



13 October 2020

[REDACTED]
European Commission
e-mail: [REDACTED]

Dear [REDACTED]

Thank you for your letter of 29 September 2020 in which we are pleased to read that the Delegated Act will be published shortly and provide the much-awaited slot use waiver for the winter 2020/21 season. Airlines have already started returning their winter slots.

Your letter mentions that there could be an additional condition that would exclude 'traded and leased slots' from the slot waiver. We would like to respond on this point specifically, because this new condition is not supported by our member airlines, neither was it considered in our discussions with the coordinators and airports, nor was it part of the final agreement that we worked so hard to achieve collectively. In speaking to the services of DG MOVE, we now better understand that this new condition is likely to be proposed for the future amendment of the Slot Regulation and is not foreseen for winter 2020/21. That is an important and welcome clarification.

IATA and A4E members nevertheless urge you to reconsider including this new condition in your final proposals. The Slot Regulation allows slot mobility in Article 8(a) through exchanges and transfer of slots, which has been recognised to provide positive outcomes for consumers, competition and the efficiency of the process¹. There are many forms of slot mobility, but we understand the activity you would like to exclude is the buy, sell and lease of slots often referred to as secondary trading. A condition to exclude secondary trading from a waiver will remove much needed mobility, especially at a time of crisis when this 'tool' for managing slots could be most beneficial for ensuring use of airport capacity and recovering flights. It would disable airlines from optimising slots and will leave these slots dormant through the waiver period, rather than enabling them to be used. Surely, this cannot be the intended result.

There are numerous lease arrangements made pre-pandemic that will end in summer 2021. The implications for the receiving carriers – sometimes within the same corporate group – having to use the traded slots 80% of the time in the current environment are huge, especially where the trade was contracted pre-pandemic without any foresight for such a critical situation unfolding. Airlines are already making arrangements to transfer within and outside their airline for summer 2021 and denying relief to these slots jeopardizes these agreements. We also believe that the addition of a condition on secondary trading would be disproportionate relative to the risk of any speculative trades taking place and warrant, therefore, an Impact Assessment to ensure the proposal balances perceived outcomes against the risks. The dominant secondary trading market is found in the U.K., further making the inclusion of this condition questionable in benefit.

.12

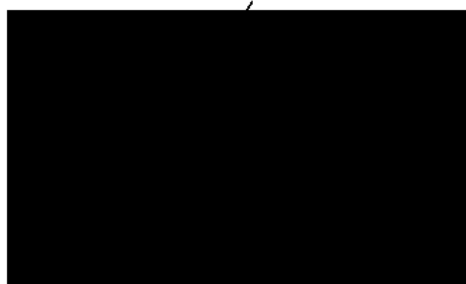
¹ Recognised by Steer in 2011 in their analysis and impact assessment of the slot regulation's workings.



- 2 -

Conditions should benefit the industry and not disable it, and we therefore once again reiterate how important it is for the industry to have certainty as soon as possible for planning summer 2021 as relief for at least part of summer 2021 is very likely to be required. IATA and A4E therefore welcome the commitment of the Commission to progress the amendments of the Slot Regulation as quickly as possible and look forward to liaising closely with DG MOVE on this file of paramount importance.

Yours sincerely,



Airlines for Europe