

Public consultation on a possible revision of Council Directive 96/67/EC

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| I. RESPONDENT INFORMATION | |
| 1. I speak on behalf of | An organisation |
| <p>As part of the European Transparency Initiative, organisations are invited to use the Register of interest representatives to provide the European Commission and the public at large with information about their objectives, funding and structures. If you are not registered yet in this register, please visit: https://webgate.ec.europa.eu/transparency/regrin/welcome.do?locale=en</p> | |
| 1a. Organisation name | European Express Association (EEA) - Identification number in the register of interested representatives: 1894704851-83 |
| 1b. Organisation email address | info@euroexpress.org |
| 1c. Organisation type | Association/non-governmental organisation |
| 2. Can you confirm your agreement to having your views made public and/or attributed to your organisation when we summarise the results of the consultation | Yes |
| 3. Can you identify your role and interest in the potential revision of the Groundhandling Directive? | <p>The European Express Association (EEA) represents express delivery companies and associations, both large and small, in Europe. In the EU-27 alone, the express industry currently employs 250,000 people and delivers more than 450 million packages each year, constituting almost half of the intra-European air cargo market. It has been forecast that, by 2013, the express industry will employ 550,000 people in the EU-27. The EEA provides the express industry with a voice at both European and national levels to promote and protect the industry's interests and objectives in line with the needs of their customers. The EEA consists of four committees, which cover: Competition & Market Reform, Customs, Transport & Environment and Security. The EEA represents interest related to activities such as: logistics, cargo and freight. European policy areas of concern to the organisation include: trade negotiations, postal reform, environmental policy, transport policy (covering all modes: rail, road, rail, aviation and sea), customs and security related topics. Express companies operate a door-to-door integrated and inter-modal network. They use a mix of commercial airlines capacity, wet-leased, or chartered aircraft, as well as their own fleet. Airport ground handling is a crucial element in this network.</p> |
| II. ADDITIONS TO THE DIRECTIVE | |
| Subcontracting governing rules: | |
| No framework or regulation for subcontracting is provided in the Directive and stakeholders reported that it is unclear in which circumstances it is allowed. | |
| <p>The need for keeping clear responsibilities is a key issue, as pointed out by all stakeholders. In that perspective, some stakeholders have suggested a limitation to one level of subcontracting. Other proposals include imposing full liability to the contractor or prohibiting subcontracting for sensitive or central groundhandling tasks. It was also raised that subcontracting would need to be transparent, notably to allow appropriate reservation of space and to ensure that the subcontractor is duly authorised to operate at the airport (i.e., where appropriate, approved and/or selected through tender).</p> | |
| 4. Do you think specific rules regarding subcontracting would need to be introduced, for part or all groundhandling activities? If so, what should these rules contain? Please specify the advantages and disadvantages of your suggestions, as well as their economic, social and environmental impacts. | |
| <p>The Directive should allow both self- and third-party handlers the freedom of subcontracting ground handling activities, without any specific rules on the subcontracted services to be provided. Specific rules and the scope of responsibilities to be provided in respect of the subcontracted services should be a matter of negotiation between the airport user and ground handler. National regulators, should be</p> | |

informed of any subcontracted service by third-party handlers along with the identity of the subcontractor but should not be allowed to withhold or deny the use of a subcontractor or the subcontracting services. In any event, the airport would need to be informed about the identity of the subcontractor and subcontracting services to be provided if access to security sensitive areas (e.g. airside or transit area) is required. The EEA supports the principle of self-handlers and third-party handlers retaining primary and full liability for the performance of their subcontractors. Additionally, the subcontractor must demonstrate the required expertise and trained staff to perform all required subcontracting activities in line with quality, safety and security standards set by the contracting parties as well as safety and security requirements set by regulators. However, the EEA is of the view that these matters are currently sufficiently and effectively covered under the IATA ISAGO program (as discussed further below), and do not require specific rules under a new Directive.

Quality measures:

There are currently no minimum requirements in the Directive in terms of quality of services (in terms of training of staff, quality controls, environment protection, respect of safety and security rules, etc.). If quality measures were to be introduced, possible solutions would include:

- minimum training requirements,
- quality standards in the selection process,
- key performance indicators to be defined locally (by the airport or an independent authority),
- individual staff qualification (licensing),
- company licensing.

5. What would be the advantages and disadvantages of these solutions (or a combination of these) or any other tools that you might propose?

Please specify the economic, environmental and social impacts of your suggestions.

Quality requirements should not be defined at EU level in the Directive but by airport users as agreed in the contract between airlines and their ground handlers. In this respect, it is important to point out that competition is the best way to ensure the appropriate level of quality. Moreover, EEA is satisfied that quality measures (e.g. training, environmental protection, safety etc) are currently effectively dealt with generally by the IATA Safety Audit for Ground Operations (ISAGO) program and specifically by an SLA attached to an IATA Standard Ground Handling Agreement (SGHA). IATA and the ground handling industry have agreed, through the development of the audit standards for the IATA Safety Audit for Ground Operations (ISAGO) program, that proper qualification and training in all relevant areas for ground handling staff is essential and should be based on common and agreed protocols. All major ground handling companies (as well as many smaller players) are progressively submitting their numerous stations for the ISAGO audit. The EEA is satisfied that the ISAGO audit process is effective and provides a consistent standard that is acceptable throughout the world. Satisfying the requirements of the ISAGO Head Office Audit is an indication of a responsible company. This is another element that shows that regulatory intervention on quality is not required. The EEA does not feel that European-specific requirements would raise the quality standards, contribute to efficiencies or increase competition in the region. In addition, the Airport Authority / National regulator, in close collaboration with the users, should set the environmental requirements which would provide for standardisation and quality improvements.

Working conditions and staff transfer:

The Directive allows Member States to take measures to ensure the protection of the rights of workers.

The measures for the protection of workers may therefore be different from one Member State to another, depending on the national systems in place regarding protection of workers. The issue of transfer of staff is a particular issue in this context. Directive 2001/23/EC safeguarding the rights of employees in the event of transfers of undertakings is applicable (notably) to the groundhandling sector. However, there have been cases where "transfers" in the groundhandling sectors were considered as being beyond the scope of protection already safeguarded by this Directive.

6. What would be the advantages and disadvantages of introducing specific measures regarding transfer of staff in the groundhandling Directive for the cases which could fall beyond Directive 2001/23?

Please specify economic, social and environmental impacts.

As indicated in the questionnaire, Directive 2001/23/EC regarding the safeguarding of rights of employees in the event of transfers of undertakings also applies to the ground handling sector. The EEA sees no need for the introduction of sector specific rules for the ground handling sector.

7. What other measures would you suggest to improve working conditions in the groundhandling sector?

Please specify the advantages and disadvantages of your suggestions, as well as their economic, social and environmental impacts.

Obviously, most employee representatives will argue that working conditions always require improvement, but the EEA is not aware of any suggestion or evidence that the working conditions in the ground handling sector need specific attention or that a new Directive is the appropriate method to address an improvement in working conditions.

Representation of airlines:

Under the current directive, airport users have no obligation to be represented physically at European airports they serve. Most of the time, an airline, if it is not present at the airport, contracts with a groundhandling agent (presumably groundhandlers in charge of ground administration and supervision - groundhandling category 1) in order for this groundhandler to coordinate between the various groundhandling activities, and to represent the airline at the airport. However, such representative, when it exists, is often not known by the passengers, which results in passengers having sometimes difficulties to find the relevant interlocutor (for instance in case of mishandled baggage or any other setback at an airport involving an airline or its groundhandling agents). The same kind of issue is apparently encountered by some Member States which reported that they could not always find a representative of the airline legally accountable for the airline (in particular for financial commitments, slots...) or legally accountable in front of the Courts and the airport authority.

8. What would be the advantages and disadvantages of obliging airport users to be present or to be legally represented by a groundhandler?

Please specify the economic, social and environmental impacts.

There should be no obligation for airlines to be legally represented by a ground handler. If airlines wish to do so, they can already choose to be represented by a ground handler or other representative. In any case, many of the examples given (slots or financial commitments) are outside the scope of activity of a ground handler. The airline should continue to remain the main point of contact for customers / Member States. EEA submits that any Directive which suggests legal representation by a ground handler would, in fact, cause greater confusion and delays for the customer / Member State.

Safety/security:

On several occasions since the entry into force of the Directive and in particular in a recent study (available at http://ec.europa.eu/transport/air/studies/doc/airports/2009_02_ground_handling.pdf), the Commission investigated the safety and security implications of the Directive 96/67. However, even in this last study which included meetings with all stakeholders, no firm conclusions could be drawn on safety and security issues, in particular for security where no data was provided. The Commission would therefore be interested in having a factual description of situations/case studies where the implementation of the Directive could have led to safety/security problems.

9. Have you encountered safety/security problems which could be linked to the implementation of the Directive?
If yes, could you precisely describe such problems and their link to the Directive?

No. The EEA would like to point out that the various reports prepared for the Commission found no link between safety/security concerns and market liberalization.

III. CLARIFICATIONS TO THE DIRECTIVE

Tender process:

In the case where the number of groundhandling providers is limited, the selection of suppliers shall take place according to a tender procedure. The main issues which were identified by stakeholders as requiring clarification include: **the length of period for a contract when tendered and the evaluation of tenders**, in particular regarding the role of the Airport User Committee (AUC).

Length of period of a contract when tendered

The directive currently sets to maximum 7 years the length of period of a contract when tendered. This period is considered by some stakeholders as too short for big investments in personnel and equipment. However, there is a trend in the industry to rely more and more on rents for expensive equipments.

10. What would be for you the advantages and disadvantages of extending tender contracts to a different period of time such as 10 years?

Please specify the economic, social and environmental impacts.

This question is only relevant for a restricted market as the market would decide in case of full liberalization. As outlined in the answer to question (20), the EEA argues for a complete liberalization of the ground handling market at all airports. However, in cases of a restricted market, the EEA does not oppose the extension of the contract period (such as the suggested 10 years), however it would prefer licenses not being time constrained. The extension of the contract period would be welcome in particularly when the service provider is required to invest in expensive equipment, provided proper exit or termination clauses are in place to react to poor quality of service and/or excessive prices. A longer contract period in such cases will allow the service provider better planning and the opportunity for lower unit costs. Lower unit costs will, in turn, help eliminate at least one entry barrier.

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Evaluation of tender and Airport User Committee (AUC)

The Airport User Committee (AUC) has a consultative role with respect to the tender process in the current Directive. It shall be consulted for technical specifications and standards in the tender, and for the selection of suppliers. However, at present, there is no obligation to justify why the Committee's recommendation is not followed, even in those cases where this recommendation is unanimous.

At the same time, with the current composition of the AUC, some members may have a conflict of interests, as they can be at the same time groundhandling suppliers and airport users.

11. What would you suggest to ensure that airport users' preference is better taken into account in the selection process, which at the same time would not result in conflicts of interest?

Please specify the economic, social and environmental impacts.

The EEA supports the idea that the Airport User Committee should play a decisive role in the selection procedure of third-party handlers. This applies to both the definition of the selection criteria as well as the decision-making. The EEA also supports that justification is required if airports decide to deviate from the Airport User Committee (AUC) recommendations.

Selection of self-handling providers:

The number of self-handling providers for airside services can be limited pursuant to article 7 of the Directive. However, no mechanism is proposed in the Directive to select the self-handling providers authorised to carry-out self-handling, in contrast to third-party handling providers who have to be selected through tender. Such mechanism could rely on criteria to be defined.

12. In the cases where the number of self-handling groundhandlers is limited, what would be the advantages and disadvantages of introducing a mechanism to select self-handling providers, such as the definition of criteria?

Please specify the economic, social and environmental impacts.

In general, it should be for airlines themselves to determine the best and most efficient ground handlers and ground handling services they choose to accept. There should be no artificial limitation of self-handlers and an airport user should always have the alternative to self-

handle. This applies in particular to cargo and night express operations areas (see also answer to question (26)) where there are no demonstrated justifications for limiting the freedom to compete, in particular physical space constraints.

Charges to access/use airport installations:

The Directive does not rule out the possibility that access to airport installations may be subject to a fee. Case C363/01 clarified that the fee to access installations can be of an amount "which takes account of the interest [of the managing body of the installations] in making profit". However, there is no agreement on what can be charged including a reasonable "profit margin" and to what level.

13. What would be the advantages and disadvantages of defining more precisely elements to be taken into account for assessing a fee and its "reasonable profit margin" part for the access to airports installations?

The EEA submits that the criteria for assessing a fee for the use of airport installations should be based on the principles applied in the airport charges Directive 2009/12, i.e. transparency, cost-efficiency, cost-relatedness and consultation with airport users. The existing national regulator should monitor and approve installation fees as for airport charges, in line with the Directive.

14. What would be the advantages and disadvantages of an independent authority being in charge of monitoring airport installations' fees/charges (including for centralized infrastructures' fees and charges), similarly to what exists for airport charges in Directive 2009/12?

Please specify the economic, social and environmental impacts.

The EEA supports the introduction of such an independent authority similar to what exists for airport charges in Directive 2009/12.

Separation of accounts for undertakings in the groundhandling market:

The implementation of the separation of accounts obligation was raised by stakeholders as needing clarification. The methods to ensure the effective implementation of accounting separation are indeed not specified in the Directive. In the current Directive, separation of accounts between their groundhandling activity and their other activities is required of all groundhandling providers, whether they are airports, airport users or groundhandling suppliers.

The issue also exists of who is the "independent examiner" in charge of checking that this separation of account is effectively carried out for all groundhandling providers. This independent examiner shall also check that airports do not cross-subsidise between their activities as groundhandler and as managing body. The question arises as to what transparency requirements shall be expected regarding these verifications.

15. Should more precision on the separation of accounts be given?

If so, which stakeholders should be covered by this requirement, what should be the rules and which methods should be used to ensure effective implementation of the accounting separation requirement?

Please specify the economic, social and environmental impacts.

In cases of a restricted market, separation of accounts is absolutely necessary to ensure detailed transparency on the breakdown of charges. With a view to ensuring that the charges levied on an air carrier commensurate with the services provided, and that these services do not serve to finance other activities, the charges should be adopted and applied in full transparency. An external auditor should be used to verify compliance. However, one could argue that separation of accounts alone may not always be sufficient. In cases where the third-party handling market is restricted and, in particular, where an airport authority also provides ground handling services, a separate legal entity for such third-party handling services would be helpful. This separate legal entity should be subject to the same regulations as other entities performing third-party handling services at the same location to contribute to free and fair competition.

16. What would you suggest to introduce more precisions about the independent examiner's checks? Should there be a compulsory and regular publication of the effective auditing of the accounts? Should the independent examiner's reports (or part of them) be available publicly?

Please specify the economic, social and environmental impacts.

Yes. The EEA supports all measures that promote transparency and lead to cost efficiencies.

Airport groundhandlers and selection procedure:

Airports have the right with the Directive to provide groundhandling services without having to be selected through tender. This feature is also valid for the undertakings controlled by the airport (or controlling the airport) such as airport's subsidiaries, and a trend could be observed in the recent years for airports to set up subsidiaries specialized in groundhandling. Such subsidiaries can compete today on the groundhandling markets at several airports.

A number of stakeholders raised that this situation leads to competition distortion, as it gives a clear advantage to the "airport groundhandler" when compared to its competitors.

Airports on the other hand raised that the right for airports to keep a groundhandling activity can be motivated by public service interest reasons.

Apart from this debate, it could be questioned whether the current criterion of "control" by the airport (or control of the airport) is still relevant nowadays in view of the privatisation of airports. Airports could indeed today "control" (or could be "controlled" by) other groundhandling suppliers (such as major airlines at "hubs"); this could lead to situations where several suppliers are exempt from the selection procedure.

17. What would be for you the advantages and disadvantages of making it compulsory for airports and/or for the airports subsidiaries to pass a tender procedure?

Please specify economic, social and environmental impacts.

In line with the view that airports should have separate legal entities when they offer ground handling services, it is only natural that after so many years of application of the Directive, the bias in favor of handlers linked to the airport authority should disappear. There is absolutely no justification for favoring airports by allowing them to provide ground handling services without being subject to the same selection procedure as other service providers.

Space constraints and their impact on the constraint on competition:

Competition can be influenced depending on how the use of apron space for groundhandling activities is managed. There is also no framework to manage allocation of space when physically limited, in particular when the market is fully open.

Airports have indeed limited ground coverage so that even if the market is fully open, a time can come when a new groundhandler cannot be accommodated. Groundhandling operators need space for equipment storage and staff. Even where ground equipment is rented, it has to be present at the airport, and the level of equipment is determined by the level necessary to service the airport at peak periods. In addition, space allocated to a groundhandling company might be more or less advantageous when compared to the location of operations.

For airports with a limited number of operators, the number of authorised handlers can in theory be fixed at the "appropriate" number of handlers. However, even in the ideal case where the number of handlers perfectly fits the space allocated, the "value" of the premises allocated may differ from a handler to another.

For airports with no limitation in number (fully opened market for airside activities), the issue arises of what happens when the market is saturated and when they would be more groundhandling undertakings interested in operating at the airport than there would be premises readily available. Due to the limited space of airports, building new premises may indeed not be possible (or may only be possible on a long-term period when compared to the market timescale). Possible solutions proposed so far for this situation include:

- Auctioning of airport premises;
- "first arrived, first served" option (new entrants have to wait that a premise is made available);
- Definitions of minimum criteria which have to be met by a new entrant to obtain premises (expected market share, number of staff or equipment).

18. What should be the best way to manage space for groundhandling activities at airports and ensure fair competition?

The EEA is opposed to the auctioning of airport premises. If potential traffic development at the airport demands additional capacity, then the airport, with input from the airport users, should take action to provide additional capacity based on a solid business case. Airports must not be allowed to abuse their dominant, monopolistic position to set arbitrarily high land values and rentals for premises that are provided for aeronautical and related activities, including ground handling. Amsterdam Schiphol has partly solved the problem of ground equipment storage by providing minimum but sufficient ground service equipment and charging handlers a reasonable price per hour for its use. Airports should not be able to restrict handlers purely because ground service equipment storage space is restricted.

19. In the case of fully opened markets for airside activities, what would be the advantages and disadvantages of the solutions proposed (or any other solution you might propose)?

Please specify the economic, social and environmental impacts.

See (18) above.

IV. SIMPLIFICATION OF THE DIRECTIVE

Groundhandling market regulation:

With the Directive, access to groundhandling services was open to competition; such a liberalization was introduced at airports considered big enough to accommodate in a sustainable manner at least 2 competitors (i.e. airports over the threshold of 2 millions passengers or 50 000 tons of freight a year). However, in contrast to landside groundhandling services, the Directive left for airside groundhandling services the possibility (chosen by certain Member States) to limit the number of suppliers and self-handlers to a number to be defined by Member States (in the national measures of transpositions of the Directive) and/or by the airport or an independent authority. This possibility conducted to introduce compulsory tender procedure to ensure transparency and non-discrimination in the selection of the providers.

As a result, EU groundhandling market is today a mosaic of different national markets, with different numbers of minimum suppliers (some Member States limiting the number of airside providers to 2 for all airside categories while others chose 2, 3 or 4 depending on the categories, sometimes at the same airport), different conditions to access the market (free access/tender procedure or existence/absence of national approval procedure). Some stakeholders therefore raised the issue that the EU groundhandling market is complex and that disparities between national markets make it difficult for new comers to enter a new market. It could thus be questioned if, in the framework of a possible revision of the directive, simplification and enhanced harmonisation would not be desirable.

This leads to consider the issue of *what* would need to be harmonized in the EU groundhandling market.

In this context, a specific option of further harmonization of the groundhandling market could be to require complete opening of the market for all EU airports, removing the current possible limitations in the number of airside groundhandling providers. It would indeed ensure that, throughout Europe, groundhandlers can enter anytime the market of any airport (above a certain threshold).

20. What would be for you the advantages and disadvantages of harmonizing the European groundhandling market? Which specific aspects would you suggest to harmonize?

Please specify the advantages and disadvantages of your suggestions as well as their economic, social and environmental impacts.

In general, harmonization would reduce protectionism and aid simplification in the ground handling market. The ground handling market, like any commercial activity, should however be harmonized by making it completely liberalized. Studies and experience from other regions of the world show that competition brings quality, lower price and employment, without material detriment to safety or security. Should there be rare cases where it is not possible to achieve full freedom in the ground handling market, freedom should be treated as the rule and restriction as an exception. This means that the number of ground handlers should not be limited, but open everywhere

(except where there are objective and proven reasons to restrict the access to ground handling services such as congestion, security or safety reasons, however even in such instances, restrictions should be limited). In particular, EEA submits that there should be a full liberalization of the cargo area and/or the night operations where there are no demonstrated reasons for limiting the freedom to compete. Express companies operate a door-to-door integrated and inter-modal network. They use a mix of commercial airlines capacity, wet-leased, or chartered aircraft, as well as their own fleet. Express operators should, notwithstanding the level of liberalization, be free to handle, with no limitations, any aircraft carrying shipments under an express operator's airway bill, whatever the contractual relationship between the express company and the supplier of air services.

21. What would be for you the advantages and disadvantages of a full opening of the market (for airports above a given threshold)?

Please specify economic, social and environmental impacts.

See response at question (20) above. At the very minimum, there should be full liberalization of the cargo area and there should be no regulatory restrictions on integrators to handle aircraft carrying their shipments. If full liberalization of other services is not considered possible at this point in time, there should be a staggered approach to increase the minimum number of handlers at each airport, as well as a dilution of airport market power where the airport offers handling services.

Threshold level for application of the Directive:

Some stakeholders reported that annual fixed levels cause problems for airports oscillating around that threshold. To avoid that problem, a mechanism could be envisaged whereby the airport has to fall above the threshold for 3 consecutive years in order to be subject to the relevant provisions of the Directive.

In addition, in the case where the system of a minimum number of groundhandling providers for airside services would be kept, the question of introducing additional thresholds was raised. Indeed, even if the minimum number of groundhandling providers sustainable at an airport depends in fact on many factors (such as the type of traffic of the airport, the fact that the airport is a hub or not, etc.), the Directive makes it possible at the moment that, all else being equal, an airport with 3 millions passengers has to accommodate the same number of minimum providers as an airport with more than 50 millions passengers (Member States can indeed limit to 2 the number of suppliers for these airports). Some stakeholders therefore proposed, in order to avoid that the number of groundhandling providers could be underestimated at very big airports, to increase the number of minimum suppliers for these very big airports to at least 3 or 4, depending on the airport's size. This would be possible by introducing additional thresholds such as (threshold levels are only illustrative): minimum 3 groundhandling providers for each airside category at airports with a traffic over 30 millions passengers or 100 000 tons of freight; minimum 4 providers at airports with a traffic over 60 millions passengers or 250 000 tons of freight.

22. What would be for you the advantages and disadvantages of the proposed mechanism (or any other mechanism that you might propose) to avoid airports oscillating around the threshold?

Please specify the economic, social and environment impacts.

The EEA supports the application of the Directive to all airports irrespective of their traffic volume. However, if a threshold is to be applied then once an airport has reached that level of traffic and the requirements of the Directive are applicable to it, then such an airport should remain a regulated airport until such time as it could be reasonably and objectively determined that the fall in traffic is of a long-term nature and is not due to a short-term crisis (as witnessed during the current economic downturn). For this purpose, and to provide assurances to current and potential ground handling service providers and airlines, the EEA recommends that a 3 year observation period be stipulated to determine objectively the nature of the fall in traffic. Similarly, the EEA does not object to airports not being considered as reaching a threshold when traffic increase is due to a one off event such as a major sporting or cultural event.

23. What would be the advantages and disadvantages of introducing additional thresholds for the minimum number of groundhandlers for very big airports? What threshold(s) would you suggest?

Please specify economic, social and environment impacts.

See EEA's response to questions (20) and (21) above. For very big airports, the regulatory limitation of the ground handling market as allowed for by Directive 96/67/EC can not be justified.

Member State approval procedure:

Approvals (article 14 of the Directive) are not compulsory but have been widely introduced by Member States. However they differ across Member States (some deliver approvals per category of ground handling activity, others per airports of operations etc.).

A refinement of the criteria to obtain an approval could be introduced to limit the divergence of what is required to perform a groundhandling activity. But the criteria could also be changed, and additional criteria, not mentioned in the current directive, introduced. They could include for instance training provisions or quality measures.

24. What would be the advantages and disadvantages to refine the conditions to obtain an approval?

Please specify economic, social and environment impacts.

The EEA does not support regulation setting standards for quality and training. Quality measures should be defined in Service Level Agreements (SLAs) between airlines and their service providers and not by regulation. Moreover, for self-handlers this would be impracticable and irrelevant as it is up to airline itself to determine its own quality requirements (subject always to aviation rules and regulations). In addition, IATA's ISAGO program, which requires ground handlers to demonstrate conformity with 300+ standards, promotes safety, efficiency, training and personnel management practices, and environmental compliance, is already being widely used throughout the world. Moreover, in cases where ISAGO would not be operational, quality, safety and security management systems can be implemented via other certification programs such as ISO.

25. What would be the advantages and disadvantages to change the criteria taken into account for approval? How about including training provisions or quality measures?

Please specify economic, social and environment impacts.

See EEA's response to question (24) above.

V. DEFINITIONS REQUIRING CLARIFICATION

Self-handling:

The principle that carriers have the right to handle their aircraft, referred to as self-handling, is generally acknowledged.

However, it has been raised by some stakeholders that the scope of what should be considered as self-handling could be clarified or amended, in particular with respect to industry practices such as wet lease, dry-lease, code-sharing, alliance arrangements.

26. What would be the advantages and disadvantages to refine the boundaries of self-handling?
Please specify economic, social and environmental impacts.

The EEA is in favor of the widest possible definition of self-handling. In any case, if the market would be liberalized (our preferred option) this question would be irrelevant. At the very least, express operators should, notwithstanding the level of liberalization, be free to handle, with no limitations, any aircraft carrying shipments under an express operator's airway bill, whatever the contractual relationship between the express company and the supplier of air services.

Freight handling:

Freight handling definition has been raised by stakeholders as causing problems: the handling of certain types of air freight (coffins, art work, etc.) usually involves specific actors, which may not be selected freight handlers in the meaning of the Directive as they only operate punctually at the airport. Integrators face similar problems: few handlers are capable to play a part in the specialised process of handling express cargo, and not all handlers are capable of operating at the time integrators require their services, mainly at night. As a consequence, these companies have little choice than to organise their own on-loading or off-loading.

27. What would you suggest to improve the handling of freight?
Please specify the advantages and disadvantages of your suggestions, and their economic, social and environmental impacts.

There should be a full liberalization of the cargo area and/or the night operations where there are no demonstrated reasons for limiting the freedom to compete. Express companies operate a door-to-door integrated and inter-modal network. They use a mix of commercial airlines capacity, wet-leased, or chartered aircraft, as well as their own fleet. Therefore, at the very least, express operators should, notwithstanding the level of liberalization, be free to handle, with no limitations, any aircraft carrying shipments under an express operator's airway bill, whatever the contractual relationship between the express company and the supplier of air services.

Groundhandling category 1:

Groundhandling category 1 (ground administration and supervision) is described in the Annex of the Directive and comprises a wide range of activities. It indeed encompasses administrative tasks as well as "telecommunications", "handling and storage of unit load devices" and "any other supervision". Some Member States mentioned that this definition could be clarified, in particular when it comes to delivering approvals to undertakings falling under this category.

28. What would you suggest in order to clarify or amend the definition of "ground administration and supervision"?
Please specify the advantages and disadvantages of your suggestions, as well as their economic, social and environmental impacts.

The EEA supports bringing the definition in line with the IATA Standard Ground Handling Agreement.

Centralized Infrastructures:

Centralized infrastructures are not defined explicitly in the Directive, but refer to infrastructures used for the supply of groundhandling services whose complexity, cost or environmental impact does not allow of division or duplication. Usage of these infrastructures can be made compulsory by Member States. It has to be recognized that centralized infrastructures across Europe are of different nature, depending on the airport's location in the European Union. This has significant impacts as the introduction of these infrastructures at an airport reduces the contestable market.

In addition, the way in which the managing body of these infrastructures (which can be the airport or "another body") is designated is not clear, as the Directive only states that "Member States may reserve [for this body] the management of the centralized infrastructures". In particular, when it comes to the "reservation" of an installation as "centralized infrastructure", clarifications could be made on the role of the "managing body of the centralized infrastructures", whether it is the airport or not. And in the specific case where the "managing body of the centralized infrastructures" is not the airport, the respective roles of this body and the airport could also be addressed.

29. What would you suggest in order to clarify the concept of Centralized Infrastructures and improve the way these infrastructures are managed?
Please specify the advantages and disadvantages of your suggestions, as well as their economic, social and environmental impact.

The EEA considers that any fee for the use of centralized infrastructure should be subject to a set of minimum, transparent criteria. Since the introduction of the ground handling Directive, airlines have, at a number of European airports, experienced new charges for the so-called "centralized infrastructure" which were previously already covered by other charges (and which have not been dropped or lowered). This development has been particularly typical for airports which have lost their handling monopoly and appear to be trying to collect additional revenue for services which have already been paid for.

VI. OTHER ISSUES TO WHICH YOU WOULD LIKE TO DRAW OUR ATTENTION

30. What are the other issues with the Directive you would like to draw to our attention?

All aspects of self handling for integrators should be permissible by any organisation under common control with the airline e.g. a sister or daughter company of the integrator should be able to provide self handling services to the integrator's airline as they are under ultimate common control.

VII. ASSESSMENT OF IMPACTS

31. Could you suggest sources of data and information which might be used by the study team to estimate the impacts of options for changes to the Directive?

We would be particularly interested in data and facts covering the impact of the Directive on:

- Changes in profitability of ground handling providers;
- Staff wages, levels and contract types;

- Staff qualifications and training provisions;
- Health and safety of workers;
- Staff transfer issues;
- Number of providers and length of service of incumbents;
- Quality levels in tenders.

The EEA would be pleased to co-operate with the study team to try to provide additional information. In the meantime, we refer to a comparative study on ground handling prices between the European Economic Area and the U.S. where the market is liberalized. This study was undertaken by SH&E at the request of the EEA. The main conclusions are striking: - With few exceptions, prices in Europe are significantly higher than in the U.S. (between 63 and 198% higher depending on the aircraft type). - Price variability between airports in Europe is also considerably higher than in the U.S.