FROM PROTECTIVE REGULATION TO NETWORKED GOVERNANCE. REGULATORY REVOLUTION IN THE EU AVIATION SECTOR

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For the majority of its existence – until the mid-1990s – the commercial aviation sector in Europe was a heavily regulated industry. The strategic importance of airspace meant that airlines operated as monopolies subject to government ownership and regulation. National airlines, or 'flag carriers', operated in protected, non-competitive markets and were treated as part of national identity. Internationally, the Chicago Convention of 1944 established a framework of rules and best practices for airspace, aircraft registration and safety, and created the International Civil Aviation Organisation (ICAO). However, as long as the aviation market in Europe was fragmented along national borders, there was no incentive for the European states to cooperate and harmonise the rules governing the industry. The existence of restrictions on market entry, route structures, frequencies and fares hampered the development of the aviation sector. This all started to change in the late 1980s when the deregulation movement reached Europe. At the meeting of the Council of Ministers in 1986, the Heads of State and Government agreed that the internal market in air transport should be established by 1992. This aim was achieved through the adoption of three "packages" of legal measures (1987, 1990 and 1992) and competition became a driving force in the airline industry. The European aviation sector was transformed by the emergence of the common EU aviation policy which has led to the emergence of new airlines, the opening of new routes and airports, to lower prices and to greater efficiency. This new pan-European aviation sector required the governance models to evolve accordingly. Not only did the regulation to a large extent transfer from the national governments to the supra-national EU level, but there has also been a noticeable shift to network governance with greater involvement of all interested parties, from both public and private sectors, in policy shaping and decision making processes.

This paper provides and analyses examples of networked governance in the EU aviation sector. It starts with the analysis of the **EU level networks** operating in the fields of:

- Aviation Safety ((i) binding EU safety rules derive from voluntary harmonisation effort undertaken by the network of national regulatory authorities; (ii) the work of the European Network of Civil Aviation Safety Investigation Authorities); and
- Air Traffic Management (ATM) – (the role of the Industry Consultation Body under the Single European Sky initiative).

It then moves to examine the **EU law mandated national networks** in the fields of:

- The European Aviation Security Policy (the work of the Irish National Civil Aviation Security Committee (NCASC) established under the requirements of Regulation 300/2008); and
- Regulation of airports ((i) Airport charges: consultation on charges between airports and airlines mandated by Directive 2009/12/EC; (ii) Slots: the role of the Coordination Committee introduced by Regulation 95/93).

The paper finishes with a discussion whether the networks participating in the regulation of the EU aviation industry do in fact exercise the governance function, in a sense of influencing decision making processes, or simply provide forums of pure dialogue and information exchange.