



July 14, 2020

Directorate General of Mobility and Transport  
European Commission  
Brussels, Belgium

Re: Slot Usage Waiver Extension for Full Winter 2020-21 IATA Season

Dear [REDACTED],

Airlines for America (A4A) is the principal trade organization for the U.S. scheduled airline industry<sup>[1]</sup> and, as you know, our members have extensive operations in the EU. We thank you for your efforts in securing an EU slot waiver that applies from March 1 through October 24, 2020. As noted in the European Commission press release of March 30, 2020, "the waiver ... is designed to help air carriers cope with the drastic drop in air traffic caused by the Coronavirus crisis." Moreover, "It seems clear now that this crisis will not be over very soon. Waiving the 'use it or lose it' rule until October will help mitigate the heavy economic impact on airlines and give them certainty over the whole summer season." The press release also states that, "If the current serious situation persists, the measure can be extended quickly by means of a Commission delegated act."

We are writing to request that the EU slot waiver be extended through March 27, 2021, the end of the winter 2020-21 IATA season. As a practical matter, the current web of government-imposed travel restrictions between the U.S. and the EU (and travel restrictions of other countries) severely limit the aviation industry's ability to operate in the marketplace. COVID-19 has created unusual and unpredictable conditions that are far beyond the control of slot holders and that will affect the airline industry for an indefinite period, providing good cause for a waiver extension.

A full recovery to pre-pandemic demand is not expected for at least three years, and a full financial recovery will take even longer. In aggregate, U.S. passenger carriers are expected to end 2020 with both a substantially smaller fleet and workforce. Just in the week ended July 5:

- A4A member airlines carried 74% fewer passengers (71% domestically, 93% internationally) year-over-year.
- A4A member airlines operated 59% fewer flights (56% domestically, 86% internationally) year-over-year.

---

<sup>[1]</sup> A4A members are: Alaska Airlines, American Airlines, Atlas Air, Delta Air Lines, FedEx, Hawaiian Airlines, JetBlue Airways, Southwest Airlines, United Airlines, and UPS. Air Canada is an associate member.

- A4A member airlines averaged 68 passengers per domestic flight and 77 passengers per international flight.
- U.S. international air cargo volumes fell 21% in April (U.S.-Europe down 44%).

The ability of airlines to survive the typically challenging winter season will be dependent on how agile, responsive and sustainable their operations can be. Airlines must have the freedom and ability to match capacity and frequency of operations to demand and to use infrastructure in a sustainable manner.

As COVID-19 cases continue to rise, bookings for air travel are at historic lows globally. No region is immune from the impacts of COVID-19 so airlines are unable to re-deploy flights to other markets. Overall, bookings are down 82% year-over-year for 2020 compared to 2019. In addition, one month ago 60% of passengers surveyed expressed the intention to travel in one to two months. Today, only 45% of passengers expressed that same intention. We are concerned that there may be a softening in bookings as governments continue to enforce travel restrictions, health requirements and mandatory quarantines.

The certainty of a slot use waiver is needed now to allow airlines to plan and reduce their schedules according to the best-known consumer demand, global restrictions and the knowledge of how their historic slots will be treated. Granting a waiver extension now supports the ability to manage the slot pool and reallocate available capacity, provide airports with timely schedules to plan accordingly and permit partners such as ANSPs, fuel providers, ground handlers and catering suppliers to plan their own services.

Clearly, winter demand is insufficient to sustain existing schedules at required levels to satisfy normal usage requirements to meet the 80:20 rule. Airlines need to make difficult decisions now about their winter season schedules. It would be financial and environmental suicide to operate services purely to protect their post-recovery network. As you know, airport capacity is being put under pressure due to biosecurity measures to ensure a safe and healthy journey, often resulting in reduced capacity and an increase in minimum connection times.

Finally, the global aviation network is made up of schedules and slot holdings built over decades. Without the flexibility provided by the waiver, connections between certain destinations may be lost forever (94% of airport pairs connect indirectly).

For all the foregoing reasons, we respectfully request that the Commission take the procedural steps necessary to adopt a delegated act granting the winter waiver before the Slot Hand-back deadline of August 15. This will give airlines the flexibility they need to focus on meeting evolving passenger demand and liberate carriers from the impossible task of predicting their schedules in a year's time.

Sincerely,

[Redacted Signature]

[Redacted Title]