

ROBINSON Anita

From: IASC
Subject: FW: Haneda Slots IASC 118d and IASC 119d

From: Amy Tomoe
Sent: Wednesday, 23 October 2019 8:47 PM
To: IASC <IASC@infrastructure.gov.au>
Subject: Re: Haneda Slots IASC 118d and IASC 119d

Hello,

I am writing in relation to the current Tokyo-Haneda draft slot allocation. I live in Canberra and am a semi regular traveler on the Australia-Japan route, visiting Japan roughly 3 times a year.

As things currently stand, I don't feel that Virgin Australia should receive any Haneda slots at this time. Virgin has a terrible track record with international flights with a number of routes failing after less than 2 years of service, if they start operation at all (examples include MEL-JNB, PER-AUH, SYD-AUH and PER-HKT). In addition, their existing Hong Kong flights are in trouble.

Virgin only has 11 long haul wide body aircraft. 6 A330s and 5 777s. The 777s are all used on their Australia-US routes. Currently 2 A330s are used on the MEL and SYD-HKG routes, and the remaining are used on domestic transcon services to PER. Any aircraft used for a Tokyo flight would need to come from one of these routes, which would lead to a damaging impact to services elsewhere, either a reduction of HKG frequencies (or one Australian port losing VA HKG flights completely), or a reduction of flights to PER. If an A330 is pulled from the domestic PER routes, then 737s are likely to be pulled in from other routes, leading to reduction of service on other domestic and short haul international routes (eg, New Zealand).

Prior to the announcement of a new allocation of Haneda slots to Australia, Virgin had shown no interest in operating on the Japan route. It would appear that the only reason Virgin has applied for this slot is to prevent Qantas from getting it.

As Qantas mentioned in their submission, it is highly unusual for a new operator to Japan to go to Haneda first. When Haneda reopened to International traffic in 2010, Japan had a rule that airlines had to serve Narita if they also flew to Haneda, so as to not reduce services at Narita. Though MILT may have relaxed this rule now as some European airlines no longer fly to NRT but do service HND.

Virgin's suggestion that they require HND slots for domestic connections to ANA isn't creditable. ANA has 7 domestic routes from Narita and 8 (2 seasonal) from Kansai. Both Kansai and Narita are connected to their local domestic airports (Osaka-Itami (22 ANA domestic routes, 2 seasonal) and Haneda) by bus and/or train in under 90 minutes. Connections between Narita/Haneda and Kansai/Itami are not hard and are done regularly by thousands of people daily (There has been times where I feel it is easier to connect between an International flight at Narita and a Domestic flight at Haneda than it is to connect between Terminal 1 and Terminals 2/3 at Sydney airport).

Right now, there is nothing to suggest that Virgin will operate the route as promised and the airlines history with long haul routes and other statements remind me of Delta's, Virgin's trans pacific partner, actions with their Haneda slots. What is to prevent Virgin from operating to HND for 12-18 months, then pulling out?

Both JAL and ANA have 1 slot for Haneda-Australia flights under this newest allocation. Neither airline has yet officially announced which Australian ports they will fly to. It has been suggested that JAL will shift their NRT-SYD flight to HND and possibly reopen the NRT-BNE route while ANA will open a HND route to MEL or BNE.

Some alternative options to giving Virgin a slot for 5 years right now include:

Give Qantas both slots, 1 for 5 years as requested, the other for 2 years. Allow Virgin to operate to Narita (or some other Japanese airport such as Osaka-Kansai or Nagoya) and show that they are serious about the Japan route. If they show they are committed to the route, they can then contest that 2nd slot when it becomes available in late 2021/early 2022.

Award VA the slot and include a clause where the slot will automatically revert to Qantas should Virgin not meet certain service targets (for example, 80% daily operation). The US Department of Transport did similar to some of

Delta's Haneda slots after excessive cancellations and unapproved service changes (changing year round service to seasonal without asking the regulators).

Thank you
Amy