

European Policy Centre

28 March 2011

Key-note Speech of VP Kallas

Policy Dialogue: Air transport and aviation policy in the EU: prospects and challenges

28 March 2011, 14.30 to 16.30 h

Résidence Palace, Polak room, 155 rue de la Loi, 1040 Brussels

VP Kallas will give the key-note speech, followed by a panel discussion with

- *Billy Glover, Boeing Vice-President for Environment and Aviation Policy*
- *Bill Hemmings, Programme Manager at Transport & Environment.*

Chair: Fabian Zuleeg, EPC Chief Economist

I am delighted to be with you this afternoon, to sketch out the main challenges ahead for aviation in the EU. Today, the Commission launches our new Transport Road Map setting out the longer-term needs and objectives of our future European Transport Policy. It fully acknowledges the increased need for mobility. We also focus on solutions which will help us to meet the environmental and other important challenges. Europe needs a transport system which is closely interlinked and connects the regions of Europe with each other and beyond. The priorities are removing bottlenecks (of regulatory and physical nature) and co-modality. Where possible, self-regulation by the industry should go before regulation at European level.

Aviation and air traffic management is vital not just to our personal mobility and freedom, but increasingly central to our entire economy. Transport – and air transport - is not just a business: it must deliver for business, and given that we have to respect some very long lead times in this sector, particularly when talking about infrastructure, we must start thinking about the future today.

So on Wednesday I will be in Madrid at the opening of the 6th Aeronautical Days to present a new long term vision for aeronautics and air transport, and here the key factor is innovation: 2050 is a long way off, but we need to get moving now.

We have a highly integrated aviation market in Europe, driven by liberalisation and boosting not just our own economy but that of our neighbours in the Common Aviation Area. We are continuing to make great strides in aviation safety, and security, and air passenger rights. And we are trying to reduce carbon emissions, and noise. All of these issues, of course, are major challenges we are tackling on a daily basis.

But I want to pick out two important challenges in particular, both of which I have touched on already: firstly, relating to future air traffic management, and secondly, how we can bring new technology to bear more generally in the aviation sector.

First, the Single European Sky and related issues. It sounds so simple, but it is a huge undertaking to try to reform air traffic management in Europe in a global systems approach including performance, airports, new technology in the form of SESAR – all the time keeping our focus on safety and the human factor.

This is one of my core priorities. Because we cannot go on as we are. It's not just the lessons we draw from the ash clouds, from the snow. It's the constant grind of daily delays which everyone in Europe has to endure. What the Single Sky brings us is the opportunity to tackle fragmentation and inefficiency, and – perhaps even more importantly – gives us the tools to act more effectively in crisis situations.

We have already made tremendous progress over the past months. We have a performance scheme which sets out the first set of concrete targets until 2014, including both cost efficiency and capacity. We have the Performance Review to develop the targets and monitor implementation. We have targets on CO2 emissions, and the prospect of a more efficient ATM system to accommodate increasing traffic demands without higher CO2 emissions. And we have a European level network manager to drive the system. Now, for the immediate future we have the Functional Airspace Blocks, giving us not just my favourite acronym – the FABs – but a further tool, to push defragmentation of European airspace, with a clear deadline of end 2012 for the establishment of FABs, a deadline that we will insist upon.

I also want to make progress on airports and infrastructure. Airports need to be better integrated into the overall system: infrastructure capacity is reaching its limits, particularly at hub airports: even in the aftermath of the economic crisis, I can see very negative impacts in terms of further delays and lower efficiency in the system if we do not address these problems, as well as the linked issues of ground-handling, slots and aircraft noise. So you can expect an ambitious package of measures on this in the early part of the autumn.

All in all, we need to put everything in place to make the network function as a network. Air traffic management, airports, groundhandling and the transport services are inseparably interconnected and need to complement each other in an optimised manner. The Single Sky gives us the framework and the tools for example to define minimum service levels for the network to avoid the situation in which one big but local snowstorm crashes the whole system, as we saw this winter.

Looking further ahead, we will need to deploy more advanced technology to bring into play the ideas and concepts being developed by the SESAR programme, Europe's research and innovation public-private partnership. We have made promises, now we need to come up with new technological solutions for air traffic management of the future. And here, let's not forget the international dimension – not just Europe but also the US are working on the future of

air traffic management. We must not repeat the mistakes of the past: let there be strong competition between different products and even between different systems, but based on common standards, and with real interoperability. To that end, earlier this month, I was pleased to sign the EU-US Memorandum of Cooperation to formalise and structure our cooperation in this important area.

The second challenge is how we can bring technology to bear to tackle the longer term challenges – indeed, the challenges of 2050. It's clear that we will need new technology in harness to meet our sustainability goals, but we also need to invest in technology if we are going to effectively compete in the future. Competition from China, Russia, Latin America, the Middle East is coming: in service provision, in infrastructure and of course in equipment. We have to identify the challenges of the future and start addressing them. That's why Marie Geoghegan-Quinn and I invited a group of high-level representatives of the aviation industry to develop a vision 2050 for the aviation sector. That's what we will be presenting to the Aerodays conference in Madrid, the key conference on aeronautics and aviation research, development and innovation this week – the need for ambitious policies to maintain European industrial leadership and to set up an innovation friendly environment to address future market needs and sustainable and societal challenges. So let me draw a conclusion. We have plenty of short term challenges, that's clear. I'm particularly worried that our congested air traffic management infrastructure is going to give us bad delays this summer, so I have asked Eurocontrol to look into this urgently and come up with some ideas to help manage the crisis. We could have another volcano, or indeed foreign policy crises such as we are seeing in Libya: the point is that we have little margin for manoeuvre in managing our crowded airspace, so we have to keep up the pace of reform.

I'm very proud of the framework we have in place to drive the Single European Sky: that will be central. But we now have to deliver. Beyond this I am quite determined to use my mandate to look further ahead, and for the Commission to do what it does best - in addressing future challenges. I also want to ensure that the next Framework Programme focuses on the future needs of aviation so that we will be able to address the challenges coming up in the middle of this century.

What is absolutely clear is that we cannot sit back and hope for business as usual: the environment for aviation is dramatically changing and will continue to change, and all stakeholders need to prepare themselves and the industry for that.

Thank you.