

Local Rule for slot allocation to all-cargo airlines

Introduction

This document sets out the procedure for allocating and managing slots for all-cargo airlines, in as far as they are not entitled to slots with historic precedence and that are not qualified as new entrants.

It is supplementary to the slot allocation rules as applicable at Schiphol Airport pursuant to Council Regulation (EEC) no 95/93 as amended lastly by Regulation (EC) no 545/2009, the Dutch Slot Allocation Decree of November 1, 2009 and the IATA Worldwide Slot Guidelines, 8th edition.

In this Local Rule " All-cargo air-carrier" shall mean an air carrier conducting flights with aircraft configured for the purpose of transporting cargo only, and which has on board only crewmembers including relief crew and a limited number of persons travelling for the purpose of monitoring the cargo and/or for safety reasons.

This Local Rule aims to provide specific guidelines to be taken into account by the Slot Coordinator when allocating slots out of the slot pool to all-cargo carriers, it being understood that these guidelines do not affect the independent status of the Slot Coordinator, comply with EU Community law and aim at improving the efficient use of the capacity of Schiphol Airport.

In particular, nothing in this local rule shall limit the rights of holders of existing slots subject to historical precedence or to be allocated to or reserved for new entrants. This Rule therefor pertains only to the remaining or returned slots after allocation of slots having historical precedence and the number of slots reserved for new entrants, hereinafter to be referred to as: slots remaining in the slot pool.

Moreover, this Local Rule is intended only to maintain the existing level of all-cargo carrier operations. Therefore, this Local Rule is not intended to allocate remaining slots to all-cargo carriers wishing to expand their operations vis-a-vis the Winterseason 2015/2016 viz. Summerseason 2016. Reference is made to the limitation of this Local Rule hereinafter.

Taking into account the aforesaid, the Local Rule would read as follows:

Requests by all-cargo carriers for the allocation of slots remaining in the slot pool shall be given priority by Slot Coordinator over slot requests out of that pool from all other air carriers, up to the following maximum:

The number of slots to be allocated with priority out of the remaining slot pool shall for each all-cargo carrier requesting such slots not exceed the total number of slots used by that all-cargo carrier in the equivalent scheduling period of W16/17 viz. S17.

This Local Rule shall enter into force on 29-Oct-2017 and remain in force until such time that discussions regarding the number of flight

movements for Schiphol Airport have materialized into a final decision on a political level as incorporated into Dutch law.

Explanatory remarks

Historic flights, no historic rights. In the past decades, several all-cargo carriers have conducted a substantial number of flights to and from Schiphol Airport without however, in many cases, being able to generate slots with historic precedence. The nature of the all-cargo market, - its demand driven operation, its volatility, ad hoc basis, peaks, the lack of return flights - has in many cases proved to make it impossible for all-cargo air carriers to fulfill the rules for obtaining slots with historic precedence, notably the 80/20 rule.

As during the past decades a sufficient number of slots was available to accommodate these all-cargo flights, this did not hamper the operations of all-cargo operations.

That situation would end at the beginning of the Winter season 2017 (W17) when in the build-up to that season, Slot Coordinator announced that in view of the operational limits of Schiphol coming into sight, the rules for allocating precedential slots would be strictly applied effective W17.

As a result, the slot requests of those all-cargo carriers lacking historic precedence were denied in droves at SAL, as these requests have no priority for allocation out of the slot pool.

No slots no jobs no investments. This, in turn, would mean that all-cargo carriers would transfer their Schiphol operations to airports of other countries, triggering the demise of the Dutch air cargo industry, one of the main drivers of Dutch economy and suppliers of tens of thousands jobs at Schiphol Airport and beyond. The all-cargo carrier has generated massive import/export flows, representing 60% of the total air cargo industry at Schiphol, this resulted in substantial investments by, and jobs for, Ground Handling Agents, Freight Forwarders, truckers and logistic service providers at and around Schiphol. These links in the logistic chain generate substantial revenue for Schiphol, inter alia out of rented office space and warehouses.

Number of all-cargo flights stable. It should be noted that the scarcity at Schiphol rather appears to be the result of increased business of the passenger terminal operations than the number of all-cargo flights, which remain stable at appr.3.5% of all flight movements.

Schiphol nominated best cargo-airport worldwide. See brochure [Het belang van vracht](#), issued by Amsterdam Airport Schiphol, March 2017. The demise of the all-cargo industry would certainly undo this nomination.

Local rule not discriminatory. The Local rule shall apply to all-cargo carriers operating into Schiphol Airport, irrespective of nationality. Moreover, the Rule would not be discriminatory against airlines of other segments, as these are totally incomparable with the all-cargo segment. All-cargo airlines operate mostly wide bodied aircraft,

whilst their aircraft are configured to dedicated transport of cargo. All-cargo carriers operate to/from intercontinental destinations and have no realistic alternative airport in the Netherlands. In this respect the user requirements of all-cargo airlines include 3000 meter runways, and 3550 runway meters for Extended Range aircraft. Moreover, all-cargo aircraft require dedicated parking facilities, warehouses of considerable size, a concentration of freight forwarders and good landside accessibility of the airport. As a rule of thumb, one all-cargo flight requires 20 trucking operations to carry the cargo into or from hinterland. Schiphol is the only airport in the Netherlands that can facilitate the user requirements of all-cargo airlines.

Local Rule compatible with Slot regulation and WSG. Preamble of Council Regulation (EEC) No. 95/93 considers it necessary to avoid situations where, owing to a lack of available slots, the benefits of liberalization are unevenly spread and competition is distorted. That situation is clearly at stake in W17, and the Local Rule serves to prevent viz. to reverse that situation.

In addition, in WSG art.8.4.1, additional criteria are formulated to which the Slot Coordinator should give consideration, i.e. the Effective Period of Operation, the Type of Service and Market and competitive factors. All these aspects are addressed in the Local Rule.

Amsterdam Airport Schiphol
11 September 2017