



2016/2062(INI)

7.9.2016

DRAFT REPORT

on an Aviation Strategy for Europe
(2016/2062(INI))

Committee on Transport and Tourism

Rapporteur: Pavel Telička

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on an Aviation Strategy for Europe (2016/2062(INI))

The European Parliament,

- having regard to the Commission communication of 7 December 2015 entitled ‘An Aviation Strategy for Europe’ (COM(2015)0598),
- having regard to the Treaty on the Functioning of the European Union, and in particular Articles 4(2)(g) and 16 and Title VI thereof,
- having regard to the opinion of the European Economic and Social Committee on an Aviation Strategy for Europe of 14 July 2016¹,
- having regard to Regulation (EC) No 551/2004 of the European Parliament and of the Council of 10 March 2004 on the organisation and use of the airspace in the Single European Sky,
- having regard to its resolution of 11 November 2015 on aviation²,
- having regard to its resolution of 29 October 2015 on allocation by the World Radiocommunication Conference, held in Geneva on 2-27 November 2015 (WRC-15), of the necessary radio spectrum band to support the future development of a satellite-based technology to enable global flight tracking systems³,
- having regard to its resolution of 7 June 2011 on international air agreements under the Treaty of Lisbon⁴,
- having regard to its resolution of 25 April 2007 on the establishment of a European common aviation area⁵,
- having regard to its position adopted at first reading on 12 March 2014 on the proposal for a regulation of the European Parliament and of the Council on the implementation of the Single European Sky (recast)⁶,
- having regard to its position adopted at first reading on 12 March 2014 on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 216/2008 in the field of aerodromes, air traffic management and air navigation services⁷,
- having regard to its position adopted at first reading on 5 February 2014 on the proposal for a regulation of the European Parliament and of the Council amending Regulation

¹ EESC, AC TEN/581.

² Texts adopted, P8 TA(2015)0394.

³ Texts adopted, P8 TA(2015)0392.

⁴ Texts adopted, P7 TA(2011)0251.

⁵ Texts adopted, P6 TA(2007)0153.

⁶ Texts adopted, P7 TA(2014)0220.

⁷ Texts adopted, P7 TA(2014)0221.

- (EC) No 261/2004 establishing common rules on compensation and assistance to passengers in the event of denied boarding and of cancellation or long delay of flights and Regulation (EC) No 2027/97 on air carrier liability in respect of the carriage of passengers and their baggage by air¹,
- having regard to its position adopted at first reading on 12 December 2012 on the proposal for a regulation of the European Parliament and of the Council on common rules for the allocation of slots at EU airports (recast)²,
 - having regard to its resolution of 29 October 2015 on safe use of remotely piloted aircraft systems (RPAS), commonly known as unmanned aerial vehicles (UAVs), in the field of civil aviation³,
 - having regard to its resolution of 2 July 2013 on the EU's External Aviation Policy – Addressing Future Challenges⁴,
 - having regard to the conclusions of the European Aviation Summit at Schiphol airport (Netherlands) on 20-21 January 2016⁵,
 - having regard to the Chicago Convention of 7 December 1944,
 - having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee on Transport and Tourism and the opinions of the Committee on Employment and Social Affairs, the Committee on Environment, Public Health and Food Safety and the Committee on Internal Market and Consumer Protection (A8-0000/2016),
- A. whereas EU transport policy ultimately aims at serving the interests of European citizens and businesses by providing an ever-greater connectivity, the highest level of safety and barrier-free markets;
- B. whereas the aviation sector is a fundamental part of the European transport network, indispensable to ensure connectivity within the EU and worldwide, and a driver for growth and jobs creation;
- C. whereas the lack of proper implementation of EU legislation, and political unwillingness in the Council, prevent the aviation sector from unleashing its full potential, damage its competitiveness and lead to greater costs at the expense of businesses, passengers and the economy;
- D. whereas in a technology-driven sector that requires both large investment and a developed infrastructure, the success of a strategy lies in its capacity to adopt a long-term vision with proper planned investment;

¹ Texts adopted, P7 TA(2014)0092

² Texts adopted, P7 TA(2012)0495

³ Texts adopted, P8 TA(2015)0390

⁴ Texts adopted, P7 TA(2013)0290

⁵ <https://english.eu2016.nl/documents/reports/2016/01/20/report-aviation-summit-2016>

1. Welcomes the Commission's Communication on an Aviation Strategy for Europe and its effort to identify sources to boost the sector by finding new market opportunities and dismantling barriers, and for its proposals to meet and anticipate new challenges; believes that, in a longer-term perspective, a further holistic and ambitious approach should be embraced;
2. Calls on the Commission to rethink on-going initiatives and propose alternatives to remove the deficiencies of the aviation sector resulting from the late and incomplete implementation of EU legislation such as the Single European Sky (SES); urges the Member States finally to make progress on other essential dossiers such as revision of the Slot Regulation and the Passenger Rights Regulation;
3. Believes that the European aviation sector can fit into a competitive global environment by further building on and developing its assets; believes that competition from third countries, if fair, should be seen as an opportunity to develop further a European aviation model;
4. Recalls that air space is also part of the EU single market, and that any fragmentation resulting from diverging national practices has an impact on the rest of the market and hampers EU competitiveness;
5. Calls on the Commission to implement the concept of a European upper flight information region, which is to form a 'Trans-European Motorway of the Sky', to overcome the difficult implementation of SES, in particular the functional airspace blocks, and to allow continuity of air services in the most vulnerable parts of the air space, while ensuring a proper deployment of the Single European Sky ATM Research (SESAR) project;
6. Believes that many of the limits to growth, both in the air and on the ground, can be addressed by taking connectivity as the main indicator when assessing and planning actions in the sector;
7. Considers that connectivity should not only be limited to number, frequency and quality of air transport services, but should also be assessed within an integrated transport network and extended to other criteria, such as time, affordability and environmental cost, in order to reflect the actual added value of a route; calls, therefore, on the Commission to explore the possibility of developing an EU indicator based on other existing indices;
8. Believes that such a type of connectivity index, without undermining the EU objective of territorial cohesion, can serve the overall strategic planning by distinguishing economically viable opportunities from unprofitable projects and by identifying intermodal and cost-efficient solutions;
9. Believes that the benefits of the complementarity of all modes of transport should be unleashed to improve mobility and achieve a resilient transport network; points out that intermodality is the only way to assure the dynamic and sustainable development of a competitive EU aviation sector; underlines that intermodality allows a more efficient use of infrastructure, by expanding airport catchment areas, which would also free up slots and contribute to creating a favourable environment for trade, tourism and cargo

operations;

10. Reiterates that the TEN-T corridors are the backbone for the development of multimodal options where airports are core hubs; regrets that multimodal initiatives across Europe are fragmented and limited in number; calls on both the Commission and the Member States to give greater priority to the multimodal objective within the TEN-T corridors; calls on the Commission promptly to present its proposal for a multimodal approach to transport, with the aviation sector fully integrated;
11. Believes that transport operators and service providers will engage in finding intermodal and multimodal solutions if, through a EU regulatory framework, clarification and legal certainty are provided as concerns passenger rights, liability, delays, security services and open data;
12. Notes that public and private financing in the aviation sector is vital to guarantee territorial cohesion, foster innovation and maintain or regain European leadership of our industry; recalls that all financing must respect EU state aid guidelines and competition law;
13. Believes that the whole aviation value chain has the potential to be a strategic sector for investments, which needs to be further exploited by setting long-term objectives and by granting incentives to smart initiatives fulfilling those objectives; invites the Commission and the Member States to look into further measures to promote such initiatives, including through the use of the European Fund for Strategic Investments;
14. Takes note of the CO₂ emissions generated by the aviation sector; stresses the wide range of actions already taken to achieve carbon neutral growth from 2020, both by developing alternative fuels and lighter aircraft, and by abiding to international agreements; welcomes the Commission's intention to review EU measures to reduce CO₂ emissions from aviation in light of the outcome of the 39th Assembly of the International Civil Aviation Organisation (ICAO); is of the opinion that, in view also of the Commission's Circular Economy Package, further initiatives reducing emissions of operational activities from, to and within airports should be encouraged;
15. Acknowledges the substantial costs spent on security measures; stresses that security challenges posed to the aviation sector will only be greater in the future, requiring an immediate shift to a more intelligence-based and reactive security system, and an improvement of the security of airports' facilities so that they can adapt to evolving threats without requiring constant updates; calls on the Commission to look into the possibility of deepening the one-stop security concept, and of developing a EU pre-check system allowing pre-registered EU travellers to go through a lighter and faster screening; urges the Member States to commit to share intelligence systematically and to exchange best practices on airport security systems;
16. Notes that relative to other transport modes, the aviation sector is already well ahead in putting the benefits of digitalisation, information and communication technologies, and open data to use, and encourages the sector to continue to take a lead in this process, while ensuring interoperability; welcomes the Commission's proposal for an aviation big data project and asks for clarification on its implementation;

17. Insists that the aviation sector is contributing, directly and indirectly, to the creation of jobs; believes that maintaining decent working conditions and preventing unfair practices contribute to the sustainability of the aviation sector; acknowledges the necessity to bring clarity on the 'home base' criterion, and welcomes the Commission's decision to have guidelines issued on the applicable labour law and competent courts;
18. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

Today's Aviation sector

The EU aviation sector today represents one of the building blocks of the European transport network, an indispensable element for the mobility of people and businesses within and outside the EU, making it one of the most successful EU stories.

The aviation sector directly employs between 1.4 and 2 million people and overall provides for between 4.8 million and 5.5 million jobs, contributing €110 bn to the EU GDP. Undeniably, the whole aviation sector is a strong driving force for economic growth, job creation and trade for the EU, where its multiplier effect is such that for every euro of added value to the air transport industry, nearly three euros in added value are provided to the overall economy.

Over the last twenty years, the liberalisation of the EU internal market for air services have contributed to developing a competitive European industry, increasing travel opportunities within and outside Europe and lowering prices. Today, however, the aviation sector is facing new and growing challenges, some of which include increasing competition from third countries, an expected capacity crunch by 2035, security and environmental concerns as well as the unremitting need to develop new technologies.

Commission's proposal for an Aviation Strategy for Europe

On 7 December 2015, in an attempt to address challenges to the aviation sector, the Commission published a Communication on an Aviation Strategy for Europe. The Communication proposes ways to boost Europe's economy, strengthen its industrial base and reinforce its global leadership position in the aviation sector. Commissioner Violeta Bulc stated upon the publication that *"It will keep European companies competitive, through new investment and business opportunities, allowing them to grow in a sustainable manner. European citizens will also benefit from more choice, cheaper prices and the highest levels of safety and security."* The strategy puts forward three key priorities to achieve the various goals, namely:

1. **Tapping into growth markets** by improving market access and investment opportunities for EU aviation in third countries. To this end, the Commission proposes adopting an ambitious external aviation policy through the negotiation of comprehensive aviation agreements that should include effective fair competition provisions, as well as through the expansion of bilateral aviation safety agreements to achieve mutual recognition of safety certificate standards and through the support of trade of aircraft and related products.
2. **Tackling limits to growth in the air and on the ground** by reducing capacity and efficiency constraints that impede the sector from growing in a sustainable way, causing congestion, delays, rising costs and by improving connectivity.
3. **Maintaining high EU safety and security standards** by shifting to a risk and performance based approach.

In this context, the Commission identified the need for the EU to act also to reinforce the social agenda, to further protect passenger rights, to embrace a new era of innovation and technologies and to contribute to high environmental standards.

Your Rapporteur welcomes the Commission's communication and subscribes to the overall assessment of the current situation. He also agrees with the objectives set in the strategy and expects a timely delivery following the indicative action plan, among others a legislative proposal for measures to address unfair practices in international air transport, interpretative guidelines explaining the current rules governing Public Service Obligations, guidelines on ownership and control and an evaluation on the Airport Charges Directive 2009/12/EC.

Your Rapporteur also welcomes the initiative to negotiate at EU-level air transport agreements and bilateral aviation safety agreements with third countries representing emerging and strategic markets (China, Japan, ASEAN, Turkey, Qatar, the UAE, Armenia, Mexico, China, Bahrain, Kuwait, Oman and Saudi-Arabia) and he trusts that the Commission and the Council, in respect of Article 218 of the Treaty on the Functioning of the European Union, will fully involve and inform the Parliament at all stages of negotiations of international air agreements.

However, your Rapporteur believes that a comprehensive and more audacious European aviation strategy is required in order to overcome current challenges as well as anticipate future trials.

Steps undertaken by your Rapporteur

Your Rapporteur sees this report as an opportunity to share and further reinforce the European Parliament's drive for a comprehensive aviation strategy for Europe. In this spirit, he decided to focus mainly on the topics that, according to him, were either left out or were not sufficiently addressed by the Commission's communication. To avoid duplicating work, a mere reference is reserved for other essential pieces of legislations because they are either undergoing Parliament's legislative procedure (i.e. revision of the EASA basic regulation, including a EU framework for unmanned aircraft) or they are held hostage in the Council (e.g. Revision of slot Regulation, Revision of Regulation on passenger rights, Recast of the Regulation on the Implementation of the Single European Sky).

The report includes some thoughts developed following the TRAN mission to Canada in May 2016 where the delegation met with representatives from ICAO, the air industry and security authorities. According to your Rapporteur, the study visit was particularly relevant in showing how state-of-the-art innovations in the aviation sector can fulfil environmental and security objectives.

In view of the drafting of the report, your Rapporteur, in the presence of shadow Rapporteurs, also hosted a brainstorming session bringing together representatives from the whole aviation sector (see annexes): EU Institutions, airlines, airports, airports regions, industry, travel services, passengers and environmental NGOs. The meeting aimed at gathering stakeholders' views on the development of a connectivity indicator, the inclusion of the aviation sector in a multimodal transport network as well as development perspectives regarding the sector for the next thirty years. Participants strongly expressed the need for an overall coordinated and strategic approach that builds on the complementarity of all modes of transport.

Guiding principles

Improving connectivity, boosting competitiveness and keeping a market-driven perspective are the main threads running through the report that inspired your Rapporteur's assessment of the strategy and any new proposals that he put forward.

According to your Rapporteur, many of the challenges faced by the aviation sector, such as capacity crunch, under and over utilization of infrastructures, different Air Navigation Service Providers (ANSP) or limited investments, could be tackled by improving connectivity and turning connectivity into a policy making instrument.

Your Rapporteur acknowledges that the aviation market is extremely competitive, internally and globally. Within the EU, he welcomes the Commission's intention to address current diverging national practices (e.g.: taxes, levies, etc.) that hinder the well-functioning of the EU single Aviation market. Outside the EU, your Rapporteur shares the view that agreements with third countries could help setting a framework for fair competition. However, he points out that in a global aviation market, certain countries possess inherent characteristics, such as geographic advantages or cultural and historical practices, that cannot be compensated for, in spite of the fact they distort competition.

Moreover, for your Rapporteur, the success of the strategy also relies in its capacity to provide the instruments and the framework that will reward and incentivise the best innovations delivered by the market for both passengers and cargo, for example grasping the benefits of the full deployment of ICT and achieving the most efficient logistics management across the whole sector, and to refrain from imposing rigid standards. In a market-driven perspective, any public or private financing should respect the current EU State aid guidelines and competition law.

Proposals

In light of the above, your Rapporteur has made a number of proposals that intends to contribute to build a comprehensive aviation strategy:

- **Further develop a European aviation model:** protectionism is never a solution and business successes are found when engaging into an open market. Building on our European assets, including among others high safety standards, geographical positioning, innovative industry, social and environmental goals, the EU aviation sector has the potential to provide a unique and competitive model that is able to adapt and respond to the specificities of competitors in order to overcome and restore a level playing field in the global market.

- **Trans-European Motorway of the Sky:** Article 3 of Regulation (EC) No 551/2004 that foresees the establishment of a single European Upper Flight Information Region (EUIR), without prejudice to Member States' sovereignty, has not been implemented yet. Such EUIR would allow building a Trans-European Motorway of the Sky to mitigate the current fragmentation of the European airspace and disruptions to the air transport system that are greatly affecting the continuity of air services and damaging EU competitiveness. To meet the goals of the EU aviation strategy, it is therefore urgent to translate such a concept into reality.

- **Developing a connectivity index:** a connectivity index should aim at reflecting the actual added value of a specific route. Such an indicator should not only take into account the usual

criteria of number, frequency and quality of connections but also should consider time, network integration increases, affordability and environmental costs. This index should take full account of the complementarity of all modes of transport so that it can also help identifying more intermodal and cost-efficient solutions. A connectivity index would support the strategic planning and investment in the aviation sector by distinguishing economically viable projects from ones that are non-profitable in order to favour, for instance, profitable specialisation of airports and to avoid ghost airports. This index could be developed based on existing ones and on the exploratory work already carried out by Eurocontrol and the Airport Observatory.

- **Encouraging multimodality:** given the necessity of an ever-greater efficiency of the existing infrastructures as well as the rationalisation of investments, it is apparent that the benefits of the complementarity of all modes of transport are underexploited. For these reasons, it is urgent that the potential of multimodal solutions that will fully include the aviation sector are unleashed. The TEN-T corridors benefit from the appropriate framework and funding and have the potential to host pilot initiatives in this perspective. To this effect, a greater priority should be given to the completion of this objective. Demand for multimodal solutions exists and will be matched if the legislative framework provides appropriate legal certainty, which implies finding a settlement to the issues of liability and passengers rights, but also looking into the continuity of services for passengers across their multimodal journeys such as for instance the carrying of luggage and security procedures. Multimodality also requires ensuring Open Data.

- **Creating a favourable environment for smart investment:** while being technology-driven, the aviation sector also requires long-lasting heavy investments and infrastructures. In order to maximise the use of these infrastructures and the profitability of these investments, they need to fit into a long-term strategic vision for the sector. Support for innovation in the aviation sector should mobilise the industry. Policy makers should further contribute to make the whole aviation value chain a strategic sector for both public and private investments by setting up long term objectives and granting incentives to smart initiatives, for example, reduction of CO2 emissions and airport noise, achieving multimodality and improving security procedures. In this respect, the EFSI could be an appropriate instrument to stimulate such kinds of market-based projects.

- **Delivering on environmental objectives:** taking into consideration the EU commitment to international environmental targets, the recent Commission Communication on “A European Strategy for Low-Emission Mobility” and the Circular Economy Package, the overall framework is positively favourable to the reduction of CO2 emissions generated by the transport sector. A strong attention is rightly paid to cutting CO2 emissions from actual transport activities and supporting innovative solutions aimed at developing alternative fuels and lighter aircraft among other things, efforts all of which should be maintained. An equal attention should be paid to the overall activities of airports where environment-friendly practices can be promoted and incentivised, for example by distinguishing and labelling “green airport” and “green way-to-airports” and by achieving the most efficient logistics management.

- **Improving security:** in spite of considerable investments and costs already engaged for security purposes, the last months have shown that security must remain high on the EU agenda and that further improvements are urgently needed both in the air and on the ground.

In this respect, Member States' commitment to systematic sharing of intelligence information as well as a shift to a more intelligence-based and reactive security system is essential. However, special efforts will be required not to overburden air passengers, a consequence which would be detrimental to the sector. The development of innovative security-related solutions should, in this respect, be encouraged, for both passengers and cargo. Building on the already existing One-Stop-Security concept, the Commission should assess the possibility to develop an EU pre-check system, inspired by the American "TSA precheck", allowing EU travellers to voluntarily pre-register and go through a faster and lighter security screening once at the airport.

29 June 2016

Brainstorming Session**“Aviation Strategy: what is missing”**

Room ASP5G365, European Parliament, Brussels

Note: Session only in EN, no interpretation available.

- 14.00** – **Introductory remarks by EP Rapporteur Pavel Telička**
14.10
-
- 14.10** – **Connectivity**
14.55 ***Question: How central is the role played by Connectivity in deploying the EU Aviation strategy?***
How do you assess connectivity? What is the difficulty in trying to improve connectivity? How would you ensure/improve it? What drives the strategy to open a certain route and not another? What are the incentives to build / develop airports and / or another line? Based on previous experience, how would you identify ghost airports? What distinguishes them from a “necessary” airport? Would the development of a connectivity index help identify growth potentials?
Round table discussions
- 14.55** – **Intermodality**
15.35 ***Question: How aviation can contribute and benefit from being integrated into a multimodal network?***
What is the experience today as concerns transfers to airports? What are the partnerships / solutions provided by airports / airlines ? What would be the difficulties / solutions to develop an ‘intermodal fast lane’? What are the strategies in place for the aviation sector to fit into an intermodal European transport network? How do you assess the competition / complementarity of high speed railway lines?
Round table discussions
- 15.35** – **Aviation 2050**
16.15 ***Question: How should the aviation sector look in 2050?***
How are ICTs concretely used today and used in 2050? What new technology developments are to be expected to respond to airport security, capacity crunch, environment requirements? How would you assess the synergy within the sector to ensure the coherence of innovative developments? How should connectivity in an ICT world look like in 2050? How should aviation infrastructures (on the ground and on air) look like in 2050?
Round table discussions
- 16.15** – **Aviation Strategy: what is still missing?**
16.45 *Looking into concrete proposals.*
Round table discussions
- 16.45** – **Conclusion**
17.00

29 June 2016

Brainstorming Session

“Aviation Strategy: what is missing”

Room ASP5G365, European Parliament, Brussels

LIST OF PARTICIPANTS

First name	Last name	Organisation
Olivier	Jankovec	ACI-Europe
Markus	Broich	Airbus Group
Guillaume	Xavier-Bender	Airlines 4 Europe
Niamh	McCourt	Airlines for America
Léa	Bodossian	Airport Regions Conference
Alexandra	Covrig	Airport Regions Conference
Juan-Jesus	Garcia	Amadeus
Petr	Votoupal	Committee of Regions
Nathalie	Vande Velde	DG MOVE E3
Luc	Tytgat	EASA
Philip	von Schöppenthau	Eurocockpit
Stefania	Gazzina	Eurocontrol
John	Hanlon	European Low Fare Airlines Association (ELFAA)
Stijn	Lewyllie	European Passengers' Federation
Leonardo	Masseti	European Regions Airline Association (ERA)
Rupert	Hornig	German Airport Association (ADV)
Clemens	Brandt	German Airport Association (ADV)
Philippe	Morin	International Air Transport Association
Bill	Hemmings	Transport&Environment
Andrew	Murphy	Transport&Environment
Luka	De Bruyckere	Transport&Environment

Follow up to the
Brainstorming Session
on
“Aviation Strategy: what is missing”
hold on 29 June 2016

Organisation / Contact:

QUESTIONNAIRE :

Connectivity **Question: How central is the role played by Connectivity in deploying the EU Aviation strategy?**

*How do you assess connectivity?
What is the difficulty in trying to improve connectivity?
How would you ensure/ improve it?
What drives the strategy to open a certain route and not another?
What are the incentives to build / develop airports and / or another line?
Based on previous experience, how would you identify ghost airports?
What distinguishes them from a “necessary” airport?
Would the development of a connectivity index help identify growth potentials?*

Intermodality **Question: How aviation can contribute and benefit from being integrated into a multimodal network?**

*What is the experience today as concerns transfers to airports?
What are the partnerships / solutions provided by airports / airlines ?
What would be the difficulties / solutions to develop an ‘intermodal fast lane’?
What are the strategies in place for the aviation sector to fit into an intermodal European transport network?
How do you assess the competition / complementarity of high speed railway lines?*

Aviation 2050 **Question: How should the aviation sector look in 2050?**

*How are ICTs concretely used today and used in 2050? What new technology developments are to be expected to respond to airport security, capacity crunch, environment requirements?
How would you assess the synergy within the sector to ensure the coherence of innovative developments?
How should connectivity in an ICT world look like in 2050?
How should aviation infrastructures (on the ground and on air) look like in 2050?
Role of the aviation industry?*

Aviation Strategy **What is still missing and what is essential**

*Looking into concrete proposals.
Number 3 to 5 elements without which the Aviation Strategy will not fly.*

Deadline: In order for your contribution/ideas to be potentially reflected in the report, thank you for submitting your replies to the questionnaire by next **Tuesday 5 July 2016.**