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DRAFT REPORT

on the future of regional airports and air services in the EU
(2011/2196(INI))

Committee on Transport and Tourism

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the future of regional airports and air services in the EU (2011/2196(INI))

The European Parliament,

- having regard to the communication from the Commission entitled ‘An action plan for airport capacity, efficiency and safety in Europe’ (COM(2006)0819),
 - having regard to the communication from the Commission entitled ‘Community guidelines on financing of airports and start-up aid to airlines departing from regional airports’ (2005/C 312/01),
 - having regard to the communication from the Commission entitled ‘The EU and its neighbouring regions: a renewed approach to transport cooperation’ (COM(2011)0415),
 - having regard to its resolution of 24 March 2011 on transport applications of Global Navigation Satellite Systems – short- and medium-term EU policy¹,
 - having regard to the Commission White Paper entitled ‘Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system’ (COM(2011)0144),
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Transport and Tourism and the opinion of the Committee on Regional Development (A7-0000/2012),
- A. whereas there is currently no adequate definition for the term ‘regional airport’; whereas, therefore, for the purposes of this report, regional airports shall be defined as ‘non-hub’ airports, regardless of passenger throughput, and ‘regional air service’ shall be defined as a flight departing from and/or landing at a regional airport;
- B. whereas 90% of Europe’s citizens live in the regions and regional aviation is a key enabler in providing them with mobility; whereas it also enables business to move into the regions and to spread economic prosperity;
- C. whereas the connectivity offered by aviation to EU regions, citizens and businesses is unique and cannot be replaced; whereas Europe’s airports provide a network of 150 000 city pairs, while Europe’s high-speed trains provide a network of about 100 city pairs;
- D. whereas airport retail sales have decreased by 40% due to the introduction of restrictive policies for hand-luggage by some airlines; whereas the impact of the ‘one bag’ rule has been to bring about a decline in sales of almost 70% for some regional airports; whereas 32% of retail profit in airports goes towards subsidising airlines via landing charges;

¹ Texts adopted, P7_TA(2011)0250.

- E. notes that the Spanish Government has expressly prohibited airlines from applying the ‘one bag’ rule when departing from Spanish airports;
- F. acknowledges that Europe is experiencing a capacity crunch at major airports;
- G. notes that the financial and sovereign debt crisis has substantially changed the conditions for airport financing in the EU, especially at non-hub airports;

Economics of Regional Air Services

1. Understands the need for a public service obligation for air services of economic interest, especially those connecting remote regions and islands; believes that such services would not be economically viable without public money;
2. Calls on the Commission to take a balanced approach in future revisions of aviation guidelines in order to provide for a socially and economically viable development of regional air services;
3. Understands that commercial activities are a major source of income for regional airports and is concerned by ‘one-bag’ and other restrictions to the cabin baggage allowance imposed by certain airlines; deplores the fact that it threatens the viability of retail sales as a source of airport revenue for regional airports that have negotiated competitive landing charges to attract airlines; believes that these restrictions may constitute an abuse of a carrier’s position;
4. Calls for airport retail purchases to be treated as ‘essential items’, as is currently the case for items such as coats; applauds Spain’s decision to outlaw practices mentioned in paragraph 3 within its territory¹, and calls on the Commission to look into introducing a similar measure for all air services originating from Europe;

Environment and Innovation

5. Urges the Commission and Member States to speed up the development of SESAR and the Single European Sky as a matter of urgency; notes that, with the work of SESAR and the important role of EGNOS, regional airports will profit from projects such as remote towers, enhanced capacity and improved operational procedures;
6. Acknowledges that capacity management is not the same at ‘slot coordinated’ airports as at ‘slot non-coordinated’ airports; is of the opinion that there is plenty of spare capacity to be utilised at many regional airports and that, by using that spare capacity, congestion and stacking at major airports can be reduced and the environmental impact minimised;

Congestion and Multimodality

7. Notes that the Commission study on the allocation of slots states that the ‘European

¹ Law 1/2011 (4 March 2011) establishing the State Programme for Civil Aviation Safety, amending Law 21/2003 on Air Navigation Safety (7 July 2003).

regions are losing direct links to some of the most congested airports¹, and is disappointed that this study deals only with major airports;

8. Urges all parties and institutions involved in the revision of Regulation (EEC) No 95/93 (as amended by Regulation (EC) No 793/2004) to focus on delivering new capacity at airports rather than pricing regional air services out of the market; considers it essential for regional airports to have access to hubs, and takes the view that this must be considered during the revision of Regulation (EEC) No 95/93, especially in the context of the plans for secondary trading of slots and the envisaged gradual introduction of other market mechanisms, including primary trading, that could result in a severing of links between regional airports and major hubs;
9. Regrets that regional airports situated away from urban centres are often not adequately connected to the transport network on the ground;
10. Notes the need for better integration between modes of transport, as well as the fact that traffic share must be determined by the market; urges the Commission to come forward with a communication encouraging industry to develop multi-modal through ticketing between the rail and air sector; points to the fact that schemes of this kind are already in operation, such as the 'rail and fly' tickets being offered by certain carriers in Germany;

Security

11. Notes that the cost of implementing security measures at smaller regional airports is proportionally higher than at major airports, which benefit from economies of scale; believes, in this connection, that costs should be more evenly shared between passengers, airports and general taxation;
12. Recalls that the EU directive on airport charges² only covers airports with more than 5 million passengers and/or the biggest airport in each EU Member State; suggests that the proposal on aviation security charges should take the same approach and that airports with less than 5 million passengers should have security paid out of general taxation; believes that an assessment of the impact on small and medium-sized airports should form a core part of any review of the relevant directives;
13. Urges the Council to adopt a position on aviation security charges and believes that more stringent security measures should be paid for out of general taxation, as aviation security is a matter of national security;
14. Acknowledges the need for reliable LAG (liquids, aerosols and gels) screening equipment that ensures a high degree of probability of detection of a wide range of liquid explosives, but regrets the lack of reliable technology in this area and urges the Commission to consider the consequences for regional airports of adhering to future requirements for LAG screening;
15. Draws attention to the impact of the new regulations for air cargo, with specific reference

¹ Impact assessment of revisions to Regulation 95/93 – final report (Steer Davies Gleave, March 2011).

² Directive 2009/12/EC of the European Parliament and of the Council of 11 March 2009 on airport charges.

to the fact that many regional airports rely on cargo traffic; urges the Member States and the Commission to study the economic consequences of these regulations, with a view to ensuring that freight forwarders do not move their operations outside the EU;

TEN-T

16. Strongly believes that major regional airports with consistent year-round traffic should be included in the TEN-T Core Network, especially those with high-volume connectivity with third countries and intra-European traffic and those regional airports which can serve to relieve bottlenecks;
17. Believes that, as part of the TEN-T, regional airports could play a leading role in the creation of a wider European Common Aviation Area covering 1 billion people in the EU and neighbouring countries, in line with the Commission communication¹;
18. Regrets that the Commission has not paid attention to the request from Parliament and the Council in Article 10(4) of Decision 884/2004/EC for regional airports to be connected to the network, especially in view of the need for air transport services to Europe's regions to be ensured alongside the development of high-speed rail services, as air transport can in certain circumstances reach further and serve thinner markets more efficiently in terms of time, cost and environmental impact;
19. Believes that a broader inclusion of airports in the new TEN-T guidelines will facilitate access to private financing for airport infrastructure projects and send a positive signal to capital markets; calls on the Commission, during its review of the TEN-T, to recognise the vital link between regional air services and economic regeneration;

Transparency

20. Notes the tendency of certain air carriers, especially low cost carriers (LCCs), to add unavoidable charges on to the headline price of air tickets, such as charges for the use of debit or credit cards; is concerned that, as a result, some passengers may be deterred from using regional air services; wishes to see special attention paid to the impact of this practice on regional air services during the revision of air passenger rights;
21. Points out that, while in some aircraft the stowage can be limited, there are no common guidelines for hand or hold baggage size or weight on EU flights; suggests that the Commission encourage industry to set common upper limits for restrictions, as this would give passengers greater certainty when travelling; believes that, for such an arrangement to work in a global market, the ICAO must be involved in this process;
22. Instructs its President to forward this resolution to the Council and the Commission.

¹ COM(2011)0415, section 2.1.

EXPLANATORY STATEMENT

Regional airports and air services are not only essential as transport nodes, helping to facilitate the smooth running of the EU's single market by moving people and goods between regions, but they are also essential as generators of economic growth in their own right. Together they expand the horizon of traditional trading routes and provide a significant boost to the cities and regions that they serve. Given the importance of these infrastructures and services to people living outside major urban areas and to the EU as a whole, your Rapporteur is greatly concerned that when proposing legislation in the field of aviation, there is a tendency by the European Commission to focus attentions on major 'hub airports'. In this report I have presented recommendations that seek to redress this balance and bring attention to the manner in which regional airports and air services have often been unintentionally, yet disproportionately, affected by some EU legislation. I have also opened for discussion, policy options that if adopted by the Commission could improve the operational and economic efficiency of regional airports and air services as well as improve the experience of passengers using these facilities and services.

I have already stated in my introduction that regional airports make a major economic contribution to society and as such, I have found it striking how difficult it is to find a single, coherent definition as to what constitutes a regional airport. I have spoken with the Commission as well as Industry stakeholders and yet, I have been offered many inadequate, contradictory and often competing definitions. If the Commission is to ensure that it addresses the needs of the EU's many regional airports in the future, then I believe that it needs a clear, concrete, coherent and precise definition for regional airports. There are very many regional airports scattered across the EU and they differ greatly in size, the services they provide, the markets they serve and the air services that serve their airports. For this reason, definitions that simply set an arbitrary passenger threshold or include any airports outside of capital cities/regions will prove inadequate. Given that no adequate definition currently exists, your Rapporteur has chosen for the purpose of this report to offer a simple, broad definition in which a regional airport is defined as any "non-hub" airport (regardless of passenger throughput) and regional air service as an air service that departs and/or lands at a regional airport.

Aviation is an industry of small margins and as such it is vital that we create an EU aviation area that is strong, competitive and economically viable. This is especially true at a regional level where the margins can be smallest. In addition to the economic barriers we are confronted with, we also face obstacles related to aviation's impact on the environment, congestion, security, as well as a need to better define its essential contribution to the EU transport network. As such, your Rapporteur has tried to touch on all of these key areas and address not only regional aviation specific issues, but also means by which regional aviation can play a role in creating a more efficient EU aviation area as a whole. For example, I believe that those regional airports that are currently running below capacity could conceivably serve as congestion relievers to some heavily congested hub airports, especially for regional services. If implemented properly, this could lead to less congestion and more environmental efficiency. Similarly, in dealing with slots, I would call on the Commission to pay special attention to regional airports and air services as they risk being priced out of the market in the face of greater consolidation amongst major airports, airlines and airline

alliances. An uncompetitive and monopolistic market place would not only be extremely harmful to regional aviation but also to EU citizens who would be faced with less choice and rising prices.

I have also called for the Commission and Member States to speed up the development of SESAR and the Single European Sky as a matter of urgency, as their completion could lead to huge economic and environment savings brought about by greater efficiency as well as allowing some smaller regional airports to benefit from SESAR projects such as remote towers. Furthermore I believe that greater efficiencies could be brought to the EU Transport area by including some major regional airports into the TEN-T core network. Indeed I strongly believe that regional air services need to be seen as an integral part of the network rather than peripheral to the TEN-T network. Your Rapporteur believes that by better integrating our regional airports into the transport network we can encourage industry to bring additional benefits for EU citizens, such as developing multi-modal through ticketing between the rail and air sectors of a journey.

Lastly, I have tried to deal with issues surrounding transparency which can impact greatly on the experience of passengers, but also on the freedom of regional airports to choose a revenue rich economic model. This report aims to tackle practices by certain low cost carriers' such as the well publicised practice of adding certain unavoidable charges onto the headline price of their air tickets, or imposing extremely strict and onerous "one bag" rules which can seriously threaten the viability of retail sales as a source of airport revenue for regional airports that have often negotiated competitive landing charges in order to attract airlines.

In conclusion, I strongly believe that European regional airports and air services need to be considered as key elements in creating an efficient and well functioning EU transport network that facilitates trade and ensures mobility for a greater number of people. Regional aviation can play a vital role in ensuring that free movement in the EU is a reality not only for people living in major capital cities but also for EU citizens living outside of these areas, ensuring that these cities and regions enjoy not only the benefits brought about by greater mobility but also by generating tourism, providing access to new markets and by attracting greater inward economic investment.