

ERA POLICY ASKS

2020



ERA (European Regions Airline Association) is a trade association representing the European aviation industry. Our membership includes 50+ airlines and 150+ associate members who jointly cover the entire spectrum of the aviation sector – airlines, airports, manufacturers and suppliers.

Small to medium-sized airlines operating regional routes provide unparalleled value and must be viewed differently for a variety of reasons. They provide vital direct connectivity from secondary to secondary destinations or linking regional airports to main hubs, as alternative modes of transport to flying do not often equate to public transport such as trains, but more likely the use of cars. Further to this, for many parts of Europe, such as remote locations, islands or sparsely-populated areas, there is no viable alternative to flying.

In the current economic and regulatory situation, ERA member airlines face numerous challenges and the importance of protecting the competition for this airline segment in Europe has never been more urgent. In order to protect air transport and continue to provide vital connections to the citizens of Europe, ERA calls for action in the outlined policy areas.

1 ► **DECARBONISE REGIONAL AVIATION IN EUROPE**

- Flying should not be a simple binary choice to fly or not fly, it is about sustainable flying. To this end, ERA members support the implementation of ICAO's Carbon Offsetting Scheme for International Aviation (CORSA).
- **Governments should support public-private partnerships and reward the airlines who target zero emissions through incentives.**
- **Aviation green taxes need to be reinvested into research and development in the air transport sector in order to promote more sustainable air connectivity** via the use of sustainable aviation fuels (SAF) and development of breakthrough technologies, for example hybrid and/or electric aircraft.
- Regional aviation is the ideal environment for the testing and selection of promising new

energy propulsion methods, such as electric and hybrid aircraft.

- **The reform of the Single European Sky (SES)** framework is necessary in order to bring efficiency and environmental improvements in European air traffic management (ATM).
- Enhanced environmental assessment in Public Service Obligations (PSO) routes allocation is needed.

2 ► **STRENGTHEN EUROPEAN CONNECTIVITY**

- ERA member airlines provide **essential connectivity and logistical support to Europe's regions, boosting local economies by bringing investment and growth** to businesses and communities.
- In order to strengthen and improve connectivity, uniform and consistent implementation and enforcement of existing **PSO rules is needed, together with a proposal for new policies targeting the greater use of these instruments.**
- ERA member airlines operate at many **regional airports**; these are **an essential element of the aviation value chain**, enabling good connections between regions and the mobility of European citizens. Therefore, their existence shall continue to be protected and their development supported.

3 ► **PROMOTE COMPETITION**

- The airline industry in Europe has undergone a significant consolidation through mergers and joint venture partnerships during the last decade that is expected to continue going forward.
- Bankruptcies are common in the sector worldwide, with European airlines being the most vulnerable to insolvency. European regional airlines have been under pressure, but the interest of Europe as a whole is, in particular for the development of its regions, **to ensure a level playing field and protection for all businesses, including SMEs** (a category to which many ERA member airlines belong).

- **Extensive consolidation is a threat to consumer choice and protection.**
- The current diversity is needed, with smaller European carriers being more flexible to adopt changes, implement innovative technology needed for ensuring sustainability, customise their offers to passenger needs, connect remote regions to big hubs and also contribute to local employment.
- However, in this highly-competitive environment, the neutral independent distribution channel that allows all airlines to compete on the merits of their offer and services, continues to shrink. In addition, alternatives for distribution of airline content emerge and make distribution more costly and complex for small and medium-sized airlines.
- Many ERA member airlines have lower economies of scale, limited brand potential and direct sales capacity, thus can face serious challenges to compete in the distribution of their tickets vis a vis large airline groups. It is therefore essential that fair competition and **consumer choice continues to be protected in the airline distribution marketplace** (with CRS rules applying to all competing players).

4 ► PROTECT PASSENGER RIGHTS

- Compared to large airlines, European Regulation (EC) 261/2004 (EU261) bears significantly more heavily on smaller air carriers providing essential connectivity and economic growth to Europe's regions. In terms of the amount of compensation payable, the regulation imposes almost the double the cost per passenger on regional carriers than others and is, therefore, discriminatory and anti-competitive.
- The regulation setting out rules for compensation and assistance to air passengers affected by cancellations and delays for more than three hours,

has been extremely controversial and, as rewritten by successive decisions of the Court of Justice of the European Union (CJEU), it is now an **existential threat to regional carriers. The regulation as it stands risks eroding safety margins.**

- In this environment, **there is an urgent need to revise the current regulation**, accepting the proposals of the aviation community aimed at reducing its most costly aspects for carriers. To preserve European aviation, recommendations in the **ERA study focussing on the impact of EU261** on regional carriers shall be considered by decision makers at all levels.

5 ► ABOVE ALL, AIR SAFETY

"If there was no public confidence in aviation safety, there would not be an aviation industry."

- Maintaining safety is the most critical component in the aviation industry. The work of the ERA Air Safety Group is a major contributory factor in ensuring ERA members' operations remain safe and secure by providing **a forum to openly share and discuss safety threats and mitigating measures.**
- Identification of a 'top five' critical safety concerns, reviewed every two years, on which the ERA Safety Group focusses, and forms the basis for actions and initiatives of the group.
- Ensuring the concerns and interests of ERA members are actively represented at external committees, specialist groups and entities responsible for regulatory oversight.
- Monitoring and influencing the industry regulatory bodies who have oversight covering airline, airport and airspace safety and security activity.
- **Ensuring no regulation ever conflicts with safety.**

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