



March 2011

CONTENTS

1. December snow – the enquiries commence
2. Aviation taxation
3. Future London airport demands
4. BAR UK news

Chief Executive’s Welcome

The challenges for the industry continue.

A sad and common theme in recent weeks has been natural disasters and the havoc wrought in different parts of the world.

It’s not only aviation that has been affected but, more importantly, peoples’ lives and livelihoods. Those impacts carry on for years, often out of mind for those far away.

On a completely different level, the on-going political unrest being witnessed in North Africa and parts of the Middle East is also having an impact on aviation and air travellers. Safety and security are core issues whilst the future cost of aviation fuel is also a major concern. Demand and capacity will be affected, as will the financial results of airlines, tour operators and travel agents.

These factors, combined with the varying states of economies around the world, emphasise the need for us all to work even harder and smarter.

Who said it would be a smooth ride!

Mike Carrivick – Chief Executive

1. December snow – the Inquiries commence

The airport closures in December, attributed to snowfalls, have resulted in no less than three different inquiries:

- The Begg Inquiry, being held by BAA into its Snow Plan and Crisis Management at Heathrow
- The Transport Select Committee into the impacts at several UK airports
- The CAA



Of all the airports affected by snow, the closure and restrictions at Heathrow over the five days 18-22 December affected BAR UK airlines most and BAR UK has made submissions to all three.

- The Begg Inquiry

BAR UK has worked closely with the Heathrow Airline Operators' Committee and made a joint submission to the Inquiry. We then appeared as the first witnesses, at 0900 on Thursday 10 February.

Our submission, structured around the Inquiry's terms of reference, suggested alternatives for future implementation and also made several criticisms.

Since the Inquiry is still in progress no further comment will be made except to say we look forward to the findings being published, hopefully later in March.

- Transport Select Committee

The BAR UK submission to the Transport Select Committee is broad in nature and highlights the disruption and conditions endured by tens of thousands of passengers. Other key issues included communications effectiveness, lack of runway/taxiway clearance capability, aircraft and crews stuck in different parts of the world, and the negative effects on the economy in general.

This Inquiry is also ongoing so no further comment can be made at this time.

- CAA

A meeting was held with the CAA to discuss passenger welfare, communications, the closures of terminals and the overwhelming scale of the situation.

Once again, the point was made that airlines are picking up the costs of the mistakes of others through the application of the Denied Boarding Regulation (EU261/2004), which was never intended for 'force majeure' events.

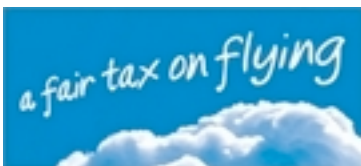
2. Aviation taxation

The budget on 23 March is awaited with great interest.

A range of views exists within the industry on how Air Passenger Duty may be varied or even replaced altogether with a new structure. Will Treasury continue to use aviation as an easy target to help fill its coffers or might it even listen to the industry and realise that excessive taxation is causing damage to a whole range of stakeholders.

BAR UK isn't going to pre-empt matters by second-guessing what announcements may be made.

Meanwhile, we will not stand still in our efforts to seek a more balanced tax regime for airlines and their customers and remain ready to resist any moves that inflict further damage to the industry and its customers.



BAR UK is a member of the Fair Tax on Flying Campaign alliance that seeks to ensure air travellers are not over-taxed. Full details of the campaign can be seen at:

<http://www.bar-uk.org/topics/apd.htm>

Register your support now by visiting this website and linking through to Facebook.

3. A New Airport for London?

At the time of our last Newsletter, we were awaiting the Mayor of London's report on additional airport capacity.

Titled '*A new airport for London: Part 1 - The Case for New capacity*' from Daniel Moylan, Deputy Chairman of TfL, it was launched on 18 January and puts forward the economic and business case for a new hub airport.

In broad terms, BAR UK is very supportive of the recognition that additional airport capacity is vital for London, and the UK. It maintains the debate and supports calls from various parts of industry.

Having set out the case in broad terms, what is next? To quote London.gov.uk website, '*A further report will be published later this year which will examine the options for meeting the needs identified here. This will consider a range of locations for new airport capacity, including options for a new airport, which could be in the Thames Estuary, as well as consideration of existing sites*'.

The only point to be made is that London, and indeed the UK, can sustain only one hub airport. A healthy debate is sure to emanate from the proposals in the second report to which BAR UK looks forward.

4. BAR UK news

Airline management movements are a regular occurrence.

This time, it includes Angela Coleman, Vice Chair of BAR UK, who has just retired from Delta Airlines. Special recognition is well deserved as Angela gave freely her time to be a board member and offered wise counsel for the benefit of all.

The Board and the Secretariat thank Angela publicly on behalf of all BAR UK members and we wish her a much more relaxed time in the years ahead!

We also look forward to welcoming Nadia Clinton as Delta's new delegate.

a) Membership

Membership renewals, despite the very tough times, have been outstanding. Any lost members, expected to be about five airlines, are almost exclusively due to moving operations out of the UK.

We are also very pleased to announce that Heathrow Express has re-joined BAR UK and will be represented by Ms Lola Mosuro. Under a different regime Heathrow Express had relinquished membership a few years ago so it's great to see it return.

b) People on the move

AIRLINE	WELCOME	FAREWELL
Delta Airlines	Nadia Clinton	Angela Coleman
Kingfisher	Dilip Kakar	Rick Saggar
Egyptair	Sherif El Maghloub	Yasser El Ramly
ASSOCIATE MEMBER	WELCOME	FAREWELL
Heathrow Express (<i>new</i>)	Ms Lola Mosuro	n/a

c) BAR UK General Meetings in 2011

Our last meeting was held on Friday 21 January 2011 and generously hosted by Clyde & Co. There was an excellent attendance and a very well received range of speakers and presentations.

The second meeting of the year will be held on **Tuesday 10 May 2011** at the Eye for Travel Exhibition, Islington.

This is also the occasion of the Annual General Meeting. Agenda details will be sent in due course and will include the role for, and pressures on, aviation and the Olympics, presented jointly by the Department for Transport and LOCOG (Local Organising Committee of the Olympic Games).

The third and final General Meeting of 2011 will be on Friday 30 September 2011, generously hosted by Stephenson Harwood.

The next BAR UK Newsletter will be published in May 2011