



28 February 2020

[REDACTED] (DG MOVE)
European Commission
[REDACTED]
B-1049 Brussels

Dear [REDACTED]

The Coronavirus (Covid-19) is dominating news headlines, disrupting supply chains and causing anxiety for air travellers. This outbreak is impacting airlines operating to, from and within your country in many ways. I am writing to highlight the impact on the airlines and their customers, but also to request your assistance. The airline industry is in a crisis which is forecast to get worse before it gets better, so it is essential that airlines and governments work together to minimize the impact where possible through alleviation measures that will support the industry and its customers, and create a platform for recovery.

IATA is forecasting that revenues will decline by some \$30 billion, assuming the China impact only, and therefore this could be substantially higher given the new cases in many other countries. This impact is a result of falling demand, collapsing yields, declining consumer confidence and fears of a pandemic, fuelled by a global media 'info-demic'. Fall in demand is not directly linked to the current outbreak cases or countries affected, but passenger perception. Passengers do not want to find themselves isolated, away from home or restricted in their personal capacity following travel to third countries where transmission is known. The impact is therefore across the industry and now being felt on both domestic, regional and international sectors.

We have collated data from our member airlines which illustrates the impact and fall in demand for travel, the data is anonymized and aggregated to avoid any breach of confidentiality and shared in the accompanying data pack. The following provides some excerpts of the information for the last few days operations:

- Network carrier experiencing 26% reduction across the entire operation in comparison to last year.
- Bookings to Italy for an EU hub carrier a net -108% as bookings collapse to zero and refunds grow.
- 50% no shows reported for many carriers across EU markets, specifically worsening in last days.
- Crew reported as sick increasing for intra-EU flights in last days for European hub carriers severely disrupting ability to keep current schedule operating.

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Unfortunately, the experience of SARS and other disease outbreaks suggest we are not at the worst point yet and the damage could be protracted due to the above-mentioned external factors. This means the industry will see demand decline over its usually busiest period of the northern hemisphere summer season.

Flexibility for the industry to respond to changing market conditions, as well as changing consumer demand

In this critical situation, airlines must try to match capacity and frequency of operations to demand. However, our airlines are being artificially constrained by the need to use their airport slots to achieve utilization requirements. Airlines need to have more freedom to make the necessary decisions to adjust their flight schedules, particularly where, on some routes, flights are running far below economic occupancy levels. This may lead to the consequence that already weak airlines may not survive.

The use-it or lose-it rule is well suited to normal operations, but its implementation under such exceptional circumstances is forcing airlines to operate unnecessarily to avoid loss of their historical slots, which is neither economically nor environmentally responsible or sustainable. Under such exceptional circumstances the industry needs flexibility to respond, plan alternative flights and best use infrastructure in a sustainable manner.

Certainty to make sustainable decisions that will better equip the industry for recovery

It is impossible for carriers to make strategic decisions and reduce their operations according to demand if there is no certainty of treatment in place for their slots globally. They are assuming a huge risk to the schedule and network that has been built over decades if they were to lose their slots. Furthermore, it is these historical slots that will define the recovery and ability to serve consumer demand as soon as it rebounds. By providing certainty and consistency airlines can inform consumers in advance which flights will be operated, despite reductions in capacity.

Historic slots provide certainty of connectivity for consumers and economies, convenient schedules and consistency from one season to the next. Slot allocation plays a vital role in the industry being prepared for the eventual recovery period, providing certainty and resilience in these challenging times. In turn this provides much needed confidence to continue to make investment decisions for growth post recovery, order new sustainable fleets and continue to provide a reliable and economic network in future seasons.

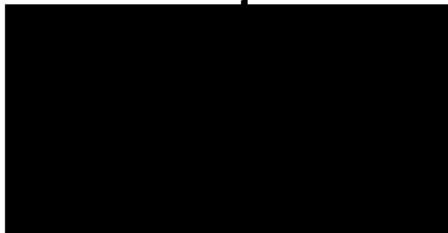
Requesting your urgent action for summer 2020 and the remaining winter season

Aviation is a global industry and therefore needs a globally harmonized and consistent approach. The current crisis is not limited to a certain number of countries, and airlines need to be able to take steps at all Level 3, slot coordinated airports worldwide. As a matter of urgency, we are therefore writing to appeal to you to take action and provide a waiver for slot use for all routes for the upcoming northern summer 2020 season. We also request the remainder of the winter season is fully alleviated for all routes in accordance with the impact.

We are asking for this now, for the full season, because this enables the airlines to react according to their planning timeframes and best make use of the slot flexibility by aligning demand to their schedule and changing flying patterns to maintain connectivity where possible. The extent of the full season alleviation also provides the much-needed framework to support recovery as carriers build back their schedule on their existing slots, over weeks and months. Services will be recovered as the demand builds back, likely supporting a gradual restarting of the services. This would mean that airlines could more quickly get back to supporting economies and providing consumers with the services they want.

We would be grateful if you would respond to this critical request to [REDACTED] as soon as possible. We appreciate these matters can take time to analyze but urge action as quickly as feasible given the proximity of the season start on 29 March 2020 and current impact.

Yours sincerely,

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International Air Transport Association