



Agenda Item:	Reference: HACC.499
Date: July 16 2007	
Developments following signing of the EU/US Air Transport Agreement	

1. Members were informed at the March 2007 meeting of the negotiations and terms of the drafts of this Agreement and of the adverse effects it would create for the interests of users of Heathrow and of the adverse effects of it for the communities affected by its operations.
2. The Chairman of the HACC thought it important enough to write to the then Secretary of State, Douglas Alexander MP, to urge him not to give away the extremely valuable right of air access to Heathrow and to avoid creating new environmental problems attributable to trans-Atlantic flights and their arrival/departure times.
3. In the event, the Secretary of State supported the provisions of the Agreement which was signed in Washington on April 30 2007. A provision was secured which, at least theoretically, provides that if the second stage negotiations of the Agreement do not achieve greater access to domestic air routes in the USA, those rights of access just granted to European airports such as Heathrow, could be withdrawn.
4. At the time of the signing of the Agreement, there was uncertainty as to whether and how many, airlines would wish to open routes from Heathrow when the Agreement comes into force at the end of March 2008, coincident with the opening of Terminal 5. Since that time, there has been a number of airline intentions made known and they are summarised in this report. As airlines firm up their intentions, closer to March 2008, the Committee will be up-dated on the situation.
5. **British Airways** has announced the transfer of its five daily flights to Texas, those to Dallas/Fort Worth and to Houston, from Gatwick to Heathrow from March 30 2008.
6. **The SkyTeam Alliance** which is to move into Terminal 4 following the departure of British Airways to T5, is planning some slot exchanges amongst its airline members. The Chairman of SkyTeam has said that KLM and Air France are negotiating a slot trade with their alliance partners in Continental, Delta and Northwest airlines which will give them early morning arrivals and lunchtime departure slots to launch U.S services. The transfer of slots is expected to be achieved by possibly dropping marginal routes such as Eindhoven (Netherlands) and to Charles de Gaulle (Paris) which is suffering increased competition from high speed train operator EuroStar.
7. Air France and KLM were stated to have agreed to transfer slots to Continental which is looking to launch a Houston to Heathrow service (that would compete with BA's Houston flights which are transferring to Heathrow from Gatwick next March).
8. American Airlines (AA) , a member of the oneworld Alliance , is again to launch daily services from Stansted to JFK Airport in New York in October 2007; an earlier attempt on the route was withdrawn due to lack of demand. AA has announced it intends to operate daily, non-stop services from Heathrow to Dalls/Fort Worth

(DFW) and to Raleigh/Durham, North Carolina. The present twice daily service from Gatwick will be reduced to one daily flight as a result.

9. AA Heathrow flights to DFW will depart at 10.15 am and will arrive back at 08.25 am. AA flights from Heathrow to Raleigh/Durham will depart at 11.25 am and arrive back at Heathrow at 06.55 am.

mgh/499