



Department
for Transport

From the Parliamentary
Under Secretary of State
Robert Courts MP

Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: 0300 330 3000
E-Mail: robert.courts@dft.gov.uk

Web site: www.gov.uk/dft

Sir William Cash MP
Chairman Commons European Scrutiny Committee
House of Commons
14 Tothill Street
London
SW1H 9NB

31 August 2021

Dear Sir William,

COM(20)558 & COM(20)579: Community Airport Slot Allocation and the Single European Sky

I would like to thank you for your letter of 19 July, setting out the Committee's queries regarding airport slot allocation and the Single European Sky.

Airport Slot Allocation

The Committee asked for further information on the Government's current plans for the potential further waiving of airport slot allocations in advance of the 2021 winter season. We consulted the aviation sector from 20 May to 21 June on alleviation options for the Winter 2021/22 season, and carefully considered the feedback and data we received. In order to protect the resilience of the sector against the background of continued uncertainty and the continuation of some necessary travel restrictions, both in the UK and abroad, there will be a generous package of alleviation measures for Winter 2021/22. These are designed to work together and will:

- **Set a minimum usage ratio of 50:50** meaning airlines are required to use their slots at least 50% of the time to retain their historic rights. This draws on the Worldwide Airport Slots Board recommendation and was supported by most responses to the consultation. The reintroduction of a utilisation rate should encourage efficient slot use while also supporting sector recovery.
- **Allow full series slot handbacks** so airlines can retain their historic rights over series of slots and new entrants can benefit from using these on a temporary or ad hoc basis. Carriers seeking full series handback will need to hand back their slots to the coordinator on or before 7

September 2021. This measure will apply to traded and leased slots, but not to newly allocated slots. This is to prevent carriers acquiring slots with no intention to operate them, but purely to gain historic rights for future years. Airlines which announce (after the amending regulations come into force on 30 October) that they have permanently ceased or will permanently cease operations at an airport before the start of the Winter 2022 season, either through written notification or making a public written statement, will, however, not benefit from this measure in Winter 2022.

- **Amend the provisions for force majeure (justified non-utilisation of slots) to cover COVID-19 related restrictions**, providing a backstop for unforeseen COVID-19 related measures or restrictions. This will apply where COVID-19 related measures, including flight bans, quarantine or self-isolation requirements, are applied at either end of a route, have a severe impact on demand or viability of the route and could not reasonably have been foreseen in time to enable the airline to hand back the series of slots on or before 7 September. There will be a three-week recovery period following the end of restrictions during which force majeure may still apply to help airlines and airports plan and respond flexibly to any changes.

A draft Statutory Instrument was laid on 19 July¹, which will be subject to vote as an affirmative SI. This package of alleviation will last until the end of the winter season (31 October 2021 – 26 March 2022). We will consult industry separately about what measures might be needed for Summer 2022.

By way of international comparison, the Committee may also wish to note that on 23 July 2021 the European Commission published a further draft Delegated Regulation which proposes to amend the Airport Slots Regulation as it applies within the EU. This will provide relief from the slot usage rules for the same period as our own SI but in relation to slots at airports within the EU. The European Commission's proposed minimum usage ratio is 50% which we welcome, to provide some consistency to industry of the % flying obligation during this uncertain time. Given the global nature of the slots system, and interpretation of the IATA worldwide airport slot guidelines, the aviation industry is used to different rules in different countries and to the need to adapt accordingly.

¹ <https://www.legislation.gov.uk/ukdsi/2021/9780348226133/introduction> - the Explanatory Memorandum sets out the full background and is available at https://www.legislation.gov.uk/ukdsi/2021/9780348226133/pdfs/ukdsiem_9780348226133_en.pdf

Single European Sky

The Committee asked for further information on several aspects of the European Commission's Single European Sky (SES) proposal. Responses to the Committee's questions are set out below:

- EUROCONTROL: The Committee asked for further information on how the Government will continue to ensure it receives the services necessary from EUROCONTROL to maintain the safe and efficient flow of air traffic through UK airspace; and how this relates to wider aviation services and aviation safety provisions detailed in the UK/EU Trade and Cooperation Agreement. EUROCONTROL will continue to play a vital role in the management of geographic European airspace and of helping realise the UK's objectives for a modernised approach to airspace across the continent. EUROCONTROL's status and role as an intergovernmental organisation entirely separate from the European Union ensures continued full UK participation in setting the strategic direction of the organisation, influencing the strategic considerations, and ensuring strong, independent and rigorous governance. UK stakeholders retain equal footing with other representatives of EU stakeholders.

To strengthen the relationship the UK appointed our former representative to the International Civil Aviation Organization as the UK's first State Liaison Officer (SLOs) to EUROCONTROL in December 2020. The role of the SLO is to ensure a continual flow of information between EUROCONTROL and states as well as providing a greater presence of the UK in the day-to-day decision-making and discussions within EUROCONTROL itself. In having someone on the ground the UK can ensure its voice remains strong in discussions on European air traffic management as well as in the future governance of EUROCONTROL. Working alongside SLOs from non-EU states such as Ukraine as well as the Comprehensive Agreement states of Israel and Morocco, we can ensure that the importance of the pan-European perspective of EUROCONTROL is maintained. Our presence in EUROCONTROL allows us to maintain a dialogue on technical issues with the European Commission and the European Union Aviation Safety Agency (EASA) that arise under the Trade and Cooperation Agreement (TCA) as well as to get early warning of any new arrangements or issues within the EU that could impact on the efficient operation of the UK's airspace.

The strong presence of the UK's Air Navigation Service Provider (ANSP), NATS, in discussions in EUROCONTROL ensures we can continue to influence the direction of travel in network management issues. Senior NATS representatives attend the main governance bodies of the Network Manager, which provides operational support to the pan-European network, and we are seeking to secure designation for the UK to be one of the nominated third countries which has a seat on the Network Management Board from 2022. The CEO of NATS is also the current Chair of the Air Navigation Services Board, an industry-led consultative board made up of representatives of the military, air navigation service providers, airspace users and airports from EUROCONTROL's Member States. The UK is also looking at upcoming senior appointments within the EUROCONTROL management structure with a view to encouraging well-qualified UK applicants.

- Competition in Air Navigation Services: The Committee asked for further information on how the Government intends to explore with the Commission and individual EU Member States the possibility of expanding the opportunity to tender for air navigation services to all European countries. There is significant resistance to the whole concept of competition in air navigation services from EU Member States, with the agreed EU Council position on the European Commission's SES2+ proposal pushing back on proposals to introduce competition in certain. The proposal has now entered trilogue discussions between the Council and the European Parliament, with the European Parliament strongly supporting much of the Commission's original text. It remains to be seen whether and in what form agreement can be reached between their differing positions.

However, it is clear, in the Air Traffic Management domain as with others, that the European Union is adopting measures that make market access for non-EU service providers more challenging. Through informal discussions such as those held by the EUROCONTROL Air Navigation Services Board, we continue to make our position clear that opportunities for competition should be opened to the widest possible field in order to drive the best outcome for the customers of those services. In this, we are supported by EUROCONTROL senior management. NATS is also active in the European arm of the industry association for Civil Air Navigation Services (CANSO), where it continues to advocate for a more liberalised approach to air traffic service provision where such an approach is feasible (e.g the provision of Terminal Air Navigation Services).

- UK-Ireland Functional Airspace Block (FAB).: The Committee asked for further information on how discussions between the Government and

counterparts in Ireland are progressing regarding the future operation of the UK/Republic of Ireland FAB. Constructive discussions continue to progress successfully between the UK and Ireland's National Supervisory Authorities (NSAs) and a proposed formal agreement is currently under negotiation by the CAA and their Irish counterparts. This Inter-NSA document will form the overarching regulatory relationship within which the respective ANSPs shall draft their operational protocols and procedure agreements.

Operational collaboration between the UK and Ireland's Air Navigation Service Providers remains close and has not been directly impacted by the UK's exit from the EU. Discussions on revisions to existing UK-Ireland Air Traffic Management agreements to reflect the new legal and political environment post-the UK's exit from the EU have been progressing successfully at the technical level. A proposed agreement between the National Supervisory Authorities of the UK and Ireland is currently in the final stages of preparation between the CAA and their Irish counterparts. In addition, we are exploring similar such agreements with those countries with whom the UK has agreements over the delegated provision of air traffic services, such as France and the Netherlands.

I am copying this letter to Lord Kinnoull, Chairman of the House of Lords European Affairs Committee; Huw Merriman MP, Chairman of the Transport Committee; Pete Wishart MP, Chairman of the Scottish Affairs Committee; Stephen Crabb MP, Chairman of the Welsh Affairs Committee; Simon Hoare MP, Chairman of the Northern Ireland Affairs Committee; George Wilson, Clerk to your Committee; Chris Johnson, Clerk to the Lords Committee; Indira Rao, Legal Adviser to your Committee; Les Saunders, Cabinet Office; and Margaret Browne, departmental scrutiny coordinator.



ROBERT COURTS MP

MINISTER FOR AVIATION, MARITIME AND SECURITY