

**Response from Unite the union to the Department for Transport  
Airport slot allocation system reform.**



**1 Introduction**

- 1.1 This response is submitted by the Unite the Union, the UK's largest trade union with 1.2 million members across the private and public sectors. The union's members work in a range of industries including manufacturing, financial services, print, media, construction, transport, local government, education, health and not for profit sectors. Unite represents over 220,000 transport workers who are involved in every aspect of moving people and freight around the UK and many more in areas like the UK aerospace industry, aircraft engineers, catering, cleaning, security, warehouse operators, back-room staff from accounts administrators to zone controllers and many more across the wider economy.
- 1.2 Unite sits on the advisory board of Sustainable Aviation<sup>1</sup>, an industry body focused on the goals of reaching Net Zero by 2050, to establish a cleaner, quieter, smarter future for UK aviation, and wherever possible works in collaboration with industry and government to achieve this goal. Unite also works with members in the chemical and oil industry to develop and supply sustainable fuels
- 1.3 In this response Unite intends to stress the issues raised by proposals to alter the allocation of slots at the UK's tier 3 airports.
- 1.4 As you will see from the below, this response has been drafted jointly with Unite to call primarily for a set of secondary social criteria to be adopted. The scope of these social provisions are quite broad, however. Unite the Union and BALPA are keen to work with our recognised employers in a spirit of partnership and collaboration to co-ordinate a broad industry response to this consultation.

**2 Observations**

- 2.1 If there is to be direct ministerial intervention in the operation of the slots allocation process, then Unite stresses that there is a fundamental requirement for a minimum period of no less than 12 months prior to any commencement of changes, any process for release of slots or before the bidding process commences. This would ensure that there will not be last minute changes that will disrupt the operation of the process itself and impact on the industry.
- 2.2 In times of a declared emergency, it is a different matter, however, but there should be a clear protocol covering such exceptional circumstances.
- 2.3 The allocation of slots influences so many aspects of the industry from the obvious special capacity planning of an airport to the security of employment but also of staff pensions, which have been used by some employers as historic collateral, to secure pension debts against slot pairs. The impact of any changes to the allocation of slots can alter the connectivity of the UK to world markets and therefore result in areas of the UK facing an economic downturn or upswing in their fortunes.
- 2.4 The economic impact of demand to connect to the likes of Heathrow and other tier 3 airports has helped the UK weather the economic storm of fiscal change. The allocation of slots can determine

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<sup>1</sup> Please see the campaigns website :- <https://www.sustainableaviation.co.uk/>

employment prospects in specific geographic areas, impact on the associated supply chain, and positively influence locally economies beyond. In addition, slot allocation can also help shape the environmental path to net zero emissions and be a key tool to require operating aircraft to meet noise and emissions criteria.

- 2.5 Unite cannot stress enough that these slot pairs provide exclusive access to the busiest airports in the country handling hundreds of millions of passengers and thousands of tonnes of airfreight each year. Slots at these airports are the foundation of the industry, for it is at the heart of the route and capacity planning process. Unite is therefore understandably concerned about changes especially those which are going to be made not by those whose fortunes rest on the outcomes but with an incumbent Secretary of State who may only be in post for a limited period and is unfamiliar with the industry. As such, giving powers to one individual could give rise to a plethora of issues that could impact the fortunes and future of the industry as a whole. Whilst it is recognised that the civil service may be able to provide guidance, what is needed is a stable and certain set of criteria regarding slot usage and utilisation.
- 2.6 Unite also understands the wishes of government to seek changes as swiftly as possible but is concerned that there is no acknowledgement of the incremental changes to the industry that have occurred over the years or that retaining a stable platform for the allocation of slots and retention is critical to the functionality of the system as a whole.
- 2.7 Radical change could have unintended consequences. A negative impact on the global consensus of reciprocal criteria, may close markets to UK carriers, whilst opening up the network to overseas operators.
- 2.8 The government is clearly hoping to introduce changes that will open the market up to new entrants. The forced influx of new airlines can give rise to major disruption, introduce uncertainty to the market and mitigate against a stable economic basis for medium to long term operations.
- 2.9 Nobody can dispute the draw of London as a global hub for finance, but if London cannot connect to the other economic centres of the world, then our financial industry faces a serious competitive disadvantage.
- 2.10 For non-London based airports their influence is more likely confined to the economic prosperity of the region of the country. Connecting Regions to intra-European and global networks is good for business in general. However, connecting regions directly to European and global networks can also come at a detriment to UK PLC where connections are established solely to direct passengers through major hub airports elsewhere.
- 2.11 Slot allocation and utilisation rules can therefore be key to ensuring that the UK is regionally and globally connected, that the associated economic benefits are shared, and that the economic basis of airline operations is both stable and sustainable.

### **3 Consultation Questions**

#### *Removing barriers to entry including a re-defined new entrant rule*

*1. Do you agree that Secretary of State should have the power to make changes to the definition of a new entrant when appropriate for the UK or an individual airport, or to reflect the latest WASG guidance?*

*Do you have any comments on the circumstances in which this power should be available or the grounds on which it should be exercisable?*

- 3.1 Arbitrary changes in definitions of 'new entrant' potentially introduce uncertainty into a stable system. Such uncertainty would undoubtedly impact on investment decisions such as the

purchase and allocation of aircraft. Airlines often spend decades investing in and building capacity at different airport bases and changing 'new entrant' definitions to allow preferential access would simply undermine a stable platform for growth. In an Ideal world Unite would like to see priority within the system given to airlines that have invested into the UK, created sustainable local jobs and created route networks from UK airports.

- 3.2 Unite does not believe that there should be circumstances where the power to make changes to the definition of a 'new entrant' is arbitrarily exercised. Any change to definitions should be through a comprehensive process of consultation and evaluation that engages with the industry as a whole (directly impacted airports, airlines, the suppliers of ground services) as well as take on board the social economic impact of any changes (by consulting with groups such as trade unions, local community association, travel industry and passenger representatives).
- 3.3 Unite would also like to see slots given to those airlines that operate producing the least emissions and noise, this means investing into the latest aerospace technology within which the UK plays a leading role, especially when it comes to the supply of engines and instrumentation.

*2. What, if any, additional criteria, beyond the limits on the number and proportion of slots held, do you think should be included in the definition of a new entrant?*

- 3.4 Unite does not doubt the huge potential of new airlines opening up new routes to new destinations to the wider economy if these destinations are not otherwise served. Setting up new routes can involve substantial risk, and newly operating on an established route can come with the economic uncertainty of price competition.
- 3.5 However, given the value of these slots to UK plc's economy, both locally and nationally, there is also potential uncertainty in handing slots to new entrants with no clear record of operation and investment at an airport.
- 3.6 Unite would, therefore suggest, that assessments over slot allocations to new entrants should be based on what will be the long-term contribution to the UK economy, if that new entrant is committed to the development of the route and development of the operation. In addition, and most crucially, the contribution to the development of new, sustainable, and decent jobs should be a key 'secondary criteria' for new slot allocation.
- 3.7 Unite recognises the goal of this Government to deregulate and remove barriers to new entrants, but equally allowing access to markets should come with commensurate commitments that companies accessing that have stable long-term commitments to investment and secure UK employment.

*3. Do you support or oppose the removal of the definition of an airport system and all references to it from the regulation?*

- 3.8 Unite does not support this idea. There is already huge competition between these airports for customers, and customers often make decisions based on not just which airline they utilise but also which airport to fly from. As such there is no requirement for airlines within a system to be considered new entrants at an individual airport.
- 3.9 For example, in the London airport system, Heathrow is uniquely placed to serve as the primary hub for UK business and high frequency of flights to all the important business destinations and is the base for the UK's only networked carrier. Gatwick by contrast provides a higher destination count, has no networked carrier, but does have a significant long and short-haul mix with a greater reliance on leisure markets. Stansted is the key UK base for Europe's largest Low Fare Airline with little if any long-haul operations.

- 3.10 At all these airports there are key airlines (BA, EasyJet, Ryanair) who compete within a singular geographic market (London), and within different segments of it (Long Haul / Short Haul) and use different operational models (point to point / networked).
- 3.11 Passengers will decide how to fly - for example to a short haul destination - based on geographic proximity to an airport with a relevant route as well as price. Within the London system there are effectively five short haul and two long haul airports for consideration, all of which duplicate destinations. Therefore, there is no requirement for airlines be classified as new entrants at a singular airport to 'enhance' competition reason.
- 3.12 New Low fare airlines have shown significant growth potential, delivering passenger numbers in excess of historic airlines, based on the existing model and without needing or requiring new entrant rights at airport.

*Restrictions on newly allocated slots*

*4. Do you agree or disagree that restrictions on re-routing, exchanging and transferring of slots should apply to new slots allocated to incumbents?*

- 3.13 Unite the Union believes there should be some limits on exchanging and transferring slots and rerouting where an incumbent operator is allocated a new slot. Vital airport network connectivity can be compromised if slots can be rerouted or exchanged at will.
- 3.14 However specific airport based networked carriers often require slot re-routings for operational efficiency and as such should be able to do so within the system.

*5. Do you agree or disagree that the duration of these restrictions should be extended from 2 to 4 equivalent seasons? What, in your view, if any, would be a more appropriate duration for the restrictions and why?*

- 3.15 Unite believe that a 2-year (4 season) restriction is appropriate but as highlighted slot rerouting or retiming on the basis of networked or operational efficiency (with a reciprocal change in respect of re-routings) should be accommodated within this extended period.

*Removal of re-time priority*

*6. Do you agree or disagree that re-time priority for slots should be removed in accordance with WASG??*

- 3.16 The Worldwide Airport Slot Guidelines (WASG) is published by Airports Council International (ACI), the International Air Transport Association (IATA) and the Worldwide Airport Coordinators Group (WWACG) to provide global air transport community with a single set of standards for the management of airport slots at coordinated airports and of planned operations at facilitated airports.
- 3.17 Unite believe that if these standards apply elsewhere as the global standard then there have to be strong reasons or specific circumstances to deviate from them.

*7. What do you consider are the main positive and negative operational implications of removing the re-time priority for slots?*

- 3.18 Unite understand the necessity for a network carrying airline to retain or even move the slot timings to maximise the operational efficiencies and passenger interchange opportunities. Non network or 'other end' operators simply prioritise the premium slots time.
- 3.19 As such, incumbent operators should have a priority on retiming where they can evidence operational implications such as network connectivity or aircraft utilisation.

*Permanent powers to improve resilience.*

*8. Do you agree or disagree that the Secretary of State should have permanent powers to make regulations about slot alleviation in response to a crisis? In what circumstances should these powers be available, and in what circumstances should they be exercisable?*

- 3.20 While changes may be justified in some exceptional crisis, there needs to be a clear and transparent set of changes that occur under defined circumstances. This would mean that all parties would be aware of what intended changes mean and can model such changes into any emerging planning.
- 3.21 There should be clearly defined emergency or crisis situations that would trigger potential utilisation of slot alleviation. (For example closure of airspace due to volcanic eruption or a systemic travel restriction arising from a global health pandemic)
- 3.22 The changes could then be utilised in such circumstances in consultation with the relevant industry stakeholders (airlines, airports, unions etc)

*9. Are there additional powers to those suggested in paragraph 1.37 that you think should be available to the Secretary of State in making bespoke regulations in exceptional circumstances?*

- 3.23 Unite does not believe there are any additional powers to those suggested in paragraph 1.37 that should be available to the Secretary of State save those already stated.

*Increase to slot usage ratio*

*10. Do you agree or disagree that a higher usage ratio would lead to more efficient use of existing airport slot capacity?*

- 3.24 Unite would argue that this may lead to more efficient use at specific airports. Certain level 3 airports have greater seasonality than others and the 80/20 rule is critical to accommodating their operations and business models. Airports with less seasonality and capacity restrictions could potentially accommodate an increase in the usage ratio which would bring with it greater efficiency and utilisation of capacity.

*11. What do you consider would be the main positive and negative operational implications of a higher slot usage ratio?*

- 3.25 Unite sees the positives of the creation of higher usage ratios as potentially creating more jobs, increasing the utilisation of a valuable asset (a UK slot) and a more productive use of UK airspace
- 3.26 The negatives are that at highly capacity constrained airports, increased utilisation means that operational disruption becomes more problematic and that exceptions to slot utilisation may have to be made more regularly for otherwise everyday occurrences, e.g. periods of severe weather, industrial action etc. In addition, airlines may have to operate slots using flights with low or unsustainable passenger loads which will have negative economic and environmental impacts for the carrier.

*12. What would you consider to be an appropriate higher alternative usage ratio to 80:20?*

*13. Do you agree or disagree that airports should be given the option to decide if to apply a higher usage ratio?*

- 3.27 All stakeholders should be involved in any decision to apply a higher usage ratio at any airport and within any particular season. As previously stated, there is a potential for increased disruption and any associated costs (passenger compensation, rebooking etc) fall upon airlines. Equally any loss

of slots impact upon airlines and the associated employees. Therefore, such stakeholder should be part of any consultation on determining higher usage ratios at an airport.

*14. What views, if any, do you have on the environmental impacts, including achievement of net zero, of the proposal to increase the slot usage ratio?*

- 3.28 Critical to arguments for an increase in slot utilisation is efficiency, but this should not mitigate against the industry's requirement to achieve net zero and less the environmental impact of flying. Flying aircraft with low passenger loads in order to retain a slot clearly impacts negatively on the environment.
- 3.29 In addition at highly capacity constrained airports a greater utilisation of slots can lead to greater fuel burn from increased holding and longer taxi-ing times.
- 3.30 Any increase in slot usage ratio at particular airports should require these factors to be taken into consideration.

*15. Do you agree or disagree that the coordination committee should act as a focal point for scrutiny of decision-making in relation to slot allocation at individual airports?*

- 3.31 Unite believe that that the coordination committee should retain their role in relation to slot allocation, but that they should have wider representation.

*16. In what other ways, if at all, do you consider the role of the coordination committee should be strengthened?*

- 3.32 As above there should be the inclusion of other stakeholders such as relevant trade unions, other airport operator association etc.
- 3.33 In addition there should be clear operating principles and criteria to which Committees work to, are measured against and are the basis of which published minutes and decisions are made.

*17. Do you agree or disagree that there should be a requirement for every coordination committee to have an independent chair?*

- 3.34 Unite agrees that the chair should be independent.

*18. Do you agree or disagree that the coordination committee should be given clearer responsibility for ensuring complaints and appeals of slot decisions reach a conclusion?*

- 3.35 In order for any system to have the confidence of users there should be clear roles and responsibilities and accountable decision making. As such Unite agrees that this should be provided and that complaints and appeals should be required to reach a conclusion.

*Increased guidance on secondary criteria*

*19. Do you agree or disagree that the Secretary of State should have the power to add criteria to and remove criteria from the list of secondary criteria?*

- 3.36 Unite disagrees that adding or removing criteria should sole remain within the powers of the Secretary of State. If changes are to be made Unite would strongly recommend that a full process of consultation takes place with all stakeholders, with a significant lead time for implementation of any change coming into force so that it can be adopted into any forward strategic planning.

*20. What additional secondary criteria, if any, do you consider could be beneficial or detrimental to the slot allocation process?*

- 3.37 Unite believes that there needs to be social criteria in place to ensure that the UK directly benefits from slot allocation, with an emphasis on UK job creation.
- 3.38 The operator of a slot has numerous options of how associated employment is disbursed. Aircrew can be based at either end of a route, and ground staff can be either directly or indirectly employed. Whilst secondary criteria currently consider the consumer, competition, the environment, and other factors they do not and cannot consider what direct UK employment levels an airline is potentially committing to.
- 3.39 A new entrant which is seeking to create a base at an airport with pilots and cabin crew and to directly employ ground staff is given no more consideration than an airline that is simply employing a single station manager and engaging a third-party handler for its ground operations.
- 3.40 As such Unite believes and would strongly recommend that there is a new secondary criterion which references employment levels, quality jobs, and adherence to collective bargaining rights and responsibilities.

*21. Do you agree or disagree that the Secretary of State should have the power to give guidance to the coordinator on the prioritisation of secondary criteria?*

- 3.41 Unite would strongly recommend that any intervention retain the requirement to include the above key criteria with respect to the social economic impacts. Unite believes that if guidance is provided it remains just that, and does not become a directive.

*3. Power to direct the UK slot coordinator*

*22. Do you agree or disagree that the Secretary of State should have the power to direct the coordinator?*

- 3.42 Unite does not believe that in normal circumstances the Secretary of State should have the power to direct the co-ordinator.

*23. What do you consider, if any, are the main positive and negative operational implications of a power to direct the coordinator?*

- 3.43 Under normal circumstances there are no benefits to direct intervention of the Secretary of State to direct the co-ordinator. Slot co-ordination rules should and do provide a stable platform for operation. Should there be requirements for change, and specific directives, this should come through full and proper consultation with stakeholders.

*24. In what scenarios, if any, do you consider that a direction from the Secretary of State would not be appropriate or necessary?*

- 3.44 In the instance of an national emergency, it may be helpful to have the coordination of efforts towards a goal from a single source and in such an emergency the Secretary of State's office fulfil that role.

*A slot register, a specified platform for all UK slot trades and strengthened oversight of secondary trading*

*25. Do you agree or disagree that there should be a public slot register which records who holds the Historic Rights to a slot, who operates each slot and the duration of any slot lease?*

- 3.45 Unite agrees that there should be such a register. Openness and transparency should be at the heart of the slot allocations system, in order that all stakeholder can have confidence to the rules and regulation of for slots.

26. *What, if any, other information do you think that it would be useful to record on a public slot register?*

3.46 Unite believes that the additional information should include the duration that the slot has been held, the method of acquisition and any previous changes such as re-timings etc. This would enable any interest party to understand the development, acquisition, and trading of slots at any one airport.

27. *Do you agree or disagree that all secondary trading should be advertised and carried out through a central slot trading platform?*

3.47 Unite strongly agree to the idea of a clear and transparent register of slots. We would also suggest transparency over any transfers quoting the amount paid for the exchange etc. This would provide clarity as to, for example, whether the trade is for commercial reasons or tactical between partner airlines.

28. *Do you agree or disagree that requiring use of such a platform would increase transparency?*

3.48 Unite agrees that the use of the platform could provide transparency if used and if strictly enforced.

29. *What do you consider, if any, would be the benefits and disadvantages of using a central slot trading platform for all secondary trading of slots?*

3.49 Unite believe that the use of a single trading platform would enable transparency and scrutiny for all slot transactions.

30. *Do you agree or disagree with this platform being run by ACL?*

3.50 Unite have no objections to the proposal.

31. *Do you agree or disagree that further oversight of the secondary trading market is necessary to protect 'fair and open' competition?*

3.51 Unite agrees that secondary trading should be based on criteria for slot allocation being met, and that if slots are traded to a new entrant that Secondary criteria are assessed and met.

32. *What, in your view, if any, would be an appropriate threshold for when review and/or approval would automatically apply to a slot trade?*

3.52 Slots trades that result in a new entrant airline or involve airlines that meet the 'defined proportion of slots' criteria at an airport should automatically assessed.

33. *Do you agree or disagree that further oversight of secondary trades of slots should only apply at airports with substantial market power?*

3.53 Unite agrees that all trades of slots at airport with substantial market powers should be subject to further oversight.

*Limit on slot leasing*

34. *Do you agree or disagree that slot leasing should be limited to a set period of time?*

3.54 Unite also agrees that all leasing should be time limited.



*35. Do you agree or disagree that a time limit on slot leasing would be effective in encouraging airlines to return slots that they cannot use to the pool?*

3.55 Potentially Unite would be agreeable. Such a move would stop slot owners from holding on to a slot simply to retain its associated value as opposed to operate a slot as part of its network. Unite is aware of instances where slots are leased multiple times to multiple airlines not due to understandable issues such as delays in aircraft order delivery or temporary inability to operate the slot, but as an ongoing tactic to retain a slot without the requirement to operate it.

*36. What do you think would be the appropriate time period for a limit on slot leasing?*

3.56 Three years should cover most circumstances, but there could be defined exceptional circumstances that trigger a longer period.

*37. Do you agree or disagree that airlines that no longer operate at an airport should be subject to a different time limit on slot leasing than airlines currently operating at the airport?*

3.57 Not necessarily. If any airline plans to restart an operation or acquires a slot as a new entrant but can't operate due to external circumstances – for example delayed aircraft delivery – then they shouldn't be penalised. Differential rules for those that do or don't operate at an airport are a blunt instrument.

*38. Why and what difference would you like to have implemented?*

3.58 If there is a sufficiently robust system for assessing different reasons for non-operation, and the return to airport operations by the owner of the slot, then differential time limits are possible. However, a singular rule is probably easier to implement.

*39. What do you consider are the main positive and negative operational implications of limiting slot leasing to a set period?*

3.59 The positive aspect to limitations is that slots are not simply held by airlines or holding companies to retain and 'asset' with an associated value, but one which they have no intention of operating. It enables the slot to ultimately be utilised by an airline that will operate it with a longer-term interest.

3.60 The potential negative aspect is that slot leasing can be an extremely useful tool for accommodating issues where planned capacity growth or existing operations are stymied by the timing of either slot release or fluctuations in operational capacity – such as delayed aircraft delivery.

#### *Allocation of new slots*

##### *1. Auction of new slots*

*40. How strongly do you agree or disagree that auctioning would be an effective means of allocating newly created slot capacity?*

3.61 Unite feels that there could be a role for slot auctioning, or a financial levy associated with acquiring newly created slot capacity, however such a process would potentially enable slots to be acquired only by those airlines with significant financial backing. It could also inadvertently create a secondary funding market for slots in which the ultimate ownership of the slot is not the airline, but the financial institution that underwrote / funded a successful bid.

*41. Do you consider any of the auction designs set out in Annex B, would be suitable for auctioning slots?*

3.62 Unite does not wish to express a preference

*42. What should revenue raised through auctions be used for (who should be the beneficiaries)?*

3.63 Unite feel that the most important target is to decarbonise the industry and as such believe that it should be hypothecated to support the creation of green aviation hydrogen, sustainable aviation fuels and carbon capture and storage technologies to help more than offset the emissions from the industry. Such funds would help the industry meet its net zero targets.

3.64 Where there is a requirement at an airport for domestic connectivity revenue could also be used to provide funding for any designated Public Service Obligation route.

*43. What do you consider would be the main positive or negative impacts of slot auctioning on market entry, competition and innovation?*

3.65 Slot auctioning will mean that those with the deepest pockets will always win the right to utilise that slot, so any new entrant may struggle to obtain slots through an open auction, or simply acquire the poorest quality slots.

3.66 In addition, as outlined above there are potentially significant unintended consequences of introducing an auction when it comes to funding slot acquisition. Slot acquisition could become a speculative process by which operators with no intention to use a slot bid for it in order to trade it at a later date.

*Ring-fencing of new slots for certain purposes*

*46. Do you agree or disagree that it would be appropriate to ring-fence a proportion of new slots for domestic connectivity purposes?*

3.67 Yes. Unite believes that airports should be able to ensure that they are connected domestically and could therefore ring fence slots for such purposes. However in order to ensure slots be utilised there should be associated Public Service Obligation funding. Such funding could be drawn from revenues generated from new slot allocation.

*47. For what specific purposes do you think that a proportion of slots should be ring fenced when there is a release of new slots and why?*

3.68 Unite would support ringfencing of domestic connectivity slots. Critically any system needs to ensure that such ring-fenced slots are operated and not just left as spare capacity.

*48. What views, if any, do you have on the environmental impacts, including achieving net zero, of the proposal to ring fence a proportion of slots for domestic use.*

3.69 Domestic connectivity and the relative impact of differing modes of transport on the environment is specific to the destinations connected. Certain parts of the UK may be well connected with non-aviation transportation is more efficient and has less environmental impact. Other destinations are either difficult to connect by other modes of transport routes (highlands and island) or there are marginal or limited environmental impact of flying compared to other modes.

3.70 Furthermore, alternative fuels and alternative means of propulsion are being developed that will mean it won't be long before domestic flights have the same or less direct climate impact as the rail and road connections. For example, Loganair plan all electric air links to the highlands and island of Scotland, and with hydrogen aircraft in development meaning flights under 2,000 nautical miles (3,700 km) can be carbon free.

*A more dynamic slot system*

*Fixed duration Historic Rights*

*44. Do you agree or disagree that changes to the current system of historic rights should be considered?*

3.71 Unite agrees that there should be some change to the current system with respect to the retention of historic rights to prevent the blocking of slots.

3.72 However significant long term investment is required to operate a slot successfully, and slot portfolio development – given capacity restrictions – is often a long term process. As such any application of new historic rights rules could act as a deterrent to new entrants or to slot acquisition.

*45. Would you agree or disagree that 15 years be an appropriate time for a fixed duration for historic rights?*

3.73 Unite believe that any period for fixed duration of historic rights should be aligned with the lifespan of the associated asset that is required to operate the slot – i.e. the aircraft. Given the cost of aircraft and required period of funding either through leasing or purchase, shortening the duration of a slot holding means that the guaranteed operational lifespan of an aircraft is associated with the period the slot is held for.

3.74 Therefore, Unite fundamentally disagrees with the 15 year fixed duration proposal, but would support a 25 year duration given that this aligns with the normal lifespan of an aircraft.

*46. Do you agree that a separate set of criteria or process should be established which slots would be subject to for re-allocation at end of a fixed duration Historic Right period?*

3.75 Unite would wish to see that only slots that are not performing against the criteria for allocation or have been traded or reallocated subject to reallocation. Those that are acquired, have been continuously operated on the basis of the allocated criteria, should be subject to automatic renewal.

*47. If fixed duration to historic rights is implemented, would you prefer that it should be applied to:*

*A) all new slots when there is release of new slot capacity?*

*B) a proportion of new slots when there is release of new slot capacity?*

*C) applied to new slots at a specific airport only when that airport opts to limit historic rights?*

*D) in another way?*

3.76 If the proposed period of a fixed duration Historic right is extended to 25 years, and criteria for automatic renewal are in place, then Unite would be supportive of a single consistent position on all new slot availability.

*Additional consultation questions*

*48. What, if any, other comments do you have regarding reform of the slot allocation system?*

3.77 The slot allocation system needs to encompass the evolving nature of the industry, in particular the fact that registered airlines are not necessarily the ultimate economic owners of slots. Large airline groups, with portfolios of airlines ultimate retains slots as assets and can move them between their operating companies.

3.78 In addition, slots can be used as assets against which liabilities are held and monies raised. Therefore, the ultimate economic owner may not be the airline on the register. Any system of transparency needs to ensure who potentially has ultimate claim upon a slot, and obviously an associated right to trade it or otherwise.

## 4 Conclusion

- 4.1 Unite would like to stress that the scope any secondary social provisions should factor in the following issues to include:
- Having a 'home base' for air crew or basing aircraft at the airport concerned.
  - Using company operated aircraft rather than leased, or wet leased aircraft
  - Having a UK Air Operator Certificate (AOC) or a crew and maintenance facility in the UK.
  - Directly employment of workers at an airport.
  - Being an employer who collectively bargains with UK trade unions
  - Having a principal place of business in the UK
  - Being a registered company in the UK for taxation purposes
  - Commitments to creating quality new direct employment UK based jobs.
- 4.2 Unite and Unites are wholly supportive of the goal of Net Zero before 2050 and the Department's Jet Zero Strategy goals. Therefore, the unions would suggest that additional criteria in relation to the environment should be more clearly defined. Unite would therefore like to see such secondary environmental criteria being based on:
- The choice of fuel used and whether it is sustainably sourced i.e. not derived from fossil fuels, nor originate from palm oil etc.
  - Fuel efficiency of aircraft
  - Proven record of load factors that evidence minimisation of empty seats.
  - Utilisation of ground service that operate electric or hydrogen powered equipment.
  - Noise levels of aircraft
- 4.3 Unite believes that consideration of slot reform should fundamentally encompass both social and environmental concerns and not just be based on concerns for open markets and accessibility. Arguments regarding the opening up access to new entrants simply do not stack up against the dynamic UK market which has seen new operator become industry leaders in terms of passengers flown and destinations served.
- 4.4 Fundamental to slot reform for Unite and BALPA is that the UK economy benefits from slot allocation in terms of inward investments in jobs, and creates a sustainable economic, social and environment platform on which airlines can operate, and the benefits of such operations are shared equally.

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