

## **HISTORIC DETERMINATION POLICY CONSULTATION DECISION BY AIRPORT COORDINATION LIMITED & AIRPORT COORDINATION INTERNATIONAL LIMITED (COLLECTIVELY REFERRED TO AS ACL)**

**30 April 2024**

### **1. INTRODUCTION**

- 1.1. ACL publishes guidance on how it interprets and applies the EU/UK Slot Regulation (Regulation) and Worldwide Airport Slot Guidelines (WASG) in determining historic entitlement for the subsequent equivalent scheduling season.
- 1.2. Airlines requested harmonisation across coordinators to ensure consistency of application when determining historic entitlement.
- 1.3. The EUACA set up a working group to explore a harmonised approach across a number of topics including historic determination. Whilst full consensus was not possible, a number of coordinators were able to align and agree a common approach on a number of areas although a number of different interpretations remain.
- 1.4. Throughout the drafting process of the policy, ACL issued a targeted consultation to its based airlines with the aim of seeking views and refining the document to minimise interpretation differences and a full consultation to determine views on adopting the proposed policy has now closed.
- 1.5. ACL is grateful for the responses received. The following paper provides a summary of the responses and ACL's decision on the proposed policy.

### **2. OBJECTIVES & LIMITATIONS**

- 2.1. ACL was keen to adopt an approach that provides greater harmonisation but accepted in doing so, the policy may not satisfy the aims of all groups. Therefore in making its decision, ACL considered views equally between harmonisation and effectiveness of the policy in managing historic determination.
- 2.2. As harmonisation is a key aim of the policy change, there was limited scope to amend the document without adding further differences between coordinators which would be at odds with that objective.
- 2.3. ACL has limited its decision to the questions it asked in the consultation. All other considerations made by respondents will be retained and considered in any subsequent policy review.

### **3. RESPONSES**

- 3.1. ACL sent the consultation to airlines across all airports where ACL acts as coordinator, the airport managing body and where appropriate the competent authority for agreeing such matters.
- 3.2. ACL received 38 responses of which 36 were received by the deadline. 30 responses came from airlines, 4 from airports, 3 from representative organisations for the airline industry and the 1 from a competent authority. Responses came from across a spread of jurisdictions and markets. One airline response provided wider suggestion and comments on the topic but did not specifically answer the questions raised in the consultation.

#### 4. RESPONSE SUMMARY & DECISION

***Q1. Should ACL replace its exiting Historic Determination policy with this proposal?***

63.2% of respondents were against ACL adopting the revised historic determination policy. 23.7% were in favour with a further 10.5% suggesting amendments that may make them more favourable to the change. Even if the changes were accepted, there would still remain a majority of respondents not in favour of ACL adopting the new policy.

Reasons for being against ACL to adopting this policy included:

- the common approach was not agreed by WWACG/EUACA/WASB
- the respondent interpreted the policy not to be compatible with the EU/UK slot Regulation
- The policy did not give due consideration to cargo operators
- The existing ACL policy on Historic Determination was adequate and did not need changing

***Q2. If adopted, our intention is to do so for the Northern Winter 2024 season. Do you agree?***

There was a more balanced view of when any policy change should be applied. 44.7% of respondents agreed to implementation for the Northern Winter 2024 season whereas 47.4% were against. Those against were mainly as a result of the respondent not supporting the principle of the new policy, needing greater time to adjust to the change or wanting all those coordinator adopting the policy to do so at the same time.

***Q3. In section 2.2 (Example 7 & 8) and section 3.2 (Example 4 & 5), ACL believes to avoid unnecessary fragmentation that these series should be treated independently of each other for the purposes of the utilisation calculation. This will encourage to make such changes after HBD. Do you agree?***

Respondents were mostly supportive of addressing fragmentation but not all were willing to do so at the expense of losing flexibility. 55.3% of respondents were against treating the examples identified above independently where as 42.1% were in agreement to mitigate fragmentation.

***Q4. Should following review of consultation responses, ACL decide not to implement this policy change, ACL is considering adding section 6.2 of this draft policy to its existing Historic Determination policy to add clarity. Do you agree?***

Half of respondents supported the inclusion to ACL's existing policy on historic determination a note detailing that filling in gaps created by using 80/20 for the purposes of maintaining more historic slots than operated as per 6.2 of the consultation document. Such a change to apply should the proposed historic determination policy not be adopted by ACL. 39.5% of respondents were against the change for the reasons described above. 7.9% of respondents were unsure or made no comment either way. A number of respondents commented that such actions which are not explicitly prevented in the existing policy, are not in the spirit of the slot process.

***Q5. Any other comments?***

Additional comments received were mostly related to topics outside of the scope of the consultation. These will be retained and considered when the appropriate policy to which they relate is next reviewed.

**5. DECISION**

ACL has decided **not** to adopt the new historic determination policy and will continue to apply the methodology contained in its existing policy. In relation to Question 4, ACL has decided to add a note to its existing policy, specifically stating that utilisation of 80/20 for the purpose of maintaining more historic slots than operated is not within the spirit of the slot process and therefore is not permitted. This decision is based on the need to give airlines that want to enter a market the best chance of doing so and ensuring that airlines with the largest slot holding don't get more flexibility than airlines that hold fewer slots. This addition to our historic determination policy will be effective for all jurisdictions except New Zealand from the Northern Winter 2024 scheduling season.