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# SESSION DOCUMENTS

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## REPORT

of the Committee on Transport and Tourism

on the proposal from the Commission to the Council for a regulation on consultation between airports and airport users and on airport charging principles

(COM(90) 100 final - C3-0171/90)

Rapporteur: Mr Florus WIJSENBEEK

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A Series: Reports - B Series: Motions for Resolutions, Oral Questions - C Series: Documents received from other Institutions (e.g. Consultations) Or. EN

*	= Consultation procedure requiring a single reading	**II	= Cooperation procedure (second reading) which requires the votes of a majority of the current Members of Parliament for rejection or amendment
**I	= Cooperation procedure (first reading)	***	= Parliamentary assent which requires the votes of a majority of the current Members of Parliament

C O N T E N T S

	<u>Page</u>
Procedural page . . . . .	3
A. MOTION FOR A RESOLUTION . . . . .	.12
B. EXPLANATORY STATEMENT . . . . .	.13

By letter of 8 June 1990 the President of the Council of the European Communities consulted the European Parliament, pursuant to Article 84(2) of the EEC Treaty, on the proposal from the Commission of the European Communities to the Council for a regulation on consultation between airports and airport users and on airport charging principles (Doc. C 3-171/90).

On 15 June 1990 the President of the European Parliament referred the proposal to the Committee on Transport and Tourism as the committee responsible, and to the Committee on the Environment, Public Health and Consumer Protection for its opinion.

On 25 April 1990 the Committee on Transport and Tourism appointed Mr Wijsenbeek rapporteur.

It considered the Commission proposal and draft report at its meetings of 26 September 1990 and 8 November 1990.

At the latter meeting it was decided by 16 votes to 1 to recommend to Parliament that it approve the Commission proposal subject to the following amendments.

The draft legislative resolution as a whole was adopted by 15 votes to 0 with 2 abstentions.

The following were present for the vote: Amaral, chairman; Topmann and Beazley, vice-chairmen; Wijsenbeek, rapporteur; Cornelissen, Denys, Lüttge, McIntosh, McMillan-Scott, Megahy (for Stamoulis), Pereira (for von Aleman), Romera, Rosmini (for Sapena Granell), Sarlis, Schlechter, Schodruch, B. Simpson, Visser, Wilson (for Stewart) and Lane (for Marleix).

The Committee on the Environment, Public Health and Consumer Protection decided not to deliver an opinion.

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The report was tabled on 14 November 1990.

The deadline for tabling amendments will appear on the draft agenda for the part-session at which the report is to be considered.

Proposal from the Commission of the European Communities  
to the Council for a Council regulation  
on consultation between airports  
and airport users  
and on airport charging principles

Commission text<sup>1</sup>

Amendments

Preamble, first and second recitals unchanged

(Amendment No. 1)

Second recital a (new)

Whereas as a consequence of the steep increase in air traffic and the consequent problems of saturation in ever-increasing areas of air-traffic control space, absolute priority must be given to making the most efficient use possible of existing capacity;

Third recital unchanged

(Amendment No. 2)

Fourth recital

Whereas in order for such consultations to be effective and also to better plan future airport requirements, it is necessary that airports and users exchange sufficient information to identify and explain any changes in airport operations and facilities, charging systems and levels of charges;

Whereas in order for such consultations to be effective and also to better plan future airport requirements, it is necessary that airports and users exchange sufficient information to identify and explain any changes in airport operations and facilities, charging systems and levels of charges; whereas it is moreover recommended that every effort should be made to secure the greatest possible clarity and consistency in the formulation of the data exchanged;

<sup>1</sup> Full text COM(90) 100 final - OJ No. C147, 16.6.1990, p. 6

Fifth recital

(Amendment No. 3)

Whereas given that various government controls (immigration, customs) are exercised at the airports and constitute an important element of airport procedures necessitating adequate space and coordination within the overall functioning of the airports, it is necessary that government control services stationed at an airport must actively participate in consultations regarding changes in the airport's operations, facilities or development plans;

Whereas given that various government controls (immigration, customs) are exercised at the airports and constitute an important element of airport procedures necessitating adequate space and coordination within the overall functioning of the airports, it is necessary that government control services stationed at an airport must actively participate in consultations regarding changes in the airport's operations, facilities or development plans; whereas looking ahead to completion of the internal market by 1993 it will be appropriate for the government controls relating to nationals of Member States of the Community to have the necessary adjustments made to them in good time;

Tenth recital

(Amendment No. 4)

Whereas users must not only be charged for the airport facilities and services they use, irrespective of the origin of the traffic in the Community, but that they must also bear their fair share of the cost of providing airport facilities and services which are considered essential for the efficient, safe and environmentally acceptable functioning of an airport;

Whereas users must not only be charged for the airport facilities and services they use, irrespective of the origin of the traffic in the Community, but that they must also bear their fair share of the cost of providing airport facilities and services which are considered essential for the efficient, safe and environmentally acceptable functioning of an airport; whereas greater transparency and compatibility must be secured in this connection;

Eleventh recital

(Amendment No. 5)

Whereas, in certain cases, in conformity with Articles 92 et seq. of the Treaty, the level of airport charges could be decreased in order to reflect the needs of regional policy, when it is a question of linking an isolated region to which access is difficult;

Whereas, in certain cases, in conformity with Articles 92 and in particular Article 92(3) et seq. of the Treaty, and in accordance with the fundamental principles of Community regional policy, the level of airport charges could be decreased in order to reflect the needs of regional policy, when it is a question of linking an isolated region to which access is difficult;

Twelfth and Thirteenth recitals unchanged

Article 1 unchanged

Article 2(a) unchanged

Article 2(b)

(Amendment No. 6)

(b) 'aeronautical services and facilities' means services and facilities necessary for the flow of aircraft, passengers, baggage of freight through an airport;

(b) 'aeronautical services and facilities' means all services and facilities necessary for take off, landing and parking of aircraft, the flow of passengers and the ground handling of freight and baggage, when the latter service is provided as a monopoly;

Article 2(c) unchanged

Article 2(d) unchanged

Article 2(e)

(Amendment No. 7)

(e) 'charges' means the charges levied at airports on aircraft, passengers, baggage and freight for the provision and use of aeronautical services and facilities.

(e) 'charges' means the aeronautical charges levied by and at airports on operators of aircraft and on passengers as published in the relevant ICAO agreement, as well as on freight and baggage, when the latter service is provided for by the airport authority as a monopoly;

Article 3(1) unchanged

Article 3(2)

(Amendment No. 8)

(2) For the purposes of consultations in accordance with paragraph 1, each authority shall make available to users on an annual basis information concerning its performance which as a minimum shall include the data specified in Annex I unless, within the limits of national law, the authority and users agree otherwise.

(2) For the purposes of consultations in accordance with paragraph 1, each authority shall make available to users on an annual basis information concerning its performance which as a minimum shall include the data specified in Annex I or unless the authority is bound by law to make its audited balance sheet public every year. Additional information, however, may be made available on a more frequent basis if the authority and users so agree.

Article 4(1) unchanged

Article 4(1) a (new)

(Amendment No. 9)

To alleviate the unwarranted  
consequences of congestion in  
airspace in preventing the a smooth  
processing of air traffic, the  
authority shall introduce a regular  
consultation procedure with the  
authorized representatives of the air  
traffic management where this has not  
already been introduced.

Article 4(2) unchanged

Article 4(3) unchanged

Article 4(4) (new)

(Amendment No 10)

4. The responsible government  
departments in the Member States  
and the airport authorities shall  
hold consultations on the  
possibilities of making personal  
checks on nationals from  
Community countries more  
flexible, because these checks  
will have to be abolished in  
their entirety with the  
completion of the internal market  
in respect of journeys within the  
Community.

Articles 5 and 6 unchanged



Article 7

(Amendment No. 11)

Aircraft operators using an airport and participating in the consultation, or their representative organizations, shall make available to each airport authority estimates of their future traffic trends, scheduling information, the characteristics and numbers of aircraft to be used, special facilities which they may require including ground handling, fuelling and catering, and other relevant material in accordance with Annex II. Aircraft operators may require that information supplied by them is treated as commercially confidential information. In this case they can refer directly to the authorities.

Aircraft operators using an airport and participating in the consultation, or their representative organizations, shall make available to each airport authority estimates of their future traffic trends, scheduling information, the characteristics and numbers of aircraft to be used, special facilities which they may require including ground handling, fuelling and catering, and other relevant material in accordance with Annex II. The airport authorities shall undertake to treat as such any information notified to them as being commercially confidential, and shall take the necessary precautions accordingly.

Article 8 unchanged

Article 9

(Amendment No. 12)

In the course of consultations all parties involved shall seek agreement as far as possible on any issues considered, changes proposed and alternative options. Where agreement cannot be reached in the course of consultations, each authority shall be able to introduce the changes in question subject where necessary to the appropriate approval.

Delete.

Articles 10 and 11 unchanged

Article 12(1)(a) unchanged

Article 12(1)(b)

(Amendment No. 13)

(b) be clear, understandable and non-discriminatory;

be clear, understandable and non-discriminatory, but not so as to prevent it from being reasonably differentiated (in particular as regards international or intra-Community flights);

Article 12(1)(c)

(Amendment No. 14)

(c) be reasonably related to the costs of the facilities and services provided which are needed and/or used while including a reasonable return on capital and taking into account environmental costs;

(c) be reasonably related to the costs of the facilities and services provided which are needed and/or used while including a reasonable return on capital and taking into account costs related to combating environmental damage;

Article 12(1)(d) unchanged

Article 12(2)

(Amendment No. 15)

2. The costs of aeronautical services and facilities shall be fully allocated on an equitable basis according to sound business and economic principles. However, in the case of isolated regions to which access is difficult, the needs of regional policy can be taken into consideration in conformity with the provisions of the Treaty.

2. The costs of aeronautical services and facilities shall be fully allocated on an equitable basis according to sound business and economic principles. However, in the case of isolated regions to which access is difficult, the relevant fundamental principles of Community regional policy must also be taken into account.

Article 13

(Amendment No. 16)

This regulation shall enter into force on 1 July 1990.

This regulation shall enter into force on 1 January 1991.

This regulation shall be binding in its entirety and directly applicable in all Member States.

This regulation shall be binding in its entirety and directly applicable in all Member States.

Annex I

Section III

(Amendment No. 20B)

**B. Non-aeronautical revenue at the airport**

(a) ground handling services (if provided only by the airport authority or by a monopoly concession holder)

(a) Services by airport authority:  
1) Ground handling services  
2) Fire services  
3) Catering

(b) Concessions  
1) Commercial concessions  
2) Ground handling

(b) Concessions:  
1) Ground handling services  
2) Fire services  
3) Catering  
4) Commercial concessions

(c) Rents and services

(c) Rents and services

(d) Other revenues from concessions

(d) Other revenues  
(two words deleted)

## DRAFT LEGISLATIVE RESOLUTION

embodying the opinion of the European Parliament on the proposal from the Commission to the Council for a regulation on consultation between airports and airport users and on airport charging principles

The European Parliament,

- having regard to the proposal from the Commission to the Council<sup>1</sup>,
  - having been consulted by the Council pursuant to Article 84(2) of the EEC Treaty (Doc. C 3-171/90),
  - having regard to the report of the Committee on Transport and Tourism (Doc. A-30308/90),
1. Approves the Commission proposal subject to Parliament's amendments and in accordance with the votes thereon;
  2. Calls on the Council to notify Parliament should it intend to depart from the text approved by Parliament;
  3. Asks to be consulted again should the Council intend to make substantial modifications to the Commission proposal;
  4. Instructs its President to forward this opinion to the Council and the Commission.

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<sup>1</sup> COM(90) 100 final, OJ No. C 147, 16.6.1990, p.6

EXPLANATORY STATEMENT

Air traffic in the European Community is increasing exponentially. Whereas the number of passengers carried annually was 4 million in 1970, by 1980 this had risen to 19 million, and by 1989 had reached 42 million. The European public has been making use of air travel in increasing numbers. A number of factors can be shown to be responsible, but in prime of place is the fact that increased prosperity has greatly enhanced mobility. Partly as a result of the greater traffic congestion this has caused, air transport is increasingly seen as ideal for covering longer distances in a shorter time. The higher demand for air transport has inevitably meant a much more intensive use of airport facilities.

The Commission has introduced major changes in air transport, with two consecutive packages of measures under which the markets have been significantly liberalized. Whereas hitherto exclusively bilateral treaties kept connections, frequencies, capacity and fares within narrow limits, it is now possible that a genuine market with a system of competition to match will come into force. Where that exerts an influence on access to markets and prices, it would not be reasonable for a significant monopoly position to continue to be maintained in a single area of air travel. It is against that background that the Commission has submitted the present proposal to the Council. Yet Parliament's rapporteur feels obliged, in adherence to the principle, to which he subscribes, of limiting legislation to the absolute minimum, to ask whether it is in fact necessary for price fixing by airports to be subjected to consultation with users by compulsory legislation in every case. No one should ever object seriously to consultation in principle, but neither should it be allowed to result in a situation where it constitutes a major obstacle, for there can be no question that some downward pressure in prices must result from it. Your rapporteur considers that legislation in this area is not one of the most urgent requirements, and certainly not one where either the airports or the major users, i.e. the airlines, are openly complaining of abuses.

In that connection it would perhaps be more appropriate to confine attention to the poor progress that has been made in the Community with abolishing checks on individuals at frontier crossings. These cause the airport authorities serious problems, both financial and organizational. On the one hand in a Europe without frontiers duty-free sales in international travel within the Community will have to be abolished, but this will mean a major loss of income for the airports, since income from leasing premises for these sales or from operating them directly can account for as much as 50% of total turnover. On the other, airports will have to comply with government instructions in making major changes to the of configuration of buildings and organization of procedures, since the much larger numbers of passengers no longer subject to cross-frontier checks will have to be segregated from remaining passengers who still are. These major infrastructural adjustments will require a good many years' preparation and implementation, and if they are really to come into effect by 1993 a start should have been made on them several years ago.

Yet it would be wrong not to recognize that airports, like many other infrastructural facilities, do in fact hold a considerable monopoly position,

and for that reason alone the Commission finds it necessary to make it compulsory for consultation between airports and users to take place, on the annual fixing or adjustment of prices at all events. And there is one further point that should be made about the monopoly position in air transport. Clearly, any one connection between two points can only operate from a single airport of departure and a single airport of arrival, and to that there is no alternative. However, choices can be available in air transport where routes have to be combined. To take one example, a flight connection from a typical European city like Aachen to London can be made in a number of different ways. The airport of departure could be any of the large international Category I airports like Frankfurt, Brussels or Amsterdam, or also a regional airport like Cologne/Bonn, Dusseldorf, Maastricht or Liege. And the airport of arrival offers a choice of London's Heathrow, Gatwick or Stanstead or the City of London Docklands Airport.

Where price fixing and form of undertaking are concerned various options are possible that can sometimes give rise to complaints. Many airports are pure government installations and not necessarily out to make a profit. Others are ordinary companies, and have to adjust their prices so as to maintain their investment. Airline companies also tend to object to co-financing of smaller regional airports from the profits of the big Category I international airports. Yet this is difficult to object to in itself, and other public transport systems very often finance the operation of services to remote areas from the profits made on more intensively used services.

A further point needs to be made about the users to be consulted by the airports. From the point of view of consumer protection it is undesirable for consultation to be restricted to the major users, the airline companies operating scheduled flights. Wherever possible user organizations like the IAPA should at least also be admitted to the consultations, although since these organizations exist on a completely voluntary and entirely informal basis, for them to have equal status with the other parties to the consultations would be easier said than done. There are also some objections to the arrangements allowing immigration and customs authorities to be consulted, for although these are indeed users of the airport facilities in a formal sense, they do not have to pay for them, nor are they free to go elsewhere. That is not to say that where these facilities are still required, which will certainly be the case for flights arriving from outside the EEC, appropriate consultation and cooperation with the airport authorities will not be necessary. One altogether different category of users is made up by the providers of essential airport services such as fire-fighters and technical services, together with services that are very often provided by third parties such as baggage handling and catering. The sheer variety of organization under which all these different services are provided at different airports, whether they are run by the authorities themselves or leased to private operators, makes it a far from simple matter to draw up any general rules.

The annexes to the proposal drawn up by the Commission in this connection are an attempt to do this, but in a number of cases they go into too much detail, in my opinion, or include superfluous services among those to be consulted. It is essential, with a view to the absolute need for deregulation in Community legislation, to ensure that as a result of Community rules the consumer - meaning in this case both the airport and the public in general, especially where direct airport charges are collected as in Brussels - is being spared all unnecessary costs.

In conclusion, some scepticism is called for on the need for this proposal, and proposals for its amendment have been drawn up with that in mind.

Although your rapporteur can approve consultation between airports and users, he considers that the same must apply to the well-founded claims of the largest users for the authorities responsible for providing slots, in any event the most important commodity airports provide, also to be admitted to consultations on their allocation. As a matter of internal planning alone, in my opinion, that should be seen as self-evidently necessary.

