

**Specialised Committee on Air Transport – Minutes of the Meeting**  
**Great Minster House, London and online, 4 September 2024**

**1. Opening statements**

The two sides welcomed participants present in the room and those joining virtually. Both sides considered that the implementation of the air transport chapter of the TCA had been relatively smooth, and that air transport was continuing to recover and improve following the pandemic.

**2. Adoption of the Agenda**

The agenda was adopted, with the amendment of draft agenda item 7.1 on Disinsection Requirements of Italy to focus on disinsection in a broader sense, and the addition of agenda items 7.2 on tax in Hungary, and 7.3 on visa issues for Italian Engineers.

**3. Market developments**

The parties exchanged information on the EU-UK air transport market, highlighting the return towards pre-pandemic levels of connectivity, confirmed by available information for 2024.

The UK elaborated on their overall levels of recovery, highlighting that UK-EU passenger figures reached 97% of 2019 figures by the end of Q2 2024, with the expectation to exceed 2019 passenger numbers by the end of 2024. UK figures also highlighted 5 EU states exceeding 2019 figures for flights to the UK in Q2 2024. UK cargo figures showed a steady recovery to 91% of 2019 figures, with forecasts indicating continuing strong growth.

The EU side reported similar recovery in passenger figures with the UK, with a total of 156,15 million passengers in 2023 – a 20.2% increase on passengers from the previous year. In 2023, the UK was the largest extra-EU passenger market. The EU also briefed on improvements in overall connectivity with an additional 48 routes in comparison to 2022, and almost 1000 routes in total, at 80% of 2019 levels. In terms of cargo, there was a 9.6% increase compared to 2022 levels.

**4. Exchange of information on legislative and policy developments**

On **Aviation Decarbonisation**, the UK outlined work with the UK Natural Environmental Research Council and UK Department for Business & Trade in 2023 to launch a research and development programme to better understand aviation's non-CO2 climate impacts. The UK had also set up a Non-CO2 Task and Finish Group, to identify and progress tasks to better understand aviation's non-CO2 impacts.

The EU also reported on the steps taken to address CO2 and non-CO2 impacts, including their co-operation with the UK. The EU ETS has been revised as part of the EU Fit for 55 Package. A monitoring framework had been implemented as part of an exercise to collect more data and monitoring will continue for a 2-year period on intra EU flights. The EU had also launched an expert network to identify scientific gaps within the area and was due to participate in ICAO's Symposium on Non-CO2 Aviation Emissions later in September.

The UK's consultation on **Sustainable Aviation Fuels** closed on 29<sup>th</sup> June and the Government response will be published in due course. The UK is on target to begin its SAF mandate in January 2025. In addition, the UK has promoted the establishment of a UK SAF industry by allocating £135m to 13 projects through the Advanced Fuel Fund. The UK aims to secure further investment by removing barriers to investing and by introducing a Revenue Certainty Mechanism which is expected to be in place by 2026. The UK Revenue Certainty Mechanism would aim to provide investors with certainty

about the revenue they would receive from the production of SAF. The UK confirmed that the Mechanism would aim to secure investment in a range of fuels.

The EU provided an overview of implementation milestones for their SAF mandate. The mandate was published last year, and the EU will shortly publish Frequently Asked Questions based on feedback received from industry since the publication of the Regulation. The EU is set to begin its SAF mandate in 2025, with a minimum share of 2% SAF, increasing progressively to 6% in 2030, 20% in 2035, and eventually 70% by 2050. Annual reports will be released by EASA in 2025 and every year after that, and a review of the mandate will be completed in 2027. The EU queried whether the UK interacts with other countries on the SAF mandate and the UK stated they would revert on this.

On **Slots Policy**, the UK provided an overview of its slots consultation concluded in March. The consultation resulted in 13 proposals, ranging from refinement of the existing system to a completely new system of slots. The UK explained changes to slots policy going forward would need a steer from the new UK government. The EU explained that their slots initiatives were also on hold until the new Commission had been appointed following the European Parliament elections in June.

In response to a question from the EU on traffic distribution rules in place for London airports, the UK advised that a consultation would be conducted by the UK Civil Aviation Authority to assess whether the distribution rules should be discontinued. The UK emphasised the rules did not necessarily have an impact on slots.

On **Passenger Rights**, the UK advised that its consultation was almost complete, and it updated the EU on a recently released report from the UK CAA on airport access.

On the revision of EU **Regulation 1008/2008**, the EU explained that further work has been carried out and that any proposal to revise the Regulation would only be presented by the future Commission.

## **5. Issues arising from implementation of the Title on Air Transport**

### **5.1. Bilateral arrangements between the United Kingdom and Member States (Art. 419)**

In the context of the **bilateral arrangements** negotiated between the UK and the EU Member States (MS), the UK confirmed that bilateral agreement on additional all-cargo “Fifth Freedom” services had been reached with 23 MS. This included new arrangements with Croatia and Slovenia which have been approved by the EU since the previous SCAT meeting (and the UK’s bilateral agreement with France had also been updated during this time). The UK would continue to reach out to the remaining EU MS.

The UK also confirmed that it had block permits or a similar understanding for non-scheduled services in place with 25 EU MS. The UK highlighted 285 EU airlines have been issued block permits in 2024; an increase compared to 2023. The UK highlighted the different approaches adopted by individual EU MS’, particularly relating to the difference in length of validity periods and block permit limitations. The UK would like to discuss with EU MS a common block permit system across the EU and suggested a standard 12-month system with no limitations on aircraft.

In response, the EU stated, that it is for UK and MS authorities to approve the airlines applications in accordance with their laws and regulations; therefore, block permits should help facilitate the exercise the rights in the TCA and not act as an obstacle.

### **5.2. Airline Ownership & Control**

The UK reiterated its position that regulatory control and not the nationality of an airline’s owners should be the relevant factor in permitting air services, with the aim of moving towards a system based

on the criterion of “principal place of business”. The UK also updated the EU on the ongoing work being undertaken in the International Civil Aviation Organisation (ICAO) Air Transport Regulation Panel (ATRP) to update the ICAO model text on ownership and control.

Asked about its views on the matter, the EU noted the UK’s position and confirmed the EU’s position had not changed since the previous SCAT meeting.

### **5.3. Wet-leasing approvals**

The UK highlighted the potential benefits of a more flexible approach towards the approval of wet-leasing arrangements given the experience of coping with high demand in the summer of 2022 and 2023. The TCA requires that carriers on either side obtain approval prior to using aircraft wet leased from a third country, so it is in both sides’ interests that, when UK and EU carriers wet lease from one another, the necessary approval procedures should be as swift and flexible as possible.

The UK highlighted the different structures in place for wet leasing into and out of the different MS. With the intention to make the approval procedures for wet-leasing as smooth as possible, the UK requested the Commission considers developing guidelines for a common approach to third country wet leasing across EU MS. The UK suggested a “white-listing” approach that would allow airlines on such a list to step in quickly in case of disruptions.

The EU agreed to discuss with EU MS and their regulatory authorities the difference in wet leasing approvals and assess what steps could be taken to simplify wet leasing.

The EU indicated that some EU airlines had experienced difficulties in getting their aircraft reserve lists approved by the UK CAA. The EU asked how this could be rectified. The UK suggested pre-certifying aircraft and adding them to such lists. The UK noted that ICAO requires the CAA to be aware of the fleet that is being wet leased by an airline.

### **5.4. Ad-hoc higher-freedom operations**

Concerning higher freedom operations, the TCA allows the UK and EU MS the discretion to authorise non-scheduled services so long as they are not a disguised form of scheduled service. The UK stated it had adopted a liberal, flexible approach here, but was concerned about resulting imbalances in favour of some EU air transport airlines.

The UK noted that arrangements in place may need to be modified if they consider an airline is benefitting disproportionately compared to the reciprocal benefit potentially available to UK airlines.

The EU recalled that, under the TCA Article 419(9), subject to the internal rules and procedures, the competent authorities of the UK and EU MSs may authorise non-scheduled services, provided that they do not constitute a disguised form of scheduled services. Therefore, the EU stated it would be up to the UK to adjust arrangements, if necessary, as long as it is in line with this provision.

The UK explained its very strong desire is to be flexible and reduce administrative burden for airlines and, ideally, it would like to reach an understanding with the EU about how both sides may use their discretion.

## **6. Implementation of the new EU EES Border systems**

Regarding the new EU EES border systems, the UK had concerns about the potential effects on connectivity and requested further information from the EU on readiness. The UK also requested a Q&A session for UK airlines to be held by the EU LISA.

The EU confirmed implementation was scheduled for 10 November<sup>1</sup>, dependant on a declaration of readiness which was scheduled for 5 September. The EU explained an information package had been prepared for airlines and flexibilities were being considered. The EU informed the UK that monthly meetings were hosted by DG HOME and EU-LISA for air carriers, and both were happy to receive any questions from UK air carriers.

The UK requested clarification on whether they would receive any information to share with UK airlines on potential issues identified following analysis of MS readiness. The EU stated they would consider communication with air carriers, if specific needs were identified.

## **7. Any other business**

### **7.1. Disinsection**

The two sides decided to discuss disinsection in the broad sense rather than focus specifically on Italy as originally planned. This was because, with climate change, it would become a more prevalent issue in the coming years. The UK anticipated that disinsection would likely become more common and noted its potential to impact connectivity in the future. The EU agreed it had the potential to have a bigger impact on short haul connections.

### **7.2. Hungary Tax**

The UK raised its concern about the amendment to Hungary's local business tax regulation, which came into effect on 1 January 2024 and aimed to tax foreign airlines that had a regional office based in Hungary. The UK explained that IATA were making strong representations on the issue and looking into how this may affect aviation.

The UK sought to understand if non-Hungarian European airlines had expressed similar concerns. The EU explained they were not aware of the change in taxation for foreign airlines in Hungary and would reach out to colleagues in Hungary for further information on the issue. The UK agreed to share further details on the matter.

### **7.3. Visa Issues for Italian Engineers**

An issue was raised regarding an Italian airline experiencing difficulty with obtaining visas for engineers to service their A220 aircraft at London City Airport (LCY). As the aircraft is the only one of its type in operation at LCY, an engineer from Italy would need to travel to the UK to solve any issues and obtaining a visa to do so was proving to be an obstacle. The UK agreed to take this issue away and discuss with their facilitation team.

## **8. Closing session**

Courteous closing remarks were exchanged.

*Approved by the Joint Secretariat of the  
Specialised Committee on Air Transport*

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<sup>1</sup> Please note that the target date, which was initially set for 10 November has been postponed. The Commission is currently finalizing legal assessment that would foresee a progressive launch of the EES.

## Annex – Participants of the 4th Meeting of the Specialised Committee on Air Transport

### **UK delegation**

- UK Co-chair of the Specialised Committee on Air Transport
- UK Civil Aviation Authority
- UK Department of Transport Officials
- UK Mission to the European Union Official
- Cabinet Office Officials

### **EU delegation**

- EU Co-chair of the Specialised Committee on Air Transport
- European Commission Officials
- Delegation of the European Union to the UK Official
- Representatives of the EU Member States