



AIRPORT COMPETITION IN THE EU: THE REGULATORY FRAMEWORK

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MARKET DEVELOPMENTS

- **EU airports: from mere infrastructure providers to businesses**
- **Corporatisation of publicly-owned airports and, in some cases, privatisation**
- **However, airports still a strategic asset for the Member States**
- **At the same time, competition as an emerging reality at different geographical locations**

THE EU REGULATORY FRAMEWORK

- **The Slot Regulation**
- **The Ground Handling Directive**
- **Rules on traffic distribution between airports serving the same city or conurbation**
- **New EC Guidelines for State aid to airports and airlines**
- **The Airport Charges Directive**

THE SLOT REGULATION

- **Regulation 95/93 provides for common rules for the allocation of slots at Community airports, based on IATA principles**
- **Slots are allocated solely by independent coordinators and under certain conditions**
- **Yet, suboptimal use of scarce capacity can be observed at many busy airports**
- **The proposal for a revised Regulation aims in particular to allow for the introduction of market-based mechanisms across the EU**

THE GROUND HANDLING DIRECTIVE

- **Directive 96/67 largely opened up the services to competition**
- **The proposal for a New Regulation aimed to ensure an even greater choice of ground handling solutions at airports (which some airports already do)**
- **The Commission remains strongly committed to the correct application of the rules to the benefit of the whole sector**

TRAFFIC DISTRIBUTION

- **Regulation 1008/2008 provides for rules to be respected when regulating traffic distribution between airports serving the same city or conurbation**
- **Principles of non-discrimination, proportionality and transparency apply**
- **Detailed procedure to be followed**

THE NEW EC AVIATION GUIDELINES

- **Rationale behind: airports have developed more and more as a competitive economic activity**
- **Most salient novelty: for a further transitional period (ten years) and under some conditions, operating aid can be declared compatible with the internal market; at the end of the ten year period, full coverage of operating costs**
- **Also: investment aid; SGEI; financial relations between airports and airlines; start up aid to airlines**

THE AIRPORT CHARGES DIRECTIVE (1)

- **Directive 2009/12 applies to all airports handling more than 5 million passengers per year and at least to the largest airport in each MS (meaning around 70 airports in the EU representing just under 80% of EU passenger traffic)**
- **Consultation, transparency, non-discrimination, independent supervisory authority, flexibility are the Directive's main features**
- **Both single and dual till charging systems are allowed**

THE SCOPE

70 airports in EEA/CH with more than 5 million passengers

One sixth of ACI Europe airports, accounting for some 3/4 of total traffic

10 EEA/CH countries have no airport above the 5 million threshold



THE AIRPORT CHARGES DIRECTIVE (2)

- **Formal transposition by all MS by early 2013**
- **Practical application: still problems**
- **More specifically: the establishment of truly independent supervisory authorities in all MS is crucial for the attainment of the Directives' objectives**

THE AIRPORT CHARGES DIRECTIVE (3)

- **Ongoing work with the help of the Thessaloniki Forum of Airport Charges Regulators:**
 - **Directive's provisions on new infrastructure: are they fit for purpose?**
 - **transparency: are more detailed 'standard' lists of information needed?**
 - **Airport market power: ACI EUROPE: *regulation should be proportionate to the degree of market power; IATA: airports enjoy significant market power in their local markets***

THE THESSALONIKI FORUM OF AIRPORT CHARGES REGULATORS

**Inaugural meeting on 13 June 2014 (Thessaloniki)
First meeting on 14 April 2015 (Brussels)**



THE AIRPORT CHARGES DIRECTIVE (4)

- **Airport market power, the UK experience (market power test to decide whether to regulate or not - clear process, competition law framework to assess market definition and power)**
- **Airport market power, the case of Amsterdam Airport Schiphol (assessment of its economic market power)**
- **Frontier Economics work on *Benefit of better regulation of airports in Europe***

EU LAW AVAILABLE HERE:

- http://ec.europa.eu/transport/modes/air/internal_market/index_en.htm
- http://ec.europa.eu/transport/modes/air/airports/index_en.htm
- **Guidelines on State aid to airports and airlines OJ C 99, 4.4.2014, p. 3–34**



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Thank you!

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