



# virgin atlantic

[REDACTED] (DG MOVE)  
European Commission  
Wetstraat 200 – [REDACTED]  
B – 1049 Brussels

4 March 2020

Dear [REDACTED]

## Slot alleviation during COVID-19 outbreak

I am writing to request your assistance in securing airline slot alleviation to ease the impact of the COVID-19 outbreak.

Virgin Atlantic is the second largest long haul airline in the UK, operating from Heathrow, Gatwick, Manchester, Glasgow, and Belfast airports. Our fleet of 46 aircraft carried 5.9 million passengers and 227k tonnes of cargo to 26 destinations across North America, Middle East, Africa, and Asia in 2019. Our Transatlantic joint venture with Delta Air Lines enables us to connect passengers on to more than 200 US and international cities. Our expanded \$13bn transatlantic joint venture with Delta, Air France-KLM launched this month, offers a further 150 daily non-stop flights and thousands of one-stop options between North America and three European hubs.

Virgin Atlantic and the wider European aviation sector is facing an immediate and unprecedented reduction in demand for air travel as a result of the COVID-19 outbreak. The risk of a pandemic in the UK, Europe, and overseas now seems unavoidable and the spread of COVID-19 has already driven severe reductions in daily bookings compared to 2019. Over the last few days the situation has continued to deteriorate:

- Bookings taken on 3 March were 78.71% down in Upper Class and 60% down across other cabins year on year. We are tracking more than 40% down year on year over the past seven day period.
- We are seeing a significant drop in demand on the crucial trans-Atlantic market, with bookings yesterday from US point of sale down 97% year on year.
- Business travel, a smaller but high value segment of the market, has reduced by up to 60% on some routes, driven by changes to corporate travel policies.

We, like many airlines globally, are calling for an immediate waiver of the 80:20 'Use it or lose it' slot rule until the end of the Summer 2020 season (Article 10 of Regulation EC 95/93). Under the Regulation, we are required to operate 80% of our allocated slots or lose our right to the slot in future seasons.

We currently have temporary alleviation from the 80:20 rule on the Shanghai and Hong Kong slots. However, limiting the alleviation to these routes fails to reflect the global spread and increasing impact of the crisis. The alleviation we are seeking was provided following the outbreak of SARS in 2003, which is the closest precedent to today's circumstances.

For the remainder of the winter season to 29 March, we have 32 flights that have not yet met the 80% threshold and therefore have no choice but to operate, or we risk losing the slots. Across those flights there are currently more than 5,000 empty seats, with the average seat utilisation being only 43%. On several flights, seat utilisation is less than 20%. This picture is likely to continue into the summer



season unless alleviation can take place. We have just announced a six month delay in the launch of our new London Heathrow to Sao Paulo service.

A waiver would enable us, and other airlines, to respond to the drastic reductions in demand we are experiencing, reducing frequencies and consolidating services with low load factors. Given the unpredictable and dynamic situation, the industry needs an immediate waiver, for the full summer season, to ensure we have the flexibility to continue to respond. As well as reducing our costs at this difficult time, it would also reduce unnecessary carbon emissions as a result of operating aircraft with low load factors.

We are doing all we can to address this challenge. We have announced a number of measures today including temporary reductions in pay for all senior leaders, requesting unpaid voluntary leave from our people, a freeze on recruitment, deferring annual increases in pay, and cancelling all non-essential training and travel, in order to rapidly reduce costs. I am personally taking a temporary 20% pay cut.

We should recognise the situation is likely to worsen before it improves, which is why we need to secure slot alleviation as soon as possible. If you would like to discuss this matter further, I am available at your earliest convenience.

Yours sincerely,

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Cc. [Redacted line]

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