

Market Access,
Social Conditions, Training,
Qualifications and Quality
Standards in the

GROUND HANDLING INDUSTRY

FEBRUARY 2018



STATEMENT BY EUROPEAN SOCIAL PARTNERS

Aviation plays a fundamental role in the European economy and employment, supporting currently 2.6 million jobs and contributing €365 billion, or 2.4% to European GDP. Together with the other sub-sectors, ground handling contributes to the economy and the employment of the whole aviation industry.

In December 2015, the European Social Partners (ESP) in Ground Handling – ACI Europe, AEA,¹ ASA and ETF – have embarked on a two-year joint project entitled ‘Ground Handling Social Dialogue Support’. They identified four topics that needed further research and discussion: status of the ground handling market access, social rights, vocational training and quality standards. Two consultant companies – Syndex and STC-Group – were selected to perform a legal and industrial research on these topics. The findings were subsequently discussed during two seminars and presented in a final conference. This report is the outcome of all this work. We would like to thank Syndex and STC-Group for their commitment and their help in identifying the main challenges of the ground handling sector.

Besides the formal outcome of the project, the joint work enabled the ESP to meet on a regular basis, discuss and build mutual trust and understanding. In the light of the study results, the ESP have identified the following main issues that are planned to be the core part of the Working Programme of their social dialogue in the coming months. Furthermore, the ESP are urging the European Commission to consider all of them with specific attention during the assessment of Directive 96/67/EC on access to the ground handling market at Community airports that will start in 2018 as announced as part of the Aviation Strategy in Europe.

They specifically relate to:

Market access: the market developments in European aviation have caused an excessive pressure on the ground handling companies as well as their workers. Always tighter margins have led to both social and operational problems. Legal loopholes regarding the selection processes were identified by the study. The EU Directive does not cover all market-opening challenges. Especially, the authorization/control of subcontracting differs very much between countries and airports, a consequence of the mosaic of rules regarding market opening restrictions and authorizations.

Social rights: Overall, the specific protection of social conditions of the ground handling workers is left to the good will of social partners, who can set up standards through the adoption of collective agreements (CLAs). From an EU perspective however, social dialogue remains difficult in many places and the protection for the transfer of staff offered by CLAs varies greatly from one country to the next or even within one country, reinforcing therefore the inequalities among the workers of the sector and distorting a fair competition. In addition,

¹ Association of European Airlines which dropped out during the study process because it closed down

in case of total or partial loss of activity, Directive 2001/23/EC on transfer of undertakings may provide a partial protection.

It should be helpful to get a more precise picture on how different Member States have used this Directive in the field of ground handling as well to study if some good CLAs can be an asset to tackle the existing loopholes on transfer of staff at EU level.

Vocational Training, Qualifications and Quality Standards: as customers, airlines have to decide the type of handling services they need for their aircraft and passengers. However, minimum quality standards have to be implemented in order to ensure safe and interactive operations at a given airport. The study showed that quality standards are established by different national, European and international players. Therefore, a plethora of different quality standards exists.

Training and skills are the other side of the coin of service quality. The increasing market and price pressure may strongly impact training and qualifications. Furthermore, in a labour- intensive industry, the multiplication of training and qualification standards and their financial consequences may really distort competition between handling companies, not to mention the operational and safety consequences. It also hampers intra-European workers' mobility. At the moment, the right to training is established by law, by a collective agreement, or on the basis of other agreements. Paid time-off is not a right for every employee.

Furthermore, the ESP welcome the inclusion of ground handling into the remit of the European Aviation Safety Agency (EASA) and the development of robust Europe-wide safety-related rules. They are ready to play an active role in cooperating with the Agency with the aim to improve and contribute to better harmonisation of ground handling safety. To maintain a level of safety for the travelling public and the quality the passenger experiences in the European aviation sector, it would be advisable to train the minimum competences needed to perform a certain job. The training should be standard for the task to reduce duplicate training (cost and confusion for employees) and lower the likelihood of error due to confusion over which process is applicable to which airline.

In conclusion, the ESP remain committed to jointly work on the evaluation of the Ground Handling Directive with the view to better identify the loopholes and the discrepancies in the market access to avoid distortion of competition. A special attention should be given to the transfer of staff through the role of the national and sectoral CLAs and the Directive on Transfer of Undertakings. Finally, as an important tool for a safe, fair and qualified system, greater harmonisation of training standards will also be part of the Social Dialogue programme and should be considered by the European Commission as part of the evaluation. The ESP are also ready to work on solutions to be considered after the evaluation process.

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Lyon, 19 January 2018



PULL TO LOWER
DOOR

100
FRA
2X
PRIORITY



GROUND HANDLING SOCIAL DIALOGUE SUPPORT

FINAL REPORT

RESEARCH ON MARKET ACCESS AND SOCIAL CONDITIONS VOCATIONAL TRAINING, QUALIFICATIONS AND QUALITY STANDARDS



This study has been carried out in 2016 and 2017 for ACI Europe, ASA and ETF as members of the Civil Aviation Sectoral Dialogue Committee to support the ground handling sector, with the financial support of the European Union.



DISCLAIMER

The data collected are the result of a survey disseminated by the European social partners in ground handling. They do not claim to be necessarily exhaustive but provide useful guidance on practical perceptions. The survey took into account the response freedom of respondents. Some survey questions were developed as open questions asking the respondents to give their personal vision. The data predominantly indicate what answers respondents gave to the questions contained in the survey. They do not represent the point of view of the European social partners nor Syndex and STC Group. None of these instances are responsible for using the information which this document contains. Comments in the study are those of the consultants and do not necessarily represent the views of ACI Europe, ASA or ETF.

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INTRODUCTION

Groundhandling services are essential to the proper functioning of air transport, making a substantial contribution to the efficient use of air transport infrastructure.

The 96/67/EC Directive on access to the groundhandling market at Community airports has encouraged the emergence of new players in an increasingly dynamic market which requires an abundance of workers. However, as we shall see, there is a great diversity between European Union member states with regard to the level of competition within the sector and social conditions for workers.

The European Commission intends “to pursue the effective implementation of the existing Directive 96/67/EC, with a focus on market access for groundhandling at EU airports and ensure a level playing field between ground handlers” according to its latest Communication².

The Commission will therefore undertake an evaluation of the groundhandling services Directive and then decide whether it needs to be reviewed.

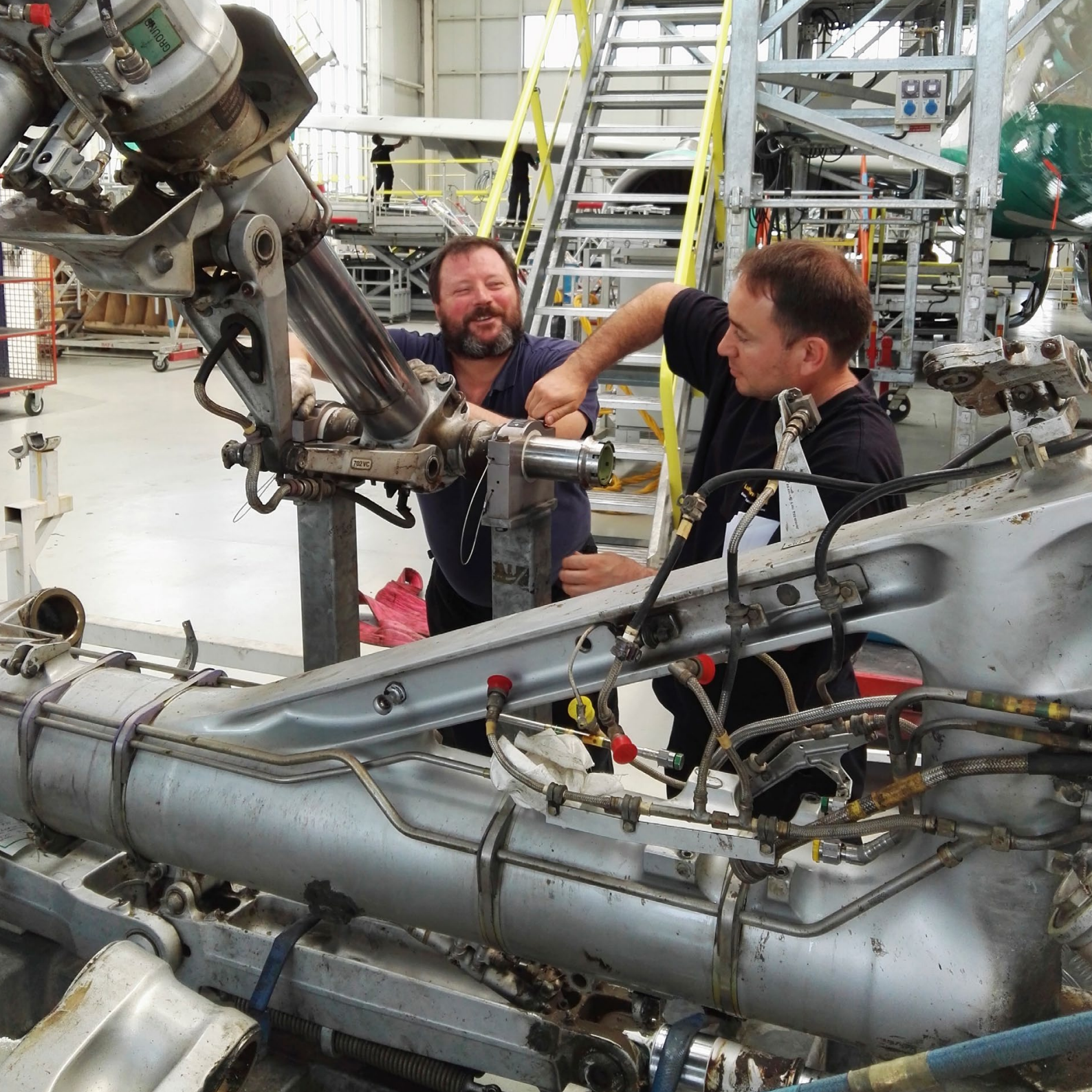
However, no recent data on market access and social rights is available at EU level, making it difficult to substantiate the debate.

This report intends to answer several questions, clarifying the legal impact of the Directive. Regarding social conditions, it identifies and assesses the different legal rules protecting groundhandling workers’ interests across the EU-28 and how the social dimension is taken into account in selection procedures. It provides a specific focus on collective agreements, subcontracting and the application of rules relating to the transfer of undertakings in respect of obligations arising from a contract of employment or employment relationship. It is based on desk research, social partners’ answers to a questionnaire sent out to members as well as interviews conducted in the context of the national case studies.

The EU Social Dialogue Working Group for Groundhandling also launched a tender on Vocational Training, Qualifications and Quality Standards in Groundhandling, aimed at providing an updated overview of groundhandling training and qualifications, taking into account industry initiatives such as ISAGO and AHM and allowing the identification of best practices. Regarding quality standards, those applicable in the 28 EU Member States were mapped in the context of the study.

Turning to vocational training and qualifications the report presents the state of play concerning these issues in the 28 EU Member States, as well as the diverse landscape.

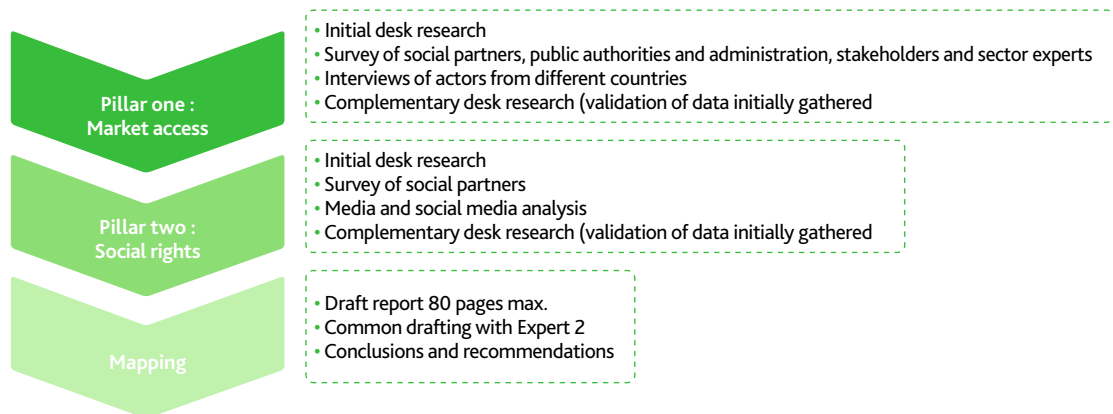
² Commission Communication “An Aviation Strategy for Europe”, COM (2015) 598 final of 7 December 2015



1. RESEARCH CONDUCTED

1.1 Study of Market Access and Social Conditions

The methodology used by Syndex is a “mix” of desk research and a survey of social partners. To draft the questionnaire for the survey, each European social partner (ACI, ASA and ETF) was interviewed separately. Two survey questionnaires drafted by Syndex were approved and disseminated by the three social partners. 5 countries were chosen by the steering group for case studies: DE, IT, PL, SP and the UK, as well as 7 airports (FRA, SXF, FCO, BLQ, GDN, MAD and LHR).



1.2 Vocational Training, Qualifications and Quality Standards in Groundhandling

The study completed by STC-Group targeted independent handlers, trade unions, airports and airlines, addressing them via questionnaires and in-depth interviews. The study outcomes were presented at a workshop held in February 2017. The results of the interviews and questionnaires together with the workshop outcomes form the basis of the results presented in this report.

A total of 37 questionnaires were completed. One was only partially completed and two were from outside Europe. The general analysis used the remaining 34 questionnaires. 47,06% of questionnaires were answered by airports, 29,41% by trade unions and 23,53% by independent handlers.

A total of 15 in-depth interviews were conducted in Belgium, Bulgaria, Denmark, France and Ireland. An in-depth overview of the results from the questionnaires and interviews is attached to this report.

1.3 List of organisations surveyed and interviewed in the study

AUSTRIA

Ground Handling Services Vienna Airport
Celebi Austria
Austrian Airlines AG

BELGIUM

Brussels South Charleroi Airport
Brussels Airport Company
ACV CSC -Transcom
AviaPartner SA Liège
BTB-ABVV

BULGARIA

FTTUB-CITUB
Sofia Airport EAD
Goldair Handling Bulgaria
FTSAM Varna Airport
Fraport

CYPRUS

Swissport Cyprus Limited

DENMARK

Copenhagen Airports A/S, Denmark
3F – General Workers Union
Airport Dorte Vestobenhavns Lufthavne A/S
United Federation of Danish Workers - Kastru

FINLAND

Swissport Finland

FRANCE

CSAE
Unsa transport
CGT Transports
Airport Basel – Mulhouse
Aéroports de la Côte d'Azur

GERMANY

Hamburg Airport
BDF
Stuttgart Airport
Aeroground Flughafen München
Aeroground Berlin
Flughafen Stuttgart GmbH
Flughafen Düsseldorf GmbH
Flughafen München GmbH
Flughafen Hamburg
Fraport AG
AirPart GmbH
ver.di
VDF
Swissport Losch München GmbH & Co. KG
Airport Bremen
Freie Universität Berlin
Swissport Berlin
Acciona Frankfurt
Berlin Brandenburg airport authority

GREECE

Goldair Handling SA

HUNGARY

Budapest Airport Ltd
Celebi Ground Handling Hungary

IRELAND

DAA
SIPTU Office Dublin Airport
Swissport Ireland

ITALY

Sacbo Milan Bergamo Airport,
FILT CGIL
FIT CISL
Aviation Services – Napoli
Bologna Airport managing Authority (ADB)
Assohandlers
Roma Airport authority (ADR)

INDIA

Celebi Ground Handling Delhi Pvt. Ltd

LITHUANIA

Lithuanian Airports

LUXEMBOURG

OGBL

POLAND

Port Lotniczy Zielona Góra – Babimost, Poland
Polish Airports State Enterprise
Lot Polish Airlines S.A.
Solidarnosc NSZZ

SPAIN

FSC-CCOO
Acciona
WFS Spain

SWEDEN

SEKO

SWITZERLAND

Genève aéroport
Swissport International

TURKEY

Celebi Ground Handling Inc.
Havas Ground Handling CO.

UK

Swissport International LLC
UNITE
HAL (Heathrow Airport Limited)

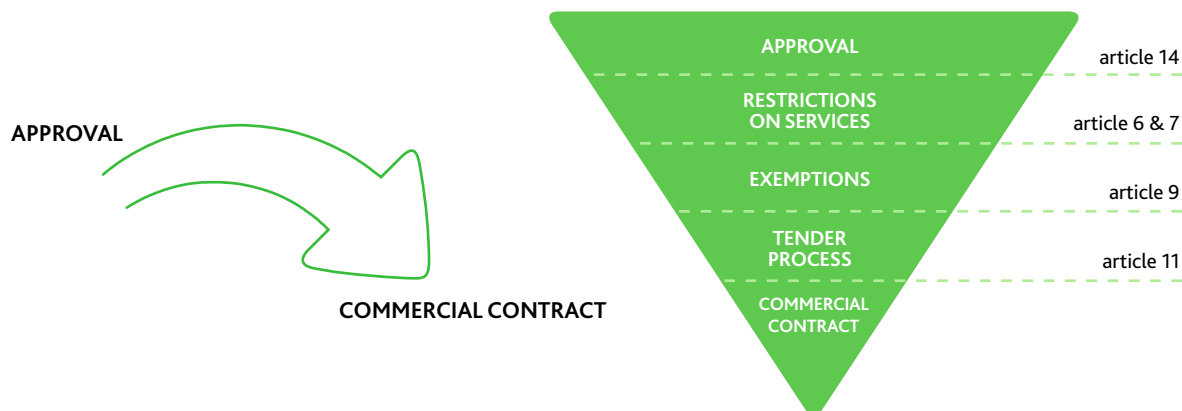


2. MARKET ACCESS

2.1 Market Restrictions: extreme diversity in EUROPE

Directive 96/67/EC requires the market opening of airport groundhandling services. The EU countries covered by the study have implemented the European legislation by law or via regulations. The Directive also provides for partial opt-outs by Member States beyond the initial transition periods.

Diagram 1: the European legal framework creates a coexistence of different national scenarios in Europe: from simple formal approval to the “full picture”



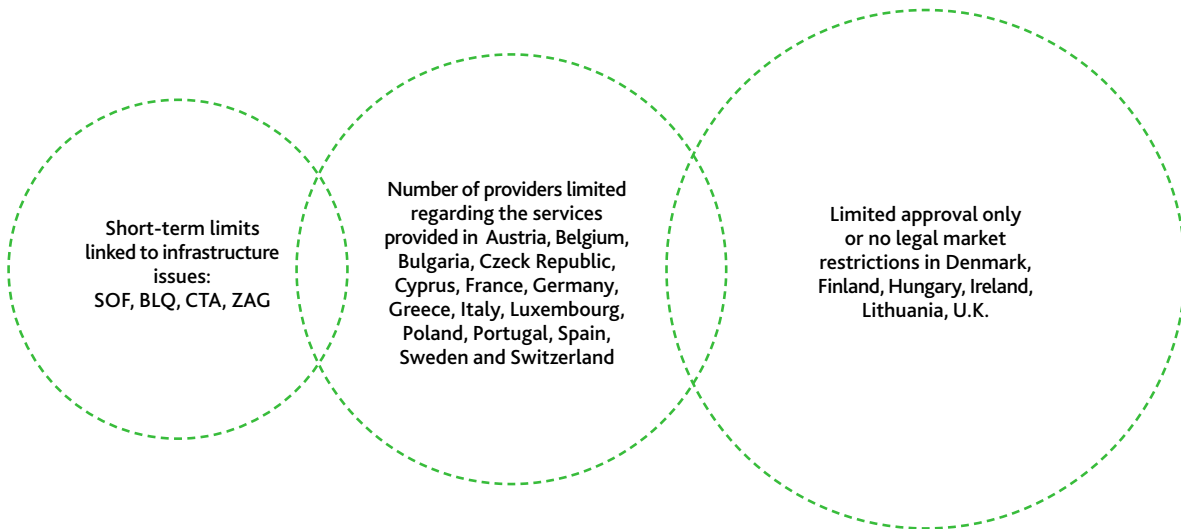
However, possibilities to restrict market opening are strictly limited: Member States can **restrict** market opening to a minimum of two groundhandling operators (art. 6), and may reserve the right to self-handle to no fewer than two airport users (art. 7) for certain services only (*baggage handling, ramp handling, fuel and oil handling, freight and mail handling as regards the physical handling of freight and mail, whether incoming, outgoing or being transferred, between the air terminal and the aircraft*).

Again, for these services, and only when an airport is facing “*specific constraints of available space or capacity, arising in particular from congestion and area utilization rate*”, Member States can request from the European Commission a **temporary authorization to be exempted from opening the market at the degree required by** (Note: *The rest of the Directive still applies*) **the directive** (Art. 9).

Where services are restricted under article 6 and when exemptions under article 9 are granted, a selection (tender) procedure shall be set up by Member States. This shall not however apply to self-handlers or to

airport authorities and their subsidiaries providing groundhandling services within the airport concerned. Finally, Member States may make the groundhandling activity of a supplier of groundhandling services or a self-handling user at an airport conditional upon obtaining the **approval** of a public authority (art. 14).

Diagram 2: examples of different scenarios by country and airports



Member States use these restrictions and exemptions in different ways. Overall, the transposition of the Directive into national legislation does not seem to have raised any major legal issues, although in some cases, European and national Courts had to clarify the understanding of the European directive (i.e.: Portugal and Germany).

However, the leeway accorded to EU Member States by the Directive is vast and Member States have used – and continue to do so – all possibilities offered by the European law to open the groundhandling market access.

With some exceptions, legal procedures and breaches emerge from the Directive’s lack of clarification in several issues rather than any wrong transposition into national legislation.

As decision-making levels vary between countries and as the extent of airport ownership liberalization can even differ between airports within the same country, a wide range of situations exists within Europe. In 2016, 125 airports were covered by the Directive’s scope. Yet it seems that 125 different groundhandling situations exist in Europe. Taking into consideration civil aviation traffic trends, more may follow.

2.2 Restriction of services

Art. 6 of the Directive says:

Groundhandling services can be limited by Member States to a minimum of two operators for *"baggage handling, ramp handling, fuel and oil handling, freight and mail handling as regards the physical handling of freight and mail, whether incoming, outgoing or being transferred, between the air terminal and the aircraft."*

At least one of these two operators should be independent of the airport authority and the main airlines at the airport and from a carrier operating more than 25% of the annual traffic.

Restricting services to two or more operators for the referred operations is the option most commonly used by airports and public authorities. Great differences appear within many countries (e.g.: BE, DE and CH). In the case of Germany, market access is limited by the Federal Government regulation, the *Bundesabfertigungsdienst-Verordnung* (BADV). According to the Association of German airlines BDF, there is no procedure to determine capacity, demand, etc.; any limitation would be based purely on a political decision. Airport authorities that have opened the market to independent groundhandling companies do not necessarily share this opinion.

The UK experience

In the U.K., the market is fully liberalised. Hence, UK regulations do not provide any criteria for the Civil Aviation Authority, CAA, to limit the number of handlers.

In 1998 & 1999, when assessing the 3 requests from airports to restrict the number of third party operator, the CAA relied in particular on the recitals of the ground handling Directive as well as on evidence put forward by the airports to justify the restrictions (such as available space and capacity and the effects on safety and security).

To clarify the rules governing market restrictions, the CAA launched a public consultation in June 2016 and is expected to publish, in due course, a draft guidance document on its role under the Airports Regulations 1997.

However, the commercial strategy of an airline – and particularly one with a dominant position at an airport – may have a significant impact on market share. In several airports or countries, for instance, Ryanair has transferred its operations from one terminal to another, or from one airport to another, with a considerable impact on groundhandling activities with regard to space and infrastructure use and consequently necessitating restrictions on certain services. In certain airports, self-handling is well developed, whereby

airlines are under no obligation to bid in selection procedures where service restrictions exist. Self-handling may be limited by objective criteria. Reference is usually the level of traffic at the airport. Several stakeholders raised the issue of the seasonality of freight and passenger traffic as one not addressed by current legislation. Article 6 of the 97/67/EC Directive allowing for service restrictions can be related to the "safety, security, capacity and available space constraints" (Recital 11 of the Directive) that in theory should cover seasonal trends.

2.3 Approvals

What the Directive says:

► **Recital 22 of the Directive:**

*"Whereas, in order to enable airports to fulfil their infrastructure management functions and to guarantee safety and security on the airport premises as well as to **protect** the environment and the **social regulations** in force, Member States must be able to make the **supply of ground-handling services subject to approval**; whereas the criteria for granting such approval must be **objective, transparent and non-discriminatory**"*

► **Article 14.1 of the Directive:**

*"Member States **may** make the groundhandling activity of a supplier of groundhandling services or a self-handling user at an airport conditional upon obtaining the approval of a public authority independent of the managing body of the airport.*

*The criteria for such approval **must** relate to a sound financial situation and sufficient insurance cover, to the security and safety of installations, of aircraft, of equipment and of persons, as well as to environmental protection and compliance with the relevant social legislation."*

► Remark: there is no obligation for Member States to set up an approval procedure by a public authority. The criteria list is an exhaustive one. Criteria should not *"in practice, reduce market access or the freedom to self-handle"*.

According to the survey, Member States have not adopted requirements supplementing those imposed by the Directive. National laws and regulations refer to the same criteria as listed by the Directive (*financial situation, insurance cover, security and safety of installations, aircraft, equipment and persons, environmental protection and compliance with social legislation*).

From a legal point of view, approval can be easily granted. It does not constitute a system of selection per se, instead reflecting a **protective and purely administrative approach**. Indeed, the criteria replicated in the national selection systems are very similar to those used for the registration of any business entity with the exception of the emphasis on safety, an issue prominent in the civil aviation sector.

Approvals are important in countries or airports where there is no tender procedure in place, because they are the only way to keep track of business activities. Even if a mere formality, approval can potentially provide benefits, for instance regarding service standards (i.e.: staff certification) or when operations are subcontracted – as described in the dedicated chapter below. Although a number of countries did not report having adopted an “approval” procedure, in practice, the approval criteria listed in the Directive may nevertheless be referred to in tender procedures.

Some examples of requirements used in practice:

- Technical criteria regarding personal protection equipment (BE).
- Administrative declarations or certifications (FR, CH). In France, however, approval does not take into consideration the fulfilment of groundhandling companies’ obligations to pay social security contributions, although this can result in unfair competition between these companies.
- In Germany, there is no separate licensing procedure apart from the obligatory tender procedure for restricted services. However, all groundhandling companies must sign “concession” contracts with the airport authority according them access to and usage of the airport infrastructure, as well as additional rental agreements, if necessary. According to the BDF, “airports set a lot of provisions through standard conditions or technical specifications which the authorities usually take as unquestioned”.
- In France, approvals are issued on a 5-year basis although tender-based licensing is for 7 years. Approval must therefore be renewed during the course of a contract.³
- In 2010, one independent supplier successfully challenged a decision of the Civil Aviation Administration rejecting its request for a “license”.
- The market initially limited to two suppliers is now fully open.

A 2015 study by the French Ministry of sustainable development suggests possible improvements:

- ▶ *Define a one-year interim approval procedure for newcomers because they cannot provide evidence of past activities.*
- ▶ *Withdraw approval more often – after consultation with users’ committees, considering, for each case a partial, total or a limitation of approval.*
- ▶ *Issue long-term approval periods only to those companies that can certify adoption of recognised sector quality standards.*
- ▶ *Issue country-level approvals instead of airport-specific ones.*

³ “Etude sur le marché de l’assistance en escale dans les aéroports », French Ministry of Ecology, Sustainable Development and Energy, report n° 010204-01, issued Sept 2015.

2.4 Selection procedures and criteria

What the Directive says:

According to Art. 11 and Recital 16 of the Directive:

- ▶ Member States shall set up **measures for the organization of a selection procedure** of suppliers **when their number is limited** for certain categories of services (art. 6.2) and for exemptions linked to operational constraints (art. 9).
- ▶ A *“transparent and impartial” procedure on the basis of “relevant, objective, transparent and non-discriminatory” criteria*.
- ▶ Users Committees shall be *“consulted”*.

According to the 2006 Commission Interpretative Communication on the Community law applicable to contract awards not or not fully subject to the provisions of the European Public Procurement Directives, this selection procedure is not subject to the Public Procurement Directive

The new legislation of 2014⁴ seems to confirm the European Court of Justice jurisprudence regarding the distinction between **public authorities operating in the open internal market and those outside this scope**. Although the selection procedure would not be covered by the new European Directive on public procurement, a number of airports have adopted procedures very similar to the one described in this Directive (two-stage procedure, type of criteria adopted, ...)

The survey carried out among the social partners has identified **seven complaints (AU, BE, CY, DE, FR, IT, SP) related to tender procedures** highlights:

- a. the **lack of clarity regarding national laws that are in many cases simply a “copy/paste” of the 96/67/EC Directive**;
- b. difficulties faced by public authorities and airports to adopt **valid selection criteria** to differentiate bids. They may benefit from the support of “experts” who are not necessarily selected in a transparent manner. Tender criteria vary greatly between airports, in particular with regard to the balance between price and the quality of services requested;
- c. the highly competitive environment;
- d. **legal loopholes regarding the selection procedures themselves: no obligation to provide reasons for selection decisions, administrative mistakes, no access to a court during the selection procedure and difficulty in identifying the competent court in some cases.**

4 Directive 2014/24/EU on public procurement and Directive 2004/18/EC and Directive 2014/25/EU 26 February 2014 on procurement by entities operating in the water, energy, transport and postal services sectors (repealing the 2004 Directive)

Commission v. Portugal

Case C-277/13

The Court of Justice of the European Union (First Chamber) judged in 2014 that Portugal had failed to implement Directive 96/67/EC. The CJEU ruled that it was not authorised to avoid selection procedures under the justification of ensuring continuity of services and for safeguarding the employment and rights of workers. In this case, the Portuguese authority had organised a call for investors instead of a call for tenders.

Are tender procedures effective?

The Italian case (see case study) shows that the **tender procedure is effective in the airports studied**: in 2014, Aeroporti di Roma introduced access restrictions under article 6 and a tender procedure in 2016. Even though these steps are just recent, the airport acknowledges significant improvements regarding the quality of services provided.

However, the **tender procedure may, in a number of cases, be disconnected from the ramp side economic reality**: operational groundhandling managers are not necessarily involved in the tender, being responsible locally for implementing the commercial contracts with airlines and the audits conducted by the latter.

According to many interviewees, commercial contracts with airlines are to a large extent what shapes activities on the ground, not the tenders. Commercial contracts between groundhandling companies and airlines may cover several airports, whereas tenders, with some exceptions, cover only one. Moreover, the so-called “sleeping license” cases reflect the gap between market opening and competition reality: although Berlin airport has opened the market to three groundhandling companies, only two actually conduct business operations. The third one is virtually non-existent, with a market share of less than 2%. Similar situations exist in Hamburg where the airport operates alone due to a lack of competitors able to attract airlines; and in Nuremberg, where the groundhandling market is fully open and Ryanair is by far the main carrier.

The Berlin example shows the difficulties for those airports not providing ground-handling services to adopt adequate selection criteria. This boosts the importance of involving recognised and independent experts, via a transparent process, and **the Users’ Committee (UC)** at an early stage. In Germany, the airport works council is invited to participate in the UC.

The only instrument available to airports to enforce a simple concession contract is license cancellation. Although the image of an airport is at stake – for instance in cases of late luggage delivery –, it cannot influence the operations of independent groundhandling companies. In reaction to this situation, the Berlin-Schönefeld airport has recently set up a **monitoring program** awarding points to groundhandling

companies. The three criteria selected are a) quality, b) punctuality and c) safety. A Safety Committee, involving stakeholders, has been set up to track progress.

According to the survey and interviews, the majority of Users' Committees function well and actively participate in brainstorming sessions tackling issues linked to groundhandling operations (incidents, delays,). One factor influencing a UC is the case where a single airline has a dominant position as a carrier and/or where it operates as a self or a third-party handler. The role played by airport authorities (none, simple observer, speaker) regarding the tender procedure may differ from one situation to the next depending on whether the airport has developed groundhandling activities or not. Third-party operators are also invited to meetings in certain airports.

2.5 Subcontracting

The 96/67/EC Directive does not regulate subcontracting for third party providers (airports, groundhandling companies or airlines).

A carrier may act as a third party handler for others, this case being different from self-handling; The Directive excludes any possibility for self-handlers to subcontract all or part of the ground handling services (see article 2 of the Directive "definition of the self-handling"), otherwise the service provider shall be considered as a third party provider and be subject to different or more strenuous market access obligations, even when the airline has a majority or total holding in the service provider as stated in the same article, since self-handling excludes any notion of contract between the client and the provider. (When Air France aircrafts are operated by its 100% own subsidiary, it is due to its quality of third party handler which has been selected and may operate for both third carriers and the aircraft of its Group).

Cascaded subcontracting however is not widespread according to stakeholders, though it does exist in certain countries (France and Belgium). The French groundhandling organization CSAE states being in favour of a legal limit of just one subcontracting level.

According to those surveyed, **subcontracting is a reality in the majority of the cases** analysed in the study. Dependent on the country, a carrier, an airport authority or the civil aviation authority can authorize subcontracting.

In Italy, for example, the trade unions at Bologna and the Roma airports share the same opinion regarding the need for compulsory certification of subcontractors. At present, only a simple authorisation granted by the civil aviation authority ENAC is needed.

Once again, each country or airport has its own regulations. The main scenarios are as follows:

- No formal restriction or registration.
- Request for prior “approval” is compulsory: this request can apply to certain services only (often aircraft cleaning) or generally to all kind of operations, like any other groundhandling provider.
- Quotas applied to subcontracted activities: limited to 30% of each groundhandling activity.
- Compulsory subcontractor quotes in the tender submitted by the main supplier.
- Consultation and authorization by the Works Council.
- Interlinked “licenses” or “approvals”, with cancellation of a ground-handling license forcing the subcontractor to also stop operating.

Spanish case

Generally speaking, groundhandling companies may subcontract any service, except ramp handling, subject to prior authorization from AENA, the airport authority. According to one groundhandling company, two airlines however subcontract ramp-handling services to a company using their logo.

2.6 Quality Standards to tackle legal loopholes?

In 2016, 10,697 incidents and 7 accidents linked to groundhandling operations were recorded⁵. Over and above the 96/67/EC Directive, stakeholders have had to cooperate to ensure a proper level of safety at airports:

- IATA (the International Air Transport Association) claims that 50% of their 265 airline members already use its ground operations standards (via training and an IGOM manual). These standards are defined in cooperation with all stakeholders, including independent groundhandling companies.
- For ACI, the IATA standards are of good level but not sufficient since unfortunately restricted to the aircraft and not taking into account the necessary coordination on the ramp.
- European social partners deemed representative by the EU Commission have a “co-regulator” status enacted by the EU Treaty of Lisbon. ACI, ASA (IAHA) and ETF have reached agreement on difficult issues regarding the tender selection procedure and a social clause on transfer of labour contracts. These are tools of reference that can be widely promoted by sector players. Social dialogue is not just sectoral: similar progress could be achieved at company level with transnational companies (airports, airlines, groundhandling companies).

⁵ Source: European Aviation Safety Agency, EASA, website.



3. SOCIAL CONDITIONS

Since the adoption of Directive 96/67/EC and the progressive liberalization of the market, the EU ground-handling sector has been characterized by an increasing level of competition, mainly based on price. The development of low-cost companies, as well as in some cases alleged unfair competition from non-EU airlines, has led airlines to put downward pressure on groundhandling costs. Coupled with other factors, such as rising airport infrastructure costs, this has resulted in narrowing margins and thus in a deterioration of the overall economic situation of groundhandling service providers. All companies are impacted (third-party handlers & self-providers), the situation is of course harder for small-size operators.

The intention of this chapter is to identify and assess the different legal rules protecting groundhandling workers' interests across the EU-28 as well as to assess how the social dimension is taken into account in selection procedures. It specifically focuses on collective agreements, subcontracting and the application of rules relating to the transfer of undertakings aimed to safeguard employees' rights. It is based on desk research, social partners' answers to a questionnaire sent out to their members as well as on interviews conducted in the context of the national case studies.

3.1 Collective agreements

A collective agreement (**CA**) is a written contract collectively bargained between the social partners that outlines many of the terms and conditions of employment for employees in a bargaining unit. These typically include wages and benefits, work organization, working hours, rest days, etc.

The aim of a collective agreement is to improve working conditions, as it often goes beyond the standards set by the Labour Code and clarifies, in many aspects, the rights, obligations and duties of the parties. Collective agreements in the ground handling industry may be adopted at national, local and company levels. In many countries, they complement each other and promote working conditions and wage standardization. From this angle, national or sectoral CAs promote fair competition and could help adopting European standards.

In some countries however, collective agreements are non-existent or are signed at company level only. In this case, workers doing the same job, operating at the same airport in similar aircrafts maybe covered by different collective agreements, a situation that may lead to social dumping and undermine the steady sector development.

In the UK, there is no sectorial collective agreement. Groundhandling workers are covered by local or company agreements. As a result, terms and conditions of employment may vary widely dependent on the company and the airport concerned. These disparities may even occur within the same company, and may be further boosted by multiple transfers of workers caused by transfers of contracts. In 2015, an analysis of employment contracts carried out within one of the main ground handling companies revealed significant differences amongst employees hired to carry out the same or similar roles, in terms of shift allowances, overtime rates, annual leave and holiday pay, company sick pay, task-related supplements, etc. A total of some 40 different local agreements between companies and trade unions were in place, some of them dating back to 1993.

According to the respondents to our survey, in several countries / airports, groundhandling workers benefit from additional protection in the form of company CA. Exceptions are Ireland, Lithuania and Poland. There is also no additional protection for workers at Budapest airport. The existence of CAs was reported in Austria, Belgium, Denmark, Finland, France, Italy, Luxembourg, Spain and Sweden.

In some countries, workers are protected via local site agreements. This is the case at Brandenburg airports (Berlin), Frankfurt & Bremen, although such agreements are not compulsory in Germany. Local CAs can also be found in Italy (Naples, Rome, Venice) and Switzerland (Geneva). Employees also benefit from CAs set at company level in Bulgaria (Sofia, a joint agreement for Burgas and Varna), Greece and in the UK.

The protection offered by collective agreements can vary greatly from one country to the next or even within one country. Although there are examples of good practices (like in Spain for example where the sectoral agreement applies to all groundhandling companies and establishes the minimum applicable standards), CAs' implementation do not always provide workers with the expected guarantees.

- First of all, some sectoral CAs are not applied by all sector companies. This is for example the case in Italy, where the application of the CA is not compulsory and is left to the good will of the social partners, thus creating differing situations among market players.
- Different sectorial agreements may be applied to workers, according to the subsector to which their company belongs, thus implying less favourable conditions for some of them. As groundhandling activities are very diversified, it is common for workers to be covered by CAs of different sectors (for example CAs applicable to the retail, cleaning or logistics sectors).
- Finally, in some cases, rules set by sectoral CAs are too general and therefore subject to subjective interpretation.

In France, several collective agreements coexist. The two main ones are the CCNTA (ground personnel) and the CCRMNA (handling and cleaning at airports). In practice, market players apply different agreements, depending on their main activity. For example, providers who offer transport services and freight activities come under the road transport CA. When a company performs several types of activities, it should, by law, apply the CA corresponding to its main activity. However, according to some employer organisations, some cleaning companies do not apply the sectorial CA (CCRMNA) but a different one, corresponding to one of their secondary activities. They do so to benefit from lower social conditions. This situation leads to competition distortions since CCRMNA wages are some 10% higher than under the agreement applied.

3.2 Inclusion of social clauses in selection procedures

In the case of market restrictions, the selection of suppliers is subject to the fulfilment of various criteria such as financial viability, organizational and technical means, compliance with insurance requirements or safety and work regulations in addition to price. The social dimension can be included in selection procedures in various ways, for example in the form of clauses imposing compliance with labour laws and collective agreements.

According to the respondents to the questionnaire, the social dimension is, in the majority of cases, not taken into account when selecting groundhandling companies, or is limited to the obligation for tenderers to declare that they respect labour laws (as in France for example). In a certain number of countries and / or airports, there is an obligation to respect existing collective agreements (Germany for Berlin - Brandenburg & Frankfurt, Finland (Helsinki), Luxemburg and Sweden). In some cases, specific rules relating to the transfer of undertakings are applied:

- In Austria, respect of collective agreements is a prerequisite for obtaining a license. There is also a social clause for taking over staff, and social packages are normally provided in the case of staff moving from one company to another.
- In Geneva (Switzerland), the last call for tenders included social requirements, *inter alia* compliance with the collective agreement. Applicants needed to provide certificates from local authorities testifying their compliance with labour laws as well as a take-over plan from previous providers.
- In Belgium, tenderers have to declare that they will respect collective agreements and social legislation. At BRU, the managing authority requires candidates to pursue a social policy supporting so called "social peace" and in compliance with all relevant legislation.
- In Spain, specifications included in the call for tenders state that the bidder will apply the sectoral agreement in case of licence awarding.

3.3 Subcontracting

Subcontracting is a growing trend throughout the EU groundhandling sector. As one of its main objectives is cost reduction, it can have a negative impact on social conditions, even if subcontracted workers are subject to the same labour rules as other companies. Across the EU, the situation varies from one country to another, depending of the consistency of the legal framework.

3.3.1 A growing phenomenon

Since the liberalization of the market, recourse to subcontracting by groundhandling service providers has consistently increased. 29 of our survey's 40 respondents indicated the existence of subcontractors at their particular airport. Nevertheless, the proportion of subcontractors varies greatly from airport to airport:

- Their number goes from one to several companies, even sometimes for one kind of service. In Frankfurt for example, there are a total of 880 subcontracted workers, mainly in cleaning services (750) but also in transport (70) and pushback and towing services (60). In Berlin and Hamburg, they represent around 10% of the workforce;
- In some places, there are no subcontractors at all or they are used solely at peak times (as in Vienna);
- In certain countries, subcontracting is limited by law to a certain threshold (example: up to 30% of activities in Italy).

Overall, little information on subcontractors (exact number, number of workers) is publicly available and the opacity of subcontracting processes was very often pointed out.

3.3.2 Impact on working conditions

In the EU, subcontracted workers are covered by the same labour laws as all other workers, as these laws are of general application and their respect is compulsory. In certain countries, they also benefit from identical additional arrangements, such as CAs for example (Germany, Luxembourg).

The situation however varies widely across the EU, and in some countries subcontracting is seen as having a negative impact on social conditions and, in some cases, as promoting social dumping. These observations are linked to the following facts:

- Applying the same labour rules does not necessarily mean the same conditions (in terms of social security or pension schemes for example).
- Depending on the activity, different collective agreements may be applied (example: cleaning activities). At some airports, subcontractors are not covered by the CAs, an aspect similarly applying to temporary agency workers.
- Subcontracting companies are characterized by lower TU membership.

At Rome airport, when market access was unrestricted, the main problem pointed out by airport representatives was the overly high number of providers and excessive competition between operators, especially during periods of lower activity and lower volumes. Pressure on costs impacted the general quality of services and favoured social dumping as well as increased subcontracting. Social problems possibly found in subcontracting companies, including low wages, the lack of training, breaches of social clauses and strikes, impact safety and more generally the whole airport value chain, spreading the problems of subcontractors to all other market players (handlers, carriers, airport).

3.4 Rules applying in cases of partial or total loss of activity

Since the liberalization of the market, the average length of groundhandling contracts has been reduced and changes of providers are frequent and often severely impact the workforce. In the frame of this study, numerous examples of job losses or reduced working conditions following the transfer of groundhandling contracts from an operator to another were reported⁶.

In cases of partial or total loss of activity, workers' rights may be protected at EU level through the provisions of Directive 2001/23/EC on transfers of undertakings⁷. In practice, the Directive fails however to provide an equal protection to all workers as the degree of protection varies widely:

- According to whether or not the (partial) loss of activity is considered to be a transfer of (part of an) undertaking according to the Directive.
- depending on how the Directive has been transposed into the national legal framework and on the existence of additional protection for workers in the form of collective agreements.

3.4.1 Directive 2001/23/EC on transfers of undertakings

Directive 2001/23/EC sets out the EU-wide rights of employees in the case of a transfer of ownership of the company or business in which they work, as well as the obligations of the transferor and transferee.

⁶ For example, in Spain, at least 10,000 of about 17,000 workers have experienced such transfers in recent years. Similarly, at Rome airport, 1000 workers lost their jobs after 2 companies went bankrupt. Approximately 600 of them were rehired by other companies, though with their wages reduced by about 40%.

⁷ Council Directive 2001/23/EC related to the safeguarding of employees' rights in the event of transfers of undertakings aims to protect employees in the event of takeover, in particular ensuring that their rights are safeguarded

The Directive applies:

- to “any transfer of an undertaking, business, or part of an undertaking or business to another employer as a result of a legal transfer or merger”.
- to all types of employment relationships regardless of the number of working hours performed and the type of employment contract (open-ended, fixed-term or temporary).
- to all companies, public or private, engaged in economic activities regardless of whether they are operating for profit⁸.

According to the Directive:

- “The transferor’s rights & obligations arising from a contract of employment or from an employment relationship existing on the date of a transfer shall, by reason of such transfer, be transferred to the transferee”;
- “Following the transfer, the transferee shall continue to observe the terms and conditions agreed in any collective agreement on the same terms applicable to the transferor under that agreement, until the date of termination or expiry of the collective agreement or the entry into force or application of another collective agreement”.
“Member States may limit the period for observing such terms and conditions with the proviso that it shall not be less than one year”.
- “If the contract of employment or the employment relationship is terminated because the transfer involves a substantial change in working conditions to the detriment of the employee, the employer shall be regarded as having been responsible for termination of the contract of employment or of the employment relationship”.

Complementary social protection schemes are not included in the scope of the Directive and therefore are not subject to it. Similarly, workers are not protected in cases of insolvency or bankruptcy proceedings by this European legislation.

As stated in both Directive 2001/23/EC and Directive 96/67/EC⁹, national governments may take measures to provide workers with additional protection. These measures, however, must not provide for rules whose implementation would jeopardize the level of competition on the market, as stated by the European Court of Justice in its case law (see below).

⁸ <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=URISERV%3Ac11330>

⁹ Article 18 of Directive 96/67/EC provides that “Without prejudice to the application of this Directive, and subject to the other provisions of Community law, Member States may take the necessary measures to ensure protection of the rights of workers and respect for the environment”.

In Italy, Legislative decree 18/99 implementing Directive 96/67/EC included provisions aimed at maintaining the level of employment after the opening of the market. Article 14 of the Decree provided that: "any transfer of activity in one or more categories of groundhandling (...) shall include the transfer of staff (...) from the previous supplier to the subsequent supplier, in proportion to the volume of traffic or to the scale of the activities being taken over by the subsequent supplier".

These provisions were sanctioned by the ECJ¹⁰. The Court stated that:

"The power to ensure an adequate level of social protection for the staff of undertakings providing groundhandling services (...) does not confer an unlimited jurisdiction and must be exercised in a manner that does not prejudice the effectiveness of that Directive and the objectives it pursues. The aim of the Directive is to ensure the opening up of the groundhandling market which must help, in particular, to reduce the operating costs of airlines.

A national provision which guarantees that existing employment levels are to be maintained and that labour relations with staff under the previous management arrangements are to be continued which applies, irrespective of the nature of the transaction concerned, to any 'transfer of activity' in the sector in question plainly goes beyond the concept of transfer laid down by Directive 2001/23. **It is only by having regard to the specific characteristics of each transfer of activity that it is possible to determine whether the transaction concerned constitutes a transfer for the purposes of the Directive**".

More recently (in 2005), the ECJ has sanctioned a German regulation enacting that part of the fee that a managing body of an airport may require from suppliers (...) for access to and use of its installations may be intended to offset the costs of not taking over workers. In this case also, the measure was judged as potentially jeopardizing the opening of the market¹¹.

3.4.2 Implementation at national level

3.4.2.1 Scope of protection

As stated in its Article 1, the Directive applies to transfers of undertakings (or a part of them) that result from a legal transfer or a merger. Additionally, the legislation provides that "there is a transfer within the meaning of the Directive where there is a transfer of an economic entity which retains its identity, meaning an organised grouping of resources which has the objective of pursuing an economic activity, whether or not that activity is central or ancillary".

¹⁰ Case C-460/02, Commission vs Italian Republic

¹¹ Case C-386/03, Commission vs German Republic

In order to assess if the rights and obligations arising from employment contracts should be transferred to the new entrant, the criteria linked to the maintenance of the identity is therefore crucial. Its fulfilment is assessed by national courts on the basis of several criteria: type of business, transfer and value of assets, transfer of commercial contracts, taking over of employees, similarity between the activities carried on before and after the transfer, etc. The European Commission has clarified that, "As recalled by the ECJ, all those circumstances are merely single factors in the overall assessment which must be made **and cannot therefore be considered in isolation**".

"As far as the provision of services is concerned, the ECJ has distinguished between activities based essentially on manpower, such as cleaning and surveillance, and activities based essentially on assets, such as public transport or catering.

- "Therefore, in case of providers of services whose activities are based essentially on manpower, the taking over by the new employer of a major part, in terms of their numbers and skills, of the employees specially assigned by his predecessor to the provision of the services in point can result in the maintenance of the identity of the entity". Regarding its characteristics, **it appears that ground-handling activities can be included in this scenario;**
- "Similarly, in case of providers of services whose activities are based essentially on assets, the taking over by a new operator of the assets indispensable for the provision of the services can result in the maintenance of the identity of the entity even when the essential part of the staff has not been taken over"¹².

In practice, the Directive covers only some of the multiple cases that take place in the groundhandling sector and fails to provide a solid protection for workers:

- Currently, the transfer of rights and obligations to the entrant company can only be determined through a specific case by case analysis, based on the weight of the different criteria. **There is therefore a legal uncertainty for operators and workers.**
- In some countries, laws implementing the Directive into the national legal framework include criteria limiting the obligations of the new provider (for example the obligation to have a dedicated team assigned to a particular customer) like in the U.K. (see below).

¹² Memorandum on rights of workers in cases of transfers of undertakings, European Commission available at: <http://ec.europa.eu/social/main.jsp?catId=706&langId=en&intPageId=208>

In the UK, the "Transfer of Undertakings (Protection of Employment) Regulations" (TUPE) provide that, when the transferred activity consists of the provision of services, specific conditions have to be fulfilled.

For the regulations to be applicable, (1) activities should remain fundamentally the same (2) an organised grouping of employees, deliberately organised by the employer to provide a service for a particular client, must exist (3) employees should be assigned to the group. Therefore, in the case of a transfer of contract between 2 handlers, groundhandling agents have to be specifically assigned to that particular contract / airline in order to get their contracts transferred.

In recent years, this issue of staff assignment has been at the core of several disputes between companies and trade unions and is of primary concern for workers. Indeed, as cost control is their top priority, groundhandling companies increasingly resort to multi-tasking and flexible organisations, where workers serve several customers at the same time. While these solutions help to lower costs, they also prevent the application of the TUPE regulations.

3.4.2.2 Terms and conditions

The rules on the transfer of undertakings provide workers with limited protection. The new employer remains free to reduce the size of the workforce, but with the obligation of respecting notice periods and possibly paying compensation. The rules set by the Directive are not always a means of preventing social dumping, as the protection set at EU level only covers terms and conditions and does not apply to any additional benefits the employee may have had before the transfer. The new employer may therefore offer lower social conditions to the transferred employees and thus provide the same service at lower costs.

Employees may benefit from additional protection through their collective agreements, as the rights provided by the CA are also subject to the Directive's provisions. In practice, several countries have decided to limit to one year the period during which the new employer is obliged to respect the terms of the CA (e.g. Austria, Bulgaria, Cyprus, Hungary, Poland). There are however examples of Member States providing workers with more favourable rules:

- In France, the Labour Code (art. L2261-14) provides that the new employer and the transferred employees have to start negotiations on the application of the CA within 3 months of the transfer. In the case of no agreement being reached, the CA rules continue to apply for a period of 12 months plus 3 months. At the end of this period, employees are entitled to keep the acquired benefits, which remain valid until the CA expires.
- Similar rules are found in Germany and in Luxemburg where the CA applies to the transferred employees until it expires.

In France, the provisions of Directive 2001/23/EC are implemented into national law by the article L1224-1 of the labour code. Ground handling workers benefit however from an additional protection, offered by the annex VI of the national collective agreement of the air transport sector.

- The purpose of this agreement is to define the conditions for the transfer of rights and obligations arising from a contract of employment or from an employment relationship, in the event of the replacement of a ground handler by a new one, when the conditions laid down by Article L. 1224-1 are not met.
- In particular, the document provides that the rights and obligations arising from employment contracts should be transferred to the entering company in case of:
 - Partial transfer of activity, carried out by a dedicated team;
 - Partial transfer of activity, not being performed by a dedicated team;
 - When the ground handling activity carried out by the outgoing company is being split between two or more entering providers.

In all cases, the number of workers, which rights shall be transferred to the new entrant (or entrants), should be determined proportionally to the amount of personnel needed to perform the transferred activities.

3.4.2.3 The proportion of workforce transferred

Another issue at the core of several disputes in recent years is linked to the exact number of labour contracts that are subject to transfer in the case of a partial loss of activity. Directive 2001/23/EC on the transfers of undertakings is a horizontal Directive applicable to all sectors. As a consequence, national rules remain vague. This allows their subjective interpretation as usually Member States' legal frameworks do not include any specific definition of a transfer of undertakings adapted to the specific characteristics of the ground-handling sector. In the course of this study, no such legislation was identified.

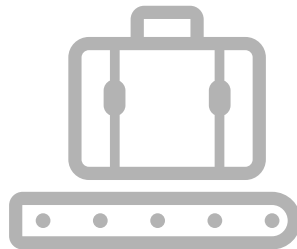
In certain countries, additional rules aimed at closing legal loopholes and clarifying the issue have been adopted by the social partners through specific provisions included in collective agreements. This is for example the case in France, Italy, Luxemburg and Spain. However, these additional rules are not efficient in all cases. In Italy for example, the social clause included in the national CA does not allow any precise determination of the proportion of workers subject to transfer. As a consequence, local CAs, including rules on the transfer of labour contracts, have been adopted in certain airports (Naples, Rome, Venice).

In some countries, specific rules have been elaborated at airport level through the inclusion of social clauses within tender specifications. This was the case in Vienna but also at Geneva airport, where the airport managing authority requested all applicants to provide a staff take-over plan.

In Spain, the groundhandling sector collective agreement includes a precise mechanism for identifying workers whose contract will be transferred:

Chapter XI of the agreement relates to transfer of employment contracts, providing that: "For the purposes of determining the percentage of business transferred, consideration shall be given to the number of aircraft subject to transfer, divided by the total number of aircraft serviced by the transferring operator, both over a twelve-month period of activity, or, if less than twelve months, with respect to the time actually operated. Calculation of the number of aircraft shall be based on the last weighted table of "maximum rates charged by groundhandling agents for apron services", published by AENA." (art. 63). "For loading and mail services, the same method shall be used but with kilograms of goods and mail taken as a reference" (art. 64).

"(...) Upon determining the percentage of business lost, and in accordance with previous sections hereof, such percentage shall be applied per type of contract and subsequently per job category, based on the existing staff involved in the activity at the affected entity's work centre, including the proportional part of its structure, at the moment such entity is duly informed of the change in service, pursuant to the requirements established herein. Application of the above criteria shall determine the number of workers to be subrogated, provided they consent, rounding off fractions thereof above 0.5; and decimal fractions of less than 0.5".





4. STATE OF PLAY VOCATIONAL TRAINING, QUALIFICATIONS AND QUALITY STANDARDS

4.1 Introduction

Since the liberalization of the groundhandling market at EU airports, price competition between providers of groundhandling services (GHS providers) for airports and airlines has increased to a level impacting quality. Increased competition in the aviation market (caused by the liberalization of the market) has had a huge impact on the turnover and profits of GHS providers.

In the EU, low-cost carriers compete with regular airlines. To stay competitive, airlines are trying to reduce their costs in several ways. Moreover, subsidised airlines from outside Europe are moving into the European market. New concepts such as 'all you can fly' & 'basic economy tickets' have been introduced in Europe, opening up new sub-markets. Airports have to focus continuously on the conditions agreed with airlines, as otherwise the latter will switch to other airports.

In the current situation, airline operating costs are under pressure, in turn automatically influencing prices for groundhandling services. To remain competitive, GHS providers have to offer lower prices and shorter handling/operation times, while still applying the same standards and agreements as before. By contrast, an October 2015 study conducted by Steer Davies Gleave shows a large increase in groundhandling costs¹³. Moreover, several airlines provide third party-handling in addition to their self-handling, creating uneven competition. Subsidiaries have been established for example in Germany, paying lower wages and offering secondary contract terms below those enjoyed by employees of the parent company¹⁴.

Adopted with the intention of opening up the market, Directive 96/67/EC has largely achieved its main objective. At the majority of larger EU airports, GHS providers compete with each other, resulting in more choice for airlines. This in turn means improved service levels and lower fares for passengers¹⁵. But it seems

13 <https://ec.europa.eu/transport/sites/transport/files/modes/air/studies/doc/2015-10-employment-and-working-conditions-in-air-transport-and-airports.pdf>

14 http://userpage.fu-berlin.de/~jmueller/gaprojekt/downloads/SS2012/Groundhandling_Poster_text_2_2_08_jm_rev%20final.pdf

15 https://ec.europa.eu/transport/modes/air/airports/ground_handling_market_en

that the Directive is now having undesired effects, with pressure to lower costs and raise efficiency now excessive. GHS providers are concerned about their ability to maintain the high standards they stand for and the quality and safety of their work.

Another interesting obstacle to a level groundhandling playing field is overregulation. Groundhandling services are overburdened by regulations, recommendations and SLAs, and each airline wants to be treated differently. High quality is hard to achieve under such circumstances.

4.2 Problems

As aforementioned, the liberalisation of the aviation industry in Europe has impacted price levels for groundhandling services. Price developments in the groundhandling sector are leading to fewer staff being employed to perform the same amount of work or even more (lower ticket fares, lower service costs, lower handling costs paid by airlines)

In addition, GHS providers see themselves forced to comply with too many standards set by their customers, as well as having to comply with other existing regulations (IATA, EASA as well as national regulations regarding safety and quality), recommendations and agreements. Too many different regulations can lead to too many potential hazards.

In addition to the diversified landscape of applicable regulations, several survey respondents stated that regulations are met on paper, but hardly in practice. Some employees mentioned that regulations are solely complied with during audits, i.e. audits are often not representative of the actual situation.

In many cases, training is provided by experienced employees, not by qualified trainers. Although the former know a lot about the field of work, it is questionable whether they are able to transfer knowledge in a way comprehensible for every (potential) employee. Moreover, temporary staff do not always receive full training, but just the basic training allowing them to do the work. In many cases, (temporary) staff have not even completed training.

The liberalisation of the groundhandling sector has led to decreasing prices. The decreasing prices offered for groundhandling services influence the number of staff members hired/contracted to execute the job. In addition, quality is influenced by the fact that less and less people have to execute the same amount of work in accordance with more and more regulations. In addition, the landscape of training is a fragmented one, which is impacting quality and thereby safety as well.

4.3 Developments

To strengthen the EU aviation safety system, a revision of Regulation (EC) No 216/2008 (EASA basic regulation)¹⁶ has been proposed.

The proposal includes a chapter on groundhandling. However, it leaves room for discussion which could hamper proper implementation of the new legal instrument. For example, 'the provider shall provide the GHS in accordance with the procedures and instructions of the aircraft operator it serves' (c) – according to the EU Transport Council - and 'the provider shall use only adequately trained and qualified personnel ...' (i). Especially in larger airports serving many airlines, this will result in an impossible situation for the GHS provider, due to the fact that a whole range of different instructions and agreements have to be met. Moreover, there is no clear definition of "adequately trained and qualified personnel" (in the absence of EASA proposed follow-up specifications) and it has not been laid down who is responsible for stipulating the requirements as well as paying the training costs.

Cabin crews of low-cost carriers sometimes have to pay for their own training, a situation currently uncommon in groundhandling services. Certain pilots are forced to make mechanical checks and even carry out minor repairs before making a flight. When a pilot has to fulfil such different tasks, questions related to quality and safety can be raised. This example illustrates the effect of liberalisation of the aviation industry in the European Union.

In addition, vocational training standards and quality standards differ greatly among EU Member States.



¹⁶ <https://www.easa.europa.eu/document-library/opinions/opinion-012015>
<http://www.lexology.com/library/detail.aspx?g=de560de9-0d31-44dd-bca2-8d4f8e23c885>



5. RESEARCH VOCATIONAL TRAINING, QUALIFICATIONS AND QUALITY STANDARDS IN GROUND HANDLING

The following chapter presents the results of the study on vocational training, qualifications and quality standards. The chapter provides an overview of the views of the various stakeholders per Member State, reflecting the heterogeneous landscape in the groundhandling sector.

5.1 Qualifications

5.1.1 General

EASA, IATA, ISAGO, ISO9001 standards and customer/company standards are often used as the basis for training. In some cases, there is room for negotiating them. Often, various standards are in use at one airport only. The box below provides an overview of examples per member state following the research conducted.

- In Ireland, the training manager decides the level of training per job profile, depending on a specific airport's needs;
- In Spain, all staff must be qualified and certified by law for their specific job;
- In Hungary, GHS providers hand out official certificates after completion of courses constituting a small part of the total training.
- In Germany, a database is in use where staff qualifications are stored;
- In Poland, the CAA provides a list of qualifications required by GHS providers, though not for airports doing the handling themselves.

In general, there is fragmented landscape of qualifications and certification in place, combined with a heterogeneous landscape of applicable standards.

5.1.2 View of trade unions

Following the research conducted, trade unions in general state that there is a various landscape of standards as well as training provided to permanent and temporary staff.

Ireland; according to the unions, only one set of standards is used by the airport. Standards in line with AEA recommendations are used for the clearance required to obtain an airport pass. This is the only set of standards to be checked to have qualified airport staff present.

Employees have a legal right to training, but this is a general law which states that training must be provided according to the job profile. This again is very general, leaving much room for interpretation. After incidents or accidents recurrence is always part of the process.

France; airport staff must be qualified for their specific job by completing an IATA or EASA training course. There is a difference in the training provided to permanent or temporary staff. Although both categories perform the same tasks, temporary staff only receive basic training, while permanent staff are provided with full training.

Denmark; dependent on the job profile, airport staff in Denmark must be qualified under EASA, IATA or company/airport standards and recommendations.

5.1.3 View of interviewed independent handlers

The independent handlers emphasise the importance of training, however state that price levels are influencing the level of training provided. In addition, training is often provided on-the-job, which may cause different outcomes compared to training offered by qualified trainers.

Ireland; According to the representatives of the local independent GHS providers, “training is very important. In the case of any incident, training records will always be checked by the authorities, meaning that every staff member must be fully trained and qualified according to the job profile”. The providers emphasize the need to invest in training. At the moment, it seems that training is performed to be able to provide proof that staff has been trained, and not to provide staff with the requisite competences.

The training manager responsible for Ireland decides the level of training per job profile, specific to each airport’s needs. A large proportion of management consists of former operational staff.

Bulgaria; In Bulgaria, trainers are on-the-job instructors and EASA- or IATA-certified in relation to the job profile they provide training for. They are not certified as trainers, but are experienced workers. Staff receive an in-house certificate after successfully completing a training course.

5.1.4 View of the airports

A number of airports participating in the execution of the research conducted have provided information regarding qualifications as well.

Denmark; airport staff are extensively trained under EASA standards, with both classroom and practical training. On-the-job training and e-learning are essential elements of the training provided.

Bulgaria; all staff are qualified according to their job profile under IATA, EASA and CAA standards and recommendations. In addition, local qualifications are set in line with higher quality and safety standards. This is done by raising the minimum threshold to pass an exam. A questionable effect of this approach is its impact on training outcomes.

Belgium; all staff members from the WAN training institute were trained in awareness of airport activities. When employed by the airport (*Note: this refers only for Charleroi. BRU has no handling agents*), specific training is provided under EASA standards, IATA recommendations and airline preferences. The WAN institute is still in its pilot phase, and the results of the services it offers will soon be evaluated.

5.2 Training

5.2.1 General

The survey shows that most of the airports, independent handlers and trade unions employ or represent staff for ramp handling and baggage handling, passenger handling, ground administration and freight and mail handling. 15% of respondents have no statutory right to training. A similar percentage get no paid time-off for training. 41% of our respondents have no special arrangements for specific categories of workers. For the 48% who do have such, the majority stated that legislation or (collective) agreements require special arrangements for specific categories of workers. Some companies foster the employability of minority workers.

With regard to temporary staff, it should be noted that, when companies employ them, they are assigned different tasks, training is shorter, and in many cases, they only receive basic training (and just training for the area they are assigned to).

In many cases, supporting documents such as syllabi/manuals are only available in the company's corporate language. Only 5.88% of respondents receive no free time-off for training. Most airports receive no third-party co-financing (or did not answer the question). The majority of trade unions responded that third-party co-financing is available for the courses needed.

IATA is the most used training standard (as a guideline), though EASA, company, national/EU and customer standards are also used.

Special agreements for specific categories of workers can be found in Germany, Bulgaria, Italy, Spain, Belgium, Denmark, the UK and France.

In Denmark, unions actively contribute to the development of the training programmes. All stakeholders involved decide together on the minimum level of training needed to guarantee safe operations. Training programmes are decided upon by the union, the authorities and employers, as this is the prerequisite for state funding.

In Italy, compulsory training paid for by employers is a legal right.

In Spain, training is a legal right, but only after the conclusion of a collective bargaining agreement.

In France, a minimum percentage of labour costs has by law to be spent on staff training, and some courses are co-financed by a regional authority.

In Spain, training is usually co-funded by the Tripartite Foundation (competent authority-business-unions), which is responsible for receiving applications from companies with union approval, and for reviewing the application and providing support.

5.2.2 View of trade unions

In general, the view of trade unions which participated in the research conducted, shows the impact of the liberalisation of the aviation industry on training, the way training is provided and paid for, and the standards applicable. The pressure on costs impacts negatively training provided. Not only the training time is reduced, but the topics trained on are reduced to a minimum as well. That in the end might influence quality and thereby safety as well. E-learning and other forms of blended learning are introduced in the ground handling industry as well. Where e-learning should be a tool in a complete package of training offered, sometimes the training tends to be replaced by e-learning. It is noted, that although certain categories of staff are executing the same tasks, the training received is different for one category of staff than for the other, again influencing the level of quality offered. Besides, in some countries best practices are put in place, like a state-funded training institute in Belgium where unemployed people receive a first basic training to be able to work in the Ground Handling industry.

Belgium; A new state-funded training institute has started to provide initial training to non-airport staff before they start working at the airport. The aim of this pilot scheme is to ensure better trained staff at the airport. The minimum training duration is 1 month.

Another example in Denmark shows how effective cooperation between the industry, unions and the competent authority in terms of training can be.

Denmark; For unemployed people, a state-funded institute offers a 6-week course to learn the basics of working at an airport. The major disadvantage is that the course is just theoretical, as the education centre is not located at the airport. After taking this course, staff require additional training for specialist airside jobs. Results are not yet known, as the course is still in a pilot phase.

Looking at differences in the training provided, when the GHS provider receives government funding a full training schedule will be followed and a noticeably higher training standard used than when the GHS provider has no funding at all. In the latter case, the minimum standards set by the airport or an airline will be met.

Unions play a major role in shaping training programmes, deciding together with the other social partners what is needed for safe operations. Schemes are ultimately agreed by unions, authorities and employers, as only then is state funding available. When the training scheme is not jointly agreed, no funding is available.

In France, a state-funded training institute is offering courses as well.

France; A state-funded training institution provides basic training for staff before they are employed at an airport. GHS providers with larger airlines as customers are able to afford such staff. Smaller providers with low-cost airlines as customers cannot, meaning that they only provide basic training.

Another situation of the current landscape of training is offered by the case in Ireland, following the participation of unions in the research conducted.

Ireland; a big difference exists between staff working for an airline or for a GHS provider. Whereas an airline will have an extensive training schedule and will train all staff equally, a GHS provider will just train new hires for a day or two before assigning them to an experienced person in a “buddy system” for on-the-job training.

Instructors at both airlines and GHS providers are experienced staff members. A union will not know whether they are fully qualified or accredited to train new employees.

Unions can negotiate training issues, though this very much depends on the company.

Language is a problem in Dublin. A lot of foreign employees based in Dublin have a poor knowledge of English. Incidents are more likely to happen with this group due to miscommunication.

Planning is an issue at Dublin airport. Security screening for the airport pass takes 12 to 13 weeks. A lot of temporary staff are contracted solely for the summer period. Hired in April or May, they will not receive clearance before summer. By the time they receive their training, they already need to be working in airside positions. Despite only a few days' on-the-job training, they are fully accountable for any mistakes made.

5.2.3 View of interviewed independent handlers

The independent handlers underline the importance of e-learning as part of the total training package. In addition, the duration of the training should be based on the competencies needed to be able to execute a certain task. For example in Bulgaria staff members receive in-house training (except for ramp driving which is trained by the airport). E-learning/testing will be introduced in 2017 and will be backed by classroom teaching and practical training. The local CAA laid down that training is mandatory and by law, the training is paid for.

In **Ireland**, all staff members receive a four-day basic course to obtain the airport pass "human factor awareness". After completing this training, staff will be trained according to job profiles. All training is provided by internal trainers accredited by the Irish aviation authorities. Some specific courses required by an airline can be taken externally. Trainers are experienced staff members, mostly full-time trainers, occasionally operational staff. Training is a mix of classroom and on-the-job training, depending on the subject. E-learning and e-testing is on the rise but not yet fully implemented. It is a good substitute for classroom training as regards cost efficiency, with staff able to learn and be tested from home. The downside is the level of training and the uncertainty as to whether employees really understand the subject. A language barrier does not exist, as staff are tested for basic language skills during basic training. Training itself is a right by law, though whether training is paid is up to the employer.

5.2.4 View of airports

The cases following the interviews with representatives from airports as well as the analysis of the questionnaires completed, show the diversity of the way training is provided by the airports. In Belgium for example the airport which participated in the research has no in-house trainers. One reason is the high staffing costs, but on the other hand a state-funded training institute provides training for all entry-level positions at the airport. This institute gives the unemployed in Belgium a chance to work in a specialized environment.

The case study from Bulgaria shows an extended example of the training in place.

Bulgaria; Management has 50+ in-house instructors working in the two airports researched, all managed by a training manager. All are experienced staff members working according to obligations and work requirements. All are certified by official organizations for the training they provide (ICAO/IATA/CAA). All obligatory and recommended training is given (including soft skills). Standards used come from the CAA / IATA and are then reviewed by the training manager.

E-learning and e-testing are not used, with the airports preferring personal training depending on individual requirements. Moreover, e-learning would not constitute proof of whether a staff member has actually taken the course. In addition, there are doubts whether e-learning will assist in obtaining competences.

Older staff are experiencing learning difficulties. The airport is developing a training system to provide training on an individual basis to keep its staff employed.

A minimum score of 75% (or higher when required) is maintained for all tests within the airport. This rate is self-decided with a view to ensuring high standards.

Staffing is always 10% higher to ensure the availability of fully-trained permanent staff on duty. Due to the high number of extra staff hired in the summer season, the airport can guarantee fully-trained and experienced staff at all times.

In Denmark, as aforementioned, training is agreed between unions and employers. All necessary training is provided in accordance with standards and recommendations. Additional training is offered at the request of customers or after e.g. safety alerts, when staff need additional training to ensure safe operations. All staff are trained equally, everyone is fully trained and training time is generally paid by the employer.

Here as well, the airport notices a difference in management between airports and GHS providers. At the latter, managers are generally promoted former ramp employees, supervised by managers from abroad. They are unable to take investment decisions and not involved in long-term planning. These managers should have extensive training in Airport Operations Management.

5.3 Examples of best practices

In chapter 5, a number of best practices have been identified so far. Several stakeholders in the groundhandling sector put forward possible best practices. Already implemented and proven, these include:

With regard to cost efficiency:

1. In Denmark, GHS providers share apron vehicles to cut costs and make more efficient use of them. Equipment is used more often, maintenance costs are shared and – a safety aspect – fewer vehicles are on the apron.

With regard to training:

2. In some countries, training is required by law and all employees have to undergo the same training;
3. In Spain, the law requires the same training to be provided to all employees (also
4. temporary staff), enabling all staff members to progress their careers. This means that all of a company's staff are fully trained, leading to better quality and a higher level of safety;
5. In the United Kingdom, companies work closely with training institutes to obtain and maintain a high level of training with regard to methods and trainers. In collaboration with these institutes, training is developed and disseminated within a company;
6. In Denmark & Belgium, pilot schemes have been set up for state-funded training institutes to provide basic groundhandling training to unemployed people willing to work at airports. Only when the training has been completed can these people be employed by airport companies. Funding for this training is provided by the state, trainees get paid and are motivated to complete the courses. Avoiding high training and staffing costs, companies gain access to well-qualified staff.

With regard to quality (see paragraph 5.3):

7. Stakeholders have developed quality standards, as seen in a joint project in the UK. The quality standards are set per station.

5.4 Quality

This paragraph provides the conclusions and cases related to the research conducted in the area of quality and quality standards.

5.4.1 General

Airports and independent GHS providers often state they apply the ISAGO standard (among others) for quality control. Airports also apply the ISO9001 standard. A small percentage also audits compliance (internally or externally). Another small group has to comply with national/legal standards.

Any quality standard set within a company is generally national or EU-wide. Quality control is mostly applicable to the following topics; safety, services and education. One of the trade unions mentioned that there was no quality control (as far as he/she knows). 20% of questionnaire respondents use manual quality checks, 28% a manually and automatically controlled system, while 52% use a different system. Quality is monitored by internal/external audits, physical checks, checks by the customer, KPI's, daily checks, electronic logbooks, incident/accident reports, certifications and spot checks. Some respondents reported a national authority involved in quality control. 90.91% of respondents answering the question whether staff is frequently trained confirmed that this is the case.

Spanish law requires periodic risk assessments. These are performed by teams composed of company and union employees.

In Germany one of our respondents indicated that there is no quality control as such. Requirements have been set, but no one ensures that these requirements are met.

In France, GHS providers have developed a safety programme in which airlines and an airports federation cooperate.

5.4.2 View of trade unions

This paragraph shows the diversified approach towards quality, based on the interviews conducted as well as the analysis of the questionnaires completed.

In Belgium, according to the unions it is much more difficult for GHS providers to deliver quality to their customers. This is the result of the competition between GHS providers and airlines. Costs have to be cut everywhere and staff are usually the first target. Higher pressure on staff, coupled with low-quality equipment and services are likely to result in more incidents. More cost-cutting is expected in the near future, with more and more customers applying the low-cost principle, thereby greatly impacting GHS providers.

According to the unions, the main focus of GHS providers is financial. Many of them are owned by foreign investors, meaning that decisions are taken from an office in another country without knowing what is really needed at the airports.

In Denmark, according to the unions, EASA should set more standards for airports and GHS providers, both of which are in support of additional standards. However, airlines are against the idea, as more and higher standards will result in higher costs (but possibly also higher quality and better safety records).

E-learning is valued as a training tool, but not e-testing, as competences cannot be tested this way. Physical tests in accordance with staff needs and abilities are seen as providing better individual results.

An example from France clearly shows the impact of price levels on quality.

France; the unions state that “high-cost airlines and GHS providers deliver high quality. Low-cost airlines and GHS providers result in poor quality”. Airlines and providers agree on individual SLAs, though these only partially cover quality. The only quality checks are between the GHS provider and its customers.

Unions express their concerns about safety and quality at GHS providers. High workloads, time pressure, a low-cost approach and stress will definitely not improve quality and safety in aviation. Expecting the same level of quality at lower cost is just not feasible. Unions are fighting to ensure proper training for all aviation staff in France.

It would be preferable to have a single level of training per job profile set EU-wide. There is a huge international transfer going on between EU countries within the same GHS provider, but no one is trained the same way, has the same interests, or even speaks the same language. This can create high risk in danger areas.

In Ireland, when an audit takes place, everyone is on full alert, with additional staff scheduled, supervisors present and staff instructed. On regular working days, this is not the case. According to the unions, an audit is not representative of usual daily practices.

5.4.3 View of interviewed independent handlers

One case study from Bulgaria clearly shows the relationship between price and quality as well.

Bulgaria; generally speaking, more investment is needed in the aviation sector in staff training and high-quality handling equipment. Moreover, an equal level-playing field is needed. Many providers are now operating below cost price. It is only a matter of time before the situation seriously affects quality and safety levels.

5.4.4 View of airports

As aforementioned, there is a clear relationship between price levels, education and training offered, quality and thereby safety. A call for an EU-wide approach towards quality (and thereby training) was raised during the case studies as well.

In Belgium, according to the airport which answered the questionnaire, there is a thin line between operating an airport and providing groundhandling services. In both situations, proper trained staff are much more important than commercial interests. Wherever possible, a mix of personal training and e-learning is needed. Companies

should focus on long-term investments instead of the short term, as is currently the case among many GHS providers. Investments in training and quality will ultimately result in greater safety.

In *Bulgaria*; good cooperation between unions and employers results in good contract terms, in turn boosting quality and productivity.

Denmark; the airport puts high demands on GHS providers and airlines regarding service and quality. Unfortunately, providers usually establish general contracts and SLAs because they have one customer EU-wide. For example, an airline operates in 10 countries and at all those airports one and the same GHS provider is used.

Due to cost-cutting, airlines no longer have representatives at all airports, meaning that the GHS provider has full responsibility for the turnaround in accordance with SLAs which take no account of service and quality. As the provider's objectives do not correspond to the airline's, quality decreases. Within the EU, consistent quality goals should be set by the EU. Moreover, long-term investments are needed to guarantee a provider's continuing existence. Current investments are all short-term, merely enabling a provider to survive from one season to the next.

In *Ireland*; it worries the airport that contracts between airlines and GHS providers are often concluded in a head office without account being taken of local circumstances. This can result in poor quality or poor management.





6. CONCLUSIONS

6.1 Market Access

Directive 96/67/EC has been transposed into national legislation in all countries surveyed. The national rules in place today are generally in line with the European legislation, and there are very few court cases reflecting implementation breaches.

National implementations differ greatly; it is therefore extremely difficult to arrive at a general picture of the 125 airports covered by the Directive. Taking into consideration the sustained growth of traffic volumes, the list of airports covered by the Directive may increase.

The discrepancies between national situations and even between airports within the same country reflect the wide room for manoeuvre accorded to Member States in opening up the groundhandling market.

Although the Directive sets up a framework for Member States, national parliaments and governments have not sought to concretise stakeholders' rights and obligations. In the majority of cases, national transposition is on many points a simple copy/paste of the Directive.

For instance, the "approval" of ground handling services providers by national public authorities independent of the managing body of the airport is limited by criteria established in an exhaustive list (*a sound financial situation, sufficient insurance cover, the security and safety of installations, of aircraft, of equipment and of persons, environmental protection and compliance with the relevant social legislation*). Very few Member States, however, seem to have taken the opportunity to better scrutinize providers, for instance with regard to recognised sector standards for equipment, staff qualifications, and health and safety measures. Nor have countries sought to limit "approvals", using this as a means of sanctioning in the case of (partial) withdrawal. While exemptions are not frequently requested, restrictions on services are common in the E.U. Article 9 imposes a strict authorization process by the Commission and is limited in time; it is seldom invoked by Member states. Although use of article 6 is easy, it should logically be limited to necessities based on safety, security, capacity and available space constraints. It remains unclear to certain stakeholders whether the seasonality of operations can be covered by these restrictions for a limited period of time.

In practice, the compulsory tender processes to be set up in the case of restrictions of market opening on certain services do not differ much than those used in cases of public procurement. Although EU legislation on public procurement does not apply to liberalized airports, groundhandling tender processes tend to follow the same approach (two-step process, publishing, ...).

However, the adoption of criteria for selecting bids differs greatly between airports, particularly regarding the balance between price and quality. Additionally, tenders tend to be "disconnected" from the commercial realities of carriers and GHS providers. Certain licences remain unused by those ground handling service providers unable to find a critical mass of clients to start operations ("sleeping license").

Legal loopholes regarding the selection processes themselves were identified by the study: no obligation to provide reasons for selection decisions, administrative mistakes, no access to courts during the selection process and a difficulty to identify the competent court in a few cases.

The EU Directive does not cover all market-opening challenges, as seen in the widespread use of GHS subcontracting across European airports. Cascade subcontracting, however, is not frequent. Again, the authorization/ control of subcontracting differs very much between countries and airports, a consequence of the mosaic of rules regarding market opening restrictions and authorizations.

6.2 Social Conditions

Both combined, evolutions within the airline market and the liberalization of the groundhandling market by Directive 96/67/EC has led to an increased level of competition, mainly based on price. Airlines' pressure on groundhandling costs, coupled with other factors, such as rising airport infrastructure costs, has resulted in narrowing margins for services providers. As labour costs are ground handlers' primary cost, rising cost pressures have had a negative impact over groundhandling workers' social and working conditions.

During the study process, which has included the analysis of questionnaires sent by ACI, ASA & ETF affiliates as well as field work in 5 EU countries (DE, IT, PL, SP, UK), this worsening of working conditions has been repeatedly pointed out. Among the main social issues identified are collective redundancies, an increased recourse to subcontracting and to interim agency workers (often paid the minimum wage), a general low level of wages and a lack of social benefits, an important increase of fixed term contracts, part-time jobs as well as split shifts and overtime. Weakening social conditions have also an impact over the quality of service and over safety. They lead to recruitment problems and higher levels of staff turnover (and thus to a lower level of skills and experience among the personnel) in a context already marked by a downsize pressure over training costs and investments in new equipment. Last but not least, cost pressure has also an impact on health & safety at work: it increases psychological risks (stressed working environment, work-life balance problems) as well as the number of accidents and injuries due to the increased workload.

From a legal perspective, there are no specific rules aiming at providing workers with additional protection (id. e; above general labour law standards). Directive 96/67/EC allows Member States to adopt such measures. In practice, their ability is nevertheless limited, as reminded by the European Court of Justice, by the overall philosophy of the Directive which main objective is the liberalization of the market. At local level, except few examples, the social dimension is not taken into account in selection procedures. In case of total or partial loss of activity, Directive 2001/23/EC on transfers of undertakings provides a partial protection. Its provisions, however, cover only one of the multiple cases that take place in the groundhandling sector. Additionally, the degree of protection varies depending on how the Directive has been transposed into the national legal framework.

Overall, the protection of social conditions is left to the good will of social partners, who can setup standards through the adoption of collective agreements (CA). From this point of view, examples of good practices have been identified during the course of this study, as for example in France, Luxemburg or in Spain. From an EU perspective however, social dialogue remains difficult in many places and the protection offered by CAs varies greatly from one country to the next or even within one country, reinforcing therefore the inequalities among the workers of the sector.

6.3 Vocational Training, Qualifications and Quality Standards in Ground Handling

The aim of Directive 96/67/EC was to open up access to the groundhandling market in EU airports. Liberalisation of the EU aviation market had a positive impact on ticket prices for passengers as well as on cargo prices. However, price decreases have a number of negative side-effects, including restricting investment possibilities for the main players in the aviation industry, in this case GHS providers. This study provided a first overview of the heterogeneous landscape regarding vocational training, qualifications and quality standards in groundhandling. The situation follows the analysis of the state-of-play of social conditions, which directly influences training provided throughout the EU. In the end, the training provided combined with the social conditions, negatively impacts quality, and thereby safety.

Vocational training and qualifications

Looking at vocational training and qualifications, several standards are in place, varying from company to company, even at the same airport. This not only questions whether levels of quality and safety are consistent, but also hampers staff mobility within the European Union.

Training is a matter of obtaining the set of competences needed to perform a certain job with a minimum level of quality and safety. Training duration is therefore often not a criterion, since every learner has a different learning curve. Although we noted that e-learning tools are being introduced to decrease training time, this is not directly related to obtaining the necessary competences. In addition, there is a difference between a qualified trainer who has been educated to provide training and an experienced worker. In most cases, training is provided on-the-job by an experienced worker, and not in a classroom by a qualified trainer. Training should be available to all staff members working in the groundhandling sector, in accordance with the type of work performed. At the moment, the right to training is established by law, by a collective agreement, or on the basis of other agreements. Paid time-off is not a right for every employee.

To maintain a minimum level of quality and safety in the European aviation industry, it would be advisable to train the minimum competences needed to perform a certain job. Various EU funding schemes are available to support the industry, unions, VET institutes and authorities to work together on shaping a landscape promoting minimum levels of safety and quality as well as mobility of workers throughout the EU.

Quality Standards

Although quality levels are established by various international and national/airport standards, the heterogeneous landscape makes it difficult to comply with all applicable standards at one time. Every player in the market can set a different standard for groundhandling services. In addition, quality assurance and quality control are not always a tool to continuously monitor quality standards in place, but frequently only a tool to prove that quality standards are met when an audit is conducted. However, a continuous loop of quality assurance and quality control involves costs, which should be shared by those dictating the standards and those having to comply with them.

6.4 The 96/67/EC Directive debate: Next steps?

The evaluation process

The European Commission will soon carry out an evaluation of the 96/67/EC Directive in the frame of the Commission Communication "An Aviation Strategy for Europe", COM (2015) 598 final of 7 December 2015.

It is remembered that the main objectives of the Directive are free access to the market; efficient operation of airports and use of the infrastructure; effective and fair competition.

Limitations to these principles can be set up for safety, security and capacity constraints on the basis of relevant, objective, transparent and non-discriminatory criteria. Member states can adopt legally binding rules to protect workers' rights and the environment as long as the market opening is not hampered, according to the Directive and case law.

Duration:

The impact evaluation of Directives lasts 1.5 years on average according to Commission services.

Evaluation criteria:

The evaluation will be carried out on the basis of the criteria below:	The current study brings to the conclusion that:
Effectiveness: to what extent were the set objectives attained, i.e. do the effects correspond to the objectives?	<ul style="list-style-type: none"> • No infringement regarding the Directive transposition into national law has been identified by researchers although in some cases, European and national Courts had to clarify the understanding of the European Directive (i.e.: Portugal and Germany). • Poor quality transposition has been carried out ("copy paste" effect) although members states could benefit from a significant room of manoeuvre • Legal loopholes exist (lack of motivation of decisions regarding tender procedures, access to courts)
Efficiency: were the effects (benefits) achieved at a reasonable cost?	<ul style="list-style-type: none"> • Significant issues are not covered by the Directive and this has a negative impact on the sector (subcontracting, issues on transfer of labour contracts, social dumping)
Relevance: do the objectives correspond to the needs?	<ul style="list-style-type: none"> • There are "sleeping license cases" and lack of link with the ramp side economic realities (commercial contract between airline and ground handler service provider)
Coherence: interventions do not contradict others with similar objectives	<ul style="list-style-type: none"> • lack of coherence with the evaluation of the Regulation (EC) N° 1008/ 2008 on common rules for the operation of air services in the community • lack of coherence with the European pillar of social rights (working time, work-life balance, security in employment ...)
EU added value: additional value resulting from EU activities, compared to what could be achieved by MS at national and/ or regional levels	<ul style="list-style-type: none"> • It is extremely difficult to gain an overview of groundhandling sector in Europe because there are as many different cases as airports • "Approvals" could be delivered nationally or European wide instead of being delivered at airport level; • No harmonized landscape of education and training requirements concerning professional qualifications in the groundhandling sector are put in place

The evaluation content

Topics covered: The Commission experts will analyse a limited number of topics. Note: it is important to see how the experts will be selected and to debate the means to secure their independence and access to information.

The Social partners may wish to push those topics that are of first importance to them (see “*conclusions of the joint ground handling social partners’ project*” adopted by ACI Europe, ASA and ETF on 28 April 2017).

For market access:

A better use of “approval”: “approvals” are provided in a number of countries on the basis of poor evidences. Without imposing unnecessary additional administrative burden to stakeholders, efficient cross-checks could be set up to ensure compliance with tax and social security obligations. Additionally, “approvals” scope could be adapted to national scopes and partial or fully withdrawal could be used as a sanction to tackle mal practice under certain conditions (a possibility offered by the Directive).

Selection procedures have been set up differently by public authorities or airports in order to answer to ramp specificities. In several cases, the criterion selected and/ or the procedure itself are not effective to select the most suitable candidates in terms of quality services. They may also be disconnected from the economic realities of the ramp side. Additionally, some legal loopholes exist regarding motivations of decisions and access to Courts; they should be tackled to ensure better service continuity and justice.

For social conditions:

Subcontracting is not regulated by the 96/67/EC Directive and in some cases, it opens the door to excessive pressure on workers and to applying different collective agreements, thus impacting fair competition between operators in the same airport. Low wages and lack of training induce recruitment difficulties and absenteeism that have a negative influence over all market players through the supply chain.

Transfer of labour contracts: groundhandling is a services industry based essentially on human resources. Recruitment difficulties (skills shortage, image of the sector, working conditions) make that labour contracts transfers are a key factor of success for the operator taking over from another one on the ramp side. Securing decent transfer conditions is possible as proven in several countries. The current legal uncertainty and differences between national jurisprudences could be tackled in the interest of all stakeholders. It would be an asset to harmonize good practices taking stock of the existing collective agreements in place.

For vocational training and qualifications:

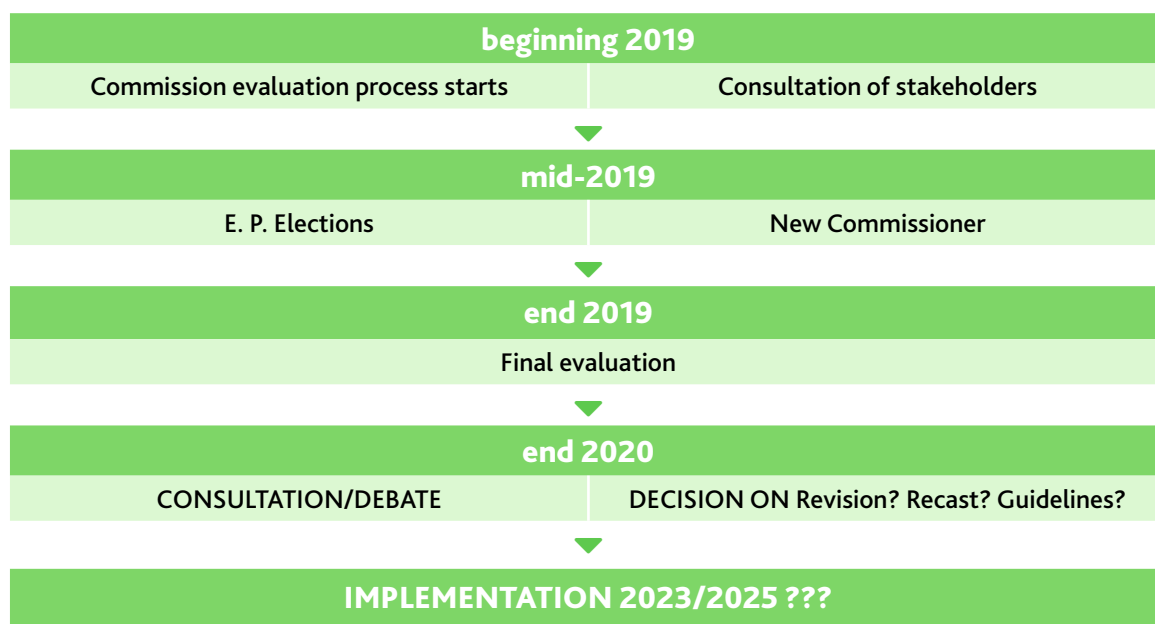
There is a diversified landscape of training and training requirements put in place, which does not necessarily contribute to a minimum level of quality and safety. Although education and training is a national responsibility, it would be advisable to lay down minimum competencies needed for a number of qualifications in

the ground handling sector, in order to reach a minimum level of quality as well as thereby safety. This in addition, would increase labour mobility possibilities within the sector, based on the fact that competencies obtained are recognized. The minimum level of quality is related to the next point as well.

Quality:

It would be recommendable to work towards one or a limited number of quality levels. From there on, training can be derived, which leads to an increased level of quality and thereby safety, without hampering free access to the market.

Anticipative Evaluation Roadmap



Taking into consideration the evaluation process, the European election, the Commissioner new nomination and the political endorsement (EU Members states) of potential changes, it is anticipated that the legal effect, if any, would emerge between 2023 and 2025 in the best-case scenario.

In consequence, the social partners have a real room of manoeuvre to develop their own agenda in parallel to this process, in order to draft terms of reference/ joint recommendations / best practices / guidelines that could positively impact the debates with European authorities.

ABOUT US

The Airport Council International Europe (ACI Europe) represents over 500 airports in 45 European countries. Its members handle over 90% of commercial air traffic in Europe, welcoming more than 2 billion passengers, 18.9 million tonnes of freight and 22.8 million aircraft movements each year.

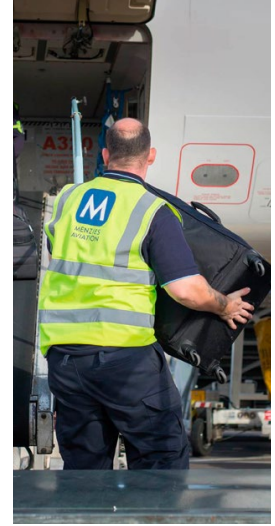
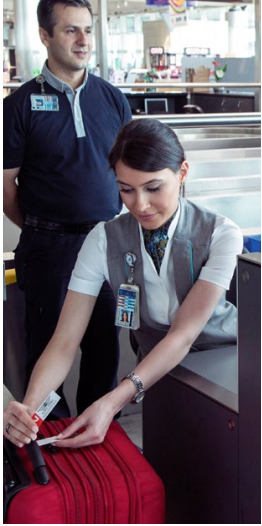
The Airport Services Association (ASA) is the representative professional industry forum and voice of ground handling companies worldwide. It includes a specific EU Chapter covering all major independent EU handling companies. ASA is a recognized social partner in the EU Sectoral Social Dialogue Committee for Civil Aviation.

The European Transport Workers' Federation (ETF) represents more than 5 million transport workers and among them 386,000 civil aviation workers from 81 trade unions located in 42 European countries. We are a recognized social partner and the only representative of aviation workers across all sub-sectors (ground handling, air traffic management and aircrew).





The steering committee of the project in Lyon on 19 January 2018.



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