

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(90) 100 final

Brussels, 22 May 1990

Proposal for a
COUNCIL REGULATION (EEC)
on consultation between airports and airport users
and on airport charging principles

(presented by the Commission)

EXPLANATORY MEMORANDUM

INTRODUCTION

1. In its Civil Aviation Memorandum No 2 (COM(84) 72 final), the Commission indicated that in view of the pressures which its proposals in the Memorandum would place on airlines, it would seek to ensure, as far it could, that the infrastructural services on which the airlines have to rely, are efficiently provided. To this end, it stated its intention, in consultation with all interested parties, to develop a proposal on the implementation of common principles for user charges at major airports.
2. In order to help this process, the Commission in January 1985 commissioned a study to consultants (Coopers and Lybrand Associates). The purpose of this study was to consider general charging principles which might be appropriate for application at major airports in the European Community.
3. Subsequently the services of the Commission have had extensive consultations with representatives of the airline and airport interests involved, trade unions, user organisations, and government experts. The Commission has also been able to take

account of the helpful and well-constructed reports of the European Parliament on airport charges (1) in the European Community (Rapporteur: Mr Moorhouse), on airport planning (2) in the European Community (Rapporteur: Mr Hoffman), and of the subsequent Resolutions by the Parliament.

BACKGROUND : DIVERSITY OF COMMUNITY AIRPORTS

4. The legal status and type of management of airports in the Community, and indeed within particular Member States, vary considerably. Airports may be under direct State control, direct regional or local Government control, operated by autonomous specialised bodies or operated as concessions. Some are even operated as private companies. Irrespective of ownership there exists invariably a significant national, regional or local government involvement. Some exceptions exist in the United Kingdom where in particular the British Airports Authority (BAA) has been privatised. Even within countries, significant differences exist. For example in Germany only Frankfurt is a joint stock company; all other major commercial airports are private limited liability organisations (GmbH). Further there are airport authorities which control only one airport, and others which control one or more airport systems.

5. There is also substantial variety in the financial structure and degree of financial autonomy among Community airports. Some European airports own their own assets; others operate them on behalf of the owner. Thus of major (3) Community airports, Athens is purely an operating agent for fixed assets owned by the Greek State. The airport operating authorities for Rome and the French provincial airports operate on a concession basis with some of the

(1) PE 88.567/fIn.

(2) PE 86.426/fIn.

(3) References to major Community airports should normally be taken as meaning those with more than 1 million passengers per year.

fixed assets owned, or loaned to them, by the State. These airports are not responsible for the depreciation or replacement of those assets. Most of the other major airports own their assets, and seek to fund them through self-financing.

It is important to note that, in recent years, for financial reasons, a number of airports, Dublin, Copenhagen and Spanish Airports, have been set up in independent bodies and thus separated from the public budget.

6. The results of the study carried out for the Commission also reveal, for major Community airports, a wide variety of airport charging practices and principles. This diversity can be attributed, at least in part, to differences between airport authorities in their institutional structures, their relations with Government, their general objectives, the scope of activities undertaken by each authority, their sources of finance and their financial arrangements, and their accounting policies.
7. This same lack of uniformity can be seen in the amount of financial information made available by airports. ICAO (1) (the International Civil Aviation Organisation) recommends that "airports should maintain accounts that provide a satisfactory basis for determining and allocating the costs to be recovered, should publish their financial statements on a regular basis and should provide adequate financial information to users in consultations".

(1) Statements by the Council to Contracting States on Charges for Airports and Route Air Navigation Facilities 1981 (DOC 9082/2)

However in practice for some major European airports, it is still difficult if not impossible to obtain published accounts, and even when they are published, the information in them is not on a comparable basis. Some accounts are audited; others are not. Some provide revenue and cost data for a group of airports; others break this down for each airport. Most use historic cost accounting but a small minority use current cost accounting. In short, there is a marked lack of uniformity among Community airports.

BASIC CONSIDERATIONS UNDERLYING COMMISSION PROPOSALS

8. The air transport policy package approved by the Council in December 1987 relaxes Governmental controls and increases the scope for competition among Community airlines. The result should be a more efficient and cost-conscious system. In particular increased commercial pressure should act as an incentive on airlines to innovate and improve service quality, thereby leading to a better deal for the consumer, and better chances for employment. This policy has been further developed in the recent proposals for the second stage (1).

9. But for Community airports, there is not the same scope as for airlines for increasing direct competition with its ensuing benefits. The degree to which airports are at present subject to competition can vary according to geographical location, but it is clear that competition between major airports is increasing. Airports can and do compete on both price and service for certain types of air traffic (notably freight, some long-haul traffic and some non-scheduled traffic). On the other hand, the destination of much scheduled air traffic is dictated by factors external to an airport's relative efficiency or attractiveness.

(1) COM(89) 373 final.

Traditionally, before liberalisation, many Governments, either unilaterally or through their bilateral agreements with other States dictate an air carrier's choice of airport. So airports, in part at least, enjoy a quasi-monopoly position. This position has not completely disappeared and is of course strengthened by the economies of scale which large airports enjoy, and the high entry barriers,- economic, political, and social,- which prevent direct competition in the same region.

10. It is therefore of prime importance, given this position enjoyed by major Community airports, that the services they provide should be responsive to the needs and preferences of customers (airlines, passengers, etc.) and that the charges levied should be reasonably related to the services rendered; in short that airports should give value for money. It is estimated that airport landing and passenger charges in Europe form between 6% and 9% of scheduled airline costs on routes within Europe.

11. In considering what measures might be taken to encourage airports to greater cost-consciousness and efficiency, it is necessary to take into account the existing lack of uniformity described in paras 4 to 7 above. Given the different structure, and historical and financial bases of major Community airports, it is not possible to lay down with any precision at a Community level what might be a reasonable rate of return, or level of revenue for an airport to earn.

Similarly it is not meaningful to seek to lay down absolute criteria for efficiency, since airports are always tailored to local conditions and requirements. However, for individual airports, it should be possible to monitor improvements in performance by developing appropriate indices.

Even between major Community airports, there can be major differences over what facilities and functions constitute an airport. Thus in some countries essential security and fire services are provided by the national authorities rather than the airport authorities. In short, therefore, in many cases comparing the relative efficiency of Community airports would be like comparing apples and pears.

12. In view of these difficulties, the Commission believes that the best way to increase external pressure on airports to cost-consciousness, and to avoid any possible abuse of monopoly position is to encourage greater exchange of information between airports and their users. The Commission attaches considerable importance to sufficient transparency to airport users of both the principles underlying the charges imposed by each airport authority, and the application of these principles. It believes that there should be adequate procedures for consultations between airport authorities and users, and sufficient transparency of costs and statements of pricing principles to enable users to understand how costs are allocated and how particular charges are derived. Airports and users should seek to establish together the quality and kind of services required. At the same time, while not entering into questions of pricing detail, the Commission believes it would be helpful to establish general guidelines or principles to which airport charges for aeronautical services should conform. The following section outlines in more detail how these aims are to be achieved.

13. But, even if a sufficient transparency and clear principles become the rule, the Commission is convinced that in this period of under capacity for a number of airports, it will be more and more necessary that meetings between airports and users, in the context of the consultation procedure, have to promote a concerted planning which links new investments to the evolution of aeronautical fees.

Airports and users need such agreement which understands an associated responsibility and neutrality of the state authority as long as this agreement is going on.

COMMISSION PROPOSAL

14. The Commission proposal has 3 main elements: to provide for regular consultations between airport operators and users; to provide for a sufficient and transparent exchange of information between airports and their users; and to lay down certain general principles to which charges for aeronautical services should conform. In drawing up its proposal, the Commission has taken into account current airport practices and procedures, and that its proposal is as far as possible compatible with them. The Commission has also sought to avoid creating undue burdens on airports or new bureaucratic structures, especially in countries where similar regulations already exist. Most of the information which the proposed regulation requires to be produced should already be readily available at major Community airports. Similarly the Commission stresses that it is neither its wish nor its intention to create for itself any supervisory or monitoring role on the basis of the information which airport operators are to be required to provide for users. This does not of course affect the Commission's duty under the Treaty to ensure the effective implementation of Community legislation. The Commission has also taken particular account of existing international guidelines governing airports, and notably the relevant provisions of the Convention on International Civil Aviation and of principles laid down by ICAO in its 1981 Statement. The Commission is satisfied that its proposal will supplement and complement these existing obligations and guidelines.

15. To consider briefly each of the main elements of the Commission's proposal in more detail:

A. CONSULTATIONS

- (a) The Regulation provides for regular consultations between airports and their users. Such consultations already take place at certain Community airports and the Commission's proposal is drawn up in order not to interfere with existing consultation procedures, to the extent that these already fulfil the requirements of this regulation. The Commission also leaves to airports the discretion to decide whether consultations with users should take place collectively or separately. Indeed the Commission believes that, for many detailed discussions, and to maximize efficiency, separate meetings would be useful.
- (b) As indicated in the ICAO 1981 Statement, the purpose of such consultations is to ensure that airports give consideration to the views of users, and the effect on them that changes in airport functions, organisation and charges may have. Consultation implies discussions between users and airports in an effort to reach agreement on any changes. Given this aim, airports should consult users in reasonable time before introducing changes. How long is reasonable will naturally vary according to circumstances, but the Commission believes that it would be reasonable to give 2 months notice before any significant revision of charges or introduction of new ones is contemplated and 4 months before the final decision concerning implementation of important changes in the airports operations and/or facilities or of substantial investment or development plans. In the absence of any agreement, airports would however remain free to implement the changes in question, subject, where appropriate, to the approval of authorities.

B. PROVISION OF INFORMATION

- (a) In order for consultations to be of value, it is necessary for airports to provide users with sufficient and transparent information. The Articles of the Regulation and Annex I therefore specify in some detail, the sort and amount of information which airports should as a minimum requirement produce. The intention is that this information should be sufficient for users, and airport operators, to assess an airport's performance, including financial, technical and operational aspects. As indicated above, most major Community airports already produce most of the statistics required by the Directive.
- (b) In seeking to draw up such statistics the Commission believes that airport operators and users themselves are best placed to decide the form of such information and the necessary definitions and parameters, taking into account information already provided, an airport's legal structure, management, type, source of finance, etc.
- (c) The Commission believes that regular consultations and the provision of information on the lines described above would help create an important additional external stimulus for airports to greater cost-consciousness, efficiency and innovation. It would also help illustrate to users that they are receiving value for money.
- (d) Consultation and exchange of information must however be a two-way process. So, in order that airport authorities may better plan their future financial requirements, airport users, particularly airlines, should for their part provide advance planning data to individual airport authorities as set out in the Articles and Annex II. Such data should include forecasts on future types, characteristics, and numbers of aircraft expected to be used ; the anticipated growth of passengers and cargo to be handled ; the special facilities which the airport users desire, etc.

C. CHARGING PRINCIPLES

- (a) As indicated in para 5 above, there exists among major Community airports a wide variety of airport charging practices and principles. Given this diversity, the Commission does not think it possible nor indeed desirable to seek to lay down detailed harmonized rules governing airport pricing. Whether peak pricing principles at an airport should be adopted, for instance, is in the Commission's view better left for individual airport operators and their users to consider, taking account of an airport's specific traffic and other characteristics.

But the Commission does believe that it is possible and desirable for the Community to lay down certain general guidelines or principles to which charges for aeronautical services at major airports should conform. In so doing, it has taken into account Member States' obligations under the Convention on International Civil Aviation of 1944, and the recommendations approved by ICAO.

- (b) While airports must be economically viable i.e. making a reasonable profit a key principle should be that aeronautical charges are cost-related. As far as possible, the service provided, and its cost, should be linked to its tariff; users should not be charged for facilities they do not need or use. In other words, the Commission believes that charging policies should not discriminate between users engaged in similar operations, and that the basis for an airport's charging policy should be as clear and understandable as possible.
- (c) Discrimination between users appears frequently when airports use cross subsidising. The Commission recognises that under certain circumstances in a system of interconnected airports, there may be reasonable commercial and operational grounds for a larger airport cross-subsidising smaller or under-utilised airports serving the same region. But there should be limits to such cross-subsidisation.

On the contrary, subsidies granted by major airports to airports which are not geographically related to them, should be openly identified, explained and justified.

- (d) It is of particular importance to eliminate unjustified gap which still exists, in a majority of EEC countries, in favour of domestic carriers - which are national carriers - as long as approach, landing, passenger and parking charges for domestic or short distance traffic are considerably lower than charges applicable to intra-Community traffic. Such differential conditions discriminate between users, distort competition, stand in the way of free movement of persons and goods and could also be considered as indirect State aids.

This situation is wholly unacceptable in an internal market and the Commission urges airport authorities to eliminate, if necessary by steps, at the latest by 1 January 1993, these differences which are not demonstrably related to cost differences.

- (e) However, the Commission understands that, in the framework of regional development and, in particular, when an airport represents an essential means of connection to an isolated region and only accessible with difficulty, a Member State could wish to apply reduced fees to decrease the cost of the connection. But, in this case, it is a State aid which has to be notified to the Commission in pursuance of Article 93 and not to be borne by the airport.

(f) In setting out these general principles the Commission recognises that there may be difficulties of interpretation. That is why its proposals on charging principles are directly linked to, and dependent on, the proposals providing for consultation, and exchange of information, between airports and users. It is in this way that the particular needs and characteristics of an airport can be taken into account in assessing whether or not that airport's charging policy is fair and reasonable.

16. There are two further important points to which the Commission has had regard in drawing up its proposal. Firstly this proposal does not deal with the sources of finance for an airport's operations. The Commission will deal with issues of State aid to airports, and whether such aid distorts trade between Member States, making use of its existing powers under the Treaty, and notably Articles 92 to 94.
17. Secondly, in presenting the current proposal the Commission is aware of the concern felt by many airlines about the increasing cost of other infrastructural services, on which they rely, and in particular that of en route navigation charges. The Commission is studying the issues involved in this sphere, and considering what action (if any) it might take or propose.

CONCLUSION

In presenting this proposal, the Commission has been guided by the ICAO statements that "there should be a balance between the respective interests of airports and airlines, in view of the importance of air transport in fostering economic, social and cultural interchanges between States" and that "States should encourage a greater level of co-operation between airports and air carriers, to ensure that economic difficulties facing both of them are shared in a reasonable manner." The Commission endorses both these recommendations. By providing for greater consultation and exchange of information between airports and users, as well as by setting down general principles to which airport charges should conform, the Commission believes its proposal would increase the incentive on airports to greater cost-consciousness and efficiency. The result would benefit the aviation sector in the Community as a whole.

REMARKS CONCERNING SPECIFIC ARTICLES

Article 1

This Article defines the scope of the Regulation. It applies to individual airports in the Community, of whatever legal status, which are open to international commercial air traffic.

Article 2

This Article provides definitions of the main terms used in the Directive :

(a) The definition of "airports" includes all major airports open to commercial air traffic between Member States (scheduled and non-scheduled) i.e. with more than 1 million passengers. This figure includes all categories of passengers:

i.e. domestic; Community; international; scheduled and non-scheduled. The choice of this figure is based on the widely shared opinion that airports with traffic exceeding the 1 million threshold should be able to make a profit. Smaller airports on the contrary having a more limited revenue base could be adversely affected by any additional administrative procedures. They are therefore left outside the scope of this regulation.

(b) This definition does not cover non-aeronautical activities such as hotels and industrial development.

However, it does include for example baggage handling.

(c) The definition of "user" reflects the evident direct interest of aircraft operators and passengers in the operation of an airport.

Aircraft operators include both scheduled and non-scheduled airlines, and owners of private aircraft.

No distinction is made between Community and non Community operators. This definition also enables airports to consult "bona fide" organisations representative of these interests, where such organisations exist. If airport operators so wish, they may also consult other user groups.

(d) The definition of "authority" includes both those organisations responsible for an individual airport, and those responsible for a group or system of airports. It applies to all such authorities whatever their legal status.

(e) The definition of "charges" follows the practice of ICAO. It is specifically made clear that charges only concern aeronautical activities and not other commercial activities which the airport might be undertaking.

Articles 3, 4 and 5

These Articles set out the circumstances when authorities of major airports are obliged to consult users, and certain procedures for such consultations. These Articles leave airport operators (i.e. authorities) with as much freedom as possible on the form of consultations in order to take into account local conditions. It is recognised that not all airport users will be equally affected by the differing issues under consideration, and consequently allows for differentiation both between and within categories of users according to the subject-matter of the consultations. Airport operators must give adequate notice of consultations and sufficient information before any such consultations take place.

In addition, airport operators shall give further information to those users most affected by certain proposed changes. This Article does not require information to be published, and leaves freedom to airport operators and users to take into account the particular circumstances at any airport.

There is also a special provision in Article 4 concerning government services.

Article 7

This Article underlines that no airport authority can do a reasonable job unless it has access to operational data and planning information from users. The Article therefore places an obligation on in particular airlines to provide such information.

Article 8

This Article recalls the necessity for airports to be more in the slot allocation procedure. At present this possibility is subject to the agreement of national authorities or airlines which manage the procedure.

Article 9

This Article places an obligation on all parties involved in consultations to seek agreement so far as possible both on any changes proposed by airport operators and on any alternative options which users may suggest.

Article 10

This Article gives airport authorities responsible for a system or group of airports serving the same region the choice to consult users either collectively or separately for all such airports provided that separate information is given for each airport with more than 1 million passengers per annum.

Article 11

The Regulation's provisions on consultation and exchange of information are limited to main airports. But it would be of value for smaller airports to adopt the same provisions. This Article therefore has the effect of recommending that operators of all airports with less than 1 million passengers consult and provide information to their users. It leaves airport operators free to decide on the form and timing of such consultations.

Article 12

This Article deals only with charges levied for aeronautical services and facilities, and lays down the general principles to which such charges should conform. The non discriminatory principle underlined in sub-paragraph (1) (b) and the cost-related provided in sub-paragraph (1) (c) could be considered together, in particular to recall that charges shall apply irrespectively to traffic between Member States and to traffic within a Member State. It provides however that all revenues from commercial activities related to aeronautical activities shall be taken into account in establishing the cost base for aeronautical charges. It could also be necessary to consider the case when, for reasons of regional development and difficult connections, an indirect State aid is carried by decreased fees.

Article 13

Procedural Article.

Proposal for a

COUNCIL REGULATION (EEC)

on consultation between airports and airport users
and on airport charging principles

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 84(2) thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament,

Having regard to the opinion of the Economic and Social Committee,

Whereas the efficient operation of an airport determines to a large extent the quality of air transport services;

Whereas it is necessary that aeronautical services and facilities provided at airports to aircraft operators and passengers are reasonable in quality and range as well as cost-effective, taking into account their impact on the level of air fares; whereas charges for these services and facilities should promote the efficient use of available capacity;

Whereas regular consultations between airport operators and representatives of users must take place in order to help ensure that airport facilities are used efficiently and that aeronautical services at airports are cost-related;

Whereas in order for such consultations to be effective and also to better plan future airport requirements, it is necessary that airports and users exchange sufficient information to identify and explain any changes in airport operations and facilities, charging systems and levels of charges;

Whereas given that various government controls (immigration, customs) are exercised at the airports and constitute an important element of airport procedures necessitating adequate space and coordination within the overall functioning of airports, it is necessary that government control services stationed at an airport must actively participate in consultations regarding changes in the airport's operations, facilities or development plans;

Whereas to foster the efficient use of airport capacity and to permit the access of new entrants to the market airports must participate in slot allocation procedures and must be informed of proceedings in scheduling committees;

Whereas authorities responsible for more than one airport, which constitute a system of interconnected airports, must have the option to consult their users on a collective basis so as to limit expenditure on consultation;

Whereas given the need for sufficient administrative and financial resources in order to comply with the provisions of this Regulation it is confined to operators of larger airports, although operators of smaller airports should also endeavour to consult representatives of users on a regular basis;

Whereas it is necessary to lay down general principles to which the charges for using airports should conform since, although many airport activities operate in competition with other economic enterprises, competition between airports is relatively limited;

Whereas users must not only be charged for the airport facilities and services they use, irrespective of the origin of the traffic in the Community, but that they must also bear their fair share of the cost of providing airport facilities and services which are considered essential for the efficient, safe and environmentally acceptable functioning of an airport;

Whereas, in certain cases, in conformity with Articles 92 et seq. of the Treaty, the level of airport charges could be decreased in order to reflect the needs of regional policy, when it is a question of linking an isolated region to which access is difficult.

Whereas the financial structure, degree of financial autonomy, and ownership of fixed assets of airports in the Community vary widely;

Whereas this Regulation is without prejudice to the application of Articles 85, 86, 90 and 92 of the Treaty;

HAS ADOPTED THIS REGULATION:

ARTICLE 1

This Regulation relates on the one hand to consultation procedures and the exchange of information between airports open to commercial air transport between Member States and their users in respect of aeronautical activities, and, on the other hand to the principles to which the charges for aeronautical services and facilities at those airports shall conform.

ARTICLE 2

For the purposes of this Regulation :

- a) "airport" means any airport situated within the Community and open to commercial air transport between Member States and with a total throughput of at least 1 million passengers per annum;
- b) "aeronautical services and facilities" mean services and facilities necessary for the flow of aircraft, passengers, baggage or freight through an airport;
- c) "users" mean
 - representative organisations of air carriers ;
 - air carriers if they are not represented in such organisations;
 - representative organisations of other operators of aircraft using the airport;
 - representative organisations of passengers, shippers, freight-forwarders and tour operators using the airport, where such organisations exist;

- d) "authority" means an organisation responsible in whole or in part for one or more airports and in particular for aeronautical services and facilities;
- e) "charges" mean the charges levied at airports on aircraft, passengers, baggage and freight for the provision and use of aeronautical services and facilities.

1) CONSULTATION PROCEDURES

ARTICLE 3

- (1) The authority shall consult the users of an airport for which it is responsible at least every twelve months on the financial and operational performance of the airport with respect to its aeronautical services and facilities.
- (2) For the purposes of consultations in accordance with paragraph 1, each authority shall make available to users on an annual basis information concerning its performance which as a minimum shall include the data specified in Annex I unless, within the limits of national law, the authority and users agree otherwise.
- (3) Authorities shall consult users on the application of the definitions and parameters of the data to local circumstances.

ARTICLE 4

(1) An authority shall consult users which are significantly affected by:

(a) Important changes in aeronautical services or facilities at the airport, at least 4 months before their introduction,

or

(b) substantial development plans for that airport or any new airport to be operated by the authority in the same region at any time whenever useful during the planning stages and at least 4 months before the final decision is taken on important commitments concerning the different planning stages.

(2) For the purposes in particular of consultations in accordance with paragraph (1)(a), and in order to improve the quality of service to users, each authority shall furnish and exchange information with users on the operational performance of an airport and aeronautical services run by airlines or any other undertaking.

(3) Member States shall ensure that control services stationed at the airport (e.g. air traffic control, immigration services, customs services) shall participate in such consultations.

ARTICLE 5

(1) An authority shall consult representative organisations of aircraft operators at least 2 months before the introduction of important changes in the levels of charges or the imposition of new charges.

- (2) Where the competent governmental authorities in a Member State are responsible for approving charges, they shall be part of such consultations. When the competent governmental authorities in a Member State are responsible for establishing charges they shall consult the authority and carry out consultation according to paragraph 1.
- (3) For the purposes of consultations in accordance with paragraph 1, each authority shall provide sufficient information to explain any important changes or new developments.

ARTICLE 6

A reasonable period of notice shall be given before any consultations take place.

ARTICLE 7

Aircraft operators using an airport and participating in the consultation, or their representative organisations, shall make available to each airport authority estimates of their future traffic trends, scheduling information, the characteristics and numbers of aircraft to be used, special facilities which they may require including ground handling, fuelling and catering, and other relevant material in accordance with Annex II. Aircraft operators may require that information supplied by them is treated as commercially confidential information. In this case they can refer directly to the authorities.

ARTICLE 8

Authorities shall be entitled to participate in slot allocation procedures for their own airport(s) and shall be informed of scheduling conferences where they, and their representative organisation, may attend as observers.

ARTICLE 9

In the course of consultations all parties involved shall seek agreement as far as possible on any issues considered, changes proposed and alternative options. Where agreement cannot be reached in the course of consultations, each authority shall be able to introduce the changes in question subject where necessary to the appropriate approval.

ARTICLE 10

Where an authority has the responsibility for more than one airport serving the same city and in the case of the Balearic Islands and Canary Islands the authority may consult users on a collective basis for all such airports under its control, provided that separate information is given for each airport with more than 1 million passengers per annum.

ARTICLE 11

Member States shall encourage authorities responsible for airports with less than 1 million passengers per annum to consult users and to provide them with information along similar lines.

II) CHARGING PRINCIPLES

ARTICLE 12

- (1) The charges for aeronautical services and facilities shall
 - (a) encourage the safe, efficient and economical use of airport facilities, while taking into account variations over time due to congestion problems;
 - (b) be clear, understandable and non-discriminatory;
 - (c) be reasonably related to the costs of the facilities and services provided which are needed and/or used while including a reasonable return on capital and taking into account environmental costs;
 - (d) take into account revenues produced by commercial activities linked to aeronautical activities.

- (2) The costs of aeronautical services and facilities shall be fully allocated on an equitable basis according to sound business and economic principles. However, in the case of isolated regions to which access is difficult the needs of regional policy can be taken into consideration in conformity with the provisions of the Treaty.

III) FINAL PROVISION

ARTICLE 13

This Regulation shall enter into force on 1 July 1990.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, ...

For the Council
The President

Information on the airports' performance

I. TRAFFIC

Annual statistics (1) on the traffic at each airport shall be provided. These shall include at least the following :

1. Number of passengers	i.	International	
	ii.	Intra Community	
	iii.	Domestic	
	iv.	Transit (2)	
			TOTAL

2. Freight ('000 kg)	i.	International	
	ii.	Intra Community	
	iii.	Domestic	
	iv.	Transit (2)	
			TOTAL

3. Aircraft Movements	i.	International	
	ii.	Intra Community	
	iii.	Domestic	
	iv.	Other	
			TOTAL

(1) These statistics shall be broken down into scheduled and non-scheduled traffic.

(2) In addition, authorities shall endeavour to provide a breakdown of passenger and freight transfer traffic.

11. EMPLOYMENT

Annual statistics on staff directly employed by the authority shall be provided. These statistics shall be broken down into permanent and temporary staff and also by function. In addition each authority shall endeavour to provide information on staff indirectly employed on airport activities at an airport by other Agencies including the State (see footnote 1).

(1) The following table is given for guidance as an example of the statistics authorities shall endeavour to provide :

Airport employees		
	(1)	(2)
Number of Employees function	Directly employed by the authority	Indirectly employed by (e.g. by other Agencies inclu- ding the State on airport activities at an airport)
<hr/>		
(see note above)		
Customs clearance		
Immigration		
Fire Service		
Airport Terminal Air Traffic Control		
Meteorological Service		
Operations and Apron Services		
Baggage Handling		
Check in		
Car parking		
Catering		
Engineering		
Commercial		
Administration		
Other		
	<hr/>	
Total directly employed by the authority		<hr/>
Total indirectly employed / by other agencies including State on airport activities at an airport /		
<hr/>		
TOTAL ON SITE EMPLOYMENT =		
<hr/>		

III. FINANCIAL

Annual accounts, including a balance sheet and a profit and loss account, shall be provided for each airport. They shall be sufficient to give a true and fair view of an airport's assets, liabilities, financial position and profit or loss. Their layout shall not be changed from one financial year to the next, save in exceptional cases. Any such departure must be clearly disclosed, together with an explanation of the reasons therefor.

In the presentation of its revenue for its profit and loss account, each airport shall at least provide the following breakdown :

A. Revenue from aeronautical charges at the airport

- (a) Aircraft landing charges
- (b) Aircraft parking charges
- (c) Passenger charges
- (d) Terminal navigational charges
- (e) Freight charges
- (f) Security charges
- (g) Noise charges
- (h) Other charges e.g. baggage handling

TOTAL _____

B. Non-aeronautical revenue at the airport

- (a) ground handling services (if provided only by the airport authority or by a monopoly concession holder)
- (b) Concessions
 - 1) commercial concessions
 - 2) ground handling
- (c) Rents and services
- (d) Other revenues from concessions

TOTAL _____

C. TOTAL REVENUE

ANNEX II

Information on aircraft operators' planning of operational performance at the airport

I. TRAFFIC

Forecast of next year's traffic trends at the airport as regards

- | | |
|---------------------------------|--------------------|
| 1. Number of passengers | a. International |
| | b. Intra Community |
| | c. Domestic |
| | d. Transit |
| 2. Freight ('000 kg) | e. International |
| | b. Intra Community |
| | c. Domestic |
| | d. Transit |
| 3. Aircraft Movements | a. International |
| | b. Intra Community |
| | c. Domestic |
| | d. Transit |
| 4. Types of aircraft to be used | a. regularly |
| | b. alternatively |

Additionally, aircraft operators' intentions at the airport on operation expansions concerning passenger and freight services (i.e. new routes, frequencies, hubbing) for the next five years planning period.

II. FLEET PLANNING

Estimates of characteristics and numbers of aircraft to be used at the airport during the next 15 years, by traffic segments.

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