

Appeal to the Civil Aviation Authority under Regulation 20 of the Airports (Groundhandling) Regulations 1997 made by Ryanair against Gatwick Airport Limited.

1. This document contains the representations of Gatwick Airport Limited on the CAA's minded to directions as contained in CAP 1046.

2. In paragraph A of the draft directions we believe there should be some reference to materiality and suggest the paragraph therefore reads

“ A Charges relating to the cost of providing check in and baggage facilities shall reflect relevant material differences in intensity of use.....”

3. In paragraphs A1 a) v) and A1 b) ii) it would be appropriate to acknowledge that 12 months data will not be available for charging from April 2014 and in those circumstances GAL shall be entitled to use data over such period as it agrees with the airlines or in absence of agreement which it deems fair and reasonable.

3. In paragraph B 3 it would be useful for the CAA to add as a final sentence. “As an example it would be reasonable to allocate costs split equally between bags and departing passengers using check-in.”

4. In paragraph C 1 b) we suggest the obligation should read

“ to provide users by 28 February each year with an appropriate level of detail of the forecast costs for that year and to provide as part of the annual consultation referred to in a) above an appropriate level of detail of the use made of the check in and baggage facilities and the charges levied in relation to those facilities for the preceding year ended 31 March. GAL shall make this information available to all users at the same time in a transparent manner, for example via its website.

5. In paragraph D we do not believe there should be a need to specify the timing of the progress reports. GAL will of course provide the CAA with such updates as it requires.

6. We concur with the CAA's view expressed in paragraph 3.8 of the decision that making a retrospective direction would risk creating distortions between airlines and have an unintentional impact on GAL's overall revenue from check in and baggage charges. As we have pointed out previously the likely differences in charges based on the remedies directions compared to this year's charges are certainly not material, ranging across approximately $\pm 15\%$, with an average absolute variance of approximately 7.5% suggesting that the existing structure which provides a proxy for

“time in use” is an entirely reasonable approach and certainly within the bounds of discretion for the airport.

7. We further agree that neither the Regulations nor the Airports Act 1986 envisage the award of costs and to do so would be against regulatory precedent creating uncertainty and potentially discouraging legitimate complaint.

Gatwick Airport Limited

21st June 2013