

# Airport slot allocation system reform

## Introduction

Thank you for responding your information will consideration of policy with regards to reform of the UK slot allocation system.

Closing date is 8 March 2024.

## Accessibility statement

Read our [accessibility statement for SmartSurvey forms \[opens in a new window\]](#).

## Confidentiality and data protection

The Department for Transport (DfT) is carrying out this consultation on the UK slot allocation system, your information will help with the consideration of our policies in this area. View our [DfT online form and survey privacy notice \[opens in a new window\]](#) for more information on how your personal data is processed in relation to this survey.

In addition for organisations we are asking for:

- the name of your organisation, for identification
- a description of the organisation, to better understand your relationship to the topic

## Personal details

### 1. What is your name?

### 2. What is your email?

### 3. Are you responding on behalf of an organisation? \*

Yes

No (Go to 'Proposals')

# Organisation details

## 4. Your organisation's name is?

GATCOM – Gatwick Airport Consultative Committee

## 5. Your organisation is best described as?

- An airport
- An airline operator
- X  Another part of the aviation industry
- Another non-aviation organisation:

## Proposals

An airport slot is the permission given to an airline operator to use the full range of airport infrastructure (including runway, terminal and gates) at a specific date and time for landing or take-off at an airport.

For slot coordination purposes, airports are divided into 3 different categories which have been defined in the [Worldwide Airport Slot Guidelines \(WASG\) \[opens in a new window\]](#). These are:

- Level 1 (non-coordinated): airports where the capacity of the airport infrastructure is generally adequate to meet the demands of airport users at all times.
- Level 2 (schedules facilitated): airports where there is potential for congestion during some periods of the day, week, or season which can be resolved by schedule adjustments mutually agreed between the airlines and facilitator who is appointed to facilitate the operations of airlines using or planning to use the airport.
- Level 3 (coordinated): airports where capacity providers have not developed sufficient infrastructure, or where governments have imposed conditions that make it impossible to meet demand. In these cases a coordinator is appointed to allocate slots to airlines and other aircraft operators using or planning to use the airport as a means of managing the declared slot capacity

This consultation seeks views on proposals for reform that would apply to slot allocation at Level 3 slot coordinated airports.

The current year-round Level 3 airports in the UK are:

- London Heathrow
- London Gatwick
- London City
- London Stansted
- London Luton
- Manchester
- Birmingham
- Bristol

In addition, Leeds Bradford airport will be designated as a Level 3 airport for summer season night-time only starting summer season 2024.

The proposals laid out in the consultation will apply to slots held by both passenger and cargo-only flights at these airports.

We are asking for your views on a potential 13 reform proposals relating to what will make:

- a more efficient slot system
- a more transparent slot system
- a more dynamic slot system
- the slot system well prepared for allocation of new slot capacity

[Greater detail and reasoning is supplied within our consultation information \[opens in a new window\].](#)

## A more efficient slot system


Current legislation on slot allocation is set out in [Regulation \(EEC\) No 95/93 \[opens in a new window\]](#) which was amended and retained in UK law following the UK's departure from the EU (the regulation).

The regulation defines a new entrant as an airline that if allocated its requested slots, would:

- hold fewer than 5 slots at that airport on that day
- for an intra-UK route or UK-European Economic Area (EEA) route with less than 3 competitors, hold fewer than 5 slots for that route on that day
- for a non-stop scheduled passenger service between an airport and a regional airport where no other airline operates the route, hold fewer than 5 slots on that day at that airport for that service

It should be noted that the language of the regulation reflects the fact it was written before the UK's departure from the EU.

### 6. Do you agree or disagree that Secretary of State (SofS) should have the power to make changes to the definition of a new entrant?

- Yes, in all circumstances
- Yes, in some circumstances (Go to 'New entrant: additional criteria')
-  No (Go to 'Airport system: removal')
- Don't know (Go to 'Airport system: removal')

## New entrant: circumstances

7. The circumstances that you think the SofS should have the power to make changes to the definition of a new entrant are:

	Yes	No	Don't know
for an individual airport?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
to reflect the latest WASG?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
for any other circumstances?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>


If "yes" what other circumstances?

## New entrant: additional criteria

8. What, if any, additional criteria, beyond the limits on the number and proportion of slots held, do you think should be included in the definition of a new entrant?

## Airport system: removal

9. Do you support or oppose the removal of the definition of an airport system and all references to it from the regulation?

- Support (Go to 'Restrictions on newly allocated slots')
-  Oppose
- Don't know (Go to 'Restrictions on newly allocated slots')

## Airport system: disagreement

10. Why?

Some Members agree with the removal of the definition, while noting that London benefits from a highly developed and commercially effective airport system, which stimulates competition between airports and between airlines, and stimulates investments in airport infrastructure, increasing consumer choice and quality of service. The existing Airport System definition does not reflect this reality and could be replaced, rather than removed.

London is unlike most other major cities with multiple airports in which a single entity owns more than one airport serving the same city. eg. Paris CDG, ORY (ADP) New York LGA, JFK, EWR, (PANYNJ), Washington IAD, DCA (MWAA) Milan, LIN, MXP (SEA) and Rome FCO, CIA (ADR).

This single entity ownership was historically the case for London - when the airports (LHR, LGW, STN) were owned and operated by the BAA, then after privatisation BAA limited. Once BAA was privatised as BAA Limited, the CMA progressively required that London's airports were no longer

owned by a single entity, to encourage competition, to improve consumer choice and airport service levels. BAA limited sold Gatwick in 2009 and Stansted in 2013.

London is now in the unique position of having 5 airports each serving the city (6 if London Southend is included), Each airport has different owners and competes with each of the others. Consumers have the choice of multiple London airports to reach many destinations both international and domestic, in many cases served by all 5 London airports.

As a result of prior CMA decisions, London has one of the most competitive airport systems in the world. Each London airport, through existing market forces has incentives to invest in new infrastructure and capacity, using these investments to attract new airlines and routes. At the same time, competition introduces an additional element incentivising pursuit of government's jet zero objectives.

Rather than dispense completely with the definition of 'Airport System' the option of changing the definition to reflect and leverage the reality of the current airport system to further improve efficiency of UK airports through more dynamic use of the slot allocation system could be considered. The 'Competitive Airport System' that exists today already operates effectively for consumers providing value and choice.

At the same time allowing market economics, rather than 'ring fencing' of slots to determine which services, including domestic are viable, An exception for a very small number of routes meeting PSO criteria may be justified for some airport connectivity (such as London to Newquay and to the Channel Islands).

## Restrictions on newly allocated slots

We are proposing that:

1. The restriction on re-routing, exchanging and transferring of slots which currently applies to slots allocated to new entrants should be extended to apply to all new slots allocated to incumbents.
2. We extend the duration of these restrictions from 2 to 4 equivalent seasons, essentially increasing the duration of the restrictions from 2 to 4 years.

### 11. Do you agree or disagree that restrictions on:

	Agree	Disagree	Don't know
re-routing of slots should be extended to be applied to all new slots allocated to incumbents?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
exchanging and transferring of slots should be extended to be applied to all new slots allocated to incumbents?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If disagree, why not?


In a market-based system any changes whether re-routing or transferring of existing slots is already based on the ability of the airport and its infrastructure to support any such change

proposed by the aircraft operators and the declared capacity of the airport concerned and could include additional elements such as environmental performance and airport operating resilience including optimum use of airspace.

A wide range of views exist, the airport could for instance determine for new capacity what additional criteria it wishes to apply to the capacity in which it has invested, for instance to improve environmental performance (eg. noise/carbon per passenger/1000kg/freight, and/or operating resilience and efficiency including optimum use of airspace) Airlines however take a different view.

Obliging aircraft operators to use slots for a particular route for four seasons relies on the operator being confident that the route can be viable in that timeframe. Such a change may risk hampering rather than stimulating innovative competition.

**12. Do you agree or disagree that the duration of these restrictions should be extended from 2 to 4 equivalent seasons?**

- Agree (Go to 'Removal of re-time priority')
- Disagree
-  Don't know (Go to 'Removal of re-time priority')

## Against time restrictions on new slots allocated to incumbents

**13. What, in your view, if any would be a more appropriate duration for the restrictions and why?**

It is reasonable that any airline may choose when to start/cease operating a particular route (as do rail, road and sea transport operators for their services). It is equally reasonable that airports seek to incentivise improved environmental, resilience and capacity performance of the airport by setting related criteria for the use of the slots in which it has invested. On that basis, the criteria/restrictions on new slots could apply in perpetuity/until changed by the airport. Airlines take a different view.

The selection of routes should be market based and determined by the airlines.

## Removal of re-time priority

We are proposing to update the regulation so that applications for re-times are considered at the same time as, and given equal priority to, new slot requests, including those from new entrants. This action will bring the regulation in line with the best practice as stated in the [Worldwide Airport Slot Guidelines \(WASG\)](#) [opens in a new window].

**14. Do you agree or disagree that re-time priority for slots should be removed in accordance with WASG?**



Agree



Disagree



Don't know (Go to 'Permanent powers to improve resilience')

## Removal of re-time priority: positive and negatives

15. What do you consider are the main:

positive  
operational  
implications of  
removing the  
re-time priority  
for slots?

negative  
operational  
implications of  
removing the  
re-time priority  
for slots?

## Permanent powers to improve resilience

The SofS has temporary powers until August 2024 under the [Air Traffic Management and Unmanned Aircraft \(ATMUA\) Act 2021 \[opens in new window\]](#). These powers enable COVID-19 related alleviation to be introduced:

1. Where there has been a reduction in the level of air traffic in a period compared to a corresponding period in a relevant previous year, in this case 2019.
2. When the reduction is likely to persist.

We are suggesting to introduce permanent powers for SofS similar to the ATMUA Act powers. These powers could include the ability to make provision:

- requiring the coordinator to consider unused slots as having been operated, subject to conditions
- changing the usage ratio and adding conditions
- amending justified non-use of slots provisions
- enforcing any changes
- amending for a specified period any provision relating to coordination parameters

16. Do you agree or disagree that the SofS should have permanent powers to make regulations about slot alleviation in response to a crisis?



Agree



Disagree (Go to 'Permanent powers to improve resilience')



Don't know (Go to 'Permanent powers to improve resilience')


# Slot alleviation power circumstances

17. In what circumstances, if any, should these powers not be:

available?	In any matters unrelated to the Justified Non Use of Slots
exercisable?	When not requested by any of: UK CAA, IATA, A4E, or ACI and/or their UK equivalents

## Permanent powers to improve resilience

18. Are there additional powers to those suggested that you think should be available to the SofS in making bespoke regulations in exceptional circumstances?

- Yes
-  No
- Don't know

## Increase to slot usage ratio

We are asking for your views on the slot usage ratio and whether this should be increased. The current ratio in practice is 80:20, requiring slots to be used 80% of time and permitting non-use 20% of the time.

19. Do you agree or disagree that a higher usage ratio would lead to more efficient use of existing airport slot capacity?

- Agree
- Disagree (Go to 'Increase to slot usage ratio disagreement')
-  Don't know (Go to 'Airport option')

## Increase to slot usage ratio agreement

20. What do you consider would be the main:

positive operational implications of a higher slot usage ratio? Encouraging the replacement of routes that are not financially viable with better performing routes or the return of the related slots to the pool, enabling reallocation with airport determined resilience, environmental and capacity criteria

negative operational implications of a higher slot usage ratio? Increased use of smaller gauge aircraft reducing the throughput capacity and environmental performance of the runway and perhaps reducing resilience



21. What would you consider to be an appropriate higher alternative usage ratio to 80:20?


[After answering go to 'Airport option']

## Increase to slot usage ratio disagreement

22. Why not?

## Airport option

23. Do you agree or disagree that airports should be given the option to decide if to apply a higher usage ratio?

- Agree (Go to 'Environmental aspects')
- Disagree
-  Don't know (Go to 'Environmental aspects')

## Disagree with airport option

24. Why not?

## Environmental aspects

The government is committed to decarbonisation of the aviation sector. The government published its [Jet Zero Strategy \[opens in new window\]](#) in July 2022, setting out the:

- vision
- approach

for the aviation sector to reach net zero by 2050.

The slot allocation system:

- support the government's net zero agenda by ensuring airport capacity is allocated taking into consideration existing movement restrictions and some of the environmental obligations that airports are subject to

- ensures stricter adherence to schedules which reduces congestion at airports that would otherwise result in aircraft having to hold in the air awaiting a landing slot or taxiing on the runway awaiting a take-off slot

The government is progressing a number of policy measures through the Jet Zero strategy which will be important drivers in achieving net zero.

Our current assessment is that whilst the slot allocation system can continue to support the decarbonisation of the aviation sector, reform of the slot allocation system is unlikely to be the single most effective mechanism for driving this change.

We would welcome views on the relationship between the slot allocation system and achieving net zero.

## 25. What views, if any, do you have on the environmental impacts, including achievement of net zero, of the proposal to increase the slot usage ratio?

1. Changes to the slot usage ratio could encourage more efficient usage of slots when associated with other measures, such as environmental criteria, including minimum seat capacity, noise performance, carbon performance per pax. Or,
2. Surrendering of slots by airlines unable to viably meet the required criteria, for reallocation and use of these slots by other carriers.
3. With associated criteria reflecting local circumstances including airspace capacity, changes could be used to reduce on ground holding of departing aircraft for ATC departure separation purposes, thereby reducing aircraft block times and carbon emissions for this phase of flight.

## A more transparent slot system

### 26. Do you agree or disagree that the coordination committee should act as a focal point for scrutiny of decision-making in relation to slot allocation at individual airports?



Agree



Disagree



Don't know (Go to 'A more transparent slot system')

## A more transparent slot system reasoning

### 27. Why?

While the present slot system has served the air transport industry well. The greater the transparency, scrutiny and accountability of the allocation process, the less likely that any ineffective elements of the current slot system will be able to continue.

## A more transparent slot system

28. In what other ways, if at all, do you consider the role of the coordination committee should be strengthened?

29. Do you agree or disagree that there should be a requirement for every coordination committee to have an independent chair?

- Agree  
 Disagree  
 Don't know

30. Do you agree or disagree that the coordination committee should be given clearer responsibility for ensuring:

	Agree	Disagree	Don't know
complaints of slot decisions reach a conclusion?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
appeals of slot decisions reach a conclusion?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If 'disagree' state why?

## Increased guidance on secondary criteria

We are proposing that a new power should be introduced to allow the SofS to add criteria to and remove criteria from the list set out in the [WASG \[opens in a new window\]](#), for the purpose of its application by the slot coordinator in the UK. The power would also allow Secretary of State to provide guidance to the coordinator on the prioritisation and interpretation of these secondary criteria.

The list of secondary criteria in WASG is currently:

- effective period of operation: whether an airline's schedule will be effective for a longer period of operation in the same season than other competing requests
- operational factors: when operational factors (such as curfew) at one airport create a slot problem elsewhere, thereby constraining an airline's schedule
- time spent on waitlist: whether an airline's request has been pending on the waitlist longer than competing requests

- type of consumer service and market: the balance of the different types of services (scheduled, charter, and cargo) and markets (domestic, regional, and long haul, and leisure or business) should be considered
- connectivity: coordinators should try to ensure that due account is taken of the development of the specific airport route network and connectivity to meet the needs of passengers and shippers.
- competition: coordinators should try to ensure that due account is taken of competitive factors in the allocation of available slots. These factors could include the addition and development of a new route or competition on an existing route
- environment: coordinators should try to ensure that due account is taken of environmental factors in the allocation of available slots
- local guidelines: the coordinator must take local guidelines into account should they exist. Such guidelines should be approved by the Coordination Committee, as set out in the WASG, or its equivalent.

**31. Do you agree or disagree that the SofS should have the power to add and remove criteria to the list of secondary criteria?**

Agree

Disagree

 Don't know (Go to 'Increased guidance on secondary criteria')

## Increased guidance on secondary criteria reasoning

**32. Why?**

The SoS guidance could include improved environmental performance (carbon/noise), runway capacity (more seats/flight) and resilience requirements to be applied.

It could also take account of (for London) the extent to which the route is already served/not from the other airports designated as serving London's 'Competitive Airport System'. (for instance, ring fencing of slots for domestic routes from Gatwick which are already served from other London airports (or Southampton).

The timeline for new capacity at London airports may slip as new Heathrow runway capacity has perpetually done, increasing demand for more efficient use of existing capacity at other UK airports.

## Increased guidance on secondary criteria

**33. What additional secondary criteria, if any, do you consider could be:**


beneficial to the slot allocation process? The addition of environmental and resilience criteria could improve the rate of performance improvement for level 3 airports  
The addition of capacity enhancement criteria could also improve the number of slots available for allocation, pending new build capacity

detrimental to the slot allocation process? Ring fencing for domestic flights  
Obligation to operate a route for four seasons

**34. Do you agree or disagree that the SofS should have the power to give guidance to the coordinator on the prioritisation of secondary criteria?**

Agree

Disagree

 Don't know (Go to 'Power to direct the UK slot coordinator')

## Increased guidance on secondary criteria reasoning

**35. Why?**

To help ensure that best use is made of existing capacity and that consistent requirements for resilience of operation are applied

## Power to direct the UK slot coordinator

We are proposing to create a new power for the SofS to issue a direction to the coordinator requiring it to undertake a certain action. Any direction would need to be [in keeping with regulation \[opens in a new window\]](#), for example a direction could not require the coordinator to do something which is not within its remit.

We do not believe that it would be appropriate for the government to have the ability to direct the coordinator on the allocation of individual slots or to take action which would unfairly benefit a particular:

- airport
- airline
- country

This power may be of use where specific circumstances arose which were not envisaged by the regulation and the government wished the coordinator to act in a certain way to fit in with a wider industry response.

This could for example be where exceptional circumstances meant that the application of requirements in the slot provisions was not clear cut but the government wishes to ensure consistency of application across all coordinated airports.

A direction is different from guidance, a direction would be setting out some specific action which the coordinator must take.

**36. Do you agree or disagree that the SofS should have the power to direct the coordinator?**

Agree

Disagree (Go to 'Power to direct the UK slot coordinator: disagreement')

Don't know (Go to 'A slot register, a specified platform for all UK slot trades and strengthened oversight of secondary trading')

## Power to direct the UK slot coordinator: agreement

**37. Why?**

[After answering go to 'Power to direct the UK slot coordinator']

## Power to direct the UK slot coordinator: disagreement

**38. Why not?**

The WASG and government guidance should be sufficient to achieve any desired outcomes, if not the delinquent organisation shall be obliged to justify its exceptional position and the slot coordination committee then obliged to reach and to be accountable for a decision on the topic based on the local circumstances. Meanwhile there is no apparent evidence that the existing provisions are ineffective at Gatwick.

## Power to direct the UK slot coordinator

**39. What do you consider, if any, are the main:**

positive  
operational  
implications of  
the Secretary of  
State having a  
power to direct  
the  
coordinator?

None

negative  
operational  
implications of  
the Secretary of  
State having a  
power to direct  
the  
coordinator?

Additional complexity and cost. The system should operate effectively without the need for further government intervention to overcome operational difficulties

**40. In what scenarios, if any, do you consider that a direction from the SofS would not be:**

appropriate?	There is no indication from prior crises including, war, strikes, volcanic eruptions or financial crisis that govt intervention was necessary. While the recent pandemic was dealt with exceptionally from a slot management perspective through international coordination in response to requests from industry trade bodies. Unilateral action by UK government is likely neither appropriate nor necessary.
necessary?	No scenario requiring SoS direction beyond exceptional Justified Non Use of Slots are envisioned

## A slot register, a specified platform for all UK slot trades and strengthened oversight of secondary trading

We are proposing to legislate to require the establishment of a compulsory public slot register for each Level 3 airport.

We envisage that as a minimum, the register would record all slot holdings, showing who holds the 'Historic Rights' to a slot, who operates each slot, and record the duration of slot lease agreements. 'Historic Rights' is stated in the [WASG \[opens in a new window\]](#).

In addition, we are proposing to legislate that a mandatory trading platform is established to facilitate secondary trading of slots. Whilst the exact functionality of the platform needs further consideration, it is envisaged Airport Coordination Limited (ACL), the coordinator that currently provides coordination services to all UK Level 3 airports, would be responsible for providing and maintaining the platform.

**41. Do you agree or disagree that there should be a public slot register which records:**

	Agree	Disagree	Don't know
who holds the 'historic rights' to a slot?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
who operates each slot?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
the duration of any slot lease?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

If 'disagree', why not?

**42. What, if any, other information do you think that it would be useful to record on a public slot register?**

Information on the demand for slots at each level 3 airport for each season (a record of demand vs capacity)

**43. Do you agree or disagree that all secondary trading should be advertised and carried out through a central slot trading platform?**

Agree (Go to 'Platform')

Disagree

Don't know (Go to 'A slot register, a specified platform for all UK slot trades and strengthened oversight of secondary trading')

## **A slot register, a specified platform for all UK slot trades and strengthened oversight of secondary trading: disagreement**

**44. Why not?**

[After answering go to 'A slot register, a specified platform for all UK slot trades and strengthened oversight of secondary trading']

## **Platform**

**45. Why?**

**46. Do you agree or disagree that requiring use of such a platform would increase transparency?**

Agree (Go to 'Platform')

Disagree

Don't know (Go to 'Platform')

## **Disagree with platform**

**47. Why not?**



## Platform

48. What do you consider, if any, would be the:

	businesses?	consumers?
benefits of using a central slot trading platform for all secondary trading of slots for:	<input type="text" value="More transparency"/>	<input type="text" value="None"/>
disadvantages of using a central slot trading platform for all secondary trading of slots for:	<input type="text" value="May slow down the process"/>	<input type="text" value="None"/>

49. Do you agree or disagree with this platform being run by ACL?

- Agree (Go to 'A slot register, a specified platform for all UK slot trades and strengthened oversight of secondary trading')
- Disagree
- Don't know (Go to 'A slot register, a specified platform for all UK slot trades and strengthened oversight of secondary trading')

## Disagree with ACL

50. Why not?

## A slot register, a specified platform for all UK slot trades and strengthened oversight of secondary trading

51. Do you agree or disagree that further oversight of the secondary trading market is necessary to protect 'fair and open' competition?

- Agree
- Disagree
- Don't know (Go to 'A slot register, a specified platform for all UK slot trades and strengthened oversight of secondary trading')

## A slot register, a specified platform for all UK slot trades and strengthened oversight of secondary trading reasoning

### 52. Why?

Improved transparency however, there is apparently no evidence to suggest that fair and open competition does not already exist at Gatwick

## A slot register, a specified platform for all UK slot trades and strengthened oversight of secondary trading

### 53. What, in your view, if any, would be an appropriate threshold for when:

review would automatically apply to a slot trade?

If the acquiring airline already held >5% of slots at the subject airport

approval would automatically apply to a slot trade?

If the acquiring airline held <5% of slots at the subject airport

We are proposing that a regulatory body is given a formal role in overseeing secondary trading, whereby it would review and approve slot trades when a trade would result in the acquiring:


- airline
- airline group

holding a defined proportion of slots at an airport with substantial market power. The market power would be as assessed by the CAA under the [Civil Aviation Authority Act 2012](#) [opens in a new window].

The threshold for the defined proportion of slots would be determined and set out in advance.

### 54. Do you agree or disagree that further oversight of secondary trades of slots should only apply at airports with substantial market power?

- Agree (Go to 'Limit on slot leasing')
- Disagree

 Don't know (Go to 'Limit on slot leasing')

## A slot register, a specified platform for all UK slot trades and strengthened oversight of secondary trading: disagreement

55. Why not?


### Limit on slot leasing

We are proposing that slot leasing is limited to a set period after which the slot will have to either be:

- returned to the pool
- flown by the original slot holder

It is envisaged that the limit may be for a shorter time period for slot leasing by an airline that has ceased to operate at an airport.

56. Do you agree or disagree that slot leasing should be limited to a set period of time?


-  Agree (Go to 'Limit on slot leasing')
- Disagree
- Don't know (Go to 'Allocation of new slot capacity')

### Limit on slot leasing: disagreement

57. Why not?

## Limit on slot leasing

58. Do you agree or disagree that a time limit on slot leasing would be effective in encouraging airlines to return slots that they cannot use to the pool?

- Agree (Go to 'Limit on slot leasing')
- Disagree
-  Don't know (Go to 'Limit on slot leasing')

## Limit on slot leasing reasoning


59. Why?

If best use is to be made of existing airport capacity, then unused slots should be returned to the pool as soon as possible and reallocated in accordance with the criteria for new allocations. However, some Gatwick stakeholders take a contrary view on limits to slot leasing.

## Limit on slot leasing

60. What do you think would be the appropriate time period for a limit on slot leasing?

61. Do you agree or disagree that airlines that no longer operate at an airport should be subject to a different time limit on slot leasing than airlines currently operating at the airport?

- Agree
- Disagree (Go to 'Limit on slot leasing')
-  Don't know (Go to 'Limit on slot leasing')

## Limit on slot leasing: time difference

62. Why and what difference would you like to have implemented?

## Limit on slot leasing

63. What do you consider are the main:

positive  
operational  
implications of

Potentially making better use of existing airport capacity

time limiting slot  
leasing to a set  
period?

negative  
operational  
implications of  
time limiting slot  
leasing to a set  
period?

None

## Allocation of new slot capacity

Currently airport slots, whether new or not, are allocated using an administrative to criteria-based allocation approach.

We consider that criteria-based slot allocation remains the best approach for existing slots.

We are seeking views on whether auctioning of slots could be an efficient alternative to criteria-based allocation approach for the initial allocation of new slots that result from the increase in slot capacity at an airport.

### 64. Do you agree or disagree that slot auctioning would be an effective means of allocating new slot capacity?

- Agree
- Disagree (Go to 'Ring-fencing of new slots for certain purposes')
- Don't know (Go to 'Ring-fencing of new slots for certain purposes')

## Auction designs

Our proposed auction designs are set out in [Annex B of the consultation \[opens in a new window\]](#).

### 65. Which, if any of the auction designs would you prefer to be used for auctioning slots?

- A sealed-bid combinatorial auction (sealed-bid)
- A Combinatorial Clock Auction (CCA)
- A Combinatorial Multi-Round Ascending Auction (CMRA)
- An alternative approach:

### 66. What, in your view, should revenue raised through slot auctions be used for?

**67. What do you consider would be the main:**

	market entry?	competition?	innovation?
positive impacts of slot auctioning on:	<input type="text"/>	<input type="text"/>	<input type="text"/>
negative impacts of slot auctioning on:	<input type="text"/>	<input type="text"/>	<input type="text"/>

## Ring-fencing of new slots for certain purposes

**68. Do you agree or disagree that a proportion of slots should be ring-fenced a proportion of slots for specific purposes when there is a release of new slots?**

- Agree
- Disagree (Go to 'A more dynamic slot system')
- Don't know (Go to 'A more dynamic slot system')

## Agree with ring-fencing

**69. Do you agree or disagree that it would be appropriate to ring-fenced a proportion of new slots for domestic connectivity purposes?**

- Agree
- Disagree
- Don't know (Go to 'Agree with ring-fencing')

## Domestic connectivity reasoning

**70. Why?**

Domestic connectivity by air to the extent commercially viable exists already, where routes have not been viable, they have been cut or the airline has gone out of business (eg. Flybe/Flybe2/Virgin Little Red). In exceptional circumstances PSO arrangements can be introduced. Passengers have alternative surface transport means available and some even make domestic UK connections by air via Dublin.

London airports have multiple domestic services, many duplicating routes from London to northern England, Northern Ireland and Scotland.

## Agree with ring-fencing

**71. For what other specific purposes do you think that a proportion of slots should be ring-fenced when there is a release of new slots and why?**

Reasons might include for some stakeholders: environmental (noise and carbon), operating resilience, airspace capacity and aircraft capacity (for instance minimum #seats).

## Environmental ring-fencing

**72. What views, if any, do you have on the environmental impacts, including achievement of net zero, of the proposal to ring-fence a proportion of slots for domestic connections?**


Achievement of net zero is contingent upon aircraft and engine design, aircraft capacity (the more passengers/flight the better) and the availability of SAF. The UK level 3 airports are unlikely to be able contribute to the achievement of net zero by reserving slots (where there is generally less demand) for UK domestic flights. The history of UK domestic air travel suggests that for many routes airlines have been unable to develop commercially viable and sustainable domestic air transport operations.

## A more dynamic slot system

The current [regulation \[opens in new window\]](#) provides that if a series of slots is used 80% of the time (the 80:20 rule) within a scheduling season the airline has a right to retain it for the next equivalent season (Historic Rights). The implication of the 80:20 rule is that as long as an airline is able to maintain 80% use of a series of slots, it can hold those slots in perpetuity.

We are proposing that for new slots "Historic Rights" would be limited to a fixed duration, after which slots would be returned to the pool for reallocation. Our initial view is that a set duration for Historic Rights of 15 years might be appropriate.

**73. Do you agree or disagree that changes to the current system of historic rights should be considered?**

- Agree (Go to 'Fixed duration')
-  Disagree
- Don't know (Go to 'Fixed duration')

## Disagree to a more dynamic slot system

**74. Why not?**

It is not clear how transition could work and what benefits would accrue and to whom. Airlines invest in airport infrastructure and staff to support their operation. The risk of loss of the slots could disincentivise investment by the airline, by the airport in specific airline related improvements and introduce uncertainty of employment for staff. It is not clear what if any benefits could be achieved. The precedents of the failure of rail company franchises, consequent the reluctance of rail companies to invest in part because of their fixed term tenure is significant.

[After answering go to 'Final comments']

## Fixed duration

75. Would you agree or disagree that 15 years be an appropriate time for a fixed duration for historic rights?

- Agree (Go to 'Historic rights')
- Disagree
- Don't know (Go to 'Historic rights')

## Disagree with 15 years

76. What time period would you prefer?

- Less than 15 years
- More than 15 years

## Historic rights

77. Do you agree or disagree that:

	Agree	Disagree	Don't know
a separate set of criteria should be established to which slots would be subject for re-allocation at the end of a fixed duration historic right period?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
a separate process should be established to which slots would be subject for re-allocation at the end of a fixed duration historic right period?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If 'disagree' why not?



## Fixed duration

**78. If fixed duration to historic rights is implemented, would you prefer that it should be:**

- applied to all new slots when there is release of new slot capacity?
- applied to a proportion of new slots when there is release of new slot capacity?
- applied to new slots at a specific airport only when that airport opts to limit historic rights?
- in another way?

## Final comments

**79. What, if any, other comments do you have regarding reform of the slot allocation system?**

The concept of allocating new capacity via an up-front auction might have merit in providing some investment certainty for airports and for airlines, although only for significant uplifts in airport declared capacity such as >10% in one year. Smaller incremental increases in capacity should be encouraged, for environmental (noise and carbon), and resilience (reducing delays).

However, in the many cases where new capacity has been provided as a result of airport investment, existing mechanisms to recover that investment through airport charges has proven to be effective.

The example of spectrum auctions while a precedent is not a good comparator. Spectrum exists without the need for investment by the owner (seller) of the spectrum capacity and issuer of operating licenses (the Government), while the winner of the auction (A Telecommunications Provider) invests in the network that makes use of the spectrum to offer services.

Whereas airport capacity requires the airport owner to invest speculatively in infrastructure, and the user (the airline) to invest in the aircraft and (in this case) the slots.

**80. Any other comments?**

Market based developments have succeeded within the WASG in ensuring that demand for air travel in the UK is met. Growth in capacity and competition has been achieved by airports and airlines, despite the failure of multiple proposals to build a new airport for London. At the same time, stimulating levelling up and growth of airports serving cities in the regions beyond London, including Bristol, Birmingham, Manchester, Newcastle, and Edinburgh, while linking these airports and others in the UK with the international hubs in Amsterdam, Doha, Dubai, Dublin, Frankfurt, Istanbul, New York, Paris and Madrid.

There are many individual areas linked to slot reform but which have not been considered in the consultation, on which airlines are expected to comment directly.