

EU-US 'OPEN SKIES'

BY WILLIE WALSH, BRITISH AIRWAYS CHIEF EXECUTIVE

British Airways' first direct flight from London's Heathrow airport to Dallas Fort Worth takes place on Sunday.

This inaugural service from the UK's national hub marks the implementation of the first stage of a new aviation agreement between the European Union and the United States.

Until now, transatlantic air regulations prohibited direct flights between Heathrow and any destination in the state of Texas.

I am delighted this restriction has been removed, and look forward to seeing many customers from Dallas (and Houston, where we will operate two flights a day), flying with us and taking advantage of the global network of 90 onward connections we can offer from Heathrow.

Executives in the oil and gas industries may be especially interested in the connections we can offer to destinations in the Middle East such as Kuwait, Bahrain, Muscat, Abu Dhabi and Dubai, or Lagos and Luanda in Africa.

In a month's time, we will move our Texas flights into our brand new home in Heathrow's Terminal 5.

Terminal 5 is a truly outstanding building, which will set standards for customer comfort and convenience far superior to anything else in Europe.

Transatlantic customers will be able to enjoy not only our transformed airport experience, but also our Club World cabin – with our industry-leading, fully flat beds. We are in the process of installing our new Club cabins with more comfort, more privacy and wider beds across our longhaul fleet..

Flying from Dallas and Houston to Heathrow is only one of the ways in which British Airways will take advantage of Stage One of the EU-US agreement.

The new deal lifts restrictions not just on which US destinations we can fly to from Heathrow, but also on the number of times we can fly to them.

So we will increase frequency on our New York JFK-Heathrow route from 51 flights a week to 55.

We will also increase the schedule on our Seattle-Heathrow route from 10 flights a week to 13, and on Washington-Heathrow from 21 services a week to 24. From Orlando, we will increase flights to Gatwick from seven a week to 10.

In other words, we will make full use of Stage One as a means of reinforcing our market-leadership between London and America, offering 41 flights a day to 18 destinations across the US. British Airways flies more often, to more destinations than any other transatlantic airline.

Stage One has also allowed us to create a subsidiary airline to fly direct between cities in continental Europe and the US, without connecting through the UK. It will launch in June with flights from Paris to New York JFK.

We have called this airline OpenSkies in honour of the Stage One agreement, and also to signal our commitment to Stage Two – the negotiations for which begin in May.

We want Stage Two to sweep away the outdated restrictions on the ownership and control of airlines, so that EU investors can take majority stakes in US airlines, and vice versa.

Then airlines and air travellers can finally reap the benefits of sensible cross-national consolidation, which has taken place in so many other industries.

The EU has leverage in these negotiations. If we reach 2010 without any meaningful concessions from the US negotiators, any individual EU state can terminate the whole Stage One agreement.

Such an outcome would be very disappointing. So let us look forward to a successful Stage Two to preserve and expand the benefits that become a reality on Sunday.