



Glossary of Useful Terms

A

ABTA - Association of British Travel Agents.

ACL - Airport Co-ordination Limited: allocates slots at major UK airports (see [Airport Co-ordinator](#))

AEA - Association of European Airlines: a trade association of the international airlines of western Europe.

Aeronautical authority: a body responsible for drafting and implementing an [Air Services Agreement \(ASA\)](#) and [Memorandum of Understanding \(MOU\)](#); in the UK this is the Secretary of State for Transport for all issues except tariffs for which the [Civil Aviation Authority \(CAA\)](#) is the aeronautical authority.

Agreed Record: the same as an [Memorandum of Understanding \(MOU\)](#).

AIP - Aeronautical Information Publication: a publication issued by, or with the authority of, a state and containing information of a lasting character essential to air navigation.

Air Service: "Air service" means any scheduled air service performed by aircraft for the public transport of passengers, mail or cargo. Definition from Article 96 of the [Chicago Convention](#).

Airport Co-ordinator: an independent body responsible for slot allocation at [co-ordinated airports](#).

Airway: a control area in the form of a corridor, normally 10 nautical miles wide, delineated by navigation aids (eg beacons).

AIS - Aeronautical Information Service: run by [NATS](#); issues [Notice to Airmen \(NOTAM\)](#) to airlines on security, safety and navigational matters.

ANO - The Air Navigation Order 2000 (S.I. 2000, No. 1562): secondary legislation covering the legal requirements under which UK-registered aircraft/airlines operate; providing that operating permits should be required for foreign airlines operating commercial services (scheduled and charter) to the UK and setting out the grounds on which permits may be refused and the penalties for infringements of the ANO. The Air Navigation (Overseas Territories) Order 2001- the ANOTO - covers the *Overseas Territories*.

AOC - Air Operator's Certificate: the AOC is the key link to safety oversight. It attests to an airline's competence as to safe operation and it determines who is responsible for an airline's safety oversight. In the UK that is the *Safety Regulation Group* of the CAA. An AOC is one of the criteria required in order for the CAA to grant an operating licence. Known as an Air Carrier Certificate in the US.

ASA - Air Services Agreement: a treaty containing bilaterally-agreed legal framework upon which scheduled air services may operate.

ASK - available seat kilometres: the number of seats available for sale multiplied by the distance they flew.

ATC - Air Traffic Control.

ATOL - Air Travel Organisers Licence: granted by the Civil Aviation Authority (CAA), these licences are a legal requirement for tour operators which sell most types of air travel/holiday packages in the UK. The procedure involved in obtaining such a licence, which is mandatory for UK tour organisers, involves financial screening by the CAA so that money can be provided to bring passengers home from abroad and to refund those who have paid in advance in circumstances where, for example, airlines cease operations through bankruptcy.

ATS - Air Traffic Services: air traffic control facilities.

AUC - Air Transport Users Committee: a non-statutory body appointed and financed by the Civil Aviation Authority (CAA) to represent the users of air transport. Responds to complaints from passengers about poor quality flights and advises on possible legal redress.

B

BARUK - Board of Airline Representatives in the UK: the body representing foreign airlines operating to the UK. There are equivalent bodies in other countries on which the UK airlines are represented.

Bermuda 1: original UK/US air services agreement signed in 1945; the original "liberal" non-restrictive type of Air Services Agreement (ASA).

Bermuda 2: UK/US air services agreement negotiated in 1977 which superseded Bermuda 1 in order to redress the balance of air service advantage, which at that time lay with the US, by limiting the number of airlines that could be designated to operate on certain routes and the over-provision of capacity by some US carriers.

Blind Sector: a sector within an agreed route on which traffic may not be carried. For example, a service London - Hong Kong - Manila operating Hong Kong - Manila as a blinded sector means that traffic could not be carried between Hong Kong and Manila.

C

CAA - Civil Aviation Authority: the UK's aviation safety and economic regulator (see <http://www.caa.co.uk/> for further details of the CAA's responsibilities).

Cabotage: domestic services in one country operated by a carrier of another country.

Capacity: the frequency of flights or number of seats which the designated carriers of each side are permitted to operate. These arrangements are usually set out in the Memorandum of Understanding (MOU) and can involve a stated limit on capacity, an agreed step increase in capacity or another formula for covering the need for future growth in capacity.

Capacity Dumping: the introduction of excess capacity at low fares into a market by an airline with a view to increasing market share and possibly forcing other carriers off the route.

Certificate of Airworthiness - see Art. 31 of the Chicago Convention.

Change of Gauge: an operation where an aircraft with greater or lesser seating capacity is employed for one or more sectors of a multi sector route. For example, one aircraft could be used for a flight between London and Singapore and another, based in Singapore by the UK airline, could be operated to take passengers on from Singapore to Brunei. Such a service would need the agreement of both Singapore and Brunei even if Singapore/Brunei traffic was not to be carried on it.

Chapter 2/3: refers to the noise standards specified in Volume I of Annex 16 to the Chicago Convention. Since 1 April 2002, Chapter 2 aircraft have been banned from operating to EU Member States unless in possession of an exemption granted by a Member State (the Civil Aviation Authority in the UK). Grounds for exemptions are defined by Article 8 of the 92/14/EEC Directive - ie operations of an exceptional nature or non-revenue flights, effectively humanitarian flights or head of state flights.

Charter: a non-scheduled flight operated according to the national laws and regulations of the country being served, as provided for in Article 5 of the Chicago Convention. A flight on which all (or almost all) the capacity which is occupied by passengers or cargo has been sold to one or more charters for resale. Sometimes charter operators seek to sell some seat-only tickets in order to fill the aircraft (some aviation partners are more liberal than others; some will allow any type of charter, including seat-only, subject to reciprocity; others control charter operations very tightly).

Chicago Convention (see also ICAO): Convention signed in December 1944 which sets out the framework on which air services operate in order that "international air transport services may be established on the basis of equality of opportunity and operated soundly and economically". Established the *ICAO*. The key articles are:

- Article 1 - sovereignty of air space
- Article 5 - covering charter flights
- Article 6 - covering scheduled flights
- Article 7 - restriction on cabotage
- Article 15 - non-discriminatory *user charges*
- Article 24 and Annex 9 - customs
- Article 29 - documents to be carried on aircraft

Article 31 - certificates of airworthiness

Article 33 - recognition of certificates.

The full text of the convention can be found at <http://www.mcgill.ca/files/iasl/chicago1944a.pdf>

The Annexes to the Chicago Convention are documents covering technical issues and are updated on a fairly regular basis. The Annexes are:

Annex 1 - Personnel licensing

Annex 2 - Rules of the Air

Annex 3 - Meteorological Services for International Air Navigation

Annex 4 - Aeronautical Charts

Annex 5 - Units of Measurement for Air and Ground Operations

Annex 6 - Operation of Aircraft

Annex 7 - Aircraft Nationality and Registration Marks

Annex 8 - Airworthiness of Aircraft

Annex 9 - Facilitation (expediting entry and departure at airports)

Annex 10 - Aeronautical Telecommunications

Annex 11 - Air Traffic Services

Annex 12 - *Search and Rescue*

Annex 13 - Aircraft Accident Investigation

Annex 14 - Aerodromes

Annex 15 - Aeronautical Information Services

Annex 16 - Environmental Protection

Annex 17 - Security - Acts of Unlawful Interference

Annex 18 - The Safe Transport of Dangerous Goods by Air.

City Pairs: - the points of origin and destination of a flight.

COA - Certificate of Airworthiness.

Code Sharing: an increasingly common marketing device whereby an airline places its designator code on a service operated by another airline. When selling a service, the marketing carrier is required to tell passengers that the service will be operated by another carrier.

Combi - combined passenger and cargo service: carrying fewer seats and taking more cargo than passenger aircraft.

Contracting Party: signatory to an Air Services Agreement (ASA).

Contracting State: a state that has consented to be bound by a treaty whether or not the treaty has entered into force.

Convention: term used for agreements to which a large number of countries are parties.

Co-ordinated Airport: an airport where demand exceeds available slots and a slot allocation procedure has to be used (in the United Kingdom: Heathrow, Gatwick, Stansted and Manchester).

Co-ordination Committee: advises airport co-ordinator; includes representatives of the airport, air traffic control, airlines using the airport, representative airline organisations.

COR - Certificate of Registration of an aircraft.

CPIC: ratio between the percent of total capacity in a market that is operated by an airline and the percent of total passengers in the market that is carried by that carrier. A CPIC of 1.0 means that the percentage of passengers carried equals the percentage of capacity operated on the route by that carrier. A CPIC greater than 1 means that more passengers are carried than the percentage of capacity operated and a CPIC of less than 1 means that fewer passengers are carried than the percentage of capacity operated (i.e. the airline is relatively unsuccessful in the market).

CRS - computer reservation system: a computerised system that displays information on availability of seats and connecting services etc, and provides comprehensive facilities for direct booking by travel agents. For the UK, CRS systems fall under EC Directives.

Crew Licences - see Arts 29 and 32 of the Chicago Convention.

D

Damp lease: see lease .

Designation: nomination by a state of the airline or airlines to operate particular route. The bilateral partner can be informed of the nomination by letter, Diplomatic Note or inclusion of the details in an Memorandum of Understanding (MOU) / Agreed Record. Multiple designation arrangements permit an unlimited number of scheduled carriers to operate. Dual designation allows only two carriers from each side to operate and single designation permits only one carrier from each side to operate.

Diplomatic Note: formal "letter" sent by FCO/Embassy on behalf of the Contracting Party used, eg to notify designation of an airline (although this can usually be done by a letter from the aeronautical authority unless the Air Services Agreement (ASA) says otherwise) or formally requesting talks (again a letter is usually sufficient).

DfT - Department for Transport (**NB** predecessors to DfT include Department of Transport (DOT), Department of the Environment, Transport and the Regions (DETR), Department for Transport, Local Government and the Regions (DTLR))

Dry lease: see lease.

E

EASA - European Aviation Safety Agency: established by Council Regulation (EC) No 1592/2002, which puts in place common rules on aviation safety and environmental certification and creates an aviation safety agency: to draw-up common standards to ensure the highest level of safety; to oversee their uniform application across Europe, and to promote them at world level.

ECAC - European Civil Aviation Conference: an autonomous body set up in 1955 following a decision by the Council of Ministers of the Council of Europe. It is an autonomous body which is neither a completely independent body nor a body subordinate to International Civil Aviation Organisation (ICAO) and integrated with it. Its objectives are to review generally the development of European air transport in order to promote the co-ordination, the better utilisation and the orderly development of air transport. Its principal interest is the economic aspects of air transport and to advise and assist European signatory states in the preparation of their national regulations. There are similar regional conferences in Africa (AFCAC) and Latin America (LACAC).

EEA - European Economic Area: the EEA brings together the fifteen EU Member States with three of the four members of the European Free Trade Association (EFTA): Iceland, Liechtenstein, and Norway. The EEA Agreement was signed in 1992 (as the EU completed its single market) and entered into force in 1994. It gives participating EFTA states full access to the European Community's single market. This single market is covered by the EC's "acquis communautaire", or legislation. See the FCO website for more information.

ERG - Economic Regulation Group: part of the Civil Aviation Authority dealing with economic analyses of rights exchanges, UK and foreign carrier tariffs and route licences for, and financial competence of, UK-registered airlines.

Eurocontrol: provider of *ATC* for overflights of European countries. Civil Aviation Authority collects fees on their behalf and acts to detain aircraft where debts to Eurocontrol have built up.

Exchange of Letters: letters between the aeronautical authorities amending an Memorandum of Understanding (MOU) or equivalent document; they are not published and not legally binding although breach of their terms by one side would permit withdrawal of reciprocal/exchanged rights by the other side.

Exchange of Notes: letters between Contracting Parties used to amend an Air Services Agreement (ASA); they are published and legally binding of Treaty status.

F

FIC - Flight Information Centre: a unit providing flight information services and an alerting service for airlines in the event of an accident.

FIR - Flight Information Region: an airspace of defined dimensions within which air traffic services are provided by the named centre/country.

FIS - Flight Information Service: a service provided to aircraft for the purpose of giving advice and information useful for the safe and efficient conduct of flights.

Flight Plan: information provided to air traffic service units about the intended flight of an aircraft.

Freedoms of the Air (these definitions relate to aircraft registered in state A):

1st freedom - the right to flight over state B without commercial or technical stops.

2nd freedom - the right to land in state B for *technical* purposes, e.g. refuelling.

3rd freedom - the right to set down traffic from state A in state B.

4th freedom - the right to pick up traffic in state B destined for state A.

5th freedom - the right to pick up traffic in state B destined for state C or put down traffic in state B originating in state C.

6th freedom - a service taking passengers between states B and C which flies via state A.

7th freedom - a service between state B and state C operated by airline of state A - a "free-standing fifth freedom".

8th freedom - cabotage.

NOTES: 3rd and 4th freedoms are always granted together. 6th freedoms are effectively two 3rd/4th freedom services linked together, each of which are operated under the relevant bilateral agreement. These are not rights "granted" under an Air Services Agreement (ASA) but they are controlled under the tariff and primary justification provisions of an ASA.

Free-standing fifth freedom: see *freedoms of the air*.

G

Gateway: a point of last departure from country A and first arrival in country B of international scheduled services; eg on a London-Manchester-Boston flight, the gateway airports would be Manchester and Boston.

Global Route Licence: a route licence permitting a combination of any points worldwide, subject to bilateral rights or, through the scarce capacity procedures, a variation of an airline's route licence. See the CAA's statement of policies for further information.

Grandfather rights: an airline that has operated a service from an airport at a particular *airport slot* in one year's timetable is said to have grandfather rights to that slot in subsequent years. The rights are predominantly only specific to a particular airline, rather than to a size of aircraft or destination.

H

Hub and spoke system: a hub is an airport on which traffic from a number of peripheral points is concentrated, and which is in turn linked by direct flights to peripheral (spoke) points. Such systems can involve linking a gateway airport to a number of domestic points (common in the US) or can be used in change of gauge operations. Compare with point-to-point.

Humanitarian flights: flights that take humanitarian aid or carry refugees etc. They can be of two types: UN-organised or those organised by DfID (Department for International Development). Under international conventions, UN flights are simply cleared whatever the carrier or routeing. DfID-organised flights continue to be subject to the normal permit procedures. Thus the use of a fifth freedom carrier will require non-objections from UK carriers.

I

IASTA - International Air Services Transit Agreement December 1944: provides for overflight of signatory states by airlines of other signatory states.

IATA - International Air Transport Agreement of December 1944: intended to fulfil the same function regarding air services which is now discharged by bilateral agreements. Only 12 states acceded to it and now the only importance of this document is that it defines the first five freedoms of the air.

IATA - International Air Transport Association: the trade body to which most scheduled international airlines belong. It has traditionally provided a forum in which interline agreements and other commercial arrangements as well as tariffs can be agreed. It has an increasing role in negotiating improved airways and access to airports.

ICAO - International Civil Aviation Organisation: a United Nations body formed in December 1944 under the auspices of the Chicago Convention with the objectives of developing the principles and techniques of international air navigation and fostering the planning and development of international air transport so as to: ensure safe and orderly growth of international aviation throughout the world; encourage the arts of aircraft design and operation for peaceful purposes; encourage the development of airways, airports and air navigation facilities for civil aviation; meet the needs of peoples of the world for safe, regular and efficient and economical air transport; prevent economic waste caused by unreasonable competition; ensure the rights of states are respected; avoid discrimination between states; and promote the safety of flight. Detailed standards and recommendations are included in the Annexes to the Convention eg Annex 6 on safety and Annex 9 on "facilitation" (customs, immigration, security checks etc).

Inclusive tour: sale of transport and accommodation as a package.

Initialling: signifies provisional assent to the text of a treaty by delegates following negotiation.

Interlining: changing, at an intermediate point on a journey, from one aircraft to an aircraft of a different airline but without any sharing of the airline codes. Compare code sharing.

International Air Service: an air service which passes through the air space over the territory of more than one state. Definition from Article 96 of the Chicago Convention.

J

JAA - Joint Aviation Authorities: an *ECAC* body concerned with safety standards. Many, if not all, of its functions will, over time, be subsumed by *EASA* at least for EU and EEA Member States.

L

Lease: an arrangement whereby an airline operates services on behalf of another airline. Leases can involve provision by the lessor airline of an aircraft (dry lease), aircraft and crew (wet lease) or aircraft and flight crew (damp lease).

Licences of crews - see Arts 29 and 32 of the Chicago Convention.

Load factor: the percentage of seats available that are actually purchased by passengers.

M

MOU - Memorandum of Understanding: a non-binding document agreed between two countries accompanying the air services agreement and including the detailed rights which cannot be contained in the Treaty because they are likely to be updated fairly frequently eg capacity limits and fifth freedom rights.

N

Non revenue passenger: a passenger carried free-of-charge by an airline - usually, a company employee. In their economic analyses, the *CAA* include an allowance (a set percentage) for seats not sold to the public in assessing load factors.

Non-traffic stop: see stop for non-traffic purposes.

Non-scheduled service: see charter

NOTAM: Notice to Airmen: a notice containing information about the establishment, condition or change in any aeronautical facility, service, procedure or hazard, the timely knowledge of which is essential to personnel concerned with flight operations. It is issued in the UK by the Aeronautical Information Service (AIS). A NOTAM Class 1 is distributed by means of telecommunications; a NOTAM Class 2 is distributed by slower and cheaper means.

O

Operating Licence: granted by the Civil Aviation Authority, the operating licence attests to the competence of an airline to operate air services. The criteria for granting a licence, covered by Council Regulation (EEC) No 2407/92 on Licensing of Air Carriers, relate principally to the place and nature of business; nationality of ownership and control; adequacy of financial resources; the holding of an *Air Operator's Certificate*; fitness; and passenger and third party insurance.

Operating permit: a permit issued allowing a carrier to operate a service to the UK under Article 113 of the ANO. Permits are required for scheduled and non-scheduled passenger, cargo and combi services where these services are operated for reward. Empty flights to position aircraft or for aircraft maintenance and flights operated on a non-commercial basis (eg a corporate-owned aircraft flying company members) do not require permits. UK airlines similarly need to seek permits from the aviation authorities of the country to which they wish to operate.

Overflight right: see freedoms of the air for definition, an overflight right is available for *scheduled* services under IATA and Article 3 of the model Air Services Agreement ; for charter services the right is granted under Article 5 of the Chicago Convention.

P

Permit: see *operating permit*.

Point to Point: a system whereby an airline's route network is composed of a number of city pairs, not necessarily linked by hub airports. This system is favoured by low cost carriers such as Southwest Airlines (in the US), easyJet and Ryanair (in Europe). Compare with hub and spoke.

Pooling Agreement: an agreement between two airlines operating the same route to develop their traffic as profitably as possible. All revenue gained by the airlines on the routes covered by the agreement is put into a common pool and shared out between the airlines in accordance with the terms of the agreement. This is old-fashioned and can be anti-competitive; the UK seeks to negotiate away such arrangements wherever possible.

Predatory fare: a below-cost fare set by an airline with the intention of forcing competitors out of the market.

Primary justification: that a service should be justified on the basis of the carriage of third/fourth freedom passengers/cargo rather than *fifth* or *sixth freedom* carriage.

Pro-rate Agreement: an agreement between two airlines on the fare that an airline should receive for carrying an interline passenger on one stage of the total journey - usually less, and sometimes much less, than the normal fare for that sector.

Programme charter: a series of charters for which a single application is being made by the operator.

Protocol: an agreement amending or supplementing an existing convention or agreement: usually a legally binding document.

PSO - Public Service Obligation: any obligation imposed on an air carrier to take, in respect of any route which it is licensed to operate by a Member State, all necessary measures to ensure the provision of a service satisfying fixed standards of continuity, regularity, capacity and pricing, which standards the air carrier would not assume if it were solely considering its commercial interest. As defined in Article 2 of EC Regulation 2408/92.

R

Ramp inspection: an inspection of a foreign-registered aircraft landing in the UK under the Safety Assessment of Foreign Aircraft (*SAFA*) programme on behalf of DfT.

Ratification: confirmation of signature and signifies the intention to be bound by the provisions of a treaty.

Route: the permitted points to or through which a carrier may fly under the bilateral arrangements with third/fourth freedom traffic rights. It is usually contained in the *route schedule/annex* to an *ASA* but amendments to the route may be set out in subsequent exchanges of notes.

Route licence: a licence issued by the *CAA* permitting a UK airline to operate a particular *route*. The *CAA* takes into account the financial and operational ability of the airline to operate the route, the available capacity on the route (asking *DfT* if further capacity is likely to be obtainable if the existing arrangements are insufficient to accommodate the new carrier on the *route*). *DfT* usually waits until such a licence has been granted before designating a carrier on a particular *route*. Only airlines with a UK *operating licence* can obtain a UK route licence. See the CAA's statement of policies for further information. See also global route licence.

Route Schedule: an annex to an Air Services Agreement setting out the routes that the *designated* airlines may use. An open route schedule allows a carrier to operate via or to any point without restriction. The route schedule usually contains a footnote requiring any *fifth freedom* rights to be the subject of negotiation between the bilateral partners. In some cases this footnote is omitted with the effect that open (ie unlimited) fifth freedom rights are permitted on the points on the routes set out in the route schedule.

RPK - Revenue Passenger Kilometre: the number of paying passengers carried multiplied by the distance they flew in kilometres.

RTK - Revenue Tonne Kilometre: the tonnage carried multiplied by the distance it is carried.

S

SAFA - Safety Assessment of Foreign Aircraft programme: see *ramp inspection*.

Scarce capacity: where bilateral restrictions prevent UK airlines from operating all of the services they plan to provide, the CAA will allocate scarce capacity between competing UK airlines. See the CAA's statement of policies for further information:

http://www.caa.co.uk/cpg/airline_licensing/airline_regs/default.asp?page=750

Scheduled service: an air service operated on a regular basis by a carrier in accordance with a published timetable or with flights so regular or frequent that they constitute a recognisably systemic series. It requires bilateral agreement to operate by virtue of Article 6 of the Chicago Convention.

Seat factor: see load factor.

Seat only operations: services where tickets only cover the cost of travel and not hotel, transfers etc.

Sector: a journey between two points/cities. A flight may be made up of a series of sectors - for example, London-Kolkata-Dhaka consists of two sectors: London-Kolkata and Kolkata-Dhaka.

Slot: a particular time allocated to an airline to land or take-off from a particular airport. The allocation of slots at co-ordinated airports in the European Union is governed by EC Regulation 95/93 which aims to provide for neutral, transparent and non-discriminatory slot allocation at the more congested Community airports through a co-ordinator independent of Government, airlines and airports. In the United Kingdom the slot co-ordinator is Airport Co-ordination Limited (ACL).

SRG - Safety Regulation Group: part of the Civil Aviation Authority dealing with safety issues relating to UK (licensing of airlines and pilots etc) and foreign airlines (advising on complaints relating to safety and carrying out ramp checks of aircraft and audits of airlines/ aviation authorities).

Stop for non-traffic purposes: see Art 96 of the Chicago Convention. See also freedoms of the air for definition. Available for *scheduled* services under *IATA* and Article 3 of the model Air Services Agreement (ASA); for charter services the right is granted under Article 5 of the *Chicago Convention*.

Stopover: the ability on a multi-*sector* route for passengers to remain for a few days at an intermediate point and then be carried on to their ultimate destination - usually negotiated as a separate right since it is difficult in practice to distinguish such passengers from *fifth freedom* passengers.

STGA - subject to government approval: airlines are permitted to sell particular services whilst approval from the relevant aeronautical authorities is awaited. Such services should appear in timetables and on the computer reservation system with this descriptor.

T

Tariff: the price charged for the public transport of passengers, baggage and cargo (excluding mail) on scheduled air services, including the conditions governing the availability or application of such price and the charges and conditions for services ancillary to such transport.

Technical stop: see stop for non-traffic purposes.

Terminal Passenger: statistic covering a passenger starting or finishing a journey at a particular airport.

Third Package: third *EC* package of measures to liberalise aviation.

TOP - temporary operating permit.

Transit Passenger: - a passenger passing through an airport for the express purpose of connecting with another flight.

Treaty: an agreement concluded in written form between two or more states (or entities such as international organisations having international personality) and governed by international law. A treaty, which may take the form of a convention, an agreement or a protocol, usually consists of a title, a preamble, recitals, a series of numbered articles and a conclusion followed immediately by the signatures.

U

Uplift ratio: applied by some authorities to regulate the number of charter flights operated by foreign airlines so that they can only uplift a certain number of passengers on flights originating in their country in proportion to the number originating in the airline's own country.

V

VIP flight: a sole-use flight for Heads of State, Ministers etc - treated as a non-commercial flight for which no operating permit is needed.

W

Wet lease: see lease.

Y

Yield: the difference between the cost of operation and price charged for carriage.