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REPORT

drawn up on behalf of the Committee on Transport

on airport planning in the European Community

Rapporteur: Mr Karl-Heinz HOFFMANN

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Or.Fr.

By letter of 30 June 1982, the Committee on Transport requested authorization to draw up a report on airport planning in the European Community.

By letter of 8 October 1982, the Committee was authorized to report on this subject.

At its sitting of 13 May 1982, the European Parliament referred the motion for a resolution by Mr ROMUALDI and others (Doc. 1-250/82) pursuant to Rule 47 of the Rules of Procedure to the Committee on Transport as the committee responsible and to the Committee on Budgets for its opinion.

At its sitting of 12 January 1983, the European Parliament referred the motion for a resolution by Mr MOORHOUSE and others (Doc. 1-1080/82) pursuant to Rule 47 of the Rules of Procedure to the Committee on Transport.

At its sitting of 18 January 1984, the European Parliament referred the motion for a resolution by Mr FLANAGAN and others (Doc. 1-1275/83) pursuant to Rule 47 of the Rules of Procedure to the Committee on Transport as the committee responsible and to the Committee on Budgets and the Committee on Regional Policy and Regional Planning for their opinions.

On 20 October 1982, the Committee on Transport appointed Mr Karl-Heinz HOFFMANN rapporteur.

A hearing was held on 3 November 1983 at which the views of representatives of three airport authorities, Frankfurt, Venice and Lille, all members of ICAA, were obtained.

At its meetings of 16 March 1983, 3 November 1983, 25 January 1984 and 20 March 1984, the Committee on Transport considered the draft report. It unanimously adopted the motion for a resolution as a whole.

The following took part in the vote: Mr Seefeld, chairman; Dame Shelagh Roberts and Mr Carossino, vice-chairmen; Mr K.-H. Hoffmann, rapporteur; Mr Albers, Mr Baudis, Mr Buttafuoco, Mr Key, Mr Klinkenborg, Mr Moorhouse, Mr Moreland (deputizing for Mr Marshall), Mr Vandewiele and Mr Veronesi (deputizing for Mr Cardia).

The Committee on Budgets and the Committee on Regional Policy and Regional Planning decided not to deliver opinions.

The report was tabled on 23 March 1984.

The deadline for tabling amendments to this report will be indicated in the draft agenda for the part-session at which it will be debated.

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The Committee on Transport hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

on airport planning in the European Community

The European Parliament,

- having regard to the motion for a resolution tabled by Mr ROMUALDI and others, pursuant to Rule 47 of the Rules of Procedure, on Florence airport (Doc. 1-250/82),
 - having regard to the motion for a resolution tabled by Mr MOORHOUSE and others, pursuant to Rule 47 of the Rules of Procedure, on satellite airports (Doc. 1-1080/82),
 - having regard to the motion for a resolution tabled by Mr FLANAGAN and others, pursuant to Rule 47 of the Rules of Procedure, on the need to aid the development of Galway airport in Ireland (Doc. 1-1275/83),
 - having regard to the report of the Committee on Transport (Doc. 1-63/84),
- A. whereas the most important rules and standards applying throughout international flights and hence governing traffic within airports are laid down by the 1944 Chicago Convention, the International Civil Aviation Organization and bilateral air navigation agreements,
 - B. having regard to the crucial role played by airports in the development of air transport and hence in transport policy, with particular reference to Council Directive 83/416/EEC of 25 July 1983 concerning the authorization of scheduled inter-regional air services for the transport of passengers, mail and cargo between Member States,
 - C. whereas airports generate investment and employment by virtue of the many functions they fulfil, and may serve as instruments of regional policy, particularly in the case of peripheral regions and islands,
 - D. whereas the countries of the European Community need a coordinated system of transport infrastructures which meet the requirements of their citizens while protecting the environment,
 - E. noting that the situation of the airports of the European Community is complex and that there are considerable variations in their legal status and the way in which they are administered,

1. Considers that the present state of this sector necessitates considerable further progress;
2. Again draws the attention of the Member States to the following measures to simplify customs and police formalities :
 - the provision of separate channels for nationals of Member States of the European Community and nationals of other countries at all international airports in Europe,
 - the introduction of the European passport,and refers them for general guidance to the recommendations contained in its resolution on the simplification of formalities at airports (Doc. 1-842/82);
3. Calls on airport authorities to pay particular attention to the following points:
 - improving the terms of employment of the various categories of staff working at airports, with a particular view to abolishing differences in their respective status;
 - increasing revenue from activities not directly connected with air services to avoid an excessive increase in the airport charges imposed on airlines,
 - following up experiments such as 'STOLPORT' airports (designed for STOL aircraft) located in or near the centre of towns providing rapid and easy access by low-noise aircraft mainly for the benefit of businessmen.
 - developing the infrastructures required to provide connections - particularly public transport services - between airports and neighbouring towns, and between airports serving the same town if necessary,
 - stepping up action to reduce noise,
 - protecting the natural environment;
4. Considers that, given the size of their contribution to airport revenues, it would be a serious mistake to abolish the sale of duty free goods;
5. Considers that airports are still tied too closely to State authorities, with detrimental consequences;

6. Emphasizes the need for airports to achieve genuine financial autonomy, an essential prerequisite for fair competition, and for the fact to be made public when any form of State aid is provided on the grounds that it is temporarily justified, particularly for peripheral regions and islands;
7. Is in favour of implementation of an airport policy as part of the common air transport policy in the form of target plans and to this end calls on the Commission to propose an amendment to the rules of the Committee on Transport Infrastructures so that airports become eligible infrastructures;
8. Believes that such a policy should receive financial backing from the Member States and aid from the Community's financial instruments (such as EIB loans and ERDF subsidies, particularly in the case of peripheral regions and islands);

Accordingly

9. Calls on the Commission to conduct extensive inquiries with the airport authorities, in the context of Articles 92 and 93 of the EEC Treaty on State aids, in order to identify the various forms of subsidy and aid which may be granted to certain airports, as well as all those constraints imposed by public authorities which create obstacles to the autonomous administration of airports and to apply the directive on the transparency of financial relations between the Member States and public undertakings to the air transport sector;
10. Calls on the Commission to draw up soon, in collaboration with the Member States, an airport study for the European Community which would identify current shortcomings, avoid investment imbalances, and permit the coordinated development of airports, the most rational use of space and protection of the environment under the new powers to be granted to the Committee on Transport Infrastructures as regards airports;
11. Calls on the Commission, when providing financial assistance under the ERDF and other Community funds for the financing of airports to take account of the effect of such intervention on competition between airports, and to restrict such aid to projects forming part of the Community airport study proposed above;
12. Instructs its President to forward this resolution to the Council and Commission of the European Communities, and calls on the Commission to forward it to the ICAO, the CEAC, the ICAA and the IATA.

EXPLANATORY STATEMENTI - INTRODUCTION

1. This report on the improvement of airport facilities in the European Community originated in the motion for a resolution by Mr ROMUALDI and others on the construction of an airport for Florence ¹.

Hitherto, neither the European Parliament nor the Committee on Transport has studied the subject of airports in the European Community per se.

2. This subject was, however, touched on in 1982 by Mr JUNOT in his report on the simplification of formalities at Community airports ² and by Mr MOORHOUSE in his report on airport charges.

Of course, we should mention the report by Mr JANSSEN van RAAY, drawn up in 1981, on the proposal from the Commission of the European Communities to the Council (Doc. 1-824/80) for a Council regulation concerning the authorization of scheduled interregional air services of passengers, mail and cargo between Member States ³, in which airports naturally play an essential part, given that they are a basic requirement for air services of all kinds. Air communications depend on and are determined by the existence of airports.

3. The time has come, I believe, to examine airport infrastructures from the point of view of all their various economic, legal, social and environmental implications.

Without claiming to survey all the problems affecting airports, your rapporteur aims nevertheless to emphasize the main points which enable us to grasp the full importance of this type of infrastructure while also proposing the means whereby they may be developed more effectively within the European Community.

¹Doc. 1-250/82

²Doc. 1-842/82

³Doc. 1-553/81

II - ROLE AND IMPORTANCE OF AIRPORT INFRASTRUCTURES

4. The contribution made to economic development by transport infrastructures in general is no longer questioned; it was illustrated again recently by Mr M. MARTIN in his report on 'an experimental programme in transport infrastructures' ¹.

However airports, like sea ports, are characterized by the fact that all their infrastructures are concentrated in a single place.

5. Airports are not just places where people and goods are loaded into and unloaded from aircraft, but also the point at which road, rail and air services meet.

Airports are also closely linked to the towns they serve and the surrounding regions.

Hence the physical location and siting of airports, which determine their performance, are of crucial importance.

This combination of features means that airports play a decisive role in the local economy.

A. The transport function

6. The huge expansion in air traffic over the last thirty years has profoundly changed the original concept of the 'aerodrome' which enabled aircraft to take off and land and provided facilities for refuelling and maintenance. The airports which have been built subsequently provide all the necessary facilities for the carriage and handling of passengers and goods. At present each of the 38 largest airports in the European Community, including such giants as London-Heathrow (26 million), Frankfurt (16.5 million), Paris-Orly (16 million), Paris-Charles de Gaulle (13 million), Rome-Fiumicino (11.5 million), London-Gatwick (11.1 million) and Amsterdam (10 million) handle more than one million passengers a year.

¹Doc. 1-85/83

7. The organization and improvement of airport facilities and the reception and handling of passengers, particularly in the largest airports, create considerable problems, as Mr JUNOT explained very clearly in his report on the simplification of formalities at airports¹, and I fully endorse the recommendations our colleague made on this subject, which were adopted by the European Parliament in December 1982. It is absolutely essential to simplify disembarkation and embarkation procedures, police checks and customs control (e.g. by the introduction of a European passport), as well as all aspects of passenger handling within airports. In particular, separate channels should be provided for nationals of Member States of the European Community and for nationals of other countries, as they are at Heathrow Airport for example, at all the international airports in the European Community.

8. In addition to passenger services, airports are equally concerned with the provision of air cargo services, which began to expand rather later than passenger services but have also developed very considerably, with a particularly marked rise in the number of cargo aircraft. Here, as at all intracomunity frontiers, it is essential to avoid penalizing carriers and businessmen during customs clearance formalities on goods carried.

9. The transport functions of airports also include two less obvious but nevertheless important aspects.

Airport facilities may be used for training airline pilots, particularly in the case of airports which have a high proportion of tourist traffic and are relatively under-used at certain times of year. This practice is obviously beneficial for the airport, since it brings in revenue.

Nor should we overlook the military applications of airports, which are numerous. Many airports were expanded, or even built, by the military authorities during the Second World War, which partially explains why, in the following fifteen years, some airport managements did not need to concern themselves with covering initial construction costs. In time of war, commercial airports are expected to play an important role for both defensive and offensive purposes². Depending on the country, this may influence the siting of new airports and affect the level of autonomy of the airports.

¹ Doc. 1-85/83, p. 8

² For example, a representative of the Minister of the Armed Forces sits on the Board of Paris Airport

B. Transport services to and from the airport

10. The relatively isolated position of airports, by contrast to railway stations for example, poses the problem of transport between the airport and the town that it serves and the surrounding region. The magnitude of the problem depends on the distance from the airport to the nearest town, and also on existing surface transport infrastructures. Swift connections from airport to town are a fundamental necessity, since it is often the case with journeys within the Community that more time is spent travelling to the airport than in the air, which tends to discourage people from using air transport for psychological as well as practical reasons; this situation is caused either by the isolated position of the airport, or by the time taken to cross the suburbs.

11. The large European airports have attempted to resolve this problem with varying degrees of success: Frankfurt airport has direct rail and motorway links with the town, while Rome-Fiumicino has no direct rail route to the city centre¹; the two Paris airports have rail and motorway links, but these are not yet entirely satisfactory for airport users; and connections to Gatwick airport also involve problems, although motorway links are being improved.

12. In those European capitals with more than one airport (Paris, London), direct links between these airports should also be considered, since in their absence transit passengers are obliged to travel through the town centre, which militates against such airports being used to complement each other and airlines dividing their activities between them.

13. Helicopter links between airports or to town centres have not been developed to a great extent in Europe in terms of number of services and passengers carried. Such links do exist, for example between London's Heathrow and Gatwick airports, but the number of passengers carried remains very limited.

14. In theory, the simplest method of solving this problem would be to site airports nearer town centres. But in practice this is extremely difficult, both for lack of space and for environmental reasons. Mention should be made here of the motion for a resolution by Mr MOORHOUSE and others² on

¹ Where rail links are possible, they do in fact provide the fastest service, even if they can involve certain problems with regard to luggage.

² Doc. 1-1080/82

satellite airports. This document supports the proposal to build a satellite airport in the Royal Docks area of London on the basis of progress made in the development of short take-off and landing aircraft (STOL). This is quite an interesting idea, but on closer inspection it appears that its prospects are limited on the one hand to a particular kind of aircraft (STOL), and on the other to the kind of connections which could be provided by such a satellite airport (domestic or international flights, scheduled services or air taxis.). Moreover, given that there is an underground service between Heathrow and the centre of London, the need for an urban site appears less overwhelming. Nevertheless, our committee ought to watch the progress of this experimental project with interest.

C. Impact of airports on the economy

15. In addition to the provision of air services, a number of other commercial and industrial activities have been developed at airports or in their immediate vicinity.

The fact that several millions - or even tens of millions - of people pass through the airport each year (passengers or staff working at the airport) makes a certain number of shops and services essential.

16. Retail outlets: newspapers, cigarettes and tobacco, souvenirs, miscellaneous goods; some airports, such as Frankfurt, are equipped with full-scale shopping centres of the kind found in towns. Mention should be made here of the importance of duty-free shops. In his report on airport charges, Mr MOORHOUSE showed that revenues from duty-free sales account for up to 80% of the commercial revenue of airports, as the following table illustrates:

AIRPORTS (1982)

Copenhagen	23%
Frankfurt	43%
Rome	38%
Amsterdam	76%
Manchester	39%
Brussels	80%
Paris	62%
London	64%

We shall return to this essential aspect of financing later in the report.

17. Hotel and restaurant facilities: all airports have one or more bar/restaurants. Although it is rare for hotels to be situated at the airport, there are usually several in the immediate vicinity.

18. General services: most airports provide a range of services connected in some way with air transport: airline offices; post offices; tourist offices; banks; insurance companies; car-hire firms; travel agencies; car parks (despite the existence of public transport services to airports, passengers often prefer to travel by private car, hence the importance of car parks, which also bring in revenue for the airport); carriers, handlers and freight agencies.

19. Industrial activities: partly as a direct result of the availability of air services, but also because of the facilities for the carriage of people and goods offered by airports, the latter may be surrounded by collections of industrial and commercial undertakings which are referred to as ALAZ, airport linked activity zones. This phenomenon is particularly developed in the USA, where ALAZ are linked by 'taxiways' to airports such as Los Angeles, whose ALAZ accommodates several multinationals (IBM, Control DATA, NIKON, CANON, etc...). Although the situation varies greatly from one airport to another in Europe, ALAZ still offer considerable financial opportunities for airport authorities and for local and regional authorities, although they do not always seem to have been exploited to the full. Indeed, some airports such as Amsterdam are prohibited by the conditions attached to operating the airport from allowing any industrial activities within a radius of 20 km¹.

20. The potential economic impact of airports outlined here depends, of course, on the extent of the infrastructures involved.

Airports can be regarded as generating both investment and employment.

21. The airport itself constitutes a huge investment, in view of all the high-level technology required by air transport. The transport infrastructures, and commercial and industrial activities which the airport calls into being also involve capital investment on a scale which is often underestimated, and is further increased by the constantly changing nature of the infrastructures involved. In this respect, therefore, the airport undeniably attracts capital to the region it serves.

¹ Study by the Institute of Air Transport IAT - 1970

22. Airports give rise to the following four categories of employment:

- Jobs connected with air services: public services (customs, police), airline staff, airport management, staff engaged on maintenance and repair of aircraft;
- Jobs connected with commercial activities at the airport (restaurants, hotels, shops, services);
- Jobs connected with firms situated in the immediate vicinity of the airport (it is difficult to give a figure for such jobs, since one must fix arbitrary limits to the area falling within the airport's sphere of influence;)
- Temporary jobs arising from the improvement (or construction) of airports; it is difficult to put a figure on jobs in this category, since they tend to be short-term.

The first two above-mentioned categories yield the following employment figures for the European airports below:¹.

<u>AIRPORTS</u>	<u>EMPLOYEES</u>	(1982 figures)
Brussels	11,000	
Milan	6,500	
Düsseldorf	6,400	
Rome	19,500	
Paris (Charles de Gaulle, Orly, Le Bourget)	53,000	
Frankfurt	32,000	
London (Heathrow & Gatwick)	57,000	

The large number of jobs involved also leads us to consider the working conditions at airports. Differences in the legal arrangements applying to the airports of the European Community lead to variations in the status and working conditions of their employees. It should also be noted that even within a single airport, because of the co-existence of public and private sector activities, there may be considerable differences between categories of staff. Account should be taken of this situation, which is a potential source of conflict.

¹ It is generally estimated that airports employ 5-10,000 persons for every 5 million passengers.

D. Effects of airports on regional development

23. Leaving aside the airports of the main European capitals, whose influence is too great and too diffuse to be discussed here, let us turn to the effects of airports on the surrounding region. We have already considered their direct consequences for investment and employment, but their indirect effects appear to be just as interesting.

24. Breaking down regional isolation: airports are a particularly effective method of improving access to regions, particularly in the case of the Community's peripheral regions and islands. In addition to the specific advantages conferred by air transport, airports involve less expensive investment than other communications infrastructures, such as road or rail links.

25. The modifications of regional economic structures: the existence of regular air services and the development potential of civil aviation directly influence the behaviour of the management of undertakings within the region and those outside it, enabling local firms to expand the geographical field of their activities and attracting new economic activities into the region.

The tertiary activities sector attaches great importance to the availability of air services. An airport can also encourage national companies to decentralize, thus benefiting the region. An airport also adds to a region's prestige.

26. The development of tourism: good air services are a major advantage for regions with tourist potential. This is clearly shown by the fact that more than a million passengers use certain Italian airports and airports on the Greek islands. In some regions, tourism did not begin to be developed, and its effects were not fully felt on the local economy, until air services were established.

27. Increasing the region's area of influence: the construction or extension of an airport can extend a region's area of influence if the facilities are of sufficiently high standard, the site is suitable and there are good surface transport connections. The development of Manchester International Airport illustrates how the effects of an airport can extend over a larger area than the region in which it is situated.

28. The extent to which an airport produces such effects on the regional economy varies from case to case, but the lack of an airport is always a disadvantage for a region, and is felt as such. The recitals of the motion for a resolution by Mr ROMUALDI on building an airport for Florence contains a long list of all the adverse consequences for a region of the lack of airport facilities.

E. Airport safety and equipment

29. Most aircraft accidents occur during take-off, approach (within 5 kilometres of the airport) or landing; these are the critical phases of flight. This is an established fact, and we should therefore give special attention to all airport safety equipment.

Some airports are especially dangerous, by reason of their position (in the vicinity of high ground), bad weather conditions (fog, snow, wind-shear) or for other reasons (runway length), and here the need for the most advanced equipment is even greater. Until 1982 the International Federation of Airline Pilots' Associations (IFALPA) published an annual blacklist of the most dangerous airports; the grounds for inclusion varied widely and the list included a number of European airports.

30. Airport equipment deserves special attention :

- landing aid systems such as ILS (Instrument Landing System);
- effective primary and secondary approach radar;
- runway radar or similar ground movement indication systems to prevent disastrous collisions;
- maintenance of lights;
- efficient and well-trained rescue and emergency services.

F. Airports and the environment

31. Airports always cover large areas of land (3,000 hectares at Roissy, 1,500 hectares at Orly, 5,600 at Gatwick, etc.) and they will always have some effect on the environment.

Extending an existing airport can alone raise great problems, as was seen recently at Frankfurt where the installation of a new runway required the felling of part of a wood near the airport.

Airports adversely affect the environment by noise, air (and possibly water) pollution and by endangering wild life, especially birds.

Noise is however the major problem; it antagonizes the population around an airport anywhere in the world. On take-off, an aircraft uses full power, initially on the runway for a distance of between 1 and 3 km and then climbing from ground level to 300 m over a distance of between 4 and 6 km. On landing, the aircraft lines up at the runway 10 km from the airport to descend at a shallow angle from 1,000 m to the runway. The areas around an airport are therefore exposed to barely tolerable noise levels.

A noise exposure map has been drawn up for every airport showing various zones graded according to intensity (various scales have been drawn up, the NNI, Noise Number Index in the United Kingdom, the psophic index in France and the 'Q' factor in Germany).

32. The remedies to this situation, or at least ways of reducing noise, vary because the problem cannot be totally suppressed :

- bans on certain obsolete and especially noisy aircraft, or financial disincentives in the form of noise levies (or reductions to quiet aircraft);
- fitting hush-kits to existing aircraft to meet certain ICAO standards;
- total or partial bans on night flights;
- changing the flight paths of aircraft taking off or landing to reduce as far as possible the time during which engines are running at full power and to fly over as few dwellings as possible (particularly valuable and effective in densely populated areas).

In Europe, Council Directive 80/51 of 20 December 1979 sets limits to noise emitted by subsonic aircraft. The human environment can be protected in various other ways, by taking advantage of the topography, using anti-noise walls and soundproofing buildings.

The most widespread method is land use planning, with administrative prohibitions on building in the most exposed areas, and strict control of the types of building allowed in others. Of course this method is more difficult for an existing airport. In such cases the airport authorities may buy out local residents as has occurred in Los Angeles and to a lesser extent in Paris.

To finance these measures, airports or local authorities have had to levy charges on air transport undertakings (and thus on passengers), the scale of such charges depending on the seriousness of the situation.

III. AIRPORTS IN THE EUROPEAN COMMUNITY

33. The survey of the various issues involved in the existence of airports in the first part of this document largely disregarded the size and location of airports, which we shall consider now.

A. Number and size of European airports

34. Airports may be classified in terms of total runway length, number of passengers or volume of cargo carried.

As a first step, let us consider the number of passengers carried. If we divide airports into four categories according to the number of passengers carried, the results are as follows: (for 1982).

More than 5 million passengers per annum	12
1-5 million passengers	27
500,000-1 million passengers	18
More than 100,000 passengers	38

i.e. a total of 95 airports with more than 100,000 passengers per year.

These figures indicate the importance of air traffic in Europe, with almost forty airports carrying more than 1 million passengers per year.

35. In its proposal for a Council regulation concerning the authorization of scheduled interregional air services of passengers, mail and cargo between Member States (Doc. 1-824/80) the Commission proposed that airports should be classified according to the volume of international passenger air traffic.

- Category 1: comprises those airports in each country which handle the largest volume of international passenger traffic of that country is accounted for;

- Category 2: comprises all the next airports, ranked in order of volume of international passenger traffic carried, which together with category 1 account for at least 90% of the international passenger traffic of the country;

- Category 3: comprises all remaining airports.

This method of classifying the airports of the European Community produces the following results:

CATEGORY 1

Brussels Zaventem	B	
Copenhagen Kastrup - Roskilde	DK	
Paris Charles de Gaulle - Orly	F	
Frankfurt/Main	FRG	
Düsseldorf	FRG	
Munich Riem	FRG	
Athens	G	
Thessaloniki	G	
Dublin	Irl	
Rome Fiumicino Ciampino	I	
Milan Linate Malpensa	I	
Amsterdam Schiphol	NL	
London Heathrow - Gatwick - Stansted	UK	
Luton	UK	
		<u>TOTAL</u> : 18 airports

CATEGORY 2

Marseille Marignane	F	
Nice Côte d'Azur	F	
Lyons Satolas	F	
Basel Mulhouse	F	
Hamburg	FRG	
Stuttgart	FRG	
Cologne - Bonn	FRG	
Shannon	Irl	
Naples	I	
Venice	I	
Catania	I	
Luxembourg	L	
Manchester	UK	
Birmingham	UK	
Glasgow	UK	
		<u>TOTAL</u> : 16 airports

CATEGORY 3

all other airports

B. Distribution of airports within the European Community

36. The following table shows the number of European airports handling more than 100,000 passengers per year, broken down by country and volume of traffic.

COUNTRY	+ 5 million	1-5 million	500,000 - 1 million	100,000 - 500,000	TOTAL
Belgium	1			3	4
Denmark	1			1	2
France	2	4	5	15	26
Germany	3	5	2	1	11
Greece	1	3	1	2	7
Ireland		1	1	1	3
Italy	1	3	6	9	19
Luxembourg			1		1
Netherlands	1			2	3
United Kingdom	2	11	2	4	19
TOTAL	12	27	18	38	95

(Year 1982 - Source: ICAA and others)

37. This breakdown by country and volume of traffic shows some considerable differences between Member States.

Germany has 11 such airports, of which the 8 which handle more than one million passengers per year correspond to its eight largest towns; the distribution of airports appears to be well-balanced.

The United Kingdom has 19 such airports, of which 11 (not including the London airports) handle between one and five million passengers.

Although France has four airports handling more than a million passengers, there is a predominance of small or medium-sized airports, with 15 out of the 26 carrying between 100,000 and 500,000 passengers per annum.

Six of Italy's 19 airports carry between 500,000 and one million passengers, which reflects the importance of Italy's islands and the development of tourism.

A similar situation obtains in Greece, which, in addition to Athens, has three other airports carrying more than one million passengers, all of them situated in important tourist areas.

C. National airport development policies

38. It must be said first of all that few of the Member States of the European Community pursue a genuine national airport policy.

The United Kingdom certainly has the most fully developed policy, the aim of which is to obtain a more balanced distribution of airports and avoid excessive concentration in the London area. The trend over the last few years seems to indicate that the United Kingdom wishes to grant its airports a large degree of autonomy, or even to privatize them, in other words to free them almost entirely from State control. This policy would not, however, ignore the specific problems which might be encountered by certain regions, in Scotland for example.

39. France's airport policy takes the form of a master plan for airport facilities drawn up in 1972, on the basis of long-term traffic projections, and intended to meet requirements up to the year 2000. The main characteristic of this plan is that it is based on a large number of small and medium-sized airports, resulting in a certain amount of traffic being spread over the whole country.

40. In Germany, since airports are controlled by local and regional authorities, it is not really possible to speak of a national airport policy.

41. Italy does not have a national airport plan either. At the beginning of the 1970s, a general plan indicating the desired direction of airport development was drawn up, the 'Progetto 80'. This document drew attention to the shortcomings of the existing airport system and suggested the selective siting of airports near areas with considerable tourist and industrial potential. Other plans have also been drawn up, but cannot really be said to provide the makings of a genuine policy.

42. Since Greece's airport and air traffic control facilities are rather outdated, action is under way with aid from the Community, to implement a proper airport policy.

IV - FINANCING AND LEGAL STATUS OF AIRPORTS AND THEIR LINKS WITH THE STATE

A. Operating costs

(a) Expenditure

43. In order to operate, an airport requires a great variety of human and material resources to be deployed. The major expenses incurred at an international airport such as Frankfurt, for example, may be broken down as follows:

1980

Expenditure on staff	43.4%
Expenditure on equipment	18.8%
Depreciation	16.2%
Taxes and levies	15.8%
Miscellaneous	5.8%
	<hr/>
	100.0%

Source: Frankfurt airport

This breakdown varies according to the size of the airport, the way in which it is run (the use of subcontractors to operate certain commercial activities, for example), and the nature and extent of investment in it.

(b) Revenue

44. Airports' sources of revenue can be broken down into two categories:
- revenue from air services which are the proceeds of levies on airlines and other users of airport infrastructures (runways, access roads, and passenger and cargo handling facilities), and can be broken down as follows:

- . landing fees,
- . taxes on passengers,
- . parking and hangar charges¹.

¹ This is only a very general breakdown, since some airports may impose additional specific fees and charges.

45. Revenue accruing from fees for security services and 'taxes on noise' should be considered separately depending on whether they are parafiscal taxes levied by the airport on behalf of the State or local authorities, or whether the airport itself provides security services, compensation for local residents, etc. It could also be argued that the proceeds cannot be regarded as revenue, since noise-reduction and security arrangements are not comparable to other facilities provided by the airport, but fall under the heading of action taken to remedy the negative effects of the airport.

46. Revenue not directly derived from air services accrues from those commercial activities at the airport which we have listed above: rents and charges to subcontractors, and the proceeds of commercial services, shops and duty free sales.

47. Contrary to popular belief (but as a logical consequence of the economic functions of the airport described above), it emerges that charges in connection with air services are not always the airport's major source of revenue - not by a long chalk in some cases - providing 34% of the total revenue of Paris airport (Orly, Roissy, Le Bourget) for example, and 53% for the London airports administered by British Airports Authority.

In the case of American airports, charges in connection with air services account for only 10% of Miami airport's revenue, and 24% for Los Angeles airport¹.

48. It should be remembered that revenue from duty-free shops can account for as much as 60 to 80% of total revenue from the commercial activities which make such an essential contribution to the airports' finances.

49. For this reason, your rapporteur considers that we should be very wary of any action which might have the effect of limiting or even prohibiting duty free sales at airports. Without wishing to pass judgement on this question, it does seem that in exchange for a rather minor 'European' victory we should undoubtedly run the risk of creating financial problems for the airport authorities.

¹

It is usually the case at American airports, however, that the airlines own the landing facilities and certain facilities at the terminal, and are not therefore subject to fees and charges.

For an account of the problem of airport revenues in general, members of the committee are referred to Mr MOORHOUSE's report on airport taxes, which dealt with this subject in more detail.

B. Breaking even?

50. Does revenue cover expenditure? Or, should we say, does revenue cover all expenditure, or only operating costs? However, we formulate the question, it comes to the same: whether an airport can operate without making a loss, or even at a profit. In spite of differences between individual airports' circumstances, according to the experts we consulted it appears that one can say that most category 1 airports cover all their costs or make a profit, as do most category 2 airports.

51. The problem appears to be somewhat different for the small or medium-sized airports in category 3. The two problems they often encounter are insufficient traffic, and the heavy burden of investment costs.

Given the economic potential of airports, and also the prestige they confer on a region, local authorities are eager to have access to a commercial airport (either by building one or improving existing installations), and therefore provide some of the investment funds required.

52. It may also happen, although not always in conjunction with the above-mentioned problems, that the revenue collected is not sufficient to cover operating costs. These airports therefore have two different 'break-even' points, which are not both always reached; the first is the point at which the airport is covering its operating costs, and the second is the point at which the airport is also able to cover investment costs, i.e. pay back its loans. It is out of the question for certain regional airports to 'break even' in this sense, since this would involve raising charges and fees to a level which would discourage all potential users of the airport. The regional authorities take the view that the public funds devoted to financing the airport are recuperated indirectly by virtue of the overall effect of the airport on the local economy.

53. Very many airports benefit, in addition to the subsidies which are fairly easily identifiable for category 3 airports in the budgets of regional authorities and national ministries of transport, from a whole range of indirect aids such as the provision of employees of local or regional authorities to administer the airport, access to loans at preferential rates, or even

interest-free loans from public funds

Often, moreover, it is only when these aids are stopped that their existence is discovered. Thus, as J. PLAIGNAUD reported in a study on charges in connection with air services¹, the Chamber of Commerce of Clermond-Ferrand (category 3 French airport), which runs that airport, has been obliged since 1982 to bear the financial burden of providing the necessary equipment for the maintenance of landing lights, which had hitherto been paid for by the Directorate-General of Civil Aviation, which led to a considerable rise in airport fees and charges.

54. It does not fall within this report's remit to list all the various kinds of direct or indirect subsidies, a task which would fall to the Commission under the provisions on State aids contained in Articles 92 and 93 of the EEC Treaty.

This complex situation derives from the links between airports and the State, and the concept of public service and how it is to be defined.

C. Legal status of airports and limitations imposed on them by public authorities and the economic environment

55. The legal status of airports varies considerably between or even within Member States, but may be broken down very roughly into the following three types:

- direct administration by the State or by local authorities;
- administration as a nationalized industry,
- specialized autonomous bodies (the most usual form of administration for the largest airports).

In spite of their differences, all airports are subject to continual State intervention, either directly or through a built-in majority of government appointees on the boards of management of the bodies responsible for administering the airport.

¹ J. PLAIGNAUD : Fees and charges in connection with air services. Institut du transport aérien - 1982

56. This situation does not necessarily prevent airports from enjoying full financial autonomy, but the latter may be subject to limitations imposed by public authorities, which occasionally make the attainment of financial autonomy difficult to achieve.

57. We shall illustrate this by a single example, which is however, significant; the regulation of fees and charges. Paris Airport, an autonomous public body which runs the three Parisian airports, is subject to rules governing the imposition and collection of airport charges which are issued by ministerial decree, while the amount of fees charged must be approved by the Minister of Transport (Regulation 224-2, par, A and B).

Although other charges may be fixed by Paris Airport, even they are subject to control by the ministry responsible (Regulation 224-3). A similar situation obtains in other Community countries, including Italy.

58. In conclusion, your rapporteur considers that it is essential to introduce more clarity into airports' budgets, so that one may see the advantages derived from, but also the constraints imposed by, the authorities to which they are subject, which in some cases may extend to amending airports' statutes and the specifications according to which they are administered.

European airports in general, like their counterparts in the US and in some parts of Europe, should be able to achieve a considerable degree of financial autonomy. Account should, however, be taken of the specific problems encountered by regional or local airports, which should go hand in hand with greater openness about the provision of State aid.

V - RECOMMENDATIONS FOR COMMUNITY INTERVENTION IN AIRPORT POLICY

A. The current role of the Community with regard to airport infrastructures

59. Community intervention up to now has not been integrated into transport policy, but has taken the form of general support measures through the ERDF or loans from the EIB, and has therefore been limited to regions eligible to receive aid from these funds.

From 1975 to 1980, the ERDF contributed to 73 projects connected with airports (7 projects involving more than 10 million ECU, and 66 projects involving less than 10 million ECU)¹.

The EIB, meanwhile, has granted loans totalling 83 million ECU for 11 projects (3 Danish - in Greenland, 5 British, 1 Italian, 1 Greek and 1 French).

60. These actions cannot be described as constituting an airport policy, and so we are in the same situation as we are with regard to ports policy - unsurprisingly, in view of the fundamental similarities in the infrastructures in these two sectors - in other words, there is no overall policy.

B. Framework for a Community policy

61. Your rapporteur considers that we cannot call for more autonomy for the airports vis-à-vis the Member States and public authorities while at the same time seeking to impose a rigid European airport policy.

This being so, the Community could adopt the following approach:

62. The Community should follow very attentively developments in the situation of Community airports in the context of transport policy, of which they are one aspect. Community action should consist in drawing up a very flexible master plan, somewhat comparable to that offered in the US by the National Airport System Plan (NASP). The aim of the latter is to promote the coordinated development of airports in America, while aiming for the best possible use of air space, the careful siting of airports beside large metropolitan centres, and concern for the environment.

1

European Regional Development Fund - 6th annual report, page 81

63. The Commission ought to adopt a similar but better coordinated strategy to its action to eliminate bottlenecks with a view to drawing up in close collaboration with the Member States, a European airport plan identifying existing shortcomings and avoiding investment being spread too thinly.

This will of course be possible only if the Commission proposes an amendment to the rules of the Committee on Transport Infrastructures so that it has responsibility for airports.

64. Turning to the question of financing or improving airport structures, priority should be given to finding solutions at national level. Your rapporteur is however aware of the enormous requirements of the peripheral regions and islands and of the fact that financial assistance from the Community is absolutely essential. Priority must therefore be given to regions eligible for ERDF aid or for low-interest loans from the EIB.

65. Moreover, as Mr CAROSSINO pointed out in his report on port policy, when providing funds the Commission should consider the effect of financial intervention on its part on competition between airports, which underlines the need referred to above for a global airport plan and for consideration to be given to all the problems connected with airports particularly communications between them and the towns they serve and limitations on resources.

66. Finally, we come to the action which is most urgently required, which is for the Commission to make use of Articles 92 and 93 of the EEC Treaty on State aids to enable the financial situation of airports to be clarified, and to enable them to attain, by means of changes to their statutes if necessary, the financial autonomy which alone guarantees fair competition and is the prerequisite for increasing their profitability.

67. For more concrete methods of attaining the objective of financial autonomy, to which I attach great importance, I would refer members of our committee to Mr MOORHOUSE's report on airport charges, which contains various very useful recommendations which I whole-heartedly endorse. These recommendations are mainly concerned with airport's accounts, harmonizing fees and charges, identifying those activities which are not directly concerned with air services, retaining duty free sales, and achieving much closer cooperation between the airports of the Community.

68. This collection of proposals provides the ideal blueprint for intervention by the European Community, combining as it does a certain degree of flexible action planning, to increase the efficacy of the financial aid which the Community can provide for the less favoured regions, and respect for the general principles of competition in the civil aviation sector.

MOTION FOR A RESOLUTION

DOCUMENT 1-250/82

tabled by Mr ROMUALDI, Mr ALMIRANTE, Mr PETRONIO and Mr BUTTAFUOCO

pursuant to Rule 47 of the Rules of Procedure

on Florence airport

The European Parliament,

- A. whereas Florence is a city with more than 500,000 inhabitants to which can be added those of the communes of Pistoia and Prato and their surrounding districts,
- B. whereas it was asserted at the 'Aereo 65' convention sponsored by the Tuscan provincial government as long ago as 1965 that the lack of an adequate airport had not only cost Florence thousands of millions of lire in the past but could also place it in a hopeless position in the future, and not only in terms of trade, unless something were done immediately to rectify the situation,
- C. whereas Law No. 111 adopted by the Italian Parliament in 1971 allocated 8,000 million lire for the construction of an airport at S. Giorgio a Colonica to serve the city of Florence,
- D. whereas the airport at Pisa S. Giusto, the only international airport for the whole of Tuscany, is a purely military one that forms an integral part of the Italian and NATO defence zone and that would therefore be difficult to develop in such a way as to satisfy the needs of a city such as Florence,
- E. whereas the construction of a direct rail link between Florence and Pisa S. Giusto would cost far more than the construction of an airport for Florence,
- F. whereas Florence is the seat of the European University Institute and the symbol of humanist and renaissance culture throughout Europe and the world,
- G. whereas Florence, one of the main tourist centres of Italy, is going through a period of crisis as evidenced by the closure of some hotels although, paradoxically, tourism is on the increase,
- H. whereas Florence will not benefit from this increase in the number of tourists since the latter come only for the day, this being largely due to the lack of

an easy and definite point of arrival and departure in the Tuscan capital,

- I. whereas Florence is the second province of Italy in terms of the volume of goods exported by air,
 - L. whereas Florence boasts a Conference Centre and a Business Centre suitable for international congresses and conferences whose use is seriously limited because of the difficulties of access to the city,
 - M. whereas Florence is the centre for various national and international events such as :
 - the Crafts Exhibition
 - The Pitti Palace Antique Fair
 - the Biennial Antique Fair
 - dozens of cultural exhibitions
 - Florence's May Music Festival,
1. Calls for Florence to be provided with an airport that can cope with the ever-increasing demands of the city's cultural, trade and economic life;
 2. Calls on the Commission to exert pressure on the Italian Government so that a final decision is taken on the subject;
 3. Requests that the responsible Community authorities be assigned the task of drawing up a plan for an airport;
 4. Requests that the possibility be examined of providing financial aid for the airport from a Community fund;
 5. Instructs its President to forward this motion for a resolution to the Council and the Commission.

MOTION FOR A RESOLUTION

DOCUMENT 1-1080/82

tabled by Mr MOORHOUSE, Mr TYRRELL, Mrs ROBERTS and Mr HORD

pursuant to Rule 47 of the Rules of Procedure
on satellite airports

The European Parliament,

- A. concerned at the decline in economic activity in many of our major cities,
- B. drawing attention to the importance of developing the docklands area of London,
- C. noting the developments which have taken place in the design and construction of short take-off and landing aircraft (STOL),
- D. stressing that STOL airports have none of the environmental problems associated with a conventional airport,
 - 1. Welcomes the proposal to build a satellite airport at the Royal Docks in the heart of London's dockland;
 - 2. Believes that this scheme will attract commerce and industry to the area and provide much-needed employment;
 - 3. Calls on the appropriate authorities in the Community to facilitate the implementation of this imaginative project;
 - 4. Instructs its President to forward this resolution to the Council and the Commission.

MOTION FOR A RESOLUTION

DOCUMENT 1-1275/83

tabled by Mr FLANAGAN, Mr LALOR, Mr CRONIN and Mr DAVERN

pursuant to Rule 47 of the Rules of Procedure

on the need to aid the development of Galway airport in Ireland

THE EUROPEAN PARLIAMENT,

- A. Whereas the lack of suitable airport and flight facilities at Galway is seriously hampering the present and potential industrial development of the area,
- B. Whereas the development of Galway airport will greatly assist the creation of new jobs and the protection of existing jobs,
- C. Whereas air communications with mainland Europe from the Galway area are totally inadequate and endanger the success of existing industries,
- D. Whereas the proposed development would help to secure the lifeline for the inhabitants of the Aran Islands,
- E. Whereas a special marketing survey shows that adequate demand exists for a regular service to Dublin and onwards,
- F. Whereas the runway at the existing airstrip at Carnmore should be extended and adequate facilities for all weather flying and night-time operations provided,
- G. Whereas such a development would be of considerable public benefit,
- H. Whereas the development of such an infrastructure in the Galway area would help to promote closer relations between the Member States of the Community as advocated in Article 2 of the Treaty of Rome,

- I. Whereas the expansion of Galway airport would conform with the objectives set out in the Commission's Communication entitled 'Initial Guidelines for a Community Policy on Tourism' (COM(82) 385 final),
- J. Whereas the successful development of Galway's International Services Business Park will largely depend on the efficiency of travel and communications between Galway and other parts of the world,
- K. Whereas the capability of Galway to service adequately Fishery Protection and Marine Rescue services will be considerably enhanced by such development,
 - 1. Urges the Commission to examine the case for the proposed development of the Carnmore Airstrip at Galway with a view to the provision of financial aid for this vital infrastructural project;
 - 2. Instructs its President to forward this Resolution to the Commission and the Council of Ministers.