

European Pilots' investigation uncovers troubling labor law violations in wet-leased aircraft operations

Urgent Calls for Industry Accountability and Regulatory Oversight

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Troubling indications of potential labor law violations were revealed in an investigation on wet-leased aircraft, carried out by the European Cockpit Association (ECA). Since the beginning of the summer, ECA thoroughly examined the activities of more than 100 wet-leased aircraft in Europe, gathering testimonies, contracts and data from pilots and pilot associations. The findings are alarming and will be submitted to national labour and aviation authorities and the <u>European Labour</u> <u>Authority</u> in Bratislava for a comprehensive inquiry.

Wet-leasing, also known as ACMI (Aircraft, Crew, Maintenance, and Insurance) leasing, has become a common industry practice in which airlines lease aircraft and accompanying crews from other carriers. While this practice is legal, passenger feedback indicates dissatisfaction with the experience of flying on older aircraft and the lack of control over their airline choice. But there are growing concerns regarding potential labor law violations within the wetleasing framework.

"Looking at the map of Europe and wet-leasing, we can observe distinct patterns and resemblances. The 'typical ACMI' provider profile remains fairly consistent – a small airline registered in an eastern European country, employing crew members on precarious self-employment contracts. However, beneath the surface of legality, we uncover dubious and ambiguous arrangements. In our view, these warrant thorough investigation by the appropriate authorities," says ECA President Otjan de Bruijn.

A comprehensive analysis of wet-lease operations in Europe during the summer reveals a prevalent practice among the majority of wet-lease providers: hiring pilots and cabin crew under self-employment contracts to reduce labor costs and avoid paying social security contributions for their staff. It is important to note that such <u>self-employment of pilots has</u> <u>frequently been categorized as bogus</u>, with a wealth of evidence demonstrating that employing self-employed crew members is not compliant with labour law.

Furthermore, a study conducted by the EU Subgroup of experts on social matters relating to aircrew in 2023 concluded that pilots consistently operating outside their home base should be considered as posted workers. However, it is concerning that less than one third of Member States currently enforce posting rules for aircrew due to various obstacles. These challenges include a lack of awareness regarding the extent of foreign aircrew operating from their respective countries, practical difficulties in verifying aircrew documentation, and a lack of collaboration between Member States.

In addition, a significant portion of the aircrew is contracted through third-country intermediaries who are not registered as temporary work agencies in any EU country. These circumstances potentially entail illegal employee leasing practices and may constitute violations in host countries.

A deeper investigation may reveal abuses of the minimum legal rights of aircrew regarding the standards of the host Member State about rest periods, annual holiday, allowances or reimbursements, etc.

"We want to urge airlines using wet-leasing to be very careful, which providers they hire. They should be particularly mindful of the employment terms and conditions of the wet-leased crew because any breaches might have an impact also on them as an airline," says Ignacio Plaza, ECA Deputy Secretary General. "We urge labour authorities of Member States to conduct investigation in their respective airports to check the compliance with social and labour law. In addition, we encourage the European Labour Authority to coordinate such inspections between Member States.

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<u>Note to editors:</u> ECA is the representative body of European pilot associations, representing over 40.000 pilots from across Europe, striving for the highest levels of aviation safety and fostering social rights and quality employment for pilots in Europe. Website: <u>www.eurocockpit.be</u> & twitter <u>@eu_cockpit</u>.