

COTER-019

Brussels, 29 July 2003

OUTLOOK OPINION
of the
Committee of the Regions
of 2 July 2003
on
The capacity of regional airports

THE COMMITTEE OF THE REGIONS

Having regard to the White Paper on European Governance which the European Commission presented in 2001 and which urges the Committee of the Regions to "play a more proactive role in examining policy, for example through the preparation of exploratory reports in advance of Commission proposals";

Having regard to the Protocol of Cooperation of September 2001 between the European Commission and the Committee of the Regions which encourages "the Committee of the Regions to draw up strategic documents reviewing matters which the Commission regards as important; these "outlook reports" shall explore in greater depth problems in areas where the Committee of the Regions has the appropriate local information resources";

Having regard to the letter of 10 September 2002 from **Commissioner de Palacio** to **President Bore** suggesting that the Committee of the Regions "prepare the outlook and impact reports and outlook opinions listed in the appendix to this letter";

Having regard to the letter of referral of 23 July 2002 from **Commissioner Barnier** to **President Bore** requesting the CoR's opinion on The implementation of programmes financed by the Structural Funds and ways in which the management of cohesion policy could be simplified after 2006 (pursuant to Treaty Article 265(1));

Having regard to its opinion of 15 May 2002 on the Proposal for a Regulation of the European Parliament and of the Council on the granting of Community financial assistance to improve the environmental performance of the freight transport system (COM(2002) 54 final – 2002/0038 COD) (CdR 103/2002 fin)¹;

Having regard to its opinion of 9 April 2003 on Territorial cohesion (CdR 388/2002 fin);

Having regard to its draft outlook opinion (CdR 393/2002 rev. 1) adopted on 30 April by the Commission for Territorial Cohesion Policy (rapporteur: **Mr Bob Verburg**, Vice-Governor of the Province of Noord-Holland, NL, EPP);

unanimously adopted the following outlook opinion at its 50th plenary session on 2 and 3 July 2003 (meeting of 2 July).

INTRODUCTION

In a letter of 10 September 2002, **Commissioner Loyola de Palacio** requested an Outlook Opinion from the Committee of the Regions (CoR) on the capacity of regional airports. This

¹ OJ C 278, 14.11.2002, p. 15

document presents the position of the CoR on the development of regional airports in Europe, in the wider scope of airport capacity in general. The European Commission should be able to use the CoR opinion when writing a Communication on European airport capacity at the end of 2003. The CoR wishes to underline the issues that require special care and attention, either because they are of specific importance for regions themselves or because regions have direct competencies to address these challenges.

Based on the letter from the Commissioner, the following issues are addressed in this Outlook Opinion:

- What factors attract airlines to regional airports?
- Specialisation of aviation activity: what can regions expect from specialisation of their airport in a specific segment of the market (low cost airlines, cargo freight), and what are the pre-requisites for further development?
- Economic and social impacts of regional airports: how to turn a specific activity such as aviation into an economic driver for the whole region? How to generate employment and economic wealth without jeopardising the quality of life of the residents?
- Regional airports' roles in intermodal systems: how to avoid ground congestion nearby the airports? How realistic is it to expect to integrate regional airports into a larger intermodal transport scheme?
- Financial characteristics of regional airports: how to handle the issue of the profitability, whilst recognising that in some cases it is in the public interest to maintain a low-profit service to remote regions.

This paper is structured in four sections, each with its own conclusions. Firstly, the opinion addresses the necessity of having a definition of regional airports to help to define the scope of further policies. Secondly, the interaction between regions and their airports is analysed by addressing three aspects: accessibility of the region, competitiveness of the region and external effects of aviation activity. Thirdly, the potential role of regional airports in various EU policies is examined: such as the Trans-European Networks, European Airport capacity and intermodal transport. Lastly, the situation of regional airports within the internal market and the need for financial information on airports is assessed. Furthermore, a background paper and the results of a questionnaire complete this paper.

The point of view of the CoR

1. How to define regional airports?

Within the wider debate on the capacity of European airports, the role of regional airports must be examined. The CoR believes that the relationship between hubs and regional airports are a part of the same capacity problem.

Hence a real need for a clearer Europe-wide definition of what a regional airport is. It is the CoR's recommendation that any definition should not be limited to traffic figures at the airport, but must be based on a thorough analysis of the economic and spatial functions of the airports within their territory.

Currently there is no widely recognised and accepted definition of regional airports. Passenger and other traffic numbers are helpful, but also other criteria need to be involved in the definition, such as:

- Connections to national, EU and non-EU airports. This would give useful insight into the gateway role played by the airport. Does the airport help the region to be linked to the rest of the world?
- Ratio of departing or arriving passengers/transit passengers. This would demonstrate whether the airport is just a place where people, goods and wealth are passing through or whether the airport is really a gateway.
- Additional, less quantifiable criteria are also pertinent. The case of peripheral, island and sparsely populated regions within the EU and accession countries must be addressed. For instance, it has been suggested that it should be possible to make a return trip from any region in the EU to the major economic, political and research centres within the Member State, and the European Union in one day's travelling time. For many remote regions, this would mean that good air links are needed. Current classification underestimates their public service function of being the only link for the region with the rest of the European Union and the world. A new definition for regional airports should be wide enough to account for this.

Conclusion: The forthcoming communication of the Commission on airports' capacity in Europe should define policy guidelines for the development of regional airports. Therefore the Commission will have to provide a definition of regional airports. The CoR believes that the definition should not be based only on traffic-analysis (traffic volume and traffic split) but also on an analysis of the functions met by the wide range of regional airports.

2. The interaction between regions and their airports: a regional perspective on airports

2.1 The accessibility of the region

From a regional point of view, regional airports are an asset: they enable the region to have faster and easier access to the major centres in the EU and the rest of the world. Regional airports are critical access points to regions, especially in the outlying regions of the EU where there is often no other possibility to access the region. In the interests of economic and social cohesion within the EU, it has been suggested that it should be possible to make a return trip from any region in the EU to the major economic, political and research centres within the Member State, and the European Union in one day's travelling time. This is especially true for those regions on islands, in Central and Eastern Europe and in the countries in the periphery of the EU. Accessibility of these regions depends on regional airports. But all regions in Europe nowadays feel the need for being accessible easily, and for being connected to the other regions efficiently.

2.2 The competitiveness of the region

The existence of an airport in a region provides an extra incentive for businesses to locate in the region. New companies will locate in the region if it is easily accessible, existing companies will develop their market share by being able to reach other parts of the Member State, the EU, and the world. As such, regional airports contribute to the overall competitiveness of the European Union. This enhances the economic development of regions.

Regions can also play a role in ensuring the airport remains viable. As a guideline, an airport requires approximately one and a half million passengers per annum in order to be profitable², unless it is a converted airport. Many regional airports are at best only marginally profitable, and in many cases they make a loss. It should also be remembered that airports are long term (20-25 year) investments. The economic viability of a regional airport can be strengthened if commercial activities can be attracted to the vicinity of the airport. Regions can facilitate this process.

The CoR is aware that special rules must apply for converted airports. Converted airports are those which were once used for military purposes and which, after the withdrawal of military units, may continue to be used for civilian purposes. The discontinuation of military activity often leads to considerable employment and structural problems in the region concerned. Such problems can be offset by converting basically complete airport infrastructure to civilian use. However, this may require additional measures to supplement the framework conditions applying to regional airports.

²

As calculated with the Airport Business Model (RAND Europe, 2003)

2.3 External effects

As with any other larger airport, regional airports have to fit in their regional environment. Its external negative effects should be minimised, complying with EU regulations. The external impacts of aviation on environment at regional airports include mainly the following:

- Air and ground noise
- Air quality
- External safety
- Congestion from ground access
- Ecology, landscape, geology, hydrogeology, water resources and energy management.

Several studies have shown that the annoyance of aircraft noise imposed upon the residents living in the vicinity of an airport increases exponentially as more aircraft operate from that airport. On the other hand, the number of affected residents around a regional airport is much less than around a hub airport. Hence, aircraft operations would cause fewer nuisances at a regional airport, compared to the same operation at a hub airport. Further reduction of noise nuisance can also be achieved by various noise management measures, such as noise abatement flight procedures, ground-operations restrictions, night-flight restrictions as well as proper land-use planning.

Both the engine emissions emitted from aircraft operations and the emissions generated from ground access (mainly from passenger cars) deteriorate air quality around an airport. With regard to aircraft engine emissions, measures can be taken by encouraging airlines using better aircraft engines through differentiated landing charges or emission charges. The ground emissions can be reduced by better public transport connection to the airport or even by developing the airport as an intermodality centre.

Residents living in the vicinity of an airport also have to bear the third-party risk. Any major accident close to an airport will raise fear and will pollute the environment. For a regional airport, maintaining an effective fire service is expensive, but essential. Especially if an airport is designated for large twin-engined aircraft, full fire cover must be provided. If any introduction of environmental measures, e.g. noise-abatement procedures, would jeopardise safety, those measures should be banned. Safety always comes first. Hence, a proper balance of measures for reducing environmental impacts of an airport has to be found and maintained.

Conclusion: Given the current and potential external effects of regional airports, all EU airports should be treated equally with respect to the general environmental effects, taking account of specific circumstances in terms of ecology, topography, spatial planning and location policy. The CoR supports the EU in developing guidelines (Lden, Lnight) for airport noise. Environmental dumping, by locally undercutting guidelines and standards on noise, emissions and external safety, should be avoided and prevented.

3. Regional airports: improving capacity for the European airport system

3.1 Airport capacity

Whereas regional airports are characterized by surplus capacity in terminal space and runway utilization, hub and national airports often lack the capacity to grow. However, as long as the major airlines continue their hub and spoke strategies, there is no solution to this apparent paradox. There are signs from some airlines that they are now examining the complementary role of point-to-point traffic.

There is a potential to develop point-to-point traffic at regional airports. Recently we have seen this with low-cost airlines, but this is not the only segment that can benefit from these routes. Regions and airlines should work together to find the balance between point-to-point and hub and spoke: identify the potential flows of traffic that could fly from the regional airport without transiting through a hub. The CoR therefore encourages cooperation between airlines and individual airports operator and local authorities. The CoR does not believe that a formal framework is needed but supports an exchange of best practice on the matter.

Some regional airports play or can play a role in relieving congestion at Europe's major hub airports. The implementation of infrastructure at regional airports should then be viewed from an airport systems' perspective. This means that the cost of relieving congestion is shared among the relevant airports in the system.

3.2 Regional airports in the Trans-European Networks

Regional airports contribute to congestion at major airports, but can also relieve congestion when traffic is diverted directly to them through gate-to-gate strategies, and through the use of other forms of transport to improve regional airport accessibility. The CoR does not see transferring passengers from hubs to road transport as a congestion solution. This would merely increase ground congestion, and increase air and noise pollution. Instead, the CoR calls on Member States to consider tackling this through the TENs. This could be done in the following ways:

- inclusion of regional airports in airport planning in order to reduce congestion at the larger airports. This is an option for traffic arriving to hub airports, to go to regional airports that are not at a high-speed train distance from the hub. In that sense, it is desirable to encourage point-to-point traffic, when there are sufficient projected flows to feed such a route. Some companies have already started investigating this possibility. It is noticeable that such routes can provide a number of advantages in energy – efficiency, through airports where traffic is lighter and therefore quicker, and in direct benefit to the region by improving accessibility;
- inclusion of regional airports in bilateral air agreements. In some cases the bilateral agreement limits traffic to hub airports in countries. Open Skies agreements open up regional airports for

intercontinental traffic. This principle should be further pursued in new bilateral treaties between EU Member States and other countries;

- revision of the train TENs in order to improve connections between the hinterland and major hubs.

3.3 **Intermodality**

Most regional airports are near motorways and very few are near or connected to rail tracks. It is currently unrealistic to suggest that all regional airports should have good train connections. However, access to regional airports can be improved by other public transport connections to and from the nearest train station. A major attraction of many regional airports is easy landside access and nearby terminal parking at reasonable rates. The current challenges for local authority planners and regional airport operators include:

- linking the region by high-speed train to the nearest major hub when it is possible;
- linking the regional airport to an efficient public transport system throughout its hinterland. As an airport grows, plans to reduce dependency on private cars and taxis to and from an airport are essential. Convenient bus and coach connections are a minimum requirement. The CoR encourages employers in and around the airport to review travel plans for employees and where possible to come up with green travel plan solutions with assistance from the local authority based on all modes of transport, use of public transport, cycling, walking and car sharing;
- addressing the issue of cargo and express freight arriving to the region directly by air and transferring it to efficient platforms.

Conclusion: Intermodality for the regional airports' regions means, in addition to connection to international coach routes, providing efficient high-speed train to the nearest hub airport when it is possible, making full use of public transport solutions, and addressing the issue of cargo freight arriving into the region by air.

3.4 **Specialisation of regional airports on a niche-market: a key for the development of the region?**

Traditionally, regional airports have been a home for the following variety of aviation activities:

- Scheduled passenger services
- Passenger charters
- Business jets (general aviation)
- (Express) cargo

- Flying schools and training
- Aircraft maintenance.

Recently some regional airports have focused on one specific segment of aviation activities. A regional airport can focus on one or more of the following aspects³:

- Business market
 - Airport for business traffic
 - Airport with business park
 - Business park with air strip
- Cargo market
 - All cargo airport
 - Airport as part of airfreight-trucking concept
 - Integrator home base
- Leisure market
 - Low cost operations
 - Air-road terminal (also buses)
 - Recreation airport
- Other
 - Intermodal platform
 - Maintenance and training centre

It can be seen that such specialisation can be successful. Nevertheless, it raises some questions from the regions' point of view.

- The development of niche markets in the aviation sector obliges airport operators and public authorities to consider the role that their own airport can play within global markets. Will the specialisation prevent the airport from developing other functions? The required infrastructures are not the same for each specialisation (cargo handling is quite different from flying schools). The goal is for airports and their regions to be able to face the volatility of such markets, and to benefit from all opportunities. A further concern is whether the long term cost of operating and upgrading such specialised airports is reflected in the user charges. Failing to do so might jeopardize the longer term viability and growth of regional airports or might lead to discussions concerning distortion of markets and unfair competitive advantages.

In the case of very small airports (mainly E airports⁴) the closure of the airport has been considered as a more realistic option to specialisation. The land had a higher value than the

³ BCI, Regionaal-economische functies van regionale luchthavens, 1999/BCI, Regional Economic Functions of regional airports, 1999

⁴ See Appendix 1 for airport categories

proposed specialisation. Trends show that specialisation has recently been limited to either low cost scheduled operations or express cargo. Specialisation in the other categories is difficult as the business volume is not continuous over the year. Charters vary seasonally; general aviation is erratic and unpredictable, cargo is on demand only. Flying schools and maintenance facilities do not usually generate enough airport charges' revenue. Although specialisation has created break-even volumes for some airports, attention must be paid to the volatility of the markets. Local authority plans around the airport must be long term, and consider the future fortunes of the airport, both in terms of growth and economic downturns, or changes in the specialisation at the airport. The regions must accompany the specialisation of their airport by active economic development policy nearby the airport.

Conclusion: Only few regional airports can benefit from specialisation, which requires specific infrastructure, and skills within the locally available workforce. The externalities are different according to the choices that have been made. Specialisation can only be considered as a starting point for further economic development of the region and requires careful planning around the airport.

4. **Internal market**

4.1 **Ownership and financial transparency of airports' finances**

Airports in Europe are owned and controlled in various ways. There are various models of ownership:

- In some countries (Finland, Sweden, Norway, Spain and Portugal), all airports are controlled through one public organisation, allowing the sharing of resources and cross-financing of loss-making airports by the profitable ones
- Some major hub airports in Europe control one or more regional airports
- Local and regional authorities
- Semi-private organisations (e.g. Chambers of Commerce)
- Privately owned business.

The variety of ownership in European airports makes comparison of this financial situation at each airport difficult. Regional authorities need to have access to information regarding the financial situation at the airport so that they can draw up meaningful regional development plans. This is impossible in the cases where one operator runs several airports, and publishes only consolidated accounts for all the airports in its network. The regions have to receive relevant financial information in the light of cross subsidies. The Committee asks the Commission to develop a framework for these data where confidentiality for business reasons is to be taken into account. It is suggested that it should only be used to finance airports in difficulty when it is in the public interest, or when alternative sources of finance are unavailable.

4.2 Defining partnership between public authorities and operators

The CoR recognises the importance of regional airports for the development of the regions. Airport-related employment; levels of business generated around the airport and levels of business in the region requiring an airport and the overall accessibility of the region should be included with operating revenues in any assessment of the added value of the airport. The CoR wishes to underline the fact that public financial assistance can be granted only in certain circumstances. The development of infrastructure concerning accessibility and green spaces is in principle a public task.

Conclusion: The CoR understands that in some cases the airports require specific public support to operate, but this can be provided only under specific circumstances. Moreover the CoR encourages the operators and the public authorities hosting an airport to exchange information on how to achieve a good balance between operating revenues, and investment (including all public support). The CoR believes that innovative partnership between public authorities and regional airports could encourage the creation of new revenues such as catering services or joint marketing of the region.

RECOMMENDATIONS BY THE COMMITTEE OF THE REGIONS

1. The CoR calls on the Commission to provide a definition of regional airports. The CoR believes that the definition should not be based only on traffic-analysis (traffic volume and traffic split) but also on an analysis of the functions met by the wide range of existing regional airports.
2. The CoR recommends that the Commission promotes cooperation and joint working between all stakeholders concerned by airport development, notably when writing up the regional economic development plans. The CoR does not believe that a formal framework is needed but supports an exchange of best practice on the matter. The development plans will provide the necessary environment for the airport to develop and support the competitiveness of the region and hence of the EU. The CoR recommends that the Commission promotes relevant research on the issue of regional airports and their role in the region and European transport infrastructure.
3. Given the current and potential external effects of regional airports, all EU airports should be treated equally with respect to the general environmental effects, taking account of specific circumstances in terms of ecology, topography, spatial planning and location policy. The CoR supports the EU in developing guidelines (Lden, Lnight) for airport noise. Environmental dumping, by locally undercutting guidelines and standards on noise, emissions and external safety, should be avoided and prevented.
4. The CoR believes that the role of regional airports in relieving congestion at Europe's major hub airports can be investigated by the Commission. The CoR suggests the Commission encourages the transfer of traffic from regional airports close to hubs through greater use of high-speed trains. For airports that are further away from main hubs, the CoR suggests that innovative gate-

to-gate strategies should be promoted. It is also in favour of optimising trans-European rail networks and international coach routes to improve connections between the hinterland and major airports.

5. The CoR calls on Member States to consider tackling air and ground congestion through the TENs. The CoR suggests the inclusion of regional airports in a European airport scheme in order to reduce congestion at the larger airports. The Member States should also consider improving the rail connections between the hinterland and the major hubs.
6. The CoR believes that intermodality and mobility are also to be developed in the regions served by a regional airport. This means addressing the issue of air cargo and express freight through efficient platforms and improving the connections when possible. This also means linking the regional airport to an efficient public transport system throughout its hinterland. Hence the CoR encourages the Commission to support the definition and the implementation of travel plans from public authorities, employers, operators, employers in and around the airport. These plans ought to be based on all modes of transport, use of public transport, cycling, walking and car sharing.
7. The CoR is well aware of new aviation trends, that implies the specialisation of some airports in one segment of the market of the other. Nevertheless the CoR advises the Commission to pay specific attention to the volatility of these markets when defining guidelines on the European airports' capacity. The CoR wishes to underline that specialisation can only be considered as a starting point for further economic development of the region and requires careful planning around the airport on the part of local authorities. Specialisation should improve the long-term viability of regional airports, including the financing of new infrastructure.
8. The CoR believes that adequate financial information on airports needs to be available for the regions to know the exact situation of their airport. The CoR therefore encourages the Commission to work on the availability and the transparency of this information. The regions have to receive relevant financial information in the light of cross subsidies. The Committee asks the Commission to develop a framework for these data where confidentiality for business reasons is to be taken into account. It is suggested that it should only be used to finance airports in difficulty when it is in the public interest, or when alternative sources of finance are unavailable.
9. The development of infrastructure concerning accessibility and green spaces is in principle a public task. The CoR understands that in some cases the airports require specific public support to operate, but this can be provided only under specific circumstances. Moreover the CoR encourages the Commission to support innovative partnership between public authorities and regional airports, as well as the exchange of information on how to achieve a good balance between operating revenues, investment (including all public support), and non-aviation related revenue.

10. The CoR is aware that special rules must apply for converted airports. Converted airports are those which were used for military purposes and which, after the withdrawal of military units, may continue to be used for civilian purposes. The discontinuation of military activity often leads to considerable employment and structural problems in the region concerned. Such problems can be offset by converting basically complete airport infrastructure to civilian use. However, this may require additional measures to supplement the framework conditions applying to regional airports.

Brussels, 2 July 2003

The President
of the
Committee of the Regions

The Secretary-General
of the
Committee of the Regions

Albert Bore

Vincenzo Falcone

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N.B.: Appendices overleaf.

Appendix 1

The five categories of European Airports

- Category A: represents the major hub airports (over 25 million passengers, 4 airports) and accounts for approximately 30% of European air traffic.
- Category B: represents the national airports (10 to 25 million passengers, 16 airports) and accounts for approximately 35% of European air traffic.
- Category C: is represented by 15 airports of 5 to 10 million passengers accounting for approximately 14% of European air traffic.
- Category D: is represented by 57 airports of 1 to 5 million passengers, accounting for approximately 17% of European air traffic.
- Category E: is represented by 67 airports of 200,000 to 1 million passengers, accounting for approximately 4% of European air traffic.

Airports in categories D and E, as well as some airports in Category C, are classified as regional airports. For instance, Birmingham International Airport is classified as a regional airport while it had more than 7,5 million passengers in 2001. On the other hand, Rotterdam airport, with less than 700,000 passengers in 2001, is also classified as a regional airport. The group of regional airports is therefore very heterogeneous with respect to size, making it difficult to develop European perspectives for the whole group of regional airports. The following table shows the distribution of airports over the different categories. Category E, which encompasses 42% of all European airports with more than 200,000, only represents 4% of all the passengers and 8% of the movements.

	Cat. A	Cat. B	Cat. C	Cat. D	Cat. E
Number of airports	4	16	15	57	67
Percentage category in total	2.5%	10%	9.5%	36%	42%
Passengers (million)	222.7	259.6	107.6	130	30
Percentage category in total	30%	35%	14%	17%	4%
Movements (million)	2112	3328	1578	2208	771
Percentage category in total	21%	33%	16%	22%	8%
Freight (million tonnes)	5277	2807	1003	994	146
Percentage category in total	52%	27%	10%	9.5%	1.5%
Average number of passengers per flight	109	80	71	61	41
% growth 1988 –1997	58%	60%	53%	70%	47%

Table: Division of European airports into categories, 1997. Source: EC, Study of alternative airport capacities, 1999

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Questionnaire

OUTLOOK OPINION ON THE CAPACITY OF REGIONAL AIRPORTS

1. General information

Your region:

Your name:

Your function:

Contact details: Telephone:

Fax:

E-mail:

Concerning the airport

Which airport(s) is (are) in your region?

How many passengers, cargo and movements were handled in 2002 (or 2001)? (please mention year)

Passengers:

Cargo (tonnes):

Movements (flights):

Concerning the airport ownership structure

- *Who are the owners of the airport(s) in your region (please specify the ownership structure)?*
- *Will this ownership structure change in the near future?*

2. The relationship between regions and their airports

Regional airports can contribute to the overall competitiveness of the region if they successfully attract businesses.

Questions:

- *What does your region do to attract businesses and to stimulate investments?*
- *Does your region have a long term (20-25 year) investment plan for attracting businesses and does it include the airport(s)?*
- *Is/Are the airport(s) integrated in your region's spatial planning policy and in its infrastructure development plans?*

3. **Accessibility of the region**

Clearly, regional airports enable the region to have faster and easier access to the major centres in the EU and possibly the rest of the world. However, there are other means that could also increase the accessibility of the region, perhaps with lower costs.

Questions:

- *Are there any alternatives to air transport for travelling from your region to major European centres or hubs?*
- *Have you studied the accessibility of your region? If yes, which criteria have been used? If not, what would be, according to you, the criteria for measuring accessibility?*
- *How could you increase the accessibility of your region?*

4. **Encouraging airlines to call at regional airports**

The majority of regional airports have the capacity to grow. This is clearly a competitive advantage of regional airports, compared to hub and national airports.

Question:

- *How does your region assist the airport in attracting airlines?*

5. **Regional airports in the European policies**

Regional airports could be integrated in the following European policies:

- Trans European Networks (TENs); intermodality
- EU Structural and Cohesion Funds

Question:

- *Please assess the importance of the above European policies for your region and the regional airport (please circle one answer for each policy):*
 - *TENs: High Medium Low*
 - *EU Structural and Cohesion Funds: High Medium Low*
- *Additional comments with respect to the above policies?*

6. Specialisation of the airport

Depending on the nature and future development of regions, airports could specialise in a specific segment of the market (e.g. low cost airlines, freight, charters, general aviation). However, various factors, such as the volatility of markets (bankruptcy of airlines) and infrastructural provisions (regulation on night flights), influence the success of specialisation.

Questions:

- *Is specialisation an option for further development of the regional airport in your region? If yes, in which segment?*
- *What are the pre-requisites for this development?*

7. Environmental issues

Methods to reduce the environmental impacts of an airport include restrictions (for example, on flight operations), regulations, environmental management, financial incentives (charges), emission licences and land use planning.

Questions:

- *Does your region have a policy to reduce the environmental impact of your airport(s)?*
- *How important is the environmental impact of your airport(s) compared to the economic and social benefits related to increased operations?*

8. Transparency of airport finance, and guidelines for cross subsidy and government subsidy

The financial situations of regional airports differ within Europe. Often, the financial information and the way in which an airport operator finances less profitable airports (cross subsidy) are often not transparent. Therefore, it is difficult to justify when government subsidy is appropriate and essential.

Questions:

- *To what extent do you think that the current European state-aid regulation restricts the development of your (regional) airport(s)?*

9. Definition of regional airports

The Commission should recognize different types of regional airports when defining policy guidelines for the development of regional airports. The definition could be based on a

combination of the following criteria (please refer to the annex of this document for a potential classification of airports).

Questions:

- **What criteria (or combination of criteria) would be appropriate to define and classify regional airports?**
- **Based on the possible classification in the annex, which category, in your view, does your airport belong to?**

10. **Other issues?**

Any views you may have on other issues concerned with the capacity of regional airports are welcome.

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Appendix: A suggested classification of airports in the European Union

As discussed, the definition and classification of regional airports can be based on their traffic volume, traffic split, functionality, geographical position and specialisation, or combinations of the above. The following table lists the potential classification of airports and what functions they have.

Classification	Definition	Note
A. Hub airports	More than 25 million passengers; Or, airports with International/intercontinental connections that are more than a certain percentage (or a certain number)*	* to be defined
B. National airports	More than 10 million passengers; Or, airports with International/intercontinental connections that are more than a certain percentage (or a certain number)*	* to be defined
C. Regional airports: within the European transport networks; potential intermodality centres		
C1. Specialised airports	Specialised in express, cargo or low-cost passenger scheduled operations	
C2. Reliever airports	Relieve the traffic congestion of hub airports; Secondary airports	
C3. Airport-system airports	Part of an airport system, either privately or publicly owned	
D. Regional airports: within regional networks; more regional focus		
D1. Peripheral airports	Geographically remote airports (based on their travel time to the major European business, political and research centres) or to hubs	EC should study in which cases state aid would be appropriate for these airports under current regulation
D2. Charter airports	Focus on charter operations	
E. Other regional and local airports: (exist only if economic benefits are larger than costs)		
E1. Independent regional airports	More than 200,000 passengers	
E2. Independent local airports	Less than 200,000 passengers	

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Questionnaire results

To validate the statements made in this Outlook Opinion a questionnaire was developed to establish the needs of the regions. The results of this questionnaire are discussed here.

1. Ownership structure

Most of the regions that filled in the questionnaires stated that different governmental authorities like the municipalities, states or central government own the airports in their region. Scotland indicated that two of their airports (Glasgow Prestwick and Scatsta) are privately owned. The region Bolzano (Italy) indicates that the airport is publicly-privately owned with a majority of the shares for the private shareholders. At most airports no major changes are foreseen in the near future. There is however discussion on a possible change of ownership structure in most regions.

2. Accessibility of the region

Only the regions that are in the periphery of Europe indicate that there are no alternatives to the air links. These are the regions such as the north of Sweden and Puglia in the south of Italy. In the other regions there are alternatives to the air links in the form of rail links (even High Speed Trains in some cases), highways and ferry services. The accessibility of the region is studied in Sweden, Yorkshire & Humber and in Saarland. Scotland indicated that no research has been done on the subject of accessibility. The other regions do not indicate if research has been done. Except again for the north of Sweden and Puglia, the regions indicate that the accessibility of the region can be increased through the improvement of rail links next to an improvement in air links. For the north of Sweden and Puglia, the development of more air links is essential for its attractiveness.

3. Competitiveness of the region

All the regions have different forms of development plans for airports. This ranges from designing guidelines for the airports to designing a comprehensive airport-strategy plan. The airports are included in the spatial planning policy of the region but in most cases there are no long-term investment plans.

4. Encouraging airlines to call at regional airports

The encouragement of the regions mentioned is political support and the promotion of target routes through subsidies. The Swedish government has purchased 10 domestic routes to maintain the accessibility to the remoter regions in Sweden. At these routes the carriers will only fly if the government grants them a certain income.

5. **Regional airports in the European policies**

There is no consensus among the regions on the importance of inclusion of the regional airports in the TEN. The opinions vary from low to high importance. There is also some debate on the Structural and Cohesion Funds. The tendency here is to give the Funds a high importance. The issue of increased security is important for regional airports. At smaller airports the requirements of increased security come at a very high cost in relation to the security risk these airports poses on the community. On other issues the European regulation is not seen as a restrictive factor in the development of regional airports.

6. **Specialisation of the airport**

Most regions do not see an opportunity for specialization. However, the south of Sweden and Denmark focus on low cost operations.

7. **Environmental issues**

The environment is an attention point for all regions. Some regions have separate environmental plans for the airports. Others regard airports as normal businesses for which the standard environmental rules apply. In general, the environmental impacts are seen as relatively low and less than the economic benefits generated through the airport.

8. **Transparency of airport finance, and guidelines for cross subsidy and government subsidy**

Although most regions find that there is hardly any restriction on the development of regional airports through the current European state-aid regulation, it is mentioned that the current regulation impedes the development of new routes in remote areas.

9. **Definition of regional airports**

Factors that should be included in the definition are:

- The number of passengers
- The number of movements
- The traffic type
- The catchment area.

The definition should be extended to also include airports with less than 200,000 passengers per year.

10. Other issues

Other issues concerned with the capacity of regional airports mentioned are:

- Encouraging technological improvement
- Joint military/civil use
- High costs of surface access provision relative to throughput.

Questionnaire response and contributions

Regions:

Salzburg, Austria
Tirol, Austria
Upper Austria, Austria
County of Aarhus, Denmark
Copenhagen City/Øresundregion, Denmark
County of North Jutland, Denmark
Nordjyllands Amt Amtsgarden, Denmark
Ribe region, Denmark
Sachsen-Anhalt, Germany
Viborg County, Denmark
Picardie, France
Rhône-Alpes, France
Languedoc Rousillon, France
Saarland, Germany
Sachsen-Anhalt, Germany
Saxony, Germany
Bavaria, Germany
Hamburg, Germany
Rheinland-Pfalz, Germany
Provincia autonoma di Bolzano, Italy
Marche, Italy
Puglia, Italy
Umbria, Italy
Comunidad de Madrid, Spain
Murcia, Spain
Girona, Spain
Svenska Kommun Förbundet, Sweden
Stockholm City, Sweden
East of England, United Kingdom
Scotland, the United Kingdom

Yorkshire & Humber, the United Kingdom
West Pomerania, Poland
Azores, Portugal
