

AIR TRANSPORT LICENSING AUTHORITY



Annual Report

2012 - 2013

8th Floor, BAOBAB Towers, Warrens, St. Michael

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AIR TRANSPORT LICENSING AUTHORITY
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BARBADOS



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LETTER OF TRANSMITTAL

July, 2015

Honourable Richard Sealy
Ministry of Tourism and
International Transport
International Transport
Baobab Tower
Warrens
ST. MICHAEL

Dear Minister

In accordance with Section 15(1) of the Civil Aviation Act, 2005, Cap. 288B of the Laws of Barbados, I have the honour to submit to you, in your capacity as Minister of Tourism and International Transport, the Air Transport Licensing Authority's Accounts and its Report on its operations during April 1, 2012 - March 31, 2013.

I am
Yours faithfully


for Chairman

BOARD MEMBERS AND SENIOR OFFICERS

The following Board Members were appointed for a period of two years from March 25, 2011:

Mr. Leric Hunte	-	Chairman
Mr. Simon Angoy	-	Deputy Chairman
Mr. Robert Morris	-	Member
Mr. Andrew Moseley	-	“
Ms. Gale Prescod	-	“
Mrs. Beryl Weekes	-	“
Chief Operations Officer GAIA Inc.	-	“
Mr. Lindell Nurse	-	“
Board Secretary		
Ms. Arlene Daniel	-	Secretary

FUNCTIONS OF THE AUTHORITY

The functions of the Authority are:

- (a) to hear and determine applications for licences or for amendments to licences to operate any scheduled air service;
- (b) to consider any representation or objection from any person with respect to
 - (i) the adequacy of any scheduled air service; or
 - (ii) the charges for any scheduled air service.
- (c) to determine any question referred to it by the Minister that
 - (i) relates to facilities for air transport into or out of Barbados or to the charges for such facilities; or
 - (ii) in the opinion of the Minister, requires consideration with a view to the improvement of air transport services into or out of Barbados;
- (d) To approve all fares, rates and other charges and conditions respecting scheduled air services into or out of Barbados, except where those matters are regulated by an international agreement to which Barbados is a party;
- (e) To make reports and recommendations to the Minister in connection with conclusions reached after consideration of matters referred by the Minister;
- (f) With the approval of the Minister, to appoint such assessors as it thinks expedient for the purpose of securing proper advice respecting matters affecting the interest of
 - (i) users of air transport services; and
 - (ii) technical, professional, industrial and commercial bodies including labour unions directly concerned with the provision of air transport services into or out of Barbados;
- (g) To perform such other functions as the Minister may from time to time determine.

FUNCTIONS OF THE SECRETARIAT

The Secretariat is staffed by a Secretary (Administrative) and a Clerk/Typist. The Secretary manages the daily functioning of the Secretariat and oversees the one staff member. It is the job of the Secretary to analyse data received from the airlines and present these to the Members of the Authority in such a manner as to assist them in making decisions, to convene meetings and sit on the Board as its Secretary. The Secretary is also called upon to carry out various ancillary duties such as research on various matters which may from time to time be referred to the Authority by the International Transport Division. The Secretary also attends and participates in air services discussions locally and internationally and attends international aviation conferences and seminars which have a direct impact on local aviation and air travel.

The Clerk/Typist is responsible for the preparation of documents, record keeping and the daily functioning of the office.

FINANCE

The Authority's approved estimates of expenditure for the financial year, April 2012 to March 2013, totalled \$293,693.00. The budget is attached at **Appendix I**.

OPERATIONAL ACTIVITIES 2012-2013

(1.) HOLDING OF MEETINGS

During the period April 1, 2012 to March 31, 2013, the Authority held ten (10) meetings to consider applications for licences, fares and schedules. In addition, the Authority also held round robins during which the views of Members were sought by telephone, or email on matters that could be decided in this informal manner.

(2.) GRANTS AND VARIATIONS OF LICENCES

During the year the Authority issued four (4) licences. The total remuneration derived from these applications for licences was \$12,500.00. A list of the Licences issued and fees collected is attached at **Appendix II**.

NEW LICENCES

Caribbean Airlines Ltd.

An application was made by Caribbean Airlines Ltd to commence schedule services between Barbados and London. This application was approved and a licence issued, however Caribbean Airlines postponed the start of this service.

RENEWED LICENCES

American Airlines

American Airlines applied for and was granted a renewed licence to continue to operate its services between Barbados and Miami.

AMENDED LICENCES

Virgin Atlantic Airways Ltd.

Virgin Atlantic Airways Ltd. amended its licences to operate services between Barbados and London and Barbados and Manchester.

Caribbean Airlines

Caribbean Airlines amended its licence for the route Port-of-Spain/Barbados/Kingston/Barbados/Port of Spain.

(3.) APPROVAL OF FARES, RATES AND OTHER CHARGES

The Authority processed fare applications as part of applications for licences as well as applications for fare 'specials' - reductions aimed at generating increased passenger activity. There were notably few applications for increased fares during the reporting period.

(4.) PROCESSING OF APPLICATIONS FOR VARIATIONS TO SCHEDULES

During 2012-13 twelve (12) airlines operated scheduled services into Barbados (see **Appendix III** attached). The majority of these airlines submitted seasonal schedules of operations.

The Authority also processed ad hoc schedule changes, which arose as a result of unexpected operational or technical difficulties experienced by the airlines from time to time.

(5.) SCHEDULED SERVICES

(a.) Canada

Two airlines, Air Canada and WestJet, operate in this market. Air Canada serves Toronto year round and Montreal on a seasonal basis while WestJet serves the Toronto market on a year round basis.

(b.) Caribbean Region

Scheduled carriers on this route during the period were Caribbean Airlines and LIAT.

(c.) Europe

Condor remained the only scheduled passenger airline serving the European market. This airline provided services twice weekly between Barbados and Frankfurt, Germany.

(d.) United Kingdom

This route is served by two airlines, Virgin Atlantic and British Airways which together serve two UK cities – London and Manchester. Virgin Atlantic remained the sole carrier on the Manchester route

(e.) United States

During the period the United States was served by three (3) airlines - American Airlines, JetBlue and US Airways. North American cities served are - New York, Miami, Charlotte, San Juan and Dallas.

(f.) South America

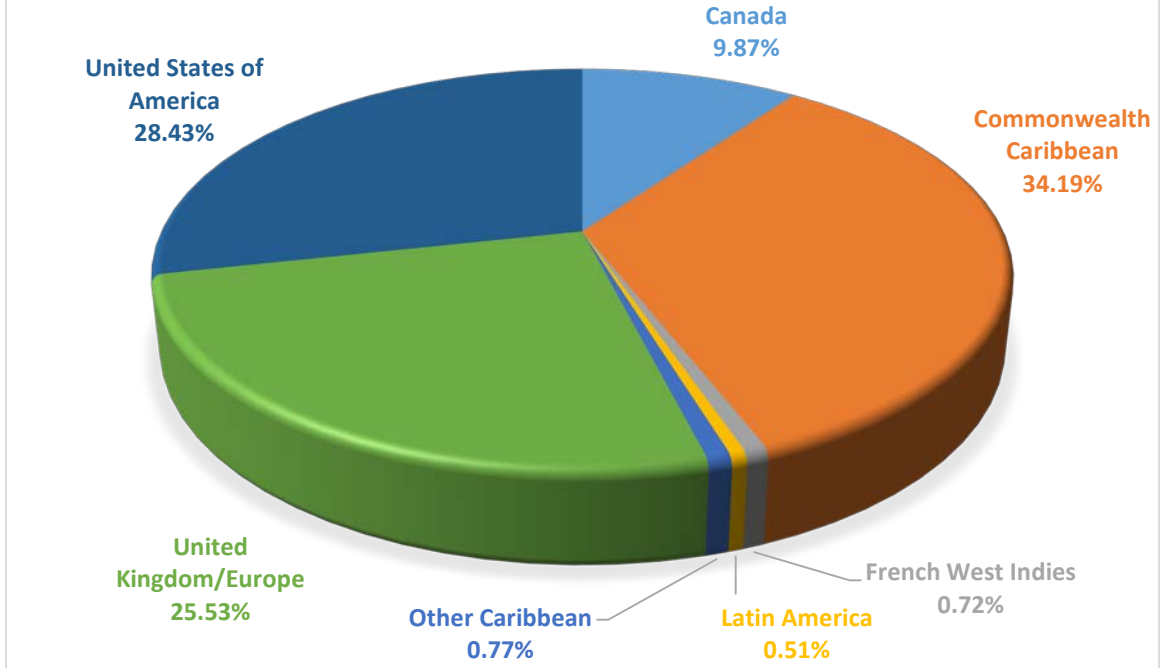
GOL operated weekly services between Barbados and Brazil, providing a vital link to the South American Continent. The route is operated with a B737-800 aircraft, giving Barbados direct access to South America's largest economy.

STATISTICS

The Authority, with the assistance of the Ministry of International Transport, is responsible for the compilation of monthly statistical reports derived from reporting forms submitted by airlines. Data compiled for the year January to December 2012 is used to for the route analysis which is displayed below.

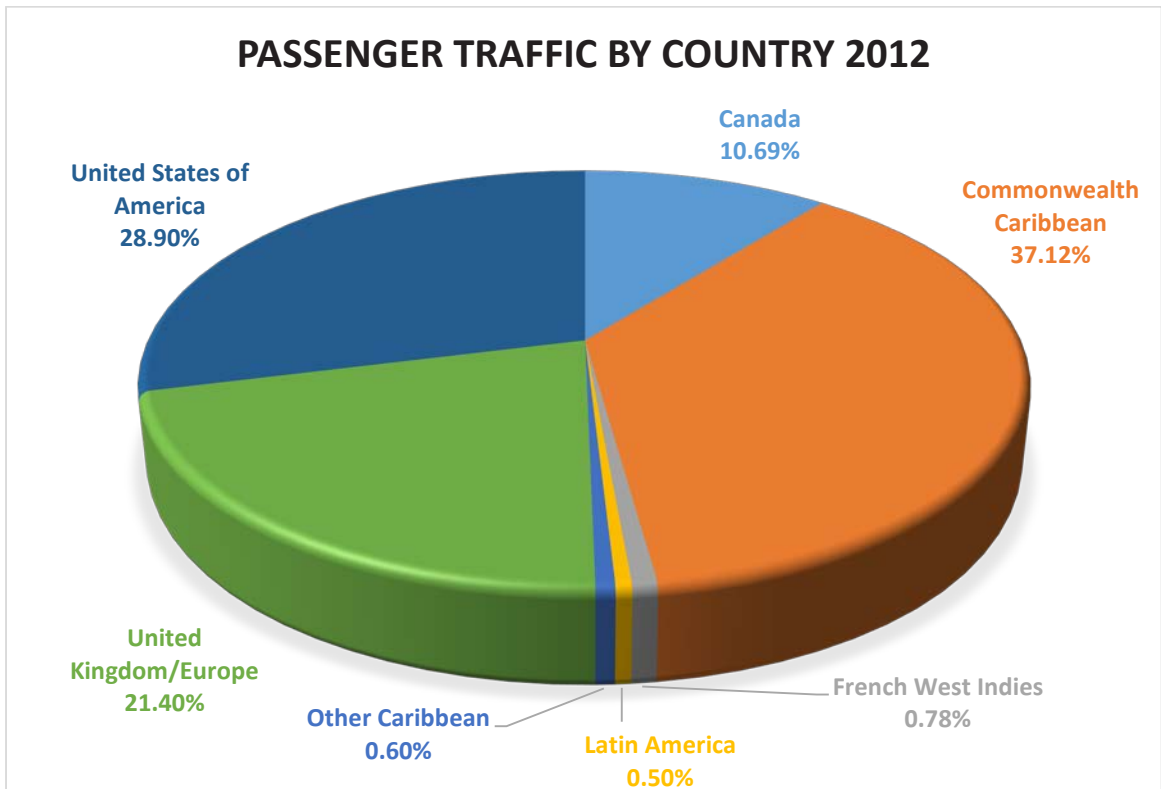
The pie chart titled Passenger Traffic by Country 2011 shows that the Commonwealth Caribbean continued to be the main source of passenger traffic, with a total of 34.19%. The second largest market was the United States with 28.43%, followed closely by the United Kingdom with 25.53%. The French West Indies which consists of Martinique and Guadeloupe represented a slight .72% of the traffic while the Other Caribbean which consists of the Grenadines island of Canouan, the Dutch islands of Curacao and St. Maarten, and Tortola in the British Virgin Islands together made up .77% of passenger traffic.

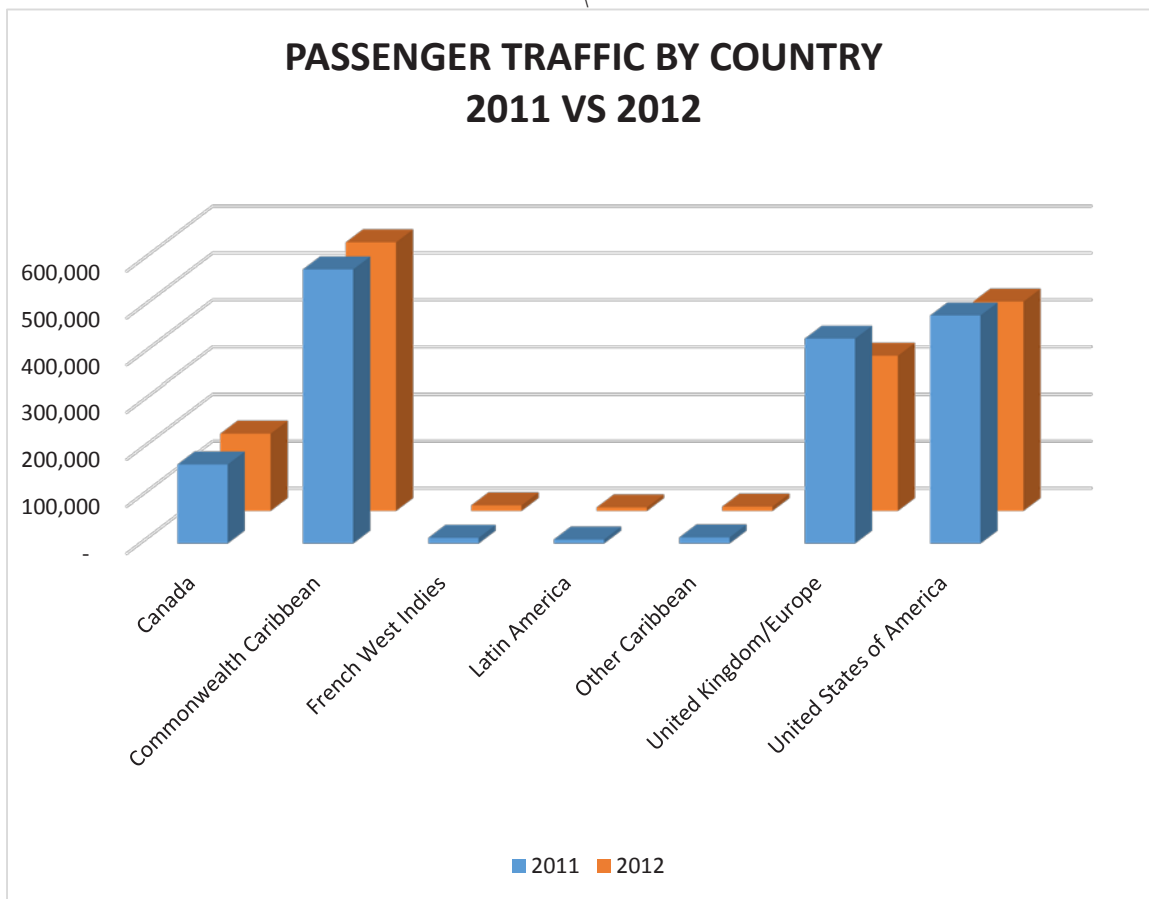
PASSENGER TRAFFIC BY COUNTRY 2011



The pie chart below shows that in 2012 there were slight increases in passenger traffic from all regions except the United Kingdom, Latin America and other Caribbean States.

PASSENGER TRAFFIC BY COUNTRY 2012





The above graph titled Passenger Traffic by Country 2011 vs 2012 gives the numeric comparison of the two year period. This graph indicates that the French West Indies recorded 11,927 passengers or 0.78% in 2012 down from 12,201 passengers or 0.72% in 2011. Latin America recorded 7,670 passengers or 0.50% in 2012 down from 8,637 passengers or 0.51% in 2011. The Other Caribbean recorded 9,287 or 0.60% of passengers in 2012 in comparison to 13,071 or 0.77% in 2011 of passenger traffic.

There was a 5% decrease in traffic from The United Kingdom/Europe which recorded 329,317 passengers or 21.4% of traffic in 2012 as compared to 435,005 or 25.53% in 2011. On the other hand passenger traffic from the United States of America which totalled 444,742 passengers or 28.9% registered a slight increase over the 484,452 or 28.43% in 2011.

Table I which is attached at Appendix IV gives a breakdown of passenger traffic by country and city for the period January to December 2011 in comparison with the same period in 2012. Passenger traffic for the period January to December 2012 totalled 1,538,641 while for the same period in 2011, 1,704,151 passengers were recorded. This represents a decrease of 9.71% or 165,510 passengers.

TRENDS IN AIR TRANSPORT

Strong economic growth in emerging markets resulted in greater aviation connectivity and increased passenger traffic by 5.3% globally. There was a global shift in the provision of new fuel-efficient aircraft in response to sustained high fuel costs. Freight load factors and the utilization of freight aircraft continued to decline further from 2011.

Safety was the primary priority for the aviation industry and the industry recorded its safest years ever. This was accomplished through regional runway safety seminars and enhanced International Air Transport Association (IATA) Runway Excursion Risk Reduction and the IATA Flight Data Exchange Programme. Aviation safety moved to a stage of data-driven analyses and trends and interaction between the link in the air transport chain and established foundations for performance-based management adding to the ability to conduct better predictive analyses.

Security was also in focus in 2012. It was recognised that the industry and government needed to collaborate in order to deliver effective security delivery and that change was required to unify government security standards and provision of data and respect for global agreements, the development of the Checkpoint of the Future (CoF) and the implementation of secure supply chains. The CoF is the creation of a system based on allocating resources based on risk and air travellers, thereby minimising hassles through advanced screening technology and passenger-based differentiation. This process began with the CoF technology trials and accompanied the publication of the Blueprint for a Checkpoint of the Future.

It was noted that harmonised passenger rights regulation, with transparency and an internationally agreed-to principles were tantamount to the effective passenger rights regulations for the global network industry. There was also a noted need for the modernisation of the 1963 Tokyo Convention.

APPENDICES

APPENDIX I

SUB HEAD AND OBJ. NO.	HEAD 68 MINISTRY OF INTERNATIONAL BUSINESS AND INTERNATIONAL TRANSPORT	PROPOSED NEW BUDGET 2012/2013
	<u>334: REG. OF AIR SERVICE</u> <u>SUB-PROGRAM 336:</u> <u>ACTIVITY: AIR TRANSPORT</u> <u>LICENSING AUTHORITY</u>	
	<u>(CODE 68 334 336)</u> <u>OBJECT CLASSIFICATION</u>	
	TOTAL AIR TRANSPORT LICENSING AUTHORITY	293,693.00

APPENDIX II

FEEES COLLECTED & LICENCES ISSUED

APRIL 1, 2012 TO MARCH 31, 2013

Licence No	Airline	Route	Date Issued	Total Fees Paid
2-09-1 (AMENDED)	Virgin Atlantic Airways Ltd.	London/Barbados/London	April 18, 2012	Fees paid in Previous Year
2-09-2 (AMENDED)	Virgin Atlantic Airways Ltd.	Manchester/Barbados/Manchester	April 18, 2012	Fees paid in Previous Year
4-12-1	Caribbean Airlines Ltd.	Port-of-Spain/Barbados/London/Barbados/Port-of Spain	April 26, 2012	5,500.00
12-12-1	American Airlines	Miami/Barbados/Miami	December 11, 2012	5,500.00
	Caribbean Airlines Ltd.	Port-of-Spain/Barbados/Kingston/Barbados/Port-of-Spain	Application not yet Issued	1,500.00
Total Funds collected as at March 31, 2013				\$ 12,500.00

APPENDIX III

AIR TRANSPORT LICENCES VALID AS AT MARCH 31, 2013			
AIRLINES		LICENCE NO:	ROUTES
1	Air Canada	9-08-3	Montreal/Barbados/Montreal
		9-08-4	Toronto/Barbados/Toronto
2	American Airlines	12-12-1	Miami/Barbados/Miami
		9-08-2	New York/Barbados/New York
3	Amerijet	8-09-1	Miami/Barbados/San Juan/Barbados/Miami
		8-09-2	Miami/Barbados/ Bogota/Barbados/Miami
4	British Airways PLC	12-11-06	London/Barbados/London
5	Caribbean Airlines	12-11-2 AMENDED	Port of Spain/Barbados/Port of Spain
		12-11-3 AMENDED	Port of Spain/Barbados/ Kingston/Barbados/Port of Spain
		12-11-4 AMENDED	Port of Spain/Georgetown/Barbados/Port of Spain
		12-11-5 AMENDED	Port of Spain/St. Lucia/Barbados/St. Lucia/Port of Spain
		2-12-02	Kingston/Barbados/Kingston
		4-12-1	Port-of-Spain/ Barbados/London/Barbados/Port-of-Spain
6	Condor Flugdienst	9-09-1 AMENDED	Frankfurt/Barbados/Frankfurt
7	Gol VRG	6-10-1	Brazil/Barbados/Brazil
8	JetBlue	6-09-1	New York/Barbados/New York

APPENDIX III

9	LIAT	8-09-3	Barbados/Antigua/Barbados
		8-09-4	Barbados/Curacao/Barbados
		8-09-5	Barbados/Dominican Republic/Barbados
		8-09-6	Barbados/Martinique/Guadeloupe/ Barbados
		8-09-7	Barbados/St. Lucia/Barbados
		8-09-8	Barbados/Venezuela/Barbados
		8-09-9	Barbados/Kingston/Barbados
10	US Airways Inc.	12-11-1	Charlotte/Barbados/Charlotte
11	Virgin Atlantic	2-09-1 AMENDED	London/Barbados/London
		2-09-2 AMENDED	Manchester/Barbados/Manchester
12	Westjet	7-08-1	Toronto/Barbados/Toronto

APPENDIX IV

TABLE I
PASSENGER TRAFFIC BY COUNTRY AND CITY - DECEMBER 2012

CITY	MONTH				CUMULATIVE			
	DECEMBER				JANUARY TO DECEMBER			
	2011	2012	CHANGE		2011	2012	CHANGE	
ABS			%	ABS			%	
CANADA	15,223	15,397	174	1.14	168,159	164,484	-3,675	-2.19
MONTREAL	712	675	-37	-5.20	7,668	7,155	-513	-6.69
TORONTO	14,511	14,722	211	1.45	160,491	157,329	-3,162	-1.97
COMMONWEALTH CARIBBEAN	47,265	48,649	1,384	2.93	582,626	571,214	-11,412	-1.96
ANTIGUA	3,586	2,956	-630	-17.57	56,607	52,342	-4,265	-7.53
DOMINICA	1,724	6,026	4,302	249.54	31,741	38,064	6,323	19.92
GEORGETOWN	7,126	3,757	-3,369	-47.28	70,749	61,718	-9,031	-12.76
GRENADA	3,435	3,399	-36	-1.05	53,539	48,660	-4,879	-9.11
KINGSTON	3,060	2,943	-117	-3.82	36,009	30,768	-5,241	-14.55
PORT OF SPAIN	15,241	13,665	-1,576	-10.34	159,902	162,081	2,179	1.36
ST. KITTS	89	11	-78	-87.64	1,578	1,670	92	5.83
ST. LUCIA	5,136	4,361	-775	-15.09	68,671	64,490	-4,181	-6.09
ST. VINCENT	7,622	11,531	3,909	51.29	102,299	108,258	5,959	5.83
TOBAGO	246	0	-246	-100.00	1,531	290	-1,241	-81.06
OTHER	0	0	0	0.00	0	2,873	2,873	100.00
FRENCH WEST INDIES	827	967	140	16.93	12,201	11,927	-274	-2.25
MARTINIQUE	629	967	338	53.74	11,501	8,770	-2,731	-23.75
GUADELOUPE	198	0	-198	-100.00	700	3,157	2,457	351.00
LATIN AMERICA	822	784	-38	-4.62	8,637	7,670	-967	-11.20
SAO PAULO	822	784	-38	-4.62	8,637	7,670	-967	-11.20
OTHER CARIBBEAN	694	651	-43	-6.20	13,071	9,287	-3,784	-28.95
CANOUAN	105	505	400	380.95	969	1,843	874	90.20
CURACAO	155	0	-155	-100.00	3,817	643	-3,174	-83.15
ST. MAARTEN	258	146	-112	-43.41	3,258	3,584	326	10.01
TORTOLA	176	0	-176	-100.00	5,027	3,217	-1,810	-36.01
UNITED KINGDOM/EUROPE	41,565	43,911	2,346	5.64	435,005	329,317	-105,688	-24.30
FRANKFURT	3,148	5,436	2,288	72.68	17,521	24,623	7,102	40.53
LONDON	34,633	34,154	-479	-1.38	379,098	259,039	-120,059	-31.67
MANCHESTER	3,784	4,321	537	14.19	38,386	45,655	7,269	18.94
UNITED STATES OF AMERICA	42,990	36,874	-6,116	-14.23	484,452	444,742	-39,710	-8.20
ATLANTA	0	0	0	0.00	1,942	0	-1,942	-100.00
CHARLOTTE	1,123	1,228	105	9.35	8,975	10,449	1,474	16.42
DALLAS	3,052	0	-3,052	-100.00	39,334	13,700	-25,634	-65.17
MIAMI	19,382	19,386	4	0.02	215,674	219,376	3,702	1.72
NEW YORK	18,488	16,260	-2,228	-12.05	214,541	194,557	-19,984	-9.31
SAN JUAN	945	0	-945	-100.00	3,986	6,660	2,674	67.08
TOTAL	149,386	147,233	-2,153	-1.44	1,704,151	1,538,641	-165,510	-9.71

