

The Commission's second paper is extensive in remit, and asks a good many questions.

As spokesman for the Progressive Aviation Group (PAG), I make the following observations in addition to the attached document:

1. Whilst inbound tourism is explored, there is relatively little focus on inbound commerce (although there is reference to it).

Connectivity TO the UK takes on a completely different complexion to that of outbound connectivity.

An inbound investor looking at investing in the UK and continental Europe will consider several aspects in his/her deliberations. These include direct flights from the country of origin, frequency, the ability to expand, taxation (including aviation taxation) and the applicable visa regime.

The lack of direct flights, so requiring a change en-route to the UK, places the UK at a distinct disadvantage. The lack of APD on flights ex-continental Europe is another financial barrier to investing in the UK as may be a UK-specific visa regime compared to a Schengen visa permitting travel to over 20 countries within continental Europe.

The Commission is respectfully requested to take these matters into account in its deliberations.

2. Heathrow is so full that:

- a) any new destinations/frequencies that are operated are at the direct cost of flights/frequencies to other destinations. This is a result of the maximum use of the authorised slots regime,
- b) the pressure of that airport's charges structure requires more and more passengers per Air Transport Movement, so leading to fewer smaller-capacity connecting flights,
- c) the bilateral air service agreements may come under pressure.

3. It is not at all clear that the Commission is exploring the needs and sentiments of airline users at airports, not least those based outside of the UK. It may be salutary so to do.

In broader terms, the attached document (written by myself in a previous role as BAR UK Chief Executive) provide answers to several of the questions raised in Discussion Document 2.

* hub airports are discussed on Page 7

* regional connectivity is discussed on Page 14

* a survey of airlines, in respect of airport capacity, is shown on Pages 61/62.

This is a public document, freely available on the BAR UK website (first download shown at <http://www.bar-uk.org/consultations/response2011.htm>)