AT A GLANCE

Plenary – March II 2020



Suspension of EU rules on airport slot allocation

On 13 March 2020, the European Commission adopted a legislative proposal to amend Regulation 95/93 on common rules for the allocation of slots at EU airports. The proposal responds to the rapid spread of cases of COVID-19, which has led to a substantial drop in the number of flights and forward bookings. It seeks to support airlines by temporarily suspending slot usage rules. The proposal is expected to be voted during the extraordinary plenary session being held on 26 March to enable the adoption of this and two other specific measures.

Background

Under current rules, airport slots are allocated by independent coordinators, for summer or winter scheduling seasons. To keep their slots and retain them in the next corresponding season, air carriers are compelled to use them at least 80 % of the time over the scheduling period for which they have been allocated (a convention known variously as 'historical slots', 'grandfather rights' or the '80-20 rule'). Otherwise, the slots go back into the slot pool for allocation, with the slots which are under-used by air carriers then reallocated (known as the 'use it or lose it' rule).

The spread of COVID-19 around the world has already had severe <u>implications</u> for the air transport sector. Air carriers initially reported large falls in forward bookings, but then travel restrictions, notably the coordinated temporary restriction of non-essential travel to the EU for a 30-day period, in order to contain the spread of the virus globally, have meant the number of flights being operated has fallen dramatically.

As slots are an essential economic <u>resource</u> for airlines, air carriers may initially have been inclined to operate flights with very low load factors (or 'ghost flights'), to protect their 'grandfather rights', thus increasing financial losses and the adverse impact on the environment. Hence, the importance of temporarily neutralising the 'use it or lose it' rule, to mitigate the impact of the crisis and provide legal certainty to air carriers. Temporary suspensions have been used in the past: in 2002 following the 9/11 terrorist attacks; in 2003, following the Irag war and the SARS epidemic, and in 2009 in response to the economic crisis.

Defined in the initial 1993 Regulation (amended several times) as 'the scheduled time of arrival or departure available or allocated to an aircraft movement on a specific date at an airport coordinated under the terms of this Regulation', an airport 'slot' means permission to use runways and terminals to operate a flight to or from a congested airport on a specific date and at a specific time.

European Commission proposal

The objective of the proposal adopted by the Commission is to suspend the 'use it or lose it' rule for slot allocation, with retroactive effect. Coordinators would consider slots allocated for the period from 1 March until 30 June 2020 as having been operated by the air carrier to which they had initially been allocated. In other words, the non-utilisation of slots in this period should not cause carriers to lose the historic precedence they would otherwise enjoy. In addition, the measure would apply to slots used for flights between the EU and China or Hong Kong, for the period from 23 January 2020 until 29 February 2020. The proposal would empower the Commission to extend the application of the measures, by way of delegated acts.

European Parliament position

Using the urgent procedure (Rule 163), the Transport and Tourism Committee (TRAN) referred the proposal without a report to be voted directly by plenary. On 20 March, the Member States' ambassadors in Coreper decided the suspension should extend to 24 October 2020, i.e. the full summer season. Parliament is expected to vote on the proposal and a similar amendment, by e-mail exceptionally, on 26 March.

First reading without committee report (Rule 163): 2020/0042COD); Committee responsible: TRAN.

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