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**Subject: Report on the rise in the price of air tickets**

The purpose of this report is to contribute to the analysis that this esteemed Ministry is carrying out on the issue of the increase in the price of air tickets.

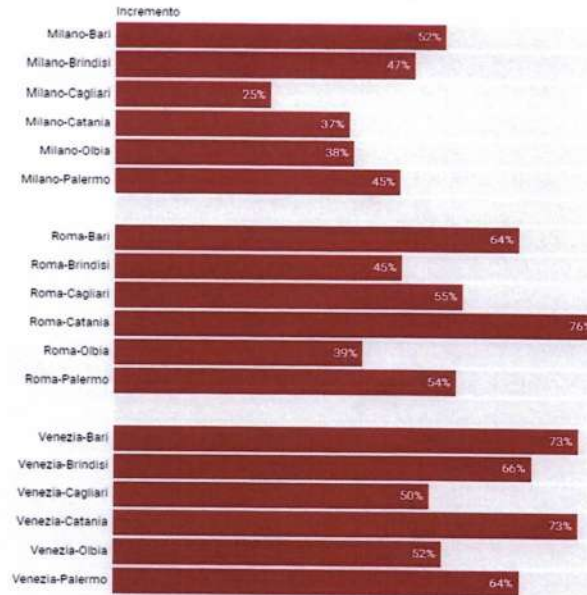
In order to give a general overview of the situation, it is necessary to point out that, in conjunction with the resumption of air traffic, which has been so severely affected by the COVID-19 pandemic and the Russo-Ukrainian conflict, there is a general and significant increase in air ticket prices, especially since *the summer season*; this increase, although also found in industry publications, is between 20% and 50% compared to what is practiced by carriers in the same period of the past year, with peaks of 70% for some island routes.





### L'incremento della tariffa media nei primi 5 mesi del 2023

(variazione % sui primi 5 mesi del 2022, entrambe le direzioni)



Fonte: analisi di Leonard Barberi su dati piattaforme specializzate - Creato con [Datawrapper](#)

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As one of the causes of the above-mentioned increase, the carriers have cited the fact that the price of fuel is increasing, which is one of the most significant cost components for carriers and is passed on (in whole or in part) to the cost of air tickets, and consequently leads to the increase in the cost of air tickets. However, to date, the price of fuel has fallen significantly compared to last year (by about 40%) and, nevertheless, the fares of air tickets do not seem to have been affected in any way, as is clear from the following graph published by Corriere della Sera.

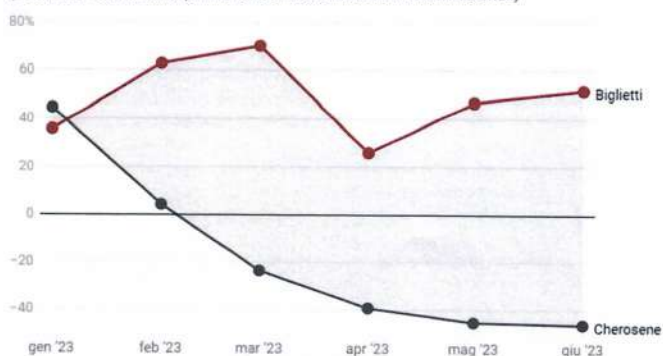
*C. della S  
is not an  
authority  
or evidence  
of pricing*

<sup>1</sup> Source: Corriere della Sera [https://www.corriere.it/economia/consumi/23\\_luglio\\_21/caro-voli-limite-prezzi-eccessivi-Government-prepares-standard-locks-algorithm-38c5ddee-270a-11ee-8ff1-5e0f92474986.shtml](https://www.corriere.it/economia/consumi/23_luglio_21/caro-voli-limite-prezzi-eccessivi-Government-prepares-standard-locks-algorithm-38c5ddee-270a-11ee-8ff1-5e0f92474986.shtml)



### L'andamento del costo del cherosene e dei biglietti aerei

(confronto con un anno prima, voli dall'Italia nazionali e internazionali)



Fonte: analisi di Leonard Berberi su dati Iata, Platts, piattaforme specializzate • Creato con [Datawrapper](#)

On the other hand, it cannot fail to consider itself as following the COVID --19 pandemic - measures restricting the mobility of persons have even become necessary to overcome this - there is at last a substantial increase in demand for 'air transport' driven precisely by the desire to travel by air. Indeed, at present, demand for air transport appears to have matched or even exceeded supply, which clearly affects the amount of fares as will be more detailed later.

In the face of this increase, however, the airlines and operators involved in the air transport chain (operators, *handlers*, air navigation service providers) are not always able - or can - intercept and "accommodate" the potential demand for a number of reasons which, ultimately, they relate to the problem of limiting available capacity in all its components, such as: (1) the number of seats offered by airlines; (2) constraints due to existing equipment of *air side and land side* airport facilities, (3) availability of adequate staff and means to provide ground handling to aircraft and crews, and (4) availability of en-route and terminal flight handling personnel.

This leads to cascading delays and disruptions due to congestion at airports and, ultimately, to additional costs for the system, which may also have an impact on air ticket prices.

All of the above, given as a general framework, provides a more precise contribution by the entity on the subject.

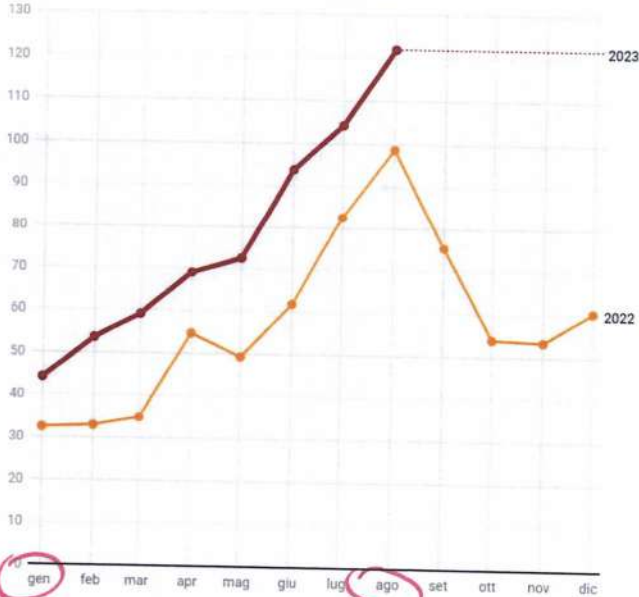


1. Premise

As I have just said, in recent months there has been a gradual, significant and widespread increase in air ticket prices. In this regard, the following graph of the Corriere della Sera is explanatory.

**Le tariffe medie dei voli dall'Italia**

(in euro, a tratta - collegamenti nazionali e internazionali)



Fonte: analisi di Leonard Berberi su dati piattaforme specializzate - Creato con Datawrapper

*Prices inc from Jan to August??  
Prices rise every summer*

*70% FALSE  
Prices up  
20%  
Fuel up  
40%*

With particular reference to the routes connecting the peninsula to the two largest islands, increases of up to 70 % were noted compared to the same period of the previous year, already in relation to the Christmas holiday period 2022. In this respect, Codacons Sicilia and Regione Siciliana had already notified the Italian Competition Authority ('AGCM') about the high flights found both during the Christmas period and in the vicinity of the Easter holidays and the bridges.

Therefore, following the reports referred to above, AGCM decided to initiate the investigation, in accordance with Art. 14 of L. no. In order to establish whether there have been infringements of Article 287 of Regulation (EC) No 1990 against Ryanair DAC, Wizz Air Hungary Ltd, Easyjet Airline Company Limited, Italia Carriage Aeropuerto S.p.A. 101 TFEU (see: Measure No. 30408), also fixing the conclusion of the investigation procedure (I/863) as at 31 December 2023.



In this context, it is also worth pointing out that significant price increases are not only found close to holidays. But also in the event of accidents and catastrophic events that make alternative forms of transport such as rail or road inaccessible, as happened recently with the derailment of the freight train near Florence Castello station or the flood in Emilia-Romagna. Indeed, on these occasions, as indicated by the undersigned in special notes addressed to the AGCM in April and May 2023, the abolition of rail links and the inaccessibility of certain motorway sections has led to a surge in demand for air transport and users have complained of excessive increases in air ticket prices, which, with regard to specific domestic routes, have reached as much as €1,000 per person.

??

— WHOLES THIS €1000 TICKET ?? ITA ??

No EVIDENCE

Well, these commercial practices can only appear questionable as they seem to profit on situations of need and emergency in which users find themselves with the sole purpose of maximizing profits; For this reason, the entity immediately took action by notifying the AGCM of the incident and providing technical elements to support the investigation carried out by the offices, ensuring a constant supervision of the air transport sector to protect passengers in the event of events potentially damaging the fundamental right to mobility of citizens.

This action was necessary by weakening the body's power to trade Union the commercial practices of air carriers operating in liberalized markets, such as the air market for national and Community connections, whereas the power conferred by law on the AGCM, which, pursuant to Art. 12 of l. n. 287/1990, "after examining any information in its possession and any information brought to its knowledge by public authorities or anyone interested therein, including consumer representative associations, it shall conduct an investigation to verify the existence of infringements of the prohibitions laid down in articles 2 and 3".

## 2. A brief overview of carrier pricing policies

In the first place, it seems appropriate to recall Regulation (EC) No 24 September 2008, no. 1008/2008 which, in art. par. 22 1, stipulates that 'Community air carriers and, by way of reciprocity, air carriers from third countries shall freely determine air passenger and cargo tariffs for intra-Community air services'.

The pricing policies applied by the airlines are inevitably conditioned by the specific characteristics of the supply and demand of the air transport service. In particular, demand, on the one hand, is strongly influenced by doping

the nature of the journey (*business* or *leisure*<sup>2</sup>) which affects the price elasticity and flexibility of the offer; on the other hand, the offer is prepared well in advance and is linked to several factors such as the number of flights operated on the route, the type of aircraft used, etc.

The carrier normally pursues the filling of the aircraft with the aim of achieving maximum profit, therefore, in view of the characteristics of the different demand segments, it tends to discriminate in price with the aim of equalizing the maximum price that the buyer is willing to pay for the air transport service. Price discrimination is generally practiced through the provision of differentiated tariffs according to:

- the type of passengers, such as children or military personnel, sportsmen, etc.;
- the booking classes each characterized by a different level of quality and flexibility of the service offered (*i.e. first, business and economy*);
- the advance with which the tickets are purchased.

First, therefore, the carrier tends to identify the type of route as business or leisure, since in the first case, given the high presence of time-sensitive customers, the carrier may limit the offer of low fares by considering that it can sell tickets at higher prices close to departure. In order to optimize revenues, the carrier proceeds with the so-called *seat allocation* by dynamically allocating the seats available on the aircraft for each booking class in order to adapt to sales processing<sup>3</sup>.

As regards low-cost carriers specifically <sup>4</sup>, the latter then practice inter-temporal price discrimination, with only one charge per moment of time. Optimisation of the load factor and maximisation of profit are therefore achieved by changing prices as the flight date approaches. In such a case, therefore, discrimination takes place

<sup>2</sup> the demand for business customers, even qualified as time sensitive, tends to be inflexible with regard to the price given the impossibility of working, both the circumstance and generally the person who bears the cost of the journey do not coincide with the person who uses it directly; and in any case, the person who bears the expenditure may also partially deduct the cost of the expenditure. This type of customer has a certain influence in the management of overbooking, i.e. the sale of tickets to a greater extent than the capacity of the aircraft, given that a proportion of the expected passengers will not appear at boarding (so-called "no show"). In fact, a certain number of time sensitive customers who are booked for the flight, correspond to a certain amount of expected no-shows. In contrast, leisure customers, known as price sensitive, are highly sensitive to price changes and demand for them is not particularly flexible in terms of supply flexibility. The latter type of customer is prepared to purchase tickets well in advance if this allows them to benefit from an economically advantageous offer.

<sup>3</sup> in fact, when revenue management departments detect a high demand for a particular route, they close the lowest flight classes and hide them from reservation systems; this happens frequently in the run-up to major scheduled events as customers are assumed to be more likely to spend more. Conversely, where ticket sales are worse than projected, the same departments "unlock" sales of cheaper seats in order to stimulate demand and achieve a positive fill rate.

<sup>4</sup> as is well known, low-cost carriers are those whose offer concerns low-price flights for cd connections. point to point, typically on non-intercontinental routes, and without ensuring connecting flights.

FALSE  
WE FULL AT  
TO MAX  
LOAD  
FACTOR  
FLIGHTS IN  
NOW. LOSE  
MONEY.



through the selection of entities with different financial resources identified on the basis of the advance with which they are willing to book.

In view of the increasing competitive pressure of low cost airlines, traditional airlines 5 have also adopted the above-mentioned pricing technique, albeit in a less accentuated manner.<sup>6</sup>

So, given the considerations so far, it should also be pointed out that the checks carried out have shown that price dynamics are also governed by the algorithms used by airlines which tend to increase ticket prices as they detect greater customer interest in that particular route. The algorithms, in addition to assessing the timeliness of the purchase, exploit geo-location, identify the type of device used (Apple's iOS is associated with a mid-to-high-end of buyers, and therefore using it can lead to higher expenses) And every file saved on the computer of users who use a particular program to browse the Internet, such as Chrome, Firefox, Internet Explorer, Safari, and many more. In essence, all traces left on the web surface to "define" the buyer's profile and determine the price, which can vary according to the information collected.

No SUCH ALGORITHMS FICTION!

TOTALLY FALSE

The unlimited use of the algorithm means that price increases do not occur only close to holidays, But also in the event of accidents and catastrophic events that make alternative forms of transport such as rail or road inaccessible, as happened recently with the derailment of the freight train near Florence Castello station or the flood in Emilia-Romagna. On these occasions, the abolition of rail links and the inaccessibility of certain motorway sections has led to a surge in demand for air transport and users have complained of excessive increases in air ticket prices, which, with regard to specific domestic routes, have reached as much as €1,000 per person.

FALSE NO EVIDENCE

Well, the indiscriminate use of the algorithm leads to commercial practices that appear questionable as they seem to exploit situations of need and emergency in which users find themselves with the sole aim of maximising profits.

Moreover, the analysis showed that the prices of certain tickets (so-called civet prices) are sometimes so low that they cannot be covered

<sup>5</sup> "the common characteristics of identifiable carriers in this type are the use of a "traditional" business model based on Hub and spoke systems, fleets and routes of heterogeneous sizes, the offer of discounted prices considered as not a preponderant element in the service offering strategy adopted and the recurring presence of services divided by classes (first, business, economy). All the so-called flag carriers belong to this category." Iccsai Transport and sustainable Mobility Center – University of Bergamo, "ITSM fact Book 2022 the competitiveness of Air Transport in Europe", p. 117.

<sup>6</sup> cf. cit. Iccsai Transport and sustainable Mobility Center – University of Bergamo, "ITSM fact Book 2022 the competitiveness of Air Transport in Europe", p. 144.



operating neither the recovery of airport charges as well as other passenger-borne seats that should be identified in the travel document but which are often not indicated by carriers with the detail required by union law.

In this regard, it is considered that ticket prices on routes which can be considered to have been fully *loaded must* be calmed. For these routes, on the one hand, the civet price as defined above should not be allowed to apply and, on the other hand, in order to avoid the final “runaway”, carriers should be obliged to display the price of all available seats, albeit variable according to the day of booking

In conclusion, there are certainly different factors affecting the pricing of carriers, such as high demand for certain periods of the year, the pricing policies adopted by competitors and the possible limitations in the increase of supply due also to the characteristics of the airports involved (*E.g.* coordinated airports or airports subject to further restrictions such as Milan Linate), as well as, as highlighted above, the indiscriminate use of algorithms.

*False*

### 3. Coordinated and scheduled airports

Coordinated Airports<sup>7</sup> are those where landing and take-off and, more generally, the use of the infrastructure is subject to the allocation of the corresponding slot by the entity for the designated purpose, namely coordinator<sup>8</sup> (in Italy, Assoclearance<sup>9</sup>).

A slot is the permission given by a coordinator, under Regulation (EEC) No 95/93, to use the full range of airport infrastructure

<sup>7</sup> the airports in question are Bari, Bergamo, Brindisi, Cagliari, Catania, Florence, Genoa, Lampedusa (in relation to the summer season only), Milan Malpensa, Milan Linate, Naples, Olbia (in relation to the summer season only), Palermo, Pantelleria (in relation to the summer season only), Rome Ciampino, Rome Fiumicino, Turin, Treviso, Venice.

<sup>8</sup> the coordinator shall be responsible for allocating slots and verifying their correct use in the light of the provisions of the Regulation.

<sup>9</sup> the case is a private, non-profit-making association entrusted by the Ministry of Infrastructure and Transport by DM 44/T of 4 August 1997, within the meaning and for the purposes of Regulation (EEC) No 95/93, coordination for the allocation of slots at Italian airports classified as coordinated or at facilitated timetables for air carriers operating at such airports, upon request. Operators of coordinated or scheduled Italian airports, as well as Union or non-Union airlines, are entitled to join Assoclearance (provided that, in the latter case, Italian carriers are expressly granted the same right of participation in the slot management organization in the country of the carrier. For complete information, the following members as of 01/01/2022 are listed below: AirDolomiti, EasyJet, ITA Airways, Wizz Air, Bologna Airport, Tuscany Airports, Apulia Airports, Rome Airports, Naples International Airport, Palermo Airport (GESAP), Olbia Costa Smeralda Airports (GESAR), SAC, SACAL (Calabrese Airport Company), S.A.C.B.O., SAGAT, save, sea, Cagliari Airport, Treviso Airport, Valerio Catullo Airport. In particular, it is the President, elected by the Assembly of Associates, who takes the decisions on the performance of the tasks set out in Regulation (EC) No 1257/2009 95/93, D.M. n. 44/T and D.M. n. 68/21 assign to the Coordinator and the Facilitator, for all national airports designated as “coordinated” or “at facilitated times” (see art. 10 of the Assoclearance Statute).





*necessary to operate an air service at a coordinated airport on a specific date and time assigned by a coordinator under this regulation for the purpose of landing or taking off*'.

Conversely, airports with easy schedules <sup>10</sup> are those where there is potential air traffic congestion during certain periods of the day, week or season, which can be resolved by means of program adjustments agreed by the airlines and the schedules facilitator (in Italy, Associability).

Uncoordinated (and non-facilitated) airports are those where the capacity of the airport infrastructure is generally adequate to meet the needs of airport users at all times.

With regard to the way slots are allocated, it is worth pointing out that the coordinator is required to meet certain criteria. Such as the *grandfather's rule*, under which an air carrier can claim the same series of slots already allocated to it for the preceding season if it proves to the coordinator that it has operated them for at least 80% of the time. Therefore, the coordinator, once the historical slots have been allocated, shall be able to allocate all remaining slots to any carrier upon request, subject to any priority criteria laid down in Regulation (EEC) No 1257/92 (3) 95/93, and where available in relation to the capacity limits of the aerodrome.

During a traffic season, all slots may be modified or requested by an air carrier and allocated '*from scratch*' subject to availability in relation to airport capacity.

It should also be recalled that with regard to certain airports, such as Palermo and Catania, ENAC asks Assoclearance to reserve certain slots for those carriers operating routes subject to public service obligations. These slots shall be allocated only to those carriers entrusted with air services.

In addition, it should also be pointed out that Milan Linate Airport is also subject to further restrictions regulating its traffic and which have been introduced by various ministerial decrees, the latest of which is the Decree of 1 September 2022 amending the Decree of 3 March 2000 (Rubricato "Air traffic distribution on the Milan airport system") replacing its art. 4 with the following provision: "*1. Air carriers may operate scheduled point-to-point connections, using narrow body aircraft (single corridor), between Milan airport*

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<sup>10</sup> these are in particular the airports of Bologna, Lamezia (in respect of the summer season only) Pisa, Rimini (in respect of the summer season only) and Verona.



*Linate and other airports in the European Union, Airports belonging to a country which has signed a vertical agreement with the European Union governing its air services and which are also situated within a radius of 1,500 km , measured according to the Great Britain Route method, from Milan Linate airport, Within the defined operational capacity of Milan Linate Airport. Air carriers which may operate such routes shall be exclusively:*

*a) carriers defined as community carriers within the meaning of art. 2, nn. (1) Regulations (EC) No 10 and (EC) No 11/98 Having regard to Regulation (EC) No 1008/2008 of the European Parliament and of the Council of 24 September 2008 and complying with the requirements established by the competent aviation authorities in accordance with that Regulation;*

*b) Carriers designated by a country to operate air services on the basis of a vertical agreement signed by that country with the European Union, Provided that the connection concerns an airport situated within a radius of 1,500 km - measured according to the Orthodox route method - from Milan Linate airport."*

#### *4. Territorial continuity*

With regard to the domestic routes involving the two largest islands, where the highest increase in air fares was noted, it should also be noted that some of these routes are also 'burdened', i.e. fall within the scope of the cds. Public service obligations (PSOs).

On this subject, Art. 16 of Regulation No. Amendment No 1008/2008 provides for the possibility for a Member State to '*impose public service obligations in respect of scheduled air services operated between a Community airport and an airport serving a peripheral or developing region within its territory or a route with a low density of traffic to any airport within its territory, where such a route is considered essential for the economic and social development of the region served by the airport. This charge shall be imposed only to the extent necessary to ensure that minimum scheduled air services are provided on that route meeting certain criteria of continuity, regularity, pricing or minimum capacity, which air carriers would not comply with if they only took into account their commercial interest.*'

The Institute in question therefore pursues the aim of balancing the right of Union air carriers to freely operate air transport services on intra-Community routes on the basis of their commercial interest with the need to guarantee the right of citizens to mobility (see art. 16 Const. and art. 21, par. 1 TFEU on the right to free movement of Community citizens within the EU), in particular with regard to peripheral or developing territorial realities.



In Italy, the imposition of public service obligations is laid down by decree of the Minister for Infrastructure and Transport on the airports covered by Art. 36, L. 17 may 1999, n. 144 and art. 82, l. 27 december 2002, n. 289 and must take place following a Conference of Services convened by the Minister of Transport or by the President of the region on the delegation of the Minister himself.

The decree expressly States the maximum preferential tariffs to be applied on the routes paid to residents (periodically updated to inflation and changes in fuel costs) and generally provides that the tariff applied to non-residents is free.

Therefore, with exclusive reference to onward routes, maximum tariffs are provided for residents precisely in order to guarantee them the effective and concrete exercise of their right to mobility. On the other hand, the tariffs for non-residents are subject to free fixing by the carriers and, as a result, are affected by market developments and peaks in demand that may occur at certain times of the year.

#### 5. Traffic data relating to connections to the major islands

Below is a summary of the analysis of traffic data from Sicilian and Sardinian airports in the first half of 2023 compared to the same period of the previous year (2022) and 2019 as a reference to the pre-pandemic period.

For further details on traffic data for Sicily and Sardinia, see the Excel files attached to this report.

#### Sicilian Airports:

*SICILIAN GROWS DUE TO RYANAIR*

SICILIAN AIRPORTS OPEN TO COMMERCIAL TRAFFIC								Δ% 2023 vs 2022	Δ% 2023 vs 2019
Domestic passenger traffic - 2023									
Scheduled and charter services (arrivals + departures)									
AIRPORT	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL	TOTAL	TOTAL
Catania Fontanarossa	493,774	446,072	526,342	620,960	642,325	685,576	3,415,049	11.4%	11.3%
Comiso	16,301	12,362	15,675	32,115	11,356	8,855	96,664	-38.5%	-30.3%
Lampedusa	6,989	6,454	8,390	11,497	20,992	40,675	94,997	16.9%	22.5%
Palermo Punta Raisi	339,913	321,277	391,569	505,827	528,738	557,498	2,644,822	10.6%	11.2%
Pantelleria	7,070	6,356	8,066	10,817	14,948	24,431	71,688	14.5%	30.9%
Trapani Birgi	41,144	35,588	48,153	76,968	86,928	92,291	381,072	34.0%	127.0%
<b>TOTAL</b>	<b>905,191</b>	<b>828,109</b>	<b>998,195</b>	<b>1,258,184</b>	<b>1,305,287</b>	<b>1,409,326</b>	<b>6,704,292</b>	<b>10.9%</b>	<b>13.9%</b>

During the first half of 2023, all Sicilian airports recorded a growth of +10.9% compared to the previous year.

All airports contribute to this increase except for Comiso, which shows a decrease of -38.5%.



The most significant percentage increase is shown on the Trapani airport (+34% vs. previous year).

In comparison with the pre-pandemic period (2019), the 2023 data show an overall increase of +13.9%. Again, the only airport to record a contraction in passenger traffic is Comiso (-30.3%).

Trapani with a growth of +127% is the port with the largest increase.

Sardinian airports:

SARDINIA GROWS DUE TO AIR

SARDINIAN AIRPORTS OPEN TO COMMERCIAL TRAFFIC									
Domestic passenger traffic - 2023									
Scheduled and charter services (arrivals + departures)									
AIRPORT	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	TOTAL	Δ% 2023 vs 2022	Δ% 2023 vs 2019
Alghero Fertilia	69,328	53,448	63,438	88,443	90,697	123,297	488,651	TOTAL	TOTAL
Cagliari Elmas	210,753	188,473	225,881	302,500	323,597	375,169	1,626,373	8.6%	17.1%
Olbia	52,900	42,239	51,291	89,130	111,642	247,205	594,407	14.6%	9.6%
<b>TOTAL</b>	<b>332,981</b>	<b>284,160</b>	<b>340,610</b>	<b>480,073</b>	<b>525,936</b>	<b>745,671</b>	<b>2,709,431</b>	<b>-0.2%</b>	<b>21.2%</b>
								9.9%	13.3%

Overall, the three Sardinian airports recorded a growth of +9.9% compared to 2022 and +13.3% compared to 2019 in the period January – June 2023.

If we look in more detail at the performance per airport, we can see that the only non-increasing figure for the Olbia airport, which recorded passenger traffic 2023 substantially in line with 2022 during the first half of the year.

6. Transparency of air fares

Another aspect to be taken into account is the transparency obligation imposed on carriers by Union law.

In fact, art. 23, par. Regulation ( EC) No 1 of the European Parliament and of the Council Article 1008/2008 provides that ' *publicly available air fares for passengers and cargo include conditions applicable to them in any form offered or published, including on the Internet, for air services from an airport situated in the territory of a Member State subject to the provisions of the Treaty. The final price to be paid is always stated and includes all applicable passenger or cargo air fares, as well as all taxes, fees and surcharges unavoidable and foreseeable at the time of publication.* In addition to the final price, at least the following shall be specified:

- a) passenger or cargo air fare;



- b) taxes;
- c) airport charges; and
- d) other fees, taxes or surcharges related to, for example , safety or fuel,

where the items referred to in points (b), (c) and (d) have been added to the passenger and cargo air fares. Optional price supplements shall be communicated in a clear, transparent and unambiguous manner at the beginning of any booking process and their acceptance by the passenger shall be based on the express consent of the person concerned ('opt-in').

However, various booking simulations carried out on the airlines' websites have shown that the above elements are not always specified on time and that this obligation of transparency does not appear to be fulfilled even after the booking due to the ticketless practice, that is, not to transmit the actual ticket to the passenger who only receives the booking code and the boarding pass.

This fact does not allow the consumer to have adequate knowledge of the items that make up the final price of the air ticket, which has a double negative consequence. Firstly, the consumer is not in a position to be able to compare effectively the prices for the air services of the different airlines (see recital 1) 16 Reg. 1008/2008) and , on the other hand, it is not even aware of the amount it could ask the airline to reimburse in the event of a non-used air ticket.

FICTION  
FALSE  
NO CHOICE

FALSE

#### 7. Further considerations

In addition to all the considerations that have been made so far, it should also be noted that the increase in the price of air tickets does not appear to be affected by the level of charges payable to airport operators for the use of airport infrastructure, as most operators still apply airport charges to the extent that they were in force in 2021.

Therefore, state intervention to curb the speculative phenomenon that is characterizing air transport is welcome, but I would also like to point out that such a measure appears to be in contrast to recent legislative measures which have allowed some municipalities to set up additional municipal boarding rights, which, in fact, represent an additional cost for the passenger.



Indeed, as already represented by the undersigned in the Cabinet Offices of the Ministry of Infrastructure and Transport and the Ministry of economy and Finance, L. 30 december 2021, n. 234 (ie. Budget Law 2022) It has allowed municipalities with a per capita deficit of more than EUR 700 to benefit from an economic contribution provided that they enter into an agreement with the President of the Council of Ministers or his delegate on the measures they intend to take to find resources for their own use the correction of the deficit and the repayment of financial debts. The measures in question include the possibility of setting up a municipal surcharge on airport passenger embarkation charges (see art. 1, co. 567-572, L. 234/21). This option was subsequently extended by Art. 43, paragraphs 2 and 8, of the Presidential Decree of 17 May 2022, n. 50, also to metropolitan city municipalities with a per capita deficit of more than eur 500 or with a per capita debt of more than eur 1,000 that intend to start a structural rebalancing path.

Well, In the light of the aforementioned legal provisions , the City of Naples and the City of Venice have introduced additional municipal charges on airport boarding charges amounting respectively to EUR 2 and EUR 2.50, which are in addition to the EUR 6.50 already applied to passengers departing from all national airports<sup>11</sup>. Therefore, passengers departing from airports located in these municipalities will bear a total cost of additional municipal boarding fees of EUR 8.50 and EUR 9 respectively.

<sup>11</sup> the municipal surcharge on airport embarkation charges was established by Article 2, Co. 11 of L. 24 december 2003, n. 350 (cd. Finance Act 2004) amounting to EUR 1 per passenger departing from a national stopover. This additional fee shall be paid at the revenue of the State budget, for subsequent reallocation:

- i. As for EUR 30 million, in a special fund set up at the Ministry of Infrastructure and Transport intended to compensate ENAV S.p.A. for the costs incurred by ENAV for ensuring safety at its facilities and for ensuring operational safety, and
- ii. As for the remaining share, in a special fund set up at the Ministry of Interior and allocated on the basis of the respective airport traffic according to the following criteria:
  - a. 40 % of the total in favor of neighboring municipalities in the airport or with it
  - b. In order to achieve effective measures to protect the safety of persons and facilities, 60% of the total for the financing of measures to prevent and combat crime and to enhance security at airport facilities and at major railway stations.

Subsequently , D.L. of 31 January 2005, n. 7 converted to L. 31 march 2005, n. 43 increased the above-mentioned measure by EUR 1 to support the Special Fund for income and employment support and the retraining and retraining of personnel in the air transport sector, established under Article 1b of Decree Law No 5 of 10 October 2004 249, converted, with amendments, by law no 291 of 3 december 2004 (see art. 6- quater D.L. 7/2005). Law 27-12-2006 n. 296 art. Article(1328) of Regulation (EC) No 1 further increased the additional fee of 50 cents per embarked passenger as from 2007 in order to reduce the cost to the State of the fire-fighting service at the airports. This being the case, at the beginning of 2008 the total amount of the municipal surcharge on airport boarding charges amounted to EUR 2.50, until Decree-Law No 28-08-2008 amounted 134 art. 2 paragraph 5-bis, a new increase is planned. That provision, which amends Article 87(1) of the Treaty. 6-quater, co. 2 of D.L. n. 7/2005, replaced the previous increase of 1 euro by the amount of 3 euro per embarked passenger. As a result, the amount of the additional fee reached EUR 4.50.

However, as from 1 July 2013, Law 28-06-2012 No. 92 art. 4(75) further increased the municipal surcharge by an additional EUR 2 per embarked passenger (for a total amount of EUR 6.50), providing that the sums resulting from this increase would be paid to INPS.

Moreover, such interventions, by applying additional differentiated amounts at national airports, also risk affecting carriers' choices on the convenience of operating at one airport rather than another.

### 8. Conclusions

In order to put a stop to the disproportionate price increases described above, it would be desirable to take legislative action allowing a special authority (which could be ENAC itself) to monitor the demand/supply of seats on the various air routes and intervene. On routes where there is a high demand, requiring the advance publication of the prices of all available seats on each aircraft in such a way that there is no change determined by the condition of the purchaser. Conversely, on the remaining routes, carriers remain free to set tariffs even below cost in order to stimulate demand and stimulate the filling of the aircraft.

In other words, ticket prices on routes that can be considered to have a full load factor in advance should be calmed down. For these routes, on the one hand, the civet price should not be allowed to apply (i.e. below cost price which does not even allow coverage of the so-called airport charges) and, on the other hand, in order to avoid the final "bribe", carriers should be obliged to display the price of all available seats, this may vary depending on the day of booking.

This would be consistent with free competition: In the free market, everyone knows that the same good can have different prices if bought in different shops. But, in this case, the price is clear and defined from the outset unlike what is currently the case with air fares changing at any time without a clear dynamic. Obviously, a mechanism that determines prices on the basis of the timing of purchases (there is nothing to prevent tickets from being cheaper when booked in advance) or other mechanisms that lead to discounts or increases in prices, in the interests of consumer protection, communicated in advance appear compatible with Community law.

All of the above mentioned and considered, the writer, hoping to have provided a complete and exhaustive picture, remains available for any further clarification or deepening that may be necessary.

Eng. Claudio Eminente

FALSE

RUBBISH

WILL ONLY RAISE PRICES

RUBBISH  
FLOOR MARKET = FREE PRICING

ITA WILL HAVE TO CEASE SINCE NEVER SOLD SEATS EXCEPT BELOW ITS COSTS

COMPLETE FALSANOVA!