The European Regions Airline Association position on the European Commission’s Communication *An Aviation Strategy for Europe*

*March 2016*

**INTRODUCTION**
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*.

**ABOUT ERA**
Founded in 1980, ERA is a not-for-profit trade association representing 50 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.

More information can be found at [www.eraa.org](http://www.eraa.org)

**ERA’s position:**
a) The Strategy has identified the key strategic issues that need to be tackled for regional aviation to succeed in Europe.
b) The Strategy recognises that aviation is a key driver of economic growth, jobs, trade and mobility and is an industry that must be promoted and supported.
c) It is imperative that the Strategy proposes more concrete actions and deliverables, with appropriate timescales, to secure the future of European aviation.
d) ERA is recommending a number of actions to strengthen and ensure delivery of the Strategy, outlined below, that the European Parliament, Council and Commission should act on before the end of 2016.

1. **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 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.

2. **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 2015 to phase out the existing EU ETS in favour of an agreed global MBM.

3. PASSENGER RIGHTS

ERA supports:
ERA strongly supports the Strategy’s push for a rapid adoption of new legislation revising EU Regulation 261/2004 to bring greater clarity to both consumers and airlines. The current regime is unsustainable for business.

ERA’s proposals to strengthen the strategy:
ERA is concerned that the development of guidelines to EU 261/2004 will crystallise the existing interpretations that have developed as a result of court precedents and rulings on EU261. It is essential that the airline industry is consulted on the development of the guidelines.

4. 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 urges the EU to propose a concrete 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.

5. INVESTMENT & FINANCING

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

6. 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 recommends 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 recommends that the EC puts forward specific proposals to ensure states take responsibility for funding future specific anti-terrorist security measures.

7. **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 urges the EU to propose regulation to enable 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.

8. **MARKET ACCESS & 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 any proposals to allow greater foreign investment in EU airlines.

**ERA’s proposals to strengthen the strategy:**
In addition to adopting fair market access rules with non-EU countries, ERA recommends that the EU focuses on bringing forward legislation to reduce competitive distortions between competing modes of transport in Europe, in particular between rail and air.

9. **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.

Contact: Leonardo.Massetti@eraa.org