

THE EU WANTS TO BRING BACK THE 80:20 SLOT RULE



It is well known that as a result of the pandemic, the "80:20 slot rule" was suspended - i.e. the rule that states that an airline must use at least 80 percent of a given slot at the airport, otherwise the slot must go back into the free market as of the next flight schedule period (so-called "use it or lose it").

Since then, the aviation authorities have been trying to reintroduce the rule, but the airlines, above all their umbrella organization IATA, are fighting tooth and nail against it. **Their argument so far has been that they are still a long way from returning to pre-pandemic levels.** This was true until this summer - but the enormous demand this summer and the excellent yield at the airlines due to this demand have led the EU to reassert its claim.

As a reminder, Brussels already increased the slot utilization rate to 50 percent for the winter 2021/22 scheduling periods and to 64 percent for the current summer 2022. However, Filip Cornelis, director of aviation at the EU Commission's "Directorate-General for Mobility and Transport," recently stated that the "good recovery of air traffic" and the positive outlook would justify ending the temporary exemption of the conventional slot rules from the winter 2022/2023 scheduling season at the latest - i.e., a definitive return to the 80:20 rule is desired.

Indeed, according to Eurocontrol, air traffic has been consistently back above 80 percent of 2019 levels since April 2022, and even 88 percent in August. Eurocontrol expects traffic to be at 90 percent (compared to 2019) at the start of the 2022/2023 winter scheduling season.

Nevertheless, the concerns of the airlines are also taken into account. The EU Commission acknowledges that a high degree of uncertainty remains for winter 2022/23, given inflation, a possible return of covid waves and related measures, or a possible expansion of the Ukraine war. For this reason, the EU Commission proposes that airlines can continue to make use of the "exemption for justified non-use of slots." However, this will only be the case if authorities order sanitary measures that restrict air traffic and/or significantly affect passengers' ability to travel.

In addition, this exemption is to be extended to measures related not only to Covid-19, but also to other major health emergencies, natural disasters or political unrest. He added that the EU will be vigilant to ensure that there is no arbitrary interpretation by national slot coordinators.

In this context, Cornelis said, "The slot rule must provide fair opportunities for all airlines to access limited airport capacity and should reward those that use airport capacity efficiently." European airports also argue for a return to the 80:20 slot rule. "There is no question that the exemptions have meant a loss of connectivity and revenue for airports," said Olivier Jankovec, director general of Airports Council International Europe (ACI), for example.

Unsurprisingly, the International Air Transport Association (IATA) expressed its opposition to the reintroduction of the 80:20 rule. In a position paper, the association wrote again, "The proposal is contrary to the industry's environmental goals and EU requirements, as it raises productivity to normal levels before the sector or demand is ready." So the current 64% slot utilization rate should

be maintained this coming winter, according to IATA. In addition, fears are being stoked that the EU's proposed changes to the "entitled to request non-utilization of slots" system could lead to chaos and bureaucracy.

The proposal is a transitional arrangement that would apply to the following three scheduling periods while the general slot regulation is revised in parallel. The proposal for a temporary exemption from intra-EU slot rules requires the approval of the European Parliament and the Council. The European Parliament is expected to vote on it in October, shortly before the start of the winter flying season on October 30.

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