



Editorial: Looking South-East

by Nico Voorbach

As you can read in this Cockpit News, there was a high level summit in Singapore on 11 – 12 February between the EU and ASEAN leaders. As recognised stakeholder I was representing ECA during this summit. The ASEAN (Association of South Asian Nations) area is a growing fast both economically and in aviation. However, direct routes between the EU and ASEAN area are growing slower than flights with an intermediate stop in the Gulf region.

Vice-President Kallas stated the European Commission will ask the European Member States to give a mandate to start negotiations on a comprehensive EU-ASEAN air transport agreement. With this the EU Commission hopes to open-up the market while we at ECA also see a window of opportunity to address some of the social dumping practices, e.g. certain European companies abusing Thailand's social and safety legislation.

During this summit discussions were held on how the two regions could help each other. Issues like Single European Sky and Aviation Safety Oversight are areas where the ASEAN Region could benefit from the experience of the EU and ECAC. Cooperation between the ASEAN States has started but they still have a long way to go to fully share responsibilities and knowledge like it is done in the EU.

There is an interest from both sides – EU and ASEAN – to better understand each other's regime but it was equally clear that – considering the discrepancies between the two regions' structures – the road to an Open Skies agreement might be very long and bumpy.

ECA welcomes an enhanced dialogue and hopes that it will also allow ASEAN countries to refuse abuse of their regulations by European companies and stimulate growth on a level playing field.

For the ones who follow ECA closely, you might have noticed the job opening for [Technical Policy Advisor](#) with ECA in Brussels. We're looking for someone to support,

advise and proactively drive ECA's advocacy efforts on technical aviation policy issues at EU level. This position is currently held by one of our much appreciated staff members, Kris van der Plas. Kris joined the team almost 5 years ago and now he has been offered an exciting and challenging new opportunity outside ECA. We wish him all the best in his new position and thank him for the years of dedication he gave to us – at ECA – and all pilots in Europe.

State aid dilemma for Europe

42 % of European airports remain loss making despite a significant amount of state aid and subsidies granted to many of them by local authorities or governments in Europe. Closure or bankruptcy of such airports would imminently have an adverse effect on local communities and regional business. But at the same time state aid has the potential to seriously distort the level playing field in European aviation. A new set of European rules hopes to find the balance between the two.



On 20 February, the European Commission published a set of rules for state aid to airlines and airports, introducing more flexibility on operating aid for small and regional airports during a ten-year transitional phase. The rules shed light on the “do's and don'ts” for state aid and differentiate between airports in Europe, e.g.:

- > The rules establish a transitional period of 10 years to allow regional unprofitable airports to adjust to market developments. After this they will have to cover their own operating costs by adjusting to the market conditions (e.g. applying adequate airport charges, attracting new airlines).
- > Connectivity remains ensured – although the transitional period is the ultimate deadline for lifting state aid, some airports will still be eligible to apply if they have an important role in improving the regional connectivity of isolated, remote or peripheral regions of the EU.
- > Airlines will be able to receive start-up aid covering 50% of airport charges for new destinations or new schedules on routes during a three-year period.
- > State aid rules could also apply to arrangements between airports and airlines. Public authorities are often directly or indirectly involved in attracting airlines through marketing support, rebates or incentive schemes with the objective of increasing the connectivity of a region.

All in all, the rules limit state aid in volume and time. Yet, as long as subsidies are used to pay for investments, cover operating losses and attract low cost or price-sensitive airlines, they will seriously distort competition. As the Commission itself recognises, this mix often works against innovative competitor airlines and airports which do not receive subsidies. Other stakeholders have already strongly criticized the rules calling people flying Ryanair to pay their own tickets. Such a distortion of competition is therefore a controversial issue. Applying these rules will reveal whether the EU has found the right formula to balance distortion of competition versus regional connectivity.

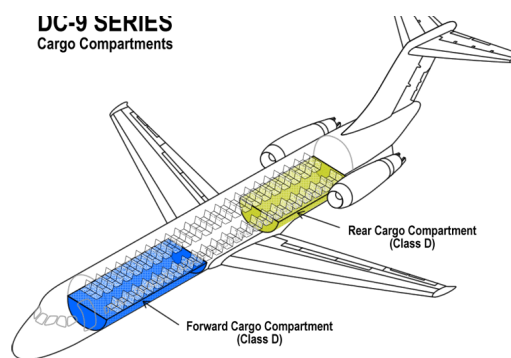
Fire hazard in closed cargo compartments: retrofit or not?

Despite eliminating class D cargo compartments, Europe's current fleet still features quite some aircraft built before the change of the related Certification Specifications for large aeroplanes. These aircraft have not been equipped with the necessary fire and fumes detection and extinction devices. And although they might prove more risky to operate, EASA advocates for no regulatory change and the industry has 49 million reasons to be happy with this decision. Several accidents in the last decade involving uncontrolled fires inside closed cargo compartments have clearly illustrated what is at stake: such fires can completely

destroy aircraft with potentially numerous casualties. This has been the case of the ValuJet Airlines Flight 592 accident in 1996, caused by an uncontrolled fire in the airplane's forward Class D cargo compartment. All 105 passengers, two pilots and three cabin crew died in the accident (source: Lessons Learned FAA).

After the accident the FAA – EASA's American counterpart – initiated a rulemaking to improve cargo fire protection for future airplane designs and to require retrofit incorporation of these improvements on existing airplanes. Concretely, this led not only to removing the Class D cargo compartment classification entirely, but also new requirements to upgrade all cargo compartments to meet the Class C cargo compartment standard and install smoke or fire detection systems.

A mandatory retrofit of existing Class D compartments to upgrade them to Class C for passenger aircraft or to Class E for cargo aircraft could have significant safety benefits in Europe as well. While such regulatory measures have been taken in the US, Europe is still lagging behind.



In Europe, EASA has published a Notice of Proposed Amendment (NPA) on Fire Hazard in Class D Cargo

Compartments, aiming to consult stakeholders whether such regulatory change is needed. This is indeed a much-needed move. The only problem is that EASA itself advocates for no regulatory change. This is why ECA has officially responded to the NPA and called for retrofit of aircraft of existing class D cargo compartments in order to reduce the risk of uncontrollable fires.

Swift measures for all large airplanes operating in European airspace to be (retro) fitted with fire and fume detection and suppression devices for cargo holds that are in flight not accessible to air crew are the only safe way forward. This is why EASA should follow FAA's lead and ensure the necessary regulatory changes are carried out as soon as possible.

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