Misuse of Slots Enforcement Code

Annual Report - 2018/19

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Introduction

ACL is the UK's airport slots coordinator, designated by the Secretary of State for Transport.

Part of ACL's regulatory function is to monitor and take enforcement action against slots misuse at coordinated airports. This is an important part of ensuring fair and efficient access to limited airport resources. The aim of monitoring and enforcement is to encourage operators to improve their slot performance at airports through better scheduling and operations and thus to contribute to smoother, more efficient airport operations. This in turn benefits all operators and their customers, the travelling public and freight shippers.

This report, which we are required to issue annually as part of our duty of transparency, summarises ACL's slots monitoring and enforcement activities for the period April 2018 to March 2019.

Information on how ACL monitors and investigates slots misuse, how we take enforcement action against misuse and carrier's rights can be found on the ACL website at https://www.acl-uk.org/slot-sanctions/

Corrective Action Facilitated by ACL's Slot Monitoring

During the Summer 2018 and Winter 2018 Seasons, ACL successfully encouraged airlines to take the action detailed below to correct or mitigate potential slots misuse.

- Blue Air at Birmingham Airport extended its ground time to improve the on time performance of the departing 0B5152, BHX-LCA.
- Aer Lingus increased the block time on its new route at London City Airport for flight EI291, LCY-DUB.
- Vueling rescheduled the operation of VY8004, so reducing the usage of unauthorised Night Quota at Luton Airport.
- Vueling at Gatwick Airport introduced additional corrective measures for its handling agent to improve the turn performance on flight VY7819.
- Qatar Airways, Jet Airways, China Sourthern, Philippine Airlines, Beijing Capital Airlines and Croatia Airlines all implemented retimes to correct poor on time performance at Heathrow Airport.

These actions followed initial investigation of potential slots misuse by ACL raising queries with the carriers concerned.

Sanctions Issued

For the Summer 2018 and Winter 2018 Seasons, ACL levied the following sanctions for slots misuse:

- £29,000 against Flybe for 10 operations without a slot at Birmingham Airport.
- £25,000 against easyJet for five operations without a slot at Luton Airport.
- £8,000 against Tunisair for failure to respond to queries raised by ACL in relation to poor on time performance at Heathrow Airport.
- £38,000 against British Airways for operations in a significantly different way at Heathrow Airport – this involved the operation of a 747-400 instead of the planned 777-200 which breached Heathrow's Airport declared terminal capacity limits on 44 occasions. British Airways were sanctioned for 38 of the 44 flights, for £1,000 per operation, this equated to 86.4% of flights being sanctioned from the initial query.
- £6,000 against Air india for failure to respond to queries raised by ACL in relation to poor on time performance at Birmingham Airport.
- £3,000 against TAP for two operations without a slot at Gatwick Airport.

It is notable that, in this twelve month period, ACL had to issue sanctions against two airlines for failing to respond to repeated requests for information about their performance against slots.

These two occurrances are the first time from inception of the sanctions scheme in 2007 that ACL has issued a financial sanction for failure to respond to a query. It is important that carriers fully engage with ACL when a query is raised. Failure to do so can adversely affect a carrier's case and hampers ACL's ability to understand the issues and possibly seek solutions to mitigate the misuse.

ACL is currently investigating a possible sanction for poor on time performance against Ukraine International involving 72 flights at Gatwick Airport for the winter 2018 scheduling period.

Independent Reviews

Under section 14 of the Enforcement Code, carriers can request an independent review of ACL's decision to impose a financial sanction for slots misuse. More information on this can be found on our website at https://www.acl-uk.org/acls-monitoring-sanctions-process/

For this reporting period, one review was requested by Air India in relation to the sanction issued for its failure to respond to a monitoring query sent by ACL. The independent review found in favour of ACL, but recommended a good faith reduction of the fine from the original £8,000 to £6,000.

For the reporting period 2017/2018 Norwegian Air International (NAI) requested an independent review of ACL's decision to impose a financial sanction for slot misuse at Gatwick Airport (operating significantly off slot). The outcome of that independent review was not reported in the 2017/2018 report as it had not been concluded. We can now report that the independent review was concluded and resulted in a reduction of the original sanction from £112,000 to £100,000.

Monitoring Activity

ACL's monitoring process is explained on our web site (https://www.acl-uk.org/slot-sanctions/).

The following graphs detail some of the trends in our monitoring activity observed over the period April 2018 to March 2019.

For the monitoring period, 341 queries were sent; 232 in Summer 2018 and 109 in Winter 2018. That represents 68% of the total queries raised in the Summer versus 32% in the Winter Season and is similar to the previous monitoring period which was 66.5% for Summer 2017 and 33.5% for Winter 2017. Summer seasons tend to be busier, and so produce more queries than Winter seasons (see Figure 1).

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Figure 1: Total queries sent by ACL for all UK Level 3 airports, split between ad hoc and seasonal
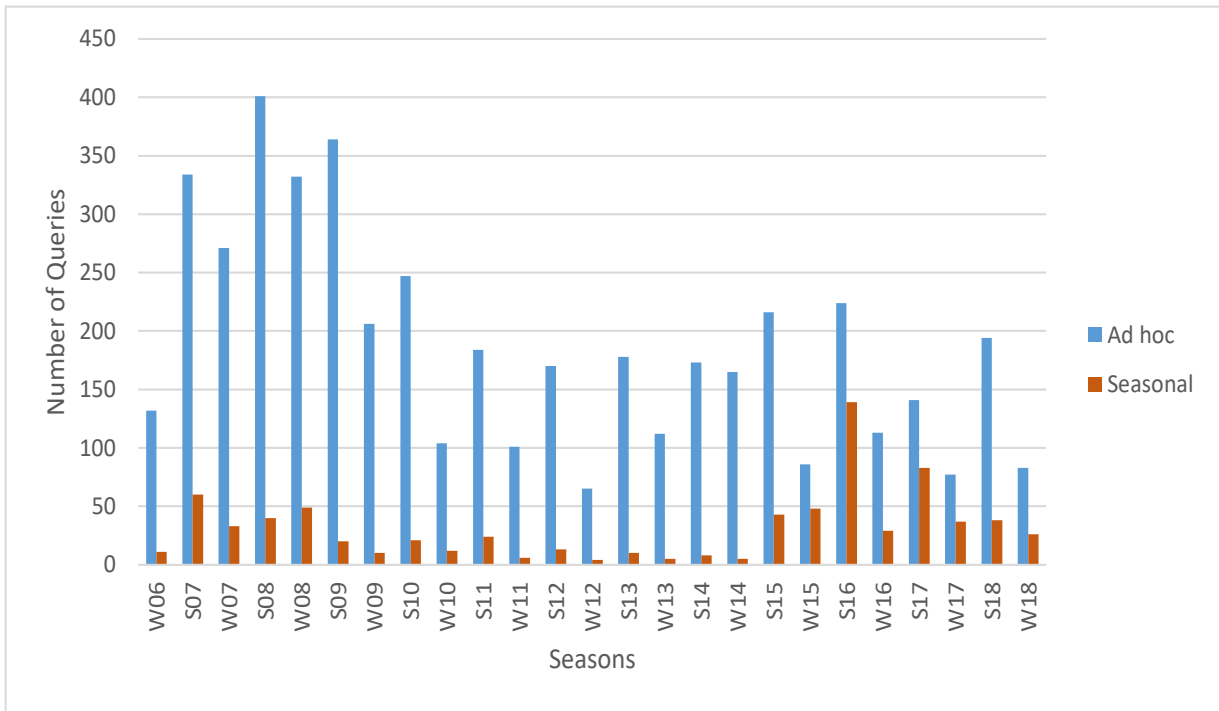
Over the period the sanction scheme has been running (from Winter 2006 – 1 January 2007), apart from a reduction in the total number of queries up to Summer 2014, there was a significant shift in the ratio of seasonal queries (flights part of a series) to ad hoc queries (single day operations) being sent from Summer 2016 onwards (see Figure 2).

Figure 2: Total queries by percentages, sent by ACL for all UK Level 3 airports, split between ad hoc and seasonal
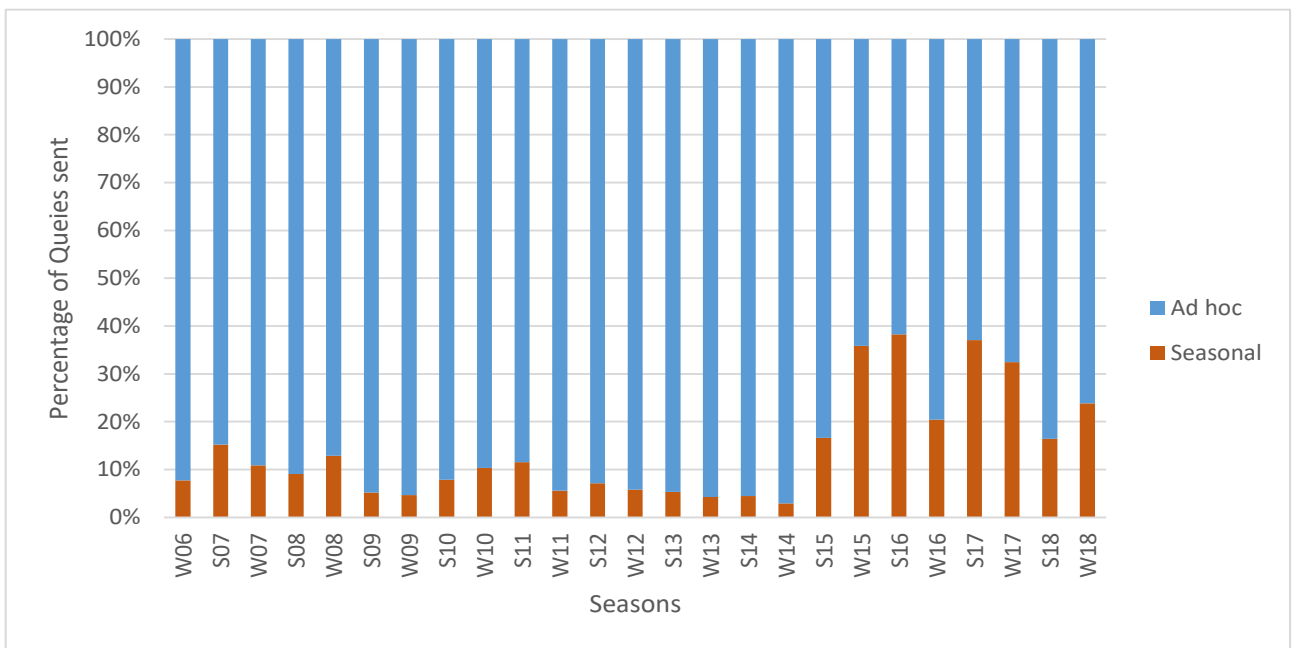
One explanation for the increase in the proportion of seasonal queries being sent from Summer 2015 onwards may be the deterioration in the on-time performance of an increasing number of the airlines monitored by ACL across the 7 UK Level 3 airports (Bristol Airport has been designated from summer 2018 as coordinated for

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summer, night period only, but due to ongoing data quality issues, no substantive monitoring has been possible. For the purpose of this report, reference to the UK level 3 airports is taken to be; Heathrow, Gatwick, Stansted, Luton, London City, Birmingham and Manchester). Gatwick Airport saw the largest increase in both total queries and seasonal queries being sent, with 74 seasonal queries being sent in Summer 2016 against 71 ad hoc queries (see Figure 3(a)).

For this monitoring period (Summer 2018 – Winter 2018), the percentage of seasonal queries sent for all airports was 18.8% (64 seasonal of a total 341 queries). For Summer 2017 - Winter 2017 that figure was 35.5% (of a total of 338 queries) and in Summer 2016 – Winter 2016, it was 33.7% (of a total of 505 queries). Summer 2018 did see exceptional issues with the overall performance of the Network that Summer, driven in part by the Network's lack of resilience and capacity to handle the ever increasing demand in traffic. So, ACL took the pragmatic view to not query the vast majority of flights being highlighted as significantly off slot for the UK Level 3 airports, where the cause of the delay was likely to be Network ATC issues.

When broken down by airport, it is noticeable that every UK Level 3 airport saw an increase in the number of seasonal queries from Summer 2015 - Summer 2016. However, generally the proportion and number of seasonal queries for all 7 UK Level 3 airports has reduced over the most recent seasons as ACL further refines and manages the task of monitoring and enforcement.

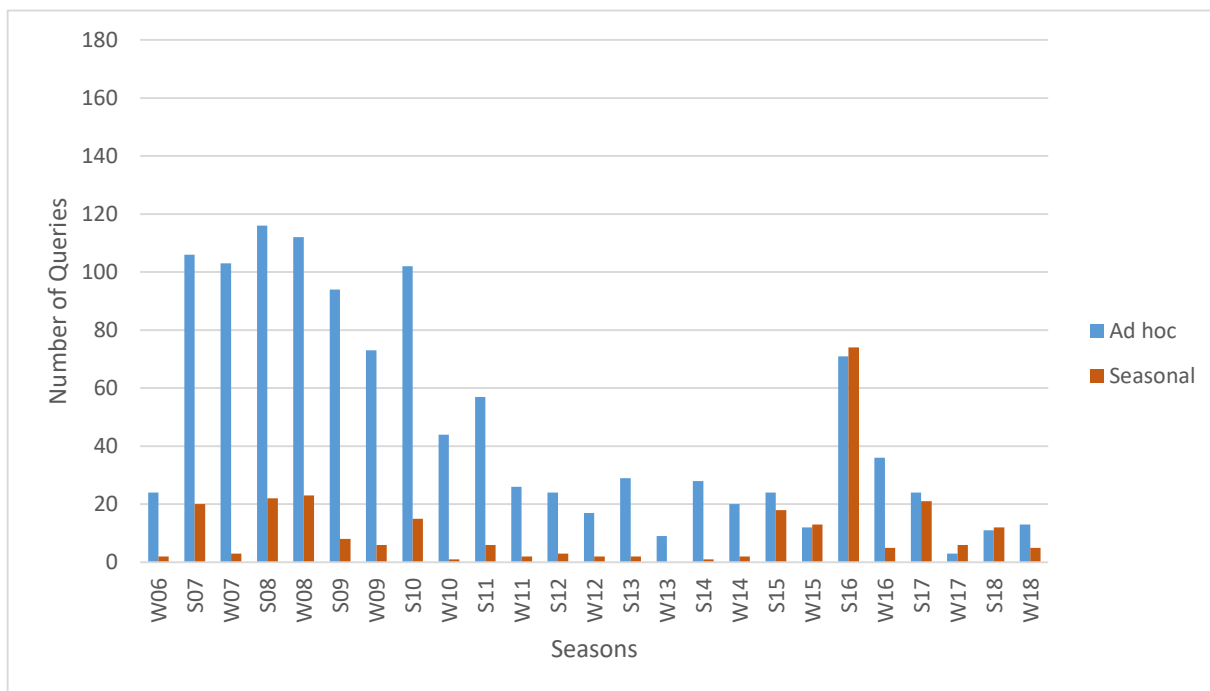*Figure 3(a): Gatwick Airport split of ad hoc to seasonal queries*

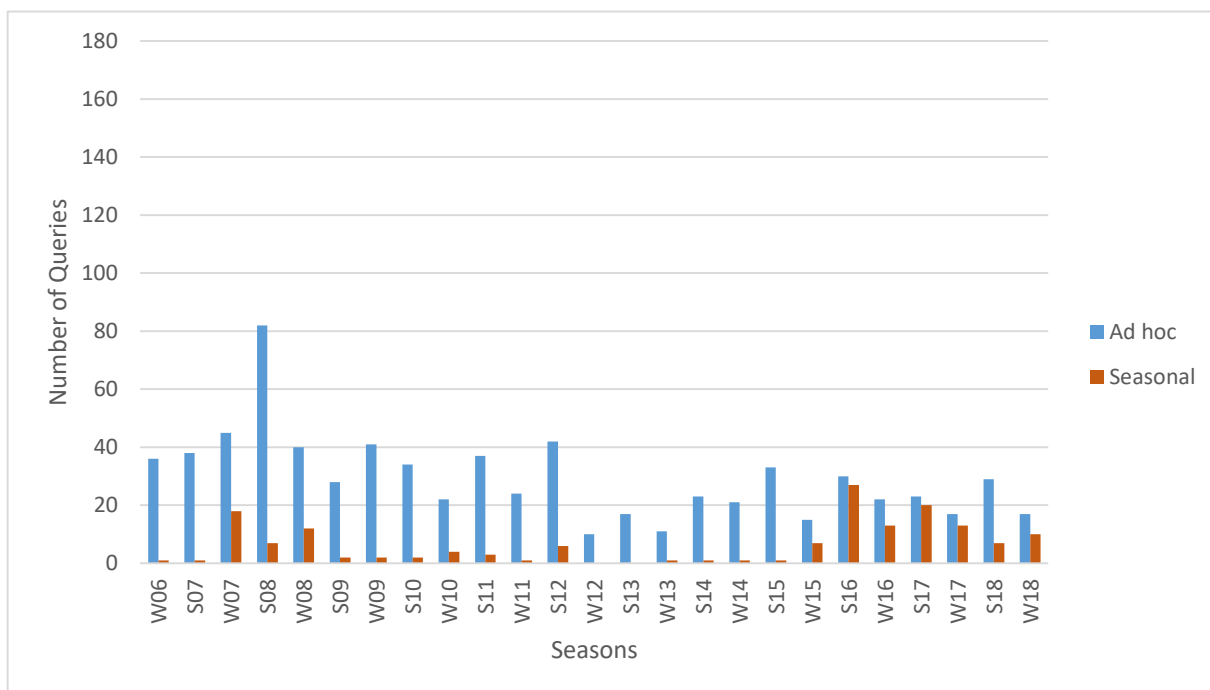*Figure 3(b): Heathrow Airport split of ad hoc to seasonal queries*

Figure 3(c): Manchester Airport split of ad hoc to seasonal queries
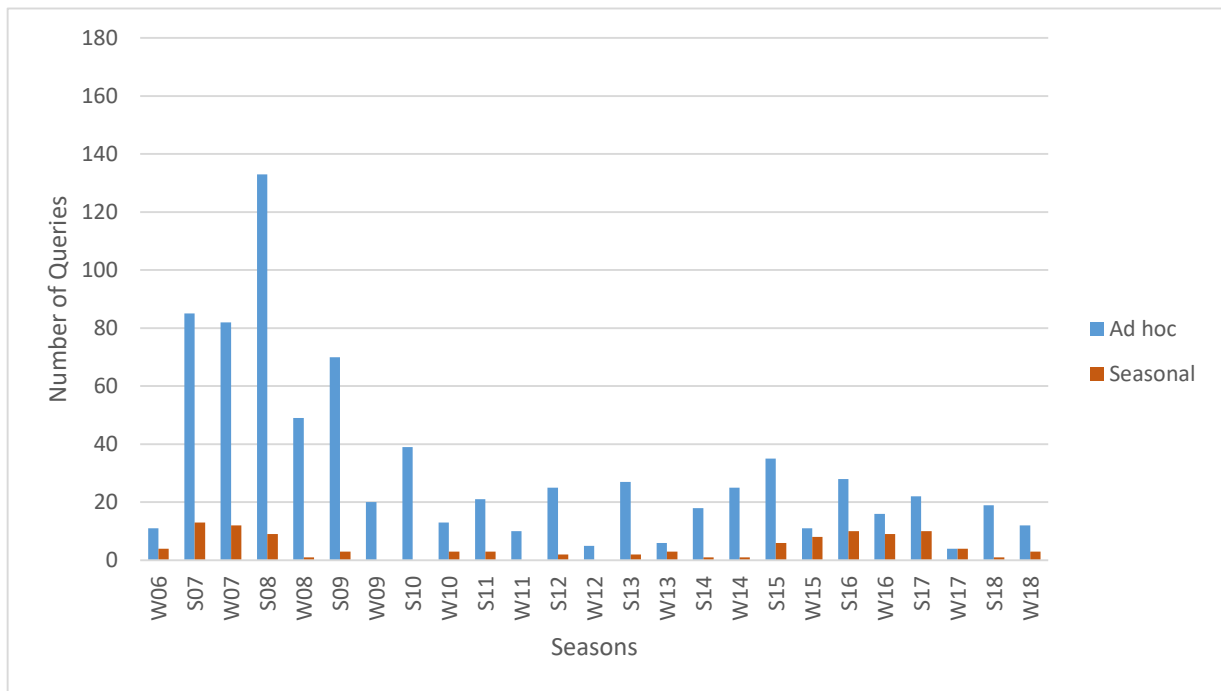

Figure 3(d): Stansted Airport split of ad hoc to seasonal queries
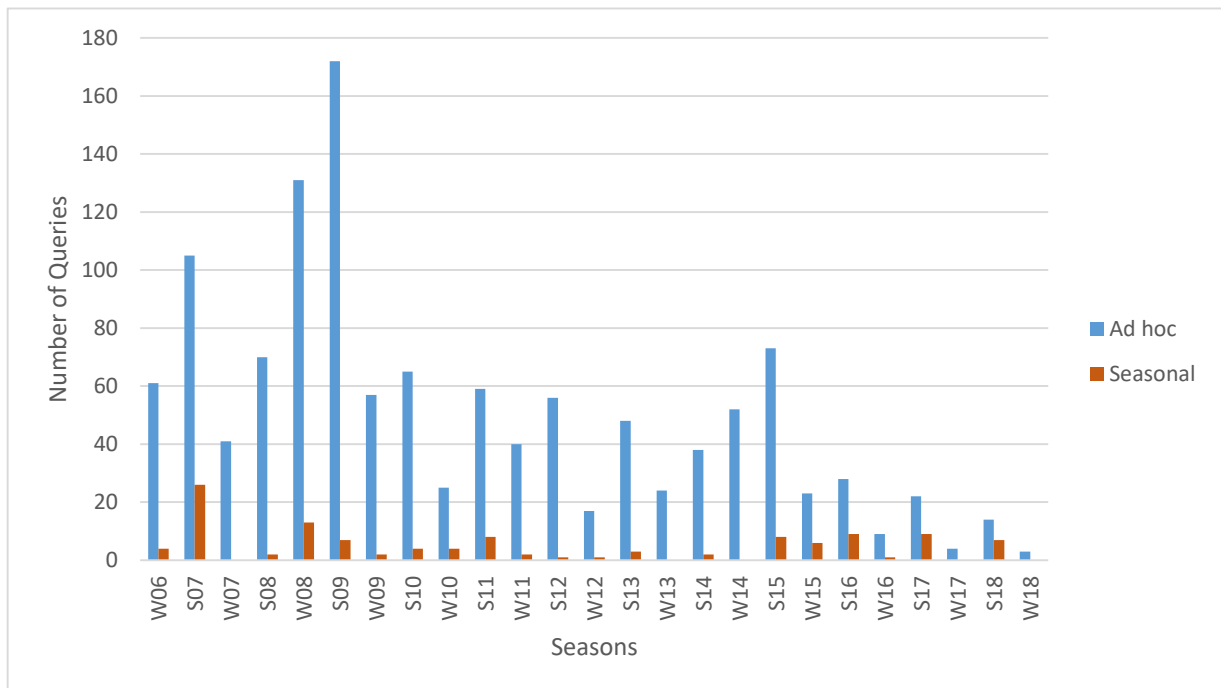
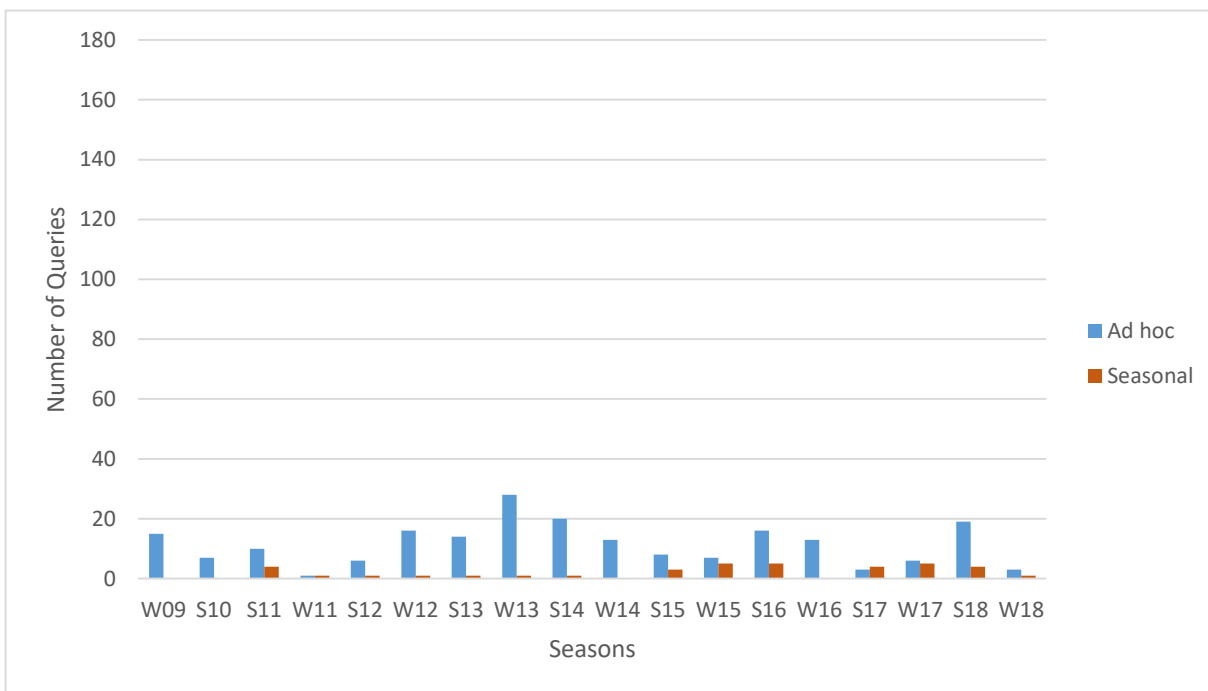_Figure 3(e): London City Airport split of ad hoc to seasonal queries_

Figure 3(f): Luton Airport split of ad hoc to seasonal queries (for S12 as part of the London 2012 Olympics Luton Airport was Level 3 – Luton Airport became permanently level 3 from S13)
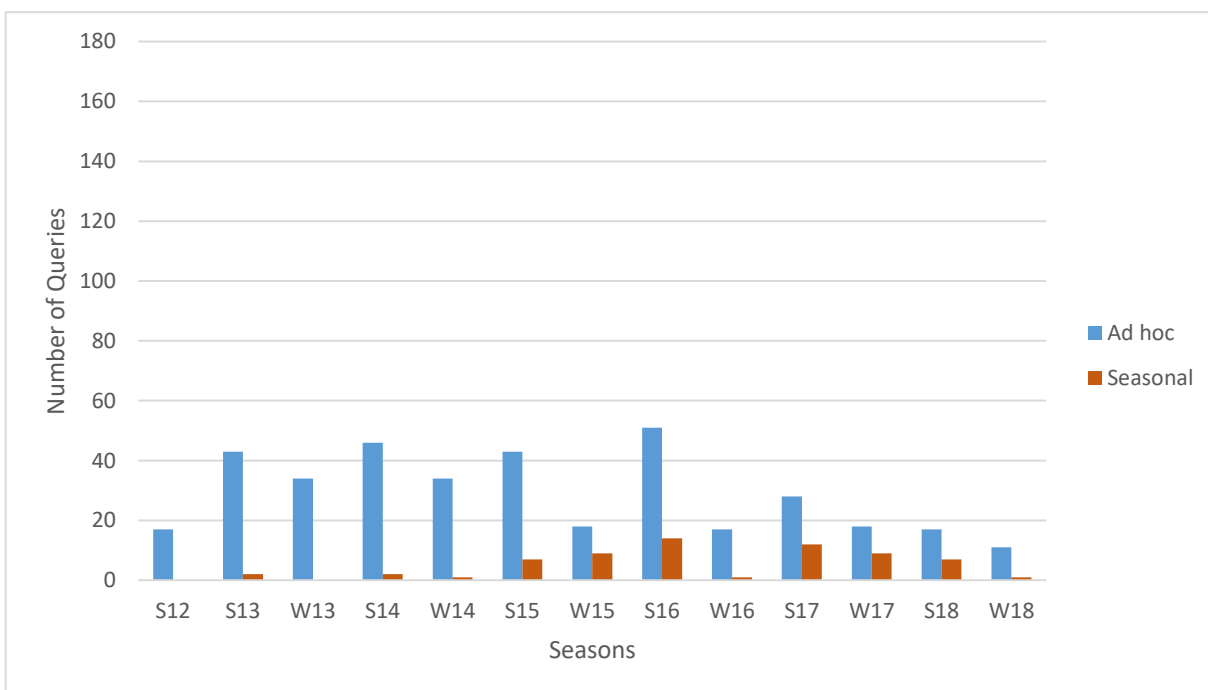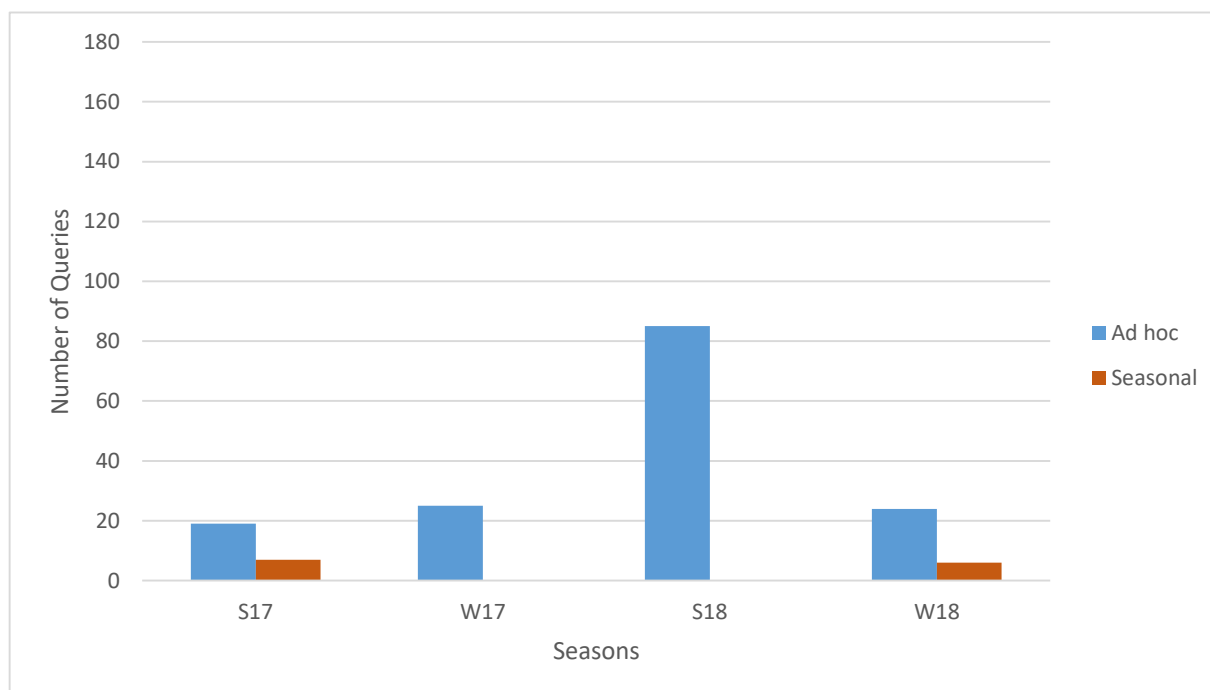
Figure 3(g): Birmingham Airport split of ad hoc to seasonal queries

In respect of the type of misuse investigated (queried), for Summer 2018 – Winter 2018, around 2/3s were for ad hoc operations without a slot (see Figures 4 and 5). The high proportion of ad hoc investigations was primarily driven by Birmingham Airport, as Figure 9 demonstrates (no slot operations).

Birmingham Airport became Level 3 in the Summer 2017 Season. In part, the high number of operations without a slot is to be expected from a new Level 3 airport, as all users of the airport become familiar with the new processes. ACL has worked hard with all interested parties at Birmingham Airport to educate everyone on the requirement to have an allocated slot prior to operating at a Level 3 airport. ACL continues to take a pragmatic approach where it can, but did have to sanction Flybe for 10 operations without a slot in Summer 2018, as this was now Birmingham Airport's second Summer Season as a Level 3 airport.This followed Flybe having had 19 operations without a slot at Birmingham Airport in Summer 2017.

For Summer 2018, 189 operations without slots were experianced across the 7 UK Level 3 airports;108 of them at Birmingham Airport, 68 by airlines and 40 by GABA (General Aviation Business Aviation operators).

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Figure 4: Queries raised by airport for Summer 2018 - Winter 2018, by type of misuse
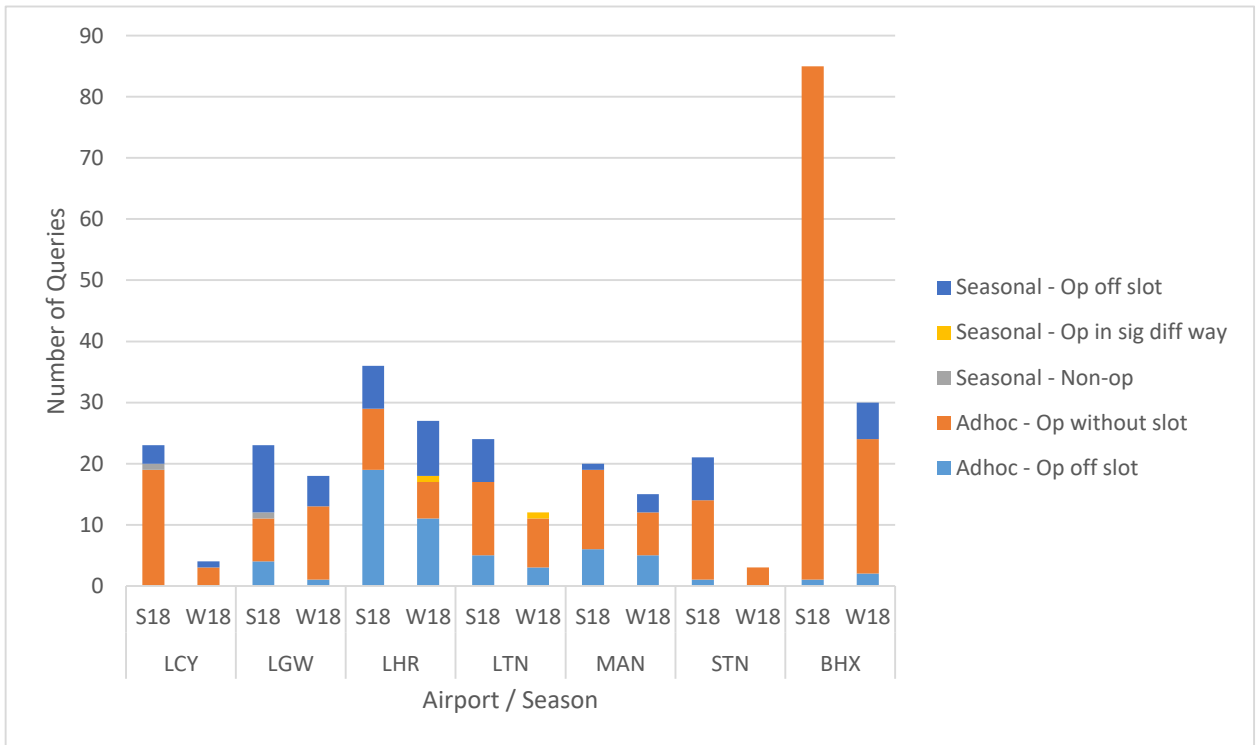
Figure 5: Queries raised by airport for Summer 2018 – Winter 2018, by type of misuse
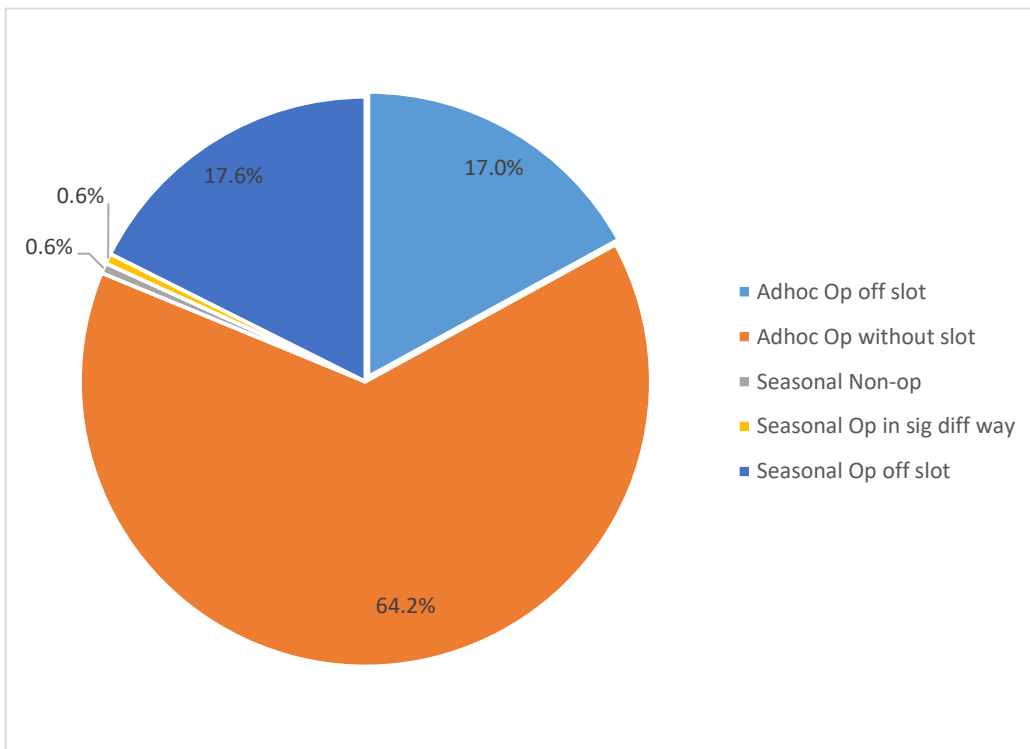
Figure 6: Warnings / sanctions issued by airport, by season, by type of misuse

Figure 7: Volume of queries to warnings/sanctions/no further action

For the period under review, 35.5% of queries either went to a warning or a sanction (121 out of 341). This compares to 39.3% in the previous period Summer 2017 - Winter 2017 (which was 133 out of 338).

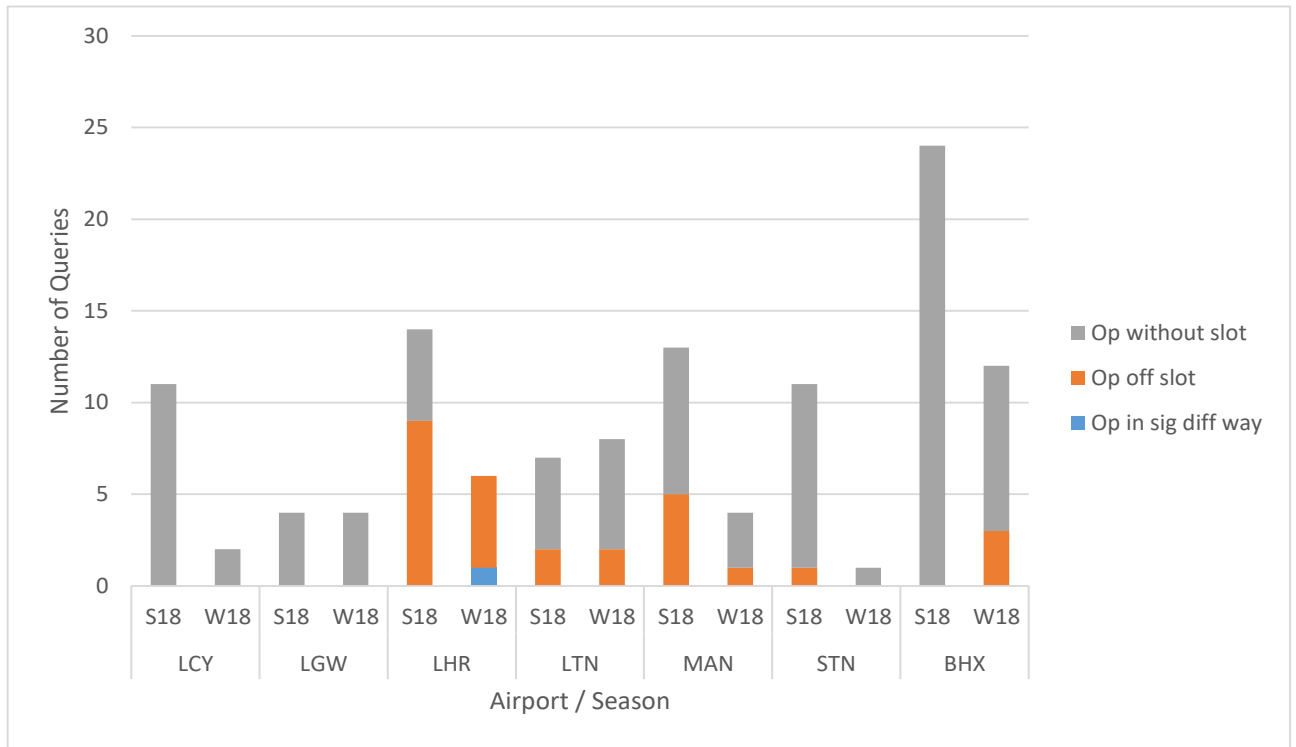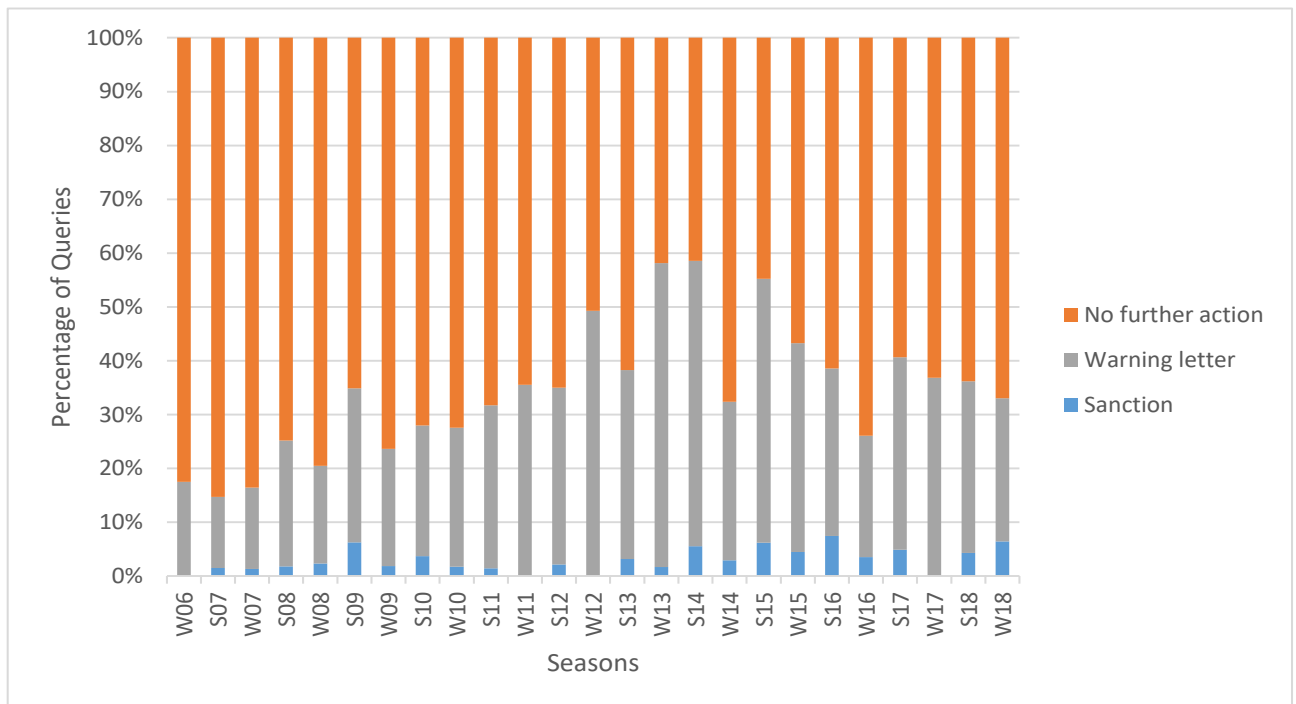For Summer 2018 – Winter 2018, two sanctions were applied following seasonal monitoring: British Airways for operating in a significantly different way at Heathrow Airport, and Air India at Birmingham Airport, for the failure to respond to ACL. In the Summer 2017 - Winter 2017 period, 11 sanctions were imposed as a result of seasonal monitoring.

Effectiveness of the Enforcement Code.

It is difficult to accurately measure the overall sucess of the ACL's slot monitoring activities on improving slot adherence. This is particularly true for operations at times different from the allocated slot time because there are many valid operational reasons why air services do not operate as scheduled. These punctuality issues tend to obscure the number of air services that may be *intentionally* operating at a different time.

Since the introduction of the Enforcement Code in 2007 there was a marked improvement from 2007 to 2014 in the performance of ad hoc flights, but there was been a deterioration since then (see Figure 8).

One possible explanation for the deterioration could be the increase in traffic volume for the service type(s). For GABA there has been a 12.1% increase (for Summer only seasons) across the UK Level 3 airports since Summer 2013 (excluding Birmingham Airport). For pure ad hoc positioning flights there is though a percentage decrease in traffic volume of -8.6%. There is also the consideration that overall traffic volumes have increased not only at the UK Level 3 airports (excluding Birmingham Airport to allow for a comparison) by 18.6%, but also across Europe as a whole.

It should be noted that for the airlines pure ad hoc positioning flights, the number considered signficantly off slot has plateaued at just over 50%, while GABA continues to rise to just over 20%.

Figure 8: Ad hoc flights (arrival and departure) significantly off slot by +- 15 minutes

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A good measure of the effectiveness of the Enforcement Code on slot adherence is the reduction in the number of operations without allocated slots (Figure 9), which can be more clearly identified than time discrepancies. In the first year of the scheme there was a dramatic improvement in the number of operations without allocated slots. Summer seasons, given the higher traffic volumes, do experience more operations without slots, but the trend, (as more UK airports become coordinated) is for the actual number of operations without slots to reduce.

Figure 9: Total number of operations without a slot for ALL UK Level 3 airports, by season
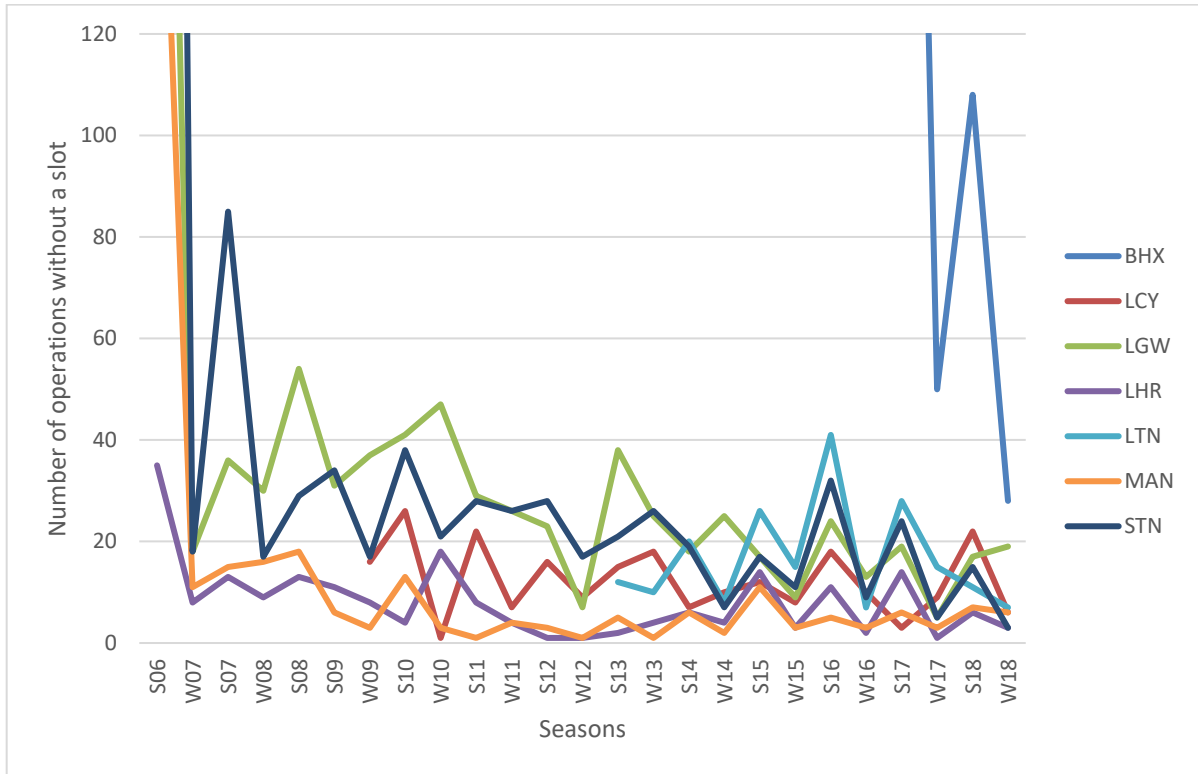
With the ever increasing number of operations across the Network, it is useful to look at performance for operating without a slot against the actual number of operations for that season. Figure 10 illustrates that between Summer 2013 and Summer 2018, airports have either maintained or improved the percentage of no slot operations, as a percentage of actual movements. It is noticeable that Birmingham Airport in its first Summer Season did experience a very high number of operations without a slot (345). This reduced to 108 in Summer 2018, and it would be predicted that this will be dramatically further reduced for Summer 2019.The figure of 0.000% (actually 1 movement out of 287,115) achieved by Heathrow Airport for Summer 2012 may well have been down to the extra effort by all concerned parties to ensure high operational reliability during the London 2012 Olympics.

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Figure 10: Number of operations without slots as a percentage of the total number of operations for each Summer Season

Season	BHX	LCY	LGW	LHR	LTN	MAN	STN
S07			0.021%	0.004%		0.011%	0.065%
S08			0.033%	0.005%		0.014%	0.024%
S09			0.019%	0.004%		0.006%	0.033%
S10		0.063%	0.026%	0.001%		0.013%	0.039%
S11		0.053%	0.020%	0.003%		0.001%	0.030%
S12		0.038%	0.014%	0.000%		0.003%	0.031%
S13		0.034%	0.024%	0.001%	0.020%	0.005%	0.024%
S14		0.016%	0.011%	0.002%	0.030%	0.005%	0.020%
S15		0.025%	0.010%	0.005%	0.035%	0.010%	0.017%
S16		0.035%	0.013%	0.004%	0.048%	0.004%	0.028%
S17	0.433%	0.006%	0.010%	0.005%	0.032%	0.004%	0.020%
S18	0.149%	0.045%	0.009%	0.002%	0.013%	0.005%	0.012%

ACL's New Monitoring and Sanctions Process

Before the start of the Summer 2019 Season, ACL carried out a detailed review of its monitoring process to ensure it remains effective. For Summer 2019, we launched an additional pre-season monitoring process to test whether carriers are properly scheduling their block times and, for those which are not, to raise queries with a view to encouraging the carrier to change its scheduling prior to the start of the season and thus reduce the likelihood of poor on time performance.

Those carriers which fail to justify a block time discrepancy or take appropriate action to change prior to season start are put on a watch list for further checks during the season.

The pre-season monitoring is carried out across all flights at Level 3 airports using purchased schedule data from OAG, enabling ACL to run comprehensive checks, including discrepancies between slots held by airlines and their published schedules.

So far, the pre-season monitoring has been successful:

- Block time discrepancy checks highlighted potential issues with BA on its new BIO-LGW route. This was highlighted to BA and the block was decreased prior to the season beginning. The initiative was welcomed by BA as it enabled them to alter the schedule prior to operating.
- 150 targeted website checks were carried out. 12 queries were sent to airlines with concerns that their websites showed that they were selling a different time to the one held by ACL. The majority of the queries resulted in the airline confirming that they had either updated their website or given ACL an assurance that their schedule would be altered prior to the first date of operation.
- Three operators, (Air Malta and Iberia Express at Gatwick Airport, and Ethiopian Airlines at Manchester Airport), were initially written to for mis-selling against the airport slots they had cleared. All three continued to operate to their required times and were subsequently issued warnings.

Further examination and possible refinement of the process will be on going during Summer 2019.

Updated Sanctions Website

In order to improve transparency over how ACL monitors and sanctions misuse of slots we have revised and updated the sanctions pages on the ACL website, https://www.acl-uk.org/slot-sanctions/. They now provide fuller information for airlines and other operators about how we monitor slot use. They also give detail about the stages of the process from monitoring through to issuing final notices of sanctions and the availability of independent review for operators which disagree with sanctions imposed on them.