

BRUSSELS AIR TRANSPORT BRIEF: JANUARY 2020

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European Regulatory Newsletter

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AVIATION REGULATORY AND POLICY

Environment: Commission Presents the European Green Deal

In December 2019, the European Commission presented the [European Green Deal](#), the most ambitious package to date of measures with the objective to enable European citizens and businesses to benefit from sustainable green transition. In aviation, the initial roadmap of key policies includes: (i) work on adopting the Commission's proposal on a truly Single European Sky, aiming at achieving significant reductions in aviation emissions; (ii) in the context of the revision of the Energy Taxation Directive, review of the current tax exemptions, including for aviation fuels; and (iii) reduction of the EU Emissions Trading System allowances allocated for free to airlines. This will be coordinated with action at global level, notably at the International Civil Aviation Organization.

Single European Sky: Croatian Presidency Outlines Priorities to EP Committees

Ministers have outlined the priorities of the Croatian Presidency of the Council of the EU to parliamentary committees, in a series of [meetings](#) held on 20-22 January 2020. MEPs urged the Presidency to initiate the discussions on air passenger rights and the Single European Sky. Some also encouraged a reflection on ways to ensure that boosting the air transport sector will not lead to an increase in carbon emissions.

Transport Projects: Presentation of Study of EU Funding for Transport Projects

In December 2019, the [study](#) of EU funding for transport projects was presented before the European Parliament's Committee on Transport and Tourism (TRAN Committee). This study provides comprehensive information on the current status of EU funding for transport projects, including the main achievements and concerns, with the objective to propose recommendations for improving the effectiveness of EU funding for the future multiannual financial framework (MFF) 2021-2027. According to the authors, priority should be given to projects that adapt infrastructure to future mobility needs, enhance modal integration and interoperability, and support metropolitan areas and declining regions. Members welcomed the study which adds to the ongoing debate on transport funding in the next multiannual budget and the review of the TEN-T policy.

Aviation Safety: Commission Adopts New EU Air Safety List

On 9 December 2019, the European Commission updated the [EU Air Safety List](#), the list of airlines that do not meet international safety standards and are therefore subject to an operating ban or operational restrictions within the European Union. The update of the Air Safety List is based on the unanimous opinion of the aviation safety experts from the Member States who met from 20 to 21 November 2019 under the auspices of the EU Air Safety

Committee (ASC). Following the update, a total of 115 airlines are banned from EU skies. All airlines certified in Gabon have been removed from the list following improvements to the aviation safety situation in that country. On the other hand, the Armenian Civil Aviation Committee has been put under heightened scrutiny because of signs of a decrease in safety oversight.

Aviation Safety: EASA Publishes the New European Plan for Aviation Safety 2019-2023

On 15 January 2020, the European Union Aviation Safety Authority (EASA) [published](#) its new European Plan for Aviation Safety (EPAS) for 2019-2023, a key component of the European Aviation Safety Programme which provides a coherent and transparent framework for safety management at regional and State level, including the complete set of EASA rulemaking tasks, in line with the goals and objectives of the ICAO Global Aviation Safety Plan (GASP).

Easy Access Rules: EASA Updates its Easy Access Rules for Airworthiness and Environmental Certification

The EASA has updated the [Easy Access Rules](#) for Airworthiness and Environmental Certification (Part-21), incorporating the European Commission Delegated Regulation (EU) 2019/897 affecting Annex I with the inclusion of risk-based compliance verification and the implementation of requirements for environmental protection, as well as the related Executive Director ("ED") Decision 2019/018/R. New to this edition is also the inclusion of ED Decision 2019/003/R, introducing proportionality and simplification of airworthiness and environmental certification regulations for small aircraft in Part-21.

IATA Reports: Air Freight and Passenger Demand in November 2019

In January 2020, the International Air Transport Association (IATA) released data for [global air freight markets](#) showing that demand, measured in freight tonne kilometers (FTKs), decreased by 1.1% in November 2019, compared to the same period in 2018. Despite the decline in demand, November's performance was reported as the best in eight months, with the slowest year-on-year rate of contraction recorded since March 2019. As regards [passenger traffic](#), results for November 2019 show that demand (measured in revenue passenger kilometers or RPKs) rose 3.3% compared to the same month in 2018. This was unchanged from October's result and below the long-term trend.

Aviation Policy: Regulation on the Fees and Charges Levied by the European Union Aviation Safety Agency

On 16 December 2019, the Implementing [Regulation](#) (EU) 2019/2153 of 16 December 2019 on the fees and charges levied by the European Union Aviation Safety Agency, and repealing Regulation (EU) No 319/2014 was published in the Official Journal of the EU. The Regulation entered into force on 1 January 2020 and incorporates fee adjustment for loss-making activities, a new flat fee structure for some of the Agency's tasks for which fees or charges are calculated on an hourly basis, adjustments of the base metric and/or thresholds for the determination of the applicable fees or charges.

Energy Taxation: Council Calls for an Updated Framework Contributing to a Climate Neutral EU

On 29 November 2019, the Council of the EU adopted its [draft conclusions](#) on the EU energy taxation framework, which aims to contribute to the achievement of environmental, energy and climate targets for 2030, while

preserving European competitiveness. The conclusions call on the European Commission to update provisions, as appropriate, in order to ensure that they are practicable and provide greater certainty and clarity in its implementation, notably taking into consideration the sector of aviation, its specificities and existing exemptions as well as its international dimension.

Mobility Package: EP Committee Votes in Favour of a Compromise Deal on Three Measures to Reform Trucker Rules

On 21 January 2020, the European Parliament's Committee on Transport and Tourism (TRAN Committee) voted in favour of a [compromise deal](#) on three measures to reform trucker rules. The compromise includes rules on the posting of drivers, promoting the principle of the same pay for the same work at the same place for drivers in goods or passenger transport; driving and rest times measures, under which a certain degree of flexibility will be introduced in the organisation of work schedules for drivers in international freight transport; and rules on market access. With regard to cabotage, the existing system permitting a maximum of 3 operations in 7 days will remain unchanged. To prevent systematic cabotage, the deal introduces a 'cooling-off' period of 4 days before further cabotage operations can be undertaken in the same country using the same vehicle. The compromise deal, which was approved by EU ambassadors in December, will now need to be endorsed by both the Council of the EU and the European Parliament to become law.

ANTITRUST AND COMPETITION

State Aid: Commission Opens an In-Depth Investigation into Public Support for Air Nostrum's Fleet Renewal in Spain

On 6 December 2019, the European Commission [published](#) a letter, pursuant to which it decided to open an in-depth investigation on whether the plan by the Spanish region of Valencia to grant €9 million of public support to regional airline Air Nostrum for the renewal of its fleet is in line with EU State aid rules. Air Nostrum is a regional airline headquartered in Valencia, Spain. The Regional Government of Valencia, in 2018, granted Air Nostrum a subsidy of up to €3 million, with the intention to grant an additional one of maximum €6 million in 2019-2020. The measures are aimed at supporting the renewal of the airline's fleet through the acquisition of additional more environmentally friendly aircraft.

AIR TRAVEL - PASSENGERS' RIGHTS

Passengers' Rights: Less than Half of EU Travellers are Aware of EU Passenger Rights

On 13 January 2020, the European Commission released the results of a [fact-finding study](#) along the [Eurobarometer survey](#) on passenger rights in the EU. According to the survey, only 43% of EU citizens who have travelled by air, long-distance rail, coach, ship or ferry in the previous 12 months know that the EU has put in place rights for passengers. The survey includes topics such as disruptions faced while travelling and the assistance received, including for passengers with reduced mobility. Commissioner for Transport, Ms. Adina Vălean, called for modernization of the air passenger rights stating that these rights need to be better known and easier to understand and enforced. The survey results will feed into ongoing legislative initiatives on air passenger

rights. Accessibility to multimodal transport for these passengers, as well as other travellers, will also be considered in this context.

Passengers' Rights: Air Carrier Liability in the Event of Accidents

On 19 December 2019, the Court of Justice of the European Union (CJEU) issued its [preliminary ruling](#) in the Case C 532/18 against the Austrian Airlines Niki Luftfahrt GmbH. The request for a preliminary ruling concerns a claim for compensation for scalding suffered on a flight. The CJEU ruled that a cup of hot coffee spilled on a plane passenger was the result of an accident for which the airline is liable. Interpreting the meaning of Article 17 (1) of the Montreal Convention for the Unification of Certain Rules for International Carriage by Air, the CJEU stressed that the "the concept of 'accident' at issue covers all situations occurring on board an aircraft in which an object used when serving passengers has caused bodily injury to a passenger, without it being necessary to examine whether those situations stem from a hazard typically associated with aviation."

INTERNATIONAL TRADE - BREXIT

International Trade: Recommendation on Air Services Agreement between EU and China

In December 2019, the TRAN Committee adopted its [Recommendation](#) on the draft Council decision concerning the conclusion of a so-called "horizontal" Aviation Agreement between the EU and the People's Republic of China. In its previous meeting, in November 2019, the Committee approved the principle of giving the Parliament's consent for this agreement. The Agreement is considered as an important achievement for the EU. After many years of negotiations, China agreed to recognise the EU as a sole entity in respect of the international air connections and approved the inclusion of a European designation clause in bilateral agreements with EU Member States. This will allow European carriers to operate to China from any airport within the Union without discrimination based on nationality.

International Trade: Aviation Agreement between the EU and Morocco

In December 2019, the Draft [Recommendation](#) on the draft Council decision on the conclusion of a Protocol amending the Euro-Mediterranean Aviation Agreement between the EU and the Kingdom of Morocco was presented to the TRAN Committee. The rapporteur explained that the draft report is a technical adaptation in order to take into account the accession to the EU of the Republic of Bulgaria and Romania. He reminded that the aim of the Agreement was to ensure more connections between the EU and the Kingdom of Morocco as well as further access to markets for all European airlines. Most of the shadow rapporteurs agreed with the technical adaptation. Some shadow rapporteurs expressed their wish to receive more information with regard to the geographic scope and the legal consequences of the agreement and the European Commission is expected to give a written reply. The report will be introduced for vote in plenary in February 2020.

International Trade: Council Adopts the Rules of Procedure for the Joint Committee between EU and Canada

On 19 December 2019, [Council Decision](#) (EU) 2019/2248 on the EU's position within the Joint Committee established by the EU-Canada Air Transport Agreement was published. The Council of the EU decided to approve the rules of procedure of the Joint Committee, which will be composed of representatives of the parties

and will meet at least once a year. Air transport industry stakeholder representatives and other interested parties or experts may be invited to attend meetings in order to provide information on particular subjects.

International Trade: Linkage Agreement on ETS between EU and Switzerland

On 9 December 2019, the Council of the EU [published](#) a press release stating that, as of 1 January 2020, Switzerland becomes the first country to successfully link its greenhouse gas emissions trading system with the EU emissions trading system (EU ETS). On 10 November 2017, the Council authorised the signing and provisional application of the agreement. However, for the agreement to fully enter into force, it was necessary for the Swiss ETS to cover aviation. Switzerland has now put in place all the necessary rules extending its ETS to aviation and the agreement has been amended accordingly.

PUBLIC CONSULTATIONS AND EVENTS

Public Consultation: Commission Opens Consultation on the Guidelines for Article 4 of Regulation on Market Surveillance and Compliance of Products

On 22 January 2020, the Commission opened a [public consultation](#) on the guidelines for Article 4 of Regulation (EU) 2019/1020 on market surveillance and compliance of products. Stakeholders can submit their feedback on the draft guidelines until 17 April 2020. The Commission is also organizing a stakeholder meeting on the guidelines, which will take place in Brussels on Friday 21 February 2020.

Public Consultation: Commission Opens Public Consultation on the Groundhandling Directive

On 30 January 2020, the Commission opened a [public consultation](#) on the Groundhandling Directive, notably to assess the extent to which the Directive delivers as intended in the context of the Commission's 2015 Aviation Strategy aimed at strengthening the competitiveness and sustainability of the EU air transport value network, including airports. This public consultation is opened until 23 April 2020 and all interested parties can contribute by filling the online questionnaire.

Event Report: EASA's High Level Conference on Drones

The European Union Aviation Safety Agency (EASA) organized a [High Level Conference on Drones](#) that took place from 5 to 6 December 2019, during the second edition of Amsterdam Drone Week. The focus of the conference was on "Scaling Drone Operations in European airspace". Societal concerns were a recurring topic in speeches and panel discussions during the two-day conference. EASA is working to issue rules and guidelines on drone activities to meet the demands from industry. Requirements for mandatory registration of all drones are expected to pass into law in mid-2020.

Events: Airline Economics Growth Frontiers Dublin 2020

Airline Economics hosted the [Growth Frontiers](#) conference with focus on current developments and hot topics in the commercial aviation industry and on finance and leasing of aviation assets. Among other subjects, macro-

economic & political dynamics, fuel prices and the environment for fuel hedging were discussed by the key stakeholders in the sector. The three-day conference took place on 20-22 January 2020 in Dublin, Ireland.

Events: Network Manager User Forum 2020

EUROCONTROL will hold its annual [Network Manager User Forum](#) where key topics of European Air Traffic Management network will be discussed, as well as the industry's upcoming challenges. The forum took place on 29–30 January 2020 in Brussels.

Events: EASA Workshop on Future Cabin Air Quality Research

In cooperation with the European Commission's Directorate General for Mobility and Transport, the European Union Aviation Safety Agency (EASA) organized a two-day [Workshop](#) in Cologne on 30-31 January 2020, in order to listen to scientists' opinions on further research activities in the context of Cabin Air contamination events.

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