

The European Voice of Freight Logistics and Customs Representatives

Brussels, April 12th 2007

RE: Proposal for Directive on Airport Charges

Who we are

CLECAT was established in 1958 in Brussels, where it represents today 28 national organisations of European multinational, medium and small freight forwarders and Customs agents. In terms of representation CLECAT represent up to 19,000 companies that employ in excess of 1 million people.

Why we are talking about this

Freight forwarders and logistics service providers account for a large majority of the air cargo market and as such are affected directly and indirectly by airport charges, directly in the charges they have to pay themselves¹ and indirectly as the charges levied on airlines obviously have a knock on effect on the rates they are charged. In general airport charges represent between 4 and 8 per cent of the fees incurred by airlines and air freight forwarders.

What is our position?

CLECAT welcomes the proposal from the Commission and broadly supports the majority of the provisions in the draft. CLECAT also welcomes the fact the proposal is in line with what the International Civil Aviation Organisation (ICAO) has proposed for regulating airport charges. CLECAT does however feel that certain amendments need to be made to the directive for it to be effective. In addition it has to be ensured that certain provisions are not watered down during the legislative process. This position paper will focus on the following points;

- ⇒ The need for a harmonized calculation method for airport charges
- ⇒ A precise definition of what kind of stronger measures member states are allowed introduce as set out in article 1 of the directive
- ⇒ The necessity of an independent regulatory authority to enforce the directive
- ⇒ The need for airport users to be consulted on planned developments at airports

Harmonized calculation method:

The directive in its current form requires airport authorities on a yearly basis to provide airport users with information on, the overall cost structure at airports and the method for calculating airport charges. CLECAT welcomes information being made available but feels that in order for the directive to be successful in its aim of ensuring transparent and equitable charging a harmonized calculation method is required. The last paragraph of Article 1 of the proposed directive allows Member States to introduce additional measures to those contained in the directive. It is stated that such additional measures could relate to a mechanism for approving a

¹ Large companies who operate their own all cargo aircraft
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system for levying charges designed to ensure fair competition. CLECAT feels that it would be more appropriate for a system for calculating charges to be included in the directive. This would lead to harmonisation across the EU and avoid the possibility of 27 different charging systems being introduced across the EU.

Introduction of stronger measures by Member States:

If CLECAT's suggestion for the introduction of a harmonized calculation method is embraced, it is unclear what additional measures which Member States could introduce under the last paragraph on article 1 would be necessary. In order to avoid measures being introduced which distort the uniform application of the directive, what an "additional measure" is should be clearly defined.

Independent regulatory authority:

The establishment of an independent regulatory authority in each Member State is clearly necessary given that most of the European airport authorities are still state owned and as such competition throughout the EU cannot be as fully developed as it should be. If a carrier operating out of an airport is partially state owned and the airport authority is state run then an independent authority is needed to ensure all operators in the airport receive the same treatment. Some Member States have already created such an independent authority. If properly implemented the directive could help stimulate competition between airports and increase efficiency but a strong independent regulatory will be required for this to occur and any watering down of the role of this authority would be to the detriment of competition.

Planned airport developments:

The directive stipulates that the airport authorities consult with airport users on planned development projects at airports. Consultation with airport users is a common sense approach for airport operators to adopt. The development of Collaborative Decision Making (CDM) between all entities concerned with airport operations was included in the Commission's communication on an action plan for airport capacity, efficiency and safety in Europe and CLECAT welcomes the Commission's strategy of improving airport performance through enhanced cooperation between the concerned stakeholders. It must however be noted that under the terms of this directive airport authorities would only be obliged to consult with airlines on planned developments or with entities operating all cargo aircraft. There is a need for more than just airlines to be consulted as any developments at airports will have a spin off affect on a variety of industries linked to airports. CLECAT advocates the directive providing for consultation between all interested stakeholders on any planned developments.

Conclusion

CLECAT is in favour of the adoption of a directive on airport charges and we hope that the proposal from the Commission is adopted with the amendments we have suggested in this paper.

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