



Frank Cook M.P.

*The Member for Stockton North
A Deputy Speaker in Westminster Hall
A Vice President of NATO's Parliamentary Assembly*

*House of Commons, Westminster
London, SW1A 0AA*

Please reply to:

*c/o Billingham Health Centre,
Queensway,
Billingham,
Teesside, TS23 2LA.*

Mr John Banfield
Inquiry Director
Competition Commission (BAA London Airport Inquiry)
Victoria House
Southampton Road
London
WC1B 4AD

Wednesday, August 15th 2007

Dear Mr Banfield

Re. Heathrow Airport Price Caps 2008-2013

I have been reliably advised that the Competition Commission is seeking guidance and reaction on the aforementioned matter from interested parties.

The main regional airport serving my constituency and the eight closest to it, Durham Tees Valley (DTVA) has grave concerns over the Civil Aviation Authority's recommendations being considered by the Commission, for a Price Cap range proposed for 2008-2013 of RPI + 4% pa to RPI + 8% pa and the impact that this will have on the DTVA to London Heathrow (LHR) service. Over the review period, this means an increase of a swingeing 44-73%.

On this basis, DTVA has been warned by bmi that it is already unable to sustain the operation of short feeder services into Heathrow at current pricing levels and that the recommendations made by the CAA for the next quinquennium would have such an adverse impact on the airline, that a number of routes and services would be terminated. The most damaging impact would be UK domestic feeder services, one of which is the DTVA-LHR route.

The unavoidable conclusion (correct me if you can demonstrate that I am wrong) is that the implementation of such pricing caps will inevitably result in the continued reduction of UK domestic feeder services into Heathrow – and, ultimately, their replacement by intercontinental air services utilising large aircraft providing increased profits for the BAA at the expense of the regions. Such an outcome would only be acceptable as the result of fair competition on a level playing field.



The CAA proposals, however, would tilt the field decisively against regional airports who have recently demonstrated their ability to fend for themselves if given the chance – in the case of DTVA by attracting replacement low cost carriers this year. I am concerned that Regional UK PLC should be subject to artificial and serious economic disadvantage through the loss of international air services via Heathrow. Historically, LH operated as the UK gateway for business travellers on a global basis and the region depends on this service to support our international business activities.

The economic disadvantages that such activities will impose upon the regions is entirely at odds with the Northern Way concept which was specifically designed to close the North-South gap. For these reasons, I strongly request that the commission consider the introduction of some form of protection for UK regions within this review. Specific suggestions I would make are:

- The development of a separate charging structure for UK Domestic Feeder Services.
- The protection of Heathrow slots which have been operated from any UK region for a period greater than 10 years.

The current Heathrow strategy is potentially damaging to UK plc as a whole. This region has operated air services to Heathrow for over 37 years, supported the growth of our airport and reasonably expects these rights of access to continue.

Since we were both initially elected to Parliament in 1983, I have taken very seriously Tony Blair's first request to me, to keep a watchful eye on what was then Teesside Airport. Having done my modest best since then to help create and maintain the climate for its commercial development and expansion, I am not about to sit idly by and see DTVA avoidably disadvantaged by proposals such as those now made by the CAA. You may be sure that other Tees Valley M.P.s, local authorities and economic development bodies agree with me – expect to hear from them too!

I trust that these comments will be considered fully as part of your review. I thank you in advance for that consideration and for an acknowledgement of this letter.

Yours sincerely

FRANK COOK