

Departures

Opinions On Current Issues In Aviation

In A Global Industry, Cooperation Is The Imperative

By Wolfgang Mayrhuber, Chairman & CEO, Deutsche Lufthansa AG

Partnerships have always played a key role in the airline industry. Even now as we face uncertain skies, partnerships will continue to be vital. Global networks, seamless travel and even globalization itself would not have happened without the contributions of strong airlines and partners. It is imperative that we maintain and strengthen these relationships because the challenges we face today are of a global nature.

Financial stability, climate change, security, modernizing airspace systems — every challenge comes with a unique opportunity for meaningful change. While aviation can lead the way as it has done so often before, neither Europe nor the United States can take on these challenges alone. Cooperation is imperative for our industry to lead.

But first we need a framework within which to provide that leadership. The airline industry is one of the prime global industries, the nerve system for international trade and investment. It's ironic that this industry is subject to more and greater artificial national barriers than any other, especially in the areas of trade and investment. Rules are necessary to ensure the highest levels of service, safety and security. But they can become counterproductive when they attempt to regulate business decisions.

The airline industry wants to be treated like other businesses, to be able to enter into alliances or mergers with the most suitable partners, obtain access to capital at the lowest possible cost, build profitable business models, and achieve smart growth while delivering what our customers want and need most — safe, secure, reliable, and efficient travel.

The current situation demands courage and intelligence. As global leaders, we must seek a smarter regulatory framework for our industry. We need more free and fair competition. Unlike other sectors of the economy, airlines do not need special rules or subsidies. To the contrary: Our wish list to governments and regulators is simple:

1. We need a truly open aviation market between

the U.S. and the European Union and other like-minded countries to follow;

2. We need global safety standards and recognition for the critical work done by aircraft repair stations;

3. We need to optimize security while minimizing costs and hassles for travelers;

4. We need to invest in infrastructure and modernize our airspace;

5. We need cost reduction through transparent and flexible infrastructure charges. Airports and ATC providers are partners in the value chain and play a vital role in the continued growth of our business around the globe;

6. We need to allow more flexibility when it comes

to consolidation. Lufthansa welcomes the preliminary DOT approval of our joint venture with United Airlines/Continental Airlines and Air Canada. This is in the spirit of the Phase One agreement between the U.S. and Europe — and is in the best interest of the traveling public.

Our industry must build on what has been achieved, but we should not stop there. We need to further our cooperation by creating common approaches for a real Open Sky and liberalization of ownership.

Foreign ownership is not a threat, but an opportunity. In other industries it is normal and it works. It has proven to be a USP in global development. It worked for investors, for the companies they invested in, and for the employees. It's time to eliminate the word "foreign" in front of investment. Let's aim for equality in investment.

In uncertain times like these it is important to strengthen relationships and to work together as partners to solve global problems. Europe and the United States share the same goals and values for a peaceful, prosperous and stable world. And despite the current economic crisis, the forecast states that the number of passengers worldwide will double by 2025. These are very solid foundations, and it makes us optimistic.

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