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ANNEXE volume II

Addendum to SEC(2011) 1439 final - addition of the second part

COMMISSION STAFF WORKING PAPER

ANNEXES TO THE IMPACT ASSESSMENT

Accompanying the document

**Proposal for a Regulation of the European Parliament and of the Council
on groundhandling services at Union airports and repealing Council Directive 96/67/EC**

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Annex I: Glossary

Term	Explanation
"restricted services"	<p>Also called "restricted services", or even sometimes (unduly) "airside services", these groundhandling services are:</p> <ul style="list-style-type: none"> - baggage handling, - ramp handling, - fuel and oil handling, - freight and mail handling as regards the physical handling of freight and mail, whether incoming, outgoing or being transferred, between the air terminal and the aircraft.
Airport user	Also called "airline" or "air carrier" : "Any natural or legal person responsible for the carriage of passengers, mail and/or freight by air from, or to the airport in question." : airlines serving the airport
Airport Users Committee	At each airport, a committee of representatives of airport users
Centralised infrastructures (CI)	Infrastructures at the airport used for the supply of groundhandling services whose complexity, cost or environmental impact does not allow of division or duplication, such as baggage sorting, de-icing, water purification and fuel-distribution systems. It is possible to make it compulsory for groundhandling services providers to use these infrastructures.
Freight integrators	A natural or legal person whose sole activity is to provide services consisting of door-to-door transport for documents, parcels and freight for urgent delivery and where the air carriage, sorting and delivery of the documents and parcels form an integral part of that service. Examples of integrators are DHL, Fedex, UPS, etc.
Groundhandling services	<p>The services provided to airport users at airports as described in the Annex of the Directive 96/67 ; the 11 groundhandling services categories which are :</p> <ol style="list-style-type: none"> 1. Ground administration and supervision comprise: 1.1. representation and liaison services with local authorities or any other entity, disbursements on behalf of the airport user and provision of office space for its representatives; 1.2. load control, messaging and telecommunications; 1.3. handling, storage and administration of unit load devices; 1.4. any other supervision services before, during or after the flight and any other administrative service requested by the airport user. 2. Passenger handling comprises any kind of assistance to arriving, departing, transfer or transit passengers, including checking tickets and travel documents, registering baggage and carrying it to the sorting area. 3. Baggage handling comprises handling baggage in the sorting area, sorting it, preparing it for departure, loading it on to and unloading it from the devices designed to move it from the aircraft to the sorting area and vice versa, as well as transporting baggage from the sorting area to the reclaim area. 4. Freight and mail handling comprises: 4.1. for freight: physical handling of export, transfer and import freight, handling of related documents, customs procedures and implementation of any security procedure agreed between the parties or required by the circumstances; 4.2. for mail: physical handling of incoming and outgoing mail, handling of related documents and implementation of any security procedure agreed between the parties or required by the circumstances. 5. Ramp handling comprises: 5.1. marshalling the aircraft on the ground at arrival and departure ; 5.2. assistance to aircraft packing and provision of suitable devices ; 5.3. communication between the aircraft and the air-side supplier of services ; 5.4. the loading and unloading of the aircraft, including the provision and operation of suitable means, as well as the transport of crew and passengers between the aircraft and the terminal, and baggage transport between the aircraft and the terminal; 5.5. the provision and operation of appropriate units for engine starting; 5.6. the moving of the aircraft at arrival and departure, as well as the provision and operation of suitable devices; 5.7. the transport, loading on to and unloading from the aircraft of food and beverages. 6. Aircraft services comprise: 6.1. the external and internal cleaning of the aircraft, and the toilet and water services; 6.2. the cooling and heating of the cabin, the removal of snow and ice, the de-icing of the aircraft; 6.3. the rearrangement of the cabin with suitable cabin equipment, the storage of this equipment. 7. Fuel and oil handling comprises: 7.1. the organization and execution of fuelling and defuelling operations, including the storage of fuel and the control of the quality and quantity of fuel deliveries; 7.2. the replenishing of oil and other fluids. 8. Aircraft maintenance comprises: 8.1. routine services performed before flight; 8.2. non-routine services requested by the airport user; 8.3. the provision and administration of spare parts and suitable equipment; 8.4. the request for or reservation of a suitable parking and/or hangar space.

	<p>9. Flight operations and crew administration comprise: 9.1. preparation of the flight at the departure airport or at any other point; 9.2. in-flight assistance, including re-dispatching if needed; 9.3. post-flight activities; 9.4. crew administration.</p> <p>10. Surface transport comprises: 10.1. the organization and execution of crew, passenger, baggage, freight and mail transport between different terminals of the same airport, but excluding the same transport between the aircraft and any other point within the perimeter of the same airport; 10.2. any special transport requested by the airport user.</p> <p>11. Catering services comprise: 11.1. liaison with suppliers and administrative management; 11.2. storage of food and beverages and of the equipment needed for their preparation; 11.3. cleaning of this equipment; 11.4. preparation and delivery of equipment as well as of bar and food supplies</p>
Managing body of the airport	Also called "airport operator" or "airport authority": entity in charge of providing airport infrastructures and associated services (comprising in general construction and maintenance of airport installations, safety services such as rescue and fire fighting or bird strikes prevention services, security at the airport, parking for passengers vehicles etc.)
Self-handling	<p>A situation in which an airport user directly provides for himself one or more categories of groundhandling services and concludes no contract of any description with a third party for the provision of such services; for the purposes of this definition, among themselves airport users shall not be deemed to be third parties where:</p> <p>- one holds a majority holding in the other; or - a single body has a majority holding in each.</p>
Third-party handling	Handling services provided by a provider on the competitive market (contrary to self-handling). The provider can be either an airport (or an airport's subsidiary) an airline or an independent handler.

Annex II: Acronyms

Acronym	Description
AB	Administrative burden
ACI	Airport Council International (association of airports)
ADV	Association of Deutsch airports
AEA	Association of European Airlines
ARC	Airport Research Center (consultant in charge of the 2009 study, see Annex III)
AUC	Airport User Committee (committee comprising airlines serving the considered airport)
CDG	Charles de Gaulle (Paris airport)
CI(s)	Centralised infrastructure(s)
COMP	European's Commission Directorate General for Competition
CRS	Computer Reservation System
EASA	European Aviation Safety Agency
ECAA	European Common Aviation Area
ECFIN	European's Commission Directorate General for Economic and Financial Affairs
EEA	European Economic Area
EMPL	European's Commission Directorate General for Employment, Social Affairs and Inclusion
ENTR	European's Commission Directorate General for Enterprise and Industry
ENV	European's Commission Directorate General for the Environment
EP	European Parliament
ETF	European Transport Workers' Federation
FTA(s)	Free Trade Agreement(s)
GATS	General Agreement on Trade in Services
GSE	Ground Support Equipment (equipment used by groundhandling companies such as baggage loaders, de-icing vehicles, pallets, luggage trailers, tow bars and tractors etc.)
IAHA	International Aviation Handlers' Association (association of independent handlers)
IASG	Impact assessment steering group
IATA	International Air Transport Association
ICAO	International Civil Aviation Organisation
IPM	Interactive Policy Making (computer tool used for Internet consultations by the European Commission)
ISAGO	IATA Safety Audit for Ground Operations
MARKT	European's Commission Directorate General for Internal Market and Services
MOVE	European's Commission Directorate General for Mobility and Transport
NA	Not Available (acronym used in tables)
NACE	Ou code NACE: "Nomenclature des Activités économiques dans la Communauté Européenne"
NMS	(Also called "EU12") New Member States (the 12 EU Member States that joined the EU from 2004)
OJEU	Official Journal of the European Union

PP	Policy Package
SDG	Steer Davies and Gleave (consultant in charge of the public consultation and of the 2010 study, see Annex III)
SG	Secretariat General (of the European Commission)
SH&E	Simat Helliesen & Eichner, Inc (consultant in charge of the 2002 study, see Annex III)
SMEs	Small and Medium Enterprises
TRADE	European's Commission Directorate General for Trade
TREN	European's Commission Directorate General for Transport and Energy (split in February 2010 to become DG MOVE and DG ENER)
WTO	World Trade Organisation

Annex III: Source and use of data in the IA

1. SOURCES OF DATA USED

1.1. List of Studies and other sources of information:

- "Study on the impact of Directive 96/67/EC on Ground handling services 1996-2007", study carried out by Airport Research Center, February 2009, available on the Europa website (http://ec.europa.eu/transport/air/airports/airports_en.htm)
- Impact assessment for a possible revision of Directive 96/67, Steer Davies and Gleave, 2010, available on the Europa website (http://ec.europa.eu/transport/air/studies/airports_en.htm)
- European Parliament Resolution, 2007 (available on the European Parliament website at the following address: <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+TA+P6-TA-2007-0433+0+DOC+XML+V0//EN>)
- Study SH&E 2002, available on the Europa website (http://ec.europa.eu/transport/air/airports/airports_en.htm)
- Social study in the field of aviation (ECORYS), 2008 (summary available at http://ec.europa.eu/transport/air/studies/doc/internal_market/2008_01_social_study_summary.pdf).
- Social study 2009, Booz&Co (http://ec.europa.eu/transport/air/studies/doc/internal_market/2009_effects_of_eu_liberalisation_on_air_transport_employment_and_working_conditions.pdf)
- Commission staff working document: Impact assessment of the Single Aviation Market on employment and working conditions for the period 1997-2007"(available online at: http://ec.europa.eu/transport/air/internal_market/doc/sec_2010_503_en.pdf)
- List of airports under the directive (traffic 2008 and 2009) – publication OJEU (available on Europa website: http://ec.europa.eu/transport/air/airports/airports_en.htm)
- Court of Justice of the European Community rulings C363/01, C460/02, C386/03, C181/06.
- Regulatory impact study –extension of scope of the EASA regulation to the safety and interoperability of aerodromes, 2007
- Final report of the joint survey on best practices on training and qualifications in the groundhandling sector, 2008
- Dialogue EC- Air transport industry on Groundhandling/airport charges and capacity, april 2006

- Eurocontrol Performance Review Commission data (PERFORMANCE REVIEW REPORT, An assessment of Air Traffic Management in Europe during the calendar year 2010)
- "Assessing the Employment and Social Impacts of Selected Strategic Commission Policies", 2009 (based on SH&E report 2002), available at <http://ec.europa.eu/social/BlobServlet?docId=2279&langId=en>).

1.2. Consultation material

The online questionnaire about the possible revision of the groundhandling directive is published at the following address: http://ec.europa.eu/transport/air/consultations/doc/2010_02_12_groundhandling_consultation.pdf. It was used to collect the opinion of stakeholders and their analysis, but sources of information were also requested to all stakeholders. The results are available at: http://ec.europa.eu/transport/air/consultations/2010_02_12_directive_96_67_ec_en.htm.

The consultation on passenger's rights was also used to reach the general public's opinion on groundhandling (more particularly on baggage handling): the consultation document and the results are published at the following Internet address: http://ec.europa.eu/transport/passengers/consultations/2010_03_01_apr_legislation_en.htm.

2. RESEARCH AND USE OF DATA IN THE IMPACT ASSESSMENT

Little data is available to identify and quantify the operations of the groundhandling sector. This constituted a major difficulty in the impact assessment.

For the problem definition, data was mainly available through studies previously carried out for the evaluation of the legislation (SH&E, 2002 and ARC, 2009). These studies indeed contain rich data about regulations in place in the Member States, market situation at airports for "services subject to restrictions" (number of providers per category, self-handling airlines, third-party handling airlines, airports providing groundhandling services), centralised infrastructures, subcontracting practices. The mentioned studies also contained "soft data" (i.e. qualitative opinion or estimations of stakeholders) about "size of the market open to competition" (so-called contestable market, which has however changing definition for groundhandling depending on the situation and therefore was not used), quality levels, prices evolution, employment, security and safety problems. The consultation document was also used to request sources of information and data about a number of criteria ("Changes in profitability of groundhandling 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;").

In its study, SDG tried to further quantify the problems for the "size of the market open to competition", for employment conditions (including operational pressure, transfer of staff), for safety issues, and for the state of the industry (profitability levels of the groundhandling industry). SDG could use other EC studies (Booz&co, 2009 or ECORYS, 2008) or company financial statements to assess employment conditions; partial information about transfer of staff was only obtained in 2 Member States. As for security and safety, examples of security and safety issues were obtained in the consultation.

In the case where the result of the existing studies was really considered too weak, additional investigations have been carried out by the Commission's services (inquiry about the approvals for the 27 Member States, safety statistics about groundhandling).

The best results available have been used in the impact assessment problem definition. Nevertheless, where some data were impossible to assess (such as the quantitative evolution of prices of groundhandling services), it was clearly mentioned in the IA.

As for **prices of groundhandling**, it was confirmed by the consultant (SDG) that **no reliable quantitative assessment of the level of prices was possible**, due to the following constraints: prices of groundhandling services are determined between groundhandling companies and airlines and are not publicly available. What is included in the price is the subject of non-disclosed contractual agreements, and the scope covered varies between the cases (in terms of groundhandling categories covered, of duration of the contracts, of number of airports, of types of expected quality/services, etc.). In addition, overall prices of groundhandling services sometimes include the fees levied for centralised infrastructures by the manager of these infrastructures, which are, as a general rule, not part of the prices agreed upon between the airlines and its groundhandling providers. It is generally considered that groundhandling prices represent 5 to 12% of an airline operating costs¹, but no assessment at airport levels allows finding the price of services at a given airport. Consequently, only a "perception" by stakeholders (airlines, airports, groundhandling providers) of groundhandling prices and their evolution can be expected. However, quantifications of these perceptions (as made in SH&E and ARC reports) revealed that they were subjective, depended on the specific companies' activities and locations, and consequently gave rise to a variety of results that did not necessarily reflect the same realities. **It was therefore judged preferable to base the analysis on parameters affecting groundhandling prices (competition, centralised infrastructures prices, costs for groundhandling providers) and how they can in qualitative terms affect the overall prices.**

For **job creation**, the number of employees in the groundhandling sector is not known for the current period and only assessments exist. IAHA estimates the number of workers for groundhandling companies members of IAHA to be around 60,000; Booz and co study found that approximately 40,000 people were working in the sole groundhandling independent companies², but put a warning that this figure is certainly underestimated. An attempt was made to assess the evolution of groundhandling jobs for each kind of groundhandling providers (airlines, independent, airports), but no figures are available for airports. Finally, estimations can range from one number to the double. Regarding the increase in groundhandling jobs for the baseline scenario, the main driver is considered to be traffic increase, but no figure exists as concerning the impact on groundhandling jobs of air traffic growth. SDG assessed it to be 50% of air traffic growth (3% per year).

As for **wages** in the groundhandling sector, despite further investigations regarding the quantification of wages evolution, no reliable figures could be found which could be used as a

¹ Source: several consultant or academic studies, airlines stakeholders assessments; see for instance the assessment of airline expenses per category for Air France KLM and SkyEurope in 2007 and 2008 in the market observatory report 2008 : http://ec.europa.eu/transport/air/observatory_market/doc/annual_2008.pdf, p.85 and 88

² Executive summary, page v of "Effects of EU Liberalisation on Air Transport Employment and Working Conditions FINAL REPORT", Booz and co, June 2009.

solid indicator at EU level. Indeed, the lack of data in this regard³ could not be improved: SDG tried to assess the average wages in the UK⁴ (but it was for 2 companies and in the UK only); request for information on this subject was made (notably in the public consultation). More information was finally obtained from German workers' representatives showing that, at a number of German airports, the difference between average wages for workers (with the same level of experience) in some identified categories of groundhandling services depends on their employer (incumbent airport companies providing higher wages than independent companies) and tended to lag behind inflation. This data was used for assessing social impacts due to changes of employers. It is to be recognised that evolution in wages at EU level may be difficult to interpret considering the number of categories of services, the national levels of wages and their evolution (due for instance to the increase in standard of living).

3. CRITICAL ANALYSIS OF THE DATA

As mentioned earlier, data were always considered with care, in particular when it comes to quantitative assessment.

As regards qualitative analysis, the fact that the analysis is based on several sources (i.e. existing infringement procedures, results of public consultations, reports of several external consultants, discussions with stakeholders in bilateral meetings, use of other pieces of legislation...) and that the problem definition is well documented make that this impact assessment and its results are considered as robust.

Nevertheless, some data and hypothesis were made in the course of the IA, which deserve to be mentioned:

- As regards market situation (quantitative market shares of stakeholders), quantitative data available in the studies concern mainly airports of a significant size, and precise data is sometimes available only for one "restricted category" (ramp handling). It was assumed that the restricted categories are similar regarding the market shares of stakeholders and that medium airports have a similar market structure as big ones.
- Some specific assumptions were made regarding administrative costs for approvals and reporting obligations (see Annex XXI).
- For job number growth, SDG assessed it to be 50% of air traffic growth (3% per year). This is based on SDG judgment (no historic data can help validating this hypothesis). Quantitative assessment was kept despite this uncertainty to assess job creation impacts, as it gives a good idea of the impacts at stake.

³ ARC Study, 2009 provided the results of its investigation in the matter (see p.141-144), but the data quality was too low to allow a conclusion.

⁴ See SDG report 2010, p.98.

Annex IV: Overview of airports covered by the Directive per Member State in 2009

	Airports whose annual traffic is more than 2 million passenger movements or 50.000 tonnes of freight in 2009	Other airports open to commercial traffic in 2009
Austria	Wien/Schwechat	Linz, Graz, Salzburg , Klagenfurt, Innsbruck
Belgium	Brussels National, Charleroi- Brussels South, Liège, Oostend-Brugge	Antwerpen, Kortrijk-Wevelgem
Bulgaria	Sofia	Varna, Bourgas, Plovdiv, Gorna Oriahvitsa.
Cyprus	Larnaca	Paphos
Czech Republic	Praha/Ruzyně	Brno/Tuřany, Karlovy Vary, Mnichovo Hradiště, Ostrava/Mošnov, Pardubice, Olomouc, Benešov, Broumov, Břeclav, Bubovice, Ceska Lipa, Ceske Budejovice, Dvur Kralové nad, Labem, Frydlant nad Ostravici, Havlickuv Brod, Hodkovice nad Mohelkou, Horice, Hosín, Hradec Kralove, Hranice, Chomutov, Chotebor, Chrudim, Jaromer, Jicin, Jihlava, Jindrichuv Hradec,Kladno, Klatovy, Kolin, Krmov,Krisanov,Kyjov, Letkov, Letňany, Marianske Lazne, Medlanky, Mikulovice, Mlada Boleslav, Moravska Trebova, Most, Nove Nesto nad Metuji, Panesky Tynec, Plasy, Podhorany, Policka,,Pribram, Pribyslav, Rakovnik, Rana, Roudnice,Sazena, Skutec, Slany, Sobeslav, Stankov, Strakonice, Strunkovice, Sumperk, Tabor, Tocna, Touzim, Usti nad Orlici, Velke Porici, Vlasim, Vrchlabi, Vysoké Mýto, Vyskov, Zabreh, Zbraslavice, Zamberk.
Denmark	Copenhagen Airport, Billund Airport, Aarhus Airport, Aalborg Airport, Esbjerg Airport and Bornholm Airport.	Karup, Sønderborg,
Estonia		Lennart Meri Tallinn, Tartu, Pärnu, Kärda, Kuressaare, Ruhnu, Kihnu
Finland	Helsinki-Vantaa / Helsingfors-Vanda	Enontekiö / Enontekis, Helsinki-Malmi / Helsingfors-Malm, Ivalo / Ivalo, Joensuu / Joensuu, Jyväskylä / Jyväskylä, Kajaani / Kajana, Kemi-Tornio / Kemi-Torneå, Kittilä / Kittilä, Kokkola-Pietarsaari / Karleby-Jakobstad (formerly Kruunupyy / Kronoby), Kuopio / Kuopio, Kuusamo / Kuusamo, Lappenranta / Villmanstrand, Maarianhamina / Mariehamn, Mikkeli / St Michel, Oulu / Uleåborg, Pori / Björneborg, Rovaniemi / Rovaniemi, Savonlinna / Nyslott, Seinäjoki / Seinäjoki, Tampere-Pirkkala / Tammerfors-Birkala, Turku / Åbo, Vaasa / Vasa, Varkaus / Varkaus
France	Paris-CDG, Paris-Orly, Nice-Côte d'Azur, Lyon-Saint Exupéry, Marseille-Provence, Toulouse-Blagnac, Bâle-Mulhouse, Bordeaux-Mérignac, Nantes-Atlantique, Beauvais-Tille.	Pointe-à-Pitre-Le Raizet, Strasbourg Entzheim, Martinique Aimé Césaire, St. Denis de la Réunion, Montpellier-Méditerranée, Lille Lesquin, Ajaccio-Campo-Dell'oro, Bastia Poretta, Biarritz-Anglet-Bayonne, Brest-Bretagne, Pau Pyrénées, Toulon/Hyères, Tarbes-Lourdes-Pyrénées, Grenoble St Geoires, Carcassonne, Rennes St Jacques, Perpignan-Rivesaltes, Figari Sud Corse, Cayenne Rochambeau, Clermont-Ferrand-Auvergne, Limoges, Calvi Ste Catherine, Bergerac Roumanière, Chambéry/Aix Les Bains, Dzaoudzi Pamanzi, Metz Nancy Lorraine, St Martin Grand Case, Lorient-Lann-Bihoué, Nîmes/Arles Camargue, La Rochelle Ile De Re, St Barthelemy, Dinard-Pleurtuit-St-Malo, Rodez Marcillac, St Pierre Pierrefonds, Quimper-Cornouaille, Tours-Val De Loire, Poitiers-Biard-Futuroscope, Paris Le Bourget, Caen Carpiquet, Béziers-Agde-Vias, Deauville St Gatien, Annecy-Haute-Savoie, Le Havre Octeville, St Pierre-Pointe Blanche, Lannion, Avignon Caumont, Castres Mazamet, Angoulême,

	Airports whose annual traffic is more than 2 million passenger movements or 50.000 tonnes of freight in 2009	Other airports open to commercial traffic in 2009
		Agen La Garenne, Maripasoula, Rouen Vallée De Seine, Aurillac Tronquières, Brive Laroche, St Etienne Bouthéon, Cannes Mandelieu, Miquelon, Saint Nazaire Montoir, Dijon Bourgogne, Le Puy-En-Velay-Loudes, Lyon Bron, Cherbourg-Maupertus, Port Grimaud, Ouessant, Le-Mans-Arnage, Périgueux-Bassilac, Saint-Tropez/La Mole, St Georges (Guyane Française), St Brieuc Armor, Saul, Le-Touquet-Côte-D'opale, Courchevel, Chateauroux Deols, Chalons-Vatry, Nancy Essey, Dole Tavaux, Valenciennes-Denain, Le Castellet, Valence-Chabeuil, Auxerre Branches, Marie Galante, Albert Bray, Calais Dunkerque, Colmar Houssen, Vannes Meucon, Angers/Marce, Laval Entrammes, Saint-Laurent-du Maroni, Troyes Barberey, Ile-D'Yeu-Grand-Phare, Montbéliard Courcelle, Merville-Calonne, Pontoise, Beauvoir Côte de Lumière/Hélistation, La Roche Sur Yon, Les Saintes/Terre De Haut, Orléans St Denis L'hôtel, Bourges, Epinal Mirecourt, Cannes Quai du Large Hélistation, Nevers-Fourchambault, Roanne Renaison, Arras-Roclincourt, Morlaix Ploujean, Albi Le Sequestre, Châlon Champforgeuil, Saint-Yan, Isola 2000/Hélistation, Grenoble Le Versoud, Moulins/Montbeugny, Vichy Charmeil, Cholet-Le-Pontreau, Amiens Glisy, Montluçon Guéret, Besançon-La-Vèze, Aubenas Ardèche Méridionale, Ancenis, Basse-Terre-Baillif, Belle Ile, Cahors Lalbenque, Rochefort-Saint-Agnant, Blois Le Breuil, Gap Tallard,
Germany	Berlin-Tegel, Schönefeld, Bremen, Düsseldorf, Frankfurt-Main, Hahn, Hamburg, Hannover-Langenhagen, Köln-Bonn, Leipzig, München, Nürnberg, Stuttgart, Weeze.	Dresden, Karlsruhe-Baden-Baden, Münster-Osnabrück, Paderborn-Lippstadt, Augsburg, Altenburg - Nobitz, Berlin-Tempelhof, Borkum, Braunschweig, Dortmund, Erfurt, Frankfurt-Hahn, Friedrichshafen, Heringsdorf, Hof-Plauen, Kassel - Calden, Kiel - Holtenau, Lübeck-Blankensee, Mannheim City, Memmingen, Mönchengladbach, Saarbrücken-Ensheim, Rostock-Laage, Schwerin-Parchim, Siegerland, Westerland - Sylt, Zweibrücken ⁵
Greece	Athens, Iraklio, Thessaloniki, Rodos,	Corfu-Kerkyra, Kos, Chania, Zante, Alexandroupolis, Aktio, Araxos, Kalamata, Kalymnos, Kastoria, Kavala, Kozani, Aghialos, Astypalaia, Chios, Ioannina, Ikaria, Karpathos, Kasos, Kastelorizo, Kefalonia, Kithira, Leros, Limnos, Mykonos, Milos, Mytilene, Naxos, Paros, Samos, Santorini, Syros, Sitia, Skiathos, Skyros
Hungary	Budapest Ferihegy	Pécs – Pogány Repülőtér, Győr – Péter Repülőtér, Fly Balaton Repülőtér Sármellék, Airport Debrecen
Ireland	Dublin, Shannon, Cork	Donegal Airport, Ireland West Airport Knock, Kerry Airport, Galway Airport, Sligo Airport and Waterford Airport
Italy	Roma-Fiumicino, Milano-Malpensa, Milano-Linate, Bergamo Orio al Serio, Venezia Tesserà, Catania Fontanarossa, Napoli Capodichino, Bologna Borgo Panigale, Roma-Ciampino, Palermo Punta Raisi, Pisa San Giusto, Cagliari Elmas, Torino Caselle, Verona Villafranca,	Treviso, Firenze, Lamezia Terme, Olbia, Alghero, Genova, Brindisi, Trapani, Trieste, Forlì, Reggio Calabria, Ancona, Pescara, Rimini, Parma, Brescia, Lampedusa, Pantelleria, Cuneo, Perugia, Foggia, Crotone, Bolzano, Elba, Grosseto, Salerno, Albenga, Siena, Taranto, Biella

⁵ Airports whose annual traffic is under 10,000 passengers a year are not listed.

	Airports whose annual traffic is more than 2 million passenger movements or 50.000 tonnes of freight in 2009	Other airports open to commercial traffic in 2009
	Bari Palese	
Latvia	Riga International airport	Liepaja regional airport, Ventspils regional airport.
Lithuania		Vilnius International Airport, Palanga International Airport, Kaunas Airport, Siauliai military airport
Luxembourg*	Luxembourg*	
Malta	Luqa-Malta International Airport	
Netherlands	Amsterdam-Schiphol, Maastricht-Aachen	Eindhoven, Groningen, Rotterdam
Poland	Chopina w Warszawie, Kraków-Balice, Katowice-Pyrzowice	Gdańsk im. Lecha Wałęsy, Wrocław-Strachowice, Poznań-Lawica, Łódź-Lublinek, Szczecin-Goleniów, Bydgoszcz-zwederowo, Rzeszów-Jasionka, Zielona Góra-Babimost
Portugal	Lisboa, Faro, Oporto, Madeira	Ponta Delgada, Porto Santo, Horta, Santa Maria, Graciosa, Pico, São Jorge, Flores, Corvo, Bragança, Vila Real, Cascais, Lajes.
Romania	Aeroportul International Henri Coanda – Bucuresti	Aeroportul International Bucuresti Baneasa - Aurel Vlaicu, Aeroportul International Timisoara -Traian Vuia, Aeroportul International Mihail Kogalniceanu –Constanta, Aeroportul Arad, Aeroportul George Enescu - Bacau, Aeroportul Baia Mare, Aeroportul Cluj-Napoca, Aeroportul Craiova, Aeroportul Iasi, Aeroportul Oradea, Aeroportul Satu Mare, Aeroportul Sibiu, Aeroportul Stefan cel Mare – Suceava, Aeroportul Targu Mures - Transilvania , Aeroportul Tulcea– Delta Dunarii
Slovakia*		Bratislava*, Košice*
Slovenia		Airport Jože Pučnik Ljubljana, Airport Edvard Rusjan Maribor, Airport Portorož.
Spain	Alicante, Barcelona, Bilbao, Fuerteventura, Girona, Gran Canaria, Ibiza , Lanzarote, Madrid/Barajas, Málaga, Menoría, Palma de Mallorca, Sevilla, Tenerife Norte, Tenerife Sur, Valencia	Asturias, Coruña (A), Granada, Jerez, Murcia/San Javier, Palma (La), Reus, Santiago de Compostela, Vigo, Vitoria, Albacete, Almería, Badajoz, Burgos, Ceuta/Heliporto, Ciudad Real, Córdoba, Madrid/Cuatro Vientos, Madrid/Torrejón, Gomera (La), Hierro (El), Huesca-Pirineos, León, Logroño, Melilla, Pamplona, Sabadell, Salamanca, San Sebastián, Santander, Son Bonet, Valladolid, Zaragoza
Sweden	Göteborg-Landvetter, Stockholm-Arlanda, Stockholm-Skavsta,	Stockholm/Bromma, Malmö airport, Arvidsjaur, Arvika, Borlänge, Eskilstuna, Falköping, Gällivare, Gällivare/Vassare, Gävle, Göteborg/Säve, Hagfors, Halmstad, Helsingborg/Hammen, Hemavan Tärnaby, Hultsfred-Vimmerby, Jokkmokk, Jönköping, Kalmar, Karlsborg, Karlskoga, Karlstad, Kiruna, Kiruna/Luosajärvi, Kramfors-Sollefteå, Kristianstad, Lidköping, Linköping/Malmen, Linköping/Saab, Ljungbyhed, Luleå/Kallax, Lycksele, Mora/Siljan, Norrköping/Kungsängen, Oskarshamn, Pajala-Ylläs, Ronneby, Skellefteå, Skövde, Stockholm/Västerås, Storuman, Strömstad/Näsinge, Sundsvall-Härnösand, Sveg, Sätenäs, Söderhamn, Torsby/Fryklunda, Trollhättan-Vänesborg, Umeå, Uppsala, Vidsel, Vilhelmina, Visby, Växjö/Kronoberg, Åre-Östersund, Ängelholm, Örebro, Örnsköldsvik

	Airports whose annual traffic is more than 2 million passenger movements or 50.000 tonnes of freight in 2009	Other airports open to commercial traffic in 2009
United Kingdom	Heathrow, Gatwick, Stansted, Manchester, Luton, Birmingham, Edinburgh, Glasgow, Bristol, Liverpool, East Midlands International, Newcastle, Belfast International, Aberdeen, London City, Leeds Bradford, Belfast City	Prestwick, Southampton, Cardiff Wales, Kent International, Barra, Benbecula, Blackpool, Bournemouth, Cambridge, Campbeltown, City of Derry, Doncaster Sheffield, Dundee, Durham Tees Valley, Exeter, Gloucestershire, Humberside, Inverness, Islay, Isles of Scilly, Kirkwall, Lands End, Lerwick, Lydd, Newquay, Norwich, Penzance Heliport, Plymouth, Scatsa, Shoreham, Southend, Stornoway, Sumburgh, Tiree, Wick

* Data from Eurostat due to the absence of data transmission by Member States. Airports under 15 000 passengers may not be listed.

Annex V: Details about the consultation of the groundhandling working group of the Sectoral Social dialogue committee (on civil aviation) and the internet-based consultation on the possible revision of the Directive 96/67

1. CONSULTATION OF THE GROUNDHANDLING WORKING GROUP OF THE SECTORAL SOCIAL DIALOGUE COMMITTEE (ON CIVIL AVIATION)

On Monday 16 November 2009, a workshop was held to investigate the European social partner organisations' views on the social aspects of the Directive; a meeting of the Groundhandling working group of the Sectoral social dialogue committee (on Civil Aviation) was used in that regard. The following organisations including some of their national affiliates were in attendance: Airports Council International-Europe (ACI-Europe), Association of European Airlines (AEA), European Regional Airline Association (ERA), Independent Airline Handling Association (IAHA), European Transport Workers' Federation (ETF), DG TREN and DG EMPL representatives.

The social issues that were identified and discussed during the workshop included employment conditions and staff transfer, minimum staff training requirements, subcontracting and security and safety. For each of these, the consultant Steer Davies Gleave (SDG) summarised the emerging views of the stakeholders during previous consultations, the main problems or divergence in opinions, and possible solutions. Stakeholders agreed that these issues needed to be looked at and clarified in any revision to the Directive, but generally there was no agreement as to a solution that would satisfy all stakeholders for each of these issues.

Other issues were discussed including the introduction of licensing of individuals, the impact of cascade subcontracting on quality, safety and liability, as well as safety management procedures.

Some stakeholders confirmed that the opening of the groundhandling market had increased pressure on the profitability of ground handling providers. As a consequence, this resulted in detrimental social impacts and in their opinion this meant that intervention would be needed to ensure social protection. The stakeholders were asked to present factual evidence of these impacts.

Following this meeting of the Groundhandling working group of the Sectoral social dialogue committee (on Civil Aviation), the EU Trade associations representing the Airports (ACI-Europe), the Independent Handlers (IAHA) and the Representatives of staff (European Transport Federation – ETF), adopted a common statement⁶ calling for improvements to the current tenders system and for a social clause on transfer of staff in case of partial or total loss of activity. This statement was not co-signed by airlines associations.

This statement is available online at the following address:
<https://www.itfglobal.org/files/seealsodocs/28646/Statement%20GH%20ACI%20IAHA%20ETF%20070411.pdf>.

⁶ Statement dated 7.4.2011.

2. INTERNET-BASED CONSULTATION ABOUT THE POSSIBLE REVISION OF THE GROUNDHANDLING DIRECTIVE

The consultation questionnaire is available at the following address: http://ec.europa.eu/transport/air/consultations/doc/2010_02_12_groundhandling_consultation.pdf. The questionnaire was available online via the IPM tool⁷ of the Commission during 10,5 weeks.

The summary of the results as well as the detailed contributions to this consultation were published in September 2010 (and are still available) at the following address: http://ec.europa.eu/transport/air/consultations/2010_02_12_directive_96_67_ec_en.htm.

Summary of the consultation results:

The Public Consultation on the impact assessment for a possible revision of Directive 96/67 on "the access to the groundhandling market at EU airports" was posted on the Europa website ("Your Voice") between 4 December 2009 and 17 February 2010.

The full text of the consultation is still available at: http://ec.europa.eu/transport/air/consultations/doc/2010_02_12_groundhandling_consultation.pdf.

The present document is intended to be a summary of the responses to this consultation. It was drafted for the European Commission by the consultant Steer Davies and Gleave.

The ideas put forward in the various contributions have been summarised without any interpretation. Opinions outlined in this report do not represent the views of the Commission. The completeness of this summary cannot be guaranteed however, but details can be found by reference to the various contributions published on the website. It is intended solely to assist interested stakeholders to obtain an overview of the results of the consultation.

The public consultation elicited much interest from a broad range of organisations, public authorities and citizens from EU Member States and outside the EU. Altogether, the European Commission received 103 contributions. The contributions respond to all or part of the 31 questions asked in the Consultation document, but several go beyond the questions. The Commission is grateful for such participation, which testifies to the interest for issues raised by a possible revision of the groundhandling directive.

Categories of respondents

1.1 There were 103 respondents to the Internet consultation on the Groundhandling Directive 96/67/EC. As provided in Figure 1, the responses were from a mix of stakeholders within the groundhandling industry. Of the respondents, 31% were airports or airport associations, 23% were from airlines and airline associations and 16% handling companies and handling companies' associations. The remaining 30% came from national and regional

⁷ More information on IPM at: http://ec.europa.eu/yourvoice/ipm/index_en.htm.

governments (14%), representatives of staff/Workers' organisations (6%), and other organisations (11%).

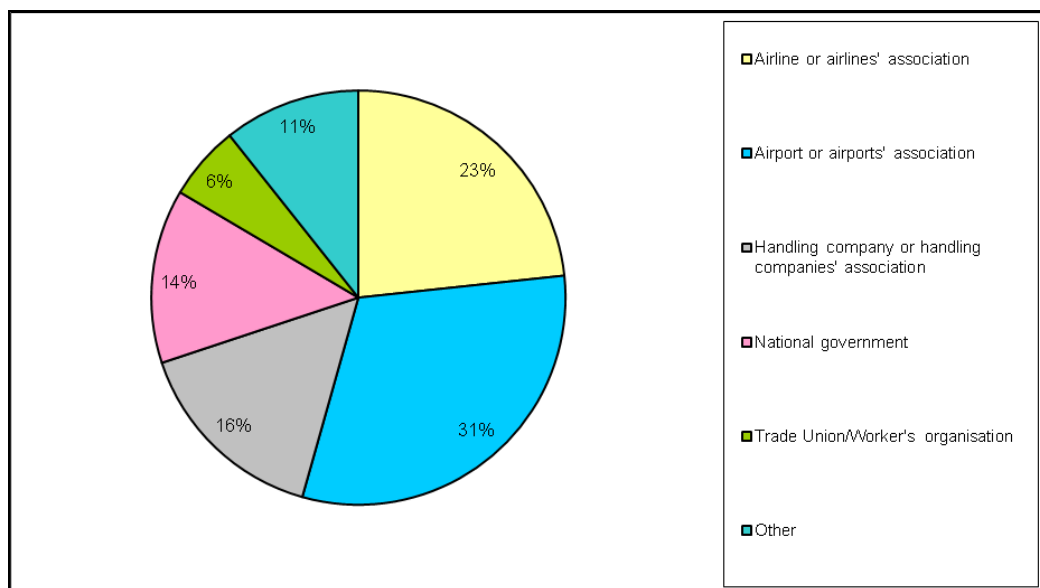


FIGURE 1 PROFILE OF RESPONDENTS

1.2 As illustrated in Figure 2, almost 70% of respondents were from the EU-15 Member States, the states with the most responses were Germany (17), United Kingdom (12) and Belgium (8). 13% of respondents were from the New Member States (NMS) and 15% from organisations that represent membership covering the whole of the European Union. The non-EU responses (3%) came from Swiss companies/Associations and a non-EU based airline.

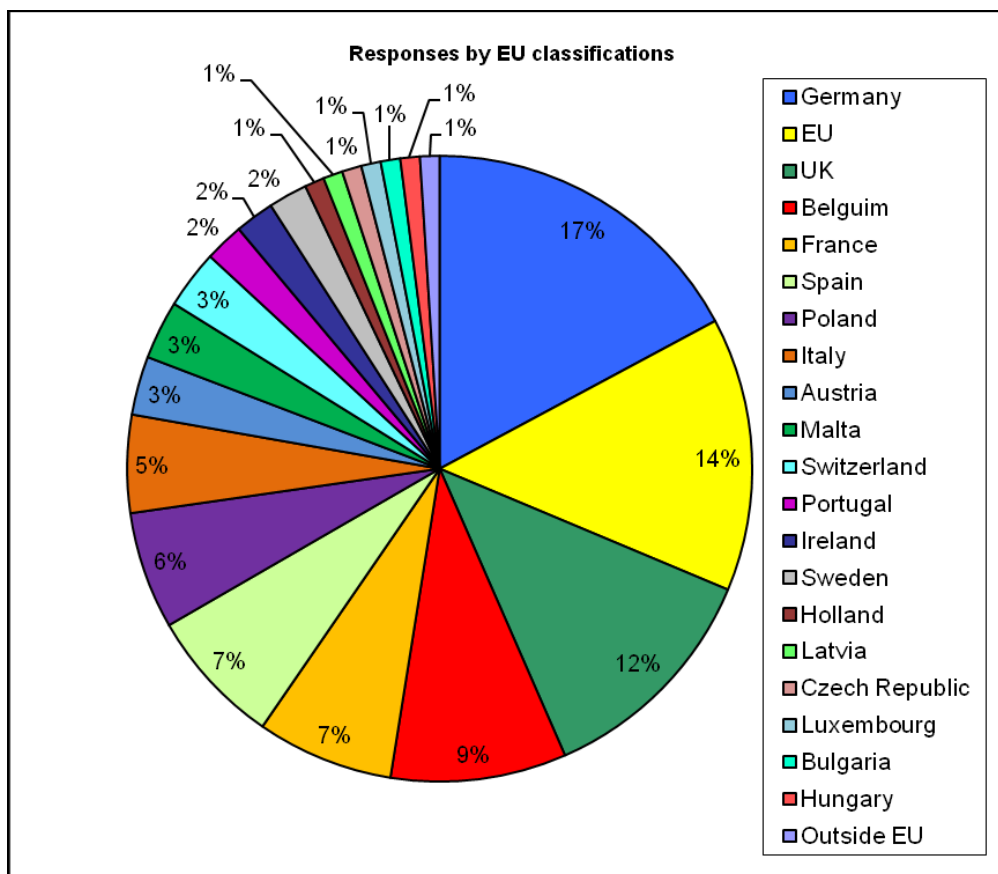


FIGURE 2 MEMBER STATES PROFILE OF RESPONDENTS

1.3 The next section outlines the responses to each question (the full text of the question including background information proposed by the Commission is presented in bold as an introduction). The responses are all ordered by stakeholder group: Member States, Airline Associations, Airlines, Airport Associations, Handling Companies' Association, Handling Companies, Representatives of staff and workers' organisations and Other. This order is the same for every question and does not represent the importance of the views of each group.

1.4 In the Member States respondents group stakeholders such as Civil Aviation Authorities and Government departments are included. They are referred to solely by the country in which they are from. There were also three regional governments who submitted their views. These are not referred by specific region but as different regional government's views throughout the analysis.

1.5 The Airline Associations include Associations such as IACA, AEA, ERA and ABBA (Alliance of ACMAB (Airline Cargo Managers Association Belgium), BAR (Board of Airline Representatives-Belgium), BATA (Belgium Air Transport Associations) and AOC (Airport Operators Committee at Brussels Airport)). The Airport Associations include ACI and the Handling Companies' Associations include IAHA.

1.6 The Trade union and workers' organisations include European wide groups and Member States specific labour associations.

1.7 The other group is made up of individual responses, other Associations, a law firm, the Air Transport Users Council and freight integrators.

Summary of responses by question

Additions to the Directive

Subcontracting Governing Rules (Your Voice Question 4)

No framework or regulation for subcontracting is provided in the Directive and stakeholders reported that it is unclear in which circumstances it is allowed.

The need for keeping clear responsibilities for the provision of groundhandling services 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).

Question: 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.

1.8 Member States: The majority of Member State respondents agree that sub-contractors should have standard conditions which they should meet to ensure the quality and standards of provision is maintained. Italy has already implemented a certification process nationally. Belgium suggested that sub-contracting of self-handlers should not be allowed and Poland said there should not be more than one level of sub-contracting. The UK did not want to see any restriction on sub-contracting but that there must be clear responsibilities and accountability. The regional governments had a mix of views with one proposing rules on sub-contracting, one to limit sub-contracting and the other to require formal authorisation. Two of the Member State respondents expressed concern that specific rules would discourage competition and innovation between ground handlers.

1.9 Airline Associations: All Airline Associations believed the license holder should ensure safety standards and is held liable for services provided by sub-contractors. Concern was raised by some associations about restricting sub-contracting as this would constrain groundhandling activities. Executive Flyers Aviation suggest limiting sub-contractors to a maximum of 2, not allowing more than 2/3s of a companies' activities to be sub-contracted and no sub-contracting of sensitive services.

1.10 Airlines: Most airline respondents do not believe that there needs to be specific rules regarding subcontracting. However, many agree that general guidelines should be developed. Suggestions were that the liability for the sub-contractor should lie with the approval process, activities involving sub-contracting should be transparent and that sensitive activities such as those related to safety and security should not be allowed to be sub-contracted out.

1.11 Airport Associations: One Airport Association raised concern with the use of sub-contractors in the groundhandling industry as it may have a negative effect on prices and workers conditions. Another did not oppose the introduction of rules for sub-contracting, but that these should be uniform for all groundhandling activities and the ultimate responsibility should always lie with the contractor. Finally, ACI believe sub-contracting is integral to the groundhandling industry, but by allowing those that self-handle to sub-contract reduces market opportunities. Therefore there was concern from the Airport Associations about the use of sub-contractors and the effect it has on the industry, but no direct suggestions for any rules that may govern this activity.

1.12 Airports: The majority of airports supported more control over sub-contracting to reduce multi-layer sub-contracting and to ensure that activities are transparent for all customers. Many of the airport respondents agree that general rules for subcontracting should be created at the Directive level, and specific rules left to be defined at an the airport level such as security, safety and environmental impacts. It was also suggested that some activities such as using sub-contractors for restricted services, would increase the number of groundhandlers needing high level security access which would increase the security risk and therefore some activities should be exempt from subcontracting. One Airport did not see sub-contracting as an important issue and thought introducing measures for this may create additional market distortions.

1.13 Handling Companies' Associations: IAHA proposed that self-handlers must not be allowed to sub-contract as it would reduce the contestable market and that when sub-contracting occurs the main contractor should always remain fully liable for the services provided. ASEATA proposed that activities must be undertaken by the selected contractor's staff and not sub-contracted to other companies.

1.14 Handling Companies: In agreement with the airports and their associations, most ground handlers companies agree that there should be common rules on sub-contracting in the Directive. They believe that sub-contractors should follow the same rules as the main contractor, by meeting safety and security standards and that their activities should be transparent. Their view is that subcontracting should not be allowed by self-handlers.

1.15 Representatives of staff and Workers' representatives: all oppose allowing the practice of sub-contracting as it creates a lack of consistency and integrity across the different ground handling companies. This, they believe, results in a range of working environments for their staff. In that context, the trade unions advocate restrictions on subcontracting and some suggest that subcontracting is banned within the Directive.

1.16 Other: There were only a small number of responses from the associations/non-governmental organisations to this question. One agreed with the introduction of specific rules whilst another was opposed saying there should be no subcontracting rules at the Directive level and they should be based on arrangements between the airport and ground handler. A further respondent suggested that controls to ensure safety and security standards are met by sub-contractors are introduced.

In conclusion, the majority of the stakeholders saw a benefit from introducing measures regarding sub-contracting in the ground handling market to the Directive concerning liability and what activities can be sub-contracted. However, some airlines and groundhandlers did not believe specific rules or regulation was needed. The practice of

sub-contracting was questioned, and opposed, with regards to its affect on workers, but the vast majority of organisations saw it as necessary for market operations. A number of respondents suggested that sub-contracting of self-handling should not be allowed under the Directive.

Quality Measures (Your Voice Question 5)

There are currently no minimum requirements in the Directive in terms of quality of service (in terms of training of staff, quality controls, environment protection, respect of safety and security rules)

If quality measures were to be introduced possible solutions include:

I Minimum training requirements

I Quality standards in the selection process

I Key performance indicators to be defined locally (by the airport or an independent authority)

I Individual staff qualifications (licensing)

I Company licensing

Question: 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.

1.17 Member States: Respondents were broadly in favour of the introduction of quality standards as a way to guarantee and enforce standards. Italy and France already have their own quality regulation and this includes for Italy company certification, staff training, quality standards, and minimum airport compliance. Hungary highlighted standard professional requirements and Belgium the licensing of qualified staff as specific measures that should be included in any quality standards. Poland agreed with standards being developed, but was unsure who should be deciding these standards. Germany, Bulgaria and the UK suggested that these would be established between groundhandlers and their customers. Bulgaria suggested that these would be included in Service Level Agreements and the UK said that a framework could be provided on the EU level, but the specific quality measures would be defined at the local level. All the regional government stakeholders were against the establishment of EU standards arguing that there is already sufficient regulation and any further requirements should be defined at the airport level.

1.18 Airline associations: All Airline Associations were in agreement that there needed to be no further EU regulation of quality standards as these should form part of the agreement between airlines and their groundhandlers and that industry standards have already been developed through the IATA Safety Audit for Ground Operations program (ISAGO). Any safety and security standards are set internationally and nationally so no further regulation from the Directive is needed.

1.19 Airlines: The majority of airlines did not favour the introduction of quality standards for ground handlers within the Directive. The two main arguments for this were that quality

standards should be negotiated between the ground handler and their customer (the airline) and that the audits that IATA undertakes of their ground handling rules and regulations (ISAGO audits) are sufficient. Those airlines in favour of the introduction of quality standards argued that these would increase control and harmonisation of ground handling activities across Member States.

1.20 Airport Associations: ACI believe that even if the final level of service has to be agreed between the client and the groundhandler, the EU should provide minimum standards for different types of airports to ensure the efficient operation of airports, especially regarding the minimum training requirements of staff. Another Association believed that it would be useful to have staff training, safety and security standards defined under the Directive, however another Association did not believe any changes were needed as minimum standards could be introduced under the current Directive.

1.21 Airports: Individual airport respondents expressed mixed views about the introduction of specific quality standards. Those in favour suggested that the introduction of general, not specific rules for quality standards would be sufficient as these could be tailored to the individual airport in which the ground handler was operating. Many were in favour of standards of safety and staff training and thought quality standards would improve the service that was provided by ground handlers. Those who did not support the introduction of quality standards stated that airports or the airline customers are better placed to define their own standards with the groundhandling company and that there is already regulation that is applicable to quality standards from IATA. Other airports suggested that any further standards imposed by the Directive would restrict market competition. Therefore, the majority of airports are in favour of quality rules defined and monitored at airport level.

1.22 Handling Companies' Associations: ASEATA supports the inclusion of the following requirements in the Directive to allow uniform, quality handling to be provided at in all EU airports: staff training and qualification, quality parameters, provision of handling to third parties and self-handling. This would have a consequence of increasing compliance cost but would improve the quality of security parameters and the accident rate. IAHA state that quality standards are contractual agreements between airlines and groundhandlers and any stronger enforcement role of quality standards could cause conflicts of interest and distort further competition. The current Directive allows for selection or approval processes so quality standards can be introduced through this method if deemed necessary.

1.23 Handling Companies: The individual handling company respondents generally agreed that quality standards should be introduced for safety and training qualifications, however, the Commission needs to ensure they will be applicable across all situations in which ground handlers operate e.g. large and small airports. The independent handlers expressed that they are against a stronger enforcement role of airports as it would increase conflicts of interest in case airports are handlers themselves. A minority of handlers argued that the standards should be agreed between the groundhandling company and their customers and that IATA's regulation is sufficient.

1.24 Representatives of staff and Workers' representatives: All were in favour of the introduction of quality standards to ensure that safety and training is a focus of groundhandling companies so that a safe and efficient service is provided for customers. They suggest to include a specification of the amount of training needed for defined tasks, skill refresh timetables, recognised qualifications and minimum wages.

1.25 Other: Other respondents expressed mixed opinions about the introduction of quality standards for ground handlers with some suggesting that users should define standards and that there was already EU-wide regulation regarding safety etc. from IATA. One said that due to the large number of complaints received from passengers by its members, there should be quality guidelines within the Directive. However, the law firm respondent stated that quality standards were not necessary and that quality had increased since the introduction of the Directive. One individual argued that a separate Directive was needed for the training of staff as this was one area of deterioration since the introduction of the Directive.

In summary, there is broad agreement for the introduction of training, safety and security standards within the Directive. The arguments against the introduction of quality standards into the Directive centred on these standards being defined in the contract between ground handlers and airlines or that the standards that are already enforced by IATA are sufficient. There were suggestions that the EU should provide a framework for quality measures or provide overall initial approval, but the specific measures should be defined and approved at a local level, others believed that EU wide standards would allow for transparency and fairness and finally there were arguments that standards could be introduced through the current Directive if necessary but that any EU wide standards were unnecessary as there were already sufficient standards at national and international levels.

Working Conditions and the Transfer of Staff (Your Voice Questions 6 & 7)

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.

Question: 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.

Question: 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.

1.26 Member States: The Polish respondent did not see the need to introduce Directive-specific regulation about staff transfer as it was covered at the National level. However, several Member State respondents including the Italian, French and Spanish respondents were in favour of further worker protection with companies having an obligation to take over staff, as it would improve working conditions. German, Belgian and Bulgarian respondents presented the advantages of staff transfer measures as creating better social protection, ensuring adequate pay, supporting better qualification and motivation of the staff, but that

there may be drawbacks such as the interference in entrepreneurial freedom and a possible contradiction with ECJ decision C-386/03 of 14 July 2005 of this measure. One government stakeholder suggested that more regulation was needed at an EU Directive level as Member States had previously needed to remove worker protection in line with the EU's liberalisation policies and a regional government stakeholder agreed a Europe wide standard was necessary.

1.27 Some of the Member States suggested other measures to improve the working conditions of staff. Belgium suggested qualified staff certification would help to protect staff and that safety and security measures could be improved. Germany were in favour of supplementary regulation to require a service provider or self-handler to take over staff in accordance with the groundhandling services transferred from the previous provider and that any intervention to maintain social standards and provide adequate pay for staff would be advantageous. France recommended the mandatory implementation of a dialogue structure between employers and employees specific to each groundhandling company to deal with occupational issues. Spain proposed a collective agreement for the handling sector that guarantees the rights of the employees which they implemented nationally in 2005. One of the regional respondents suggested a European standard for employment protection and employee rights and another proposed a requirement in the Directive for staff to use mechanical aids for loading to reduce accidents at work.

1.28 Airline Associations: IATA and AEA believe that staff transfer is out of scope of the Directive and that any regulation should be introduced through national regulation. IATA highlighted that any national legislation introduced must not jeopardise the Directive's other objectives. Other airline associations argued that further liberalisation of the market would ensure social protection.

1.29 Airlines: In response to introducing specific regulation on the transfer of staff and other measures to improve working conditions in the groundhandling sector, the majority of individual airline respondents believe that these issues are out of the scope of the Directive and should continue to be dealt with within National and existing EU regulations. Two airline stakeholders suggested that staff transfer could be linked to business transfer and one thought better training would improve working conditions. Others believe that introducing training standards would reduce the ability of new workers to gain jobs in the groundhandling sector and that by reducing the amount of regulation in this area working conditions are likely to improve as competition would increase and encourage innovation between groundhandling organisations.

1.30 Airport Associations: ACI and the Association of German Civil Airports agree that clarification on staff transfer should be introduced to safeguard working conditions and job security for staff. Minimum training requirements, working conditions and pay need to be defined to ensure there is not a 'race to the bottom' in the competitive market. One other airport association did not think the Directive needed to include specific worker rights as this is covered by existing national rules and other EU Directives.

1.31 Airports: A number of individual airport respondents mentioned that the current national and EU regulations are adequate to protect staff in all industries and there should be no special provision for the Groundhandling sector. The arguments in favour of staff transfer regulation suggested that it would increase consistency of the quality of provision across Member States, encourage skill development and would increase job security for workers. However, one airport respondent highlighted that this would contradict their national policy

and therefore it would be hard to enforce alongside differing national legislations. The airport respondents did suggest a large number of other measures to improve working conditions, these included: formal qualification for training in certain groundhandling roles, minimum wage standards across the EU and investment in mechanisation. A number of concerns were raised with introducing standards, which included a restriction on free market operation, the applicability of measures to all situations covered under the Directive and the costs associated with introducing any measure reducing investment elsewhere.

1.32 Handling Companies' Associations: ASEATA believe that the transfer of staff should be guaranteed between companies to maintain job stability and quality, and that airport space must be guaranteed for groundhandlers to ensure working conditions to be maintained. IAHA argue that clarification is needed in staff transfer as whether the company is sold or taken over will affect the rights that the employees will have.

1.33 Handling Companies came to no consensus on whether specific groundhandling staff transfer regulation should be introduced. Some proposed that introduction would improve social peace, help retain staff, improve working conditions and foster full harmonisation across the EU and avoid dismissal fees in some countries. The main argument against specific measures for staff transfer is that worker protection is covered by member state's own laws and existing EU law so is not something that the Directive should provide a separate regulation of. However, one handler noted that the current uncertain situation is a limit to competition. Suggestions of other measures to improve working conditions were: when an airport grants a right for a ground handler to operate it should ensure that adequate facilities are available for the groundhandling company to operate (for example dressing room facilities, office space, apron space etc), working conditions should be monitored across the EU, luggage weights should be lowered and equipment requirements introduced.

1.34 Representatives of staff and workers' organisations: All workers organisations agree that the transfer of staff is an important issue and one where workers' jobs need to be protected. Many workers respondents agree that additional clauses and wording in the Directive is necessary. However, one said that the need for staff by new companies ensures that staff transfer anyway and another highlighted the importance of ensuring that any regulation in the Directive does not contradict the National and EU legislation in place. There were a number of suggestions for improving the working conditions for groundhandling staff, these included: standards of equipment and security of workers, shift length restrictions, minimum turnaround times, minimum number of workers per aircraft, luggage weight restrictions, a complete ban on sub-contracting, a requirement for companies to have collective representation of employees, wage standards and minimum training of staff.

1.35 Other: Only one independent association supported the introduction of staff transfer measures, but suggested that this should be done on a case by case basis. All other associations believed existing legislation is sufficient. One individual felt strongly that staff protection is needed to ensure stability in the groundhandling labour market with the introduction of minimum requirements for staff per aeroplane, stopover time requirements etc.

In conclusion, the majority of representatives of staff and workers' organisations and a part of the airports and Member State stakeholders agree that specific amendments to the groundhandling legislation to address working conditions and transfer of staff are required. Proposed amendments in that respects were to provide minimum wages,

adequate training provision, social protection, minimum staff provision for activities. The majority of all other respondents opposed such amendments arguing that existing National and EU legislation already deal with social protection and transfer of undertakings sufficiently and that groundhandling specific rules had in some cases the potential to contradict or conflict with national legislation. There is current uncertainty in when the current regulation is applicable, for example when companies are taken over as opposed to their right to operate expires and a new company takes over. Overall further regulation and clarity was deemed necessary, whether through the Directive or other legislation.

Representation of Airlines (Your Voice Question 8)

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 sometimes having 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.

Question: 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.

1.36 Member States: Most Member State respondents agreed that airline representation would be advantageous for passengers, but Poland, Sweden and Bulgaria all stated this would lead to increased costs. Poland did not think that representation was necessary at each airport and Germany did not see this issue as a common problem; Hungary agreed that a presence at each airport was not necessary as long as the airline has a presence in every Member State in which it operates. Italy, France, UK, Spain and Sweden argued that there were advantages for passengers if they were delayed, lost their baggage and for general safety and security if an airline representative was available. The UK also said this would be advantageous to regulatory authorities as it was sometimes difficult to locate a legally accountable representative. France and Bulgaria raised concerns if the airline was represented by a groundhandler and one regional government stakeholder suggested that as a result the airline may become less responsible for the activities at that airport. Sweden suggested that representation only be compulsory in the case of regular scheduled services.

1.37 Airline Associations: EFA supported airline representation at airports through a legally accountable body. Most other airline associations argued that it is unrealistic to expect representation by airlines at all airports, but that groundhandlers acting on their behalf would not be a credible alternative as they would be unable to fully take on this task as many areas would be out of their scope such as financial commitments and slots.

1.38 Airlines: The majority of individual airline respondents do not believe that it is feasible or necessary to have an airline representative at every airport from which the airline operates because it would be too costly. In their opinion, the reasons why representation might be needed were out of the scope of the Groundhandling Directive. Some airline respondents believed that an airline could be legally represented by a groundhandler, whilst others argued this was not the case. One solution suggested by a few airline respondents was that a toll free telephone number could be provided at every airport to an airline representative.

1.39 Airport Associations: One association argued that airline's airport representation has never been a problem for airports. Another stated that they are not opposed to this idea, but that if a groundhandler represents an airline that the groundhandling company has the necessary contract to fully and legally represent the airline.

1.40 Airports: A variety of opinions were presented by individual airports as to whether an airline must have a representative at every airport in which it operates. Some argue it is unnecessary as there are other procedures in place such as Lost and Found Desks and that this representation would add unnecessary extra levels of management to the airport. Some believe it is necessary to have airline representation to improve the general running of the airport and to ensure that emergency situations are dealt with adequately. The remaining airport stakeholders were happy for airlines to be represented by their groundhandlers as long as they have legal powers to make decisions on behalf of the airline.

1.41 Handling Companies' Associations: There is agreement amongst the handling companies' associations that an airline presence is necessary to ensure passenger rights are fulfilled in the event of incidents such as delays, cancellations, overbooking etc. If the groundhandler represents the airline then the legal responsibility and liability must be clear.

1.42 Handling Companies: The majority of individual groundhandler respondents agree that an airline should be represented at the airports in which they operate and that it would be sufficient for that representative to be from the airline's groundhandling company as long as they have the appropriate jurisdiction to legally represent the airline. Some groundhandling companies raised concern that the groundhandler could not be given this legal power and therefore the airline needed to be present at all airports.

1.43 Representatives of staff and workers' organisations: There was only one response with one trade union argued that the airlines can be represented by their groundhandlers so long as there is airline representation as well, increasing quality and jobs.

1.44 Other: These stakeholders were all concerned about the ability of the passenger to find a representative to ask for assistance. It was argued that this does not need to be an airline representative, but someone accountable at the airport, however they need the authority to take local decisions. Again it was pointed out by a number of stakeholders that this issue of representation was beyond the scope of the Directive.

In conclusion, there was only minimal support from stakeholders for requiring airlines to be present at each airport. Many stakeholders felt these obligations could be passed on to the groundhandling agent representing the airline. However, independent ground handlers identified legal difficulties with such an approach. Those opposing the requirement for airlines being present at each airport recognised that this would increase costs. Those in

favour described the benefits for passengers if they were delayed, lost their baggage and for general safety and security of an airline presence. Moreover, it was mentioned that groundhandling agents would not be able to cover all the airline's responsibilities.

Safety and Security (Your Voice Question 9)

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 lead to safety/security problems.

Question: *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?*

1.45 Member States: France, Poland and Spain have not experienced any significant safety and security issues since the introduction of the Directive. However, Belgium, Italy, UK and Bulgaria state there has been an increase in incidents on the apron and that further regulation and certification is necessary as inexperienced staff are being employed creating problems such as incorrectly loaded planes. Sweden, Italy and Germany suggest that, with an increase in companies and staff operating airside, identification has become an issue increasing security concerns. In the UK the CAA are examining introducing language qualifications as they believe staff difficulties in language comprehension is increasing the number of accidents.

1.46 Airline Associations: The majority of associations did not see any link between safety concerns and the introduction of the Directive. IATA supported the introduction of Safety Management Systems, but ERA believes that there should not be any additional legislation with regards to the Groundhandling Directive as it may duplicate or contradict existing legislation.

1.47 Airlines: The majority of individual airlines do not see a link between the introduction of the Directive and any deterioration in safety and security standards. A small number of individual airline respondents suggested that there should be more comprehensive reporting of incidents and the introduction of Safety Management Systems would be preferable, however, the majority did not see this as within the Directive's scope. It was also outlined that the list of groundhandling activities does not include document checks at gates though this activity must be performed by groundhandlers and the surveillance of baggage (baggage reconciliation) mail and aircraft which can be the responsibility of different groundhandling organisations.

1.48 Airport Associations: Associations agree that since the introduction of the Directive there has been a reduction in quality and an increase in minor incidents with outdated equipment being used, a reduction in worker supervision and an increase in different workers needing access to secure areas causing security concerns.

1.49 Airports: The individual airport respondents highlighted three main safety and security problems that have been created since the introduction of the Directive: short term contracts and high turnover of staff have meant that staff qualifications and experience have deteriorated affecting the safety and security of passengers; the larger number of organisations and different staff operating at an airport has also increased the number of security checks and passes needed causing a detrimental effect on security measures; and finally there are concerns about the number of people and equipment operating on apron space increasing the chance of accidents. One airport group suggested a formula to determine the number of groundhandlers that should be allowed at an airport depending on the facilities available

1.50 Handling Companies' Associations: IAHA highlighted safety and security concerns since the introduction of the Directive as there was increased congestion and quicker turnaround times. The time taken to gain security passes for personnel had also increased and was now considered too long. ASEATA argued that third party handling agents and self-handling should be restricted based on capacity.

1.51 Handling Companies: The main concern of individual handling company respondents was the safety of ramps and aprons with an increased number of groundhandlers since liberalisation. Over half of respondents mentioned this problem whilst others mentioned that there were already specific procedures in place to ensure the safe operation of airports.

1.52 Representatives of staff and worker organisations: All highlighted the lack of investment that short-term groundhandlers invest in their equipment and training, putting their staff's training at risk. There is also concern over lost luggage as more organisations are involved in the process, reducing transparency and responsibility. Finally, the increase in the number of workers involved in groundhandling increases concerns of ramp safety and airside security.

1.53 Other: stakeholders raised concerns with the staff training and that staff were given responsibilities above their level due to staff shortages at some airports since the introduction of the Directive. The independent associations agree that more transparency of incidents is needed and assurances that goods and passengers of different security levels are kept separate.

In summary, the main concerns raised by stakeholders with regards to safety and security are those of ramp overcrowding increasing the chance of accidents, a reduction in investment in staff and equipment leading to poorly trained staff and inadequate equipment being used and a reduction in security standards at airports as more people are given access to the airside of airports. Independent reporting on the level of accidents, better management of ramp congestion and oversight of the provision of individual security passes were key recommendations from the responses.

Clarifications to the Directive

Tender Process - Length of a contract when tendered (Your Voice Question 10)

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).

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 significant investment in personnel and equipment. However, there is a trend in the industry to rely more and more on rents for expensive equipment.

Question: 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.

1.54 Member States: The Member State Respondents were broadly in favour of extending the tender contract period to 10 years as it will encourage investment and will reduce administration costs for government bodies, but concern was raised by Belgium, Bulgaria and Spain that it may reduce quality and competition. Poland suggests that the length of contract should be specific to the groundhandling activity. Whilst France and Italy both argue for shortened contract lengths to allow airport development and the opportunities for new entrants to enter. The regional governments were all in favour of an increase in contract length to reduce administration costs and promote investment.

1.55 Airline Associations: The airline associations were largely happy with the length of contract at 7 years, but would not oppose an extension as this would allow better planning and more investment to be made. IATA and ABBA did not oppose the extension but asked that exit clauses be included for bad service quality provision.

1.56 Airlines: The majority of individual airline respondents believe that the tender contracts at airports should be increased from 7 years with many suggesting 10 years as an alternative. They argue that this will increase investment in equipment and allow for better planning by the groundhandling service provider. A number of stakeholders stated that if the length was increased then it would be necessary to have exit clauses within groundhandling contracts and that the length of contract should be in line with other service providers at the airport. The main arguments against this increase were that a minimum number of years should be introduced, not a maximum, so that the market could be further liberalised or that there was no problem with the current 7 year period.

1.57 Airport Associations: ACI are in favour of a longer contract period as it will create a more stable environment encouraging investment. They also point out it will reduce the administrative burden reducing the tender procedures to conduct. ADV argued that the current 7 years was an appropriate timescale.

1.58 Airports: Most individual airport respondents thought that extending the contract period from 7 to 10 years would be an advantage as it would encourage investment in equipment, create a stable environment in the groundhandling market for staff recruitment and future planning and help to reduce costs as groundhandlers' capital expenditure will be over a longer period. Concern was raised that this extension would reduce efficiency and quality as the groundhandling market would become less responsive to the overall air market and flexibility would be curtailed. One airport did not have a preference on the length of contract, but was concerned that however longer the tender, the ability to remove a groundhandling provider due to poor performance was necessary.

1.59 Handling Companies' Associations: IAHA argue that the 7 year contract should be the minimum contract term to allow the necessary investment in human resources, equipment,

building a customer portfolio etc and ASEATA were in favour of the extension to 10 years to improve social stability and Research & Development investment.

1.60 Handling Companies: The majority of individual groundhandling company respondents were in favour of the increased contract period as it will allow groundhandling companies to recoup investments, reduce costs, bring fairer competition with airports providing groundhandling services, and increase stability. One handling company respondent stated that GSE is expensive and has got an average depreciation period of 9.3 years. Another suggested that licenses should not all have the same maturity date, but a 10 year license available every 5 years to allow equipment transfer. The two independent groundhandling stakeholders who did not support an extension of the contract period did not see an advantage in any extension.

1.61 Representatives of staff and worker organisations: All agreed that extending the contract length would be advantageous by increasing stability in the sector.

1.62 Other: The independent associations were not so concerned with the length of contract, but raised two concerns with tender contracts: that the ability to withdraw them during the contract period is necessary and that there should be no restriction in a fully liberalised market.

In summary, the extension of the tender contract period from 7 to 10 years appears to have broad agreement from all stakeholders with many seeing the advantages of increased investment, stability and lower costs. Many of those not in favour do not see a problem with the current situation or believe that there should not be a limit at all. One concern mentioned by a number of stakeholders was the need to have exit clauses in place particularly for poorly performing groundhandling companies to lose their right to provide groundhandling services.

Tender Process - Evaluation of tender and Airport User Committee (AUC) (Your Voice Question 11)

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.

Question: 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.

1.63 Member States: Bulgaria and Belgium argue for greater clarity in the Directive about who should be included in the Airport Users' Committee and how they should operate. Germany, Bulgaria and the UK all argue that the AUC should be able to advise the airport operator, but that its view should not be binding. However, any decision in conflict to the

AUC's recommendation must be fully justified. Belgium also suggested the introduction of an independent economic regulator to oversee the operation of AUCs at EU airports to ensure consistency. Most of the regional governments and Poland were happy with the way that AUC currently operates.

1.64 Airline Associations: EFA argue that a user definition is needed and that the voting power should be controlled to ensure that no user has more than 40% of the votes. AEA and IATA argue that the AUC's decision needs to take more prominence in the decision making process and voting power should reflect market share. Justification of decisions not in agreement with the AUC's recommendation was seen as important by the other Associations.

1.65 Airlines: Individual airline respondents argued that the Airport Users' Committee should have a prominent role in the selection of groundhandlers to operate at an airport. They believe that the users are the most important party in this decision as they will be using the service, their opinion should be decisive and any decision on the contrary to this should be justified. There were concerns about how to define and represent the users with suggestions of market shares, air traffic etc. Also it was highlighted that strict separation of airline representation is needed if they also are involved in groundhandling activities. One stakeholder not in favour to any change in the AUC argued that the role of the AUC should remain the same as its current role and another argued that an independent body should decide which groundhandling agents should operate at an airport with input at every stage of the decision making process from airport users.

1.66 Airport Associations: ACI argue that the role of the AUC must remain as a purely consultative one, but that any decision not to follow its recommendation must be justified. All associations were concerned with gaining a fair representation of the airport users within the committee.

1.67 Airports: There was broad agreement amongst individual airport respondents that the current role of the AUC is satisfactory. Many were wary of giving users more power as there are often conflicts of interest and airport operators opinions are important for the decision making process, not just the users (airports notably argue that they are best placed to represent the "general interest" in the use of airport space). It was suggested that better feedback and reporting on decisions is the best option for increasing confidence in the decision making process and the use of the AUC.

1.68 Handling Companies' Associations: They argue that it is not the AUC that is important but that any decision making process is transparent, objective and public and in line with EU procurement principles. This would guarantee that more factors than just price were taken into account, e.g. social and environmental criteria, which are often focussed on by users.

1.69 Handling Companies: There is broad disagreement from the handling companies for giving the AUC more power as there is a worry about conflict of interest amongst the users. It is agreed that the users' views should be heard, but they should not be decisive as other factors are important. The introduction of an independent public body was suggested.

1.70 Representatives of staff and Worker's Representatives were broadly happy with the current AUC, but two suggested worker representation should be guaranteed at the AUC.

1.71 Other: The independent associations supported more transparency in the decision making process with the AUC taking as many different opinions into account as possible.

In conclusion, the vast majority of the stakeholders except airlines are comfortable with the present constitution and role of the AUC. However, airlines believe much greater user representation is needed and voting rights must be further defined to avoid conflicts of interest. Some stakeholders asked for greater transparency of decision-making processes and decisions made by the AUC. A number of stakeholders asked that when the AUC's recommendation is not followed a full and transparent justification should be provided.

Selection of self-handling providers (Your Voice Question 12)

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 a mechanism could rely on criteria to be defined.

Question: *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.*

1.72 Member States: Most Member State respondents agree with the introduction of criteria for self-handling airlines, with Belgium and the regional governments suggesting that it should be the same as for other groundhandlers, but Bulgaria, UK, Spain and Hungary simply placing importance on having clear and transparent procedures that unify existing rules across Member States. Poland is supportive of any guidelines to reduce misunderstandings surrounding the issue of selection of self-handlers.

1.73 Airline Associations: There is opposition to the introduction of any criteria to limit the ability of an airline to self-handle from airline associations, if they are capable they should be allowed to operate. Many argue that self-handling only occurs in limited cases in the market so this intervention to determine criteria is unnecessary. AEA and IATA argue that if there is any exceptional constraint then this should be able to be resolved in the individual airport through consultation with the AUC.

1.74 Airlines: They were strongly opposed to any restrictions on the ability of airlines to self-handle. Many felt that in the few exceptional circumstances where self-handling was restricted under the existing Directive, for example for physical space constraints should be resolved through discussions between the airport and airlines. A small number of individual airline stakeholders argued that self-handling could also be restricted on the grounds of market share.

1.75 Airport Associations: ACI suggested that as self-handlers are generally chosen on the amount traffic they handle at the airport and this is subject to fluctuations. To ensure stability

the rights to self-handle should be provided for a specified period of time and aligned with the duration of the third party contracts. Another association suggested limiting the occupation areas within the airport and having binding quality criteria for self-handlers.

1.76 Airports: The majority of airports believed that the fairest way to chose self-handlers is through the same criteria as independent groundhandlers, however many did not believe that the restriction of self-handlers was currently a problem. Some suggested that selection criteria be based on the volume of traffic at airports.

1.77 Handling Companies' Associations: ASEATA suggests that criteria could be created based on quality, training etc which are comparable to third party groundhandlers. IAHA agree that the same service level and access conditions as other handling suppliers should be introduced.

1.78 Handling companies: All individual handling companies believe that airlines should have to meet the same criteria as independent handlers in order to operate at an airport. This is to ensure that equipment and space is available to all groundhandlers and there is a fair and transparent system for allocating licenses at airports.

1.79 Representatives of staff and workers organisations: The workers representative respondents do not see the practice of self-handling needing regulation. However, one suggested that any airline self-handling should have to perform to a minimum frequency of operation if they were given approval to provide ground handling services.

1.80 Other: The European Express Association argued that no limit be placed on self-handling and that the market should decide the number of airlines who wish to self-handle.

In conclusion, the majority of airlines and their associations opposed any restriction on self handling. Member State respondents and most airport respondents, as well as all independent handling respondents suggested that self handling airlines should have to meet the same criteria as independent ground handling agents. Many respondents suggested that congestion on the ramp could be a reason for restrictions on self handling, with the hub and largest airline users given first preference for self handling rights.

Charges to Access/use airport installations (Your Voice Questions 13 and 14)

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.

Question: 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?

Question: 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.

1.81 Member States: All Member State respondents were in favour of transparent and defensible fees being charged by airports. However, Germany and France mentioned how these should already be covered in the Charges Directive. They all agreed with the principles of an independent regulator as this would increase transparency and monitoring of airport charges and ensure that monopolistic situations are not abused. Hungary, Belgium, Germany and Poland mentioned concerns about the administrative and financial cost of setting up any regulator. The UK and the regional governments stated that the current system was sufficient and Spain and France stated that they did not have these charges.

1.82 Airline Associations: Bravo Delta Foxtrot (German airline Association) BDF, AEA and ABBA believe that charges should be based on the principles of the Airport Charges Directive. ERA believes there needs to be greater oversight and transparency of charges and an independent regulator would help reduce discrepancies between approaches. Other associations are in favour of the setting up of an independent regulator.

1.83 Airlines: The individual airline respondents believe that there should be defined criteria for charges for airport installations. Many suggested that these criteria should be in line with the Airport Charges Directive ensuring that they are transparent, cost efficient, cost-related and introduced through consultation with airport users. One airline suggested that there should be no access fees. Most were happy with cost recovery charges as long as there were assurances that airports were not abusing their monopoly position as infrastructure provider with the level of these charges. The majority of airlines supported the introduction of an independent regulatory body as they would resolve any appeals or disputes, ensure there are not discrepancies across airports and regulate prices against costs, as they would be fully independent and could settle specific airport disputes. Those who were not supportive of an independent regulatory body were individual airlines who did not see the need for further regulation in this area, or they already had something similar set up in the airports in which they operate. One stakeholder suggested that all EU regulated airport fees should be consolidated within one piece of legislation.

1.84 Airport Associations: All the airport associations do not agree that the definition of the access charges needs to be improved as they believe it provides an appropriate framework against which to set the airport charges. The introduction of an independent regulator was seen as an unnecessary cost burden and any charges should already fall within the remit of Directive 2009/12.

1.85 Airports: Most individual airport respondents do not believe that further defined charging mechanisms are needed as either the ones in place at the moment are satisfactory and national and EU regulation cover anything else or it would be impossible to produce EU relevant definitions of profit margin and cost recovery. Many airports agree that the charges should be open to challenge from users and that consultation is helpful, but that changes to the Directive are not necessary. The majority of individual airport respondents did not see the advantage in an independent regulatory authority being set up as there are often already authorities that are able to regulate prices in Member States and another regulator will add more bureaucracy to the system. This introduction will also be likely to increase costs to groundhandlers through increased administration costs and would reduce the market

liberalisation that has so far occurred. The advantages mentioned were ones of transparency and visibility to customers.

1.86 Handling Companies' Associations: The handling company associations were in favour of airports having to justify the airport charges to ensure they are transparent and objective. The idea of setting up an independent regulator was seen favourably, but there were concerns that this would lead to extra cost burdens.

1.87 Handling companies: All individual handling company respondents agree that airport charges should be transparent and justified objectively, with all airport users being charged the same, not just groundhandlers. Some handlers suggest that there should be no separate charge for centralised infrastructure use. Most handling companies and their associations agree with an independent regulator being set up to monitor airport infrastructure charges as it would increase transparency, monitoring and is necessary to resolve any disputes. There were some concerns as to whether an independent regulator was necessary as it may over regulate the industry and whether it would have appropriate powers to intervene in the case of a complaint.

1.88 Representatives of staff and workers organisations: All organisations believe that the airport's charges for installations should be monitored and restricted.

1.89 Other: The law firm respondent mentioned the European Court of Justice ruling C363/01 which states that the airport can only charge for the use of installations, however, they suggest that this needs further definition of what can be charged for this access. The independent regulator was seen favourably, but one stakeholder pointed out that the Directive provides for appeal to an independent body so any additional need for a regulator may be redundant.

In conclusion, most airline stakeholders and independent ground handlers support the introduction of access to airport installations charges criteria and independent regulator. However, independent ground handlers warn against over regulation of an independent regulator. Airports opposed such an introduction and felt that in many cases national regulatory procedures already provided users protections. Most stakeholders called for greater transparency of the basis of charges for airport installations. Concern was raised about the additional costs of independent regulation of these issues.

Separation of Accounts (Your Voice Questions 15 & 16)

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.

Question: 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

Question: 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

1.90 Member States: Most Member State respondents believe that the current Directive is sufficient in its guidelines on the separation on accounts. However, France, Hungary and Bulgaria believe this could be extended to make the guidelines clearer to ensure there is no cross-financing. Poland was concerned about the administrative burden and cost of any further interventions. Most Member State respondents believe the independent examiner's role is necessary and Belgium suggests that checks through auditing are sufficient.

1.91 Airline Associations: The associations agreed that the transparency and separation of accounts may not be sufficient with more provision needed. EFA and IATA supported the creation of separate legal entities, whereas AEA suggested this would not be necessary so long as there was a detailed breakdown of accounts and an external auditor could be used for this purpose.

1.92 Airlines: The individual airline respondents are all in agreement that more precision should be given on the guidance for the separation of accounts to ensure that the process is transparent and fair. There was no agreement amongst individual airline stakeholders as to whether companies should have to create separate legal entities to perform their groundhandling activities, with some believing that this is unnecessary if the separation of accounts is enforced sufficiently, whereas others believe the more separation the better the system will be. The majority thought that airports should be the only operators needing this separation, but one mentioned that it should also be applicable to airlines that self-handle. A couple of airlines suggested the regular publication of results from the audit or at least part of the examiner's report, however there were concerns amongst respondents of the extra costs this may create.

1.93 Airport Associations: Two airport associations argue that no changes to the rules are necessary, but that it is up to Member States to better enforce the rules and this is where there may be deficiencies with the process. ACI suggested that the requirements be clarified so that the prohibition to cross-subsidize refers only to purely aeronautical revenues (charges) for which the airport is acting as an authority.

1.94 Airports: Most individual airport respondents do not see the need to further specify the separation of accounts requirements arguing that current arrangements are sufficient. Many airports felt that the publication of results was unnecessary and had no practical use, but one stakeholder pointed out that publishing the results would improve other stakeholders' perception of the effectiveness of the current regulation. A number also suggested that this separation should be applicable to all groundhandlers, including airlines that self-handle.

1.95 Handling Companies' Associations: ASEATA do not believe any amendment is needed, however IAHA believe airports need to legally unbundle and publish separate accounts.

1.96 Handling Companies: The individual handling company respondents generally agree that more precise rules on the separation of accounts are needed, with some saying they should be applicable for all multi-functional companies, but other stating it was only applicable to airports. The majority agree that the Independent Auditor's audits should always be published. One handling company was concerned that publication may cause problems as the results may not be interpreted correctly.

1.97 Representatives of staff and worker representatives: They state that the separation of accounts should be transparent and fair and overseen by an independent examiner with the results publicly available.

1.98 Other: The independent associations all agreed that transparent separation of accounts is needed.

In conclusion, greater clarity of the requirements for separation of accounts was supported by the majority of airlines and their associations, representatives of staff and workers' representatives and independent handlers. Airports and the majority of government stakeholders did not believe this was necessary. There was concern from airports and government stakeholders about the administrative costs of introducing greater regulation. Most respondents did not believe it was necessary to make accounts publicly available. However, representatives of staff and most independent handlers supported full transparency.

Airport groundhandlers and selection procedure (Your Voice Question 17)

Airports have the right with the Directive to provide groundhandling services without having to be selected through tender. This features 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.

Question: 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

1.99 Member States: The Member State respondents gave mixed views with some of them (Belgium, Hungary, Bulgaria, Spain) seeing the airport involved in the tender procedure as necessary to require equal conditions in the market and transparency. Others including Sweden, Germany, France, Poland, the UK and the regional governments were in disagreement as the airports supply expertise to market that would be lost if they went through the tender process and that airports were at no advantage without going through the tender process as they are fixed in one place so have not got the flexibility of other groundhandling organisations.

1.100 Airline Associations: All airline associations were in agreement that airports should undergo the same tender procedures as other groundhandling operators. IATA argues that there is no justification for favouring airports and the associations argue this will allow a level playing field and reduce market distortions. ABBA supports the provision of no tender procedures for any groundhandling operators to allow the market to determine entrants, but until full liberalisation was possible airports must undergo the same procedures as all other companies wishing to provide groundhandling services.

1.101 Airlines: All individual airline respondents agree that airports should be subject to the same tender procedures as all other groundhandlers so that there is a fair and balanced procedure and to help control the number of groundhandlers

1.102 Airport Associations: The associations argue that it is the airport's obligation to provide a groundhandling service and therefore they should not go through the same tender procedures. One association agreed that if the airport groundhandler was going to step in as a groundhandler and another party was interested then a tender procedure could be justified, but a compulsory tender would be unfair.

1.103 Airports: The individual airport respondents expressed strong views against airports being subject to the same tender procedures as other groundhandlers as they were not in the same position as independent handlers. The airports argued that they have to provide the service if there is market failure, that their long-term expertise would be lost if they were unable to operate and that they are in a differing position to independent groundhandlers as they would be unable to change location if they were denied. It was also stated that in other sectors, Courts and legislators created a special right for the infrastructure provider. Those airports happy to undergo tender procedures argued that it would create a level playing field.

1.104 Groundhandling Companies' Associations: The groundhandling company associations are all in agreement that it should be necessary for airports to follow the same tender procedures as other handling operators as it will avoid the distortion of competition and create a level playing field for all members of the groundhandling market.

1.105 Groundhandling Companies: There is broad agreement amongst individual groundhandling company respondents for airports to undergo the same tender procedure as other groundhandlers to create a freedom of choice, an open markets and fair competition. Without this, one stakeholder argued that competition is distorted: with airports not having the risk of losing their access to the market to operate. Those not in favour, suggested that with the airports undergoing a tender procedure there would be a lack of continuity of services provision and that other rules such as the separation of accounts were sufficient for regulating airport groundhandling operation.

1.106 Representatives of staff and worker representatives: Most workers representatives were not supportive of the airports undergoing the same tender procedures as other groundhandling organisations as it may threaten jobs as airport groundhandling jobs may transfer between organisations.

1.107 Other: Some independent associations argue that to ensure standards then airports must go through the same tender procedure, whilst one argues they should not be put in direct competition with other large groundhandling organisations as they are only able to operate at one airport.

In summary, airline stakeholders and most independent groundhandlers supported airport (and their subsidiaries) ground handlers should be subject to tender procedures as this would provide a more competitive market and ensure a common set of standards. Most airports and representatives of staff opposed such procedures and warned against losing long-developed expertise, and did not have the opportunity to change location like independent handlers. Government stakeholder responses were split between these two views.

Space constraints and their impact on the constraint on competition (Your voice Question 18 & 19)

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 limited ground space available 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 one 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 there would be more groundhandling undertakings interested in operating at the airport than there would be premises readily available. Due to the limited space available at 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:

I Auctioning of airport premises ;

I "first arrived, first served" option (new entrants have to wait that a premise is made available);

I Definitions of minimum criteria which have to be met by a new entrant to obtain premises (expected market share, number of staff or equipment).

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

Question: 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

1.108 Member State: The Member State respondents produced a mix of suggestions for managing space constraints. Belgium, Bulgaria, France and the regional governments were all opposed to the introduction of auctions as this would favour those groundhandlers in the strongest financial position. France and the regional governments suggested the use of a 'first come first served' allocation and Italy and Spain favoured a criteria based approach. Belgium supported a consultation with stakeholders and Germany, Poland, Sweden and the UK supported giving airports the power to decide the allocation of space. Hungary suggested assessing individual space requirements of companies when assigning space and Germany thought that a pool of equipment may help alleviate problems, however there may be problems co-ordinating needs and demand peaks.

1.109 Airline Associations: The airline associations were in favour of case by case solutions to space allocation problems with associations such as EFA suggesting the use of the AUC. IATA, AEA, BDF and ABBA were strongly opposed to the use of auctions as this would push up prices for airlines. ERA suggested the pooling of equipment and BDF said it was the responsibility of the airport to provide more space.

1.110 Airlines: The individual airline respondents suggested space should be allocated through consultation with the stakeholders involved and it may be necessary to limit the number of groundhandlers having access to the airport to ensure there is adequate space for groundhandlers. There was also support for space allocation criteria. Other suggestions to resolve space disputes included airports being required to increase capacity and space being allocated on the basis of operative capacity. A large number of airlines objected to space been allocated by auction as this would push up prices and create large barriers to entry for new market entrants.

1.111 Airport Associations: One airport association suggested that airports should be looked at on a case by case basis, as if there is a shortage of space this can result in increased costs as transportation of equipment is required from space allocated to aircraft stand. Others believed that space should be allocated by the market and if there is a capacity constraint then individual intervention should be allowed.

1.112 Airport: Individual airport respondents contributed a mix of opinions of the best solution to the allocation of space. A number proposed that the first come, first served solution was preferable because it was in line with the rental conditions that already operate at the airport. There was also support for consultation to allocate space as each airport where the local situation is different. However, consultation with stakeholders every time groundhandling operators change would not be workable. Some suggested a permit scheme

for vehicles as often space was taken up by unused equipment. Criteria based on activity were popular and again there were strong views against the auctioning of space. The airports believed that a solution to the problem of lack of space at airports was an issue that needed clarification in the Directive to enable transparency and fairness across airports and situations, to ensure prices did not rise and to reduce the need to invest in further space provision.

1.113 Groundhandling Companies' Associations: The groundhandling Associations agree that access should be granted based on capacity and once the capacity is reached it should be allocated depending on market share or seniority of the company, but it should always be allocated based on transparent and objective criteria.

1.114 Groundhandling companies: All ground handling company respondents were against the idea of auctioning. Instead they were in favour of space allocation based on the level of groundhandling activity, along with airports having to provide extra capacity and space allocation through consultation with stakeholders. Other ideas included the use of an independent authority to regulate space allocation, pooling of equipment, airports deciding the allocation of space and historical allocation. The advantages for controlling the allocation of space included guaranteeing safety at the airport as well as ensuring there was capacity for future market entrants. It was suggested by one groundhandler that guidelines for space allocation be included in the Directive which left airports some ability to adapt to their specific situation.

1.115 Representatives of staff and worker representatives: The representatives of staff agreed that space should be allocated by the airport as if the market is fully open this will cause negative consequences on security and profitability.

1.116 Other: One independent association was against the use of auctioning, but suggested that airports could rent out machinery to groundhandlers, creating a central pool of equipment. Another believed that the current system of first come, first served in their Member State works effectively, but that consultation is necessary with users if there is any change to installations. Complete liberalisation was also suggested with any controls once capacity is reached being agreed by the AUC.

In summary, there were a large number of suggestions for better managing space for groundhandling activities. Most stakeholders opposed the use of auctions for space allocation. Some suggested, 'first come – first served', historic rights, use of an independent authority, pooling of equipment to save space, and requirement for airports to increase ramp space if it was congested.

Simplification of the Directive

Groundhandling Market Regulation and full opening of the airside market (Your Voice Questions 20 & 21)

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 million 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 harmonization 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).

Question: 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.

Question: 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.

1.117 Member States: There are mixed views amongst the Member States respondents to the further harmonisation of the groundhandling market as well as its further liberalisation. The advantages of harmonisation included to ensure a common regulatory framework, however, the UK, France, Germany and the regional governments believe that the current Directive is sufficient, but it may need improved application and enforcement. The majority of the government stakeholders could see the attractiveness of market opening, however, many had reservations about how applicable it would be at all airports and its effect on safety and quality standards. Proposals for further harmonisation included compulsory approval procedure, basic staff requirement, basic quality requirement, self handling definition, thresholds of the directive depending on the free existing/expected market, and no limitation of the number of self-handling airlines except for capacity and safety reasons.

1.118 Airline Associations: BDV and AEA argue that the current lack of harmonisation is leading to market distortions and unfair competition, with AEA, BDV and ABBA arguing that a full harmonisation of the market could be achieved through full liberalisation. IATA

argue for no maximum number of groundhandlers, but for a harmonised minimum for the market to be liberalised as much as possible. If the market is not liberalised then AEA and BDV suggest stepped thresholds could be applied for 3 and 4 groundhandlers when over 10 million and 20 million passengers. IATA also argues that fuel service regulation be harmonised.

1.119 Airlines: Around half of the individual airline respondents were in favour of further harmonization of the market, but keeping the current system of a minimum number of groundhandlers at airports, as this would increase transparency across the EU of the requirements of groundhandlers and help to maintain a similar standard across all Member States. The suggestion was made to address what is considered as the major flaw of the current Directive and which is the discretion of Member States regarding the number of suppliers, which does not have to be justified. The remainder believe that if there is going to be increased harmonisation this should not be done via the current system, but should go straight to full liberalisation. Many who saw the advantage of harmonising the current system also supported full liberalisation.

1.120 Airport Associations: The airport associations argue that further harmonisation is not necessary and that there is not a single solution to the thresholds across Europe, but they should be determined by individual airports depending on their capacity and constraints. ADV also see the complete opening up of the market may have negative consequences on quality and costs. ACI add that social protection of staff and safety and security will suffer with full liberalisation.

1.121 Airports: The individual airport respondents were not in favour of further harmonisation of the EU groundhandling market arguing that the current Directive was sufficient in giving guidance regarding the minimum number of groundhandlers. They argue that the further harmonisation would be over ambitious and unnecessary and would be difficult to introduce because of the varying situations across the EU. Instead focus should be placed on implementing the current Directive fully in all Member States. Proposals for harmonisation included subcontracting, harmonised insurance sums and risk areas to be insured, approval of groundhandlers including self-handling airlines, selection of suppliers. The full opening of the market was not seen as favourable with airports losing control of the number of groundhandlers at their airport and worries raised about safety, social stability, quality and congestion. A minority of airports were in favour of full market liberalisation arguing it would increase efficiency and decrease costs to customers.

1.122 Groundhandling Companies' Associations: ASEATA argued that there needs to be harmonisation of staff training, quality requirements, self-handling definition and thresholds for groundhandlers and that by opening up the market this would not be possible. IAHA support the case for better harmonisation but not full liberalisation to allow economically and undistorted competition.

1.123 Groundhandling Companies: The majority of individual groundhandler respondents believe that harmonisation of the groundhandling market is advantageous to ensure standards are the same across the EU and support open, fair and non discriminatory competition. However, a minority believe that the current Directive is sufficient, but that it needs to be better enforced and that Member States should take a lead in this. There was broad disagreement with the suggestion to open the market fully with handling companies arguing

that it would favour the financially strong players, affect safety and security standards, decrease quality and would not be advisable for all airports.

1.124 Representatives of staff and workers representations: They were in favour of further harmonisation of all areas of the Groundhandling market as they believe it will aid in the harmonisation of working standards across the EU, for example staff qualifications and social legislation. They were all against the full liberalisation of the groundhandling industry as it would encourage competition on all standards including worker conditions.

1.125 Other: One other stakeholder suggested the EU should consider introducing a Regulation rather than a Directive to unify national rules and ensure harmonisation across the EU and another promoted full market opening to promote the efficient allocation of resources and maximise the benefits to consumers. The independent associations were in favour of more harmonisation of the groundhandling market across the EU as this would reduce protectionism and aid simplification. They were also in favour of full market liberalisation as it would increase quality and efficiency. However, one stakeholder stated that the Directive should be implemented fully across all Member States before harmonisation occurred.

In conclusion, around half airline respondents supported greater harmonisation and full liberalisation of the groundhandling market. The majority of airports did not support greater harmonisation or liberalisation. The majority of independent handlers supported greater harmonisation but not full liberalisation as it would favour the larger groundhandling operators. Member States and representatives of staff supported harmonisation. However, representatives of staff opposed greater liberalisation because of the potential negative social impacts and most Government stakeholders were concerned about the number of airports that would benefit from such a change and the potentially negative social and safety side-effects.

Threshold level for application of Directive and case of oscillation around the threshold (Your Voice Question 22 & 23)

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 which are sustainable at an airport depends on many factors (such as the type of traffic of the airport, whether 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 million passengers has to accommodate the same number of minimum providers as an airport with more than 50 million 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 million passengers or 100 000 tons of freight; minimum 4 providers at airports with a traffic over 60 million passengers or 250 000 tons of freight.

Question: 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.

Question: 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.

1.126 Member States: There was agreement from all Member State respondents for the introduction of a longer term view of airport activity to determine whether an airport is above the Directive threshold. Sweden said that this would ensure that infrastructure investment was worthwhile and necessary and that there was sufficient demand for any groundhandler entering the market. A regional government questioned the relationship between the freight and passenger thresholds and argued a 30 million passenger airport could not be compared to a 250,000 tonnes of cargo one. Whether there is a need for more thresholds met a mixed reception with Poland arguing it would be preferable as currently 3 million and 50 million passenger airports are treated the same. However, France, Bulgaria and Belgium see it as unnecessary and raised concerns as to whether additional groundhandlers could be accommodated at airports without a detrimental effect on safety, security and congestion. Hungary raised questions over how different terminals are treated at an airport and if one could need more groundhandlers than another at the same airport.

1.127 Airline Associations: Most airline associations thought the Directive should be applicable to all airports, but if a traffic threshold is used then a 3 year period is acceptable. IACA and BDF suggested lowering the minimum threshold to 200,000 passengers. EFA also supported a multi-threshold approach with free access at the largest threshold with agreement from the AUC. AEA and BDF believe there should be objective criteria to restrict the number of groundhandlers as BDF say it is often for political reasons. IATA argues that fuel facilities should be open access.

1.128 Airlines: The majority of individual airline respondents were in favour of an airport been subject to the Directive once it reached a certain threshold. They agreed that long term trend in passengers or freight was needed to remove the difficulties with the current drafting of the Directive. Suggested criteria included 3 consecutive years below the threshold or 2 consecutive years or 5 years out of 10. There were calls from some airlines for the Directive to be applicable at airports regardless of their size and to remove the minimum number of suppliers. Thresholds based on the number of passengers were also not seen as sufficient with some airline stakeholders arguing other factors were important such as having an adequate number of providers for the business models of airlines demanding the services. One major concern raised by two airline stakeholders was how to reduce suppliers if the airport fell below the threshold with one suggestion that those with the highest market share keeping their access to the market. Other concerns included what would happen if the minimum number of service providers could not be found if the business opportunity was not attractive at the airport and whether additional thresholds were politically achievable.

1.129 Airport Associations: Most airport associations were happy for a longer term view of traffic to be used to decide whether the Directive was applicable, however, one thought it was unnecessary as the problems of lack of space, cost increases, industrial relations will still exist. ACI proposed that the size of the contestable market should be the deciding factor for any increase in the number of groundhandlers in the market.

1.130 Airports: About half individual airport respondents were in favour of a longer term definition of passenger numbers to determine the threshold whether the Directive was applicable to an airport as this would aid planning and would ignore any annual fluctuations. One stakeholder also suggested the introduction of a recurrence principle for the number of years an airport has to be above a threshold. The others were happy with the way the thresholds were enforced at the moment. There were suggestions that there should not be a minimum number of groundhandlers and that the threshold would be based on clear, measurable restrictions with space and the contestable market at the airport should be taken into account. This meant that the few respondents that agreed with additional thresholds felt they should be based on something other than solely passenger and freight traffic. One stakeholder also suggested that the level of freight and passenger traffic that currently takes an airport above the threshold is too low. There were a large number of objections to additional thresholds mainly because they were unnecessary and by forcing the minimum number of groundhandlers to increase it may cause safety concerns at some airports. Concern was also raised as to whether with more groundhandlers in some airports this may erode the commercial opportunity for all groundhandlers (by spreading a small contestable market across more groundhandling providers). One respondent suggested a sliding scale to determine the minimum number of groundhandlers or the airports deciding the possible number of providers.

1.131 Handling Companies' Associations: ASEATA believe member states should determine the number of operators at an airport and the thresholds should be for longer than a year.

1.132 Handling Companies: The majority of handling companies were in favour of a longer more stable view of airports being consistently exceeding the threshold, with average traffic across years and other variables being taken into account. There was some support for more thresholds and minimum numbers of groundhandlers. However, the majority of individual groundhandling company respondents raised concerns of congestion, the size of the contestable market and safety. One respondent suggested the number of ground handlers allowed, at large or very large airports, should be the decision of the Member State.

1.133 Representatives of staff and workers' representatives: Many workers' representatives raised concerns about increasing competition at airports being unnecessary as this may introduce instability and insecurity in the market, especially if the market is not sufficiently large to sustain the extra entrants that are introduced. The contestable market and impact of deregulation need to be taken into account before any change to the thresholds is made.

1.134 Other: One of the independent organisations suggested a better definition for the thresholds, not based solely on passenger numbers.

The majority of stakeholders supported the introduction of a longer-term threshold definition for application of the Directive. Most stakeholders did not support additional thresholds, but some supported the full liberalisation of the market removing all thresholds. Representatives of staff opposed the introduction of an increase in competition. Defining the size of the “Contestable” market was seen as the most important factor by many stakeholders in determining the number of ground handling companies it could support.

Member States Approval and approval Procedure (Your Voice Questions 24 & 25)

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.

Question: What would be the advantages and disadvantages to refine the conditions to obtain an approval? Please specify economic, social and environment impacts.

Question: 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.

1.135 Member States: The Member State respondents provided a variety of responses with Germany, the UK, France and the regional governments proposing that refinement was not needed and current guidelines were sufficient, whilst Bulgaria and Spain thought that anything to limit divergence between Member States should be supported. Belgium and Spain thought training provisions, safety and security and quality measures should be included in approval processes. Italy and Hungary both stated they have developed their own regulation to guarantee the quality of applications.

1.136 Airline Associations: IATA propose the use of the IATA Safety Audit for Ground Operations Program by Member States to define their approval criteria, this includes 300+ agreed standards to promote safety, efficiency, training, personnel management etc. ABBA, BDF and AEA proposed that these standards should not be defined by the Member States, but should be in the contract between the two parties (airline and ground handler).

1.137 Airlines: The majority of individual airline respondents believe that further conditions for groundhandling operators to meet in order to operate in the EU should not be set by the Directive. Instead any details should be decided in consultation between a range of stakeholders, including the users, the providers, the airport and the AUC. A number of respondents believed that current regulation is sufficient and one stakeholder raised concern that any further conditions may incur further costs for groundhandlers.

1.138 Airport Associations: Most airport associations agreed that there needed to be harmonisation of approvals processes across Member States to improve performance and to

allow effective operation of groundhandling activities. This may increase costs but will ensure there is not differing requirements for the same services.

1.139 Airports: The individual airport respondents believe that there is a need in many Member States for a better harmonisation of the approval procedures. There are mixed views amongst airports and about refining the criteria for approval, with some believing that it would be useful if conditions covered working conditions, quality, training and insurance etc. Others disagreed saying Member States should be free to develop their own local criteria and that the current rules are sufficient. There were other advantages described for increasing the conditions taken into account for approval including these criteria creating unified standards across the EU and removing local inconsistency and subjectivity from the approvals process.

1.140 Handling Companies' Associations: ASEATA supports the establishment of uniform conditions across all Member States and suggests minimum criteria for training and qualification of workers, quality and security. IAHA disagree saying there is no need to change the current Directive and increase the administrative burden on groundhandlers.

1.141 Handling Companies: The individual handling companies had mixed views on the approval procedures with 50% believing that there needs to be no change at the Directive level with any changes taken at the Member State level whilst the other half saw the benefit of introducing general criteria to make access uniform across the EU. The criteria supported by most respondents were for training and qualification for workers with them declaring that the standards for this were not currently sufficient. However, one respondent pointed out these criteria could not necessarily be uniform across all types of groundhandlers as they may have very different characteristics.

1.142 Representatives of staff and worker representatives: All agreed that training and staff qualifications should all be part of the criteria that groundhandling companies should have to meet to be granted approval to operate in Member States.

1.143 Other: One stakeholder strongly opposed quality standards as these are difficult to test and may sharpen divisions in groundhandling services if they are judged differently by Member States. The independent associations had differing views with one strongly supporting one approval process for the whole of Europe, another believing criteria should be defined in the service level agreement and a final one supporting the argument that current regulation in this area is sufficient.

In conclusion, there was no consensus across each category of stakeholder on this question. Some stakeholders saw the advantage of greater standardisation of approach across Member States and introducing requirement for training and staff qualifications in approvals procedures. However, around one half of respondents from airlines, airports, government and independent ground handlers did not believe further regulation was required. Airlines felt it should be left to contractual agreements between stakeholders, and a number of other respondents supported the discretion at a Member State level.

Definitions requiring Clarification

Self-handling (Your Voice Question 26)

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.

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

1.144 Member States: Many Member State respondents agreed that the definition in the Directive did need to be clarified especially regarding alliances and Belgium suggested the role of freight integrators needs to be defined. Sweden suggested that the AOC should have a role in controlling self-handling to ensure services are available. Germany, France and Italy were all concerned that by extending the definition it may reduce the contestable market. The UK supported the right for airlines to be free to choose their groundhandler. Spain said it would be useful to harmonise the interpretation about what is covered by self-handling across Europe. Poland said that by defining self-handling better this would reduce misunderstanding.

1.145 Airline Associations: All the airline associations were in favour of redefining self-handling to include the widest possible definition. This they argued would promote the benefits of economies of scale and lower prices.

1.146 Airlines: All the individual airline respondents except one were in favour of expanding the definition of self-handling to include code sharing, wet lease, dry lease and alliance partners. The benefits they described included allowing economies of scale, improving quality and greater efficiency through integration. One negative effect mentioned was that airlines may experience a reduction in choice as they have to use a partner's groundhandler.

1.147 Airport Associations: All the airport association respondents were opposed to extending the definition of self-handling, arguing that this would be against the principles of the free market by reducing the contestable market. They were all satisfied with the current definition.

1.148 Airports: The individual airport respondents were not in favour of an extension to the definition of self-handling. However, a number were in favour of a clarification to the definition so that it is easier to define those handlers that are operating as self-handlers and to ensure there is a consistent definition across airports and Member States. The arguments against the extension of the definition of self-handling included concern that it would reduce the contestable market open to third party groundhandlers and would reduce market competition as well as enforcement difficulties in defining alliance partners and freight integrators. One stakeholder suggested that an extension to the self handling definition should only be allowed in defined exceptional circumstances.

1.149 Handling Companies' Associations: The handling company associations were not in favour of any widening of the definition. ASEATA suggested that self-handling must relate to the requesting airline and its subsidiaries and franchise operations. IAHA requests a tightening of the definition of article 2 (f) by stipulating: '...concludes no contract of any description with a third party [for the provision of such services]...'.

1.150 Handling Companies: The respondents from handling companies were not in favour of extending the definition of self-handling as it would reduce the contestable market and may lead to cascading subcontracting processes. There was support for and a suggestion to clarify the definition further to ensure covert self-handling does not occur. There was agreement amongst respondents that self-handlers should need to adhere to the same rules and requirements as third party groundhandlers in order to operate at an airport.

1.151 Representatives of staff and worker representatives: All were not in favour of a widening of the definition of self-handling with one suggesting the introduction of approvals for self-handling in the same way as required for third party groundhandlers.

1.152 Other: One independent association felt that the definition should be widened for self-handling as this would allow further market liberalisation as the airline would only self-handle if it was cost effective. This viewpoint was supported by the law firm that responded to the consultation. Another association was not in favour of this as it will disadvantage the independent groundhandlers.

In summary, most respondents supported an improvement, and greater clarity in the definition of Self-handling in the current Directive. Airlines and their associations supported the widening of the self-handling boundaries to include code sharing, alliance partners, and services provided under dry and wet leases. The airports, independent handlers, governments and representatives of staff did not support the widening of the self handling market boundary definition, as this would result in a reduction in the size of the contestable market.

Freight handling (Your Voice Question 27)

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.

Question: 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.

1.153 Member States: Most Member State respondents felt the current guidelines were sufficient and that they did not know of any situations where this had been a problem. Hungary suggested separating the treatment of passenger and cargo handling activities in the Directive as this would allow for specialised handlers to provide cargo handling. Sweden states that through its own regulation of the industry it ensures that freight forwarding companies are always available at airports but is unable to influence the prices that they charge customers. Spain suggested the areas of responsibility for cargo handling needed to be defined.

1.154 Airline Associations: EFA suggested freight handling definitions should be dealt with through consultation with the airport and AUC. AEA argued that freight handlers should be able to handle the flights of all aircraft on their network and liberalisation will help to solve this problem. They highlight that this shows a one size fits all policy on groundhandling is not effective. BDF are concerned that any special treatment of cargo handlers may lead to discrimination and with the blurring of the lines between integrators and general air cargo airlines it may be difficult to decide who should get this special treatment.

1.155 Airlines: Most respondents from individual airlines were in favour of cargo operators being able to self-handle their own flights. A small number of airline respondents suggested solutions that included handlers being able to deal only in freight and not passenger handling. Additional suggestions, included that groundhandlers need to have clauses built into their contracts at an airport to offer freight handling services between certain times of day and responses in support of complete liberalisation of the freight groundhandling market.

1.156 Airport Associations: ADV believe freight handling should be reviewed on a case by case basis, but should only be performed by an authorised freight service provider or can be self-handled by those that fly the freight themselves. ASEATA do not support any special treatment as if the service is not being provided a company can enter the market or a cargo company can self-handle. ACI suggests that operators must undergo specific training to operate certain freight.

1.157 Airports: The individual airport respondents generally agree there is no need to change the definition of freight handling, however, a few did suggest that freight handler's needs should be assessed on an airport by airport basis. It was suggested by a small number of airport respondents that the services that are included in the definition should be clarified and there may need to be certain requirements a groundhandler has to fulfil to carry certain freight for example specific liability insurance.

1.158 Handling Companies' Associations: One handling association suggested that a fully open market would avoid any freight handling problems and the IAHA was concerned about creating artificial distinction and separate licensing needs. ASEATA thought a clearer definition of responsibilities would be advisable.

1.159 Handling Companies: Most of the responses from individual handlers companies did not include a response on the issue of freight handling. Of the small number that did respond, they suggested that there should be clearly defined responsibilities for freight handlers and freight integrators. Two respondents suggested that freight handlers should be allowed to transport their own goods so long as they met the same training, safety and insurance criteria as other groundhandlers. Another said that handlers should be allowed to specialise in certain areas of groundhandling.

1.160 Representatives of staff and worker representatives: Only two trade union stakeholders responded, one suggesting special measures were not necessary and the other suggesting training and education requirements are needed.

1.161 Other: The law firm and independent association that answered this question both suggested that the market should be fully liberalised in the area of freight groundhandling operations.

In summary, there were not strong views surrounding the definition of freight handling. Many stakeholders were happy with the current definition, but airlines were in favour of allowing freight handlers to self-handle.

Groundhandling Category 1 (Your Voice Question 28)

The Annex of the Directive 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.

Question: 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.

1.162 Member States: A number of Member State respondents suggested that clarifications of this definition were necessary as it was too broad. Italy and Spain suggested moving 1.3 from category one to category four. Spain also suggested 1.2 be moved to four and Hungary thought category one and nine could be combined. France argued that any change in the Directive would mean that national legislation would need to be amended and instead further clarification can be found in the Airport Handling Manual published by IATA. Germany and Belgium did not think any change was necessary. The regional governments did not see this as an issue as at regional airports groundhandling category one is rarely applicable.

1.163 Airline Associations: There were limited responses to this question with only one comment by EFA about category 1.4 providing sufficient opening to cover needs by user.

1.164 Airlines: Most individual airlines did not respond to this question. Those that did thought that the definition of Groundhandling category 1 should fall within any contractual arrangement between airlines and handlers. One respondent suggested that physical handling and documentation/administrative handling should be under separate categories within the Directive.

1.165 Airport Associations: The airport associations did not see any need for the definition to change.

1.166 Airports: Most individual airport respondents did not believe that any changes should be made to the definition of Groundhandling Category 1. Some suggested ensuring that the definition was consistent with IATA standards 2008 and three airport respondents thought there was some merit in clarifying the definition.

1.167 Handling Companies' Associations: There was only one suggestion that categories 1.2 and 1.3 be classified in category 4.

1.168 Handling Companies: Most respondents from handling companies did not believe that any changes were needed to the definition of Groundhandling Category 1. Respondents agreed that the definition should correspond with IATA standards. However, some handling companies raised a concern that this definition needed to be expanded and clarified.

1.169 Representatives of staff and worker representatives: The only suggestion from representatives of staff was that supervision is necessary to ensure handling operators who do not comply with the definition stop their activities.

1.170 Other: There was a suggestion to bring the definition in line with IATA even though other respondents had previously said the definition is the same. One other respondent suggested that there should be two categories of handling agents, those providing services to airlines and those providing service to the private/business/corporate and general aviation.

In summary, most stakeholders agreed that the definition of Groundhandling Category 1 does not need to change, that it should be in line with IATA standards and that any clarifications or further details can be clarified within these standards not within the Directive.

Centralised Infrastructure (Your Voice Question 29)

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.

Question: 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.

1.171 Member States: There were a mix of views from Member State respondents with some believing the definition of centralised infrastructure was extensive enough whilst others believed elements should be defined further. Bulgaria suggested the core infrastructure to include baggage handling system, passenger boarding bridge, fixed power installations, fuel and oil stations and check-in desks. Hungary believed that if any further clarification was needed then this could be done on a case by case basis. Italy and a regional government asked for management responsibilities of the centralised infrastructure to be defined. Poland suggested publishing the fees and included infrastructure on the internet so that they were transparent.

1.172 Airline Associations: Most airline association respondents suggested that fees be subject to minimum criteria and legislation should help ensure that airlines are not being

charged twice through a fee and an airport charge. IATA suggests the fuel services need greater clarity in the definition. ABBA calls for a more restrictive definition to ensure a fair and transparent access. However, EFA argue this should be done at the individual airport level.

1.173 Airlines: To improve the management and clarity of the concept of Centralised Infrastructure in the Directive most of the individual airline respondents suggested that criteria should be used to define Centralised Infrastructure and a fair and transparent system of charging mandated. Concern was raised about the situations when the airport provides groundhandling services and also defines Centralised Infrastructure and the charging arrangements. To address this, the amended Directive should require an independent body to be responsible for setting criteria and overseeing charges for Centralised Infrastructure. There was another concern raised by a number of airlines that they should not pay twice for infrastructure through Centralised Infrastructure fees and airport landing charges.

1.174 Airport Associations: One airport association argued that centralised infrastructure should be further defined at an airport level and another saw this definition as sufficient as Member States can define the infrastructure further. However, the other airport association believed that greater detail in definition will help Member States define centralised infrastructure at airports.

1.175 Airports: Most airports argue that the current definition of Centralised Infrastructure is sufficient and that it should not be further defined as it needs to be applicable to a variety of airports and conditions. However, a number said the definition would benefit from being more precise and a list of services developed. Most airports believe the definition and control of Centralised Infrastructure should be the responsibility of the airports alone.

1.176 Handling Companies Associations: One handling company association said that this definition was sufficient and that the Member States should be the one to define centralised infrastructure for their own airports and the criteria for charging. IAHA were concerned that charging is sometimes excessive and distorts competition if different types of handlers pay different rates.

1.177 Handling Companies: The responses from individual handling companies contained a number of different suggestions for clarifying the approach to Centralised Infrastructure in the Directive. Only one believed that Member States should be the ones to define centralised infrastructure further. Others thought there should be publication of the content of Centralised Infrastructure in each airport to ensure consistency, transparency and harmonisation across all Member States. There was also the suggestion to introduce an independent regulator to ensure fairness of Centralised Infrastructure charging across the groundhandling industry.

1.178 Representatives of staff and worker representatives: There were no suggestions from the representatives of staff.

1.179 Others: One association suggested a third party should oversee the definition and charging of centralised infrastructure to ensure competition is not distorted. The regulation of charges was highlighted as an area for concern and it was suggested that minimum, transparent criteria was needed. The law firm respondent suggested that the definition needs

to more restrictive as otherwise the airport is free to define their own centralised infrastructure with no consultation with users.

In summary, stakeholders agreed that the Directive is not clear about which party should define what is included within the definition of Centralised Infrastructure and what charges are acceptable. Further clarification is necessary, but there is a range of opinions as to how this should be done. Airlines and some other respondents supported the introduction of an independent regulator. Airports felt this should be left to them to define. Some independent handlers suggested that publication and therefore transparency of the criteria basis of the fees should be required.

Other issues

Other Issues (Your Voice Question 30)

Question: What are the other issues with the Directive you would like to draw to our attention?

1.180 A number of the respondents highlighted further issues that were not discussed in their specific responses to questions raised in the consultation. These suggestions are summarised below.

Regulation versus Liberalisation

1.181 There was concern raised by a stakeholder as to whether any changes to the Directive would increase the regulatory burden and reduce the opportunity to establish an open market. Its view was that any amendments to the Directive should introduce further market liberalisation.

1.182 Two stakeholders proposed that to assist the effective introduction of complete market liberalisation, the EC or States should, at the same time, introduce a requirement for an independent monitoring of the operation of the groundhandling market to ensure that there were no abuses taking place.

Enforcement across all Member States

1.183 Some stakeholders said that before any revision to the Directive is made, the Commission should ensure that the current requirements of the Directive are implemented across all Member States. Differing approaches to implementation across Member States was a source of significant frustration.

1.184 A stakeholder stated that any changes to the Directive should continue to allow for flexibility to local circumstances and be flexible to the size of the company and airport.

1.185 Two other stakeholders supported the case for a process for appeals and continuation of an exemption procedure.

1.186 One stakeholder suggested a harmonised definition of the cost of groundhandling to be adopted so that there can be a comparison across all airports in the EU.

Additional suggested changes to the Directive

1.187 A number of stakeholders made suggestions for specific changes to the Directive:

I Offices should not be classified as commercial premises, but as Centralised Infrastructure;

I Fuel infrastructure should be classified as Centralised Infrastructure under the Directive;

I Ramp handling for General Aviation should be removed from the Directive;

I A better definition of the insurance required by groundhandlers should be drafted;

I Category 8 Groundhandling should be better defined; and

I Provide guidance when the withdrawal of a groundhandler, at an airport with only two providers, leaves a temporary situation where only a monopoly provider is available. Methods for awarding additional licences, or reserve licences to provide competition in this situation should be made available.

Reducing market viability

1.188 There is a concern that changes to the self-handling definition in the Directive allied with airline consolidation will significantly reduce the commercial viability of independent providers of groundhandling. As the number of airlines decreases and there is further integration through alliances, code shares etc. it is likely that at airports where there is a major airline or alliance, this will lead to a single groundhandler gaining most of the contestable market. This may in turn result in a monopolistic situation being created. There was a suggestion that all companies offering groundhandling separate should have no association with either the airports (infrastructure provider) or the airlines (the passenger service provider). This would lead to providers focussing on standards and quality.

Other concerns

1.189 An airport stakeholder raised the concern that poor groundhandling service provision would have adverse impacts on the airport operator's reputation. Therefore, measures should be taken to ensure minimum quality standards were guaranteed for end customers (passengers and freight users).

ASSESSMENT OF IMPACTS

Assessment of impacts (Your Voice Question 31)

The study will assess these potential changes using the Commission's impact assessment framework, in particular identifying:

I Social impacts;

I Economic impacts;

I Environmental impacts;

I Administrative impacts;

I Quality impacts;

The study will also establish if any of these impacts disproportionately affect the Small Medium Enterprises operating in the sector.

Question: 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:

I Changes in profitability of ground handling providers;

I Staff wages, levels and contract types;

I Staff qualifications and training provisions;

I Health and safety of workers;

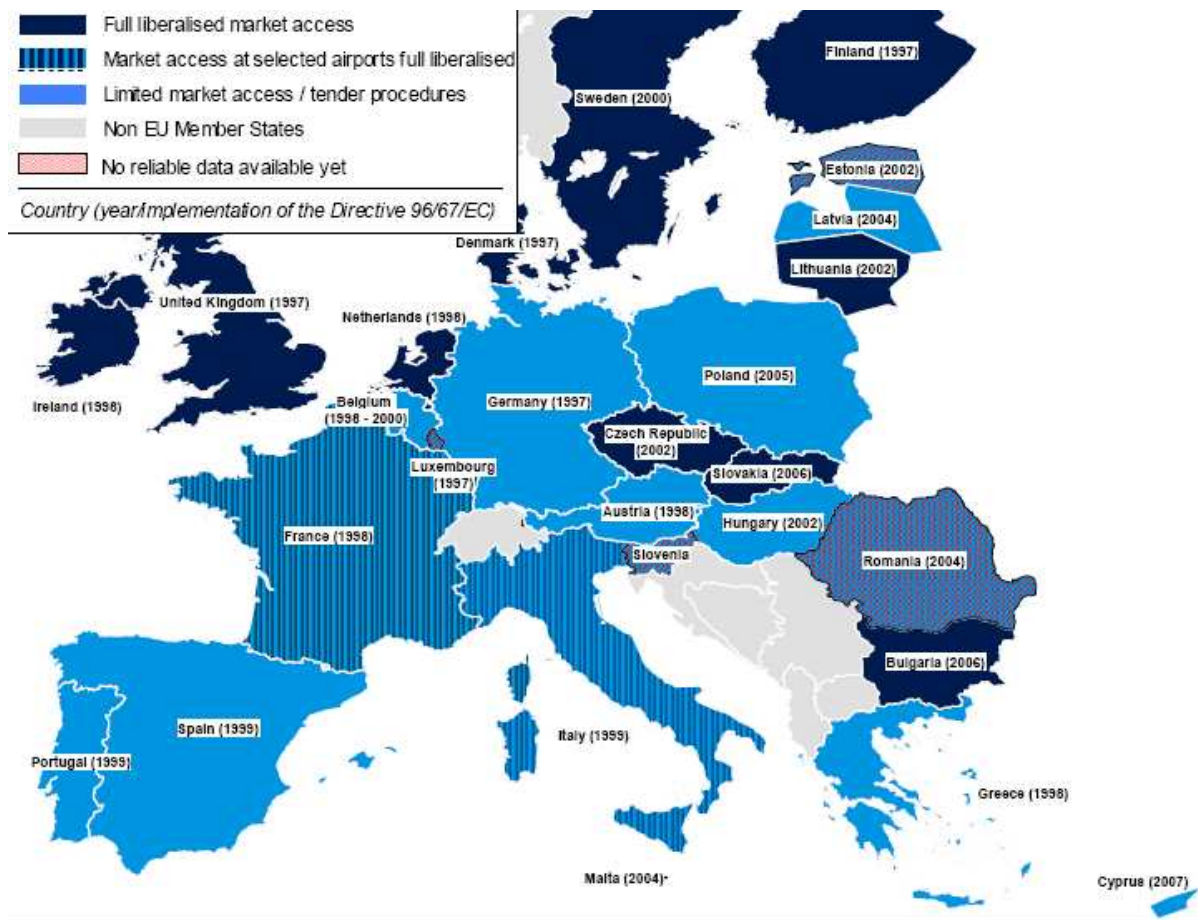
I Staff transfer issues;

I Number of providers and length of service of incumbents;

I Quality levels in tenders.

1.190 Some sources of data and information were provided by a minority (less than 20%) of contributors to the consultation (most of the contributors did not respond to this question or responded that they did not know where to obtain such data). A few stakeholders (8%) offered to explain their position and to submit data on a bilateral basis.

Annex VI: Map of groundhandling market opening systems in the Member States



Overview on types of liberalisation in the EU according to the national legislative framework (sources: ARC report, 2009)

(note: Poland opened its market access in 2009)

Annex VII: Presentation of a sample of groundhandling companies providing services at EU airports

Name of the company	Categories of groundhandling services provided	Turnover (millions €) in 2009	Number of airports at which the firm is present worldwide	Presence in the EU : number of Member States in which the firm operates
Acciona	2, 4, 5	NA	8	ES, DE : 2
Alyzia handling	1, 2, 3, 4,5 , 6	128	80	FR: 1
Aviapartner	1 ,2, 4, 5, 8, 9	355,3	24	BE, FR, DE, IT, NL : 5
Baltic Ground Services	2, 4, 5, 6, 7	NA	2	LT, LV:2
BBA (ASIG / Signature)	7 (+2, 5, 6.2)	1200	200	UK, AT, DE :3
Flightcare	1, 3, 4, 5, 6.2, 9	NA	14	BE, IT, ES : 3
Fraport ground services	1, 2, 3, 4, 5, 6	621	2	DE, AT : 2
Gate Gourmet	11	1800	121	NL, ES, DE, UK, BE, DK, IE, PT, SE: 9
Goldair (Greece)	1, 2, 5	NA	14	GR, CY, BG: 3
Groundforce Portugal	2, 4, 5, 8	123	5	PT : 1
Groupe europe handling	1, 2, 3, 4, 5, 8	132	9	FR, IE : 2
LSG sky chef	11	2100	38	UK, DE, IT, LV, LT, EE,
Menzies	1, 3, 4, 5, 6.2, 9	601 (£507, 2)	112	CZ, HU, NL, RO, ES, SE, UK : 8
Nordic aero	2, 5, 6	40	NA	SE, FI, DK ,UK : 4
Portway Portugal	2, 3, 5,	NA	4	PT : 1
SAS ground services	2, 3, 5,...	1 349	160	NA
Servair	11	755	51	FR, UK, ES, IT : 4
Servisair/Globeground /penauiile	1, 2, 3, 4, 5, 6, 7	604	121	AT, FR, PT, DK, DE, RO, FI, NL, ES, UK, IE: 11
Swissport	1, 2, 3, 4, 5, 6, 7, 8	1 200	177	AT, BE, BG, CY, FR, DE, UK, GR, IT, NL, PL, ES: 12
WFS	4 (+2, 3, 5)	600 (2008)	120	ES, FR, BE, UK ,IE, DE, IT, NL, AT, DK: 10

Source: Websites of the companies, consulted on 7.12.2010

Annex VIII: Infringement proceedings

Investigations and infringement proceedings launched in relation with Directive 96/67 by the Commission services since 2004 ⁸

Date ⁹	Member State	Brief description of the infringement case	Status
2004	Slovak Republic	Non-communication. The Slovak Republik transmitted the complete transposition measures in 2006 following a reasoned opinion.	archived
2004	Spain	After initial inquiry of the Commission services, the case was closed as the suspicions of improper access to installations were not verified in reality.	archived
2005	Spain	After initial inquiry of the Commission services, the case was closed as the reasons for refusal to authorise self-handling were acceptable	archived
2006	Germany	Several complaints were received in 2006 and 2009. The Commission considered that the Federal Republic of Germany did not meet its obligations under Directive 96/67 by giving airports an excessive power in the selection of services providers, by excessively limiting the right of appeal of parties with a legitimate interest, and by restricting the practice of self handling. After a reasoned opinion was sent in March 2010, Germany committed to a number of measures, including revising the law transposing Directive 96/67 before August 2011. The infringement case is suspended until the new law is effectively adopted.	on-going
2007	Cyprus	Cyprus did not organise a selection procedure at Larnaca airport. Following the action of the Commission, a tender was finally organised in 2008.	archived
2007	Latvia	Non communication. The Latvian authorities sent the complete transposition measures in 2009 following a reasoned opinion.	archived
2007	France	After initial inquiry of the Commission services, the case was closed as the suspicion of improper selection process at Paris CDG was not verified in reality.	archived

⁸ The 18 investigations and infringement proceedings launched before 2004 are not reported in this table.
⁹ Before 2008, this date corresponds to the date when the Commission services launched the investigations, generally following the receipt of a complaint (the table therefore includes some cases for which no infringement was actually identified). As from 2008, the date corresponds to the date when the Commission services decided to launch effectively an infringement proceeding (i.e. sometimes one year after the beginning of the investigations). **The investigations launched by the Commission services which did not lead to an infringement** (whether because no breach of EU law was found or because the breach was solved very quickly) **are therefore not reported as from 2008**.

Date	Member State	Brief description of the infringement case	Status of the infringement
2007	Italy	After initial inquiry of the Commission services, the case was closed as the suspicion of improper approval procedure and abuse of dominant position by the airport at Fiumicino cargo city were not verified in reality.	archived
2007	Poland	Poland did not organise a proper selection procedure at Warsaw airport to select the providers of restricted services and for certain services, no provider was independent from the airport or the dominant airline. Following the reasoned opinion sent by the Commission in 2009, the Polish authorities amended their legislation which opened fully the restricted services.	archived
2008	Malta	Malta did not ensure proper conditions to ensure access to the market for a second supplier of fuel services at Luqa-Malta airport, notably by not preventing the incumbent supplier (which is also the provider of the fuel infrastructure) from abusing its position. The Maltese authorities were finally referred to the European Court of Justice in February 2011.	on-going
2008	Lithuania	After initial inquiry of the Commission services, the case was closed as the suspicion of improper separation of accounts and abuse of dominant position by the airport were not verified in reality.	archived
2009	Bulgaria	The Commission considered that Bulgaria failed to apply correctly the Groundhandling Directive by: * imposing excessive conditions on approving service providers * maintaining a monopoly at Sofia airport * failing to organise the appropriate selection procedures after the decision to limit the number of providers at that airport, and * failing to ensure that service providers have fair access to airport infrastructure. A reasoned opinion was sent in September 2010.	on-going

Date	Member State	Brief description of the infringement case	Status of the infringement
2009	Portugal	Portugal did not organise a proper selection procedures at Lisbon, Faro and Porto airports, and in addition failed to guarantee the independence of one of the 2 suppliers. A reasoned opinion was sent in May 2011.	on-going
2009	Hungary	<p>The Commission considered that Hungary failed to apply correctly the Groundhandling Directive by:</p> <ul style="list-style-type: none"> *failing to organise the appropriate selection procedures after the decision to limit the number of providers at Budapest airport *infringing the rules relating to the issue and withdrawal of the approvals that the providers must hold, and *unduly and unfairly restricting market access at Budapest Airport. <p>A reasoned opinion was sent in October 2010.</p>	on-going
2010	Not public	Member State X failed to organise a tender procedure in the proper timeframe to select the suppliers of fuel services at X airport.	on-going

Annex IX: General information about the EU groundhandling market and number of groundhandling providers and self-handling airlines for restricted services at the 60 EU busiest airports

1. GENERAL INFORMATION ABOUT THE EU GROUNDHANDLING MARKET:

It is difficult to estimate accurately the size and importance of groundhandling markets in the EU, due notably to: (i) the diversity of groundhandling services : the Directive 96/67/EC distinguishes 11 categories of services, each one including several activities; and (ii) the fact that the companies intervening in these markets can be airports, airlines or independent companies, that do not necessarily publish public separate data for their groundhandling activities or for each of their groundhandling activities.

However, Commission and stakeholders' estimations assess the revenues of groundhandling in Europe to lie between 6 and 10 billions euros, and the employment in the groundhandling sector to be at the minimum 60,000¹⁰. Global groundhandling market value was assessed to be around 31 billions euros in 2007 (KPMG, 2008¹¹) but this figure seems underestimated. The market is still very fragmented with over 400 operators worldwide and a combined market share of 20% for the top 4 handlers (according to Swissport, 2008¹²): it has not witnessed the same level of regroupings than other aviation sectors have experienced such as the duty-free provider industry. However, this assessment is more or less verified depending on the considered groundhandling category¹³.

The fragmentation of the global market can be related to the variability of systems worldwide for regulating the groundhandling markets. If in Australia the market is fully open, this is not the case in most of the countries in the world: in India for instance, the recent groundhandling regulation restricted the access to the main airports due to security considerations, while in the USA, the groundhandling providers are actually under close monitoring by the airport (see details in Annex XVI). As regards GATS (General Agreement on Trade and Services), it does not apply, as least operationally, to groundhandling services¹⁴; groundhandling services

¹⁰ IAHA estimates the number of workers to be around 60,000 for its members; Booz and co study found that approximately 40,000 people were working in the sole groundhandling independent companies, but put a warning that this figure is certainly underestimated.

¹¹ Source: <http://www.groundhandling.com/GHI%20Conf/downloads/updated%20papers/2008/04.02%20Robin%20Cartwright,%20KPMG.pdf>.

¹² Source: http://www.swissport.com/download/publications/swissreporter_2008_18.pdf.

¹³ The catering services market for instance is relatively consolidated at global level with 3 main operators: LSG Sky chefs (30% of market share), Gate Gourmet (24%) and Servair (9%) . On the contrary, other services such as aircraft internal cleaning services (which are a subcategory of category 6 "aircraft services") are still very often subcontracted to local cleaning companies, thereby representing extremely fragmented markets. For ramp and cargo handling services, some EU groundhandling players have gained market shares all over the world and are amongst the main providers worldwide. For instance SAS ground services is present at more than 160 airports in 40 countries worldwide (incl. 25 EU countries); BBA at 200 airports worldwide (incl. 7 EU countries); Swissport: 176 airports in 38 countries worldwide (12 EU countries); Servisair: 128 locations worldwide (incl. 8 EU countries); Menzies Aviation : 124 stations in 28 countries worldwide (incl. 8 EU countries); WFS: present in 120 airports etc. See Annex VII "Presentation of a sample of groundhandling companies".

¹⁴ The GATS « Annex on Air Transport services » specifically excludes « air traffic rights or services directly related to the exercise of traffic rights » (only aircraft maintenance, CRS, selling and marketing

conditions are at the moment included in bilateral air service agreements" (ASAs) and can be the part of Free-Trade Agreements (FTAs) with third countries (for the moment, the EU-CARIFORUM agreement and the EU-Korea FTA include commitments on groundhandling).

The development of a dynamic and more competitive European groundhandling market in recent years also created new opportunities for related markets such as GSEs (Ground Support Equipments) leasing / sales companies.

2. NUMBER OF GROUNDHANDLING SUPPLIERS AND SELF-HANDLING AIRLINES FOR POTENTIALLY RESTRICTED SERVICES AT THE 60 BUSIEST AIRPORTS

	Airports open to commercial traffic in EU-27	Traffic (2007)		Number of third-party handling providers per category in 2007 (Number of self-handling airlines per category in 2007)				Limitation of the number of third-party handling providers
		Passengers in Mio	Freight in tons	Baggage handling	Ramp handling	Freight and mail handling (between the aircraft and the terminal)	Fuel and oil handling	
1	London Heathrow Airport (UK)	67.9	1,314,000	11 (8)	11 (8)	10 (8)	2 (0)	No
2	Paris-Charles de Gaulle Airport (FR)	59.7	2,053,000	5 (1)	5 (2)	4 (0)	3 (0)	yes
3	Frankfurt Airport (DE)	54.2	2.095.000	2 (0)	2 (0)	2 (0)	2 (0)	yes
4	Madrid Barajas Airport (ES)	52.1	322000	2 (4)	2 (4)	NA (3)	NA	yes
5	Amsterdam Airport Schiphol (NL)	47.8	1.610.000	3 (2)	3 (1)	3 (3)	2 (1)	no
6	Leonardo da Vinci-Fiumicino Airport (IT)	32.9	155000	2 (2)	2 (2)	2 (2)	2 (0)	no
7	Munich Airport (DE)	34	258000	2 (0)	2 (0)	2 (0)	2 (0)	yes
8	Gatwick Airport (UK)	35.2	171000	5 (1)	5 (1)	5 (NA)	NA	no
9	Barcelona El Prat Airport (ES)	32.8	97000	3 (1)	3 (1)	NA (3)	NA	yes
10	Paris-Orly Airport (FR)	26.4	96000	4 (0)	4 (0)	4 (0)	3 (0)	yes
11	Milan-Malpensa Airport (IT)	23.6	483670	NA	NA	NA	NA	yes

of air transport services are explicitly mentioned in the GATS Annex); as regards groundhandling services and airport operation services, there is no consensus among WTO Members regarding whether they are part of "related services" of air traffic rights or not. It is currently under negotiation. Some WTO Members have scheduled commitments covering ground handling services (under services auxiliary to all modes of transport as it appears in the Services Sectoral Classification list MTN.GNS/W/120), e.g. in cargo handling and freight forwarding.

12	Palma de Mallorca Airport (ES)	23.2	23000	2 (7)	2 (8)	1 (1)	NA	yes
13	Dublin Airport (IE)	23.3	133000	3 (2)	3 (2)	3 (2)	2 (0)	no
14	London Stansted Airport (UK)	22.8	203000	6 (0)	6 (0)	3 (NA)	NA	no
15	Copenhagen Airport (DK)	21.4	396000	5 (2)	5 (2)	5 (2)	2 (0)	no
16	Manchester Airport (UK)	22.8	151000	5 (0)	5 (0)	6 (0)	6 (0)	no
17	Vienna International Airport (AT)	18.7	272000	2 (0)	2 (0)	1 (0)	5 (0)	yes
18	Düsseldorf International Airport (DE)	17.8	58000	2 (0)	2 (0)	1 (0)	NA (0)	yes
19	Brussels Airport (BE)	17.9	784000	2 (0)	2 (1)	2 (1)	2 (0)	yes
20	Athens International Airport (GR)	16.5	108000	3 (2)	3 (2)	3 (2)	2 (0)	yes
21	Stockholm-Arlanda Airport (SE)	17.9	192000	2 (1)	2 (1)	2 (2)	2 (0)	no
22	Berlin Tegel Airport (DE)	13.4	25000	2 (0)	2 (0)	NA (0)	NA	yes
23	Lisbon Portela Airport (PT)	13.3	829,000	2 (1)	2 (2)	2 (1)	NA (6)	yes
24	Helsinki-Vantaa Airport (FI)	13.1	145000	3 (3)	3 (3)	3 (1)	3 (0)	no
25	Hamburg Airport (DE)	12.8	37,000	2 (0)	2 (0)	2 (1)	2 (0)	yes
26	Prague Ruzyně Airport (CZ)	12.4	55000	3 (1)	3 (1)	3 (1)	2 (0)	no
27	Málaga Airport (ES)	13.6	6000	2 (5)	2 (5)	NA (1)	NA	yes
28	Cologne Bonn Airport (DE)	10.5	719000	2 (0)	2 (0)	1 (0)	2 (0)	yes
29	Nice Côte d'Azur Airport (FR)	10.4	11550	NA	NA	NA	NA	yes
30	Stuttgart Airport (DE)	10.2	27905	2(0)	2(0)	2(0)	3 (0)	yes
31	Gran Canaria Airport (ES)	10	37747	NA	NA	NA	NA	yes
32	London Luton airport (UK)	9.9	38077	NA	NA	NA	NA	no
33	Milano/Linate airport (IT)	9.9	23.123	NA	NA	NA	NA	no
34	Warszawa/Okęcie airport (PL)	9.2	41.404	1 (1)*	1(1)*	1 (1)*	1(1)*	*data 2007; market opened (removal of limitations) in 2009

35	Birmingham airport (UK)	9.1	13.587	NA	NA	NA	NA	no
36	Alicante airport (ES)	9.1	4.410	2 (4)	2 (4)	NA	NA	yes
37	Edinburgh airport (UK)	9	45.943	NA	NA	NA	NA	no
38	Glasgow airport (UK)	8.7	4.323	NA	NA	NA	NA	no
39	Budapest/Ferihegy airport (HU)	8.6	67.596	4 (3)	2 (3)	2 (3)	2 (0)	yes
40	Tenerife Sur/Reina Sofia airport (ES)	8.3	9.382	NA	NA	NA	NA	yes
41	Lyon Saint-Exupéry airport (FR)	7.2	36.888	NA	NA	NA	NA	no
42	Venezia/Tessera airport (IT)	7	13.286	NA	NA	NA	NA	NA
43	Marseille-Provence airport (FR)	6.8	51.389	NA	NA	NA	NA	no
44	Berlin-Schönefeld airport (DE)	6.3	8.287	2 (0)	2 (0)	2 (0)	NA	yes
45	Toulouse Blagnac airport (FR)	6.1	55.107	NA	NA	NA	NA	no
46	Catania/Fontanarossa airport (IT)	6.1	8.317	NA	NA	NA	NA	NA
47	Valencia airport (ES)	6	13.228	NA	NA	NA	NA	yes
48	Bristol airport (UK)	5.9	2.908	NA	NA	NA	NA	no
49	Napoli/Capodichino airport (IT)	5.7	4.666	NA	NA	NA	NA	NA
50	Bergamo/Orio al serio airport (IT)	5.7	133.797	NA	NA	NA	NA	NA
51	Newcastle airport (UK)	5.6	9.246	NA	NA	NA	NA	no
52	Hannover airport (DE)	5.6	16.696	2 (0)	2(0)	2 (0)	NA	yes
53	Arrecife/Lanzarote airport (ES)	5.5	5.831	NA	NA	NA	NA	yes
54	Liverpool airport (UK)	5.5	3.692	NA	NA	NA	NA	no
55	Irakleion airport (GR)	5.4	3.170	NA	NA	NA	NA	yes
56	Faro airport (PT)	5.4	703	2 (0)	2 (0)	2(2)	NA (1)	yes
57	Nottingham East Midlands airport (UK)	5.4	302.680	NA	NA	NA	NA	no
58	Roma/Ciampino airport (IT)	5.3	22.538	NA	NA	NA	NA	NA
59	Belfast International airport (UK)	5.2	49.863	NA	NA	NA	NA	no
60	Larnaka airport (CY)	5.2	40.515	2 (0)	2 (0)	4 (0)	2(0)	yes

Source: ARC report, 2009 and Eurostats traffic 2007

Annex X: Approval systems in the EU-27 Member States

The following table presents the replies given by Member States to a questionnaire on approvals sent on 21.10.2010 by the Commission's services.

	approval systems					airports licences/authorisations	
	Have you introduced an approval system?	What are the conditions for such approval?	What is the validity duration of the approval?	Who delivers the approval?	Are regular inspections of the approved organisations conducted to verify that the conditions of issuance are still met?	Independently from approval systems, do the airports in your Member State deliver authorisations/licences to the groundhandling companies?	If yes, could you please provide more information (notably conditions to be fulfilled to obtain these authorisations/licences)?
AT	Yes	<p>Amongst others the applicant must prove:</p> <p>*That he has the appropriate knowledge and employs appropriate qualified personnel;</p> <p>*that he is compliant with the relevant Austrian Labour and Social Legislation;</p> <p>*that he has available the necessary business organisation;</p> <p>*that he has a third party insurance coverage of at least € 25.000.000,-- according the planned operation and a sound financial effectiveness of his company</p>	Seven years	The Minister of Transport, Innovation and Technology	Yes	No	
BE	Yes ¹⁵	Les critères et la procédure pour	to be determined, but	The Belgian Civil Aviation	Regular inspections will	Yes.	The Brussels Airport Company (airport

¹⁵

The system is still under development: Belgium has recently published a new Royal Decree (6 novembre 2010 — Arrêté royal réglementant l'accès au marché de l'assistance en escale à l'aéroport de Bruxelles-National) dealing with access to the groundhandling market at Brussels Airport. An approval system has been foreseen in the Decree, but the details still have to be developed in a Ministerial Decree.

		<p>l'obtention de cet agrément sont fixés par arrêté ministériel et portent sur les points suivants :</p> <ul style="list-style-type: none"> - situation financière de l'entreprise; - couverture d'assurance suffisante; - sûreté ou sécurité des installations, des aéronefs; des équipements et/ou des personnes; - formation du personnel; - protection de l'environnement; - respect de la législation sociale en vigueur; - système de rapportage du nombre d'incidents; - système de qualité et de gestion de la sécurité utilisés 	<p>most probably for an undefined period unless revoked or suspended; interim approvals are also possible;</p>	<p>Authority (part of the Ministry of Transport)</p>	<p>be foreseen</p>	<p>operator for Brussels Airport) delivers licenses to selected ground handlers for the limited categories of groundhandling services.</p> <p>Les critères de sélection pertinents, objectifs, transparents et non discriminatoires suivants doivent être prévus par ce cahier des charges ou ces spécifications techniques:</p> <ul style="list-style-type: none"> - le système qualité et le système de gestion de la sécurité; - garanties en matière de respect des obligations dans les domaines de la sûreté, de la sécurité et de l'environnement; - garanties économiques et financières; - le personnel utilisé, la formation du personnel et le matériel mis en oeuvre; - la politique sociale et les garanties en matière de législation sociale y compris les conventions collectives de travail dans le domaine de maintien des droit des travailleurs en cas de changement de l'employeur du fait d'un transfert conventionnel d'entreprise et de la réglementation des droits des travailleurs repris en cas de reprise de l'actif après faillite et les accords, conventions collectives de travail des comités paritaires sous lesquels les services d'assistance en escale à l'aéroport de Bruxelles-National ressortent; - garanties de mise à disposition de leur matériel aux usagers et/ou l'entité gestionnaire, lorsqu'ils ne sont pas en mesure de fournir les prestations d'assistance en escale convenus selon les conditions fixées dans le cahier des charges.
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BG	yes	<p>Any activities pertinent to the ground service (...) shall be performed by commercial entities to which a ground service operators' licence has been duly issued.</p> <p>(1) The activities for groundhandling of a civil airport (...) shall be performed by entities registered under the Commercial Act (...)</p> <p>(2) A ground handling operators licence shall be issued if the entity corresponds to the following requirements:</p> <ul style="list-style-type: none"> - the staff of the applicant has the qualification, professional experience, length of service necessary for the performance of the activity, training provision or quality measures; - he has provided proofs for financial stability; - he has created an organisation and owns the equipment and/or technology securing the compliance with the active standards and procedures for safety and security of the persons, equipments and facilities at the respective airports - he has a manual (GOM) to perform the groundhandling 	permanent	Civil Aviation Administration (CAA)	yes, the CAA conducts planned inspections (periodic - at least once a year) and exceptional inspections	No	
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		activities at the respective airports, approved by the Civil Aviation Administration.					
CY	yes	The Department of Civil Aviation assesses the handler in terms of financial health, expertise, organizational structure, training program, aviation security compliance, insurance cover and compliance with labour law.	unlimited access for non restricted services; 7 years for restricted services	Department of Civil Aviation	The Department inspects on a daily basis the operations at the airport and carries specific "in-depth" audit of the concerned organization if necessary (once a year approximately). Also the Department has the power to revoke the approval and to impose administrative fines if the performance is poor. The "airport operator" also monitors the performance of the groundhandling operators on a continuous basis.	No	
CZ	NA						
DE	No					No	The existence of insurance is to be proved to the airport operator every year but no authorisation/licence is delivered
DK	No					yes	There are two big airports in Denmark. CPH airport issues "concessions" to groundhandling companies in which the conditions for operating are listed, e.g. regarding compliance with local regulations for safety, security, working conditions, use of infrastructure, opening hours, insurance, etc. There are right now no limitations on the number of groundhandling companies in the airport. In BLL airport the airport itself is the sole groundhandling company.

EE	NA						
ES	Yes	<p>The conditions to obtain the authorisations are the following:</p> <p>a) Not have been convicted by a final sentence, a sentence of disqualification or suspension, except those imposed for acts that were not directly related to airport activity, until it is out of criminal responsibility.</p> <p>b) Not having been sanctioned by a final decision to end the administrative route, for very serious violations in the protection of people, facilities, equipment or aircraft and airport security.</p> <p>c) Not have been convicted of very serious or serious violations, by a final decision to end the administrative route, in application of Law 8 / 1988 dated April 7 Offences and penalties of social order.</p> <p>Additionally, suppliers of services to third parties must:</p> <p>i) To keep abreast of compliance with tax and Social Security</p> <p>ii) Not have been declared bankrupt, in bankruptcy or insolvent bankrupt in any proceeding.</p> <p>Both the agents</p>	seven years, renewable for the same duration	the Spanish National agency for Aviation Safety	<p>In general terms, the Spanish Aviation Safety Agency verifies that the officers and authorized users continue to meet the requirements during the renewal of licenses, and officers and user groups seeking to provide new services at an airport, or expand business to other airports.</p> <p>For its part, AENA can also, at the airports it manages, check and follow-up actions it deems necessary in relation to compliance with the concession contracts signed by agents and authorized users</p>	No	

		<p>and authorized users must also satisfy the following conditions:</p> <p>a) Have a place of business with adequate operational capacity to their business.</p> <p>b) Have signed a policy of liability insurance covering the risks of the activity, up to an amount to be determined for each airport, depending on the volume of services provided, with a minimum of € 3,005,060.</p> <p>c) operate in accordance with the standards of airport security, to protect people, facilities, equipment and aircraft and technical regulations on aviation safety.</p> <p>d) Adapt their accounts at the beginning of accounting separation</p> <p>e) Respect the rules of operation of the airport in providing services.</p> <p>f) Comply with environmental protection and social legislation.</p> <p>NOTE .- In the general interest airports administered by AENA, the conditions listed in paragraph 3 are incorporated into the terms of the contract.</p>					
FI	No					?	?

FR	yes (except self-handling)	<p>Cet agrément est délivré dès lors que le demandeur d'une part, satisfait aux critères suivants :</p> <ul style="list-style-type: none"> - il justifie des couvertures d'assurances pertinentes pour l'activité exercée ; - il justifie d'une situation financière saine, et d'autre part, souscrit l'engagement de respecter la réglementation applicable, en particulier : <ul style="list-style-type: none"> - respecter les règlements en matière de sûreté, de sécurité et d'environnement ; - respecter la législation en matière de droit du travail. 	5 ans.	Cet agrément est délivré par l'autorité préfectorale assurant la police de l'aérodrome.	Il n'y a pas d'inspections régulières mais il y a des vérifications qui peuvent être faites à tout moment.	yes	<p>OUI. Exercer des services d'assistance en escale sur le domaine public est subordonné à la délivrance par le gestionnaire de l'aérodrome d'une autorisation (cf. article R. 216-9 du code de l'aviation civile).</p> <p>NB : cette autorisation du gestionnaire n'est pas propre à l'assistance en escale mais s'applique à toute activité sur le domaine aéroportuaire géré par lui.</p>
GR	yes	qualified staff (experienced, well and appropriate trained), sufficient number of equipment, good financial situation, sufficient insurance cover, environmental protection system, compliance with the relevant social legislation e.t.c.	As far as it may concern the categories (as they are mentioned in the EU directive 96/67) 3 "baggage handling" and 5 "ramp handling" the validity duration of the approval is seven (7) years. For the rest (free) categories there is no limit.	The Minister of Infrastructure, Transport and Network delivers the relevant approvals	After the issuance, regular inspections take place daily (spot check) and annually	?	?
HU	Yes*					No*	
IE	Yes	Applicants are required to complete an application form in order to seek approval to operate as a self-handler/supplier of groundhandling services. Particulars to be provided by the applicant as	5 years and can be renewed on expiry subject to completion of the renewal process.	Commission for Aviation Regulation	The Commission engages in regular monitoring of the financial situation of approval holders. In addition, insurance information is updated annually on	yes	The airport authority requires information on the vehicles and equipment to be used by the applicant, accident and emergency plan, training details (in particular airside safety and driving) and insurance requirements (i.e. the airport authority must be noted as co-insured on the insurance policies of the applicant).

		<p>follows:</p> <p>(i) Ownership and Control of the Business</p> <p>(ii) Nature of the Business- whether approval is being sought as a self-handler or supplier of groundhandling services and confirmation of the categories of groundhandling activities for which the applicant intends to provide.</p> <p>(iii) Annual Accounts- audited annual accounts for the two most recent financial years</p> <p>(iv) Business Plan (for applicants seeking approval for the provision of third party handling only)</p> <p>(v) Copy of Air Operators Certificate and Operating Licence (self-handling applicants only)</p> <p>(vi) Groundhandling Experience- details regarding the applicants previous experience in operating as a self-handler/supplier of groundhandling services (if relevant) and references</p> <p>(vii) Technical Competence- details of equipment, staffing, training programme, compliance with health and safety legislation.</p> <p>(viii) Insurance- completion of insurance</p>			<p>renewal of insurance policies. The Commission has no personnel based at the airport to carry out inspections. The airport operator can report concerns to the Commission about any operator. If the holder of a groundhandling approval fails to comply with any of the terms and conditions of the approval, it is open to the Commission to withdraw approval under our national legislation.</p>		<p>The applicant must also comply with the Rules of Conduct for Groundhandling which apply at the relevant airport. Finally, there is also a fee payable to the airport authority for the processing of this application</p>
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		<p>declaration form to ensure compliance with insurance requirements.</p> <p>(ix) Social Legislation-signed undertaking that, in respect of its employees, the applicant will comply with the requirements of the legislation set out in the Schedule to our national Regulations (i.e. various legislation on health and safety and employment law).</p> <p>(x) The relevant application fee</p>					
IT	yes	<p>Approval procedure is in compliance with EU directive criteria.</p> <p>Main topics are: Organization, Technical qualification, Operation</p> <p>Manual, Activity plan.</p> <p>To start the approval procedure is necessary a preliminary ground service contract with at least one carrier.</p> <p>The organization of the operator has to be conceived as to guarantee an efficient operational structure liable to perform services regularly and safely, in accordance with airport procedures and quality standard practices. Moreover, the organization has to guarantee the supervision of</p>	ENAC issues certificates covering a three-year period, renewable	The approval is delivered by ENAC, the Italian public civil aviation authority, independent of the airport	<p>ENAC monitors certification in compliance with a planned supervisory system and the levying of sanctions.</p> <p>ENAC is updating it's standardization system</p>	No	

		<p>the various operative sectors and internal procedures for quality control.</p> <p>The Operation Manual shall contain, inter alia, a training methodology consistent with delicate task to be performed, human and instrumental resources available, ordinary and emergency procedures and shall to be in compliance with standard of the airports in which they operate.</p> <p>An Activity plan shall give evidence of the planning scheduled and the economic reliability of the service provider, which is the baseline for end-of-period verifications.</p> <p>To issue the Approval is necessary a carrier qualification, according the pertinent GOM (UE Ground Operation Manual).</p> <p>Each Certificate has a Specification indicating the airport and the services for which the operator is qualified.</p>					
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LT	yes	Conditions for approval: groundhandling suppliers or self-handling users must present documentation, showing experience, sound financial situation, sufficient insurance cover, organizational structure and personnel of the company, security and safety of installations of aircraft, equipment and persons.	Approval is termless, but approval may be withheld or withdrawn if groundhandling suppliers or self-handling users no longer meet criteria referred above.	the Minister of Transport and Communications of the Republic of Lithuania confirms the approval	Regular inspections: according to the law of Aviation, Civil Aviation Administration supervises and controls how groundhandling services are provided in all airports of the Republic of Lithuania	Yes, for those airports of the Republic of Lithuania, whose annual traffic is less than 1 million passenger movements or 25 000 tones of freight, groundhandling suppliers or self-handling users work in those airports with contracts where all conditions are set	
LU	NA						
LV	yes	<p>a certification of the Latvian Civil Aviation Agency (CAA) regarding the conformity of ground handling services to the technical safety shall be necessary.</p> <p>The applicant shall have to prove that he or she has established:</p> <ol style="list-style-type: none"> 1. a safety management system; 2. a programme for the technical exploitation of the airfield installations; 3. a staff training programme; 4. a programme of operational activities; and 5. an environmental protection programme. 	?	certification of the Latvian Civil Aviation Agency (CAA)	The CAA shall take a decision regarding cancellation of a certification regarding the conformity of ground handling services to the technical safety if it detects that a supplier of ground handling services does not conform to the requirements and has not eliminated the detected non-conformities within the time period specified by the CAA.	no	
MT	Yes*					No*	

NL	No					yes	<p>Amsterdam Airport Schiphol (not the public authorities) imposes rules and conditions regarding approval of groundhandling suppliers. The main conditions are the following:</p> <p>An applicant company must:</p> <p>a. indicate which (the 11) ground-handling operations it wants to be admitted and given an agreement with at least one client, the model of the IATA Ground Handling Manual of consulting;</p> <p>b. for an adequate admission Safety, working conditions and environmental management system (based on the Deming Circle) will have to order. This can be demonstrated with regard to safety through an IATA / ISAGO / IOSA (or other private sector) certificate.</p> <p>c. agree to the policy statement and conform to it;</p> <p>d. be aware of the need for strict observance of the rules by signing the relevant form on his relationship with Schiphol Group.</p> <p>e. especially in the first period after admission, Schiphol Group will maintain strict surveillance, and non-compliance of the agreement may result in cancellation of and refused access to the Prote</p>
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PL	yes	<p>Permission shall be granted to the entrepreneur if it fulfills the requirements relating to the financial capacity of the undertaking, safety of facilities and persons, aviation security and civil liability insurance.</p> <p>Verification of the requirements may be done in the process of certification. (...)</p> <p>If the ground handling services are provided by the managing body of the airport, by the groundhandling agent or by the air carrier then they are obliged to: 1/keep separate accounts for ground services activities and separate accounts for other activities,</p> <p>2/ secure the right level of services, insurance policies, as well as security, protection of equipment, aircraft, fittings, personnel and environmental protection, confirmed with the certificate</p>	<p>Permission for providing groundhandling activities is given for 5-50 years period (in application for mentioned above permission every entity must state desired period. In case of tender procedures permissions are given for maximum 7 years.</p>	<p>President of the Civil Aviation Office of Republic of Poland</p>	<p>Groundhandling agents are obligated to send to the President of Civil Aviation Office various documents, in particular:</p> <p>*audited financial statements (once a year);</p> <p>*valid insurance certificate and other information regarding changes in financial liquidity of the company</p> <p>*sources of funding operations, capital risks among stakeholders or shareholders with other businesses, projected operational cash flows etc. In certain cases, groundhandling agents are obligated to send other documents on request of the President of CAO. The President is also authorized to supervise and control groundhandling agents activities.</p>	no	
PT	yes	<p>At the Portuguese airports, the self-handling airlines and the groundhandling suppliers can enter the groundhandling markets by complying with legislation requirements previewed in Decree-Law 275/99, without tender</p>	<p>For categories of services whose access is granted through a tender process, suppliers are selected for a minimum of 4 years and a maximum of 7 years</p>	<p>National Institute for civil aviation</p>	<p>yes, inspections are conducted on an annual basis. Ad-hoc inspections are conducted only in cases of failure to comply with certain requirements</p>	yes	<p>Airports grant groundhandling companies a licence for the use of public domain. A licence for the use of public domain may only be granted by airports to groundhandling companies that have previously obtained a licence to carry out a groundhandling activity delivered by the National Institute for civil aviation. This means that, despite the access to airports</p>

		procedures, except for certain categories of services, whose access is granted through a tender process (baggage handling, ramp handling, freight and mail handling).					installations and space is distributed to groundhandling companies by the Airport Management Entity, the access to the groundhandling activity to be performed in portuguese airports is granted by INAC.
RO	yes	<p>A groundhandling supplier or a self-handling airline must possess a valid authorization certificate, issued in accordance with Romanian civil aviation regulation RACR-AD-AAH regarding the authorization of groundhandling suppliers (Of. J. no. 713/21 October 2008).</p> <p>The conditions of the approval are:</p> <ul style="list-style-type: none"> - Proof of sufficient organizational, technical and operational capacity in accordance with the requested activity, including the necessary personnel, to meet the safety and security standards. - Proof of sufficient financial capacity to execute the requested activity and sufficient insurance cover in accordance with the volume of the activity. 	The initial approval has 1 year validity and the following approvals have 3 years validity.	The authorization certificate is issued by the Romanian Civil Aviation Authority (RCAA), an autonomous organisation under the authority of Ministry of Transport and Infrastructure (MOTI).	Yes, RCAA continuously supervises the activity of the suppliers	yes	In accordance with RACR-AD-AAH, in order to function in the airport perimeter, a groundhandling supplier must have a valid authorization certificate issued by RCAA and the acceptance of the airport administration, without prejudice to RACR-AD-APSH, which is the Romanian civil aviation regulation transposing Directive 96/67. In accordance with the Air Code, any supplier that works in the airport perimeter must have a licence issued by the airport administrator, based on the regulations issued by MOTI. Such regulations are not in place yet, and therefore no such licence has been issued so far
SE	NA						
SI	NA						

SK	yes	Civil Aviation Authority of the Slovak Republik (CAA) issues the permissions according to par. 45 of the Civil Aviation Act of the Slovak Republik No 143/1998 for the companies providing groundhandling services at the airports, but those permissions relate to security and safety at the airports only.	?	Civil Aviation Authority	?	no	
UK	No*					yes*	

Source: Member States replies to EC questionnaire, end 2010 (for *: SDG report 2010, p.85-86)

Annex XI: Extract of the EASA annual safety review 2009, p18-19

The following document is an extract of the EASA annual safety review 2009, giving an analysis of the categories corresponding to accidents for commercial aircrafts in the EU-27 Member States (**bold font was added** to highlight the relevant groundhandling aspect):

"The assignment of accidents under one or multiple categories assists in identifying particular safety issues. Fatal and non-fatal accidents involving EASA MS operated aircraft which occurred during commercial air transport operations were assigned under related accident categories. These categories are based on the definitions developed by the CAST-ICAO Common Taxonomy Team (CICTT). **Figure 3-5** shows the number of accidents per category for all accidents involving aeroplanes operated by EASA MS airlines in the decade 2000 –2009.*

An accident may be assigned more than one category depending on the circumstances contributing to the accident. As described in Figure 3-5, the categories which included a high number of fatal accidents were, amongst others, LOC-I ('loss of control in-flight') and SCF-PP ('system or component failure or malfunction related to the engine').

Events assigned under LOC-I involve the momentary or total loss of control of the aircraft by the crew. This loss of control might be the result of reduced aircraft performance or because the aircraft was flown outside its capabilities for control. SCF-PP involves the malfunction of a single or of multiple engines which might have led to a complete or partial loss of engine power.

*Additional observations can be made if the trends of these categories in the past decade are used. **Figure 3-6** presents the percentile share of each accident category in the total number of accidents. In recent years the proportion of accidents which included the categorisation of ARC ('abnormal runway contact') has increased. Such accidents usually involve long, fast or hard landings. Often during such accidents the landing gear or other parts of the aircraft are damaged. **Also increasing is the percentile of accidents involving RAMP ('ground handling') events. These accidents involve damage to the aircraft by vehicles or ground equipment or the incorrect loading of an aeroplane.** Accidents attributed as 'controlled flight into terrain' (CFIT) appear to have an overall decreasing trend. These accidents involve the collision or near collision of an aircraft with terrain most often under circumstances of limited or significantly reduced visibility."*

Note: It can be noted that groundhandling in the meaning of the Directive 96/67 can also be involved for the categories FUEL (fuel related) and ICE (de-icing).

FIGURE 3-5

ACCIDENT CATEGORIES FOR FATAL AND NON-FATAL ACCIDENTS – NUMBER OF ACCIDENTS BY EASA MS OPERATED AEROPLANES (2000–2009)

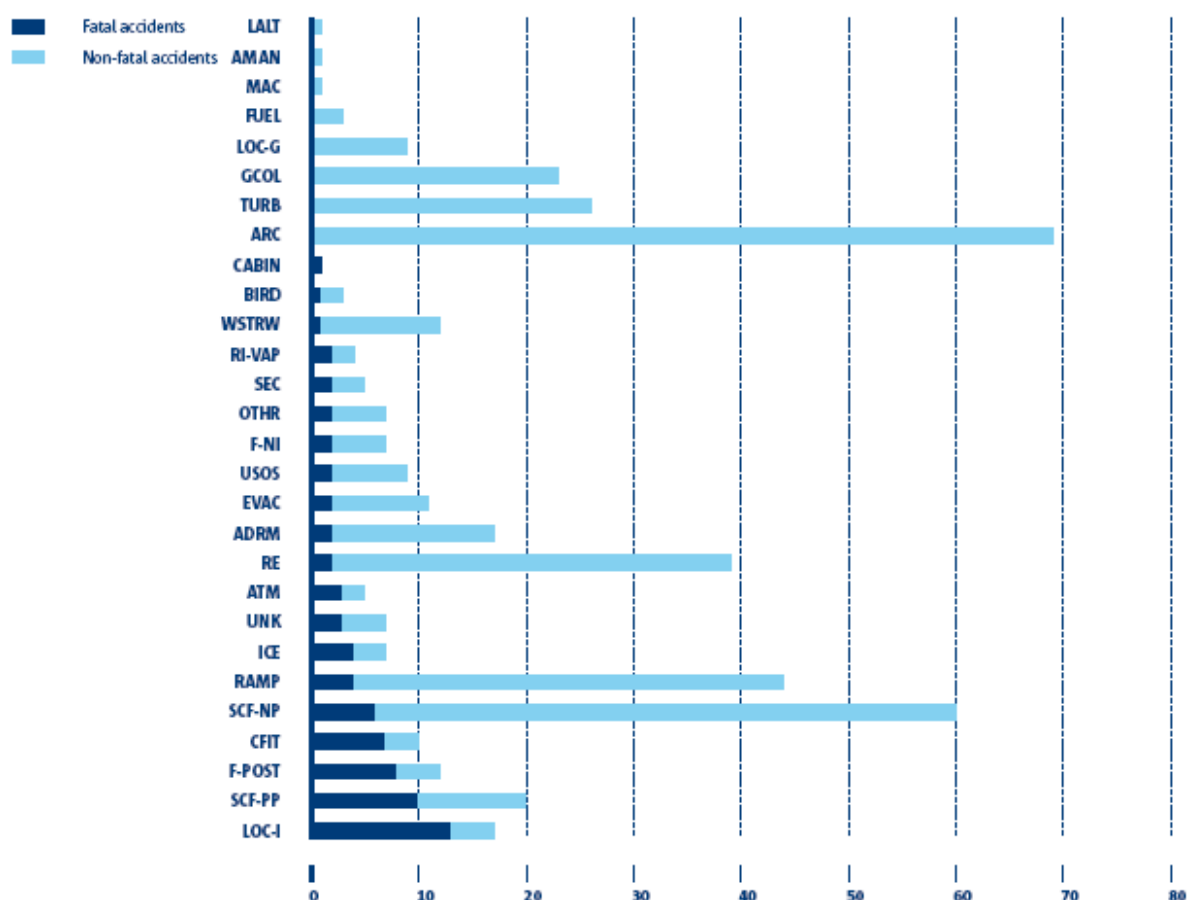
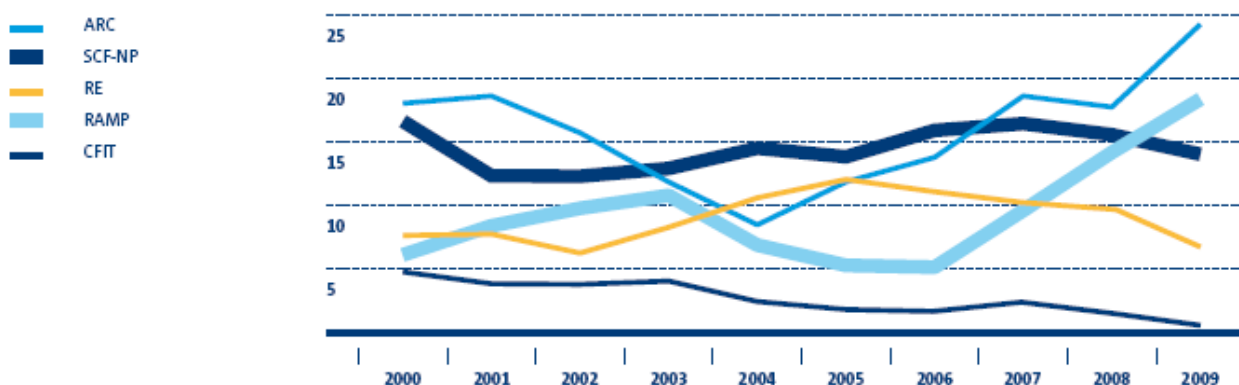


FIGURE 3-6

ANNUAL PROPORTION OF TOP FOUR ACCIDENT CATEGORIES AND CFIT CATEGORY – EASA MS OPERATED AEROPLANES (IN PERCENTILE)



Accident categories acronyms

ARC: Abnormal runway contact

AMAN: Abrupt manoeuvre

ADRM: Aerodrome

ATM/CNS: Air Traffic Management / Communication Navigation Surveillance

BIRD: Collision / near Collision with bird(s)

CABIN: Cabin safety events

CFIT: Controlled flight into or toward terrain

EVAC: Evacuation

F-NI: Fire / smoke (non-impact)

F-POST: Fire / smoke (post-impact)

FUEL: Fuel related

GCOL: Ground collision

RAMP: Ground handling

ICE: Icing

LOC-G: Loss of control — Ground

LOC-I: Loss of control — In-flight

LALT: Low altitude operations

MAC: Airprox / TCAS alert / loss of separation / near midair collisions / midair collision

OTHR: Other

RE: Runway excursion

RI-A: Runway incursion — Animal

RI-VAP: Runway incursion — Vehicle, aircraft or person

SEC: Security related

SCF-NP: System / component failure or malfunction (non-powerplant)

SCF-PP: System / component failure or malfunction (powerplant)

TURB: Turbulence encounter

USOS: Undershoot / overshoot

UNK: Unknown or undetermined

WSTRW: Windshear or thunderstorm

Background information on the EASA Annual Safety Review

The EASA Annual Safety Review is based on accidents and presents safety data at a relatively high level. In that document the definition of an ‘accident’ in ICAO Annex 13 is used to identify occurrences as such. This definition designates accidents as the occurrences which happen *after* a person has boarded the aircraft *with the intention of flight* (among other criteria). In the case of aircraft ground handling this may significantly affect the number of accidents reported, as the handling activity takes place also before crew or passengers have boarded or after they have alighted.

Accidents are assigned one or multiple occurrence categories based on the events that took place as well as the definitions provided for each occurrence category. The definitions and the categories themselves are provided by the CICTT¹⁶ group in which EASA is a participant.

This document focuses on the accidents assigned the RAMP category in the EASA Annual Safety Review 2009, as shown in Figure 3-5.

The figure shows that from 2000 until 2009 a total of 44 accidents-assigned the category RAMP¹⁷- occurred, of which 4 were fatal. In total 9 people were fatally injured onboard aircraft and 2 on the ground. Another 11 persons received serious or minor injuries. This seems in absolute terms limited, but it is quite significant compared to the total number of accidents reported (and considered that reporting does not cover groundhandling activities before/after crew enter the airplane, and that serious incidents are not included in these figures).

¹⁶ CAST-ICAO Common Taxonomy Team - www.intlaviationstandards.org/

¹⁷ CICTT Usage notes for RAMP:

- Includes collisions that occur while servicing, boarding, loading, and deplaning the aircraft.
- Includes propeller/rotor/fan blade strikes.
- Includes pushback/powerback/towing events.
- Includes Jet Blast and Prop/rotor wash ground handling occurrences.
- Includes aircraft external preflight configuration errors (examples: improper loading and improperly secured doors and latches) that lead to subsequent events.
- Includes all parking areas (ramp, gate, tiedowns).
- Except for powerback events, which are coded here, if a collision occurs while the aircraft is moving under its own power in the gate, ramp, or tiedown area, code it as a ground collision (GCOL).

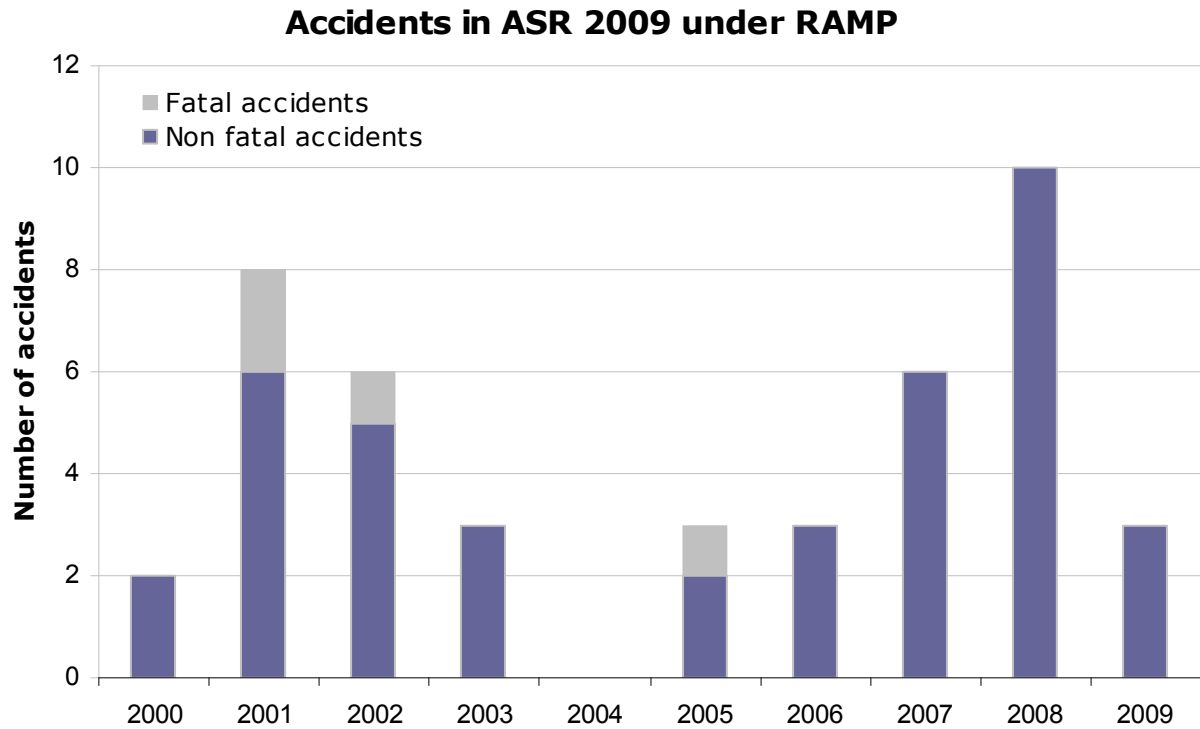


Figure 2: Graph showing accidents per year for those included in Figure 3-5 of ASR 2009 under RAMP.

During accidents several events may occur, however the ‘leading’ event is the one with which the chain of events begins. This event might be the collision of an aircraft with a vehicle which may then, for example, result in a fire or in the emergency evacuation of the aircraft. Figure 3 shows the leading event for each of the 44 accidents.

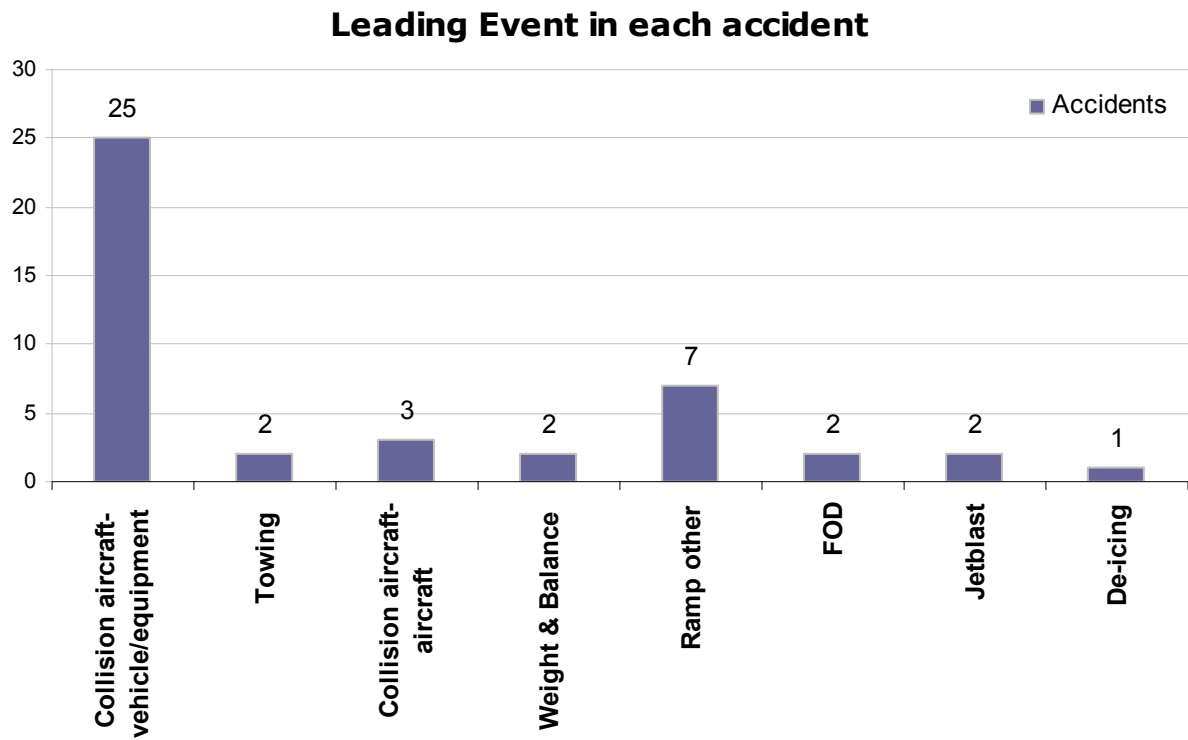


Figure 3: Leading event in each accident in Figure 3-5 of ASR 2009 under RAMP.

Annex XII: Centralised infrastructures at EU airports

Airport	Centralized Facilities EU-15 Interview Data									Charges for the access of airport installations
	Baggage Handling System	De-icing	Passenger Boarding Bridges	Fixed Power Installation	Fuel&Oil Station	Toilet Servicing	Check-In Desks	Marshalling	Others	
AMS	not explicit defined									No
ARN	√	√	√	√	√	√	√	√	VIP Services , Bustransport on airside, Airport switchboard, CUSS machines	√
ATH	√	---	√	√	√	√	√	---	BRS	√
BRU	√	---	√	√	√	---	√	√	Sewerage farm, Baggage and passenger screening machines, Decompression chamber, Truncking system, CUTE, Docking guiding systems, FOD, CUSS.	√
CDG	√	√	√	---	√	√	√	√	no information	---
CGN	---	√	√	√	√	√	√	√	Traffic Operations, Water supply (Facility)	√
CPH	√	√	√	√	---	---	√	√	Bus transportation	√
FCO	√	---	√	√	√	√	√	√	Centralised sewage waters and aircraft, Solid waste treatment systems, CUTE System, General voice announcements, Information to the public, left baggage office	√
FRA	---	√	√	√	√	√	---	---	Gate baggage facilities for outbound baggage, Bulky baggage facilities, Central baggage system for inbound baggage, Central baggage security facilities, Facilities for fresh water supply, CUTE network, Customs baggage warehouse, Conveyor belt for misdirected baggage, Servicing of rush baggage as well as servicing of mistagged baggage and Baggage tracing	√
HEL	√	√	√	√	---	---	√	√	Bus transfer on the apron, CUSS	√
LHR	---	---	---	---	---	---	---	---	---	no information
LIS	√	---	√	√	---	---	√	√	---	√
MAD	√	√	√	√	√	---	√	---	PRM - services, Fixed fuel and oil supply, Engine test pad, Airplane washing area, Portable water supply	√
MAN	√	---	√	√	---	---	√	---	---	√
VIE	√	√	√	√	√	---	√	√	Container Storage (Facility); Waste Disposal (Facility)	√

Centralised infrastructure at visited airports* in the EU-15

Source : ARC study, 2009.

*Airports IATA codes used in this table: AMS: Amsterdam-Schiphol (Netherlands) ; ARN: Stockholm-Arlanda (Sweden) ; ATH Athens Eleftherios Venizelos Greece ; BRU: Brussels Airport (Belgium) ; CDG: Paris-Charles de Gaulle (France); CGN: Cologne/Bonn (Germany); CPH: Kastrup Airport Copenhagen (Denmark); FCO: Leonardo da Vinci International (Fiumicino) Roma (Italy) ; FRA: Frankfurt International Airport (Rhein-Main) (Germany); HEL: Helsinki-Vantaa (Finland); LHR: London-Heathrow (United Kingdom); LIS: Lisbon TP (Portugal) ; MAD: Madrid Barajas (Spain); MAN: Manchester (United Kingdom); VIE: Vienna-Schwechat International (Austria).

Airport	Centralized Facilities NMS									Charges for the access of airport installations
	Baggage Handling System	De-icing	Passenger Boarding Bridges	Fixed Power Installation	Fuel&Oil Station	Toilet Servicing	Check-In Desks	Marshalling	Others	
Interview Data										
BTS	√	√	---	---	√	---	√	√	Apron transportation	---
BUD	√	---	√	√	---	---	√	√	no information	---
LCA	√	---	---	---	√	---	√	---	CUTE System, Flight Information Display System	√
OTP	no information									
PRG	√	---	√	√	√	---	√	√	Bus transportation, BRS	---
RIX	---	√	√	√	---	---	√	---	Bus transfer on the apron, CUSS	√
SOF	no information									
WAW	√	---	√	√	√	---	√	√	no information	no information
Internet Survey Data										
LJU	√	√	√	√	---	√	√	√	no information	---
MLA	√	---	---	√	---	√	√	---	no information	---
TLL	√	---	√	---	---	---	√	---	Cute System at check-in desks/gates	√
VNO	√	---	√	---	√	---	√	---	---	---

Centralised infrastructure airports** in the New Member States

Source : ARC study, 2009.

**Airports IATA codes used in this table: BTS: M.R.Štefánika Bratislava (Slovakia); BUD: Ferihegy Airport Budapest (Hungary) ; LCA Larnaca Airport (Cyprus) ; OTP: Bukarest Henri Coanda International (Romania); PRG: Ruzyne Internatonial Prague (Czech Republik) ; RIX: Riga International (Latvia); SOF : Sofia Airport (Bulgaria); WAW : Warsaw Frederic Chopin (Poland); LJU: Ljubljana Airport (Slovenia); MLA: Malta International Gudja (Malta); TLL: Ulemiste Airport Tallinn (Estonia); VNO: Vilnius Airport Lithuania.

Annex XIII: Evolution in the number of groundhandling companies for "restricted services" 1996-2007

ARC Study 2009 gives the following changes in the number of handlers at sampled airports. Self-handling refers to airlines conducting their own services, whilst 'third parties' represent both airports and independent groundhandling entities:

EU-15 (Representative Sample)							
Third Party Handling				Self Handling			
	1996	2002	2007		1996	2002	2007
Baggage handling	21	33	41	Baggage handling	12	15	16
Freight & Mail handling	21	28	34	Freight & Mail handling	10	9	16
Ramp handling	21	30	38	Ramp handling	15	17	19
Fuel & Oil handling	26	27	28	Fuel & Oil handling	1	1	1
New Member States (Representative Sample)							
Third Party Handling				Self Handling			
	2004	2007			2004	2007	
Baggage handling		12	14	Baggage handling		4	5
Freight & Mail handling		13	18	Freight & Mail handling		5	6
Ramp handling		11	14	Ramp handling		5	7
Fuel & Oil handling		12	12	Fuel & Oil handling		2	2

Source: Airport Research Center (ARC), Study on the Impact of Directive 96/67/EC on Ground Handling Services 1996-2007, Feb 2009

Annex XIV: Groundhandling and working conditions

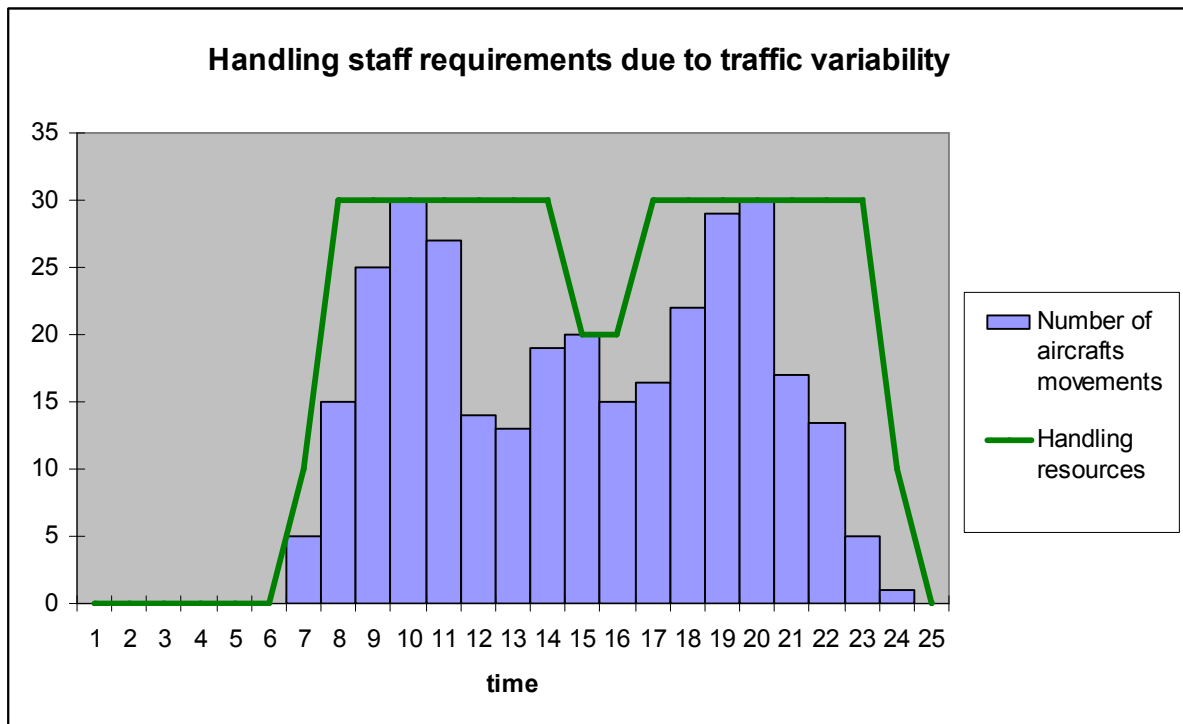
Preliminary note: The "Commission staff working document: Impact assessment of the Single Aviation Market on employment and working conditions for the period 1997-2007"¹⁸ presents the evolution of employment and working conditions for the entire aviation sector. It is assumed in this annex that these conclusions are valid for the groundhandling sectors.

The liberalisation of groundhandling services and the end of monopolies or (airport/hub carrier) duopolies at airports have meant that groundhandling providers have had to adapt in order to become more competitive and have had to deal with tougher competition. The most visible consequence for groundhandling workers was the increase in **work productivity and flexibility**¹⁹. Groundhandling providers often explain that this increase in work productivity is imperative as **staff costs amount to 65-80% of their total costs**, while workers' associations usually claim that groundhandling companies focus too much on the work factor to reduce costs. The increased operational pressure on workers affects employees' working conditions, with the development of temporary contracts, of part time work or of longer working hours.

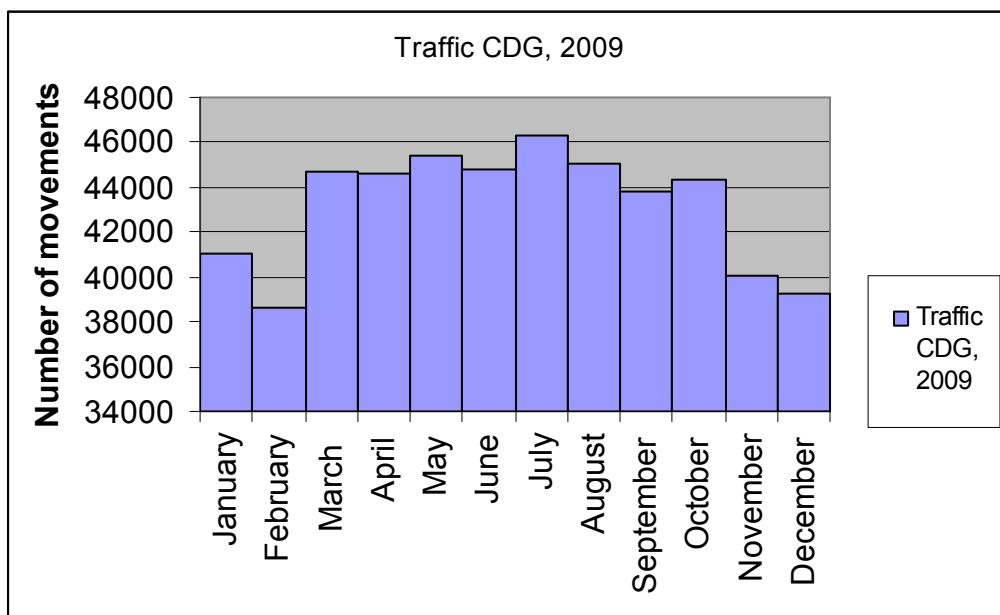
For most of the groundhandling activities, the workload changes considerably during the day and through the aeronautical season (as illustrated below, the number of staff needed at a "hub" is very intense during the morning peak and the evening peak, compared to the rest of the day). This means that groundhandling staff has to be present at the airport early in the morning and again late at night.

¹⁸ The document is available online at: http://ec.europa.eu/transport/air/internal_market/doc/sec_2010_503_en.pdf

¹⁹ See "Commission staff working document: Impact assessment of the Single Aviation Market on employment and working conditions for the period 1997-2007", Annex 14: it is possible to get concrete examples of the increase in air transport workers' productivity from the data collected from the aviation authorities: the average number of workers needed by an air carrier to cater for 1 000 passengers fell by 36% between 1998 and 2007. If **such figures do not exist for groundhandling only**, the trend seems to be similar (SDG found evidence of the diminution in labour hours per turnaround for an independent handler: see SDG report, p. 94).



In addition to daily variations, seasonal ones can be noted at a number of airports: tourist destinations, hubs during the summer vacation period (see example of Paris Charles de Gaulle), or for exceptional events (Formula 1 races, film festivals ...)



The high turnover of staff and high recourse to short-term/temporary contracts observed in the industry²⁰ contribute to increasing the proportion of low-experienced staff, which leads in some instances to poorer service quality.

²⁰

See SDG report p. 94: 'The 2007 Ecorys study presents evidence for the groundhandling sector where "the use of fixed term and temporary contracts has increased in the past ten years", in order for the

Increased operational and pricing pressure on day-to-day operations can lead to operational shortcomings deteriorating quality, in particular for aspects where no specific safeguards apply.

sector to be able to react faster to changing level of their activities. This is also confirmed by the more limited sample of stakeholders' respondents in the most recent ARC study of 2009'.

Annex XV: Subcontracting at EU-airports

Interview Data EU-15						
Airport	Does Sub contracting exists?	Does Cascade sub contracting exists?	Sub contracting indicated during tender?	Did problems encounter due to sub contracting or cascade sub contracting?		
				Airport Operator	Airlines	Independent ground handling provider
AMS	√	no	Liberalised market - no tender	no	no	---
ARN	√	√	Liberalised market - no tender	Northport (now acquired by Menzies) subcontracted to fulfill contractual obligations. This led to difficulties in reaching core decision-makers within Northport	no	---
ATH	not permitted					
BRU	√	no	√	Some airlines tried to subcontract to third party handling companies, that did not have a license from the airport	no	no
CDG	√	√	no	no data		
CGN	√	no	no	no	---	---
CPH	√	no data	Liberalised market - no tender	no	---	---
FCO	√	---	Liberalised market - no tender	no	√	no
FRA	√	√	no	Insufficient insurance coverage, lack of quality, use of temporary workers agencies	no	no
HEL	√	no	Liberalised market - no tender	Since the subcontractors are working for more than one company at the airport the staff does not necessarily know for whom they are working. It is questionable how a handling company communicates all safety/security requirements if they also do not know about their staff.	Staff problems. Risk of accidents/incidents due to insufficient training staff rotation	---
LHR	√	no data				
LIS	√	no data	Limited market - no tender realised	no	---	---
MAD	√	no	no data	Cascade subcontracting is not practiced: Concern: negative effects on safety, security, quality, environment, training, equipment	---	---
MAN	√	no	no data	no	---	---
VIE	√	no	no	no	no	no

Sub contracting at interviewed airports* in the EU-15

Source : ARC Study p.134-137

*Airports IATA codes used in this table: AMS: Amsterdam-Schiphol (Netherlands) ; ARN: Stockholm-Arlanda (Sweden) ; ATH: Athens Eleftherios Venizelos Greece ; BRU: Brussels Airport (Belgium) ; CDG: Paris-Charles de Gaulle (France); CGN: Cologne/Bonn (Germany); CPH: Kastrup Airport Copenhagen (Denmark); FCO: Leonardo da Vinci International (Fiumicino) Roma (Italy) ; FRA: Frankfurt

International Airport (Rhein-Main) (Germany); HEL: Helsinki-Vantaa (Finland); LHR: London-Heathrow (United Kingdom); LIS: Lisbon TP (Portugal) ; MAD: Madrid Barajas (Spain); MAN: Manchester (United Kingdom); VIE: Vienna-Schwechat International (Austria).

New Member States						
Airport	Does Sub contracting exists?	Does Cascade sub contracting exists?	Sub contracting indicated during tender?	Did problems encounter due to sub contracting or cascade sub contracting?		
				Airport Operator	Airlines	Independent ground handling provider
Interview Data						
BTS	√	no	Limited market - no tender realised	no	---	---
BUD	√	no	Limited market - no tender realised	no	---	no
LCA	no	no	√	no	---	no
OTP	no data					
PRG	√	no	Liberalised market - no tender	no cascade subcontracting in PRG: possible effects on quality, price and safety	no	no
RIX	no	no	Limited market - no tender realised	no	---	---
SOF	√	no	Liberalised market - no tender	no	---	---
WAW	√	no	Limited market - no tender realised	no	---	---
Internet Survey Data						
LJU	√	no	no	no	---	---
MLA	√	√	√	no	---	---
TLL	√	no data	Liberalised market - no tender	no data		
VNO	no	no	Liberalised market - no tender	no data		

Sub contracting at airports** in the NMS

Source : ARC Study p.134-137

**Airports IATA codes used in this table: BTS: M.R.Štefánika Bratislava (Slovakia); BUD: Ferihegy Airport Budapest (Hungary) ; LCA: Larnaca Airport (Cyprus) ; OTP: Bukarest Henri Coanda International (Romania); PRG: Ruzyně Internatonial Prague (Czech Republik) ; RIX: Riga International (Latvia); SOF : Sofia Airport (Bulgaria); WAW : Warsaw Frederic Chopin (Poland); LJU: Ljubljana Airport (Slovenia); MLA: Malta International Gudja (Malta); TLL: Ulemiste Airport Tallinn (Estonia); VNO: Vilnius Airport Lithuania.

Annex XVI: Regulation of the groundhandling market elsewhere in the world

Access to the groundhandling market was analysed for 3 countries: the United States, Australia and India. The analysis of these 3 countries was carried out in order to identify which other systems/regulations exist around the world to tackle the groundhandling services and markets.

These 3 countries were selected because they have a size and aviation market similar to Europe, they covered different parts of the world, and the applicable legislation was in one of the languages of the EU. While Australia and the USA were investigated by SDG, India was investigated by the Commission's services and added later on for 2 reasons: it is an example of a new legislation about the groundhandling market (which is rare), and it is one of the key States in Asia for aviation (together with China which is for the moment only thinking to a possible legislation on groundhandling).

Extract of SDG, 2010:

"

1. AUSTRALIA

In Australia, it is the airline who determines who they employ to do their groundhandling at each airport. There is no direct legislative control over the number or quality of ground handlers.

Airline operators have historically provided the groundhandling services at airports: airlines had their own staff servicing their aircraft, and they also looked after the ground handling for international operators. In the past, Qantas, Australia's largest airline had been the dominant provider of these services.

In the last couple of years there has been a shift to third party ground handling providers. As compared to Europe, the airports generally do not offer, nor control, ground handling services. Today's market is currently structured to contain a mix of airline staff or airline-owned subsidiary companies plus a number of third party ground handling organisations. Some of these are international companies, and others are local companies.

The leading independent providers of ground handling services include Menzies, AeroCare (established in 1992), Toll Dnata Airport Services, Skystar (established in 2001), Jet Corp, etc. The Qantas group has developed its own groundhandling subsidiary company, Express Ground handling which was established in 2004.

Many groundhandlers will operate at multiple airports, for example Express Ground Handling operates at Cairns (3.8 million passenger in 2008), Brisbane (18.5 million passenger in 2007-08), Sydney (31.9 million passenger in 2007), Melbourne (24.7 million passenger in 2008-09), Avalon (1.4 million passenger in 2008), and Adelaide airports (7 million passenger in 2008-09). Similarly Aero-care currently provides ground handling services at 17 airports.

The table below details the market participants operating at Australia's four major airports.

<i>Brisbane Airport</i>	<i>Melbourne Airport</i>	<i>Perth Airport</i>	<i>Sydney Airport</i>
<i>AERO International Pty Ltd</i>	<i>Aero-Care</i>	<i>Aero-Care</i>	<i>Aero-Care</i>
<i>Aircraft Loaders & Packers</i>	<i>Menzies Aviation</i>	<i>Av West Aviation</i>	<i>Australian Airsupport Pty Ltd</i>
<i>Australian Air Support Services Pty Ltd</i>	<i>Patrick Air Service</i>	<i>Complete Aviation Services</i>	<i>Inflight Logistics Services</i>
<i>Brisbane Jet Base</i>	<i>Qantas Airways</i>	<i>Crescent Air Services</i>	<i>Menzies Aviation</i>
<i>Hawker Pacific FBO</i>	<i>Toll Dnata</i>	<i>Maroomba Airlines</i>	<i>Qantas Airways</i>
<i>Jet Support Services</i>		<i>Menzies Aviation</i>	<i>Toll Dnata Airport Services</i>
<i>Menzies Aviation</i>		<i>Perth Flight Centre</i>	<i>Wymap Group Pty Ltd</i>
<i>Oceania Aviation Services Pty Ltd</i>		<i>Qantas Airways</i>	
<i>Pacific Air Express</i>		<i>Toll Dnata Airport Services</i>	
<i>Qantas Airways</i>		<i>Universal Aviation</i>	
<i>Skyclean</i>			
<i>South Pacific Airmotive</i>			
<i>Toll Dnata Airport Services</i>			

There are no restrictions applying to an airline's ability to self-handle or ground handle for other airlines.

Access at airports

Any organisation can offer their services as a groundhandler, it is a completely open market. There are no minimum requirements regarding the number of organisations that can offer ground handling services at an airport, this tends to be commercially driven.

Additionally, there are no restrictions on how long a groundhandling agent may operate at any airport.

Most of the regional airports across Australia have 2 or 3 groundhandling ramp agents available, whereas the major airports will have many organisations looking after the various airlines operating into that airport. For instance at Sydney airport there are 7 ramp ground handlers, but there are many other associated services that are provided by these companies and additional companies including cabin cleaners, catering companies, engineering services, fixed base operators, freight, fuel companies, ramp services, security companies, waste disposal.

Approvals/ Licensing

In order to operate, groundhandlers will enter into a license or conditions of use agreements with the airport operator. These will set out the terms and conditions under which groundhandling services are delivered, for the activities that airports are responsible for such

as airside driving, vehicle control and how the airport operates (but this is largely regulated in Part 139 of the Australian legislation).

AAAL (the Australian Airports Association) stated that arrangements between airlines and their contracted groundhandlers are always commercial-in-confidence and therefore there is no information available to the airports about the detailed arrangements and costs in place.

Airport User Committee

There is no legislative or other requirement for cooperation and consultation between stakeholders, however AAGSC (the Australasian Aviation Ground Safety Council) stated that a well developed Safety Management System (SMS) would require such meetings to happen. Depending on the size of the airport, there would be several airport consultation forums that would involve all interested parties. Ramp safety meetings are held and documented as part of the airports SMS.

As most groundhandling activities in Australia involves bilateral relations between the airline and its agent, the groundhandling agent will generally meet regularly with the contracting airline to ensure that their operations are consistent with the airline's Safety Management System and that active communication between the parties is maintained. This is particularly relevant where new equipment, legislation or airport requirements are introduced and this implementation has to be managed between the airline and GHA.

There are also regular meetings throughout the year of the Australian Airports Association to allow airports across Australia to discuss issues that effect ground handling activities and provide a forum to create consistency at the various airports.

Quality

Each airline operator determines the minimum requirements that they wish to establish in the agreements they put in place with their groundhandling agent. That being said, it is a legislative requirement for all airline operators and aerodromes to have comprehensive Safety Management System in place that covers all employees and contractors alike. When an airline establishes a ground handling agreement, they will have to ensure that all minimum levels of required training²¹, staffing levels, reporting and documentation are established to allow the groundhandling agent to comply with their own SMS.

Space issues

One challenge that exists is around space restrictions which may limit the number of groundhandlers at a given airport. AAGSC (the Australasian Aviation Ground Safety Council) stated that it is often discussed at ramp safety meetings at airports across Australia. The solutions which vary from airport to airport are discussed in an open forum and the airport often finds itself as the mediator between the various parties concerned. The airports will often specify the requirements and provide the equipment and activity areas and will intervene with the groundhandling agents where the areas are not being used appropriately.

²¹ Training requirements are not set directly by law but are established in the contracts with airlines (via the airlines' service level agreements and safety management systems) or in airport rules (safety management systems of the airports).

They will not allocate tarmac or common-user space to specific groundhandling agents, but they will however often allocate office or activity space to specific groundhandling agents away from the ramp.

Centralised Infrastructure

Some infrastructure such as the luggage sorting system, de-icing, etc is generally regarded as common-user areas provided by the airport for the relevant activities and all groundhandling agents will be required to use the common spaces to perform their tasks. The airlines are charged a fee related to the number of passengers or tonnes of freight that they move through the airport. This fee is in part used to cover the costs associated with providing the infrastructure for all common user areas of the airport.

At some of the major airports, larger airlines may also select to lease terminals and/ or infrastructure to secure sole use occupancy.

Social conditions

[Steer Davies and Gleave understood] from a press review that jobs are being lost as “traditional ground handlers”, i.e. airline ground handling companies’ share of the market diminishes and new third party handlers win contracts. Lower wages are paid by these new companies and previous workers lose their jobs. Recently unions have argued that “increased charges are part of a Qantas strategy to axe jobs and outsource all ground services to contractors that pay lower wages. The airline has laid off up to 3,250 workers over the past year from its 34,000-strong workforce”.

Training

The training standards are not regulated; it is the responsibility of the airlines to ensure that they have suitably trained ground handling staff (either their own or their contracted groundhandling agent). The airlines generally use a groundhandling agent that complies with the IATA ground handling requirements or their own contracted requirements. These contracts are generally very detailed and are consistent with the IATA Ground Handling procedures. The training standards of the handlers must however comply with the Airlines Safety Management System requirements.

Regulation

The regulation of groundhandling activities in Australia is the responsibility of two distinct agencies: one for the technical and safety regulation (CASA) and the other for the economic and access issues (ACCC).

The Civil Aviation Safety Authority (CASA) is the regulatory body that ensures that airport and airlines maintain the highest levels of safety. Through legislation, consultation, auditing and investigation, they ensure that airports and airlines alike have the correct processes in place to ensure that ground handling activities are conducted with a high degree of structure and safety.

Australia’s airports were privatised in the late 1990s and early 2000’s. Following privatisation, the Australian Competition and Consumer Commission (ACCC) role involved administering price caps, price monitoring and quality of service monitoring. The legislative

regime has since changed and currently the five major Australian airports are subject to price monitoring, financial accounts reporting, and quality of service monitoring but are no longer price capped.

In Australia, where infrastructure services are provided under commercial agreements between the airports and their groundhandling suppliers (for infrastructure access fees for instance), the ACCC has only a monitoring role.

Australian airports are still potentially subject to the provisions of Part IIIA of the Trade Practices Act of 1974, but only if the relevant services are 'declared' by a Minister of the Government. 'Declaration' would mean that if a commercial agreement between the service provider (in this case the airport) and the access seeker (the ground handler) could not be reached then the ACCC would determine the terms and conditions of access through a legally binding arbitration process. Currently, Sydney Airport's domestic airside services are declared services until December 2010. Our understanding is that groundhandling services may be covered by the declaration.

There have been legal challenges by Sydney and Brisbane airports about the laws governing groundhandling. In 2007 Virgin Blue Airlines Pty Limited notified the ACCC of an access dispute at Sydney airport. It related to the method of allocating costs for access to the airside services (runway, taxiway, parking aprons and other associated facilities) between airline users of that service and the basis on which the price for access to the airside services should be levied.

The Productivity Commission provided a report on the Price Regulation of Airport Services in January 2002 and recommended that there were insufficient grounds for an airport-specific access regime as the general access provisions available under Part IIIA of the TPA provide sufficient safeguards for those seeking access to airport facilities.

2. USA

In the USA, the aviation industry was opened up in the late 1970s early 1980s allowing liberalisation of the groundhandling industry. Airport ownership in the USA is generally controlled by local public municipalities or bodies. However, specific terminals are often either owned or operated by airlines with significant or particularly hub operations there.

Market structure

Airports have a lot of control over ground handling matters. For instance, they decide how many ground handling companies operate in the airport, the rates they can charge and the subleasing they undertake. Airports also develop their own dispute resolution procedures. The majority of the ground handling work is carried out by "Fixed Base Operators" (FBO) which are privately owned or a department of the municipality the airport serves. Often only one FBO serves a particular airport. Only a small proportion of the ground handling operations are performed by independent companies. The total market increased significantly between 1995 and 2002, but after 9/11 legacy airlines cut capacity and this decreased ground handling substantially.

Regulation

There does not appear to be any specific legislation relating to ground handling at airports which would indicate that groundhandling is not regulated (apart from general competition and fair trade legislation), giving all powers in the hand of airports, on a case by case basis.

Competition

There have been issues raised about there being special relationships between the airport and the FBO and that this might create competition stifling preferential treatment, but if the relationship goes bad it can be the target of discriminatory treatment. Transportation Code, 49 USC section 47107 (a)(4) expressly prohibits exclusive relationships, but the FAA unofficially supports a protectionist policy for FBOs and other airport operators (Air Commerce Act 464). Congress has granted airports limited immunity from antitrust lawsuits only permitting awards of injunctive relief. Therefore the airports have so far been able to continue their special relationships with groundhandling and not have to allow competition and access to other ground handling operations.

Conclusion about USA and Australia

In Australia as in the USA, groundhandling is less regulated than in Europe. (...) In the USA, it appears that airports continue to control access to groundhandling activities, whereas in Australia where airports' involvement in groundhandling was limited, very few airports are involved in providing groundhandling services.

Generally, this means that Australia's market structure is far simpler than that of Europe where airports are only infrastructure providers, not competitors or tender managers. Therefore Australia's approach to groundhandling is to let airlines and their chosen groundhandlers work through their issues. In the USA the relationship between the airport operator and the Fixed Based Operator (FBO) who often provides the groundhandling services is a key determinant of the market and is at the discretion of each airport's management.

However, in some instances, Australia faces similar groundhandling issues that Europe faces, such as space allocation or social issues. In general solutions to these issues are coordinated at the local level, with limited federal intervention. In the USA the close relationship between the airport operator and FBO means space allocation is addressed through these relationships."

(end of SDG, 2010 extract)

3. INDIA

When it comes to India, the government has recently adopted a new legislation regarding the access to groundhandling services. The legislation (which was to be implemented by the 31st of December 2010) aims at limiting the number of providers for the 6 major airports of the country: Delhi, Mumbai-Bombay, Bangalore, Hyderabad, Kolkata (Calcutta) and Chennai (Madras) airports (all above 6 millions passengers a year and 50,000 tons of freight: see table below).

According to the new legislation, the following groundhandlers will be allowed to operate at these airports:

- Air India-Singapore Airport Terminal Services,
- the airport operator (private operator in Delhi, Mumbai, Bangalore and Hyderabad and the Airports Authority of India in case of Kolkata and Chennai)
- and one or more providers to be selected by competitive bidding.

Self-handling would not be authorised any more (except for some landside services and cargo handling at some airports).

Name of the airport	Annual passenger traffic (2008-2009)	Annual cargo traffic in tons (2008-2009)
1. Mumbai (Bombay)	24,300,000	530,278
2. Delhi	22,840,000	430,000
3. Chennai	8,840,000	219,562
4. Bangalore	9,300,000	161,896
5. Kolkatta	8,050,000	40,088
6. Hyderabad	6,494,830	66,482

Sources: Airport websites, except for Bangalore and Kolkotta (Airport Authority of India and: <http://www.business-standard.com/india/news/bangalore-airport-traffic22-y-o-y/379584/>)

Annex XVII: ISAGO: presentation of the ISAGO initiative

IATA Safety Audit for Ground Operations (ISAGO) aims to improve safety and cut airline costs by drastically reducing ground accidents and injuries.

ISAGO is modelled on the IATA Operational Safety Audit (IOSA) program. The ISAGO program is an audit system conducted in a standardized manner, with the view to replace the redundant audits of each airline.

To respond to the diversity of groundhandling services (covering a wide scope of activities as diverse as passenger and baggage handling, load control, cargo handling, etc.), ISAGO has been built upon a 'backbone' of audit standards applicable to all ground handling companies worldwide, coupled with a uniform set of standards relevant for the specific activities of any groundhandler. As a result, the ISAGO audit can be applied to multinational groundhandlers, as well as to smaller companies providing services at a single station.

ISAGO benefits as presented by IATA to airlines, groundhandlers, regulatory and airport authorities are:

- Safer ground operations, less accidents and injuries
- Elimination of redundant audits from airlines
- Reduced costs: less damage and less audits
- Uniform audit process and harmonized standards
- Improved safety oversight
- Harmonized auditor training and qualifications
- Improved quality standards
- Enhanced understanding of high risk areas within ground operations.

The following groundhandling services providers have been awarded an ISAGO label (the groundhandling categories covered are not available):

Ground Service Provider (GSP)	Country	Location	Airport Code
Airport Services Dresden GmbH	Germany	Dresden	DRS
Aviapartner	Netherlands	Amsterdam	AMS
Aviapartner	Belgium	Brussels	BRU
Aviapartner	Germany	Düsseldorf	DUS
Aviapartner	Germany	Frankfurt	FRA
Aviapartner	France	Lyon	LYS
Aviapartner	Italy	Milano	MXP
Aviapartner	Germany	Munich	MUC

Aviapartner	France	Nice	NCE
Baltic Ground Services	Lithuania	Vilnius	VNO
Czech Airlines (CSA)	Czech Republic	Prague	PRG
Dnata Switzerland AG	Switzerland	Zürich	ZRH
Flightcare Belgium	Belgium	Brussels	BRU
GDN Airport Services	Poland	Gdansk	GDN
GlobeGround Romania	Romania	Bucharest	OTP
Goldair Handling	Greece	Athens	ATH
Groundforce Portugal	Portugal	Faro	FAO
Groundforce Portugal	Portugal	Lisbon	LIS
Groundforce Portugal	Portugal	Porto	OPO
LOT Services Sp. z o.o.	Poland	Warsaw	WAW
Menzies Aviation	Netherlands	Amsterdam	AMS
Northport Oy	Finland	Helsinki	HEL
WFS GROUND/ EFS	France	Paris-Orly	ORY

More information on ISAGO is available at:
<http://www.iata.org/ps/certification/isago/Pages/index.aspx?NRMODE=Unpublished>.

Annex XVIII: Screening of policy measures and pre-selection

1. APPROACH TO POLICY MEASURES

1.1. List of policy measures identified

A number of policy measures have emerged from the stakeholders' consultations and from earlier assessment(s) carried out by the Commission or other Institutions; in order to evaluate these measures and select the most relevant and promising ones, a screening of policy measures has been carried out. The list of policy measures is given below:

Policy measure number	Policy measure definition
PM1	Extend the definition of self-handling to include alliances, code-share and franchised flights
PM2	Introduce licensing for key staff at EU level
PM3	Introduce minimum compulsory training for staff
PM4	Guidance about training
PM5	Guidance about "rules of conduct" of airports
PM6	Role of the airport operator for the coordination of overall operations of the airport
PM7	Introduction of minimum quality requirements at airport level
PM8	Introduction of harmonised criteria in the tender process
PM9	Introduce a consultation of staff representatives during the tender selection at airport level
PM10	Introduce at EU level compulsory take-over of staff (with the same conditions) after a tender
PM11	Introduce full transfer of staff with similar conditions, each time a groundhandling company changes
PM12	Introduce a provision allowing Member States to organize the take over of staff with the same or similar working conditions for services to which access is restricted
PM13	Introduce the obligation for social partners to find an agreement on transfer of staff at EU level within X years
PM14	Introduce guidance and better enforcement for subcontracting practices for self-handlers and airports groundhandlers
PM15	Introduce an extended duration for tenders
PM16	Introduce clarified rules about separation of accounts and absence of financial flows for airport operators and CI managers also providing groundhandling services
PM17	Introduce compulsory and regular publication of the effective auditing of the accounts by the companies

PM18	Introduce legal separation for airport operators between their activities as managing body of the airport and as groundhandling supplier.
PM19	Introduce the obligation for airport providers to abandon the control of their groundhandling activity
PM19bis	Suppress the possibility for airport providers to carry out groundhandling services at their own airport.
PM20	Introduce the obligation for airport operators to pass the tender procedure
PM21	Introduce the obligation for self-handling airlines and airport operators to respect the conditions set in the tender procedure (without having to pass the tender)
PM22	Introduce clarified rules for the AUC, in particular regarding the powers of the "home airline"
PM23	Introduce clarified rules for subcontracting regarding self-handling airlines and airport operators
PM24	Prohibit airport operators and/or self-handling airlines from providing third-party groundhandling services
PM25	Introduce a clarified definition of centralized infrastructures (CI) and clarified way of designation
PM26	Introduce a list of what centralized infrastructures can be (competent authority to decide in case of CI outside the list)
PM27	Oversight by an independent authority for centralized infrastructures and the users fees associated
PM28	Limitation in the number of suppliers at an airport is only granted after approval by the EC
PM29	Introduce the obligation for Member States to carry out a capacity analysis before taking a decision to limit the number of providers for restricted services
PM30	Introduce a higher minimum number of providers at large airports per restricted category
PM31	Extend the Directive's scope for third-party handling to airports under the threshold of 2 millions passengers
PM32	Open fully all airports whatever the size
PM33	Open fully self-handling for restricted services at airports above 2 millions passengers or 50,000 tons of freight
PM34	Open fully third-party handling for restricted services at airports above 2 millions passengers or 50,000 tons of freight
PM35	Introduce guidance for Member States about approval requirements
PM36	Suppression of all approvals
PM37	Harmonisation of approvals and mutual recognition of approvals delivered by the Member States
PM38	Harmonisation of approvals at EU level (approvals delivered by the Commission)
PM39	Auction of airport premises for new groundhandling entrants

PM40	Definitions of minimum criteria which have to be met by a new entrant to obtain premises in a fully open market
PM41	Introduce tenders to select self-handling airlines
PM42	Airlines shall be represented at all airports (possibly by groundhandler cat.1)
PM43	Reporting obligation for groundhandling companies on a certain number of key performance indicators

2. METHODOLOGY ADOPTED FOR THE SCREENING PROCESS

2.1. Content of the screening process

The screening process consisted in 3 parallel assessments:

Assessing the performance of the options against a number of criteria

A mark between 0 and 1 is given to each of the options to assess numerically how they perform; the criteria and the meaning of the marks are presented in the table below.

Criteria		Assessment of the performance	weight of the criteria	Criteria number
Effectiveness	SO1 Ensure that airlines have an increased choice of groundhandling solutions at EU airports	<p>– Is the option effective to achieve the objective? (High degree of effectiveness=Very High performance)</p> <p>– Score: from 1 (high degree of effectiveness) to 0 (not effective).</p>	13%%	1
	SO2 : Harmonise and clarify national administrative conditions on market entry (approvals)	<p>– Is the option effective to achieve the objective? (High degree of effectiveness=Very High performance)</p> <p>– Score: from 1 (high degree of effectiveness) to 0 (not effective).</p>	13%%	2
	SO3 : ensure a level playing field at airport level between groundhandling companies operating under different regulatory regime	<p>– Is the option effective to achieve the objective? (High degree of effectiveness=Very High performance)</p> <p>– Score: from 1 (high degree of effectiveness) to 0 (not effective).</p>	13%%	3
	SO4 : Increase coordination between groundhandling	<p>– Is the option effective to achieve the objective? (High degree of effectiveness=Very High performance)</p>	13%%	4

	providers at the airport	– Score: from 1 (high degree of effectiveness) to 0 (not effective).		
	SO5 : Clarify the legal framework in relation to personnel training and transfer	– Is the option effective to achieve the objective? (High degree of effectiveness=Very High performance) – Score: from 1 (high degree of effectiveness) to 0 (not effective).	13%%	5
Proportionality and subsidiarity		– Is the option proportionate and consistent with the subsidiarity principle? – Score: from 1 (proportionate) to 0 (disproportionate).	10%	6
Time of implementation		– How long will it take before the option will deliver tangible benefits? (Short period of time =Very High performance) – Score: from 1 (very short period of time) to 0 (very long period of time)	10%	7
Feasibility and compliance costs		– Would the option be legally, operationally and administratively feasible? (High degree of feasibility = Very High performance) – Would the option create additional costs for the groundhandling sector? (No costs=Very High performance) – Score: from 1 (facilitate the procedures) to 0 (create additional burdens)	10%	8
Complementary nature		Is it possible to combine two or more instruments without any negative impact on their individual effectiveness?	5%	9

Assessing the stakeholders' opinion about the option

For each of the options, a summary of the stakeholders' opinions is given (based on the written and bilateral consultations carried out):

- "good" opinion : in general, the option is favourably considered by stakeholders,
- "mixed" : some stakeholders (strongly) supported this option while others were (strongly) against,
- "Poor" opinion: stakeholders were in general not supportive of this option.

Assessing qualitatively the option

Benefits and drawbacks, as well as particularities of the policy measure are qualitatively described. Based on this description, an assessment is given between good, medium and poor.

2.2. Selection of policy measures

Based on the results of the screening process, policy measures have been eliminated or retained. Rules for eliminations are the following:

- Were eliminated policy measures that have a low mark (under 0,3) and a poor/medium stakeholder / qualitative assessment.
- Where 2 or more policy measures are interchangeable (same intensity), only the best of the 2 is kept.

For policy measures enjoying a significant support among some of the stakeholders, a detailed analysis is additionally provided in 4.

3. ASSESSMENT OF THE POLICY MEASURES

3.1. Performance of the policy measures against a number of criteria

	SO1	SO2	SO3	SO4	SO5	Proportionality and subsidiarity	Time of implementation	Feasibility and compliance costs	Complementary nature	Weighted Average Score
	13%	13%	13%	13%	13%	10%	10%	10%	5%	
PM1	0,25	0	0	0	0	0,5	0,5	1	1	0,28
PM2	0	0	0	0,75	1	0,5	0,25	0,25	1	0,38
PM3	0	0	0	0,5	0,75	0,75	0,5	0,5	1	0,39
PM4	0	0	0	0,25	0,5	1	0,75	0,75	1	0,40
PM5	0	0	0	0,75	0	0,75	0,75	0,75	1	0,37
PM6	0	0	0	0,75	0,25	0,75	0,5	0,25	0,5	0,31
PM7	0	0	0	1	0,5	0,75	0,5	0,5	0,75	0,41
PM8	0	0	0,25	0,25	0,25	1	1	1	0,25	0,41
PM9	0	0	0	0,25	0,25	0,75	0,75	0,75	1	0,34
PM10	0	0	0	0,25	0,75	0	0,25	0,25	0,25	0,19
PM11	0	0	0	0,25	1	0,25	0,25	0,25	1	0,29
PM12	0	0	0	0,25	0,5	0,75	0,75	0,75	0,75	0,36
PM13	0	0	0	0	1	1	0	0,25	1	0,31
PM14	0	0	0,25	0,25	0,25	0,5	0,5	0,75	0,75	0,31
PM15	0	0	0,5	0	0,5	0,25	0,75	1	1	0,38

	SO1	SO2	SO3	SO4	SO5	Proportionality and subsidiarity	Time of implementation	Feasibility and compliance costs	Complementary nature	Weighted Average Score
	13%	13%	13%	13%	13%	10%	10%	10%	5%	
PM16	0	0	0,75	0	0	0,75	0,75	0,75	1	0,37
PM17	0	0	0,75	0	0	0	0	0	1	0,15
PM18	0	0	0,75	0	0	0,5	0,5	0,5	1	0,30
PM19	0	0	1	0	0	0	0,5	0,5	1	0,28
PM19bis	0	0	1	0	0	0,25	0,5	0,5	1	0,31
PM20	0	0	0,75	0	0,25	0,5	0,25	0,25	0,25	0,24
PM21	0	0	0,25	0,25	0	0,5	0,25	0,25	1	0,22
PM22	0	0	0,5	0	0	0,75	1	0,75	0,75	0,35
PM23	0	0	0,25	0,5	0,25	0,5	0,5	0,5	0,75	0,32
PM24	0	0	1	0	0	0,25	0,25	0	0,5	0,21
PM25	0	0	0,75	0	0	0,5	0,5	0,5	0,75	0,29
PM26	0	0	0,75	0	0	0,25	0,5	0,5	0,5	0,25
PM27	0	0	1	0	0	0,5	0,5	0,5	0,5	0,31
PM28	1	0	0	0,25	0	0,5	0	0,25	0,75	0,28
PM29	0,5	0	0	0,25	0	0,75	0,25	0,25	0,5	0,25
PM30	0,75	0	0	0	0	0,75	0,75	0,5	0,75	0,34
PM31	0,75	0	0	0	0	0	0,25	0,25	0,75	0,19
PM32	1	0	0	0	0	0	0,25	0,25	0	0,18
PM33	0,5	0	0	0	0	0,5	0,75	0,75	1	0,32
PM34	1	0	0	0	0	0,5	0,5	0,75	0,5	0,33
PM35	0	0,5	0	0	0	0,75	0,75	0,75	1	0,34
PM36	0	1	0	0	0	0,25	0,5	0,75	0,75	0,32
PM37	0	1	0	0	0	0,75	0,5	0,5	0,5	0,33
PM38	0	1	0	0	0	0,25	0,25	0,5	0,5	0,26
PM39	0	0	0,25	0,25	0	0,25	0,25	0	0,5	0,14

	SO1	SO2	SO3	SO4	SO5	Proportionality and subsidiarity	Time of implementation	Feasibility and compliance costs	Complementary nature	Weighted Average Score
	13%	13%	13%	13%	13%	10%	10%	10%	5%	
PM40	0	0	0,25	0	0	0	0,25	0	0,25	0,07
PM41	0	0	0,25	0	0	0,25	0,25	0	0,75	0,12
PM42	0	0	0	0,25	0	0,25	0,5	0,5	0,5	0,18
PM43	0	0	0	1	0	0,5	0,25	0,25	1	0,28

3.2. Full assessment

	Weighted Average Score	stakeholders opinion	qualitative analysis : comments about main positive and negative impacts to be expected from the option	qualitative analysis : assessment	evaluation
PM1	0,28	mixed (supported by flag airlines, not by independent handlers and airport operators)	This option would reduce significantly the market open to new entrants (notably at hubs). Implementation can be questioned as alliances are changing and can take very diverse forms. See paragraph 4.1.	poor	eliminated
PM2	0,38	mixed (supported by airport operators and representatives of staff not by airlines)	This option is ambitious in terms of EU harmonisation and will require efforts for implementation. On the longer term, it could set a level playing field for workers competence which could be beneficial for mobility and competition between firms.	good	retained
PM3	0,39	mixed (supported by airport operators and representatives of staff not by airlines)	This option could set minimum obligations in terms of staff competence; though less strong than PM2, it could help to set a level playing field for worker competence beneficial for mobility and competition between firms.	good	retained
PM4	0,40	mixed (supported by airport operators and representatives of staff not by airlines)	This option could improve the training of staff but its effectiveness may be limited	medium	retained
PM5	0,37	mixed (supported by airport operators and representatives of staff not by airlines)	This option could improve the coordination at airports but its effectiveness may be limited	medium	retained

	Weighted Average Score	stakeholders opinion	qualitative analysis : comments about main positive and negative impacts to be expected from the option	qualitative analysis : assessment	evaluation
PM6	0,31	mixed (supported by airport operators and representatives of staff not by airlines)	This option would ensure, particularly in times of crisis, that all actors at the airport act in a coordinated manner under the umbrella of the airport	good	retained
PM7	0,41	mixed (supported by airport operators and not by airlines and independent handlers)	This option is in line with the SES concept of "ground coordinator"	good	retained
PM8	0,41	good	This option is interesting but is not expected to deliver much results as tenders are selection process and do not necessarily mean continuous oversight. This option was proposed by the Parliament resolution	medium	retained
PM9	0,34	mixed (supported by representatives of staff and some airport operators, but not by airlines and some independent handlers)	This option is seen favourably but is limited in scope as it will only apply to tendered activity and is not expected to deliver much result. This option was proposed by the Parliament.	medium	retained
PM10	0,19	mixed (supported by representatives of staff and some airport operators, but not by airlines and some independent handlers)	This option will not take into account Member States' existing systems for tenders and transfer of staff and is therefore less interesting than PM12.	poor	eliminated
PM11	0,29	mixed (supported by representatives of staff, independent handlers and airport operators, but not by airlines)	Though being particularly strong (very positive social impact but also very adverse economic impact), this option is supported by all representatives of staff, third-party handlers and airport operators. This option should be coupled with an option with a very good economic impact (PM34 for instance)	poor	retained
PM12	0,36	mixed (supported by representatives of staff, some independent handlers and some airport operators, but not by airlines and other independent handlers)	This option will allow Member States to organise freely the take-over of staff for services to which access is restricted, which could result in reducing entrepreneurial freedom in some cases, but will also improve social protection	medium	retained

	Weighted Average Score	stakeholders opinion	qualitative analysis : comments about main positive and negative impacts to be expected from the option	qualitative analysis : assessment	evaluation
PM13	0,31	mixed (supported by representatives of staff, third-party handlers and airport operators, but not by airlines)	This option would fit in the EU agenda for social dialogue, and could pave the way for defining an "EU collective agreement", but is very improbable.	poor	eliminated
PM14	0,31	good	This option will not deliver significant results but may improve the situation.	poor	retained
PM15	0,38	good (but airlines condition it to the existence of exit clauses)	This option may introduce in a smooth manner more equality between airport operators and independent groundhandling suppliers, taking into account equipment investments. However, it will reduce the competition pressure between 2 tenders (in particular if only 2 competitors are present on the market)	good	retained
PM16	0,37	good	This option will contribute to clarify the role of centralized infrastructure and therefore contribute to a fairer market	good	retained
PM17	0,15	poor	This option will be disproportionate according to the majority of stakeholders	poor	eliminated
PM18	0,30	mixed (supported by airlines and some independent handlers but not by airport operators and some other handlers)	This option is expected to limit cross-synergies between an airport operator and the airport's handling part, and will simplify the separation of accounts. Costs may be higher than PM14.	medium	retained
PM19	0,28	mixed (supported by airlines and independent handlers but not by airport operators and some representatives of staff)	This option will ensure that a complete dissociation is operated for airport subsidiaries or departments providing groundhandling services, between their airports activities and their groundhandling activities; in this sense, it will be very efficient in creating a perfect level playing field. However, this measure may impact on airport business models. PM19 bis may be more proportionate in this regard	poor	eliminated

	Weighted Average Score	stakeholders opinion	qualitative analysis : comments about main positive and negative impacts to be expected from the option	qualitative analysis : assessment	evaluation
PM19bis	0,31	mixed (supported by airlines and independent handlers but not by airport operators and some representatives of staff)	This option will ensure that a complete dissociation is operated for airport subsidiaries or departments providing groundhandling services, between their airports activities and their groundhandling activities; in this sense, it will be very efficient in creating a perfect level playing field. In addition, contrary to PM19, it will not oblige airport operators to abandon completely groundhandling activities (only at their own airport), thereby being less intrusive in the business models.	medium	retained
PM20	0,24	mixed (supported by independent handlers and airlines but not by airport operators)	This option is interchangeable with PM17. This option will basically mean that airport operators will have to abandon completely their groundhandling activity (because if they lose the tender, they have no other places of activity in general)	poor	eliminated
PM21	0,22	mixed (supported by independent handlers and airlines but not by airport operators)	This option's implementation is questionable as it would imply significant verification efforts to be effective.	poor	eliminated
PM22	0,35	good	This option could contribute to give more weight to the AUC's opinion, by reducing the conflicts of interests.	good	retained
PM23	0,32	good	this option could contribute to the opening of the market by clearly indicating the rules of the game	good	retained
PM24	0,21	mixed (supported by third-party handlers but not by airlines and airport operators)	This option would open the EU groundhandling market significantly but it may also severely disrupt it, and weaken airlines and airport operators willing to operate groundhandling in third countries.	poor	eliminated
PM25	0,29	good	This option may not produce significant results regarding the costs centralised infrastructures are charged, but could introduce more transparency and open the market as users will be part of the decision	medium	retained
PM26	0,25	mixed (supported by third-party handlers	This option will actually have similar benefits as PM23. It may in some	medium	eliminated

	Weighted Average Score	stakeholders opinion	qualitative analysis : comments about main positive and negative impacts to be expected from the option	qualitative analysis : assessment	evaluation
		and airlines but not by airport operators)	cases ease the process for listed CI but to the detriment of flexibility. Update of the list will add an administrative burden		
PM27	0,31	mixed (supported by third-party handlers and airlines but not by airport operators)	This option could use the independent authority established by directive 2009/12, thereby using existing resources. The oversight on CI fees would ensure that CI are not overcharged and consistent with charges under 2009/12.	medium	retained
PM28	0,28	good	This option would ensure that limitations in the number of suppliers are justified, but covers (and will cover in the future) too many airports to be implemented (disproportionate administrative burden for EC).	poor	eliminated
PM29	0,25	good	This option would ensure that limitations in the number of suppliers are justified. It will concern an important number of airports (significant administrative cost). It may not be effective though in cases limitations are taken for political reasons.	poor	eliminated
PM30	0,34	mixed (supported by airlines and third-party handlers but not by airport operators)	This option increases the minimum opening of the market at very big airports (i.e. for airports for which it is economically sustainable). Option proposed by the European Parliament	good	retained
PM31	0,19	mixed (supported by airlines and some handlers but not by airport operators and representatives of staff)	This option does not respect the principle of proportionality as Member States are better placed to see if groundhandling at these regional airports can be opened; the volume of activity may not always be sufficient to ensure groundhandling competition between 2 suppliers per category at airports below 2 millions passengers or 50,000 tons of freight	poor	eliminated
PM32	0,18	mixed (supported by airlines and some handlers but not by airport operators, by representatives of staff and by other handlers	A number of groundhandlers have expressed concerns that the European groundhandling industry may not be able to cope with a competitive market at all airports. Regarding smaller airports, they may not sustain	medium	eliminated

	Weighted Average Score	stakeholders opinion	qualitative analysis : comments about main positive and negative impacts to be expected from the option	qualitative analysis : assessment	evaluation
)	competition due to small volumes. For detailed reasons, see paragraph 4.4		
PM33	0,32	mixed (supported by airlines and some handlers but not by airport operators and by other handlers)	This option will allow simplification for integrators at airports, and can also help negotiations for EU agreements with third countries and WTO; it should be however linked with a stricter definition of subcontracting for self-handlers	good	retained
PM34	0,33	mixed (supported by airlines and some handlers but not by airport operators, representatives of staff and by other handlers)	This option will simplify the regulatory framework by harmonising the level of opening for third-party handling.	good	retained
PM35	0,34	Mixed (all stakeholders divided on approvals)	This option will maintain the current system, but will encourage Member States to change for an harmonised way	medium	retained
PM36	0,32	Mixed (all stakeholders divided on approvals)	This option can simplify a lot the entry on the market but will also lead to additional work for airport operators. The fact that 75% of Member States have decided to introduce approvals shows that approval are considered necessary as a general rule	poor	eliminated
PM37	0,33	Mixed (all stakeholders divided on approvals)	This option is expected to simplify the national approvals system (reducing the administrative burden) and at the same time to harmonize the minimum criteria to become a groundhandler. Option outlined by the European Parliament.	good	retained
PM38	0,26	Mixed (all stakeholders divided on approvals)	This option is expected to simplify the national approvals system (reducing the administrative burden) and at the same time to harmonize the minimum criteria to become a groundhandler.	good	retained
PM39	0,14	poor	Though it may give transparency to the obtention of airport' premises, this auction system for airport premises is expected to add	poor	eliminated

	Weighted Average Score	stakeholders opinion	qualitative analysis : comments about main positive and negative impacts to be expected from the option	qualitative analysis : assessment	evaluation
			administrative burden and increase costs of services. Complex implementation is also outlined by stakeholders. Current situation "first arrived, first served" is preferred		
PM40	0,07	poor	Though it may increase transparency for the distribution of airport premises, setting minimum criteria for access to airport premises is expected to add administrative burden and increase costs of services. Complex implementation is also outlined by stakeholders	poor	eliminated
PM41	0,12	very poor	this option may add unnecessary administrative burden in the case where the number of self-handling airlines varies or is lower than the limitation	very poor	eliminated
PM42	0,18	poor	This option is seen favourably by airport operators and passengers as it would solve a number of issues. Presence of airlines at each airport for relations with Member States is not optimal. It could be envisaged as part of the legislation for passengers rights, or be included in policy measures concerning quality requirements.	medium	eliminated
PM43	0,28	poor	this option would allow to have a better view of groundhandling performance which is necessary in the perspective of the Single European Sky gate-to-gate approach	good	retained

4. DETAILED ANALYSIS OF DISCARDED OPTIONS ENJOYING A SIGNIFICANT SUPPORT AMONGST SOME STAKEHOLDERS GROUPS

The options discarded at an early stage (screening phase) in the impact assessment were the following, for the reasons developed hereafter:

- (1) Extend the definition of self-handling to include alliances, code-share and franchised flights:

This option is supported by **airlines** as part of their wish to select freely their groundhandling provider(s); the redefinition of the right to self-handle is an important side issue for some of

the larger airlines who seek more flexible definitions allowing them not to only handle themselves but also alliance, code-share and franchise partners. However, this broadening of the scope of the definition of self-handling is likely to enlarge the market shares and market power of incumbent airlines at their hubs and decrease competition, which is contrary to the researched objectives. In addition, the forms that "alliances", "codes-shares" and "franchised flight" can take are not stable and can change very fast, so that such option could lead to difficult implementation and monitoring.

- (2) Extend the Directive's scope for third-party handling to airports under the threshold of 2 millions passengers

A way to increase market opening at European airports could be to liberalise third-party handling at small and medium airports (i.e. airports under the size of 2 millions passengers per year). This option is supported by **airlines** (and some groundhandlers). However, investigations in this way revealed that the volume of traffic at small/medium airports would be as a general rule insufficient to sustain competition - groundhandling companies estimate that a market starts to be profitable with 20 narrow-body (i.e. around 130 passengers) aircrafts a day, corresponding to 1 million passengers per year. As there is very little room for economies of scale in the groundhandling business (due to fixed costs), this means that the obligation to have at least 2 suppliers for each restricted groundhandling category would finally not be possible, as in practice, only one supplier could survive. In addition, it would bring under the scope of the Directive a number of airports that do not have a critical mass to recover their costs²², which would have to put in place a separation of accounts and possibly tender procedures. Actually there are more than 500 airports open to commercial use in Europe under 2 millions passengers or 50,000 tons of freight (source: Member States yearly transmission of information, 2009, Annex IV).

- (3) Limitation in the number of suppliers only granted after approval by the EC:

As the current directive does not oblige to justify the reasons for limitations in the number of authorised suppliers for the categories subject to restriction, some stakeholders (**airlines** in particular) have raised the proposal to oblige the Member States to send a request for limitation before being able to implement it, which would only be granted after approval of the Commission.

This system would be similar to what is implemented for exemptions related to space etc. (article 9 of the Directive). However, due to the number of airports in the scope of the Directive for third-party-handling (currently 111, but this number will increase to 128 in 2015 according to estimations of SDG), the administrative costs and burdens for EC and Member States of such a measure would be significant and would delay substantially the opening of the market : experience in the handling of requests for exemptions show that Member States would have to produce for each airport studies to justify the limitations (which takes in

²² The traffic threshold for airports to become profitable is subject to discussions: Rigas Doganis sets it between 500,000 and 2 millions passengers annually; Cranfield University in their 2002 study for the European Commission used a case study applied to the UK, France and Sweden, and concluded that the cost of operations (not taking into account investment) is balanced by revenues around 500,000 passengers annually; however, other researchers indicate existing study results finding some estimations around 5 millions passengers or even more (<http://www.frdelpino.es/documentos/CONFERENCIAASYENCUENTROS/Reuniones%20de%20expertos/Aeropuertos/Gillen%20Niemeier%20Final%20Paper%20Madrid.pdf>).

general 2 to 6 months and several hundreds thousands euros), the EC would have to investigate each case and adopt a decision through comitology (estimated duration 6-9 months per case). The handling capacity of the institutions would be largely challenged, thereby causing a major disruption/uncertainty in the opening of the market. This would be disproportionate considering that all Member States cannot be accused of limiting intentionally the opening of their airports' groundhandling market.

Annex XIX: Methodology used for the assessment and comparison of options against a pool of criteria

The methodology for assessing the impacts of the policy packages and comparing them was inspired from the guidelines:

Step 1	Identification of economic, social and environmental impacts
Step 2	Qualitative assessment of the more significant impacts
Step 3	In-depth qualitative and quantitative analysis of the most significant impacts

Choice of criteria for the assessment

SDG identified the main impacts in its 2010 report based on the list of questions provided in the IA guidelines:

Table 4.1 Questions used to assess the policy option impact (extract of SDG report)

Type	Specific Questions	Measure
Economic	Does the option have an impact on the number of airports in scope?	Number of airports in scope
Economic	Does the option have an impact on the average price of GH services?	Base average price
Economic	Does the option have an impact on the transparency of tenders?	Administrative transparency
Economic	Does the option have an impact on the competitiveness of tenders?	Average quality
Economic	Does the option have an impact on the size of the contestable market?	Contestable market estimation
Economic	Does the option have an effect on the cost and availability of essential inputs including space, machinery, labour etc?	Base average price
Economic	Does the option provide greater clarity on centralised infrastructure and what their charges should be?	Base average price
Economic	Does the option create any further obligation on groundhandling reporting for the businesses?	Administrative costs for companies
Economic	Does the option create any further obligation on government reporting?	Administrative costs for EC and MS
Economic	Does the option create any further obligation on EU reporting?	Administrative costs for EC
Economic	Does the option have an effect on the quality of services?	Average quality
Social	Does the option have specific negative consequences for particular professions, group of workers?	Social index
Social	Does the option have an impact on job quality?	Social index
Social	Does the option provide conditions of staff transfer between old and new GH?	Social index
Social	Does the option impact the access of workers to	Social index

Type	Specific Questions	Measure
	vocational or continuous training?	
Social	Does the option have an impact on workers' health, safety and dignity?	Social index
Environmental	Does the option have an impact on air quality patterns?	Value of CO2 emissions
Safety	Does the option have an impact on safety at airports?	Average quality

It appeared that this first list needed to be refined to focus on the main impacts for the retained policy packages (for instance the number of airports in scope was not relevant any more for the selected measures in the packages).

The list of criteria for assessment finally retained is those in Section 5 of the IA report.

Annex XX: Considerations about space and congestion

In its resolution dated 11 October 2007, the European Parliament "*notes that one of the biggest barriers to the liberalisation of groundhandling services and efficiency, as alluded to by many representatives of Community airports, is a **lack of space**, but considers that such a contention needs to be verified and, where necessary, resolved*".

Context and issues at stake

The airport operators are responsible for the optimized allocation of airport premises and space for the best possible management of operations at airports.

The issue that arises is that, in an open market, airlines operating at an airport can contract with the groundhandling companies of their choice. If each airline selects a different handler for each category of groundhandling services, this can lead to a situation where the number of handlers to be accommodated increases significantly and could even possibly, according to airport operators, exceed the capacity of the airport.

The questions that have to be answered are therefore:

- For open groundhandling markets, can space limit the opening of the market and if so, for which categories of groundhandling services?
- For the 4 groundhandling categories that can be currently limited, are space reasons "good reasons" not to fully open these markets?

The link between liberalisation and space at airports

With the liberalisation of groundhandling services, the number of groundhandling providers has increased at airports, for each category of groundhandling services.

To be able to operate properly, each groundhandling provider indeed needs space at the airport consisting in:

- Equipments/vehicles storage area on the airside : in particular fuel and oil handlers, ramp handlers, freight and mail handlers, de-icers, baggage handlers, ..., use specific equipments and vehicles (called GSEs: Ground Support Equipments) to convey luggage, fuel, to bring food and beverages to the airplane, to push-back the aircraft, to load and unload the aircraft, to de-ice the aircraft etc. These GSEs have to be properly (and safely) stored.
- Staff facilities (rest rooms, cloakrooms if possible at the airport, administration/training rooms if possible at the airport, offices if possible at the airport, etc.). For some of these facilities (rest rooms for instance), they can be in some cases shared by several competitors.

The main constraint for **space** therefore relates to airside equipments (GSEs) storage, as this storage takes place "airside" (i.e. on the restricted area where airplanes move and are parked), but some staff facilities can also be essential for operations.

As for **congestion**, if the number of vehicles remains the same with an opening of the market (it is determined by the number of aircrafts to be handled), the average travel carried out by

groundhandlers at the airport can increase due to new storage areas (which are in general located in a less interesting location than already existing ones), so that more vehicles can be active at the same time. However, the capacity of the airport as such will not be significantly impacted.

Some impacts could nevertheless be observed at peak hours. Indeed, the aircrafts are always given priority at an airport (GSEs have to wait), so that they cannot be delayed by groundhandlers rolling at the airport. However in the case where a GSE is delayed by aircrafts or other GSEs, a turnaround can be delayed. Depending on the road system and storage areas locations at the airport, critical points could lead the handlers to be delayed during peak hours.

In its decisions²³ on the application of Article 9 of Council Directive 96/67/EC which were based on independent studies, the Commission clarified how space could influence the number of providers:

Storage space needed for GSEs

The number of GSEs needed (and therefore the amount of space to be dedicated to storage at an airport) depends:

- for each groundhandling provider, on the maximum number of airplanes to be handled at the same time ("traffic peak"),
- and for some equipments (that only fit with one type of aircraft and therefore have to be duplicated if there are several types of aircrafts), on the aircrafts fleet structure accommodated by the airport.

The Commission explains in one of its decision that *"Account must be taken of the fact that, in general terms, operator proliferation causes an increase in total equipment requirements since each operator then has to cater for its own peaks, which do not necessarily coincide with those of the airport, as in the case of a single operator. On the other hand, the monopoly operator needs less equipment due to the loss of some of his customers."*²⁴

However, *"it may be stated that the opening-up of the market will lead in any event to an increase in the volume of ramp-handling equipment."*²⁵

In addition, *"the Commission recognises that if the transfer of market share is relatively small - around 10-15 %, as assessments of other airports covered by exemptions have shown - the reduction in the space requirements of the existing sole operator may be minimal, and the equipment of the new service provider must simply be added to that of the existing sole operator."*

²³ See the complete list of decision in ARC report, 2009.

²⁴ COMMISSION DECISION of 30 October 1998 on the application of Article 9 of Council Directive 96/67/EC to Hamburg Airport (Flughafen Hamburg GmbH) (notified under document number C(1998) 3338)

²⁵ COMMISSION DECISION of 14 January 1998 on the application of Article 9 of Council Directive 96/67/EC to Düsseldorf Airport (Flughafen Düsseldorf GmbH) (notified under document number C(1998) 71)

An example

Let's consider an airport where 2 traffic peaks occur during a typical day (to simplify we will consider here that the fleet does not influence the type of equipment):

*The first traffic peak is at 10:00 with 10 aircrafts to be handled at the same time.

*The second traffic peak is at 18:00 with 10 aircrafts to be handled at the same time.

If at this airport, the market is not open (the groundhandling company, A, is in monopoly), it means that A will need 10 GSEs. The airport operator will therefore design a **storage area for 10 GSEs**.

Now, if this airport is open to competition and if 2 groundhandling companies (A and B) share the traffic at this airport, there will be 2 possibilities:

* Either the traffic peaks occur at the same time for the 2 handlers (10:00 and 18:00) and B handles always more traffic than A: at 10:00 as at 18:00, A has 4 planes to handle and B, 6; this means that **the total number of GSEs to be stored is still 4+6=10**.

* Or the traffic peaks are not the same for the 2 handlers: for instance A has 9 planes to handle at 10:00 (but 1 to handle at 18:00) and B has a peak at 18:00 with 9 planes (and only 1 at 10:00). In this case, A needs 9 GSEs and B also needs 9 GSEs, so that **the total number of GSEs to be stored is 9+9= 18**. (There could be also the situation where A has its peak at 9:00 with 5 airplanes and B at 10:00 with 6 airplanes. The total number of GSEs to be stored is then 5+6=11)

If the number of groundhandling providers was 3 instead of 2, then the traffic peaks for each of the 3 providers would have to be considered.

Other general considerations regarding storage and airside space that can be extracted from the Commission's decisions:

*"It is clearly preferable for the space allocated to handling equipment and operations to be located close to the aircraft or terminal buildings, according to the type of operation. However, this is not essential. (...) It is up to the applicant to familiarise himself with the constraints under which he will have to operate and to decide whether it is in his interest to operate at this airport."*²⁶

*"The buses used to transport passengers to and from remote positions do not need to be parked near the terminal, as they can travel quickly across the apron and can therefore wait or be parked on remote areas, e.g. near the remote positions"*²⁷.

Regarding baggage handling, *"the number of trolleys which a system needs depends on the number of flights to be handled at a given time and not on the number of operators. It is for*

²⁶ COMMISSION DECISION of 27 April 1999 on the application of Article 9 of Council Directive 96/67/EC to Berlin Tegel Airport (Berliner Flughafen GmbH) (notified under document number C(1999) 1066), paragraph (46)

²⁷ Ibid., paragraph (45)

the airport authority to manage in an appropriate and non-discriminatory manner the number of trolleys needed for transport operations."²⁸

*"Most of [freight loading and unloading and the various ramp-handling operations such as marshalling aircraft, assistance to aircraft parking, moving aircraft, engine starting, and the transport of passengers and baggage] require a large number of pieces of equipment, some of them slow and heavy (such as pusher tugs), which have to be parked near the aircraft positions and cannot (...) be parked (...) outside the airport's reserved area and on the far side of a busy road."*²⁹

Staff facilities

The Commission's decisions also showed that in some cases, staff facilities can be considered as essential:

"Whereas there is no need for the staff responsible for passenger and crew transport operations to be stationed in the immediate vicinity of the terminal building or their operating areas, stationing the staff responsible for loading and unloading the aircraft at a substantial distance would be much more problematical (...)." ³⁰

In some cases, like in the case of freight and mail handling at Berlin Tegel in 1999 where *"these [freight and mail] operations are carried out in a separate part of the airport using dedicated equipment and installations, which include a rest area for staff carrying out certain freight handling operations [, the] absence of additional space for staff who have to stay reasonably close to their operating area means that any new operators must already have rest areas for their staff and not require new rest areas."*³¹ The absence of rest room could in such case constitute space constraints.

Other constraints with space at airport

The stakeholders' consultation highlighted additional problems with the management of space:

- Groundhandling companies that operate at an airport do not necessarily adjust the number of GSEs to the activity: a company that has lost a contract with an airline will retain surplus equipment in the hope that they will win new business to back fill.
- At the airport, the airport operator leases offices to handlers (among others): as tenant, handlers are therefore protected and the airport operator as landlord cannot terminate the contract in order to accommodate a new entrant. This means that, at least for offices, the rule of "1st arrived, 1st served" applies and therefore offices at the airport cannot be always guaranteed to new entrants.

²⁸ Ibid. paragraph (43)

²⁹ COMMISSION DECISION of 5 January 2000 on the application of Article 9 of Council Directive 96/67/EC to Düsseldorf Airport (Flughafen Düsseldorf GmbH) (notified under document number C(1999) 5067), paragraph (62).

³⁰ COMMISSION DECISION of 27 April 1999 on the application of Article 9 of Council Directive 96/67/EC to Berlin Tegel Airport (Berliner Flughafen GmbH) (notified under document number C(1999) 1066), paragraph (50)

³¹ Ibid., paragraph (51)

Some technical solutions in relation with the problem of "lack of space"

In the case where no space left would be available, an airport operator has the following possibilities:

- (1) Design new storage areas and build new infrastructures:
 - GSEs are normally stored in the immediate surroundings of aircrafts and it is often possible to design additional storage space around the nose of aircrafts (see Commission decisions).
 - "remote" GSE storage area can also be designed;
 - aerodromes are in general wide-spread and can always find some space in remote areas; (according to an airport operator, "with commonly used areas, e.g. apron and ramp space, (...) such space will always be found, albeit initially it may not be in the most advantageous location for new entrants".)
 - For equipments that are used very rarely, storage space can even be defined outside the airport area. This solution cannot however be implemented for all equipments due to security constraints (each vehicle/equipment would have to pass security checks each time it comes back to the "airside area").
 - New rest rooms (in new terminals/gates): the airport operator can also build new staff facilities, either specifically, or at the occasion of the construction of a new terminal/gate.
 - Extend aerodrome boundaries: airport operators can purchase new land and include in this newly available space new storage areas/ building for groundhandling. However, it is more and more difficult for airport operators to extend the airport ground coverage, and priority will in general be given to runway extensions that may not always be compatible with GSE storage/staff buildings (for safety reasons).

Solutions that include remote storage areas or building will imply that these spaces will be less attractive for handlers, and therefore constitute a competition disadvantage (more time and resources will be needed to provide services).

- (2) Monitor the number of GSEs used by groundhandling providers

To avoid that space is spoilt, the airport management can monitor that each provider does not occupy more space than operationally needed. However, this solution implies a very strong, intrusive and heavy monitoring work from the part of the airport operator; it shall therefore be implemented on a collaborative basis. In addition, guarantees shall be in place to ensure that it is done in a non-discriminatory and objective manner by the airport operator, in particular where the airport operator also provides groundhandling services.

- (3) Pool the equipment (or part of the equipment) of the competitors (for instance by declaring the equipment as "centralized infrastructures", or by a collective purchase of equipment).

This solution is in place at a few airports, among others for expensive equipments used in some exceptional cases (defuelling of aircrafts for instance). The share of rest rooms can also be a solution but it can be limited due to working conditions rules (the maximum number of

people per room at work is subject to limitations in some Member States). Though limiting GSE storage problems, pooling of equipments requires nevertheless significant coordination efforts and can lead to equipment bottlenecks. This solution also neutralises competition in the groundhandling sector in terms of equipment, thereby focusing competition on labour costs. This solution should therefore be used in exceptional cases.

For these solutions, the implementation of the necessary measures (design of new storage areas and organisational arrangements to be found) may need some time. The exemption procedure set in article 9 of the Directive authorises in such cases the airport to limit the number of suppliers or self-handlers during a limited period.

Conclusion on the "lack of space problem":

For open groundhandling markets, is it true that space can limit the opening of the market and if so, for which categories of groundhandling services?

For the following open market categories, space at the airport is not an issue: 1 (Ground administration and supervision), 2 (Passenger handling), landside part of 4 (Freight and mail handling), 9 (Flight operations and crew administration), 10 (Surface transport), and 11 (Catering services) . For these categories, space should not be a reason for limiting the opening of the market because the activities/offices can take place outside or do not require specific space.

For the following open market categories, equipment is needed but can be stored in remote areas of the aerodrome or even outside the aerodrome: 6."Aircraft services" and 8."Aircraft maintenance". For these categories, space problems could possibly occur at one point due to equipment needed, but it seems that in reality (and until the contrary is encountered) this does not happen.

For the 4 groundhandling categories that can currently be limited, are space reasons "good reasons" not to fully open these markets?

For the following categories, new storage areas and in some cases new rest rooms are needed: 3 (Baggage handling), 5 (Ramp handling), 7 (Fuel and oil handling) and airside part of 4 (Freight and mail handling).

For most of equipments for these categories, it is in general possible to find space in remote areas of the aerodrome (for instance for buses that transport passengers and crew). However, the decisions of the Commission revealed that in some cases, staff and some equipment cannot be stationed in remote areas and need to be close to operations. It is therefore possible that a too high number of providers cannot be accommodated due to terminals configurations. In such case, the only solution in general to receive a new comer will be to invest in new infrastructure.

Annex XXI: Administrative costs

The implementation of the measures identified in the different policy packages would imply additional costs imposed on the concerned stakeholders.

Administrative costs have been identified according to the Commission specifications (see IA guidelines – chapter 10³²), as “*the cost incurred by different stakeholders in meeting legal obligation to provide information (including cost of labelling, reporting, monitoring to provide the information and registration) on their action or production, either to public authorities or to private parties*”. Accordingly, the identification and assessment of administrative costs have been made through the EU Standard Cost Model. Firstly, each provision included in the alternative policy options has been analysed in order to identify if it could imply additional administrative burdens compared to the baseline scenario for affected stakeholders. Secondly, each administrative cost has been analysed in order to assess expected administrative costs.

Costs are presented separately for businesses and public administration.

1. STEP FOR THE CALCULATION OF ADMINISTRATIVE COSTS

For the purpose of this study, in order to assess all the administrative costs, a specific evaluation approach was adopted consisting in the following main steps:

1. Identification of the actions required to implement each specific measure (identification of information obligations and the required actions);
2. Identification of relevant cost parameters: for the purpose of this study, it has been assumed that the main costs induced by the identified action plan are labour costs;
3. Identification of target groups (public, business), responsible to develop the actions and stakeholders affected by the implementation (the effects) of the actions;
4. Identification of two different types of administrative costs: one-off and recurrent administrative costs;
5. Identification of the frequency of recurring actions (starting from a case-by-case approach, considering an average value at EU level);
6. Identification of the timeframe;
7. Assessment the full administrative cost of a normally efficient entity (identification of the Full Time Equivalent -man-day- related to each action related to each measure);
8. Assessment of the number of entities concerned

³² IMPACT ASSESSMENT GUIDELINES, SEC(2009) 92, 15 January 2009, available at: http://ec.europa.eu/governance/impact/commission_guidelines/docs/iag_2009_en.pdf

9. Quantification of full administrative Cost: According to the commission requirement and Impact Assessment Guidelines, "administrative costs" are mainly assessed on the basis of the average cost per action ("P") of total number of action performed per year, defined multiplying frequency ("F") and number of entities concerned ("NE")

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The average cost per action is estimated by multiplying a tariff (based on the average labour cost per hour including prorated overheads) by the time required per action.

2. GENERAL ASSUMPTIONS FOR ADMINISTRATIVE COST CALCULATION

If an administrative action is required by law (directive, regulation, etc.) but corresponds to what an entity normally does in the absence of any legal obligation, it has not been regarded as administrative action and thus as administrative cost.

For the assessment of net administrative costs only additional/new costs imposed by a legislative framework in relation to the base line scenario (action/measures) have been considered;

One-off/recurrent administrative costs:

*one-off administrative costs, defined as start up-cost or costs incurred when re-designing the way administrative obligation or specific action are met;

*recurrent administrative costs, defined as annual costs (for instance) related to a specific reporting or auditing/controlling programme;

Cost timeframe: the one-off administrative costs have been distributed within a five year start up period. For all the measures, flat distributions of administrative costs within this start-up period have been assumed; moreover, the starting periods for the recurrent administrative costs have been assumed from 2012 onward.

For all the measures, specific levels of Full Time Equivalent (man-days) have been defined according to detailed assumptions and hypothesis developed measure-by-measure;

The following categories of cost parameters have been considered:

*cost parameters for actions developed by the targeted entity itself: number of hours spent to develop the specific action, multiplied by the hourly pay plus the overheads;

*cost parameters for the "outsourced activities"(administrative actions eventually outsourced to external providers): the service provider charges per activity could be calculated considering an "overall service provider" charge per action or by multiplying the hourly fee charged (the service providers "external" tariff) by number of hours spent on the specific actions.

3. COMPARISON OF POLICY MEASURES CONCERNING APPROVAL SYSTEMS

The policy measures are the following:

Policy measures	Description of the policy measure
Mutual recognition of approvals between the EU Member States with harmonised requirements	Harmonise the content of approvals and require Member States to recognize approvals delivered in another Member State. Definition of conditions for obtaining such approval, such as insurance, financial fitness, training, safety and environment.
Set-up an EU approval (delivered by the Commission)	Harmonise the content of approvals and centralise issuance of approvals at EU level.

These 2 measures are to be compared with the baseline scenario.

3.1. Presentation of the baseline scenario:

There has been no change so far (at the knowledge of the Commission) concerning the approval systems of each Member State. The baseline is therefore the current situation for approvals, which is reflected below for Member States for which this information is available:

	Approvals systems												Airport authorisations/licences	
	Existence of an approval delivered by the State	Approval information to be transmitted to the authorities								Approval duration (frequency of delivery)	Inspections		Existence of airport authorisations	Information required by airports and inspections associated
		Commercial registration	Good morality evidence	Financial stability /business plan/ annual accounts	personnel training/ experience	Operational manual/ organisation/equipment	Proof of insurance coverage	Compliance with Labour / Social law	Other		Existence of inspections	Number of inspections per year		
AT	Yes				X	X	X	X	X	7 years	Yes	1	No	
BG	yes	X		X	X	X			X	permanent	yes	1	No	
CY	yes			X	X	X	X	X	X	permanent for landside services; 7 years for restricted services	yes	1	No	
DE	No												No	Proof of insurance
DK	No												yes	compliance with local regulations for safety, security, working conditions, use of infrastructure, opening hours, insurance, etc.

ES	Yes		X	X	X	X	X	X	X	7 years	Yes	1/7	No	
FI	No												?	?
FR	yes			X			X	X		5 years	yes	1/7	yes	Licence for use of public domain
GR	yes			X	X	X	X	X		For "baggage handling" and "ramp handling": seven (7) years. For the rest, permanent.	yes	1	?	?
HU	Yes*					X				5 years	?	?	No*	
IE	Yes			X	X	X	X	X	X	5 years	yes	1/5	yes	* vehicles / equipment to be used * accident/emergency plan, * training details *insurance *processing fee
IT	yes			X	X	X				3 years	yes	1	No	
LT	yes			X	X	X	X			permanent	yes		yes	Contracts with the airport containing "all conditions "
LV	yes				X	X			X	?	?		no	
MT	Yes*			X		X	X		X	7 years	?	?	No*	
NL	No												yes	*agreement of at least one airline * Safety, * working conditions *environmental management system . *close surveillance by the airport
PL	yes			X	X		X		X	5-50 years (entity desired period). For restricted categories: 7 years.	yes	1	no	
PT	yes	X	X	X	X	X	X	X		4- 7 years for	yes	1	yes	licence for the use of public

										restricted services. NA otherwise				domain.
RO	yes			X	X	X	X			initial approval: 1 year ; following approvals : 3 years	yes	1/3	yes	?
SK	yes	NA	NA	NA	NA	X	NA	NA	NA	?	?	?	no	
UK	No*												yes*	7 years authorisation ; requested information variable with some airports asking for experience and letter of intent to use the service of an airline

Source: Member States replies to EC questionnaire, end 2010 (for *: SDG report 2010, p.85-86)

From an administrative cost point of view, it can be seen that the situation is different between Member States. No models emerging amongst the Member States (information required are different and the frequency of the requests varies). It is therefore very difficult to calculate the "absolute" administrative costs borne by Member States and companies for the policy measures, for all the countries (it would additionally require to know the number of companies per countries and per airports, for each Member State, as well as the average number of approvals and stations for each company, in each Member States).

However, the objective being to compare the administrative costs between the policy measures, it is proposed to calculate in a simplified manner the administrative costs for the baseline and the policy measures to allow for a comparison between these options, as follows:

1. The number of approvals and authorisations requested/delivered in Europe will be estimated for the 3 cases.
2. The average cost of an approval (respectively an authorisation) for the businesses (groundhandling companies, airport operators in charge of delivering authorisations) and for public authorities (independent authority in charge of delivering approvals) will be calculated with the AB calculator (<http://adminburden.sg.cec.eu.int/default.aspx>).

Specific assumptions:

* 75% of Member States have an approval system, representing administrative costs for the Member States and the business entities (groundhandling companies), under the form of required information and inspections by the authorities. There is rarely additional information required by the airport operators, it is considered negligible in the baseline scenario.

*For the 25% of remaining Member States, there is no approval system but administrative costs for the business entities (groundhandling companies and airport operators) under the form of information requested by the local airport operators and associated inspections.

*It is considered when detailed information is unknown that airports are generally equally spread between approval and non-approval countries.

*It is assumed that 1 approval is valid for one State and one airport authorisation for 1 airport.

* In average, a groundhandling company operates in 3 Member States (2 Member States where an approval is needed and 1 Member State where an approval is not necessary) and more precisely at 4 airports (3 airports in 2 Member States where an approval is needed and 1 airport in a Member State where an approval is not necessary- but an airport authorisation is needed).

*For the policy measure about mutual recognition of approvals between Member States, the approval system is extended to all Member States, and approvals are mutually recognised. It is nevertheless assumed that 80% of information requested is mutually recognised, but that 20% of the information will remain State-related (i.e. checked as if was a national approval). In addition, we assume that 20% of airports previously requesting authorisations will continue to request information from the groundhandling companies, even if it is verified in the approval or by Member States.

*For the policy measure about setting up an approval delivery system at EU level, it is assumed that although the approvals are delivered in a centralised manner, 20% of the information will remain State-related. In addition, we assume that 20% of airports previously requesting authorisations will continue to request information from the groundhandling companies, even if it is verified in the approval or by Member States.

Estimate of the number of approvals and authorisations for each scenario

The number of approvals and authorisations delivered are the same for the policy measure consisting in setting up a mutual recognition of approvals between Member States and for the policy measure consisting in setting up an EU approval (except that in the first case, the approval is delivered by a Member State, while in the latter one, it is delivered by the Commission).

Only the first case is therefore presented in the following table:

	Baseline	Policy measures consisting in delivering mutually recognised approvals between Member States
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	Number of airports covered by the Directive for third party handling (source: annex IV) ³³	Number of groundhandling companies in the EU (source: Booz study p.56 ³⁴)	Number of approvals requested by groundhandling companies in each Member States ³⁵	Number of authorisations requested by ground-handling companies to airports in each Member States ³⁶	Number of approvals requested by groundhandling companies in each Member States ³⁷	Number of authorisations to airports requested by groundhandling companies in each Member States ³⁸
AT	1	9	9	0		
BE	4	8	NA	NA		
BG	1	4	4	0		
CY	1	7	7	0		
CZ	1	5	NA	NA		
DK	6	5	0	6		
EE	0	1	NA	NA		
FI	1	5	0	5		
FR	10	19	19	0		
DE	14	46	0	0		
GR	4	9	9	0		
HU	1	3	3	0		
IE	3	10	10	0		
IT	15	23	23	0		

³³ This number of airports corresponds actually to airports above to 2 millions passengers or 50,000 tons of freights annually (Approvals or authorisations delivered to operators at smaller airports are not taken into account to simplify the calculations).

³⁴ This number of groundhandling companies is for a few groundhandling categories only (passenger, ramp, fuel, cargo, flight support and de-icing activities), but it is taken here as a proxy of the total number of groundhandling companies for all categories.

³⁵ Baseline: the number of requested approvals for countries where there is an approval system is equal to the number of groundhandling companies.

³⁶ Baseline: For countries where there are airport authorisations (and not approvals), the number of requested airport authorisations is the average number of groundhandling companies at airports multiplied by the number of airports (except when there is only one airport: then all the companies at the airport have to request an authorisation).

³⁷ Policy measures where only one approval is delivered Europe-wide: In the baseline, there are 130 approvals requested today by 130 groundhandling companies in the Member States with approvals. The total of approvals for all Europe (including DK, FI, DE, NL, UK) if all the countries would deliver an approval would be 130+5+5+46+10+43=239 approvals. But our assumption is that the same company operates in average in 3 Member States, so if there is only 1 approval required per company per Member States, there will be only 239/3=80 approvals in average for this policy measure. 20% of approval information still required at national level corresponds to the level of additional 0.2*130=26 approvals. So there will be 106 approvals.

³⁸ Policy measures where only one approval is delivered Europe-wide: 20% of authorisations (required by airports) in the baseline will continue to be requested to the groundhandling companies means that there will remain 107*20%=21 authorisations.

			Baseline		Policy measures consisting in delivering mutually recognised approvals between Member States	
	Number of airports covered by the Directive for third party handling (source: annex IV) ³³	Number of groundhandling companies in the EU (source: Booz study p.56 ³⁴)	Number of approvals requested by groundhandling companies in each Member States ³⁵	Number of authorisations requested by ground-handling companies to airports in each Member States ³⁶	Number of approvals requested by groundhandling companies in each Member States ³⁷	Number of authorisations to airports requested by groundhandling companies in each Member States ³⁸
LV	1	5	5	0		
LT	0	3	0	0		
LU*	1	1	NA	NA		
MT	1	3	3	0		
NL	2	10	0	10		
PL	3	8	8	0		
PT	4	5	5	0		
RO	1	7	7	0		
SK	0	2	0	0		
SI	0	2	NA	NA		
ES	16	18	18	0		
SE	3,	8	NA	NA		
UK	17	43	0	65		
total	111	269	130	107	106	21

3.2. Comparison of administrative costs for the baseline and policy measures

Each time a groundhandling company has an information obligation, the airport operator and the administration (whether the Member State or the Commission, depending on the policy measure) will have a "symmetric" information obligation. The number of requests for approvals by groundhandling companies is the number of treatment by Member States (or by the Commission) of an approval request.

The following variables are defined:

* X is the average administrative cost in Europe for one groundhandling company of one approval and subsequent inspection (by a Member State or the EU);

*Y is the average administrative cost in Europe for one groundhandling company of an airport authorisation and subsequent inspection;

*Z is the average administrative cost in Europe for one Member State administration of dealing with an approval and subsequently inspecting the groundhandling company;

*W is the average administrative cost in Europe for one airport operator of dealing with one airport authorisation and subsequently inspecting the groundhandling company.

Total administrative costs of the baseline= $130X + 107Y + 130Z + 107Z$

Total administrative costs of the policy measures introducing approvals mutually recognised between Member States= $106(X+Z) + 21(Y+W)$

Total administrative costs of the policy measures introducing approvals at EU level= $106(X+Z) + 21(Y+W)$.

Calculation of administrative costs X, Y, Z, W:

It is assumed that the average duration of an approval and an airport authorisation is 5 years, and that inspections are carried out in average once in 5 years.

The calculations with the AB calculators reproduced in the following pages give:

$$X = 1969,9 + 310,2 = 2280,1$$

$$Y = 1213,5 + 310,2 = 1523,7$$

$$Z = 1625,46$$

$$W = 425,46$$

Possible revision of the groundhandling directive 96/67						Tariff (1 per hour)	Time (minutes)	Price (per action)	Freq (per year)	Nbr entities	Total number of actions	Equipment costs (per entity & per year)	Outsourcing costs (per entity & per year)	Total administrative costs	Business as usual costs (% of ACT)	Total administrative burdens (AC- BAU)
No.	Art.	Orig. Art.	Type of obligation	Description required action(s)	Target group											
1	Article 14 - approval		Application for individual authorisation or exemption	Adjusting existing data	Groundhandling companies	25,63 €	2250	961,13 €	0,2	1	0,2	0,00 €	1.750,00 €	1.942,23 €	0	1.942,23 €
2	Article 14 - approval		Application for individual authorisation or exemption	Holding meetings	Groundhandling companies	25,63 €	120	51,26 €	0,2	1	0,2	0,00 €	1.750,00 €	1.760,25 €	0	1.760,25 €
3	Article 14 - approval		Application for individual authorisation or exemption	Copying	Groundhandling companies	10,89 €	300	54,45 €	0,2	1	0,2	0,00 €	1.750,00 €	1.760,89 €	0	1.760,89 €
4	Article 14 - approval		Application for individual authorisation or exemption	Submitting the information	Groundhandling companies	10,89 €	180	32,67 €	0,2	1	0,2	0,00 €	1.750,00 €	1.756,53 €	0	1.756,53 €
5	Article 14 - approval		Cooperation with audits & inspection by public authorities	Adjusting existing data	Groundhandling companies	25,63 €	900	384,45 €	0,2	1	0,2	0,00 €	0,00 €	76,89 €	0	76,89 €

6	Article 14 - approval		Cooperation with audits & inspection by public authorities	Holding meetings	Groundhandling companies	25,63 €	360	153,78 €	0,2	1	0,2	0,00 €	0,00 €	30,76 €	0	30,76 €
7	Article 14 - approval		Cooperation with audits & inspection by public authorities	Inspecting and checking	Groundhandling companies	25,63 €	2250	961,13 €	0,2	1	0,2	0,00 €	0,00 €	192,23 €	0	192,23 €
8	Article 14 - approval		Cooperation with audits & inspection by public authorities	Copying	Groundhandling companies	25,63 €	120	51,26 €	0,2	1	0,2	0,00 €	0,00 €	10,25 €	0	10,25 €
9	Article 14 - approvals		Application for individual authorisation or exemption	Adjusting existing data	Groundhandling companies	25,63 €	2250	961,13 €	0,2	1	0,2	0,00 €	1.000,00 €	1.192,23 €	0	1.192,23 €
10	Article 14 - approvals		Application for individual authorisation or exemption	Holding meetings	Groundhandling companies	25,63 €	180	76,89 €	0,2	1	0,2	0,00 €	1.000,00 €	1.015,38 €	0	1.015,38 €
11	Article 14 - approvals		Application for individual authorisation or exemption	Copying	Groundhandling companies	10,89 €	120	21,78 €	0,2	1	0,2	0,00 €	1.000,00 €	1.004,36 €	0	1.004,36 €

12	Article 14 - approvals		Application for individual authorisation or exemption	Submitting the information	Groundhandling companies	10,89 €	30	5,45 €	0,2	1	0,2	0,00 €	1.000,00 €	1.001,09 €	0	1.001,09 €
13	Article 14 - approvals		Inspection	Producing new data	Airport operators	25,63 €	2250	961,13 €	0,2	1	0,2	0,00 €	0,00 €	192,23 €	0	192,23 €
14	Article 14 - approvals		Inspection	Holding meetings	Airport operators	25,63 €	360	153,78 €	0,2	1	0,2	0,00 €	0,00 €	30,76 €	0	30,76 €
15	Article 14 - approvals		Inspection	Inspecting and checking	Airport operators	25,63 €	2250	961,13 €	0,2	1	0,2	0,00 €	0,00 €	192,23 €	0	192,23 €
16	Article 14 - approvals		Cooperation with audits & inspection by public authorities	Adjusting existing data	Groundhandling companies	25,63 €	900	384,45 €	0,2	1	0,2	0,00 €	0,00 €	76,89 €	0	76,89 €

17	Article 14 - approvals		Cooperation with audits & inspection by public authorities	Holding meetings	Groundhandling companies	25,63 €	360	153,78 €	0,2	1	0,2	0,00 €	0,00 €	30,76 €	0	30,76 €
18	Article 14 - approvals		Cooperation with audits & inspection by public authorities	Inspecting and checking	Groundhandling companies	25,63 €	2250	961,13 €	0,2	1	0,2	0,00 €	0,00 €	192,23 €	0	192,23 €
19	Article 14 - approvals		Cooperation with audits & inspection by public authorities	Copying	Groundhandling companies	25,63 €	120	51,26 €	0,2	1	0,2	0,00 €	0,00 €	10,25 €	0	10,25 €

Possible revision of the groundhandling directive 96/67						Tariff (1 per hour)	Time (minutes)	Price (per action)	Freq (per year)	Nbr entities	Total number of actions	Equipment costs (per entity & per year)	Outsourcing costs (per entity & per year)	Total administrative costs	Business as usual costs (% of ACT)	Total administrative burdens (AC-BAU)
No.	Art.	Orig. Art.	Type of obligation	Description required action(s)	Target group											
1	Article 14 - approvals		Inspection	Adjusting existing data	Public authorities	25,63 €	2250	961,13 €	0,2	1	0,2	0,00 €	1.200,00 €	1.392,23 €	0	1.392,23 €

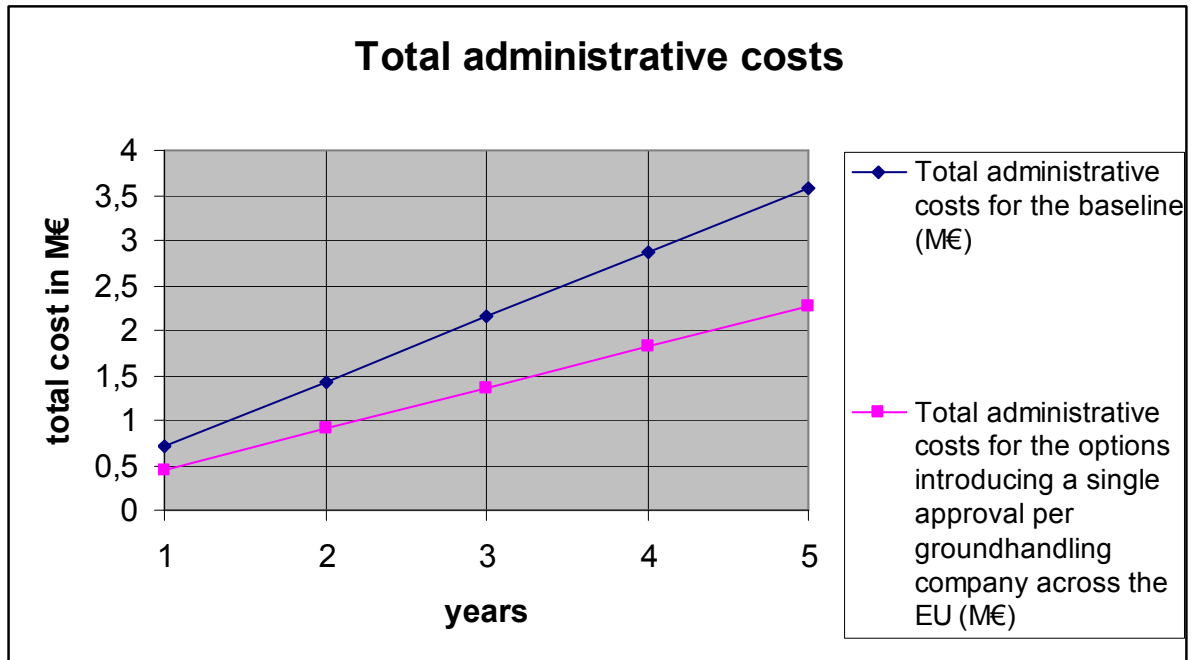
2	Article 14 - approvals		Inspection	Holding meetings	Public authorities	25,63 €	360	153,78 €	0,2	1	0,2	0,00 €	1.200,00 €	1.230,76 €	0	1.230,76 €
3	Article 14 - approvals		Inspection	Inspecting and checking	Public authorities	25,63 €	2250	961,13 €	0,2	1	0,2	0,00 €	1.200,00 €	1.392,23 €	0	1.392,23 €
4	Article 14 - approvals		Inspection	Copying	Public authorities	25,63 €	120	51,26 €	0,2	1	0,2	0,00 €	1.200,00 €	1.210,25 €	0	1.210,25 €

Calculation of total administrative costs for the options

Total administrative costs of the baseline = $130X + 107Y + 130Z + 107W = 716\,282,92\text{€}/\text{year}$

Total administrative costs of policy measure introducing a single approval per groundhandling company across the EU = $106(X+Z) + 21(Y+W) = 454\,921,72\text{€}/\text{year}$

Years	1	2	3	4	5
Total administrative costs for the baseline (M€)	0,71628 3	1,43256 6	2,14884 9	2,86513 2	3,58141 5
Total administrative costs for the options introducing a single approval per groundhandling company across the EU (M€)	0,45492 2	0,90984 3	1,36476 5	1,81968 7	2,27460 9



TOTAL ADMINISTRATIVE COSTS IN M€					
Years	1	2	3	4	5
BASELINE					
Total costs for the industry	0,504973	1,009946	1,514919	2,019892	2,524866
Total costs for Member states	0,21131	0,42262	0,633929	0,845239	1,056549
Total costs for the baseline	0,716283	1,432566	2,148849	2,865132	3,581415

PP2 :mutually recognised approval					
Total costs for the industry	0,282623	0,565246	0,847869	1,130492	1,413115
Total costs for Member states	0,172299	0,344598	0,516896	0,689195	0,861494
Total costs for PP2 recognised approval	0,454922	0,909843	1,364765	1,819687	2,274609
PP2' and PP3 : approval at EU level					
Total costs for the industry	0,282623	0,565246	0,847869	1,130492	1,413115
Total costs for the EU	0,172299	0,344598	0,516896	0,689195	0,861494
Total costs for PP3 approval at EU level	0,454922	0,909843	1,364765	1,819687	2,274609

4. COMPARISON OF POLICY MEASURES CONCERNING REPORTING OBLIGATION PUT ON GROUNDHANDLERS ABOUT THEIR PERFORMANCE

This policy measure is the following:

Policy measures	Description of the policy measure (PM)
d) Reporting obligation for groundhandling companies	Introduce at airports above 5 million passengers obligations for groundhandling companies (whether independent, airlines, or airport operators) to report on their operational performance regarding a number of fields, to be defined in an implementing act..

Assumptions:

- The reporting will be annual.
- There are approximately 269 groundhandling companies in the EU. The reporting measure applies to groundhandling companies operating at airports with more than 5 millions passengers or 100,000 tons of freight. It is assumed that 150 different groundhandling companies operate at these airports.
- The groundhandling companies transmit the data directly to the European Commission.

The cost for businesses and authorities is assessed with the AB calculator and gives the following results:

Cost for businesses:

Revision of the Groundhandling Directive 96/67						Tariff (1 per hour)	Time (minutes)	Price (per action)	Freq (per year)	Nbr entities	Total number of actions	Equipment costs (per entity & per year)	Outsourcing costs (per entity & per year)	Total administrative costs	Business as usual costs (% of ACT)	Total administrative burdens (AC- BAU)
No.	Art.	Orig. Art.	Type of obligation	Description required action(s)	Target group											
1	Article 22 information report and revision		Submission of (recurring) reports	Familiarizing with the information obligation	Groundhandling companies	18,47 €	120	36,94 €	0,5	150	75	0,00 €	0,00 €	2.770,50 €	10	2.493,45 €
2	Article 22 information report and revision		Submission of (recurring) reports	Training employees about the information obligations	Groundhandling companies	18,47 €	600	184,70 €	0,2	150	30	0,00 €	0,00 €	5.541,00 €	10	4.986,90 €
3	Article 22 information report and revision		Submission of (recurring) reports	Adjusting existing data	Groundhandling companies	18,47 €	450	138,53 €	1	150	150	0,00 €	0,00 €	20.778,75 €	10	18.700,88 €

4	Article 22 information report and revision		Submission of (recurring) reports	Producing new data	Groundhandling companies	18,47 €	120	36,94 €	1	150	150	0,00 €	0,00 €	5.541,00 €	10	4.986,90 €
5	Article 22 information report and revision		Submission of (recurring) reports	Filling in and tables, including recordkeeping	Groundhandling companies	18,47 €	240	73,88 €	1	150	150	0,00 €	0,00 €	11.082,00 €	10	9.973,80 €
6	Article 22 information report and revision		Submission of (recurring) reports	Holding meetings	Groundhandling companies	18,47 €	900	277,05 €	1	150	150	0,00 €	0,00 €	41.557,50 €	10	37.401,75 €
7	Article 22 information report and revision		Submission of (recurring) reports	Submitting the information	Groundhandling companies	31,29 €	240	125,16 €	1	150	150	0,00 €	0,00 €	18.774,00 €	10	16.896,60 €

Costs for authorities

Revision of Directive 96/67 - reporting obligation for groundhandling businesses						Tariff (1 per hour)	Time (minutes)	Price (per action)	Freq (per year)	Nbr entities	Total number of actions	Equipment costs (per entity & per year)	Outsourcing costs (per entity & per year)	Total administrative costs	Business as usual costs (% of ACT)	Total administrative burdens (AC- BAU)
No.	Art.	Orig. Art.	Type of obligation	Description required action(s)	Target group											
1	Article 22 - information report and revision		Submission of (recurring) reports	Filling in forms and tables, including recordkeeping	All Member States	18,47 €	900	277,05 €	269	1	269	0,00 €	0,00 €	74.526,45 €	0	74.526,45 €

Conclusion for measures about reporting obligation

The total costs for businesses in relation with reporting obligations are assessed to 106044€ per year. After five years, the total costs amount to **530220 €**.

The total cost for authorities in relation with reporting obligation are assessed to 2,700.01 € per year. After five years, total costs amount to 13500€.

