

Specialised Committee on Air Transport - Minutes of the Meeting

London Gatwick and online, 28 June 2022

1. Opening statements

Welcomed participants present in the room and those joining virtually.

2. Adoption of the Agenda

The agenda of the SCAT was adopted, without any changes.

3. Market developments

The parties exchanged information on the recovery of their respective industries, highlighting the increase in demand, and cargo being transported on passenger scheduled services.

The UK also outlined that airports and airlines were working together to manage the increased demand and subsequent delays and cancellations currently facing operations.

The European Union (EU) reported similar issues and both sides confirmed they were heavily engaged with the aviation industry on this. UK noted it is working on a consumer charter to provide more stability for passengers.

The EU briefed that their aviation market is recovering well and that current volumes were close to 2019 levels. EU noted an increase in demand in the transatlantic market while other regions were recovering at a slower pace, especially Middle East, Africa, and the Far East. UK and EU discussed the impact of continued COVID-related restrictions in South East and East Asia.

Both sides acknowledged the impacts of the conflict in Ukraine on air services.

4. Exchange of information on legislative and policy developments

On **Third Country Operator (TCO)** applications, the UK outlined that the new UK TCO process is being implemented on a phased basis to provide some level of continuity for airlines. The UK confirmed that the second phase of the new system would be in effect from December 2022. The UK CAA had started engagement with industry on this (approximately 300 carriers have already registered) and will write separately to carriers providing a timeline ahead of the December 2022 deadline.

On **Aviation Strategy**, the UK reported that it had published a new strategic document for Aviation, “Flightpath to the Future”, which set out a framework and vision for the sector over the next 10 years. The EU asked about timelines and whether any legislative proposals would form part of the strategy’s implementation. UK confirmed that many of the proposals did not require new primary legislation, but if they did, the legislative process can take up to 18 months.

On **Passenger Rights**, the UK outlined the adjustments to Air Passenger Duty (APD) announced by the UK Chancellor in the Spring Statement, and informed the EU that the

consultation on Passenger Rights closed in March 2022 with the responses currently being analysed.

On **Aviation Decarbonisation**, the EU reported on the progress of the Fit for 55 legislative package. It covers sustainable aviation fuels, EU ETS revision, CORSIA implementation and a minimum tax for kerosene on intra-EU flights.

They informed the meeting that the EU Parliament and the Council had adopted a position on reforming EU Single Sky policy.

EU reported that the review of **regulation 1008/2008** had been put on hold due to COVID. A Call for Evidence and Member States feedback will inform EU thinking on any reforms, with the process to be finalised by the end of the year.

EU informed that COM intends to table a proposal to extend the EU **Slot Relief** beyond 2022. Given the robust recovery of air traffic, the intention is to go back to the 80% use rate but to extend the possibility for airlines to invoke justified non-use exception in case of sanitary measures linked to the COVID pandemic. UK was not able to comment on their approach on slots after S22 season.

5. Issues arising from implementation of the Title on Air Transport

5.1. Bilateral arrangements between the United Kingdom and Member States (Art. 419)

In the context of the **bilateral arrangements** negotiated between the UK and the EU Member States, the UK confirmed that an agreement on all-cargo services had been reached with 19 Member States. UK is pleased with developments and has ongoing discussions with 7 Member States.

5.2. Permit processes for scheduled and non-scheduled 3rd and 4th Freedom services (Art. 422 of the TCA)

Concerning **ad-hoc non-scheduled 3rd and 4th freedom services**, the UK indicated that it would like to pursue further innovation of the block permit process. UK suggested exploring the concept of examining scheduled and non-scheduled services through the same permit system, and extending the validity of these block permits to a longer timeframe than six months or an IATA Traffic season. UK suggested this could be done on the basis of reciprocity. EU took note.

5.3. Permit processes for non-scheduled/ad-hoc higher-Freedom flights (Art. 419(9) of the TCA)

Concerning **higher freedom operations**, UK raised its concerns to the potential asymmetry and lack of reciprocity in the volumes respectively authorised as regards ad-hoc higher freedom services. UK stated it is open for discussion on this and asked for views from the EU and MS. EU reminded the UK of the terms of the TCA in this area.

5.4. Ownership and control of air carriers (Art. 425 of the TCA)

The UK reiterated its position that regulatory control and not the nationality of an airline's owners should be the relevant factor in permitting air services. UK questioned the EU on its position. EC confirmed its position had not changed.

5.5. Wet Leasing approval processes (Art. 429(7) of the TCA)

UK expressed concern that while the UK applies a simple, short procedure for approvals of wet leasing contracts with EU airlines, the situation is very diverse across EU MS's. UK reiterated that the terms of the UK-EU TCA state "where a Party requires such approval, it shall endeavour to expedite the approval procedures and minimise the administrative burden on the air carriers concerned" and explained the mutual benefit of working together and sharing processes to amend this imbalance. The EU took note and recalled that a diversity of procedures merely reflects the reality of the EU where there is a civil aviation authority in each Member State.

5.6. Doing business issues (Article 428 of the TCA)

UK raised concern about the 'no objection processes' utilised by some MS in the approval of higher freedom non-scheduled service, where domestic airlines object as a matter of principle. The UK would continue to consider this in the approval of these airlines' applications for access to UK higher freedom opportunities.

UK highlighted continuing issues around consistency on the interpretation of the 1956 Paris Agreement by some of its parties. EU confirmed it is not party to the agreement.

On **Aviation Security** the UK raised its disappointment that it was not invited to the Integrated EU Aviation Security Risk Assessment Group on 13th June and that the first formal meeting of the EU-UK Aviation Security Cooperation due to take place on 22nd June has been postponed. The UK hopes this matter can be resolved as quickly as possible as our respective Aviation Security regimes can only be weakened if we don't work together given the global and cross border nature of the threat.

6. Any other business

UK raised a recent concern regarding the issuance of permits for air ambulance operations within the EU for UK operators. EU took note and asked for further details.

7. Date and venue for next meeting

The parties agreed that the next meeting would take place in Brussels or one of the Member States, probably in November 2022 or January 2023. The exact date and location to be agreed at a later point.

8. Closing session

Courteous closing remarks were exchanged.

*Approved by the Joint Secretariat of the
Specialised Committee on Air Transport*

Annex – Participants of the Second Meeting of the Specialised Committee on Air Transport

UK delegation (12)

- UK Co-chair of the Specialised Committee on Air Transport
- UK Civil Aviation Authority
- UK Department of Transport Officials
- UK Mission to the European Union Official
- Cabinet Office Officials
- Scottish Government Officials

EU delegation (29)

- EU Co-chair of the Specialised Committee on Air Transport
- European Commission Officials
- Delegation of the European Union to the UK Official
- Representatives of the EU Member States