

# Asia/Pacific Airport Coordinators Association (APACA)

## Agenda Item 6

Proposed Recommendation  
on EU Regulation 95/93

3rd APACA meeting  
17 November, 2011  
Singapore

## Proposed Recommendation (1)

- I Regulation (EEC) 95/93 established an administrative mechanism for the allocation of capacity at congested airports. The Regulation seeks to ensure non-discriminatory and transparent procedures for slot allocation, and is largely based on the International Air Transport Association (IATA) World Slot Guidelines (WSG).
- I The European Commission identified a number of issues with the operation of the Regulation 95/93. The key issues identified included: (1) independence of coordinator, (2) allocation of slots to new entrants, (3) transparency of data, (4) adequacy of local guidelines, (5) secondary trading, (6) rejection of flight plan in the absence of slots.
- I In addition, the introduction of the Single European Sky II (SES) package of reforms to the European air traffic management system may lead to some changes being required to the slot Regulation, to ensure consistency.
- I On 30 May 2011, the European Commission released a report ordered to Steer Davies Gleave (Transportation Consultant) who undertook an impact assessment for a range of options which would amend the Regulation 95/93.
- I Following is the excerpt of proposed recommendations in the executive summary of impact assessment report of Steer Davies Gleave.

## Proposed Recommendation (2)

Category	Issue identified	Recommendations
Operation of coordinator	Some aspects of how coordinators structured could be interpreted to limit the independence of the coordinator	<ul style="list-style-type: none"> <li>I Require organizational rather than functional separation of the coordinators from interested parties.</li> <li>I Require that funding of coordinators be shared between airlines and airports</li> <li>I Commission should use powers to encourage States to comply with existing obligations</li> </ul>
	The extent to which information is publicly available on capacity parameters, slot availability and allocation, and local rules varies	<ul style="list-style-type: none"> <li>I Require all coordinators to publish online capacity parameters and local rules; at start of every season, summary of slot requests and allocations (by hour); and at end of every season utilization by airline; and to produce and publish an annual report</li> </ul>
	Non-availability of historical data limits scope for investigations of slot market by regulatory authorities	<ul style="list-style-type: none"> <li>I Require coordinators to keep data on slot allocations and requests for at least 5 years</li> </ul>
	Coordinators can face financial problems if main contributing airline also does	<ul style="list-style-type: none"> <li>I Require that funding of coordinators be shared between airlines and airports</li> <li>I States to have ultimate obligation to ensure coordinator adequately funded</li> </ul>

## Proposed Recommendation (3)

Category	Issue identified	Recommendations
Slot misuse and abuse	Late handback of slots continues to be an issue at some airports, leading to under-utilization of scarce capacity	I Regulation should require penalties are available for late handback and make clear that slot reservation fees are not incompatible with the Regulation if they are revenue neutral
	Ex ante monitoring of consistency between flight plans and slots does not happen in all States	I Clarify that the coordinator should provide information on cleared airport slots to the air traffic management authorities if requested, and a flight plan should only be rejected after consultation with the coordinator
	Some States have not introduced sanctions as required by Article 14	I Commission should use powers to encourage States to comply with existing obligations
	Slot monitoring and enforcement could be more effective	I Article 14 to be amended to clarify and extend coordinators' powers and scope of enforcement
	In some States imposition of penalties is slow and distant from coordinator	I Coordinator to be informed of the outcome of each case referred to national authorities
Business Aviation	It is difficult for business aviation to obtain slots at congested airports	I No change – would not be consistent with efficient use of constrained capacity, and Member States already have other options by which they can reserve capacity for business/general aviation

## Proposed Recommendation (4)

Category	Issue identified	Recommendations
Slot allocation	At some congested airports administrative mechanism has led to inefficient allocation, as scarce capacity is used for flights with small aircraft	<ul style="list-style-type: none"> <li>  Regulation should clarify that secondary trading through slot transfers may take place at all EU airports</li> <li>  Allow auctions for newly created slots</li> </ul>
	Secondary trading not transparent, particularly at non-London airports	<ul style="list-style-type: none"> <li>  Explicit authorization for secondary trading facilitates improved transparency</li> <li>  Require airlines to disclose transfers to coordinator and coordinator to publish list each season</li> <li>  Coordinators to establish bulletin board on which airlines can advertise willingness to trade</li> </ul>
	Competition authorities concerned secondary trading could increase concentration	<ul style="list-style-type: none"> <li>  Prohibit anti-competitive restrictive covenants</li> <li>  Require airlines to disclose transfers to coordinator and coordinator to publish list each season</li> <li>  Coordinators to establish bulletin board on which airlines can advertise willingness to trade</li> </ul>
Local Guidelines	Some stakeholders believe that there should be more flexibility for local guidelines	<ul style="list-style-type: none"> <li>  No change – Regulation sufficiently clear. More flexibility would increase risk of non-neutral/ discriminatory slot allocation</li> </ul>

## Proposed Recommendation (5)

Category	Issue identified	Recommendations
New entrant rule	New entrant rule leads to fragmentation of schedule and is not appropriate where there are a large number of slots to allocate (if capacity expanded)	<ul style="list-style-type: none"> <li>I Revise new entrant rule to allow slots to be allocated to carriers with larger holdings</li> <li>I Allow auctions for newly created slots</li> </ul>
Utilization and 80-20 rule	Even at some congested airports such as London Gatwick, utilization is still low	<ul style="list-style-type: none"> <li>I Increase utilization threshold to 85%</li> <li>I Introduce penalties for late handback and clarify that slot reservation fees permitted</li> <li>I Introduce secondary trading at all EU airports</li> </ul>
	Different interpretations between coordinators on when 'fill in' of gaps in series permitted	<ul style="list-style-type: none"> <li>I Regulation to state (and limit) when fill in permitted</li> </ul>
	Some coordinators do not properly enforce current requirements	<ul style="list-style-type: none"> <li>I Commission should monitor and use powers to encourage States and coordinators to comply with existing obligations</li> </ul>
	Short series of slots in peak summer can block capacity year-round	<ul style="list-style-type: none"> <li>I Extend minimum length of a series of slots to 15 (summer) and 10 (winter).</li> <li>I Allow exceptions by local rules.</li> </ul>