

**Airport Operators Association response to the CAA Consultation on issues affecting passengers' access to UK airports: A review of surface access**

1. Founded in 1934, the Airport Operators Association (AOA) is the national voice of UK airports. We are a trade association representing the interests of UK airports, and the principal such body engaging with the UK Government and regulatory authorities on airport matters. The AOA's members include over 50 airports and more than 160 Associate Members, made up of companies representing a wide range of suppliers in the aviation industry.
2. In this consultation response, the AOA takes a view on some of the key issues arising from this Consultation. More specific issues related to access and competition at airports and answers to the specific questions will be dealt with by airports in their own responses.
3. Aviation needs to have the capacity to grow in order to ensure the UK is connected to international economies. For aviation to be able to grow, people need to be better connected to airports and surface access, including transport such as rail and highways. Surface access needs to provide accessible choices so that passengers continue to benefit from aviation and the economy can benefit from increased passenger numbers and improved connectivity.
4. The CAA states that its purpose for reviewing surface access to airports is to better understand how effectively the market operates and how well it serves the interests of consumers. While the AOA understands these objectives, the CAA's focus on the competitive conditions for road access is too narrow in focus. The AOA believes that any review of surface access and how well it serves the interests of consumers must consider all modes of surface access to an airport as well as taking due consideration of the overall competitive environment in which airport operators exist and the effective competition that provides.
5. A defining feature of UK airports is that most operate in the private sector and as such they operate in a highly competitive environment, across all facets of their business. For example, at most airports, due to the power exercised by airlines, there is often significant downward pressure on the charges the airport can levy on airlines. This means that airports rely disproportionately on non-aeronautical income streams in order to offset costs in other parts of the business. Despite these constraints and in order to stave off the threat of airlines or passengers switching between airports, an airport must also continue to deliver high levels of private investment in infrastructure and a positive experience for consumers at their airports.
6. Focussing more specifically on the competitive environment around surface access, the AOA believes it is difficult to consider one mode of transport in isolation from others; any study of the competitive environment around surface access must also take account of the need for airports to accommodate the access needs of a range of different consumers. The consultation document suggests that passenger's choices as to which airport they use is strongly influenced by the speed and convenience of getting to the airport. While this is largely true, the suggestion that passengers might take less notice of charges levied by airports on access, allowing airports to raise prices artificially, is misguided. At most airports, effective competition exists, especially between different modes of transport. Furthermore,

by raising access charges, airports run the risk of surface access providers reducing their services or withdrawing from the airport altogether.

7. The consultation document also states that passengers may or may not be indifferent on whether they pay for airport services through their airfare or through the price of their surface access product. The AOA believes the headline cost of the air fare is a key determinant for passengers. For many airports, especially regional airports, it is likely that any attempt to transfer costs to the airline customers would result in airlines operating fewer services, which in turn would lead to reduced connectivity. A further potential consequence would be an increase in the demand for surface access services such as parking spaces, meaning the need for greater provision of such services, which in turn would drive up prices further.
8. While the AOA can understand the concerns of the CAA's Consumer Panel regarding the lack of information available to certain categories of passenger, and the cost of these options, the AOA believes its airports do a good job of providing information in a clear and accessible manner. For the most part, passengers have a high level of awareness of their travel options and the choices of the vast majority of well-informed passengers will provide a strong degree of protection to those passengers who are less well informed about their travel options.
9. The AOA believes that conclusions on market structure can only be reached once the CAA has a clear understanding of the competitive constraints on airports and a clearer picture of the upstream and downstream markets.

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