

Position Paper

25 August 2008

FINANCING OF SECURITY COSTS – AEA comments on the Commission’s consultation paper

The airline industry is and has always been convinced that security and fight against terrorism is a key responsibility of the State. Aviation security is not only protecting passengers and aircraft but is also benefiting the whole society, by preventing ground attacks. AEA is therefore consistently calling, along with all other stakeholders, for State to finance security measures imposed on airports and airlines. AEA wishes to maintain this position notwithstanding the lengthy and difficult discussions on this issue which have taken place in the course of the last year.

However AEA understands that this principle is politically difficult to impose at an EU level on all 27 Member States. We therefore welcome the efforts of the Commission to propose innovative options to make concrete progress on the issue of financing.

AEA would generally support all four options proposed, which, in order to be effective, need to be considered as complementary and would constitute together a good basis to pursue further developments. AEA would propose to emphasise more specifically the following proposals:

1) States should pay for more stringent measures

AEA fully supports the combination of options 2 and 3, which would impose one-stop security and at the same time prevent Member States to introduce additional measures, like the rescreening of EU passengers. Both measures implemented together would help reducing the costs created by more stringent measures, which represents, according to AEA’s evaluation, around 30% of the total security costs.

The non recognition of one-stop security in some countries implies for instance that around 20% of the passengers transferring at major European hubs have to be re-screened even if they are coming from an EU airport. Making one-stop security mandatory would in this case help decreasing security costs for transfer passengers and eliminate redundant measures.

Both proposals do not however address the question of who should pay for more stringent measures imposed at national level.

- Adria Airways
- Aer Lingus
- AeroSvit
- Air France
- Air Malta
- Air One
- Alitalia
- Austrian
- bmi
- British Airways
- Brussels Airlines
- Cargolux
- Croatia Airlines
- Cyprus Airways
- Czech Airlines
- DHL
- Finnair
- Iberia
- Icelandair
- Jat Airways
- KLM
- LOT
- Lufthansa
- Luxair
- Malev
- Olympic Airlines
- SAS Scandinavian Airlines
- Spanair
- SWISS
- TAP Portugal
- TAROM
- TNT Airways
- Turkish Airlines
- Ukraine International Airlines
- Virgin Atlantic Airways

In line with the proposed amendments of the Parliament to the directive on airport charges, AEA would invite the Commission to propose a legislation obliging Member States imposing more stringent measures than necessary pursuant to European legislation to finance these measures through the use of the public budget. AEA fails to see why the costs for such extra measures should be borne by the aviation industry or its consumers.

More stringent measures are often justified by a higher risk at national level, which is linked to political and diplomatic positioning of certain States. Imposing more stringent measures should therefore be considered as a national security measure and should be financed by the State. Moreover, the Commission should also consider that, with Member States financing these measures, significant resources would be made available to the industry to focus on the baseline security measures and increase the quality of compliance.

As AEA pointed out in its response to the questionnaire, the difficulty to define more stringent measures stem from the fact that when transmitting rules to the airlines the Member States do not indicate which of the measures are not directly based on EU rules. This makes it almost impossible for the airlines to assess and judge the effectiveness and efficiency of these measures and the costs allocated to them. In order to clarify what constitutes more stringent measures, AEA would call the Commission to further develop a notification mechanism based upon article 6 of Regulation 300, whereby Member States would have to communicate to the Commission the measures they apply on top of EU regulations.

2) Transparency should be ensured for security charges

On the basis of AEA information, security costs at major European hubs can vary from €2.15 to €11. In this context, AEA fully supports the first option proposed by the Commission, as transparency of the security charges is necessary to explain the cost discrepancies between European airports and encourage the dialogue between airports and airlines to look for more efficient ways to comply with security requirements.

Security was specifically left out of the scope of the charges directive to be dealt with in the scope of the new Regulation 300. It is imperative that the basic ICAO principles related to airport charges are also included in the legislation for security charges. These principles should be covered effectively in a new directive.

As for example in the directive on Passenger with Reduced Mobility (PRM), a specific directive should be adopted for security charges, applying the same principles as agreed in the charges directive, ie:

- Non discrimination
- Transparency
- Cost-relatedness
- Information to airlines
- Consultation with airlines

- Adria Airways
- Aer Lingus
- AeroSvit
- Air France
- Air Malta
- Air One
- Alitalia
- Austrian
- bmi
- British Airways
- Brussels Airlines
- Cargolux
- Croatia Airlines
- Cyprus Airways
- Czech Airlines
- DHL
- Finnair
- Iberia
- Icelandair
- Jat Airways
- KLM
- LOT
- Lufthansa
- Luxair
- Malev
- Olympic Airlines
- SAS Scandinavian Airlines
- Spanair
- SWISS
- TAP Portugal
- TAROM
- TNT Airways
- Turkish Airlines
- Ukraine International Airlines
- Virgin Atlantic Airways

- Supervisory body to examine complaints

Applying these principles to the security charges would provide the tools to measure the efficiency and the performance of the security services charged by airports to airlines.

3) Systematic cost evaluation of any new proposal for security measures

Understanding that security measures are often adopted under time pressure to respond to new threats, AEA is however urging the Commission to accompany any new security measure proposed by the EU with a thorough cost and impact evaluation to be presented to both the SAGAS and the AVSEC Committees. This would help Member States and stakeholders assessing the efficiency and effectiveness of the rule proposed and controlling the new costs imposed on the industry.

AEA look forward to further exploring with the Commission, the European Parliament, Member States and other stakeholders an efficient and effective way forward in this dossier. We very much hope that concrete proposals will come out of the Commission's report to be presented end of 2008.