
MIT Airline Industry Consortium – Executive Education Course

“The Global Airline Industry: The Challenges Ahead”

Massachusetts Institute of Technology, Cambridge, MA
June 14-15, 2010

Recent developments and evolving challenges in the airline industry, with an emphasis on global industry forces. The program begins with review of recent airline performance and strategies, followed by presentations on emerging challenges facing global aviation. The second day begins with a session on capacity, congestion and delays. The final afternoon features senior executives from airlines and industry stakeholders, who will provide their perspectives on what lies ahead.

MIT and Affiliated INSTRUCTORS

Dr. Peter Belobaba, Program Manager, MIT Global Airline Industry Program
Prof. Hamsa Balakrishnan, Dept. of Aeronautics and Astronautics, MIT
Prof. Cynthia Barnhart, Associate Dean of Engineering, MIT
Dr. Philippe Bonnefoy, Dept. of Aeronautics and Astronautics, MIT
Prof. Amy Cohn, Dept. of Industrial and Operations Engineering, University of Michigan
Prof. R. John Hansman, Director, MIT International Center for Air Transportation
Mr. William Swelbar, Research Engineer, Manager of MIT’s Airline Data Project

GUEST SPEAKERS

Mr. J. Randolph Babbitt, Administrator, US Federal Aviation Administration
Dr. Olaf Backofen, Director – Commercial Agreements, Lufthansa German Airlines
Mr. Montie Brewer, President and CEO (retired), Air Canada
Capt. Lee Moak, Chairman, Delta Air Lines Pilots
Mr. Scott Nason, Vice President and Chief Information Officer (retired), American Airlines
Mr. Greg Principato, President, Airports Council International – North America

Monday 14 June

RECENT DEVELOPMENTS

Update on Airline Industry Trends and Forces (Hansman)

Summary of recent developments in global aviation, with a focus on economic cycles, fuel price volatility, and impacts of growing competition; implications for infrastructure capacity, operations, and safety.

Global Airline Performance: Traffic, Capacity and Revenues (Belobaba)

Review of airline traffic and financial performance, distinguishing among world regions; focus on airline strategies to manage capacity and improve yields; unbundling and ancillary revenues and fees.

Network Evolution: Labor Issues Will Affect Strategies and Fleet (Swelbar)

Review of recent shifts by legacy carriers in US and Europe to stronger hubs, regional jets, and international growth; Implications for future fleet composition, pilot scope clauses and labor relations.

Airline Consolidation: Alliances, Joint Ventures and Mergers (Backofen)

Overview of alternative types of airline cooperation agreements; advantages and disadvantages of each; strategic implications and challenges for a profitable cooperation.

EMERGING INDUSTRY CHALLENGES

Challenges Facing Legacy Airlines (Nason)

Regulatory and structural factors affecting global legacy airline performance; efforts to re-structure, improve efficiency and cut costs; New strategies for achieving sustained profitability.

Environmental Policies and Regulations: Impacts on Aviation (Bonney)

Discussion of environmental policies currently under consideration, including aircraft CO2 standards, carbon/fuel taxes and “cap & trade”; potential implications for airline and aerospace industries.

Air Traffic Management Modernization (Hansman)

Diversity of ATC systems around the world; emerging technical systems (ADS-B, RNP and datalink); status of major system change efforts such as NEXTGEN in the US and SESARE in Europe.

Tuesday 15 June

CAPACITY, CONGESTION AND DELAYS

Airport Capacity and Delays: Comparisons of US and Europe (Belobaba/Odoni)

Review of primary factors affecting airport and airside delays; Different administrative approaches for managing demand through slot controls; Comparison of delay performance at US and Europe airports.

Government Regulations for Airline Delays: Unintended Consequences (Cohn)

Impacts of government policies on airline scheduling and operations; US 3-hour tarmac delay rules; analysis of flight delay data and discussion of expected impacts on airline and airport operations.

Airline Schedule Delays and Propagation: Impacts on Passengers (Barnhart)

Updated analysis of recent flight and passenger delay data; operational insights about schedule robustness; strategies/ policies to mitigate the effects of delays on passengers.

Optimization of Air Traffic and Airport Operations (Balakrishnan)

Overview of recent research developments; Efficient, equitable and robust arrival/departure runway scheduling; Reduced emissions through airport operations planning.

LOOKING AHEAD

Senior industry executives will speak on the critical issues and challenges facing the airline industry, followed by an open “round-table discussion” among the speakers and attendees.

Five Reasons Why the Airline Industry Will Never be Profitable, Montie Brewer, President and CEO (retired), Air Canada

The Business Case for the Regulatory Business, J. Randolph Babbitt, Administrator, US Federal Aviation Administration

Airports – It’s All About the Passenger, Greg Principato, President, Airports Council International – North America

Consolidation, Globalization and Survival: A Case for Labor-Management Engagement, Captain Lee Moak, Chairman, Delta Air Lines Pilots

REGISTRATION INFORMATION
“The Airline Industry: The Challenges Ahead”
MIT, June 14-15, 2010

AIRLINE INDUSTRY CONSORTIUM

The MIT Airline Industry Consortium consists of major industry stakeholders that support and participate in the research and educational efforts of the MIT Global Airline Industry Program. This Executive Education Course is designed for members of the Consortium – each member company may send 3 registrants at no additional charge. Registrants from non-member companies are welcome, and will be accommodated subject to space availability.

PROGRAM COST PER PERSON (US \$)

Airline Industry Consortium member companies – first 3 registrants	No charge
Additional registrants from member company	\$1200
Registrants from Non-member Companies	\$2400

Registration fees include all course lectures and materials, plus coffee breaks and snacks, as well as a group dinner on June 14. Hotel, meal, and travel costs are not included.

REGISTRATION FORM

DUE NO LATER THAN MAY 21, 2010

Please reserve a place for me in the Executive Education Course: The Airline Industry to be held at MIT on June 14-15, 2010.

NAME _____

TITLE _____

COMPANY _____

MAILING ADDRESS:

PHONE/FAX _____

E-MAIL _____

REGISTRATION FEE USD \$_____

Please submit a separate registration form or e-mail above details for each registrant.

HOTEL INFORMATION

The following Cambridge hotels are convenient to MIT. Please request the special “MIT Rates” shown below directly from the hotel. Lower airline or government employee rates might also be available. Because June is a peak period for visitors to the Boston area, you are encouraged to book hotel space as soon as possible.

Marriott Hotel Cambridge Center	\$199/night	(617) 494-6600	(800) 228-9290
Residence Inn Cambridge Center	\$199/night	(617) 349-0700	(800) 331-3131
The Kendall Hotel (Kendall Square)	\$185/night	(617) 577-1300	
Courtyard Marriott (Cambridge)	\$129/night	(617) 492-7777	(866) 323-4149

Please return this page by fax to P. Belobaba at 617-452-2996 or reply with all details by e-mail to belobaba@mit.edu by May 21!
