era

european regions airline association

BUILDING A STRONG & HEALTHY REGIONAL AIR TRANSPORT SYSTEM IN EUROPE

ERA's response to the European Commission's 2015 Aviation Strategy for Europe

This paper summarises the European Regions Airline Association's (ERA's) position on the European Commission's (EC's) December 2015 Communication on *An Aviation Strategy for Europe*. It is designed to concisely explain ERA's view on the strategy.

ABOUT US

ERA is a trade association representing 52 airlines and 138 associate and affiliate members who jointly cover the entire spectrum of the aviation sector - airlines, airports, manufacturers and suppliers.

ERA protects its members' interests by lobbying the European regulatory bodies on policy matters and promoting the social and economic importance of air transport and its environmental commitments.

ERA's airline members keep Europe connected transporting more than **45m passengers per year** on over **960,000 flights** using a mix of jet and turboprop aircraft. Our industry generates over **280,000 direct, indirect and induced jobs** in Europe and contributes in the region of **€47bn to Europe's GDP**.

OUR COMMENTS ON THE STRATEGY

The positive parts of the strategy

a) The Strategy has identified the major strategic issues that need to be tackled for regional aviation to succeed in Europe.

b) The Strategy rightly recognises that aviation is a key driver of economic growth, jobs, trade and mobility and is an industry that must be promoted and supported.

Where we have concerns

The Strategy needs to propose more concrete actions and deliverables, with appropriate timescales, to secure the future of European aviation.

What we are asking for

ERA is recommending in this document a number of actions to strengthen and ensure delivery of the Strategy that we believe the European Parliament, Council and Commission should act on.

CONNECTIVITY AND PUBLIC SERVICE OBLIGATIONS (PSO)

ERA supports:

ERA welcomes the Commission's clear acknowledgement of the value of regional connectivity. ERA members serve the most remote parts of Europe where air transport is vital and often the only mode available to citizens.

ERA's proposals to strengthen the strategy:

ERA urges European Union (EU) decision-makers to put forward new policies to promote and encourage European connectivity through the greater use of Public Service Obligation (PSO) regimes and to be consistent in the application of PSO legislation across EU member states.

TAXES ON AVIATION

ERA supports:

ERA welcomes the Strategy's recognition of the economic burden of aviation-specific taxes, levies and disproportionate regulation. ERA also welcomes the EC's commitment to develop a global market-based measure (MBM) to reduce aviation emissions.

ERA's proposals to strengthen the strategy:

ERA recommends that the EU's legislators propose a set of concrete measures to member states to remove aviation-specific taxes. ERA also recommends a full review of existing regulation to reduce the regulatory burden placed on the industry. Finally, ERA recommends that the EC comes forward with a proposal before the end of 2016 to phase out the existing EU ETS in favour of an agreed global MBM.

PASSENGER RIGHTS

ERA supports:

ERA supports the Strategy's push for a rapid adoption of new legislation revising EU Regulation 261/2004 on passenger rights to bring greater clarity to both consumers and airlines. The current regime is unsustainable for our members.

ERA's proposals to strengthen the strategy:

ERA is concerned that the development of guidelines to EU 261/2004 will crystallise the existing court interpretations and rulings on EU 261. ERA is calling for urgent action to limit the impact of the current EU 261 regime on regional airlines.

TACKLING LIMITS TO GROWTH IN THE AIR AND ON THE GROUND

ERA supports:

ERA supports the EC's analysis of the imminent European capacity shortage at key hub airports and the associated economic costs due to the lack of new runway and terminal infrastructure, as well as the limits of the current air traffic system.

ERA's proposals to strengthen the strategy:

ERA asks the EC to propose a detailed plan to develop and build new airport runway and terminal capacity at Europe's most congested hub airports. The EU should also urgently complete the implementation of the Single European Sky (SES) enabling legislation before the end of 2016.

INVESTMENT & FINANCING

ERA supports:

As a capital intensive business, ERA welcomes the recognition that financial investment is critical to the development of the industry overall, and airlines in particular.

ERA's proposals to strengthen the strategy:

ERA asks the EC to put forward proposals to strengthen its cooperation with international financial institutions, such as the European Investment Bank, to enable more and easier investment in new infrastructure, aircraft and systems.

MAINTAINING EU SAFETY AND SECURITY STANDARDS

ERA supports:

ERA welcomes the Strategy's intention to move to a risk- and performance-based safety regulatory regime. ERA also supports the proposal that EASA extends its regulation of Remotely Piloted Aircraft Systems (RPAS or drones).

ERA's proposals to strengthen the strategy:

ERA is asking for the establishment of a more robust regulatory system aimed at identifying and mitigating safety risks, taking into account interdependencies between aviation safety and other domains such as aviation security. ERA also asks that the EC puts forward proposals to ensure states take responsibility for funding anti-terrorist security measures.

CONTROLLING MONOPOLIES ON THE GROUND AND IN THE AIR

ERA supports:

ERA welcomes the recognition that monopoly infrastructure providers (air navigation service providers and some airports) are a cause for concern and that they need more regulatory control over their costs.

ERA's proposals to strengthen the strategy:

ERA asks the EU to propose regulation to ensure more transparency in the consultation process on airport charges at all commercial airports. ERA also urges the EU to set and enforce more stringent targets for ATM cost reduction as part of the SES performance scheme.

MARKET ACCESS, COMPETITION & OWNERSHIP OF AIRLINES

ERA supports:

ERA welcomes the EC's acceptance of the importance of attracting investment from third countries through the reduction of restrictions in relation to foreign investment and market access. ERA also welcomes the proposals to allow greater foreign investment in EU airlines.

ERA's proposals to strengthen the strategy:

ERA asks the EC to come forward with a proposal to liberalise the foreign investment rules for European airlines. ERA also ask that the EU brings forward legislation to reduce competitive distortions between competing modes of transport in Europe that affect regional airlines, in particular between rail and air.

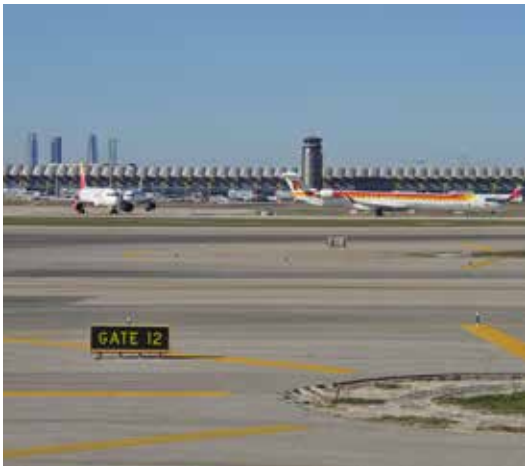
CREATING HIGH QUALITY JOBS IN AVIATION

ERA supports:

ERA supports the Strategy's plan to bring clarity to applicable labour laws, competent courts for labour disputes and to the applicable social security regime for aviation workers including crews. However, ERA does not wish to see any new European legislation that would limit the ability for mobile working.

CONCLUSION

The publication of the EU Aviation Strategy is a positive step forward for the industry and recognises aviation's contribution to EU GDP growth, jobs and connectivity for all citizens. However, ERA believes that the Strategy must be strengthened to deliver a set of concrete, deliverable actions and is ready to support that process.



European Regions Airline Association
Park House, 127 Guildford Road, Lightwater, Surrey, GU18 5RA, United Kingdom
Telephone: +44 (0)1276 485584/856495 Fax: +44 (0)1276 859485/857038
E-mail: info@eraa.org Web Site: www.eraa.org
European Regions Airline Association Limited is registered in England & Wales.
Company No: 8766102

era
european regions airline association

May 2016