



5.7.2012

NOTICE TO MEMBERS

(05/12)

Subject: Hearing on Ground handling services at Union airports and repeal of Council Directive 96/67/EC

In the framework of deliberations on the legislative proposal for a Regulation on the ground handling services at Union airports, a hearing of experts was held during the EMPL committee meeting of 31 May 2012. Representatives of Brussels Airlines, the German trade union ver.di, and Airports Council International (ACI) Europe were invited to present their views on the Commission proposal and in particular on its potential impact on employees in the sector.

Mr Thomas Mann, the EMPL rapporteur for this legislative opinion, opened the hearing by pointing to the effects of the previous round of liberalization of ground handling services on working conditions in the sector (downward pressure on wages, increase of fixed-term contracts, increasing time pressure) and by stressing the need to include protective clauses guaranteeing certain working conditions and wages in the current revising proposal.

Matthew Baldwin, Director for Air Aviation and International Transport Policy at DG MOVE, recalled the proposal's general aim and pointed to some aspects of the proposal that aim at improving the employment situation in the sector: clarification of the rules on transfer of staff; introduction of compulsory minimum training for staff; requirement for Member States to check qualification and experience of staff before approving ground handling providers; increasing employment stability by extending the authorization period to ten years; limiting subcontracting.

Mr Jan de Leeuw, Vice-President Ground Operations at Brussels Airlines, expressed

dissatisfaction over the current situation where the airline world is almost fully liberalized and service provision is not, which creates an unbalanced distribution of negotiating power in favour of the service providers. Mr de Leeuw also drew attention to the fact that unclear tender-procedures in a liberalized market can lead to deadlocks or monopolistic situations, such as is currently the case at the Brussels Airport. As regards to the current proposal, he expressed support for a careful further opening of the ground handling market, which would have a positive effect on quality and prices to the benefit of customers and not impair safety and security if gradually and carefully done. As regards to staff and training requirements, Mr De Leeuw called for keeping balance between competition, national specificities and staff and know-how protection and suggested that the regulation should leave some room for flexibility in order to enable an adaptation to national specificities in labour law as well as the specific situation of the individual airports and member states. In light of this need for flexibility, Mr de Leeuw warned against going beyond minimum standards for quality and training.

Mr. Ingo Kronsfoth, representative of the German trade union ver.di and the European Transport Workers' Federation ETF, drew attention to the deterioration of working conditions in the sector with reductions in real wages, precarious working conditions and a decreasing level of training. According to Mr Kronsfoth, implementing the revised directive as proposed would lead to a further deterioration in countries both with and without remaining market access restrictions. Therefore, the representative of the trade unions raised five main demands for a future directive: improving social and employment standards (Art. 6); avoiding competition on wages and wage dumping by obliging all companies to abide to representative collective agreements (Art. 8, 9, 17); introducing a mandatory requirement to take over staff with same conditions when the service provider changes (Art. 12); prohibiting permanent subcontracting (Art. 35); introducing European training standards with a duration longer than the two days proposed by the Commission and including theoretical and practical exams.

The representative of Airports Council International Europe, **Mr Christoph Köppchen**, stressed that well-performing ground handling operations are a crucial aspect for airport operation and that the quality and speed of ground handling constitutes a competitive advantage or disadvantage. Presenting ACI Europe's analysis of the social impact of the existing directive, Mr Köppchen pointed out that there has been high pressure on wages, working conditions and the quality of service which is linked to the large share of staff costs within the total cost of ground handling services (65-80%) and the decrease in prices. He pointed to the good cooperation of the sectoral social partners at EU level, who issued a joint statement on this issue in April 2011 including calls for improvements to the tender procedure, length of license and social clause. As regards the potential impact on social conditions of the current Commission proposal, ACI Europe considers the further liberalization of the ground handling market as problematic because it would lead to increased pressure on prices and working conditions. Mr Köppchen also expressed his concern as regards to the insufficient social safeguards in the proposal and called for a binding clause on transfer of staff (Art. 12) as well as for an increase of the minimum training period to one week. The speaker also raised some other key issues such as minimum service standards, competitive disadvantage for airport handlers caused by the legal separation and administrative burden. Overall, Mr Köppchen argued that a further liberalization should not be decided on a European but rather at national level, taking into account local conditions.

A **debate with Members** followed the presentations given by the invited speakers. In the

course of the exchange of views the following main issues were raised by both Members and stakeholders participating in the hearing: taking into account the opinion of the social partners on this issue; the relation between increasing competition, lowering prices and the quality of the service provided; the potential impact of the proposed directive; how to improve security and safety standards; keeping a balance between increasing competition and potential negative consequences on workers; taking into account the social clause provided by Article 9 of the TFEU calling for a high level of quality employment; the level of training; the impact of the cost of ground handling on the ticket price.