



SCREENING CHAPTER 14 TRANSPORT POLICY

AGENDA ITEM II: AIR TRANSPORT

**Country Session: The Republic of TURKEY
25-28 September 2006**



Overview

Legislation

- Law on Establishing of Organization and Duties of Ministry of Transport No. 3348 (Official Gazette: 17 April 1987, no 19434)
- Law on Turkish Civil Aviation No. 2920 (Official Gazette: 19 October 1983, no 18196)
- Law on the Duties and Organisation of DGCA No. 5431 (Official Gazette: 18 November 2005, no 25997)



Overview (CONT'D)

Responsible Authorities

- Ministry of Transport determines national civil aviation policy.
- DGCA is responsible for the development and supervision of civil aviation sector in accordance with international safety and security requirements by;
 - taking measures
 - making regulations
 - auditing and supervising
 - applying sanctions
 - certifying and licensing

Overview (CONT'D)

Responsible Authorities

➤ DHMI is responsible for;

- Airport Management/Operation (operates 36 airports)
- Provision of Air Navigation Services (air traffic services)
- Constructing airport facilities and setting up related systems
- Installing and setting up air navigation systems and facilities and other related systems

Overview (CONT'D)

➤ DLH is responsible for

- drawing up plans and programmes for building of railroads, seaports and airports
- preparing projects and specifications
- approving projects and specifications prepared by public organisations
- performing studies necessary to meet the needs of the country
- ensuring the implementation of plans and projects



Overview (CONT'D)

Air Carriers

Airline Operators	: 19
Air Taxi Operators	: 52
General Aviation Operators	: 34
Agricultural Aviation Operators	: 42
TOTAL	: 147



Overview (CONT'D)

Airports

Domestic and International	: 21
Domestic	: 16
Others;	
Military Airports open to civil traffic	: 14
Using for training etc. (STOL) airports	: 11
Constructing	: 2
TOTAL	: 64



Overview (CONT'D)

Groundhandling

Number of Groundhandling Service Providers (Group A)	: 2
Number of Groundhandling Service Providers (Group B)	: 15
Number of Groundhandling Service Providers (Group C)	: 22
TOTAL	: 39

Cargo Agencies

Number of Cargo Agencies	: 231
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Overview (CONT'D)

Aircraft

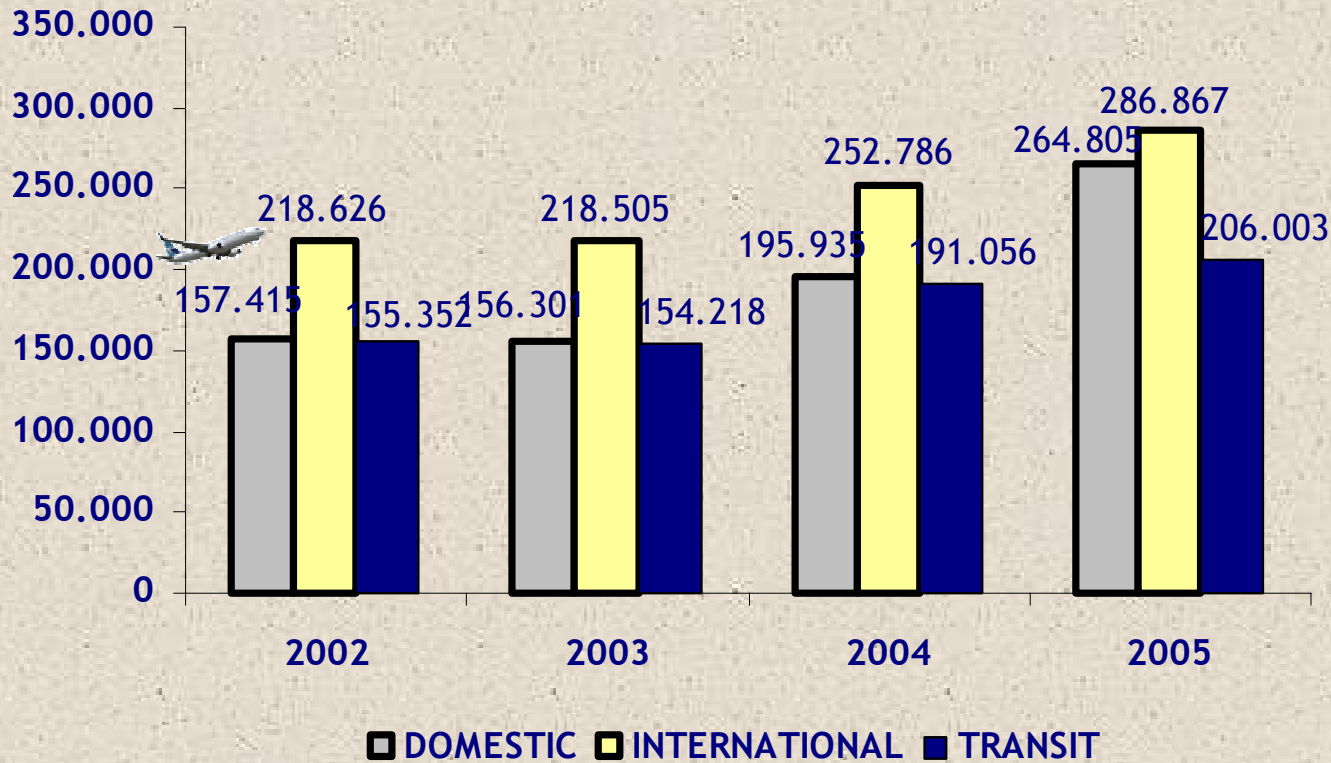
Number of passenger aircraft	: 232
Number of cargo aircraft	: 25
Number of other aircraft (Air taxi, General Aviation etc.)	: 542
TOTAL	: 799

(August 2006)



Overview (CONT'D)

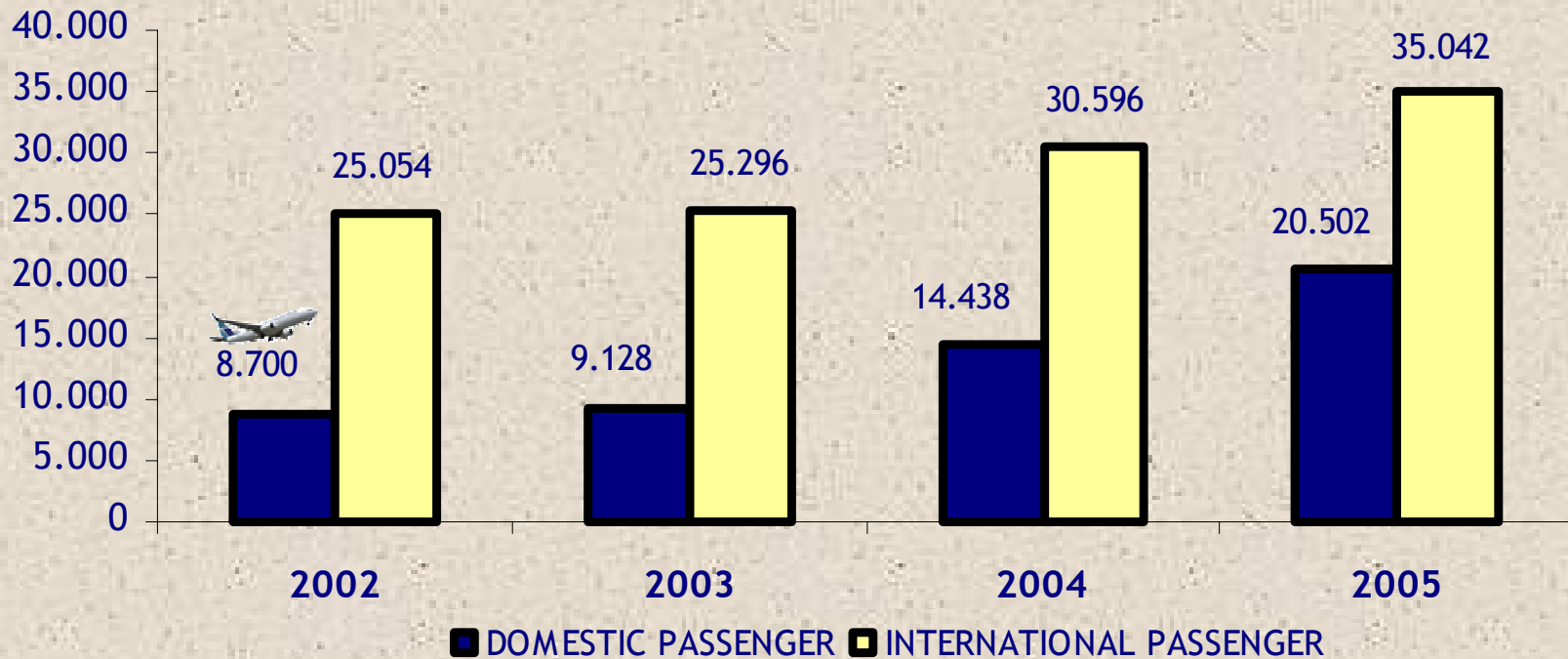
AIRCRAFT TRAFFIC





Overview (CONT'D)

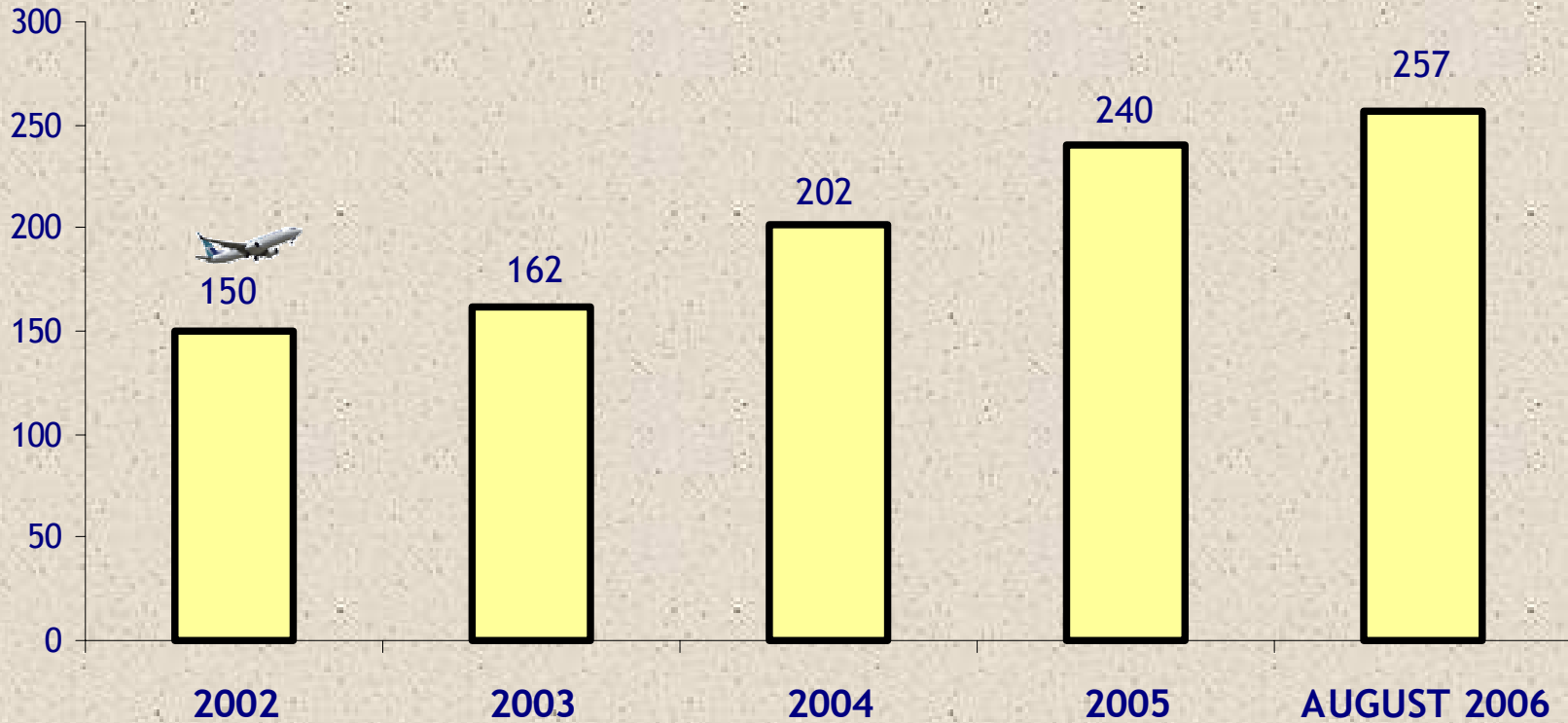
PASSENGER TRAFFIC (x1000)





Overview (CONT'D)

AIRCRAFT





SCREENING CHAPTER 14 TRANSPORT POLICY

AGENDA ITEM II: AIR TRANSPORT/ Market Access

**Country Session: The Republic of TURKEY
25-28 September 2006**



CONTENT

- Licensing of Air Carriers
- Access to the Groundhandling Market
- Slot Allocation
- Air Carrier Liability in the Event of Accidents
- Working Time of Mobile Workers
- Insurance Requirements for Air Carriers and Aircraft Operators



Licensing of Air Carriers

Legislation

- Law on Turkish Civil Aviation No. 2920
(Official Gazette: 19 October 1983, no 18196)
- Law on the Duties and Organisation of DGCA No. 5431
(Official Gazette: 18 November 2005, no 25997)
- By-Law on Commercial Air Transport Operators SHY 6A
(Official Gazette: 16 June 1984, no 18433)



Licensing of Air Carriers (CONT'D)

- Turkey is a full member of JAA since 4 April 2001.
- JAA Requirements (JARs) are implemented.
- Commercial Air Transport Operators are certificated according to SHY 6A based on JAR OPS 1.

Licensing of Air Carriers (CONT'D)

- I. The Process of an Air Operator Certificate (AOC)
 1. Pre-application
 2. Legal application
 - i. Preliminary permission period
 - ii. Document compliance period
 - iii. AOC application process
 3. Audit
 4. Evaluation
 5. AOC issue

Licensing of Air Carriers (CONT'D)

II. General Qualifications of an Operator

a) Organisational Structure

b) Commercial Registration and Main Contract:

- An Operator must have a trademark registered and publish main contract according to Turkish Commercial Code
- At least 51% of an operator's shares must be registered share



Licensing of Air Carriers (CONT'D)

c) Financial Competence:

Depending on the field of activity, an operator shall have sufficient financial competence:

- If seat capacity of aircraft is 100 or more, operator shall have paid-in capital of 1 million USD.
- If seat capacity of aircraft is less than 100, operator shall have paid-in capital equivalent of at least 1 year operating costs.



Licensing of Air Carriers (CONT'D)

d) Feasibility Report:

- shall cover every estimated income and expenditure.
- shall cover at least 3 year cash flow statement (investment and aircraft hire, fuel, personnel, maintenance, insurance, ground handling, airports and Eurocontrol) and line costs

Licensing of Air Carriers (CONT'D)

e) Aircraft Provision and Registration Status

- For domestic or international scheduled flights, the operator shall have at least 5 aircraft that have 100 or more seat-capacity.
 - If all aircraft are leased, a letter of guarantee of 3 million USD is required.
 - if some aircraft are leased and some aircraft are owned by the operator, a letter of guarantee of 250.000 USD for each leased aircraft is required.
 - If all aircraft are owned by operator, a letter of guarantee is not required.



Licensing of Air Carriers (CONT'D)

- For domestic or international non-scheduled flights, the operator shall have at least 2 aircraft that have 100 or more seat-capacity.
 - If all aircraft are leased, a letter of guarantee of 1,5 million USD
 - If some aircraft are leased and some aircraft are owned by operator, a letter of guarantee of 100.000 USD for each leased aircraft
 - If all aircraft are owned by the operator, a letter of guarantee is not required.



Licensing of Air Carriers (CONT'D)

- For operation with maximum 20 seat capacity, the operator shall have at least 1 aircraft
- For only cargo operation, the operator shall have at least 1 aircraft.
 - a letter of guarantee is not required



Licensing of Air Carriers (CONT'D)

- f) Operator's Equipment
- g) Recruitment of Licensed Personnel
- h) Operations Manual
- i) Aircraft Maintenance Instruction
- j) Maintenance Management Exposition
- k) Founders and Management Personnel



Access to the Groundhandling Market

Legislation

- Turkish Commercial Code
(Official Gazette: 29 June 1956, Law No 6762)
- Law on Turkish Civil Aviation No. 2920 (Article 44)
(Official Gazette: 19 October 1983, no 18196)
- Law on the Organisation and Duties of DGCA No. 5431 (Article 11)
(Official Gazette: 18 November 2005, no 25997)
- By-Law on Airports Groundhandling Services (SHY-22)
(Official Gazette: 28 August 1996, no 22741)



Access to the Groundhandling Market (CONT'D)

DGCA is responsible for:

- licensing of the suppliers of groundhandling services
- taking measures in order to ensure the implementation of groundhandling services in accordance with the safety and security rules
- auditing the implementation of groundhandling services



Access to the Groundhandling Market (CONT'D)

Service Categories

1) Compulsory services:

- Passenger services
- Load control and communications
- Flight operations
- Ramp services
- Aircraft maintenance



Access to the Groundhandling Market (CONT'D)

2) Non-compulsory services:

- Representation
- Administration and supervision
- Catering services
- Surface transport
- Security



Access to the Groundhandling Market (CONT'D)

Licensing

Group A: given to the suppliers of groundhandling services (all or at least passenger services, load control and communications, ramp services) for third parties.

Suppliers having Group A license shall:

- be organised at minimum 3 international airports
- have paid-in capital in YTL equivalent of at least 3 millions USD



Access to the Groundhandling Market (CONT'D)

- obtain a commercial registry according to the Turkish Commercial Code
- ensure that the majority of the administrative and representative staff are from among Turkish shareholders
- submit a letter of guarantee of 1 million USD to the airport operator
- meet other financial and technical requirements mentioned in SHY-22.

Access to the Groundhandling Market (CONT'D)

Group B: given to the self-handling air carriers.

- Domestic air carriers can supply all or some of the groundhandling services for themselves.
- Foreign air carriers operating scheduled flights to Turkish airports can supply
 - representation
 - administration and supervision
 - passenger services
 - load control and communications
 - flight operations
 - aircraft maintenance (including fuel and oil handling)

Access to the Groundhandling Market (CONT'D)

- Foreign air carriers operating non-scheduled flights to Turkish airports can supply only aircraft maintenance service (including fuel and oil handling).

Suppliers having Group B licenses shall:

- submit a letter of guarantee of 100.000 USD to the airport operator.
- meet other financial and technical requirements mentioned in SHY-22.



Access to the Groundhandling Market (CONT'D)

Group C: given to the suppliers of non-compulsory groundhandling services except surface transport.

Suppliers having Group C licenses shall:

- have paid-in capital in YTL equivalent of at least 200.000 USD
- get a commercial registry according to the Turkish Commercial Code
- ensure that the majority of the administrative and representative staff are from among Turkish shareholders
- submit a letter of guarantee of 100.000 USD to the airport operator
- meet other financial and technical requirements mentioned in SHY-22

Access to the Groundhandling Market (CONT'D)

Licensing Procedure

2 steps:

- prior permission
- licensing

A candidate supplier should apply to DGCA with the required documents mentioned in SHY-22.

If the application is appropriate, prior permission is granted for;

- 6 months for non-compulsory services
- 1 year for compulsory services



Access to the Groundhandling Market (CONT'D)

Within the prior permission period, the candidate suppliers shall

- complete the required procedures
- apply to the airport operator with the required documents.

Airport operator checks the documents, equipments and staff of the candidate supplier and the physical capacity of the airport and proposes licensing of the applicant to the DGCA.

DGCA evaluates the proposal and submits with its affirmative opinion to the Minister of Transport for approval.



Access to the Groundhandling Market (CONT'D)

Limits for number of suppliers

At airports that have total (domestic+international) annual traffic

- up to 1 million passenger movements → max. 2 suppliers
- up to 2 million passenger movements → max. 3 suppliers
- over 2 million passenger movements → 1 additional supplier for each 2 million passenger movement increase



Slot Allocation

Legislation

Instruction for Slot Implementation Procedures revised on August 31, 2006 by Minister's Approval.

Slot Allocation (CONT'D)

- Slot allocation is realised
 - in an independent, transparent and non-discriminatory manner
 - by a Slot Coordinator in consultation with the Commission for Evaluation of Slot Allocation (CESA).

- Slot Coordinator is
 - the only authorised person for slot allocation
 - directly responsible to the Minister
 - appointed by Director General of Civil Aviation

- There are 20 persons working in DGCA Slot Coordination Centre on 24 hours basis.

Slot Allocation (CONT'D)

- CESA is a consultative body comprised of
 - representatives of national and foreign air carriers,
 - managing body of airports,
 - groundhandling companies and all other relevant bodies.
- Besides, the “Slot Technical Committee” established under DGCA is responsible for infrastructure capacity assessments.
- Slot Coordinator monitors the slot allocation.
- Sanctions are applied in case of non-compliance.

Slot Allocation (CONT'D)

- Istanbul Ataturk Airport
- Ankara Esenboga Airport
- Kayseri Erkilet Airport

are coordinated airports for both summer and winter scheduling periods.

- Bodrum-Milas Airport

is schedules facilitated airport for both summer and winter scheduling periods.



Slot Allocation (CONT'D)

- Antalya Airport
- Izmir Adnan Menderes Airport
- Dalaman Airport

are coordinated airports for summer scheduling period
and schedules facilitated airports for winter scheduling
periods.

Slot Allocation (CONT'D)

New Entrant

- “New entrant” means an air carrier requesting slots at an airport on any day and holding or having been allocated fewer than four slots at that airport on that day.”
- The priority of new entrant could only be used when the application is made before the IATA meeting
- Historic slots, hour changes in the historic slots and new entrants are being respectively reviewed
- After slots are allocated to the historic slots and hour changes in the slots, 50 % of the remaining capacity is allocated to the new entrants.



Air Carrier Liability in the Events of Accident

- Liability of air carriers is subject to the Warsaw Convention.
- Turkey signed the Montreal Convention on 28 May 1999 (Convention for the Unification of Certain Rules Relating to International Carriage by Air). Ratification process is going on.



Working Time of Mobile Workers

Legislation

- Instruction on the Flight, Working and Rest Time of Flight Crew and its Implementation Rules (SHT-6A.50-Rev.04)



Working Time of Mobile Workers (CONT'D)

- Maximum annual working time: 1800 hours
- Block flying time is limited to: 1000 hours
- Mobile staff is given days free of all duty and standby:
 - At least 7 days in each calendar month
 - At least 96 days in each calendar year



Insurance Requirements for Air Carriers and Aircraft Operators

Legislation

- By-Law on Insurance Requirements for Aircrafts Operating in Turkish Airspace in Respect of Third Parties (Official Gazette: 15 November 2005, no 25994)

Insurance Requirements for Air Carriers and Aircraft Operators (CONT'D)

- In respect of passengers, baggage and cargo:
 - the provisions of the Warsaw Convention is valid regarding minimum level of insurance.

- In respect of third parties:
 - By-Law on Insurance Requirements for Aircrafts Operating in Turkish Airspace in Respect of Third Parties regulates the minimum level of insurance.



Insurance Requirements for Air Carriers and Aircraft Operators (CONT'D)

Minimum insurance for third parties:

Category	MTOM (kg)	Minimum insurance (Million SDR)
1	< 500	0,75
2	< 1 000	1,5
3	< 2 700	3
4	< 6 000	7
5	< 12 000	18
6	< 25 000	80
7	< 50 000	150
8	< 200 000	300
9	< 500 000	500
10	≥ 500 000	700