AIRPORTS COUNCIL INTERNATIONAL

Olivier Jankovec
Director General

29 February 2016

Mr Jean-Claude Juncker
President
EUROPEAN COMMISSION
200, Rue de la Loi
1049 - Brussels
BELGIUM

CC: Ms Violeta Bulc, Commissioner – Transport
Mr Dimitris Avramopoulos, Commissioner – Migration, Home Affairs and Citizenship

Dear Mr President,

The removal of internal border controls between Schengen States has played an essential role in the availability of efficient and affordable air services for European citizens. It has allowed intra-European air transport to become a commodity, as evidenced by the continued growth of air traffic. While just over 600 million passengers used Europe's airports in 1990, an estimated 1,95 billion passengers did so last year – with 1,2 billion of these using airports located in the 26 Schengen States.

Against this background, the mounting challenges now faced by Schengen due to the migration crisis and a renewed terrorist threat are a significant concern for Europe's airports – in particular the uncoordinated reinstatement of internal border controls.

A reinstatement of internal border controls at airports across the Schengen area would have severe implications for European aviation, with snowball effects on the economy. Even a reinstatement of internal borders limited to airports in one or a few States would be difficult to manage – as evidenced by the recent experience of the French airports. You will find below a preliminary assessment of the consequences:

- Infrastructural inadequacy & costs

  Over the past 26 years, the distinction between Schengen and non-Schengen passenger traffic flows has conditioned and shaped the development of terminal facilities at airports. Given the prevalence of Schengen traffic volumes at most airports, these terminal facilities would require major infrastructural adaptation. Such adaptation would involve time (in months, not weeks) as well as investments easily reaching hundreds of millions of euros for each of the large airports. In addition, Schengen airports would have to forego past or current investments (not yet depreciated) in the modernisation & expansion of their facilities.

- Unprecedented congestion & disruptions

  The immediate impact of a reinstatement of internal air borders would be unprecedented levels of congestion and disruptions, as the operational capacity of airports would be severely reduced. Flight delays and cancellations would become the norm – with passengers having to queue for hours. Disruptions would not be limited to airports located within the Schengen area, but would potentially spill over across the entire European aviation network and even beyond.
  It is also important to stress that along with the rest of their peers, airports in the Schengen area are presently enjoying a sustained growth in passenger traffic (+5,1% in 2015), which would make such a situation even more difficult to manage.

  Congestion at airports and flight disruptions would most likely be impossible to address in the short-term. Indeed, apart from the afore mentioned infrastructural adaptation process, this would require the deployment of considerable additional police & border control staff, which are not presently available within Schengen States. Today many airports are already experiencing critical levels of under-staffing from their competent authorities. They have repeatedly raised this issue with their Government, given its

impact on service quality and passenger satisfaction. It is also worth noting that following the Paris terrorist attacks of November 2015, the French authorities have decided against reinstating full air border controls at the largest French airports due to a lack of resources. Addressing the challenge of systematic air border control would probably require the deployment of automated border control processes – which in turns requires time, adequate monitoring and involves significant investment[1].

- Hubs endangered & connectivity curtailed

  While the above issues would affect all Schengen airports, the impact would be compounded at hub airports and on airlines operating hub & spoke networks. The *Minimum Connecting Time* (MCT) between flights defined by hub airports and upon which airlines base their schedule and market their services would need to be significantly extended.
  This would result in longer travel times and reduced choice for consumers, as well as degraded air connectivity for Europe. Opportunities for flight connections would be curtailed. Many air routes could become unprofitable and face the risk of being dropped (especially long haul routes which depend on feeding traffic from connecting flights), while routes served by multiple daily services could face a decrease in frequencies. Surface transport (road & rail) would only offer limited substitutable alternatives to the air mobility needs of European citizens – even on intra-European routes.

- New security risks

  One unintended consequence of the reinstatement of air border controls could be an increase in security risks at European airports, as a result of large queues to be expected following the additional border checks. The associated confusion and disruptions could potentially leave airports more exposed to terrorist action in their landside (public) areas.

- Economic & wider impacts

  The above-mentioned operational and connectivity impacts would result in:

  - Multiple additional operating costs and reduced revenues for both airports and airlines. For illustration purposes, busing passengers to remote aircraft positions rather than allowing them to use Schengen gates at French regional airports is adding about €1000 in costs for each single flight. Some airlines have made clear that these additional costs compromise the continuity of their operations in the medium-term.
  - Schengen hubs airports & airlines seeing their global market position affected – as passengers would shun routings via Schengen hubs in favour of alternative competing routings via other hubs & airlines.
  - A reduction in GDP given the strong link between air connectivity and economic growth (an increase of 10% in air connectivity yields a 0,5% increase in additional GDP per capita). In particular, it should be noted that the reinstatement of internal air borders would compromise the position of Europe as the number 1 tourist destination[2].

The complexity of the different impacts from a reinstatement of air borders within Schengen, as outlined above, make it difficult to come up with a comprehensive and accurate economic assessment. However, the extent of these impacts leaves no doubt as to the potentially devastating effects that a demise of Schengen would unleash on European air travel – and beyond on our economies. Schengen is a fundamental part of the fabric of the European air transport system. This also needs to be considered in the light of the Aviation Package adopted by the Commission last December, which takes stock of the increasing strategic relevance of aviation for growth and jobs.

.../...

[1] The cost of just one lane of automated border control is estimated at €120.000 in terms of initial investment, to which yearly running operating costs need to be added.
[2] Europe's market share of global tourism presently stood at 51% in 2014 (European Travel Council).

Therefore, ACI EUROPE is fully supportive of the Commission's agenda to reinforce Schengen's external borders to safeguard its internal area of free movement - as per its Border Package also adopted last December and endorsed by the Council last week.

In calling today for its urgent implementation, we are concerned that adequate border control resources might not be deployed at airports in a timely manner by the competent national authorities - to carry out the contemplated systematic check of EU citizens at external air borders. We are therefore urging the Commission and the Schengen States to ensure that this is the case, so as to avoid operational disruptions affecting air travellers. Beyond these new checks, ACI EUROPE regrets that some States have disengaged from fully assuming their state responsibilities for border control and police, by pushing related costs to airports – thus hampering the competitive position of European aviation.

I remain at your disposal for any further information.

Yours sincerely,

