

14 May 2015

Dear Stakeholder

### **Gatwick 2016 Review – Invitation to pre-consultation meetings**

Over the next three months, through pre-consultation meetings, we aim to meet the Gatwick aviation community to discuss the scope of the review of the regulatory arrangements at Gatwick. This review will take place in the second half of 2016 (the 2016 Review).

Consistent with our primary duty under the *Civil Aviation Act 2014* (the Act), the 2016 Review will assess whether the current regulatory arrangements are working in users' interests. This review is likely to consider a range of issues, in isolation and when considered as a whole, including:

- the licence-based commitments (LBC);
- bilateral and multi-laterals discussions between airlines and Gatwick Airport Limited (GAL);
- consultations undertaken by GAL;
- the Conditions of Use; and
- the Airport Charges Regulations 2011 (recognising that our statutory duties under this are from the Airports Act 1986).

While 2016 is some time away, we hope that these pre-consultation meetings will help ensure the 2016 Review is well considered, proportionate and targeted.

These pre-consultation meetings represent our first steps in the 2016 Review process. Following these meetings we will look to further develop our thinking. We will then release, for consultation, a document outlining our proposed approach.

### **Background**

In 2014, under the Act and as part of our decisions on the appropriate form of economic regulation for Heathrow and Gatwick (the Q6 settlement), we introduced the LBC at Gatwick. We considered that the LBC were in the best interests of users.

However, recognising that the LBC were a new and innovative approach to regulation, we indicated that after allowing some time for them to settle, we would review the regulatory regime at Gatwick to ensure that it was still in the best interests of users. We considered that the most appropriate time to do this was in the second half of 2016.

We also indicated that, if following the 2016 Review, we considered that the regulatory arrangements were operating in passengers' interests then we may be open to scaling back our approach. Conversely, if the regulatory arrangements were not operating in passengers' interests, we indicated that we would need to consider possible amendments to the current regime. Amendments could include, but would not necessarily be limited to, imposing additional licence requirements on GAL (through the modification process as set out in the Act).

### **Information sought**

During the pre-consultation meetings we will be interested in discussing your views on the areas we should focus on during the 2016 Review. Some areas already suggested in the Q6 process and in subsequent discussions include:

- stakeholder engagement, communication and negotiation;
- capital expenditure, including infrastructure failures;
- operating expenditure;
- service quality, including pier service/towing volumes, punctuality and baggage; and
- level and the direction of charges.

We are not looking for data/evidence at this stage. Rather, we are looking for stakeholders' initial views to help focus our thinking on the scope of the 2016 Review. Evidence will be sought in 2016.

### **Next steps**

Following these pre-consultation meetings we will develop our thinking and then release, for consultation, our proposed approach to the 2016 Review.

We encourage all interested stakeholders, including all members of the Gatwick aviation community, to meet with us to discuss these important issues. Please contact Susie Talbot (email: [susie.talbot@caa.co.uk](mailto:susie.talbot@caa.co.uk), ph: 020 7453 6213) to arrange a meeting.

Yours sincerely



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