

Prime Minister and Minister of General Affairs
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15 September 2008

- Adria Airways
- Aer Lingus
- AeroSvit
- Air France
- Air Malta
- Air One
- Alitalia
- Austrian
- bmi
- British Airways
- Brussels Airlines
- Cargolux
- Croatia Airlines
- Cyprus Airways
- Czech Airlines
- DHL
- Finnair
- Iberia
- Icelandair
- Jat Airways
- KLM
- LOT
- Lufthansa
- Luxair
- Malev
- Olympic Airlines
- SAS Scandinavian Airlines
- Spanair
- SWISS
- TAP Portugal
- TAROM
- TNT Airways
- Turkish Airlines
- Ukraine International Airlines
- Virgin Atlantic Airways

Dear Excellency,

On behalf of the Association of European Airlines, representing 35 major European network carriers, I am writing to bring to your attention the significant problems created by the Dutch tax on airline tickets introduced in July 2008, in support of the letters sent to Ministers of Transport and Finance, Mr Eurlings and Mr Bos respectively, by IATA Director General and CEO Giovanni Bisignani on 23 July 2008.

With only two months' experience of this tax, the effects in the marketplace are already becoming apparent. We note that Schiphol is losing significant numbers of passengers; indeed, the number of local passengers in Amsterdam decreased by between 7-8% in both July and August. We also note that foreign low-cost operators are cutting back on their plans to serve Dutch airports. On the other hand we see substantial increases in the number of Dutch travellers in the terminals at Brussels and Düsseldorf. Customers, being made more cost-conscious than ever by the current economic situation, are clearly looking for alternatives which are neither beneficial to the Dutch economy, nor to the environment.

The environment was initially used as a justification for the introduction of this tax. Its consequences can scarcely be described as environmentally significant: aviation accounts for 2% of global CO₂, a figure the whole industry is working hard to reduce further, spurred on by unprecedented oil price levels. Unilateral action in local markets achieves next to nothing in the global context. It can, however, have very significant local effects.

In the short time since the ticket tax was first proposed, the European airline landscape has changed dramatically. Oil price levels are jeopardising the sustainability, in some cases the very survival, of European airlines.

On a broader scale, the fuel price situation is contributing to an economic downturn which is affecting business and consumer confidence – more bad news for the airline industry and the economic sectors and regions which depend on it. Yet European Member States have so far failed to reform the European Air Traffic Management

(ATM) system; a reform that would create huge savings for the environment, fewer delays for passengers and lower costs for airlines.

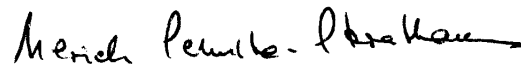
A viable aviation sector is essential to the sustainable growth of the Dutch and European economies. Our members will continue to ask for the elimination of unilateral taxes, which put an unfair burden not only on airlines themselves but also on their passengers and, ultimately, the economy of the regions they serve.

On behalf of the Association of European Airlines, I kindly ask you

- to take all possible measures to eliminate the unsustainable tax burden placed on airlines departing from the Netherlands;
- to ensure that this tax burden is not maintained beyond the extension of the European Emissions Trading System to the aviation industry;
- to actively support adoption of the Single European Sky second package so that the necessary reform of the European ATM system becomes reality within the shortest possible timeframe.

Naturally I would like to assure you of our willingness to enter into a dialogue with the Dutch government to achieve these goals.

Yours sincerely,



Ulrich Schulte-Strathaus
Secretary General

This letter is also being sent to:

Minister Bos
Minister Eurlings
Minister van der Hoeven

Cc: Mr. P. F. Hartman, President & CEO, KLM
Mr. H. Gorter, Chairman BARIN

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