

STATEMENT Susanne Heger for Petition Committee on 12 November 2015

Thank you for being allowed to make a statement. My name is Susanne Heger, I am from Austria and one of the two initiators of Taming Aviation.

More than 140 citizens' initiatives from 10 European countries have signed the petition to the European Parliament requesting an end to the tax privileges the aviation industry enjoys, an end to state aid and subsidies to the aviation industry and a night flight ban to protect human health.

Thus, Taming Aviation stands for the principles of fair taxation, the polluter pays principle and industries paying the true cost of their operations. It stands for responsibility and respect towards the environment and human wellbeing, now and for the generations to come.

It seems the aviation industry has achieved immunity from these principles and operates according to its own rules.

Airplane tickets are exempt from VAT including input VAT, aircraft fuel is tax exempt and airlines are not even included in the EU-ETS. The Commission has referred to ticket taxes as a substitute for VAT in some countries. But they are so low that they are not even worth mentioning. The result is shocking: basic food stuff like bread and milk are burdened with more taxes than airplane tickets.

In addition, Member States have provided the industry with vast amounts of subsidies and state aid. Air fares at ridiculously low levels round off this picture of a totally distorted sector of the economy. The aviation industry owes this to its lobbyists, including IATA and ICAO.

You may say: But European airlines will suffer from terrible cost constraints in the context of international competition. Yes, you are right: If you force European airlines to work under fair conditions they may not be able to survive the competition with airlines from Arab countries, where sheiks pour money and their own fuel into the airlines and employees are without rights. But: Do you really want such standards to apply in Europe?

You may say: What about the jobs the aviation industry creates? The truth is that any industry would create more jobs if it did not have to pay taxes and that the

aviation industry applies very dubious methods of calculating jobs. It includes indirect and so-called induced jobs in its calculation.

Induced jobs are those created as a result of workers in the aviation industry spending their money privately, for example jobs in a furniture store when aviation workers spend money on buying new furniture. We have seen this at Heathrow airport and at Vienna airport in the context of arguing the necessity of a third runway. If all industries made the same claim, the number of jobs created would exceed the total workforce.

What aviation really does is it provides connectivity. That is its true value - no more and no less.

As the aviation industry operates today, using up resources for free, it does not contribute to the Member States' budgets, nor to the cost of education or the reduction of income tax. This is exactly the mechanism that makes the rich richer and the poor poorer.

It seems that the Commission is shying away from tackling the problem. The VAT-Directive and the Energy Tax Directive which contain the relevant tax exemptions are not sacred but the Commission would not even touch on them.

The Commission refers the matter to the Member States. But no Member State wants to be the first when it comes to abolishing the aviation industry's tax privileges or to introducing effective measures on noise abatement, such as restrictions on night flights. Therefore we are categorically against a country by country or an airport by airport approach.

Normally the EU actively regulates industries. Take the gastronomy business, for example, regulated down by the EU to the level of whether smoking is allowed in restaurants or not and how to indicate allergens in food stuff and dishes. Why stop short when it comes to regulating the aviation industry and noise abatement around airports to protect human health? Why?

It is high time for the European Union to tame the aviation industry.