



# Regulation of the ground handling services market

## Application of the 1996 EU Ground Handling Directive (96/67/EC) and the 1997 Airports (Groundhandling) Regulations

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Ground handling is the name given to the services provided to aircraft and passengers at airports, including refuelling, baggage loading, as well as services inside the terminal like passenger check-in.

Aircraft operators usually pay a third party company to provide ground services for them but they sometimes choose to do it themselves. This is termed 'self-handling'. Occasionally an airport may decide itself to provide ground handling services to aircraft operators.

### Background

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The European Commission decided in 1996 that the ground handling market should be regulated in order to increase competition and choice in the supply of ground handling services. It issued a Directive (96/67/EC) which aimed to "reduce the operating costs of airlines and improve the quality of service provided to airport users".

The Commission's Directive was implemented in the UK by the 1997 Airports (Groundhandling) Regulations which gave the CAA a number of functions to meet the overall objective.

Airports within scope of the Regulations must

not prevent ground handling service providers from operating at the airport, or airport users from self handling at the airport, unless the CAA has authorised them to do so. In the most restricting circumstances, such as a single provider of services (or a ban on self-handling) at an airport, approval from the European Commission is also required.

The tables in Annex 1 summarise the freedoms and limitations in this respect within the Regulations.

The Regulations do not provide any criteria for the CAA to consider an application from an airport to limit the number of handlers. In practice we have to decide whether the reasons and data put forward by the airport (such as available space and the effect on safety or security) are sufficient to justify restricting a fully competitive market in ground handling.

### Applications made to the CAA since 1997

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Since the Regulations were introduced in 1997 we have had to make three decisions in which applicants requested to limit the number of third-party handlers. These were an:

1. Application made in 1998 to limit the number

of third party handlers at Gatwick to four: Approved (then removed in 2007 upon Gatwick's request).

2. Application made in 1998 to limit the number of third party handlers at Heathrow to six (for baggage and ramp handling) and nine (for freight and mail handling): Rejected.
3. Application made in 1999 to limit the number of providers of coaching services between the terminal and aircraft at Gatwick to two: Approved (then removed in 2007 upon Gatwick's request).

## Compliance with the 1997 Regulations

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It has been drawn to our attention that some airports within scope of the Regulations mandate the use of a third party ground handling supplier and therefore appear to deny airport users the right to self handle.

We want to see airport users, their passengers and shippers of freight benefit from a competitive ground handling market and airports to comply fully with various obligations in the Regulations. Failure to do so leaves airports potentially open to action by affected parties to enforce their rights through the courts.

## Managing risks

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Some airports may not be aware of the rights the Regulations give to their users or they might be making decisions in order to maintain the necessary levels of safety and security.

We want airports to make sure that they manage any risks that emerge from facilitating the competitive ground handling market set out by the Regulations. We expect airports, airport users, ground handling service providers and other interested parties to work together to ensure that any necessary transition by airports to full compliance is managed in a way that maintains or enhances the safety and security of

airports and aircraft operations.

## CAA request for information

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The CAA has not been asked to consider an application from an airport to limit the number of third party suppliers for over 15 years and has never considered an application to limit the number of self-handling airport users.

We want to establish a clear and transparent policy on the factors we should take into account for any future applications and the evidence an applicant would need to provide. We also want to explore further airport charging practices in this area.

To facilitate an open discussion on this subject we will be publishing a request for information from stakeholders to help us develop our policies on the application of the Regulations. In particular we will want to explore the following:

- The safety and security implications of airports becoming fully compliant with the obligations in the Regulations;
- How and to what extent we should take safety and security factors into consideration when determining an application to limit the number of third party handlers or of self handling airport users; and
- The relationship between the charges levied by airports for ground handling services and the service(s) provided in return.

We will use the information provided to develop a draft policy and will consult on that in due course.

## For more information

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Details about how to participate in this discussion will be published on our [groundhandling regulations page](#).

## Annex 1 tables

Table 1: Third party handling

Airports up to 2m passengers per annum or 50k tonnes of freight per annum	Airports above 2m passengers per annum or 50k tonnes of freight per annum
Administration and supervision, passenger handling, aircraft services, aircraft maintenance, flight operations and crew administration, surface transport, and catering services	
No general freedom of access. Airport decides policy.	General freedom of access but airport may limit to no less than two suppliers if approved by the CAA and with time limited exemption from the European Commission.
Baggage handling, freight and mail handling, ramp handling, and fuel and oil handling	
No general freedom of access. Airport decides policy.	General freedom of access but airport may: <ul style="list-style-type: none"> <li>(a) limit to no less than two suppliers if approved by the CAA; or</li> <li>(b) limit to one supplier if approved by the CAA and with time limited exemption from the European Commission.</li> </ul>

Table 2: Self-handling

Airports up to 1m passengers per annum or 25k tonnes of freight per annum	Airports above 1m passengers per annum or 25k tonnes of freight per annum
Administration and supervision, passenger handling, aircraft services, aircraft maintenance, flight operations and crew administration, surface transport, and catering services	
General freedom to self ground handle but airport may limit number of self-handling users if approved by the CAA and with time limited exemption from the European Commission.	General freedom to self ground handle but airport may limit number of self-handling users if approved by the CAA and with time limited exemption from the European Commission.
Baggage handling, freight and mail handling, ramp handling, and fuel and oil handling	
No general freedom of access. Airport decides policy.	General freedom to self ground handle but airport may: <ul style="list-style-type: none"> <li>(a) limit to no less than two named self-handling users if approved by the CAA; or</li> <li>(b) limit to one self-handling user or ban self-handling if approved by the CAA and with time limited exemption by the European Commission.</li> </ul>