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#### **Chief Executive's Welcome**

Welcome back to those readers who have had a break from work.

The summer holiday period is often thought of as a low activity time when nothing much seems to happen – times are changing!

On the positive side, airline mergers and consolidations are bringing more solidarity and resilience to the industry. After some of the toughest economic times ever positive benefits can be achieved and the trend may continue for some while yet.

The summer season has also brought a down side.

The German Government's plan to introduce an aviation environment tax has been greeted with the same negative reaction as the UK has experienced to its ever-increasing levels of Air Passenger Duty. As with the UK, the revenues are not being allocated to environmental projects but merely added to the German Government's revenues.

The result will be that air travellers will face substantial taxes in both directions yet with no tangible benefits being derived.

If governments wish to tax travellers then any tax should offer compensatory benefits and apply to all modes of transport, rather than discriminate against air passengers.

These issues, the ones explored below and whatever is yet to be announced, are sure to give plenty for BAR UK to get involved with on behalf of its members – we look forward to the challenges ahead!

Mike Carrivick – Chief Executive

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### **1. EU Denied Boarding Regulation - compensation for delayed passengers?**

Widespread confusion was caused earlier in the year when the European Court of Justice (ECJ) ruled in the Sturgeon/Bock case that compensation was payable to passengers despite Regulation EU261 explicitly not allowing this. This ruling caused great confusion for all, including National Enforcement Bodies that oversee the implementation of this Regulation.

A Judicial Review in the UK was sought by various airline parties, supported by IATA, with the result that High Court was persuaded to refer the issue back to the ECJ.

A lot of complex questions now need to be answered by the ECJ, which could possibly take over a year. Meanwhile, the outcome, in the UK at least, seems to place a stay on any legal proceedings of compensation claims for delayed passengers.

### **2. e-Borders**

The e-Borders programme plays a major part in managing and controlling the UK's borders and relies extensively on passenger data that airlines are legally required to provide.

The recent decision of the e-Borders team to replace its current technology providers places a lot of stress on the programme and will require the active involvement of carriers and their associations to handle a wide selection of challenges. These relate not only to data provision but costs to airlines.

On behalf of its members, BAR UK looks forward to productive cooperation with the UK Border Agency to meet these challenges, and to adhering to the legal requirements of the e-Borders programme.

### **3. UK to lose business to competing hub airports?**

BAR UK continues its campaign to highlight the threat from Government policy to Heathrow as a hub airport.

Hub airports are not a leftover from another age, but the way forward.

Simply look elsewhere to see what other nations are doing. They are actively investing in their airports as a matter of national economic strategy and are already taking business away from the UK. It is crazy that our politicians seem prepared to simply watch and let it happen.

They need to consider the following statements by two airlines at opposite ends of the earth.

a) In the UK, British Airways has publicly indicated that lack of capacity at Heathrow may result in Madrid being developed as an alternative hub airport.

b) On the other side of the world, Qantas has warned that it will be seeking new hubs in Europe because of the UK's policy to deny any additional runway capacity in South East England.

In between these points, Dubai International continues to thrive as a competing hub airport.

Its year to date traffic (to July) reached 26,862,371, up 16 per cent compared to 23,166,054 in the corresponding period in 2009.

Growth was not restricted to passenger numbers. Continuing its upward trend, Dubai International reported its tenth consecutive month of double-digit cargo traffic growth. Year to date cargo reached a total of 1,299,701 tonnes, up 25.5 per cent from 1,035,118 tonnes.

As we stated in the last edition of the BAR UK Newsletter, current government policies will lead to a '**Great Britain By Pass**'.

Government policy-makers need to realise that aircraft, even those based in the UK, are moveable economic assets that can be relocated to alternative bases with relative ease. Airlines will seek to maximise their investment in countries where economic and taxation policies are a lot more business friendly.

BAR UK continues to strongly advise the Government to radically review its policies so that the UK does not suffer further damage to a vital industry.

#### **4. High Speed Rail**

The recent report 'High Speed Rail Access to Heathrow' to the Secretary of State for Transport by Rt Hon the Lord Mawhinney was puzzling and disappointing.

Any decisions regarding High Speed Rail connectivity at Heathrow have now been postponed for several years. The more immediate focus is to plan a High Speed Rail link between Birmingham and the current rail yards at Old Oak Common, some miles west of London Paddington station. Travellers for Heathrow could then, supposedly, take connecting tubes or trains to Heathrow.

The end result would be a time-consuming change, with luggage, so challenging the essence of the High Speed concept. Heathrow deserves better than this and it makes no sense to plan for a *High Speed cost for a low speed journey*.

A range of options exist which include Heathrow and these require further examination. Heathrow being excluded from a High Speed line is not one of them.

BAR UK continues to campaign for integration of air, rail and road networks as vital

considerations in the Government's transportation policies.

## 5. BAR UK news

### a) New BAR UK members

It's a great pleasure to announce the successful applications of two new members.

They are Airblue of Pakistan as a full Airline member, and the Meteorological Office as an Associate member. A warm welcome is extended to them both.

### b) People on the move

<u>Member</u>	<u>Welcome</u>	<u>Farewell</u>
Airblue	Ms. Sadia Mohammad	<i>New member</i>
Air New Zealand	Mr Chris Myers	Mr Scott Carr
Cathay Pacific Williams	Mr Angus Barclay	Mr Philippe de Gentile
Gulf Air	<i>To be advised</i>	Ms Christina Vidos
Accelya	Ms Sarah Crowley	Mr Roger Page-Morris
Meteorological Office	Mr David Gibbs	<i>New member</i>

### c) Next BAR UK General Meeting

Our third meeting of the year will take place on Tuesday 12<sup>th</sup> October at 3pm.

It will be held at the new City offices of Gates and Partners, to be followed by a drinks reception, both generously hosted by them.

An interesting agenda will include speakers from Gates and Partners and Stewart Wingate, Chief Executive Officer of Gatwick Airport Limited.

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The next BAR UK Newsletter will be published in November 2010