

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 accurate information to its Members and execute aviation advocacy 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



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 Özyön
Vice President

“As the aviation sector continues to evolve, it is essential that growth is guided by innovation, efficiency, and a strong focus on passengers. Achieving this objective requires coordinated progress across the entire aviation ecosystem, including air traffic management, airport operations, and infrastructure. To maintain this trajectory, a coherent and forward-looking approach in regulatory frameworks is key to advancing a more integrated European airspace and facilitating seamless mobility. In doing so, aviation will continue to play a vital role in driving economic growth, enhancing connectivity, and supporting social cohesion.”



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 European aviation sector at a strategic disadvantage compared to the global competitors.

4 Airport Services

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

5 Air Traffic Management & Air Space Modernization

The continued modernisation of European ATM, underpinned by the Single European Sky (SES) framework, its technological pillar SESAR, and reinforced network coordination, is key to achieving greater efficiency, capacity and punctuality, while reducing emissions and strengthening the resilience of Europe's airspace.

6 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.

7 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 flexible and shared commitment to reducing the environmental impact of air travel while preserving the sector's competitiveness. The implementation of ReFuelEU Aviation Regulation (RFEUA) has already introduced operational and regulatory challenges for airlines. High costs and limited availability of Sustainable Aviation Fuel (SAF) highlight the urgent need for long-term strategies and targeted investments to accelerate the industry's decarbonisation.

AIRE calls for climate policies that reflect the operational realities and market dynamics of the aviation sector, ensuring that airlines can meet environmental obligations without compromising competitiveness. Adequate resources and targeted support are essential to enable carriers to deliver measurable emissions reductions while ensuring air transport remains safe and efficient.

1 EU ETS Directive 2023/958

As part of the EU's Fit for 55 Package, the revised EU Emissions Trading System (ETS) [Directive \(EU\) 2023/958](#) entered into force in June 2023 and amends the EU ETS Directive to: (i) ensure the aviation sector's contribution to the increased 2030 emissions reduction target; (ii) align the EU ETS with the ICAO's CORSIA; (iii) the phase-out of free carbon allowances for all aviation emissions by 2026; and (iv) address non-CO2 emissions from flights.

With the SAF market is still at an early stage of development and the complete phase-out of free EU ETS allowances in this year, airlines will bear now the full cost of compliance, making it essential that reinvestment mechanisms are effectively deployed to support the sector's decarbonisation.

In this context, as a Member of DG Clima Expert Group on Climate Change, AIRE:

- **Call for additional EU ETS allowances.** While the FEETS mechanism under EU ETS aims to bridge the price gap between conventional jet fuel and SAF with 20 million allowances for 2024-2030, its short-term scope and limited volume significantly reduce its effectiveness, with some projections estimating exhaustion as early as Q1 2027 (Studio Gear Up, 2024). Its effectiveness is further constrained by reliance on SAF reference prices published in the EASA SAF Market Report, which often underestimate the actual costs borne by airlines, including compliance fees that can, in some cases, exceed twice the prevailing market price.
- **AIRE urges the European Commission to consider allocating further allowances, especially beyond 2027.** AIRE also calls for a binding requirement under Article 3c(6) of the EU ETS Directive to enable Member States to allocate further allowances to aircraft operators. This approach would align with national initiatives, such as Germany's April 2025 coalition agreement plan, which proposes reinvesting 50% of EU ETS revenues into SAF.

In addition, enhanced reporting and accountability are needed. **Member States obligations under Article 10a(6)(f) should be strengthened to demonstrate how EU ETS revenues deliver measurable aviation decarbonisation outcomes**—such as verified life-cycle GHG reductions—rather than generic climate objectives.

- **Advocate for addressing non-CO2 Monitoring, Reporting, and Verification (MRV) risks.** While the initial phase of non-CO2 MRV started in 2025, NEATS IT Tool (Commission system) is still not fully operational in 2026, making it challenging for operators to accurately assess and familiarize themselves with the system. Without NEATS readiness, AIRE considers it premature to comply with non-CO2 MRV obligations, as it would impose a disproportionate administrative burden on airlines. Furthermore, AIRE calls for more specific research on the topic of non-CO₂ from aviation sector to fully understand its effect on the climate and the scope of it before implementing any further obligation in this matter.
- As part of **NEATS Expert Group with EUROCONTROL and DG CLIMA, AIRE has highlighted several concerns, including tight timelines, operators must submit their EU ETS CO₂ MRV reports before the end of March** (or end of February in cases such as Spain); and uncertainty around alternative tools, as Commission certification for operator-developed NEATS alternatives will only be available once NEATS has been fully tested. Given these operational constraints and the lack of solid scientific evidence, AIRE strongly recommends postponing the implementation of non-CO₂ MRV by at least one year.
- **Monitor Commission's evaluation report on CORSIA.** The European Commission is expected to publish its Report evaluating the performance of the Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA) of the International Civil Aviation Organization (ICAO) by July 2026. Specifically, **it is expected to assess CORSIA's contribution to the goals of the Paris Agreement, and aspects such as global participation levels, enforceability, transparency, non-compliance penalties, offset credits quality, MRV of emissions, registries, accountability and biofuel rules.** If deemed appropriate, the Report may be followed by a legislative proposal to amend EU ETS Directive that could notably include the extension of the EU ETS to all departing flights from the European Economic Area (EEA).

AIRE recognises CORSIA as the global framework for addressing emissions from international aviation. In the context of the European Commission's evaluation report on CORSIA, AIRE will continue to closely monitor developments and engage with policymakers, with particular attention to ensure:

- **The coherent interaction between EU and international instruments,** including clarity of scope and the avoidance of double counting or overlapping compliance obligations.
- **Consistency with the global nature of aviation,** taking into account the operational realities of airlines operating across multiple jurisdictions.
- **The development of a reliable and sufficiently scaled supply of CORSIA-eligible emissions units,** recognising that the market for such units is still emerging and current issuance remains limited.
- **European CORSIA project(s) to invest moneys that EU airlines are paying for CORSIA.**

(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].

2 ReFuel EU Aviation Regulation

ReFuelEU Aviation Regulation (RFEUA) is a key component of the EU's Fit for 55 Package. It sets out a legal framework that will gradually increase the share of Sustainable Aviation Fuels (SAF) with conventional jet fuel on flights departing from EU airports (on the list), applying from 1 January 2025. Airlines are also mandated to uplift at least 90% of their yearly required aviation fuel at each Union airport.

The implementation RFEUA has already posed significant regulatory and operational challenges for aircraft operators, threatening both the sector's decarbonization efforts and its global competitiveness. Achieving aviation decarbonisation goals will require a long-term strategy and market certainty mechanisms to support the investments needed to scale up SAF and e-SAF to comply with RFEUA targets.

In this regard, **AIRE has been engaged in the RFEUA process since its early development, closely following discussion with key policymakers and advocating for airlines interests.** Key actions have included participating in DG MOVE stakeholder consultations and preparing for the upcoming RFEUA revision expected in 2027.

- **Strengthen SAF support mechanisms.** Airlines require regulatory predictability beyond 2030 to plan fuel procurement, secure long-term offtake agreements and forecast financing. However, under the Sustainable Transport Investment Plan (STIP), the Commission has only committed to "consider" a potential extension of allowances, creating uncertainty for fuel procurement and investment planning
- **AIRE recommends that the European Commission enhance SAF support mechanisms by extending SAF allowances beyond 2030 and improving access to the Innovation Fund through dedicated 'aviation calls',** allowing sector-specific support. In addition, in the absence of a CBAM-related mechanism addressing carbon and business leakage risks, targeted SAF allowances linked to high-risk routes would help airlines offset a portion of ETS-related costs, prevent business leakage, and ensure fair competition (T&E, 2025).
- **Improve alignment between RFEUA and EU ETS.** Airlines face significant additional costs through compliance fees applied on fuel invoices. These surcharges often lack transparent documentation specifying SAF volumes or timely delivery of Proof of Sustainability (PoS) and Proof of Compliance (PoC) certificates, creating uncertainty.
- **Improve alignment between RFEUA and CORSIA.** Differences in sustainability criteria and certification approaches between ReFuelEU Aviation and CORSIA mean that, in practice, SAF used on international routes outside the EU ETS scope cannot be recognised under CORSIA. While ReFuelEU Aviation relies on sustainability and greenhouse gas savings criteria aligned with the EU Renewable Energy Directive, CORSIA applies a separate certification framework. This misalignment prevents airlines from claiming emissions reductions from SAF consumed on these routes, despite the fuel delivering verified greenhouse gas savings.

AIRE recommends the Commission to extend Article 15 flexibility to airlines, allowing operators to claim SAF purchases under the EU ETS regardless of the physical location of fuel uplift. Additional measures include requiring fuel suppliers to issue PoS/PoC certificates at least three months before the reporting year-end, granting operators access to the Union Database (UDB) for transparent SAF accounting, and strengthening enforcement and oversight. These steps would improve regulatory alignment, enhance transparency, and support effective SAF deployment across Europe.



- **Expand the anti-tankering exceptions under article 5 RFEUA.** The requirement to uplift at least 90% of fuel at each Union airport limits operational flexibility and constrains airlines' ability to negotiate competitive fuel supply contracts, particularly at airports with few suppliers. This Regulation is increasing fossil fuels burnt because SAF can't be tankered from the few airports it is available in Europe. Oligopolistic pricing in the SAF market further exacerbates the challenge, and the current lack of detailed guidance on Article 15 Flexibility Mechanism and a fully operational Book & Claim system discourages long-term SAF investment.
- **AIRE recommends broadening article 5(3) RFEUA exemptions to cover not only operational difficulties and fuel safety concerns,** but also cases where excessive fuel prices result from limited market competition, even without geographical constraints. Supplier concentration and oligopolistic behaviour should be recognized as valid grounds for exemption requests, and competent authorities should be empowered to approve exemptions where prices exceed EU averages due to market concentration. In addition, AIRE urges the **European Commission to conduct a comprehensive impact assessment on tankering practices,** assessing both the effectiveness of Article 5 and its environmental benefits in light of the significant administrative and operational burdens imposed on aircraft operators.
- **Voluntary environmental labelling scheme under article 14 RFEUA.** In the absence of dedicated financial support mechanisms and given the considerable administrative and financial burdens already imposed on operators by ReFuelEU, AIRE recommends maintaining the voluntary nature of the scheme beyond 2027. This would give airlines sufficient time to adapt to new requirements. A relevant precedent is the French government's food labelling system under the Anti-Waste Law (AGEC), which began as voluntary and provided labels at no cost, ensuring broad participation and transparency without imposing disproportionate costs.
- **Flexibility Mechanism proposal under article 15 RFEUA.** The European Commission's general Study on the feasibility of creating a tradability system for SAF in the EU (Commission, 2024), provides limited guidance on Article 15 implementation and a fully operational Book and Claim framework, which the sector urgently requires. In the absence of concrete rules, the current regulatory environment discourages decarbonization investments and undermines long-term SAF offtake agreements. AIRE supports the implementation of a Book and Claim system to expand SAF market availability, providing airlines flexibility to purchase SAF credits and contribute to sustainable fuel production even if the physical fuel is used elsewhere.

AIRE remains committed to engaging across different aviation sustainability regulatory frameworks, including the EU ETS, ReFuelEU Aviation Regulation, and CORSIA, to ensure that environmental objectives are implemented in a manner that aligns with aviation operational realities and maintains the competitiveness of the sector. Through policy expertise and industry collaboration with policymakers, AIRE seeks to support practical and coherent solutions that facilitate SAF deployment, enable flexible compliance and MRV, and safeguard airlines' competitiveness.

2 PASSENGER RIGHTS

The ongoing review of the EU Passenger Rights framework, including **Regulations (EC) No 261/2004** and **(EC) No 1107/2006**, presents a critical opportunity to modernize passenger protection while improving legal certainty, fairness, and operational feasibility for airlines.

AIRE supports the objective of **strengthening passenger rights and accessibility**, but stresses that the revised framework must strike a balanced approach that avoids disproportionate burdens on the air transport sector and ensures that obligations remain clear, workable, and aligned with real-world operational conditions.

Proposal to amend Regulations (EC) 261/2004 and (EC) 1107/2006

1 Proportionality in compensation thresholds

AIRE supports establishing **four-hour thresholds for short- and medium-haul flights and six hours for long-haul flights**, with **compensation ranging from €300 to €500**, as it strikes a reasonable balance between passenger protection and airlines' financial stability.

2 Legal certainty on extraordinary circumstances

- **AIRE supports a non-exhaustive list of extraordinary circumstances proposed by the Council to maintain flexibility in a constantly evolving operational environment.** Events such as severe weather, strikes, security threats, or undetectable technical issues must be clearly recognized.
- **By contrast, an exhaustive list could create legal uncertainty and lead to divergent judicial interpretations across Member States.** Enabling root-cause analysis would allow each case to be assessed in an objective and balanced manner.

3 Preventing abuse and misuse

Certain measures risk misuse and create operational challenges, such as:

- **Ticket transfers under exceptional circumstances**, complicating fare structures;
- **Free companion travel for disabled passengers** without clear eligibility criteria and control;
- **Compensation for infants without a separate seat**, undermining the principle of personal impact.

4 Opposition to automated compensation payments

AIRE opposes the mandatory automation of compensation payments, which removes the ability to assess individual circumstances and determine causality. It also increases the likelihood of payouts in cases where no legal liability exists. Instead, **carriers should retain the ability to assess each case based on available data**, with efficient procedures that ensure timely compensation when appropriate

5 Shared responsibility for disruptions

Airlines currently bear disproportionate responsibility for disruptions, even when caused by third parties such as airports, ANSPs or ground handlers. **AIRE calls for a more equitable distribution of obligations across the transport chain to reflect the complex ecosystem behind service delivery.**

6 Standardization and transparency

Passenger-facing procedures must be simple and consistent. AIRE supports:

- A **uniform claim form**;
- **Clear rules on carry-on baggage**;
- Defined roles and **accountability for intermediaries**;
- A **first-contact obligation with the airline** before using claims companies;
- **Strong data protection** for passengers;

A harmonised three-month complaint deadline, considering data availability limits.

7 Avoidance of regulatory overlap

AIRE supports uniform application of EU rules to all carriers operating to/from the EU. However, **overlaps with third-country regimes (e.g. Canada, Türkiye) may lead to conflicting obligations.** We welcome exemptions where passengers have already received “comparable benefits,” but clear definitions are needed to prevent legal uncertainty and administrative burdens.

For passenger rights to be meaningful and enforceable, the reform must be balanced, legally robust, and operationally practical. **AIRE calls on co-legislators to address these concerns and ensure a regulation that serves both passengers and the aviation sector.**



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

AIRE welcomes the introduction of multimodality in the passenger rights framework, which sets out rules protecting passengers using buses, trains, and aircraft on a single journey, while emphasizing that airlines should not be held liable for disruptions caused by other transport modes.

- Where missed connections occur due to delays in rail, bus, or maritime segments, **airline liability must be explicitly excluded unless the delay originated from the airline segment itself.**
- **Refund responsibilities must be clearly assigned.** Airlines should not bear the cost of a multimodal disruption they did not cause.
- **The proposed extension of refund deadlines from 14 to 30 days is acceptable,** provided airlines can still verify the cause of disruption and eligibility for refund.
- **National Enforcement Bodies should be empowered to request information directly from airlines and intermediaries to ensure effective oversight.**
- **Intermediaries must be required to clearly inform passengers about ticket restrictions, average transfer times, intermediation fees, their relationship with carriers, and applicable passenger rights, including refund and rerouting options.**
- **Exemptions from certain quality standards for small carriers are appropriate** and should be maintained to ensure proportionality.
- **Third-country intermediaries should be obliged to appoint EU-based legal representatives responsible for handling complaints** to ensure accountability within the EU legal framework.
- **The requirement to provide PRM assistance when requested at least 24 hours before travel is not sufficient.** A minimum of 48 hours should be maintained to ensure compliance with safety requirements and to allow for better-quality service, and also to ensure adequate safety screening.
- **Alignment with existing EU passenger rights legislation is essential to avoid legal fragmentation** and ensure consistency across modes and regulations.

AIRE supports the multimodal passenger rights proposal and reaffirms its commitment to constructive engagement in the negotiations, anticipating the opportunity to provide informed input that will help shape a practical, effective, and sustainable passenger rights framework.



3

COMPETITIVENESS

AIRE fully recognizes and embraces the necessity of decarbonization efforts to reduce GHG emissions and comply with the goals of the Paris Agreement. However, excessive regulatory burdens or over-ambitious proposals risk undermining the competitiveness of the aviation sector if not accompanied by adequate support. At a time when competitors such as China and the US are advancing rapidly in SAF and eSAF technologies, **Europe must retain its leadership in sustainable aviation fuels and green innovation.**

AIRE welcomes the Commission's 2025 work programme and encourages continued efforts to support aviation competitiveness through targeted and long-term investment mechanisms:

- **Sustainable Transport Investment Plan (STIP).** While STIP mobilises €2.9 billion until the end of 2027, its limited budget and short-term horizon significantly constrain its ability to support the scale-up of SAF and eSAF required under EU law. Key instruments remain insufficiently developed: the proposed double-sided auction mechanism is untested, progress on book-and-claim is limited to a feasibility study without a clear implementation pathway, and direct support mechanisms for airlines remain uncertain. **Although STIP acknowledges structural challenges, such as SAF traceability and certificate transparency, greater certainty is required to ensure predictable, affordable, and operationally viable access to sustainable fuels for aviation.**
- **The European Competitiveness Fund (ECF) 2028-2034.** Proposed under the EU Multiannual Financial Framework (MFF), ECF consolidates 14 existing programmes under a single framework with a projected envelope of €234.3 billion to strengthen EU competitiveness. It offers an opportunity to support strategic technologies, including support for SAF and e-SAF production and deployment. **AIRE recommends targeted support for aviation fuels, enabling Member States and other contributors to earmark additional resources—such as through InvestEU guarantees—directly for airlines.** Article 8 (Competitiveness Seal) should balance support between mature projects and smaller or less advanced SAF initiatives, particularly eSAF, as only four of 41 large-scale European e-fuels projects have reached FEED and none FID (T&E, 2025). These measures would provide long-term predictability, bridge the investment gap, and ensure sustainable fuel availability for aviation.
- **Preventing carbon and business leakage:** Targeted SAF allowances for high-risk routes would help airlines offset compliance costs, while **dedicated aviation calls under the Innovation Fund would ensure sector-specific SAF projects can compete effectively, supporting the long-term deployment of sustainable aviation fuels.**

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. Thus, we have strongly advocated for the inclusion of competitiveness within the agenda for 2025 of the Sectoral Social Dialogue Committee.



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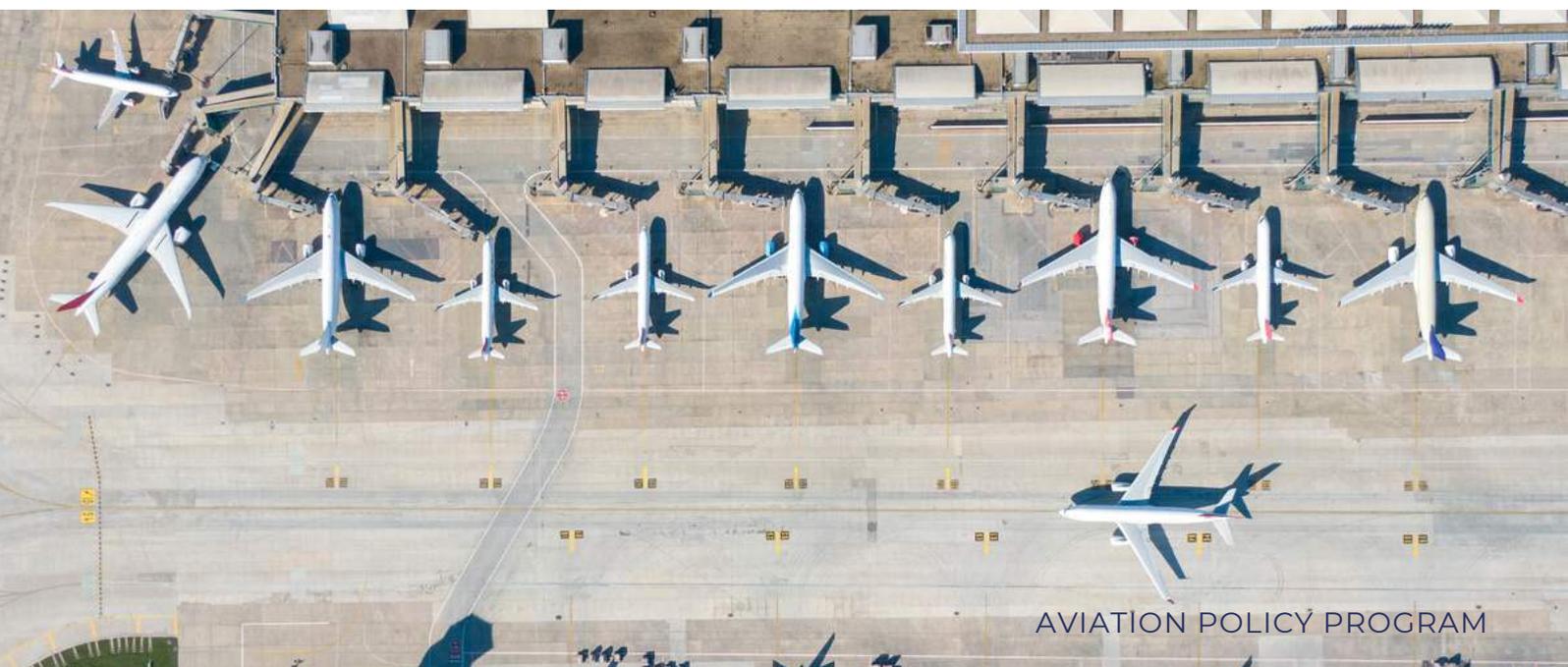
AIRPORT SERVICES

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 and services 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 will be closely following in 2026 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. For this reason, AIRE contributed to the European Commission's public consultation, concluded on 28 October 2025, through which industry stakeholders were able to articulate their support for increased harmonization and liberalization of employment and staff allocation regulations across Europe's ground handling market.

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 ongoing revision of the **Air Services Regulation 1008/2008**, which aims to enhance sustainability, resilience, and social responsibility in aviation. **We have actively contributed to the European Commission’s public consultation to ensure that proposed changes help future-proof the sector while preserving connectivity, competition, high-quality jobs, and the financial resilience of air carriers.** Key areas of focus include Public Service Obligations (PSO), leasing practices, financial conditions, ownership and control assessments, and price transparency.

- **AIRE welcomes potential reforms that could increase the flexibility of PSO regulations, designed to guarantee essential air services to remote or underserved regions.** Similarly, liberalizing the leasing market for short-term (up to 5 days) will greatly assist mitigating AOG delays and passenger disruptions.
- **AIRE is more concerned about proposals introducing overly stringent financial requirements, such as higher minimum cash reserves, which will effect carriers ability to fully compete, and regulatory changes affecting labor markets.** Employment regulations should not interfere with the freedom to choose employment forms or materially alter business operations, as this could increase operational costs without enhancing safety. Clear and consistent enforcement of labor law across Member States is essential to ensure fair competition and safeguard crew rights.

- **AIRE does not support the creation of passenger guarantee funds for refunds and repatriation, financed through a surcharge on all flight tickets**, to be triggered in cases of airline insolvency or serious cash-flow difficulties. Such schemes would impose an additional financial and administrative burden on airlines and risk increasing ticket prices for all passengers. Moreover, adequate consumer protection mechanisms already exist at national level in several Member States, making the introduction of an EU-wide fund unnecessary and disproportionate.
- **AIRE opposes the introduction of any environmental requirement under Regulation (EC) No 1008/2008, including short-distance flight bans or traffic restrictions.** Such measures fall outside the scope of internal market access rules and risk undermining connectivity and competition where viable alternatives do not exist. Passenger protection should instead be addressed through harmonized EU-wide rules, while environmental objectives should be pursued under dedicated EU climate legislation.
- **Regulatory reforms should enhance the resilience of the sector, enabling airlines to respond efficiently to extraordinary circumstances**, such as sudden drops in demand or operational disruptions, while supporting competitiveness, innovation, and growth.
- **AIRE also advocates streamlining intra-EU wet leasing by replacing prior approval requirements with a simple notification system.** This approach would lower administrative burdens while preserving safety through harmonized EASA oversight, allowing for greater flexibility and efficiency within the EU single aviation market. In addition, **short-term (up to five days) ACMI contracts with non-EU IOSA-certified airlines could be used to mitigate AOG disruptions.**
- **AIRE encourages coordinated EU-level mechanisms to strengthen crisis resilience**, ensuring that airlines across Member States can maintain continuity and connectivity during extraordinary events, thereby protecting the integrity of the Single European Sky.

While awaiting the final proposal in 2026, AIRE remains committed to supporting sustainable and resilient aviation, ensuring that regulatory reforms strike a balance between environmental and social objectives and the competitiveness and growth of the industry.



5

AIR TRAFFIC MANAGEMENT & AIR SPACE MODERNISATION

For AIRE, the modernisation of Europe's **air traffic management (ATM)** and airspace is a strategic priority. A more integrated, performance-driven ATM system is essential not only to increase efficiency and capacity but also to ensure a sustainable, resilient, and passenger-focused aviation sector. **AIRE actively supports reforms that deliver tangible improvements for airlines, passengers, and the environment.**

1 Integration and regulatory reform

- AIRE strongly advocates for the **full implementation** of the **Single European Sky (SES2+)** reforms to reduce fragmentation and create a harmonised regulatory and operational framework.
- **Strengthening Eurocontrol's role as Network Manager** is equally crucial, enabling centralised, data-driven coordination that improves network efficiency, reduces delays, and supports airlines in planning reliable operations.

2 Modernisation and digitalisation

- AIRE promotes the **accelerated deployment of SESAR and advanced digital technologies**, which modernise air traffic services and enable smarter, real-time operational decision-making.
- **Optimising flight routes not only reduces fuel consumption and CO₂ emissions** but also lowers operational costs for airlines.
- **Smarter resource allocation and harmonised performance targets across Air Navigation Service Providers (ANSPs)** help ensure that efficiency gains are delivered consistently across Europe.

3 Operational performance and passenger experience

- **Flexible, adaptive airspace management is critical to improving punctuality, reducing congestion**, and delivering a seamless experience for passengers.
- AIRE supports initiatives that **enhance interoperability and integration across European airspace**, enabling airlines to operate more efficiently while providing reliable and high-quality service for travelers.

4 Resilience and crisis management

- AIRE highlights the **importance of building resilience into ATM systems to ensure operational continuity** during geopolitical, technical, or weather-related disruptions.
- **Strengthening crisis response capabilities allows airlines to maintain service quality and connectivity even in challenging circumstances**, safeguarding both passengers and the wider European economy.

Modernising Europe's air traffic management and airspace is essential to improve efficiency, reduce emissions, enhance resilience, and ensure seamless, passenger-focused operations, while supporting a sustainable and competitive aviation sector.



GREEN FINANCE AND TAXATION

AIRE considers tax and financial policies crucial for maintaining the competitiveness and connectivity of European aviation. Ensuring VAT exemptions, proportionate energy taxation, and targeted environmental measures protects airlines from disproportionate burdens while supporting sustainable growth and fair market conditions.

1 VAT Rules on International Air Transport

AIRE emphasizes the importance of preserving the **VAT exemption for international air transport, as established under Article 148(b) and (e) of the EU VAT Directive (2006/112/EC)**. This exemption reflects long-standing principles under the Chicago Convention (1944) and ICAO guidance, which discourage consumption taxes on international aviation.

- VAT is a destination-based consumption tax, but international flights span multiple jurisdictions and airspace, making it impossible to determine a single place of consumption. **Applying VAT in both departure and arrival States would risk double taxation and violate EU VAT law.** Multi-leg flights and codeshare arrangements further complicate jurisdictional allocation, creating administrative and operational challenges.
- Introducing VAT on international flights would raise ticket prices, reduce passenger demand, and harm the competitiveness and connectivity of the EU aviation sector. **ICAO and the OECD consistently advise against consumption-based taxation of international air transport due to its extraterritorial nature and the need for uniform global treatment.** VAT on flights would also conflict with bilateral and multilateral Air Services Agreements, which prohibit fiscal discrimination and ensure tax neutrality between States.
- While supporting EU climate objectives, AIRE stresses that environmental goals should be pursued through targeted measures such as the **EU Emissions Trading System (ETS)**, **CORSIA**, and incentives for **Sustainable Aviation Fuels (SAF)**, rather than through VAT, which distorts competition and penalizes connectivity rather than emissions.

For these reasons—including jurisdictional ambiguity, double taxation risks, administrative complexity, and negative impacts on competitiveness—AIRE urges the European Commission and Member States to maintain the current VAT exemption for international air transport under Article 148 of the VAT Directive.

AIRE considers that maintaining the VAT exemption for international air transport is essential to prevent double taxation, ensure legal clarity, protect competitiveness, and preserve EU connectivity, while climate objectives should be pursued through targeted environmental measures.

2 Energy Taxation Directive (ETD)

The proposal for the **revision of the Directive 2003/96/EC (Energy Taxation Directive)** aims to harmonize the taxation of energy products across the EU, removing exemptions for fossil fuels and introducing a minimum tax rate on fuel used for intra-EU passenger flights, ferries, fishing, and cargo vessels. **Aviation fuel exemptions would be abolished for all flights except cargo. Member States could apply higher rates and extend rules to non-EU flights via international agreements.**

Current national approaches vary significantly, creating competitive asymmetries. **While some countries, such as Sweden and Germany, have reduced or removed aviation taxes to support recovery, others like Belgium, continue to increase taxes, potentially affecting route economics, fleet deployment, and market access.**

The legislative process remains ongoing. **A compromise text proposed by the Danish Presidency failed to secure unanimous support in November 2025.** Once the ECON Committee adopts its report, the European Parliament will issue a resolution in the December plenary, followed by Council consideration.

Consequences of the adoption of such measure:

- **Financial and operational burden:** Airlines already face significant costs from EU ETS, RFEUA, and CORSIA. Additional fuel taxation could undermine competitiveness.
- **Reduced connectivity:** Potential route reductions and fewer flight options.
- **Economic and social consequences:** Negative effects on tourism, regional development, and employment.
- **Investment in sustainability:** Increased fiscal pressure may constrain decarbonisation initiatives.
- **Global misalignment:** Divergence from international agreements under the Chicago Convention may create regulatory inconsistencies.

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 will continue to monitor the ETD revision and engage with EU policymakers, providing evidence-based input to ensure the proposal:

- **Preserve connectivity and sector competitiveness.**
- **Reflect operational realities of airlines across Europe.**
- **Support sustainable growth and environmental objectives.**



7

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.

As part of its commitment, AIRE has co-signed the most recent Joint Statement on Gender Balance, agreed upon by the Sectoral Social Dialogue Committee in Civil Aviation in November 2024. In this statement, aviation social partners have committed to promoting equal opportunities for women in aviation, establishing supportive funding programs, and fostering a better work-life balance to retain women in the profession while supporting 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 taking when handling unruly passengers (unless the actions of the aircrew exceed necessary defense).
- In coordination with ECAC and IATA, **AIRE has agreed to advocate for airlines to have access to unruly passenger data not only within their State of AOC, but also across other EU Member States.**

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.** AIRE is working closely with the Sectoral Social Dialogue Committee in Civil Aviation to develop a strategy aimed at ensuring a positive travel environment and preventing the recurrence of such situations.







Airlines International Representation in Europe

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