An Outlook for Europe’s Airports
Facing the Challenges of the 21st Century
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Over the last decade, European citizens have enjoyed the benefits of unprecedented growth in trade and tourism links, between all the regions of the continent and the world beyond. These benefits are the direct result of the liberalisation of European air transport – a policy that has not only changed the rules of the game for airlines, but also led European airports to undergo a process of business transformation.

With governments unwilling to fund airport infrastructure and airlines getting unrestricted access to a European-wide airport superstore in which to shop for the best deal, airports have evolved from mere infrastructure providers dependent on public subsidies to self financed, diversified and competitive businesses. The global economic and financial crisis that started in 2008 has only reinforced competitive pressures on airports. While airlines are already not paying the full cost of the infrastructure they use, the consolidation process under way will result in fewer and more dominant airline groups for the 500 airports of the European aviation network. Competition will also increase externally as European airports will need to attract a growing share of fliers from fast developing nations across the globe.

These competitive pressures mean that the business transformation of airports will continue. Indeed, new business models for European airports are now emerging, with each airport striving to leverage its unique market position and increase its economic and operational efficiency.

Crucially, the fact that airports have become businesses in their own right has allowed them to act as competitive dynamos for local and regional economic growth – with far reaching benefits at national and European levels. Airport operators in Europe directly employ 156,000 staff, along with a total of 1,200,000 employees on airport sites. These airport related jobs amount to a €59 billion annual contribution to European GDP. For every 1,000 airport onsite jobs there are around 2,100 indirect jobs supported nationally.

Airports in Europe are not just supporting their local economy – increasingly, they are defining it. This situation reflects the fact that air transport lies at the heart of modern, globalised economies and that there is simply no viable substitute to the 150,000 routes that constitute the air transport network connecting Europe.

However, if they are to continue to foster economic growth and job creation, a new market-based outlook of airports and their role in the European economy is needed. Aviation is at a crossroads. The sustainability
A new market-based outlook of airports and their role in the European economy is needed

agenda means that over time, new economic and technological fundamentals will substantially redefine the entire sector. In this context, policy makers and regulators need to treat airports as dynamic and independent businesses. More specifically, European airports need to be empowered to address 4 key strategic challenges.

1. **The Capacity Challenge**

   Notwithstanding the global crisis, demand for air services in Europe is still expected to double by 2030. While European airports have committed a total of €120 billion to new facilities between 2000 and 2015, and plan an overall 41% capacity increase by 2030, this will be far from enough. Authoritative projections from EUROCONTROL show that by that time, 11% to 25% of demand for air services will not be accommodated. Europe is therefore facing an airport capacity crunch. This will result in unprecedented levels of congestion – with far reaching repercussions on the environment and the competitiveness of our economies.

   Airport capacity needs to become a top priority for the EU transport policy, with the aim of aligning ATM and airport capacity objectives. This involves a full integration of airports into the new European ATM system presently under development with the Single European Sky and SESAR. There also needs to be a proactive and consistent monitoring of airport capacity at EU level, along with “best-practice” guidelines on land-use planning around airports – linking local, national and community regulations and objectives and delivering consistent processes throughout the EU. Finally, European airports need to be empowered to move towards a more commercial approach when setting user-charges and allocating slots.

2. **The Environmental Challenge**

   The greening of all modes of transport represents an ambitious yet necessary policy objective. For aviation, this is an unprecedented challenge with far reaching technological and economic consequences. European airports are rising to this challenge, building on years of environmental actions. ACI EUROPE and its members have formally committed to carbon neutrality for all activities controlled by airport operators. The launch of Airport Carbon Accreditation in June 2009 is a further step, providing an institutionally-endorsed programme that assesses and recognises efforts by airports to manage and reduce their carbon emissions.

   However, EU policy and regulations need to unambiguously reconcile aviation growth with ambitious environmental objectives – as improvements in one area could be cancelled out by an increase in other environmental burdens. Green taxes and other blunt economic instrument should be avoided and repealed where they exist, since they do not deliver significant improvement to the environment. Europe’s airports fully support the inclusion of aviation within an open emissions trading scheme – ultimately at a world level and building on balanced European initiatives as a first step.

3. **The Connectivity Challenge**

   Aviation is the real worldwide web and the liberalisation of European aviation has demonstrated extended benefits. Without further improvement in Europe’s air transport links with the wider world, our continent risks losing the economic and social benefits of an increasingly integrated global market place. Yet, access to many markets outside the EU remains constrained by antiquated government to government restrictions. These restrictions often prevent hub airports from increasing existing services and regional airports from opening new international connections to improve the connectivity of their communities – for whom access to the wider world is exclusively dependent on aviation.

   European airports support the full liberalisation of air services agreements at EU level. Priority should be given
to achieving an Open Aviation Area with the US and Canada without any restriction, to achieving a Pan-European and Mediterranean Aviation Area comprising all EU neighbouring countries by 2013 and to initiating negotiations with Brazil, Russia, India, China and Japan.

4. The Security Challenge

In the present geo-political environment, effective security is paramount. However, the current security regime remains inefficient. It is mainly reactive, essentially focused on detection – aimed at addressing what is possible rather than what is probable. The lack of genuine harmonisation both within the EU and across the world has only made the ideal of ‘one stop security’ – a system where checks and controls performed at airports located in other countries are fully recognised, thus avoiding duplication – all the more remote.

This situation has resulted in air travel being increasingly perceived as an unpleasant experience by the travelling public. It also results in an extremely challenging operating environment with escalating costs for European airports – security now accounting for 35% of airport operating costs. Unlike the rest of the world, European airports bear the bulk of these costs as no or very little public financing is made available for what remains a prime State responsibility.

Harmonisation at EU and worldwide level needs to be guaranteed – based on the implementation of the “one stop security” concept and an increased focus on intelligence and deterrence. Public financing also needs to be made available, not least because further improvements will be deliverable only through research and new technology, which in turn will require additional investments by airports in equipment and related processes. Indeed, it is about time that European governments bear their fair share of responsibility for funding measures protecting citizens at large.

One fundamental principle binds all elements of this vision. As Europe’s airports adapt to an increasingly competitive marketplace by improving efficiency and customer service, they will need a lighter – and better – regulatory touch. They need to be empowered to manage their own destinies, to the benefit of all Europe’s citizens.
European citizens are enjoying, as never before, the benefits of an increasingly safe, efficient and affordable air transport system. Effective mobility in Europe has long been one of the primary visions of the EU; in the European Commission’s own words: “The free movement of people, goods and services is a driving force behind the sustained development of the Community.”

The last decade has seen an unprecedented growth in trade and tourist links – especially between the most recent EU Member States and their neighbours in the west. Outside the capital cities, in the regions of Europe where most of the continent’s citizens live, the liberalisation of European air transport and the resulting revolution in low-cost air services have proved especially beneficial. Europe and its regions now enjoy an ever-expanding network of air services, linking the continent’s communities to the world.

But how long will citizens and their communities benefit from increasing air services and lower fares? How long will the resulting economic and social benefits continue to flow? Will future generations see the early years of the 21st century as a short-lived golden age of European travel?

Beyond cyclical economic crises, aviation is now confronted with volatile oil prices and the future prospect of an oil shortage. Over time, new technological and economic fundamentals will substantially re-define the whole sector. This evolution will only be accelerated by the need to address the impact of greater mobility on the environment. While economic growth will continue to be the bedrock to guaranteeing the future welfare of all citizens, society now demands, that such growth takes place within a commonly accepted environmental framework.

Europe’s transport systems thus face the unprecedented challenge of having to actively contribute to the greening of the economy. A strategic review of the EU Transport Policy is already underway, and the unique role and benefits of aviation are key issues to be considered in this respect. Indeed, there is simply no viable substitute for most of the 150,000 routes that constitute the air transport network connecting Europe. As a result, the EU has no alternative but to unambiguously and proactively reconcile the growth of aviation with its ambitious environmental objectives.

With the environmental impact of aviation being felt most acutely at and around airports, Europe's airports are at the heart of this debate. But with the benefits they generate as gateways to the global economy spanning far beyond their immediate surrounding areas, airport development remains a prerequisite for a competitive economy and a truly cosmopolitan society.

This requires a new way of looking at airports and a new policy approach, both at European and national level – allowing them to proactively address the key challenges that they face.

With the right policy approach, airports can be catalysts for positive societal change and wealth creation. But with the wrong approach they will become bottlenecks, unable to deliver sustainable mobility and economic growth needed for Europe to compete in the global market place.
Like the continent itself, Europe’s airports have changed. Twenty years ago, airports were mere infrastructure providers, dependent on public finances and essentially focused on the interests of their country’s flag carrier. Today, airports are diversified and complex businesses, increasingly independent and self-financed, responding to the needs of diversified customers.

European airports have thus undergone a process of business transformation. This process has primarily been driven by increasing competition and changing attitudes from Governments.

The times when airports could simply and only rely on their national flag carrier for traffic growth are over. By changing the rules of the game for airlines, the liberalisation policy of the EU also had a direct and far-reaching impact on airports. No longer constrained by route, capacity and pricing restrictions, airlines now have access to a European-wide airport superstore in which to shop for the best deal. This means that airports, whatever their size, are actively competing with each other to attract and retain new customers – passengers, airlines and shippers.

Along with aviation liberalisation, European governments came to expect that airports wherever possible, would stand on their own two feet. Why should they fund costly airport development when airports can manage the job themselves?

As airport charges paid by airlines and passengers do not cover the cost of the infrastructure they use, other revenue sources had to be found and developed. European airports have thus become extremely efficient in generating revenues from an array of non-aeronautical activities such as retail, restaurants and bars, parking, conference centres, real estate, consulting, etc. These activities play an increasing role in financing the modernisation and expansion of airport facilities. They currently account for almost 50% of airport revenues, rising above 70% in some cases.

This development means that the airport business in Europe operates just in the same way as other competitive concerns – winning customers and delivering a return for shareholders, be they private or public, through operational and economic efficiency.

A NEW WAY OF LOOKING AT AIRPORTS
Competitive Dynamos to Growth and Community Awareness
The unprecedented economic and financial crisis that began in 2008 will further the business transformation of European airports. While long-term fundamentals for aviation remain strong, with air traffic still expected to double by 2030, the structure of the aviation market will be very different in the coming years – and will only reinforce competitive pressures on airports, both externally and domestically within Europe.

As the European aviation market has reached maturity, a lot of future demand growth will come from fast developing nations, where the desire and propensity to fly will increase tremendously along with the standard of living. Attracting these future fliers to and through Europe’s airports will mean increased competition with airports located in other world regions.

Within Europe, the crisis has accelerated airline consolidation for network airlines, but also for low cost carriers (LCC). This is likely to result in significant route network concentration around 5 major airline groups, with the low cost segment becoming dominant for intra-European traffic – and more prone than ever to move aircraft and crews in search of the best market.
A New Way of Looking at Airports

Location. Overall, much fewer airlines for 500 European airports – like any other business, there will be winners and losers.

Against this background, new airport business models are emerging in Europe, away from the traditional ones: the hub airport, the regional spoke/hub destination airport and the leisure/low cost airport. While they are not mutually exclusive, these new models involve tailor-made approaches to leverage each airport’s unique market position and strengths. This increasing specialisation reflects the need for each airport to secure their own competitive advantage over others through diversification and innovation.

The on-going business transformation of European airports has not only benefited the aviation system. Crucially, it has allowed airports to become competitive dynamos for local and regional economic growth. As a result, airports now play a unique role in setting the economic agenda of their communities, with far reaching benefits at national and European level.
“With EU enlargement, regional airports are playing an increasingly important role in the areas of greater cohesion and economic growth. Greater cohesion arises in a number of ways including the ability of citizens to travel quickly and easily across the EU. This is particularly important for the more remote areas in the EU.

The economic benefits come in four main ways. Firstly the direct benefit of employment and income that is wholly or largely related to the operation of the airport. Then the indirect benefit of the employment and income generated in the economy of the airport’s local area in the chain of suppliers of goods and services. There is the induced benefit of employment and income generated in the economy of the region by the spending of the incomes of those direct and indirect employees. Finally we have the catalytic benefit. Here we have employment and income generated in the regional economy by the wider role of the airport in improving the productivity of business and in attracting economic activities, such as inward investment and inbound tourism. EU regional airports and regional air services are a European success story in so many different ways.”

Gordon Keymer, Rapporteur on Regional Airports, Committee of the Regions
European airports are not just supporting their local economy – in many cases, they are defining it

many of these niche airports will evolve into larger ones, with even broader activity and income bases.

European airports are not just supporting their local economy – in many cases they are defining it, and the potential for further economic growth based around airport development is huge.

Paris Charles-de-Gaulle Airport alone is responsible for approximately 90,000 direct jobs on and around the airport site\(^3\) and 270,000 indirect or inferred jobs in the Roissy employment basin.

The Dutch government estimates that Amsterdam Airport Schiphol accounts for nearly 2% of GDP, with this figure expected to rise to 2.8% in 2015.\(^4\) Freight companies build new warehouses and manufacturers build factories close to the runway for speedy delivery times. The significance of Amsterdam Airport Schiphol was proven in the March 2009 decision by the Dutch government, repealing their air passenger tax, as it was driving traffic away.

Munich Airport is Bavaria’s second largest company and a magnet for enterprise in itself – every 18 days a new company sets-up business in the area surrounding the airport. Every day Munich airport creates up to 4 additional new jobs (direct and indirect). With regard to the future, the workforce at the airport is expected to keep growing: By 2020, Munich airport will have a total workforce of 41,000 employees.

Airports of all sizes can play an important role in fuelling economic growth, with even small and medium sized airports transforming local economies. Birmingham International Airport in the UK has a total of 130 companies employing 7,000 people on site at the airport.\(^5\) Since Slovenia joined the European Union in May 2004, Ljubljana Airport has seen a 75% increase in tourists from other European countries passing through the airport.

To allow airports to continue to foster economic growth and the benefits for Europe’s citizens that it brings, a new market-based outlook of Europe’s airports and their role in the European economy is needed. Over the next few years, Europe’s airports face several major strategic challenges. Policy-makers and regulators will have to treat airports as dynamic businesses, giving them the freedom to implement the key enablers of a better air transport industry. In particular, there are four areas where Europe’s airports face serious challenges:

- **The Capacity Challenge**: how should Europe’s airports plan, fund and deliver appropriate capacity improvements in the face of ever-increasing and complex restrictions and delayed decision-making processes?
- **The Environmental Challenge**: how should Europe’s airports balance the demand for more passengers and services with the need to be increasingly sensitive to local, national and global environmental protection measures?
**The Connectivity Challenge:** how should Europe’s airports ensure the continent’s citizens can continue to benefit from the growth in air travel and trade locally and throughout the world?

**The Security Challenge:** how should Europe’s airports make travelling through the terminal a more comfortable experience, while improving levels of security?

To meet these challenges, ACI EUROPE – the voice of Europe’s airports – has developed a series of positions which it believes are vital not just to Europe’s air transport industry, but the economic, social and environmental well-being of the continent itself. These positions steer a clear course for the development of an integrated and proactive EU policy for airports.

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**EAST MIDLANDS AIRPORT & NEW WAY OF LOOKING AT AIRPORTS**

“East Midlands Airport’s location at the centre of the UK has contributed significantly to its success in growing both its passenger and freight business. Originally owned by the five surrounding local authorities, EMA opened as a commercial airport in 1965 on the site of a former RAF base and handled some 118,000 passengers in its first year. Today, after being privatised in 1993, EMA is owned by Manchester Airports Group and annual passenger throughput is approaching six million.

Timely extensions to the runway and terminal facilities in the 1970’s, 80’s and 90’s attracted a mixture of European scheduled and chartered services. However, it was the low-cost revolution and the arrival of Go (later taken over by easyJet) in 2002 followed by bmibaby and Ryanair that galvanised EMA into creating cost-effective solutions to the needs of the low-cost airlines.

We have also exploited our unique location – adjacent to the national motorway network and within four hours trucking time of 90% of the UK mainland. As a result, DHL, UPS, TNT and the Royal Mail have helped to make EMA the UK’s largest pure freight and mail hub.

Our airport is a vibrant economic hub providing over 7,000 jobs on the site. Recently, the airport has received planning permission to extend the existing 2893 metre runway by 190 metres. The extended length will enable aircraft to depart carrying more fuel, passengers or cargo and make the airports runway the third longest civilian runway in the UK. Our focus is to continue to develop in a sustainable way and make our ground operations carbon neutral by 2012 – and to ensure we provide an airport that encourages and excites passengers to make East Midlands Airport their first choice when travelling.”

*Penny Coates, Managing Director, East Midlands Airport*
Key Points

- Airports have developed into complex, mature global businesses – but many of the regulations governing their operations are still stuck in the 1970’s.
- All airports, large and small, have a critical economic and social role to play.
- Airports need a lighter – and better – regulatory touch and they need to be empowered to manage their own destinies to the benefit of all Europe’s citizens.
- Europe’s airports face four major challenges they will have to address if they are to meet the needs of their customers and the communities they serve. Capacity, Environment, Connectivity and Security.
Meeting the Capacity Challenge

How should Europe’s airports plan, fund and deliver appropriate capacity improvements in the face of ever-increasing and complex restrictions and delayed decision-making processes?

The Challenge
Europe is facing an airport capacity crunch. This is not a new issue as EUROCONTROL has repeatedly released warnings on the matter, since 2001. Although European aviation is probably at a turning point in its history, the mutual dependence between the economy and air transport will remain. This means that despite the cyclical fall in traffic in times of economic upheaval or geopolitical shocks, demand for air services is still expected to double by 2030.

EU policies play an important role in stimulating the demand for air services. Further EU enlargements and an active Neighbourhood policy towards the East and across the Mediterranean will reinforce economic and cultural ties. The development of the EU’s external aviation policy will also unlock passenger and freight demand through the liberalisation of aviation worldwide.

The critical situation regarding the future capacity of the European airport network will result in unacceptable congestion, with far-reaching implications for European competitiveness. Consider for a moment how Europe’s airports and airlines are already under increasing pressure from competitors outside the continent with no growth constraints. In particular, airports in the Gulf are benefiting from proactive and integrated aviation policies, fiercely competing with European hubs for transfer traffic between the Americas and Asia as well as Africa and Asia. For example, while Dubai airport is being enlarged to accommodate 75 million passengers, a second airport is also under construction. This new facility will ultimately have 5 runways with a total capacity of 120 million passengers, nearly twice the number of passengers presently handled by London-Heathrow, Europe’s busiest airport. Significant airport developments are also taking place in China and India. In all probability, by 2030, none of the world’s 10 biggest airports, in terms of passenger traffic, will be located in Europe.

The lack of adequate airport capacity will also result in substantial environmental costs and inefficiencies, while potentially compromising further safety improvements. It is already putting at risk the success of the Single European Sky and SESAR, which aim at creating a threefold increase in Air Traffic Management capacity, coupled with a 10% reduction in aircraft emissions per flight. Indeed, the creation of additional capacity in the sky will be a futile and fruitless exercise if not matched by corresponding capacity on the ground.
Where Are We Now?

To compete and attract new airline services, Europe’s airports have committed a total of €120 billion in new facilities between 2000 and 2015. These investments are largely paid for through the development of commercial revenues and external debt, in order to keep airport charges paid by passengers and airlines at competitive levels.

Going forward, a 41% increase in capacity is currently planned by European airports by 2030. Out of the 500 commercial airports of the European aviation network, such plans include 5 new airports, 29 new runways and new airsides (taxiways, apron, etc) or landside (terminals) extensions at 106 airports.

Yet, despite these plans and significant investments, airport capacity will be the main bottleneck of the European aviation system. Authoritative 2008 projections from EUROCONTROL show that by 2030, between 11% and 25% of demand for air services will not be accommodated. This translates into 19 to 39 airports fully saturated (in other words, facing operating conditions similar to those of London-Heathrow today!) and 160 to 490 million passengers potentially affected.

Gulf-based airlines are investing heavily and have placed orders worth €43 billion for 350 aircraft. 20% of the latest generation long haul jets on order (A380, 787, etc.) are going to airlines based in the region.

Source: Airport Business, Janes Airport Review, ACI 2007 Airport Economics Survey, and airport websites
Beyond these figures, the emerging picture for the future of our air transport system is one of chaos, with passengers and airlines exposed to cascading delays and flight cancellations on an unprecedented scale. While this situation will concern primarily the larger hub airports, many medium sized airports or even small airports will also be affected, either because they themselves have little capacity to spare or simply because of the domino effect of the capacity shortage spreading throughout the network.

Airports and airlines are willing to work more closely with high-speed rail to develop intermodal links as a means of improving the use of increasingly scarce airport assets. Good intermodal connections increase route choice and improve travel times to and from airports. They also increase the airport’s catchment area by linking more regions to the airports, while at the same time reducing travellers total travel time and emissions. The development of adequate ground infrastructure is therefore a key success factor for airports and the regions they serve. However, surface links cannot offer viable alternatives to all the transport challenges of a continent as complex and diverse as Europe.
Air transport is simply faster, more efficient and more dynamic at developing connectivity across Europe.

The magnitude of the airport capacity crunch that Europe is facing is such that even if some mitigation effects can be expected from better use of existing capacity and from the development of intermodality with rail, the only real solution is the development of new airport infrastructure. This is proving extremely challenging for airports as they face increasing difficulties in securing permission to build and financing expansion.

As local and national environmental restrictions tend to dictate the capacity of an airport, planning and authorisation processes for expansion have become extremely cumbersome, both in terms of time and costs involved. For example, the planning process for Munich airport took 22 years at a cost of €800 million. In addition, expansion plans are often at the mercy of politics, adding great uncertainty and potentially resulting in the interest of the few prevailing over those of the majority. In these conditions, European airports are simply not in a position to respond to market demand.

Added to the hazards of planning processes, simply financing capacity expansion is becoming more and more difficult. Historically, airlines in Europe have enjoyed very cheap airport infrastructure. Airports’ public shareholders used not to expect a substantial financial return on their investment and were essentially subsidising airlines’ shareholders through low airport charges. The positive evolution of airports as businesses in their own right means that those days are now over. Moreover, airports are also facing increasing external costs, especially for utilities and all security related activities.

While airport competition now ensures that airlines never pay the full cost of the infrastructure they use, they will probably need to pay a fairer share of these costs in the future. Yet, many airlines do not accept the normalisation of the airport business. Negotiations over airports charges have become extremely difficult over the last years, often leading to disagreement and legal battles.
Airlines constantly call for widespread and intrusive economic regulation of airports, which can jeopardise airport expansion when charges are capped at unrealistic levels. Moreover, airport capacity also plays a key role in driving airline competition, while inadequate economic regulation can be a very effective way for an airline to protect its dominant position at an airport. This is precisely where the interests of the airlines do not coincide with those of the travelling public.

A Strategy for the Future

While airport capacity remains an issue of national competence, the far-reaching consequences of the looming capacity crunch are clearly of common European interest. This needs to be addressed accordingly. This means that the EU should finally come to terms with the challenge of airport capacity and make it a true priority of its Transport Policy – along with the Single European Sky project and SESAR (Single European Sky ATM Research).

The report delivered in 2007 by the High Level Group of aviation experts to the European Commission® confirmed that airport capacity will be the main bottleneck in the European air

DUBLIN AIRPORT AUTHORITY & CAPACITY

“We are all familiar with the airport dilemma in Europe – congestion increasing at major airports as passenger numbers grow while the flexibility to add terminal and runway capacity in line with this growth is curtailed by planning, economic or environmental constraints.

All this is happening while airports are struggling to accommodate a rapidly changing demand and demographic profile from passengers who are flying more frequently, and flying at an older age. Passengers are less tolerant of congested facilities than in the past, but at the same time choose airlines which vigorously challenge the cost of airports providing the facilities they demand. The result is that airports are under pressure to provide more capacity and better services at lower cost than ever before – we are obliged to do a lot more with less. While the challenge to be more efficient is one that commercial airports are used to, we are reaching a stage at many airports where congestion cannot be dealt with except by additional investment, and investments cannot be made unless they are remunerated appropriately.

As airlines are increasingly deregulated on a regional and global level, airports face growing regulatory constraints, frequently at the behest of these same airlines. This creates a dilemma for airports as they have significantly less scope than other businesses to use their initiative and enterprise to address these myriad problems and challenges. Increasingly, regulation adds to airport costs. Balanced and appropriate regulation is required in specific instances, if an airport has a dominant market position, but excessive regulation as faced by many airports is very costly and counter-productive. The Irish Regulator, the CAR, disallowed 78% of the capital programme for Dublin Airport in 2001 which consigned the airport to years of congestion, lowered service levels and stunted the airport potential to contribute more effectively to the key economic aviation gateway to the Irish economy. Not all regulation is good regulation, regulation is not a panacea, and should only be introduced where absolutely necessary.

Airports face many competitive pressures and airports need the same freedom as airlines to respond to a dynamic market place.”

Declan Collier, CEO, Dublin Airport Authority
Airport capacity plays a key role in driving airline competition

transport network, that merely optimising existing capacity will not solve the problem and that new infrastructure will be needed. The report advocates a new “total aviation system approach” at EU level aimed at aligning ATM and airport capacity objectives in order to ensure the overall efficiency of the air transport network.

ACI EUROPE fully supports this approach and is cooperating closely with the European Commission and EUROCONTROL. Many of Europe’s airports are already striving to optimise their own operations. Airport ramp activities will need to be streamlined and aircraft turnarounds managed in a more efficient way. Beyond these tactical improvements, Europe’s airports are promoting a three-point strategy to meet the capacity challenge.

1. Consistent monitoring of airport capacity at EU level.
An inventory of airport capacity and related data is required, affording a comprehensive understanding of the issue and the implications of national decisions on the European aviation network.

2. EU “best-practice” guidelines on land-use planning around airports.
These guidelines will link local, national and community regulations and objectives, so local authorities may use a common framework when considering airport expansion schemes. This should speed planning decisions while delivering a consistent process throughout the EU. In addition, these guidelines need to take into account the importance of protecting areas around airports from residential development, so that airports can expand whilst avoiding conflicts with new communities.

3. Empowering airports in relation to airport charges and slot allocation.
Europe’s airports are now competing businesses. They need to be empowered to move towards commercial approaches when setting user-charges, which should reflect investments needed to maximise their capacity (in particular through programmes identified by SESAR) and further develop their facilities. They also need to be in a position to effectively influence slot allocation processes, so that airlines become incentivised to use scarce airport capacity in a more efficient way. To improve and build the infrastructure required to meet future demand, Europe’s airports need to be able to make investments now. They need a lighter regulatory touch. This means developing an appropriate and supportive economic regulatory framework where economic regulations can be developed to promote, not deter, capacity increases.
• Demand for air traffic is expected to double by 2030, far exceeding the future capacity of the European airport network.

• Airport capacity needs to become a top priority of the EU transport policy with the aim of aligning ATM and airport capacity objectives. This involves a full integration of airports and ground activities within the new European ATM system presently under development through the Single European Sky and SESAR.

• The evolution and development of airport capacity needs to be closely monitored by inventory at EU level.

• “Best-practice” guidelines on land-use planning around airports are needed, linking local, national and community regulations and objectives.

• Europe’s airports need to be empowered to move towards more commercial and efficient approaches in relation to user-charges and slot allocation.
How should Europe’s airports balance the demand for more passengers and services with the need to be increasingly sensitive to local, national and global environmental protection measures?

**The Challenge**
Along with the economic and social benefits that it brings, aviation has environmental impacts including noise and gaseous emissions. Over the last few years, climate change has rapidly risen up the political agenda in Europe, resulting in the formulation of an integrated energy and climate change policy. The “Climate Change Package” adopted by the EU in December 2008 aims at implementing its ambitious commitment to reduce CO₂ and related greenhouse gas emissions by 20% by 2020. In this context, greening all modes of transport represents an ambitious yet necessary policy objective.

For aviation, this is an unprecedented challenge with far reaching technological and economic consequences. Aviation currently accounts for approximately 3% of worldwide greenhouse gas emissions from fossil fuel use with European aviation accounting for 0.5% of worldwide carbon dioxide (CO₂) emissions. All industry stakeholders are committed to making an active and meaningful contribution to the reduction of aviation’s gaseous emissions.

Yet airports are facing an array of contradictory requirements and pressures from local, national, European and international institutions following different priorities and responsibilities. Airports need to provide more capacity, while lowering their impact on the environment at the same time.

**Where Are We Now?**
Since the 1970’s, European airports have launched far-reaching programmes to manage and mitigate the impact of aviation across a wide range of areas. Initially, their focus was on the local environmental impact as they sought to address noise issues, local air quality, water management and biodiversity. In parallel, regulators took steps to reduce aircraft noise through the introduction of noise and movement limits, thereby restricting the use of the loudest aircraft types.

However, within the contemporary context of climate change, Europe’s airports are now also addressing the global environmental impact of aviation. Airports may be responsible for only a small fraction of total aviation emissions, up to 5%, but they are committed to tackling this impact, as evidenced by the landmark Resolution adopted by the General Assembly of ACI EUROPE in June 2008. With this resolution, Europe’s airports have committed to reducing their...
own carbon emissions with the ultimate goal of becoming carbon neutral.

Beyond this formal commitment, Europe’s airports are actively working on making their carbon neutral vision become a reality. In June 2009, ACI EUROPE launched Airport Carbon Accreditation, the only institutionally-endorsed programme which assesses and recognises efforts by airports to manage and reduce their carbon emissions.

Airport Carbon Accreditation launched in June 2009 with more than 30 airports in 11 countries, representing 26% of European air passenger traffic.

BAA has established an absolute CO₂ emissions reductions target of 15% below 1990 levels by 2010, despite a projected growth in passenger numbers of around 70% during this period. This is being achieved through improvements in energy efficiency and conservation and through increasing the use of renewable energy sources. BAA also continues to invest in public transport alternatives for access to airports, to encourage passengers and staff to leave their cars at home.

Operation of aircraft auxiliary power units (APU) which provide energy and preconditioned air to parked aircraft causes gaseous emissions and noise, thus often contributing significantly to the local air quality and site noise. As an alternative, fixed energy systems (FES) mitigate these impacts. At Zurich Airport all terminal stands connected to the concourses by passenger loading bridges provide FES. The use of APUs is subject to restrictions and airlines are obliged to use FES primarily. The ecological benefits of the FES are convincing: In 2001, the use of FES saved 12,170 t of fuel amounting to 38,500 t of CO₂ and 75 t of NOx. The reduction of NOx emissions amounted to 4.3% of all airport induced NOx emissions and 60% of all APU induced NOx emissions.

In 2006 Oslo Airport was one of the first airports to be declared carbon-neutral. In 2007 Avinor initiated and managed a research and documentation project, “Aviation in Norway – Sustainability and Social Benefit”, in cooperation with the Norwegian airlines. To ensure a thorough and transparent process, the main stakeholders, including the three major green groups in Norway, participated in a “resource group”, and The Norwegian Institute of Transport Economics and Cicero – the Centre for International Climate and Environmental Research contributed background materials to the project. The project identified over 50 emission reducing initiatives. The other 45 airports in the Avinor network were declared carbon neutral from 2008.

La Palma Airport in the Canary Islands has become the first in Spain to be equipped with wind power generators. The plant consists of two 660kW nominal strength wind generators that produce most of the energy needed to run the airport facilities. The wind generator turbines are situated in the eastern part of the airport where they do not interfere with air navigation. Over a seven month period, 943 MWh were produced.

**Exhibit 6** Examples of Environmental Initiatives at European Airports

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<th>Emission Control Standards</th>
<th>BAA Airports, UK</th>
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<th>Fixed Energy Systems for Aircraft (FES)</th>
<th>Zurich Airport, Switzerland</th>
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<th>Carbon Neutrality</th>
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<th>Wind Power Generation</th>
<th>La Palma Airport, Spain</th>
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EU policy and regulations need to unambiguously reconcile aviation growth with ambitious environmental goals

Europe’s airports recognise the years of “predict and provide” are now long gone; they understand that there will have to be further action on aircraft noise levels, local air quality and the emission of greenhouse gases. Airports can only provide new infrastructure if this is done in a responsible manner. This also involves better communication with local communities on mitigation aspects and compensation, where applicable.

Airports are working hard to earn their license to grow by lowering the impact of their operations, in cooperation with other stakeholders – for example, by improving the efficiency of aircraft turnarounds, building energy-efficient facilities, encouraging the use of electrically-powered ground-handling vehicles and actively promoting public transport surface links to and from the airport, as well as effective intermodal connections.

However, like all other aviation stakeholders in Europe, airports are lacking a clear policy direction at EU level that defines where the priorities lie between different environmental impacts. Indeed, improvements in one area – such as the emission of greenhouse gases – could be cancelled out by an increase in environmental burden in another area such as local air quality or noise levels.

Exhibit 7 LFV, the Swedish Airport Company, Has Become Sweden’s 1st Major Climate Neutral Company

- LFV is working toward zero emissions of carbon dioxide in its own operations
- Focus is on actions where the possibilities to have an effect are greatest:
  - Electricity and heating
  - Vehicles at the airport

LFV – Own Emissions and Emissions from Passenger Transports on the Ground 2006

- Passenger transports (on the ground) to/from airports: 96%
- Own emissions: 4%
- 349,206 tons CO₂ (2005: 359,010)

Source: LFV

LFV – Own Emissions 2006

- Own vehicles: 45%
- Electricity and heating: 40%
- Business travel: 12%
- Fire drills: 3%
- 13,746 tons CO₂ (2005: 15,180)

Source: LFV
These contradictions need to be addressed by regulators who have to set priorities for operators to follow.

Furthermore, EU policy and regulations need to unambiguously reconcile aviation growth with ambitious environmental goals. Simply constraining growth by limiting capacity is not an option. As the Stern Review *The Economics of Climate Change* concluded, capacity limits are “a form of rationing which is an inefficient way of regulating demand” leading to more congestion and delays – needlessly polluting the atmosphere as aircraft waste fuel, flying in circles until a landing slot becomes free.

Regulators must agree at local, national and EU level how land-use measures can be developed to safeguard areas around airports from urban development and how “market-based” incentives should be introduced to encourage quieter and cleaner aircraft operations.

**A Strategy for the Future**

Aviation growth must be placed within an environmentally responsible framework that also recognises the social and economic value that it brings. This means that a more comprehensive,
A consistent and aligned regulatory approach is needed, taking into account the need for more investment, more efficient operations and the introduction of economic instruments to encourage environmentally sensitive practices.

An EU policy that reconciles aviation growth with ambitious environmental goals is an absolute prerequisite if aviation is to continue to deliver the wide-ranging benefits it brings to society. That policy should be based on the following measures:

1. Investment in new technology.
   More research funding is required both at EU and national level to develop further aviation technological improvements. Although carbon dioxide (CO₂) emission and fuel burn rates have improved 70% since the development of first-generation jet engines, more needs to be done to reduce fuel consumption and control aviation’s environmental footprint. Technical improvements should be reflected in new internationally-agreed regulatory standards. These must be ambitious but achievable, covering areas such as nitrous oxide (NOₓ) emissions and noise, with a view to encouraging the introduction of new technology into airline fleets as soon as possible.

2. Efficient infrastructure and operations.
   Improved operational measures are needed, especially in areas such as air traffic management (ATM) and airport capacity enhancement, to ensure airlines are flying the shortest routes with the most appropriate aircraft, the fewest delays and the quietest procedures. The Single European Sky and SESAR are key projects that need to be implemented swiftly given their strategic importance for the European aviation system.

   “Green” taxes that are simply blunt instruments for public revenue generation, without delivering significant environmental benefits must be repealed where they exist. At the very least, related revenues should be invested directly back into the industry for infrastructure improvement or research into new technology. On the other hand, new economic instruments, such as emissions trading schemes and local environmental charges, can play a part in reducing aviation’s impact on the environment – but they should not duplicate existing instruments. European airports support the inclusion of aviation within an open emissions trading scheme at a world level, ultimately building on balanced and tested European initiatives as a first step. The scheme should be environmentally credible, economically feasible and effective.

Europe’s airports have long understood that they have to work within a framework of environmental responsibility. But once this has been established they must be given the freedom to operate and grow as appropriate. They need a stable and predictable operating environment, with consistent regulations and coordination between the different levels of decision-making, while preserving the flexibility to implement local solutions.
Key Points

• Europe’s airports have for long been committed to their environmental responsibilities and continue to make significant progress in managing and mitigating environmental impacts.

• Launched in June 2009, Airport Carbon Accreditation is the collective industry response to the challenge of Climate Change.

• The EU needs to reconcile aviation growth with its ambitious environmental goals.

• Regulators need to define where the priorities lie between different environmental impacts.

• Green taxes and other blunt economic instruments which do not deliver significant improvements must be avoided.

• A global and open Emissions Trading Scheme for aviation should be the objective.
MEETING THE CONNECTIVITY CHALLENGE

How should Europe’s airports ensure the continent’s citizens can continue to benefit from the growth in air travel and trade locally and throughout the world?

The Challenge
Aviation is the real worldwide web. It is vital to the future of the European Union. Without further improvement in the continent’s air transport links with the wider world, Europe risks losing the economic and social benefits of an increasingly integrated global market-place. Yet, the aviation industry still needs to be treated internationally as a normal, commercial business. It continues to be held back by antiquated rules restricting market access and airline investment.

Where Are We Now?
To this day, Europe remains the only example of an effective liberalisation of aviation on a regional basis. With airlines free to start new services between whichever airports they choose, the number of air routes within the EU has increased by 170% since the creation of a single aviation market in 1993. More recently, 1,000 new “city pairs” were added to European airline schedules between 2003 and 2007. As a result, competition has flourished throughout the airport sector, from small regional airports to the largest hubs. This has allowed aviation to play a key role in advancing the integration of new entrant EU member states with the rest of the Community.

Significant efforts have been deployed by the European Commission to export its liberalisation policy beyond the EU. Results have started to yield, in particular with the US and Canada, but also with Morocco. For the first time, non-stop intercontinental air services are now available from European regional airports (for example, Bristol, Pisa, Stuttgart, Venice and Rzeszów have direct flights to the United States).

By 2013, some 25 million additional passengers and 80,000 new jobs are anticipated from the first stage of the EU-US Open Skies agreement alone, with expected economic benefits totalling €12 billion.

If Europe is to maintain its status in world trade, it will need better transport links with other markets outside the continent. However, further progress needs to be made and remaining government-to-government restrictions on air routes, capacity, pricing and airline ownership and control need to be lifted on a larger scale.

A Strategy for the Future
Europe’s airports support the opening-up of new services from the continent to airports throughout the world – from
both capital-cities and the regions. They want to ensure that Europe will not miss out on the trend towards global connectivity – be it through very large aircraft connecting major European hubs with super hubs in Asia, Middle East and North America or through new international services from regional airports. The next generation of medium-sized long-haul aircraft such as the Boeing 787 and Airbus A350 will open up further opportunities for direct global connections from regional airports.

This is particularly important for smaller airports serving the continent’s regional economies where there is still substantial capacity for growth. At the periphery of Europe, airports promote the interests of remote communities whose most important access to the wider world is the air service.

Traffic rights liberalisation and the relaxation of airline ownership limitations allow European airports to compete for new carriers and new routes. This in turn allows airports to improve their traffic mix, reduce their dependence on a dominant carrier (or one type of traffic) and optimise their network of destinations – all key success factors for airports and the communities they serve. This particularly applies to regional airports which tend to rely on one particular type of traffic and are

**Düsseldorf & Connectivity**

“Düsseldorf has developed into one of the most interesting airport locations in Germany. After Frankfurt and Munich, Düsseldorf is the only airport with significant intercontinental traffic: We are Germany’s upcoming hub. In particular, the Air Berlin Group and Lufthansa are betting on North Rhine-Westphalia’s largest airport.

We are the most important airport in Germany’s largest economic region. At Düsseldorf International, airlines find a strong market with great potential. The Rhine-Ruhr-region is the third largest economic region in Europe. Ten of the thirty DAX-companies are based in North Rhine-Westphalia, and 18 million people live within a radius of 100 kilometres of the airport.

We want to be the airport with the shortest and easiest transfers. In cooperation with the airlines, we will expand our airport to optimally implement hub functions. We have an excellent starting point for this. For example, the ‘airport of the short paths’ guarantees its passengers the shortest transfer time of 35 minutes. We have added an investment program amounting to some €300 million to prepare the airport over the next three years for its future as a hub. In 2007, we launched a 3 year investment programme amounting to some £200 million, to develop the airport’s future as a hub, expanding the airport’s infrastructure and building up the non-aviation segment.”

**Christoph Blume, CEO of Flughafen Düsseldorf GmbH**

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Meeting the Connectivity Challenge / 27
actively seeking to diversify. At congested airports, aviation liberalisation can help to optimise the use of existing capacity by encouraging the use of scarce slots for long haul routes.

Therefore remaining regulatory barriers to growth – such as restrictive bilateral air services agreement and inadequate slot allocation policies – should be abolished.

Europe’s airports support the European Commission’s efforts to fully liberalise international air services agreements at EU level. They consider that priority should be given to:

1. Achieving full liberalisation with the US and Canada at the earliest.


3. Initiating negotiations with the EU’s main trading partners (Brazil, Russia, India, China and Japan) at the earliest opportunity.
European airports are willing to contribute to these objectives by directly participating in international aviation negotiations – once the exclusive remit of the State and the national flag carrier, which together set the policy and the route network for airports. Airports are indeed keen to develop their network of destinations with the frequencies and capacity that match the demand of the travelling public and the need of their communities, while complying with local environmental restrictions.

European consumers and regions stand to benefit most from the wider choice of destinations and services made possible through aviation liberalisation. Therefore Europe’s airports will need to play an even more active role in these aviation negotiations to ensure the benefits and macro-economic impact of new air services are fully taken into account.

Exhibit 8 Pan-European/Mediterranean Aviation Area

58 States – Approx. 1 Billion Inhabitants

- EU27
- ECAA countries
- Aviation agreements in force
- Aviation agreements under negotiation
- Other neighbouring countries

Source: Cartography DG TREN, European Commission (2008)
Europe’s airports will need to play an even more active role in aviation negotiations.

**Exhibit 9** New Routes Within Europe

The number of airline routes within the EU has increased dramatically since the creation of the single aviation market in 1993.

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**Source:** OAG & “Flying Together, EU Air Transport Policy” 2007, DG for Energy & Transport, European Commission

**Exhibit 10** Example of the EU-Morocco Aviation Agreement

- Total passenger traffic increased by over 22% in 2007 – from 6.6 million to 8 million.
- More than 50 new routes (from Fez, Tanger, Oujda, Gerona, Marseille, Bergamo, Gatwick etc.).
- 12 new air carriers have entered into the EU-Morocco market.
- Cross investments between the two shores of the Mediterranean: allow the development of the Moroccan air carrier Jet4You financed by European investment (TUIfly) and should facilitate the process of privatisation of Royal Air Maroc (RAM).

**Source:** European Commission
Key Points

• Increased and diversified aviation links are vital to the economic, social and cultural future of Europe.

• Airports promote the interests of local and remote communities for which access to the wider world is the air service.

• Aviation liberalisation allows airports to improve their connectivity and to optimise their network of destinations, all key success factors for airports and their communities.

• Europe’s airports support the full liberalisation of air service agreements at EU level.

• Airports need to play a more active role in aviation negotiations to ensure the macro-economic impacts of new air services are fully taken into account.
The Challenge
In the present geo-political conditions, effective security is paramount, not only to the air transport industry, but to society as a whole. In this regard the events of 11 September 2001 resulted in a paradigm shift in aviation security. The terrorist plot uncovered in the UK, in August 2006 and the failed attempt to bomb a transatlantic airliner on Christmas Day 2009, further complicated the lives of air passengers and impacted severely upon airport operations.

While maintaining the integrity of the security chain, further technological development is needed to produce genuinely harmonised security standards, speeding passenger and cargo screening through ‘one-stop’ processes.

However the current system remains mainly reactive; broadly, it comprises layer after layer of new regulations with little appreciation of how these will impact the overall aviation system. This means that as passenger numbers rise, the air travel experience will become even more uncomfortable. The current measures often increase tension between passengers and airport staff – most notably when sudden new measures are introduced, such as limits on liquids in hand-luggage – to the detriment of the overall efficiency of the security system.

Where Are We Now?
For Europe’s airports the current situation is unsustainable – this is why they are working hard to improve security services by redesigning facilities and providing expertise and advice to regulators on the assessment of new initiatives such as passenger-profiling, automation and biometrics. Airports also recognise that less intrusive security is needed. They believe that adding more detection-centric regulation is not a sustainable solution. An entire re-think of the aviation security system is overdue.

The present lack of genuine harmonisation both within the EU and across the world has only made the ideal of ‘one-stop’ security all the more remote. Increasingly complex security procedures are draining airport budgets and adding to the hassle factor of airline travel. Security now accounts for 35% of airport operating costs. On average, over 40% of the entire airport staff is security-related.

Europe’s airports are picking up most of the bill for improved aviation security – unlike their competitors.
Meeting the Security Challenge in other parts of the world. Yet societies are the ultimate target and governments should bear responsibility for funding the measures which will better protect their citizens. At the moment it is the European aviation system that is paying the bill for what is essentially a government duty – and this contradicts ICAO guidelines on the roles and responsibility of States for protecting the travelling public.

A Strategy for the Future
It is time to take a more proactive view of how to best protect passengers, staff, communities and societies.

Improvements should be affordable, efficient and agreed by both European and national regulators. This consensus-building approach has a distinct advantage: while allowing for process standardisation across the European Union, it also provides the necessary level of harmonisation required for credible international dialogue. That dialogue is essential for achieving our ultimate goal, namely, to ensure that a ‘one-stop’ security space is built on as global a basis as possible. That space will provide efficient security processes globally, while ensuring the highest level of travel facilitation.

LJUBLJANA AIRPORT & SECURITY

“The increased need for stricter security imposed by EU regulation coincided with Slovenian-amended Aviation Act. In 2006, it set out conditions whereby the implementation of basic security screening of passengers and their hand baggage could be handed over to airport operators. To this end, a working group was formed, bringing together representatives from the Ministry of Transport’s Civil Aviation Directorate, the Ministry of the Interior’s General Police Directorate and airport operators. The working group’s main task has been to ensure the transition of the relevant tasks to the airport operator.

This was a major challenge for Aerodrom Ljubljana, since meeting the legal requirements meant adapting existing operative procedures to the new conditions and the employment and training of an additional 35 security personnel. The Police handed over the implementation of security screening of passengers and hand baggage to Aerodrom Ljubljana on 6 November 2007. Responsibility for security screening of passengers and new security conditions were implemented smoothly and successfully.

However, this changeover saw enormous increases in security costs – up 60% compared to year before! As a result, we reluctantly had to take the very unpopular step of introducing a security tax of €3.90. Of course, we have faced some objections, mainly from air carriers. The tax has had a negative marketing effect among some airlines, as it in fact means higher costs being transferred to passenger fares, but it was the only way to cover increasing security costs.”

Zmago Skobir, President of the Management Board, Aerodrom Ljubljana, plc
Meeting the Security Challenge

Europe’s aviation security regulators need to work towards a mutual recognition of security standards with countries outside of Europe. There should also be closer ties between government agencies, airports and airlines. Indeed the fact that aviation is faced with a constantly evolving terrorist threat requires a different approach combining improved detection with a renewed focus on better intelligence and passenger profiling. This new approach would recognise that prompt exchange of vital security information between national security bodies and airports is essential when a security threat is identified. It would also recognise that the airport is just one opportunity to prevent a terrorist act.

Research into advanced detection systems should ensure advanced technologies are both effective and cost-efficient. Researchers and manufacturers need to develop more automated technologies and improved procedures which make passenger and cargo screening more thorough, faster and less intrusive.

The European Commission has allocated €2 billion for transport security research. Airports are asking that a fair proportion of this funding be allocated to the air transport sector. Aviation remains an iconic industry, especially in terms of the security dimension, to a far greater extent than rail and the allocation of research funds should reflect this.

Finally, in future cases where regulators decide that new measures are necessary, it should be clear how these will be funded and implemented – and what the phase-out strategy should be once the new measures are no longer needed.

Security now accounts for 35% of airport operating costs
Key Points

• There needs to be an effective harmonisation at EU and eventually, at World level – improving security while increasing passenger and cargo throughput at European level including ‘one-stop’ security.

• New technically advanced, efficient and cost-effective systems and procedures are required. This should include a renewed focus on better intelligence and passenger profiling.

• Governments should bear their fair share of the responsibility for funding the measures which will better protect their citizens.

• Additional security measures need to be properly funded, implemented and phased-out when no longer needed.
The considerable success of the European Transport policy over the last decade has raised the expectations of European citizens across the EU-27 and even beyond. While established achievements need to be safeguarded, mobility in Europe needs to become ever safer and secure, affordable and efficient, sustainable and de-carbonised. Aviation will continue to play a key part in these developments, with European airports responding to these challenges.

Looking ahead, the global economy will continue to evolve, finding new ways of expanding – and ensuring that the long-term fundamentals for aviation remain strong. But by 2030, the world will be very different, as new economic powerhouses in Asia and Latin America will have become firmly established. While this will potentially lessen the cyclical nature of the world economy, it will confront European aviation with a new reality.

Already by 2017, Asia will become the No 1 aviation market in the world in terms of passenger demand and growth prospects. This evolution is not only attributable to mere economic growth. It results from the fact that many governments in Asia integrate aviation within their development strategies – recognising the benefits that our sector brings to society and the pivotal role of airports in this regard.

If Europe is to take up the challenges of a multi-polar world and achieve its ambitious economic, environmental and social objectives, a strategic rethink of how its air transport system should be further developed is needed. This should include looking at airports with fresh eyes – as businesses in their own right.

ACI EUROPE and its membership of well over 400 airports in 46 European countries have a vision of their future. This vision encompasses their on-going business transformation and the four key challenges which they face:

- Capacity
- Environment
- Connectivity
- Security.

These challenges are not airport-specific. Addressing them successfully at EU level will benefit the European aviation system and is indeed key to its competitiveness.

As Europe’s airports themselves are adapting to an increasingly competitive marketplace by constantly improving their efficiency and customer service, they need a lighter – and better regulatory touch.

They need to be empowered to address these challenges and manage their own destinies to the benefit of all European’s citizens.
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For every 1,000 airport jobs there are around 2,100 indirect jobs supported nationally