ROYAL AERONAUTICAL SOCIETY MONTREAL BRANCH 10 APRIL 2008, MONTREAL, CANADA

LECTURE ON

EU AIR TRANSPORT POLICY

by Daniel Calleja

Director, Air Transport, European Commission

1. INTRODUCTION

Ladies and Gentleman,

I would like to thank the Royal Aeronautical Society of Montreal for their invitation. This provide me with an opportunity to present the key features of the EU air transport policy, but also to reflect with you about the future of the air transport sector, which is so dear to all of us.

But first, allow me to pay tribute to Dr Kotaite, whose presence today with all of us, honours this lecture.

Many thanks, Dr Kotaite, for being with us today, and for your leadership and significant contribution to ICAO and to international aviation over the past decades.

In addition, I also want to thank my good friend Roberto Kobeh, President of the ICAO Council, to have taken the trouble of being with us this evening – also his presence I find very honouring and is much appreciated.

Ladies and Gentleman,

Today's lecture takes place at a very timely moment:

- Some months ago ICAO celebrated its 36th Assembly to discuss the future challenges to which our sector is confronted
- Over the next two days, representatives from national and regional air transport organisations are gathering in Montreal, at ICAO, to discuss ways to enhance and promote increased global cooperation towards the development of our sector
- Last Sunday, some people have called it "Super Sunday", the EU and the US have started to apply their Open Skies agreement: the most ambitious aviation treaty in the world, which liberalises 60% of international traffic and will foster transatlantic operations towards an Open Aviation Area. The Agreement, which I had the privilege to negotiate and initial on behalf of the EU and its Member States, could pave the way for a more liberalised framework for aviation worldwide.

These are exciting but also difficult times for air transport:

• Fuel prices continue to increase, having an impact on the profitability of our airlines

- The security challenge remains an area of great concern
- And, we need to ensure that air transport develops in the future:
 - With the highest standards of safety
 - In a sustainable manner
 - Affording a service of quality to our citizens and providing the mobility of persons and goods in line with the increasing demands of a changing global society.

Today, I would like to share with you:

- 1) The experience of European regional integration: the EU air transport internal market, and its external dimension
- 2) How should we address the key challenges for the future?
- 3) Finally, I would like to develop our vision for the future role of ICAO and underline the EU's commitment and contribution to achieve with ICAO these key goals.

2. SLIDE PRESENTATION

See separate powerpoint presentation

3. CONCLUSION

Ladies and Gentlemen,

the European Union is strongly committed to ensure that aviation continues to perform its vital role in an increasingly globalised framework.

Europe strongly believes that we need to "normalise" this sector: eliminating the barriers and doing away with the obstacles, which hamper its development.

It is paradoxical that such a global industry is subject to so many constraints, many of which date back from 1944, when the world was at war, commercial aviation was virtually inexistent, and in many respects the bilateral framework which was put in place was based more on "distrust" than on true open cooperation.

Why would it not be possible for such a global sector to have global operators as in so many other equally strategic economic sectors (banking, telecommunications, insurance)?

Why is it so difficult to make progress in liberalisation and market opening?

Europe promotes the modernisation of the current regulatory framework to adapt it to the 21st Century.

This is one of the reasons why we are also keen to develop regional integration. The European example shows that it is possible for sovereign States to integrate their economies in a Single Market, under common rules, which are binding and enforceable, based on the principles of equal opportunities, equal rights, and non-discrimination.

We believe that regional integration can be one of the main catalysts for change and can also strengthen ICAO's future role: ensuring more effective and uniform implementation of global standards. This will help ICAO to play its leadership role in addressing aviation's strategic challenges.

In my country we say "*la fortuna ayuda al audaz*" (fortune favours the brave). Going in this direction, however, is not a question of fortune, nor of being brave. It is, in my view, simply the best way to guarantee the success of a strategic sector serving our society and our citizens.

So, ladies and gentlemen, LET'S GO FOR IT!

Thank you very much.