

Chancellor Merkel urges implementation of Single European Sky

→ Among other European politicians, German Chancellor Angela Merkel has also been regularly calling for implementation of the Single European Sky, whose completion has been on hold for decades now. During the opening ceremony marking the new runway in Frankfurt on October 21, she again underscored the German government's great interest in "creating the conditions for more efficiency in air transport" through the Single European Sky.

The air transport industry is relying on the EU and the German government to follow up their words with action, a move which is urgently needed. Now, when concrete implementation is finally within sight after decades of planning, air traffic control authorities are missing one target set by the European Commission after another in the terms of timeliness and cost efficiency. Of all countries, Germany, France, and Great Britain fall into this category. As European Transport Commissioner Siim Kallas said at the presentation of the progress report on the Single European Sky, "We run the risk of falling so far behind that we will no longer be able to cope with air traffic that will nearly double by 2030."

Lübeck: Scandalous fee practice for Ryanair

→ In mid-October 2011, the local newspaper Lübecker Nachrichten published excerpts from the airport supervisory board's internal review report. It revealed none-too-surprising business as usual: The numerous changes in the airport charges ordinance had had "virtually no impact on the settlement of accounts with Ryanair." Between June 2000 and the end of May 2010, the airport charges came to €7.16 per passenger and did not cover costs. In return, the Irish airline pocketed marketing subsidies from the city amounting to €3.07 per traveller. Under a supplemental agreement, the subsidies were even raised to €5.07 between March 28 and October 30, 2010, corresponding to 70 percent of the airport charges. In late September 2011, Lübeck's mayor, Bernd Saxe, stated, by the way, that the airline had received marketing subsidies only until 2008.

This arcane subsidy practice has been the subject of a legal proceeding with the European Commission for roughly six years now. Incidentally, the EU competition authority is focusing on Ryanair's business practices with other German airports as well. In the interest of taxpayers, the proceedings in Brussels should be quickly concluded and this waste of millions in public funds brought to a speedy end.

U.S.: Global corporation American Airlines declares bankruptcy

→ American Airlines filed for bankruptcy on November 30, 2011, meaning that over the past 35 years all the major U.S. airlines have gone through drastic restructuring under Chapter 11 of the U.S. bankruptcy law to reduce their inefficient cost basis in one fell swoop. The private U.S. airlines are suffering from inefficient infrastructure monopolies, powerful trade unions, taxes, and rising security costs, as well as from aggressively expanding state-owned airlines from abroad. Steadily sinking margins in the face of price competition prevents the airlines from investing sufficiently in new aircraft. As their fleets increasingly age, unprofitably high fuel prices spell the end for these airlines. The consequences for the public are dramatic: thousands of new unemployed, unfunded pension commitments, loss of network connections for dozens of airports, and gaping shortfalls in tax revenues.

As the largest airline in the Oneworld alliance, American Airlines offers an obvious and painful warning. The situation on the U.S. airline market must also give Europe pause. Protected restructurings as provided for under Chapter 11 in the U.S. do not exist in Europe. If EU airlines run into financial difficulties, they have no alternative but to go bust or to be shored up through subsidies. Europe is therefore even more urgently dependent on a good regulatory framework to avoid an ailing airline industry.