

Gatwick Airport - Service Quality

Statement of Standards and Rebates: Removal of South Terminal Pier 3 Transit System from the scheme

Introduction

1. The CAA published a Statement of Standards and Rebates in May 2003 setting out schemes by which BAA is required to pay rebates on a monthly basis to users where certain quality standards are not met at Heathrow and Gatwick. The schemes took effect on 1 July 2003.
2. This Statement also set down a mechanism that allows for proposed changes to the Standards and Rebates schemes on an expedited basis where these have been agreed by the airport and the Airport Operators Committee and notified in writing to the CAA.

Proposed change to the scheme

3. The CAA has received a copy in writing of an agreement between Gatwick Airport and the Airline Operators Committee, dated 8 March 2005, on behalf of all the airlines currently operating at the airport removing all payments under the scheme relating to the South Terminal Pier 3 Transit System (which has been removed from service). Under this agreement the rebates for the other airline elements of the scheme at Gatwick South Terminal would increase in proportion to their existing weightings to keep the maximum amount payable in rebates the same. The exchange of letters between Gatwick Airport and the Airline Operators Committee is available on the same area of the CAA website (www.caa.co.uk) as this paper.

The CAA's view

4. The CAA considers that the initial test for adopting the expedited procedure has been met.
5. The CAA stated in its Statement of Standards and Rebates that in circumstances where users prefer a suspension of the pier service element, the maximum overall rebates would remain the same and the other airline elements would gain greater weight. The CAA believes that the same reasoning should apply to the removal of any other of the airline elements from a scheme.
6. The CAA therefore proposes to revise the Standards and Rebates to remove the Pier 3 Transit from the scheme for South Terminal at Gatwick and to increase the weightings on the other airline elements of the scheme to keep the maximum penalty unaltered. The CAA proposes to do this by reducing the maximum number of penalty points, for the airline elements, which would trigger the maximum rebate for South Terminal at Gatwick, from 36 to 33. This would come into effect from 1 April 2005.

7. The CAA notes that the Airline Operators Committee and Gatwick Airport agreed a temporary arrangement from 4 August 2004 to 31 December 2004 with the coaching operation, which progressively replaced the transit, being used as the service measure instead of the transit. The CAA also notes that from 1 January 2005 to 31 March 2005 the airport and Airline Operators Committee agreed that the transit system should be removed from the scheme, with the three weighting points for the transit being spread out across the other elements in the scheme that had not reached their maximum rebate ceiling. The CAA proposes that, for the record, these temporary arrangements be endorsed as how the scheme worked during those two periods.
8. The schemes for North Terminal Gatwick and for Heathrow remain unchanged.
9. The CAA is reviewing the schemes more generally, it published a consultation paper on 21 February 2005 with responses due by 22 April 2005¹.

Responses

10. Any comments on these proposals should be sent in writing (preferably by e-mail) by 26 April 2005 to:

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11. All responses will be treated as public information unless otherwise specified. If a response is made in confidence it should indicate that.
12. If you have any queries regarding this document they should be addressed to:

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¹ The paper "Review of the Standards and Rebates Schemes for Heathrow and Gatwick Airports", CAA, February 2005, is available on the CAA website at www.caa.co.uk/docs/5/ergdocs/erg_ercp_servicequality_review.pdf.

Next Steps

9. As the initial criteria for an expedited procedure have been met the CAA intends to proceed as follows:
 - the CAA is publishing its proposed changes to the Statement of Standards and Rebates (the detail is at Annex 1) inviting objections from interested parties;
 - the CAA is allowing a period of 28 days for any objections; and
 - unless the agreement raises significant issues, the CAA expects to approve the agreement within 14 days of the end of the consultation period.

Annex 1**The Proposed Changes to “The Standards and Rebates at Heathrow and
Gatwick Airports”**

1. In Annex 4 Table 2 delete the row labeled South Terminal Transit System.
2. In Annex 4 replace table 3 with the following (in the column headed Gatwick South Terminal, 36 has been replaced with 33):

Table 3: Maximum Total Penalty Points

$\sum \text{MaxPenaltyPoints}_A$	Heathrow	Gatwick South Terminal		Gatwick North Terminal
Maximum total penalty points (Airline Elements)	33	33	1 July 2003 –31 May 2005	30
			1 June 2005 onwards	36