

EUROPEAN OBSERVATORY ON AIRPORT CAPACITY & QUALITY

DRAFT HIGHLIGHTS OF THE THIRD MEETING OF TF1:

"ECONOMIC IMPACT OF UNACCOMMODATED DEMAND AND ENVIRONMENTAL VARIABLES INFLUENCING AIRPORT CAPACITY"

Venue: ARC offices - Rue Montoyer, 21 – 1000 Brussels

Brussels, 12 December 2014

11:00 – 15:30

Approval of the agenda and highlights of the last meeting

The European Commission requested a change of the highlights of the last meeting to ensure consistency with the mandate given by the Commission. Specifically, the word “social” should be deleted under Point 2.2 on page 1 to read as follows:

“2) An estimate of the economic & ~~social~~ impact of not being able to accommodate airport capacity demand by 2030-2035 in line with the Challenges of Growth report.”

The Task Force subsequently approved the highlights of the last meeting. The agenda was adopted with some changes in the order of proceedings, and with one additional item.

Val d’Oise literature review on the study on the impact of airports (see presentation)

The presentation mapped a series of impacts from airports as presented in various studies. It emphasized the necessity to know what impacts are, from a scientific point of view, and from the policy makers’ point of view. It also highlighted the fact that impacts often need to be monetized in order to be acknowledged. The presentation also showed a discrepancy between economic impacts literature and studies related to other types of impacts (environmental and others).

Discussion:

Various points arose during the discussion:

About transparency and availability of information

- Transparency is often requested by stakeholders, and that is a fair point from stakeholders. It is also fair to reckon that in some cases data exist, is available but that stakeholders are not aware of the existence or publication of the data.

- the need to compare situations and data does not imply that situation ought to be fully harmonized. Room should be left to handle individual situations.
- there are various cultures of transparency, data sharing, dialogue with communities, role of the State.

About land use

- it was pointed out that land use and spatial planning may be understood differently according to the country, or type of stakeholders. It may cause misunderstandings between stakeholders, create different level of expectations, and thus further problems.
- There is notably a tendency to look at impacts from a very local perspective; therefore impacts ought to be looked at a pan European level. This was demonstrated by studies across modes.

ACI EUROPE presentation on the results of its Economic Impact Study applied to Challenges of Growth scenarios – Donagh Cagney (see presentation)

& IATA presentation on economic impact methodology – George Anjaparidze (see presentation) (new agenda item)

The presentations presented two different aspects of economic impact assessments. ACI provided a presentation including figures, whilst IATA presented a methodological approach.

Several points arose during the discussion

About method

- the difficulty for TF1 is that we are tasked to assess impacts of a phenomenon that has not happened yet (capacity shortage by 2035).
- It was also agreed that the group is not in a position to formally endorse one methodology or the other. This would imply going into too much details given the available timeframe, and given the various backgrounds of the participants. Nonetheless, the group agreed in its entirety that the final report ought to include figures (or range of figures) and ought to formulate, recommendations, as per the 3 pillars of work previously identified.

About causality of the economic impact

- Catalytic and induced impact are the least tangible economic impacts, yet catalytic arguably are the most important. However, it is important to recognize that the causality between the presence of the airport and this impact is two way. Connectivity on its own does not bring economic growth; it is a combination with other existing factors (incl. hotels, services). When it comes to catalytic impacts, we have to set clear boundaries as to how it is defined. Connectivity and GDP are influenced both ways and aviation is part of this virtuous cycle - if you take out one element then it stops. As a result, the group agreed to use range of figures, in order to allow for transparency in the results and to reflect the fact that there is no “silver bullet” approach to considering economic impacts.

About environmental aspects

- All participants agreed on the necessity to somehow factor the environmental costs, including the cost of congestion (i.e. the environmental impact of not having sufficient capacity). Nonetheless, it was reminded that we are basing our work on the assumptions and scenarios established in Challenges of Growth, and that environmental factors are already factored in -even if sometimes implicitly. The various scenario put together by EUROCONTROL include different assumptions (environmental concerns leading to reduction of the capacity). In addition the Task Force does not have the mandate / resources / expertise to develop the methodologies that would be required for monetizing environmental impacts. Hence the value of compiling a list of existing studies and also mapping environmental restrictions. This seems to be the most promising output that the task force is able to reach within the given timeframe and resources.

About delays

- the issue of delays gathered substantial interest, from a methodological and practical point of view, but it was agreed that even though the subject is key, it is also already factored in to some extent by Challenges of Growth, and not entirely covered by the mandate of the task force.

French DGAC report on environmental restrictions at CDG and Orly Airports - Philippe Ayoun (see presentation)

A presentation was made on the situation of the two main French airports, including their level of congestion now and in the future. The notion of noise index was clarified.

Discussion:

The discussion focused on the relative merits of noise index vs. a noise quota system. The pros and cons of both systems were examined. It was agreed that whatever the system in place, the most important aspect to keep in mind is the impact.

Polish CAA report on environmental restrictions at WAW and Poznan airports (see presentation)

Pawel Zagrajek (Polish CAA) made a presentation of the situation at Warsaw and Poznan airports. The Warsaw Noise Quota system is inspired from the London QC system.

Discussion:

about landing charges

- it was discussed, and pointed out that landing charges are generally speaking not set at a level such that they would influence an airline's choice of aircraft. Rather they should be seen as an incentive to promote the use of quieter aircraft. The primary way to deal with noise is by reducing noise at source. Technology over the years has helped alleviating the problem. Today the margin for technological improvements on noise is smaller. .

About compensations

- the variety of compensation schemes was underlined

About restriction of operations

- some participants underlined the importance of night flights for hub airlines and LCCs, and thus the potential economic impact of night flights restrictions.

Review of the tables on environmental restrictions received from the 10 selected airports with preliminary conclusions (See ACI EUROPE draft note)

Panos Spiliotis (ACI EUROPE) distributed copies of a draft note describing the main typology of restrictions identified in the airports surveyed together with preliminary conclusions. Participants were invited to provide comments in writing by end of January.

Mapping out of existing studies on the environmental cost of air transport (see ARC presentation)

This presentation was initially intended to be made with UECNA, but due to last minute constraint, ARC alone presented a mapping of different noise policies at airports.

Discussion:

The discussion focused on methodological aspects and types of recommendations the group would be able to formulate for the evaluation of environmental impacts. The methodological difficulties to quantify health impact were reiterated.

It was also underlined that whilst there are existing methodologies to quantify CO₂ emissions of aviation, it might be wise not to interfere with current global discussions on CO₂ for the time being.

Discussion on final document

Several recommendations and methodological aspects have been already envisaged during the day.

The co-chairs informed the Task Force that the tables with environmental restrictions at selected airports will be sent out to members with a view to receiving comments (on tables and note) **by the end of January**.

The co-chairs invited TF members to volunteer to actively take part in drafting the final document. Donagh (ACI EUROPE) and George (IATA) volunteered to draft. Please inform the co-chairs about your willingness to participate in the drafting of the final report by **15 January at the latest**.

The date of the next meeting was set for **February 23, 11:00AM to 4:30PM at ACI EUROPE**.

The European Commission informed the Task Force that regarding the date of the next Assembly of the Airport Observatory, spring is the current assumption.