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CPMR and aviation:
avenues to explore in the EU context

The CPMR and its Geographical Commissions are actively involved in the debates on European transport policy, focusing as a priority on the Trans-European Transport Network (TEN-T) and maritime transport.

Since 2014 our actions have been incorporated into our accessibility campaign, which aims to modify these policies so that they contribute more effectively to the EU's territorial cohesion objective.

Aviation is clearly a key transport mode which can improve the accessibility of the peripheral regions, for the benefit of citizens and enterprises.

The aim of this paper is to propose air transport themes in which CPMR could usefully invest its efforts in the years ahead, taking account of current developments in European policy in this area.

1. "An Aviation Strategy for Europe": priorities, recognition of the territories

1.1. Communication from the European Commission

On 7 December 2015, the Commission published a Communication entitled **"An Aviation Strategy for Europe"**. The goal was to shape "a comprehensive strategy for the whole EU aviation ecosystem". The priorities are to:

● **Place the EU as a leading player in international aviation, whilst guaranteeing a level playing field.** This can be achieved through new agreements with "key countries and regions in the world". These agreements will improve market access, provide new business opportunities for European companies and ensure fair and transparent market conditions. They will provide more connections and better prices for passengers.

● **Tackle limits to growth in the air and on the ground**. The EU needs to plan for future air travel demand and avoid congestion. The strategy stresses the importance of optimising the use of the busiest airports and monitoring intra-EU and extra-EU connectivity to identify shortcomings.

● **Maintain high EU standards.** In the interests of European citizens and businesses, it is crucial to maintain high EU standards for safety, security, the environment, social issues and passenger rights. The Commission will also pursue a robust global measure to achieve carbon-neutral growth from 2020.

● **Make progress on innovation, digital technologies and investments.** The European Union has planned to invest €430 million each year, until 2020, in the Single European Sky ATM Research (SESAR) project. The deployment and optimisation of information and communications technologies are also particularly relevant for airport capacity, performance and quality of service.

1.2. The institutions' analyses of the strategy

The following is not intended to be a comprehensive coverage of analyses and positions adopted by the institutions; rather it highlights those which are relevant to regional and territorial issues.

1.2.1. *European Parliament*

The European Parliament adopted a **Resolution on this strategy** on 16 February 2017 on the basis of a **Report** by Pavel Telicka MEP.

A central proposal in the report is the establishment of a **"Trans-European Motorway of the Sky"** to "mitigate the current fragmentation of the European airspace and disruptions to the air transport system that are greatly affecting the continuity of air services and damaging EU competitiveness".

Another key idea is **the development of a connectivity index.** This should not only take into account the number, frequency and quality of connections, but should also consider time, affordability and environmental costs.

The report also considers that the strategy should **encourage multimodality**, create **a favourable environment for smart investment** and deliver on **environmental objectives**, in particular by paying strong attention to cutting CO_2 emissions.

1.2.2. *European Economic and Social Committee (EESC)*

On the basis of a report by **Jacek Krawczyk,** the EESC adopted an **exploratory opinion** on 17 September 2015 on "An integrated EU aviation policy".

In light of the fragmented airline landscape, the increasingly competitive non-EU hubs, the slow progress towards the implementation of a Single European Sky, and *the increasing risk of insufficient connectivity to smaller and/or peripheral regions*, the opinion recommends that the Commission's strategy should be driven by "a compelling vision of how best to promote European competitiveness without distorting competition". It notes that: "The higher the degree of connections, the more relevant such connections are for a region or a community because of their attractiveness for tourism and trade, the greater the value of connectivity for the economy".

1.2.3. *Committee of the Regions (CoR)*

In its **opinion** of October 2016, based on a report by **Ulrike Carlefall Landergren,** the CoR adopted a series of policy recommendations. *Given the nature of this institution, a number of these reflect the priorities of CPMR as a regional organisation.*

The opinion underlines the great importance of aviation "for **territorial cohesion**, not least because it can give peripheral and sparsely populated regions, including islands and outermost regions, access to larger common markets and cultural exchange".

"Continued sustainable development of aviation in Europe, with more efficient use and expansion of airport capacity, requires open, transparent and trusting collaboration between local and regional authorities and representatives of the aviation sector and airports in the context of spatial planning."

It regrets that in the Commission's Communication: "the local and regional levels and their authorities are not mentioned at all when describing the need for joint effort and collaboration". "The territorial and spatial perspectives are also missing, as well as awareness of the local and regional environmental impact, which is a prerequisite for long-term aviation development". The CoR also regrets that the Commission did not highlight the role and **the importance of regional airports** for aviation development.

The CoR further considers that **regional connectivity** should be given a clearer priority. "The starting-point should be to provide reasonable regional connectivity for all European regions." "Air connections to national economic and administrative centres and to hub airports for onward transport to the wider world are crucial for the long-term survival of **outermost, peripheral and sparsely populated regions**, as well as regions currently affected by poor connectivity for other reasons."

The approach which the Commission intends to adopt on the guidelines for **state aid to airports and airlines**: "should take account of the need for regional development and connectivity for all

Europe's regions, especially sparsely populated, peripheral and outermost regions, where there is an obvious risk of regional needs not being met by the market".

The CoR calls for the application of the EU's rules governing **services of general economic interest** in combination with those relating to state aid for airports and airlines to be clarified. The complexity of the current rules gives rise to uncertainty as to how local and regional authorities can provide economic support to regional airports. The Commission's handling of such matters is considered to take a very long time; consequently the authorisation procedure should be clarified and streamlined.

The CoR also underlines that "a **public service obligation in transport** is a very important matter from the regional perspective".

In terms of **financing**, the CoR considers that there is a need for European investment and operational contributions to airports.

With regard to sustainable development, the CoR regrets that the strategy gives "such summary treatment" to the issue of **limiting the impact of the aviation sector on the climate**. "Working through ICAO (International Civil Aviation Organization) to achieve a global mechanism is good and it is important, but it must not prevent us in Europe from having a higher level of ambition than the floor set by this organisation. Special consideration should be given to mitigating any accessibility and competitiveness problems arising for the outermost regions."

1.3.   Industrial stakeholders' analyses of the strategy

Being concerned with the interests of the peripheral Regions, this paper only evokes the positions of two major aviation industry stakeholders, one representing airlines (ERA), the other representing regional airports (ARC).

1.3.1.   Airport Regions Conference (ARC)

ARC is an association of local and regional authorities across Europe which have an international airport situated within or near their territory.

With more than 35 members (*see map below*), it brings together a wide range of expertise on the interface of air transport and local and regional policies.

For the past 20 years, this organisation has been working at European and national level to promote a balanced approach to aviation development, paying particular attention to environmental issues such as the impact of airport noise on people living near airports, CO_2 emissions, etc.

ARC has not, as an organisation, published a position on the European Commission's Communication on the aviation strategy. However, it regularly produces analyses on many of the issues addressed by the strategy. In particular it is working closely on the

question of connectivity.

It is also looking into the current development of bus and high-speed train transport, and promotes aviation as a transport mode to be encouraged because it enhances the connectivity of peripheral and sparsely populated regions.

The above-mentioned CoR report is broadly based on ARC's work and proposals. ARC is an ideal partner for the CPMR; the organisation has already taken part in the work of the Islands Commission, for example in October 2016 at the Island Commission's conference in Palma de Majorca on maritime and air connectivity in islands regions. The partnership between CPMR and ARC should be pursued.

1.3.2. *European Regions Airline Association (ERA)*

ERA represents 52 airlines and 138 associate and affiliate members covering the entire spectrum of the aviation sector.

In its **position paper** on the Commission's Communication, ERA regrets that the proposed strategy will not improve the long-term competitiveness of European aviation in comparison with other transport modes and with non-EU competitors. ERA considers that the strategy needs to propose more concrete actions and deliverables with more appropriate timescales.

Emerging challenges such as the capacity shortage at key hub airports have been clearly identified, but no remedies proposed.

ERA's position covers a very wide range of issues of concern to airlines. It includes for example recommendations on connectivity and Public Service Obligations (PSO). It supports the need to serve the most remote parts of Europe where air transport is vital and often the only mode available to citizens. ERA therefore urges the EU to put forward new policies to promote European connectivity through the greater use of **PSO regimes across Member States**.

In addition to its analysis of the Commission's proposals, ERA has published its own vision of the future of aviation in Europe in a document entitled **"A strategy on the future relationship between industry, politicians and regulators".**

1.4.   Summary of the institutional and stakeholder contributions

As the above overview shows, there is a consensus on the usefulness of the European Commission's initiative in publishing a strategy. However, although a number of challenges have been clearly identified, others are insufficiently taken into account: improving connectivity, especially the accessibility of peripheral areas, and the role of local and regional authorities in air transport planning.

That these analyses are shared by the CoR and ARC is logical. It is significant – and interesting from CPMR's point of view – that they are also shared by bodies which have a wider remit, such as the EESC or ERA. The position of the European Parliament, giving a high priority to the principle of connectivity, is particularly clear and worthy of note.

Furthermore, this overview shows that the Commission needs to translate its strategy into an action plan. It should therefore push forward on all the issues addressed, by proposing or stepping up the pace of implementation of the necessary legislative provisions.

2. What are CPMR's priorities in the field of aviation?

As an initial approach, and on the basis of CPMR's priorities, we listed below the topics that would appear to be relevant for our organisation in the field of air transport. Some of these are already addressed by CPMR or one of its Geographical Commissions. Others are new. Depending on the interest shown by member Regions, we need to prioritise these and draw up an action plan.

2.1.   An over-arching theme: connectivity

Connectivity is a priority for the European Parliament. The Parliament has asked the Commission to develop an EU indicator for connectivity, based on the work being carried out by EUROCONTROL. (EUROCONTROL, the European Organisation for the Safety of Air Navigation, is a European inter-governmental organisation). The ARC network is also involved in this initiative.

This is an important initiative because it is likely that such an indicator would be used in EU air transport policy, for example as a criterion for public funding.

Within CPMR, the Islands Commission expressed its interest in the indicator at its General Assembly in March 2017 in Gozo. The CPMR General Secretariat will keep the Regions informed about this initiative and the practical implications.

With regard to connectivity, an important aspect of EU legislation is **the Regulation on the allocation of time slots.** In their opinion on the strategy, both the Parliament and the Committee of the Regions invite the Council and Member States to move forward on the "recast" of the 2009 regulation. A "recast" was proposed in 2011, but is currently as a standstill.

2.2.   State aid for airports and airlines

Concerning air transport, the Commission adopted new guidelines on aid for airports and airlines in February 2014. In 2016, a process to partially review the General Block Exemption Regulation (GBER) was launched in order to incorporate "aid for regional airports" into the different categories of aid already covered by the Regulation. Two public consultations were organised, in May and November 2016.

In May 2016, **CPMR adopted a policy position** in response to the first consultation, and later a **second response** to the second consultation. Among other things, CPMR regretted that these two draft proposals from the Commission failed to give specific consideration to the peripheral regions, in particular in relation to certain types of operating and start-up aid. The proposed modification is due to be adopted "early in 2017".

2.3. Public Service Obligations (PSO)

In its Communication on the aviation strategy, the Commission says it intends to clarify the conditions applying to Public Service Obligations, as set out in Regulation (EC) No 1008/2008 of 24 September 2008 on common rules for the operation of air services in the Community. The Commission intends to publish guidance as to the interpretation of the rules "early in 2017".

One important point which needs to be clarified is the possibility of establishing a PSO regime between airports in two different countries. This question of "international PSO" has been raised by the CPMR's Islands Commission as well as by the airlines organisation ERA.

CPMR will continue to monitor this issue and will call on the expertise of its member Regions in due course to assess the Commission's expected Communication.

2.4. European funding for airport infrastructure

The core network of the Trans-European Transport Network (TEN-T), which concentrates funding from the Connecting Europe Facility (CEF), will be reviewed, starting in 2023. CPMR and its Geographical Commissions therefore have quite a long timeframe in which to assess the possibility of lobbying in favour of a modification of the list of airports in this core network.

Although the method by which these airports are selected should in theory remain unchanged, it remains to be seen whether or not the addition of an indicator of air connectivity to DG MOVE's "toolbox" will have any effect on the criteria for the core network.

2.5. Cooperation projects

As well as monitoring changes and developments in the European instruments, one way the Regions can become involved is to take part in the preparation of cooperation projects in the field of air transport. Such projects under way or under development in the different transnational areas, in particular with Interreg support, include Atlantic Skyway, **Baltic Bird**, **Spara 2020**.

3. CPMR member Regions: your help is required

In order that CPMR can focus its work on the needs and expectations of the Regions, we have to know what these are. The short questionnaire which follows is designed to gather this information.

We also need to build "collective expertise" on these topics. That is why the questionnaire also invites the Regions to let us know about or to send us any sources of expertise (key contact people, studies carried out, projects carried out, under way or in preparation, etc.) which can be made available to the General Secretariat. This will enable us to move forward on these issues.

The partnerships already in place with other organisations will also be pursued.

The CPMR transport working group could, at one of its next meetings, set aside one session specifically to discuss air transport and identify priority actions taking account of EU developments.

QUESTIONNAIRE TO BE COMPLETED BY THE MEMBER REGIONS

To be returned by 1 September 2017 to patrick.anvroin@crpm.org and anne.lezin@crpm.org

Region:	Click here to enter text
Name:	Click here to enter text
Job title:	Click here to enter text
Email:	Click here to enter text

**Priority topics regarding air transport, in relation to EU policy
(among the topics addressed in this technical paper or other topics)**

Click here to enter text

Key contact people or experts in your Region who CPMR could contact

Please insert contact details – Name – Job title – Tel. and email

Any other information which could be useful for CPMR

Click here to enter text

Please attach any relevant available documents on air transport

Contact person: Patrick Anvroin, CPMR Director
Email: patrick.anvroin@crpm.org

The Conference of Peripheral Maritime Regions (CPMR) brings together some 160 Regions from 25 States from the European Union and beyond.

Representing about 200 million people, the CPMR campaigns in favour of a more balanced development of the European territory.

It operates both as a think tank and as a lobby group for Regions. It focuses mainly on social, economic and territorial cohesion, maritime policies and accessibility.

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