

AEA condemns another UK tax on aviation

The Association of European Airlines (AEA), whose 35 member airlines includes the most important network airlines in Europe, urges the UK Government to reconsider the proposals from the UK Office of Communication to introduce Administrative Incentive Pricing for aeronautical spectrum used for navigation, communication, surveillance and Air Traffic Management systems. The proposed measures are expected to raise around 60m£ annually for the UK Treasury.

Said AEA Secretary General Ulrich Schulte-Strathaus: “Administrative Incentive Pricing is a euphemism for a tax. The UK government evidently believes that in times of a downward economic cycle, fuel prices at unprecedented high levels and expected losses for international airlines in the years to come, the time is ripe for another tax. The opposite is true. After the notorious UK APD, yet again a tax, this levy will make aviation even more costly in the United Kingdom, thereby reducing even further the competitiveness of UK based airlines and British airports”.

AEA member airlines treat safety as their number one priority and their dedication to it is an area of considerable expense. The UK government is proposing to exploit this commitment with yet another punitive tax; this is, Mr Ulrich Schulte-Strathaus comments, an “ill-concealed attempt to hijack a safety issue as a means of additional revenues for the UK government”.

Aviation depends on radio spectrum to support safety critical air traffic management systems. The International Telecommunications Union, which allocates radio spectrum at the World radio Conferences, considers aviation a public safety service. Airlines, unlike mobile phone companies or other businesses, therefore do not decide on the radio spectrum they use and have no influence on its efficiency – they are, in effect, captive customers. Radio spectrum used by the airlines is regulated by international treaties and safety considerations.

“Improved aeronautical radio spectrum efficiency will not be solved through additional taxation such as Administrative Incentive Pricing”, concluded AEA’s Schulte-Strathaus. “The additional tax will divert increasingly scarce airline revenues into the UK Treasury – and would no longer be available as necessary investments in new technology to improve the efficiency, including radio spectrum efficiency, of the European Air Traffic Management Systems. This tax would undermine the stated objective of Her Majesty’s government. Instead of adding yet another tax on UK aviation, the UK Government should support the full implementation of the Single European Sky which has an enormous environmental benefit with a potential to reduce unnecessary emission with 16 million of tonnes of CO2 per year. There are no excuses for the UK, and other European governments, to further delay the realisation of the Single European Sky project which is of crucial importance to European competitiveness in the global market place”.

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