



## Newsletter n. 1/2020

Dear Associates ,

This edition of our quarterly newsletter is written in the midst of a global sanitary crisis of unprecedented magnitude.

Air Transport , a global industry by nature , has been hit particularly hard and there is no doubt that a recovery to pre-crisis levels will be a long and difficult journey.

Under the circumstances , this newsletter will deviate from the customary format and , for once , its focus will be exclusively on the latest actions taken in the interest of our community.

### **IBAR - IATA proposals for measures in support of Air Transport**

On April 6<sup>th</sup> IATA and IBAR , answering jointly to a specific request of the ENAC Director General , submitted a list of proposed measures that would provide the much needed support for the skeleton operations that are currently in place and , most importantly , encourage the Carriers to resume their services to/from Italy once the current sanitary constraints will have been overcome.

Here below a recap of the proposed measures :

<b>1. Immediate support to airlines that continue operating</b>	
EU Regulation 261/2004	<ul style="list-style-type: none"><li>➤ Alleviation of airlines' obligations in case of cancellation for lack of demand and/or sanitary restrictions.</li><li>➤ Urgent and unequivocal support to the possibility, at the Airlines' choice, to issue vouchers for the tickets' reimbursement , in line with the decisions already adopted by the Netherlands and Germany.</li><li>➤ Limitation of passenger care and assistance obligations (i.e. max 3 nights , Euro 80 per night)</li></ul>
EU ETS Scheme	<ul style="list-style-type: none"><li>➤ Deferral of EU ETS compliance deadlines - surrender of allowances</li></ul>
Invoice payments for airport services	<ul style="list-style-type: none"><li>➤ Extension of invoice payment terms to 60 days for 2020</li></ul>

<b>2. fiscal and contributions' relieves</b>	
IRESA (Aircraft noise tax)	➤ Suspension until end 2020 and abolishment from 1st January 2021
Cargo and Pax domestic VAT	➤ Suspension for 2020
fiscal and employee contributions	➤ suspension of the employer's contributions for 24 months
airline employee welfare	➤ adequate government funding to the special air transport fund

<b>3. recovery support measures</b>	
council tax	➤ immediate abolishment
Pax and cargo charges	➤ significant reduction , in the order of 50% in 2020
Take off and landing fees	➤ Suspension in 2020 and significant reduction, in the order of 50% in 2021
Parking fees	➤ Abolishment during the whole crisis period
ANSP fees	➤ Support at European level to the Eurocontrol package proposal
Incentive schemes	➤ support the resumption of pre-existing air services and the opening of new routes
provision of non- discriminatory funding, loans, loan guarantees - support for corporate bond market	➤ directly to airlines or via commercial banks

### **EU regulation 261/2004 : Refund obligations**

It has become immediately evident that the huge amount of refund requests could not be handled as per the current Regulation without putting at risk the financial viability of several Carriers and that the issuance of vouchers in lieu of cash refunds would be the solution of choice .

On this subject the EU Commission , prompted by the Industry Association for a temporary derogation which would formally allow the utilization of vouchers , has been slow and hesitant, to the point that some Member States ( Germany , the Netherlands ) have taken individual action and announced that the vouchers would be "tolerated" even in the absence of a legally binding Act by the Commission.

As far as we are aware , the Italian CAA supports the voucher option in principle but will not take unilateral actions and would rather wait for a Pan-European solution.

Pressure on the Commission is continuing from all sides and at all levels ; several European BARs have even written directly to the Commissioner for Transport to request an urgent decision.

Here below the link to the IBAR letter and the EC reply confirming their reluctance, even under the current circumstances , to adopt extraordinary measures :

<https://www.dropbox.com/s/412b5wc06svbng4/COVID-19%20correspondence%20with%20EU.pdf?dl=0>

***However , pressure on the Commission is not relenting : we have information that Italy , along with several Member States , has formally written to the Commission to support the voucher option.***

### **Waiver of the sub-concession fees for operative spaces , offices and areas in exclusive use temporarily unused or inaccessible**

Following up on IBAR's initiative , endorsed also by the IATA VP for Europe in a letter addressed to Minister De Micheli , several AUC/AOCs have written to the relevant Airport Managers to start negotiations on the waivers for inaccessible parts of the infrastructure and/or reductions for unused spaces/offices due to the suspension of operations.

In general , reaction from the Airports has been moderately co-operative on the sub-concessions and other ancillary costs , whilst drawing – as foreseeable - a red line on the requests put forward by the AUC/AOCs to lower their charges.

***The debate on regulated charges is now on the Governments' and the EU Commission table. Meanwhile , Italy has temporarily frozen the publication of the new Models for the determination of Airport charges.***

### **Social distancing measures**

On March 28th , Italy has introduced stringent rules on sanitary controls before the departure and social distancing on board the aircraft.

Whilst these measures are temporarily justified by the present need to give the utmost priority to health-related prescriptions to contain the pandemic diffusion , they would hardly be manageable by a global industry in a future phase which would see the gradual resumption of air services.

IBAR and IATA are jointly addressing the competent Italian Ministries ( Transport and Health ) to request that Italy will align as soon as feasible with the WHO prescriptions and will refrain from placing the responsibility of sanitary controls directly on the Carriers.

#staystrong !