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AVIATION REGULATORY AND POLICY

Aviation Policy: European Commission Proposals Regarding the Transformation of EU Economy and Society to Meet Climate Ambitions

On 14 July 2021, [the European Commission \(Commission\) adopted the 'Fit for 55' package](#), a broad set of legislative proposals to make the European Union's climate, energy, land use, transport, and taxation policies fit for reducing net greenhouse gas emissions by at least 55% by 2030 when compared to 1990 levels. As part of this package, the Commission adopted several proposals that will impact the aviation industry: (i) the ReFuelEU Aviation proposal; (ii) the review of the Energy Taxation Directive, (iii) the review of the EU Emissions Trading System (ETS), and (iv) the review of the Renewable Energy Directive and the Alternative Fuels Infrastructure Directive. The ReFuelEU Aviation initiative proposes EU-wide harmonised rules for sustainable aviation fuels (SAF) that will apply to fuel suppliers and airline operators. Airlines will be obliged to uplift SAF-blended aviation fuel when departing from EU airports. ReFuelEU also obliges fuel suppliers to include more SAF into jet fuel, and promotes advanced biofuels and synthetic fuels produced from green electricity and in line with the sustainability requirements under the revised Renewable Energy Directive. Crop-based biofuels, hydrogen and electricity are not included in the RefuelEU initiative. In relation to the revision of the EU ETS, the Commission proposes to revise the ETS aviation rules to strengthen the price signals that incentivise cost-effective reductions of aviation emission. In particular, the Commission proposes to phase out allowances allocated to airlines for free and align with the global Carbon Offsetting and Reduction Scheme for International Aviation (CORSIA). Finally, the revised Energy Taxation Directive introduces minimum tax rates applicable to aviation fuels used on intra-EU flights. The proposed tax rates on aviation fuel will increase gradually over a 10-year period to reach a minimum rate of €10.75/GJ EU-wide.

Aviation Policy: Commission Proposal to Amend and Extend the Slot Relief Rules for Airlines

On 23 July 2021, [the Commission proposed to amend the slot regulation and extended the slot relief rules adopted in February 2021](#). Relief from normal slot allocation rules for airlines will be extended to the coming winter scheduling season, running from 31 October 2021 until 27 March 2022. Instead of the normal requirement to use at least 80% of a given slot series to retain historic rights in those slots, airlines will only have to use 50% of a given slot series. Furthermore, the use requirement will not apply at all when state-imposed measures severely impede passengers' ability to travel on routes for which the slots were intended (the so-called 'justified non-use of slots' exception). The Commission sees the 'justified non-use of slots' exception is an appropriate tool

to address future unforeseen circumstances without unduly blocking airport capacity, where it may turn out to be unnecessary. However, [the International Air Transport Association \(IATA\) has strongly criticized the Commission's proposal](#) stating that the result of these changes will be to restrict the ability of airlines to operate with the agility needed to respond to unpredictable and rapidly changing demand, leading to environmentally wasteful and unnecessary flights, to further weaken the financial stability of the industry and to hinder the recovery of the global air transport network.

Aviation Safety: Publication of the European Union Aviation Safety Agency's Annual Safety Review 2021

On 5 August 2021, the European Union Aviation Safety Agency (EASA) published its [Annual Safety Review 2021](#) showing that the aviation safety system remains resilient although under pressure. EASA reports that the overall safety picture for EASA member states is relatively stable as activity ramps up with the loosening of COVID-related restrictions. The Review flagged how, for the remainder of 2021 particularly, the aviation sector and all its stakeholders will need to continue their effort to find a common path towards a safe and sustainable recovery.

However, due to the unique situation in 2020, it is difficult to make a safety review and draw definitive conclusions about the safety performance of the European aviation system. In fact, the normal annual process of safety performance monitoring compares the review year's safety figures with those of the previous 5 to 10 years. Therefore, some trends will have to be monitored over the next few years as the impact and recovery path from the pandemic become clearer.

Aviation Safety: New Global Reporting Format Methodology for Runway Surface Conditions

As of 12 August 2021, [the new Global Reporting Format \(GRF\) methodology](#) for assessing and reporting runway surface conditions applies in the European Union. The new GRF methodology aims at ensuring a single and globally harmonised way of assessing and reporting runway surface conditions and improve flight crew assessment of take-off and landing performance. This methodology is expected to reduce the safety risks related to runway excursions, the most common form of runway safety related incidents.

Aviation Safety: Publication of EASA's Guidelines for Return to Service of Aircraft After Storage in Relation to the COVID-19 Pandemic

On 28 July 2021, EASA published [guidelines for return to service of aircraft after storage in relation to the COVID-19 pandemic](#). EASA developed these guidelines for de-storing aircrafts with the support of industry and national competent authorities, in order to support the safe return to normal operations and to supplement the already published Frequently Asked Questions in continuing airworthiness. While the purpose of the guidelines is to maintain the level of safety of the aircraft during the return to service activity, these guidelines also highlight potential undesirable operational constraints and/or financial implications. These guidelines aim at raising awareness of possible hazards and suggest mitigations following the potential risks of aircraft returning to service after being parked/stored due to the extraordinary situation resulting from the COVID-19 pandemic, emphasising the need to consider the particularities of each case and the communication with the relevant organisations and competent authorities.

Aviation Safety: EASA Launches the European Aero-Medical Repository

On 1 July 2021, EASA launched the [European Aero-Medical Repository \(EAMR\)](#), a tool that is to be used to enhance flight safety by allowing traceability of commercial pilots' medical certificates. The repository is intended to help aero-medical examiners (AMEs) to fulfil their obligations and provides support to the national authorities with their oversight and administrative work in the field of aviation medicine for commercial aviation. The launch of the EAMR stands at the end of the analysis of causes and preventive measures resulting from the Germanwings accident in 2015. Following the accident, both the Germanwings task force, led by EASA, and the French Bureau d'Enquêtes et d'analyses pour la sécurité de l'Aviation civile recommended to find a balance between medical confidentiality and public safety and to create a European aeromedical data repository to facilitate the sharing of aeromedical information and tackle the issue of pilot non-declaration. The EAMR enables AMEs, aero-medical centres (AeMCs) and medical assessors (MAs) of EASA member states' National Competent Authorities (NCAs) to exchange information regarding the medical certification of commercial pilots. AMEs, AeMCs and the MAs of the NCAs can access information on commercial pilots' medical certificates and any historical changes to the status of these medical certificates, as well as a minimal set of data to allow positive identification of the applicant, while respecting patient confidentiality and ensuring protection of personal data.

Aviation Safety: EASA and European Centre for Disease Prevention and Control Update Air Travel Guidelines

On 17 June 2021, the EASA and the European Centre for Disease Prevention and Control issued a new version of the [Aviation Health Safety Protocol \(Protocol\)](#). The Protocol offers operational guidance and risk-based recommendations for health-safe air travel, complementing other European Union initiatives, such as the EU Digital COVID Certificates. The Protocol takes into account new evidence and recent developments such as the circulation of variants of concern and the rollout of the COVID-19 vaccination programmes, and stresses the need to maintain certain non-pharmaceutical measures in place, such as the wearing of medical face masks, good hygiene and physical distancing. In line with current scientific evidence and the European Council recommendations, the Protocol proposes that people who are fully vaccinated against COVID-19 or who recovered from the disease in the last 180 days should not be subject to testing or quarantine, unless they are coming from an area of very high risk or where a Variant of Concern is circulating. The Protocol, with its non-binding recommendations, aims at helping member states ensuring a harmonised approach across Europe. EASA will monitor the implementation of the protocol, which will be further updated in the future in line with scientific evidence and epidemiological information.

Aviation Safety: Commission Urges Austria, Cyprus and Greece to Fully Implement 'Just Culture' in Aviation

On 9 June 2021, the Commission [decided to send reasoned opinions to Austria, Cyprus and Greece](#) as these Member States have failed to designate a 'just culture body' as required by Article 16(12) of the European Regulation (EU) No 376/2014 on the reporting, analysis and follow-up of occurrences in civil aviation. Member States are required to designate a 'just culture body' to ensure that anyone in civil aviation reporting safety-relevant incidents and accidents is not unduly penalised by their employer or by their EU Member State's authorities. This entity is also responsible for reviewing the internal rules of civil aviation organisations setting out the implementation of just culture principles within the organisation. Austria, Cyprus and Greece have two months to respond to the arguments put forward by the Commission. Otherwise, the Commission may decide to bring the matter before the Court of Justice.

Aviation Safety: Publication of EASA's Opinion on 'Management of Information Security Risks'

On 11 June 2021, EASA [published an Opinion on Management of Information Security Risks](#), aimed at safeguarding the entire civil aviation system against potential safety effects caused by cyberattacks, which are constantly increasing in civil aviation. The opinion defines ways to identify and manage information security risks that could affect communication technology systems and data used for civil aviation purposes, and so in turn have an impact on aviation safety. In particular, it proposes the introduction of an information security management system (ISMS) for the competent authorities and for organisations in all aviation domains and requires them to report incidents and vulnerabilities related to information security. This ISMS will complement the existing management systems which these organisations and authorities already have in place. The proposed provisions include high-level, performance-based requirements, and will be supported by acceptable means of compliance, guidance material, and industry standards. The proposed measures should contribute to the creation of a regulatory framework where the interfaces between security and safety are appropriately covered, and where special attention is paid to avoiding gaps, loopholes and duplications with other information security and cybersecurity requirements, such as those contained in Commission Implementing Regulation (EU) 2015/1998 and in the national requirements stemming from Directive (EU) 2016/1148 (NIS Directive). The Opinion was developed in coordination, consultation and discussion with the European Strategic Coordination Platform, and it will now enter the adoption process of the Commission.

Aviation Safety: The Commission Adopts New European Union Air Safety List

On 2 June 2021, [the Commission updated the EU Air Safety List \(ASL\)](#), the list of airlines that are subject to an operating ban or operational restrictions within the European Union as they do not meet international safety standards. Following this last update, no new proposals for lifting or inclusion into the ASL have been adopted, but there have been a number of technical adaptations. In particular, carriers which no longer exist were removed to include the new air carriers recently certified by national aviation authorities from countries that are subject to a ban. The ASL's aim is not only to maintain high levels of safety in the European Union, but also to help affected airlines and countries to improve their levels of safety, in order for them to eventually be taken off the list. In addition, the ASL is also seen as a preventive tool, because countries with safety problems may decide to act upon them before a ban under the ASL would become necessary. Following this last update, a total of 103 airlines are banned from EU skies: 97 airlines certified in 16 states, due to inadequate safety oversight by the aviation authorities from these states.

Aviation Safety: EASA Publishes Guidance on International Civil Aviation Organization's Targeted Exemptions Notification Process

On 2 June 2021, [EASA published Guidance on the implementation of the International Civil Aviation Organization's \(ICAO\) targeted exemptions notification process](#). The purpose of this guidance is to support the competent authorities of EASA member states in fulfilling their obligation as ICAO contracting states with respect to the new system of targeted exemptions. Targeted exemptions are tightly scoped and time limited state-issued exemptions to a specified subset of standards, granted as a result of the COVID-19 pandemic and represent a temporary transitional option for states as they move back from reliance on the use of alleviations toward compliance with the standards and recommended practices. Targeted exemptions should only be considered by a state once it is clear that all other options have been considered and determined to be unsatisfactory. The new

system, which became applicable on June 30, 2021, aims to ensure that other ICAO members recognise or accept the validity of certificates and licenses affected by the special temporary measures (i.e. COVID-19 exemptions) granted by EASA member states' civil aviation authorities, and accept flights using such targeted exemptions within their territory.

Aviation Safety: EASA Publishes Guidelines on Maintenance of Air Traffic Control Officers Skills in Relation to the COVID-19 Pandemic

On 1 June 2021, EASA published an updated [Review of Aviation Safety Issues arising from the COVID-19 pandemic](#). These guidelines focus on the maintenance of required skills for air traffic control officers to perform their duties. The COVID-19 pandemic is having a significant effect on aviation including on air traffic control officers training and on the maintenance of air traffic control officers competence. EASA had already published safety promotion material on erosion of air traffic control officers skills, but due to a possible ramp up of operations for the 2021 summer season, EASA has decided to convert the existing material into guidance material. The purpose of these guidelines is to complement the existing regulatory requirements by providing additional advice on the possible options to deal with the COVID-19 pandemic.

Airport Charges: Commission Urges Bulgaria to Correctly Transpose EU Rules at Sofia Airport

On 15 July 2021, [the European Commission decided to send a reasoned opinion to Bulgaria](#) for failing to correctly transpose and apply Articles 6(3), and 11(6) of Directive 2009/12/EC on airport charges at Sofia Airport. Airport charges rules require Member States to put in place laws that ensure airport charges levied on airlines at the main EU airports are calculated in accordance with the principles of transparency, consultation and non-discrimination. Airports must consult airlines on their charges, and Member States are obliged to designate an independent authority with the power to adjudicate in disputes over charges involving airports and airport users, or the representatives or associations of airport users. In addition, the Commission also took the view that Bulgaria failed to correctly apply Article 3 of Directive 2009/12/EC and Article 15(1) of Regulation (EC) 1008/2008 on common rules for the operation of air services in the community (i.e. : the air service regulation). If Bulgaria fails to inform the Commission within two months of measures taken to ensure full compliance with the regulation, the Commission may refer the case to the Court of Justice of the European Union.

Single European Sky: Adoption of the Negotiating Mandate on the Reform of the Single European Sky Rules

On 17 June 2021, [the European Parliament's Transport and Tourism Committee adopted the negotiating mandate on the reform of the Single European Sky rules](#), which proposes ways to modernize the management of European airspace in order to reduce flight delays, optimise flight routes, cut costs and CO2 emissions in the aviation sector. Transport Committee Members of the European Parliament (MEPs) want to reduce fragmentation in European airspace management and optimise flight routes, i.e. have more direct flights. They support streamlining the European airspace management system by setting up independent national supervisory authorities, responsible for issuing air navigation service providers and airport operators with economic licences to operate, as well as implementing airspace management performance plans, to be set by the new performance review body, operating under the auspices of EASA. The rules on expanding EASA's mandate was adopted by 38 votes to 7 and 3 abstentions. The committee also voted in favour to give a mandate for the start of inter-institutional talks by 41 vote to 5 and 2 abstentions. MEPs on the Transport and Tourism Committee stress that

the Single European Sky should follow the green deal and contribute to the goal of climate neutrality with up to a 10% reduction in climate-impacting emissions. In addition, in order to improve competition between air-traffic controllers, MEPs suggest that one or a group of Member States should choose air-traffic service providers through a competitive tender, unless it would result in cost inefficiency, operational, climate or environmental loss, or inferior working conditions. The vote on the Single European Sky rules constitutes an update to the Parliament's negotiating position adopted back in 2014 and therefore reconfirms MEPs' readiness to start inter-institutional talks with EU Council shortly.

Single European Sky: Commission Urges Six Member States to Comply with EU Rules on the Provision of Data Link Services

On 15 July 2021, [the Commission decided to send a reasoned opinions to Cyprus, France, Greece, Malta, Portugal and Slovakia](#) for failing to provide and operate data link services for all operators of appropriately equipped aircraft flying within the airspace under their responsibility. The decision follows letters of formal notice sent on 15 May 2020, and additional letters of formal notice sent on 18 February 2021. Each Member State is required by Commission Implementing Regulation (EU) 29/2009, in conjunction with Article 4(3) TEU, to adopt these measures so that designated air traffic service providers can provide and operate these services. Communications between aircraft and the ground conveyed through data links complement the voice communications used traditionally between the cockpit and air traffic control centres, and help improving the efficiency of communications between pilots and controllers. The deadline for the providers to operate data link services expired and a lack of equipment in certain control centres is effectively preventing aircraft operators, which were also required to equip themselves with the technology, from using data link services. The Member States concerned have two months to take the necessary measures, otherwise, the Commission may decide to refer the case to the Court of Justice of the European Union.

Civil Aviation: The Commission Calls on Denmark to Apply EU Legislation on Foreign-Registered Aircraft Correctly

On 9 June 2021, [the Commission decided to send a letter of formal notice to Denmark regarding sections of national legislation that obstruct the freedom to provide services and the free movement of goods](#). Under the Danish Air Navigation Act, aircraft operators are required to register aircraft in Denmark, if they are based there. According to the Commission, this obligation undermines the freedom to provide services enshrined in Article 56 of the Treaty on the Functioning of the European Union (TFEU), as well as the free movement of goods as enshrined in Article 34 of the TFEU. The requirement imposed by Denmark entails a considerable burden for an owner of a foreign-registered aircraft, and in effect discourages them from basing their aircraft and from receiving services in Denmark. The requirement imposed by Denmark has an equivalent effect to quantitative restrictions prohibited under Article 34 TFEU. Denmark has two months to reply to the concerns raised by the Commission. In the absence of a satisfactory response, the Commission may decide to send a reasoned opinion.

IATA Report: International Air Transport Association Released its World Air Transport Statistics

On 3 August 2021, the International Air Transport Association (IATA) released the *IATA World Air Transport Statistics* publication, containing performance figures for 2020 showing the effects on global air transport during that year of the COVID-19 crisis: only 1.8 billion passengers flew in 2020, with a decrease of 60.2% compared to the 4.5 billion who flew in 2019. Compared to the previous year, all of Industry-wide air travel demand measures

decreased: air travel dropped by 65.9% year-on-year, international passenger demand by 75.6%, domestic air passenger demand by 48.8%, air connectivity declined by more than half in 2020, and total industry passenger revenues fell by 69%. Overall, the decline in air passengers transported in 2020 was the largest recorded since global revenue passenger kilometres (RPKs) started being tracked around 1950. Passenger system wide, airlines carried 1.8 billion passengers on scheduled services, a decrease of 60.2% over 2019. On average, there was a \$71.7 loss incurred per passenger in 2020, corresponding to net losses of \$126.4 billion in total. Measured in ASKs (available seat kilometres), global airline capacity plummeted by 56.7%, with international capacity being hit the hardest with a reduction of 68.3%. System wide passenger load factor dropped to 65.1% in 2020 compared to 82.5% the year prior. Europe suffered the largest proportion of loss for passenger traffic with a drop of 69.7% in RPKs versus 2019. In total, 389.9 million passengers were carried on scheduled services by airlines registered in Europe, down 67.4% over 2019.

AIR TRAVEL - PASSENGERS' RIGHTS

Passengers' Rights: European Court of Auditors Published its Report on Air Passenger Rights During the COVID-19 Pandemic: Key Rights Not Protected Despite Commission Efforts

On 4 June 2021, [the European Court of Auditors \(ECA\) published the report air passenger rights during the COVID-19 pandemic: Key rights are not protected despite Commission efforts](#). In this report, the ECA analysed how the COVID-19 crisis affected air passenger rights. While focusing on the Commission's role, ECA assessed whether the right of access to information and the right to reimbursement for air passengers have been safeguarded. ECA also examined how airlines were supported with state aid, whether this aid was linked to the protection of passenger rights, and whether the deficiencies which existed before the COVID-19 pandemic persisted or were exacerbated by the crisis. Overall, ECA found that the COVID-19 crisis brought into sharp focus the fact that air passengers were not informed fully about their rights, and that there was a risk that they would consequently lose money to which they were entitled, many passengers were not reimbursed in the initial phase of the crisis; many others had no other choice than to accept vouchers. In this report, ECA makes recommendations to the Commission for (i) better protection of, and information on, air passenger rights; (ii) more coordination of national measures and better linking state aid to airlines to the reimbursement of passengers; (iii) improved tools and legislation for safeguarding air passenger rights; and (iv) considering the relevance of the recommendations in this report also for other modes of transport.

INTERNATIONAL TRADE – BREXIT

International Trade: ASEAN and the EU Conclude the World's First Bloc-To-Bloc Air Transport Agreement

On 4 June 2021, [the Association of Southeast Asian Nations \(ASEAN\), the European Union and its Member States concluded the negotiations on the ASEAN-EU Comprehensive Air Transport Agreement \(AE CATA\)](#), during the Extraordinary ASEAN-EU senior transport officials meeting. The AE CATA is the world's first bloc-to-bloc air transport agreement that aims at boosting connectivity and economic development among the 37 member states of ASEAN and the European Union, and at rebuilding air connectivity between ASEAN and Europe, which has been severely affected by the COVID-19 pandemic. Under the AE CATA, airlines of ASEAN and the

European Union will have opportunities to operate passenger and cargo services between and beyond both regions. Airlines of ASEAN and the European Union will be able to fly any number of services between both regions, they will be able to fly up to 14 weekly passenger services, and any number of cargo services via and beyond to any third country. The AE CATA provides a foundation for cooperation between ASEAN and the European Union in areas such as aviation safety, air traffic management, consumer protection, and environmental and social matters, and provides fair competition provisions. This cooperation builds upon existing initiatives such as the enhanced ASEAN regional integration support from the EU program on technical assistance and capacity building; the EU-South East Asia on cooperation on mitigating climate change impact from civil aviation: carbon offsetting and reduction scheme for international aviation, which supports CORSIA implementation; and the EU-South East Asia aviation partnership project. ASEAN and the European Union will now submit the AE CATA for legal scrubbing in preparation for signature at a later date to be confirmed.

PUBLIC CONSULTATIONS AND EVENTS

Event: EASA Member States Advisory Body (MAB) Meeting 2021-03

From 5 October 2021 to 7 October 2021, [EASA is organizing the EASA Member States Advisory Body \(MAB\) meeting 2021-3](#). The MAB is composed of representatives of the EASA members states, of selected third countries with working arrangements or specific agreements with the agency to adopt and apply the basic regulation and its implementing rules of specific organisation, such as the European Defence Agency and the European Commission.

Event: EASA-FAA Industry-Regulator AM Event

From 8 November 2021 to 12 November 2021, [EASA and FAA are organizing the virtual event Industry-Regulator AM Event](#). This annual harmonised event (run since 2018) will be hosted by EASA in 2021 and will most likely be transitioned to a virtual event running for 3-to-4 hours in the afternoons (CET) for each day (exact times TBD). Further information will be provided on the EASA website when available.

Event: 2021 EASA Annual Safety Conference - Safety in Air Traffic Management

On 10 November 2021, [EASA is organising its annual safety conference with the focus on safety in air traffic management](#). The Conference is arranged as a one-day virtual event and is organised in cooperation with the Slovenian presidency of the EU Council and in partnership with Eurocontrol. More information is available on the [dedicated events page](#).

Event: the EU and U.S. Safe and Sustainable Aviation webinar

On 30 June 2021, [during the European Union - U.S. Safe and Sustainable Aviation webinar](#), the European Commission's Directorate-General for Mobility and Transport and the U.S. Department of Transportation's Federal Aviation Administration (FAA) affirmed their commitment to improve aviation safety and build a more sustainable industry. The Commission and the FAA jointly confirmed their commitment to their ongoing partnership under the U.S.- EU Safety Agreement as well as advancing a shared priority to address climate change through closer collaboration on sustainability efforts, and for the decarbonization of air transport. The webinar included two panels: The first panel, "Key Areas of Current and Future Aviation Safety Cooperation," focused on the current U.S.-EU Safety Agreement and on new ways to achieve future cooperation. The second panel, "Sustainable Aviation: U.S. – EU Priorities and the Path to Greening Aviation," focused on ways to make aviation greener.

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