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EU-US Aviation: Moving Forward in the Spirit of Lafayette

*Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort*

Speech to International Aviation Club

Washington DC – 5th February 2007

Ladies and Gentlemen,

The Washington International Aviation Club is known for its prestige and its influence. So it is a great pleasure and an honour for me to be here today.

It is a particular pleasure to be here today with my colleague, Wolfgang Tiefensee, representing the EU Presidency.

I know that for many people in the United States, the European Union appears to be very complicated. And in many ways, you are right! The Commission... The Court of Justice... A Parliament that meets in two different cities and a Presidency that passes from country to country every six months. Europe is certainly not a simple concept!

But you have two speakers in front of you today for a good reason.

Aviation is an international business where national borders make little sense. In the past twenty years, we have worked together in Europe on safety, security, environment and economic liberalisation. We have learnt to cooperate on all these matters. And this week, we wanted to highlight the strength of Europe's commitment to developing our international aviation relations with the United States.

So make no mistake - you have two speakers - but Wolfgang and I speak with one voice, on behalf of 27 Transport Ministers...and ultimately on behalf of five hundred million European citizens.

Today, I would like to say a few words about the political priorities for aviation in Europe, and of course to explain the EU's position in relation to the air transport negotiations that will take place in Washington this week.

So let me start.

I would say that we have three main priorities in air transport policy : Safety, Sustainability and Competitiveness.

The first priority must always be safety. The United States and Europe both have excellent safety records that we must work to protect. In Europe, we are working hard on this issue.

We created the European Aviation Safety Agency in 2003. Now we are in the process of consolidating and strengthening that organisation. Over the next few years, it will progressively become a single authority responsible for overseeing safety across the EU.

As you will know, last year we also acted to improve the safety of European airspace. We established a blacklist of carriers who are unsafe and who are banned from flying to Europe. This blacklist has proven to be an excellent incentive for airlines - and for governments - to strive to improve their standards.

A second area of priority is sustainability. The environment - and global warming in particular - is a growing concern among the ordinary citizens of Europe. It also seems to be a growing concern among scientists - the report from the "Intergovernmental Panel on Climate Change" last week brought further indications of our planet's future.

We all know that aviation has an environmental impact, and I fully recognise that the industry has made excellent progress in minimising the noise and emissions it produces. But we must ensure that aviation goes further to play its full and fair part in meeting the global environmental challenges we face.

This is why the Commission recently proposed that aviation should be included in the EU Emissions Trading Scheme. Placing aviation within the emissions trading system with other industries is attractive because it recognises that transport growth can be weighed against all the other elements in our modern lifestyle.

In effect, by including aviation in the emissions trading system, society is asked to place a value on our holiday flights to Florida compared to the electricity we use to heat and light our homes or compared to the emissions created producing the products we use everyday.

It is right to put air transport into that mix and to weigh it against other sources of emissions - and we will see what results are obtained. I suspect that society might decide to place a very high value on the right to travel by air.

At this stage, emissions trading for aviation is still a proposal. And while the Member States and the European Parliament discuss the draft legislation, Europe will of course take full account of the discussions on emissions trading that are taking place under the authority of ICAO. At the end of the day, we would prefer to see an international framework and we will work with the rest of the World towards that objective.

The final priority area is the competitiveness of the aviation industry.

Europe's over-arching policy is laid down in the "Lisbon Agenda". This aims to ensure that by 2010 Europe achieves sustainable economic growth: more and better jobs - greater social cohesion - and proper respect for the environment.

For aviation this means creating a dynamic market for air services.

There is absolutely no doubt about the benefits that open markets can bring. All the evidence - in Europe, in the United States, and across the World - shows clearly that removing obstacles to free and fair competition produces benefits for airlines, for airports, for workers, for consumers and for communities.

That is why it is so important to have a successful outcome to the EU-US aviation negotiations.

Mrs Merkel, our German Chancellor and President of the EU, recently spoke about "reinforcing the transatlantic link". I personally believe strongly that this is a very important economic and political goal.

I also believe that the most immediate, concrete and visible example of a strengthened transatlantic relationship would be an ambitious and far-reaching EU-US air transport agreement.

The presence of Wolfgang Tiefensee here with me today shows that the EU is committed to this process more than ever. We both want to finalise what would be a historic agreement.

In November 2005, I thought that we had almost made it.

The negotiators from the two sides had finalised the text of a historic, comprehensive first-stage agreement. And I say "historic" because this agreement is not a traditional "open skies" agreement - it is much more. Let me give you six key advances

1. It would replace all of the existing bilateral agreements with one, single EU-US agreement, and would extend open skies to all 27 Member States of the EU - for the first time, there would be free competition on every single transatlantic route.

2. It would enable, for the first time, new co-operation arrangements between competition authorities, to ensure compatible approaches for this global industry.

3. It would establish, for the first time, strong co-operation and consultation between the EU and the US in aviation security. I cannot stress enough that this is an area where good co-operation is essential to governments and passengers. This agreement would allow it.

4. The agreement would also, for the first time, give structure to our co-operation in other essential fields, including air safety and environment.

5. And it would create, for the first time, a Joint Committee that would enable both Parties to raise and resolve any issues that may arise in relation to the application of the agreement.

6. Finally, and very importantly, this agreement would remove the legal uncertainty surrounding the existing bilateral agreements - so that airlines - and alliances - could have a long term future on a legally secure basis.

In economic terms, the agreement would be a step change:

The latest estimates are that an agreement would generate more than 25 million additional passengers over the next 5 years. It would produce up to 15 billion Euros - 18 billion dollars - in benefits for consumers. It would create 80,000 new jobs in the EU and US combined.

For this reason - we should not be calling this an "open skies" agreement - this is at least "open skies PLUS".

BUT! WE ARE NOT THERE YET. We need to push forward towards what we might call a "superskies" agreement.

Already in November 2005, Europe made clear that it would be essential to consider the reform of American policy on the control of airlines that had been announced by the D.O.T. The US Administration told us that it was fully committed to changing its policy.

So in Europe we waited.....and waited.....and waited....!

The Ministers of Transport from all 25 Member States of the EU met no less than five times between December 2005 and December 2006.

And on each occasion the Ministers repeated that a change in US policy towards control was an essential element for moving forward with the agreement.

Imagine, then, our disappointment when the D.O.T. decided to withdraw its proposal in December. This leaves us with an agreement that does not provide the level playing field that we seek.

And why is it not a level playing field?

The answer is because Europe is ready to open its market to US airlines. We are happy to allow US airlines to operate within the EU's internal market - But only if there are equivalent opportunities in the American market for European airlines. To put it very simply, this is what we are missing at the moment!

However, our goal is so ambitious we should not "throw in the towel".

I come from the same region in France as the Marquis de Lafayette. As you may know, Lafayette is a hero not only in France, but also here in the United States, for the part he played in the American Revolution. In 2002, Lafayette was even made an Honorary Citizen of the United States.

(I wonder if this means the Department of Transportation would treat him as a citizen of the United States and allow him to start an airline...?)

Lafayette was a true revolutionary - a man who would never despair, a man who would never give up! We must be encouraged by this spirit.

So to conclude.....

I know that you all share my wish that the EU-US negotiations come to a successful conclusion.

But we do not have unlimited time! These negotiations cannot last for ever. The transatlantic aviation market is too important to have a legally fragile basis. If the negotiations do not succeed, the legal consequences would threaten transatlantic aviation.

Put simply, the status quo is not an option! And failure is not an option!

Europe is now exploring with the US, in good faith, how to find a way out of this "impasse" - we must leave no stone unturned in our quest for a solution that is fair to both sides - a solution that gives our airlines a fair and level playing field.

I am confident that, with creativity and imagination, our negotiators can find a positive result. In the spirit of Lafayette, let us work for a revolution in EU-US aviation!