

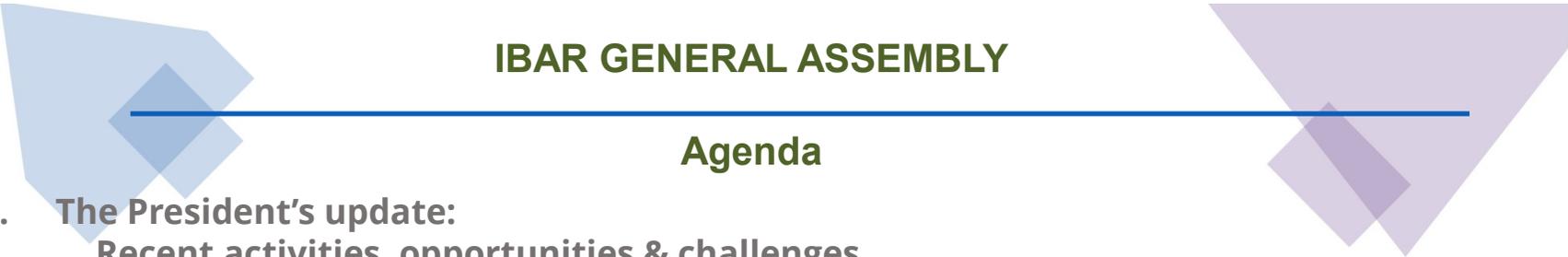
**Welcome to the  
IBAR GENERAL ASSEMBLY  
June 13th,2024 - Palazzo Cordusio , Milan**

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**Thanks for joining us, we are getting ready :**



**The meeting will start at 10:30  
Please stay tuned**



## IBAR GENERAL ASSEMBLY

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### Agenda

1. **The President's update:**  
Recent activities, opportunities & challenges
2. **Our legal counsels' report:**  
VCE – Administrative Court of Appeal's decision on additional municipality taxes  
Update on sentenza Cassazione 1750/2024.  
ART Contributions  
ART – Proposed changes to the Regulation for Alternative Dispute Resolutions (2<sup>nd</sup> session)
3. **A brief update by the Secretary General**
4. **2023 financial report**
5. **2025 financial resources**

**11:45 – 12:00 Coffee break**

6. **Air Cargo & Pharma: (presented by Fabrizio Iacobacci, President of our Partner Organization PHARMACOM ITALIA**
7. **Digital trends in the distribution of travel & tourism products (presented by our Academic Partner Osservatori.net of POLIMI-Milan Polytechnic)**
8. **AOB**



# Advocacy on taxation 1 :

## Negative impact for Italy of the intended introduction of the European Energy Taxation Directive (ETD)

in cooperation with A4E, IATA, AICALF

When : February-March

High level meetings with : Ministry of Finance, Transport & Tourism  
President & Members of the Parliamentary Commission on Transport

**steer**

Economic Impact Assessment of Energy Taxation Directive on Travel and Tourism in Europe - December 2023

ITALY 2033 , if current EU ETD proposal would be approved :



**PASSENGER DEMAND**

↓ 6.1% reduction



Loss of 39,200 jobs



Increase of €862.6 million in tax revenue

Reduction of €4.1 billion in contribution to GDP

# Advocacy on taxation 2: presentation of the study «municipality tax : a levy that drains instead of adding»

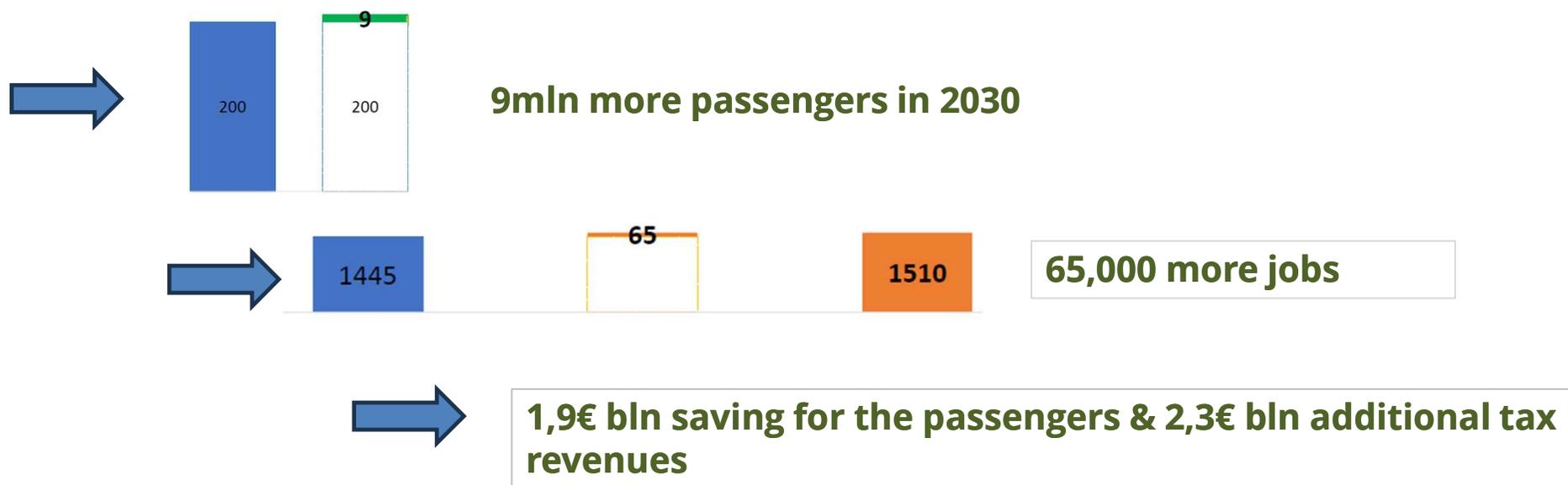
In cooperation with AICALF

Author : Prof. A. Giuricin – Senior Transport Economist of Milan Bicocca University

When : 9APR2024

Where : Press Room of the Italian Parliament

ITALY : The positive effects if the additional municipality tax would be eliminated



## Public events : IBAR speaks at the ANAMA yearly convention

When: 23MAY2024  
Where : Fiumicino Airport T5  
Attendance : 300 + Air Cargo Professionals

- ❑ 2023 growth in industry ACTKs of 7%, almost exclusively driven by belly-hold capacity.
- ❑ Air Cargo Traffic volumes in Italy ( **JAN-APR 2024 +19,5%** )
- ❑ Italy to USA is n. 6 in the worldwide rank of pharmaceutical flows



## Education, training & talent acquisition



IBAR will participate in «**MEET THE PROFESSIONALS**», an ICAO Programme , coordinated by ENAC , aimed at creating the **NEXT GENERATION OF AVIATION PROFESSIONALS**



When :           **2° half of 2024**



What : A series of **workshops, webinars** where the current leaders of the aviation sector in Italy will be meeting high school and university students **to illustrate the new opportunities and the workforce demand within the air transport industry.**



## Our legal counsels' report

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- ❑ VCE – Administrative Court of Appeal's decision on additional municipality taxes
- ❑ ART contributions
- ❑ Update on sentenza Cassazione 1750/2024.
- ❑ ART – Proposed changes to the Regulation for Alternative Dispute Resolutions (2<sup>nd</sup> session)

# 1. VCE – ADMINISTRATIVE COURT OF APPEAL'S DECISION ON ADDITIONAL MUNICIPALITY TAXES

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SAVE has challenged the additional tax ( €2,50 ) imposed last December by the municipality on all the passengers from Venice airport.

An analogous case was brought by some law cost carriers and also IBAR intervened in the case, to support SAVE position against the additional tax.

**The Court of First Instance ruled against SAVE, but the Court of Appeal has now reversed this decision and stated that the tax is void**

The decision of the Court of Appeal is based on the argument that the tax is not supported by an adequate evaluation of several factors, such as

- i) possible alternative solution to the tax,
- ii) the fact that the tax affects mainly the passengers that have no connection with the city of Venice, being resident in other towns,
- iii) the proportionality of the tax,
- iv) the tax is not adjusted in relation to the traffic evolution

The Court ruled also that the city of Venice can reevaluate the tax with a new consultation

It is be clarified that **the tax applied is void, so it must be returned either to pax or to the carriers (in case the tax is an internalised cost)**

**The tax has already been deleted from the IATA system.** ( Ticket Tax Box Service = TBBS )

IBAR, as an association, now has **a new legal tool to deal with municipal taxes**, and this experience can be used in other situations, either for the consultations with municipalities, or for challenging the tax.

## 2. Transport Regulation Authority (ART) Contributions

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Since 2016, ART has been requesting the payment of a contribution, aimed at covering its costs, also to the air carriers

We opposed these requests and **up to 2018** the Courts ruled that the contribution was not due. Following these Court decisions, the contribution was paid back to those carriers who had paid it.

**In 2018 the law was changed** in order to overcome the decisions of the Courts, starting from the contribution requested for the year 2019.

After the changing of the law, the decisions delivered by the Courts for all kind of transports have been in favour of ART, except for the international air transport.

**With regard to the international air transport**, we have raised the argument, still not decided by the Administrative Court of Appeal, that **the contribution is in breach of the treaties for the avoidance of double taxation**

We are currently awaiting the decision on this argument; should it be rejected, we believe that the Court decision would be in breach of the Treaties, and will evaluate eventual actions via diplomatic channels.

### 3. DECISION OF THE SUPREME COURT N. 1750/2024

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- ❑ Several carriers have recently received letters from IATA agents and their associations, asking for the payment of the difference between the commission currently applied and the previous commission.

According to these letters, the communications from the carriers to the agents of a reduction in the commission is illegitimate.

- ❑ Of course, we cannot discuss about the IATA commission, however we can spend some comments on the legal ground of these requests :

The letters make reference to the decision of the Supreme Court in the case 1750/2024 and maintain that, according to such decision, the IATA rule which allows the carriers to modify the commission is void, and that this is valid for all carriers.

- ❑ On this statement we must clarify that:

- As a general principle, a legal case and the relevant Court decision is binding only between the parties to that case, it is not possible to extend the effects of the decision to subjects who were not part of that legal case.
- It is not true that the Supreme Court ruled in the above-mentioned case that IATA rule is void, since the Supreme Court has rejected the appeal of the carrier, only on procedural issues, whilst not deciding about the merit of the case.
- So, as far we can understand (not being part of the case), that statement about the IATA rule is in the decision of the Court of Appeal (a Court that is lower than the Supreme Court), but in any case, the same cannot be enforced against third parties.
- It is also to be added that, even if a case is brought by an agent against a carrier, the judge of such case:
  - is not bound by a previous decision
  - can evaluate all arguments brought by the carrier.

## AIRPORT CHARGES

When	Where	Outcome/Status	Comments
Feb-Apr	FCO 2024-2028		<ul style="list-style-type: none"> <li>➤ <b>Recovery of 272€ mln COVID unrealised revenues</b></li> <li>➤ Substantial increases for wide-body landing and take-off charges</li> <li>➤ Quality targets too lenient ( yearly 1% bonus for ADR )</li> </ul>
Mar-Apr	CTA 2024-2027		<ul style="list-style-type: none"> <li>➤ Unrealistic investment plan</li> <li>➤ Lack of transparency</li> <li>➤ Unwillingness to negotiate with users</li> <li>➤ <b>Final decision with Regulator</b></li> </ul>



## Airport Coordination Committees' (SLOTS) Terms of Reference

When	Where	Outcome/Status	Comments
Jan-May	MXP BLQ NAP FCO		<ul style="list-style-type: none"> <li>➤ <b>Individual Airlines' Head Offices are now directly involved</b> at Slot Management level</li> <li>➤ IATA, IBAR participate as observers</li> <li>➤ <b>FCO must be realigned</b> (Airlines are only represented by the local AUC and meetings should be held only in Italian)</li> </ul>

## ENAC Regulation on noise abatement measures

When	Outcome/Status	Comments
Apr-May	Ongoing Observations submitted on May 15 <sup>th</sup>	<ul style="list-style-type: none"> <li>➤ <b>ICAO Balanced approach</b> to be strictly adhered to</li> <li>➤ Limitations are the last resort</li> <li>➤ Cost-benefit analysis &amp; consultation always needed</li> <li>➤ <b>Need to avoid binding ordinances by local authorities</b> with unpredictable &amp; politically driven outcomes</li> </ul>

## Ministry of Transport on National Airports Plan

When	Outcome/Status	Comments
2021-2024	Ongoing Presently paused due to EU and Italian elections	<ul style="list-style-type: none"> <li>➤ MIT maintains that market realities will be respected</li> <li>➤ More attention to Air Cargo</li> <li>➤ MIT intends to stimulate long-haul connectivity ( how remains unclear )</li> <li>➤ Air Transport Unions are always present</li> </ul>

## Ministry of Transport and Ministry of Disabilities on PRM assistance

When	Outcome/Status	Comments
Jan-May	Ongoing	<ul style="list-style-type: none"> <li>➤ Air Transport's PRM procedures are far superior to those of surface sectors</li> <li>➤ <b>One-Click-Away</b> adopted by all Italian Carriers + Ryanair (more to come ? ).</li> <li>➤ Italian Railways will adopt a system inspired by the IATA codes (<b>smooth handling for intermodal journeys</b>)</li> <li>➤ ENAC keeps proposing that all Carriers operating in Italy should submit a <b>Service Charter</b> (redundant , bureaucratic and ineffective approach; moreover, legally untenable in the present framework)</li> </ul>



## In the pipeline

### EES

- On August 28<sup>th</sup> the EU Commission will announce the final decision on the EES implementation date: most likely date is **October 6<sup>th</sup> 2024**.
- Carriers are at the testing/certification stage with EU-Lisa
- IATA, A4A, A4E, ACI Europe have addressed their concerns to the EU Commissioner for Home Affairs (May 2024). **Progressive start of operations and adequate time allocation between decision and EES start date a must.**
  - In Italy :**
- IT equipment at the main Italian airports is ready
- **Concerns about adequacy of manpower deployed by Border Control Police**
- The National Facilitation Committee (FAL) will convene on June 25<sup>th</sup> .

### SAF

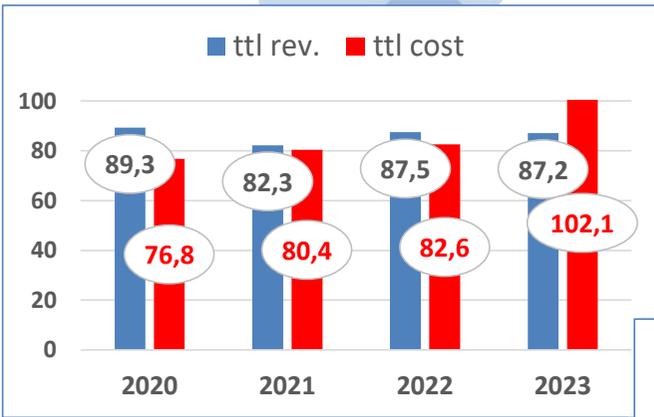
- Current SAF supply remains low at **less than 0.05%** of total EU aviation fuel use.
- EU will introduce a **SAF blending mandate** for fuel supplied to EU airports, with minimum shares of SAF gradually increasing **from 2% in 2025 to 63% in 2050**. To achieve this mandate, **2.3 million tonnes of SAF would be required by 2030**.
- While SAF are currently more expensive than fossil-based jet fuel, **cost savings are expected through future production economies of scale**.

### ART

Consultation on the Regulation for passenger claims and Alternative Dispute Resolution

- More than 20 sets of observations submitted to ART (including IATA, IBAR, AICALF & several Carriers)
- **Legal uncertainties**
- **In-depth analysis in the 2nd session**

# 2023 in a nutshell



**From the External Auditor's report on the 2023 accounts(03JUN24):**

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- ❑ *«...all the expense reports have been thoroughly compiled and it has always been possible to verify the correspondence between the reports and the relevant supporting documentation»*
- ❑ *«...The Association has registered an **increase of the «variable» expenditures** connected to the performance of activities in support of the Members : **legal consultancies, public relations, events and travel**»*
- ❑ *«... the Association has **no unpaid fiscal or social security debts**»*
- ❑ *«...the 2023 negative balance has been **entirely covered** by the reserves accumulated in the previous financial years».*
- ❑ *«...It is evident that , **if the Association intends to continue successfully its activities in support of the Members , the financial resources will need to be strengthened**»*

# The way forward

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## 1. Objective

- IBAR should continue in its path to becoming ever more assertive , authoritative and influential in its dialogue with other stakeholders, regulators, decision makers and media.

## 2. Scenario

- The IBAR membership base is very diverse :
- Business models , equipment and route networks can be very different
- Yearly passenger volumes vary from 100.000 or less to more than 15.000.000
- Yearly revenues generated in Italy can also be very different; the same applies to yields, rpk etc. (generally treated as sensible and not shared/used within IBAR)

## 3. Guiding Principles :

- For all sizes, the **contributions should be proportionate** both to the Membership benefits and the available budgets.
- Voting rights should be aimed at preserving the Association's attractiveness and ensuring a **democratic decision-making processes.**

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After the break :

☐ **Avv. Enrico Scialoja :ART – Proposed changes to the Regulation for Alternative Dispute**

☐ **Fabrizio Iacobacci**  **Pharmacom**  
ITALIA

☐ **Federica Russo**  **osservatori.net**  
digital innovation  **POLITECNICO**  
MILANO 1863



...and this will be all from the IBAR cockpit for today. Thank you for your support !



We hope you have enjoyed our services , see you at Rome Airport next December !

