

05 May 2023

Ms Adina Vălean  
Commissioner – Transport  
EUROPEAN COMMISSION  
200, Rue de la Loi  
BELGIUM

*CC: Ms Margrethe Vestager, Executive Vice-President, A Europe Fit for the Digital Age & Commissioner - Competition*

Dear Commissioner,

ACI EUROPE welcomes the recent developments in preparation for a revision of the EU Airport Slot Regulation. As we discussed when we met with the ACI EUROPE Board in January 2023, we are grateful for the leadership shown by the Commission in beginning the revision process and tabling ambitious ideas in order to bring the Regulation up to date and to adapt to today's and tomorrow's aviation markets. Europe's airports look forward to the forthcoming legislative proposal and encourage the Commission to be bold in doing so.

The current Regulation is now thirty years old, and has seen only minor updates during that time. It was written in a different era for aviation, when liberalisation was only just beginning and before the boom in low-cost carriers and the development of airports as competing businesses.

The age of the Regulation is apparent in its loopholes which allow multi-airline groups to take advantage of the New Entrant rule as well as in its silence on measures which would allow increasingly scarce airport capacity to be optimally allocated - in line with the connectivity and competition priorities of airport and their regions.

The COVID-19 crisis further exposed the weaknesses in the EU Airport Slot Regulation, both in terms of its ability to adapt to sudden shocks, and the effect of the measures taken to address those shocks. It is clear that a more resilient Regulation is required in order to avoid that the only way to achieve change – and to respond to crises – is through emergency amendments in periods of abnormal stress.

The Commission's consultations and extensive dialogue with the industry have reinforced this urgency for a revision. The successive studies carried out by Steer in the past three years have demonstrated the increasing relevance of the Regulation's shortcomings, which is reinforced by the many stakeholders and Member States who responded to the Commission's Call for Evidence in support of a revision.

It is critical that this momentum be maintained, so that the Regulation's shortcomings do not further jeopardise connectivity and competition as the aviation market not only recovers from COVID-19, but also evolves in its structure.

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Given the near-impossibility of creating new airport capacity in Europe, the Slot Regulation is the most critical piece of legislation for the functioning of the single aviation market. Europe accounts for over half of the slot coordinated airports worldwide, with 107 out of 205 in the current Summer '23 season - a higher number and percentage (52.2%) compared to pre-COVID (50.1% in Summer '19, or 104/204). This means increased congestion at Europe's airports – with the result that what capacity that is available must be allocated optimally and not blocked by incumbent airlines wishing to prevent entry by competitors.

Continuing airline consolidation already serves to restrain competition, underlining the need for the airport slot allocation regime to better facilitate competition between airlines at Europe's many congested airports. This is further underlined by the advancing entry of low-cost carriers into major airports, further increasing demand at those airports. Practices such as slot hoarding, "double-dipping", slot leasing, secondary trading and abuse of the New Entrant rule by multi-airline groups go against the spirit of the single aviation market by limiting competition, connectivity and consumer choice. It is essential that the Airport Slot Regulation be revised in order to prevent this continuing in the aviation market of the future.

Furthermore, as you know, ACI EUROPE is a strong supporter of the EU's external aviation policy, in particular through the granting of new mandates allowing the European Commission to start negotiations with India, South Korea and Columbia. India, in particular is a strategically important market for Europe. It is important to keep in mind that revising the Slot Regulation is instrumental in facilitating access to new third country carriers at European airports and reaping the full benefits of the market access opportunities afforded by the new aviation agreements.

For all of these reasons, it is obvious that the rules governing airport slots allocation and use will be crucial for the well-functioning and competitiveness of the European Single Aviation Market. The strategic relevance of these rules cannot be overstated – and their adaptation to our new market realities is overdue.

I thank you for your attention - and as ever we remain at your disposal for any further exchange on this matter.

Sincerely yours,

A handwritten signature in blue ink, consisting of a vertical line on the left, a horizontal line across the middle, and a vertical line on the right with a small flourish at the end.