

Summary of recommendations for slot use relief

Northern Summer 2021

This paper explains the Worldwide Airport Slot Board (WASB) recommendation for northern summer 2021 (NS21) slot use relief, and their expected industry impacts with the aim of assisting regulatory decision making.

The impact of COVID-19 on the aviation industry has led to airport slot relief measures being agreed at airports globally. The measures aim to minimize disruption to existing network connectivity, and provide a basis for recovery, while providing access to airlines who are able to operate.

Industry Objectives

The symbiotic relationship airlines and airports enjoy means our recovery objectives are broadly aligned. These objectives are:

- Safeguard airport connectivity and hub structures to restore global networks in line with recovery of demand
- Gradually incentivize slot returns for reallocation on an historic basis
- Re-establish services in accordance with the removal of flight restrictions and recovery of demand
- Safeguard access opportunities and continue to enable a competitive industry

Relief measures

The mutually beneficial relationship between airlines and airports suggests appropriate relief measures will broadly aid the restart and recovery of the industry. However, we know business models are not all the same and the pandemic impacts airlines and airports differently around the world. Balance and flexibility therefore need including in the establishment of industry relief measures.

The WASB recommendations set forth a **relief package made up of three core components**. A summary review of the proposal measures, definitions and how they meet industry objectives is included in [Appendix One](#).

1. Alleviation for the return of a full series of slots

ACI World, IATA and the WWACG agree to providing slot use alleviation for the return of a full series of slots between the Historic Baseline Date (HBD) 31 Jan 2021 and 8 Feb 2021. The proposal protects hub structures and routes invested in by airports and airlines pre COVID-19 by preserving the rights to those slots. Existing airlines have the ability to restart services the following year, while access is provided to new airlines in NS21, with priority for historic allocation in NS22, if capacity is available. The agreement balances the needs of new and incumbent airlines, protects pre-pandemic levels of competition and consumer choice, while providing gradual opportunity for new access.



2. Defining the Justified non-use of slots (JNUS)

Better defining JNUS enables the fair and consistent treatment of slots at both ends of every route. The WASB agrees airlines should not be penalized for not operating slots, if travel restrictions prevent them from operating.

Defining JNUS gives airlines the certainty that they may return slots that they are prevented from operating, knowing the affected flights will be considered as operated in regard of the Use-it or Lose-it (UIOLI) calculation.

The absence of a well-defined JNUS rule creates ambiguity for all, creating airline planning uncertainty and it encourages airlines to hold slots for longer, in the hope they will be able to operate and fulfil the UIOLI calculation. Better defining JNUS therefore means the early return of slots for reallocation to other airlines, and the fair protection of connectivity and hub structures in the future equivalent season. Airline services that are not protected by JNUS and fail to fulfil the UIOLI calculation of course lose their rights to slots, facilitating the gradual reallocation of slots.

The absence of a well-defined JNUS rule leaves the door open for interpretation and inconsistency in applying the JNUS related criteria.

Airports, airlines and coordinators of the WASB have agreed the JNUS text provided in [Appendix Two](#)

Recovery window

Travel restrictions are typically imposed or removed at short notice. The recovery window recognises it is not realistic to expect airlines to fly, or for airports to handle aircraft, the day after travel restrictions are lifted. Flights need to be published, aircraft brought out of storage, crews rostered, and airport resources reinstated. During the recovery window, slots are considered to have been operated, in terms of the UIOLI calculation.

The WASB have agreed a recovery window of up to six weeks.

3. Lower Use-it or lose-it (UIOLI) threshold

The retention of historic precedence is calculated by the proportional operation of a series of slots. Under normal circumstances an airline needs to operate 80% of a series. During the pandemic, lower thresholds are required to facilitate recovery across future seasons. In NS21, the WASB agrees a 50% threshold is appropriate. Airlines are now informing their network and fleet plans for next summer. Confirmation of this threshold is vital by the appropriate authorities before the end of 2020. Without certainty before the SRD/HBD airlines and airports cannot optimise their recovery plan.

Setting a higher threshold, will hinder rather than support recovery. The risk to an airline attempting to restart a service increases due to the threshold potentially requiring an airline to operate beyond sustainable levels. For example, forcing an airline to operate 25 weeks out of 31, when demand is for just 16, might simply result in the full series being returned in advance of the HBD, thereby delaying recovery. The alternative scenario is to risk diminishing the small reserves airlines have.

Where airlines are encouraged to operate at less sustainable levels and perhaps above consumer demand, airlines are incentivized to consolidate resources at airports that have the greatest ability to recover from the pandemic. Secondary airports are likely to lose out. Incentivising flying without demand is economic suicide and environmentally irresponsible.

Setting a lower threshold, may result in greater operational efficiency, flight consolidation and reduced frequency, meaning higher load factors per flight. A lower threshold incentivises the return of slots, providing access to other airlines, thereby capturing the available demand from both incumbent and new airlines. Furthermore, it encourages airlines to take a risk and schedule series of flights they anticipate could be flown at expected levels through the late Q2/Q3 peak – without schedules offered, passengers cannot book.



Positive news is emerging concerning a recovery from the pandemic in the form of vaccines that might be approved and become available in coming months. At this stage the impact of vaccines is not known. Neither is the speed of pandemic growth, related recessions or impact these and other factors have on people's ability and willingness to fly.

Airline forecasts remain uncertain for S21, but based upon S20, the factor of greatest certainty is the expectation that the usual northern summer peak of mid-June to September will persist, although proportional to overall demand.

IATA Economics forecasts there could be a 60% recovery of 2019 levels by the end of 2021. This is mainly driven by the recovery of Domestic travel, whilst International travel will rebound only to 25% of 2019 levels by mid-2021. With some airports currently operating at less than 5% of 2019 levels, an estimation of around 50% recovery, supported by a Summer peak might be possible. However, this remains a global average, and is subject to a lot of uncertainty. Caution is therefore recommended. Setting the UIOLI threshold too high too quickly, risks restricting and prolonging recovery.

a 50/50 threshold relates to an operation of 10-16 weeks, or up to about 50% percent of a full season series of slots. In the absence of other factors offering greater certainty, the WASB recommends 50/50 as an appropriate UIOLI ratio for NS21. Airlines always plan to a higher usage than the threshold. In normal circumstances the 80/20 threshold requires planning to at least 90% use, and therefore to plan 50% usage, airlines need to be targeting 60-70% of flights in this uncertain environment.

Table 2 at [Appendix Three](#) details a comparison of week numbers what may be operated with the equivalent UIOLI threshold ratio. It should be remembered the airline will need to plan for more operations than detailed to account for factors that may prevent operations on the day and that are not covered by JNUS.

Slot mobility and related conditions

ACI and IATA both agree slot mobility should be in line with current regulations. The WASB has agreed certain provisions related to traded slots and implies certain conditions on the eligibility for alleviation.

Conclusion

The great complexity and uncertainty surrounding everyone in aviation through the COVID-19 crisis has amplified the importance of good slot policy. Appropriate relief measures that best support aviation industry objectives are now defined in the WASB recommendation to achieve the necessary planning outcomes in line with the slot process calendar.

No single relief measure has been identified as meeting all objectives. A balanced package of complementary relief measures is therefore agreed by the WASB. The objective must be flexibility – to match demand when it presents, where it presents, and where governments enable and facilitate flying.

The combined measures discussed in this paper are designed to alleviate the risks posed by the pandemic next year, provide the industry with flexibility to meet varying airport and airline circumstances, and a foundation for supporting a sustainable recovery in accordance with industry objectives.

Urgency is needed to provide certainty of these measures being implemented in full before key planning milestones are hit by the industry. In January and February slots are finalised and in the WASB proposal series returns alleviated. To allow the industry to plan for reduced thresholds, series returns and not just blanket waivers, it needs clarity from regulators now on their approach.



Appendix One

Table 1: Summary of relief measures and their objectives

Proposal	Description	Benefit
Alleviation for the return of a full series of slots	Airlines returning a full series of slots by HBD+7 are alleviated from the need to operate slots to retain historic precedence.	<ul style="list-style-type: none">▪ Allows sustainable schedules to be planned with certainty and without jeopardizing global connectivity.▪ Incentive to make full series returns allow reallocation to new and existing airlines on ad hoc basis▪ Retimes facilitated by full series returns▪ Ad hoc entry facilitated by full series (season) slots▪ Airlines can reapply for ad hoc slots should demand warrant additional flying▪ Safeguards hub structures and routes invested in by airports and airlines that are not yet viable to operate in S21 as recovery starts.▪ Planning improvements for airlines and airports with earlier knowledge of schedule plans assisting in managing costs and service provision.▪ Facilitates more consistent scheduling, managing frequencies/DoW services while recovering routes as quickly as possible. <p>Preserves slots that can't be operated this Summer but that are vital for the network, connecting banks of traffic while enabling those able to operate access to slots earlier.</p>
Defining the Justified non-use of slots (JNUS)	Where an airline cannot operate due to circumstances outside of their control, the	<p>Certainty of global application on each end of the route</p> <p>Reduced administrative burden for airlines and coordinators</p>



slot is considered as operated for the purpose retaining historic precedence.

The proposal better defines what circumstances are eligible for JNUS relief to ensure the consistent application of the rule by slot coordinators.

Recovery window

Travel restrictions are imposed and removed at very short notice. The recovery window is a period of time for airports and airlines to restart services following the removal of travel restrictions.

Provides ability to react to reopening of markets, return to service and integrate to the network, recover necessary resources and allow airports and other suppliers time to adjust and be ready for the service.

Publishing schedules and rebuilding demand takes time, allowing passengers to book over a number of weeks to restore operations sustainably.

Use-it or lose-it (UIOLI) threshold

The UIOLI is the measurement that determines the number of flights required for an airline to retain historic rights to a series of slots.

Airlines who fail to meet the UIOLI requirements lose historic precedence.

The proposal recommends a change in the ratio to a level that represents the forecast recovery of the industry and the realities known today, as airlines plan with only these certainties.

50-50 threshold balances the restart of existing services with sustainable schedules that can be flexibly adjusted to demand:

- In accordance with forecast traffic recovery at maximum 50% levels in 2021, many not foreseeing levels of recovery to this level until late 2021.
- 50% requires 16 weeks of operations that could be focused on the peak northern summer period: Jun-Sep, and/or the third quarter 2021 when there is most confidence demand and restrictions will equate to meaningful recovery of schedules.
- Provides flexibility to respond to demand while balancing with need to manage use of capacity.
- Responds to different market needs.
- Supports an environmentally and economically sustainable recovery.



Slot mobility and related conditions

Slot transfer or the swapping of slots,

Where exchanges and transfers are currently allowed this **should continue where they are not prohibited by the laws of the relevant country as per WASG 8.11.5**

The transfer of historic slots is a form of slot use and **should be treated equally to other forms of historic slot use, this is a fundamental principle of the Worldwide Airport Slot Guidelines**, which are jointly published by ACI, IATA and WWACG.



Appendix Two

Justified Non-Utilization of Slots (JNUS) & COVID-19 Pandemic

The existing justified non-use criteria in para. 8.8 of the WASG does not capture specific restrictions resulting from the COVID-19 pandemic, that may prevent airlines from operating scheduled flights for reasons other than commercial cancellations.

1. Coordinators should accept as valid justification for the non-utilization of series of slots, any government restrictions that prevent or severely restrict travel to specific airports, destinations (including intermediate points) or countries for which the slot was held, such as examples listed hereafter.
2. Government travel restrictions based on nationality, closed borders, government advisories related to COVID-19 that warn against all but essential travel, or complete bans on flights from/to certain countries or geographic areas.
3. Severe government restrictions related to COVID-19 on the maximum number of arriving or departing passengers on a specific flight or through a specific airport.
4. Government restrictions on movement or quarantine/isolation measures within the country or region where the airport or destination (including intermediate points) is.
5. Government-imposed closure of businesses essential to support aviation activities (e.g. closure of hotels).
6. Unforeseeable restrictions on airline crew, including sudden bans on entry or crew stranded in unexpected locations due to quarantine measures.

Furthermore, enhanced transparency regarding the application of JNUS criteria is necessary to ensure that the proposed examples above are responsive to aviation stakeholders' needs. Coordinators should report, where requested by local Coordination Committees and agreed with the coordinator, on the implementation of the proposed list.

In the event of airport capacity reduction as a result of health measures being imposed, regards should be given to the WASB Best Practice Paper on Capacity Reductions and the JUNS provisions contained therein.

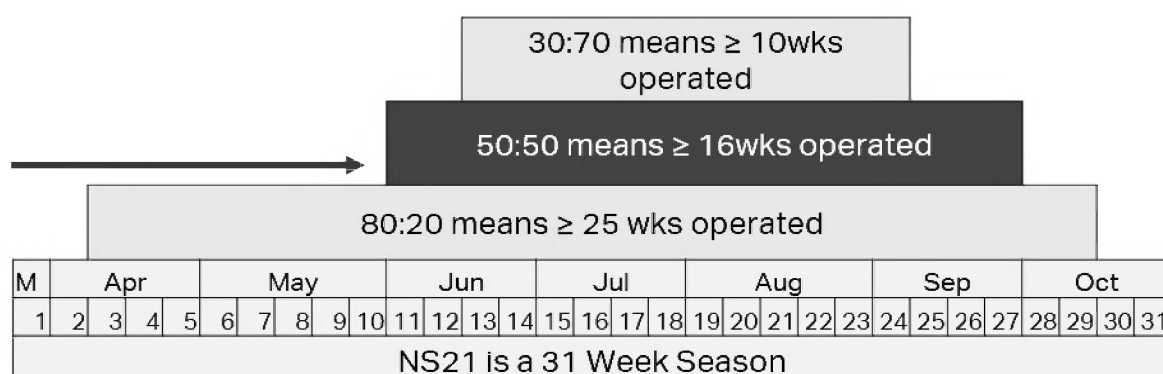
<https://blog.aci.aero/wp-content/uploads/2020/11/WASB-Airport-capacity-declaration-and-temporary-changes-in-capacity-during-COVID-19.pdf>

Appendix Three

Table Two: Comparison of UIOLI Ratio with number of weeks required to operate

UIOLI Ratio	# of series weeks (based upon full season series)	# of slots that may be returned	Threshold # of slots that must be operated to retain historic precedence	Equivalent period of airline schedule planning
20/80	31	24	7	Jul-Aug
25/75	31	23	8	
30/70	31	21	10	Jun-Aug
35/65	31	20	11	
40/60	31	18	13	Jun-Aug
45/55	31	17	14	
50/50	31	15	16	May-Aug/Jun-Sept
55/45	31	13	18	
60/40	31	12	19	
65/35	31	10	21	
70/30	31	9	22	
75/25	31	7	24	
80/20	31	6	25	

Typical operational and planning requirements of different slot use ratios



Pushing capacity to the Q3 period

