# Opinion of the Committee of the Regions on the 'Proposal for a Council Directive on airport charges'

(98/C 64/08)

THE COMMITTEE OF THE REGIONS,

having regard to the Commission proposal for a Council Directive on airport charges (COM(97) 154 final) (1);

having regard to the decision by the Council on 11 July 1997 to consult the Committee under the first paragraph of Article 198c of the Treaty establishing the European Community;

having regard to its decision of 11 June 1997, in anticipation of this referral, to direct Commission 3 — Transport and Communications Networks — to draw up the relevant opinion;

having regard to the Committee of the Regions draft opinion adopted by Commission 3 on 25 September 1997 (CdR 265/97 rev.) (rapporteur: Mr Wiesheu),

adopted the following opinion at its 20th plenary session on 19 and 20 November 1997 (meeting of 20 November).

### 1. Preamble

- 1.1. The Community has progressively introduced a common air transport policy for the purpose of completing the single market, under Article 7a of the Treaty establishing the European Community.
- 1.2. The adoption of Council Regulations (EEC) Nos 2407/92, 2408/92, 2409/92, 2410/92 and 2411/92 on 23 July 1992 (2) represents the final stage in the liberalization of the aviation sector within the framework of the completion of the single market.
- 1.3. In the course of liberalizing the sector it became clear that ancillary aspects of air transport have to meet the requirements of the single market. The Commission Communication of 1 June 1994 on the way forward for civil aviation in Europe (³) pointed to the need to back up the liberalization of the common air transport market with rules on the use of airport facilities and services, thereby creating a framework which would allow non-discriminatory, transparent and reasonably priced provision of airport services and facilities for all users, as well as guaranteeing participation in the decision-making processes.
- 1.4. In its Resolution of 24 October 1994 on the situation in European civil aviation, the Council confirmed that optimal management of airport infrastructure would help make European aviation more competitive (4).

- 1.5. The Commission Communication of 22 October 1996 to the Council and the European Parliament on the impact of the third package of air transport liberalization measures (5) reiterates the need for regulations on airport charges with a view to optimizing the common market in air transport.
- 1.6. The Community framework must also take account of the approach outlined in the Commission White Paper on the future development of the Common Transport Policy a global approach to the construction of a Community framework for sustainable mobility (6), making a contribution to the efficiency of the transport system and to limiting of the external effects of transport, as well as to economic and social cohesion.
- 1.7. On 23 April 1997 the Commission submitted to the Council a proposal for a directive on airport charges, which is intended to create a legal framework for a Community system of airport charges.

#### 2. The Commission proposal

2.1. The Commission proposal aims to ensure that fair and equitable market conditions exist both for owners and operators of airports and for airlines. This is to be achieved by adhering to the principles of non-discrimination, cost-relatedness and transparency.

<sup>(1)</sup> OJ C 257, 22.8.1997, p. 2.

<sup>(2)</sup> OJ L 240, 24.8.1992.

<sup>(3)</sup> COM(94) 218 final.

<sup>(4)</sup> OJ C 309, 5.11.1994, p. 2.

<sup>(5)</sup> COM(96) 514 final.

<sup>(6)</sup> COM(92) 494 final.

- 2.2. According to the proposed directive, airports must apply the same charges for intra-Community flights which are equivalent in terms of the aircraft type and/or characteristics, the distance flown and/or the administrative and customs formalities (principle of non-discrimination).
- 2.3. Airport charges are used to cover the cost of the facilities and services provided by the airport company which, by their nature, can only be provided by the airport. In view of this monopoly, the level of charges must be in a reasonable relation to the overall cost incurred in the provision of these facilities and services (principle of cost-relatedness). There are to be special regulations for regional airports which allow for the objective of economic and social cohesion.
- 2.4. Airport companies are to be allowed to modulate the charges to reflect requirements in terms of management of airport facilities or any changes in demand and use of the airport, as well as for environmental reasons. Charges relating to noise and other types of pollution are to be permitted.
- 2.5. To make it possible for the principles of nondiscrimination and cost-relatedness to be upheld, there must be transparency with regard to costs and how the level of airport charges is determined (principle of transparency). This presupposes a regular exchange of precise and transparent information between airports and users.
- 2.6. With due regard to the principles of nondiscrimination and cost-relatedness, airport companies are to be required, in consultations with airlines, to give information on how charges are calculated as well as on the charges collected or anticipated. These consultations must take place at least once a year and are obligatory before any modification of the system of charges.
- 2.7. The directive is to apply to all Community airports open to commercial air traffic handling at least 250 000 passenger movements or 25 000 tonnes of freight each year.

## 3. Evaluation of the proposed directive

3.1. Improved functioning of the internal market is one of the priority objectives laid down in the Commission's Common Transport Policy Action Programme 1995-2000 (1). With ever closer economic ties, efficient air links for both passengers and freight are a major requirement if the internal market is to function

smoothly and the competitiveness of the European economy at global level is to be assured. The COR feels that the proposed directive is appropriate in terms of helping to reinforce the internal market.

3.2. Competitive and attractive air links make an important contribution to economic and social cohesion in the Community. They are essential for the integration and economic growth of developing or remote regions for which air transport often provides the only rapid link with the rest of the Community.

The COR acknowledges that the proposed directive allows for retention under certain circumstances of the management systems encompassing networks or groups of airports which exist in individual Member States, provided these conform to Community competition law. This will make it possible in future, too, to promote regional airports under these systems in the Member States through payments from larger airports, thus ensuring comparable infrastructure provision in peripheral regions.

3.3. The COR considers the scope of the proposed directive as defined by the Commission to be reasonable. For practical reasons, however, the threshold values should be raised to bring them into line with Council Directive 96/67/EC of 15 October 1996. Airports with a lower number of passenger movements or freight tonnage than defined in the directive are often operated for reasons of regional policy and cannot necessarily be put on a par with airports of supraregional importance which, in most cases, are competing at a European level.

The COR feels that excluding this category of small airports constitutes a logical application of the subsidiarity principle.

- 3.4. To achieve a uniform and competitive air transport market in the Community, the conditions must be created whereby competition can be introduced and extended in all areas. Airports and the associated infrastructure are an integral part of the air transport market. The COR sees the creation of a Community framework for airport charges envisaged by this directive as an important step on the road towards the liberalization of air transport.
- 3.5. The high standard of service and infrastructure provision at airports already achieved in many Member States and regions was only made possible by allowing airport operators to plan and act independently in an entrepreneurial manner. The COR feels that, in the interests of an efficient European air transport sector, it is essential that the status of airports as independent, competing enterprises remain unchanged.

- 3.6. Airports are a major economic factor in the development of whole regions. In labour market terms, airports play a vital role in providing jobs in the region. One job at an airport often creates or safeguards as many as two jobs in the surrounding area. In the COR's view, this role, which is of great importance to regional development, must not be jeopardized by introducing regulations which compromise the economic independence and competitiveness of airport companies.
- 3.7. The COR feels that the non-discrimination, cost-relatedness and transparency criteria are appropriate principles on which to base a Community framework of airport charges. The equal treatment of domestic and intra-Community flights serves to implement a fundamental element of Community law in this sector. The principle of cost-relatedness with regard to systems of charges can be considered appropriate given the partial monopoly which airports enjoy in the provision of facilities and services. The improved coordination between airport operators and users to be achieved by means of the transparency principle will tend to promote market-driven service provision and systems of charges.
- 3.8. The COR acknowledges that the proposed directive attaches appropriate importance to environmental compatibility. The option to adjust charges according to the environmental impact will make it possible to allow for external costs in airport charges and to create an incentive to use aircraft causing minimum noise and air pollution.
- 3.9. The COR feels that, as a general rule, the efficiency of the air transport market requires a state administration which limits itself to safeguarding core functions in the public interest. New bureaucratic procedures to set up and monitor a new market regime should be avoided. Decisions should only be taken by public authorities when this is required for compelling

constitutional reasons with reference to established regulations in the Member States and regions. Priority should always be given to an agreement between the parties involved.

#### 4. Conclusions

The following concrete proposals for amendments to the Commission proposal emerge from the above:

- 4.1. Smaller airports are unable to meet the requirements proposed in the directive. The directive should apply only to airports handling at least one million passenger movements or 25 000 tonnes of freight each year.
- 4.2. In addition to the costs described in Article 4, external costs of air transport deriving from environmental protection may be incorporated in the calculation of airport charges.
- 4.3. Tour operators plan their operations well in advance and, in view of this, the minimum notice period for any change in the system or level of airport charges laid down in Article 7(2) of the proposed directive should be extended to at least four months.
- 4.4. The directive should not make the charges to be collected by airport companies subject to approval. To avoid any aggravation, the third sentence of Article 7(1) should make it clear that the approval of airport users is not obligatory.
- 4.5. There should be no second round of consultation once a decision has been taken to change the system or level of charges. Article 7(3) should therefore be deleted so as to avoid time-consuming or cumbersome procedures.

Brussels, 20 November 1997.

The Chairman
of the Committee of the Regions
Pasqual MARAGALL i MIRA