

JOINT OPINION OF THE EUROPEAN SOCIAL PARTNERS IN AVIATION

(At an Emergency Meeting of the European Sectoral Social Dialogue Committee on Civil Aviation on October 12, 2001, the European Social Partners adopted the following joint opinion)

CRISIS IN AIR TRANSPORT JOINT OPINION

In light of:

- Dramatic loss of revenue to the industry
- Drop in air transport demand and predicted continuation of market downturn
- Announcements of mass redundancies from airline companies across Europe
- The effects on aviation related industry
- Cessation of recruitment programmes across the aviation industry
- Abolition of routes
- Reduction of capacity
- Cost of additional security measures
- Dramatic increase in insurance premium

For example, AEA initially estimate (for the period to December) a profit shortfall of at least 2,5 bn Euro, a revenue loss of 3.7 bn Euro, the grounding of 108 aircraft and the loss of about 20,000 direct jobs. This does not include the grounding of a whole airline. This dramatic situation is also affecting other airport and ATC related activities. The compensation needs of the industry go significantly beyond the immediate aftermath of September 11, 2001 and the four day period during which the US airspace was closed.

The European Social Partners call on the Councils of Transport and Finance Ministers to approve **effective and realistic measures** to provide assistance to the aviation sector to ensure its survival, much like the measures taken by the US in support of its aviation industry.

The European Social Partners consider that the measures proposed by the European Commission in its communication to the Council and the European Parliament adopted on October 10, 2001 are not sufficient to address the social and economic consequences of the current crisis. The Commission and the Member States should acknowledge that this situation requires urgent and decisive action at Community level.

Given the nature of the air transport industry as an infrastructure industry and its crucial role for other businesses and economic growth, European Social Partners firmly believe that co-ordinated measures should be established **to limit the impact of the crisis, to stimulate demand and restore confidence.**

The EU Institutions should ensure that the measures taken on both sides of the Atlantic **avoid discrimination or distortion of competition.** Responses to the stricken aviation industry should be balanced in Europe and in the US.

Costs of security measures – and other costs associated with the recent events - should be the object of full and open discussions with the EU institutions and national administrations.

Financial support must be found – airlines, airports and air navigation service providers cannot reasonably be expected to bear the costs.

Costs of increased insurance premium : financial support must be granted for all air transport companies (airlines, airports, ground handling companies, ATC sector, etc) in order to ensure sufficient insurance cover for the entire aviation sector until normal market conditions are restored. The solution should consist of harmonised conditions allowing full coverage of war and associated risks to be financed and re-insured by public funds.

Not only are workers' lives at risk – they are also responsible for enforcing many of the existing and new security measures under discussion. They have the additional enormous responsibility for passenger safety and the protection of the flying public. Therefore, **fully trained, professional staff must be employed in the sector on the ground and in the air.** Funding should be made available for this purpose in particular.

Every effort should be made **to prevent continued mass redundancies.** Financial help should be made available to air transport workers who lose their jobs as a direct result of the present crisis in aviation.

The Councils of Transport and Finance Ministers should recognize the efforts made by all players in the industry to weather the current storm and should address both **economic and social factors** affecting the future of the industry.

Brussels, October 12, 2001

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