

## Keynote Speech

Open Skies Anniversaries Celebration Event  
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- Ladies and gentlemen, distinguished colleagues, good afternoon and thank you for inviting me to come here today. I am thrilled to be part of this Celebration of Open Skies, and I feel privileged to stand in front of this crowd with so many familiar faces - people who have contributed over the years to the accomplishments of our Open Skies agreements.
- I wish to thank the US State Department for hosting this important event and bringing together such a prominent audience. This conference today will enable us to have a reflection on our joint journey and its achievements.
- And this is a triple **celebration**: 25 years of the creation of the US Open Skies policy, as well as the creation of EU's Single Aviation Market and 10 years of the signature of EU's Air Transport Agreement with the United States. Still, beyond this triple connotation, this is a celebration of a single **policy** that promotes connectivity, competition and choices for the consumer. A policy that contributes to transatlantic economic cooperation and has helped to deepen our relationship over the last 10 years and hopefully many years beyond.
- On the EU side, we also look back at the achievements of our internal market. During this time, the number of passengers carried on flights between the EU and the States has more than tripled to over 400m. The number of routes has also tripled to almost 4000 and air transport has greatly benefited from liberalisation.

- This growth has brought significant advantages to people and businesses; supporting the whole economy and creating high value jobs.
- Today's affordable flights are a given fact and are really appreciated by people. It is one of the benefits people always mention when asked what the EU has brought to you. It has enabled many people to travel, to discover new places and has contributed to the growth of many regions in the EU. It is a real success story we are proud of.
- Before I share a few reflections on our Open Skies agreement with the US, I wish to take a moment to pay tribute to some colleagues who have put their effort and dedication to make this agreement become a reality.
- I will be honoured to share the podium later on with John Byerly, former Deputy Assistant Secretary for Transportation Affairs at the US. Department of State and chief negotiator for the open skies pact for the US. But above all a good friend and source of inspiration. We are equally thankful to Daniel Calleja, former Director for Air Transport at DG MOVE and chief negotiator of the EU. Two extremely competent and emotionally intelligent men who not only managed to deliver a landmark agreement but also crafted a solid human relationship. They had a vision and boldness to deliver that vision. We need the same spirit today more than ever before.
- The signature of Our Air Transport Agreement was indeed a revolutionary achievement that brought together the two largest aviation markets of the world, as they *made up about 52% of global aviation in 2007*. Up to that point, the US had been pursuing its policy of Open Skies on a bilateral basis but the signature of the agreement with the EU brought cooperation to a whole new level.
- For the EU, and I think also for the US, the 2007 ATA constitutes the most important air services agreement we have concluded. I would even say it is the most important aviation agreement in the world. It has served as a model and inspiration for many other very successful

comprehensive air transport agreements that the EU has sought to have with other partner countries.

- Our Agreement was a showcase, a game changer in aviation; fostering a transition from the era of bilateral aviation agreements towards agreements with the EU as a whole.
- This Agreement was an important **first step** towards the normalisation of the international aviation industry. It opened our respective markets and provided new commercial opportunities by removing all restrictions on routes, prices, and capacity that increased the number of flights and stimulated competition. This translated into benefits for the consumers in the form of better choices and lower fares, and the creation of jobs on both sides of the Atlantic. The guarantee of antitrust immunity enabled closer ties between air carriers on both sides of the Atlantic.
- And this Agreement has already delivered a lot; in terms of improved connectivity (bringing growth), increased competition (lower prices) and more flights (more choice for the consumers). We will have the possibility later today during the presentations to elaborate on those benefits for the aviation community and the world economy in general.
- For me, our Open Sky Agreement is not a standalone air service agreement with a couple of new elements; it is the key pillar for modern regulatory framework architecture to consistently promote safe, affordable, profitable and competitive international air service operations. This Agreement is therefore the tool and the catalyst to address current and future challenges.
- Mentioning one of the challenges but equally an opportunity is the Ownership and Control (O&C) issue. I must admit that the Agreement fell short of delivering the free flows of investment that the EU desired as the ultimate aim. Yet, it foresaw priorities and a time table for the second stage negotiations enabling to build on the basis initially established.
- Equally important, was the establishment of a robust regulatory framework for cooperation. This enabled the EU and the US to tackle

new challenges in the areas of safety, security, environment/climate, competition policy as well as business issues.

- The Amended Protocol on the second stage agreement signed in 2010 brought significant improvements to the initial agreement in terms of both market access and regulatory cooperation. 2011 marked the accession of Norway and Iceland – two States that are fully integrated into the single European aviation market and apply all EU aviation legislation.
- It is important that we live to the spirit and letter of the Agreement. The value added of this Agreement is its comprehensive nature and we should not tolerate an "à la carte" implementation of the provisions of the Agreement. For us, defending the integrity of our EU-US Open Skies Agreement, promotion of competition, elimination of barriers and facilitation of access for new entrants have constituted the essence of the agreement all along. Our key responsibility is to act to defend those principles and to react firmly in the face of their violation.
- One of the examples of that was the NAI case. It was a genuine test of the integrity of our Agreement. Although the case was very lengthy and took up a lot of resources, I am glad that, in the end, we managed to safeguard our Agreement. The NAI case reached a happy ending.
- This course of events demonstrates that while the signature of our Open Skies agreement took place in 2007, it has continued to grow and evolve over the years - through the addition of new elements or the inclusion of other States. I sincerely believe that it is indeed a blessing to have such a capable tool in our hands at a time where we constantly face new challenges in the dynamic aviation world.
- And let's be honest; those challenges are sometimes scary. At times they come in the form of threats that could influence our mind-set; perhaps suggesting that it is wise to concentrate more on protecting what we have. Yet the dynamics of the aviation industry have shown us repeatedly that we risk losing relevance and significance on the global scene if we simply choose to capitalise on past achievements. This is a bit like riding a bike where the momentum you have created will only be sufficient to take you a few meters ahead - and that will be

it. You need to keep pedalling if you do not want to end up stretched out on the sidewalk. And like on a bike, back pedalling is not an option!

- We should also have ambition and we should not be afraid to be bold. The establishment of genuine Transatlantic Open Aviation Area must remain a longer term goal and we should not lose sight of the bigger global picture, trends and developments.
- That is why, especially in these turbulent times, it pays off to take a moment to contemplate what we have accomplished, by teaming up with like-minded partners and trusting one another. And to think about what we could lose if we stopped trying.
- At the beginning of my speech, I categorised today's event as a celebration of a policy. A **policy** that promotes connectivity, competition and choices for the consumer. A policy that contributes to transatlantic economic cooperation. Let's indeed celebrate and carry on – guided by spirit of our Open Skies agreements.
- Thank you very much for your attention.