



BAA ANTI-COMPETITIVE PRACTICES CONSULTATION

**EVIDENCE ABOUT ALLEGED ANTI-COMPETITIVE PRACTICES AND
ABUSES OF THE MONOPOLY POSITION BY THE BRITISH AIRPORTS
AUTHORITY**

SUBMITTED TO :-

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RESPONSE OF THE CONFEDERATION OF PASSENGER TRANSPORT

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Name of Organisation:-

Confederation of Passenger Transport UK

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The views of our member companies have been taken into account in the development of this response. These views have been expressed through the democratic structure of the Confederation of Passenger Transport.

The steps taken to gather those views have included issues being highlighted within CPT's member newsletter – *Newsline* on numerous occasions as well as via CPT's member website.

In addition CPT have a number of specialist groups and forums that have discussed the issues of airport coach facilities. These have included CPT's Coach Commission, CPT's London & Home Counties Region and CPT Scotland.

CPT members make extensive use of the BAA sites at Aberdeen, Edinburgh, Glasgow, London Gatwick, London Heathrow, London Stansted and Southampton.

INTRODUCTION.

The Confederation of Passenger Transport (CPT) is the trade association representing the interests of bus, coach and light rail operators within the United Kingdom. This response is submitted following extensive consultation within our organisation and member companies.

We welcome the opportunity to respond to this consultation.

We would like to take this opportunity to highlight a particular problem that has occurred in recent years at London Heathrow. This relates to coaches collecting passengers from the airport. We are concerned that the situation at Heathrow may spread to the other BAA managed London airports at Stansted and Gatwick.

In recent years Heathrow worked with operators to emphasise its green credentials and to develop the need to get passengers to use public transport instead of cars. Significant work was undertaken under previous regimes to

develop scheduled bus and coach services to and from the airport to cater for the needs of passengers and workers.

However private charter coaches are a very significant part of the public transport picture for Heathrow. CPT believes that BAA should encourage the development of this traffic because of the practicality and efficient use of road space by coaches.

Our industry has made significant environmental improvements to engine design and the modern coach is a quite different animal to the traditional vehicle conceived in the past. From July 2008 all coaches serving the airport will have to comply with the TfL Low Emission criteria. Coaches contribute huge benefits to traffic congestion by being efficient movers of groups of passengers. Charter coaches are therefore providing a superb service for BAA Airports by transporting group and corporate customers to and from the terminals and other installations.

With this in mind we therefore believe that is wrong that BAA have placed their entire coach infrastructure under the retail arm of the organisation at Heathrow rather than the operational arm of the organisation.

It appears to us that since coach infrastructure has been grouped in this way at Heathrow, commercial considerations appear to have taken precedence over environmental benefits. Consequently it seems to us that retail activity profit targets or at the very least a requirement to cover costs is driving the increase in charges at Heathrow.

Efforts by CPT to discuss these increases and to moderate their effect have had only limited success. The problem is that there are no alternatives available so our members are faced with a monopoly situation.

Discussions between CPT and BAA were difficult and our efforts to gain a service level agreement (to improve facilities) in exchange for accepting the charges. CPT had understood that after 6 months improvements would be made, but in reality nothing has happened.

Currently BAA coach charges at London Gatwick are £8.85 + VAT per coach pick-up. This rate has been steady for several years.

There is currently no charge at all at London Stansted for coach set down or pick-up.

London Heathrow have increased charges since the 1st April 2007 from £8.40 + VAT to £18.00 + VAT per coach pick-up.

Our concern would be that developments at Heathrow may be rolled out at other airports in due course.

In Scotland CPT have been involved in detailed negotiation for revisions to arrangements for buses and coaches. These have been ongoing and so far we have been reasonably happy with the outcome.

However it is worth mentioning that a number of our members are operators of Coach Tour programmes and increasingly Fly / Drive holidays are part of these programmes. Some operators also feed groups of passengers into major nodes to join major parties and BAA airports feature in a number of holiday programmes.

One significant CPT member, planned an expanded tour programme on the basis of making more intensive use of a BAA airport site. The new arrangements involved the use of a larger number of feeder vehicles to better serve the needs of customers by offering more choices of pick-up to the airport. Once the programme had been finalised and marketed, the revised coaching arrangements for the airport were announced involving per vehicle charges, where previously there had been none. Since the tour programmes are planned well in advance (typically brochures are set in production at least 6 months before departures commence), our members often have no recourse to claw back this extra expense. We would therefore suggest a minimum of 6 months notice of intention to charge, and ideally more, in order to have an opportunity to build prices into the costings for programmes.

Heathrow coach parking facilities are made available in three ways. There is an advance payment system facilitated by operators purchasing permit books in advance. There is an account system for operators making high usage of Heathrow coach facilities and there is a daily cash payment facility for one of permit purchase. Many operators prefer to purchase permits in advance because this is preferable to their drivers having to make cash payment for permits.

Problems have recently arisen where the increases in charges resulted in a need to exchange old style permits issued under the previous charging regime for new style permits. CPT has concerns that a clear process to exchange existing permits when further revisions to charges are made needs to be in place. It would be entirely inappropriate for any operator to be out of pocket as a result of being caught by such a revision, especially if that operator has a low frequency of visits to the airport involved. CPT believes that there should be no minimum level of permits that can be redeemed in exchange for new permits under such arrangements.

CPT recommends a revision to the administrative process for the issuing of permits and are willing to assist in any discussions with BAA to improve the position. CPT encourages BAA to acknowledge the vital role coaches play in the movement of customers to and from its various Airports in the UK. CPT is willing to engage in meaningful discussions with BAA to ensure these current difficulties can be avoided in future.