

AIR TRANSPORT JUSTIN WASTNAGE / LONDON

EU anti-subsidy law faces ambush

States expected to block anti-predatory pricing proposal in bid to curb EC's future aviation negotiating powers

Proposals to impose trade sanctions against state-subsidised non-European airlines are to be delayed as several European Union member states seek to limit the European Commission's power to negotiate aviation policy.

Germany and the UK are expected to stall the final approval stage of the bill as a bargaining chip as the EC seeks a mandate to negotiate open skies with the USA.

An EC proposal to fine non-EU carriers who receive market-distorting state aid was passed by the European Parliament last week and could be in force by April if trans-

port ministers approve it. Several member states are indicating that they could stall the progress of the measure, which was passed almost unanimously.

Nicholas Clegg, the legislation's draftsman, says: "Legally there is no link between predatory pricing and the European Court of Justice ruling [establishing the EC's right to negotiate aviation bilaterals]; politically there is a will in several member states not to give this proposal the green light."

The proposal is scheduled to be voted on by ministers in the first week of March, but the measure

will only become possible when full powers in the aviation sector are given to the EC. Member states will be requested to assign the EC these powers at the same session of the Transport Council.

The governments of Germany and the UK are understood to be reluctant to give the EC power over enforcing the sanctions. Both countries are keen to retain some negotiating powers over bilaterals.

The European Parliament says distortions to fair competition have increased since 11 September 2001 because of the "substantial" emergency support granted by govern-

ments to third-country airlines. The EC argues European airlines cannot compete fairly with airlines receiving large sums of state aid such as the US government's \$15 billion bailout of US carriers and Switzerland's SFr2.6 billion (\$1.9 billion) bankrolling of Swissair.

The new legislation proposes levying duties and restricting take off and landing slots in cases only where "subsidies or unfair pricing practices" can be proved to be "injurious" to EU airlines.

■ The EC agreed last week to fund Galileo's development phase without the European Space Agency.

AIR TRANSPORT

Airbus calls for LROPS unity

Airbus is calling for aviation authorities to make a co-ordinated approach to new legislation for long-range operations (LROPS), following proposals from the US Federal Aviation Administration to relax extended-range twin-engine operations (ETOPS) rules.

Twinjets are subject to diversion time limits of 180min when operating far from available airfields, but the FAA's proposal, issued as a draft notice of proposed rulemaking last month, will allow twins to operate to the same long-range limits as three- and four-engine aircraft. The European Joint Aviation Authorities, which is working on its own update of ETOPS/LROPS legislation, is expected to retain existing ETOPS diversion limits.

Airbus vice-president John Leahy says the FAA's move is "a serious mistake...the industry needs to look at LROPS in a co-ordinated manner". He adds that allowing the operation of twinjets on 4h over-water sectors with an engine failed is unacceptable.

Airbus's long-range offering is the four-engine A340 family, which can operate direct services on very long over-water sectors.

BUSINESS AVIATION KATE SANSFIELD / LONDON

Diamond cuts into corporate market with launch of D-JET

Diamond Aircraft has launched a single-engined personal jet, the Austrian manufacturer's first foray into the business jet market.

The single- and twin-engined piston aircraft manufacturer says the five-seat aircraft called the D-JET will fill a gap not served by the current line of new-generation aircraft and dismisses suggestions that the single-engined jet concept is unsellable.

"There is a large market from owner operators for a low-cost, single-engined jet with a proven, reliable powerplant which can operate from small airports across the world," says Michael Feinig, Diamond Aircraft managing director. The aircraft is also targeted at advanced training institutions.

VisionAire, the only other player in the single-engined business jet category, has yet to certificate its Vantage seven-seat personal jet which has been under development for around eight years.

Feinig says Diamond is evaluating three engine types in the 1,700lb (7.6kN) thrust range - the Williams FJ44, Pratt & Whitney Canada PW615 and Honeywell's

turbofan derivative of the LTS101 turboshaft. A selection is expected within six months. He adds: "The aircraft will be priced at around \$800,000 and will be pitched against the Socata TBM700; New Piper Malibu Meridian turboprops and Raytheon's Beech Baron piston twin, for example."

The D-JET is projected to have a maximum take-off weight of 2,100kg (4,700lb) and a cruise speed of 315kt (585km/h) at its 25,000ft (7,625m) maximum altitude.

The aircraft will also have a fully integrated glass cockpit, with avionics supplied by either Avidyne or Garmin, says Feinig. First flight is scheduled for the middle of next year, with customer deliveries to start in early 2006.

"We expect to have an order-



The five-seat D-JET is targeted at owner operators

book of around 500 aircraft when deliveries begin, and produce about 100 aircraft a year," Feinig adds. Research and development work will be undertaken at Diamond's Vienna facility, and manufacturing is likely to be shared between the company's two bases in Austria and London, Ontario, Canada.