

<p style="text-align: center;">Eleventh Meeting of the EU–U.S. Joint Committee Record of Meeting</p>

1. The eleventh meeting of the EU–U.S. Joint Committee took place in Rome on 30 May 2012. The list of participants is at Attachment 1. The agenda is at Attachment 2.
2. The U.S. and European delegations expressed their appreciation to the Italian Civil Aviation Authority (ENAC) for generously hosting the meeting.

Legal Working Group report

3. The Legal Working Group reported on the preparation of the draft Joint Committee decision covering the implementation of additional commercial rights set out in Article 21 (3-4) of the U.S.-EU Air Transport Agreement. The Joint Committee took note that further work was required on the list of countries for additional 7th freedom rights and asked the Working Group to continue developing the proposal.

Aviation Security

4. The U.S. and European delegations reaffirmed their shared objective of enhancing standards for aviation security by maintaining a strong transatlantic relationship. The two delegations noted, with great satisfaction, substantial progress on a number of aviation security issues identified by previous Joint Committee meetings.
5. With regard to the recognition of the EU's air cargo security regime, the two delegations welcomed the achievement of an air cargo security partnership that will enhance information sharing, strengthen security and make the transportation of cargo between the United States and the EU more efficient. The air cargo security regimes in place in the EU and the United States were compared in detail and confirmed as ensuring an equivalent high level of security.
6. As a result, effective 1 June 2012, the U.S. and the EU intend to mutually recognise their respective air cargo security regimes. The U.S. delegation confirmed that this recognition allows air carriers operating between the EU and the United States to follow a single set of security rules, that is, the EU air cargo security regime in lieu of the Model Security Programme and Emergency Amendments and the Aircraft Operator Standard Security Program and Security Directives. Similarly, the European delegation confirmed that air carriers departing from the United States, bound for the EU, will not be required to apply additional measures over and above U.S. requirements.
7. On the question of screening of Liquids, Aerosols and Gels (LAGs), the two delegations noted the good cooperation achieved so far on working towards lifting the restrictions on the carriage of LAGs in cabin baggage. The European delegation reported that it is required to inform the Member States and the European Parliament on progress made with regard to the screening of LAGs by July 2012. In that respect, the EU is in the final stages of analysing the implications of lifting the restrictions by April 2013. Accordingly, the two delegations resolved to meet in Washington, D.C., as soon as practicable, to work towards concluding arrangements to permit the carriage of LAGs through application of a risk-based screening regime for transatlantic flights.
8. On One Stop Security and non-passenger screening, the United States has implemented and provided information on its risk-based assessment of security controls applied in relation to EU-bound flights. The European Commission intends to analyse that information with respect of the One Stop Security arrangement.

9. The European delegation raised its concerns with regard to the Notice of Proposed Rule Making on Foreign Repair Stations, especially with respect to possible distortion of the market. The U.S. delegation acknowledged these concerns. The Parties intend to work together on the implementation of the inspection regime, using existing arrangements where appropriate.

Pre-clearance of passengers and goods coming to the U.S.

10. The European delegation sought information about the pre-clearance of U.S.- bound passengers through airport hubs in the Gulf States and expressed concern over the potential competitive advantage in favour of Gulf carriers and airport hubs over those in Europe. The U.S. delegation explained the background and scope of U.S. preclearance operations, and said that the concerns raised by the European delegation will be relayed to the Department of Homeland Security.

PNR: latest developments

11. The European and U.S. delegations welcomed the European Parliament's consent of 19 April 2012 to the new EU-U.S. Passenger Name Record (PNR) agreement on the transfer of air passengers' data for flights from the EU to the United States. The two delegations acknowledged it was a good example of beneficial and productive cooperation in fighting terrorism and serious transnational crime; the European delegation added that it also provided for improved protection of passenger data.

Aviation emissions

12. The U.S. delegation confirmed the U.S. commitment to progress in ICAO and emphasised that the ICAO work was essential. The U.S. delegation stated its view that to turn the statements into effective action, the EU needs to show flexibility and help drive forward the process. The European delegation emphasised its commitment to progress in ICAO, and underlined the crucial role of EU-U.S. cooperation to advance issues in ICAO. The U.S. delegation agreed that EU-U.S. cooperation is important, but emphasized the need for broader engagement to move forward. Without prejudice to the U.S. position on the EU ETS, the U.S. delegation raised issues that U.S. carriers have encountered regarding the implementation of EU ETS provisions. The European delegation stated its willingness to help swiftly resolve any issues that may arise in relation to Member State implementation, recalling that this is a law being applied by 30 countries, and expressed interest in receiving specific examples so that complaints could be addressed. The European and U.S. delegations discussed in more detail the EU ETS carbon market report.

13. The two delegations exchanged views on the implementation of production cut-off for aircraft engines not meeting the ICAO CAEP/6 NOx Standards established in 2004. The U.S. delegation noted that a status report had been provided to the European Commission on 4 May 2012 stating that processes to implement the ICAO NOx Standards by the U.S. Government are expected to be completed on or ahead of schedule. The European delegation confirmed that the implementation of the ICAO CAEP/6 NOx standards will be legally applicable in the EU from 23 January 2013. The deadline of 31 December 2012 could not be met due to delays in the EU internal decision-making process.

Majority ownership and effective control of airlines

14. The two delegations discussed the EU-U.S. High Level Working Group on Jobs and Growth established by the EU-U.S. Summit in 2011 and a prospective transatlantic free-

trade agreement. The European delegation expressed the view that the issues of foreign majority ownership of voting shares of U.S. airlines, and cabotage, should be tackled by the Group. The U.S. delegation disagreed, and noted that as a general principle, trade agreements, including the General Agreement on Trade in Services (GATS), U.S. bilateral free trade agreements, and the prospective Transpacific Trade Partnership (TPP) do not encompass air transport services. For the same reasons that air services have been excluded from such instruments, it would not be appropriate for the EU-U.S. HLWG to cover airline ownership and control, cabotage, or other aspects of air transport.

15. The European delegation clarified that the European Commission Directorate General for Competition would take a position on the compatibility of the prospective UPS acquisition of TNT Express with EU merger rules upon formal notification of acquisition. The U.S. delegation stated that the merger was not yet complete, and that any re-organisation of the ownership & control structure of TNT Airways, a subsidiary of TNT Express, would need to comply with applicable EU law. The European delegation stressed the sensitivity of the acquisition's impact on the EU labour force in particular in the Liège region of Belgium.

Operations of U.S. cargo carriers in Europe

16. The two delegations discussed European concerns regarding the operations of certain U.S. all-cargo carriers in Europe. The European delegation noted that it had information indicating that some U.S. all-cargo carriers were exercising unauthorized 7th freedom traffic rights between certain EU Member States and that it had and would continue to relay that information to the United States. The U.S. delegation stated that it was difficult to address the question without full routing information and knowledge of what is being carried on each sector, but expressed its willingness to review the information to assess whether the carriers in question were in fact operating 7th freedoms as alleged.

EU airport package: Noise, Slots, Ground handling

17. The European delegation presented the EU's Better Airports Package and its current status in the legislative adoption process in the Council and the European Parliament.

18. On the proposed noise regulation, the European delegation provided an update on the progress of the proposal to establish the right of the European Commission to scrutinise actions addressing noise problems at EU airports taken by EU Member States and EU local authorities, and to ensure that the balanced approach process of deciding on operating restrictions is duly followed. The European delegation stated its view that the proposed noise regulation in its current form complied with Articles 15 and 21 of the U.S.-EU Air Transport Agreement and the ICAO Balanced Approach to Noise Management. The U.S. delegation expressed the view that the proposed regulation appeared to be helpful in addressing deficiencies in the implementation of the U.S.-EU Air Transport Agreement, but the U.S. delegation was not at a point where it could accept that the proposed regulation complies with Articles 15 and 21. In particular, the U.S. delegation expressed continuing concern that the proposed regulation still focused on how to adopt an operating restriction rather than more broadly on how to address noise problems, and challenged the concept of "marginally compliant" aircraft, as well as seeking information regarding the data and analyses used to set the limit for such aircraft. The European delegation noted the request regarding the analyses and data and undertook to provide it.

19. On the proposed slots regulation, the European and U.S. delegations discussed the proposed new rules on slot utilisation and series length including the 85/15 rule. The U.S.

delegation expressed concern about the potentially disruptive effects of the 85/15 rule and the definition of slot series, especially where holidays are involved, and also questioned a preference for intra-EU carriers at non-regional airports. The European delegation emphasized again that the Commission's proposal brings important economic benefits and would ensure an optimal use of airport capacity, and promised to respond to the non-regional airport issue. .

19 bis. The U.S. delegation welcomed the prospect of increased competition in ground handling services under the Commission's proposed regulation.

Update on noise regulations at EU airports

20. The U.S. delegation expressed concerns that some EU Member States that introduced new noise-based operating restrictions at airports in the EU did not follow all the steps required under the ICAO's Balanced Approach to Aircraft Noise Management and did not notify the U.S. at least 150 days before its entry into force as provided for in Article 15 of the U.S.-EU Air Transport Agreement.

21. The U.S. delegation raised specific concerns as to whether EU Member States had complied with Article 15 of the U.S.-EU Air Transport Agreement with respect to noise-based operating restrictions at certain EU airports (Barcelona, Paris Charles de Gaulle, Frankfurt, Helsinki, and Cologne). The German representative asked for further detail in writing to pass on to his government. The French representative said that he was not aware of questions the United States submitted in December 2011, and that cooperation between U.S. and French authorities during the process of introducing restrictions at CDG was very good. He said that the French authorities have respected deadlines insofar as restrictions were introduced in March 2012 and that the French authorities had informed the U.S. Department of State in April 2011 of such an eventuality. The U.S. delegation thanked the Spanish Government for information provided prior to the Joint Committee meeting and the two sides agreed to follow up. The Finnish Representative confirmed that the Finnish Government had just received the previous week an application for noise restrictions at Helsinki airport (this information had been shared with U.S. representatives prior to the meeting), and described the process it intends to follow to ensure compliance with Article 15 of the U.S.-EU Air Transport Agreement when evaluating proposed restrictions at the airport. The U.S. delegation reiterated the responsibility of all Member States to abide by the terms agreed to under the bilateral agreement.

Take-off/landing charges at Italian airports, and baggage fees at Rome

22. The U.S. delegation asked for an update on the issue of the differentiated take-off and landing fee charges for intra-EU and extra-EU flights at Italian airports, discussed in the previous Joint Committee meeting, and reiterated its view that such differences were prohibited by the Agreement, which requires user charges to be cost-based and non-discriminatory. The Italian representative explained that the Rome airport's contract was being renegotiated, and from the end of 2012 a new charging regime would enter into force introducing lower charges for long haul services. The U.S. delegation countered that a new charging regime *per se* at Rome did not solve the issue of discrimination in charges between intra-EU and extra-EU flights, including flights at other Italian airports. The Italian representative replied that the differentiated charges regime would end when an independent supervisory authority was established in accordance with Directive 2009/12/EC on airport charges.

Volcanic ash: developments in Europe

23. The European and U.S. delegations discussed the 2010 volcanic ash crisis and explored how prospective cooperation could minimise disruptions. Technical discussions have also been held in ICAO.

U.S. airports diversion plans

24. The European delegation asked for more details on the U.S. airports diversion/contingency plans submitted by U.S. carriers and airports to the Department of Transportation in May 2012. The U.S. delegation explained that the contingency rules apply only to U.S. carriers at U.S. airports and that they are applied in a non-discriminatory manner.

Update on American Airlines Chapter 11 bankruptcy and merger

25. The U.S. delegation clarified that American Airlines remained in Chapter 11 bankruptcy protection and that there had not yet been any formal, official acquisition offer.

26. The European and U.S. delegations resolved to hold the next meeting of the Joint Committee in early 2013 in Washington, D.C.

Signed on 15 January 2013.

For the European delegation:



Matthew Baldwin

For the U.S. delegation:



Krishna R. Urs

Attachment:

- 1 – List of Participants
- 2 – Approved Agenda

EU-U.S. Joint Committee
30 May 2012
Rome, Italy

U.S. Delegation

Department of State

Mr. Krishna Urs, Deputy Assistant Secretary for Transportation Affairs
Mr. Wendell Albright, Director, Office of Aviation Negotiations
Ms. Megan Walklet-Tighe, Aviation Team Leader, Office of Transportation Policy
Ms. Elizabeth Kiingi, Attorney-Adviser, Office of the Legal Adviser
Ms. Anne Benjaminson, Office of Aviation Negotiations
Ms. Rebecca Grutz, Office of European Union Affairs
Ms. Chelsea Kinsman, U.S. Embassy Rome

Department of Transportation

Mr. Paul Gretch, Director, Office of International Aviation
Mr. John Kiser, Chief, Pricing and Multilateral Affairs
Mr. Christopher T. "Kip" Tourtellot, Attorney Advisor, Office of International Law

Federal Aviation Administration

Ms. Julie Oettinger, Assistant Administrator for Policy, International Affairs and Environment
Ms. Minh Favila, Office of International Affairs

Department of Homeland Security Transportation Security Administration

Mr. Lee Kair, Regional Director, Europe
Mr. Russ Vieco, , U.S. Mission to the European Union
Mr. Ray Montgomery, U.S. Embassy Rome

Department of Commerce

Mr. Eugene Alford, Air Transport Specialist

Department of Homeland Security Customs and Border Protection

Ms. Susanna Chiabolotti, Program Assistant

Industry Associations

Mr. Russell Bailey, Air Line Pilots Association
Ms. Cecilia Bethke, Airlines for America
Ms. Rosalind K. Ellingsworth, Independent Pilots Association
Ms. Diane Peterson, Airports Council International – North America
Mr. Bob Coffman, Allied Pilots Association
Mr. Brian Davey, General Aviation Manufacturers Association

Environmental Organizations

Ms. Pamela Campos, Environmental Defense Fund

European Delegation

European Commission

Mr. Matthew Baldwin, DG MOVE, Director, Aviation and International transport affairs
Ms. Marjeta Jager, DG MOVE, Director, Policy coordination and security
Mr. James Bradbury, DG MOVE, Policy Officer, Aviation Security
Ms. Jana Rejtharova, DG MOVE, Policy Officer, International transport affairs
Mr. Damien Meadows, DG CLIMA, Head of Unit, International Carbon Market, Aviation and Maritime

European External Action Service

Mr. Tomas Abadia Vicente, EEAS, International Relations Adviser, Division US, Canada

EU Member States

Mr. Claudio Eminente, Italian Civil Aviation Authority, Director of Environment, Airports & Air Transport Regulation Division
Ms. Maria Teresa Lioi, Italian Civil Aviation Authority, Air Transport Regulation Division
Mr. Simon Knight, UK Department for Transport, Head of Negotiations for CIS, Asia-Pacific and North America
Mr. Timothy Figures, UK Department of Transport, Head of Aviation Security
Mr. Raul Medina Caballero, Spanish Directorate General of Civil Aviation, Deputy Director General
Ms. Ana Belén de Castro Reyero, Spanish Directorate General of Civil Aviation, Legal Advisor
Mr. Pawel Moniak, Civil Aviation Office of Poland, Air Transport Department, International Agreements Division, Senior Adviser
Ms. Susanna Metsälampi, Finnish Transport Safety Agency, Director, Transport Law Department
Ms. Verena Brendl, Austria, Civil Aviation Authority, Official in charge
Mr. Olivier Meynot, France, General Directorate of Civil Aviation, Expert in charge of European Air Transport Agreements
Mr. Tomáš Vokatý, Czech Republic, Ministry of Transport, Civil Aviation Department, Senior Officer
Mr. Janneke Tijsseling-Kolk, The Netherlands, Ministry of Infrastructure and the Environment, Economic & Aeropolitical Affairs, Senior Policy Officer
Ms. Charlotte Thorell, Swedish Transport Agency, Civil Aviation Department, Legal Adviser
Mr. Krasimir Naydenov, Bulgaria, Civil Aviation Administration, International Relations Department, Chief Expert
Mr. Andreas Højgaard Kavalari, Danish Transport Authority, Head of Section
Ms. Ana Cristina Pereira Pais, Portuguese Civil Aviation Authority, Civil Aviation Officer
Mr. Johann-Hinrich Ernst, Germany, Head of the Political Department of the German Embassy in Rome

Industry Associations

Mr. Stephen Guynan, European Cargo Alliance
Mr. François Ballestero, ETF (European Transport Workers' Federation)
Mr. Martin Chalk, ECA (European Cockpit Association)
Mr. Athar Husain Kahn, AEA (Association of European Airlines)

Norway

Ministry of Transport and Communications
Mr. Trond Kråkenes, Senior Adviser

11th EU-U.S. Joint Committee meeting
Rome, 30 May 2012

Agenda

- ❖ Introductions and Adoption of Agenda
- ❖ Adoption and signature of the Record of Meeting of the 8 December 2011 Joint Committee
- ❖ Legal Working Group report
 - 7th freedom passenger-combination services
 - Control of third-country carriers

Regulatory Co-operation

- ❖ Aviation Security
 - Cooperation on the screening of liquids
 - Staff screening with respect to EU-bound flights departing from the United States
 - U.S. recognition of EU rules on air cargo security
 - TSA future rules affecting foreign repair stations/maintenance organizations
- ❖ Pre-clearance of passengers and goods coming to the U.S.: latest developments regarding the pre-clearance procedure, security measures, cost implications
- ❖ PNR: latest developments
- ❖ Aviation emissions
 - ETS
 - ICAO progress
 - Up-date on the implementation of ICAO CAEP/6 NOx production cut-off
- ❖ Majority ownership and effective control of airlines
 - EU-U.S. High Level Working Group on Jobs and Growth, sub-group services and investment
 - UPS acquisition of TNT Express: the sale of TNT Airways
- ❖ EU airport package
 - Noise
 - Slots
 - Ground handling
- ❖ Update on noise regulations at EU airports (Barcelona, Charles de Gaulle, Frankfurt, Helsinki, Cologne)
- ❖ Take-off/landing fee charges at Italian airports, and baggage fees at Rome
- ❖ Volcanic ash: developments in Europe

Other Issues

- ❖ AOB
 - Operations of the U.S. cargo carriers in Europe
 - U.S. airports diversion plans

- Update on American Airlines Chapter 11 bankruptcy and merger
- ❖ Next Meeting