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CIVIL AVIATION AUTHORITY**

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Airports - Economic Regulation**

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Notices relating to applications and permissions

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This notice should be read in conjunction with the Civil Aviation Authority Official Record Series 6 Part 1.

Contents

- Section 1 Applications for permission**
- Section 2 Decisions of the Authority**
- Section 3 Miscellaneous**

Note: Sections are omitted if they contain no entry in this issue.

Section 3 Miscellaneous

The CAA imposed conditions on Heathrow Airport Limited and Gatwick Airport Limited as to rebates to be paid to users where quality of service failed to meet service standards in accordance with section 46(2) of the Airports Act 1986. See the Official Record Series 6, Part 2 number 129, dated 24 March 2003. The conditions said that the CAA would specify standards and rebates from time to time. The CAA has specified the standards and rebates in Annex 1.

An account of the CAA's consultation process and the reasoning for the standards and rebates specified is available on the CAA website (www.caa.co.uk).

Annex 1

Statement of Standards and Rebates at Heathrow and Gatwick Airports

Unless modified on a basis agreed between the relevant airport and the airport airline operators committee notified in writing and approved by the CAA, the operator of Heathrow and Gatwick airports shall pay rebates to parties which have paid airport charges in the relevant period in respect of passenger services as set out in the remainder of this statement.

The operator of the relevant airport will pay a rebate of a percentage of the annual charges paid by each payee in respect of passenger services calculated:

$$\text{Annual percentage rebate} = \text{Uplift} * (\text{Rebate}_A + \text{Rebate}_{\text{PAX}})$$

Where Uplift = 1.33 for the year ending 31 March 2004

And 1.00 for subsequent years.

And Rebate_A and $\text{Rebate}_{\text{PAX}}$ are calculated as set out below.

Calculation of Rebate_A Element

$$\text{Rebate}_A = \text{Max Rebate}_A \cdot \frac{\sum_{\text{months}} \sum_{\text{element}} w_i \cdot x_{i,j}}{\sum \text{Maximum Penalty Points}_A}$$

Where:

Max Rebate_A is determined as set out in table 1 depending on the year.

$x_{i,j}$ = 0 either:
 (a) if standard i in month j is met; or
 (b) if the element is eligible for a dead-band and the month is a relevant dead-band month.
 =1 otherwise

The standard I in month j is met if :

(a) for elements in table 2 other than pier service.

$$s_{i,j} \geq S_i$$

(b) for pier service:

- i. For months j on or after April 2004, the element I will meet the standard in month j if.

$$\frac{S_{i,j} + S_{i,j-1} + S_{i,j-2} + S_{i,j-3} + S_{i,j-4} + S_{i,j-5} + S_{i,j-6} + S_{i,j-7} + S_{i,j-8} + S_{i,j-9} + S_{i,j-10} + S_{i,j-11}}{12} \geq S \text{ tan dard}_i$$

- ii. For months j from July 2003 to March 2004 the element i will meet the standard in month j if:

$$\frac{\sum_{April 2003}^j S_{i,j}}{Months_j} \geq S \text{ tan dard}_i$$

$S_{i,j}$ = performance of element i in month j

S_i = standard for element i

$Months_j$ = number of months from July 2003 to month j inclusive.

w_i = weighting of element i (as set out in the table 2 below)

$\sum \text{MaxPenaltyPo int } s_A$ is determined as set out in table 3.

Table 1 Maximum Rebate – Percentage of Charges Revenue

	Max Rebate _A
Year 1	1.5
Year 2	1.5
Year 3	2.5
Year 4	2.5
Year 5	2.5

Table 2 Weighting of Airline Elements

Element	Metric	Standard; Heathrow	Standard; Gatwick	Weighting/ month not achieved	Eligible for dead- band	Maximum weighting
Stands	% time available	98%	98%	1.20	Yes	6
Jetties	% time available	97%	97%	1.20	Yes	6
Pier service	% passengers pier served	90%	90%	1	No	6
Fixed electrical ground power	% time available	98%	98%	0.6	Yes	3
People movers	% time available	98%	98%	Escalators 0.15	Yes	0.75

				Pax lifts 0.15	Yes	0.75
				Goods lifts 0.15	Yes	0.75
				Passenger Conveyors 0.15	Yes	0.75
Inter Terminal Transit System ¹	% time1 Car available % time 2 Cars available Peak time	N/A	99% 97%	0.6	Yes	3.0
South Terminal Transit System ²	% time 1 Car available % time 2 Cars available Peak time	N/A	99% 97%	0.6	Yes	3.0
Security queues	Waiting time less than 10 minutes	At least 95% occasions checked	At least 95% occasions checked	1	No	6

¹ The performance of Inter- Terminal Transit system only affects rebates in the North Terminal. Both tests need to be met to meet the standard.

² The performance of South Terminal Transit system only affects rebates in the South Terminal. Both tests need to be met to meet the standard.

		Checked at regular intervals at least every 30 minutes. ³	Checked at regular intervals at least every 30 minutes. ⁴			
Arrivals reclaim	% time Baggage Carousels available	98%	98%	0.6	Yes	3.0

A relevant dead-band month for any one element in any one terminal is:

(a) one of:

- i. November;
- ii. January,
- iii. February, or
- iv. March (where Easter Sunday falls on or after 7 April); or;
- v. A month agreed to in writing for that element and terminal by the airport and airport airline operators committee; and;

(b) that month has been declared for the element and terminal to the airport AOC and the CAA: and subject to;

(c) only one eligible month for each element in each terminal will be allowed in any 12 months beginning 1 April.

Exclusions

The following sets out the limited circumstances when time will not be required to be counted towards the time when equipment is unavailable or when other standards are not met.

- security queues for two hours following evacuations;
- when the availability of the crosswind runway is promulgated, the resulting closure of particular stands in T4 necessary for safety reasons;
- stands taken out of service to accommodate high security flights;
- closure of stands to ensure passenger safety during evacuation, emergency or safety incidents;

³ Intervals less than 30 minutes can be agreed in particular terminals. Whatever the period, the time between measurements in any particular terminal should be consistently applied.

⁴ Ditto

- downtime where equipment is automatically shut down by fire alarm activation and the fire alarm activation is not due to a system fault with the fire alarm;
- downtime to accommodate fire risk assessed deep cleans of where an assessment of the equipment's condition has shown that a deep clean is needed to ensure a safe operation can be maintained and to reduce the risk of fire;
- equipment downtime due to damage of or misuse to jetties, stand equipment (e.g. lighting) or FEGP units where likely to have been caused by airlines or their agents;
- downtime where a fault has been reported by airlines or their agents, but, when the engineers attend the site, no fault is found and the equipment is working;
- equipment or stands taken out of service whilst a major investment project is undertaken in the vicinity where this is done in consultation with users and the timing of work has been determined after consultation with the terminal's Airline Operators Committee, and the period specified in advance. If work extends beyond this period, then the additional downtime will count against the serviceability target.
- equipment or stands taken out of service for replacement or major refurbishment work, i.e. 're-lifing' work when the timing of work has been determined after consultation with the terminal's Airline Operators Committee, and the period specified in advance. If work extends beyond this period, then the additional downtime will count against the serviceability target.

Table 3: Maximum Total Penalty Points

$\sum \text{MaxPenaltyPoints}_A$	Heathrow	Gatwick
Maximum total penalty points (Airline Elements)	33	36

Table 4: Core Time Periods over Which Performance Shall be Measured – Heathrow

	Terminal 1	Terminal 2	Terminal 3	Terminal 4
Stands ⁵	Period agreed locally between airport and terminal AOC	Period agreed locally between airport and terminal AOC	Period agreed locally between airport and terminal AOC	Period agreed locally between airport and terminal AOC
Jetties ⁶	Period agreed locally between airport and terminal AOC	Period agreed locally between airport and terminal AOC	Period agreed locally between airport and terminal AOC	Period agreed locally between airport and terminal AOC
Pier service	N/A	N/A	N/A	N/A
Fixed electrical ground power ⁷	Period agreed locally between airport and terminal AOC	Period agreed locally between airport and terminal AOC	Period agreed locally between airport and terminal AOC	Period agreed locally between airport and terminal AOC
People movers	05:00 to 23:00	04:30 to 23:30	05:00 to 23:00	04:00 to 23:00

⁵ Where there is no agreement between the airport and the terminal AOCs then the core periods will be 24 hours.

⁶ Where there is no agreement between the airport and the terminal AOCs then the core period will be as set out for people movers in the relevant terminal.

⁷ Where there is no agreement between the airport and the terminal AOCs then the core period will be as set out for people movers in the relevant terminal.

Security queues	Domestic				08:30-12:30	09:00-11:00
	Mon-Fri	07:30-09:30 16:00-09:30	Mon	06:30-11:00 17:30 - 19:30	16:30-20:30	19:00-21:00
	Sat	08:00-10:00	Tue	06:30-10:30 16:00 - 19:00		
	Sun	07:30-09:30 18:00-21:00	Wed	06:30-11:00 1630 - 19:00		
	International		Thu	06:30-12:00 16:00 - 19:00		
	Mon-Fri	06:30-09:00 17:00-19:30	Fri	06:30-11:00 16:00 - 19:00		
	Sat	06:30-11:00	Sat	06:30-12:00 16:00 - 19:00		
	Sun	07:30-09:30 13:30-19:30	Sun	07:30-12:00 15:00 - 20:00		
	Arrivals reclaim	As People Movers		As People Movers		As People Movers

Table 5: Core Time Periods over Which Performance Shall be Measured – Gatwick

Element	South Terminal	North Terminal
Stands	04:00-13:30 17:30-20:30	04:00-13:30 17:30-20:30
Jetties	04:00 - 23:00	04:00 - 11:00 16:00 - 21:00
Pier service	N/A	N/A
Fixed electrical ground power	same as stands	same as stands
People movers ⁸	04:00 to 22:00	04:00 - 11:00 16:00 - 21:00
Inter Terminal Transit System		0400 - 1200 1700 - 2100
South Terminal Transit System [ST Only]	0400 to 1300 1700-2000	
Security queues	05:00 – 14:00 18:00 – 22:00	05:00 - 10:45 17:00 - 19:30
Arrivals reclaim	04.00 – 22.00	04:00- 11:00 16:00-21:00

⁸ passenger lifts, goods lifts, escalators, passenger conveyors

(iii) Calculation of Rebate_{PAX} element

$$Rebate_{PAX} = Max\ Rebate_{PAX} \cdot \frac{\sum_{months} \sum_{element} w_i \cdot x_{i,j}}{24}$$

Where:

- $x_{i,j}$ = 0 if standard i in month j is met
= 1 if standard i in month j is not met
- w_i = weighting of element i

For months j on or after April 2004 the element i will meet the standard in month j if:

$$\frac{S_{i,j} + S_{i,j-1} + S_{i,j-2} + S_{i,j-3} + S_{i,j-4} + S_{i,j-5} + S_{i,j-6} + S_{i,j-7} + S_{i,j-8} + S_{i,j-9} + S_{i,j-10} + S_{i,j-11}}{12} \geq Standard_i$$

For months j between July 2003 and March 2004 the element i will meet the standard in month j if:

$$\frac{\sum_{April\ 2003}^j S_{i,j}}{Months_j} \geq Standard_i$$

Where in respect of each element i the standard S_i for Heathrow and Gatwick respectively will be as set out in table 6.

$S_{i,j}$ is the average quality of service monitor score for element i in month j.

$Months_j$ = number of months from July 2003 to month j inclusive.

Table 6 - Weighting of Elements

Element	Metric ⁹	Standard Heathrow ¹⁰	Standard Gatwick	Weighting/ month not achieved (w _p)	Maximum weighting
Departure lounge seat availability	Monthly QSM score	3.6	3.6	1	6
Cleanliness	Monthly QSM score	3.7	3.8	1	6
Way-finding	Monthly QSM score	3.8	3.9	1	6
Flight information	Monthly QSM score	4.0	4.0	1	6
Total Maximum penalty points					24

Quality of Service Monitor

The QSM scores shall be based on the following approach:

The interviewer states "I am now going to ask you a series of questions which require you to rate your answers on the same rating scale". The showcard is then displayed with the following responses on it:

- Extremely poor (1), Poor (2), Average (3), Good (4), Excellent (5)

Departure lounge seat availability

- "Now, thinking about the departures lounge, how do you rate the ease of finding a seat?"

⁹ Based on both local departing and connecting passenger responses to the QSM.

¹⁰ Based on outturn for the rolling year ending August 2001 (i.e. the 12 months preceding 11/9/2001).

Way-finding

A weighted average of the QSM scores for the three wayfinding questions, weighted by the proportion of passengers using each form of wayfinding

- “How easy for you was it to find your way around within this terminal?” (question asked of departing passengers)
- “Have you been between terminals today? How would you rate the ease of finding your way?” (question asked of departing passengers)
- “How easy was it to find your way around within this terminal?” (question asked of arriving passengers)

Flight Information

A simple average of the QSM scores for the three flight information questions which are asked of departing passengers

- “Flight information (screens and boards only) - how do you rate the ease of finding”,
- “Flight information (screens and boards only) - how do you rate the ease of reading”
- “Flight information (screens and boards only) - how do you rate the ease of understanding the information”

Cleanliness

A weighted average of the QSM scores for five cleanliness questions, weighted by the proportion of passengers using each type of facility

- “Where did you check-in for your flight today? How do you rate the cleanliness?” (question asked of departing passengers)
- “Toilet facilities? How do you rate the level of cleanliness” (question asked of departing passengers)
- “Now thinking about the departures lounge, how do you rate the cleanliness?” (question asked of departing passengers)
- “How would you rate the cleanliness of the arrivals concourse?” (question asked of arriving passengers)
- “I am going to read out a list of the services/facilities which you may have used or wanted to use in this terminal today. How do you rate the toilet facilities level of cleanliness?” (question asked of arriving passengers)

Payment of Rebates

This statement sets out the total level of rebates that shall accrue over the year. The airports shall however pay rebates to users on a monthly basis in the month following the month in which they accrue.