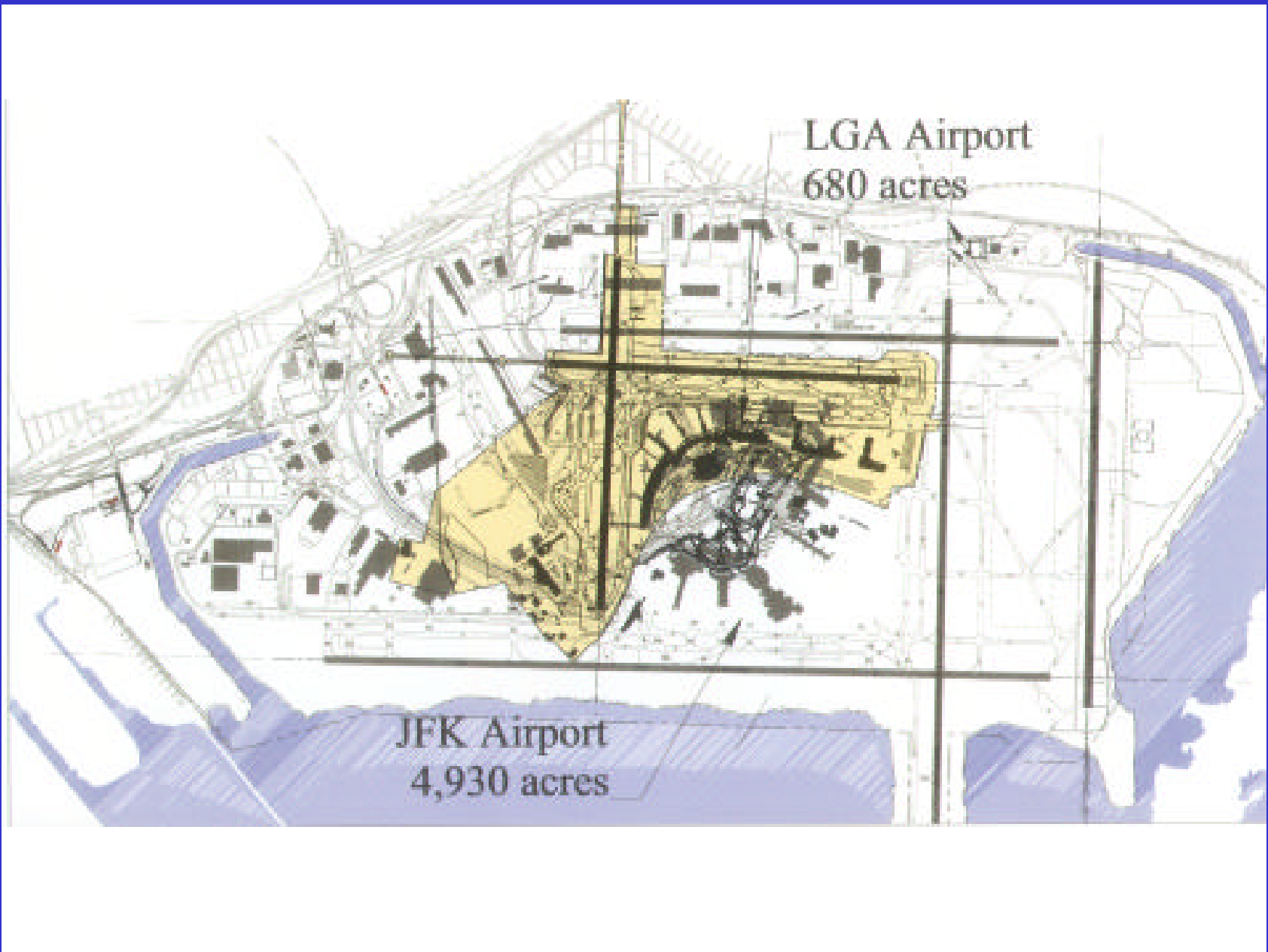
Director of Aviation

The Port Authority of NY and NJ

Airline & National Strategies for Dealing with
Airport & Airspace Congestion

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LaGuardia Airport

*One of the Most Valuable Scarce
Resources in the World*

Slots

“Take off and Landing Restrictions”

- 1968 - Congress passed the high-density slot rule which restricted access to the airports to a maximum of 1,064 per day
- Based upon the Engineering Performance Standards of the Airport

Problems with Slots

- **Restricted Entry by New Carriers**
- **Inefficient Utilization by Small Aircraft**
- **Slot Designations Didn't Properly Reflect Demands Placed on the System**

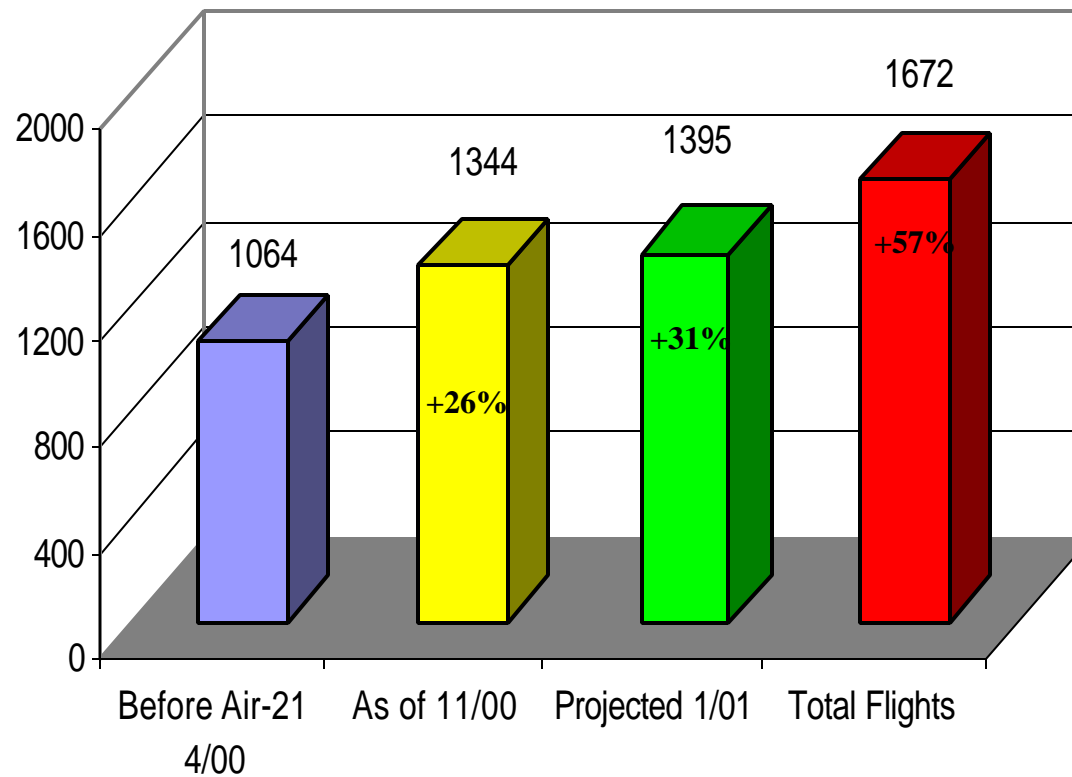
Attempts at Solutions

- 1985 - Congressional action authorizing “buy/sell” and “use it or lose it”
- 1990 - PA Proposal (Rejected by FAA and Congress)
 - Limited withdrawal from incumbents and reallocation to new entrants
 - Redesignate slot classes
 - Prohibit small aircraft from using large aircraft slots
- 2000 - AIR-21
 - Landmark Aviation Legislation provides for airport funding to improve capacity and competitiveness
 - Mandates (limited) relaxation of slots for new entrants and limited incumbents to underserved cities

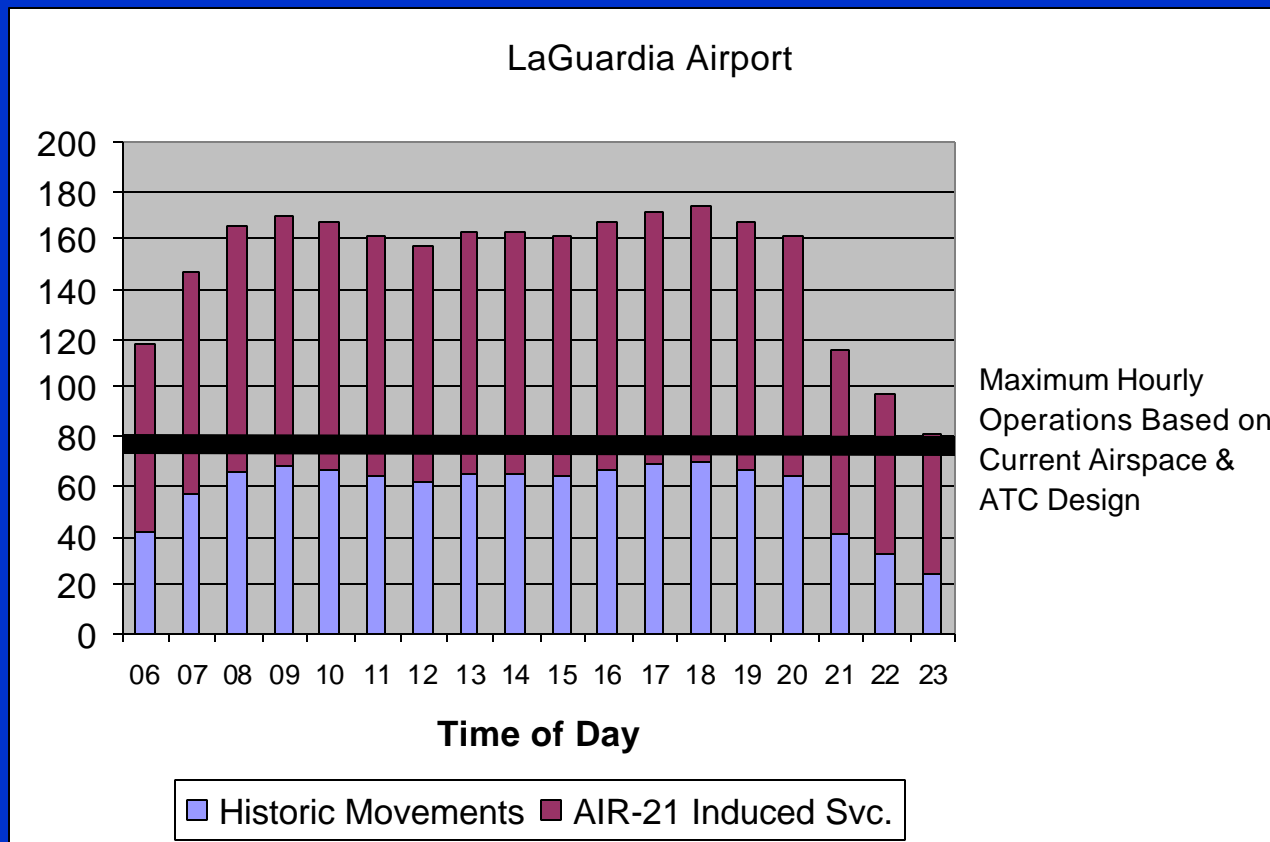
AIR-21 Slot Modification Provisions

- **New Entrant Carriers Could Obtain Up to 20 Operations**
- **Under-Served Cities Served by Regional Jets/Turbo Props of Less Than 71 Seats Could Receive Unlimited Service**

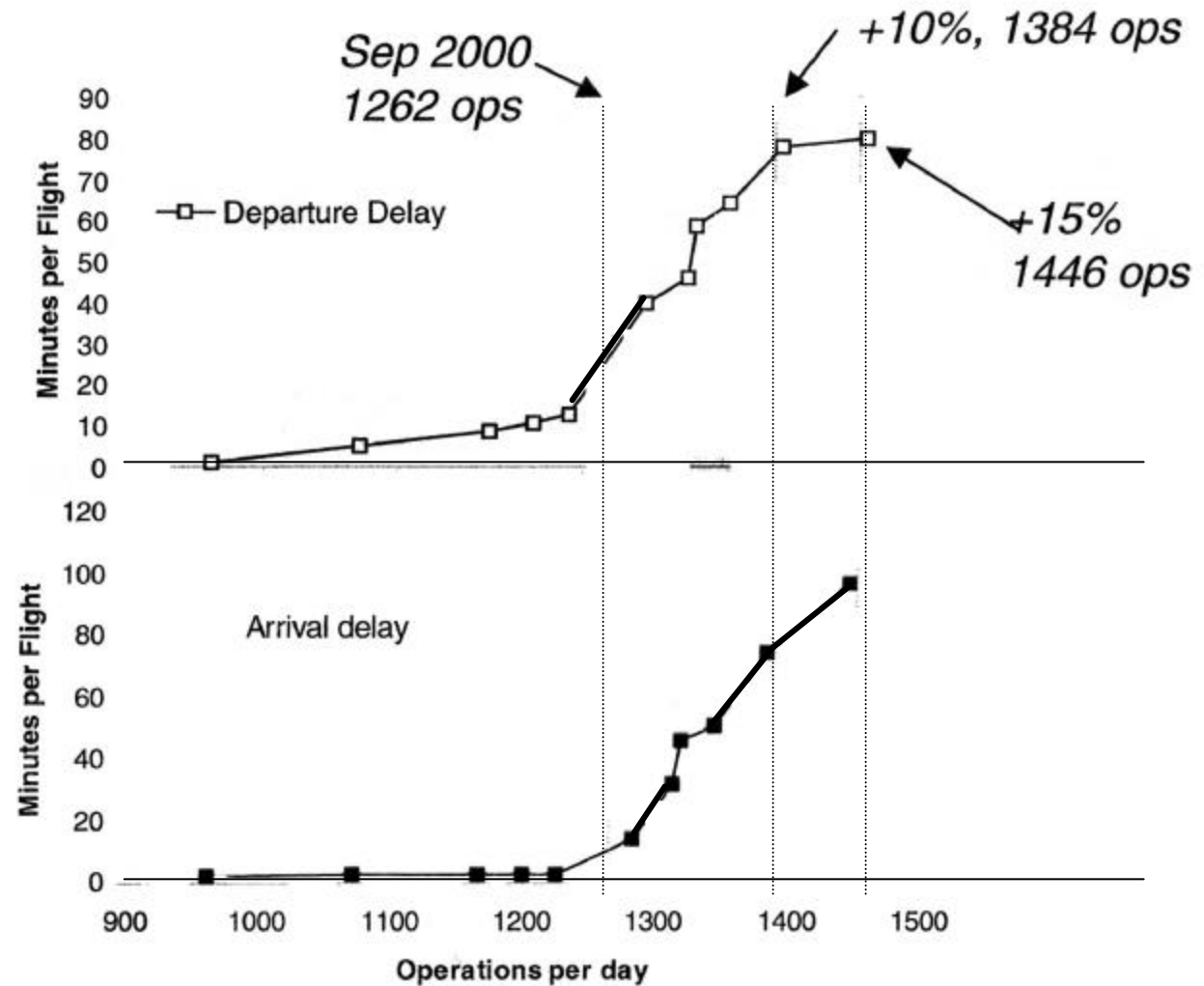
Number of Flights at LGA



Airside Demand vs Capacity LGA



Average Arrival and Departure Delay



Departure Delay: (Actual - scheduled pushback time) + (taxi-out time minus 10 minutes)

Arrival Delay: time spent waiting for proper separation from previous aircraft.

LaGuardia Airport Delays

- **25% of All Flight Delays Nationally**
- **43% of All Delays Related to Volume**

The Challenge

What could we do to control flight activity when heretofore such activity was considered sacrosanct?

Steps Taken to Prevent Gridlock

August 2

Request for Airline Notification

August 21

**Voluntary Request to Reschedule
Flights**

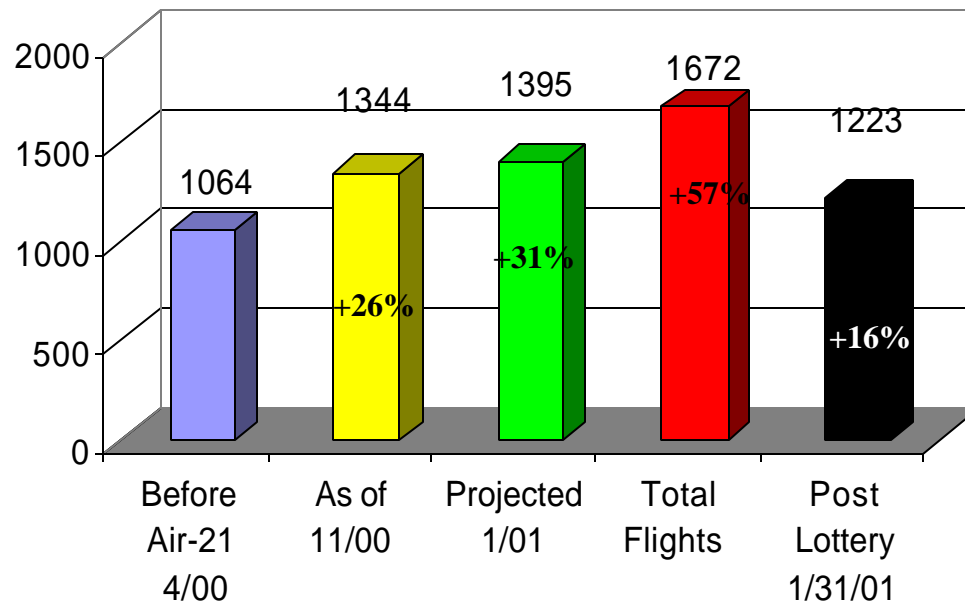
September 19

Peak-Hour Moratorium

December 4

Lottery

Number of Flights at LGA (Includes Post Lottery Flights)



Administrative vs. Market Measures

Objectives

- Achieve a Manageable Level of Demand
- Encourage Efficient Use of Limited Airside Access
- Encourage Competition for the Benefit of Passengers
- Retain Access for Small Communities

Market-Based Options

- Congestion Pricing
- Auctions

Congestion Pricing

*Institute a Congestion Pricing Fee
to Reduce Demand for Operations
to Acceptable Target Levels*

A Fixed Charge per Aircraft Operation

- Only In Effect When Demand Exceeds Capacity
- Could be Structured in Various Ways
- Could be Varied During Time of Day to Reflect Differing Demand
- Could be Adjusted in Event of Misalignment of Demand & Capacity

Auctions

*Do Not Require the Same Degree
of Monitoring and Updating as
Required Under Congestion Pricing*

Rolling Auction

- Multiple Rounds of Bidding with Payments Due at Auction Time
- Auction Winners Receive Right to Conduct Flight at Specified Hour of Day for Certain Length of Time
- Would Have a “Use it or Lose it” & Could be Tradable
- Could Have Varying Allocations Bases and Set-Asides to Ensure Access for All

Issues Associated with Market Mechanisms

- Phasing Out or Elimination of Existing Slot Exemption Limits
- Potential Air Service Effects
- Level of Precision that the Fee can be Determined
- Use of Revenues

Administrative Options

- Extension of the Lottery
- Limits on the Number & Types of Aircraft Utilizing LGA

Multi-Faceted Solutions