

Glossary

11 September	The terrorist attack upon the twin towers at the World Trade Center in New York City and Washington DC on 11 September 2001.
Aeronautical activities (or charges)	Activities or charges that are directly related to the aviation side of an airport's business. They encompass both those described as regulated charges/activities , and unregulated charges/activities .
Airbridge	An adjusting covered walkway between a terminal gate/pier and an aircraft. Airbridges are sometimes called jetties.
Airport charges	Those charges, defined by section 36(1) of the Airports Act , which are subject to regulation. At Manchester Airport currently they consist of charges levied on airport operators for the landing, taking off and parking of aircraft and charges for passenger facilities and passenger security. See also Regulated charges (or activities) .
Airport operator	The body or company managing an airport.
Airside	The area of an airport beyond security, passport and customs controls, accessible only to those specially authorized, eg passengers with valid boarding cards and airline, airport and other authorized staff.
Air traffic control	Generic term for control of aircraft in controlled airspace. Comprises three elements, 'en route' (in the UK by NATS), 'approach' and 'local', which deals with local access and ground movement control. The latter two may be undertaken by NATS on contract (as in MA) or may be carried out by others.
AOC	Airline Operators Committee. A committee of representatives of airlines and ground handlers operating at an airport. It acts as one of the main points of contact between airlines and the airport for local operation and development issues.
ATM	Air transport movement. Landing or take-off of an aircraft carrying passengers, cargo or mail on commercial terms.
BA	British Airways Plc.
BAA	BAA plc, owner and operator of seven airports in the UK including Heathrow, Gatwick and Stansted.
Bermuda 2	The Agreement for Air Services between the US and UK Governments signed at Bermuda on 23 July 1977. Article 10 of Bermuda 2 deals with user charges. This article was amended by the Exchange of Notes between the UK and US Governments and was signed on 11 March 1994.
CA 98	Competition Act 1998.
CAA	Civil Aviation Authority.
Capex	Capital expenditure. Funds spent for the acquisition of a long-term asset.
CC	Competition Commission.
Check-in desks	Desks provided by the airport operator in the terminals at which outbound passengers complete pre-boarding requirements and deposit baggage to be conveyed in an aircraft's hold.
Commercial activities (or charges)	Airport activities or charges that are not directly related to the aviation side of an airport's business, eg retail, duty-free, the letting of hotels and offices and provision of parking facilities.

DfT	Department for Transport, previously DTLR or DETR in recent years. The DfT manages government responsibilities for aviation and airports.
DTLR	See DfT .
Dual till	A method for setting a price cap for airport charges which (unlike the single till) takes account only of the assets, costs and revenues relating to the aeronautical activities of an airport operator and relevant companies in its group; and ignores assets, costs and revenues relating to an airport's commercial activities . One such approach to setting the price cap is referred to by the CAA as the revised regulatory cost base (RRCB).
EBITDA	Earnings before interest, tax, depreciation and amortization.
FEGP	Fixed electrical ground power. Also described as FEP.
GSS	Generic service standards. The name at Manchester Airport for SLAs now being introduced there.
GTI	Ground Transport Interchange. This is the surface access public transport terminal serving the airport . When fully developed it will be the point of arrival and departure for all trains and scheduled bus routes serving the airport . It provides access to all three passenger terminals. It may also provide check-in desk facilities, if needed, in due course.
IATA	International Air Transport Association, the scheduled airlines' international trade association.
ICAO	International Civil Aviation Organisation. The international regulatory body for civil aviation.
IRR	Internal rate of return.
Landside MA	The area of an airport which is accessible to the public generally. Manchester Airport PLC, the main trading subsidiary of MAG and the airport operator.
MAAS	Manchester Airport Aviation Services Ltd. A trading subsidiary of MAG providing the major airport services, such as passenger and baggage handling, mainly on behalf of MA . RHS is the subsidiary of MAAS which is responsible for the handling of passengers and passenger baggage.
MAD	Manchester Airport Developments Ltd. A trading subsidiary of MAG which is intended to provide specialist services, such as design, on behalf of MA .
MAG	Manchester Airport Group Plc. This is the company which controls the business, financial and policy framework within which the airports in the group are run. It operates through a number of trading subsidiaries and divisions, such as MA . The other airports in the group are Humberside, East Midlands and Bournemouth.
Manchester	Also Manchester Airport ; these expressions are used in this report, as the context requires, to denote or refer to both the airport site and to the management responsibility for the airport . In the latter sense, therefore, they can encompass any one or more of the bodies having operational and/or management responsibilities for the airport — MAG , MA , MAAS (except RHS), MAD and MAV (motor transport only).
Manchester Airport	See Manchester .

MAV	Manchester Airport Ventures Ltd. A trading subsidiary of MAG concerned with commercial opportunities on the airport site, such as advertising, photography etc. Its motor transport activities, the only aspect of concern to this review, are provided on behalf of MA .
MMC	Monopolies and Mergers Commission. It has been replaced by the CC .
NATS	National Air Traffic Services Ltd. See Air traffic control .
OFT	Office of Fair Trading.
Opex	An airport's operating expenditure on the day-to-day running of business (eg for staff, utilities, day-to-day maintenance etc). Opex does not include capital expenditure. See capex .
Price cap	The maximum level of regulated charges allowed in each year of a quinquennium , that is, the maximum allowed revenue yield per passenger in any given year.
Pricing formula	The formula used to establish the price cap in each year of the quinquennium .
Q1	The first quinquennium . The period from 1988/89 to 1992/93.
Q2	The second quinquennium . The period from 1993/94 to 1997/98.
Q3	The third quinquennium . The period from 1998/99 to 2002/03.
Q4	The fourth quinquennium . The period, from 2003/04 to 2007/08, with which this report is concerned.
Quinquennium	A five-year period. For airport regulation, quinquennia are the periods under the Airports Act for which the CC is required to report on and recommend—and for which the CAA subsequently sets—maximum amounts that should be capable of being levied by MA by way of airport charges . The current quinquennium , known as Q3 , runs from 1998/99 to 2002/03. See also Q1 , Q2 and Q4 .
R2	Second runway at Manchester Airport .
RAB	Regulatory asset base.
Regulated charges (or activities)	Charges for the group of aeronautical activities at an airport which are subject to price control. These are runway charges (take-off and landing) and charges for passenger facilities, passenger security and aircraft parking. The revenue generated by these activities is regulated by the price control system. The activities are often referred to as regulated activities.
RHS	Ringway Handling Services Ltd. A subsidiary of MAG which is one of the companies that handles passengers and passenger baggage at the airport .
RPI	Retail prices index.
RPI-X	See X factor .
RRCB	Revised regulatory cost base. See also dual till .
S factor	Allowable security cost per passenger in the pricing formula . It is an adjustment applied within the current formula which allows MA to pass on 95 per cent of the costs of additional government-imposed 'security requirements'.

Section 106 agreement	Agreement under section 106 of the Town and Country Planning Act 1990 in relation to the then proposed second runway at Manchester Airport , made between Manchester Airport plc, Manchester City Council and Cheshire County Council on 31 August 1994.
Single till	A method for setting a price cap for airport charges which takes account of the assets, costs and revenues of both aeronautical and commercial activities of an airport operator and relevant companies within its group.
SLA	Service level agreement. An SLA typically sets the terms, conditions and standards on which services are provided, for example by airport operators to users such as airlines.
The airport	The physical airfield development at Manchester and its associated infrastructure, such as terminals and car parks. It is situated in the Wythenshawe locality, some 10 miles south-west of Manchester city centre. It is close to the M56 and is also served by bus and rail. The airport and Humberside, East Midlands and Bournemouth Airports constitute the principal assets of MAG .
The Airports Act	The Airports Act 1986 whose provisions, in Part IV of the Airports Act , govern the economic regulation of airports.
Unregulated charges (or activities)	Charges for the group of aeronautical activities at an airport which are <i>not</i> subject to price regulation such as baggage systems, check-in desks , utilities and FEGP supply. These activities are commonly referred to as unregulated activities.
X factor	The factor in the airport charges formula which determines how maximum allowable charges will alter from year to year relative to movements in the RPI . X in a charges formula can be either a plus or a minus quantity. The price control that has applied to MA in each year of Q3 was expressed as RPI-5. This meant that the maximum allowable revenue per passenger from airport charges in each year changed by the movement in the RPI (plus or minus) together with a reduction of 5 per cent.