**CONSULTATION ON ISSUES AFFECTING PASSENGERS' ACCESS TO UK AIRPORTS**

**A REVIEW OF SURFACE ACCESS**

**Response by Newcastle International Airport Ltd**

## 1. Introduction

Newcastle is the largest airport in the North East of England, and the second largest in the North, serving a catchment area that includes Tyne and Wear, Northumberland, County Durham, Teesside, as well as parts of Cumbria, North Yorkshire and Southern Scotland. The Airport is critical to the economy of the North East. The Airport supports 12,200 jobs in the region, and contributes £581M to the regional economy every year through the delivery of connectivity and exports.

## 2. Connectivity and competition considerations

It is critical that policy and regulation enable airports to deliver good connectivity for the regions they serve.

The UK economy, including regions like the North East, must compete within a global marketplace. Businesses require convenient access to key markets, headquarters, customers, offices, factories, conventions, etc. and will make their locational and investment decisions based on this. North East businesses therefore require flights to/from an airport within the North East region, whether direct or via a hub, rather than flights to/from a distant airport that must be accessed by a long drive or train journey.

Our view is that there is significant competition between transport providers in the North of England and South of Scotland, including airlines, airports, and rail and coach operators. Our approach to surface access is aimed at ensuring that Newcastle Airport remains competitive and is an attractive option to customers who have a numbers of alternatives available to them.

Car parking in particular is a very important source of income to regional airports, including Newcastle. Regional airports generate proportionately less income from airlines than was the case in the past, so income from commercial activities such as parking has become increasingly important to support investment in both air services and facilities and infrastructure.

It is stated in paragraph 13, bullet point 3, of the consultation document that 'it may be that passengers may or may not be indifferent on whether they pay for airport services through their airfare or through the price of their surface access product.' It is our view that passengers are heavily influenced by the headline cost of the air fare and that for regional airports the costs of surface access cannot be easily recovered via air fares. If we were to try to carry out such a transfer of costs to our airline customers then our expectation is that airlines would operate fewer services and connectivity would be reduced. This would damage both the airport and the regional economy. It would also mean that some passengers would pay for a service they do

not want while for others it would become a free good and increase the demand for car parking spaces which would then place additional costs upon our operation which would need to be recovered. Parking is an optional service which should be recovered from the user of such services.

## 3. Response to specific questions

*Which surface access facilities from the airport's portfolio of assets are made available and their attitude to the development of facilities outside the airport perimeter.*

### 5.1 Facilities accessible to all customers

Newcastle Airport benefits from a fast and high frequency Tyne and Wear Metro service to Newcastle City Centre, Sunderland and other key stations, together with a number of public bus services, giving customers a wide choice of surface access options. The Metro operates a service between 05:37 and 22:42 weekdays, 06:29 and 22:42 Saturdays and 06:29 and 22:42 Sundays. Frequency is good at every 12-15 minutes on average.

| Facility | Typical usage |
|---|---|
| Express car parking* | Pick up and drop off |
| Short term car parking | Up to 4 hours and 1 to 5 day stays |
| Medium term car parking | 15min free drop off and 1 to 8 day stays |
| Long term car parking | 2 to 16 day stays |
| Meet and Greet service | 4 to 15 days stay lengths |
| Off-site car parking | 4 to 15 days stay lengths |
| Car Hire Areas** | Utilised by 5 car hire companies |

\*        External taxi companies use the Express Car Park or other facilities

\*\*        Other car hire companies are allowed to use the Express Car Park or other facilities

### 5.2 Terminal Front

Access to the airport terminal front is restricted and controlled as part of the overall airport security plan. ANPR is used. Access is available to Airport ID Security Badge holders within the Taxi Association, and external coach companies as follows: -

| | |
|---|---|
| Airport Taxi Association | Access via contractual arrangement |
| Public buses | Access via security barrier |
| Private Coaches | Controlled access to terminal front via pre-book arrangement |

**5.3 Other**

Visitor Parking                    Controlled and designated areas

Staff Parking                     Access to designated areas via Airport ID badge

Deliveries                         Designated areas for goods in/out

**5.4 Development of facilities outside of the Airport**

Newcastle Airport is surrounded by the Tyne and Wear Green Belt so there are few opportunities for off-site facilities. Historically, these have been objected by the Airport on the grounds that they spread the traffic impact of the Airport to local communities and countryside, and don't allow proper mitigation of noise and visual impact.

***How they make available facilities that can be used by surface access operators and an explanation of any restrictions to the range of operators or the type of services that can be operated at the airport.***

All facilities (except forecourt and car hire storage) are fully available to all surface access operators and accessible via approach roads with overhead gantry and roadside signage denoting the various car park areas. The users have a choice of car parks based upon their customer needs.

Access to the airport terminal front is restricted and controlled as part of the overall airport security plan, including ANPR use. Access is available to Airport ID Security Badge holders within the Taxi Association, and external coach companies as follows:-

Airport Taxi Association      Access via contractual arrangement

Public buses               Controlled access via security barrier. Access to terminal front bus stops

Private Coaches          Controlled access to terminal front via pre-book arrangement

***How airport operators derive charges for the use of facilities by surface access providers and to explain whether and how these charges relate to costs or any other relevant factors. In particular, airports should explain if these lead to differentiation between providers of surface access products or between segments of consumers. Particular attention should be provided to areas where airport operators themselves compete with independent surface access operators.***

Charges in relation to the use of surface facilities are determined with consideration to the following key influences:-

- Marketplace going rates

- Seasonality, capacity

- The provision of a wide choice of facilities and price ranges to suit all customer needs.

- The need to maintain the competitiveness of the use of Newcastle Airport.

The charges contribute to the necessary capital investment in the surface infra-structure and facilities including circulation roads, car park design and development costs, parking equipment, CCTV/ANPR, car park booking systems, and supporting infrastructure. In addition there are significant operational costs including investment in labour and service and maintenance arrangements. Independent operators have the choice of paying the normal charge on a pay-by-use basis or entering into an agreement with the Airport where there is a significant level of usage.

***How airport operators consult with users on general charging principles and structures of airport services (access to facilities at or near the forecourt) required by surface access operators and how they provide relevant information on the costs of providing such services.***

No formal consultation arrangements are in place. All access arrangements where an access provider is charged are subject to normal commercial negotiations and notification periods.

***The extent of any agreements with other surface access operators and with distributors regarding the sharing of pricing information, the provision of information on costs, capacity management or any other practices and how they ensure these do not allow undue coordination among competitors.***

There are no agreements or arrangements either formal or informal regarding the sharing of information as to pricing or costs with other surface access operators. A capacity management strategy is utilised across all surface access facilities in line with customer demand. In addition, the Airport has a number of agreements with consolidators, travel agents and airlines that sell parking on its behalf.

***Their efforts to ensure that consumers have access to information about all options to get to and from the airport at the time they need to make informed choices (both on the airport operators' websites and on onward travel kiosks) and, insofar as it is the airport operators' ability to influence, those options are presented in a neutral and transparent way.***

Information is provided to customers very prominently on our website www.newcastleairport.com which includes a highly visible booking engine, via social media, approach road signage, entry tariff boards, and tariff boards located at car park payment machines within the airport terminal. On the website, an interactive map of the on-site car parks is provided with information about the tariffs applying in each car park.

***Details of surface access options that are available at no charge to consumers that allow for the drop-off and pick-up of passengers.***

In addition to the Tyne and Wear Metro, and facilities for cycling and walking, the medium term car park provides 15 minutes free parking, and is located c.100 metres from the terminal building. This free of charge facility is sign posted from the entrance to the Airport, and is prominently displayed on the parking map section of the

website. We also regularly highlight the availability of this facility in response to questions on social media.