

Assessment No. 1 - Ghost Flights

by Percy Langa

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ASSIGNMENT 01

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'GHOST' FLIGHTS: A SUSTAINABILITY CONUNDRUM

A. Introduction

The purpose of this assessment is to in look into ¹⁵ the application of the Worldwide Slot Guidelines during the COVID-19 pandemic period.

The VLOG link to this assessment is here:

B. Problem Statement and Some Definitions

The Worldwide Slot Guidelines, which ⁹ are administered by the International Air Transport Association, aim to create a fair, neutral and transparent allocation of landing slots to airlines through the world (IATA, 2020a). Using a defined application process, an airline buys a slot from an owner of airport and, once allocated, the slot must be ¹³ used at least 80% of the time (80/20 rule) otherwise it will be lost. Unused land lots are returned to a common pot for the next calendar year (Morgan, 2020) and put on sale at the annual conferences for slots.

This use-it or lose-it rule creates another problem – it forces airlines to run a scheduled flight with or without passengers to protect (a) the investment made on the slot and (b) future profits from the allocated slot (commercial value) (Searra, 2020).

This challenge was made worse by the current COVID-19 pandemic (Wikipedia, 2020a), which saw a rapid decline in demand (and eventually, zero demand) for passenger aircrafts due to passenger travel restrictions on inbound and outbound flights.

Unfortunately, the slot usage rule (80/20) remained in place for a few months before being suspended across the world.

What is a landing or take-off slot?

- a) A landing or take-off slot is a permit given to an airline to take off or land at an airport on specific date and time
- b) Slots must be used at least 80% of time during the allocation period (the 80/20 slot usage rule or the use-it or lose-it rule)
- c) In addition to buying slots, airlines and airports can adjust, sell or trade slots during annual conferences for slots

Why landing slots?

- a) To control ⁸ aircraft traffic
- b) To create a fair, neutral and transparent allocation of landing slots through the application of Worldwide Slot Guidelines –

C. Discussion

On 10th of March 2020, the Outlook Traveller (2020), an online magazine, ran a story with the following title –

“COVID-19 Impact: Airlines Running Ghost Flights”

As explained above, airlines were running ghost flights (empty or near empty planes) so as to hold on to their take-off and landing slots. This can be seen as fruitless and wasteful expenditure as no actual immediate returns are derived. Typical fuel usage for a passenger aircraft is approximate 12 litres of jet fuel per 12 km.

At the time of this article, stakeholders in the airline industry had started engaging with the Airport Coordination Limited, the world's largest airport slot coordinator, to lift the rules across the world during the COVID-19 period. Apart from the airlines operating in airports between Hong Kong – Mainland China, no other region in the world has implemented a suspension of the slot usage rule.

D. Past ‘Ghost Flights’

The problem of ghost flights has happened in the recent past (Kleiderman, 2007):

- Back in March 2007, the BBC News ran article (“Green anger at ‘ghost flights’”) about an airline that flew round-trip plane between Heathrow and Cardiff airports (6 days a week) using an empty passenger plane, since Oct 2006.
- The airline company concerned was the now-defunct British Mediterranean Airways (Wikipedia, 2019).
- Kleiderman (2007) states that environmental campaigners picked up that airline was not on the departures or arrivals boards and none of the 124 tickets were sold, therefore the airline was operating the aircraft with empty seats.
- This angered environmental campaigners because (a) it no financial sense for airline to run a daily return flight for 6-days-a-week and (b) senseless damage to the atmosphere and overall environment -
 - They estimated that more than 5 tonnes of CO2 emissions were generated by the 140-mile or 225 km journey. ¹⁴
 - According to Wikipedia (2007), the airline had 2 x Airbus A320-200 and 5 x Airbus A321-200
- The airliner admitted that the flights were operated in order to maintain a valuable take-off slot at Heathrow Airport and they did not intend on losing it as the cost to secure a valuable slot can be into tens of million pounds).

- This particular slot that the airline operating was an unused slot created due to the airline cancelling flights to Uzbekistan following civil unrest in that country.
- Airlines can forfeit landing rights at Heathrow if they do not utilise a minimum of 80% of their allocation.
- In 2008, GB Airways sold four pairs of landing slots at Heathrow Airport for \$209 million (Wikipedia, 2020b).
- In 2018, KLM and Air France Group sold one daily service to Oman Air for \$75m (DJAviation, 2018).

Other examples of the suspension of the landing slot rule can be traced back to the following events, as Sillers (2020) points out –

- September 2011 terror attack in the US (rule suspended in 2002)
- The outbreak of SARS (rule suspended in 2003)
- The global financial crisis (rule suspended in 2009)

E. Suspension of the Landing Slot Rule

On 14th of March 2020, the European Commission (Morgan, 2020) announced its plan to lift for slot usage rules four months (until the end of June 2020), which will help to eliminate the need for airlines to operate 'ghost flights' in order to meet the 80% rule. During the press conference, the President of the European Commission argued that the suspension will assist both the environment and the aviation industry. However, the aviation industry requested that the suspension be extended until the end of October 2020.

On 27th of March 2020, the International Air Transport Association (2020b) issued a press statement suspended the slot usage rules until the end of October 2020.

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