EUROPEAN AVIATION UPDATE

What this paper is about?
1. To provide, for the information of Conference, a round-up of key current EU activity in the field of aviation. The Secretariat has received the following update on key aviation developments within Europe from the Department for Transport.

Passenger Rights
2. Regulation (EC) No. 261/2004 lays down common rules on compensation and assistance to air passengers in the event of denied boarding and of cancellation or delay of flights. The European Commission has proposed a range of amendments to the Regulation to reinforce enforcement policies and procedures, improve passenger rights and re-address the financial obligations, in some circumstances, imposed on airlines.

3. Unfortunately little has changed in the last 12 months. The Italian Presidency elected to not progress the file and whilst some limited progress has been made under the current Latvian Presidency, the file will now only be taken forward as a Progress Report at the Transport Council on 11 June. (NB any relevant developments arising from the Council discussion will be reported to delegates following the Annual Meeting.)

4. During negotiations the UK has pushed for a regime that limits additional burdens on Industry whilst providing an appropriate level of protection for passengers. However, there remains significant disagreement on some of the key issues, including the trigger points for when compensation is due and the issue of delay compensation for connecting flights. It is clear that more time is needed to find a compromise.

5. In addition, it is also not acceptable for Gibraltar Airport to be deliberately excluded from this and other EU aviation legislation. The UK cannot accept a text which goes against the Treaties and suspends application to Gibraltar. This will, unfortunately, delay the progress of the file.

Single European Sky
6. The Single European Sky (SES) initiative was launched in 1999 in response to worsening European Air Traffic Management (ATM) delays. The aim of the SES initiative and its associated Single European Sky Research and Development programme ("SESAR"), is to modernise the air traffic management system across Europe and ensure it is capable of meeting future capacity needs and that performance and service delivery is not artificially constrained by national borders. The Commission have now initiated some work to reflect on the vision and strategy for SES as part of their consultation to produce an aviation strategy by the end of the year.

7. UK Ireland Functional Airspace Block (FAB) - The UK has established collaborative arrangements for service provision in the UK and Irish airspace though a Functional Airspace Block (FAB). Projects to date have delivered over 70 million euros in savings to airspace users through more direct routings and this is projected to increase to almost 300 million euros by 2020.

8. SES Performance Scheme - Under SES regulations the UK (in collaboration with our FAB partner, Ireland) have produced a performance plan for 2015-19 setting out targets for air navigation services for the areas of safety, capacity, cost efficiency and the environment. The UK Civil Aviation Authority (CAA), with the IAA, led on the drafting of the plan and consultation with stakeholders. Final plans were submitted

for assessment by the Commission's Performance Review Body by 30 June 2014. The Commission's assessment of the UK-Ireland FAB Plan is that the plan's performance targets on safety, environment, capacity and cost-efficiency are consistent with the EU-wide targets.

9. SES and terminal air navigation service - At present, plans are required to contain local targets for terminal air navigation services at airports with over 70,000 IFR movements a year. Through the Performance Review Body, the Commission has embarked on work to propose EU wide cost-efficiency targets for terminal air navigation services in 2017, 2018 and 2019. The Commission will need to propose targets by the end of September and requires endorsement of Member States. There are derogations from setting terminal union wide targets where Members States demonstrate that terminal air navigation services are provided under market conditions (as defined in EU SES legislation). The CAA have conducted an independent assessment of the UK market and has concluded that market conditions exist   http://www.caa.co.uk/default.aspx?catid=49&pagetype=90&pageid=7963   The EU will now assess the CAA's report and provide their assessment by September.

10. SESAR - Is the key mechanism of the SES initiative to modernise the European ATM system. Progress is being made on the development and deployment of new air traffic management technologies through the SESAR programme. A framework has been agreed to channel EU funding into projects under industry management and UK industry through NATS, Heathrow and several UK airlines are directly involved.

11. SES II+ - In summer 2013, the Commission launched proposals to recast the framework for the Single European Sky (SES) and amend the EASA Basic Regulation (known collectively as SESII+). - The Commission proposed a recast of the legislation in 2013 (SES II+). This saw a first reading in Parliament in early 2014 and received a partial general approach at the December 14 Transport Council. However it has now stalled due to the disagreement between Spain and UK over Gibraltar.

CO2 emissions

12. The Government continues to seek agreement, through the International Civil Aviation Organisation (ICAO), on a global measure to tackle CO_2 and on stringent technology standards. The UK are working through the ICAO processes to develop a global measure, for decision at the 2016 ICAO Assembly. Aviation continues to be included in the EU's Emissions Trading System (ETS) although the scope of the scheme has been temporarily reduced to only include intra-European flights until the end of 2016 to help facilitate an agreement at international level on a global measure. The Commission will review the situation in 2016 and come forward with any appropriate changes to the European measure. Further information is available on the EC website:
13. http://ec.europa.eu/transport/modes/air/environment/

Better Airports Package

14. The European Commission published its *Better Airports Package* in 2011, setting out proposals for changes to the existing European Regulations on ground handling, aircraft noise and airport slots.

15. The UK Government's objective in EU Working Groups on the *Better Airports Package* has been to secure new regulations on ground handling, aircraft noise and airport slots that would add value compared to the *status quo*, but which would not impose unnecessary administrative burdens upon the aviation industry and regulators.

16. On 16 April 2014 the European Parliament adopted a new regulation on the establishment of rules and procedures with regard to the introduction of noise related operating restrictions at European airports. The new regulation is expected to be in force in the next few years.

17. Progress on ground handling and airport slots remains stalled because of significant differences between the Commission, European Parliament and Council draft Regulations.

18. Given a busy schedule of other transport priorities (including air passenger rights), EU Presidencies have to date been unable to devote time or resources to reviving Working Groups on the Package. However, the UK Representation to the EU continues to monitor the situation and will advise the UK Government if the situation changes.

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