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ECONOMIC COMMISSION

Agenda item 32: Economic Regulation of International Air transport – Policy

PROGRESS REPORT ON AIRPORT SLOT ALLOCATION

(Presented by the Airports Council International, the International Air Transport Association and the Worldwide Airport Coordinators Group)

EXECUTIVE SUMMARY

The Worldwide Slot Guidelines (WSG) has long been regarded as the globally accepted best practice for optimizing scarce airport capacity and has retained its relevance by being continually updated by airlines and facilitators/slot coordinators to reflect changing market conditions. In 2016 it was decided to include airport operators for a more comprehensive Strategic Review of the WSG to be finalized by the end of 2019. The Review was driven jointly by the Airports Council International (ACI), the International Air Transport Association (IATA), the Worldwide Airport Coordination Group (WWACG) and many of the individual members of the three organizations contributed to this work. The Review will result in a significant evolution of the WSG to keep pace with the rapidly evolving aviation industry.

Learning from the experience of the Strategic Review, ACI, IATA and WWACG also agreed to reform the governance of the WSG and introduced a new industry-wide WSG governance structure, which was included within a Memorandum of Understanding signed on 3 June 2019 between the three organizations. This agreement signals the industry-wide commitment to working collaboratively and as equal partners to ensure that slots at capacity-constrained airports around the world are allocated in a harmonized manner to airlines and aircraft operators using consistent policies, principles and processes in an open, fair, transparent and non-discriminatory manner. This provides a solid platform from which the whole aviation industry can engage with States to ensure that the continuous review of the slot guidelines is driven by the objective of meeting the needs of citizens, airlines and airports in terms of ensuring connectivity and choice of air services.

<i>Strategic Objectives:</i>	This working paper relates to Strategic Objectives – <i>Economic Development of Air Transport</i> .
<i>Financial implications:</i>	None.
<i>References:</i>	A39-WP/518 P/48, 39.30 Doc 9587, <i>Policy and Guidance Material on the Economic Regulation of International Air Transport</i> .

¹ English, Arabic, Chinese, French, Russian and Spanish versions provided by ACI, IATA and WWACG.

1. INTRODUCTION

1.1 As with regulation relating to any aspect of air transport, States may decide to establish their own regulations governing slot policy. However, the Worldwide Slot Guidelines (WSG) may support them in the elaboration of these national regulations as it represents the globally accepted best practices for optimizing scarce airport capacity to the benefit of passengers, shippers, airlines and airports and indeed some States have already based their national slot regulation on the WSG principles and provisions. The number of capacity constrained airports around the world that need a process for allocating airport arrival and departure slots continues to grow. In summer 2019 there were 204 slot coordinated airports worldwide and annually 1.5 billion passengers in the world depart from a slot coordinated airport, representing 43 percent of global departing passengers.

1.2 The current slot allocation process is the result of 40 years of continual development undertaken by the airline and the facilitator/slot coordinator communities. The fundamental purpose of the WSG is to ensure that the available capacity determined in a transparent way at all capacity-constrained airports around the world is allocated in a harmonized manner to airlines and aircraft operators, using consistent policies and processes, and based on four key principles;

- a) certainty of access;
- b) flexibility to meet changing market needs;
- c) sustainability of costs; and
- d) fairness, non-discrimination, transparency and neutrality in the allocation process and the monitoring of the slot utilisation made by a coordinator or facilitator acting independently.

1.3 The absence of such a harmonized global standard could result in individual States applying different, or even conflicting, allocation processes that would negatively affect the ability of airlines and airports to provide the best services possible to their customers.

1.4 ICAO provides guidance in its Policy and Guidance Material on the Economic Regulation of International Air Transport (Doc 9587), that mirrors the fundamental principles of the WSG. Any slot allocation system should therefore be fair, non-discriminatory and transparent, and should take into account the interests of all stakeholders while it should also be globally compatible, aimed at maximizing effective use of airport capacity, simple, practicable and economically sustainable.

1.5 At the 39th Assembly in 2016 IATA and ACI reported that they were working jointly to further update the WSG through a far-reaching Strategic Review. The experience gained by the Strategic Review showed the need to reform the governance of the WSG in order to include airport operators along with airlines and facilitators/slot coordinators to ensure that they work together on an equal basis to continuously improve and enhance the global slots process.

2. UPDATE ON THE STRATEGIC REVIEW OF THE WORLDWIDE SLOT GUIDELINES

2.1 The WSG Strategic Review brought together more than 80 aviation professionals representing 25 airlines (including low cost, leisure and cargo carriers), 16 airports and 17 facilitation/slot coordination organizations from every region of the world. The Strategic Review will formally end by the end of 2019, but tangible changes to the WSG have already been implemented as a result of the Review in

the 9th and 10th editions of the WSG, published in January 2019 and August 2019 respectively. The changes that have already been implemented and the further changes that are yet to come, represent another significant evolution of the WSG, which both maintains its relevance in today's world and its ability to meet the needs of the citizens and businesses communities that use air transport.

3. REFORM OF THE WSG GOVERNANCE

3.1 To complement the WSG Strategic Review, ACI, IATA and WWACG have also worked together to reform the governance of the WSG, resulting in the establishment of a new structure through the signing in June 2019 of a Memorandum of Understanding between the three organizations.

3.2 The new governance structure provides for the first time an equal role for airports, airlines and facilitators/slot coordinators and is designed to ensure an agile and robust process for maintaining and continuously improving the WSG, which has now been renamed the Worldwide Airport Slot Guidelines (WASG) and which will be published jointly by ACI, IATA and WWACG.

3.3 In establishing the new governance structure, airports, airlines and facilitators/slot coordinators also evolved the objectives of the newly-named WASG. The primary objective of airport slot coordination remains ensuring the most efficient declaration, allocation and use of available airport capacity in order to optimize benefits to consumers, taking into account the interests of airports and airlines. At the more granular level, the following additional objectives support the WASG:

- a) to facilitate consumer choice of air services, improve global connectivity and enhance competition at congested airports for passengers and cargo;
- b) to provide consumers with convenient schedules that meet demand, consistent from one season to the next, and reliable in terms of their operability;
- c) to ensure that slots are allocated at congested airports in an open, fair, transparent and non-discriminatory manner by a slot coordinator acting independently;
- d) to realize the full capacity potential of the airport infrastructure and to promote regular reviews of such capacity and demand that enable effectual capacity declarations for slot allocation on a seasonal basis;
- e) to balance airport access opportunities for existing and new airlines;
- f) to provide flexibility for the industry to respond to regulatory and changing market conditions, as well as changing consumer demand; and
- g) to minimize congestion and delays.

3.4 By establishing the new industry-wide governance, airlines, airports and facilitators/slot coordinators have signalled their full commitment to ensuring the WASG continues to evolve to meet the ever-changing demands of the aviation industry.

4. **CONCLUSION**

4.1 We invite the Assembly:

- a) to note the significant progress made with the Strategic Review,
- b) to note the new WASG governance structure, and
- c) to note the industry's commitment to inform and engage with States to ensure that the global slot guidelines meet the needs of citizens, airlines and airports in terms of ensuring connectivity and choice of air services.

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