

GBTA EU BI-WEEKLY WATCH

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I. GENERAL EU DEVELOPMENTS

SAFE HARBOR

New EU-U.S. Privacy Shield unveiled

- The European Commission and U.S. federal government announced a new political agreement to allow for the export of EU citizens' personal data to the U.S. by U.S. companies.
- The new 'EU-U.S. Privacy Shield' replaces the Safe Harbor Agreement. Over the next three months the U.S. will need to make changes on its side, including naming an independent ombudsman for national security in the State Department to deal with EU data protection complaints.
- It will also implement a series of other measures, including a low-cost dispute resolution system for Europeans and last-resort arbitration.

SCHENGEN AGREEMENT/MIGRATION CRISIS

The price of suspending Schengen

- On 10 February, Greece signalled that it would be opposing an EU Ministers' decision on issuing a series of recommendation to Greece for it to remedy the shortcomings observed at its external borders.
- Meanwhile, the French government's official think-tank, France Stratégie, has [said](#) that a permanent return to frontier controls in Europe would cost countries in the Schengen open-borders area about €110 billion over the next decade.

ONLINE PLATFORMS

Industry back calls for effective competition for online platforms

- HOTREC has published a [press release](#) supporting the European Parliament's call for effective competition between platforms and the protection of consumers in the sharing economy.
- This comes in the context of the European Commission publishing the preliminary results from its public consultations on [online platforms](#).

STATISTICS

EU Winter 2016 Economic Forecast

- Commissioner Pierre Moscovici, in charge of Economic and Financial Affairs, Taxation and Customs has [presented](#) the [Winter 2016 Economic Forecast](#).
- The European economy is now entering its fourth year of recovery and growth continues at a moderate rate, driven mainly by consumption.
- At the same time, much of the world economy is grappling with major challenges and risks to European growth are therefore increasing.

I. A FOCUS ON MOST RELEVANT ISSUES

AVIATION STRATEGY

EU seeks tough curbs on airline subsidies in aviation agreements

- On 9 February Reuters [reported](#) on a draft “competition clause”, which the European Commission wants to include in bilateral Open Skies agreements with third countries.
- This clause defines which type of public support would be considered as “unfair”. The list includes protection from bankruptcy, provision of capital, tax relief, cross-subsidisation, as well as discriminatory access to airport services.
- The clause also adds that in cases of dispute over unfair subsidies given to airlines, a consultation period of 30 days would be opened. Should talks fail, complaining countries could be given the right to suspend or revoke the airline’s air traffic rights as well as impose financial duties.
- **Next steps:** The Commission wants to start negotiations on such agreements this year, but can only do so once the Commission receives a negotiation mandate from EU Member States. They will start discussing the subject in June.

AVIATION EMISSIONS

ICAO agreement on CO2 standards for aircrafts gets mixed response

- Experts from the ICAO Committee on Aviation Environmental Protection (CAEP) [agreed](#) on a new aircraft CO2 standard, which would not only be applicable to new aircraft type designs as of 2020, but also to new deliveries of current in-production aircraft types from 2023.
- This has been seen positively by [GAMA](#) (General Aviation Manufacturers Association), [AEE](#), [Airbus](#) and [Boeing](#). The [ACI](#) (Airport Council International) and [IATA](#) (International Air Transport Association) have also both welcomed the agreement. Airlines4Europe and the Association of European Airlines have not yet commented.
- Members of the European Parliament have also welcomed the agreement but say it remains insufficient. They believe that much work remains to be done on reaching a global CO2 emissions mechanism.
- **Next steps:** The recommendation from the CAEP will be endorsed by the ICAO Council at the ICAO General Assembly at the end of September.
