

IATA calls on US government to grow aviation benefits

By **Mary Jane Pittilla** on February, 18 2019 | Industry News



The International Air Transport Association (IATA) has urged the US government and industry to work together to ensure that aviation is able to accommodate an expected 62% rise in demand for air travel to, from and within the country over the next 20 years.

Speaking at the International Aviation Club in Washington, D.C., Alexandre de Juniac, IATA's Director General and CEO, noted that aviation already supports 6.5 million jobs in the US and contributes over US\$778 billion to GDP, including aviation-supported tourism.

The social and economic benefits enabled by aviation will increase as the number of passenger journeys rises to 1.26 billion by 2037, from 780 million in 2017.

De Juniac highlighted key factors necessary to ensure aviation is able to meet this increase and grow aviation's benefits. These include maintaining a competitive environment that stimulates innovation, and adequate infrastructure to cope with new demand.

On the subject of competition, de Juniac argued that some people in the US Congress had been "trying to turn back the clock on deregulation's successful legacy".

He cited a measure introduced in last year's Federal Aviation Administration (FAA) reauthorization bill that would have required the US Department of Transportation to regulate airline ancillary fees.

"Clearly the intent was to eliminate the unbundling model that has allowed airlines to keep fares low by asking consumers only to pay for those things they value," he said. "While the measure was not in the final bill, it should never have been introduced in the first place. On principle, it is outrageous that airlines were singled out in this manner."

De Juniac also highlighted the need for additional airport infrastructure to accommodate growth. "While the US is in a better position than most markets, no major new airport has opened here in almost 25 years. With the US market expected to add close to 500 million passengers by 2037, that just won't do."

He called on leaders in Congress and the Administration to work together to ensure that aviation connectivity is not endangered in the event of another government shutdown. He thanked the thousands of dedicated government employees who kept the aviation system functioning without pay during the recent five-week partial shutdown.

"While aviation was fortunate to escape long-lasting economic damage during the shutdown, there were some serious impacts and airlines took a hit in terms of tickets not sold and trips not made. The shutdown also underscored the urgent need to remove the US air traffic control system from the

federal budget process and place it in a nonprofit structure that would be immune to these kinds of situations.”