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CIVIL AVIATION AUTHORITY

Official Record Series 6 Part 2

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Airports - Economic Regulation

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Notices relating to applications and permissions

All communications regarding content of this document should be addressed to:

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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 Civil Aviation Authority ('the CAA') has powers under section 41(2) of the Airports Act 1986 to impose conditions in respect of an airport subject to economic regulation if it appears to the CAA that the airport operator is pursuing a course of conduct specified in section 41(3) of the Act. If it appears to the CAA that an airport operator may be pursuing such a course of conduct it is required by Regulation 11(1) of the Civil Aviation Authority (Economic Regulation of Airports) Regulations 1986, to carry out an investigation with a view to establishing whether the airport operator is pursuing such a course of conduct. As required by Regulation 11(2)(b) of the Regulations the CAA hereby gives notice of a proposed investigation. The matter to be investigated is the following:

bmi complained to the CAA that in deciding on its structure of airport charges from 1 April 2011, Heathrow Airport Ltd (HAL) had:

- a. unreasonably discriminated against bmi and passengers on domestic routes by equalising domestic and EU passenger charges;
- b. unreasonably discriminated against short-haul carriers (including bmi) by basing landing charges solely on noise values; and
- c. unfairly discriminated against bmi by implementing the charging regime from 1 April 2011 instead of phasing it in gradually.

It appears to the CAA that in re-structuring its airport charges HAL may be pursuing a course of conduct specified in section 41(3) of the Act. The particular course of conduct relevant to the complaint made by bmi is set out in subsection (3)(a), namely:

the adoption by the airport operator, in relation to any relevant activities carried on by him at the airport, of any trade practice, or any pricing policy, which unreasonably discriminates against any class of users of the airport, or any particular user, or unfairly exploits his bargaining position relative to users of the airport generally.

The investigation is being carried out with a view to establishing whether HAL is pursuing this course of conduct.

More information on the investigation is available in the document 'Investigation under section 41 of the Airports Act 1986 of a complaint made by bmi against Heathrow Airport Limited' published on the CAA website at www.caa.co.uk/default.aspx?catid=5&pagetype=90&pageid=12295 .

Persons affected by or having an interest in this investigation are invited to send representations on this matter by no later than **Tuesday 6 September 2011** preferably by e-mail to airportsregulation@caa.co.uk. Alternatively representations can be sent by post to: Susie Talbot, Regulatory Policy Group, CAA House, 45-59 Kingsway, London, WC2B 6TE. Unless marked otherwise, copies of representations will be published on CAA's website.