



Peak/Off-Peak Charges

Peak/off-peak charges are not an effective means of easing capacity constraints.

SITUATION

Certain congested airports and air navigation services providers (ANSPs) believe that peak pricing, which means that different charges apply during different time periods for the provision of identical facilities and services, can be a good management tool to eliminate congestion.

IATA POSITION

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](#)¹. ICAO's guidance also indicates that [the effectiveness of peak pricing in redistributing traffic is limited](#)².

KEY CONSIDERATIONS

- All charges must be [cost-related, transparent and non-discriminatory 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.

¹ [ICAO Doc 9082 \(ninth edition\), paragraph 1 of Foreword refers.](#)

² [ICAO Doc 9562 \(fourth edition\), paragraph 4.144 refers.](#)