

SHORT (& MEDIUM) TERM MEASURES - EXECUTIVE SUMMARY

MEASURE SET	Regulatory	
MEASURE TITLE	Aircraft type restrictions	
MEASURE SUMMARY	This measure proposes to prohibit certain types of aircraft from operating at LHR (or at LGW when it reaches capacity).	
MEASURE INVOLVES	<div><div><input type="checkbox"/> Behavioural Change</div><div><input type="checkbox"/> Operational Change</div><div><input type="checkbox"/> Technical Change</div></div> <div><div><input type="checkbox"/> Infrastructure Change</div><div><input checked="" type="checkbox"/> Regulatory Change</div><div><input type="checkbox"/> Policy Change</div></div>	
WHAT DOES THIS ADDRESS?		
<p>In terms of slot allocation, there are three tiers of airport:</p> <ul style="list-style-type: none">coordinated airports which means any airport where, in order to land or take off, it is necessary for an air carrier or any other aircraft operator to have been allocated a slot by a coordinatorthe schedules facilitated airport which means an airport where there is potential for congestion at some periods of the day, week or year which is amenable to resolution by voluntary cooperation between air carriers and where a schedules facilitator has been appointed to facilitate operationsother airports which do not suffer congestion and do not require slot coordination or facilitation. <p>Slot allocation is relevant to slot coordinated airports, which in the UK are: Heathrow, Gatwick, Stansted, Manchester and London City. Slots are allocated as slot series (e.g. for a departure at 14:05 on every Wednesday) twice-yearly on a seasonal basis (summer and winter) airport-by-airport. Once allocated, slots are subject to so-called grandfather rights, whereby as long as the operator uses more than 80% of the slots during a season, it has the right to retain the slots in the next-like season (e.g. from summer-to-summer). In some cases, operators choose not to use their slots for periods of the season (whilst making sure that they use 80% of the allocation to retain the grandfather rights): thus even if all slots are allocated the airport is not operating to its capacity. In this case, the slot coordinator (Airport Coordination Ltd in the UK) may allocate a one-off or ad-hoc slot to offset an unused slot as long as the overall allocation is not above the hourly capacity declaration. These ad hoc slots are allocated to a range of purposes including business aviation and air taxi as well as technical and positioning flights for airline based at the airport. In order to retain slots where they have a high value, such as early morning slots at Heathrow, aircraft operators can operate routes at a loss, simply to retain the slot on the balance sheet, or operate thin routes using small aircraft, which in slot terms is inefficient.</p>		
WHAT WOULD BE DONE?		
<p>A variety of regulatory solutions are proposed, including prohibition on business and pure freight aircraft, minimum aircraft size requirements, increased landing charges for smaller aircraft and operating exemptions for quiet aircraft.</p>		
WHAT IS THE IMPACT?		
<p>Currently traffic distribution rules in place at Heathrow prohibit, in the main, pure cargo aircraft (during peak times) and charters. Business and general aviation can only access Heathrow through ad hoc slots (the situation is probably similar at Gatwick and Stansted – to be confirmed). Charging regimes at Heathrow and Gatwick incentivise the use of large aircraft.</p> <p>It is therefore expected that the impact of the measure would be minimal at Heathrow and Gatwick where access to business and general aviation and pure cargo aircraft is very limited by the availability of slots and the application of traffic distribution rules.</p>		

MEASURE SET:	Regulatory	Short Term	<input checked="" type="checkbox"/>
MEASURE TITLE:	Aircraft type restrictions	Medium Term	<input type="checkbox"/>

PROPOSAL SUMMARY

Proposed by:	Biggin Hill(044), Fox (029), Gilman(037), HITRANS(026), Manston Airport(051)		
Proposal: REG-ACR-1 REG-ACR-2	<p>This measure covers two main proposals:</p> <ul style="list-style-type: none"> prohibiting certain types of aircraft from operating at LHR (or at LGW when it reaches capacity) on the basis that they displace more valuable uses of slots at that airport the exemption of particularly “quiet” aircraft from noise restrictions, so they may operate at LHR for longer operating hours than at present. <p>Both of these proposals are already in place and so the impact can be assumed to be short-term</p>		
Approach	<p>The approach to the proposals includes:</p> <ul style="list-style-type: none"> A regulatory prohibition on business aircraft and pure freighters at LHR (and LGW when it reaches capacity), so that these slots would be available for passenger airline services or additional resilience (HITRANS) The imposition of a minimum aircraft size requirement at LHR will reduce the likelihood of airlines using slots at lower cost to retain them, rather than to surrender or sell them Increase landing charges for smaller aircraft to be similar to that of larger aircraft at LHR Exemptions for quiet aircraft could increase the number of useful slots. 	<p>Stated Capital Cost: Not stated</p> <p>Capacity (mppa): Not stated</p> <p>Capacity (atm): Not stated</p>	
Benefits	<p>The main benefits available cited are:</p> <ul style="list-style-type: none"> some additional slots at LHR would be available. This benefit is unlikely to be realised as Heathrow's cargo flights only occur at off-peak times and general aviation/business aviation only use ad hoc slots when slots have been handed back to the pool and the number of allocated slots is lower than the capacity declaration some airlines may be more willing to sell/transfer slots rather than use them with smaller aircraft. There are already large charging differentials favouring the use of large aircraft but this appears more than offset at present by the high value of slots exemptions for quiet aircraft could allow for a small increase in movements per day. <p>It appears that the benefits would be marginal.</p>		
Issues & Risks	<p>The main issues and risks are:</p> <ul style="list-style-type: none"> At present, freighters are only allowed to operate at off-peak times and have slots with grandfather rights business aircraft use slots made available due to planned non-usage by airlines a minimum aircraft size is likely to have very marginal impact on usage, as it is rare for aircraft below 50 seats are flown into LHR not identified what “quiet” aircraft would justify exemptions from current restrictions. 		
Mitigations	Not stated.		
Dependencies	<p>There key dependencies are:</p> <ul style="list-style-type: none"> Extent to which current allocation of ad-hoc slots to freighters and business aviation is useful for scheduled airline services. Willingness of communities surrounding LHR to accept flights beyond the cap based on a pre-determined “quiet” aircraft threshold. 		

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ASSESSMENT SUMMARY

Strategic Fit	Low impact on strategic options.
Economy	Imposes costs on freight and business aviation users which select LHR for reasons of lower generalised costs. Undefined impacts on airline industry. Minimum aircraft size requirement may result in airlines that may increase connectivity being more likely to obtain slots over airlines unwilling to retain a slot by unprofitably operating a larger aircraft on a route. Allowing more slots based on quiet aircraft would increase capacity and connectivity.
Surface Transport	None.
Environment	Unlikely to have meaningful impact on emissions. Exempting “quiet aircraft” for time of operations restrictions would result in higher emissions.
People	Not stated
Cost	Increased operating costs for freight and business aviation users. Increased costs for airlines holding slots that they are unable to profitably utilise, but unwilling to sell at current market prices.
Operational Viability	Undefined category of “quiet aircraft”
Delivery	Delivery is possible. It requires extension of the traffic distribution rules at LHR to include aircraft size rules. Exemption for “quiet” aircraft may require planning inquiry due to removal of caps. 41% of BAR UK airlines do not consider Government strategic input on aircraft size to be an effective measure (BAR UK), 37% do.