

SHORT (& MEDIUM) TERM MEASURES - EXECUTIVE SUMMARY

MEASURE SET	Slot scheduling reform
MEASURE TITLE	Governance mechanisms
MEASURE SUMMARY	This measure concerns proposals to reform the processes under which slots are allocated and subsequently traded.
MEASURE INVOLVES	<div style="display: flex; flex-wrap: wrap;"> <div style="width: 50%;"><input type="checkbox"/> Behavioural Change</div> <div style="width: 50%;"><input type="checkbox"/> Infrastructure Change</div> <div style="width: 50%;"><input type="checkbox"/> Operational Change</div> <div style="width: 50%;"><input checked="" type="checkbox"/> Regulatory Change</div> <div style="width: 50%;"><input type="checkbox"/> Technical Change</div> <div style="width: 50%;"><input checked="" type="checkbox"/> Policy Change</div> </div>
WHAT DOES THIS ADDRESS?	
<p>The slot allocation process and the associated governance arrangements within the EU are defined through:</p> <ul style="list-style-type: none"> • The EU Slot Regulation, Council Regulation 95/93, and its amendment Regulation 793/2004 on common rules for the allocation of slots at Community airports (the Regulation). The legal competence for slot allocation rests at European is based on competition and single market premises. • Misuse of Slots Enforcement Code • the IATA Worldwide Scheduling Guidelines • bilateral/multilateral air services agreements, where applicable • National legislation (including UK statutory instrument 2006, no 2665, the airports slot allocation regulations 2006; night restrictions; traffic distribution rules; planning restrictions) and local rules. <p>Slots are only allocated at airports designated at national level as being coordinated under the Regulation 95/93.</p> <p>The governance arrangements are multi-tier:</p> <ul style="list-style-type: none"> • the Member State, which is responsible for, inter alia, designation of its airports as coordinated or schedules facilitated as well as oversight of aspects of the process such as ensuring the Coordinator is appointed and that the Coordination Committee is established • the Coordinator (Airport Coordination Ltd in the UK case), that must be at least functionally independent from all other interested parties and is responsible for the execution of the end-to-end slot allocation process in a neutral, non-discriminatory and transparent way • the Coordination Committee, comprising at least to the air carriers using the airport regularly and their representative organisations, the managing body of the airport concerned, the relevant air traffic control authorities and the representatives of general aviation using the airport regularly • the managing body of an airport, which has the task of administering and managing the airport facilities and coordinating and controlling the activities of the various operators present at the airport or within the airport system concerned. 	
WHAT WOULD BE DONE?	
This measure is concerned with reform of the slot allocation and secondary trading mechanisms to promote the more efficient use of slots.	
WHAT IS THE IMPACT?	
The outcome would likely be the more efficient use of scarce resource, not only from the economic perspective but also environmentally	

MEASURE SET:	Slot scheduling reform	Short Term	<input checked="" type="checkbox"/>
MEASURE TITLE:	Governance mechanisms	Medium Term	<input checked="" type="checkbox"/>

MEASURE SUMMARY

Proposed by:	ABTA (005), Individuals, London Stansted Corridor Consortium (048)		
Proposal:	Several proposals have been made to concerning the improvement of slot allocation mechanisms to allocate slots in the most economically efficient way. Local guidelines/rules are already applied at some airports (see below) and setting capacity caps to limit utilisation to a manageable level could be applied in the short-term where those utilisation levels are not already exceeded. These two proposals can be considered short-term. Focusing slot allocation on slot efficiency would probably require changes to allocation rules and guidelines but could potentially be enacted in the medium-term. The two proposals on reverting to UK government control and reserving slots for domestic routes would not be possible under the current governance arrangements/competition rules. The proposals are:		
SSR-GME-1	<ul style="list-style-type: none">• revert to UK government control on slot governance		
SSR-GME-2	<ul style="list-style-type: none">• set caps for capacity utilisation		
SSR-GME-3	<ul style="list-style-type: none">• focus on slot utilisation/efficiency		
SSR-GME-4	<ul style="list-style-type: none">• use local guidelines/rules to deal with local issues		
SSR-GME-5	<ul style="list-style-type: none">• reserve some slots for domestic routes.		
Approach	Several proposals have been made to contribute to the achievement of the desired outcomes for the measure. These are: <ul style="list-style-type: none">• revert to UK government strategic control of the slot allocation process so that it can be aligned to optimise its contribution to the delivers strategic objectives• set caps for capacity utilisation to ensure slots are reserved for resilience• introduce a focus on slot utilisation/efficiency to augment the current approach of a slot simply being a simple time slot. This might be envisaged as being associated with the seat capacity of the operating aircraft, the strategic importance of the route being flown and its associated environmental impact• encourage the use of local guidelines/rules to optimise the slot/scheduling process to the specific circumstances of the airport. Such local guidelines are already in operation at LHR and LGW airports covering allocation of night movements within the quota, allocation of ad hoc slots, compliance with the movement cap and temporary reduction of capacity.• reservation of slots for some domestic routes from UK regions through Heathrow / prohibition of slots being used for some short-haul European routes	Stated Capital Cost: Not stated	
		Capacity (mppa): Not stated	
		Capacity (atm): Not stated	
Benefits	Improvements to the mechanisms used for capacity declaration and slot allocation could potentially deliver significant benefits in terms of better utilisation of existing capacity, improved resilience (reduced delays and, possibly, mitigation against disruption); improved punctuality and lower environmental impact.		
Issues & Risks	The main issues/risks are: <ul style="list-style-type: none">• it is very unlikely that UK could regain control/governance/regulation of the slot allocation process• achieving buy-in and agreement to any changes from the airport's Coordination Committee, which is defined in the Regulation as the main instrument of governance of slot allocation at each airport;• the degree to which local guidelines could be used to modify the processes concerning capping the proportion of declared capacity that can be awarded as slots; the extent of the use-it-or-lose-it grandfather rights rule; rules on the efficient use of slots;• there is currently no definition or agreement on slot efficiency; a slot is simply a permission to operate at a given time and it is a commercial decision on the part of the airline on how to use it• within the Single Market for Air Transport (except for security or safety considerations), any EU/EEA registered carrier is permitted to operate services between any two points within the EU although administrations are potentially allowed to allocate traffic on a non-discriminatory basis between airports forming part of an airport system (although this would appear counter to the philosophy of promoting competition within the London airport system).		
Mitigations	None needed.		
Dependencies	The major dependencies are: <ul style="list-style-type: none">• limits on what can be achieved by the requirement for compliance with the Regulation		

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	<ul style="list-style-type: none"> the need for approval for creation of local guidelines, which would be the main instrument for change, by the airport's Coordination Committee.
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ASSESSMENT SUMMARY

Strategic Fit	Not stated
Economy	Improvements to slot governance processes could make a significant contribution to better utilisation of existing capacity, improved resilience, reduced delays and improved punctuality.
Surface Transport	There would be little or no impact on surface transport.
Environment	There is potential for reduced environmental impact through reducing delays by better slot allocation. It is also possible that environmental factors could be included in the definition of slot efficiency.
People	There is potential for improving the passenger experience (better and more reliable punctuality) as well as reducing environmental impact, both through reduced delays but also taking environmental impacts into account in the capacity declaration/slot allocation process
Cost	Not yet known
Operational Viability	<p>Slot allocation is performed under the legal and institutional frameworks provided by: the EU Slot Regulation, 95/93, and its amendment Regulation 793/2004; UK statutory instrument 2006, no 2665, the airports slot allocation regulations 2006 and the IATA Worldwide Scheduling Guidelines. It is unlikely that UK Government could regain the legal competence for governance of slot allocation; however, it is within the remit of the Government to promote improvements to the process, compliant with the Regulation, as proposed in the report of the South East Airports Taskforce.</p> <p>Article 8(5) of the Slot Regulation already enables the creation of local guidelines by the airport's coordination committee to deal with specific local issues, provided such rules do not affect the independence of the airport's coordinator, comply with Community law and improve the efficient use of the airport.</p>

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Delivery <p>It is likely that some proposals could be delivered through local actions but that others would not be deliverable within the current regulatory framework.</p>			