



**Position paper of the Netherlands on the public consultation for the planned revision of Council Regulation 95/93, as amended, on common rules for the allocation of slots (“the EU Slot Regulation”)**

BACKGROUND

Airlines that want to operate at coordinated airports within the European Union need to have slots allocated by an independent coordinator for each arrival and departure to do so. The EU rules on slot allocation which govern the process of slot allocation at Community airports have not changed substantially since the current EU Slot Regulation was adopted in 1993, except for example some revisions made in response to the Covid-19 pandemic. However, differences between airports are significant and the market has changed substantially in that period.

Furthermore, a gradual shift in the public opinion on aviation has taken place in the last decades. Unconditional support for further growth of air traffic is not a given, and the call for a decrease in air traffic due to environmental and climate reasons is gaining momentum in our society. A reduction of available capacity will have a profound impact on the slot allocation process with the current slot regulation lacking the clarity for coordinators how to act in a situation where historic slots need to be withdrawn from air carriers. Less available capacity also means that the already existing scarce capacity will become even scarcer in the future. That will put an intense pressure on the future developments of the three coordinated airports (Amsterdam, Airport Schiphol, Rotterdam The Hague Airport and Eindhoven Airport) in the Netherlands, especially for Amsterdam Airport Schiphol.

Before the Covid-19 pandemic Amsterdam Airport Schiphol was one of the busiest and most congested airports in Europe, serving 71.7 million passengers, 332 direct (inter)continental destinations and handling 1.57 million tonnes cargo (figures of in 2019)<sup>1</sup>. The network of destinations served via Amsterdam Airport Schiphol is of great importance for the Netherlands and Europe. Capacity at Schiphol airport has become ever more scarce and will become even scarcer due to environmental reasons. That scarcity has also made the drawbacks of the current slot allocation regime increasingly visible. For example, the current slot regulation does not provide the flexibility the cargo market needs for their full freight operations due to demands of their business model.

New incentives and ways of thinking are therefore needed to guarantee that the remaining scarce capacity can be used as efficiently as possible to guarantee that Schiphol airport can maintain its important role as a gateway to (North-West) Europe. Obviously, this same holds true for all other airports in the EU that face similar capacity crunches and challenges to the development of their networks. The Netherlands therefore welcomes this initiative to revise the current EU slot regulation and would like to give its position on a number of topics which we believe should be addressed.

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<sup>1</sup> Annual Report 2019 Royal Schiphol Group



One important way forward to help mitigate the described pressures on the network of airports is by providing Member States with more opportunity to implement more tailor-made additional national slot allocation criteria that should be taken into account by the independent coordinator. It is thereby important that the slot rules proceed from an optimal capacity allocation considering an airport's function to society. The specific criteria that are relevant for the Netherlands in this context lie in the areas of sustainability, network quality/ connectivity and the retention of full freight operations.

### POSITION

The Netherlands believes it is important (1) to give coordinators clarity how to withdraw historic slots in case there is less capacity available and (2) to use the remaining scarce airport capacity as effectively and efficiently as possible from a socio-economic point of view. For the second element the Netherlands calls for more leeway for Member States to put forward additional slot allocation criteria that should be taken into account<sup>2</sup> in the capacity determination or in the slot allocation procedures at individual highly congested airports. The Netherlands considers three of such additional criteria to be particularly relevant in order to be able to guarantee a sustainable, well-connected and future-proof aviation sector in the EU. These additional slot allocation criteria are also in line with article 8.4 of the Worldwide Airports Slot Guidelines (WASG):

#### **1. Sustainability**

At highly congested airports, coordinators need to have the possibility and instruments to allocate slots with priority to air carriers that use aircraft with lower emissions and noise levels. Such an explicit allocation criterion will also contribute to the realization of the sustainability goals for aviation in line with the European 'Fit for 55' goals, resulting in better health and livability for residents around airports and reducing the impact on the environment and climate.

#### **2. Network quality/ quality connectivity**

Especially for hub airports it is necessary to have an optimal mixture of long haul, medium-haul and short-haul routes to serve a large number of destinations. At highly congested airports, coordinators need to have the possibility and instruments to, for example, allocate slots to serve a particular (new) route or market (e.g. capital cities, economic hotspots and promising upcoming markets) that help to improve the overall quality of the network by prioritizing slot requests for destinations based on objective, unambiguous and transparent criteria.

#### **3. Full freight operations**

Before the covid-19 pandemic full freight operations comprise approximately 3 percent of the number of movements at Schiphol and cargo represented around 25 percent of the economic added value at the airport<sup>3</sup>. As

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<sup>2</sup> For two equivalent scheduling periods, like slots that are allocated to a new entrant

<sup>3</sup> Decisio (2019), Economische betekenis luchtvracht Schiphol



such, full freight operations compose a strategic traffic segment at Schiphol, positively affecting the accessibility, business climate and employment opportunities in The Netherlands and sustaining vital trade flows between the Netherlands and Europe with intercontinental air freight hubs. The EU Slot Regulation, unfortunately, does not provide the much-needed flexibility to this economically strategic segment (mainly due to the 80/20 “use it or lose it” rule that is difficult to achieve for most full freight carriers because cargo and passenger flights work differently). This continues to result in the loss of vital trade connections and inefficient or non-existent use of scarce airport infrastructure uniquely designed for the handling of freighters. The Netherlands would therefore want the Commission to acknowledge the needs of the different traffic segments – especially full freight operators – by explicitly leaving room for Member States to legitimately and proportionately prioritize certain traffic segments in the determination and allocation of capacity on an objective, unambiguous and transparent manner<sup>4</sup>.

#### FINAL REMARK

This position paper sets out the two main ambitions of the Netherlands for the revision of the EU Slot Regulation: (1) clarifying the allocation of (historic) slots in case of a decrease of the available capacity and (2) the possibility of introducing additional allocation criteria at an individual highly congested airport. The Netherlands would like to take this opportunity to call upon the European Commission to incorporate these two ambitions in the revision of the Slot Regulation.

The Dutch position will also consist of other elements which the Netherlands will share with the European Commission and the Member States after having had the opportunity to study the findings of the 2019/2020 fact finding study on slots, the study on the impact of Covid-19 on aviation as well as the proposal by the European Commission for the revision of the EU Slot Regulation.

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<sup>4</sup> Or giving the coordinator the possibility to reserve a certain number of slots (at SAL) for ad hoc use for full freighter operations.