



## Policy Focus

A bi-monthly review of major policy developments in Brussels, London and Washington, prepared for BABC member companies

### May 2008

#### Policy Action:

##### Proposed New Aviation Duties

► In response to a UK government consultation proposing an aviation duty on aircraft weight, we wrote a detailed letter to the Chancellor of the Exchequer on April 16<sup>th</sup> arguing that enacted in isolation, the duty could penalize carriers operating from the UK, undermine the competitiveness of the overall UK economy, and could possibly be illegal. We have sought a meeting with the Treasury to explain our concerns in detail.

#### Policy Action:

##### Taxation on Foreign Profits of Companies

► On March 5<sup>th</sup> we participated in a UK Treasury consultation process, by registering the concerns of our members about the proposed taxation of foreign profits of companies. The Treasury has replied that they will be conducting further consultation in the summer, in which we expect to participate.

#### London

##### MP Seeks Junk Food Advertising Ban

Labour MP, the Rt. Hon. Nigel Griffiths, has called on the government to introduce legislation banning advertisers from targeting children. Ahead of the second reading of his private members bill, the MP for Edinburgh South claimed that if current trends continued, children today would be obese by their teenage years. However, media regulator Ofcom has warned that implementation of Mr. Griffiths proposed changes could cost the advertising industry £200 million in lost revenue per annum.

[LINK](#)

#### London

##### Banks Lose on Overdraft Charges

#### Washington

##### US Congress Reaches Deal on Farm Bill

Congressional negotiators have reached a tentative agreement, ending months of deadlock on the proposed farm bill. The bill proposes to preserve extensive farming subsidies, and could cost up to \$280 billion over five years. Tom Harkin (D – Iowa), who chairs the Senate Committee on Agriculture, Nutrition and Forestry, said, “Today the principal farm bill negotiators came together on a bipartisan level to reach a tentative agreement on the agriculture policy that will make the final farm bill a strong one.”

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#### Brussels

##### Majority of Irish Voters still Undecided on EU Treaty

60% of Irish voters are still undecided ahead of the EU referendum in the Irish Republic on June 12<sup>th</sup> according to a poll published in early April. The vote, on the Treaty of Lisbon, proposes to consolidate the existing Rome and Maastricht treaties and would, among other changes, introduce a majority new voting system that would give more power to the smaller EU states. The Treaty is due to be ratified by all member states by the end of 2008 but only Ireland is due to hold a referendum.

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#### Brussels

##### Eurozone Inflation at 16 year High

European countries were reporting record highs in inflation in April, with Germany reporting a 3.2 percent increase in food and fuel prices, which was regarded as partly responsible for the high of 3.5 percent across the 15 countries of the single currency region. However, the European Central Bank is anticipated to

The High Court in London has ruled that bank overdraft charges are subject to regulations governing unfair contracts. The charges which are levied when customers exceed their agreed overdraft limits have been criticized by consumers for being too high. The decision could allow the Office of Fair Trading to force banks to cut their charges.

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### London

#### Delays Worsen at London Airports

The Civil Aviation Authority has reported that London's Heathrow and City airports fell behind other UK airports in improving punctuality in the final quarter of 2007. A number of UK airlines have lobbied the government for the proposed third runway at Heathrow airport to cope with increasing demand.

BritishAmerican Business has also argued strongly for the runway in its communications with government.

[LINK](#)

### Washington

#### Rising Prices Add to US Consumer Worries

The US Consumer Price index rose by 0.3 percent in March, as US consumers continue to cope with a weakening labor market and slump in house prices.

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### Washington

#### Bush to Endorse Ending Greenhouse Gas Emissions Growth

US President George W. Bush has endorsed an "immediate goal" for reducing greenhouse gas emissions by the United States by 2025, mainly through curbing power plant pollution. However, he did not propose any new legislation to achieve this, and has been criticized by Democrats and environmentalists for failing to consider proposals currently in the Senate, which seek to cut emissions by 2013.

[LINK](#)

continue to abstain from interest rates cuts.

[LINK](#)

### Brussels

#### Ministers Seek New Vision for European Research Area

The European Commission has announced the 'Ljubljana Process,' a plan to update the European Research Area ten years after its initial launch. The plan is intended to overcome the fragmentation of research procedures and policies across Europe. The initiative is spearheaded by Slovenia, the current President of the EU. Slovenian Minister for Higher Education, Science and Technology Mojca Kucler Dolinar said at its launch, "We have not yet used Europe's full research potential on human resources, institutions or regarding synergy among all stakeholders."

[LINK](#)

### Forthcoming Events

#### London

► **14-15 May 2008:** 10<sup>th</sup> Annual European Technology Conference

► **03 June 2008:** London Oil and Gas Conference

#### Washington

► **14-16 May 2008:** Opportunities in Transportation Infrastructure 2008

► **19-21 May 2008:** The Federal Energy Regulatory Commission (FERC) Compliance Summit 2008

#### Brussels

► **14-15 May 2008:** European Organisation for Security (EOS) Launch Event

► **27-28 May 2008:** The European Refining and Fuels Conference on Low-Carbon Fuels Implementation

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