

Unite Response to the Department for Transport proposed changes to the Air Traffic Management and Unmanned Aircraft Bill on the issue of airport slot allocations.



1. Introduction

- 1.1. This submission is made by Unite, the UK's largest trade union with over one million members across all sectors of the economy, including manufacturing, financial services, transport, food and agriculture, construction, energy and utilities, information technology, service industries, health, local government and the not for profit sector. Unite also organises in the community, enabling those who are not in employment to be part of our union.
- 1.2. Of particular relevance to this submission, Unite represents over 60,000 members in the Civil Aviation industry from cleaners, caterers and cabin crew to workers in the supply chain, that have been hit very hard by the Covid 19 pandemic and the closure of air corridors around the world. Unite also represents a further 30,000 members in the Aerospace industry.
- 1.3. Unite is pleased to see the development of vaccines to combat this pandemic and looks forward to a time when the industry can return to some form of normality. Unite is under no illusions that such a return will heavily rely on not just the recovery of the UK economy but that around the world and the establishment of bipartisan agreements with nations to establish air corridors lost as a result of the UK's exit from membership of the European Union.

2. Response

- 2.1. One major factor which will be of the greatest importance to the industry is the availability of landing and departure slots at airports, with rights to slot pairs bought and sold for millions at busy airports like Heathrow. Without these slots, aircraft need to be diverted to other airports with a far less advantageous access to markets and connection possibilities, critical for the long haul market in particular.
- 2.2. During the Covid Crisis the European Union waived the 80:20 "use it or lose it" rule for the Summer of 2020 and the Winter of 2020/21 that is due to expire on the 31st March 2021 despite the crisis being far from over. Unite is therefore pleased to see that the UK Government is proposing to extend the period of the waiver to cover the Summer of 2021.
- 2.3. The recovery of the aviation industry in the aftermath of the Covid-19 pandemic is of critical importance to Unite. Whilst we remain in the depths of this crisis, the Government, workers and employers need to continue to work in close collaboration to help the industry recovery and to protect jobs and working conditions of this industry. This pandemic is not another opportunity to dogmatically cut long-term labour costs as has been the issue in the past. Any sustainable recovery must be reached through consensus of all stakeholders.
- 2.4. While slots will be a prominent issue in this recovery, this debate on a slot waiver misses the main issue at stake, a lack of support to protect aviation jobs and decent employment in the industry. It is our view that such discussions on slots are premature and do not address this significant concern.
- 2.5. The proposal of the Government and the position of the airline industry both ignores the significant issue of job losses, the systematic attacks on the workers' rights and the social consequences of this pandemic. In our view, the use or lack of use of slots is a symptom of a much larger problem that the industry is facing and the time and energy of both employers

and the Government would be better spent ensuring sustainable and long-term job protection through Government support and the roll out of the next generation of greener aircraft, sustainable aviation fuels and equipment.

- 2.6. While we welcome the aviation-specific support given by the Government through 2020, it has not gone far enough in most cases. Such support must focus on the entire aviation ecosystem, from airlines and its staff to workers and employers in ground handling, ramp operations, airline catering and other aviation workers which have been ignored when it comes to aviation-specific support, be it via budgetary allocation or via employment and the protection of terms and conditions.
- 2.7. We recognise that the Government's proposal is likely to maintain the status quo for the summer 2021 season should provide some certainty leading to an eventual increase in the amount of traffic and thus protect some jobs in the short-term. Given Eurocontrol's most recent outlook¹ suggests that recovery could take, perhaps as far out as 2029, it is clear that strategy needs to be sustainable in the long-term and must support workers' rights across time and the aviation ecosystem, not just airlines. Therefore, we call on the Government and employers to consider alternative proposals that focus specifically on the aviation sector's social needs in the long-term, rather than simply increasing the level of traffic in Europe with no social or employment guarantees.
- 2.8. One need only look at the cross party outrage at the actions of some airlines who used the pandemic as an opportunity to fire and rehire employees across their business to see that something needs to change. Unite would argue that the rights to determine slot allocation is a method which can help steer airlines into making the moral and sustainable decisions rather than carry on business as usual focussing purely on profits. For this reason Unite believes that the amendments proposed by Baroness Vere of Norbiton² on 14th January 2021 do not go far enough, much needed as they are.
- 2.9. Without this focus on sustainability there will not be the desire to invest in cleaner greener aircraft that will hit the UK aerospace sector hard. Already Rolls Royce has suspended work on a new cleaner burning engine³ until an air framing company such as Airbus, Bombardier or Boeing starts work on a new aircraft and has laid off thousands of highly skilled workers and threatened thousands more. Given the huge number of cancellations of orders with these companies, work on a new more sustainable aircraft is under severe pressure to be cancelled. This places work on the Airbus Zero-e project⁴ at risk of cancellation which could put the efforts of the industry to achieve the first large scale zero emissions flight back decades. In 2018 the Government reported in Aviation 2050⁵ that we have the largest aviation network in Europe and the third largest in the world, an industry that contributes at least £22 billion to the UK economy, along with over 230,000 jobs.
- 2.10. In 2020 Airbus obtained 338 new orders but customers backed out of orders for 115 new aircraft leaving the air framer with an order book 65% down on 2019. Boeing was hit harder losing 1,026 orders last year (although the majority were due to their troubles with the 737

¹ <https://www.eurocontrol.int/publication/eurocontrol-five-year-forecast-2020-2024>

² [https://publications.parliament.uk/pa/bills/lbill/58-01/098/5801098-l\(a\).pdf](https://publications.parliament.uk/pa/bills/lbill/58-01/098/5801098-l(a).pdf)

³ <https://www.ft.com/content/c1355ca9-1a05-46af-a3be-a09208fb28a7>

⁴ <https://www.airbus.com/newsroom/press-releases/en/2020/09/airbus-reveals-new-zeroemission-concept-aircraft.html>

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/769695/aviation-2050-web.pdf

MAX-8.⁶ None the less the impact of the pandemic and projections of a long drawn out recovery are a serious concern for civil aviation and the challenge to combat climate change as airlines stick with older less fuel efficient aircraft.

- 2.11. Consequently anything the government can do to support the aerospace industry in this way may have global repercussions which would help the lead the world in a year when the country is hosting the UN Climate Change talks. Such a policy change to determine the slot allocation with a preference to the most sustainable flight could therefore give the aerospace industry the shot in the arm it needs at this time impacting not just domestic airlines but all aircraft using a UK airport.

3. Conclusion

- 3.1. Unite calls on the government to amend the current legislation in order to provide the Secretary of State with the power to change access rights to help guide the industry in the right direction removing grandfather rights to slots and providing instead the ability to vary slot allocation according to who can provide the service with the most sustainable flights, from an airline which protects the terms and conditions of employment of the staff to pre pandemic levels or better over the longer term.
- 3.2. There should be no blanket 'waiver' on slot usage and retention, but rather the ability to scale use requirements in line with restrictions and recovery. Clearly airlines should not be in a position to retain slots in order to deliberately not utilise them in order to restrict competitors from gaining access. This will be detrimental to the U.K. economy, the travelling public, employees and the wider aviation community. The scaling of 'use' requirements would ensure the maximum benefit to all stakeholders without exposing airlines to undue operational costs.
- 3.3. Without any rights to intervene, Unite believes that budgets that were to be used to improve fleets, fuels and equipment will be cut, along with the staff terms and conditions in an effort to recover and put profit first approach. However such intervention on slots should be part of comprehensive aviation support package not a sole remedial measure.
- 3.4. Unite believes that the next few years will determine if the aerospace and civil aviation industry will achieve the government's goal of net zero by 2050 or be in any shape to compete and connect the country to the rest of the world or not. This review of slot allocations could therefore provide the impetus needed to change industry not just in the UK but globally.

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⁶ https://www.flightglobal.com/airframers/how-airbus-2020-orders-and-deliveries-compare-to-boeings/141930.article?utm_campaign=FG-INTERNATIONAL-19012021-JM&utm_medium=email&utm_source=newsletter&utm_content=FG-INTERNATIONAL-19012021-JM