

Speech – Carolyn McCall

Airlines for Europe

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12.5 Minutes – 1,506 words (120 words per minute)

Welcome

Good afternoon,

Thank you for joining us here today at the Brussels launch of Airlines for Europe.

It is good to be back in Brussels and I want to start off by saying that we have of course been reflecting on what the outcome of the UK EU referendum vote last week means for Europe, and for airlines and passengers in particular.

Nothing will change overnight. Much depends on the new agreement the UK will reach with EU member states. The aviation industry knows how to overcome challenges and deal with change, and that is exactly what we will do.

A4E believes that for consumers, the most important thing is that they continue to receive the benefit of the current liberalised and deregulated aviation market.

In any event A4E's goals remain the same.

It will continue to focus on uniting European airlines to promote changes which increase competitiveness and result in lower fares and more choice for passengers.

Continuous air traffic control strikes, large scale airport monopolies, taxation and inefficiencies characterise the aviation supply chain and will be addressed by A4E today and in the future.

A4E

So, on to A4E – since our launch in Amsterdam at the Dutch

Presidency's Aviation Summit we have made a lot of progress.

I want to start off by thanking Thomas and his team, which is now fully in place, for the tremendous work they have put in in recent months and for organising our event today.

We have also welcomed new members, including Aegean, Finnair, Jet2, Norwegian, TAP, Volotea. Others are set to join.

This means that A4E member airlines now represent over 500 million passengers, which is about 60% of total passengers in Europe.

So we are already the most representative association for European airlines.

Later on this afternoon the offices will be inaugurated and you are all most welcome to join us for this celebration from 16:00 onwards.

When we first met as airline CEOs, a little over a year ago today, we set out our joint views on the European aviation strategy.

It was the first time that we had set aside our competitive differences and used a common platform to talk about the industry issues we all care about.

Now, this vision has evolved into concrete action.

As A4E, we have worked on addressing excessive airport charges, promoting effective regulation of monopoly airports, and engaging with regulators across Europe.

We have also spoken out about the impact of passenger taxes on the economy.

And today we're talking about one of the issues which has been keeping us all very busy recently - the impact of ATC strikes on passengers.

How we work

But before I do so I want to talk about how A4E is about doing things differently.

Both in terms of what we talk about, and how we talk about it.

We focus on the most important issues and we look at the entire aviation supply chain, from airport, to airspace, to all our passengers.

We look at where we can make really significant improvements that will ultimately have a big impact on:

- Competitiveness
- Connectivity
- And more affordable fares for passengers

And in terms of how we talk about it – we want A4E to be constructive and a valuable source of industry expertise.

We, the CEOs of A4E's member airlines, strongly support this approach and we are committed to making progress.

Aviation and the economy

I also wanted to take this opportunity to talk about the value of air travel.

Aviation creates 1 trillion EUR in economic value annually.

What does that number really mean?

It is not about how many people we employ, or how much they or our passengers spend individually. The economic value of air travel is about what we facilitate.

Aviation allows connectivity and mobility, thereby increasing trade and investment.

When economists actually looked into this they concluded that 75% of intra-European passenger journeys currently made by air would not be made if travellers had to use rail or road. And of course the number would be even higher for long haul air travel.

This is highly significant for our discussion today.

Air travel plays an important role in connecting people for leisure, visiting friends and relatives and of course for business purposes.

So aviation is a transport network, just like road or rail, and should be treated as such.

Any disruption, such as ATC strikes, or increased costs, such as passenger taxes, have a wider impact on economic value as they affect the air transport network as a whole.

EU aviation strategy & ATC strikes

At the end of last year, the European Commission set out an ambitious aviation strategy, which they are making good progress on.

We want to support them in that as best as we can.

The aviation strategy noted the high impact of Air Traffic Control Strikes on passengers and set out some preliminary thoughts on how to address this.

If you have flown at any point in recent months, I expect you will have noticed this impact first hand.

We have seen a large number of strikes this year which have already caused more than 3,000 cancellations.

In the past 5 years, we have had 167 strike days in total, resulting in 30,000 cancelled flights across EU airlines. Millions of passengers have been affected.

This year alone we have already faced 20 ATC strikes, which includes a number of general public service strikes. And 9 of these took place this month – including one today!

PwC have looked at the economic impact of ATC strikes during this period. Today, they reveal that the EU has missed out on 9.5 billion Euro GDP due to the disruption caused by strikes.

Of course you cannot put a number on the loss in terms of people missing out on weddings, family holidays, important business meetings.

ATC strikes are one of the most damaging issues facing passengers and airlines today.

It is an immediate and pressing issue, but there is currently no process in place, legislative or otherwise, to tackle it on a European level.

We are at the mercy of unreasonable and disproportionate strike action, and our passengers lose out.

Airlines get a lot of feedback from customers who are particularly upset when their flight does not even touch the strike-affected territory.

Many people do not understand why the impact is as big as it is.

Speaking purely from an easyJet perspective, two-thirds of our flights cross central European airspace, so any disruption in that area has a knock on effect throughout the network.

Airlines often have to fly around affected territory, which means the 'highways in the sky' where we can fly are more congested.

This is why we care about protecting overflights, flights overflying strike-affected territory, while ensuring this does not come at the expense of flights to and from the country affected.

Disruption adds cost, which ultimately means higher fares for passengers.

We actually have a number of practical and attainable solutions in mind which mitigate the impact of ATC strikes on passengers.

These are embedded in the A4E Call to Action which Thomas will present in more detail today.

In summary, our Call to Action is that ANSPs and ANSP employees are called to voluntarily undertake, as soon as possible and without delay, to:

1. Actively and in good faith participate in arbitration or another form of conciliatory procedures before threatening industrial action
2. Protect flights overflying the country affected by industrial action while ensuring this does not come at the expense of flights to and from the country affected
3. Provide a 21-day advance notification of strike action

4. Provide a 72h advance notification of participation in industrial action, at individual employee level, so as to improve the predictability of the level of disruption

5. Implement cooperation mechanisms to explore means to minimize the impact of ATC service disruption

Continuity in air traffic services

Focusing on minimising the impact of ATC strikes on passengers is ultimately about guaranteeing continuity in air traffic services.

Equally, any industrial action needs to be proportional both in terms of cause and effect.

Many will say that this issue is up to national governments to respond to.

However we would argue it is vital to ensuring freedom of movement, one of the central pillars of the EU – and a cornerstone of the internal market.

And I look forward to hearing from Commissioner Bienkowska [*Bienkovska*] shortly on how we can further improve the internal market for aviation.

We will then hear from PwC on their study, commissioned by A4E, on the economic impact of ATC strikes in the past 5 years.

This will be followed by a panel discussion with Mr Hololei [*Hololay*] from the European Commission, Mr Brenner from Eurocontrol, Mr Santander from the European Travel Commission and Willie Walsh from IAG where you'll also have the opportunity to ask questions.

Thank you for attending this very important session.