AIRPORTS COUNCIL INTERNATIONAL

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Director General

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Mr Henrik Hololei
Director General
DG MOVE
European Commission
Rue Demot 24-28
1040 Bruxelles
BELGIQUE

CC: Mr Filip Cornelis, Director, DG MOVE, EC

Dear Mr Hololei, Dear Henrik,

As the deadline approaches for the European Commission to adopt Delegated Acts pursuant to Article 10a(5) of the Slot Regulation, ACI EUROPE wishes to provide the views of airports on the appropriate usage threshold for the Winter 2021 scheduling period.

The temporary relief Regulation (Reg. 2021/250) was adopted in the spirit of providing airlines with relief from regular slot usage rules in a time of crisis, while protecting against negative competition effects of alleviation measures and ensuring that airport capacity is put to optimal use. As air traffic recovers and stabilises, the progressive reinstatement of slot usage rules is therefore appropriate.

This reflects the fact that the establishment of the "new normal" does not mean the return to 2019 traffic levels, but the stabilisation of the market situation following the COVID-19 crisis. Current levels of slot demand at European airports suggest that this process is well under way.

As such, we urge the Commission to adopt a **usage threshold of 60% for the W21 scheduling period**. We believe this figure to be appropriate for the reasons set out here below.

- Firstly, forecasts point to a steady and consistent uptick in passenger numbers and flight movements into the winter season. This supports the general optimism about vaccine rollout in Europe, which is being accompanied by more coordinated action in facilitating passenger travel such as the development of the EU Digital COVID-19 Certificate and progress in providing testing ahead of travel.

- Secondly, the broad and generous force majeure/Justified Non-Use of Slots provisions introduced by Regulation 2021/250 already provide airlines with a considerable amount of protection in case of travel restrictions and other impediments to travel linked to the COVID-19 crisis. As has been seen in the summer season, the force majeure provisions can be invoked quite easily, and have the effect of granting an effective waiver for large parts of the season. To this end, we would refer to our letter dated 19 May and your reply on 25 May. It is worth noting that the UK Government is considering stricter force majeure conditions to accompany a proposed 50% usage threshold for W21, based on experience in the EU this summer.

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- Thirdly, the long-term picture and the implications of current measures must be borne in mind. Decisions taken now will form the basis for historic slot holdings in the winter 2022 scheduling period, by which time the relief measures introduced by Reg. 2021/250 should no longer be in effect. As such, if relief measures are not set at a level correspondent to the evolution of the market and traffic, then airports will start W22 and S23 with historic slot portfolios largely corresponding to the market situation of three to four years previously, while airlines' businesses and fleets will have been greatly reconfigured.

- Lastly, we continue to see airlines claiming many more slots in the initial allocation phase than will be required during the season (due to demand still being lower than in 2019) or than they can operate (due to the reductions in fleet and staff). This is done for strategic and tactical reasons, so as to give airlines a large choice of options - but at the expense of competition and more effective use of airport capacity. The generous waiver provisions of the previous three seasons have made this possible, due to the maintenance of historic portfolios since 2019. By setting the usage threshold at too low a level for W21, airlines would be enabled to keep this privileged position until W22, independent from the real market situation.

For these same reasons, and under the assumption that the epidemiological situation will continue to evolve positively, airports expect a further increase in the usage threshold for the S22 scheduling period ahead of the return to 80/20 in W22 as foreseen by the Regulation. As the EUROCONTROL Four Year Forecast points to a stable path towards recovery by next summer, it is essential that slot allocation measures continue to reflect market reality and facilitate competition and connectivity.

As ever, I remain at your disposal and thank you for your attention on this matter of crucial importance for the European airport industry.

With my very best regards,

