



The **EU Aviation Strategy** has landed

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What is the Strategy about?

On Monday 7 December, the European Commission (EC) released its long-term strategy for the European aviation sector. The document touches on many elements including connectivity, competitiveness, safety and security.

The package is wide-ranging, despite the fact that the only legislative proposal contained is a revision of the Regulation on the powers of the European Aviation Safety Agency (EASA). It would in fact seem to be less a “package” of legislative measures, as the Commission had originally announced in December

2014, but rather a ‘roadmap’ for the next ten to fifteen years. This change of direction may be due to the fact that many of the actions needed for the European aviation sector are already under way with the focus being on proper implementation rather than new legislative proposals, especially on the internal market front. Alternatively, the Commission may be using the strategy to set the stage for stronger competitiveness measures in the future, responding to the rising nervousness of EU airlines towards competition from non-EU airlines.



Why does it matter to business?

The strategy does not, on first viewing, put forward concrete proposals to address some of the urgently identified needs from industry. For example, for the cost of infrastructure and the fragmentation national taxes, the Commission only proposes to work on an inventory and does not provide a timeline. The strategy might be described as a collection of good intentions and soft approaches, rather than a legislative hammer to resolve the challenges faced by European aviation. However, there are elements of significant business impact, the most notable perhaps being:

- The strategy brings forward significant proposals regarding external aviation policy, such as relaxing of ownership rules, and defensive measures against perceived unfair competition. These policy shifts will be taken step-by-step, and would seemingly indicate an effort to respond to the particular priorities of certain European airlines.
- The revision of the basic EASA regulation will impact both equipment manufacturers and their airline customers. For manufacturers, the revision should streamline some parts of the airworthiness and certification process,

expanding and clarifying EASA's competencies. However, there are areas of concern: any change to rules on environmental protection could result in stronger rules for aircraft in Europe compared to other regions of the world. For customers, the airlines who need access to certified equipment, it should result in more efficient processes and systems that result in higher safety levels.

- More flexible and proportionate safety rules can give more space to entrepreneurship and recognise the difference between various aviation sectors. In addition, with the shift towards a risk and performance-based approach, both Member State authorities and EASA itself will need to be on top of technological developments. The new regulation will interestingly give the possibility for national authorities to delegate “responsibility on implementation of EU legislation” to EASA on a voluntary basis.
- EASA looks set to acquire competence for the regulation of drones, which will be embedded in a new regulatory framework. This could represent a positive opportunity for the manufacturing sector, especially small and medium enterprises as well as for non-aviation businesses, which may be able to integrate drones in their activities.

What comes next?

- 2015: Council's decision on mandates to the EC for negotiating bilateral agreements with third-countries.
- 2015: Revision of basic aviation safety regulation N° 216/2008 amending the powers of EASA, including introduction of provisions on drones
- 2016: Revision of Slots Regulation 549/2009
- 2016: Potential non-binding own-initiative report by the European Parliament's Transport committee
- 2016/7: Evaluation of the Airport charges Directive 2009/12/EC
- 2017: Evaluation of Groundhandling services Directive 96/67/EC
- 2017: Revision (Implementing act) of the air traffic management network functions, including the selection of the Network Manager
- 2019: Revision of performance scheme (gate-to-gate)

Stakeholders will likely be active in the coming months seeking to engage with the European institutions on potential future initiatives in the framework of the present strategy.

Overview of Various Strategy Elements

An ambitious EU external aviation policy targeting growth markets:

- **NEW** Relaxing the regulation of ownership and control:
 - At EU level: develop interpretative guidelines of Regulation 1008/2008 on common rules for the operation of air services to provide a common understanding of how to assess the "control" criteria
 - At Member States level: enhance cooperation between authorities
 - At global level: push for a relaxation of ownership and control rules at international level on the basis of reciprocity
- **NEW** Tackling unfair practices from third countries operators
 - By the negotiation of EU comprehensive air transport agreements that include clauses on fair competition, with third countries identified as growth markets (including Turkey, Qatar, Kuwait, the UAE, Oman, Bahrain, Saudi, China) in early 2016, and developing agreement at the ICAO level
 - By exploring new EU defence measures as soon as 2016, which could consist of the adoption of a template fair competition clause, extending the range of unfair practices, additional investigation and sanction powers as well as the clarification of concepts as subsidisation

Tackling bottlenecks and inefficiencies

- Complete the Single European Sky (SES):
 - Enhance the governance of the SES by aligning the tasks of EASA and Eurocontrol. The tasks of Eurocontrol in coordinating the flow management will gradually be expanded to include common services and evolve towards an industrial partnership.
 - Adopt SES2+ by reaching agreement between the Parliament and Member States with no further delay the SES2+ legislation and then implement it
 - Modernise air-traffic management (ATM) through the development of SESAR, its implementing instruments and the promotion of cooperation arrangements with key partners
 - **NEW** Develop a fully independent Performance Regulator and implement the EU-wide targets contained in the performance scheme
- Tackle capacity constraints:
 - Urge the European Parliament and Council to revise the Airport Slot Regulation through recommendations by the end of 2016 from the European Observatory on airport capacity & quality
- Boost the efficiency of airport services:
 - **NEW** Assess whether the Airport Charges Directive needs to be reviewed, in the course of 2017, with an impact assessment and potential proposals to be issued by the end of the mandate. The Thessaloniki Forum of Airport Charges Regulators to produce conclusions and recommendations on airport charges transparency and effective consultation on new infrastructure by the end of 2016.
 - **NEW** Assess whether the Ground Handling Services Directive needs to be reviewed

- **Improve connectivity:**
 - Identify connectivity gaps and the impact of existing taxes and levies
 - Adopt interpretative guidelines of the Public Service Obligations to encourage service to/from under-served regions

Maintaining EU safety and security standards (new EASA Regulation)

- **Coordination:** Propose an updated Framework Regulation for common rules in the field of civil aviation safety to replace Regulation 216/2008 establishing EASA. In the long term, the Commission aim to establish a single aviation authority.
- **Flexibility:** Introduce a risk and performance based approach to safety regulation and oversight, which could rely more on recognised industry standards and the implementation of tailor-made certification procedures
- **Optimisation:** Propose a framework for the pooling and sharing of technical resources between national authorities and EASA, with the possibility of transferring responsibilities for implementation of EU legislation on a voluntary basis
- **Evaluation:** Launch an in-depth evaluation of existing EU Air Safety legislation and EU rules on aviation accident investigation
- **Efficiency:** Pursue the mutual recognition and One Stop Security approach with key trading partners and seek new ways to alleviate the burden of security checks

Other objectives covered

- **High quality jobs in aviation:** Interpretative guidelines of the legal framework for highly mobile workers
- **Passengers' rights:** Interpretative guidelines and pushing forward the adoption of the revision of Regulation 261
- **Big data:** Assessment of the need to revise current rules on airline ticket distribution and launch of an aviation Big Data project
- **Drones:** Risk-based framework with EASA being in charge of preparing the necessary rules in consultation with stakeholders
- **Environment:**
 - **NEW Emissions:** Publication of a 1st European Air Transport Environment Report
 - **Noise:** Gate-to-gate performance-based approach for noise at airports. New international noise standards to be applied in 2017



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