



TWO FUTURES

ROY GRIFFINS, DIRECTOR GENERAL, ACI EUROPE



At the European Commission's 'Green Week' conference this June, a leading figure was asked why aircraft emissions had been left out of the Kyoto protocol in 1999. His reply was measured, articulate, plausible: it mentioned the international nature of air transport, the complexities of applying the rules, the role of ICAO. His implicit, unstated message, however, was clear: it was a pity, perhaps even a mistake, to have omitted aviation from Kyoto. If aviation had been included in Kyoto we would not be playing environmental catch-up now; we would not be hearing so much criticism of aviation's 'excessive' impact on climate change.

Green Week reported the outcome of recent Commission and national surveys: a litany of complaints about aviation's 'privileged' and 'protected' position in the combat against global warming. Granted the respondents were largely self-selected. They hardly represented the millions

of people who every day use, work in, and benefit from air transport. But these criticisms influence decision makers; and they obscure the major contribution which aviation brings to the economic and social aspects of sustainable development.

If we think that aviation does not deserve this bad name, we need to do something about it. We ought to give up ideas that aviation is 'special'. We should accept that aviation is a normal industry with normal responsibilities. Would the recent proposals to tax air passengers in order to fund international aid have found so much support if aviation had not got itself perceived as a 'special' kind of industry? Aviation would benefit from normalisation across the board, environmentally and economically.

As far as climate change is concerned, aviation's share of greenhouse gas emissions is small, but it is growing. Aviation has no particular rights to stand separate from the rest of industry and society. We

have the same responsibility as other industries to deal with the impact of our activities on the planet's climate. The most efficient and effective way to do this is to use economic means to achieve environmental ends. This is why ACI EUROPE is pressing for aviation's inclusion in the EU's CO₂ Emissions Trading Scheme as soon as possible. It is a first, practicable step, which could be taken by 2008 if the combined will were there. The alternatives to trading – regulations, taxes, charges – are brutish and inefficient by comparison.

The choice of two alternative futures is stark. It was spelt out clearly in a recent speech by Mike Clasper of BAA:

"A market-driven future will see aviation continue to grow, to provide the connections that our businesses and economies need to be successful in a global economy, and that our people demand in an affluent society"

or

"An alternative, over-regulated future will see aviation constrained by an ever-increasing spiral of regulatory, legislative and fiscal measures designed to contain the damage caused to the climate by our industry, putting at risk the social and economic goods that aviation can deliver."

The path to follow is as clear as the choice is stark. Airports have to take the responsibility of driving this agenda because it is at airports that aviation's negative products are most noticed and measured. And airports, in providing the fundamental infrastructure, have to get aviation its licence to operate, its licence to grow. But airports cannot do this alone. Our fellow stakeholders in the aviation sector need to join us in endorsing this initiative if it is to work. If we want a market-driven future, where aviation's massive economic and social benefits can be enjoyed by all our citizens, aviation needs to stop thinking of itself as 'special'. Airports and airlines need to conduct themselves like two responsible commercial sectors linked in a mature business relationship within a normal industry. This is the way to an economically and environmentally sustainable future for aviation.

OPTIMISTIC ABOUT AVIATION

THE EUROPEAN COMMISSION'S WHITE PAPER 'EUROPEAN TRANSPORT POLICY FOR 2010: TIME TO DECIDE' [COM (2001) 370 FINAL] STRESSED OPTIMISING THE USE OF EXISTING AIRPORT CAPACITY, BUT NOTED: "HOWEVER, THIS WILL NOT BE ENOUGH, AND EUROPE WILL NOT BE ABLE TO COPE WITHOUT NEW AIRPORT INFRASTRUCTURE." IN AN EXCLUSIVE INTERVIEW WITH AIRPORT BUSINESS, EU TRANSPORT COMMISSIONER **JACQUES BARROT** CONFIRMED TO JOHN FRANK-KEYES THAT THIS CRUCIAL STATEMENT REMAINS AT THE HEART OF EU TRANSPORT POLICY.

“I am convinced of the necessity of further airport investment to permit the better development of air transport,” Barrot declared. He said it would be necessary to construct new infrastructure in a range of locations.

Significantly, however, Barrot immediately added that it was also imperative “to link these airport infrastructures with railway infrastructures. The interconnection of the two is very important.”

The second aspect here, he said, was to make better use – and ultimately the best use – of the existing infrastructures. “Therefore it is important to put in place the SESAME project [modernising European air traffic control]. We also need to develop a legal framework for regional airports which is transparent and clear. We need to improve and clarify the slots issue, and deal with the question of congestion at key periods of the day. So in summary, yes to new developments, and yes to optimising the use of what already exists.”

TWIN CHALLENGES

ACI EUROPE has consistently argued the principal challenges facing the industry - in the light of significant demand for air travel - are gaining permission to build new capacity and funding those developments. How does the Commission plan to assist the industry to deliver these vital developments in a sustainable manner? When can we expect the Commission's Communication on airport capacity?

Barrot replied that it was important to note that the construction projects themselves, their associated architectural plans and the issues of securing permission to build are national competencies. “But a good question is how can the Commission contribute to the delivery of these vital developments in a sustainable manner?” Barrot said.

“The Commission is preparing a Consultation [policy paper] on the need for airport capacity, and for this it is necessary to understand both the



Jacques Barrot: “Yes to new developments, and yes to optimising the use of what already exists.”

needs of the aviation industry and the needs of the environment. We plan to issue a Communication on capacity in July or perhaps September this year. This will launch a very open consultative period with airports, environmental groups and the whole aviation industry invited to comment. It will also be necessary to integrate the impact of new aircraft such as the A380 into this question.

“On the finance question, first I would point to the Commission's structural funds and cohesion funds that are available and have been employed by some countries, for instance Greece, in this regard.

“But at the same time, the Commission is now considering a revision of the aviation charges regime so that airports may be able to set aside certain funds for future development projects under certain conditions. The finance issue will have to be seen in conjunction with the map of investment needs for which we will launch a consultation process. This, however, will be a long-term study.”

EMISSIONS TRADING

Airport Business then asked: Do you accept that the aviation industry as a whole – and the airport sector in particular – is taking seriously its

Barrot: "I prefer the emissions trading idea to the idea of further taxation."

responsibilities to mitigate environmental impacts, and playing an active role in ensuring further capacity developments are sustainable? How high on the agenda is the environment and sustainable development?

Barrot responded: "There is a clear need for progress here, but how? There is no doubt that the environmental impact of aviation is very important indeed. Despite the technological benefits that can be expected, the growth in aviation is such that there is nevertheless a negative result on the balance sheet. So how do we progress?"

"Clearly, there is a need to be more economical and efficient. Here we can look to SESAME to help reduce the holding times in the stacks before landing, for example. We also approve of the Continuous Descent Approach concept, as this is also more efficient."

TRADE NOT TAX

Crucially, Commissioner Barrot clearly stated: "Reducing pollution is extremely important, and I prefer the emissions trading idea to the idea of further taxation. Emissions trading may be difficult to implement for aviation, but this is the idea that I favour. We will publish a Communication on emissions trading around the summer of this year."

Would the Commissioner agree with ACI EUROPE that emissions trading is the quickest and most effective way for the aviation industry to play its part in the battle against global warming?

"Emissions trading is not the only answer, but it is a good answer when taken together with other measures. When I met with President Bush's advisor on such issues, he said we were right to experiment with such ideas, but stressed it was important to use all means of reducing emissions. I agree, and we will be asking the engine manufacturers to improve their research into CO₂ emissions."

AVIATION SECURITY

Airport Business asked what further steps the Commission proposed, and what plans, if any, there were to address the airport security funding disparities within the EU, or between the EU and the US?

"We hope to publish a Communication before the end of 2005 on the financing of security measures in all transport modes. Actually, it is the airports that have played the most important role since 9/11.



Barrot on aviation security: "We have to try to convince the Member States to pay more and not to let all of the costs be borne by the passengers, the airline companies and the airports."

"We also need to see whether the Member States need to pay a bit more. First, we have to try to convince the Member States to pay more and not to let all of the costs be borne by the passengers, the airline companies and the airports."

Barrot's second point on security was that he is working much more closely with the US on regulatory cooperation.

He said: "I have launched a process of regulatory cooperation with our American counterparts when I visited Washington in March. I think we should avoid taking unilateral measures on both sides and work more intensively towards convergence and harmonisation. We need to build a relationship of mutual trust. Convergence in security measures between the EU and the US will make life easier for airports and airline companies."

PRMS AND OPT-OUTS

Discussions turned to further action the Commission planned to take on air passenger rights. Would the forthcoming rules on Passengers with Reduced Mobility (PRMs) – which will transfer responsibility from airlines to airports – allow or refuse airlines the right to 'opt out' of the scheme?

"First, it is important to be clear that airports deal with PRMs on the ground while airlines do it in the air," Barrot noted. He then added: "We cannot accept opting-out because certain companies may only offer a minimal service. If all airlines participate then this lowers costs." For absolute clarity, we repeated the key point: "Will the Commission allow airlines to opt-out?" The unequivocal answer was: "No."

OPEN AVIATION AREA

On open skies, Barrot said he was most certainly seeking a "fair agreement" with the US over a Transatlantic Open Aviation Area. "This is the goal, the object, the final aim.

It will be necessary to be patient, however. For now, the technical meetings will continue and I will return to Washington later to talk again with

Norman Mineta, US Secretary of Transportation, who is a partner of real quality. The Commission and the Member States clearly want to relaunch negotiations. There is a clear need for US and European airports to cooperate more closely, and I would encourage ACI EUROPE to take joint initiatives with its American branch.”

EXTERNAL RELATIONS

Here, Barrot explained that the Commission is hoping to develop open aviation areas with its immediate neighbours by 2010. “Furthermore, the EU should conclude aviation agreements with Russia and China. The Council of Ministers needs to give the Commission the relevant mandate for such negotiations. We have asked for this, and we hope to receive it soon.”

STATE AIDS AND REGIONAL AIRPORTS

With respect to what incentives Europe’s airports may and may not offer in future airline agreements and the Commission’s guidelines that followed the decision on Ryanair’s business arrangements at Brussels South-Charleroi, the Commissioner said that he wanted to create a proper legal framework in this area after consultations with all relevant stakeholders.

“There are two key imperatives here,” he said. “First transparency, to prevent dubious and unjustified types of support of no real merit. We need to avoid unfair competition.

“Second, to keep the aid proportional to the needs of the regions. Distant and remote regions with small populations – northern Finland, for example – usually have airports with relatively small number of passengers. They would merit greater flexibility in terms of assistance than regional airports with larger numbers of passengers.”

WORK PROGRAMME

Barrot outlined the Commission’s four year work plan. “The overall challenge is to manage the increasing volumes of traffic. Ensuring and improving mobility is a strategic priority and must be part of Europe’s growth strategy, but we need to work simultaneously on improving the quality of transport. More and more, we see the added value of competition between flights and rail for domestic and short-haul services.

“There is also the new market potential. I have to negotiate for more slots, more traffic rights in the wider world. European airports should be very happy if we can succeed in this. Potential areas of future aviation agreements, beyond the US, include not just Russia and China, but also India, South America and Australia.”



Barrot: “Overall, I am optimistic about the aviation sector, but passengers are increasingly demanding about three key issues – security, environment and good infrastructure.”



Barrot on PRM Regulation: “Will the Commission allow airlines to opt-out?” The unequivocal answer: “No.”

On the subject of integrating aviation in an Emissions Trading Scheme, Pinto called for careful analysis of the study commissioned by the EU to ensure benefit to the environment and that the competitiveness of European airlines is not undermined.

THINKING AHEAD TO A NEW PARTNERSHIP MODEL

THE 15TH ACI EUROPE ANNUAL ASSEMBLY, CONGRESS AND EXHIBITION IS TO FOCUS ON THE PIVOTAL AIRPORT-AIRLINE PARTNERSHIP. AIRPORT BUSINESS PUT THIS CENTRAL QUESTION – WHAT MORE CAN AIRPORTS AND AIRLINES DO TO FURTHER DEVELOP SUPPLIER-CUSTOMER RELATIONSHIPS FOR THEIR MUTUAL BENEFIT? – TO KEYNOTE SPEAKER **FERNANDO PINTO**, CHAIRMAN OF THE ASSOCIATION OF EUROPEAN AIRLINES AND CEO OF TAP AIR PORTUGAL, AND ALSO TO **WOLFGANG KURTH**, FORMER PRESIDENT OF THE EUROPEAN LOW FARES AIRLINES ASSOCIATION AND CEO OF HAPAG-LLOYD. JOHN FRANK-KEYES REPORTS ON TWO DISTINCT AIRLINE PERSPECTIVES.



The Association of European Airlines has an Action Plan that enshrines a triple-win situation between airlines, airports and air navigation service providers. Fernando Pinto, AEA Chairman and CEO of TAP Air Portugal, said: "We are seeking a structured and institutionalised dialogue, based upon our understanding that we are all in the same boat and that any regulatory measure which adversely affects airlines' ability to regain sustainable profitability undermines growth and ultimately hits aviation in general."

Q Airport Business interviewed previous AEA Chairman Vagn Sørensen this time last year, when he said it was appropriate that the EC has the mandate to negotiate air service rights, but that this must always be within the context of the 'acid test' – does it deliver added value. Is this still the AEA view?

Pinto: "AEA policy has not changed. We recognise however that Commissioner Barrot and the Head of Air Transport, Daniel Calleja, are keen to seek the views of the airlines, whilst also meeting the legal requirements of the Rome Treaty and the endorsement of the Council of Transport Ministers. So we acknowledge that the Commission must satisfy political and commercial requirements. But the added value for us is generally defined by the degree to which commercial opportunities are created.

In the case of the US, it would also be very helpful if the EU and the US could agree on 'political' issues such as a standard for the policy and funding of security measures. In such liberalised markets, the issue of a level playing field becomes even more important, which is why we advocate not only an Open Sky but an Open Aviation Area, which encompasses such a broader approach."

Q Is a triple-win situation between airlines, airports and air navigation service providers still an AEA goal?

Pinto: "Yes, and we now have an Action Plan which enshrines exactly that. We are seeking a structured and institutionalised dialogue, based upon our understanding that we are all in the same boat and that any regulatory measure which

adversely affects airlines' ability to regain sustainable profitability undermines growth and ultimately hits aviation in general.

Q The AEA's Secretary General noted recently – in a speech to the Aviation Club in London – that AEA member airlines made a net operating profit in 2004 for the first time in six years – but it was just \$400 million, "not much when divided by 30". What are the prospects for 2005 and the next three, five and 10 years? Does the AEA have the same strident complaints about airport charges that IATA often levels at airports?

Pinto: "Our view is that 2004 was a step in the right direction but not enough to be able to speak about sustainable recovery. For that we need a closer look at the inherent structural weakness of our industry. Prospects for 2005? Too early to say with any degree of certainty, but if we could extrapolate the trends – healthy traffic growth, prudent capacity increases, high seat-load factors, continuous cost cutting, political focus on avoiding unnecessary additional financial burdens no devastating extraordinary events – we foresee improved profitability. No one can forecast beyond 2005, but I believe we have demonstrated our ability to deal with cyclical crises and if the AEA Action Plan becomes reality we will have in five years from now a healthy and vibrant and competitive European aviation landscape. This implies that airlines and airports have a common understanding of our respective roles. IATA and AEA actually have complementary roles. As a regional lobbying organisation, AEA is an important partner in dialogue with the EU institutions, whereas IATA as a global association highlights our concerns publicly."



AIRPORTS AND AIRLINES

Pinto: "We believe that if there is to be a migration of responsibilities for traffic right negotiations with Third Countries from Member States to the EU Commission, such a transition should be smooth and provide added value to the European aviation sector."

Q Airlines of all sizes can open new routes, add capacity or frequency or close routes very quickly. Airports have far, far longer planning horizons – is there any prospect of airlines and airports being able to dovetail their plans more effectively?

Pinto: "Actually airlines need to plan long-term as well, as they lease and buy aircraft, meaning that they operate a capital intense asset, and they invest heavily into marketing new routes, which makes market exit very costly. But I see a growing trend towards far greater co-operation between airlines and airports individually. Airlines have high-yield passengers who understandably and rightly demand preferential service on the ground, so airports must also move towards cost and product differentiation. All passengers expect to see hassle minimised, which has thus become a prerogative for airlines and airports alike."

Q Airports and airlines have both been obliged to spend much more on security post-9/11. In the US, the federal government has contributed substantial sums – but in Europe the costs have largely fallen to the commercial entities. Does AEA share ACI EUROPE's often declared view that terrorism represents attacks on States, and therefore that States should fund these government-mandated additional security measures?

Pinto: "Yes. We have likewise reiterated that measures designed to protect society in general must be borne by 'society', i.e. the taxpayer. We urgently need a common policy in Europe which would end distortions to competition here, and with the US; one of the great cost burdens is the fact that the US government applies its provisions extraterritorially, but funds the measures it imposes on US airlines."

Q Can you outline the three key messages of your Action Plan for Aviation 2004-2009?

Pinto: "First, all regulatory measures should be measured by the degree to which they enhance the competitiveness of the European aviation industry. The Action Plan thus applies the Lisbon Agenda to our industry. Secondly, we take our environmental responsibilities seriously and have developed an Emissions Containment Policy to explain the

AEA has developed an Emission Containment Policy, which outlines the initiatives undertaken to minimise the environmental impact of traffic growth.



initiatives we have undertaken to minimise the environmental impact of traffic growth. Thirdly, we believe that if there is to be a migration of responsibilities for traffic right negotiations with Third Countries from Member States to the EU Commission, such a transition should be smooth and provide added value to the European aviation sector."

Q Which key issues would you want to raise with European Transport Commissioner Jacques Barrot, and why?

Pinto: "Commissioner Barrot should be commended for his interest in establishing and maintaining an intense dialogue with the private stakeholders. Not unlike the 'Car 21' initiative of the automobile industry, we would be keen to assist him in developing a framework which provides for international competitiveness of the European aviation sector."

Q You have flagged up the rise of (government-backed) Middle East carriers as powerful forces in the global aviation sector. Airports, also government-backed, such as Dubai, Doha, Abu Dhabi and others are starting to position themselves as potential mega-hubs linking Europe and the Far East. How do your member airlines propose to compete?

Pinto: "The issue is not competition, it is the need for a level playing field. If we have sufficient evidence of state aids flowing into the Gulf region, or preferential treatment of the home carriers or airports, which have adverse effects on the competitiveness of European airlines we will complain to the EU Commission and seek, if needs be, to trigger a formal proceeding."

Q You asked a rhetorical question – are airports infrastructure facilities or profit centres? So what is your answer? And what, please do you mean by the "abuse of a dominant position"?

Pinto: "The problem is actually that some secondary airports see themselves as pure traditional infrastructure providers, others fund the development of low-cost terminals and/or low-cost airports (funds which in turn are possible because of fees paid by traditional full-service carriers) thus cross-subsidising a competing airline business model, and we have airports which see themselves as gateways of regions and are used by the regions to fund airline activity.

Again, the issue is the potential distortive effect on inter-airline competition which should be addressed. We are concerned about an abuse of a dominant position of hubs; given that a network carrier cannot simply move hubs it generally has to accept the conditions demanded by 'its' hub

The AEA advocates not only an Open Sky but an Open Aviation Area, encompassing a broader approach. Pinto explained that the issue of a level playing field becomes even more important in liberalised markets.

operator. We would thus like to see something similar to the economic regulation applicable in the UK."

Q You said the AEA is "prepared to examine ways of integrating aviation into an Emissions Trading Scheme". Would you agree airlines have no choice here as the alternative would be more taxes that would do nothing for the environment and further impact your members' cost bases?

Pinto: "Emissions trading is highly complex in any industry. We need to figure out how it would work in the aviation sector: could it be restricted to the geographical scope of the European Union? Who would be the buyer? Who the seller? How would the base levels be set?"

These are but a few of the technical questions

in need of review. We thus need to analyse carefully the study which has been commissioned by the EU, and which is due to be published soon, and make sure we feel comfortable that we are not moving into a hugely complex machinery which would be of no good to anyone, probably not even the environment.

Certainly, we do not wish to see an instrument be developed which would undermine the competitiveness of the European airlines. And you are right: we do not want to see it come on top of additional taxes."

Q You made a good point about parallel lines never meeting – can airports and airlines genuinely forge a meaningful partnership, or are they destined to remain interdependent yet antagonistic?

Pinto: "Airlines and airports will remain antagonistic to the extent that their roles so require. But if regulators understand the role of aviation as a growth industry in itself and as a backbone for economic growth in general, they will invest into the infrastructure. Our problem is the lack of sufficient infrastructure, the fact that it takes longer to build a new runway than it does to develop a new aircraft generation, and the inefficient use of airspace.

"We should and I believe will jointly address such and other common objectives and jointly develop solutions. We already have, as I indicated, individual airports and airlines creating such a partnership; I am sure that this will lead to a mandate for the respective associations to further develop such co-operation. We must actually do more today to think ahead."

EXPORTING THE LCC PHILOSOPHY TO AIRPORTS

THE FORMER BOSS OF LOW-COST CARRIER HAPAG-LLOYD EXPRESS AND PRESIDENT OF THE EUROPEAN LOW FARES AIRLINE ASSOCIATION (ELFAA), **WOLFGANG KURTH** BELIEVES THE SOLUTION TO THE CONUNDRUM IS A NEW PARTNERSHIP APPROACH COMBINED WITH A RADICAL SHIFT IN AIRPORT THINKING.

The proof of this is in his next venture – he intends to set up a consultancy which will foster improved three-way co-operation and collaboration between airports, airlines and tourism promotion bodies.

Kurth said: "First, we must accept that all three are partners, all need each other. This has not been the case in the past when there have been totally separate views. Airports, for example, lure airlines to open new services and then are often disappointed when that service fails to be profitable and the airline cancels the route.

"It would be better to develop new markets together. Hamburg, for example, is trying to set up a joint venture between the airport and the tourism body to promote the region and encourage low-cost carriers. We all have a shared interest in developing new markets, but in Europe the players are all too often individualistic in their approaches."

A second key issue for Kurth is that some airports



Hapag-Lloyd CEO Wolfgang Kurth on collaboration between airports, airlines and tourism promotion bodies: "First, we must accept that all three are partners, all need each other."

are strategically disadvantaged by their remote location, especially in the north of Europe, while it is widely known that LCCs prefer to fly sectors of around one and a half hours.

"Why not let airports give higher incentives for airlines that fly longer sectors. But airports do not seem ready for this. They still have the one-size-fits-all mentality."



Kurth proposes that being able to check-in at home via the internet would be a way to free up terminal space and make the process quicker. He said Frankfurt-Hahn has been trained by Ryanair to deliver a 25-minute turnaround.

airports how best to run their operations for mutual benefit. "We proposed fixed parking positions, so we always know we will have our aircraft in specific places with the optimum (i.e. shortest) taxi-time to the runway. But some airports still don't understand the LCC business model and that each five minutes is really important."

MORE FROM WHAT WE HAVE

Kurth also said that LCCs believe expensive capacity expansion projects should not be started until the very maximum usage can be squeezed from existing infrastructure – in part by employing the LCC philosophy.

"The top 50 airports have margins of around 20%," Kurth argued, "so they are very profitable and should use that to fund expansion projects rather than load up landing and handling charges.

"Yes, airports take a risk with long-term infrastructure planning and development, but we are all in a business with risks. Expanding an airline fleet is a \$30-\$40 million venture, and there's no guarantee those aircraft are going to be filled. Even leasing aircraft is usually on a five-year deal."

Another point at issue for Kurth is the charging regime at airports. "Some airlines use the terminal and apron facilities much more efficiently than others, especially LCCs with their insistence on rapid turnarounds. Instead of handling two flights on a given stand in 90 minutes, LCCs could deal with three. LCCs also get more people through boarding gate rooms more quickly. That should be rewarded with reduced fees. The UK airports are ahead on this in my view – they are among the best in fostering the new partnership approach, but some others elsewhere in Europe are terrible."

PARADIGM SHIFT

A third issue is trying to roll out the LCC philosophy to all the other players in the industry, not just airports alone, but all the service providers such as ground handlers, ramp agents, etc.

"Too many airports have that ex-civil service mindset, a legacy from their former days in public ownership. I think a fresh approach could be fascinating – if airports can cut their costs, then they can cut their charges, too.

"But a totally fresh approach is required. Why do we still have to check-in at the airport, for instance? Some airports have self check-in, but why not check-in at home instead? After all, we buy our tickets on the internet, so why not get the boarding cards the same way? Where this is being done, the customer seems to like it – and it's a win-win situation. That would both free up more terminal space and make the whole process quicker. Austria's Klagenfurt is good on this, as is Bratislava and Hahn which has been trained by Ryanair to deliver that vital 25-minute turnaround."

In the US, Kurth added, Southwest can even

achieve 15-minute turns on flights with little hold baggage.

Most important of all is to understand and accept that we are all in the same industry and that a partnership is best.

Kurth said ELFAA had even tried to advise



Kurth called for the rolling out of the LCC philosophy to other industry players – airlines and service providers alike. He said airports such as Bratislava and Klagenfurt are good at achieving quick turnaround times.

New rules for PRMs will transfer responsibility from airlines to airports – new reserved seating is already being installed, as here in Dublin.

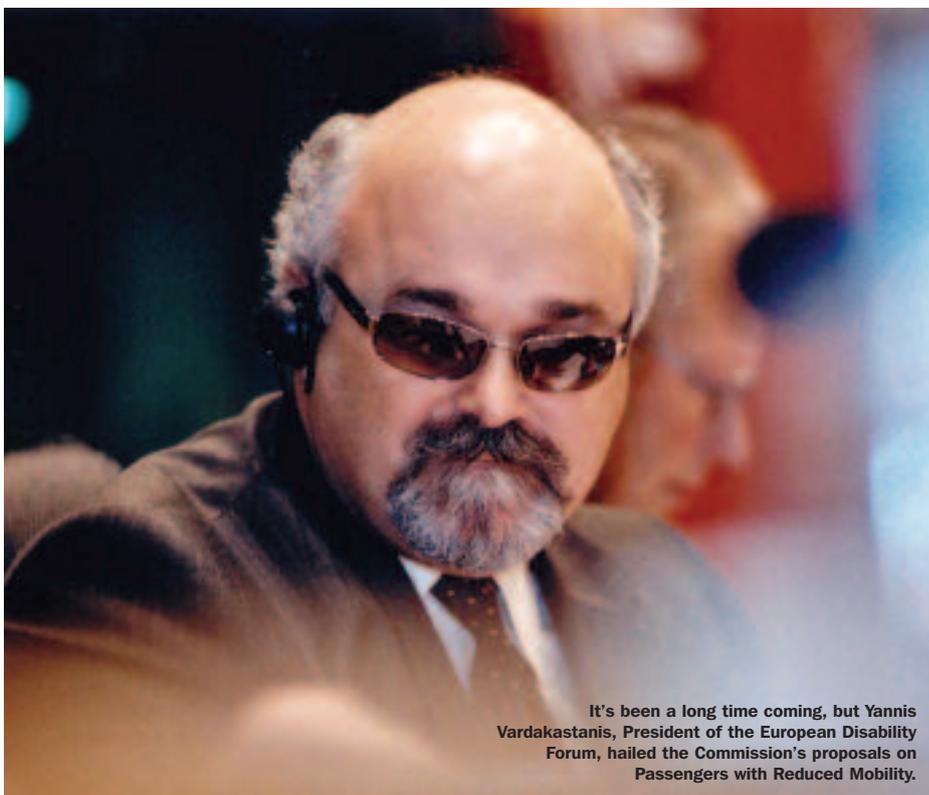
PRM PROPOSAL WELCOMED – BUT NO OPT-OUTS

IN FEBRUARY THIS YEAR, VICE-PRESIDENT BARROT PRESENTED A PROPOSAL FOR A REGULATION CONCERNING THE RIGHTS OF PERSONS WITH REDUCED MOBILITY TRAVELLING BY AIR. **YANNIS VARDAKASTANIS**, PRESIDENT OF THE EUROPEAN DISABILITY FORUM, THE REPRESENTATIVE ORGANISATION OF DISABLED PEOPLE AT EU LEVEL, EXPLAINED TO JOHN FRANK-KEYES THAT THE EDF ENDORSES THE NEW PROPOSAL – WITH KEY PROVISOS.

“The European Disability Movement had waited for this proposal for a long time and is therefore very pleased with it. Not only because it will mean a significant change for the about 50 million people with disabilities in Europe, but also because the European Commission has shown its commitment to a Europe where disabled persons no longer experience discrimination,” said Vardakastanis. “This proposal leads the way as it constitutes the very first disability-specific legislation at European level, and for the European Disability Movement, this is an important step in the right direction,” he added.

DAILY DISCRIMINATION

Vardakastanis said discrimination towards passengers with disabilities occurs every day throughout Europe. On a regular basis, he said, EDF receives information about disabled air passengers’ being refused, either booking or the



It’s been a long time coming, but Yanniss Vardakastanis, President of the European Disability Forum, hailed the Commission’s proposals on Passengers with Reduced Mobility.

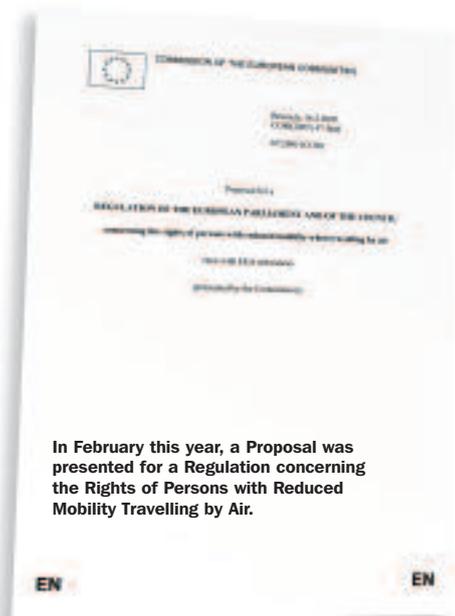
right to travel on a flight due to their disability. There are also many cases of persons being charged for the assistance they require or passengers receiving poor levels of assistance.

“Let me give you just a few of the numerous examples EDF has collected, such as the case of a person with cerebral palsy, who was asked to show a medical certificate to prove that this was not “contagious”; or the case of a woman without arms who was refused travel because she could not do up her seatbelt. There are also several cases of deaf persons being refused flights because they would not understand the safety announcements on board...”

EQUALITY OF SERVICE

Such discriminatory and undignified treatment is just unacceptable, Vardakastanis declared. “It is simply a question of fundamental rights: equal access to transport is essential for the full integration and participation of disabled people in society. That is why we believe that binding legislation is needed at European level.”

If the regulation enters into force in its present form, it would mean a significant change in the lives of many disabled people, the EDF argues. “All the disability movement is requiring is the same quality of service for all passengers, including disabled passengers. This demand is fully



In February this year, a Proposal was presented for a Regulation concerning the Rights of Persons with Reduced Mobility Travelling by Air.

Yannis Vardakastanis, President of the European Disability Forum, reported that the EDF regularly receives information about disabled air passengers' being refused, either booking or the right to travel on a flight due to their disability.

consistent with European Community policies on disability mainstreaming and non-discrimination. Disabled people should be treated as any other passenger and as ordinary consumers."

NO 'OPT-OUTS'

On the potentially difficult issue of airlines trying to 'opt out' of a centralised scheme, Vardakastanis is adamant this should not be permitted.

"EDF fully supports the basic principles of the whole proposal. For disabled people in need of assistance it is true that the possibility of 'seamlessness' (continuity and reliability) of the service is particularly important. We believe that centralised service provision at airports is the most reliable way to ensure high quality and consistent assistance for disabled passengers. EDF considers that a centralised charging system must require the participation of **all** air carriers, and that the possibility of 'opt-out' would lead to deterioration in the overall quality of service for the disabled passenger."

He went further: "Exemptions from the system would jeopardise the seamlessness of the assistance from point of arrival at the airport to point of departure. Currently, assistance is provided from the check-in desk and not when the person initially arrives at the airport. We also believe that a system with different managing bodies would create confusion and uncertainty for disabled passengers who arrive at the airport and want to know exactly who will be assisting them."

Vardakastanis also warned that the possibility of an opt-out by some airlines could threaten the financial viability of the centralised system, as it would undermine economies of scale. "Coordinated and central assistance is not only less expensive, but most importantly it is a guarantee that the assistance provided will always be of the best quality, that the staff will have the necessary training and that all premises will have the equipment needed. Finally, a centralised system will allow the more effective and direct involvement of disabled people in the monitoring and assessment of the service provided – a prerequisite for a good service and a transparent charging system. Passengers will also be able to complain if there is a problem with the service provided."

HARMONISED RULES REQUIRED

The principle of equal treatment must also be applied in relation to boarding and safety requirements, the EDF argues. "The current



Proposal for the Regulation implies that a disabled passenger can be denied boarding in order to meet 'safety requirements duly established by law'. This clause could result in denied boarding for arbitrary

and unjustifiable reasons that could be different from one Member State to the other. Clearly, harmonised rules at EU level in the area of safety requirements will be necessary."

BURKE PRESIDENCY MARKED BY CONSTANT CHANGE

JOHN BURKE BECAME PRESIDENT OF ACI EUROPE IN LONDON IN 2003. BY HIS OWN ASSESSMENT, THE STORY OF THE FOLLOWING TWO YEARS WAS ONE OF PROFOUND CHANGES – WITHIN ACI EUROPE ITSELF, ACROSS THE INDUSTRY AND BEYOND.

“As President, I felt the need to speak out most often on capacity, sustainability and customer services. The key issues were – and are – capacity and the challenges of growth. First, getting the policy context right and regulatory approval, then securing planning permission and the necessary financing – and all in a context of sustainable development.” Burke said expansion had to be sustainable, both from an economic and an environmental point of view, and was therefore very pleased that ACI EUROPE supported the move to having aviation included in the EU Emissions Trading Scheme.

“Greenhouse gases and climate change are truly important issues, as indeed is noise, and there we strongly felt that the CAEP discussions at ICAO did not go far enough in reducing noise at source.”

ERA OF CHANGE PRE-DATES 9/11

Burke stressed the role of President included promoting the interests of airports at a time of great changes.

“This actually goes back to 1998 when I first joined the Board. Some of the fundamental changes were not caused by 9/11 – airlines were already losing huge sums, leisure travel was growing and business travel down. Then there was the end of the dot.com boom and the rapid increase in low-cost carriers. Sabena, Swissair and Olympic all had or have their troubles, with two failing totally.

“Even today about 75% of US airlines are in or near Chapter 11 bankruptcy protection. But there’s nothing wrong with airline revenues. It is their costs that are out of control.”

He argues today that the industry as a whole always ought to stress that it tries to work together. “So comments from Giovanni Bisignani at IATA that ‘if one partner is losing his shirt and the other partner is counting his money, this signals the end of partnership’ are just not helpful.



Burke: “The key challenges which airports face include getting the policy context right and regulatory approval, then securing planning permission and the necessary financing – and all in a context of sustainable development.”

“There can be no partnership if each side is blaming the other for their ills. We have to develop common aims and we can all agree in principle on certain issues such as safety, security and the environment. It is also easier – relatively – to agree one organisation to another, but more difficult on an individual airport and airline basis.

“Airlines always accuse us of not consulting, but we have far more long-term planning horizons than the airlines. We are also rooted in communities in a way airlines are not, at least to the same degree.

“Also, some airlines treat us as if we are simple providers of airport infrastructure and they pay us taxes to use it. Airports have a wider perspective than a single airline, which, sadly, might not be here tomorrow. Ultimately the passenger pays the airport charges in return for good quality services.”

CONGESTION IMMINENT

Burke added that ACI EUROPE has been very active trying to get across to regulators how airports operate. “Airlines can say ‘we’ll bring millions to

Burke has called on European regulators to think more about airports and less about airlines. "About 60 airports will be congested for 8-10 hours a day very soon, if additional capacity is not built."



your airports, if only we can get a proper deal'. Speaking in Edinburgh recently at the ECAC meeting, I urged the regulators to think more about airports and less about airlines. "About 60 airports will be congested for 8-10 hours a day very soon, if additional capacity is not built, but there was a study in Ireland recently which found that 75% of passengers would be happy to pay two euros more for better services, and 66% would pay three euros more.

"That extra euro can, over a period of time, deliver a new terminal that could be the difference between misery and comfort, with modern, better

facilities and adequate space. Nobody can do this without funding and a fair return on investment.

"But with airlines going through their own problems – with staff costs, pensions and so on – that extra euro is up for grabs, and airlines want it, too.

AVIATION'S UNIQUE SECURITY BURDEN

"Security has been a key element of my Presidency. No other transport sector is required to take on the burden that aviation has. The additional security measures should be funded

centrally by governments. "I have also sought to emphasise aviation's contributions to local, regional and national economies through direct and indirect employment, the facilitation of export industries."

EXPANSION AND THE OAA

European Union enlargement to 25 Member States was a key issue, Burke added, as this brought a huge boost to traffic. "Remember that ACI EUROPE represents all airports in Europe, not just those in the EU, but there was definitely extra traffic as a result. The Open Aviation Area talks with the US are also extremely important. We've seen deregulation from about 1987, but not in ownership. Cabotage would not be an issue if the ownership issue was dealt with first – then airlines could just buy other airlines.

CRYSTAL BALL

"I know I have upset some people when I said I look forward to a 'mature relationship' between airlines and airports. But let me be clear – we want airlines to be strong and profitable, but both sides of this partnership needs a clear understanding of what we can and cannot do...

"Niels Boserup, of Copenhagen, said an LCC once told him all it wanted was a tin shed. He said: "Fine, but I'll have to charge you more if there are no non-aeronautical revenues coming in..."

"I don't know another business where one part so heavily subsidises another. Under a single till regime, if an airport takes the risk of developing commercial activities it gains no benefit if the regulator then lowers the airport charges.

"I am not arguing for a full dual-till regime, but airports should have the right to retain some of the non-aeronautical revenues and use only some for subsidising airport charges."

COMMISSIONER'S VISIT

The visit of new Transport Commissioner Jacques Barrot to the ACI EUROPE offices in January to brief the Board was very important. "It was especially useful in setting out his policy agenda for the next few years and we were gratified that he thanked the airports industry for its excellent co-operation with the Commission. That is something we fully intend to maintain."

www.Flyless.org aims to put air travel's environmental impacts in context with other sources of emissions, such as home heating and car use, as well as publishing an industrial league table for companies.

FLYLESS CAMPAIGN ASKS: 'IS YOUR JOURNEY REALLY NECESSARY?'

A WEB-BASED CAMPAIGN KNOWN AS 'WWW.FLYLESS.ORG' WILL BE LAUNCHED THIS AUTUMN. AN INITIATIVE OF THE AVIATION ENVIRONMENT FEDERATION (AEF), A UK NON-PROFIT MAKING ASSOCIATION CONCERNED WITH THE ENVIRONMENTAL EFFECTS OF AVIATION, ITS CENTRAL MESSAGE IS SIMPLY TO ENCOURAGE INDIVIDUALS AND BUSINESS TO FLY LESS OFTEN, NOT TO AVOID FLYING ALTOGETHER. COORDINATOR **JEFF GAZZARD** WAS INVOLVED IN THE DIRECT ACTION GROUP THAT OPPOSED THE SECOND RUNWAY AT MANCHESTER AIRPORT. DURING THAT PERIOD, NOTORIOUS ENVIRONMENTAL CAMPAIGNER 'SWAMPY' HAD A WEEKLY COLUMN IN THE UK'S SUNDAY MIRROR NEWSPAPER, WHICH GAZZARD GHOST-WROTE. HE OUTLINED THE OBJECTIVES OF THE FLYLESS CAMPAIGN TO ROSS FALCONER.

“It's about impact and awareness, and is designed to embarrass big business and the profligate way it consumes fossil fuel. To use a wartime phrase, we will be asking 'Is your journey really necessary?'," explained Gazzard.

The fundamental aim is to do what environmental campaigners are good at – raise awareness. The campaign will principally be coordinated through the website – www.Flyless.org. Companies will be encouraged to sign up to the campaign and www.Flyless.org will publish a 'green list' of those that have signed up and a 'red list' of those that have not. Case studies will be published online, highlighting how businesses have reduced the amount they fly and by how much.

The website will offer a template of ways in which to control and reduce patterns of air travel consumption for both leisure and business passengers. The opportunity will also be available to pay a 'voluntary flight environment tax' as a way of offsetting the harmful effects of flying, with income going to AEF and organisations like the UK-based conservation charity the Woodland Trust.

Gazzard said: "Cutting business flights is a realistic aspiration. While we're not disputing that international businesses do need to travel, there are sound economic reasons for curbing travel, which, allied with environmental reasons, make a strong case for flying less." One of the key messages of the website will be promoting rail and video conferencing as alternatives to travelling by air.

Gazzard continued: "I recognise fully that we are not going to stop people from flying. We're looking for small step emissions reductions and high awareness. There is no reason why the top 25 city institutions in London cannot take the train to Paris



www.Flyless.org Coordinator Jeff Gazzard: "In simple terms, we're asking businesses whether their emissions are going up and whether they are doing anything about it. We're looking at whether company journeys are really necessary."

and Brussels, even Cologne. Our target for businesses is to cut one in five flights."

In terms of the general public, they will be targeted with a part of the campaign to be informally called '1 in 3'. The essence of this is to encourage travellers to fly only once every three years on their annual holiday, taking the train or driving in a diesel car for each of the next two years. "The logic is that, if we are told to walk the children to school and take public transport to work, then we must make sacrifices – it's about making a contribution towards energy efficiency and sustainable mobility," said Gazzard.

SCALE OF IMPACT

The initiative stems from a UK Department for Transport policy development process, which identified a gap in the market for a source where travellers could find information about the environmental impacts of air travel, what to do about them and how best to avoid creating and adding to the scale of the impacts. Gazzard said: "What convinced me that now is the right time to launch the campaign is that during the UK Government's process of putting together the White Paper 'The Future of Air Transport, the Department for Transport conducted an attitudinal survey among the public. There were a range of responses, but 25% of people said they would be prepared to pay 15% more towards the price of a ticket to compensate for the environmental impacts of flying. There is a degree of consciousness out there."

The survey to which Gazzard referred was entitled 'Attitudes to Air Travel'. An extract read: 'All respondents were then told that although air travel does harm the environment, the cost is not included in the price of flights. They were asked how acceptable they would find it if the cost of flights went up by different amounts (5%, 10% and 15%) to cover environmental costs.' The key findings were that 79% of those surveyed would accept a 5% increase in the cost of flights, 50% would accept a 10% increase and 25% would accept a 15% increase.

'INDUSTRY HOT AIR'

Despite those statistics, Gazzard is cautious in his ambitions for the campaign: "I make no claims as to how successful we will be, but I feel confident we will have some success. We're still at an



www.Flyless.org Coordinator Jeff Gazzard: "Instead of 3-4% growth in aviation annually, I'd like to see 1-2%. That is the same as the technological improvement rate for reducing noise and emissions."

embryonic stage." A difficult issue is how to measure the success of such a campaign. How does Gazzard plan to do this? "We will measure the success by the amount of hot air the industry expels fighting our campaign," he said. "I'm confident it will generate a lot of media interest. We think it is a runner and we like campaigns you can have a bit of fun with. It's not anti-industry or anti-flying, it's anti the impact of flying."

Four categories of measurement have been identified – number of website hits, income generated from both donations and sponsorship, media coverage at launch and onwards, and the involvement of corporate partners.

AEF is looking for someone to provide a media budget, so that it can advertise in the press. That is particularly pertinent to convincing the general public to fly less, according to Gazzard. He is more confident of quick response from businesses. There is also the possibility that AEF will seek celebrity endorsement for the campaign, although Gazzard said: "Frankly, that makes me want to vomit." As a non-profit making organisation, AEF is seeking financial support for website design, support and maintenance, a launch event, annual awards for corporate partners and a contribution towards personnel costs.

"We estimate an annual cost of £15,000 for this

activity and are seeking an initial commitment for funding for two years, with second year funding being £10,000. The AEF will manage and develop www.Flyless.org, providing all necessary management and administrative support," said Gazzard. AEF is also exploring the possibility of generating sponsorship from both government and commercial sources, such as the Environment Agency, DEFRA, video conferencing suppliers and travel guides.

Gazzard said: "We view www.Flyless.org as an innovative campaign extension to the AEF's work that could, over time, become self-financing and begin to change people's travel habits."



The European target is a reduction in aircraft noise of six decibels by 2008-2010. A longer-term target is a 10 decibel reduction by 2020.

