



UK Airport Consultative Committees - Liaison Group

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By e-mail and post

13th January 2009

The Inquiry Manager (Airports Market Investigation)
Competition Commission
Victoria House
Southampton Row
LONDON
WC1B 4AD

Dear Sir

BAA Airports- Provisional decision on remedies

I am writing on behalf of the Liaison Group in response to the recent publication by the Commission of its "provisional decision on remedies".

I am sorry we are little late in sending this response but I hope nonetheless you will be able to accept and consider our comments. The time allowed for comments on your proposals was in fact very short and spread over a holiday period when it was hard to gather opinion from our members.

The Liaison Group is very concerned that the findings in the various documents published by the Commission seem to be driven by economists with little attention being given to the impact upon the organisation and operation of the UK air transport industry, which includes a wide range of organisations and interests not just airlines and airports. The sole concern of the Commission seems to be the creation of competition where it believes none exists today. The Commission's remit has prevented it from looking at the much wider and complex picture of the aviation market notably the problem of preserving slots for regional services at Heathrow and Gatwick, and the UK plc's competitive position within Europe's airports market .

We do not believe that the Commission has set out compelling evidence to support its view that selling Stansted as well as Gatwick will increase competition and, moreover, there is no compelling evidence to underpin its contention that Edinburgh and Glasgow airports would compete if they were under separate ownership. It appears that the Commission has consistently ignored a substantial body of evidence, particularly from a range of organisations in Scotland, which have consistently stated that the two airports are serving two separate markets. There is moreover no reasonable justification for specifying which of the two Scottish airports should be sold. We also consider that there is no reasonable justification to set a price cap at Aberdeen Airport without first taking into account the organisation and operation of other airports in similar remote geographical locations in the UK.

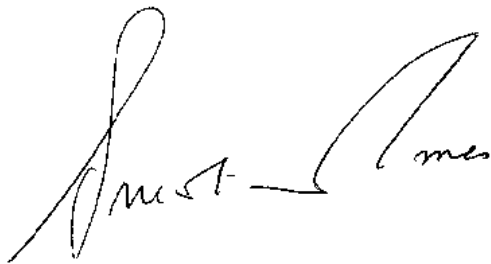
The results from the introduction of competition are not always good for consumers, it may cause them to suffer from its effects.

The Commission's decisions, if proceeded with in forcing a sale of both Gatwick and Stansted airports in the near future, can only result in the introduction of confusion in the minds of potential purchasers at a time when a public inquiry into plans for a second runway at Stansted is in the offing and a decision by Government into plans for the expansion of capacity at Heathrow are expected this month.

Should Government decide not to progress plans for expansion of Heathrow, the pressures currently being experienced there can only intensify with no certainty that it can be relieved at Stansted or, indeed, that a second runway could be built at Gatwick after 2018 by any new owners.

It is unfortunate that the Commission intends to make a final decision in this matter by March 2009 when there will still be a number of important issues to be resolved which affect the issue.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Stuart Innes', with a large, stylized flourish extending from the end of the name.

Stuart Innes
Support Officer

Aberdeen - Belfast City – Birmingham - Bristol International – Bournemouth International - Cardiff Wales International - Durham Tees Valley - Edinburgh - Inverness – Glasgow - Glasgow Prestwick - Leeds Bradford - Liverpool John Lennon - London City - London Gatwick - London Heathrow - London Luton - London Stansted – Manchester - Newcastle - Nottingham East Midlands - Robin Hood Doncaster Sheffield – Southampton