



EUROPEAN AVIATION RELIEF PLAN & AIRPORTS

Addressing the impact of COVID-19 Supporting European economies & recovery Remaining committed to decarbonization

The COVID-19 pandemic is affecting the entire aviation sector. ACI EUROPE called on 16 March 2020 for the EU and States across Europe to adopt and deploy a *European Aviation Relief Programme* which:

- Ensures **non-discriminatory** and **balanced supporting measures** for **all** affected aviation industry stakeholders. The key principle must be that **no measure should benefit one actor at the expense of another one**. This rules out mandatory suspension or decreases in airport charges – especially given the risks to airports' cash flows and the need to safeguard airports' long-term strategic investments and decarbonisation efforts.
- Ensures **full and effective coordination at EU level** with the involvement of the industry.

Following the recognition that the COVID-19 qualifies as exceptional circumstances under EU State aid rules and the release by the European Commission of a Temporary Framework allowing for full flexibility under EU State aid rules to support the economy, ACI EUROPE (Airports Council International), together with ASA (Airport Services Association), ACA (Airline Catering Association) and the ETRC (European Travel Retail Confederation) further detail and complements the specific measures identified in:

- ACI EUROPE's open letter of 16 March to the European Commission and European Governments (<https://www.aci-europe.org/component/attachments/attachments.html?task=view&id=933>)
- ASA and ACA's letter of 17 March to the European Commission and European Governments (https://www.aca.catering/layout/uploads/2020/03/ASA_ACA-Covid-19-Letter.pdf)
- ETRC's letter of 17 March to the European Commission (<http://www.etr.org/uploaded/downloads/etr-covid-19-response-letter-to-ec-march-2020.pdf>).

Accordingly, ACI EUROPE, ASA, ACA and the ETRC urge the EU and European States to consider the following:

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1. Measures limiting current risks to the operational and business continuity of airport activities, due to cash flow shortfalls:

With nearly no revenues coming in at airports given the scale of airlines' shut downs and the fact that as critical infrastructure airports must remain operational, States need to monitor the liquidity of airport operators so as to be able to take immediate supporting measures as needed.

Operational and business continuity must be addressed from a total airport operation and management perspective, looking at not just airport operators but also other service providers at airports – including security services providers, ground handlers, retailers, food and beverage operators, parking operators, catering companies.

i) URGENT Financial measures for short-term reductions in operating costs of airport operators as well as other service providers at airports (including security services providers, ground handlers, retailers, food & beverage operators, parking operators, catering companies).

- State measures allowing the temporary laying-off of staff with no residual cost to airport operators and other service providers at airports.
It is important that due to the role of airports as critical infrastructure, such measures should be specific in their extent to cover all costs normally supported by employers.
- Suspension or deferment of social security contributions as well as corporate and other taxes (including VAT, excise duties) for at least 6 months for airport operators and other service providers at airports.
- Suspension or deferment of airport operators' concession fees to Governments for at least 6 months (where applicable).
- Payment by Governments of rental and infrastructure usage fees normally paid to airports by their service providers for the duration of the COVID-19 epidemic in each country concerned.
- Suspension of airport operators' financial contributions to police, border control, fire-fighting, and security activities for at least 6 months.
- Suspension or deferment of airport operators' financial contribution to surface infrastructure developments for 6 months (road, rail & other).
- Cancellation of local government taxes for airport retailers for 2020.
- Due to their obligation to ensure the continuity of ground handling operations, airport operators should be allowed to grant a temporary license to any service provider to perform local ground handling activities in case of cessation of activity of ground handler(s) - as a result of the COVID-19 pandemic.

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ii) Non-Financial and regulatory measures for short and medium term reductions in operating costs of airports and travel retailers.

- Mandatory requirement to airlines to notify flight cancellations resulting from structural capacity adjustments due to COVID-19 at least 8 days in advance.
- Mandatory requirement to airlines to hand back to coordinators/slot pools unused airport slots within 24 hours of flight cancellations within booking systems.
- Postponement of the deadline for deployment of new hold baggage security screening equipment (standard 3) to 2024.
- Deferment of publication of EASA Regulations whose implementation at airports involves costs and human resources (including training & systems reconfigurations). This should as a priority apply to the forthcoming publication of EASA's Regulation on runway safety, which includes the requirement to introduce the new Global Reporting Format (GRF). As an alternative to the deferment of publication, transition/implementation deadlines should be postponed by at least 1 year.
- Deferment of impending deadlines under EU Directives affecting travel retailers until at least 2021.

iii) Financial measures for airport operators and other airport service providers (including security services providers, ground handlers, retailers, food & beverage operators, parking operators and catering companies) in case those provided for under points i) and ii) are not sufficient to address liquidity risk and ensure operational & business continuity:

- Loans and secured lending facilities at preferential rates and bank guarantees.
- Ability to renegotiate existing covenants.
- State and Government grants – including to cover airport operators' depreciation costs while air traffic remains at least -10% below the preceding year.

2. Measures allowing airport operators and service providers at airports to restore revenue generation capabilities through the re-start of air services and development of air connectivity.

- i) Suspension of all national and local aviation specific taxes until 31 December 2020 – including passenger departing taxes.**
- ii) Moratorium on new national and local aviation specific taxes until 31 December 2020.**
- iii) Increased flexibility both on substance and procedure as regards Public Service Obligations and public financing of air route development until 31 December 2021.**

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- iv) **Maintenance of a minimum level of employment to allow continued operations & preserve a rapid return to full operations through wage guarantees with regards to those still employed, bridge with programmes for those ‘temporarily’ laid off, and help with loans / other forms of guarantee not limited to personnel cost only.**

3. Financial measures to safeguard the ability of airport operators and service providers at airports to contribute to economic growth and employment by ensuring no or limited delays in current and future strategic investment in capacity, digitalization, accessibility and sustainability – in particular decarbonisation.

Given the indirect and catalytic impacts of those investments for local, regional, national and European economic growth and employment, it is indeed crucial that the financial standing of airports and service providers at airports remains stable and strong.

Furthermore, it is critical that airport operators maintain the capability to contribute to the Paris Agreement and EU Climate goals as well as sustainability in the broader sense (including health and the quality of life of communities).

- i) **The measures mentioned under point 1. and 2. above need to be considered not just in relation to immediate and short-term operational and business continuity, but also in relation to their positive impact on current and future strategic investment by airport operators in capacity, digitalisation and decarbonisation.**
- ii) **Fast track procedures (security clearance, etc.) with regard to the re-appointment of personnel laid off during the whole duration of the crisis so as not to impact operations when traffic bans are removed.**
- iii) **INEA to extend ad hoc financial support in the form of advance disbursement of CEF funded SESAR deployment projects - so as to allow airports to carry out current & planned initiatives (and also preserve investment already made).**
- iv) **Reallocation and use of EU funds to airport operators for strategic investments along with accelerated procedures.**
- v) **Financial compensation for lost revenues due to the COVID-19 pandemic to:**
 - **Airport operators undergoing significant capital expenditure programmes or planning to do so in the next 3 years.**
 - **Smaller regional airports (below 1 million passengers).**

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vi) Regulatory stability & legal certainty.

Changes to the regulatory framework not directed at addressing the impact of the COVID-19 pandemic must be avoided until the aviation sector fully recovers. This notably rules out a revision of the EU airport charges directive.

Indeed, the current crisis will fundamentally affect the competitive structure of the aviation market, with an acceleration of airline consolidation. As a result, the premises upon which the review of the Directive have been conducted will no longer be relevant.

Brussels, 23 March