

Airport capacity, efficiency and safety in Europe

Position Paper – November 2005

**Submission to the consultation of the European Commission on
Airport capacity, efficiency and safety in Europe**

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Introduction

Airport capacity is considered to be a bottleneck in the growing aviation industry. About 70% of the 50 largest European airports have already or almost reached capacity constraints forecast for the year 2025. The European Commission therefore encouraged all actors in the aviation sector to rethink airport capacity and its use.

Capacity constraints are considered to be counterproductive to overall economic competitiveness. In North America and Asia, airport expansions and greenfield developments seem to face less political and legal constraints, which can be considered as an obstacle to economic growth in the EU.

With the current consultation paper the Commission will focus on three topics:

- airports' relationship with other modes of transport
- the individual airport
- the relationship between airports

It is unfortunate that the European Commission has approached the issue of airport capacity in this way without considering first the causes of the current capacity problems – namely subsidies and unfair tax advantages for air travel and air freight.

No other transport mode receives the level of state-aid and tax exemptions that are currently granted to the air transport sector. Taxing aviation fuel and airline tickets at the same level as land-based transport and internalising the costs of the impacts of aviation on public health, air pollution and climate change into prices would help to correct the extraordinary growth we are now seeing in air passenger numbers.

Responses to specific questions asked in the consultation

Promoting combined air/rail transport

1. *Given the recommendations in the Rail Air Intermodality Facilitation Forum (RAIFF) report, in which areas and in which order of priority should the Commission focus its actions to improve operational integration between the two modes?*

By far the biggest priority is fiscal harmonisation. The RAIFF recommendation is “*to take an initiative aimed at harmonising the VAT rates for intermodal transport services at a zero rate. The sixth VAT directive should be amended to serve all operators providing integrated transport services in the internal market*”.

T&E does not agree with this recommendation. T&E feels that all transport services, regardless of whether they are domestic, international, intermodal or not, should pay VAT so that there is a level playing field in the entire transport market. In addition,

aviation and rail transport should pay the same taxes on the mineral oil products as road transport does.

T&E doubts whether the other recommendations really require regulatory action at EU level. We fail to see a market imperfection serious enough for regulators to step in.

2. *What is the level of interest of airlines, airports and railway companies to tackle the operational integration of the modes? What is the market potential for intermodal services?*

Airlines and railway companies already cooperate in some countries, for instance in Germany. EU funds should not be used to finance such initiatives – it should be left to the market.

Encouraging the shift towards rail alternatives

3. *Do stakeholders believe that, where High Speed Trains (HST) are alternatives to short-haul air-services or some such services (e.g. feeder services), their use should be promoted by Community legislative means?*

T&E does not agree with the idea of promoting high speed rail traffic for the sake of promoting high speed rail traffic.

T&E believes that the best way to promote sensible use of high speed rail is a full internalisation of external costs of air transport by, for example, including fuel taxation and VAT.

Investments into HST stations at airports increase the attractiveness of air travel (in terms of improving journey times to the airport and increasing an airport's catchment area), but not of train travel.

Money should be spent to enable fast and comfortable door-to-door railway services. Crucial is the average speed of a journey, not a speed record on a short stretch of the journey. Support of this kind of train service would be more effective in replacing the demand for short-haul air-services.

4. *Would stakeholders welcome it if Art. 4 on the Public Service Obligations (PSOs) were made more explicit to state that PSOs would not be granted in the presence of a rail connection, which is adequate in terms of price, speed and comfort.*

T&E would welcome such a move although our principal belief is that modes should be able to compete freely once external costs have been fully internalised. An attractive train service which is taxed/subsidised in the same way as a flight service will be competitive.

5. *Would stakeholders encourage the Commission to identify further policies to shift traffic from air to rail, particularly HST?*

It depends on the policies. The objective should be to create a level playing field to allow free competition between the transport modes. Therefore it is necessary to reduce the subsidies for air travel rather than to start a race for more public funds. T&E encourage any policies that contribute to making aviation pay its true costs.

We do not advocate the building of high speed rail links with public money so as to compete with a subsidised aviation sector.

Improving ground access to airports and passenger intermodality

6. *Which are, in the view of the **industry**, the main obstacles to obtaining a better modal split in airport access: financial, regulatory, political, travellers' habits and inertia?*

It is not clear whether other stakeholders in addition to 'industry' are invited to answer this question.

Access to motorways, railways or urban light-rail systems are often hidden subsidies for airports and for the "frequent flyer" section of the society. The current modal split and the growing attractiveness is a result of this uneven competition: Fair prices for all transport modes would reduce the demand for airport access. Remaining obstacles are a mixture of financial, regulatory, political, travellers' habits and inertia. Higher parking prices at airports and an airport surcharge for light-rails, busses and taxis would help to influence travellers motivation.

Increasing consistency between ATFM and airport slots

7. *What potential does the reduction of inconsistencies bear in terms of capacity in relation to the efforts required to improve real-time data exchange between the actors?*

N.A.

Airport capacity assessment and planning

8. *Should a common methodology for the assessment of the capacity of an airport be developed and a capacity assessment programme be devised? If yes, for which time period should the capacity be estimated (e. g. a rolling 5 year period)?*

No. More information should be given on the purpose and scope of such a methodology and the proposed outcomes.

9. *Should information on existing and future projected airport capacity be collected on a mandatory basis at the EU level in order to better plan the network capacity? If yes, who should be in charge of this process and who should be the repository of this information? What minimum size of airport should be included in this exercise in terms of passengers, movements and cargo?*

YES – Consistent information about available and projected capacity is necessary to avoid investments in unviable transport infrastructure. The overview would help to assess the perspectives of an airport, independently from expensive tailor-made statistics, produced on behalf of the airport authority to justify a project. The information should be integrated in a strategic environmental assessment and a socio-economic cost benefit analysis.

All airports offering scheduled and other commercial connections should be included.

10. *Should the Commission propose Community legislation for the use of sensitive airport operation data? How can data protection be assured?*

N.A.

Environment and land-use management

11. *Do stakeholders believe that the Community has a role to play in land-use management around Community airports? If so, how do they envisage that role; where would it begin and end?*

The Commission should ensure that land-use management is not used as an “unfair” competitive advantage by some Community airports. The protection of citizens from noise and air pollution should have priority. The Commission should play a role to ensure that the Air Quality and Environmental Noise Directives will be implemented evenly throughout the EU.

12. *What are the experiences of airports and authorities in the application of the “balanced approach” set out in Directive 2002/30? What are the environmental noise control measures planned or under preparation by airports and authorities in compliance with the environmental noise Directive 2002/49/EC?*

It is too early to assess the effectiveness, or otherwise, of Directive 2002/30. In some cases, this was only recently transposed into member state legislation, and few if any airports (or other competent authorities) have yet to undertake a formal assessment of the relative costs and opportunities of implementing the four strands of the balanced approach. We remain of the view that the potential for reducing noise at source and land-use planning (which is largely out of the control of airport authorities) will have limited impact in reducing noise at European airports in the short to medium term. Similarly, operational procedures, while welcome, are limited in delivering the scale of reductions required to offset the growth in traffic, increasing the pressure for operational

restrictions. We believe that member states or airports will be reluctant to respond to this challenge effectively, as the introduction of operational restrictions on an “airport-by-airport” basis has the potential to create competitive disadvantages. At best, the impact of Directive 2002/30 is untested, while, at its worst, it will fail to deliver an effective framework for noise control at European airports. It is essential that any increase in regional capacity is dependent on airports having a robust strategy in place to limit aircraft noise and environmental issues generally.

Although we understand that some airports/authorities are making preparations for the mapping of noise by 2007 under the requirements of Directive 2002/49, we are not aware of the development of any action plans to date. This strengthens our argument that any capacity increases must be accompanied by effective environmental protection measures.

13. *Which role can airlines play in easing the environmental effects around airports beyond improving their fleets’ noise and exhaust emissions? What concrete responsibilities are airlines willing to assume?*

Investigation into operational measures. The continuous descent approach (CDA) is a tried and tested way to improve operations. To refrain from the use of night flights would help a lot to diminish health effects and annoyance around airports. Improve communication with local communities to better understand the nature of their complaints and to examine ways to mitigate where possible. Help to facilitate and offer through ticketing arrangements to a passengers final destination, and information about cost and availability of public transport, as a further incentive to promote public transport use. Assessment of emissions from ground fleet operations to support aircraft activity and identification of appropriate mitigation measures.

Sources of funding of airport infrastructure

14. *Do airport operators believe that the revenues from charges enable them to finance their future capacity projects sufficiently? Is there a lack of funding for the sector or in specific countries? Is there a need to rely more extensively on pre-funding, perhaps under conditions to be set out in an EU directive on airport charges?*

There is ABSOLUTELY NO NEED to increase the direct and indirect subsidies to the sector even further. The list is well-known, eg: VAT and duty free shopping, enables airports to cross-subsidise their landing fees to attract the maximum number of flights. This single-till approach should be repaired as soon as possible. We would welcome an EU Directive that required a dual-till approach, and also required airports to levy charges to cover the total cost of aircraft activity, i.e. included emission and noise charges to meet, in full, the associated external costs. And the recent explicit permission the Commission granted to subsidise start-up airlines only adds to the list of subsidies.

15. *How can the funding problems of peripheral airports and the specific situation of national airport networks be addressed?*

Funding of airports in backward regions that cannot be reached in a sensible way by train or road has been taken care of in the latest EU regulation on state aid to the aviation sector. Other airports should certainly not receive extra subsidies. Cross subsidising by big airports to enable regional airports to stay in business is a way for airport companies to keep their profits out of the hands of the tax collector. T&E sees it as yet another kind of state subsidy for the aviation sector. We also oppose the idea that regional airports are a solution for mobility within the European Union.

Benchmarking and dissemination of best practices

16. *Do stakeholders support the adoption of common benchmarking techniques to better assess and address airport capacity problems?*

Common benchmarks would be useful to compare airport management. It should include land-use planning and environmental management.

17. *What form could an institutionalised information exchange forum take? What are the concerns regarding data protection? Are airports willing to bear the cost of the activities?*

N.A.

Turning research results into practice

18. *The success of the research activities into Advanced Surface Movement Guidance and Control Systems (A-SMGCS) led to the point that most of large and medium size European airports have been installing systems to support the concept. Is it time to have a common understanding of the rules, the operations and the responsibilities that govern ground movements?*

N.A.

19. *Should common operational specifications, operating standards for tested, new tools be established on a pan-European basis? If established, should these form the basis of rule making? Could this be a task for the European Aviation Security Agency (EASA), provided that its remit gets extended?*

N.A.

How could the implementation of research results be accelerated?

N.A.

ATM safety at airports

20. *Should the EU move towards safety certification of airports? Could EASA be given a role in this certification process and the collection of data on ground movement surveillance?*

N.A.

21. *Arrival and departure coordination tools are implemented at many European airports: should the Commission support the harmonisation of procedures through a binding regulation on surveillance and control systems implementation?*

N.A.

Rules on traffic distribution for capacity management within airport systems

22. *Is it necessary to continue to allow the creation of airport systems and the application of traffic distribution rules? If so, what criteria for granting airport system status should be applied? Do stakeholders believe that guidance or rules aiming at facilitating traffic distribution on the basis of non-discriminatory criteria are called for?*

N.A.

The role of secondary airports

23. *What further regulatory or non-regulatory means can be defined to reap the potential of secondary airports in particular in relation to point-to-point traffic and the use of spare capacity at non-hub airports?*

The question implies that the "potential of secondary airports" should be reaped. We do not agree with this notion, as sprawl of aviation will lead to noise problems for many more persons. There is no reason to use more airports, as the economy in general will hardly profit from the growth of secondary airports. Furthermore, many of the environmental frameworks for aviation only apply to airports with more than 50,000 commercial movements per annum. Many secondary airports are below this threshold. We cannot support any promotion or growth of airports without environmental objectives and measures to control and reduce the associated impact.

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