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## **SASIG NEWS**

### ***2010 Meeting Dates***

SASIG meetings in 2010 will be on: Friday 20 August and Friday 26 November.

Meetings are held between 11am and 1pm, at Local Government House, Smith Square, SW1P 3HZ, with lunch provided afterwards; a location map is at <http://www.lga.gov.uk/lga/core/page.do?pageld=27909>.

## **REGIONAL NEWS**

### ***Coventry Airport - £4 million air traffic control contract signed***

19 June 2010

Sir Peter Rigby's aviation group, Patriot Aerospace, has signed a £4 million contract with Serco for air traffic services at Coventry Airport. A spokesperson for the airport stated that the objective of the deal is to get the airport fully operational as quickly as possible, and provide the highest levels of air traffic services with full radar and instrumental approaches.

This underpins the airport's strategy to resume full normal operations, including attracting business jet traffic, freight and potentially future airline operations. Since acquiring the airfield Patriot Aerospace have created 30 new jobs, introduced new aviation business in the form of Heliflight, (a helicopter flying training school), launched a new air base operation and secured approximately 400 jobs in tenant business on and associated with the airport. The aviation group is now preparing plans for the airport's future development and expects to progress these in the coming months.

### ***Southampton Airport – David Lees named new Managing Director***

18 June 2010

David Lees has been appointed the new Managing Director of Southampton Airport, after three years working at the hub. He will take on the role from 31 July 2010 and replaces Kevin Brown, who is to take control of sister BAA airport Edinburgh. Mr Lees joined Southampton Airport in 2007 as Planning and Development Director, and was previously responsible for the creation of the airport's master plan.

### ***London City Airport – Judicial Review of expansion plans set for November 2010***

16 June 2010

The Judicial Review of the decision by Newham Council to approve London City Airport's application for an increase in flight movements to 120,000 per year from 80,000 is to take place at the High Court on 18 and 19 November 2010. The Council's July 2009 decision became the subject of a legal challenge after concerns were raised by a number of other authorities about the impact the increase would have on their residents. A decision is expected about six weeks after the hearing.

### ***Bristol Airport - passenger numbers up 5.3%***

17 June 2010

Flight disruption caused by the Icelandic volcanic ash cloud last month failed to halt the growth in passenger numbers at Bristol Airport. They increased by 5.3% to more than 500,000 in May 2010 compared to the same month last year, meaning the airport has reported increases every month since the turn of the year.

International travel accounted for the bulk of last month's increase, up by almost 10% on May 2009. Airport Aviation Director Shaun Browne has said demand for both business and leisure travel remains strong. This continued growth has helped underline the need to develop and enhance facilities for passengers at the airport.

### ***Heathrow Airport – likely funding boost for 'Airtrack' rail scheme***

30 June 2010

Airtrack, the proposed rail link between Waterloo, Heathrow and the west, could be one of the beneficiaries of the cancellation of the third runway project. According to the BAA Capital Investment Plan, recently published, some of the £700 million earmarked for the runway could now be available for other projects. BAA is pushing ahead with plans for Airtrack to be presented to a Public Inquiry in Autumn 2010. The line would directly connect the redundant Eurostar platform at Waterloo to the station platform at Heathrow Airport Terminal 5. A completion date has been set for 2016.

### ***Gatwick Airport to expand***

30 June 2010

Global Infrastructure Partners (GIP), who bought Gatwick in December 2009, has accelerated the delivery of improved facilities and introduced plans for faster check-in facilities and new security lanes at the airport. In July 2010 the re-built inter-terminal transit will open ahead of schedule - one of a series of measures that will improve the passenger experience at the airport. A spokesperson for GIP noted that although an area of land for a possible second runway had been safeguarded, Gatwick's focus at the moment was solely on the one existing runway and two terminals. GIP expects passenger numbers to increase from 33 million to more than 40 million passengers per annum by 2018.

## **GOVERNMENT NEWS**

### ***Emergency Budget 2010***

22 June 2010

Chancellor George Osborne has made public the Coalition Government's Emergency Budget disclosing a range of different measures aimed at reducing the UK's budget deficit. Summarised below are the measures affecting transport.

#### **Air Passenger Duty (APD)**

The Chancellor announced that the planned change from Air Passenger Duty (APD) to Per Plane Duty (PPD) would not be reviewed until Autumn 2010, with any changes being subject to public consultation. This has increased the likelihood that the previously scheduled November 2010 rise in APD will actually come into effect, despite objections from airlines, airports and the travel industry.

In the run-up to the General Election, both the Conservatives and Liberal Democrats stated that they would replace the current system with a more efficient per plane duty, however, with no firm plans detailed in the Emergency Budget doubts are raised about the Government's commitment to this reform.

### **Taxes**

No new increases to fuel duty were announced.

There will be an examination to assess a fuel rebate for rural areas.

The Chancellor also announced that the Government is examining the impact on the public finances of sharp fluctuations in the price of oil to see if pump prices can be stabilised.

### **Regional Transport**

Measures relating to regional transport were fairly limited.

The Chancellor announced the Government's commitment to plans for the Tyne and Wear Metro, and an extension of the Manchester Metro.

There will also be railway investments in Sheffield - expansion of track into the city, and rail improvements between Liverpool and Leeds - upgrade and expansion of tracking between the two cities.

Details on the electrification of track green-lighted by the Labour Party will now wait until the Autumn 2010 spending review.

### **Ports**

Ports will benefit from specific targeting of the halt to backdated business rates bills.

### **Assets sales**

The Government will also look at how to dispose of its shareholding of NATS, the air traffic control service. In-line with the Transport Act 2000, the Secretary of State must retain at least 25 percent and cannot dispose of more than 51 percent of the Government's shares in the company. If the Government's intentions differ from these protective stipulations, the Act would need to be overturned. The Government must also not dispose of any of its shares unless it is satisfied that plans are in place, for the completion of any major projects that have been planned. This decision has drawn disapproval from airlines and industry experts concerned with the potential risk to service provision controls if left to the market.

## ***Infrastructure on fast-track as the Infrastructure Planning Commission closes***

29 June 2010

Decentralisation Minister, Greg Clark, has confirmed that the Infrastructure Planning Commission (IPC) - a quango with the power to approve major infrastructure projects - will be abolished in line with the Coalition Agreement. The only adjustment to the former IPC procedure is that Ministers, not unelected commissioners, will take the decisions on nationally significant infrastructure projects critical to the country's future economic growth. A Major Infrastructure Planning Unit will be established in the Planning Inspectorate to continue fast-tracking major infrastructure projects such as offshore windfarms and nuclear power stations. Ministers will take decisions on applications within the same statutory fast-track timeframe as the current regime.

### ***'High-Speed 1' sale to aid reduction of the budget deficit***

22 June 2010

The Government has begun the sale of rights to operate Britain's first high-speed railway, 'High-Speed 1'. The sale will raise funds to help reduce the budget deficit as well as creating better opportunities for new rail services to new destinations on the line. From 21 June 2010, bidders interested in running the 68 mile line - which links London to the Channel Tunnel - as well as stations such as St Pancras International, Stratford, Ashford and Ebbsfleet, are being invited to come forward. The successful bidder will become the owner of 'HS1 Ltd', which has a 30-year concession to run the line and stations.

'High-Speed 1' is currently used by international Eurostar services between London and European destinations as well as domestic high-speed services between London and Kent. Following the sale, the performance of 'HS1 Ltd' will be independently policed by the Office of Rail Regulation to ensure that rail passengers' interests are effectively safeguarded. A price tag of £1.5 billion has been placed on this high-speed rail link.

### ***'High-Speed 2' rail route to be redrawn***

24 June 2010

The route for the 250 mph planned 'High-Speed 2' rail line could be redrawn, with the Coalition Government looking to incorporate Heathrow into the network. Labour had planned to run the line from Euston directly to the West Midlands with Heathrow only being linked to the high-speed route via a spur running to an interchange at Old Oak Common in North West London.

Philip Hammond, the Transport Secretary, has asked Sir Brian Briscoe, Chairman of 'High-Speed 2', to consider scrapping the interchange - which would also serve Crossrail. Mr Hammond has also asked Sir Brian to examine an alternative to Labour's Y-shaped route north of the West Midlands with separate lines running to Manchester and Leeds. Instead, the Transport Secretary wants Sir Brian to examine the case for running the high-speed track to Manchester and then on to Leeds.

### ***Transport Minister predicts end to domestic flights***

28 June 2010

Transport Secretary, Philip Hammond, has stated that domestic flights will soon become a thing of the past within the UK, adding that fast train links will be critical to addressing growing demand for air travel. Mr Hammond also talked of answering the need for greater airport capacity through the smarter use of airspace and spare capacity on Stansted's runway.

However, several airlines cast doubt on the idea that domestic flights would become extinct. A spokesman for Flybe felt that UK domestic aviation will be unaffected by the limited, London-centric nature of any high-speed rail investment that might be forthcoming over the next few decades. He went on to state that there is a very strong argument that aviation services to regions such as the West Midlands and the North-West will actually see an increase in demand as a result of high-speed rail.

Furthermore, British Airways dismissed the idea that domestic flights would end. A spokesman for the airline has stated there will still be demand from people in the UK regions who want to fly into the hub airport of Heathrow, particularly if the high-speed rail links do not link directly to Heathrow.

## **PARLIAMENTARY NEWS**

### ***Louise Ellman heads the Transport Select Committee***

Louise Ellman, the Member of Parliament for Liverpool Riverside, has been re-elected as Chair of the House of Commons Transport Select Committee, a post she has undertaken since May 2008, when she was selected to succeed the late Gwyneth Dunwoody. She has been a member of the Transport Select Committee since 2002.

## **HOUSE OF COMMONS DEBATES AND QUESTIONS**

### ***Protection of runway alternation at Heathrow Airport***

16 June 2010

**Zac Goldsmith (Richmond Park, Conservative):** asked the Secretary of State to confirm that he will protect runway alternation at Heathrow.

**Transport Secretary, Teresa Villiers (Conservative)** stated that the Government could give that confirmation, and that it supports the current protections of runway alternation. Labour's proposals for mixed mode were defeated when the Conservatives were in opposition and these will not be revived.

### ***Questions on the impact of a per-plane tax***

16 June 2010

**Mr Laurence Robertson (Conservative):** asked the Chancellor of the Exchequer (1) What discussions he has had with representatives of the aviation industry on the possible impact of a per-plane tax on (a) their levels of business and (b) their competitiveness. (2) What discussions he has had with (a) the Secretary of State for Business, Innovation and Skills and (b) the Secretary of State for Transport on the likely effect on the aviation industry of the introduction of a per-plane tax, with particular respect to freight carriers.

**Justine Greening (Economic Secretary to the Treasury, Conservative):** The Coalition Agreement includes an intention to switch from a per-passenger to a per-plane duty. The Government are considering options for doing so, and welcomes the views of interested parties. As part of this process, the Chancellor takes representations from a range of interested parties, including Ministers from other Departments and from Devolved Administrations.

### ***Questions on the Noise Policy Statement for England***

9 June 2010

**Mr Evennett (Conservative):** asked the Secretary of State for Environment, Food and Rural Affairs what her policy is on tackling noise pollution; and if she will make a statement.

**Richard Benyon (Environment, Food and Rural Affairs Minister, Conservative):** The Noise Policy Statement for England (NPSE) provides a wide framework aimed at enabling noise management decisions to be made that ensure noise levels do not place an unacceptable burden on society. They also describe the process to be followed by the Highways Agency, local highway authorities, and the railway industry, to determine what, if any, further noise management measures might be undertaken (in the context of Government policy on sustainable development), in areas found to most affected by environmental noise. The plans also describe the process for identifying

and managing quiet areas, with the aim of preserving environmental noise quality where it is considered good.

Local Authorities also have a statutory duty under the Environmental Protection Act 1990 to inspect their areas periodically for existing and potential statutory nuisances from noise, and to take reasonably practicable steps to investigate complaints of noise nuisance within their areas. Once satisfied that a statutory nuisance exists or may occur or recur, a local authority must issue an abatement notice requiring that the noise be ceased or abated within a specified timescale. Local Authorities also have powers under the Noise Act 1996 (as amended) to take enforcement action against night noise emitted between 11pm and 7am from licensed or domestic premises that exceeds the permitted level, which may be in the form of a fixed penalty notice.

## **HOUSE OF LORDS QUESTIONS**

### ***Debate on transport budget cuts***

21 June 2010

The House of Lords has debated transport budget cuts. In response to a question from **Lord Berkeley** on implementing savings of £682 million in 2010–11 in the transport sector in the context of Government plans to create a greener and more sustainable transport sector, **Transport Minister Earl Attlee** explained £120 million would be saved from Departmental spend, £100 million from network rail and a proposed reduction of £180 million from Transport for London (TfL). **Lord Berkeley** wondered why the Highways Agency and road construction had not been included in the planned cuts. **Mr Attlee** stated that the Highway Agency would take its share of cuts, both through reductions in Departmental spend and directly from projects. Outlining the need to reduce carbon in response to increasing transport demand, **Labour Peer Lord Lea of Crondale** called for the different forms of carbon taxation methods to be published. **Earl Attlee** agreed to consider the request.

Turning to aviation, **Lord Clinton-Davies** questioned how airports would be affected by planned cuts. The Minister explained the opposition to the third runway at Heathrow, as well as any proposals for further runways at Gatwick or Stansted, as they would not be sustainable. **Lord Faulkner of Worcester** stressed that high-speed rail was very much needed in order to achieve a low-carbon transport system. **Earl Attlee** went on to explain that the Government was committed to 'High-Speed 2', however, public finances are a pressing concern. **Liberal Democrat Peer Lord Greaves** felt it was essential that new carriages were introduced in the North of England in order to alleviate overcrowding.

### ***Volcanic ash compensation***

22 June 2010

**Lord Laird (Backbencher)**: asked Her Majesty's Government whether they plan to compensate the airline industry for loss of business as a result of volcanic ash.

**Earl Attlee (Transport Minister)**: responded stating that the Government recognise the significant financial impact for BAA and other UK airports during the period of the airspace restrictions due to volcanic ash in April 2010. At this stage, the Government have no plans to provide financial assistance to cover any losses incurred by airports. The starting point must be for businesses in any sector to meet their operating risks. However, the Government will keep the position under review. The meeting of EU Transport Ministers on 24 June 2010 will be taking stock of the ongoing impact of the ash cloud and the response at EU level.

## **TRAFFIC STATISTICS**

### ***Airports Council International - World Traffic Statistics - May 2010***

30 June 2010

Airports Council International (ACI) is reporting that international passenger numbers grew by just over 10 % at airports worldwide in May 2010 compared to May 2009. Domestic traffic also increased firmly but at a more moderate pace of 6 %. Top regional results were seen in Latin America-Caribbean and Asia-Pacific sector with significant increases in both domestic and international passenger numbers.

Overall growth in North America and Europe was more modest, although North America reported a strong 11.5 % increase in international passengers, which in part reflects the business development plans of North American carriers. As expected, the significant decline of air traffic in April 2010 caused by the Iceland volcano eruption did not have a lasting effect, and air traffic has resumed the growth path it has been following since August 2009.

### ***Civil Aviation Authority (CAA) traffic statistics (April 2010)***

The Civil Aviation Authority (CAA) provides monthly UK aviation statistics. The total terminal and transit passenger figures for April 2010 compared with April 2009 are summarised below:

- for all reporting UK airports in April 2010 - 14,059,636 compared with 18,151,510 in April 2009, a decrease of 22.54%;
- for all reporting regional airports in April 2010 - 5,549,092 compared with 7,294,710 in April 2009, a decrease of 23.93%; and
- for all reporting London airports in April 2010 - 8,510,544 compared with 10,856,800 in April 2009, a decrease of 21.61%.

The total air transport movement figures for April 2010 compared with April 2009 are also summarised below:

- for all reporting UK airports in April 2010 - 150,555 compared with 191,204 in April 2009, a decrease of 21.26%;
- for all reporting regional airports in April 2010 - 83,748 compared with 106,913 in April 2009, a decrease of 21.67%; and
- for all reporting London airports in April 2010 - 66,807 compared with 84,291 in April 2009, a decrease of 20.74%.

A selection of the CAA figures for passengers (terminal and transit; PAX) and air transport movements (ATMs) for April 2010 are given in the following table for the larger English airports, showing the percentage change from a year earlier.



### **Monthly statistics for selected UK airports (April 2010)**

#### **KEY**

ATM – air transport movement, i.e. either a landing or take-off of aircraft engaged in the transport of passengers, freight or mail on commercial terms. All scheduled movements, including those operated empty, loaded charter and air taxi movements are included.

PAX – all revenue and non-revenue passengers on air transport movement flights.

|                                  | <b>ATMs April 2009</b> | <b>ATMs April 2010</b> | <b>ATMs % Change</b> | <b>PAX April 2009</b> | <b>PAX April 2010</b> | <b>PAX % Change</b> |
|----------------------------------|------------------------|------------------------|----------------------|-----------------------|-----------------------|---------------------|
| Gatwick                          | 19,717                 | 15,908                 | -19.32               | 2,580,338             | 2,057,725             | -20.25              |
| Heathrow                         | 38,807                 | 31,145                 | -19.74               | 5,618,802             | 4,454,878             | -20.71              |
| London City                      | 6,116                  | 4,538                  | -25.8                | 240,177               | 175,096               | -27.1               |
| Luton                            | 6,781                  | 5,109                  | -24.66               | 788,167               | 589,717               | -25.18              |
| Southend <sup>1</sup>            | 80                     | 65                     | -18.75               | 0                     | 0                     | 0                   |
| Stansted                         | 12,678                 | 9,934                  | -21.64               | 1,629,316             | 1,233,128             | -24.32              |
| <b>London total</b>              | <b>84,179</b>          | <b>66,699</b>          | <b>-20.77</b>        | <b>10,856,800</b>     | <b>8,510,544</b>      | <b>-21.61</b>       |
| Birmingham                       | 7,767                  | 5,662                  | -27.1                | 717,139               | 539,246               | -24.81              |
| Blackpool                        | 913                    | 792                    | -13.25               | 23,557                | 14,054                | -40.34              |
| Bournemouth                      | 813                    | 550                    | -32.35               | 70,446                | 52,622                | -25.3               |
| Bristol                          | 4,305                  | 3,650                  | -15.21               | 419,231               | 369,878               | -11.77              |
| Coventry <sup>2</sup>            | 164                    | 0                      | -100                 | 0                     | 0                     | 0                   |
| Doncaster Sheffield              | 508                    | 418                    | -17.72               | 63,888                | 44,977                | -29.6               |
| Durham Tees Valley               | 442                    | 505                    | 14.25                | 24,790                | 15,403                | -37.87              |
| East Midlands                    | 4,921                  | 3,600                  | -26.84               | 374,008               | 252,523               | -32.48              |
| Exeter                           | 1,175                  | 878                    | -25.28               | 64,462                | 47,055                | -27                 |
| Kent International               | 53                     | 51                     | -3.77                | 733                   | 808                   | 10.23               |
| Leeds Bradford                   | 2,556                  | 2,324                  | -9.08                | 192,045               | 185,817               | -3.24               |
| Liverpool                        | 3,600                  | 3,152                  | -12.44               | 415,030               | 363,335               | -12.46              |
| Manchester                       | 13,287                 | 9,547                  | -28.15               | 1,463,206             | 1,080,399             | -26.16              |
| Newcastle                        | 4,017                  | 3,152                  | -21.53               | 332,452               | 253,170               | -23.85              |
| Newquay                          | 1,166                  | 876                    | -24.87               | 32,482                | 22,680                | -30.18              |
| Norwich                          | 2,081                  | 1,462                  | -29.75               | 31,594                | 26,360                | -16.57              |
| Oxford (Kidlington) <sup>3</sup> | 55                     | 88                     | 60                   | 0                     | 14                    | 14                  |
| Plymouth                         | 696                    | 599                    | -13.94               | 11,657                | 10,395                | -10.83              |
| Shoreham                         | 54                     | 58                     | 7.41                 | 88                    | 124                   | 40.91               |
| Southampton                      | 3,492                  | 2,918                  | -16.44               | 150,235               | 121,170               | -19.35              |
| <b>Regional total</b>            | <b>52,065</b>          | <b>40,282</b>          | <b>-22.63</b>        | <b>4,387,043</b>      | <b>3,400,030</b>      | <b>-22.02</b>       |
| <b>Total</b>                     | <b>136,244</b>         | <b>106,981</b>         | <b>-21.48</b>        | <b>15,243,843</b>     | <b>11,910,574</b>     | <b>-21.87</b>       |

Source: Civil Aviation Authority (CAA)

<http://www.caa.co.uk/default.aspx?catid=80&pagetype=88&pageid=3&sqlid=3>

<sup>1</sup> Southend - PAX April 2010 is zero due to the majority of the flights at the airport consisting of Air Taxi Movements (movement by an aircraft of less than 15 tonnes maximum take off mass) where passengers on these flights are not recorded. The remaining flights are cargo only operations.

<sup>2</sup> Coventry Airport – The airport brought by aviation group, 'Patriot Aerospace' in April 2010. Only a very small number of services were operated at the airport in April 2010 and was not reported by CAA.

<sup>3</sup> Oxford (Kidlington) - Recorded passenger figures include passengers on scheduled flights and those operated by regional turboprop aircraft, but exclude passengers on private aircraft, corporate jets and other such aircraft. Air transport movements include all aircraft types.

## **EUROPEAN NEWS**

### ***US and European Commission move towards air traffic co-operation***

22 June 2010

The US and the European Commission (EC) have signed a memorandum of co-operation to work more closely on air traffic management. The agreement could lead to quicker transatlantic flights for travellers and reduced fuel consumption by aircraft. The initial agreement was signed in Madrid by Daniel Calleja, the EC Director of Air Transport, and Hank Krakowski, the US Federal Aviation Authority's Chief Operating Officer.

The EC said the memorandum would let the two parties jointly pursue common objectives including greener travel and more efficient air transport systems. The two sides will also co-operate on research into safety, security, environment, performance, alternative fuels, aircraft design, Unmanned Aircraft Systems (UAS), sub-orbital airplanes, satellite-based communications and related air traffic movement applications. The EC said it hoped to get agreement from the Council of Ministers and the European Parliament to implement the agreement by 2011.

### ***Second 'Open Skies' deal signed***

24 June 2010

A deal which should make it easier for US and EU airlines to buy bigger stakes in each other has been signed by EU Transport Ministers in a second "Open Skies" agreement with the US at a the EU Transport Council Meeting on 24 June 2010. Currently there are limits to foreign ownership of US and EU airlines where European carriers can only own 25% of US airlines, while US carriers can take 49.9% stakes in their European competitors. The deal should see those limits raised, though the new levels have yet to be decided.

The provisionally agreed deal could also still be blocked by US lawmakers, who would need to approve new legislation to allow foreign owners to increase their stakes in US airlines. EU Transport Commissioner Siim Kallas welcomed the deal, calling it good news for passengers and airlines. It was stated that in economic terms, it could be worth up to £9.9 billion<sup>4</sup> in economic benefits and up to 80,000 new jobs.

The new agreement also includes plans for closer co-operation on environmental matters, including carbon-trading schemes. The first 'Open Skies' agreement, which came into effect in 2008, marked a significant step in the liberalisation of the transatlantic airline industry. It allowed any airline to operate flights between the EU and the US. Previously, certain routes including flights between Heathrow and the US, had been limited to specific carriers. The deal also let EU airlines operate flights between the US and other non-EU countries, and made it easier for airlines to enter into code sharing agreements and other types of alliances.

### ***Europe's airlines expect Transport Minister to act on volcanic ash***

23 June 2010

The Association of European Airlines (AEA) has stated that European Transport Ministers must not let slip the opportunity to limit disruption in the event of further volcanic events. Going on to say that the faulty processes, which led to the prolonged shutdown of most of European aviation in April 2010, with sporadic further restrictions into May 2010, must not be allowed to re-occur.

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<sup>4</sup> Reported as €12 billion

AEA has formulated a 'New European Approach' to ash-cloud management which it has circulated to all the EU Transport Ministers as well as other relevant institutions and agencies: the Commission, the European Aviation Safety Agency and Eurocontrol. It argues for the responsibility for operational decisions to reside with those who have the expertise and experience of dealing with the avoidance of risk in their day-to-day business – the airlines and their pilots. This is standard practice in other areas of the world, where volcanic activity may not be as uncommon as it is in North West Europe.

The April/May 2010 eruption cost AEA airlines approximately £990 million<sup>5</sup>, a figure that was greatly inflated by restrictions on flying imposed by National Authorities, and by passenger compensation rules, which were applied Europe-wide. The uncoordinated operating restrictions in European airspace during the eruption drew an undertaking from the European Commission to accelerate the Single European Sky process to reform air traffic management in Europe with aims for it to be introduced by June 2012.

### ***Peel Airport Ltd part takeover deal***

24 June 2010

Peel Airport Ltd has a new owner after Canadian operator Vancouver Airport Services has taken a 65% stake in the company. Vancouver Airport Services has reached an agreement with The Peel Group to acquire the majority stake in Peel Airports Ltd, which includes Durham Tees Valley, Liverpool John Lennon Airport and Robin Hood Airport. Boosting passenger numbers at Durham Tees Valley Airport will be the first priority for the Canadian firm, after passenger numbers more than halved in 2009 to 288,000, down from 647,000 in 2008 with a number of airlines pulling out of the airport during the economic downturn.

## **INDUSTRY NEWS**

### ***Airport slot trading launched***

24 June 2010

Airport Co-ordination Ltd (ACL) is to help airlines wishing to buy, sell, lease and swap landing slots with a product called 'SlotTrade'. ACL is an independent schedule coordination company and international aviation consultancy business based in the UK. Its owners are British Airways, bmi, EasyJet, Flybe, Jet2, Monarch Airlines, Thomas Cook Airlines, Thomson Airways and Virgin Atlantic Airways. SlotTrade is aimed at making the previous grey market in airport slots more open, efficient and transparent via its website. This is increasingly important at airports with limited capacity. Slot trading was essential to the implementation of the EU-US 'Open Skies' agreement in 2008, when US carriers such as Continental and US Airways were able to quickly start Heathrow services using slots acquired from incumbent airlines.

### ***British Airways and Iberia sign Spanish merger document***

30 June 2010

British Airways and Iberia moved a step closer to a £4.2 billion combination after signing the merger-plan document required to implement the deal under Spanish law. The document details how a new Spanish company, BA Holdco SA, will be created above British Airways and how Iberia will transfer its assets to an operating subsidiary before both are merged into the International Consolidated Airlines Group SA holding company, BA said in a statement.

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<sup>5</sup> Reported as €1.2 billion

The merger, which is being implemented under Spanish law, remains dependent on the granting of shareholder approval at meetings to be held in November 2010, with completion expected about a month later, British Airways said. Investors will receive shares of IAG, which will become the owner of both airlines. The deal also needs regulatory approval, which is expected.

## **MEDIA NEWS**

### ***EasyJet ancillary services court action***

23 June 2010

EasyJet and its founder and largest shareholder Sir Stelios Haji-Ioannou were in court last week debating whether ancillary services are part of the airline operation, or a bonus. Under the terms of a brand licence agreement made when the company floated on the stock market in 2000 the non-frills carrier can only make 25% of its income this way. The case hinges on whether services such as baggage and speedy boarding, as well as food sold on board and charges for infants, should be classed as ancillary or core services. More representations are due to be heard with judgement expected in late summer.

## **FORTHCOMING EVENTS**

### ***Westminster Energy, Environment & Transport Forum Seminar: Biofuels, 21 July 2010***

The relationship between local and national government has never been more important.

This Connect training course will help you explore and understand how local government might change over the next five years and what the Coalition Government is planning to deliver. Issues that will be covered include:

What will localism look like in practice?

How much of a priority is local government reform in the new Government?

What can we expect to change and stay the same?

Which local government leaders have influence in Westminster and Whitehall?

What do you need to be planning for to make sure you are ahead of the game?

This seminar will explore the latest thinking on the future of biofuels. It is timed as concerns emerge about the viability of biofuels and the challenges for innovation in the industry, with certain UK subsidies set to be cut, EU research raising concerns about the environmental damage caused by biofuels and the continuing food versus fuel debate.

Including a keynote presentation from the Renewable Fuels Agency, sessions will examine:

- biofuels progress and next steps;
- the prospects for innovation in the industry and the next generation of biofuels;
- cleaner fuels and the alternative options for sustainability and energy security; and
- the future of the food versus fuel debate.

Venue: Central London (TBC)

Delegate rates- General rates -including refreshments and PDF copy of the transcripts: £190  
Concessionary rate places for small charities, unfunded individuals and those in similar circumstances £80.

For those who cannot attend, copies of the briefing document, full transcripts of all speeches and the questions and comments sessions, and further articles from interested parties, will be available approximately 7 days after the event for £95; concessionary rate: £50.

### ***Better not Bigger? The Future for Aviation in the UK – 16 September 2010***

With a National Policy Statement on aviation expected next year, this conference from the Waterfront conference company focuses on the impact of these policy developments for the future of aviation in the UK.

The conference will cover the following:

- developing a new vision for a competitive aviation industry;
- reforming the economic regulation framework and incentivising airports to improve services;
- driving investment in airports and facilities and improving the passenger experience;
- aviation expansion and meeting climate change targets;
- developing quieter, more fuel efficient aircraft;
- the Civil Aviation Authority's (CAA) new responsibilities;
- the impact of changes to the planning system on the future of aviation, and
- the future of aviation - towards the development of a National Policy Statement.

Delegate rates: Standard Conference Fee - £399  
Public Sector Fee - £299  
Voluntary Organisations and Registered Charities - £199

Venue: Bircham Dyson Bell, London

Most of the Parliamentary information in this Bulletin and some news items were sourced from De Havilland Information Services plc.

The following sources are also used: ABTN, ACI, AERBT Newsletters, Airwise.com, Anna Aero's Website, Aviation International, BAA's Website, Croner Environment Centre Newsletters, ENDS On-line, Financial Times On-line, IATA, The BBC On-line, The Guardian On-line, The Independent On-line, The Planning Portal Newsletters, The Telegraph On-line, Transportinfo.org.uk, United Kingdom Parliament's World Wide Web Service.

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| SASIG, PO Box 1308, Kingston upon Thames, KT1 2WF. Tel: (020) 8541 9459<br>Fax: (020) 8541 9447      Email: <a href="mailto:sasig@surreycc.gov.uk">sasig@surreycc.gov.uk</a> Website: <a href="http://www.sasig.org.uk">www.sasig.org.uk</a> |
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