



Misuse of Slots Enforcement Code

Annual Report - 2019/20

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1. 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 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 summarises ACL's slots monitoring and enforcement activities for the period April 2019 to March 2020.

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/>

2. Examples of corrective action facilitated by ACL's slot monitoring

During the Summer 2019 and Winter 2019 Seasons, ACL successfully encouraged airlines to take the action detailed below to correct or mitigate potential slots misuse without having to issue formal sanctions.

LHR

Summer 2019

- Saudia adjusted slot times out of Riyadh on three flights (SV107 and SV113 and SV117) to be on time at LHR, they also arranged an early aircraft assignment to avoid last minute delays. That delivered an improvement to OTP.
- China Southern adjusted the departure time of the CZ673 at Wuhan airport to correct a block time issue.
- Qantas retimed the QF001 arrival slot at LHR to 10 minutes later to improve OTP.
- British Airways retimed the BA156 from Kuwait 15 Minutes earlier into LHR to improve OTP and plan to adjust the block time in S20.
- Shenzhen Airlines added 30 minutes on to the block time to help mitigate delays.
- Beijing Capital retimed the day 3 operations from 19:30 to 18:10 (ad hoc) to improve OTP. There was an issue with CAAC in China where they have a window for slot time adjustments and don't help the airlines outside of that window. They also retimed the day 1 operation by 10-15 minutes to improve punctuality.

Winter 2019

- Our monitoring identified that British Airways flight BA81 to Accra was suffering an ongoing issue on departure, caused by issues with processing of hand baggage at the departure gate. HAL investigated the issues and allocated BA a departure gate with a baggage chute to enable a quicker loading of excess hand baggage at the gate. This improved the on time performance of this flight to acceptable levels.
- Air Canada flight CA87 was continually arriving late. After discussions with ACL, Air Canada adjusted the departure time from Beijing which improved on time arrival of this flight at Heathrow.
- Etihad flight EY17 was identified as continually arriving early. After discussions with ACL, EY requested the flight to be held in Abu Dhabi to improve the on time performance of arrival at Heathrow.
- TAP were identified as arriving late into Heathrow due to rotational issues. TP reviewed their block times and added time where possible to improve on time performance for that flight.

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London Luton:

- Following discussions with ACL, DHL instructed pilots not to depart early on their Sunday morning OPO-LTN flight which resulted in a significant reduction in unplanned shoulder period quota usage by this service during the second half of S19. Following queries raised by ACL, WizzAir implemented a number of operational measures and rescheduled a number of flights scheduled close to the night period during September/October 2019 to reduce unplanned night movement and QC usage during the latter part of S19. The result was an approximate 50% reduction in the weekly rate of unplanned night movements during the August-October period.
- In W18, our monitoring identified a problem with Vueling flight VY8404 which was continually operating into the night period without quota. During W18 we had discussion with VY which resulted in VY reducing block time. Performance on this flight in W19 was significantly better.

London City:

- Following discussions with ACL, LOT Polish Airlines reduced the block time of the BUD-LCY service following repeated early arrivals during the early stages of this new route for 2019.
- ACL identified a discrepancy with Flybe service numbers in their schedule which were corrected following a query raised by ACL.
- ACL identified poor on time performance on Aer Lingus flight EI291 in previous seasons. Following queries raised and discussions with EI performance on this flight significantly improved and we did not identify any problems with the flight in W19.

Manchester

Summer 19

- Both TUI and Ethiopian rectified flights for sale on their websites after a potential mis selling was identified by ACL.
- Thomas Cook agreed to carry out an analysis of block times on flights from MLA after ACL identified the flight was continually arriving late into Manchester. Thomas Cook have agreed to request a retime for S20.
- easyJet's on time performance on its new route to JER has improved after continual early arrivals were identified by our monitoring. EZY has agreed to request a retime for S20.

Winter 19

- Our routine monitoring identified continual early arrivals on a VAA flight to JFK, which were caused by strong jet stream. We have seen a subsequent improvement in performance of OTP on this route.

In section 6 below, we analyse in more detail the value which these behavioural changes provide by looking at four case studies.

3. Sanctions issued for slot misuse

For the Summer 2019 and Winter 2019 Seasons, ACL levied the following sanctions for slots misuse:

- 1 October 2019 - £70,000 sanctioned against Ukraine International Airlines for 35 off slot operations at London Gatwick Airport between 28 October 2018 and 2 February 2019.
- 21 October 2019 - £4,000 sanctioned against NetJets Europe for an operation without a slot on 5 September 2019 at London City Airport.
- 22 October 2019 - £10,000 sanctioned against easyJet for its operation without a slot on 28 July 2019 at London Gatwick Airport.
- 30 October 2019 – historic status of a number of slots at London Gatwick and London Heathrow airports were removed from Tunisair as a result of poor on time performance over a number of seasons.
- 20 November 2019 - £10,000 sanctioned against LOT Polish Airlines for its off slot operations at London Heathrow Airport during Summer 2019.
- 20 February 2020 - £6,000 sanctioned against easyJet for an operation without a slot on 6 December 2019 at London Gatwick Airport.
- 25 March 2020 - £8,000 sanctioned against Ethiopian Airlines for its failure to respond to ACL's requests for information relating to misuse of slots at London Heathrow Airport during Summer 2019.

4. 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 independent review was brought by Air India in relation to a sanction of £8,000 for its failure to respond to a query in relation to poor on time performance at Birmingham airport during the Winter 2018 season. The independent reviewer found in favour of ACL and upheld the sanction of £8,000.

In July 2019, we took the decision (supported by the Secretary of State for Transport) that ACL only needed to retain one independent reviewer (prior to that we had two) and so on 1 July 2019 Tony Baker stepped down as an independent reviewer. We greatly appreciate the role Tony has taken over the years which has been instrumental in ensuring that there is a proper and effective independent review process and that ACL is held properly to account for the decisions it takes.

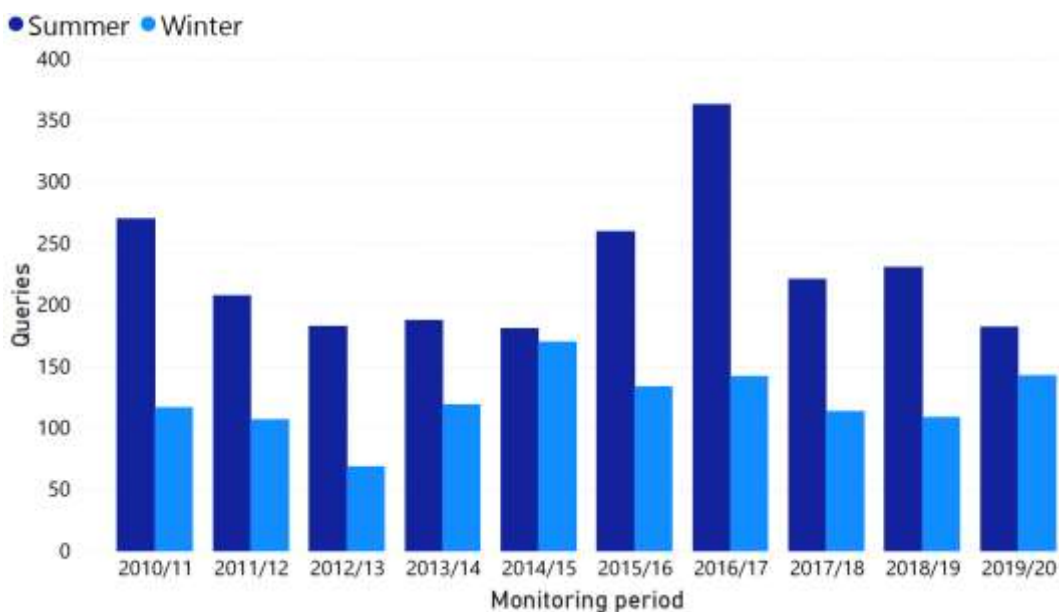
Sandra Webber remains ACL’s independent reviewer and her continued appointment is approved by the Secretary of State for Transport.

5. Monitoring activity

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

Over this monitoring period, ACL sent 325 queries: 182 in Summer 2019 and 143 in Winter 2019. This represents a similar split of queries by season to that seen in previous monitoring periods, as Summer seasons tend to be busier and so produce more queries (see Figure 1).

Figure 1: Total queries sent by ACL for all UK Level 3 airports by monitoring period



56% of queries in the 2019/20 monitoring period were raised in the Summer season, with 44% in the Winter season. In comparison, 68% of queries in the 2018/19 period were sent in Summer and 32% in Winter. The change in the split of Summer and Winter queries is caused by both an increase in the number of queries sent during the Winter season and a decrease in the number of queries sent in the Summer season compared with the previous monitoring period. Overall, the number of queries sent in the Summer season has declined since the peak of 363 queries seen in Summer 2016, whereas the number of queries sent in the Winter season has increased slightly in comparison to previous years.

Overall there is a decline of 4% in the number of queries sent over this reporting period, driven by a shift in focus by ACL away from series monitoring (for the 2019/20 monitoring period, 16% of queries were for seasonal

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flights, compared to 19% in the previous period); and by the leniency which ACL is applying for delays likely to be caused by Network ATC restrictions in Europe (meaning some flights are discounted from action before queries are raised).

That trend is generally visible across airports (in figures 2 and 3). However, slight increases can be seen in the number of queries for London City, Manchester (Summer) and for London Gatwick and London Heathrow (Winter), which we think are due to additional slot monitoring resources becoming available at these airports as we flex our teams to adapt to changing business needs.

Birmingham Airport saw a substantial increase in the number of queries sent in Winter 19 (see figure 3) due to a spike in the number of slot adherence issues with a number of carriers.

Figure 2: Total queries sent by ACL by airport – Summer seasons

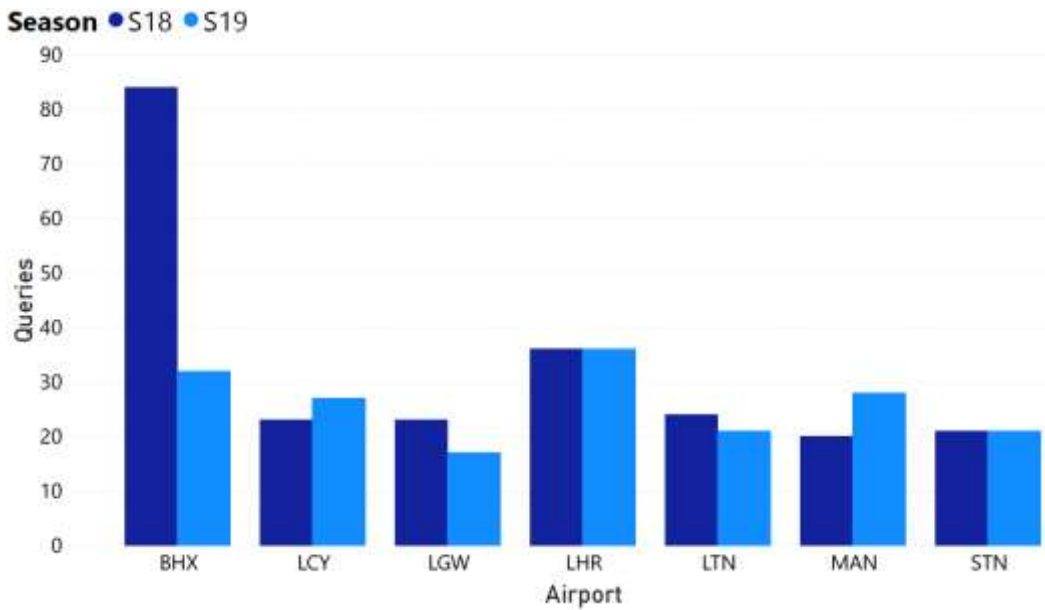
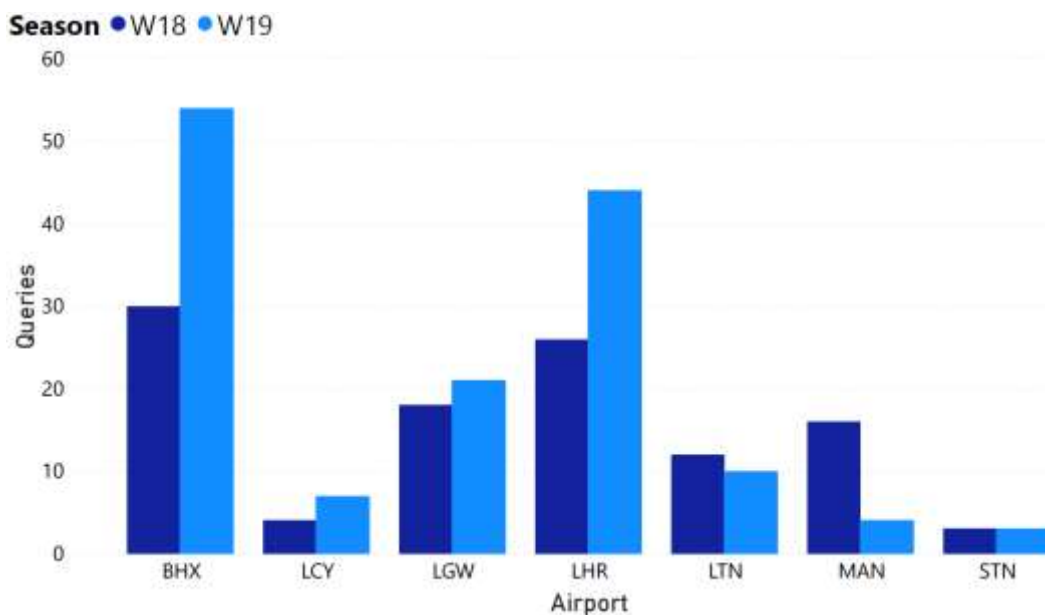


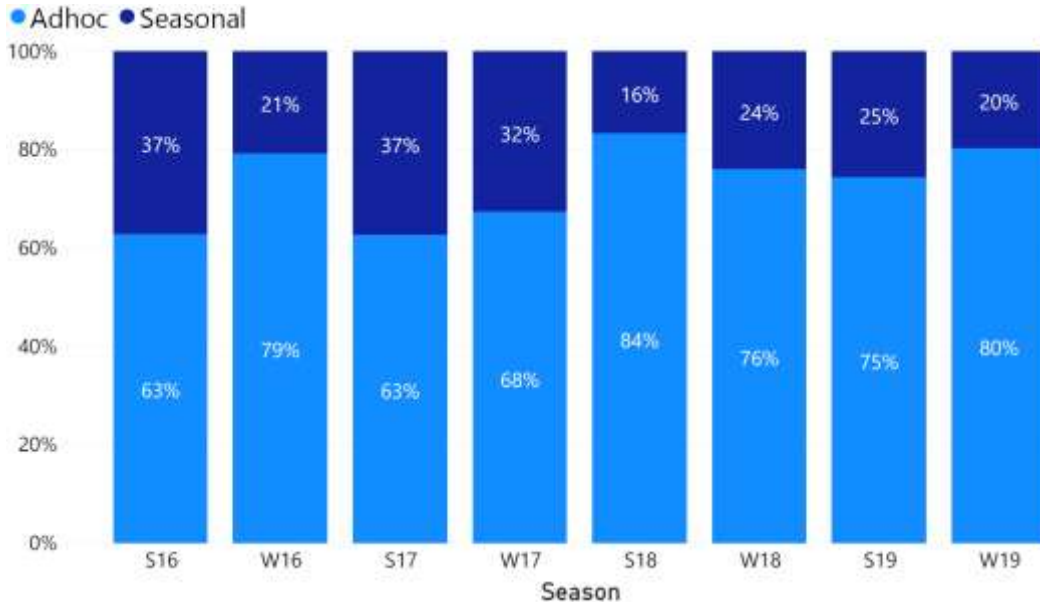
Figure 3: Total queries sent by ACL by airport – Winter seasons



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The proportion of queries issued by ACL for seasonal operations was slightly greater in the Summer season during the 2019/20 monitoring period, whereas the 2018/19 monitoring period saw a greater proportion of seasonal queries in the Winter season. Overall however these proportions have not varied greatly from the previous monitoring period.

Figure 4: Total queries sent by ACL split between seasonal and ad-hoc



For the 2019/20 monitoring period, on average across our Level 3 airports 16% of queries raised were for seasonal flights, compared to 19% in the previous period. This proportion is affected by the varying mixture of seasonal and single day operation traffic at each individual airport. Additionally, the proportion of seasonal and ad-hoc queries sent by ACL is affected by the types of slot misuse that occur at each airport.

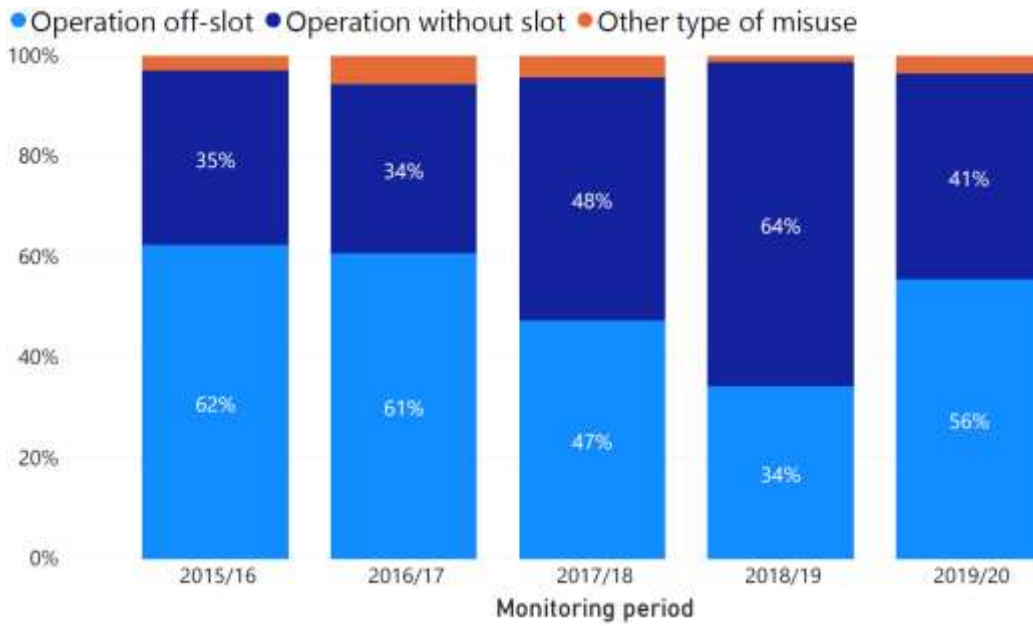
ACL monitors a number of different types of slot misuse at Level 3 airports; operations off slot (i.e. early and late) and operations without an allocated slot are the most common examples of slot misuse. ACL also monitors airlines for incorrect publishing of slots, non-operation of allocated slots, and operating slots in a significantly different way to the allocated slot (e.g. with a larger aircraft type than that which the slot was allocated for).

The 2019/20 monitoring period saw an increase in the number of queries sent to airlines for operations off-slot. The proportion of queries for airlines operating off-slot significantly increased, with over half of all ACL queries for the 2019/20 monitoring period sent in reference to airlines operating off-slot. That increase was caused mainly by substantial increases in the number of queries for off-slot operations sent to carriers at Birmingham and London City airports.

The increase in the proportion of off-slot queries is also partly caused by a 39% decrease in the number of queries sent in relation to operations without a slot. As a result, the proportion of queries relating to operations without an allocated slot fell substantially to less than half of all queries in 2019/20, meaning the proportion of queries for operations without a slot is closer to that seen in monitoring periods prior to 2017.

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Figure 5: Total queries sent by ACL split by type of slot misuse and monitoring period



The proportion of queries relating to operations without a slot and operations off-slot was consistent between the Summer 2019 and Winter 2019 seasons, with slightly more than half of all queries sent for operations off-slot in each season.

Figure 6: Total queries sent by ACL split by type of slot misuse and by season

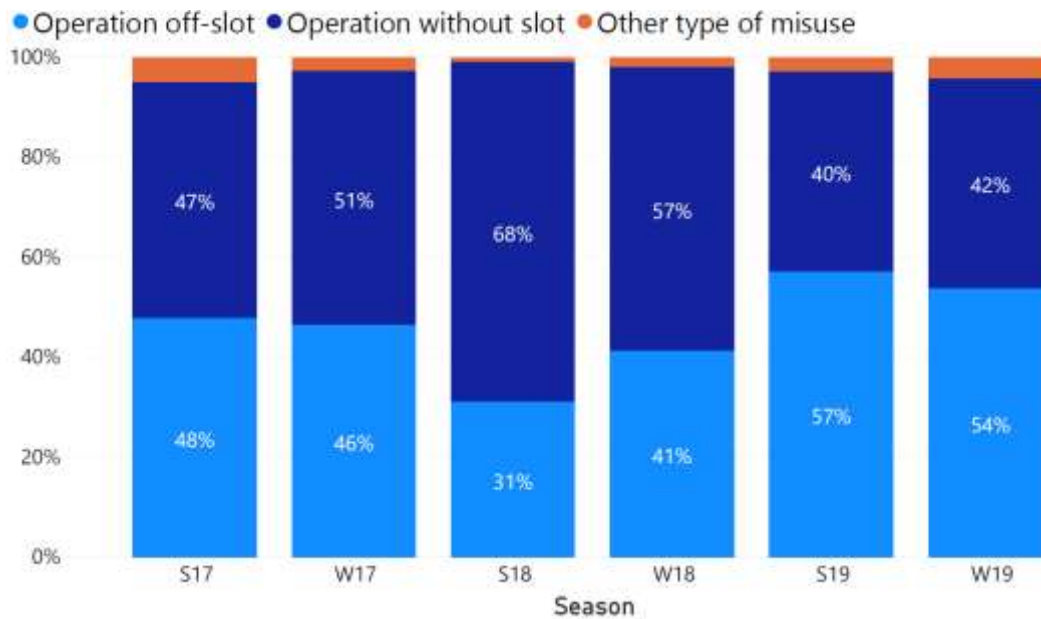


Figure 7: Total queries sent by ACL split by type of slot misuse and by airport

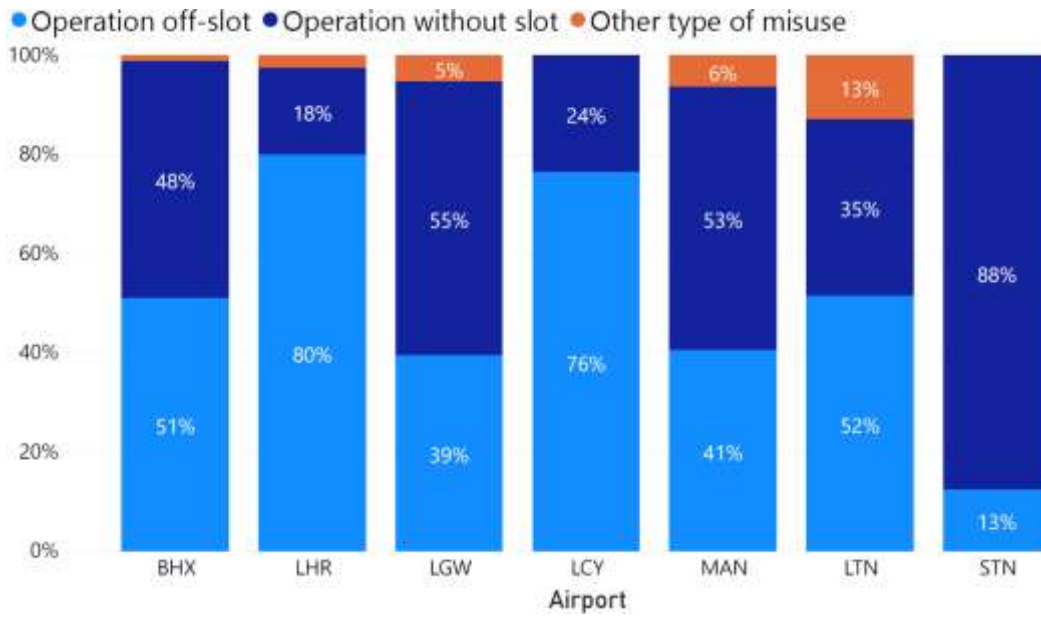
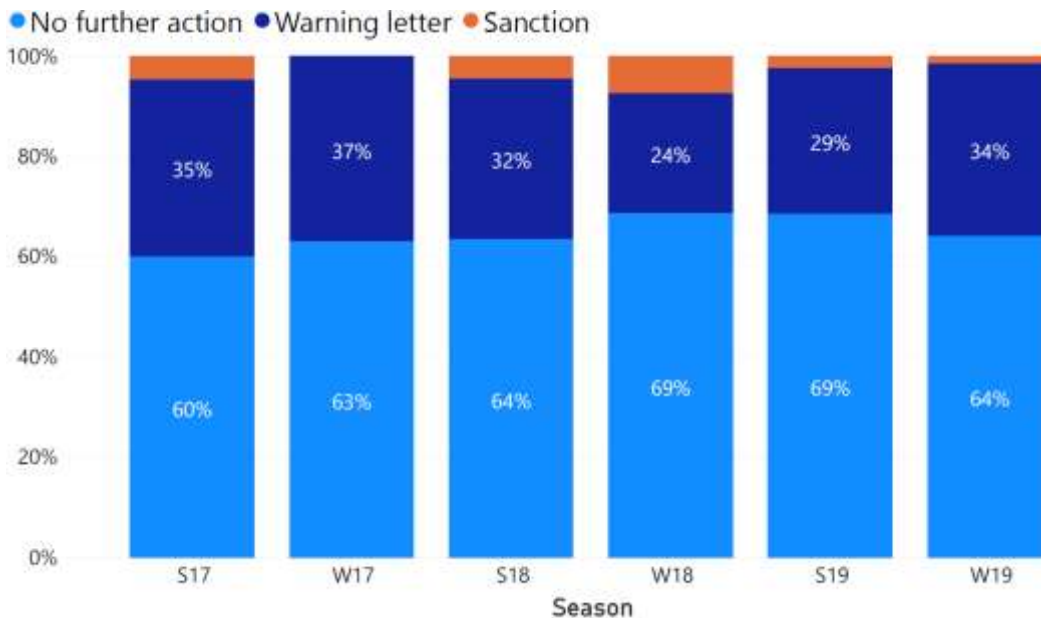


Figure 8 shows that the proportion of queries resulting in financial sanction has reduced for the 2019/20 monitoring period, probably driven by the leniency ACL is applying for delays likely to be caused by the Network ATC restrictions in Europe. Overall, 33% of slot monitoring queries in the 2019/20 monitoring period resulted in ACL issuing a warning letter or sanction; this proportion is slightly lower than seen in the 2018/19 period (35%). ACL issued 102 warning letters in 2019/20, only 2 fewer than the previous year. Only 6 financial sanctions were issued in 2019/20, 12 fewer than the previous year.

Figure 8: Total queries sent by ACL split by outcome of query and by season



6. Effectiveness of the Enforcement Code

Whilst we will levy financial sanctions for the worst cases of slot misuse, a significant focus for ACL is engaging with carriers where misuse is identified to encourage behavioural change to improve future slot performance without the need to formally sanction.

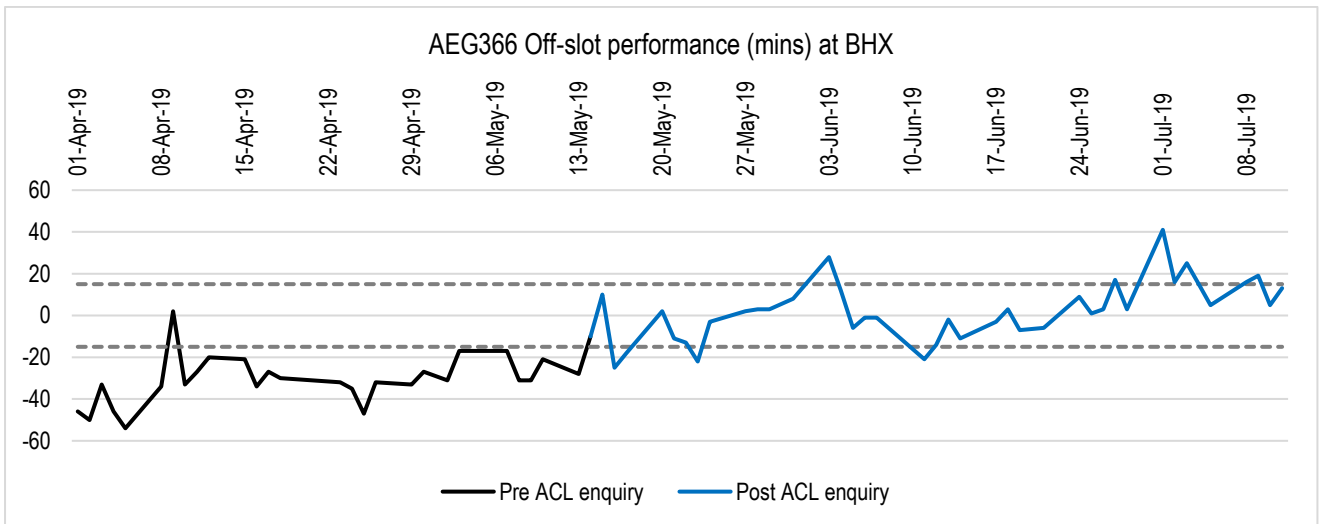
As illustrated in section 2 above, we have succeeded in encouraging positive behavioural change as a result of several of our monitoring activities in the 2019/20 seasons; enabling airlines to take corrective action to improve their performance and overall efficiency at coordinated airports.

The following are more in depth case studies which illustrate how ACL's monitoring and engagement with carriers can positively impact change and access to airport facilities.

AEG366 BHX S19

ACL's regular series slot monitoring identified this flight as operating significantly early over a 4-week period. ACL worked with Airst at Birmingham airport (BHX) to reschedule the arrival from Karlsruhe/Baden-Baden Airport (FKB) into BHX by 25 minutes, identifying a more suitable arrival slot which would reduce the negative impact of the arriving flight on the airport's operations.

Statistical analysis shows that, following ACL's enquiry, the on-time performance of AEG366 was significantly improved at a 5% significance level.



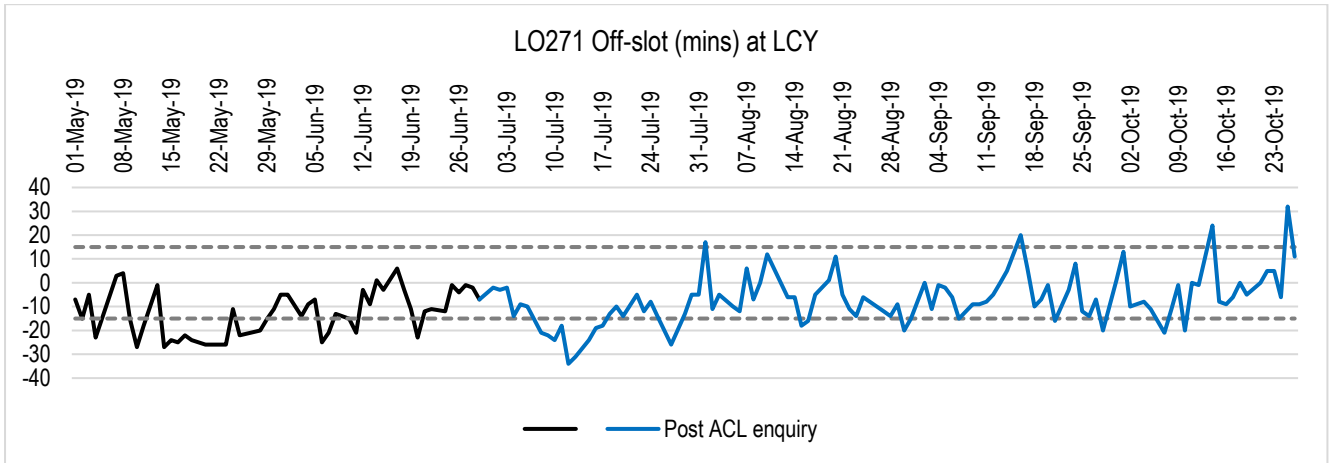
Prior to the re-scheduled arrival slot, the arriving flight was on average 31 minutes early over 27 operations. Following ACL's enquiry, performance improved in the subsequent 41 operations, arriving on average only 3 minutes after the allocated slot time .

LO271 LCY S19

Following monitoring between 01 May – 15 June, ACL sent a slot monitoring enquiry regarding the repeated off-slot performance of flight LO271 at London City Airport (LCY). The carrier was able to identify that a block-time issue meant the flight was repeatedly arriving early, causing issues at the airport .

In response to ACL's enquiry, the carrier changed the departure slot from Vilnius (VNO) to shorten the block time meaning that the flight's slot performance at LCY significantly improved, increasing the on-time percentage from 56% to 77 %.

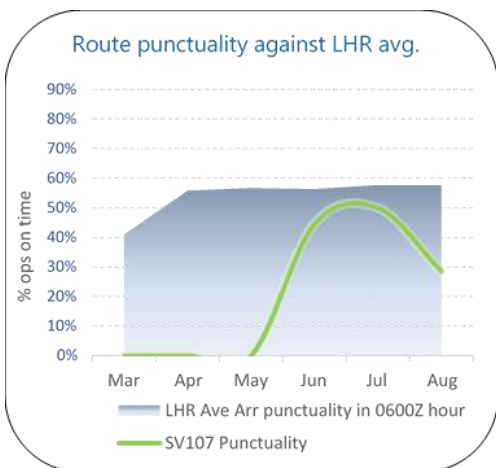
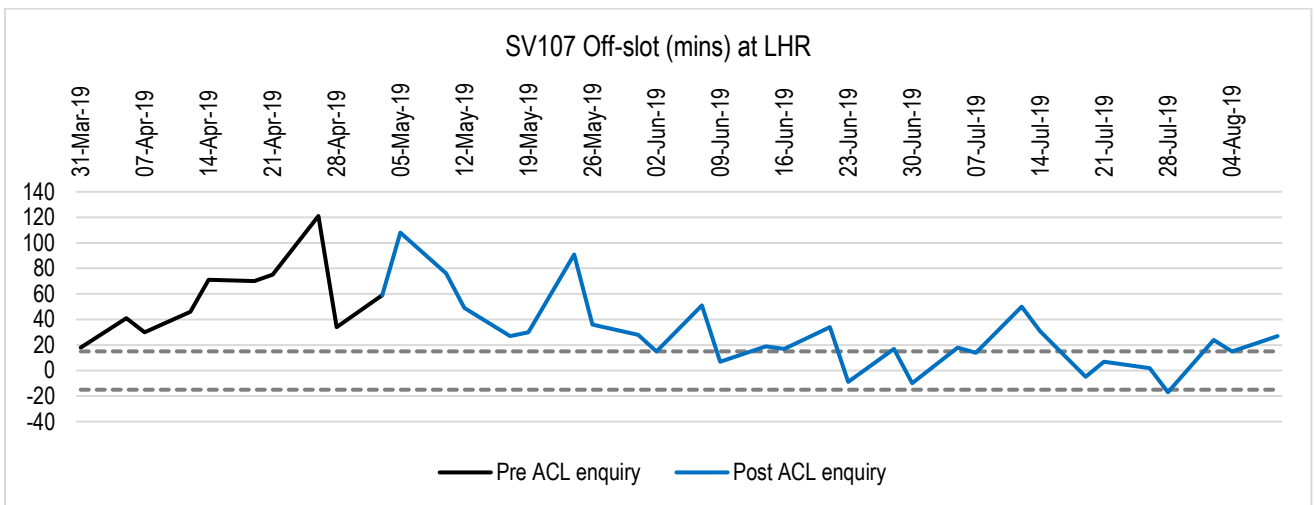
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SV107 LHR

ACL’s slot monitoring process identified that flight SV107 operated significantly off-slot between 31 March and 3 May, consistently arriving late. The carrier suggested that technical delays, long taxi times in outstations and weather were the cause of the issue. ACL worked with the carrier to readjust the previous departing slot time, and to adjust the aircraft assignment process to avoid last minute delays.

Following ACL’s enquiry into the slot performance, statistical analysis shows that the slot performance of flight SV107 was significantly improved for the remainder of the season .



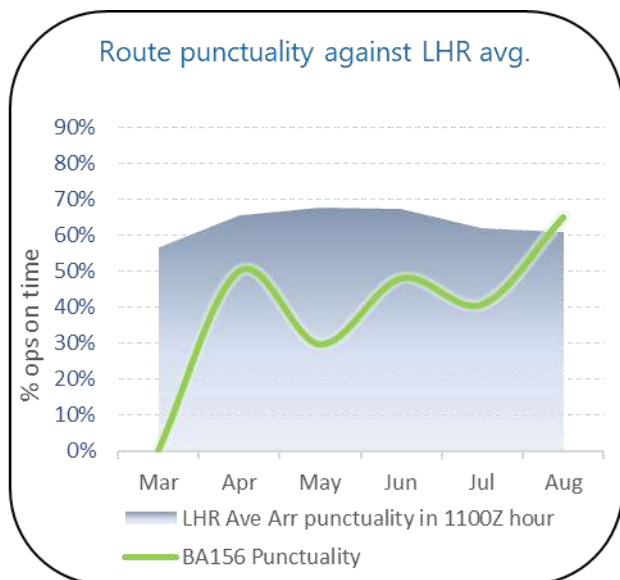
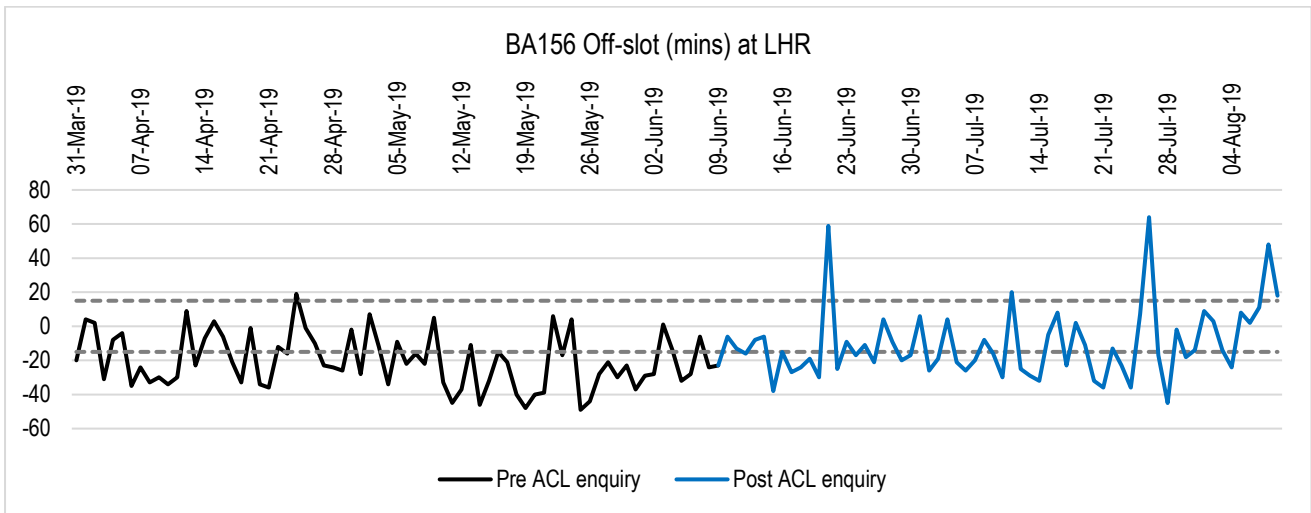
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BA156 LHR

ACL’s slot monitoring process investigated flight BA156 over the period 31 March – 09 June, identifying that the flight was arriving early in 65% of operations. Following enquiry, the operator was able to identify a block-time issue causing the flight to arrive early.

ACL helped the operator to re-time the arrival slot 15 minutes earlier on an ad-hoc basis for the remainder of the season. Following this change, there was a statistically significant improvement in the flight’s slot performance, with the average off-slot time reduced by a half. By August this flight outperformed the airport average for the coordinated hour.

The operator also planned to re-adjust the historic block time for the next summer season, ensuring that performance issues did not continue into the next summer.



These examples demonstrate how ACL has positively influenced airline behaviour, with a statistically proven impact upon flight performance, which in turn improves efficiency of operations. ACL has also been able to encourage airlines to improve training and slot procedures, which has a positive effect on the slot system at a macro level.

7. Pre Season checks

Our pre-season monitoring checks (using third party schedule data which we buy in) tests whether carriers are properly scheduling their block times and captures mis-selling. The objective of the pre-season checks is to encourage carriers to make changes prior to the start of, or early on in, a season and thus reduce the likelihood of poor OTP during season.

Highlights for W19 include:

- At London Heathrow, we identified six flights with potential block time discrepancies. The LHR team monitored those flights during the first six weeks of the season to see if a pattern of incorrect block time emerged. In the end, no issues with block times on those flights were identified.
- At London Gatwick, we identified that Garuda were not selling flights for which slots were held which resulted in six slot pairs per week for the season being returned to pool.
- At London City and Luton airports, we identified three flights which had performed poorly in previous winter seasons suggesting possible block time discrepancies. The coordination teams monitored those flights during the first six weeks of the season to see if a pattern of incorrect block time emerged.
- At Luton airport, Anisec Luftfahrt (Level) amended its published times on one flight following a query we raised. We raised three potential mis-selling queries with TUI which in turn triggered a number of reschedules and updates to their website. We also identified a flight which Vueling were mis-selling and which VY later corrected.
- At Stansted airport, we wrote to four carriers querying potential mis-selling and slots held which were not being used. All slots were subsequently sold at the correct times and operated or, in the case of one carrier, cancelled.

We would normally carry out our pre-season checks for S20 in March. However, due to the down turn in demand caused by the Covid-19 pandemic, we decided there was no value in carrying out pre-season checks for the S20 season.

8. Monitoring focus for S20 in response to the Covid-19 pandemic

Due to the significant impact on the aviation industry of the Covid-19 pandemic, for Summer 2020 we will not apply financial sanctions for slot misuse (save for extreme cases or those where the impact on the airport is substantial). Whilst we appreciate that airlines are significantly affected by the pandemic and staffing levels have been reduced (in some cases significantly), ACL has a regulatory duty to continue to monitor misuse and to highlight instances of slot misuse. This remains an important function for our airports as, when carriers continue to cancel at relatively short notice, this puts pressure on the airports in terms of their ability to appropriately resource and manage their own challenges in coping with these unprecedented times.

Given the leniency ACL is applying at the current time, we would ask that airlines do everything they reasonably can given the current challenges to manage issues going forwards so that instances of slot misuse are reduced where at all possible.

In addition to the above, whilst the current significant impact of the Covid-19 pandemic on the aviation industry continues: (i) we will focus monitoring on operations without a slot and the worst examples of poor on time performance; (ii) for Summer 20, we will not be carrying out the pre-season checks; and (iii) we will allow carriers more time to respond to queries.