

THE FUTURE OF REGIONAL AVIATION

A strategy on the future relationship between
industry, politicians and regulators



This paper defines a strategy and set of operating principles for the European Regions Airline Association's (ERA's) vision of the future of regional aviation in Europe. It focuses on ERA's relationship with Europe's main regulatory institutions and the association's high-level positions on major strategic issues.

ERA is the representative trade body for regional aviation. The association's membership includes 51 airlines and over 120 associate members, (including regional airports), who are suppliers of services and goods to the aviation industry.

Who we are and what we do

The regional airline industry provides air services across Europe in various forms including niche, own brand, point-to-point operations, suppliers of capacity to network and no frills carriers, hub feeders, freight operators and ad hoc charters. ERA's operators fly to hub airports as well as providing services to the regions on vital air routes. The point-to-point routes of ERA member airlines and airports play a vital role in enabling air connectivity and allowing smaller regions to compete within Europe and the rest of the world.

Regional operators provide an essential complementary and supporting role to the consolidating European no frills and network airline operators. Regional operators fill the gaps left by these incumbents and ensure a complete and effective European air transport network.

Regional carriers have a market share in Europe of approximately 16 per cent of flights and nine per cent of seats. Our industry transports 45m passengers each year on 960,000 flights. Flowing from the services ERA's members operate, the association generates over 280,000 direct, indirect and induced jobs within Europe, and contributes in the region of €47bn to Europe's GDP.

ERA's members fly a mix of turboprop and jet aircraft that transport 45m passengers each year on flights lasting, on average, 71 minutes in aircraft with an average seating capacity of 67 seats. ERA's members serve over 1,200 point-to-point direct routes within Europe, many of which can only be served by air transport.



ERA's ambition for European regional transport

ERA believes regional aviation should be recognised for:

- providing a safe, efficient, and vital infrastructure for Europe;
- connecting Europe's citizens, countries, regions, cities and cultures;
- making a major contribution to Europe's GDP;
- providing employment, both directly and indirectly, to Europe's regions;
- promoting trade and tourism;
- providing links from Europe to the rest of the world and access to global markets; and
- providing essential air services in Europe's remoter regions.

To achieve this recognition, ERA believes that some key principles must be achieved in each of the following strategic areas.

Safety

- safety must continue to be the industry's primary driver and commercial pressures must not be allowed to erode safety standards;
- an open reporting culture of all accidents and incidents and a 'just culture' environment to protect staff from criminalisation should be encouraged;
- safety regulations (and EASA rules in particular) must be evaluated to ensure that their implementation leads to genuine improvements in safety; and
- accident and incident investigations must continue to be conducted solely for the purpose of safety improvement.

Consumer issues

- regulation designed to protect consumers must strike a fair balance between protecting passengers, reducing the net cost of the regulation and not unduly burdening airlines and consumers with excessive regulation or disproportionate costs. In general, existing consumer rights legislation has a disproportionate impact on regional and smaller operators;
- regulation must not reduce the ability of consumers to choose different products, services and prices for air travel and must not discriminate or offer different rights between competing modes of transport or reduce services or connections by air; and
- all partners and service providers (not just airlines) must carry responsibility and liability for interruptions to a passenger's journey, but are not necessarily subject to identical legislation.

Competition and market access

- the regulatory environment should encourage a healthy and competitive market within air transport and other modes;
- high speed rail, shipping and other competing modes of public transport should be subject to the same state aid and competition rules as air transport and have equal access to EU funds; and
- there must be recognition that, in some markets, state financial support is an important element that ensures the connectivity of some regional areas, but only if it is granted in such a way that distortions of competition are avoided.

Operations

- we should work towards the development of harmonised and uniformly implemented rules on operations across the EU to ensure a level, safe playing field across European aviation; and
- EASA should be promoted as the sole safety regulator, standard setter and enforcer of European operational and safety rules with the aim of replacing the current state-by-state duplication and individual state requirements for equipment or operating variations.

Infrastructure – air traffic management (ATM) and airports

- the Single European Sky should move from concept to reality by removing state protectionism of airspace, reducing duplication of services, fully implementing the performance scheme, breaking the monopoly provision of ATM and taking advantage of economies of scale;
- SESAR implementation should move ahead but a clear cost benefit for regional operators must be demonstrated before any mandates for technical equipment are issued;
- state funding should be secured for SESAR and the Single European Sky by recognising it as a vital European infrastructure; and
- new hub airport capacity should be developed in Europe and free access to congested hub airports must be available for all aircraft operators.

Environment

- the environmental efficiency of air transport should be recognised, as well as the constant and continuous efforts made by the industry to improve its environmental performance;
- by its inclusion in the EU ETS, it must be recognised that intra-European aviation is committed to environmental protection and is fulfilling its role; and
- market-based measures (notably taxes, levies and charges) should only be used as a last resort to improve the environmental efficiency of the industry after operational procedures, new technology and air traffic management means have been exhausted.

Security

- it must be recognised that while aviation is likely to remain a high profile terrorist 'target', in all cases, the state is the real target of the terrorist not the operator;
- states should accept their responsibilities in the field of anti-terrorist security and, in particular, for funding;
- it must be ensured that before any decisions are taken to deploy 'new technology' on an aircraft or at an airport, a full business case (including a robust cost benefit analysis) for implementation should be carried out;
- security regulations must be supplemented by the application of 'risk-based' measures and regulation must not be used as the sole means of ensuring the security of the industry; and
- security rules and procedures across Europe should be standardised and harmonised, wherever possible.

The regional industry's commitment

Achieving the above recognition and operating principles necessitates a two-way process that will involve building a relationship with regulatory bodies and politicians. As part of this process ERA, as the voice of regional aviation, will always engage in a constructive and informed way, taking a critical stance where necessary, but only on the basis of reasoned argument that is supported by clear data.

In return, ERA asks regulators to engage with the aviation industry at an early stage in policy making, and to listen to the association's rationale before making judgements and decisions that will affect the aviation industry.

Finally, ERA asks that policy and strategy decisions are based on robust cost benefit and impact assessment analyses that stand up to scrutiny and that have been discussed with industry before, during and after rule-making and, ultimately, benefit the end user, consumers and citizens of Europe.





Tel: +44(0)1276 856495
Email: info@eraa.org | Web: www.eraa.org
twitter.com/eraaorg   facebook.com/eraaorg

European Regions Airline Association Limited
Park House, 127 Guildford Road, LIGHTWATER, Surrey, GU18 5RA United Kingdom.
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