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Chief Executive's Welcome

The forthcoming General Election in the UK and the aviation policies of the new government, regardless of which party is elected, had been expected to provide the topic matter for my welcome.

Instead, Nature has stolen the show!

The volcanic eruptions in Iceland are expected to cause airlines losses of approximately US\$2bn.

Thoughts and comments on all of this are provided below.

Mike Carrivick

1. Icelandic Volcano Consequences

The eruption of the Eyjafjallajokull volcano in Iceland caused a wholesale shut down of airspace over the UK and in many parts of Europe, a genuinely unique event.

The consequences have proved disastrous.

- Millions denied flying for six days and more
- Hundreds of thousands of passengers stranded here in the UK and abroad
- Airlines have unlimited liability in respect of food and accommodation imposed upon them
- Short term unemployment in the UK and overseas as a direct result

The immediate challenge was to get flying resumed again as soon as possible. In the UK, the National Air Traffic Services (NATS) established a 'liaison cell', to coordinate matters with airlines and airports. BAR UK was part of that cell, and relocated to NATS at Swanwick for three days until a resumption of flying was authorised.

There are several lessons to be learnt, including why it took so long to receive approval to start flights again. It is to be hoped that governments within the EU will take a long hard look at how matters may have been better handled and even establish 'harmonisation' in the future.

Furthermore, BAR UK believes that enforcing the Denied Boarding Regulation (EU261/2004) on the airlines was a misuse of the Regulation and was widely quoted in the media outlining members views (see <http://www.bar-uk.org/press/press.htm> for our press release on this matter).

IATA and other airline associations are establishing dialogue with the EU as we go to print, so we will all have to wait to see what transpires.

2. General Election Manifestos - Air Transport Policies

The election manifestos of the three largest political parties all gave rise to enough concerns regarding their air transport policies to warrant a BAR UK press release.

All are accused of failing to meet the country's aviation needs in one way or another.

Mike Carrivick, Chief Executive said "The airline industry feels let down by the manifestos of the main political parties in their lack of vision and commitment in addressing the air travel needs of the UK's public, industry and the economy. The global competitiveness of the UK is at stake through isolated policies attempting to tax or restrict what is a global industry. Taxation alone can never deliver the benefits that the UK's public and industry are demanding."

The BAR UK board declares that the incumbent government is determined to maintain and increase the exorbitant levels of Air Passenger Duty that affect the UK and visitors alike.

The Conservatives and the Liberal Democrats both seek to deny additional runway capacity not only at Heathrow, but also at Gatwick and Stansted. Such policies are no remedy to aircraft stacking over the Home Counties, are highly detrimental to the industry's efforts to reduce emissions and deny access to global markets for those elsewhere in the UK.

Both these Parties also plan to impose a tax per plane but, significantly, have not stated how this will be structured. The Labour Government had previously failed when they planned the same thing.

Either way, all three main Parties discriminate against flying rather than planning long term solutions for a vital industry.

Instead of these policies, BAR UK outlined its five key requirements on aviation for the next Government:

1. To recognise that a third runway at Heathrow is a priority for the UK's economy and that this expansion is not funded by the Government. It is required to resist the increasing threat to jobs and the economy from competing hub airports in other countries.

2. To embrace the White Paper and the Civil Aviation Bill 'The Future of Air Transport', that was published in 2003 at immense cost, as the template for the industry for the next 30 years and to refrain from piecemeal tampering and short term measures.

3. To reduce Air Passenger Duty (APD) with immediate effect and to completely abolish APD once the EU Emissions Trading Scheme (ETS) commences in 2012.

4. To acknowledge that aviation is a relatively low emitter, contributing just 2.5% of global carbon emissions, and assist an already proactive industry with research and technology incentives to reward further efficiency gains.

5. To proactively seek to bring forward planned improvements in European airspace management, which is where the quickest and most significant reductions in carbon emissions can be achieved.

BAR UK will continue to lobby the political parties upon the importance of effective, integrated and fair transportation policies.

3. Thames Estuary Airport – “It would be in the wrong place”

A response by BAR UK to Medway Council, which had sought our views on a Thames Estuary airport, hit the headlines in several print newspapers and online websites.

In brief, BAR UK indicated that its members were not in favour of it because, for a host of reasons, it would be in the wrong place.

The full details can be found at <http://www.bar-uk.org/topics/thames.htm>

4. High Speed Rail and Heathrow – “A high speed price for a slow speed journey?”

The recent announcement by the Department for Transport that its favoured option for a High Speed Rail (HSR) link would not directly serve Heathrow was a huge disappointment.

The airline community at Heathrow advocates HSR services, but it's imperative that the airport is served directly.

Expecting passengers to get to a Midlands HSR station, wait for a High Speed Train to Old Oak Common (near Paddington), then get off with their baggage to wait for another train to Heathrow, may be pushing the expectations too far.

Other options need to be examined and pursued that properly satisfy the needs of air travellers. One might be to treat London and Heathrow as entirely separate HSR destinations that can be served by two different routes.

5. ATOL Proposals

The Department for Transport's recent consultation, entitled *Regulating Air Transport: Consultation on Proposals to Update the Regulatory Framework for Aviation*, included a substantial set of proposals for the reform of the Air Travel Organisers Licence (ATOL) scheme.

There is no doubt that there is a huge lack of clarity with the current scheme regarding the protection of customers' monies and their holidays. Any reform should provide utter clarity.

It was a great disappointment, therefore, to see how confusing the new proposals were, requiring BAR UK to object to their implementation.

The full set of consultation questions and our responses to them, can be seen at <http://www.bar-uk.org/consultations/consultations.htm> . The ATOL questions are found at Q13.1 .

6. EU Emissions Trading Scheme (EU ETS)

In many ways, the UK through the Department for Transport, is far ahead of many other countries in implementing local legislation to ensure the proper introduction of the EU ETS in January 2012.

However, the timescale attached to this European project is causing concerns to carriers. Possibly the most significant one relates to the notification of emissions allowances, not due till December 2011. This is an unacceptably short time.

The 2012 Summer operating season will have been planned well before then, and the airport slots arranged several weeks beforehand.

Whilst the formal timescales cannot now be changed, it would be much more viable if estimates of each carrier's allocations were announced, so that they could be assessed in good time for planning the Summer 2012 programme.

The DfT is well aware of these concerns and is endeavouring to provide whatever assistance it can in this matter. For that, we are grateful.

7. News from BAR UK

(a) BAR UK Executive P.A.

It is with great sadness that the resignation of Jane McCaughey, Executive PA to the Chief Executive, was recently received and Jane will leave us at the end of April.

By then, she will have completed almost 10 years' service, during which time her friendly and effective skills have been a huge asset to us.

With Jane's active assistance in finding her successor, it's a pleasure to announce that Elisabeth Haddow will be joining us on 22 April (see photo below).

Elisabeth had only recently left Austrian Airlines after a lengthy career there and is familiar with BAR UK, not



least when Monika Warburton of Austrian was our Chair of the BAR UK board.

We wish Jane every success for the future and welcome Elisabeth.

Left to Right: Elisabeth, Mike and Jane

(b) New BAR UK Director

The Board is pleased to announce that the remaining vacant directorship has been filled by the appointment of Mr Titus Johnson, Country Manager UK/Ireland for Air Berlin.

(c) People on the move - welcomes and farewells as BAR UK delegates

<u>Airline</u>	<u>Welcome</u>	<u>Farewell</u>
China Airlines	Allen Sun	Simon Chang
Olympic Air	David Bentley	Tom Savva

(d) Annual General Meeting

The AGM and next general meeting is being held:

on Friday, 18 June 2010 at 1000 hrs

at The Business Design Centre, Islington

Formal AGM papers and the agenda, will be issued in due course.

8. Airline Youth Exchange

The International Youth Exchange (IYE) is accepting applications for the summer of 2010. It coordinates summer exchanges for the youth of airline employees whereby youths, aged 14 to 19, are matched with other youths of airline families abroad. Each youth hosts the other for two weeks in his or her home.

Do you know of any airline employees who may be interested in participating in the programme? We would love to hear from them!

IYE is coordinated by a retired airline employee and has matched over 2000 youths of airline employees since it began in 1994.

The cost of the exchange is an airline pass, spending money and an application fee of \$300. The application fee is fully refundable if a match is not found.

Knowledge of a foreign language is not required.

Interested families can fill out an application online by visiting www.intlyouth.org.
Click [here](#) to download a brochure.

All enquiries should be directed to Camille Wheeler at cwheeler@intlyouth.org

NB. This information is provided by BAR UK as a service to its members, but should not be taken as an endorsement.

The next BAR UK Newsletter will be published in July 2010