Resilience and efficiency through Leadership and Cooperation

Presented by ERA

Introduction

The European Regions Airline Association (ERA) is a non-profit trade association representing around 60 airlines and 150 companies involved in the European air transport sector.

We are delighted to have been invited by Hermes – Air Transport Organization – to provide our thoughts and views with respect to Resilience and Efficiency through Leadership and Co-operation, against a backdrop of the continuing pandemic.

In the following Position Paper we hope to articulate the shared goals of stakeholders, how the stakeholders have and will continue to show leadership, and demonstrate how, as an industry, we have united to define how the sector should not only recover, but recover in a sustainable manner. We also lay out the current agreements and put forward the arrangements that are needed in the forthcoming weeks and months to allow air travel to resume in a safe way for all citizens.

Round Table Report for the Recovery of European Aviation

The aviation industry has coped with several historical disruptions and crises, including the financial crash, SARS, volcanic ash and terrorist atrocities. Different disruptions have always had a negative effect on aviation, but it is testimony to the dynamism and resilience of our industry that it has always been able to adapt, recover and grow, demonstrating the fundamental importance of air travel to the global economy. When the pandemic hit the world in the beginning of 2020, it became obvious we were woefully underprepared as a society and as an industry for such a seismic shock.

Just as aviation recovered from previous crises, the industry will recover again from this pandemic, but for this recovery to happen quickly, all stakeholders have to align as best possible. Indeed, during the past 12 months we have seen closer co-operation than ever between the operational stakeholders; airlines, airports, manufacturers and air navigation service providers and with the wider European trade associations.

This can be clearly demonstrated by the publication of the Aviation Round Table (ART) report in mid-November 2020, which launched the industry's joint proposals for the recovery and relaunch of our sector in a post-COVID-19 world. European associations, representing the entire European aviation sector, including airlines, airports, air navigation service providers, aeronautical manufacturing, trade unions, non-governmental organisations for environmental and consumer action, service providers, ground handling services, the duty free and travel retail sector, airport co-ordinators, general and business aviation, express carriers, travel agents, tour operators, travel distributors, and the entire tourism sector, came together to endorse the ART report because the gravity of the crisis threatening aviation in Europe called for unprecedented action. The report focussed on five main themes; restoring public confidence, green and social aviation, digitalisation, competition and resilience. Calling for a comprehensive Aviation Relief Programme to rebuild the sector, the report noted the critical importance of restoring the public's confidence in aviation as a key priority and urgent prerequisite in ensuring recovery. In addition, the report highlighted maintaining connectivity, skills and employment and preserving the European internal market and its competitiveness as vital to ensuring aviation's recovery from COVID-19, improving its governance and making European aviation more resilient to future shocks.

That 24 of Europe's associations came together to agree on a significant package of key proposed actions and recommendations is unprecedented and clearly articulates those shared goals that we

can all agree on as an industry. By working with a wide spectrum of stakeholders with differing interests we can be aware of impacts across the sector and ensure no stakeholder group is disadvantaged when setting goals.

Destination 2050 and the sustainability challenges

Whilst COVID-19 remains the challenge of our time, environmental sustainability is the challenge that will define our generation. And addressing sustainability as we restart aviation following the pandemic is one of the key priorities for stakeholders from across the ecosystem.

In February this year, Europe's aviation sector (ERA, alongside A4E, CANSO, ACI Europe and ASD) unveiled its flagship sustainability initiative, *Destination 2050 – A route to net zero European aviation*. Driven by a new independent report which provides a vision and path for meaningful CO_2 emission reduction efforts in Europe and globally, it builds on the Paris Agreement and the European Green Deal and charts the path to how all flights within and departing the EU, UK and EFTA will realise net zero CO_2 emissions by 2050.

In a similar vein to the ART report, the collaboration for this initiative demonstrates how stakeholders are aligned and united behind a shared roadmap to achieve a sustainable future for our industry.

Next steps

Given the different nature of the stakeholders involved in both reports, it should be of no surprise that the outcomes are a result of lengthy discussions and compromises, in particular for the ART report. In fact, compromises were reached on issues such as the flights in the scope for CO_2 reductions by 2050, the revision of consumer rights and data sharing for multimodal ticketing, to name but a few.

The recommendations and roadmap laid out in the ART report and *Destination 2050* show where industry is aligned in not only restarting aviation post pandemic but also addressing how we can do this sustainably, both in the short and long term.

It is clear that safety, sustainability and recovery are common goals that the whole industry can share, but careful collaboration and compromise will be needed when it comes to the detail.

High-level leaders almost universally recognise the importance of consensus and co-operation. Although all stakeholders may have their own agendas, they can come together on common objectives as demonstrated above, they may just have different ways of achieving these. Our industry is by nature competitive, so there is a need for robust regulation to protect the interests of smaller players. One of ERA's key roles is to give a voice to these smaller organisations, our members, and to get regulators to recognise how their decisions will affect them.

To allow Member States to help the businesses and economic actors suffering most from the crisis, the European Commission has softened EU legislation with regards to state aid. However, Member States have for the most part supported their flag carriers rather than the smaller regional airline players. This could lead in the medium to long term to competitive issues, and also to a decrease in connectivity with some routes closing. ERA is advocating for a focus on the unique characteristics of regional and domestic markets and for dedicated recovery tools. Domestic flying is most likely to be the first to return post lockdown (as it is not dependent on cross-boundary clearances) and hence should be encouraged as much as possible to get the airline industry moving again. The issue of the disproportionate cost burden of regulation on small regional airports must also be addressed via an

appropriate compensatory mechanism. Governments should recognise that airports and air routes are essential national infrastructure which must be supported and made more resilient, including by increasing public ownership of assets, since regional airports and airlines may no longer be seen as attractive investments by the private sector.

Currently, the industry is working on the next steps of the ART report. On the Sustainable European Aviation Pact, the industry has fulfilled its contribution with the *Destination 2050* report and is now co-ordinating with policymakers and relevant stakeholders to formalise the Pact, whilst the other actions are being dealt separately within the appropriate fora and with the relevant stakeholders. With respect to *Destination 2050*, the challenge is clear, but we have demonstrated that the path to net zero CO2 is a reality. However, we cannot achieve this by ourselves as an industry, as only a few aspects, such as fleet renewal, are under the control of airspace users. All other developments need to be enabled, supported or driven by the Commission or states.

As an example, the airspace user associations are united behind the need for a SES 2+ regulation that focusses and incentivises ATM technology-related solutions that reduce the carbon footprint of aviation and not focus on other issues which are already the topic of other regulatory initiatives, for example Sustainable Aviation Fuels (SAFs). SES 2+ has the ability to reap the benefit of existing solutions (compare SESAR, Airspace Architecture Study, Wise Persons Group) with little effort and in a short time – given the right support by the Commission pushing states and ANSPs to allow and speedily implement these existing solutions.

Restarting air travel in Europe

In the context of COVID-19, It is well understood that the health and safety of citizens is of paramount importance and we of course support actions that reduce transmission of the virus and protect the health systems of states.

During the first wave of the pandemic, there was a broad recognition that a lockdown was the only course of action in order to primarily stem transmission, but additionally to give time for the scientific data to be processed and allow a better understanding how the virus behaved and allow for the appropriate mitigation to be put in place once rates of transmission had significantly reduced.

Throughout the crisis, the aviation industry has demonstrated its technical expertise and strong leadership. For example, at an international level, the ICAO Council Aviation Task Force (CART) has produced practical, aligned guidance to governments and industry operators in order to restart the international air transport sector and recover from the impacts of COVID-19 on a co-ordinated global basis. However, with differing transmission rates across the globe, implementation of this guidance has understandably been slow.

In Europe, the work of EASA and the ECDC, supported by industry stakeholders, resulted in the publication of EASA/ECDC Aviation Health Safety Protocol (AHSP), defining those measures that are needed to assure the health and safety of air travellers and aviation personnel once airlines resume flight schedules and appropriate mitigations, driven by the science, at every stage of the end-to-end passenger journey.

In order to monitor and promote the implementation and effectiveness of these measures, EASA created an Aviation Industry Charter which has seen over 100 airports and airlines become signatories. At its peak last summer, data from passengers using the airports (6 million per week), and the airlines (3 million per week) that signed up to the charter, was processed. The results showed that transmission of the virus, in the context of the end-to-end journey, was limited. Indeed

it clearly demonstrated that not only are these measures robust, but compared favourably when looking at the risk of transmission in other forms of public travel.

The AHSP was underpinned by a co-operation agreement signed by EASA and the main airspace users and airport association ACI Europe which committed the parties to facilitate the implementation of the AHSP, support the signatories of the Aviation Industry Charter as well as supporting the review and evaluation of the feedback received.

With the onset of the second wave, and the emergence of new variants of the virus, states have again reinforced border measures, which resulted in significant differences in quarantine and testing requirements across Europe. This has all but stopped commercial air transport with flight demand stabilising at around 33 per cent of those levels seen in 2019. The latest EUROCONTROL data shows that airlines continue to struggle to maintain even a minimum level of regional and domestic connectivity. As of 11 February 2021, only 29 short- to medium-haul routes had 12 or more flights per day compared to 157 in February 2020. With these figures clearly demonstrating the striking loss of connectivity, the need for urgent co-ordinated and forward-looking planning at EU level is self-evident.

The main social partners in European aviation have recently published an open letter to the Portuguese Presidency of the Council of the EU, which has committed to a swift recovery of the travel and tourism sector, including guaranteeing the capacity to ensure the mobility of people and goods in the EU, as one of their main priorities. We agree – 2021 needs to be the year when Europe recovers from the COVID-19 pandemic.

It is clear today that co-ordination of COVID-19-related measures amongst all EU Member States, including co- ordinated travel restrictions, is essential if we are to restore confidence in both the tourism and aviation sector in time for the upcoming summer season. We are urging the Commission to put efforts into the co-ordination of all restrictive measures related to COVID-19 among the Member States. These measures, such as travel restrictions, vaccination certificates, and testing requirements, continue to negatively affect both tourism and aviation in Europe and should be removed when possible, taking a risk-based approach.

Although we fully understand that COVID-19-related vaccination and testing strategies are a Member State competence, we do believe that it is high time for EU Member States to finally agree to ensure a common approach to cross-border travel.

ERA, together with other aviation associations welcome the proposal by the European Commission for a Green Digital Certificate system. This proposal requires EU States to issue common, interoperable and mutually- recognised certificates for COVID-19 vaccination, testing and recovery status that will facilitate free movement during the COVID pandemic and support the restart of travel. The certificates must be in effective use across the EU in time for the peak summer months; with vaccination certificates, in particular, enabling the elimination of all restrictions to travel.

With utmost urgency, work on an EU roadmap setting out the conditions, criteria and possible timing for the easing and lifting of travel restrictions *must* begin. This should also include a simple, harmonised implementation of testing policies. The European Institutions need to immediately begin work on this roadmap, which should follow a risk- based and data-driven approach, taking into account:

- the acceleration of the vaccine roll-out across the EU over the coming months;

- an ambitious and co-ordinated testing strategy;

- the evolution of the epidemiological situation; and

- existing statistical modelling and case studies on the very limited impact of travel on COVID-19 incidence
  rates.

Conclusion

We believe that the European Union can save what remains of the tourism and air transport sectors by applying a co-ordinated approach to the challenges above. The current patchwork of restrictions across Europe is still, one year later, causing confusion among Europe's travel and tourism industries, its workers and passengers. Lack of predictability on these measures effectively impedes air transport connectivity, which puts employment at risk across the sector. Unilateral approaches implemented by the Member States inevitably risk harming the EU both economically and socially. Clarity surrounding these restrictions will also serve the overall purpose of preventing the spread of COVID-19, as well as helping to restore public confidence, and is the only chance to save the upcoming summer season.

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