

# **From chaos to service: How to effectively respond to unforeseen events to the benefit of our commercial partners?**

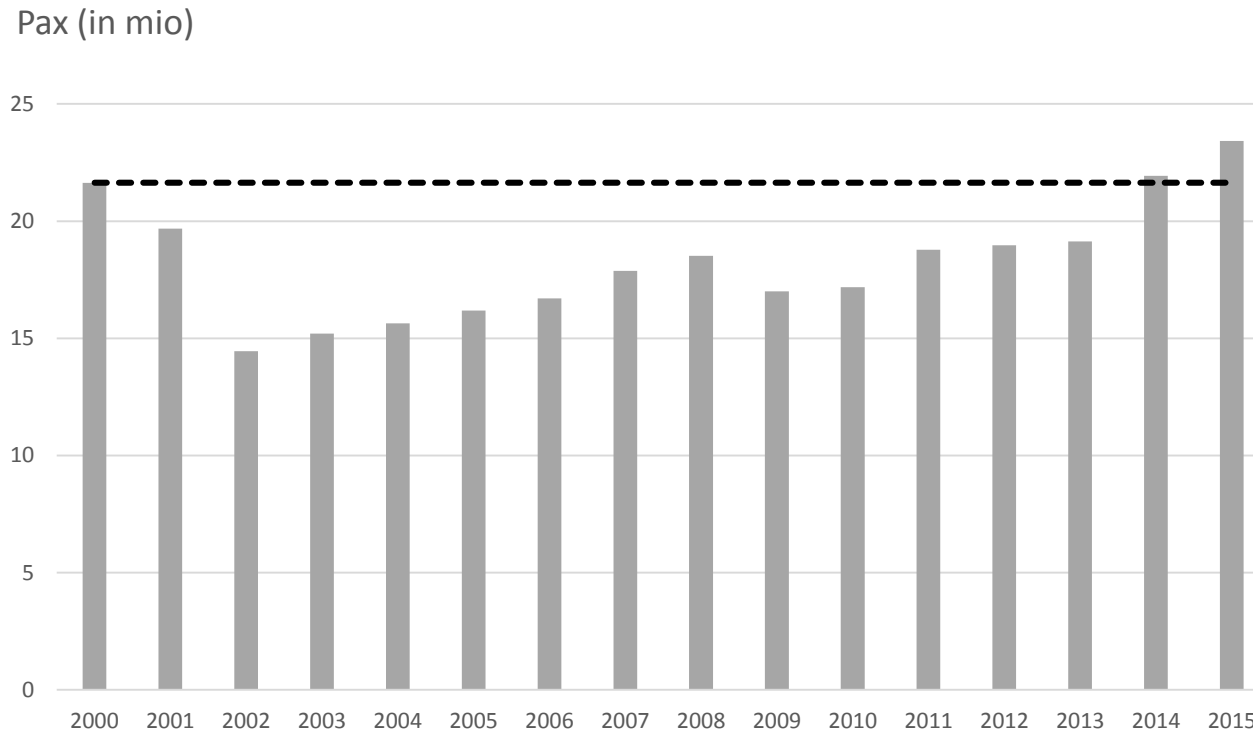
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# Brussels Airport until March 21, 2016 ...

# Passenger traffic

**Strong Traffic Development: +40% in 5 years**



# Cargo: solid growth in flat market

## Innovating logistics

New DHL hub investment  
(€140 million)

First airport in the world certified by IATA  
for pharma transport



# Connector opening in March 2015

## Game changer for passenger experience and airport product

- Largest screening platform in Europe
- Reduced walking time to gates
- New commercial area



# Fast redevelopment of our Real Estate portfolio

## Positioning Brussels Airport as a premium real estate location

Gateway Building: **Deloitte** Belgium & Europe



Passport Building: **KPMG / Microsoft**



# And more ...

- Best-ever financial results in 2015
- Major investment plan
- Many national and international awards
- ...



**March 22, 2016 07:58am**

# March 22, 2016: attacks

## 3 explosions

**7.58:** Three suicide bombers in departure halls (landside area)

- First explosion in departure hall 2
- Second explosion in departure hall 1

**8.09:** Airport lockdown

- Evacuation
- Large security perimeter around airport

**9.11:** Explosion in Brussels subway near EU quarter

**14.00:** Third (controlled) explosion

- Rows 9-10 (until then not affected)
- Both departure halls then out-of-use

# March 22, 2016: attacks

## Indiscriminate killing of innocent people

- 16 people killed
- 150 injured (many severely)
- Significant damage inside the building

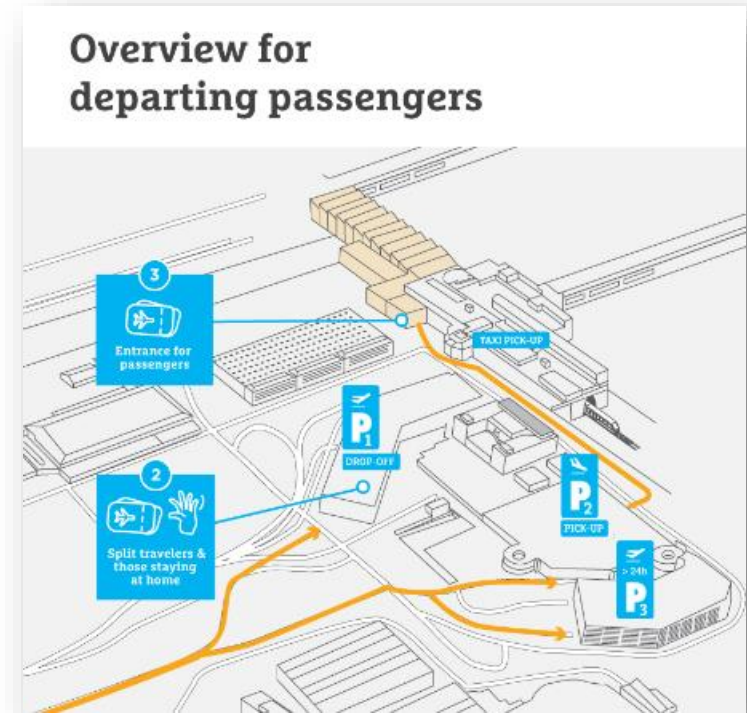
**The recovery ...**

**... from 0% up to 100% capacity in 72 days**

# Recovery Phase

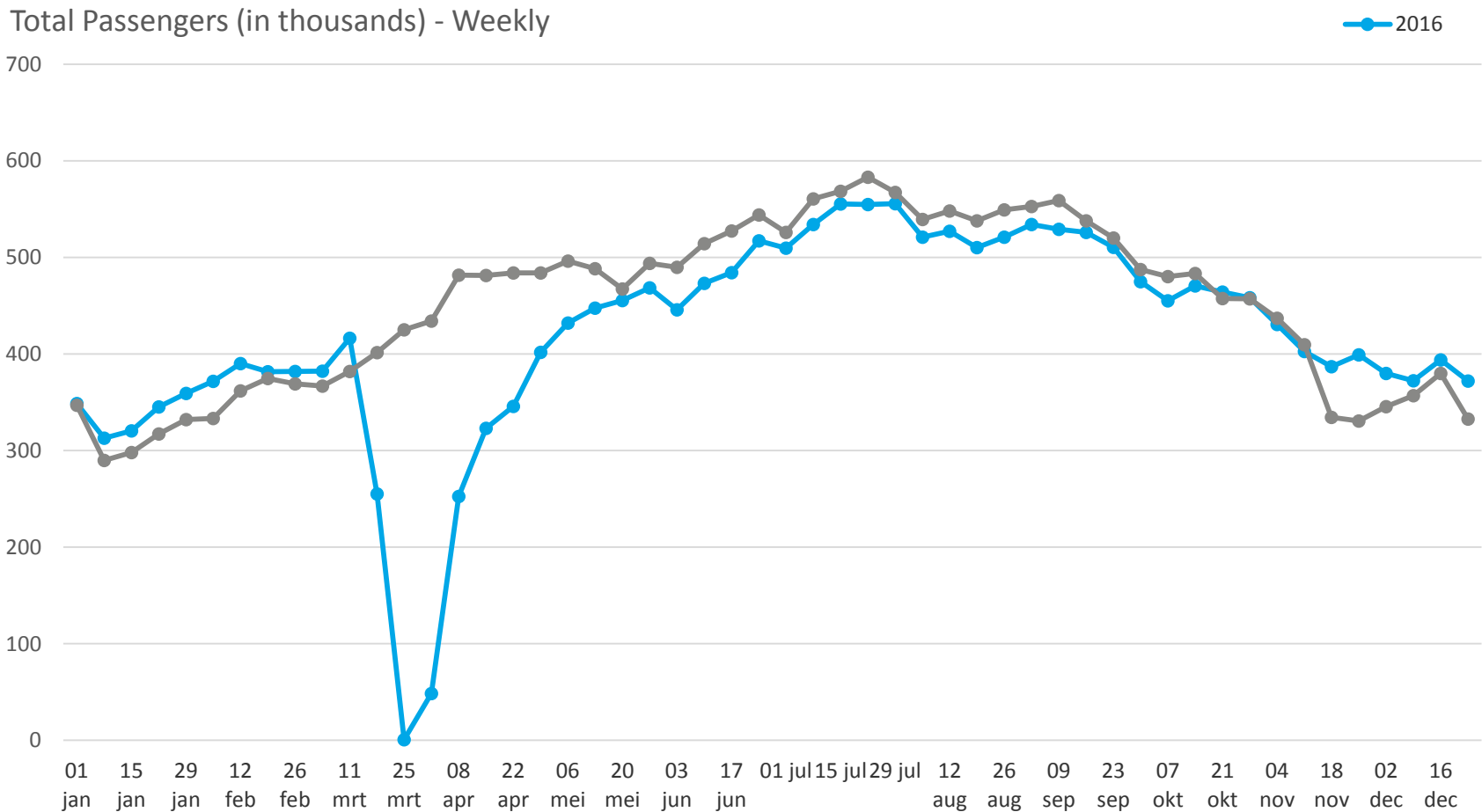
## March 23: Immediate launch of the restart plan

- Terminal unavailable and not accessible for 4 days due to crime scene investigations
- Plans for temporary check-in facilities ready:
  - Tents on tarmac to access screening platform, bypassing the terminal
  - Tents for newly imposed pre-check security measures
  - 36 check-in desks on Connector ground level
  - Infrastructure for ticketing, self-check-in, PRM, luggage



# Recovery Phase

## Gradual recovery of flights and passenger numbers



# Force majeure

# Force majeure

## Accessibility issues to the airport zones

Time period	Reason
March 22, 2016 until April 3, 2016	Airport <b>closed</b>
April 4, 2016 until May 1, 2016	Departure halls <b>closed</b> (temporary facilities) Airside zones accessible
May 1, 2016 until June 2, 2016	<b>Partial</b> reopening of departure hall 1 Departure hall 2 <b>closed</b> Airside zones accessible
As from June 2, 2016	Total reopening of departure hall 1 Departure hall 2 still <b>closed</b> Airside zones accessible



# Force majeure

## A lot of affected parties

- Besides the terrible human toll, a lot of commercial partners were affected by the closure of the airport and the damages to the departure hall(s): airlines (check-in & ticketing desks, occupation agreements), retailers (fashion, food & beverage), ground handlers, ...
- Rights and obligations of Brussels Airport Company and its commercial partners are contractually set forth
- Parties were no longer able to fulfil their obligations
  - Brussels Airport Company: to make available the premises
  - Commercial partners: to provide services at the airport and to pay a fee to Brussels Airport Company
- Need to quickly restore the departure halls

# Force majeure

## Definition

- Concept regulated by the Belgian Civil Code (19<sup>th</sup> century): unclear as such
- Shaped by the case law and the legal doctrine
- Contractual freedom prevails: concept **defined** in Brussels Airport Company's contracts as an unforeseeable and unavoidable event independent of the will of one of the parties constituting an insuperable hindrance to the performance of the contractual undertakings
  - “unforeseeable”: the circumstance was neither predicable nor predicated
  - “unavoidable”: the obligator was not able to avoid the occurrence of the circumstance
  - “insuperable hindrance”: the fulfilment of the obligations is absolutely impossible
- Terrorist attack is a force majeure event. No discussion about the existence of a force majeure event.

# Force majeure

## Taken measures

- Brussels Airport Company notified the force majeure event to all of the impacted commercial partners
- Force majeure event was notified by a few commercial partners to Brussels Airport Company
- Question: Are the parties obliged to notify the force majeure event to invoke the suspension of their obligations?
  - Not *per se*: contracts to be analysed
  - In the case at hand: no

# Force majeure

## Consequences

Time period	Reason	Consequences
March 22, 2016 until April 3, 2016	Airport <b>closed</b>	Force majeure event - Suspension of the contracts <ul style="list-style-type: none"><li>• Premises are not made available to the partners</li><li>• Partners are exempted to provide services and to pay the fees</li></ul>
April 4, 2016 until May 1, 2016	Departure halls <b>closed</b> Airside zones accessible	Ditto with regard to the departure halls
May 1, 2016 until June 2, 2016	<b>Partial</b> reopening of departure hall 1 Departure hall 2 <b>closed</b> Airside zones accessible	<ul style="list-style-type: none"><li>- Force majeure event - suspension of the contracts with or without temporary spaces</li><li>- End of the force majeure event – recovery of the spaces (mainly for the office spaces)</li></ul>
As from June 2, 2016	Total reopening of departure hall 1 Departure hall 2 still <b>closed</b> Airside zones accessible	<ul style="list-style-type: none"><li>- End of the force majeure event</li><li>- Contracts amended to reflect the reality</li></ul>

# Public procurement

# Public procurement

## Normal circumstances

- Brussels Airport Company is a private company subject to public procurement legislation since (i) it operates the airport based on an exclusive and particular right granted by the authority and (ii) the operation of the airport is a task of general interest
- Public procurement with prior publication to be applied for ordering works, services and goods delivery, related to the exploitation of the airport, provided that the following thresholds are exceeded: 418.000 EUR for deliveries and services – 5.225.000 EUR for works

# Public procurement

## Extraordinary circumstances

- **In principle**, public procurement legislation to be applied
- **Exceptional procedures** for extremely urgent orders further to exceptional and unforeseeable events, leading to an impossibility to face the deadlines of the normal procedure:
  - Negotiated procedure without publication with at least 3 parties
  - Direct negotiation with one party, if impossibility to face the deadline of the above negotiated procedure
  - Article 50 of the European Directive 2014/25/EU

# Insurance



# Insurance

## Brussels Airport Company's coverage

- Insurance coverage for terrorist attacks is provided through different insurance policies:
  - Coverage for the victims and partners affected
    - Mandatory **objective liability** insurance for fire & explosion
    - Aviation **liability insurance** primary layer
    - Aviation **liability excess** war & terror
  - Property damage & business interruption for BAC

# Insurance

## Objective liability insurance

- Act of July 30, 1979: Brussels Airport Company is liable for bodily injury and property damage caused to third parties by a fire or an explosion, within the limits of the insured amounts
- Strict liability: the affected do not need to prove a fault, only the damage they have suffered and the causal link
- Who? A third party, e.g. a passenger
- What? Bodily injury and property damage (e.g. luggage, smartphone)
- Insured amount: app. €23mio for the bodily injuries and app. €1.2mio for the property damages



**my airport**