

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

1. The eighteenth meeting of the U.S.-EU Joint Committee (J.C.) took place in Washington, D.C. on 19 April 2016. The list of participants is at Attachment 1. The approved agenda is at Attachment 2.

Record of Meetings

2. The EU delegation expressed concern about the backlog of official Records of Meeting (ROMs) and urged setting an objective of quickly finalizing the pending draft ROMs after this meeting. The U.S. delegation concurred with that objective.

Implementation of Agreement

3. The EU delegation said that it was still in the process of taking the necessary internal steps to bring the Air Transport Agreement between the United States of America and the European Community and its Member States, signed on April 25 and 30, 2007, into force, but stated that it was closing in on an outcome. It noted that the process is taking more time than expected due to new internal procedures governing the role of EU institutions, including the Council of the European Union. The delegation provided no timeframe for completing the necessary internal steps, but emphasized that the EU and its Member States remain fully committed to bringing the agreement into force.

4. Both delegations noted that their legal experts would meet separately to discuss progress on the draft exchange of letters regarding the status of Mayotte and the Croatia Protocols. The EU delegation noted that it was hoping for a resolution by the next J.C. meeting in the fall.

Article 21

5. The EU delegation stated that Article 21 of the Air Transport Agreement between the United States of America and the European Community and its Member States, signed on April 25 and 30, 2007, as amended (U.S.-EU ATA), was of great importance. The EU delegation noted that it had provided the U.S. delegation an "Information Note" in advance of the January 2015 J.C. meeting. In this Note, the European Commission had argued that EU Regulation 598/2014 satisfied Article 21's conditions. The EU delegation stated that it did not accept the United States' conclusion that the conditions of Article 21 would not be satisfied if the European Commission did not have the authority to prevent the measures in question from taking effect in the first place. The EU delegation further stated that "appropriate legal action" in this context meant an infringement proceeding, or whatever procedure is provided for by EU constitutional law; they further acknowledged that the Commission does not have the authority under the regulation in question to prevent noise-based operating restrictions from taking effect, even when appropriate procedures have not been followed. The EU delegation proposed to provide the United States with a more detailed analysis supporting its interpretation of Article 21 in advance of the next J.C. meeting and stated that it would prepare a draft resolution regarding Article 21 to

be tabled then. The U.S. delegation reiterated its position from past J.C. meetings that Regulation 598/2014 does not satisfy the conditions set out in Article 21, and noted that it would review any additional arguments or draft resolution presented by the EU delegations on this subject.

Wet Leasing

6. The delegations addressed developments related to arrangements between airlines for the provision of aircraft and crew (*i.e.*, wet leasing). The U.S. delegation said that the Department of Transportation (DOT) continues to license European carrier wet lease services to the United States, despite the fact that U.S. carriers are not able to meaningfully compete in the EU wet lease market. The U.S. delegation noted that DOT is under increasing pressure from stakeholders and Congress to take action accordingly, and asked the EU for an update. The EU delegation stated that it was making progress on two tracks after consultations with stakeholders, Norway, Iceland, and the Member States: 1) revising the current regulation to bring it into conformity with a proposed agreement with the United States to address wet leasing time restrictions and 2) seeking an authorization to negotiate the proposed agreement. The roadmap for the revision of the regulation in conjunction with the proposed agreement was published in March 2016 with a four weeks comment period. Only positive feedback had been received. The EU delegation stated that the next steps in revising the regulation and seeking an authorization] would be to draft a proposal, which would be subject to review by the implicated services of the Commission, before submission to the Council of the EU for approval. The proposal for the revision of the regulation would also be subject to approval of the European Parliament. The EU delegation noted that it would not be able to engage in negotiations regarding the proposed agreement until it has received an authorization from the Council; however, once signed, the agreement could be applied on a provisional basis, pending entry into force, even if the revisions to the regulation are not yet effective.

7. The U.S. delegation said that DOT has four EU carriers (Lufthansa, Private, SAS, and Cargolux) with wet lease applications expiring in the next four weeks, and asked that the EU keep it apprised of developments as it evaluates these applications. The U.S. delegation also urged the EU delegation to conclude its internal procedures quickly. The EU delegation expressed its commitment to advance the matter while underlining that the process, including its pace, was not controlled by the Commission, but also involved the Council and the European Parliament. The EU delegation further expressed its hope that during this process normal business would continue without interruption.

Legislation & Rule Making Updates

EU Regulation 261/2004

8. The U.S. delegation noted that EU Regulation 261/2004 has been the subject of several J.C. meetings, with the main concern being a proposed partial ban on no-show policies. The U.S. delegation noted that although there has been a lot of positive movement in the last two years, the interpretive guidelines appear to allow individual Member States to ban no-show policies, even though the Commission has indicated that no-show policies should not be banned.

The U.S. delegation reiterated its position that there is a strong case that a partial ban of such policies would be inconsistent with Article 13 (Pricing) of the U.S-EU ATA and that such a ban also would create market uncertainty. The EU delegation stated that it understood the United States' position and welcomed the U.S. delegation to take steps to ensure that all Member States and the European Parliament were familiar with that position. It further stated that the guidelines that were issued by the European Commission reflect current law, including the fact that the laws of Member States may differ from one another. The U.S. delegation asked whether the EU delegation had considered whether a partial ban on no-show policies would be inconsistent with Article 13 (Pricing) of the U.S-EU ATA. The EU delegation stated that there was no specific analysis relating to the U.S-EU ATA.

EU Energy Efficiency Directive of 2013

9. The U.S. delegation noted that several Member States, including Austria, are in the process of passing national laws to implement the EU Energy Efficiency Directive. In an effort to comply with the Austrian law implementing this directive, energy distributors are requiring that airlines provide evidence that they have complied with the law's energy efficiency measures or pay a charge to these distributors, thereby effectively requiring carriers to pay a tax on the fuel they are purchasing. The U.S. delegation took note of Article 11(2) of the U.S.-EU ATA and the fact that Austrian carriers are currently exempt from the U.S. excise tax on fuel on the basis of that provision, as are all EU carriers. However, the U.S. Department of Commerce could revisit this finding if there are substantiated reciprocity concerns. The U.S. delegation also voiced its concerns that U.S. carriers may have to pay similar taxes or charges in other Member States and that Member States have inconsistently applied the EU definition of 'small or medium enterprise' in determining whether foreign entities must comply with the Energy Efficiency Directive.

10. The EU delegation noted that the directive is not aviation-specific and does not envision that the obligation imposed on energy distributors would be passed along to aircraft operators. It also noted that although the directive is applicable only to larger enterprises, Member States can go beyond these minimal requirements and apply the directive's requirements to small or medium-sized enterprises to achieve the objectives of the directive.

11. The representative from Austria said that the Federal Ministry of Energy and Mining clarified that the Austrian law implementing the directive imposes a system of obligations for energy service providers and does not apply to airlines. Consequently, there is no incompatibility with the U.S-EU ATA, in Austria's view. Although the law does not provide for energy service providers to pass along their obligations, doing so is not prohibited and hence cannot be excluded in practice. Austria considered that such actions to be a matter of private contract law while underlining that these costs could not be considered as tax, duty or levy

12. The U.S. delegation stated that it would continue to review the application of the directive by Member States. It noted in response to a question by the EU delegation that the Department of Commerce has the authority to revisit, under appropriate circumstances, its prior findings regarding reciprocity either on its own initiative or at the behest of U.S. carriers. The EU delegation stated that it did not think that Austria's implementation of the directive

implicated Article 11(2) and stated that if the United States reaches that conclusion, it would appreciate seeing a written analysis. The U.S. delegation took note of the request.

EU Directive 2013/11

13. The U.S. delegation requested an update on EU Directive 2013/11 on Alternative Dispute Resolution (ADR), which Member States were required to implement by July 2015. The EU delegation stated that ADR facilitates cross-border trade by providing a cost-effective mechanism to resolve disputes between private parties. The regulation sets out minimum standards for ADR, and most Member States have already notified the EC that they have implemented the directive. The EU delegation stated that it hoped to achieve full implementation by this summer. The EU delegation further noted that there is also an EU regulation regarding Online Dispute Resolution (ODR), which does not need to be transposed into law by the Member States, unlike EU Directive 2013/11.

United Kingdom (UK)'s Application of EU Regulation 261 and 1107

15. The U.S. delegation stated that U.S. carriers had expressed concerns about the UK's application of EU Regulation 261 and 1107, namely that its laws implementing the regulation allowed passengers, but not carriers, to seek review of unfavorable decisions. This creates a disincentive for carriers to consent to ADR. The representative from the UK responded that it is proper for ADR decisions to be binding on airlines, but not consumers, because there is an imbalance of information in favor of carriers since consumers prefer to avoid being in court and often accept findings – favorable or not. The UK intends to review the issue for signs of consumer abuse in about 12 months and encouraged carriers to look at how ADR can help their own businesses. The U.S. delegation requested that its concerns be passed along to UK civil aviation authorities and stated that it would seek to engage directly with those authorities about its concerns.

Passenger Name Record (PNR)

16. The U.S. delegation reiterated concerns expressed at prior J.C. meetings that, although the U.S. government strongly supports the use of PNR data for air passenger prescreening, U.S. carriers face potential liability under EU law for sharing PNR data with third countries, such as Mexico, unless the EU and that third country also have an agreement on protection of personal information. The U.S. delegation welcomed the European Parliament's approval of an EU PNR directive on 14 April 2016, which it understands, if adopted by the Council, would allow EU Member State authorities to collect PNR data from air carriers for prescreening of passengers on flights to and from the EU. In addition, the U.S. delegation asked for an update on the status of the EU's negotiation of PNR agreements with third countries, noting that its carriers have expressed specific interest in the effects on traffic via the United States to Brazil, Mexico, Japan, and South Korea.

17. The EU delegation said that there are PNR agreements with the United States and Australia, and that the EU has negotiated an agreement with Canada. The agreement with Canada is not currently being applied and the EU delegation stated that it expects the European

Court of Justice to issue a decision over this summer that would determine whether the agreement is consistent with EU laws and treaties. The Commission is not in a position to conclude negotiations on any new PNR agreements, including with Mexico and Japan, while this ruling is pending. The EU delegation stated that it anticipates that the PNR directive would be adopted by the Council by April 21 and affirmed that the goal of the directive is to create a harmonized system of collection and use of PNR by Member State authorities to prevent terrorism and serious crime.

18. The U.S. delegation emphasized the importance that the EU directive be applied by Member States in a consistent manner. The EU delegation stated that the directive would set out minimum requirements and a basic set of rules and that the Commission would oversee implementation. In addition, the EU delegation offered to provide points of contact for the U.S. delegation to discuss this matter further and to report back at the next J.C. meeting.

Federal Aviation Administration (FAA) Reauthorization

19. The U.S. delegation stated that the FAA's Airline Innovation, Reform, and Reauthorization Act of 2016 was being considered by the U.S. Congress. The House of Representatives passed a bill several months ago that, among other things, would move air traffic control out of the FAA to a not-for-profit corporation, chaired by a Board of Directors. The Senate version did not include similar language. The focus of the Senate's bill is on Unmanned Aircraft Systems (UAS), safety, and modernization. A vote was expected on the Senate bill that day, after which the House of Representatives and the Senate would have to harmonize the two separately-passed bills. If the House of Representatives and the Senate are unable to do so prior to the current authorization expiring on July 15, there is a strong likelihood that the existing authority would be extended. The U.S. delegation said there was no current language in the Senate version of the bill affecting the FAA's NextGen plans.

Bilateral Visa Program Changes

20. The U.S. delegation stated that the Visa Waiver Program (VWP) provides the foundation for significant bilateral counterterrorism partnerships that enhance the mutual security of the United States and VWP countries. The U.S. government continues to review the security of the VWP, the threat environment, and potential vulnerabilities. The recent Visa Waiver Program Improvement and Terrorist Travel Prevention Act is the latest step in a series of actions over the past 15 months to strengthen the security of the Visa Waiver Program. The law was passed on 18 December 2015 and restricts the use of the Visa Waiver Program for individuals who have been in Iraq, Syria, to a country designated as a State Sponsor of Terrorism, or to any other country or area of concern, at any time on or after 1 March 2011. Restrictions do not bar travel to the United States, but would refer certain travelers to apply for a visa.

21. The EU delegation stated that there are currently three countries (U.S, Canada and Brunei) which continue to require visas from citizens from some EU Member States while these countries are included in the EU visa-free list exempting their own citizens from visa requirements to travel to the Schengen area for short stay visits. . Achieving full visa waiver reciprocity for citizens of all Member States is the objective for the European Commission and a

fundamental principle of European common visa policy. The EU delegation said it shared the U.S. government's security concerns and noted that while the fight against terrorism is paramount, visa-free travel is very important for the public. The EU delegation further noted that on 12 April 2016, the Commission assessed the legal, political and economic consequences of a possible temporary suspension of the visa waiver with the above mentioned three countries. No action is being taken at this time, but the European Commission has asked for positions on the way forward from the European Parliament and the Council with 12 July 2016 now set as a deadline to take a decision..

22. The U.S. delegation noted common security efforts and stated that both sides should preserve international travel consistent with security demands.

Unmanned Aircraft Systems (UAS)

23. The U.S. delegation noted that the use of UAS is accelerating. The rapid growth of UAS poses new safety challenges. As articulated in policy statements, the FAA has a vision of fully integrating UAS into the National Airspace System (NAS) in a manner that permits for safer operation alongside manned aircraft. The U.S. delegation noted that there are already non-U.S. companies using UAS to offer specialty air services (*e.g.*, aerial spraying and aerial surveying) in the United States and that there is a need to establish reciprocity with a country if companies from that country wish to participate in this field. The U.S. delegation noted that there is a need to consider how to prepare for the eventual use of UAS in international air services. The use of such aircraft for international transport of goods will raise complex questions about safety and security. The U.S. delegation emphasized that it will be important for the delegations to continue to keep each other informed of applicable domestic regulations.

24. The EU delegation said that it sees the UAS sector growing rapidly from the bottom up. The EU's starting point is that such operations are prohibited unless permitted. Over half of Member States now have laws regarding the operation of UAS, mostly covering the bottom end of the spectrum, *i.e.* smaller drones. The EC is preparing a common regulatory framework that would govern safety issues, pursuant to which the European Aviation Safety Agency (EASA) would promulgate rules. The EU delegation highlighted its belief that there is a need for global harmonization regarding this new facet of aviation, especially regarding UAS design. Current proposals that are being put forward would allow operations throughout the EU and provide basic UAS airworthiness-related criteria. The EU delegation stated that it is only a matter of time until international services begin and that the sector will grow quickly, beginning in specialized niche markets like the film industry. There is work to do to determine the competency of the EU versus that of the Member States, and also to ensure market access. With respect to international air services, the EU delegation noted that the EU and the United States would have to evaluate how and whether such services would fall within the U.S.-EU ATA.

EU Accessibility Act

25. The U.S. delegation said that the United States supports increasing accessibility in air travel and noted that DOT published a final rule in 2013 that provided for air carrier phase-ins for establishing accessible websites and kiosks. U.S. carriers have raised concerns about the

EC's proposals for website, mobile applications, kiosk accessibility requirements, and implementation procedures. The U.S. delegation asked about the EC's plans to move forward on increasing accessibility to airlines services in these areas and offered to share its own experiences in trying to increase accessibility. The EU delegation stated that it would be willing to pass along any U.S. government comments and concerns, and noted that the proposed EU Accessibility Act was intended to set common accessibility requirements across multiple sectors. There is no date yet for adoption of the proposal and the process could take a year or more. There could be a transition period (two years) followed by an implementation phase (up to four years). The EU delegation stated that a practical implementation would only take place well into the next decade.

Norwegian Air International (NAI)

26. The EU delegation stated that the show cause order issued by DOT on April 15 indicating its tentative approval of NAI's application was interpreted as a positive development and inquired about the next steps before the final decision. The EU delegation additionally asserted that the process for reviewing the application has taken too long and underlined that ensuring proper functioning of the U.S.-EU ATA was paramount in maintaining and developing its benefits. The U.S. delegation stated that it could not discuss the merits of NAI's application, but outlined the next steps in the DOT proceeding. The EU delegation also inquired about the pending application of Norwegian UK and expressed its hope that DOT would take a swift decision in this matter. The EU delegation also raised the reference to countermeasures that was included in Appendix E of DOT's show cause order of April 15, indicating that it found this statement difficult to reconcile with Article 19 of the U.S.-EU ATA. The U.S. delegation noted the EU delegation's position but stated its disagreement with that position.

Aviation Security Update

27. On current threats to aviation security, including outcomes from the MetroJet crash in October, 2015, the U.S. delegation noted that the Transportation Security Administration (TSA) issued Emergency Amendments and Security Directives for select high-risk last point of departure airports and has shared these with DG Move. Both sides note there is a common interest in inbound threats concerning flights to Europe and the United States; in this regard, further discussion on common approaches is merited, including ways in which TSA and the EC can collaborate on capacity development efforts in third countries to help reduce the need for emergency measures.

28. As regards One Stop Security into the United States, TSA and the EC have reiterated their interest of continuing efforts with regard to recognition of aviation security measures at airports looking to implement U.S. Preclearance. Both sides concurred that the investigation into the commensurability of aviation security measures should continue with a view to removing the current duplication that requires two separate sets of security controls to be conducted on U.S.-bound passengers using U.S. Preclearance where it is implemented today. Further discussions on Preclearance should be held as necessary when Member States solidify their interest.

29. On cargo, TSA and the EC continue discussions on the mutual recognition of their respective air cargo and mail security regimes. Both sides concurred that mutual recognition continues to work well and the existing regime has been extended until February 2017. TSA remains concerned over the system of independent validation conducted by Member State-approved validators to verify the robustness of the secure supply chain, but both sides have decided in recent meetings to continue efforts to identify a lasting solution. TSA intends to continue to work with the EC to improve the global cargo security network through increased oversight and to exchange best practices for assessing supply chain security.

Preclearance

30. The U.S. delegation said that the U.S. Customs and Border Protection (CBP) continues to dialogue with six EU countries with the seven airports identified as priority locations for Preclearance expansion: Amsterdam, Brussels, London-Heathrow, Manchester, Madrid, Oslo, and Stockholm. The stage of discussion and negotiations varies from country to country, but the first EU Preclearance expansion location could open as early as 2017. The United States holds the identification and interdiction of threats prior to arrival as one of the principal tenets of national security. Preclearance is a critical tool that supports the United States' efforts to identify and address international threats at the earliest possible opportunity, while also facilitating travel.

31. Both the U.S. and EU delegations expressed their intent to remain in touch on Preclearance issues. In addition to the six countries referenced above, the U.S. delegation stated that Turkey is the only other Preclearance expansion priority country in the EU region, but talks have not advanced very far. Other priority countries are in Latin America and Asia.

EU Aviation Strategy

32. The U.S. delegation asked for an update on the development of the EU's Aviation Strategy. The EU delegation stated that the EU's Aviation Strategy is part of the Juncker Administration's job and growth agenda and that the EC hopes to finalize the mandate during the current presidency. Additionally, during the Dutch presidency of the EC, the Juncker Administration also plans to finalize mandates to negotiate at least two bilateral aviation safety agreements. In addition, revisions to EASA safety regulations are pending with the Council.

International Civil Aviation Organization (ICAO) – Air Transport Regulation Panel (ATRP)

33. The EU delegation stated that it supports the ongoing work at ICAO to pursue a common approach to liberalizing international air transport. The U.S. delegation noted that there is a wide divergence of views on how best to achieve the goals of the ATRP working group, but that it appreciates the efforts of the Member States, including the UK. It also stated that the proposals were not yet ready to be evaluated by the Assembly.

ICAO – Basket of Measures

34. The U.S. delegation said that it was focused on the key October 2013 ICAO General Assembly outcomes on making progress to develop a full basket of measures, including efforts on new aircraft technology advancement, alternative fuel development and deployment, operational improvements, and the adoption of a global market-based measure (GMBM) as a gap filler to address international aviation greenhouse gas (GHG) emissions. The United States believes that a GMBM scheme is an important gap filler to meet aviation climate goals and is collaborating with the EU on the advancement of a GMBM proposal. Expectations must be realistic on what is initially achievable to find workable solutions on global aviation environmental issues. The U.S. delegation noted that it supported the Global Aviation Dialogues (GLADS) meetings to advance ICAO's efforts to develop a GMBM, and encouraged further dialogue and information-sharing, particularly amongst Member States that are not members of the ICAO Committee on Aviation Environmental Protection (CAEP). The U.S. delegation stated that it welcomed the CO₂ standard that ICAO/CAEP put forward in February; it is a critical element of the basket. The United States intends to put into place implementing regulations by 2020.

35. The EU delegation concurred that adoption of a GMBM is the focus for the ICAO Assembly in the fall and that it would be keen to reach a result there. It also concurred with the U.S. call for pragmatism to keep all ICAO Member States at the table. There should be a truly global system; industry wants this as well. The EU delegation noted that it intended to continue to work together with the United States on this issue.

European Environmental Taxes

36. The U.S. delegation expressed concerns about environmental taxes applied to international air services, such as those currently applied or proposed to be applied by Norway, Spain, Sweden, and the UK, and took note of Article 15(2) of the U.S.-EU ATA. The U.S. delegation also observed that such taxes also appear to be inconsistent with applicable ICAO policies on taxes and may undermine efforts to develop a global approach to reducing international aviation CO₂ emissions at ICAO.

37. The representative from Norway said that the Norwegian air passenger tax was passed by Norway's parliament in December 2015 in an effort to balance the national budget. The public was consulted prior to implementation, which has been delayed to June 1. The representative from Norway asserted that Norway does not need to adhere to Article 15(2) of the U.S.-EU ATA because the tax was not an environmental measure, but rather a general passenger tax whose purpose is to balance the budget.

38. The representative from Spain said that an emissions tax was established in 2012 by the government of Catalonia. Emissions during landings and takeoffs are taxed. There are several applicable exemptions, for example, aircraft with low emissions or in emergency operations are exempt. The tax is being studied by the EC and the Spanish civil aviation authorities, but no conclusions have yet been reached.

39. The representative from Sweden said that the Swedish government plans to finalize its investigation into ways taxes could reduce the environmental impact of aviation by 30 November 2016. Any new taxes would be approved by Sweden's parliament. Sweden can report on new developments at the next J.C. meeting and intends take into consideration what happens with the GMBM.

40. The representative from the UK clarified that emissions charges – not taxes – are being imposed at Heathrow Airport by Heathrow Airport Limited, a private company, and encouraged U.S. carriers to raise concerns directly with that company.

41. The U.S. delegation stated in response that it continues to have concerns about the foregoing environmental measures. The U.S. delegation also reemphasized its concern that imposing environmental measures, especially emissions taxes or charges, may undermine efforts to adopt a GMBM at the 2016 ICAO General Assembly. The U.S. delegation stated that it is looking for action by the EC to prevent actions by Member States that raise these types of concerns; it also noted that since the UK is a party to the U.S.-EU ATA, it intends to continue raising concerns that pertain to the U.S.-EU ATA with the UK. It further noted that to the extent U.S. carriers are paying emissions charges – rather than taxes – at Heathrow, it would consider whether those are consistent with Article 12 (User Charges) of the U.S.-EU ATA. The EU delegation underlined that each case should be evaluated on its individual merits and that the U.S. delegation should be specific about particular concerns, including specific concerns raised under the U.S.-EU ATA.

Noise Issues

42. Both sides noted that they have supported the balanced approach at ICAO and reaffirmed their commitment to applying the balanced approach in the U.S.-EU ATA. The U.S. delegation noted that addressing noise-related measures imposed by Member States is crucial to the EC's goal of implementing Article 21(4).

43. The U.S. delegation inquired about the UK's proposal to impose environmental charges as part of its Noise Action Plan for Heathrow Airport and raised concerns that the decision to increase noise charges at Heathrow Airport without assessing other potential noise mitigation measures is inconsistent with the balanced approach. The EU delegation replied that it concurred that new noise-related measures should be subject to the balanced approach. The representative from the UK noted that Heathrow Airport is the noisiest airport in Europe, and stated that airports may consider any charges that are reasonable, transparent and just.

44. The representative from Finland said that in addressing noise-related measures at Helsinki Airport, the Finnish government's decision was made according to the balanced approach. It was determined that no operating restrictions were necessary at the present time to achieve environmental goals. The decision was based on the size of affected population and lack of an alternative airport.

45. The U.S. delegation noted that it has been discussing Italy's Imposta Regionale per le Emissioni Sonore degli aeromobili civili (IRESA) – a law that dates from 2000 and gives

regional governments the authority to impose a levy deriving from noise pollution – for several years at successive J.C. meetings. There has been progress, including the decision last year by the Lazio regional government to reimburse the amounts paid prior to 2013 that were in excess of ½ Euro per maximum take-off weight. The U.S. delegation stated that it remains concerned about the application of the balanced approach by regional governments. The EU delegation, noting that there was no representative from Italy present, indicated that capping payments under IRESA and providing reimbursements for some payments made concludes the situation from the Italian government's viewpoint.

46. The U.S. delegation reiterated concerns about the application of the balanced approach in Italy and noted that there are seven pending lawsuits regarding the implementation of IRESA. The U.S. delegation also urged the EU to play a more active role in resolving concerns regarding noise-related measures imposed by Member States.

Iran Sanctions

47. January 16, 2016 marked Implementation Day of the Joint Comprehensive Plan of Action (JCPOA). On that day, the United States lifted nuclear-related secondary sanctions on Iran, as described in the JCPOA. However, primary sanctions remain in place with three exceptions: a Statement of Licensing Policy allowing for the case-by-case licensing of the export, reexport, sale, lease, or transfer to Iran of commercial passenger aircraft, spare parts and components for such aircraft, and associated services, all for exclusively commercial passenger aviation; a general license authorizing the importation into the United States of Iranian-origin carpets and foodstuffs; and a general license authorizing U.S.-owned or -controlled foreign entities (foreign subsidiaries) to engage in certain activity with Iran. The U.S. delegation stressed that the U.S. government is committed to the successful implementation of the JCPOA and will not stand in the way of permissible business opportunities made possible by the JCPOA.

48. In response to questions on overflight fees, the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) referenced a previously published FAQ which makes clear that payments in connection with the overflight of or landing in Iran are not subject to sanctions under U.S. law provided they do not involve the U.S. financial system or persons on the Specially Designated Nationals and Blocked Persons List. However, OFAC acknowledged that questions surrounding temporary export issues remain and stated that the U.S. Treasury Department is working to address these issues in a comprehensive way.

49. The EU delegation thanked the U.S. delegation for its past efforts to respond to questions about overflight charges. However, the delegation noted that that EU banks are still hesitant to process overflight payments due to their need to avoid the U.S. financial system. The EU delegation said it would be interested in a joint statement that would clarify one or more issues and stated its intention to reach out to carriers and EU banks before formally making such a proposal.

Any Other Business

Rome Fiumicino Airport (FCO)

50. The U.S. delegation said it appreciated the efforts that Italian authorities have made to accommodate U.S. carriers' relocation to a temporary terminal following a fire at FCO Terminal 3 in May 2015. In preparation to complete a multi-year renovation plan at FCO, the airport intends to move all the carriers from Terminal 5 to Terminals 1 and 3 in early 2017. The U.S. delegation expressed concerns about the current plan to segregate passengers flying on U.S. carriers in a separate check-in area in the main terminals (Terminals 1 and 3). Among other concerns, this proposed area may be inadequate for the volume of passengers who are anticipated to utilize it. The EU delegation said it took note of the U.S. concerns and would inform the Italian government.

UK Air Passenger Duty

51. The U.S. delegation stated that it was its understanding that the UK is currently reviewing its Air Passenger Duty (APD), an excise tax charged to passengers flying out of UK airports that applies to most commercial carriers, and that the UK was considering whether to lower or even abolish the tax. The U.S. delegation noted that it was its understanding that Scottish government has promised to reduce its APD by 50% and plans to eventually abolish the duty. Major U.S. carriers that fly in and out of the UK every day, as well as industry associations, support the abolition, or at least the lowering, of the APD. The U.S. delegation stated that such an action would be pro-consumer and that economic studies indicate that it would positively affect the UK's economy. The representative from the UK said that the APD is a general revenue tax that does not support any aviation purposes.

Zika

52. The U.S. delegation said that the Centers for Disease Control does not recommend using insecticide to kill insects inside commercial aircraft to prevent the importation and spread of the Zika virus. There is no evidence demonstrating that using insecticide to kill mosquitoes inside aircraft cabins is effective in preventing introduction and spread of Zika. There may be significant downsides to spraying aircraft cabins with chemicals, including the lack of approved products, possible allergic reactions, other health concerns, and possible damage to aircraft. The possible disruption to the aviation industry as a result of aircraft re-deployment and scheduling issues are also concerns. The U.S. delegation noted that some Member States, such as Italy and the UK, have imposed chemical disinsection requirements, but it would like to know whether other Member States are also considering imposing such requirements and whether there is any EU-wide guidance or standards. It also noted that it is unclear if Italian authorities require all aircraft entering the country to have chemical disinsection certificates aboard or only aircraft coming from areas with clear outbreaks of Zika.

53. The EU delegation stated that the Italian Ministry of Health issued a letter in March 2016 and conveyed that Italy believes that its Zika mitigation procedures are safe, and that they are applicable to all flights to Italy, regardless of where the flight originates. The representative

from the UK stated that Zika disinsection is required on all UK inbound flights from areas with outbreaks of Zika, but that the UK is continuously reviewing its policies to see if they make sense. The EU delegation said it was not aware of any other Member States taking Zika measures and that there were no common measures regarding disinsection.

International Aviation Safety Assessment (IASA) Greece Audit

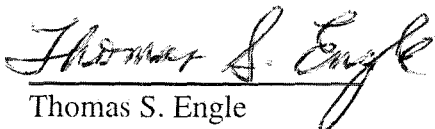
54. The EU delegation raised the planned IASA audit of Greece and noted that Article 8(3) of the U.S.–EU ATA requires that the EC simultaneously receive, with Member States, all notifications and requests under Article 8. The U.S. delegation took note of the EU delegation's statement and stated that to the extent that such notice was not previously provided, that the United States would immediately rectify the situation and would stay in close touch with the EC on this matter moving forward.

Next Meeting

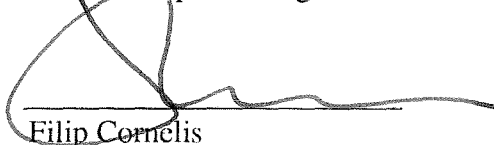
55. The EU delegation said there was no venue or date yet for the next J.C. meeting in the fall in Europe.

Signed:

For the U.S. delegation:


Thomas S. Engle

For the European delegation:


Filip Cornelis

Date: 10 November 2016

Date: 11 November 2016

Place: Washington, D.C.

Place: Brussels

Attachment:

- 1 – List of Participants
- 2 – Agenda

18th U.S.-EU Joint Committee Meeting
April 19, 2016
Washington, DC

United States Delegation

U.S. State Department

1. Tom Engle
Head of Delegation
Deputy Assistant Secretary for Transportation Affairs
U.S. Department of State
2. Rob Newsome
Office of Aviation Negotiations
U.S. Department of State
3. Ellen Dunlap
Deputy Director
Office of Transportation Policy
4. Virginia Frasure
Attorney-Adviser
Office of the Legal Adviser
5. Jennifer Haverkamp
Senior Adviser
Office of the Under Secretary for Economic, Energy and Environment
6. Tarek Fahmy
Deputy Director
Office of Sanctions Policy and Implementation
7. Jamie Moody
Economic Officer
Office of Sanctions Policy & Implementation

U.S. Department of Transportation

8. Brian Hedberg
Acting Director
Office of International Aviation

9. Jennifer Thibodeau
Attorney Adviser
Office of International Law
10. Joseph Landart
Negotiator
Office of International Aviation

U.S. Commerce Department

11. Eugene Alford
U.S. Department of Commerce

Federal Aviation Administration

12. Rich Swayze
Assistant Administrator
Office of Policy, International Affairs and Environment
13. Dr. Lourdes Maurice
Executive Director
Office of Environment and Energy
14. Donald Scata
Senior International Advisor
Office of Environment and Energy
15. Minh Favila
International Affairs Specialist, European Union
Office of International Affairs

U.S. Treasury Department

16. Davin Blackborow
Assistant Director for Licensing
Office of Foreign Asset Control

Transportation Security Administration

17. David Gordner
Attaché to the Kingdom of Belgium and the European Union

Office of Global Strategies

U.S. Industry

18. Cecilia Bethke
Managing Director, International Affairs
Airlines for America
19. Matthew J. Cornelius
Vice President, Air Policy
Airports Council International – North America
20. Roz Ellingsworth
Washington Representative
Independent Pilots Association
21. Kyle Moore
Governmental Affairs Committee
Southwest Air Lines Pilots' Association
22. Russell Bailey
Senior Attorney
Air Line Pilots Association, International
23. Bob Coffman
Chairman, Government Affairs Committee
Allied Pilots Association
24. Russ Pommer
Associate General Counsel
Atlas Air
25. Robert Wirick
Managing Director-Regulatory and International Affairs
American Airlines
26. Kevin Montgomery
Consultant
Polar Air Cargo
27. Conor McAuliffe
Managing Director-Europe and Industry Affairs
United Airlines
28. Nancy Sparks

Managing Director-Regulatory Affairs
FedEx

29. Julie Oettinger
Managing Director – Legal and Regulatory Affairs
Delta Airlines
30. Pablo Aguirre
Director of Strategic Planning
Omni Air International
31. Mike Holt
Vice President of Sales and Marketing
Air Transport International
32. Dennis Daley
Director, Commercial Services
National Airlines
33. Paul Doell
Director of Government Affairs
National Air Carrier Association

EU-US Joint Committee
19-20 April 2016
Washington DC, USA

EU Delegation

European Commission

1. Mr Filip Cornelis, DG MOVE, Acting Director E- International Transport Affairs
2. Mr Carlos Bermejo Acosta, DG MOVE, Head of Unit International Transport Affairs
3. Ms Deniz Aktug, DG MOVE, Policy Officer, International Transport Affairs
4. Mr James Bradbury, DG MOVE, Administrator, Aviation security.
5. Mr Knut Simonsson, Legal Service

European External Action Service

6. Mr Fabrice Vareille, Head of the TEE Section, EU Delegation to the US
7. Mr David Batchelor, Transport Counsellor, EU Delegation to the US

EU Member States

8. Mr Olivier Meynot, Expert for European Air Transport Agreements, French Civil Aviation Authority
9. Mr Bruno Fulda, ESDET Counselor, Embassy of France in Washington.
10. Mrs Janneke Thijsseling-Kolk, Senior Policy officer, Ministry of Infrastructure and the Environment (The Netherlands).
11. Ms Verena Cozac-Brendl, Legal Adviser, Department for Strategy and International, Austrian Ministry of Transport
12. Mr José David Fanego Otero, Legal advisor, Directorate General of Civil Aviation, Spanish Ministry of Public Works and Transport
13. Mr Stephan Zass, Counselor, German Embassy to the US
14. Mrs Ana Cristina Pereira Pais, Civil Aviation Officer, Portuguese Civil Aviation Authority (ANAC)
15. Ms Päivi Jämsä, Chief Negotiator, Air Services Negotiations, Finnish Transport Safety Agency
16. Mr Niels Remmer, Director, Danish Transport & Construction Agency
17. Mr Thorkild Saxe, Senior Adviser, Danish Transport & Construction Agency
18. Mrs Ann-Kristin Hanssen, Senior Adviser, Norwegian Ministry of Transport and Communications.
19. Mr Oyvind Thorstein Ek, Deputy Director General, Norwegian Ministry of Transport and Communications.
20. Mr Mark David Bosly, Head of International Aviation Negotiations, UK Department of Transport
21. Mr Gareth Alston, First Secretary, Transport Policy, British Embassy to the US

22. Mr Bartosz Arabik, Economic Adviser, Embassy of Poland in Washington.
23. Ms Helène Jansson Saxe, Senior Advisor, Civil Aviation and Maritime Department, Swedish Transport Agency
24. Mr Alan Gibbons, Economic and Trade Counsellor, Embassy of Ireland, Washington DC
25. Ms Niall Curran, Assistant Director, Air Services Division, Irish Department of Transport, Tourism and Sport
26. Ms Annemarie Smith Floch, Representative of Ireland at ICAO, Department of Transport, Dublin Ireland.
27. Ms Kristín Helga Markúsdóttir, Head of legal Section of the Icelandic Transport Authority (ICETRA)
28. Sigurbergur Björnsson, Director, Department of Infrastructure, Ministry of the Interior, Iceland

Industry

29. Mr Jack Netskar, Advisor Public Affairs, SAS Scandinavian Airlines
30. Mr Mike Goldman, legal counsel of SAS (participation to prep meeting + reception only)
31. Mrs Rosella Marasco, European Cockpit Association
32. Mr Vegard Petter Einan, Vice president, ETF (European transportworkers federation)
33. Mr John Hanlon, Secretary General, ELFAA
34. Mr Gérard Borel, General Counsel ACI EUROPE
35. Ms Viktoria Vajnai, Manager External Relations and consumers, Association of European Airlines
36. Mr Stephen Lachter, Legal Counsel for Cargolux Airlines (participation to prep meeting + reception only)
37. Mr Piergiorgio Curci, Vice-President, the Americas, Cargolux Airlines International
38. Mr Lauri Tierala, Manager, Market Access and Aeropolitics, Finnair Plc
39. Mr Alan Campbell, Group Manager International Relations of IAG
40. Mrs Prof. Dr. Regula Dettling-Ott, Vice President EU-Affairs Lfthansa Group

**Agenda for the
18th U.S.-EU Joint Committee Meeting
April 19, 2016
Washington, D.C.**

Monday, April 18

2000 Chairs' Dinner
Venue: The Hamilton
600 14th Street, NW

Tuesday, April 19

U.S.-EU Joint Committee meeting

0930 Venue: State Department
Room: 1105
Address: 2201 C Street, NW

- o Introduction and Adoption of Agenda (U.S.)
- o Implementation of Agreement (EU)
 - Entry into force of the 2007 Air Transport Agreement (EU)
 - Mayotte & Croatia Protocols (EU)
- o Article 21 – Annual Review (EU)
- o Wet Leasing Update (U.S./EU)
- Legislation & Rule Making Updates (U.S./EU)
 - EU Regulation 261
 - EU Energy Efficiency Directive (Directive 2012/27/EU)
 - EU Directive 2013/11 (ADR)
 - UK – ADR application to EU Regulations 261 & 1107/2006
 - PNR – status of mandates/discussions
 - FAA Reauthorization – update/state of play (U.S.)
 - Bilateral Visa Program Changes
 - UAS – regulatory and market access issues
 - European Accessibility Act (U.S.)

Note: government-to-government, closed session

Norwegian Air International and Norwegian UK (EU/U.S.)

1230 Lunch
Delegation lunch
Venue: 5th Floor, State Department

1400 Joint Committee meeting resumes

Aviation Security Update (U.S.)
Emergency Amendments updates

Preclearance (U.S.)

EU Aviation Strategy (EU)

ICAO (U.S./EU)
ATRP coordination
Basket of Measures to address CO2 emissions

European Environmental-Related Taxes (U.S./EU)
Norway & Sweden (eco taxes), Spain & UK (NOx taxes)

Noise Issues (U.S./EU)
UK (Heathrow), Italy (IRESA), Finland (Helsinki)

Iran Sanctions (U.S.)
Iran sanctions update
EU carriers & re-export applications
Overflight payments

AOB (U.S./EU)
Italy – Rome Fiumicino (FCO) terminal segregation
UK – Air Passenger Duty
Zika/disinsection (UK, Italy & U.S.)
IASA Greece audit

Next Meeting

1730 Industry Reception

Venue: Willard Hotel
1401 Pennsylvania Avenue, N.W.
Crystal Room