

Economic Regulation Group
Economic Regulation and Competition Policy

Proposed Changes to the triggers at Gatwick Airport

On 4 March 2010 the CAA received a joint submission from Gatwick Airport Limited (GAL), the Airport Consultative Committee (ACC) and the Joint Steering Group (JSG) requesting a change to some of the triggers in the Gatwick Q5 capital programme.

In summary, the changes proposed were:

- to turn off the existing Pier 1 trigger;
- to define a new replacement Pier 1 trigger; and
- an amendment of the scope and date of the North West Zone trigger to reflect additional works carried out.

On 9 March the CAA wrote to interested parties explaining that it intended to deal with this request in accordance with the Change Control process contained in the CAA's Heathrow and Gatwick price control decision of March 2008. Where changes to triggers are agreed by the airport and the airlines through the relevant LACC Committee and notified in writing, the CAA follows an expedited process:

- i) the CAA publishes any proposed agreement between the LACC and the airport inviting objections from interested parties;
- ii) the CAA then allows 28 days for any objections; and
- iii) unless the agreement raises significant issues, the CAA would expect to approve the agreement within 14 days from the end of the consultation period.

In its letter of 9 March the CAA allowed 28 days for objections in writing with a closing date for objections of **6 April 2010**.

The CAA also stated in its March 2008 decision that it would expect to withhold approval only in limited circumstances where it concluded that the change was inconsistent with its statutory duties, for example where such agreements:

- a) did not give adequate weight to the interests of passengers as users; and
- b) on the basis of objections made, the agreement did not seem to the CAA to represent the interests of users generally or which appeared unreasonably to discriminate against any user or class of user.

Since no objections were received by the due date and the CAA has not concluded that the changes proposed in the joint submission on 4 March would be inconsistent with its statutory duties, the CAA has decided to approve the agreement to change the triggers at Gatwick airport with immediate effect.

Ken Cheong
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