

## Glossary

<b>1985 White Paper</b>	<i>Airports Policy</i> , June 1985, Cm 9542.
<b>2003 White Paper</b>	<i>The future of Air Transport</i> , December 2003, Cm 6046.
<b>ACI</b>	Airports Council International.
<b>ACL</b>	Airport Coordination Ltd.
<b>ADI</b>	Airport Development Investment Ltd, a wholly-owned subsidiary of <b>FGP Topco</b> Ltd. Since July 2006, the owner of <b>BAA</b> .
<b>AEC</b>	Adverse effect on competition.
<b>Airbridge</b>	An adjusting covered walkway between a terminal gate/pier and an aircraft.
<b>Airports Act</b>	Airports Act 1986.
<b>Airport charges</b>	Those charges defined by section 36(1) of the <b>Airports Act</b> . They are (broadly) charges levied on airlines in connection with the landing, parking or taking off of aircraft and charges levied on passengers in connection with their arrival at or departure from, the airport by air.
<b>Airport operator</b>	The person for the time being having the management of an airport, or in relation to a particular airport, the management of that airport.
<b>Annex 4</b>	An annex to the <b>CAA's</b> February 2003 determination of <b>airport charges</b> , setting out an agreement with <b>BAA</b> on enhanced information disclosure and consultation.
<b>Annex G</b>	An annex to the <b>CAA's</b> March 2008 determination of <b>airport charges</b> at Heathrow and Gatwick. It sets out a revised agreement with <b>BAA</b> on enhanced information disclosure and consultation at Heathrow and Gatwick.
<b>ANS</b>	Aerodrome Navigation Service.
<b>ASA</b>	Alan Stratford Associates, aviation consultants.
<b>ATM</b>	Air transport movement. A landing or take-off of an aircraft engaged in the transport of passengers, cargo or mail on commercial terms. All scheduled movements, including those operated empty, loaded charter and air taxi movements are included in ATMs.
<b>BA</b>	British Airways Plc.
<b>BAA</b>	BAA Ltd. Refers to the BAA group and any company in the group as appropriate.

<b>BAA London airports</b>	Heathrow, Gatwick and Stansted airports.
<b>BAA plc</b>	The successor to the British Airports Authority, from privatization in 1987 to July 2006.
<b>BAA Scottish airports</b>	Aberdeen, Edinburgh and Glasgow airports.
<b>BAA south-east airports</b>	The <b>BAA London airports</b> plus Southampton Airport.
<b>bmi</b>	British Midland Airways Ltd. The bmi group of airlines consists of bmi, bmi regional and bmibaby.
<b>Booz Allen Hamilton</b>	Booz Allen Hamilton Inc. (now Booz & Company Inc.), a management consultancy.
<b>CAA</b>	Civil Aviation Authority.
<b>Capex</b>	Capital expenditure. An airport's expenditure on additions to fixed assets.
<b>CC</b>	Competition Commission.
<b>Charter service</b>	A flight not operated as a regular scheduled service, sometimes on an ad hoc basis. Seats are often sold through an intermediary, such as a tour operator.
<b>CIP</b>	Capital investment plan.
<b>Civil Aviation Act</b>	Civil Aviation Act 1982.
<b>Commercial revenues</b>	Income derived from commercial activities, ie airport activities that are not directly related to the aviation side of the airport's business, such as retail, duty-free sales, letting of hotels and offices and provision of car parks.
<b>Competition Act</b>	Competition Act 1998.
<b>Constructive Engagement</b>	A process of dialogue between an <b>airport operator</b> and its airline customers, initiated by the <b>CAA</b> with the objective of discussing and reaching agreement on a defined set of issues, associated with the quinquennial review of <b>airport charges</b> at designated airports.
<b>Cost of capital</b>	The minimum risk-adjusted rate of return that a project must earn in order to be acceptable to shareholders: therefore, the opportunity cost of funds provided to a firm.
<b>Currie &amp; Brown</b>	Currie & Brown Group Ltd, a consultant in the construction industry.
<b>DfT</b>	Department for Transport.
<b>easyJet</b>	easyJet plc.
<b>EBITDA</b>	Earnings before interest, tax, depreciation and amortization.

<b>Enterprise Act</b>	Enterprise Act 2002.
<b>Ferrovial</b>	Grupo Ferrovial, SA. A company quoted on the Madrid stock exchange, which is a majority shareholder in <b>FGP Topco</b> .
<b>FGP Topco</b>	FGP Topco Ltd, the owner of <b>ADI</b> .
<b>Flybe</b>	Flybe Limited.
<b>HET</b>	Heathrow East Terminal, the planned replacement for Terminal 2 at Heathrow.
<b>Hub airport</b>	An airport used by airlines as the main base for connecting traffic where a significant proportion of passengers transfer between flights.
<b>IATA</b>	International Air Transport Association. The airlines' international trade association.
<b>ICAO</b>	International Civil Aviation Organisation.
<b>LCC</b>	Low cost carrier.
<b>Load factor</b>	The proportion of seating capacity of an aircraft that is actually used.
<b>London area airports</b>	Heathrow, Gatwick, Stansted, London City and London Luton.
<b>London First</b>	A business membership organisation. It aims to influence national and local government policy and investment decisions to support London's global competitiveness.
<b>LPA</b>	Local Planning Authority.
<b>MAG</b>	Manchester Airports Group, the operator of Manchester, East Midlands, Bournemouth and Humberside airports.
<b>Minimum connection time</b>	The minimum time that a passenger needs to allow for transfers between flights. This is laid down by the <b>airport operator</b> .
<b>Mixed mode</b>	Use of a runway for a mix of arrivals and departures.
<b>Mppa</b>	Million passengers per annum.
<b>NATS</b>	The NATS group and any company in the group as appropriate. A constituent company, NATS En Route plc (NERL), provides en-route air traffic services for aircraft flying through UK airspace. Another constituent company, NATS (Services) Limited (NSL), provides air traffic control services at many UK airports.
<b>NERA</b>	National Economic Research Associates.

<b>Ofgem</b>	The Office of the Gas and Electricity Markets, which supports the Gas and Electricity Markets Authority.
<b>OFT</b>	Office of Fair Trading.
<b>Ofwat</b>	The Water Services Regulation Authority.
<b>Open Skies</b>	The air services agreement between the USA and the EU, effective from March 2008.
<b>Operational income</b>	Income that does not fall within the definition of <b>airport charges</b> but is derived from operational activity, as defined by section 36(1) of the <b>Airports Act</b> .
<b>Pier</b>	A fixed corridor that links an airport terminal to jetties or coaching gates to give passengers access to an airport.
<b>PCPA 2004</b>	Planning and Compulsory Purchase Act 2004.
<b>Price cap</b>	Ex ante specification, under section 40(3) or (4) of the <b>Airports Act</b> , of the maximum increase in <b>airport charges</b> allowed in each year, generally over a period of five years.
<b>PSDH</b>	Project for the Sustainable Development of Heathrow, ie <b>mixed mode</b> , Runway 3 and Terminal 6.
<b>Q4</b>	The fourth <b>quinquennium</b> after the privatization of <b>BAA</b> . It covered the period 2003/04 to 2007/08.
<b>Q5</b>	The fifth <b>quinquennium</b> , which covers 2008/09 to 2012/13.
<b>Quinquennium</b>	A five-year period for which the <b>CC</b> is required to report on and recommend the maximum amounts that should be capable of being levied by <b>BAA</b> by way of <b>airport charges</b> .
<b>RAB</b>	Regulatory asset base. The measure of the regulatory value of the company, based on its underlying assets. The RAB is a key element in setting the company's <b>price caps</b> : the cost of capital is applied to the RAB to generate a significant part of the company's allowable revenue.
<b>RDF</b>	Scottish Air Route Development Fund, established in November 2002 by The Scottish Government, Scottish Enterprise, Highlands and Islands Enterprise and Visit Scotland to improve business connectivity and inbound tourism. The RDF ran until the end of May 2007, but routes started before then remain eligible for funding.
<b>RPI</b>	Retail prices index.
<b>Ryanair</b>	Ryanair Ltd.
<b>SACC</b>	Stansted Airport Consultative Committee.
<b>SERAS</b>	South East and East of England Regional Air Services Study.

<b>SG1</b>	Stansted Generation 1, a proposal for the expansion of the existing runway, terminal and associated facilities at Stansted.
<b>SG2</b>	Stansted Generation 2, a proposal for the development of a second runway and terminal at Stansted.
<b>Single till</b>	A method for setting a <b>price cap</b> for <b>airport charges</b> which takes account of the assets, costs and revenues of both aeronautical and <b>commercial activities</b> of an <b>airport operator</b> and relevant companies within its group.
<b>Slot</b>	The time of arrival or departure allocated to an airline by <b>ACL</b> for the use of a runway at a congested airport.
<b>South-east airports</b>	The <b>BAA south-east airports</b> plus Bournemouth, London City and London Luton.
<b>SQR</b>	Service quality rebate. A scheme under which an airport is required to pay rebates when specified standards are not achieved in particular months.
<b>Stand/aircraft stand</b>	A designated area on an aerodrome used for parking an aircraft.
<b>Star Alliance</b>	A global alliance of airlines established in 1997. <b>bmi</b> is a member.
<b>T5</b>	Terminal 5 at Heathrow, opened in March 2008.
<b>Taxiway</b>	A marked route along which aircraft taxi to or from a runway.
<b>TCPA 90</b>	Town and Country Planning Act 1990.
<b>Transfer passenger</b>	A passenger who changes, often at a hub airport, from one aircraft to another.
<b>Transport Act</b>	Transport Act 2000.
<b>Virgin</b>	Virgin Atlantic Airways Ltd.
<b>WDFE</b>	World Duty Free Europe Ltd.