

Business Aviation

MEP Quarterly

EU Aviation, Brexit and Gibraltar

Interview with Joseph Garcia
Deputy Chief Minister of Gibraltar

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EU Aviation, Brexit and Gibraltar: An interview with... Joseph Garcia, Deputy Chief Minister of Gibraltar



Aviation in Europe will benefit from a swift adoption of the Single European Sky Package II+ and of the legislative proposals on Slots and Passenger Rights. These aviation files, however, have been blocked at the Council level due to the dispute between Spain and the UK on their implementation in Gibraltar. Will the negotiations that have just started between the European Union and UK on Brexit unlock the situation and allow a move to adoption and implementation of these files?

In this context, EBAA MEP Quarterly presents an interview with the Hon. Dr Joseph Garcia MP, HM Government of Gibraltar's Deputy Chief Minister. The leader of the Gibraltar Liberal Party, Dr Garcia is also Gibraltar's Minister for Aviation, Minister for European Affairs and now Minister with Responsibility for Exiting the European Union.

Could you describe how the Gibraltar dispute originated and where it stands for now from your perspective?

First of all, let me start by saying that there is no "dispute", as you say, over Gibraltar nor the territory on which the airport is built. In fact, only last year, the Court of Arbitration for Sport in Lausanne determined that "the allegation that Gibraltar is a 'disputed' and/or 'sensitive' territory... is legally and factually misplaced".

Despite the above, and even though the United Kingdom's and Gibraltar's positions on sovereignty are clear, the 2006 Cordoba Agreement entered into by the governments of Spain, the United Kingdom and Gibraltar provided a practical and diplomatic solution to this issue. Under the agreement, Gibraltar agreed to construct a new air terminal immediately parallel to the border which would have direct access to another building on the Spanish side.

In return, Spain agreed to (i) lift Gibraltar's suspension from all EU civil aviation measures; (ii) replace the premise for Gibraltar's exclusion from such measures with the new agreement; and (iii)

implement the necessary infrastructural works on the Spanish side of the border to facilitate direct access. Gibraltar built a new air terminal next to the border at a cost of over EUR 80m to the Gibraltar taxpayer. EU civil aviation measures began to apply to Gibraltar after 2006 and that is why, for example, Regulation (EC) No. 1070/2009 i.e. SES II, covers Gibraltar, making reference to the Cordoba Agreement.

However, regrettably, towards the end of 2011 and almost at the same time as the new terminal opened, the new Spanish government reversed the policy of its predecessors and abandoned the terms agreed under the Cordoba Agreement.

The Gibraltar Government maintains that there is a very simple solution to this issue. It demands that EU civil aviation measures be applied to Gibraltar Airport in accordance with Gibraltar's status under EU law. It should purely be an exercise in the interpretation of the EU Treaties. If that is the line taken, there can only be one correct answer, i.e., the automatic application of these measures to Gibraltar.

The cost of the fragmentation of the European airspace that results from not proceeding accordingly has recently been estimated by the Commission to be at least EUR 3bn per year and an additional 50 million tonnes of carbon dioxide. This is just as frustrating for Gibraltar as it is for anyone else.

Let's go practical: What operational hurdles does Gibraltar face as a result of the dispute?

In practical terms, the operational impact is noticeable in that passengers flying to and from Gibraltar Airport do not enjoy the same rights and privileges as passengers flying from other EU airports. The Airport remains suspended from a number of pre-2006 Regulations and Directives. The most important of these are the Compensation and Denied Boarding Regulations and the Rights of Persons of Reduced Mobility Regulations.

However, by far the biggest operational hurdle is the difficulty and time taken to process passengers across the border into Spain when a flight diverts to Malaga Airport due to inclement weather conditions in Gibraltar. Had the Spanish authorities built a direct link from Gibraltar Airport to Spain in accordance with the Cordoba arrangement, these problems would have been greatly reduced.

At present, all of these passengers are forced to walk across the border carrying their luggage to board a coach on the Spanish side, as the current practice by Border Officials is not to allow persons to cross on-board Public Service Vehicles. This becomes challenging for families with young children or passengers with reduced mobility – particularly when the weather is inclement.

Finally, the Cordoba Agreement also contained a clause that would allow new final approach paths to Gibraltar Airport ending discriminatory restrictions imposed by Spain over the use of Spanish airspace by civilian aircraft flying in and out of Gibraltar Airport. The Gibraltar Government presented to the Spanish authorities the design of new straight-in approaches to the Airport and is still waiting for a response on the subject. Thus, aircraft approaching from the West are still required to fly a non-standard approach, which requires the aircraft to perform a 90 degree turn at three nautical miles from touchdown!

What benefits does Gibraltar enjoy as a result of the ‘aviation acquis’, in particular the Single European Sky? More broadly, how important is civil aviation to Gibraltar?

As an airport that is within the territorial scope of the EU, Gibraltar Airport would enjoy the same benefits as any other EU airport.

The development of Gibraltar’s civil aviation industry is of fundamental importance to its thriving business community, growing finance centre and the development of its tourist package. With the closest airports in Spain being well over an hour away, the lack of a consistently fluid border crossing point and deprived of efficient public transport links with the rest of Europe, Gibraltar relies heavily on its airport. Last year, in 2016, Gibraltar surpassed its record passenger numbers, closing

the year with 548,230 passengers handled. Approximately 50% of these passengers cross the border into Spain and naturally they contribute to the regional economy.

Whilst I accept that the figures are not as high as those of larger international airports I am convinced that, had the Cordoba Agreement functioned as it should have, both Gibraltar and the neighbouring region of Spain would have reaped important benefits in terms of economic growth and employment opportunities.

That said, if anyone is insinuating that, because Gibraltar Airport serves only just over half a million passengers a year that the EU should push it to one side, I can assure you that that is totally unacceptable. The question of Gibraltar’s exclusion is one which engages fundamental EU values, ideals and legal principles and Gibraltar’s entitlements as a territory of the EU cannot be trampled on simply because of its size or perceived importance.

How could the BREXIT negotiations affect the dispute and the ‘hostage’ aviation files?

Given that BREXIT negotiations have only just commenced we will have to wait and see what their impact will be on the proposals that are currently blocked. The UK Government has stated that there is a clear interest for all sides to seek arrangements that continue to support affordable and accessible air transport for all EU citizens as well as maintaining and developing connectivity. The Gibraltar Government considers that there would be no legitimate reasons for excluding Gibraltar, or passengers using Gibraltar Airport, from any of these new arrangements.

Did you know?

With 1 business aviation-related job per 160 inhabitants, **Malta is the European country where business aviation has the most prominent role by far in the job market.**





Business Aviation Traffic Figures

Traffic Tracker – Growth Trend Continues in June

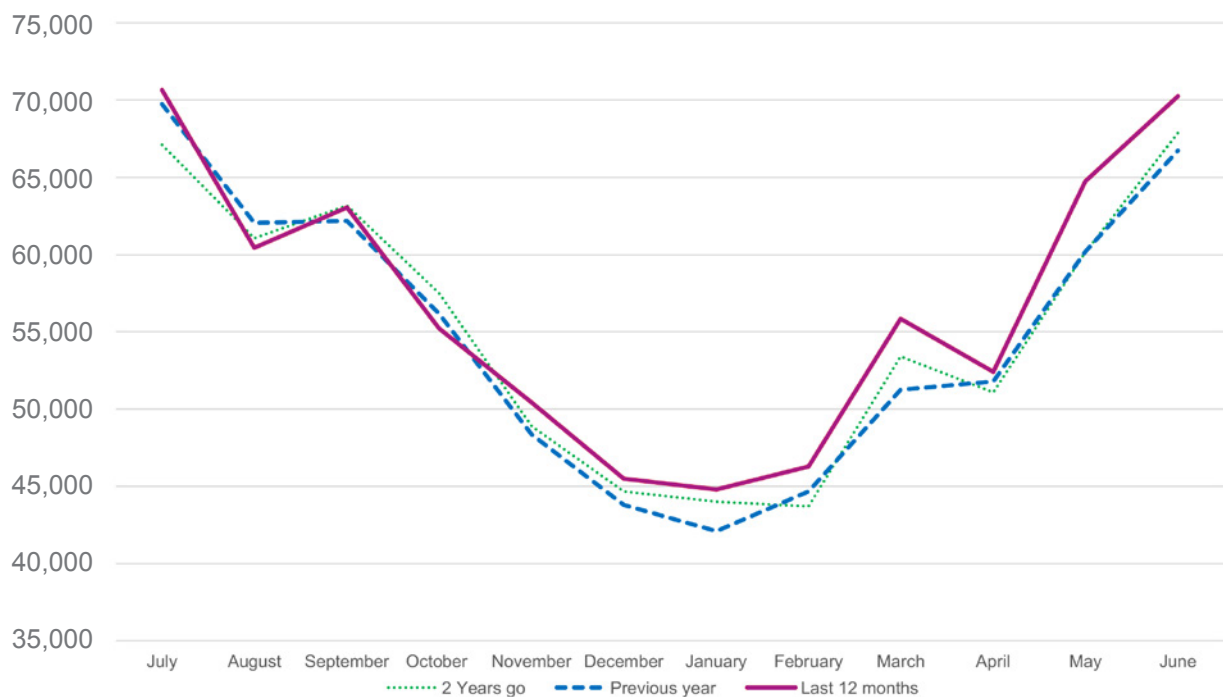
Traffic figures for European business aviation in June were up by 5.3% compared to a year earlier, continuing a positive trend that began in late 2016.

“Business aviation movements in Europe once again showed a healthy year-on-year increase this past month, marking eight consecutive months of sustained growth,” says Brandon Mitchener, EBAA CEO, citing data provided by Eurocontrol. “What is more, with +6.2% year-on-year growth for the January-June 2017 period, this is the strongest showing for this period in a decade.”

The Eurocontrol traffic figures cover departures, arrivals, internals and overflights (DAIO) in the Single European Sky area.

See the [June 2017 Business Aviation Traffic Tracker Europe](#).

Departures, arrivals, internals and overflights (DAIO) report





EASA and FAA Debate Safety Issues

Senior aviation representatives from around the globe gathered in Brussels recently to discuss global aviation safety issues at the Annual EASA-FAA International Safety Conference. Around 300 participants, representing 22 authorities, 26 associations and 82 individual companies, tackled such issues as mutual trust, emerging technologies, digitalisation and Performance-Based Regulations (PBR), during the 14-16 June event.

Performance-Based Regulations and the implications in areas such as ramp inspections, digitalisation and emerging technologies was a topic of particular interest. The key take-away from the ramp inspections panel was the call for a global ICAO/IATA Aircraft Operational Certificate Database, as well for the definition of a common standardised checklist.

Panellists also looked at the implications of emerging technologies, such as electric propulsion and unmanned aircraft systems (UAS, or drones).

For next year's conference, which takes place in Washington in June 2018, we hope to see more open dialogue and debate among participants as well as putting the issue of maintenance more prominently on the agenda.

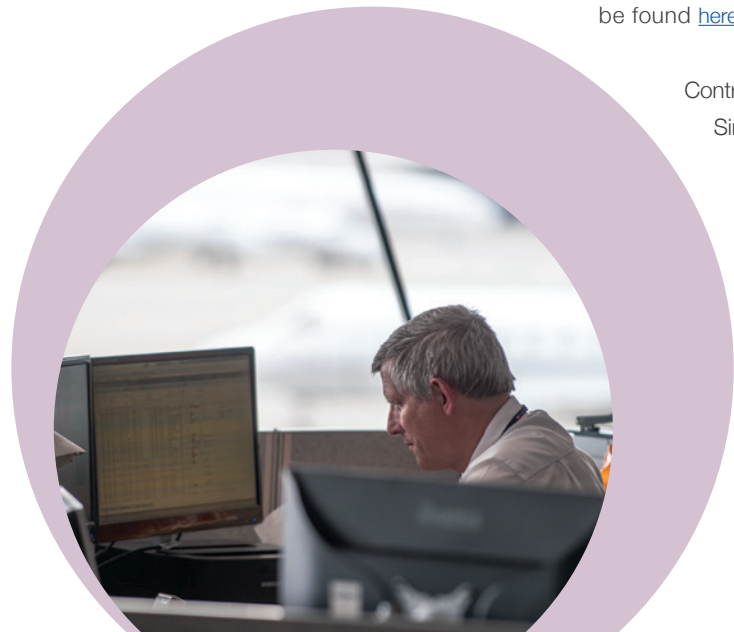
A Stake in the Issue

Regulators and Stakeholders Debate Data Link Services

European policymakers and key stakeholders in the business aviation community met in Brussels on June 22 to assess the implications of the Data Link Services mandate for the sector and inform the EBAA position on the matter. (The latest EBAA position paper can be found [here](#).)

Controller-pilot data link communications is one of the key technical pillars of the Single European Sky reform. It enables digital messaging between controllers and pilots, providing them with an additional communication medium. This will increase controller and crew efficiency and enable more airspace capacity.

Representatives from the European Commission, EASA, Eurocontrol and the SESAR Deployment Manager joined business aviation industry stakeholders, aircraft manufacturers, avionics suppliers and operators to share views. EBAA emphasised again the need for proportionate rules for the sector, taking due consideration of all airspace users' needs and various business models. The topic will be on the agenda of the next EBAA Board of Governors meeting in September with a view to taking a position on the evolution of the Data Link Services mandate.



Commission Initiative to Improve Connectivity and Competition in European Aviation

As a follow-up to the Aviation Strategy published in December 2015, the European Commission recently adopted a series of measures to further support open and connected aviation in the European Union and beyond. These aim to reinforce the competitiveness of European aviation, which creates jobs and contributes to economic growth and trade.

This is a positive step for aviation in Europe, especially when considered together with the Commission's initiative to simplify aid measures for regional airports, which were approved in May. This is also an excellent opportunity to foster the best use of existing airport capacity, which is a key pillar of the Commission's Aviation strategy. It amounts to de facto recognition of the important role that regional/small airports play for their community and the economy.

Harnessing the value of airports

The European Union should consider the number of regional airports as a strength, not a weakness. Airports are economic magnets and this should be encouraged. In fact, in the US, with a population size similar to that of the EU, there are more than 5,000 airports compared with only some 1,000 in Europe. Moreover, in terms of local economic impact, a business aviation passenger contributes, on average, 10 times as much as a premium passenger on a scheduled connection.

The question of how to boost the attractiveness of regional airports in order to alleviate the current pressure on major hubs must therefore be seriously considered. And, while ATC systems can pose cost issues for regional airports, there are already technological solutions to replace instrument landing system (ILS), or pricey control towers. It is a question of political will.

Europe will not solve its capacity, connectivity or competitiveness issues by closing its runways. On the contrary, we should harness them to improve new airport capacity. The 'Open and Connected Europe' package, together with the Amending Regulation to the General Block Exemption Regulation for State Aid, are two valuable building blocks for this.



'Aviation: An Open and Connected Europe for Jobs, Growth, Investment and Global Leadership'

1. [A legislative proposal for a Regulation on safeguarding competition in air transport](#)
2. [Interpretative guidelines on ownership and control of EU airlines](#)
3. [Interpretative guidelines on public services obligations](#)
4. [Practices facilitating continuity of air traffic management](#)

EU Marks 25 Years of Aviation Market

The European Commission recently kicked off a campaign celebrating 25 years of the EU's Aviation Market. Find out more at <https://ec.europa.eu/transport/modes/air/25years-eu-aviation>.

‘Meet Your MEP’ Campaign Raises Awareness in Austria

EBAA's 'Meet your MEP' outreach campaign came to Vienna in April, bringing EBAA leadership and local business aviation stakeholders together with their Austrian representative in the European Parliament, Claudia Schmidt (European People's Party), for a discussion and visit to the general aviation terminal and two business jets.

Local FBOs and operators called for Mrs Schmidt's help to draw Austrian authorities' attention to issues of concern. These include burdensome regulation, indefensible delays and high labour costs that put the entire business aviation sector in Austria at risk. In fact, there has been close to a 50% fall in the number of business aircraft registered in the country over the past decade and some remaining operators are actively looking at options for leaving the country.

"The meetings were lively and constructive," says Brandon Mitchener, EBAA CEO. "Business aviation in Austria needs attention because it makes an important contribution to the local economy and society. We are confident that Mrs. Schmidt will try to help."



On the Agenda

August

10 August – Baltic Business Aviation Forum, Latvia

September

7-8 September – European Cabin Service Conference, Brussels

7-9 September – JetExpo Moscow

11-12 September – MEBA Show, Morocco

20-21 September – [AIR OPS Europe](#), Cannes



CEO's corner

Saving Time, Money and Lives

Business jets and helicopters are often portrayed as toys for the rich and famous. But this is simply inaccurate in addition to being unfair.

Business aviation is a specialised travel solution and investment strategy that enables busy people to meet face-to-face when time matters most and drives new opportunities, investments, jobs and regional growth. It represents 7% of European aviation and acts as an economic multiplier worth billions of euros.

The BizAv sector connects 25,000 airport pairs in Europe that airlines don't, ensuring vital links to regions that are remote or poorly served by major airports and railways.

According to a [Booz Allen Hamilton study](#), business aviation in Europe accounts for some:

- EUR 100 billion in annual turnover
- 400,000 jobs
- EUR 1 billion in time saved in a year by companies using business aviation for their employees
- EUR 2,840 in average productivity gains per passenger per trip
- 2 hours of time saved on average per trip over the fastest available commercial service within Europe

Our sector also provides vital air ambulance flights – some 1,200 medical flights every month. It serves hospitals and disaster victims and transports medical personnel. So, in addition to serving business, it saves lives – something that should be recognised as a unique attribute of business aviation.

Brandon Mitchener

EBAA Chief Executive Officer

