



## Airlines Cessation of Operations, Revocation of Licenses and Bankruptcy: implications on airport slot management

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## Consumer Protection in the field of the international aviation law. Up to date and perspectives

Juan Fernando Puerta  
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by Daniel Martínez Garbuno | Apr 10, 2023 | Airlines | 0 comments



## Colombian Low-Cost Carrier Ultra Air Suspends Operations

■ Bloomberg Linea can confirm that the airline will cease operations on Thursday, buffeted by rising fuel prices, the unfavorable exchange rate and a failure to find funding



Colombian low-cost airline Ultra Air. Ultra Air will cease operations from March 30.

In less than a month, Colombia lost two ultra-low-cost carriers, **Viva Air** and **Ultra Air**. Their ceases of operations created a decrease of 15% in the number of weekly operations and seats available departing from the South American country.

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# 1. Slots property and regulatory approaches



Worldwide Airport Slot Guidelines (WASG) leaves the details of the regulation of slots to each of the countries. **Airport coordination is essential for efficiency of the operations as well as for the mobility principle.** Slots are SUPER relevant!



Slots as public goods



Slots as property of airport developers



Slots as property of airlines

Three approaches to slots ownership

The Colombian regulatory approach



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## 2. The problem of bankruptcy and operations cessation

Absence of regulation in WASG to address the operations cessation

The legal and operational challenges in slot management when cessation of operations occurs

This is a situation that could be categorized as "extreme", but, nevertheless, happens very often in the increasingly demanding aviation industry.



Several studies indicate that an adequate regulatory framework allows economic agents to have incentives for an efficient use of scarce assets such as slots, with the effect of generating wealth.

**Navigation in difficult times:** the Colombian case two major airlines simultaneous bankruptcy

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### 3. Some ideas and recommendations



Bankruptcy is a common place in difficult times, there should be a regulatory framework.

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Passive positions in CP matters  
*(commercial/economic aspect of aviation)*

CP is populist = no incentives to  
demand uniformity from ICAO

Is CP fully covered and  
addressed by MC99?



ICAO

The proliferation of CP rules

**Endangers**

**CH44**

Uniformity  
Sustainability  
Standardization

**MC99**

Harmonization  
Desirability of an orderly  
development of international air  
transport

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# Key Points

- ① ICAO does not cover economic/commercial regulations. To be focused only on aspects such as safety, security, environmental, etc.
- ② A CP SARP = Compliance level of certain countries is low. The role of the US and EU in enforcing CP SARP?
- ③ Some countries lack interest believing that they already have robust and sufficient CP rules.
- ④ International instrument expanding MC99's scope. Coordination, resources, and consensus. Plus! ICAO's role in education and training.

# Thank you!

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