27ᵀᴴ ACI EUROPE ANNUAL CONGRESS AND EXHIBITION

Welcome address by Augustin de Romanet, President ACI EUROPE

Paris, 09:45 am, Tuesday 13 June 2017

Ladies & Gentlemen,

Listening to Pascal and to Olivier just now, I could not help reflect on how much and how fast our environment has changed in recent years - and at how it is obvious that looking at the past no longer gives us any clue as to our future.

Yet, we do have at least one certainty: security will remain at the very top of our agenda.

I am sure that those of you who were with us last year in Athens have not forgotten the moving account of our good friend – Arnaud Feist, the CEO of Brussels Airport - about what happened at his airport in March 2016. At the time, we had no clue that within days of listening to Arnaud, Istanbul-Ataturk would also be targeted.

Since then, ACI EUROPE has worked hard to beef up the security of airports' public spaces – the so-called '*landside security'*.

We have done so hand-in-hand with the European Commission, all EU States and ECAC – and I would like once again to praise the Commission for its sound and effective approach to landside security. The EU has avoided imposing systematic terminal entry checks. It has focused instead on smarter & less visible measures – measures that do a much better job at addressing the risk.

Unfortunately, this is not what Russia has been doing. I am concerned that this approach creates new security vulnerabilities. We have consistently warned that this merely moves the target rather than securing it. The attack at the Manchester Arena last month showed once again that, whether it is an airport, a stadium or a concert hall, you do not need to strike inside a facility to spread terror…

While the most recent terrorist attacks in Europe have not hit airports, there is no doubt that aviation remains a target. Ask any airport CEO what keeps them awake at night - security is the first thing that comes to their mind.

ACI EUROPE is currently working on all the security-related issues affecting aviation – from cyber security and improved screening detection capabilities to deterrence and training. This work is driven by our Aviation Security Committee – which acts as a trusted & authoritative source of expertise for our regulators. I would like to take this opportunity to praise its work and especially thank our Head of Aviation Security, David Ryder for his many achievement over the years.

But to win the fight against terrorism, it will take more than just developing new screening machines or adding more checks at the airport. This is a challenge that goes well beyond aviation – and that starts well before anyone reaches the airport.
The only way to make meaningful progress will be through:
- increased and coordinated use of data,
- intelligence sharing, and
- international cooperation with the industry and between States.

Yet, this is not happening as it should – and this gives me cause for concern.

The recent spat between the EU and the US over a potential ban on laptops has exposed the need for better cooperation and more trust between the two pillars of the global aviation security system. I am relieved that this ban has not been extended to Europe for now – not least because of its potential safety impact. But, we need to work together. ACI EUROPE has put detailed alternative proposals on the table, which IATA now seems to have endorsed.

Security - and the new geopolitical environment that shapes it - only serves to underline the need for strong European leadership – and the central importance of the EU to our sector. I am very proud that together with all other aviation industry stakeholders, ACI EUROPE came out in defence of the EU project on the occasion of its 60TH anniversary last March.

Some of you may have been surprised by this initiative. This was in effect a rather unusual political statement for ACI EUROPE – but these are unusual times. Populism these days comes with strong anti-EU sentiment – which I personally find misplaced. Using the EU as a scapegoat is both unjustified and dangerous. For aviation, this means putting at risk the *Single Aviation Market* - the backbone upon which we provide the air connectivity that is indispensable for economic growth, cohesion and jobs.

This is precisely why, in aviation terms, BREXIT is such an unfortunate development. By threatening the integrity of our Single Market, it affects all of us.

The results of the UK elections have only increased the uncertainty that comes with BREXIT – and the possibility of a cliff edge scenario which would see the UK exiting the EU without an alternative & bespoke trade agreement. Aviation has been recognised as one of the sectors most at risk – this needs to be acted upon by putting our sector at the forefront of the negotiations. This what the ACI EUROPE Board stressed to the EC negotiating team when we met with them yesterday.

Aviation has always been about tearing down walls – connecting people and places and facilitating economic, cultural and social interactions. Beyond BREXIT, the risk of retrenchment & protectionism is now real.

You only need to look at the fact that it took 2 long years for Norwegian to get permission to fly between the US and Ireland under the EU/US Open Skies agreement. Open Skies on paper is good – but it is not enough. This industry needs legal certainty backed by streamlined and faster authorisation processes.

We also need Open Skies beyond the US and Canada. The European Commission is working on this and can count on the continued support of Europe's airports. There is no valid reason not to move forward. Outbound travel from Asia Pacific, Africa and the Middle East is set to grow exponentially in the coming decades. Europe can simply not afford to miss this next opportunity for growth.

But that must also come with improved visa regimes and matching border control capabilities. Creating additional barriers there is not what is going to keep people safer – but it will certainly hinder economic growth.

All this shows that boosting economic growth requires more than just a few tricks here and there. It requires a truly holistic and aligned approach - where all the dots are connected.

My last dot for growth is - of course - airport investment in capacity & quality. You can have all the Open Skies and airlines you want, but if demand is constrained by airport congestion – growth will not materialise or it will simply move elsewhere.

Airport congestion also limits airline competition. This allows airlines to extract premium on air fares – through so-called scarcity rents. This means consumers end up paying more. SEO & Cranfield University forecast that by 2035, airport congestion in Europe will result in consumers paying €6.5 million every year in higher air fares.

Of course, airlines are always keen to stress that they do not oppose airport investment, but that what they want is the "*right investment*" - I think this is how IATA labels it. I must say that it has never been clear to me what they mean with

the "*right investment*" – not least because each airline appears to have a different understanding of it.

But there is one thing they all seem to agree upon: that airport investment should preferably not involve airport charges increases… Well, that is something that may indeed happen in Alice in Wonderland… Or that used to be possible in the good old days, when States in Europe were happy to use airports to subsidise their airlines.

This is where the Commission's evaluation of the current EU Airport Charges Directive is so important.

With it, there is an opportunity to move airport regulation from being airline-centric to becoming consumer-centric. It could finally become market driven – reflective of airport competition and of the fact that airports are businesses in their own right. Crucially, we can at last align airport regulation with the EU's wider objectives for growth and investment.

Doing all this will require moving towards lighter & more proportionate forms of regulation.

For their part, airports in Europe are firmly focused on consumers and the economy. Our business interest revolves around developing connectivity and providing quality. This closely aligns us with the interest of our communities. And this is also very visible in many of the things that ACI EUROPE does. Aside from our initiative for affordable water at airports, I would like to close on *Airport Carbon Accreditation* – and announce today a new commitment to carbon neutrality for the European airport industry.

During the COP21 here in Paris in December 2015, ACI EUROPE announced that the European airport industry was committing to have 50 carbon neutral airports by 2030. And I would like here to thank the UNFCCC for not only supporting our endeavours, but also working closely with us.

On the last count, of the 116 airports that are certified under *Airport Carbon Accreditation in Europe*, 27 of them are now carbon neutral. You can see their names on the screen behind me. This means that we are already more than half way there. And our deadline is still 13 years away.

So we thought we could do even better. And looking at how some have just stepped out from the Paris Agreement, we thought that we definitely needed to do better.

So I am extremely proud today to announce that we are doubling our commitment – ACI EUROPE and the European airport industry are now committing to 100 airports becoming carbon neutral by 2030.

This new industry pledge is supported by 26 commitments from individual airports – and you can now also see their names on the screen.

To mark this new chapter, I would like to invite ALL the airports that are already carbon neutral and ALL those having committed to carbon neutrality by 2030 to join me on stage for a picture—along with Niclas Svenningsen from the UNFCCC.

Thank you very much.