

Antitrust Aviation Seminar, 12th October 2016

The Antitrust Aviation Seminar was held on October 12, 2016 at the Faculty of Management of University of Warsaw. The event was organized by Centre for Antitrust and Regulatory Studies (CARS) of the Faculty under auspices of Polish Civil Aviation Authority and LOT Polish Airlines.

The principle goal of the seminar was to familiarize guests with antitrust policy and legal regulations in civil aviation in American and European environment from both academic and practical perspectives. Speeches were given by distinguished experts representing universities and aviation sector: Prof. Michael Jacobs (DePaul University, Chicago), Prof. Marek Żylicz, Dr Izabella Szymajda-Wojciechowska (vice-president, Polish Civil Aviation Authority), Dr Agnieszka Kunert-Diallo (compliance officer, LOT Polish Airlines), Dr Filip Czernicki ("Polish Airports" State Enterprise) and Dr Jan Walulik (CARS).

The whole seminar was held in English and was organized as follows: informal session lasted from 2.00pm to 3.00 pm. At 3.00 pm Dr Jan Walulik, opened a the session by welcoming the guests and introducing all panelists. Then presentations were launched. The first to speak was Prof. Jacobs who discussed deregulation in aviation sector in the United States introduced by the act of 1979. Prof. Jacobs described the US policy which eased mergers between airlines and caused that by 2010s many American carriers have been consolidated into larger companies (including mergers between American Airlines and US Airways, United and Continental or Delta Air Lines and Northwest). And although prof. Jacobs praised the solution for its impact on competition, he pointed out several issues concerning formation of oligopolies resulting from mergers: accessibility to particular flights, seats availability, entering alliances and airport capacity.

Next to speak was prof. Marek Żylicz, who admitted that for a long period of time competition was not the core point of regulation in aviation, at least for governmental organizations. Commercial aspects of air travels were the domain of bilateral agreements between states and primarily concerned tariffs, commercial operations etc. Universal arrangements were absent, at least until 1960s, when IATA introduced several regulations on standards in air services.

Dr Izabella Szymajda-Wojciechowska paper was devoted to common points and differences between American and European aviation markets. Although the European Union struggled to unify its market regulations between EU Member States and third countries still

needed to be based on bilateral agreements. The situation has changed in 2002 when thanks to a judgement by ECJ, the Commission became able to negotiate on behalf of the EU agreements with third states. In result, EU designation clauses have been developed. The presentation of Dr Szymajda-Wojciechowska has been illustrated by various examples.

Dr Agnieszka Kunert-Diallo pointed out that in European environment it is difficult to be competitive, especially when an airline acts independently. Nowadays, when two models are exploited by carriers: hub-and-spoke and point-to-point, a company should seek to join a larger team (e.g. an alliance) to stay in the game. The positive point is that European Commission cares good conditions for airlines in the EU.

The last presentation was delivered by Dr Filip Czernicki. He referred to the situation of airports in Poland and Europe. Although in the past aerodromes were regarded as being monopolists and non-competing with each other, today, the situation has changed significantly and aspects of competition can be found everywhere. This is still controlled by authorities. First, airport tariff regulations are regularly controlled by CAA. Also, provisions on transparency should be respected – distribution of slots, especially during rush hours or ground handling issues should be in regulated in a perfectly transparent way. Running airports may also rise several problems related to competition. For instance, should Warsaw have two separate airports, like today's Chopin and Modlin, or is the “duoport” concept a preferable solution. Dr Czernicki supported his views with cases concerning Chopin Airport from the recent past.

Afterwards, guests were welcomed to ask questions and to comment on the topics. The questioning session lasted from 4.00pm to 5.30pm. Guests posed various queries concerning balance between antitrust policy and antitrust regulations, financing construction of airports from European funds, role of Chapter 11 in aviation sector in the United States, position of regional airports, state funding for airports and many more.

After this session ended, dr Jan Walulik officially closed the seminar.

Mateusz Osiecki

PhD candidate, Department of International Law and International Relations,
University of Lodz

e-mail: mateusz.w.osiecki@gmail.com