

CANSO proposes aviation crisis recovery plan for Europe

Brussels, 12 June 2020 - The aviation sector is faced with an unprecedented crisis which has had a devastating impact on revenues and put the industry's collective survival into question. With traffic levels in Europe at around 15% of what they were last year, the Civil Air Navigation Services Organisation (CANSO) is calling for a solution to the financial burden of the crisis caused by the decline in air traffic that will work for the whole aviation sector - airlines, airports and air navigation service providers (ANSPs).

ANSPs are in the unique position of being mandated to keep the skies fully open and sectors staffed even when traffic levels and the related ANSP revenues are at a record low. They are also responsible for maintaining the well-being of their staff working in air traffic control centres during a public health emergency.

Many airlines have already been promised state aid or are negotiating government support. According to IATA's latest figures this already amounts to \$30 billion (€26.4 billion) within Europe alone. At the same time, the airlines have been allowed to defer their payment of air traffic control fees due to a significant shortfall in passenger revenue.

By contrast, the state financing promised to ANSPs has been far more limited, and they must now seek loans. Although CANSO members are making significant cuts to their cost base (e.g. furloughing staff, voluntary salary cuts, postponing/cancelling non-vital investments), these are not enough to cover the financial gap.

"When it was conceded to allow airlines to defer payment of their fees to our members in April, we saw this as a one-off action rather than a permanent mechanism to transfer the financial burden from the airlines to the ANSPs. We understand the pain our customers are in, but in the future, we need to return to the position where airspace users pay for the essential service provided by ANSPs," said CANSO's European Director, Tanja Grobotek. "We strongly contest any notion that our members are in a position to provide financing to the airlines."

CANSO therefore calls for a European, industry-wide recovery plan to get planes flying again. This should be based on two pillars.

1. Financial support from the EU for the whole aviation sector

CANSO calls on the EU to provide whatever financial support is needed to get ANSPs, airlines and airports through the crisis period. This should be done in a holistic way which does not favour one branch of aviation over another and is potentially accessible to all.

2. A temporary revision of the EU Performance and Charging Scheme

Air traffic control services fees are determined by the EU's Performance and Charging Scheme, which sets performance targets for ANSPs and regulates how they are paid by airlines. It is now under severe strain due to the drastic fall in traffic. CANSO therefore calls for a temporary solution that works for both the ANSPs and the airlines until traffic recovers to levels that make the Scheme sustainable again. Airlines should remain legally liable for payment of fees for the duration of this crisis, just as ANSPs should remain legally liable to provide a service, EU support is required to cover the gap between what the airlines can afford to pay and what they owe the ANSPs for their services.

CANSO underlines that this support must be temporary. CANSO cannot sign up to any solution which puts future ANSP revenues, and thus their service provision, in any doubt. Many CANSO members are now trying to secure additional financing on commercial terms to preserve liquidity, and this hinges on a guarantee of future revenues. Any further legal uncertainty regarding the Performance and Charging Scheme could jeopardise the efforts to secure this crucial funding.

CANSO therefore calls on EU policymakers to adopt a solution which supports the whole aviation sector through this crisis and does not favour one branch over another.

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About CANSO

The Civil Air Navigation Services Organisation (CANSO) is the global voice of air traffic management worldwide. CANSO Members support almost 90 percent of world air traffic. Members share information and develop new policies, with the ultimate aim of improving air navigation services on the ground and in the air. CANSO represents its Members' views in major regulatory and industry forums, including at ICAO, where it has official Observer status. CANSO has an extensive network of Associate Members drawn from across the aviation industry. For more, visit canso.org.

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