

AIR→E

Airlines International Representation in Europe

AVIATION POLICY PROGRAM



The voice of aviation in Europe

Airlines International Representation in Europe (AIRE) is an association that welcomes airlines from within and outside the European Union, of all business models and sizes.

AIRE's mission is to provide on-time and accurate information on all issues impacting the airline sector. We are a reliable industry partner strongly engaged in the stakeholder's consultation process, in the governance of the industry-led bodies and in the social dialogue.

As an international non-profit association, **AIRE** strategy, work programme and priorities are decided by its members.



To ensure aviation's growth, it is essential to have not only **financial investment**, but also continued **regulatory support**.



FULL MEMBERS



POLISH AIRLINES



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A STAR ALLIANCE MEMBER 

ASSOCIATE MEMBERS



➤➤➤ Ready for aviation's new challenges



Michael Harrington
President & DG

“Aviation has for many years played a vital role in the economic development of the EU, Tourism and brought many Social Benefits. As Europe’s oldest Airline Association AIRE is very proud to be playing a key role in the field of advocacy here in Brussels. We must continue to add value in this process, and to make Aviation more Sustainable, Competitive and Affordable”.



Özlem Salihoglu
Vice President

“At AIRE, we advocate for policies that ensure a digitalized aviation industry with robust capacity and modern infrastructure in the EU. Key objectives include endorsing the highest safety standards, advancing air traffic management systems, fostering collaboration across industry stakeholders and regulatory bodies, so that the sector remains sustainable both environmentally and economically. We are committed to serving as the voice of aviation in Europe.”



Grzegorz Michorek
Vice President

“The aviation industry, as a key pillar of mobility policy and a foundation of the EU, deserves not only regulatory attention in the area of decarbonization but also, and more importantly, in enhancing its competitiveness, resilience and innovation. The needs of passengers are, and should remain, at the heart of our focus. We believe that these priorities will form the basis for an open dialogue between the industry and the new European Commission and Parliament in the coming period.”

Aviation Strategy

1 Sustainability

It is essential to ensure that environmental initiatives, such as CORSIA, EU ETS or ReFuelEU, can be tailored to the industry and contribute effectively to reducing aviation's environmental footprint, while not compromising the competitive position of European aviation market.

2 Passenger Rights

Revision of the legislation regarding air passenger rights is key to ensure fair and consistent compensation practices, reducing legal disputes and operational uncertainties. We consider that clear and updated regulations foster better relationships with passengers, building trust and loyalty in a competitive market

3 Competitiveness

Promoting competitiveness in aviation is crucial for airlines as it drives innovation, enhances efficiency and ultimately ensures profitability and growth. However, excessive environmental and tax burdens could put the EU aviation sector at a strategic disadvantage compared to the global competitors.

4 Airport infrastructure

Airports provide the essential infrastructure enabling airlines to offer connectivity to passengers and freight customers, so up-to-date legislation on airport charges, slots, ground handling and air services is essential.

5 Green finance and Taxation

Green finance in aviation is crucial for fostering sustainable growth and reducing the industry's environmental impact. This approach not only supports the transition to a low-carbon economy, but also enhances the aviation sector's resilience and competitiveness in a rapidly changing regulatory landscape.

6 Social responsibility

Social responsibility in aviation involves the ethical commitment of aviation companies to positively impact communities, which includes addressing both gender imbalance and the challenges posed by unruly passengers.

1

SUSTAINABILITY

'Sustainability in aviation' requires a comprehensive approach and united commitment to reduce the environmental impact of air travel while preserving airline competitiveness and minimizing market distortions. AIRE advocates for a broad range of sustainable aviation solutions, from accelerating the production and use of Sustainable Aviation Fuels (SAF) to advocating for a regulatory framework that fosters innovation and environmental responsibility.

AIRE also supports the adoption of fuel-efficient technologies, optimized air traffic management, and next-generation aircraft to improve overall efficiency. To this end, we support increased investment, financial incentives, and regulatory frameworks that promote not only the production of SAF but also broader initiatives aimed at reducing emissions, improving efficiency, and driving innovation, ensuring the long-term sustainability of the aviation industry. Furthermore, it is imperative to emphasize that climate policies should not compromise carrier's systemic competitiveness, and airlines must have sufficient resources to implement the technological advancements necessary to achieve emissions reductions.

1 EU ETS Directive 2023/958

As part of the EU's Fit for 55 Package, the revised EU Emissions Trading System (ETS) Directive 2023/958 introduces key obligations for aircraft operators, including the gradual phase-out of free allowances starting in 2026. Additionally, from 1 January 2024 to 31 December 2030, 20 million allowances will be reserved to help offset the price gap between fossil kerosene and Sustainable Aviation Fuels (SAF).

However, the exact allocation rules for calculating each year the difference between the price of eligible aviation fuels and fossil kerosene fuel is still under discussion. AIRE is actively engaged in the discussions as part of the Commission Expert Group on Climate Change and will provide a comprehensive report during the public consultation to ensure a fair and balanced outcome for the industry.

In regard to ETS Directive, AIRE will seek to discuss the issues stated below:

- **Urging the specification of rules and allocation guidelines for the 20 million allowances reserved under the revised EU Emissions Trading System.** With SAF currently priced 2-4 times higher than conventional jet fuel, it is crucial that these allowances effectively mitigate additional costs. This includes implementing measures to minimize financial burdens on airlines, particularly smaller carriers and those from developing countries, to ensure an equitable transition to sustainable fuels. Clear guidelines should be established to ensure that the allocation of these allowances supports a fair and balanced approach, preventing undue financial strain and fostering a more inclusive adoption of SAF across the aviation industry.

- **Addressing concerns about the non-CO2 Monitoring, Reporting, and Verification (MRV) framework.** The initial phase of monitoring and reporting non-CO2 effects, starting in 2025, must be thoroughly examined to avoid unfair measures and ensure that assessments are based on accurate, scientifically sound data. AIRE has expressed several specific concerns, including insufficient clarity regarding the methodologies and tools for estimating non-CO2 effects, challenges in validating alternative models beyond the Commission's NEATS tool, difficulties in reconciling proposed estimates with actual climate impacts, an impractical timeline for submitting monitoring plans, and unrealistic default values for fuel specifications in data gaps. To address these issues, the MRV framework should ensure uniform methods for all European flight operators using a consistent and reliable IT tool. Once these common rules are in place, the MRV should offer appropriate incentives to encourage compliance and support airlines in reducing their non-CO2 effects effectively.
- **Monitoring Commission's evaluation of CORSIA's sufficiency.** the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA), is a global framework established by the International Civil Aviation Organization (ICAO). It aims to limit and reduce carbon emissions from international aviation by requiring airlines to offset emissions that exceed 2020 levels (1). This is done by purchasing carbon credits from environmental projects. By 2026, the European Commission will assess whether CORSIA sufficiently addresses aviation emissions. If CORSIA is deemed inadequate, the EU Emissions Trading System (ETS) could be expanded to include flights outside the European Economic Area (EEA), which may impact the international aviation framework and cause competitive imbalances. AIRE will collaborate with policymakers to ensure that any extension of the EU ETS to extra-EEA flights is fair, balanced, and maintains a level playing field for all airlines.

(1) European Union Aviation Safety Agency (EASA), 2024. Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). Available at: <https://www.easa.europa.eu/eco/corsia> [Accessed 27 September 2024].

AIRE plans to address several key issues, including advocating for clear rules and allocation guidelines for the 20 million allowances set aside under the revised EU Emissions Trading System, resolving concerns related to the non-CO2 Monitoring, Reporting, and Verification (MRV) framework, and closely monitoring the Commission's evaluation of CORSIA's effectiveness.

2 ReFuel EU Aviation Regulation

The **ReFuelEU Aviation Regulation** is a key component of the **EU's Fit for 55 Package**. It establishes a robust legal framework to drive the gradual integration and increased use of Sustainable Aviation Fuels (SAF) across Europe. This regulation is essential to the **EU's strategy for decarbonizing aviation by mandating SAF quotas for fuel suppliers** and setting ambitious carbon reduction targets. Given the current high costs and limited availability of SAF, achieving aviation decarbonization will likely require a multi-faceted approach, including operational improvements, market-based measures, and the development of innovative green technologies.

AIRE is dedicated to addressing potential implementation challenges and contributing to the regulation's revision in 2027, ensuring it remains practical and supportive of broader decarbonization goals without imposing excessive burdens on the aviation sector.

In regard to ReFuelEU Aviation, AIRE will follow the following issues:

- As part of the **Flight Emission Calculator Workshop** (aviation labelling scheme), currently voluntary, but expected to become mandatory in the coming years, **AIRE is closely following the implementation process by DG MOVE**. This labelling scheme will display CO2 emissions, passenger kilometers for each route, operator, and aircraft type during the ticket booking process. The data will be derived from estimates and historical information at the time of booking, which could lead to inaccuracies if aircraft changes occur before the flight, potentially providing misleading information. AIRE is committed to ensuring the scheme's accuracy by actively participating in public consultations and advocating for the alignment of the eco-labelling reporting methodology with existing ETS and CORSIA reporting mechanisms to prevent inconsistencies and avoid additional operational costs.
- AIRE is actively engaged in **Article 5 (Refuelling obligation for aircraft operators) consultation process** to shape its implementation, with the goal of addressing operational challenges and financial impacts for our members. Article 5 requires aircraft operators to uplift at least 90% of their yearly required aviation fuel at each Union airport(qualified airports on the list), starting January 1st, 2025. **AIRE acknowledges the challenges posed by these anti-tankering guidelines** and will advocate for the exemptions to address potential operational impacts on airlines' ability to refuel at certain airports, such as short turn around times and unpredictable ad-hoc flights.
- Additionally, **AIRE is actively addressing the uncertainties surrounding the pending EASA tool and manual**, as well as the restrictive three-month deadline for exemption requests, which limits operators' ability to prepare effectively. We will also advocate for consistency in the guidelines for independent verifiers, ensuring they align with those used for **ETS/CORSIA verification**, to promote a fair and feasible implementation of Article 5.
- **AIRE** actively participated in the stakeholder consultation on the **Flexibility Mechanism proposal under Article 15 of ReFuelEU Aviation**, offering detailed feedback to contribute to its final adoption. We remain committed to ongoing involvement in refining and enhancing the final provisions to ensure they align with the operational needs of the aviation industry. Our primary objective is to support the implementation of a **book-and-claim system**, which would immediately boost SAF market availability. This system, already proven successful in the renewable electricity sector, provides flexibility and scalability in SAF adoption, enabling airlines to purchase SAF credits and contribute to sustainable fuel production, even if the physical fuel is used elsewhere.

We remain committed to engaging throughout these processes, including consultations, policy development, and implementation phases, to ensure that sustainability initiatives are implemented in a way that balances environmental goals with the economic efficiency of our members. By working closely with policymakers and stakeholders, AIRE aims to contribute to fair and practical solutions that support the aviation industry's transition to a more sustainable future without imposing undue burdens.



2

PASSENGER RIGHTS

AIRE supports air passenger rights legislation that contains fair and reasonable provisions for both airlines and consumers. AIRE considers that the revision of **Regulation (EC) 261/2004** is crucial for ensuring legal certainty and balancing consumer and industry interests. We find that the current **Regulation 261/2004** is overly general, also vague on key points, leading to numerous court rulings across the EU with judges interpreting the Regulation in widely varying and often conflicting ways.

1 Proposal for a Regulation amending Regulation (EC) No 261/2004, No 1107/2006 and No 1177/2010

AIRE supports the **Proposal for a Regulation amending Regulation (EC) No 261/2004, No 1107/2006 and No 1177/2010**, presented by the European Commission on 29 November 2023, since it includes some major advances in the following areas:

- **Implementation of the proposed changes** included in the **Proposal amending Regulation 261/2004** launched by the Commission on 13 March 2013, such as:
 - Increasing the **delay threshold entitling to compensation from 3 to 5 hours or introducing a non-exhaustive list of extraordinary circumstances.**
 - A **clear definition and a non-exhaustive list of extraordinary circumstances** under **Regulation (EC) 261/2004** is important to provide clarity and fairness for both airlines and passengers. It helps to ensure that compensation claims are handled consistently, reducing disputes and legal ambiguities. This clarity also aids airlines in managing operational risks and enhances passenger confidence in their rights and the airline industry as a whole.
 - The **increase in the delay threshold** will be contemporary to the airline's ability to modify the service with the current traffic.
- **Free refund of full costs by the intermediary.**

The time of the COVID-19 pandemic has shown the **importance of providing provisions for ticket refunds when a passenger has purchased a ticket from an agent.** The new proposals not only oblige intermediaries to execute a free refund, but also set a 14-day deadline for doing so.

- **Common reimbursement form.**

The adoption of a **common reimbursement form** accessible to **persons with disabilities** and **persons with reduced mobility** will make compensation and reimbursement procedures smoother and more efficient.

- Possible areas for improvement

Regarding the amendment of Regulation No 1107/2006, AIRE is concerned about **the obligation to ensure that the accompanying person of a person with reduced mobility (PRM) travels free of charge**, and where practicable, sits next to the PRM. Travelling free of charge would not be covered by the basic passengers rights established by Regulation 261/2004, if retained as such.

The **amendment of the Regulation (EC) No 261/2004** is of utmost relevance not only to allow struggling airlines to recover from the consequences of COVID 19, but also to install much needed legal clarity. **That is why it should be a matter of priority in the legislative agenda of the European Union.**



2 Proposal for a Regulation on passenger rights in the context of multimodal journeys

AIRE also welcomes the proposal that introduces **multimodality in the passenger rights framework**, since it defines new rules to protect passengers using the different types of transport, like buses, trains and aircrafts all in one trip.

In particular, AIRE finds a major step forward in the following measures:

- Passengers are entitled to receive **free refunds through an intermediary**.
- **Accommodation coverage** is limited to a **maximum of three nights**.
- **Compensation** is determined based on the **ticket price**, and there will be a **common application form** for both compensation and reimbursement requests.
- Deadline of one month to respond **National Enforcement Bodies**, extendable to three months.

AIRE endorses the **multimodal passenger rights proposal**, highlighting improvements such as free refunds via intermediaries, a three-night cap on accommodation coverage, compensation linked to ticket price, a unified claim form, and specific deadlines for enforcement bodies' responses.



COMPETITIVENESS

AIRE fully recognizes and embraces the necessity of decarbonization efforts reducing the pressure on the climate. However, it is important to note that the European Union is already at the forefront of global climate regulation. Excessive burdens and over ambitious proposals such as fuel taxation (including sustainable fuel), troublesome monitoring duties, or lack of adequate support for the production of **Sustainable Aviation Fuel (SAF)** will place the EU aviation sector at a strategically disadvantaged position compared to external competitors.

- Presently, only the civil aviation sector is responsible for **nearly 5 million jobs in the EU** and contributes over 110 billion euro to the economy (1). Moreover airlines services are enhancing the post-pandemic revival of European tourism industry, which makes up about 10% of the EU economy (2). Well-functioning aviation eco-system supports millions of jobs in the entire supply chain: from new planes construction and technical maintenance to various subcontractors like catering, translation services or security. However, **if regulations become excessively stringent, EU carriers may face overwhelming challenges, resulting in a sector's economic decline**. Therefore, it should be born in mind that EU's GDP, tourism sector and job market are at stake.
- We are contented with the European Commission's policy priorities set out by Ursula von der Leyen for the upcoming term, especially the emphasis on strengthening the competitiveness of European businesses, as also emphasized in Mario Draghi's report, "The Future of European Competitiveness". We hope the proposed approach, combining ambitious climate goals with support for vulnerable companies, will lead to effective and concrete policies.
- As AIRE, we are open to actively participate in public dialogue to develop optimal measures addressing the matter of the EU aviation sector competitiveness. Issues such as SAF production infrastructure, emissions fiscal burdens, refinement of air traffic management are among those that need to be discussed with sector representatives. Europe has the ability to maintain its leadership in aviation emission reductions, become a technological powerhouse in sustainable aviation technologies, and uphold the esteemed portfolio of its quality and accessible airlines. However, achieving these objectives requires prioritizing competitiveness as a central directive.

Civil aviation is vital for the economy and tourism, but restrictive regulations could jeopardize the sector and EU economic stability. AIRE is committed to actively participating in public dialogue to create effective measures that boost the competitiveness of the EU aviation sector.

(1) European Commission (2023) Internal Market. Available at: https://transport.ec.europa.eu/transport-modes/air/internal-market_en (Accessed: 26 September 2024).

(2) European Parliament (2024) Tourism Factsheet. Available at: <https://www.europarl.europa.eu/factsheets/en/sheet/126/tourism> (Accessed: 26 September 2024)

4

AIRPORT INFRASTRUCTURE

Since aviation is instrumental in promoting economic growth, mobility, trade and jobs for the EU, AIRE believes that it is essential to ensure the connectivity of all European regions. Airport infrastructure is crucial for facilitating efficient and safe air travel, boosting economic growth, and enhancing global connectivity. It supports the movement of passengers and goods, promotes tourism, and attracts business investments, while also creating jobs and driving regional developments

For that reason AIRE supports the **revision of the key legislation**, as it has been already started by the **EU Fitness Check of EU Airport legislation**, which includes:

- The **Ground Handling Directive 96/97/EC** covers access to ground handling services at airports (i.e. the services and facilities required by an aircraft between landing and take-off);
- The **Slot Regulation (EEC) No 95/93** regulates airline access to congested airports where not enough capacity is available to satisfy demand;
- The **Airport Charges Directive 2009/12/EC** provides a framework for the pricing of access to airport infrastructure and services.

AIRE is also closely following the possible revision of the **Air Service Regulation No 1008/2008** on common rules for the operation of air services, which has been set up as a joint legislative priority for the upcoming legislative term.



1 Slot regulation

AIRE considers that **European slot regulation should be aligned** and consistent with the **Worldwide Airport Slot Guidelines (WASG)**. The WASG organizes slot management to ensure all global markets remain equally competitive. Thus, **transparency in slot allocation is essential, especially regarding the trading of slots**. Therefore, coordinators must be consistent in their practices, and regulations should allow flexibility during crises and extraordinary situations, enabling coordinators to act swiftly.

- We find that **the utilization threshold, known as the 80/20 rule, for each slot series should remain unchanged**.
- **Environmental aspects** should be addressed in appropriate regulations other than those concerning slots.
- Concerning **slots trading**, we advocate that primary trading (e.g., slot bidding) is a much less favorable solution compared to secondary trading.
- There is **no need to introduce a new level for super congested airports** into the regulation.
- The introduction of a slot reservation fee as part of airport charges, intended to incentivize the early return of slots, is not a suitable approach. Instead, **emphasis should be placed on strengthening the role of slot coordination committees at airports**. In that sense, there is currently a lack of standardized procedures for reducing capacity at any airport when required, giving rise to complex situations such as the slot capacity reduction at Schipol airport.

AIRE supports aligning EU slot regulation with the **Worldwide Airport Slot Guidelines (WASG)** to enhance global market competitiveness and transparency in slot allocation. We also advocate for maintaining the current 80/20 utilization rule, addressing environmental concerns separately from slot regulations, and strengthening slot coordination committees.

2 Ground Handling

AIRE considers essential the **promotion of open access to key airport services such as ground handling and fuel supply** to improve the efficiency. By allowing multiple service providers to operate at the airports and ensuring non-discriminatory access, airlines will have the opportunity to choose the most cost-effective and high-quality services that meet their specific needs.

- **Increasing the number of entities admitted to the ground handling services market** - Currently, at many airports, market competition has become impossible or merely superficial. Airports, using entities they control, create actual monopolies or oligopolies in collaboration with selected companies. The restrictions provided for in the directive were intended to be temporary and require objective criteria for their application. However, in many cases, competition is limited without genuine justification. As a result, the lack of competition leads to increased ground handling costs and a decline in quality, due to the absence of market rivalry

- **Equal treatment of service providers** - Under current law, entities owned by airports are systematically privileged over potential external competitors, as they do not have to undergo a selection process every 7 years. Equalizing the rules of competition in the selection process is a priority for ensuring better quality and transparency in ground handling services.
- **Independence of the supervisory authority** - The emergence of regional monopolies and oligopolies has been partly enabled by the institutional weakness of the bodies overseeing access to the ground handling services market. Ensuring their genuine independence and granting them a sufficiently broad scope of competencies is crucial for establishing and maintaining fairer market access rules. In particular, supervisory authorities should actively monitor the prices imposed by airports when using centralized infrastructure (Article 8 of the Directive 96/97/EC), which are often subject to airport abuse through setting prices above the actual cost of the service.
- **Strengthening the role of airlines through participation in service provider selection processes and organizing meaningful consultations** - Despite having to pay for the work of ground handling service providers and bearing the consequences of their mistakes, airlines currently have no real influence over the awarding of contracts. The selection made by airports, which are not entirely neutral entities, does not guarantee an impartial procedure. It is also necessary to enhance the role of consultations between airlines, airports, and service providers. Currently, airlines are often only informed post-factum about decisions that have been made, and even when consultations do occur, the airlines' input is frequently ignored.
- **No restrictions on airlines regarding self-handling** - Airlines, which directly suffer from the errors and delays caused by ground handling service providers, must have the option to decide to perform ground handling tasks themselves. The only restrictions on self-handling should be those justified by safety concerns. Unlike the current regulations, the new rules should account for the affiliation of airlines with alliances and groups by allowing them to offer ground handling services to other entities within the same alliance.

Promoting open access to key airport services, like ground handling and fuel supply, is crucial for enhancing efficiency. By allowing multiple service providers and ensuring fair access, airlines may choose cost-effective, high-quality services that meet their specific needs.

3 Airport Charges

AIRE considers that airlines should have access to **comprehensive information on rates, charges and performance metrics of airports** and service providers to make informed decisions and negotiate competitive agreements. Information on how rates are set should be available and unjustified increases or discriminatory practices should be challenged.

- **Setting airport charges at a level reflecting the costs incurred by airports** - In accordance with the directive and the Chicago Convention, charges must be calculated based on the actual costs borne by airports, rather than with the aim of generating profit. In practice, this principle is regularly violated, with a particular excess in charge increases occurring after the COVID-19 pandemic as an attempt to compensate for the losses caused by the freeze in air traffic.
- **Establishing a clear mandate for independent supervisory bodies with appropriate competencies.** Revised regulations should entrust the supervisory authority with decision-making in all situations where interpretative differences arise.
- **Increasing transparency** - Airlines should have comprehensive access to information regarding fees, rates, and airport performance metrics to make informed decisions and negotiate favorable contract terms. The consultation process should also be strengthened by establishing mandatory consultation rounds at annual intervals for every airport regulated by the directive.
- **Introducing a new dispute resolution mechanism (ADR – Alternative Dispute Resolution)** through mediation for decisions made by the regulator - The current appeal process is lengthy, costly, and inefficient.

AIRE believes airlines should have access to detailed information on airport rates, charges, and performance metrics to make informed decisions and negotiate competitive agreements. **Transparency in rate-setting is crucial, and unjustified increases or discriminatory practices should be challenged.**

4 Air Services

AIRE supports the possible revision of the **Air Services Regulation** as it aims to enhance sustainability, resilience, and social responsibility in aviation. The changes should contribute to **future-proof the sector while preserving connectivity, competition, and high-quality jobs, and improving the financial resilience of air carriers.** Key areas under consideration include Public Service Obligations (PSO), leasing practices, financial conditions, ownership and control assessments, and price transparency.

- **AIRE** is generally positive about potential reforms that could enhance the flexibility of **Public Service Obligation (PSO) regulations**, which are designed to guarantee essential air services to remote or underserved regions. By liberalizing the leasing market for both dry and wet leases, these changes could foster greater competition and innovation in the aviation sector.
- We are concerned about proposals that might introduce **stringent financial criteria**, such as **higher minimum cash reserves**, and those affecting **labor market regulations**. Specifically, regulations that would impose restrictions on employment forms are viewed negatively, as they could increase operational costs without enhancing safety.
- **Employment regulations should not interfere with the freedom to choose employment forms** or significantly alter business operations.

AIRE advocates for revision that support sustainable and resilient aviation while avoiding unnecessary regulatory burdens that could hinder industry growth and competitiveness.



GREEN FINANCE AND TAXATION

Green finance is a general term referring to financial instruments and schemes aimed at fostering a sustainability-oriented transformation. **Such tools can provide necessary support for achieving ambitious climate targets without compromising competitiveness.** However, in some cases, financial measures may have detrimental consequences for the aviation sector.

1 Taxonomy

The **EU Taxonomy**, as a part of the European Green Deal, is a classification system that establishes a list of actions and activities to achieve an environmentally sustainable economy. By setting clear guidelines for what constitutes eco-friendly practices and investments, it aims to guide and promote actions that support a sustainable economy.

- The **Climate Delegated Act** includes the **technical screening criteria for the manufacturing of aircraft, renting and leasing, passenger and freight air transport, and air transport ground handling operations.** These criteria are designed to align with the EU's climate and energy goals, as outlined in the European Green Deal. Nonetheless, to meet the EU's climate and energy goals and achieve the goals of the European Green Deal, **it is crucial to channel investment towards sustainable projects and activities.**
- The **compatibility of the taxonomy with the development of airlines after 2030 is doubtful.** The current framework poses a significant risk to the development of emerging airlines by effectively imposing restrictions on fleet expansion. Post-2030, the acquisition of a new aircraft will be contingent upon retiring another non-compliant unit within six months (1). For airlines seeking to increase their market share and expand their fleets dynamically, this would result in a growth stagnation. Concurrently, it would confer a structural advantage to key market players who already possess hundreds of aircraft, affording them a substantial reserve for replacement.
- It is noteworthy that **commercial zero-emission aircraft** do not currently exist. Therefore, AIRE believes that **this criterion should be excluded** from the present framework, as the technology is not yet accessible.

(1) Delegated Regulation (EU) 2023/2485 of 27 June 2023 amending Delegated Act EU 2021/2139, p. 36

2 Energy Taxation Directive (ETD)

The proposal for the revision of the Energy Taxation Directive (ETD) is based on the assumption of removing exemptions and harmonizing the taxation of energy products within the EU, with a particular focus on imposing an additional burden on fossil fuels.

The draft containing new rules establish a **minimum rate of tax on fuel used for intra-EU passenger flights, as well as ferries, fishing and cargo vessels within the EU**. This means the abolition of the current tax exemptions for aviation fuel for all the flights (except for cargo flights). Member States are to remain free to set a higher rate than the minimum rate set out in the directive and will be given the opportunity to extend these regulations to flights outside the EU through international agreements with third countries.

AIRE will actively engage with policymakers to highlight the economic and competitive disadvantages of the proposed **Energy Taxation Directive (ETD) Revision** on the aviation sector.

Consequences of the adoption of such measure:

- The sector already faces a double fiscal burden due to the EU ETS and CORSIA systems. Carriers burdened with fuel taxes, the ETS system, and mandatory sustainable fuel (SAF) minimums will be at a disadvantage in market competition. For instance, the combined effect of ETD and ETS is expected to result in the loss of 77 million passengers to airports outside the EU (1).
- **Shortage of funds for investment.** Leverage of further economic stress on European carriers will critically limit their investment capacity in development of low-emission fleet. Inventing and acquiring the state-of-the-art planes are essential to reach the target of emission-free aviation.
- **Disruption of supply chains.** Additional taxation of aviation fuel on European routes will have a destructive impact not only on the aviation market, but also on the entire supply chain of goods and services related to transport and tourism.
- **De-harmonization with global standards.** The lack of tax on aviation fuel results from applicable international agreements (Chicago Convention).
- The **process of sector transformation will be delayed due to the weakened ability of European airlines to innovate and modernize their fleets.** Therefore, there may be a global increase in emissions as carriers take detours to avoid taxation. Cheaper destinations in close proximity to the EU, with lower travel costs, will benefit at the expense of EU tourism and a significant portion of society will be economically excluded from intra-EU mobility due to a substantial increase in ticket prices.

1. Steer (2022) Carbon leakage risks from the scope of aviation policy measures in 'Fir for 55'

The proposed revision of the Energy Taxation Directive (ETD) poses significant challenges to the EU civil aviation sector, threatening its economic stability, competitiveness, and ability to innovate. **AIRE urges policymakers to carefully consider the extensive negative impacts on aviation, emphasizing the importance of preserving the sector's role in the EU economy and global connectivity.**

6

SOCIAL RESPONSIBILITY

AIRE considers that a **socially responsible aviation sector** not only enhances its reputation but also attracts a broader talent pool, improves employee satisfaction, and meets the evolving expectations of passengers and stakeholders. This commitment to social responsibility ensures **long-term growth and resilience in the aviation industry**.

1 Gender balance

AIRE acknowledges that the issue of **gender gaps** in aviation must be addressed structurally as well as that the process of increasing the number of women in aviation is about attracting, recruiting, retaining, and re-integrating.

We understand that addressing these gaps and imbalances would mean the realization of fundamental principles and rights at work, contributing to workspace free from discrimination, violence and harassment.

AIRE supports the promotion of equal opportunities and equal treatment for all, especially women, including through the elimination of gender based practices and through policies that facilitate women's access to work and career development in technical, accredited and managerial positions.

AIRE is committed to **implementing gender-responsive work organization measures** and policies. These include offering **flexible work hours** in compliance with Flight Time Limitation rules and fatigue management, providing **part-time job** options, addressing **maternity needs**, fostering a **culture of trust** within the company, and promoting a **better work-life balance** to retain women in the profession and support their personal and career development.



2 Unruly passengers

AIRE recognizes the crucial need to **address disruptive behavior** and maintain a safe and secure environment for both passengers and crew. We advocate for **close cooperation with local and national authorities** in the aircraft's country of registration to ensure that effective measures are implemented when dealing with disruptive passengers:

- Quickly identify the **correct jurisdiction and transfer the relevant information on the unruly, disruptive or violent event** to the competent authority.
- Ensure that **unruly, disruptive or violent passengers are prosecuted and punished for their actions.**
- Enforce the law and **ensure legal certainty on the prosecution and punishment of any unruly, disruptive or violent behavior.**
- Provide means of defense and support to aircrew to make the **implementation of Article 10 of the Tokyo Convention** effective which establishes that they cannot be held responsible in proceedings for actions taken when handling unruly passengers (unless the actions of the aircrew exceed necessary defense).

To this end, AIRE supports the essential need for Member States to ratify the **Protocol to Amend the Convention on Offences and Certain Other Acts Committed on Board Aircraft (Montreal Protocol of 2014)**. Ratifying this protocol is crucial as it strengthens the legal framework for dealing with disruptive passenger behavior by introducing more comprehensive and enforceable measures.

Addressing the problems caused by unruly passengers is crucial for airlines to ensure the safety, comfort, and well-being of all passengers and crew. **Unruly behavior can lead to significant operational disruptions, increased costs, and potential safety risks.** By effectively managing and mitigating these incidents, airlines can maintain a secure and pleasant travel environment, and uphold the trust of their customers.





Airlines International Representation in Europe

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