

# A STRONG VOICE



In 2016, the CEOs of Europe's biggest airlines (Air France-KLM, easyJet, IAG, Lufthansa Group and Ryanair) formed Airlines for Europe (A4E) to establish a united voice in Brussels and help define a future vision for EU aviation. Today, A4E members represent over 70 per cent of European air traffic. New airlines – both big and small – from low-cost to legacy, leisure, and cargo, have joined, including: Aegean, airBaltic, Air France-KLM Group, Cargolux, easyJet, Finnair, Icelandair, International Airlines Group (IAG), Jet2.com, Lufthansa Group, Norwegian, Ryanair Holdings, Smartwings, TAP Air Portugal, TUI and Volotea. Beyond airlines, global manufacturers such as Airbus, Boeing, Embraer, GE and Thales are also members of A4E.

Over **720 million** passengers per year



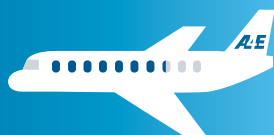
More than **€130 billion** in annual revenues



More than **400,000** employees



More than **3,000** aircraft



## A4E FOCUSES ON SIX EUROPEAN AVIATION ISSUES:

### 1. Sustainable Aviation as an Underlying Principle for Future Growth

European airlines stand behind the EU's ambition to move towards a zero or low-carbon economy, thereby supporting efforts to achieve the objectives of the Paris Agreement.

A4E is calling on all governments to support the International Civil Aviation Organisation's (ICAO) global carbon offsetting scheme for aviation (CORSIA) to cap emissions from 2020 onwards. The double burden of adhering to both the CORSIA and European emissions schemes should be avoided.

→ A4E is calling on the EU to focus on effective measures to reduce carbon emissions from aviation and to support the industry's efforts to move away from fossil fuels.

→ Decarbonisation of European aviation will not happen without ATM reform, funding for research & development and deployment of innovative technologies, a supportive policy framework for sustainable alternative fuels and smart economic measures.

### 2. EU Airspace Efficiency

Airspace is a finite resource which needs to be effectively managed and used.

Air Traffic Control (ATC) delays in 2018 reached their highest levels in nearly a decade. A4E and its members are working with key operational stakeholders to address urgent bottlenecks and deliver more efficient routes. Despite improvements in 2019 delay figures, the root causes of EU airspace inefficiencies – including a lack of adequate staffing, remain to be addressed.

The process to update the Single European Sky (SES) regulatory framework was finally re-launched at the end of 2019. A4E is working closely with all relevant stakeholders to bring this update process one significant step closer to a conclusion:

→ The review of the SES regulatory framework needs to ensure that investments in processes, new technologies and human resources are future-proof and are allowed to live up to their full potential.

### 3. Revision of Air Passenger Rights Legislation

A4E airlines take care of their customers – as they should, and not because regulations tell them to. Regardless of the cause – our airlines provide care and assistance to minimise the impact on passengers.

But despite airlines' best efforts, the wording of the current EU Air Passenger Rights legislation remains unclear and has led to different legal interpretations.

→ A4E supports legislation on air passenger rights that makes the rules fairer, clearer, and easier to apply. The revision of Regulation 261/2004 is extremely important in terms of legal certainty and in providing a fair balance of consumer and industry interests.

### 4. Airport Charges

Thanks to strong competition among European airlines, flying today is efficient, accessible and affordable.

Ticket prices on several European routes are 70% lower today than in the 1990s.<sup>1</sup> However, airport charges at some of Europe's busiest airports have more than doubled in the last decade. Some airports can behave as de facto monopolies and, for example, charge airlines excessively. The result is less choice for travellers and higher fares in the long term.

→ A4E is calling for a substantial reform of the EU Airport Charges Directive – with stronger regulatory oversight of EU airports with significant market power. The European Commission's 2019 evaluation of the Directive confirmed that some large EU airports are able to impose prices that they would not obtain in a competitive market.

<sup>1</sup> Evaluation of Regulation (EC) No 1008/2008, July 2019

## WORKING TO REDUCE OUR CARBON FOOTPRINT

- ✓ The sector has committed itself to carbon neutral growth from 2020 onwards, and to halve emissions by 2050 compared to 2005 levels.
- ✓ Commercial jets now have better fuel efficiency than most cars on the road.
- ✓ Aircraft fuel burn per seat has been reduced by more than 80% since the 1960s.
- ✓ Each new generation of aircraft is on average 20% more fuel efficient than its previous model.
- ✓ Modern aircraft today are 75% quieter than the models that first entered into service.

Source: ATAG, *Benefits Beyond Borders*, 2018

### 5. Aviation Taxes

Special taxes on aviation create major socio-economic costs. They also do not benefit the environment.

European airlines have ambitious plans in place to reduce their carbon footprint. Investing in cleaner aircraft, new technologies and sustainable aviation fuels are long-term, meaningful solutions.

By contrast, aviation taxes are not an effective way to pursue environmental objectives and do not materially reduce carbon emissions.<sup>2</sup> Such taxes have significant societal costs by reducing the key benefits of aviation in terms of investment, jobs, growth, tourism, mobility and social connectivity. Taxes also limit airlines' ability to further invest in decarbonisation solutions. The purchase of new aircraft has reduced average fuel consumption by 24% since 2005, for instance. Sustainable fuels could reduce emissions by up to 80%, but

<sup>2</sup> Studies for the Swedish and Dutch governments, for example, found that national ticket taxes would have a marginal impact on CO2 emissions, in the region of 0.5% to 2.5%.

major investment is needed to increase production. To date, EU governments have used tax revenues for general budgetary purposes and have not reinvested funds for such initiatives.

- ✦ At this critical stage, the EU must focus on effective measures to reduce aviation emissions rather than symbolic, penalising measures such as taxes. The answer is not to fly less – but to fly more sustainably.
- ✦ Unilateral taxes continue to fragment the EU's Single Market. But they are also problematic for international competitiveness. European airlines compete in a global market and global solutions are required. A4E is fully committed to the UN's climate scheme for aviation, CORSIA. Market-based measures are a more cost-effective way to cap and reduce emissions than aviation taxes.

### 6. Safety and Security Are Always a Top Priority

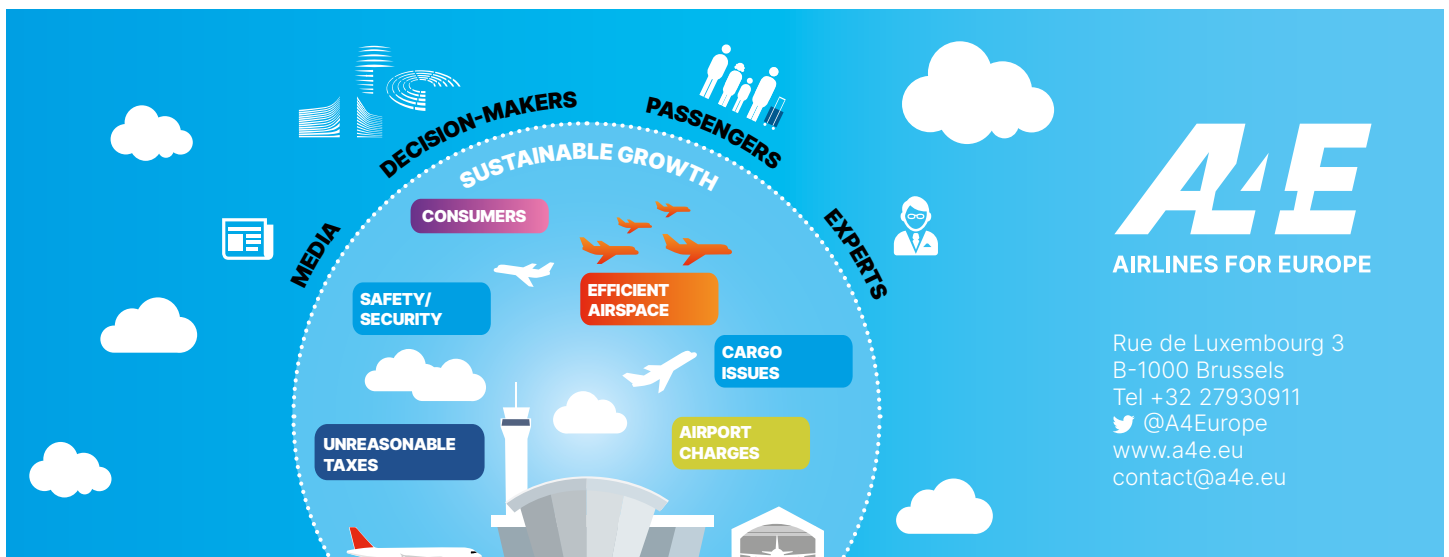
*Flying is the safest mode of transport in the world.*

A4E works with airports, Air Navigation Service Providers (ANSPs) and national and European organisations like the European Aviation Safety Agency (EASA) to keep it that way. Airlines are well aware of new airspace users joining the transport arena, such as drones. We look forward to exchanging experiences and integrating them into the existing safety system.

Ensuring the protection of aviation employees, passengers and their loved ones is paramount. A flexible approach is therefore needed to address constantly changing safety and security challenges.

To this end, A4E is participating in the review of the EU Aviation Security Strategy for EU regulations to take a holistic approach. This includes developing adequate tools and processes to address disruptions and facilitate passengers' journeys, following economically reasonable and technologically feasible priorities.

- ✦ Governments must take on their share of the substantial costs associated with the provision of national security services in aviation, and refrain from passing them on to industry.
- ✦ A4E supports the implementation of electronic travel systems (i.e. EES/ETIAS) to enhance border security and facilitate the identification of potentially inadmissible passengers before boarding.
- ✦ Such systems must be built upon international standards and practices while aligning with existing airline operational systems.



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