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CPT RESPONSE TO THE CONSULTATION ON ISSUES AFFECTING PASSENGERS' ACCESS TO UK AIRPORTS : A REVIEW OF SURFACE ACCESS

The Confederation of Passenger Transport UK is the trade association of the bus and coach industry, representing over 1000 operators including large group operators of bus and coach services and numerous SME companies.

CPT members carry millions of customers on tours, charter and scheduled bus and coach services to and from airports across the UK every year. The industry overall has an excellent record of providing high quality, cost effective onward travel to and from the airports with a wide range of services offered within the constraints of access for services to individual airports.

GENERAL

CPT is in full agreement with the statement that surface access is a “key part of the consumer experience” and that it is of considerable importance as an element of the whole journey. It is CPT’s belief that the whole market for onward travel from any airport should be transparent for customers and that there should be no favour given to one service or mode against another on purely commercial grounds. Also, that at every opportunity there should be unrestricted access for bus and coach services within the capacity available, and that the dominance of any one player should be avoided in order to promote free competition. It is accepted however that in some instances the dominance of a single player can have consumer benefits – e.g. low volume of passengers, location, etc.

Bus and coach services offer some of the most cost efficient and environmentally friendly services for access to the UK airports and it has been demonstrated that where the market dictates resulting in increased competition, the service providers are more responsive to consumer demand, resulting in wider choice, higher standards and better value for customers. There have however been a number of issues at airports around the country where restrictions to access have, either directly or indirectly, distorted the market and may have resulted in reduced choice and value for customers.

We have seen examples where CAA requirements to improve security have been cited as reason for changes and resulted in limitations on access to airport facilities for some operators, forecourt access has been particularly affected in this respect. The lack of transparency in the finances of such moves makes it difficult to challenge or demonstrate that it resulted in commercial gain for the airports at the expense of surface operators but



undoubtedly it could place operators who have restricted or who are not permitted access, or who are charged a premium, at a significant disadvantage.

SPECIFIC QUESTIONS (5.3)

Dealing first with the specific questions posed at 5.3 of the consultation :

- h) It is CPT's view that the key issues relating to the structure of the market, insofar as it affects the bus and coach sector, have been identified.
- i) CPT have noted below issues in this area and would be happy to discuss and provide evidence of these on request.
- j) CPT have noted below our opinions of how well we believe consumers are informed of options available, but we would agree that this is purely anecdotal and the area merits further research. We do hold however that only total transparency of the options can provide a totally informed view and allow the consumer to judge freely.

MARKET COMPETITION

Although rail access falls outside the specific remit of this consultation, we would wish to highlight the position it holds and how it can affect the market for other transport services, principally bus and coach.

In locations where rail is an alternative mode for passengers, it is widely held that this is usually the most visible option and whilst the reasons for it are less certain, the perception is that a major factor in customers choosing it is down to the greater awareness of rail services against other modes, particularly bus and coach. There appears to be a view that rail is the "default" and will be the first to be investigated by the customer. Only if there is no rail option; if it proves unsuitable or if the customer is more thorough in their investigations (often driven by cost), do bus and coach seem to enter the equation.

There is anecdotal evidence that this may have been influenced by information available at/ in advance of arrival at the airport which could favour one mode against the other. Whilst there is no suggestion that commercial interests may be a factor in this, it is possible and we are aware of one instance where commercial bus and coach operators are placed at a commercial disadvantage by high access charges to the airport itself. In this particular instance there is a railhead with direct access from the terminal which is more convenient for passengers than the 5min walk to the nearest bus stop, which is located outside the airport perimeter. Although there are suitable and more convenient facilities on site, any bus services entering the



airport to use these would incur excessive costs, making it an unattractive commercial proposition.

CPT notes the comments at 3.13 that UK passengers surveyed said they were aware of the options available. We would contest that passengers may assume they were fully aware when in fact there were other options available which they did not know about.

It is noted at 2.3 that consumers are expected to take reasonable steps to avail themselves of the relevant information but we would welcome further clarification of what “reasonable steps” constitutes?

CPT believes that the recognition at 2.23 that airports can see increased public transport use as a threat to revenues from parking etc, is worthy of further investigation. It is something which CPT considers to be an issue but as we have noted elsewhere, the lack of transparency in the finances of individual aspects of airport operation make any true assessment of this impossible.

Similarly where airports have made the commitment to grow public transport’s modal share of surface access, sometimes as a condition of planning applications for development, this doesn’t appear to be linked to any accompanying guarantees or that there are any consequent penalties should it fall short. This is a major disincentive towards a positive result, particularly where there is a perceived or real threat to parking revenues.

We would reiterate our claim that total transparency is the only way to ensure an informed choice of onward travel and therefore an open market. We would agree with the views expressed at 3.12 – 3.20 regarding incomplete information.

We would welcome any further study of how inter-modal competition can be encouraged to promote competition.

ACCESS FOR SCHEDULED BUS AND COACH SERVICES

The issue of access for competing road services, bus and coach in particular, has been a topic for legal challenge several times in recent years, cases are noted in the consultation addendum working paper on relevant case law (CAP1370). The base principle of access which allows competition and discourages the dominance of any one player is, we believe, well established but CPT does have concerns that there is still potential for the market to be distorted by the desire of some airports to use surface access as a means to maximise commercial revenue. This invariably leads to market dominance by one or more operators at the expense of open competition and the issues for consumers noted above.



The regulated airports of LHR and LGW both engage regularly with operators of scheduled and non-scheduled services and the cost based “single till” approach has served to contain costs at these locations. Although both are regarded as being “high-cost” locations, the access fees are not the highest when compared with some other airports around the UK and the charge

structure is equitable and doesn’t favour or disadvantage any operator, whether a regular visitor or infrequent one.

CPT does recognise that capacity is a major factor and that where this is limited, there have to be mechanisms to regulate demand but the process for this should be transparent and not simply offered to the highest bidder as a means of generating revenue for the airport. This does not encourage competition or investment in additional facilities.

ACCESS FOR CHARTER COACHES

Much of what has been said about access for scheduled services also applies to charter coaches.

Coaches are among the “greenest” means of surface travel, offering a much lower level of emissions per passenger/ km travelled than any other means of transport.

As noted at 3.37 and 3.38, there have been issues which have affected access to surface facilities which we believe have impacted on the choice of operator available to customers, thereby limiting competition. This has been noted at several airports and in essence is the basis for the legal cases concerning Glasgow, Luton and Edinburgh. At one other airport, it has been a source of complaint in only a few instances since it was introduced but one which issue met with considerable resistance when it was first announced and the general view within the coaching sector was that the motive was commercial rather than the issues of security which were cited as the reason.

CPT would concede that although being affiliated to a recognised trade body our members can have some benefit over non-members, the model of a fixed cost of registering for a licence disadvantages any operator who visits only a few times a year. Although following negotiations there has been a reduced fee introduced for occasional visitors to this particular airport, the feeling is still that restrictions of this nature favour those who are frequent visitors to the airport and there are lingering concerns that this could be replicated elsewhere.



TRANSPARENCY OF CHARGES

As noted above, where the basis of charging is transparent, the charges appear to be proportionately less than those airports where the charging regime is less clear. We understand from the available data and feedback from our members, the most expensive airport for coaches to serve on a round trip (pick-up and set down) is one of the smallest International airports yet charges are 40% higher than at LHR.

As noted at 2.22, CAA publishes information for passengers on the charges made for some services at airports. It is our belief that publication of fees for access for charter coaches in particular should be readily available. Many groups arrive from overseas and the cost of coach access is an integral part of their total journey cost which will be passed on to them by the coach operator. Transparency of access charges would allow them to better judge this element and how it affects their total journey as opposed to assuming the lowest air ticket cost would yield the lowest end to end cost.

USE OF CHARGES TO GENERATE COMMERCIAL REVENUE

Whilst it is accepted that the “non-regulated” airports can generate revenues from landside activities in order to minimise airside charges, as landside costs are still an element of the total journey cost, they can have a major impact on the end to end journey cost. The consumer will more likely focus on the lure of a low cost airfare, brought about as the result of high landside charges keeping the airside costs low. The additional charges, a substantial part of the overall journey cost, if not freely available will likely be disregarded and could ultimately disrupt the free market for the end to end journey.

ENGAGEMENT BY AIRPORT OPERATORS WITH STAKEHOLDERS

Referring to the view reported at 3.5 that the overall level of commercial engagement is “normal”, it has been noted by CPT that some airports are more willing to engage with customers and stakeholders than are others. LHR and LGW actively encourage regular engagement, perhaps as a result of their regulated status, and others around the country are equally active but the situation with some is not always satisfactory. The ones who are usually reluctant are invariably the ones who attract the adverse comments from our members and invariably this is as a result of an access regime which is seen as detrimental to promoting bus and coach services at the airport.

CPT would welcome guidance to airport operators on the level of engagement which they should be seeking to maintain with a range of partner and stakeholder groups.



INVESTIGATION AND REMEDY OF PERCIEVED GRIEVANCES

As noted in 2.1 of this consultation, the CAA has a statutory obligation to promote competition, where appropriate. It is CPTs firm belief that competition is the only way to ensure high quality services and maintain value for the consumer and that there should be a means of ensuring competition is open. CPT would welcome closer scrutiny of issues and greater use of powers to investigate and adjudicate on matters which are deemed to be infringing free access to the airport for services and therefore act against the consumer.

This requires a greater degree of monitoring and enforcement with appropriate remedies available and an ability and desire to enforce these when necessary. CPT envisage this as something the CAA could be directly responsible for or delegate it to an appropriate independent body.

Naturally we would be delighted to contribute to any further engagement on this issue and would welcome any initiative towards this. We look forward to receiving an update on this proposal at the earliest opportunity and further information on the specific points we have highlighted in this submission.

Andy Warrender

A handwritten signature in black ink, appearing to read 'AW', followed by a period.

Coach Manager
Confederation of Passenger Transport