



House of Commons  
Transport Committee

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# Passengers' Experiences of Air Travel

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**Eighth Report of Session 2006–07**

***Volume I***

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## The Transport Committee

The Transport Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Transport and its associated public bodies.

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### Committee staff

The current staff of the Committee are Tom Healey (Clerk), Annette Toft (Second Clerk), Louise Butcher (Inquiry Manager), Alison Mara (Committee Assistant), Ronnie Jefferson (Secretary) and Laura Kibby (Media Officer).

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# 1 Introduction

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1. On 25 August 1919 a reporter from the London *Evening Standard* became the world's first airline passenger on an international scheduled flight when a de Havilland 4A bomber, converted by British Aircraft Transport and Travel, flew from London to Paris. In the following five years British airlines transported a total of 35,000 passengers.<sup>1</sup> Eighty years later, in 2005, 228 million passengers travelled through UK airports.<sup>2</sup> The Government anticipates that this will rise to between 400 and 600 million by 2030.<sup>3</sup>

2. In order for airports and airlines to grab the biggest share of this growing market, they should be doing all they can to ensure that the passenger's experience of air travel is a positive one. In the modern, liberalised air transport market passengers can vote with their feet if they feel that airport standards or airline service are sub-par. But choice is not always available, for passengers, airlines and airports alike. Although the industry is liberalised, national Governments and supra-national organisations continue to have a say in how airports are regulated and paid for, airline routes, how tickets should be priced, and what compensation should be offered to the passenger when things go wrong.

3. A Department for Transport survey, published in November 2006, gave a broad picture of public attitudes towards and experiences of air travel. Overall, satisfaction levels for the various aspects of air travel were as follows:<sup>4</sup>

|                                      | Very/fairly satisfied (%) | Neither satisfied nor dissatisfied (%) | Very/fairly dissatisfied (%) | Don't know (%) |
|--------------------------------------|---------------------------|--|------------------------------|----------------|
| Public transport links to airports   | 29                        | 22                                     | 18                           | 32             |
| Number of destinations served        | 61                        | 9                                      | 20                           | 10             |
| Cost of flights                      | 74                        | 12                                     | 10                           | 5              |
| Airport security                     | 81                        | 12                                     | 6                            | 1              |
| Airport facilities                   | 85                        | 8                                      | 7                            | –              |
| Level of flight delays               | 89                        | 4                                      | 7                            | –              |
| Information about flights at airport | 90                        | 5                                      | 3                            | 2              |
| Check in times                       | 92                        | 3                                      | 4                            | 1              |

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1 Essay on "The beginnings of British commercial aviation", U.S. Centennial of Flight Commission: [http://www.centennialofflight.gov/essay/Commercial\\_Aviation/britain/Tran18.htm](http://www.centennialofflight.gov/essay/Commercial_Aviation/britain/Tran18.htm)

2 Department for Transport, *Public experiences of and attitudes to air travel*, 26 October 2006, p2

3 Department for Transport, *The Future of Aviation*, Cm 6046, December 2003, para 2.8

4 based on the Office for National Statistics' Omnibus Survey, taken in May 2006 before the security alert of August 2006

4. The main body to which UK air passengers can go for advice or to make a complaint is the Air Transport Users' Council (AUC).<sup>5</sup> It receives its funding from the Civil Aviation Authority (CAA). In its 2005–06 annual report, the AUC reported that it had handled 9,849 complaints and enquiries—a 50% increase on 2004–05.<sup>6</sup> Of telephone and written complaints in 2005–06, just over a quarter were about delays and slightly fewer about cancellations; the third most common area for complaints was mishandled baggage, accounting for 11% of the total.<sup>7</sup>

5. Taking all this into account, we decided to look at the passenger experience of air travel: from purchasing a ticket and travelling to the airport, through check-in, security and finally on to the aircraft and, in the case of those arriving in the UK, onward to the final destination. In the course of this inquiry we have taken evidence from consumer groups, travel agents, some airlines (though others claimed to have no interest in the subject), airports and ground transportation providers; from the Civil Aviation Authority and also from the former Parliamentary Under Secretary of State for Transport, Gillian Merron MP. We are grateful to all those who gave us written and oral evidence and particularly to BBC Radio 4 for allowing us to engage with the travelling public directly on their *You & Yours* programme.

6. Examining a mode of transport from the passenger perspective clearly implies an examination of what transport providers are doing wrong, as well as what they are doing right. We would therefore wish in particular to thank those airport companies—BAA and the Manchester Airports Group—and airlines—British Airways, Virgin Atlantic, easyJet and Flybe—who came and gave us oral evidence in the expectation that they would probably have to respond to some criticism. It says a lot for their confidence in their product and their attitude to their customers that they were happy to do so.

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5 set up under section 4(1)(b) of the Civil Aviation Act 1982; website: <http://www.caa.co.uk/default.aspx?catid=306>

6 *AUC Annual Report 2005–06*, p4

7 *ibid.*, pp 8–9

## 2 Tickets

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### Online ticketing

7. Online shopping has become a feature of modern life. The benefits are easy to see in the air travel sector. The Internet has made it much easier for passengers to find tickets and purchase them, and then to customise their ticket by adding meal preferences, self-selected seat numbers etc. It has also made it much easier for airlines to communicate information to passengers about conditions attached to fares, and about general conditions of carriage.

8. Several airlines are focusing on making their operations ‘ticketless’; easyJet for example told us that over 98% of its bookings are made online;<sup>8</sup> for Flybe the figure is 85%.<sup>9</sup> Flybe also offers its customers an online account facility which it says will “not only make it faster to make a booking and easier to manage existing bookings, but also allow passengers to book more flights with less hassle”. Within a week of its launch 64% of Flybe passengers booking flights chose to set up an account.<sup>10</sup> As far as the popularity of online booking is concerned Mr Jim French, Chief Executive of Flybe, told us that the reason is simple: it gives the customer ultimate control.<sup>11</sup>

9. Not everyone agrees, however, that online ticketing is all to the good. The AUC told us that the use of websites as the primary means of communication with passengers enables airlines to change their terms and conditions very easily. This means that passengers have to be on their guard against changes made after they have booked and paid for their flights.<sup>12</sup> The Scottish Passenger Agents’ Association (SPAA) echoed this view, stating that online ticketing leads to a loss of flexibility for the customer: “tickets are easy to purchase but when an error is made it can be very expensive and there is unwillingness on the part of the airline to help the customer”.<sup>13</sup>

10. There may be a particular issue for disabled travellers. The Disabled Persons Transport Advisory Committee (DPTAC) told us that disabled passengers tend not to book online, but prefer to speak to an airline representative or travel agent in person. The increasingly common facility for passengers to choose specific seats when they book online up to 24 hours in advance means that those seats with extra leg room are usually the first to go. This leaves less flexibility for disabled people seeking a seat allocation at the airport.<sup>14</sup>

11. Mrs Bates of DPTAC told us that if a disabled person cannot book online for the assistance that they need, they have to ring what is usually a premium rate number for what might amount to an hour’s phone call. She described this as a “tax on disability”.<sup>15</sup>

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8 Ev 153

9 Q214

10 Ev 187

11 Q215

12 Ev 98

13 Ev 94

14 Ev 182

15 Q690

12. The Internet has made booking air tickets easier than ever before. It saves time, and often money as passengers avoid agent premiums and booking fees. This is a welcome innovation, giving passengers more choice and more power to make their own decisions. However, we are concerned by evidence that online booking may disadvantage disabled passengers who need to discuss their travel requirements in person. We recommend that the Disability Rights Commission examine this problem to determine whether there is a case for issuing further advice or guidance to air travel operators about this particular area.

### Taxes, fees and charges

13. The advent of self-service ticketing means that it is more important than ever that ticket prices, including all additional taxes, fees and charges, are clear and easy to understand at the earliest stage of booking. Passengers, though empowered by the Internet and generally more savvy consumers than ever before, are not professional travel agents and will not catch deliberate omissions or fees and charges that are hidden in the third or fourth stage of the purchasing process.

14. The problem, typically, is that a basic price is quoted before the passenger begins the booking process and a number of additional charges, fees, taxes or levies are added at a later stage. Though the passenger knows the price he or she will pay before the purchase is concluded, and the final price might still represent good value for money, it is not the price that was quoted in order to induce prospective customers to begin the booking process. This is not a trivial point: people may base the decision to travel, the choice of carrier and the choice of destination on advertised fares. By the time that they book their tickets, they may be committed to these choices and find it difficult to re-plan. With additional fees, taxes and levies being disclosed only during the booking process, it is also a great deal of effort to compare the actual fares offered by different carriers.

15. For example, an airline website advertises “Fly for £10 including all taxes and charges. Travel in July and August”. The basic fare quoted is 1p per person for the outward journey (though this is available on only one flight on the chosen day of travel and return fares are significantly higher). Added to this is a further £25.19 in taxes, fees and charges, described as “Government Tax” (£10), “PSC – Non Refundable” (£11.40), and “Ins & Wchr Levy” (£3.80), though this is not disclosed until the third stage of the booking process. There is also an additional fee of £5 per checked item of luggage, disclosed at the fourth stage of the process, to which is added an optional insurance premium of £5.50. The customer must act positively to decline the premium—confusingly, from a drop-down menu that displays their country of residence—and no details of the type of cover provided are displayed on the purchase screen.<sup>16</sup>

16. So a fare advertised at “£10 including all taxes and charges” comes to a minimum of £25.20 for a passenger with no hold baggage and £35.70 for somebody who has a single item of hold luggage and either wishes to insure it or fails to spot that they need to opt out of the insurance policy. For a family of four with a single item of luggage each, the total

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<sup>16</sup> Fares, fees and taxes quoted are for a single, one-way flight from London Stansted to Perpignan, on Saturday 14 July 2007, Flight FR936, advertised at [www.ryanair.com](http://www.ryanair.com), accessed on 30 June 2007



difference between the advertised fare and the actual fare is more than £120. The “£10” offer does not extend to return fares, so a customer who begins the process assuming, not unreasonably, that the cost of the return flight will be £20, can easily end up paying well over £100.

17. The Department for Transport told us that the *Code of Practice for Traders on Price Indications*<sup>17</sup> states that when advertising holiday and travel prices, any non-optional extra charges which are for fixed amounts should be included in the basic price and not shown as additions, unless they are only payable by some consumers. Contravention of the Code can be used to support a prosecution for the offence of giving a misleading price indication, contrary to section 20 of the Consumer Protection Act 1987. The Office of Fair Trading (OFT) issued a warning to holiday and travel suppliers on 9 February 2007, indicating that it will take enforcement action against any airlines, tour operators or travel suppliers that fail to comply with the law.<sup>18</sup> The European Commission also plans to address the issue as part of a revision to the ‘third package’ of air liberalisation. The initial proposal would require air carriers operating within the Community to provide the general public with comprehensive information on their air fares and rates and the conditions attached.<sup>19</sup>

18. The AUC is concerned about this issue. It believes that the only way to prevent passengers being enticed into a transaction that will end up costing them more than they wish to pay, or being misled when comparing prices between airlines, is for airlines to be required to list total fares in all advertising and at the first stage of an online booking process. It would appear that the rules that govern advertising do not apply to the Internet.<sup>20</sup> That said, the airlines insist that they are not operating ‘sharp practice’ online and that pricing is easy to understand. EasyJet, for example, told us that all taxes and charges are clearly set out, providing passengers with full transparency throughout the booking process.<sup>21</sup> Flybe stated that it tries to make customers aware of prices and extra charges for top-up services, and the taxes levied by the Treasury or by airports at every stage of the online booking process.<sup>22</sup>

19. A further matter brought to our attention by the AUC is the implication by airlines that the package of taxes, fees and charges on a flight are universal and that they do not vary by airline (which of course they do). Mr Simon Evans, Chief Executive of the AUC, drew our attention to what he called “subliminal inferences” by the airlines that charges are levied by a third party over which the airline has no control and which the passenger is going to have to pay anyway.<sup>23</sup> Mr Evans pointed to research conducted by the AUC that found, for

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17 Department for Trade and Industry, October 2005: <http://www.dti.gov.uk/files/file8127.pdf>; ABTA told us that its members follow a code of conduct that mirrors this (Q 99)

18 OFT press notice, “OFT warns on misleading holiday and travel prices”, 9 February 2007; the deadline for compliance passed on 11 May; TUI told us that Thompson Holidays, for example, had made such changes before the OFT warning (Ev 203)

19 Ev 138; more information on the consultation at: <http://www.dft.gov.uk/pgr/aviation/international/thethirdaviationpackageaint1071/>

20 Q220

21 Ev 153

22 Ev 187

23 Q14; one charge that varies, for example, is that for security – as part of our inquiry into Transport Security – Travelling Without Fear, British Airways told us that it spends £120 million a year on security, approximately £2.50 per ticket; easyJet put the figure at 18% of the cost of a ticket (HC 1085-iii, 11 October 2006, Q509)

example, a four-fold difference in the taxes, fees and charges levied by easyJet and British Airways on one European route.<sup>24</sup>

20. Responses to the AUC's market research on this issue, together with informal straw polling, indicated that passengers were generally comfortable with the concept of net pricing, subject to the addition of 'taxes'.<sup>25</sup> **For passengers to have confidence in online booking, it is vital that airlines put additional taxes, fees and charges up-front in their online advertising and on their booking pages. As it stands, there is the danger that customers are being duped into choosing a carrier on the basis of inaccurate fare information presented on the Internet. This is unfair both on the passenger, who might never know that a better fare was available, and on those airlines who are honest about their fare structure on their websites. This is not a problem which is confined to the UK: non-UK operators who carry significant numbers of passengers to and from the UK are engaged in this kind of hucksterism. We recommend that the Government make representations to the European Commission on the issue of online advertising of air fares. There must be a level playing field across the whole of the deregulated European market.**

### Telephone charges

21. It is becoming increasingly common, according to the AUC, for airlines to make a charge to passengers booking over the telephone. While the AUC accepts that an airline should be free to levy these charges if it wishes, it does believe that there should be more information available to customers on how to avoid these types of charge.<sup>26</sup> There would seem to be cases, however, where it is unavoidable. Mr Evans of the AUC gave us the example of trying to book a flight from Nigeria where, because of credit card problems, the airlines will only take a reservation over the telephone at a cost of £15. Mr Evans also cited airline gift vouchers which tend to be redeemable by telephone only, where it costs between £15 and £25 to do so.<sup>27</sup>

22. **As telephone booking becomes less popular, a higher percentage of bookings made over the phone are done so because, for one reason or another, the passenger is obliged to, usually by the airline's own rules. This is sharp practice. We recommend that the Government undertake a review of telephone charges for airline bookings to ascertain the extent of the problem and, if required, to limit the amount of charges.**

### Financial protection

23. We have looked at the issue of financial protection for air travellers twice in the past three years.<sup>28</sup> We do not relish the prospect of stranded and disappointed passengers. We

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24 Qq14-15; BA later changed their policy in response (Q19); research available to view at: <http://www.caa.co.uk/docs/306/AUC%20report%20on%20taxes,%20fees%20and%20charges.pdf>

25 Ev 98; Mori research commissioned by the AUC found that of 313 people surveyed who had booked online 55% understood the taxes, fees and charges (*AUC Annual Report 2005-06*, p13)

26 Ev 98

27 Q21

28 *Abandoning effective protection* (HC 996), 11 April 2006 and *Financial protection for air travellers* (HC 806), 9 July 2004

would prefer that passengers paid an extra £2 each than considerably more to rebook or fly home if their airline went bust. In a volatile business environment, the extra cost of mandatory financial protection is a necessary evil.

24. The CAA has again highlighted to us the problem of declining ATOL<sup>29</sup> protection. The proportion of leisure air passengers protected by ATOL fell from 98% in 1997 to 60% in 2005.<sup>30</sup> A recent report indicates that 35% of consumers incorrectly believe that they are protected when they purchase parts of a holiday separately rather than as a package. In 2006 the ATOL bond bailed out 21,000 holidaymakers, most recently when HCCT Holidays folded in December 2006 with 1,000 holidaymakers already abroad and another 37,000 with tickets.<sup>31</sup>

**25. The Government should be in no doubt that we continue to support a mandatory arrangement for financial protection of air travellers, as envisaged by the CAA. We repeat the warning we gave in 2006: some scheduled airlines still appear to be at risk of collapse; existing consumer protection is patchy; and Government delay and procrastination will only increase the risk to which passengers are exposed.**

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29 Air Travel Organisers' Licensing

30 Ev 114

31 "Don't get left up in the air when booking your flights", The Observer, 20 May 2007

## 3 Travel to airports

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26. Public transport links to airports is the area where passengers' satisfaction with their travelling experience is lowest, at 29% (see paragraph 3). The high proportion of respondents who answered "don't know" to questions about public transport, 32%, is probably evidence of the fact that, for many travellers, the private car is the preferred mode of transport. The number of air passengers is expected to rise over the next twenty years. It is inevitable that if a higher percentage of passengers cannot be encouraged to use public transport to get to and from the airport then congestion on surrounding roads will steadily increase. This will make the experience of air travel even worse as passengers have to leave their home or hotel that much earlier to get to the airport and run an increased risk of missing their flight entirely due to congestion. There is a national debate taking place at the moment about how to contain road-traffic growth, probably with some form of road pricing;<sup>32</sup> but no incentive will work if there is no good alternative.

27. The Minister agreed that surface access is the area that passengers are probably most unhappy with. She pointed to the air transport White Paper, published in 2003, and the subsequent 2006 progress report that make it "quite clear that surface access needs to be integral, not just an afterthought, to considerations about airports".<sup>33</sup>

28. The table below shows the proportion of air travellers currently accessing airports in the United Kingdom by public transport, broken down by individual airport.<sup>34</sup>

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32 See, for example, the proposals contained in the draft Local Transport Bill, Cm 7043 (DfT, May 2007)

33 Q825

34 Lords Official Report, 21 March 2006, c24WA

|                       | Bus/Coach % | Rail/Tube % | Taxi/Minicab % | Total Public Transport % |
|-----------------------|-------------|-------------|----------------|--------------------------|
| Aberdeen              | 6           | 0           | 37             | 43                       |
| Belfast City          | 3           | 0           | 21             | 24                       |
| Belfast International | 7           | 0           | 7              | 14                       |
| Birmingham            | 22          | 1           | 22             | 44                       |
| Bristol               | 8           | 0           | 13             | 21                       |
| Cardiff               | 9           | 0           | 12             | 21                       |
| Durham Tees Valley    | 2           | 1           | 23             | 26                       |
| East Midlands         | 4           | 0           | 20             | 24                       |
| Edinburgh             | 19          | 0           | 25             | 45                       |
| Exeter                | 3           | 0           | 12             | 15                       |
| Gatwick               | 7           | 25          | 14             | 46                       |
| Glasgow               | 11          | 0           | 27             | 37                       |
| Heathrow              | 14          | 23          | 26             | 63                       |
| Inverness             | 5           | 0           | 14             | 19                       |
| Leeds Bradford        | 5           | 0           | 25             | 31                       |
| Liverpool             | 10          | 0           | 21             | 31                       |
| London City           | 31          | 0           | 45             | 76                       |
| Luton                 | 28          | 0           | 13             | 41                       |
| Manchester            | 2           | 7           | 29             | 39                       |
| Newcastle             | 1           | 0           | 28             | 29                       |
| Prestwick             | 3           | 21          | 6              | 29                       |
| Stansted              | 14          | 26          | 9              | 49                       |

29. Air travel by its very nature demands that the passenger be at the airport at a certain time. Many passengers also have heavy or bulky luggage. For passengers to switch to public transport, they have to be convinced that it will get them there punctually, quickly and comfortably and with the minimum of inconvenience. In his report to Government, Sir Rod Eddington highlighted one of the main reasons why this is not, currently, the case: that road and rail routes to and from airports are not ‘dedicated’:

Surface access links are often used not only by those accessing the port or airport, they are also shared by travellers for a range of purposes, particularly around large urban areas. For example, links to major airports such as Heathrow or Birmingham are used by travellers undertaking inter-urban journeys for business, non-work/leisure, commuting and freight not linked with the ports or airports. The shared nature of these links means that many are subject to high levels of congestion.<sup>35</sup>

35 *The Eddington Transport Study*, December 2006, vol 3, para 4.117

30. Large airports near to or within urban areas also suffer from large numbers of travellers going to and from work using the airports' access links.

31. The other factor to bear in mind is carbon emissions. The Manchester Airports Group (MAG) told us that 60% of carbon emissions at Manchester Airport are attributable to vehicle access.<sup>36</sup> Meteor, which operates a large number of airport car parks around the UK, told us that they use Ultra Low Sulphur Diesel on their buses when carrying passengers to and from the terminal.<sup>37</sup> We asked both MAG and BAA what they are doing to reduce carbon emissions and encourage people to travel to airports via public transport.

32. Mr Geoff Muirhead, Chairman of MAG, stated that the company is looking at providing 24-hour bus services from conurbations to airports for staff, and encouraging car sharing schemes. MAG has also invested approximately £60 million in a ground transport interchange at Manchester to accommodate light and heavy rail, buses and coaches.<sup>38</sup> Mr Morgan from BAA pointed to London Heathrow, Gatwick and Stansted which, individually, have a higher share of passengers arriving and departing by public transport than most airports in Europe. BAA is also encouraging staff to car-share and has a growing number of work travel schemes.<sup>39</sup>

33. National Express, echoing Sir Rod Eddington, called for prioritised road access for buses and coaches that would enable passengers to get to and from airports more reliably and easily than by using their own car.<sup>40</sup> They also raised the idea of 'integrated ticketing'; allowing someone to purchase a combined air and ground ticket, much like the rail and tube combined ticket that you can get in London. It has not, however, had much success selling the idea to airlines.<sup>41</sup>

**34. Public transport access to airports must, as the Government's own White Paper states, be an integral part of airport development. We recognise that it is often for individual airports and local authorities to fund development. Airports are, however, critical for the economic well-being of the country: they impinge not only on local economies but on the national wealth and, in the case of the London airports in particular, as gateways to international business. With this in mind, we welcome the emphasis that the Department has already placed on surface access in its guidance to airports to develop Master Plans. The Department should review the Plans it has received to evaluate whether they reflect that emphasis, in particular in terms of public transport access, and if they do not, to require redrafting. As a matter of principle, local planning inquiries should not give approval to airport schemes that do not provide for good public transport access.**

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36 Ev 170; Q520

37 Ev 203

38 Q521; approximately 21–22% of staff are currently using public transport to get to work; in its Master Plan the company intends to set a target of 40% (Q524)

39 Q525

40 Ev 133

41 Ev 133 and Q609

35. One final matter to consider is funding. Recalling the previous Chancellor's announcement in the 2006 Pre-Budget Report that he proposed to increase Air Passenger Duty from February 2007, we asked witnesses whether they might prevail upon the Treasury to use that money to fund public transport improvements to airports with a view to cutting emissions on the ground. Neither MAG nor BAA were optimistic as to the response they would get from the Treasury.<sup>42</sup> The case of Manchester is particularly striking as the proposed tram extension to the airport remains unfunded. The Minister told us that she would raise the issue with the Secretary of State and the Treasury; she has since confirmed that she has done so.<sup>43</sup>

**36. We have not heard from the Treasury what the proceeds from the increased Air Passenger Duty will be spent on. It is important that if airlines and air passengers are to accept increased charges such as this, for environmental purposes, that they should be spent on those areas associated with air travel that produce the most pollution. Though flying is in itself a significant source of carbon emissions, ground transport accounts for the majority of local pollution around airports. We therefore recommend that some of the proceeds of the increase in APD be reinvested in improving public transport access to airports and the Treasury makes clear the relationship between APD, investment in ground transportation and other environmental improvements.**

## Buses and coaches

37. Increased bus and coach services to airports would help reduce congestion and provide a public transport service to those for whom rail is not a viable option. For buses and coaches to operate a successful service to and from airports, they must be flexible. National Express, which operates just under half of all coach services to airports,<sup>44</sup> told us that 24/7 services are vital.<sup>45</sup> Mr Mike Lambden, Head of Corporate Affairs at National Express, explained:

There are some times when [services] are very busy; there are some times when they are quiet, but we need to provide those. If planes are delayed at all, we need to have something where people feel confident that there will be another coach to take them at a later time.<sup>46</sup>

38. Running reliable services at the passenger's convenience is only one part of the equation. It is also important that bus and coach services are easily accessible from the airport and that drop-off points are well placed. Transport for London (TfL) agreed that there is great value in placing bus stops and bus stations as close as possible to passenger objectives, including terminals and workplaces.<sup>47</sup> National Express is not convinced that airports provide adequate facilities for public transport and contend that these facilities are

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42 Qq 552–553

43 Qq 857–858 and Ev 141

44 Q640

45 Ev 133

46 Q642

47 Ev 174

often “very basic compared to the rest of the airport facilities, sometimes giving the impression that using public transport to the airport is the option of last choice”.<sup>48</sup>

39. There are, however, examples of good practice. National Express commended both Heathrow and Manchester for their efforts in this area: Manchester has invested in a Ground Transport Interchange which integrates transport into the airport itself, and BAA and National Express have invested in a new central bus station at Heathrow.<sup>49</sup>

**40. Airports must invest in coach and bus facilities that are well placed, easily accessible and widely publicised to air passengers. We commend Manchester and Heathrow airports and National Express for developing facilities along these principles and we look to other airports to work with public transport operators in the same constructive manner. We recommend that the Government include specific reference to bus and coach facilities in its guidance to airports for Master Plans**

## Rail

41. The breakdown of modes of travel used by travellers from UK airports<sup>50</sup> shows low levels of rail use. This can change dramatically when new facilities are provided. The building of Docklands Light Rail link into City Airport has resulted in 49% of passengers using DLR, increasing public transport usage from 31% in 2003 to 50% in 2007 and achieving one of the highest rail mode-shares at any airport in the UK.

## Park and ride

42. The Independent Airport Park and Ride Association (IAPRA) told us that more off-airport park and ride sites could reduce congestion and emission around airports, but that moves in that direction were being stifled by airports. They told us that their members could not compete fairly with the airports’ own car parking services; and their members have experienced attempts by airports to restrict the access of their shuttle vehicles to terminal forecourts. According to IAPRA, airports have also tried to impose ‘disproportionate’ fees for the right to use drop-off facilities and they provide such facilities some distance from the main airport terminal building, thus making the airport’s own on-or off-airport parking facilities more attractive.<sup>51</sup> National Express agreed that airports are much keener to invest in car parks than in providing public transport facilities and that for many it is a ‘cash cow’.<sup>52</sup> National Express is seeking a meeting with the Highways Agency to determine if they have any spare land near motorway junctions which could be used as park and ride sites linked to coach routes.<sup>53</sup> Neither Manchester Airports Group nor BAA recognised these comments as applying to their airports.<sup>54</sup>

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48 Ev 133; Gatwick was given as a bad example (Q646)

49 Ev 133

50 See para 28 above

51 Ev 110

52 Ev 133

53 Ev 134

54 Q527



43. When we questioned Transport for London (TfL) on this matter, we were astonished by their response. Far from encouraging park and ride, or at least having no view either way, Mr Dick Hallé, Director of Strategy, Surface Transport, appeared actively hostile to it. He stated that TfL “would not have park and ride locations within the inner and middle suburbs of London, travel card zones one to three”. The reason he gave for this is that it would encourage ‘rail heading’ where people who use the train from further out are given an opportunity to drive further into London to pick up the rail or bus service at the park and ride site.<sup>55</sup> A significant fare saving could be made, for example, by driving into Zone 3 and taking the train from there to Zone 1 rather than parking near a station in, say, Zone 5. TfL’s *Park and Ride Assessment* states:

No new (or substantial increases to existing) permanent park and ride car parks should be considered within zones 1–3 due to their likely generation effect of additional car vehicle trips and kilometres.

(...) Proposals which encourage railheading should in all cases be discouraged. (I.e. that encourage existing drivers to drive further into London due to cheaper fares or higher frequency).<sup>56</sup>

The Minister, in contrast, told us that she would regard park and ride “as part of a mix which should be considered when thinking about how people should get to and from airports”.<sup>57</sup>

**44. When it comes to travelling to the airport by car we are faced with a conundrum: environmentally it is better for a passenger to drive to the airport and leave their car at an airport car park than it is for them to be ‘dropped off’. Does this mean that parking facilities at airports are a good thing? It is clear to us from the evidence we received from park and ride operators and from National Express that airports make a great deal of money from their parking charges. This money is recycled back into the airport and passengers benefit. But this is no long term solution to the problem of congestion. Parking provision works along the same principle as road building: if you build it people will come. The only way, in the long term, to encourage people to use public transport, once the provision is there, is to reduce the ability they have to access the airport by car and to leave a vehicle. We recognise that this is difficult. It will be part of a broader strategy to get people out of their cars and it will not yield short term results. Road pricing will help.**

**45. In the first instance, we recommend that the Government commission a review of airport parking charges and of the ability of off-site parking providers to compete fairly with airport car parks. We fully support the Minister’s view that park and ride should be part of the mix for travel to airports and we find Transport for London’s attitude unacceptable.**

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55 Q662

56 Ev 180

57 Q832

## Access to Heathrow

46. There are a variety of ways to reach Heathrow by public transport: London Underground, via the Piccadilly Line; Heathrow Express and Heathrow Connect from Paddington; a number of bus and coach services from London and other towns and cities; taxis and private hire cars; and the private car. Nevertheless, BAA believes that there remains a clear case for further rail growth in the south east to benefit Heathrow, including AirTrack, Crossrail and Thameslink.<sup>58</sup>

### *AirTrack and Crossrail*

47. AirTrack is a proposal to create a new direct rail link between Heathrow Terminal 5, scheduled to open in 2008, and the South West Trains suburban rail network to the south and west of the airport. AirTrack would enable passengers and those working at the airport from Waterloo, Guildford, Reading, Woking and some intermediate stations to access the airport directly.<sup>59</sup> It would also provide an alternative rail link for long-distance passengers from Bristol, Exeter, Portsmouth, Southampton and South Wales. The outline business case prepared by Atkins on behalf of the AirTrack Forum states that the AirTrack proposal would remove 5,000 cars per weekday from local roads in the morning peak.<sup>60</sup> AirTrack has broad support from business,<sup>61</sup> local authorities,<sup>62</sup> and the Mayor of London.<sup>63</sup>

48. Crossrail will consist of new rail tunnels running east-west through central London connecting directly with existing surface rail routes to Maidenhead and Heathrow in the west, and Shenfield and Abbey Wood in the east. By connecting the major London rail terminals of Paddington and Liverpool Street, Crossrail will enable interconnecting mainline train services to cross the centre of London via a number of new, purpose-built stations. The Crossrail Bill which will provide the powers to build the line is currently going through Parliament.<sup>64</sup> The Government has yet to commit to fund the scheme.

**49. AirTrack and Crossrail would be enormous boons to those living near and working at Heathrow, to London and indeed to the rest of the country. Both schemes command broad support. The Government should give AirTrack its full backing and seek to help it progress through the planning process towards construction. This is already the case with Crossrail and we are happy to see the Bill making progress. We are, however, concerned that the Treasury has yet to make a firm commitment to fund the balance of the scheme that cannot be funded by London taxpayers and business. This may be as much as £8 billion. It would be unacceptable after so much effort, expense and**

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58 Ev 104

59 [http://airtrack.org/what\\_is\\_airtrack.htm](http://airtrack.org/what_is_airtrack.htm)

60 Ev 107

61 Ev 127

62 Surrey County Council; Hampshire County Council; Runnymede Borough Council; Reading Borough Council; Woking Borough Council; Guildford Borough Council; Bracknell Forest Council; Wokingham Council; London Boroughs of Richmond, Hillingdon, Wandsworth, Sutton, Croydon and Merton; Royal Borough of Kingston and the Royal Borough of Kensington and Chelsea (Ev 107)

63 Ev 180

64 Bill 62. For details visit the website of the Crossrail Bill Committee: [www.parliament.uk/parliamentary\\_committees/crossrail.cfm](http://www.parliament.uk/parliamentary_committees/crossrail.cfm)

**Parliamentary time has gone into making Crossrail a reality for it to fall at the last hurdle of Treasury funding.**

### *Taxis*

50. Mr Morgan of BAA told us that London black cabs “provide a very, very good service as part of a complete package of choice in terms of public transport – road, rail and cabs. They have a very important role to play”.<sup>65</sup>

51. Nevertheless, there is a long-standing issue about London black cabs going beyond the London boundary. As the Heathrow Airport Consultative Committee described it to us, black cabs that undertake a journey which crosses the London boundary do not have to use the meter and may negotiate a fare beforehand. According to the Committee “it is unusual for passengers to be advised of the fare required before starting a cross-border journey and they are then faced with a demand for quite high fares at the end of their journey. These are claimed to be £50 or £60 for some journeys to destinations which can be as close as only one or two miles from the Airport”.<sup>66</sup> The reason, at least in part, for these high fares is that cabs are often kept waiting for significant periods in a holding area at the airport before they are allowed to join the taxi rank. So it is not worth the driver’s while going to the airport if he knows he might only get a £2.20 fare. There is also a £1 additional levy on all fares from Heathrow. The airport has a new taxi management system which should reduce waiting times for both cabs and passengers. TfL agreed that the current arrangements are “not at all clear”.<sup>67</sup>

52. TfL believe that the Transport for London Bill [*Lords*] currently going through Parliament will clarify the position. Clause 15 of the Bill proposes an amendment to the London Cab and Stage Carriage Act 1907, so that a passenger and taxi driver would either agree the fare for a journey to be made outside the London boundary in advance, or revert to the fare as indicated on the taxi meter.<sup>68</sup> TfL told us that:

...there is a widely held misconception in the taxi industry that if a journey ends outside London then the driver is entitled to agree a price with the passenger that is not related to the metered fare and which may be greater than the metered fare would be for that journey. This is not currently legally correct but TfL believes that it is appropriate to change the law to allow for this to happen in a lawful manner.<sup>69</sup>

**53. There is clearly a need to resolve the confusion that surrounds the rules for taxi fares from Heathrow. It appears to us that the proposed legislative change in the Transport for London Bill will most likely solve the problem, but it is not necessarily the best solution in the long term. There is a danger that relying on the metered fare for short local journeys from the airport will lead to a dearth of taxis at Heathrow. We recommend that TfL look into a system similar to that which operates in New York**

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65 Q545

66 Ev 102

67 Q596

68 Ev 174

69 Ev 180

City, where the fares to and from the area's airports in yellow cabs are standardised by the Mayor. This system is simple and easy to understand and would assist in particular those arriving in the UK from abroad.

### Docklands Light Railway to London City Airport

54. The Docklands Light Railway (DLR) London City Airport extension opened in December 2005. The 4.4km route runs from Canning Town to King George V Station in North Woolwich. The link cost approximately £140 million, to which the airport contributed £2 million. Mr Richard De Cani, Head of Development and Planning, Docklands Light Railway, expressed a view that it would have been nice had the airport had given more, "we think they got a good deal".<sup>70</sup>

55. One of TfL's main objectives for the extension was to address the lack of a dedicated public transport link: in 2000 over three quarters of passengers arrived or departed by car or taxi, the remainder used shuttle bus and other means. In its first year of operation 4.2 million passengers used the extension. Usage increased by 45% over the first year, equating to an additional 3,150 passengers using the extension each day. Compared to the car the extension has delivered a 37% improvement in journey times from Bank Underground/DLR station to the airport and a 39% improvement from Canary Wharf. It has achieved one of the highest rail mode-shares at any airport in the UK. After one year of operation 49% of passengers use the DLR to travel to and from the airport, increasing total public transport usage from 31% in 2003 to 50% in 2007.<sup>71</sup>

**56. London City Airport is a small airport, historically with poor transport links. The Docklands Light Railway extension to the airport has been a huge success. We congratulate Transport for London on that achievement. This link could act as a model for regional airports which currently have only road access and would benefit from public transport provision. In particular, those areas with light rail systems might look to tie them into airport development. Investment to support better train/light rail links to regional airports should be supported.**

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70 Q595

71 Ev 174

## 4 Airports

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### A growing problem

57. Airports are generally not pleasant places to be. There are of course good and bad examples as there are in all industries, but in general the passenger experience of using the airport appears to have become worse over the past few years, significantly so in the UK since the security alert of August 2006. This has been a particular problem for BAA's airports—in a poll of 4,000 travellers conducted by online travel service TripAdvisor, Heathrow was voted the world's worst airport<sup>72</sup>—and the company itself recognises that things need to improve.<sup>73</sup> Mr Muirhead from MAG also acknowledged that the passenger experience of airports has 'probably got worse' over the past decade; he blamed congestion and security delays.<sup>74</sup>

58. Unsurprisingly, some of the airlines we gathered evidence from directly criticised the airports as the 'real problem' with air travel today. EasyJet stated that the monopoly nature of airports has prevented passengers from enjoying the full effects of greater competition in the air transport market.<sup>75</sup> Flybe agreed that the biggest single improvement that could be made to the passengers experience of air travel is within the airport space:

Airport owners need to be incentivised and pressurised to ensure that secure movement through the check in and security processes is reduced by two thirds compared with current timings ... it should not be acceptable that for a one hour flight, passengers should have to spend the same amount of time getting through the airport. The industry runs a serious risk of consumer dissatisfaction from such hurdles being put on getting on a plane.<sup>76</sup>

### Capacity

59. The 2003 aviation White Paper, and the 2006 update of that paper both confirmed the Government's support for increasing airport capacity over the next twenty years.<sup>77</sup> This includes two new runways in the south east. The Minister told us that the Government's policy is "sustainable long-term development" which would not be achieved by building alone and would require better use of existing capacity.<sup>78</sup>

60. Both BAA and Manchester Airports Group believe that the best way to improve the passenger experience of airports is to build more of them and to extend the ones which exist. They argue that this would mean larger passenger check-in areas, better security

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72 Ev 109; the *London Evening Standard* reported on 20 June that City leaders were planning to make representations to Gordon Brown that Heathrow is 'bad for business' ("City chiefs: Heathrow is bad for UK business", *Evening Standard*, 20 June 2007)

73 Ev 104

74 Qq 488–489

75 Ev 153

76 Ev 187

77 *The future of air transport* (Cm 6046), December 2003; *The future of air transport progress report*, December 2006

78 Q834

provision and more commercial space airside. British Airways notes the ongoing problems at Heathrow where the primary cause of poor customer experience is lack of runway, terminal and apron capacity. Heathrow is permanently under stress because of its high utilisation. The effect of this is that when there is disruption of any type – be it weather, security, air traffic control problems, etc. – the airport fails to cope.<sup>79</sup> Flybe does, however, warn against regional airports in particular building “expensive terminal buildings or grandiose infrastructure projects” when they should be concentrating on maintaining and improving accessibility.<sup>80</sup>

### *Competition and the monopoly position of BAA*

61. Following a referral by the Office of Fair Trading (OFT) the Competition Commission has announced an investigation into BAA.<sup>81</sup> The inquiry terms of reference state: “The OFT has reasonable grounds for suspecting that a feature or a combination of features of the market or markets in which airport services are supplied by BAA prevents, restricts or distorts competition with the supply of airport services in the United Kingdom”.<sup>82</sup>

62. We received mixed views as to whether BAA should be broken up. Virgin Atlantic and British Airways, two of Heathrow’s main customers, thought that it would be beneficial.<sup>83</sup> Brian Catt told us that there had been thirty years of failure to “get this cosy monopoly under control”.<sup>84</sup> When asked about the benefits of breaking up BAA, Mr Barry Humphreys, Director of External Affairs and Route Development at Virgin Atlantic gave a comparison with how John F. Kennedy Airport in New York operates, where individual terminals are separately owned and “it is really noticeable that the owners of the individual terminals want to fight for your business, they want to encourage you to move there, they provide a better quality of service and are far more willing to discuss the provision of services”.<sup>85</sup> Mr French from Flybe added that monopoly ownership “takes away the competitive spur to provide the best possible service”.<sup>86</sup>

63. Mr Morgan from BAA said that breaking the company up would put its investment programme for Heathrow, Gatwick and Stansted at risk and threaten better passenger service in future.<sup>87</sup> Other witnesses highlighted the fact that even if the London airports were broken up that they would retain a more localised monopoly. For example, Mr Toby Nicol, Director of Communications at easyJet said:

The worst thing would be to take a monopoly airport system and break it into three little mini monopolies so they can go off and charge what they want. Gatwick is full,

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79 Ev 144

80 Ev 187

81 OFT press notice, “OFT refers BAA airports to the Competition Commission”, 30 March 2007; and Competition Commission press notice, “Competition Commission airports investigation: invite for evidence”, 3 April 2007

82 all material associated with the investigation at: <http://www.competition-commission.org.uk/inquiries/ref2007/airports/index.htm>

83 Qq 352–353

84 Ev 148

85 Q354

86 Q243

87 Q575

Stansted is full and Heathrow is full as well. They would all have local monopoly pricing power. What we say is ownership is secondary to ensuring that customers come first in those places rather BAA's Spanish shareholders.<sup>88</sup>

**64. Monopoly power slows growth and stunts innovation; it has no incentive to cut prices or to provide a better service. It is bad for the customer. We are pleased that the Competition Commission is considering the position of BAA. We have received little evidence pointing to benefits from BAA remaining in its present state and we see no reason to change the view of our predecessor Committees that BAA should be broken up. We look forward to the Commission's decision on the matter.**

## Regulation

65. Under the Airports Act 1986, the CAA is responsible for setting price controls on airport charges every five years at airports designated by the Secretary of State. These are Heathrow, Gatwick, Stansted and Manchester. Price controls are designed to prevent those airports which do not face sufficient competition from exploiting that position, for example, to raise the prices they charge to airlines. The CAA is midway through the five-yearly reviews of these price controls, and currently plans to set new price controls for Heathrow and Gatwick airports in early 2008, to apply until April 2013. The Government is currently consulting on the criteria to be used in deciding whether an airport should be designated or not,<sup>89</sup> and subsequently on the application of the (revised) criteria to the designation of Stansted and Manchester airports. If these airports remain designated for price control, the CAA would set new price controls by early 2009 for each for the five years from April 2009.<sup>90</sup>

66. We published a report on the CAA in November 2006. On the economic regulation of airports, the Committee recommended:

- Government should review the whole process of price control;
- Government should review the need for continued 'designation' of airports for the purposes of economic regulation, in particular that it should considering de-designating Manchester and Stansted;
- CAA airport review decisions should be subject to the standard regulatory model; and
- CAA should review 'constructive engagement' in relation to the price control review at designated airports.<sup>91</sup>

67. In its response to the Committee in March 2007 the Government largely declined to comment on these recommendations until the result of the Competition Commission's

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88 Q263; Virgin Atlantic agreed (Q353)

89 Department for Transport, *Consultation on proposed designation and de-designation criteria*, February 2007

90 Ev 144

91 *The work of the Civil Aviation Authority*, HC 809, 8 November 2006, pp 42–49

investigation was known.<sup>92</sup> **The Government must turn to the regulatory questions we raised in our report on the Civil Aviation Authority as soon as possible. We expect a full response as soon as the Competition Commission has reached a decision.**

### *The passenger interest*

68. In evidence the CAA made the simple, but perhaps over-looked, point that the airline and the passenger interest may not always coincide. It is part of the CAA's role therefore to look for evidence that the proposals emerging from airport-airline discussions ('constructive engagement') take into account passengers' interests.<sup>93</sup> Dr Harry Bush, Group Director of Economic Regulation at the CAA stated that the Authority has no system for prioritising passenger or airline interest and that it would not necessarily be needed as "airlines do have generally the benefits of passengers in mind because actually that is part of the commercial appeal if you are in a service-orientated industry". He could, however, imagine areas where "a gap might emerge between airline and passenger interest". The example he gave was on security "if the airline had been focused on keeping costs down but the passenger had wanted to have the security queue shorter".<sup>94</sup>

**69. The Civil Aviation Authority is the economic regulator for the airports. It recognises that the passenger and the airline interest are not always the same but it does not appear to discriminate in favour of one or the other. We recommend that, when there is a conflict between the airline and the passenger interest in a particular area, there should be a general presumption that the CAA will come down on the side of the passenger.**

### *Service level quality at Heathrow and Gatwick*

70. The CAA also regulates the levels of service quality at Heathrow and Gatwick airports. This activity, which is conducted in parallel to the price controls at these airports, stems from an earlier finding by the Competition Commission that the level of airport charges did not adequately reflect the variation in quality of service supplied to different airlines and passengers at different locations across each airport. Airports deliver services both directly to the passenger, and to the airlines to enable their own passenger service delivery.<sup>95</sup>

71. The Heathrow and Gatwick service quality scheme covers both passenger and airline aspects, with the following dimensions of airport performance:

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92 Government response to the Committee's report on the Civil Aviation Authority, HC 371, p14

93 Ev 114

94 Q725

95 Ev 114



| Provided to passengers  | Provided to airlines  | Provided to both passengers and airlines |
|---|---|--|
| escalator availability  | stand availability  | jetty availability                       |
| passenger lift availability                                       | fixed electrical ground power availability                                  | pier service availability                |
| passenger conveyor availability                                   | goods/baggage lift availability   |  |
| security queuing  | aerodrome congestion (leading to aircraft movements being lost or deferred) |  |
| arrivals baggage reclaim belt availability                        |   |  |
| inter-terminal transit availability (Gatwick only)                |   |  |
| departure lounge seating availability – passenger survey response |   |  |
| cleanliness – passenger survey response                           |   |  |
| wayfinding – passenger survey response                            |   |  |
| flight information – passenger survey response                    |   |  |

72. If any terminal at either airport fails to meet any service level target in a given month, then the airport is required to pay rebates of airport charges to the airlines using that terminal, according to a formula specified by the CAA. The total amount of rebate at each airport in a given financial year is capped at 3% of annual airport charges, comprised of 1.5% for the directly measured standards, 0.5% for standards measured by passenger survey responses, and 1% for aerodrome congestion. The CAA told us that things have been improving since 2003 “with some notable exceptions such as Heathrow’s failure to meet security queuing standards at all terminals in the first quarter of 2006, and declining standards of availability of facilities at Gatwick North Terminal in the second quarter of 2005”.<sup>96</sup>

73. For each year since the quality scheme was introduced the table below shows the total amounts of service quality rebates that have been paid at Heathrow, Gatwick and Manchester:<sup>97</sup>

96 Ev 114

97 Ev 123

| Financial year | Heathrow (£000s) | Gatwick (£000s) | Manchester (£000s) |
|----------------|------------------|-----------------|--------------------|
| 2003/04        | 1,250            | 194             | 222                |
| 2004/05        | 612              | 183             | 131                |
| 2005/06        | 1,802            | 832             | 147                |
| 2006/07        | 1,064            | 590             | 334                |

74. In its recent reference of Heathrow and Gatwick airports to the Competition Commission the CAA has recommended that the standards and rebates scheme should be broadened and tightened, including the prospect of increasing penalties attached to poor performance. At the same time the CAA is proposing the introduction of incremental bonuses available to the airports where defined elements of passenger service delivery across each airport as a whole rise significantly above agreed standards.<sup>98</sup>

**75. The service level quality regime at Heathrow and Gatwick is an example of the CAA acting in the interests of the passenger, providing incentives for these airports to perform better. We agree with the CAA’s recommendation to the Competition Commission that the regime could be further improved by introducing penalties for poor performance.**

## Facilities

### *Check-in areas and new technologies*

76. Along with the online revolution in ticketing have come significant changes to check-in practices and areas. In theory, more electronic ticketing should mean fewer queues at airports and swifter passage through the check-in area to airside, but this has not materialised. While innovations such as common user terminal equipment (CUTE), self-service check-in kiosks and online check-in have, in general, improved the check-in experience for passengers, this is a significant change in culture for many passengers and the AUC is not convinced that the airlines and airports are managing it sufficiently well.<sup>99</sup>

77. Many of the anticipated benefits from new technology have fallen prey to changes in security procedure. For example, British Airways cited the recent agreement between the UK and US Governments that requires UK authorities to verify passport data provided by departing passengers. British Airways states that it “can see no alternative but to ask customers to report to an airport check-in desk for an agent to verify the data provided prior to arrival”, negating the airline’s investment in new technology.<sup>100</sup>

78. The other innovation which would appear, in theory, to be of great benefit is baggage ‘fast drop’. Mr Want from British Airways acknowledged that this was not working as well as the company would hope. He told us that Heathrow Terminal 5 has been designed with

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98 Ev 123

99 Ev 98

100 Ev 144

96 desks solely dedicated to fast drop so that there should never be “more than one person in front of you”. He acknowledged that the ‘flows’ at the other Heathrow terminals do not work well and that the company is looking at ways of having dedicated desks for non-fast drop so that flows improve.<sup>101</sup>

**79. Considerable amounts of money have been invested by both airports and airlines in new check-in facilities and technologies which are designed to ease the passenger experience. It is unfortunate that the full benefits of these new systems cannot be realised due to changes to security policy in other countries which require additional checks of data supplied online. The Government must work far more closely with airlines and airports to ensure that they are made aware of potential changes of this type as soon as possible and preferably before large amounts of money have been spent to little or no benefit.**

### *Commercial space*

80. One of the issues that provoked the most debate during our inquiry was the amount of space that airports dedicate to retail and the amount of money they make from it. Witnesses were divided between those who believe that airline passengers want more opportunity to shop, eat, and drink airside before their flights and those who think that the expansion of commercial space at airports serves no other purpose than to fill airport companies’ coffers.

81. BAA is one of the largest commercial landlords in the UK, providing more than one million square metres of commercial accommodation for around 900 airport retail organisations. The proportion of the total airport area taken up by retail and catering outlets is 18.3% overall for all BAA airports; it is highest at Glasgow where it accounts for 22.7% of space, followed by 19.8% at Heathrow and 19.4% at Gatwick. Retail, food and beverages account for a total of 17.4% all BAA airports’ revenue; it accounts for almost a quarter of all revenue at Gatwick (24.7%); and over a fifth at Stansted (20.9%); it is 15.4% at Heathrow.<sup>102</sup> Manchester Airports Group is redesigning Manchester Terminal 1 to encourage passengers to move straight to the airside area where they “will then enter a larger, specially designed area, where they can relax, shop and enjoy various high street brands and catering facilities”.<sup>103</sup>

82. One of the most outspoken critics of the growing commercial areas at airports was Mr Lawrence Hunt, Chief Executive of the business airline Silverjet. He stated that the aviation industry has “lost sight of the customer” and that what customers really want is to drive up to an aircraft, walk up the steps and get to where they want to get to as quickly as possible. Passengers did not go to the airport to shop.<sup>104</sup> Mr Hunt said that it is in BAA’s interest to delay customers at airports so that they spend more.<sup>105</sup>

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101 Q340

102 Ev 107

103 Ev 170

104 Q421

105 Q451

83. Sir Michael Bishop, the Chairman of bmi, has also criticised BAA for using increased security as a pretext for getting passengers to spend more time shopping at its airports. Sir Michael said: “BAA asks people to come to the airport early only for the shopping. But people want to pass through as quickly as possible and that dichotomy has got to be solved, because what people want is seamless travel. People don’t want to go shopping”.<sup>106</sup>

84. In response, Mr Morgan for BAA argued that passengers shop when they are in a relaxed mood and they have had a good experience of the airport. So it is not in the airport’s interests to get people to come to the airport early “to get into congestion, into long queues and, generally, have an unpleasant experience, because that is precisely the time that they do not shop”. He stated that “by and large, most passengers do want the opportunity to shop. They may not take advantage of it but most passengers rate the quality of shopping at airports as being one of the factors that they consider in terms of whether they are getting a good experience or not”.<sup>107</sup>

**85. Duty free shopping is one of the fringe benefits of air travel for passengers. Retail and catering now make up a significant part of many airports’ revenue and take up increasing amounts of airport space. While passengers clearly value these services we question whether so much space is now devoted to them that they have reached a tipping point and that passengers would not prefer to have some of that enormous space apparent at the ‘front end’ where they are increasingly cramped waiting to pass through check-in and security.**

## Airport charges

86. Under the Airports Act 1986, airports with an annual turnover of £1 million or more are required to hold a permission from the CAA to levy airport charges. Over 50 airports now hold such a permission. More detailed economic regulation is applied to Heathrow, Gatwick, Stansted and Manchester airports, where the CAA sets the maximum level of airport charges every five years. Airport charges are defined in the Act as those levied on operators of aircraft in connection with the landing, parking or taking off of aircraft at the airport (other than charges for air traffic services), and charges levied on passengers in connection with their arrival at, or departure from, the airport by air.

87. The European Commission is proposing a new Directive on airport charges, to apply to all European airports with a throughput of more than one million passengers or 25,000 tonnes of cargo.<sup>108</sup> This would mean regulation of 20 airports in the UK and approximately 144 across Europe.<sup>109</sup> For the UK, that is a five-fold increase. The proposal includes, among other things, provisions for increasing transparency between airlines and airports, agreeing quality standards and designating an independent regulatory authority to resolve disputes. The draft Directive does not propose to make more transparent the process by which charges are passed on from airlines to air passengers.

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<sup>106</sup> “bmi chief accuses BAA of forcing passengers to shop”, *The Times*, 3 May 2007

<sup>107</sup> Q517

<sup>108</sup> COM (2006) 820

<sup>109</sup> Q729

88. The Department for Transport has just completed a consultation on the proposal.<sup>110</sup> The European Commission also consulted at an early stage but, as Mr Robert Siddall, Chief Executive of the Airport Operators' Association (AOA), told us, these were 'tick box questionnaires' which "were not really relevant to the contents of what emerged in the end". Mr Siddall believes that the industry was not properly consulted before the draft emerged in January 2007 and that consultation after the publication of the draft is only of limited use as by that point, "the die has already been cast".<sup>111</sup>

89. Both of the airport groups we questioned and the regulator are opposed to the Directive as it currently stands. The AOA told us that the draft Directive was written in such a way as to invite lengthy disputes from either airport or airline if either is unsatisfied with the level of charges arrived at in bilateral negotiation. The AOA argued that this might lead to a raft of requests for regulatory involvement on the assumption that there is nothing to lose, and perhaps something to gain by doing so. This in turn could lead to a general worsening of relations between airports and airlines and knock-on effects for passengers.<sup>112</sup> The Manchester Airports Group agreed with this and told us that a 'market power' test would be more suitable for determining whether individual airports should be subject to price controls.<sup>113</sup>

90. The CAA believes that it would be a mistake to extend regulation to airports where their level of market power does not warrant it. Further, such a proposal would be unlikely to improve materially passengers' experiences of air travel in the UK, and "could hamper the operation of effectively competitive markets which are currently providing choice and value to airlines and passengers across the vast majority of UK airports".<sup>114</sup> The Minister told us that the Government does have concerns about the Directive and that its general view is that additional regulation is only merited if competition law cannot deal with any particular abuse, it would not want to see 'regulation for regulation's sake'.<sup>115</sup> The Minister promised that "the arguments will be marshalled in order to ensure that we protect UK interests" and that the Government would not 'roll over' on the issue.<sup>116</sup>

91. The Government has an ineffective record in recent transport negotiations at the EU level. It failed to protect UK interests in the recent EU-US deal on Open Skies and it has given away the transport veto in the proposed EU Treaty. **The European Commission's proposed Directive on airport charges is regulation for regulation's sake. The UK has a healthy, competitive airports sector and the CAA does a very good job regulating it where required. The Commission's proposal would result in a five hundred percent increase in regulation for the UK airports market. The Government must take a firm line and refuse to accept any increase in the number of UK airports subject to regulation.**

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110 Closing date 18 June; details at: <http://www.dft.gov.uk/consultations/closed/airportcharges/>

111 Q586

112 Ev 135

113 Ev 170 and Q588; BAA, on the other hand, believes that the Directive would have "little or no direct impact" on its business (Ev 104), probably because its main airports are regulated anyway

114 Ev 114

115 Q802 and Q815

116 Q803 and Q810

## 5 Security

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### Security alert of 10 August 2006

92. On 10 August 2006 police acted to stop a suspected plot to blow up several planes leaving the UK, possibly using liquid explosives carried on-board in hand-luggage. More than twenty people were arrested—a few of whom were subsequently released without charge—and the Joint Terrorism Assessment Centre upgraded the UK security threat level to ‘critical’, indicating that they believed an attack to be imminent.<sup>117</sup> Immediate restrictions on hand luggage were introduced, with passengers only being allowed to carry a small range of essential items, such as prescription medicines in necessary quantities for the flight, and infant formula, onto aircraft. The sudden introduction of these restrictions caused widespread disruption to flights departing from all UK airports, including the cancellation of many flights.

93. On 14 August, the security threat was downgraded from ‘critical’ to ‘severe’ and passengers were allowed to take one small bag, not containing any liquids or gels, onto their flight. The large airports operated by BAA, however, were unable to implement the new restrictions until the following day.<sup>118</sup> On 22 September, the restrictions were further relaxed. The maximum permitted size of cabin baggage was increased and musical instruments and solid cosmetics were also allowed to be taken on board.<sup>119</sup> On 3 November the ban on carry-on liquids ended and since then passengers have been permitted to carry small quantities of liquids in their hand luggage, but only within separate containers, each of which must have a capacity not greater than 100ml. These containers must be brought to the airport contained in a single, transparent, re-sealable plastic bag, which itself must not exceed one litre in capacity (approximately 20cms x 20cms).<sup>120</sup>

### *The aftermath*

94. It is clear from the evidence we have received that security procedure at airports is the issue that is currently having the most significant negative impact on passengers’ experiences of air travel, largely because of the measures that have been put in place since 10 August 2006. The security issue is also affecting airlines’ business and is the pre-eminent issue that airports know they must tackle. The general picture is one of longer queues, increased waiting times to go through security and increasing intrusion for passengers. The situation is worse at airports with large numbers of transferring passengers.

95. ACI Europe<sup>121</sup> reports that passenger throughput at central search areas has fallen by some 25–30% as a result of the restrictions on liquids. Similarly, time taken to pass through

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117 “London terror attack drama”, *London Evening Standard*, 10 August 2006; “Air bomb plot failed, say police”, *Financial Times*, 11 August 2006; “Anger, frustration and chaos as hundreds of flights are cancelled”, *The Guardian*, 11 August 2006

118 “Ban on hand luggage lifted as BAA cuts flights”, *The Guardian*, 14 August 2006; “Pressure mounts to end airport chaos”, *Financial Times*, 14 August 2006

119 “Restrictions eased on air passengers’ hand luggage”, *The Guardian*, 22 September 2006

120 Direct.gov press notice, “Changes to air travel baggage arrangements”, 3 November 2006

121 the European airport trade association

queues at peak periods in airports has doubled in many cases, with peak processing periods typically of the order of 20 minutes or longer. The Airport Operators' Association sums up the situation:

The combination of long queues, substantial disrobing and complicated searching leaves the passenger with an experience of having been through an intrusive and degrading process ... Airport staff report to us that the government has lost the goodwill that passengers initially afforded it ... Airport Security Managers are reporting that they are seeing similar trends in terms of goodwill among their security staff, who likewise are struggling to accept complexities associated with the current regime.<sup>122</sup>

London Luton Airport Operations Ltd told us that at that airport the throughput of passengers and hand baggage at a search area Archway Metal Detector and associated X-ray are approximately only 60% of that achieved twelve months previously.<sup>123</sup>

96. The impact on the airlines was equally significant. During the course of our inquiry into Transport Security, Captain Tim Steeds, Head of Safety and Security for British Airways, told us that the airline cancelled 1,283 flights, affecting over 100,000 passengers, and that thousands of bags did not connect with passengers (these were mainly for transfer passengers going through Heathrow).<sup>124</sup> British Airways announced in September 2006 that the August alert had cost them £40 million.<sup>125</sup> Ms Gaynor McLaughlin, Deputy Security Director for easyJet stated that the airline cancelled approximately one third of its flights on 10 August and smaller amounts on the following three or four days; its regional operations recovered "quite quickly". Ms McLaughlin put the estimated cost to easyJet for those few days at £6.5 million.<sup>126</sup> Press reports in August 2006 quoted a senior industry source as estimating that the cost to British airlines of the additional security measures was approximately £50 million per day.<sup>127</sup>

97. The airlines are clearly frustrated at the continuing difficulties at security points. EasyJet is concerned by the apparent lack of contingency planning at some UK airports, and believes that both Government and airport operators need to ensure that airports will in the future be able to adequately handle unexpected events.<sup>128</sup> Flybe told us that more Government assistance is needed; without "adequate investment in technology, security screening is a labour intensive task. Airports do not have the luxury of state funding, despite their crucial role in providing what is now accepted as a public transport service".<sup>129</sup> The Scottish Passenger Agents' Association agreed that designated security areas and equipment are simply not large enough for the volumes of passengers and staffing is

122 Ev 135

123 Ev 128

124 HC 1085-iii, 11 October 2006, Q472

125 "London security turmoil has cost BA £40m", *Financial Times*, 2 September 2006

126 HC 1085-iii, 11 October 2006, Q473

127 "Airlines call on BAA to bear costs", *The Daily Telegraph*, 15 August 2006

128 Ev 153

129 Ev 187

“woefully inadequate. ... there is no excuse whatsoever for staffing levels not to be tailored to the expected passenger demand”.<sup>130</sup>

98. There was a view from the airlines that BAA in particular had failed to handle the problems that arose in August 2006 and afterwards well; but that also there was not enough support forthcoming from the Government. Mr Humphreys from Virgin Atlantic told us that BAA did not react with sufficient flexibility to the crisis and that failure to get a handle on the problem had the knock-on effect of passengers blaming the airlines.<sup>131</sup> When we questioned BAA in October 2006 on their contingency planning Mr Ian Hutcheson, Security Director at BAA, told us that the company’s problems derived in this instance from lack of suitably trained staff: “in the space of four hours we had to deal with staff arriving for work to a completely different regime that had never been operated before”. This was a particular problem at Heathrow where there will be no spare capacity until Terminal 5 opens. Mr Hutcheson estimated that BAA would have needed 1,300 additional security officers to man the security to deliver an operation.<sup>132</sup>

99. BAA is, however, clearly trying to understand the lessons of the August 2006 security alert; which they acknowledge was the catalyst for much of the disruption at security that continues today. BAA told us that, in consultation with airlines and other partners, it has undertaken a detailed analysis of the August security crisis and is applying the lessons to minimise disruption for passengers in future periods of heightened security.<sup>133</sup>

100. The delay in obtaining security clearance for additional staff at Heathrow is resulting in a significant number of those offered jobs obtaining alternative employment before the security checks are completed.

101. While BAA came in for a great deal of criticism Manchester Airport seems to be considered the ‘airport that got it right’ with its contingency planning. Mr Muirhead from the Manchester Airports Group told us that in order to manage the August alert the airport opted to use its ‘emergency centre’:

By two o’clock that morning our emergency centre was being staffed up. By four o’clock we had all of the necessary documentation that we wanted to hand to passengers arriving at the airport, and by about five-thirty to nine o’clock our staff started coming in. We had something like 98/99% of office staff volunteering to help out to help us through that initial problematic period ... we printed up leaflets to hand out to people as they arrived at the airport before they got to the check-in, to say what the new rules were. We put up facilities so they could repack bags.<sup>134</sup>

102. The Government was also criticised by witnesses for failing to act appropriately. For example, Mr Want from British Airways argued that the full consequences of the Government’s actions are not always thought through, in particular when there is a change

130 Ev 94

131 Q349

132 HC 1085-iii, 11 October 2006, Qq 479–480

133 Ev 104

134 Qq 496–497; Chief Constable Michael J. Todd QPM of Greater Manchester Police also praised the call-out system which worked so well in this case (HC 1085-iii, 11 October 2006, Q403)



in security requirements and how you move back as the security regime changes.<sup>135</sup> Mr Muirhead from MAG told us that the Government should be advertising carry-on restrictions more effectively.<sup>136</sup> The Minister paid tribute to the industry for its efforts following the August alert and acknowledged the Government's continued responsibility in this area.<sup>137</sup> In particular she pointed to the work of the Transec research and development team and discussions with manufacturers and industry to find new technology to make the security process more efficient while maintaining the highest standards.<sup>138</sup>

103. This is not just a question of passengers' convenience. Professor Alan Hatcher of the International School for Security and Explosives Education and Michael Todd, Chief Constable of Greater Manchester both pointed out to us in October 2006 that lengthy queues in check-in areas presented a significant security threat:

One of my concerns is that we are creating new targets. We have lines of people in terminals now, 200, 300 people in a queue, your bag is not searched when you go in or out, you can take 23kg of baggage with you and 23kg of ammonium nitrate mix would ... make a good impact.<sup>139</sup>

This was illustrated starkly by the recent car attack on Glasgow airport. **Moving passengers more swiftly through to airside will, in itself, reduce the threat to the travelling public. Speeding up check-in times and reducing the security queue should be a priority for airports and airlines.**

104. **Security procedures at airports are lengthy, intrusive and frustrating. But they are also absolutely fundamental not only to the safe travel of air passengers but to the wider national security interest. Since the security alert of 10 August 2006 there have been extra pressures on airports to deal with complicated new procedures. The Government could do more to support airports; in particular to keep them better informed when changes are planned—though we acknowledge that they often have to be made immediately in response to a new threat—and to assist with emergency staff or funds if required.**

105. **We are pleased that the Minister recognises the importance of research and development as part of the long-term practical solution to security checks. R&D should be a high priority for the Government; it is one of the things that the UK is best at and we should not be relying on other countries to get there first.**

### *Who pays?*

106. The policy of successive Governments has been that the cost of transport security should be borne by those that use the transport systems rather than by the general

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135 Q350

136 Q512

137 Q839

138 Q840

139 Professor Hatcher, HC 1085, Session 2005–06, Q405

taxpayer. Thus, the costs of providing security measures on the ground fall to each transport industry, and are passed on to the end-user, the passenger, as appropriate.

107. Not everyone supports the principle. Mr Craig Bradbrook, Director of Security and Facilitation for Airports Council International, stated that aviation security is now an issue of national state security and to burden the industry with the costs of what is viewed to be national defence or national security is unreasonable and unsustainable in the longer term.<sup>140</sup> Mr Mel Littler from Ascent Aviation Security supported this view and told us that it is not without precedent as there used to be the Central Aviation Security Fund which was a tax gathered by organisations selling airline tickets which was put forward to central government and then redistributed.<sup>141</sup>

108. ‘User pays’ does have its supporters. Chief Constable Todd of Greater Manchester Police, speaking on behalf of the Association of Chief Police Officers, criticised the ‘mysterious’ way that these funds are currently raised and suggested an airport tax of perhaps 50 pence on each passenger journey to cover security and policing.<sup>142</sup> He also argued that airport security was not only about terrorism and pointed to the other areas that the charge covers – such as disruptive passengers; people getting drunk on the concourses; and making airports a harder environment for thieves to attack cargo – as reasons why the user, as opposed to the taxpayer, should foot the bill.<sup>143</sup>

109. The airlines are also broadly supportive of ‘user pays’ provided that the rules are consistent across Europe.<sup>144</sup> Mr Hunt, Chief Executive of Silverjet, expressed frustration at the under-resourcing for security at his airline’s base at Luton and in the UK generally.<sup>145</sup> **We support the ‘user pays’ principle for airport security although Government has an important role, particularly in supporting R&D to improving detection and throughput. Airports must ensure that they level the right charge, treading a fine line between ensuring that the burden on airlines is not so onerous that it makes them uncompetitive whilst at the same time ensuring that the charge is high enough to factor in contingencies like 10 August and changes in security policy. This must be kept under continuous review in light of the changing national and international security situation.**

## Confiscation of liquids

110. We were shocked by the evidence of non-compliance with the carry-on restrictions for liquids. Passengers are still bringing large quantities of illegal items to security in their hand luggage. Manchester Airport has estimated that if the giving up of prohibited items continues this will result in 671 tonnes of prohibited liquids being collected at central search every year – nearly two tonnes per day.<sup>146</sup> If this figure were to be projected across

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140 HC 1085-iii, Session 2005–06, 11 October 2006, Q413

141 HC 1085-iii, Session 2005–06, 11 October 2006, Q414; abandoned in the 1980s

142 HC 1085-iii, 11 October 2006, Q413

143 HC 1085-iii, 11 October 2006, Q416

144 British Airways, Q357; Silverjet Q440

145 Q440

146 MAG thinks this is coming from approximately 30–40% of passengers (Q494)

British airports it would mean 7,000 tonnes of prohibited material being collected every year.<sup>147</sup> The Department dismissed the figure of two tonnes per day as representing “an indicative amount at one airport, in January of this year”. The Department also states that it has not been supplied with “regular detailed information on either the level of compliance or the amounts of liquids surrendered”.<sup>148</sup> On the evidence we received this statement is at odds with the facts.

111. When we asked the airport operators why they thought these figures were so high, to our surprise they blamed not only a lack of clear advertising but, more alarmingly, the attitude of passengers themselves. Mr Siddall from the Airport Operators’ Association told us that the public were not buying into the security regime; they were ‘trying it on’.<sup>149</sup> His colleague, Mr Hutcheson of BAA, explained that the most effective security regime is one that the public willingly participate in, “the public today do not understand it; it is complex, they do not accept it and there is strong evidence that they even resist it”.<sup>150</sup>

112. Witnesses thought that a common global standard would help. As Mr Hutcheson said, people get used to what is acceptable at their local airports, and assume that that is the same globally. This is an issue with passengers transferring at UK airports and it is why the new rules have caused a particular problem at Heathrow which has a high proportion of transfers.<sup>151</sup> The Department for Transport indicates that ICAO has sent a ‘clear message’ to all of its 190 Contracting States, with a strong recommendation that they implement controls on liquids corresponding to those in place at EU and US airports. Take up appears to be “encouraging”. ICAO is now preparing guidance on implementation, and on the issues around liquids carried by transfer passengers. Liquid controls are mandatory at EU airports.<sup>152</sup>

**113. The Department appears to be unduly relaxed about the number of people in breach of the carry-on restrictions, many of them knowingly so. Bearing in mind the extra costs in both manpower and time associated with enforcing the new rules, which will rise in proportion to the number of breaches, this is an important and worrying trend. Even more so when we hear of passengers reasons for breaching the rules: we are clearly in some serious trouble if our citizens are not ‘buying in’ to national security policies.**

**114. There is confusion between the airports and the Government as to what is actually happening on the ground. We recommend that the Department gather figures from all UK airports of the numbers of passengers attempting to breach the carry-on restrictions. Only when we have these full figures will the picture be clear and the Government will be able to act to tackle non-compliance.**

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147 Ev 135; Ev 174; the AOA also mentioned findings from one small airport where 95% of passengers were non-compliant (Qq 508–509)

148 Ev 141

149 Q510; BAA made a similar point (same question)

150 Q503 and Q511; it is not only the public, MAG have noted a number of staff attempting to breach the rules (Q505)

151 Q503

152 Ev 141

## Role of security staff

115. The August 2006 alert has had important consequences for airport security staff: not only have their jobs changed quite radically but airports are reporting an increase in the number of assaults and threats to security officers. Manchester Airports Group told us that there have been incidents of ‘x-ray rage’, leading to passengers being arrested, cautioned, and fined.<sup>153</sup> This is generally associated with the increased stress of passing through the central search area and passengers being asked to give up liquid items which they are determined to carry on board. Since 10 August at Manchester the police have been called on 384 occasions, of which 50 incidents have resulted in passengers being arrested.<sup>154</sup>

116. Security officers also have to work a more anti-social roster, due to overall staffing shortages. This involves financial inducements, which can result in effects such as officers not wishing to work the most anti-social of the shifts because they may have earned sufficient wages for the week by working the more regular shifts only. Moreover, the work involves more responsibility regarding decisions, for example, on what to do in cases where passengers are unclear about whether a certain item is prohibited.<sup>155</sup>

117. Mr Morgan from BAA admitted that airports were asking their security staff to do an incredibly complicated job “to enforce an increasingly complex regime to get passengers through security as quickly as they can, with good customer service, but, at the same time, to act as a deterrent and a detection capability”. Together, these put an enormous amount of strain on staff.<sup>156</sup> BAA have plans to recruit 1,400 extra security officers, of whom 900 are currently in post; and seventeen extra security lanes across the group in an effort to ease the problems.<sup>157</sup> BAA security staff have a continuous training cycle with a refresher programme every thirteen months.<sup>158</sup>

**118. We commend the work of airport security officers, who are doing an increasingly complex job in difficult circumstances. Good security officers can make the difference for passengers faced with lengthy waits and checking procedures as well as playing a vital role in ensuring public safety. It is clear that airports are aware of this valuable asset and we look to them to work with unions and the Government to devise strategies to recruit and retain the best security officers in the world and to make transition to new procedures smooth and straightforward.**

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153 Ev 174; also mentioned by London Luton Airport Operations Ltd (Ev 128)

154 Q569

155 Ev 135

156 Q505

157 Q559

158 Qq 560–561

## 6 Baggage

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### *Mishandled baggage*

119. The Montreal Convention increased airlines' liability for passengers' baggage compared with the previous Warsaw Convention, and the industry has invested in technology to locate missing bags. The AUC told us, however, that compensation for lost luggage under the Montreal Convention rarely covered the full value of the contents, and bags still went missing irretrievably. Between 11 and 12% of complaints to the AUC are about baggage problems.<sup>159</sup>

120. Such statistics on mishandled baggage as are publicly available indicate that millions of passengers are affected by this problem each year. The AUC believes that the answer does not lie solely in concentrating on procedures for dealing with what has already gone wrong. Airlines and airports must together make greater efforts to prevent baggage being mishandled in the first place.<sup>160</sup> Flybe states that it has one of the lowest lost baggage rates in the industry (0.21% of passengers);<sup>161</sup> Silverjet was launched in January 2007 and has since lost one bag which was found and returned to its owner.<sup>162</sup> EasyJet does not publish baggage handling statistics as there is no standard method for measuring and comparing baggage handling statistics; the company believes that there should be a single formula applied across the airline industry.<sup>163</sup>

**121. Lost and mishandled baggage is one of the biggest areas of complaint for air passengers. Finding the baggage once it has vanished and returning it to the owner is of course important but airlines and airports together need to develop much more robust systems to stop it happening in the first place. It is absurd that there is no Europe-wide standard for collecting figures on lost and mishandled baggage. We recommend that the Government raise this issue at the next Transport Council.**

### *Ground handling*

122. Ground handling— baggage handling, aircraft loading, cleaning, fuelling and many other services—was liberalised by the 1996 EU Ground Handling Directive.<sup>164</sup> The market for ground handling at UK airports before the Directive came into force in 1997 was already more liberalised than elsewhere in the EU, with airlines generally having a choice of ground handling supplier at major airports and, in some cases, the ability to self-handle. The Government considers that the Directive has brought important benefits to UK airlines and their customers chiefly through the introduction of competition at those airports in mainland Europe where the supply of ground handling services was formerly provided on a monopoly basis. In January 2007, the European Commission published a

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159 Q38

160 Ev 98

161 Ev 187

162 Q458

163 Ev 153, as there is in the United States

164 Directive 96/67/EC

report on the application of the Directive which noted that prices charged for ground handling services had gone down across the board but that some airports had reported a decline in service levels with others seeing little change.<sup>165</sup>

123. Baggage handlers do not enjoy a particularly positive public image. As the Scottish Passenger Agents' Association put it to us: "It would seem in many cases that the airport employees have little concern about the inconvenience and expense incurred by the passenger as a result of their action and better senior management control is badly needed".<sup>166</sup> That said, baggage handlers do work in an industry that has increasingly tight margins, and their wages are low.<sup>167</sup> Mr Oliver Richardson, Regional Industrial Organiser for Aviation at Unite described the labour-intensive and manual aspects of the work and told us that workforces were being squeezed "as intensively as possible".<sup>168</sup> A baggage handler is 4.5 times more likely to suffer an injury at work than an average worker.<sup>169</sup> Unite also pointed to the unfair perception that baggage handlers go on strike at peak holiday season; this is also when the most pressure is on baggage and other ground handlers and that they are usually understaffed during these times.<sup>170</sup>

124. Baggage handling systems at large airports have recently been put under severe strain by security-caused delays, cancellations and diversion of carry-on bags to holds.

### *Airlines' baggage policies*

125. There is confusion about the differing standards for airline's baggage policies; this is perhaps more of an issue for the scheduled carriers which have code-sharing arrangements and differing baggage policies.<sup>171</sup> Although their limits may not be generous, the low cost airlines are generally clear that checked-in baggage space is limited and that costs will be incurred in many instances for having too many bags or for exceeding size and weight restrictions. For example, in December 2005 Flybe was the first airline in the industry to add an additional fee for any baggage placed in the hold of the aircraft. When Flybe introduced the charge it increased the allowance for hand baggage; the airline also offers a discount for the checked-in baggage service when passengers book it in advance online. Flybe claims that it "is not designed as a revenue raiser, but as a means to provide a financial incentive for passengers to take on hand baggage rather than put bags in the hold which increases turn-around times and involves additional costs".<sup>172</sup>

126. In February 2007, BA changed its baggage policy, limiting long-haul travellers in economy class to one piece of baggage weighing no more than 23kg; extra bags would incur a charge. Mr Want from British Airways explained that this was an attempt to simplify the airline's baggage policy; however following criticisms from customers and

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165 Ev 141

166 Ev 94

167 Q159

168 Q156; Unite is the name for the new united union of the Transport and General Workers and Amicus

169 Q171

170 Q160

171 Ev 94

172 Ev 187

particularly from groups representing disabled passengers<sup>173</sup> they have delayed the introduction of the policy.<sup>174</sup> Mr Want admitted that standards for carry-on baggage were confusing, but that this is not only due to the airlines competing on the basis of baggage policies—we were told that passengers travelling between the UK and Nigeria, for example, placed a high value on a large baggage allowance and were prepared to pay more for their ticket as a result—but due to national differences too. He argued that there should be a single, international standard baggage allowance.<sup>175</sup> The European Commission has agreed a maximum carry-on baggage size of 56cm x 45cm x 25cm, but its introduction has been delayed until May 2008.<sup>176</sup>

**127. The disarray at British Airways over their recently revised baggage policy is symptomatic of the confusion that reigns in this area of the airline industry. It is one thing for airlines to use baggage size and amount as a means of differentiating their services from competitors, it is another to have such confusing policies that passengers end up bearing the brunt in excess charges or having to dump baggage belongings at the airport. We await the implementation of the EU maximum baggage carry-on rules in May 2008. If it proves successful at reducing confusion for passengers we recommend that the Government look at the benefits of proposing an extension to cover all baggage rules.**

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173 e.g. The Parkinson's Disease Society (Ev 131); Disabled Persons' Transport Advisory Committee (Ev 182)

174 Qq 393–394

175 Qq 347–348

176 EC 1546/2006; delay announced by the Commission 20 April 2007

## 7 Airlines

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### The low cost experience

128. The spread of low cost airlines has been the most striking development in airline competition in Europe over the past decade and has been the main stimulator of new air traffic, opening the market to those who could not previously afford air travel.<sup>177</sup> These carriers have low unit costs compared to major network carriers thanks to features such as: ticketless travel; online ticket sales (telephone sales are discouraged by higher prices and limited service); no international offices; no frequent flyer points; no free food and drink; no in-flight magazines; no club lounges; and use of secondary city airports (less popular airports, often further than the principal airport from the city they serve). The scheduled carriers have been playing catch-up over the past fifteen years as the low cost model has proven a hit with passengers—by July 2002 British Airways was facing low cost competition on 46 of its European routes, representing 61% of the airline’s European capacity.<sup>178</sup> Airlines such as easyJet are justified when they claim that passengers have never had so much choice, flexibility or access to low fares as they have now.<sup>179</sup>

129. There is no doubt that low cost airlines have been in their way one of the strongest democratic forces of the past decade or so. UK citizens on low and fixed incomes can today travel to mainland Europe for as little as £20 or £30, something they could not have dreamed of a quarter of a century ago. The picture is not, however, altogether rosy. Low cost or no, a passenger who pays money for a flight – whether it is £25.20 for Ryanair’s “£10 fare” or £100 on British Airways – has the right to expect that they will travel safely and securely, that they will be treated with respect and consideration by both airline staff and fellow passengers alike and that they will get reasonable value for their money. We received a great deal of evidence indicating that this is not always the case on some airlines

130. Brian Catt described to us his experiences of what he called “Chavair”:

This is a new low in service level for a new market demographic, the football supporters, stag parties, and second home self employed Costa Tax Dodge chavs, not a problem per se. The conduct of a ... cabin is often very unpleasant, a good proportion of people shout the length of the cabin, walk around with drinks, use foul language and are generally awful. Music players blast rap music at you from overloud headsets. Everything is charged for and the passengers are given no service. There is the next best thing to a fight to get boarded after standing in line for an hour or so jostling for position ... The behaviour passes as normal/acceptable to the crew.<sup>180</sup>

Mr Richardson of the union Unite agreed with the thrust of this criticism. He told us that there was a tendency for airlines’ ground staff to put disruptive passengers onto an aircraft

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177 there were three European aviation liberalisation packages but it was the third in 1992 that made the real difference by allowing for fully flexible fares, fifth freedom rights and cabotage

178 European Commission, *Analysis of the European Air Transport Industry 2002*, December 2003, p58

179 Ev 153

180 Ev 148



and “send them off to the other side of the world” as opposed to have to deal with them themselves.<sup>181</sup>

131. Alan Crowhurst made a similar point, that it is “unreasonable to expect more than a bus/coach standard of service of travel for the fares charged”,<sup>182</sup> though this perhaps misses the point which we made in our recent Report on bus services, that such behaviour should be unacceptable on whatever mode of transport one is travelling.<sup>183</sup> Indeed, while neither of the two low cost carriers who came and gave us evidence—easyJet and Flybe—recognised this behaviour from their cabins, Mr French from Flybe did make the point that there is a higher level of threat and misbehaviour amongst passengers.<sup>184</sup> The Scottish Passenger Agents’ Association made a similar point, claiming that one of the real impacts of the low cost carriers had been that full service carriers have lowered their standards of service to ‘compete’.<sup>185</sup>

### *Ryanair*

132. We received a number of complaints about one airline in particular: Ryanair. For example, Gilbert Verbit compared purchasing a ticket for a Ryanair flight to buying a lottery ticket: “Winning means the flight you have booked actually takes off and lands on time and in the right place. There are several ways to lose the lottery, the most common being flight cancellation, losing can have drastic financial consequences”.<sup>186</sup> Ryanair would also appear to be the only airline to have provoked a campaign website to be set up highlighting numerous examples of its poor customer service and shoddy practices.<sup>187</sup>

133. For an airline that also has one of the industry’s most outspoken chief executives in Mr Michael O’Leary and such a vigorous media and advertising presence, it was curiously shy about giving evidence to us. On 15 March we sent an initial invitation to Ryanair’s Head of Regulatory Affairs, Mr Jim Callaghan, to discuss our planned inquiry. Mr Callaghan clearly took this polite invitation as an attack on Ryanair and responded in defensive language about his company’s record. He then accused us of unfairly targeting the air transport sector for our inquiries – and failing to deal with issues such as the “unfair and discriminatory” European passenger compensation legislation, which we consider in section 8, below.

134. In response, the Chairman of the Committee wrote personally to Mr O’Leary repeating our request for evidence from the airline and emphasising the opportunity it would provide Mr O’Leary to raise those regulatory and economic issues with which he

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181 Q198

182 Ev 90

183 Eleventh Report of 2005–06, HC 1317, para. 88 ff.

184 Qq 271–272

185 Ev 94

186 Ev 209; we have not published all the numerous complaints we received about Ryanair, but a flavour of the types of problem passengers experience can be found at [www.ryanaircampaign.org](http://www.ryanaircampaign.org)

187 <http://www.ryanaircampaign.org/>

claimed to be so concerned.<sup>188</sup> Mr O’Leary’s extraordinary response, which at his insistence this Committee is unable to publish, indicated that our inquiry was a waste of his time and would serve no useful purpose. He claimed that rising passenger numbers were evidence in themselves of customer satisfaction – this statement was made in March, a short three months before Mr O’Leary was forecasting hard times ahead for his own and other low cost carriers as passenger numbers began to fall.<sup>189</sup> We were frankly not surprised at this attitude, but we are sorry for Mr O’Leary’s customers for whom he has such little respect that he is unwilling to come into a public forum to discuss the many concerns that they have raised with us. Similarly, Mr O’Leary did not feel it was worth his while to come and tell us how his company was working to improve the air travel experience for passengers. We can only conclude that this is because he has nothing positive to say.

**135. The low cost revolution in air travel has enabled many people who, a generation ago, could not have dreamed of jetting across the Continent, to spread their wings. We welcome this change. We do not, however, believe that low cost should mean low standards. Those airlines with “ten pound” flights and tenpenny managements do not exempt themselves from standards of service and behaviour to which the rest of the industry is subject merely by the virtue of being ‘cheap’. We commend low cost airlines such as easyJet and Flybe that realise this and hope that they serve as an example to some of their competitors.**

### Disruptive passengers

136. Department for Transport figures indicate that there were 1,359 reported incidents of disruptive behaviour on board aircraft in 2005–06. Of these, 1,303 incidents were classed as ‘significant’ and 56 as serious; this represents a 9% decrease in the number of significant incidents. There were an additional three serious incidents compared with the number of incidents reported in 2004–05. In 34 incidents a passenger had to be physically restrained. There were 18 occasions on which the aircraft had to divert in flight or discontinue taxi or take-off procedures and return to its stand. There were 136 incidents reported where passengers were removed from the aircraft.<sup>190</sup>

137. Airlines routinely provide training for cabin and flight crew on dealing with disruptive passengers. There were changes to the law in 1996 and 1999 to facilitate the arrest of disruptive passengers; enabling airlines to follow up serious incidents, and the courts to hand down sanctions on offenders. The AUC is not aware that there is a systemic problem with disruptive passengers, and believes that incidents should be dealt with on case-by-case basis. The AUC receives only a very small number of passenger complaints that it categorises under ‘disruptive passengers’. In general, the AUC tells us that airlines handle these incidents in an appropriate manner.<sup>191</sup> Ms Susan Parsons, Trade Relations Manager

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188 Indeed, Mr O’Leary does take advantage of such opportunities when they suit him – as he did in 2006 when he appeared before our Committee to berate facilities at Stansted airport in the course of our inquiry into the Civil Aviation Authority (op cit., *The work of the Civil Aviation Authority*, Ev 106 (written) and Ev 113 (oral))

189 “Fears over environment may hit sales of flights, admits Ryanair”, *The Guardian*, 1 June 2007; “Ryanair chief warns of trouble on radar”, *The Guardian*, 6 June 2007

190 DfT press notice, “Annual statistics of passenger behaviour on board aircraft”, 17 November 2006

191 Ev 98

for ABTA, explained that airlines exchange information on disruptive passengers so that, for example, if somebody flew out on First Choice and threatened a stewardess with a broken bottle, that airline would exchange views informally with the other airlines to make quite sure, for example, that a Thomson flight did not then bring the same passenger back.<sup>192</sup>

**138. We are pleased that the numbers of disruptive incidents on board aircraft are going down, but they remain too high. There is no easy solution to this problem and we acknowledge the work of the airlines and the Government in this area. We encourage them to continue pressing for the maximum penalties and complete bans on further air travel for those who disrupt flights with violence, abuse and poor behaviour.**

## Regulatory burden

139. Regulation and oversight are important in ensuring that the passenger interest is protected. We had evidence, as we have already noted, that there was a tendency for ‘regulation for regulation’s sake’ to creep into the air transport sector. Virgin Atlantic argued that the overall regulatory burden on airlines was costly and unnecessary and that the best protection for passengers in relation to service quality was provided by competition. This encourages airlines to “do whatever is necessary to retain customers’ loyalty. Those who do not will eventually go out of business”.<sup>193</sup> Mr Want from British Airways agreed that there are areas where the UK is over-regulated to the detriment of its airlines’ competitive position; this is particularly a problem for EU-wide rules which are, as is so often the case, not always implemented with the degree of diligence elsewhere in Europe as they are in the UK.<sup>194</sup> Mr Hunt from Silverjet disagreed and argued that the EU regulatory burden is light compared to domestic UK regulation.<sup>195</sup>

140. Virgin indicated that it is problems with low cost carriers, not full service carriers, which are prompting regulation.<sup>196</sup> Mr Humphreys cited Ryanair in particular as a problem airline—“it can be quite annoying that we get caught in the same reaction that follows from their actions”—and indicated that action should be targeted at the specific airline, rather than at the industry as a whole.<sup>197</sup>

141. The Minister told us that regulation is only in place where necessary, in the three key areas of safety, security and consumer rights. She did agree that for regulation to be justifiable then it must lead to improvement in one of these areas.<sup>198</sup> **We agree with the Minister that the UK tries to apply a light touch to regulation, though it is not always as considered as it could be when implementing European Regulations and Directives. Sweeping regulation for the whole industry could be excessive when the problem clearly relates to a single carrier or only a few carriers. We recommend that remedial action**

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192 Q126

193 Ev 125

194 Q346

195 Q423

196 Ev 125

197 Q344

198 Q797

should wherever possible be directed at the small number of recidivist airlines which present a persistent problem, rather than at the industry as a whole.

## Cabin crew

142. Cabin crew are highly-trained safety professionals. They do a great deal more than serve refreshments. They are competent not just in first aid, but to a much higher standard reflecting the fact that they might be the only source of care for a seriously ill passenger for a period of several hours. In the event of an emergency landing, a crash or a fire on board the aircraft, it is the cabin crew on whom passengers depend to lead them to safety. The fact that they spend some of the flight serving food and drink should not obscure the fact that their business is, first and foremost, the health and safety of the occupants of the aircraft.<sup>199</sup>

143. The manner in which training is delivered is left up to the individual operator and the CAA will grant them a certificate provided they have the right methods in place. As a result the qualifications obtained for one airline are not usually transferable to another.<sup>200</sup> Flybe explained that this was necessary to acquaint new recruits with an airline's own particular operating procedures.<sup>201</sup> The certificate covers the operation of the entire airline so should they fail in carrying out their training properly the CAA would have to remove the entire operating certificate from the aircraft operator.<sup>202</sup> Mr Richardson from Unite explained that this is very difficult to imagine ever occurring: "if you could imagine the likes of Virgin and BA having their entire aircraft operator's certificate removed because the training for one, two, three, four months was not up to standard, the consequences of that would be immeasurable".<sup>203</sup>

144. Despite being trained, cabin crew do not have to be certified. Unite, the union, told us that all aspects of civil aviation are based on certification by a competent authority which covers all aircraft, products, entities and personnel involved in the safety and security chain. The only exception to this is cabin crew. While European Regulation 3922/91 (EU-OPS) acknowledges the role of cabin crew as safety professionals through training and operational requirements, proposed amendment 1592 reduces the cabin crew standards to a level where they are the only group which does not require certification by the EU. Currently, national civil aviation authorities license or certify their cabin crew on behalf of the EU Member States. These are tied to a certificate of medical fitness. Proposed changes to sub part O of the current EU-OPS regulations relating to Cabin Crew Licensing will have the effect of lowering the safety standards in half of all EU countries, as it relaxes the requirements on training, fitness and other key criteria.<sup>204</sup> In effect, it is harmonising standards downwards.<sup>205</sup>

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199 Ev 167

200 Ryanair obliges trainees to pay for their training and a uniform with no guarantee of a position at the end (Ev 167)

201 Q298

202 Q149

203 Q150

204 Ev 167

205 Q186

145. Airline cabin crew are critical to the safe and comfortable operation of a flight. They are highly trained professionals; they are the front line for safety and emergency procedures. As such they deserve proper training, paid for by their prospective employer, decent working conditions and the security of knowing that across the industry they meet common standards of medical fitness. We urge the Government to resist any move at European level that would lower the standards of training and fitness for cabin crew.

## 8 Complaints and compensation

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### *Air Transport Users' Council*

146. When things do go wrong for the air passenger, it is not clear that people are aware of who they can complain to and what, if any, assistance or compensation they may be entitled to. As outlined earlier in this report, the Air Transport Users' Council (AUC) is the consumer body for air passengers. Its website is buried away on the larger Civil Aviation Authority website and we are not convinced that it is especially well publicised. Ms Tina Tietjen, Chairman of the AUC, told us that the organisation attempts to be “reasonably well publicised” but that it “could perhaps have a higher profile”.<sup>206</sup> Ms Tietjen and her colleague could only think of one major airline that publicised the organisation on its website – Flybe.<sup>207</sup> This is not surprising, there is little incentive for airlines to publicise an organisation for passengers to go to if they wish to complain or seek compensation. It would appear that most people find the AUC via a more generic consumer organisation like the Citizens' Advice Bureaux.<sup>208</sup>

**147. The Air Transport Users' Council does a fine job with limited resources and what appears to be no advertising budget. We recommend that the CAA look at devising some kind of cross-subsidy for the Council from airport and airline fines for poor performance and that the Council does more to advertise itself.**

### **EU Directive on Denied Boarding, Cancellation and Compensation**

148. EU Regulation EC 261/2004 on denied boarding, cancellation and compensation was ratified by both the Council and the European Parliament in January 2004 and came into force on 17 February 2005.<sup>209</sup> Under the Regulation travelers flying from an EU airport are entitled to the following where their flight has been delayed:<sup>210</sup>

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206 Q7

207 Q8

208 Q10

209 in force in the UK from 23 April 2005 under the Civil Aviation (Denied Boarding, Compensation and Assistance) Regulations 2005 (SI 2005/975)

210 the following taken from information on the AUC website

| Distance of flight | Length of delay                 | Assistance   |
|--------------------|---------------------------------|--|
| All flights        | Overnight and more than 5 hours | Meals and refreshments in relation to waiting time; two free phone calls, emails, telexes or faxes; hotel accommodation and transfers; and reimbursement of ticket (if passenger decides not to travel). |
|                    | More than 5 hours               | Meals and refreshments in relation to waiting time; two free phone calls, emails, telexes or faxes; and reimbursement of ticket (if passenger decides not to travel).                                    |
| Over 3,500km       | More than 4 hours               | Meals and refreshments in relation to waiting time; and two free phone calls, emails, telexes or faxes.  |
| 1,500–3,500km      | More than 3 hours               |  |
| Up to 1,500km      | More than 2 hours               |  |

The provisions relating to cancellation vary according to how far before departure the cancellation occurs. However, if it is within 14 days of the date of travel the compensation available is the same:

| Length of journey  | Delay to destination | Compensation |
|--------------------|----------------------|--------------|
| Up to 1,500km      | Up to 2 hours        | €125         |
|                    | More than 2 hours    | €250         |
| 1,500km to 3,500km | Up to 3 hours        | €200         |
|                    | More than 3 hours    | €400         |
| More than 3,500km  | Up to 4 hours        | €300         |
|                    | More than 4 hours    | €600         |

In cases where the flight is cancelled more than 14 days before departure, no financial compensation is available. The AUC estimates that the Regulation is responsible for a four-fold increase in complaints.<sup>211</sup>

149. The European Commission recently undertook a review of the operation of Regulation 261/2004 and reported its findings to the European Parliament and Council in April 2007. The Commission concluded that there are two main reasons why there have been difficulties with the Regulation: “imprecise text in the Regulation in certain areas” and “ineffective enforcement in some Member States”.<sup>212</sup>

211 Q6

212 COM(2007) 168 final, 4 April 2007, p11:  
[http://ec.europa.eu/transport/air\\_portal/passenger\\_rights/doc/2007/com\\_2007\\_0168\\_en.pdf](http://ec.europa.eu/transport/air_portal/passenger_rights/doc/2007/com_2007_0168_en.pdf)

### *'Extraordinary circumstances'*

150. Under all circumstances, the airline is not obliged to pay compensation if it can prove that the cancellation was caused by 'extraordinary circumstances which could not have been avoided even if all reasonable measures had been taken'. Such extraordinary circumstances might occur 'in cases of political instability, meteorological conditions incompatible with the operation of the flight concerned, security risks, unexpected flight safety shortcomings and strikes that affect the operation of an operating air carrier'.

151. The AUC told us that airlines are routinely citing the 'extraordinary circumstances' defence in the Regulation to avoid paying compensation for cancellations in addition to looking after passengers (through provision of meals and hotel accommodation etc) whilst they wait for alternative flights. The lack of definition of some key terms in the Regulation has also led to significant differences in interpretation of airlines' obligations.<sup>213</sup> A Danish citizen has brought a case before the European Court of Justice regarding the scope of the 'extraordinary circumstances' exclusion.<sup>214</sup>

**152. We are disappointed that airlines are routinely using the 'extraordinary circumstances' clause as a means of avoiding paying compensation to passengers for cancelled flights. We are not, however, surprised given how poorly drafted the Regulation is. We hope that the challenge to the wording in the European Court of Justice will produce a precise interpretation that will mean that airlines can no longer blame nebulous external factors.**

### *CAA prosecution powers*

153. The CAA can prosecute UK airlines for non-compliance with the EC Regulation.<sup>215</sup> The CAA told us that while it is prepared to use these powers when appropriate, it considers that this should be very much a last resort, not least because enforcement action itself would not help consumers get their rights. Mr Richard Jackson, Group Director of Consumer Protection at the CAA, explained that prosecution is better used as a threat.<sup>216</sup>

154. The CAA's enforcement action has focused on improving the extent to which carriers meet their obligations under the Regulation. Examples of the CAA's enforcement action to date include:

- requiring air carriers to address cases of non-compliance by payment of compensation where appropriate;
- requiring carriers to amend their websites, guidance and procedures to ensure compliance with the Regulation going forward; and

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213 Ev 98

214 [http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/c\\_294/c\\_29420061202en00290030.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/c_294/c_29420061202en00290030.pdf)

215 Maximum penalty is a fine of £5,000

216 Q765



- meeting with the Directors of air carriers to discuss specific areas of non-compliance and ensure correction.<sup>217</sup>

The CAA is also working to ensure that there is effective cross-border cooperation with other Member States on enforcement of the Regulation.<sup>218</sup>

### *Information from the European Commission*

155. When Regulation EC 261/2004 came into force in February 2005 it was accompanied by inaccurate reporting of the new entitlements, a consequence largely of the misleading information on the European Commission's website and posters and in its information leaflets which were widely distributed. Mr Evans of the AUC told us that this information led people to believe that they could get compensation that they were not entitled to.<sup>219</sup> ABTA agreed that the Commission had handled the situation badly.<sup>220</sup> The Commission refused to withdraw its misleading information until the European Ombudsman found against it in January 2007 in response to a complaint from airline trade associations.<sup>221</sup>

**156. We note that the recent review by the European Commission of its compensation Regulation failed to mention the Commission's own incompetence when drawing up advertising and publicity for the Regulation. An error when drawing up these materials may be excused, but the refusal to withdraw them once the error has been brought to your attention is inexplicable. It is disgraceful that European taxpayers' money has been wasted forcing the Commission to withdraw materials that were inaccurate and misleading to the public. We commend our own Government and the Civil Aviation Authority for bringing the inaccuracies to the Commission's attention and recommend that, in future, the Commission pay more attention to them.**

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217 the CAA currently has 26 cases where they are pursuing these remedies, of these 26 the authority has 'resolved' 17 (Q766)

218 Ev 114

219 Q45

220 Q92

221 Ev 98; Ombudsman's decision at: <http://www.ombudsman.europa.eu/recommen/en/051475.htm>

## 9 Passengers requiring assistance

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157. The AUC told us that the air transport industry has a good track record of taking care of passengers who require assistance, persons of reduced mobility and those with special needs.<sup>222</sup> In 2006–07 complaints from passengers with special needs have so far totalled 56, ranging from passengers not receiving a priority seat, to no provision for a minor, to insulin freezing in the hold, to a passenger having a panic attack.<sup>223</sup> This is a small proportion of all complaints the AUC receives (56 out of approximately 6,000 per year) and the figure is going down.<sup>224</sup>

### *Airports*

158. The Disability Discrimination Act 1995 applies to facilities and services provided by airports, though not to services on board an aircraft.<sup>225</sup> A new European Regulation creates new rights for disabled persons and persons with reduced mobility.<sup>226</sup> Part of the Regulation (prohibiting refusal of booking or embarkation) came into force in July 2007 and, from July 2008, airport managing bodies will be required to organise the provision of the services necessary to enable disabled/reduced mobility passengers to board, disembark and transit between flights, with costs recovered through a charge on airlines proportionate to the total number of passengers they carry to and from the airport.<sup>227</sup> The Airport Operators' Association believes that implementing the Regulation successfully will involve challenges, particularly in ensuring pre-notification of passengers' needs which will be relayed to airports via airlines.<sup>228</sup>

159. East Midlands Airport opened dedicated Passenger Assistance Lounges during May 2007. These are areas in each departure lounge specifically equipped with seats with arm rests, a hearing loop, a help line connected to the airport customer service assistants and a large, clear-faced clock and passenger flight information.<sup>229</sup> Mrs Ann Bates, Deputy Chairman of the Disabled Persons' Advisory Committee welcomed the facilities but cautioned that they will not be suitable for everybody who required assistance.<sup>230</sup> Airports should not rely on them to 'herd' these passengers into a specific area.

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222 Ev 98

223 Qq 26–27

224 Q28

225 UK aviation has operated under a voluntary code published by the Department for Transport since March 2003; this was accompanied by guidance to disabled travellers from DPTAC, there is not definitive list of who has been implementing the Code properly (Ev 182)

226 EC 1107/2006: [http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l\\_204/l\\_20420060726en00010009.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/l_204/l_20420060726en00010009.pdf)

227 Ev 138

228 Ev 135

229 Ev 170

230 Q686

## Airlines

160. When it comes to the treatment of persons requiring assistance, all airlines are not the same. The most infamous example is Ryanair, which was taken to court over its £18 ‘handling charge’ for disabled passengers. It withdrew the charge and now places a ‘wheelchair levy’ on all tickets (see paragraph 14). When the Court of Appeal judgement was made in October 2005 Bert Massie, Chair of the Disability Rights Commission, said: “It beggars belief that a company with £165 million annual profits last year should quibble over meeting the cost of providing disabled people with a wheelchair. Perhaps before counting their pennies, Ryanair should have considered the cost to their reputation and the distress caused to disabled people, by acting in such a discriminatory way”.<sup>231</sup> Ryanair also operates a ‘quota’ system and will only allow four people with disabilities on to an aircraft.<sup>232</sup>

161. One particular issue on board aircraft is wheelchair damage in transit. The AUC records complaints about wheelchairs lost or damaged in transit under the generic heading of ‘baggage complaints’ and for the year ended 31 March 2007 a total of 640 complaints about the handling of baggage were received. The Disability Rights Commission received four complaints about loss or damage to wheelchairs in transit during the same period. Mrs Bates told us that the compensation available under the Montreal Convention does not cover the full price of replacing a wheelchair, the cost of which can run to the tens of thousands of pounds.<sup>233</sup> According to the CAA the European Commission has engaged Civic Consulting to carry out a study on enhancing the rights of air passengers whose wheelchairs or other mobility equipment are destroyed, damaged or lost during handling at an airport or during transport on board aircraft.<sup>234</sup>

**162. The UK airports sector has worked under a voluntary code to provide services and access to disabled persons. It is disappointing that this voluntary code has not worked and that the European Commission has felt the need to step in with a Regulation. We hope that it will improve the air travel experience for disabled persons and we commend those UK airports which are already putting extra resources into improved facilities for these travellers. UK airlines also have a generally good record in assisting disabled passengers and we look to the industry to work with Government on those issues where there is concern—wheelchair handling in particular—to ensure that the European Commission does not come sweeping in with more onerous regulation.**

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231 Ev 182

232 The Disability Rights Commission have issued a press notice disclaiming the notion (Qq 696–698)

233 Q702

234 Ev 123

## 10 Conclusion

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163. Air travel has grown at an astonishing rate over the past quarter century and it shows no sign of slowing. From being the reserve of the wealthy few it has become the international mode of transport for Everyman. As the number of passengers has grown so has the industry that caters to them. It increasingly has to take account of a variety of passenger requirements as it operates in an ever expanding and liberalised market. Established airlines are facing competition both for economy passengers from the low cost airlines and for business passengers from dedicated business carriers. In this marketplace the customer really is king and if they do not like what you offer they will go and shop elsewhere.

164. So why is it, at a time when more people than ever are travelling by air and when they have a bigger choice than ever before, that air passengers are more frustrated and dissatisfied than ever? The cumulative impact of the evidence we received would suggest that it is a combination of things: more choice does not appear to mean more power; easier means of purchasing tickets has not increased transparency; security queues are getting longer as rules become more convoluted but people do not believe in the threat they are meant to guard against; and when things go wrong consumer rights are overwhelmed by legal complexity.

165. It is clear what passengers want: to buy a ticket that is clearly priced; to travel to the airport quickly and reliably without damaging the planet; to be able to take advantage of new technologies at airports to avoid check-in and drop off their baggage and then to proceed through security, all in the space of fifteen minutes; to entertain themselves while airside and to get quickly onto a plane that is stewarded by qualified, polite staff and that is carrying well-mannered, considerate fellow passengers. We do not think that this is asking the world and we look to the UK's excellent aviation industries to deliver it.

## List of recommendations

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### Tickets

1. The Internet has made booking air tickets easier than ever before. It saves time, and often money as passengers avoid agent premiums and booking fees. This is a welcome innovation, giving passengers more choice and more power to make their own decisions. However, we are concerned by evidence that online booking may disadvantage disabled passengers who need to discuss their travel requirements in person. We recommend that the Disability Rights Commission examine this problem to determine whether there is a case for issuing further advice or guidance to air travel operators about this particular area. (Paragraph 12)
2. For passengers to have confidence in online booking, it is vital that airlines put additional taxes, fees and charges up-front in their online advertising and on their booking pages. As it stands, there is the danger that customers are being duped into choosing a carrier on the basis of inaccurate fare information presented on the Internet. This is unfair both on the passenger, who might never know that a better fare was available, and on those airlines who are honest about their fare structure on their websites. This is not a problem which is confined to the UK: non-UK operators who carry significant numbers of passengers to and from the UK are engaged in this kind of hucksterism. We recommend that the Government make representations to the European Commission on the issue of online advertising of air fares. There must be a level playing field across the whole of the deregulated European market. (Paragraph 20)
3. As telephone booking becomes less popular, a higher percentage of bookings made over the phone are done so because, for one reason or another, the passenger is obliged to, usually by the airline's own rules. This is sharp practice. We recommend that the Government undertake a review of telephone charges for airline bookings to ascertain the extent of the problem and, if required, to limit the amount of charges. (Paragraph 22)
4. The Government should be in no doubt that we continue to support a mandatory arrangement for financial protection of air travellers, as envisaged by the CAA. We repeat the warning we gave in 2006: some scheduled airlines still appear to be at risk of collapse; existing consumer protection is patchy; and Government delay and procrastination will only increase the risk to which passengers are exposed. (Paragraph 25)

### Travel to airports

5. Public transport access to airports must, as the Government's own White Paper states, be an integral part of airport development. We recognise that it is often for individual airports and local authorities to fund development. Airports are, however, critical for the economic well-being of the country: they impinge not only on local economies but on the national wealth and, in the case of the London airports in particular, as gateways to international business. With this in mind, we welcome the

emphasis that the Department has already placed on surface access in its guidance to airports to develop Master Plans. The Department should review the Plans it has received to evaluate whether they reflect that emphasis, in particular in terms of public transport access, and if they do not, to require redrafting. As a matter of principle, local planning inquiries should not give approval to airport schemes that do not provide for good public transport access. (Paragraph 34)

6. We have not heard from the Treasury what the proceeds from the increased Air Passenger Duty will be spent on. It is important that if airlines and air passengers are to accept increased charges such as this, for environmental purposes, that they should be spent on those areas associated with air travel that produce the most pollution. Though flying is in itself a significant source of carbon emissions, ground transport accounts for the majority of local pollution around airports. We therefore recommend that some of the proceeds of the increase in APD be reinvested in improving public transport access to airports and the Treasury makes clear the relationship between APD, investment in ground transportation and other environmental improvements. (Paragraph 36)
7. Airports must invest in coach and bus facilities that are well placed, easily accessible and widely publicised to air passengers. We commend Manchester and Heathrow airports and National Express for developing facilities along these principles and we look to other airports to work with public transport operators in the same constructive manner. We recommend that the Government include specific reference to bus and coach facilities in its guidance to airports for Master Plans. (Paragraph 40)
8. When it comes to travelling to the airport by car we are faced with a conundrum: environmentally it is better for a passenger to drive to the airport and leave their car at an airport car park than it is for them to be 'dropped off'. Does this mean that parking facilities at airports are a good thing? It is clear to us from the evidence we received from park and ride operators and from National Express that airports make a great deal of money from their parking charges. This money is recycled back into the airport and passengers benefit. But this is no long term solution to the problem of congestion. Parking provision works along the same principle as road building: if you build it people will come. The only way, in the long term, to encourage people to use public transport, once the provision is there, is to reduce the ability they have to access the airport by car and to leave a vehicle. We recognise that this is difficult. It will be part of a broader strategy to get people out of their cars and it will not yield short term results. Road pricing will help. (Paragraph 44)
9. In the first instance, we recommend that the Government commission a review of airport parking charges and of the ability of off-site parking providers to compete fairly with airport car parks. We fully support the Minister's view that park and ride should be part of the mix for travel to airports and we find Transport for London's attitude unacceptable. (Paragraph 45)
10. AirTrack and Crossrail would be enormous boons to those living near and working at Heathrow, to London and indeed to the rest of the country. Both schemes command broad support. The Government should give AirTrack its full backing and

seek to help it progress through the planning process towards construction. This is already the case with Crossrail and we are happy to see the Bill making progress. We are, however, concerned that the Treasury has yet to make a firm commitment to fund the balance of the scheme that cannot be funded by London taxpayers and business. This may be as much as £8 billion. It would be unacceptable after so much effort, expense and Parliamentary time has gone into making Crossrail a reality for it to fall at the last hurdle of Treasury funding. (Paragraph 49)

11. There is clearly a need to resolve the confusion that surrounds the rules for taxi fares from Heathrow. It appears to us that the proposed legislative change in the Transport for London Bill will most likely solve the problem, but it is not necessarily the best solution in the long term. There is a danger that relying on the metered fare for short local journeys from the airport will lead to a dearth of taxis at Heathrow. We recommend that TfL look into a system similar to that which operates in New York City, where the fares to and from the area's airports in yellow cabs are standardised by the Mayor. This system is simple and easy to understand and would assist in particular those arriving in the UK from abroad. (Paragraph 53)
12. London City Airport is a small airport, historically with poor transport links. The Docklands Light Railway extension to the airport has been a huge success. We congratulate Transport for London on that achievement. This link could act as a model for regional airports which currently have only road access and would benefit from public transport provision. In particular, those areas with light rail systems might look to tie them into airport development. Investment to support better train/light rail links to regional airports should be supported. (Paragraph 56)

## Airports

13. Monopoly power slows growth and stunts innovation; it has no incentive to cut prices or to provide a better service. It is bad for the customer. We are pleased that the Competition Commission is considering the position of BAA. We have received little evidence pointing to benefits from BAA remaining in its present state and we see no reason to change the view of our predecessor Committees that BAA should be broken up. We look forward to the Commission's decision on the matter. (Paragraph 64)
14. The Government must turn to the regulatory questions we raised in our report on the Civil Aviation Authority as soon as possible. We expect a full response as soon as the Competition Commission has reached a decision. (Paragraph 67)
15. The Civil Aviation Authority is the economic regulator for the airports. It recognises that the passenger and the airline interest are not always the same but it does not appear to discriminate in favour of one or the other. We recommend that, when there is a conflict between the airline and the passenger interest in a particular area, there should be a general presumption that the CAA will come down on the side of the passenger. (Paragraph 69)
16. The service level quality regime at Heathrow and Gatwick is an example of the CAA acting in the interests of the passenger, providing incentives for these airports to

perform better. We agree with the CAA's recommendation to the Competition Commission that the regime could be further improved by introducing penalties for poor performance. (Paragraph 75)

17. Considerable amounts of money have been invested by both airports and airlines in new check-in facilities and technologies which are designed to ease the passenger experience. It is unfortunate that the full benefits of these new systems cannot be realised due to changes to security policy in other countries which require additional checks of data supplied online. The Government must work far more closely with airlines and airports to ensure that they are made aware of potential changes of this type as soon as possible and preferably before large amounts of money have been spent to little or no benefit. (Paragraph 79)
18. Duty free shopping is one of the fringe benefits of air travel for passengers. Retail and catering now make up a significant part of many airports' revenue and take up increasing amounts of airport space. While passengers clearly value these services we question whether so much space is now devoted to them that they have reached a tipping point and that passengers would not prefer to have some of that enormous space apparent at the 'front end' where they are increasingly cramped waiting to pass through check-in and security. (Paragraph 85)
19. The European Commission's proposed Directive on airport charges is regulation for regulation's sake. The UK has a healthy, competitive airports sector and the CAA does a very good job regulating it where required. The Commission's proposal would result in a five hundred percent increase in regulation for the UK airports market. The Government must take a firm line and refuse to accept any increase in the number of UK airports subject to regulation. (Paragraph 91)

## Security

20. Moving passengers more swiftly through to airside will, in itself, reduce the threat to the travelling public. Speeding up check-in times and reducing the security queue should be a priority for airports and airlines. (Paragraph 103)
21. Security procedures at airports are lengthy, intrusive and frustrating. But they are also absolutely fundamental not only to the safe travel of air passengers but to the wider national security interest. Since the security alert of 10 August 2006 there have been extra pressures on airports to deal with complicated new procedures. The Government could do more to support airports; in particular to keep them better informed when changes are planned—though we acknowledge that they often have to be made immediately in response to a new threat—and to assist with emergency staff or funds if required. (Paragraph 104)
22. We are pleased that the Minister recognises the importance of research and development as part of the long-term practical solution to security checks. R&D should be a high priority for the Government; it is one of the things that the UK is best at and we should not be relying on other countries to get there first. (Paragraph 105)



23. We support the ‘user pays’ principle for airport security although Government has an important role, particularly in supporting R&D to improving detection and throughput. Airports must ensure that they level the right charge, treading a fine line between ensuring that the burden on airlines is not so onerous that it makes them uncompetitive whilst at the same time ensuring that the charge is high enough to factor in contingencies like 10 August and changes in security policy. This must be kept under continuous review in light of the changing national and international security situation. (Paragraph 109)
24. The Department appears to be unduly relaxed about the number of people in breach of the carry-on restrictions, many of them knowingly so. Bearing in mind the extra costs in both manpower and time associated with enforcing the new rules, which will rise in proportion to the number of breaches, this is an important and worrying trend. Even more so when we hear of passengers reasons for breaching the rules: we are clearly in some serious trouble if our citizens are not ‘buying in’ to national security policies. (Paragraph 113)
25. There is confusion between the airports and the Government as to what is actually happening on the ground. We recommend that the Department gather figures from all UK airports of the numbers of passengers attempting to breach the carry-on restrictions. Only when we have these full figures will the picture be clear and the Government will be able to act to tackle non-compliance. (Paragraph 114)
26. We commend the work of airport security officers, who are doing an increasingly complex job in difficult circumstances. Good security officers can make the difference for passengers faced with lengthy waits and checking procedures as well as playing a vital role in ensuring public safety. It is clear that airports are aware of this valuable asset and we look to them to work with unions and the Government to devise strategies to recruit and retain the best security officers in the world and to make transition to new procedures smooth and straightforward. (Paragraph 118)

## Baggage

27. Lost and mishandled baggage is one of the biggest areas of complaint for air passengers. Finding the baggage once it has vanished and returning it to the owner is of course important but airlines and airports together need to develop much more robust systems to stop it happening in the first place. It is absurd that there is no Europe-wide standard for collecting figures on lost and mishandled baggage. We recommend that the Government raise this issue at the next Transport Council. (Paragraph 121)
28. The disarray at British Airways over their recently revised baggage policy is symptomatic of the confusion that reigns in this area of the airline industry. It is one thing for airlines to use baggage size and amount as a means of differentiating their services from competitors, it is another to have such confusing policies that passengers end up bearing the brunt in excess charges or having to dump baggage belongings at the airport. We await the implementation of the EU maximum baggage carry-on rules in May 2008. If it proves successful at reducing confusion for

passengers we recommend that the Government look at the benefits of proposing an extension to cover all baggage rules. (Paragraph 127)

## Airlines

29. The low cost revolution in air travel has enabled many people who, a generation ago, could not have dreamed of jetting across the Continent, to spread their wings. We welcome this change. We do not, however, believe that low cost should mean low standards. Those airlines with “ten pound” flights and tenpenny managements do not exempt themselves from standards of service and behaviour to which the rest of the industry is subject merely by the virtue of being ‘cheap’. We commend low cost airlines such as easyJet and Flybe that realise this and hope that they serve as an example to some of their competitors. (Paragraph 135)
30. We are pleased that the numbers of disruptive incidents on board aircraft are going down, but they remain too high. There is no easy solution to this problem and we acknowledge the work of the airlines and the Government in this area. We encourage them to continue pressing for the maximum penalties and complete bans on further air travel for those who disrupt flights with violence, abuse and poor behaviour. (Paragraph 138)
31. We agree with the Minister that the UK tries to apply a light touch to regulation, though it is not always as considered as it could be when implementing European Regulations and Directives. Sweeping regulation for the whole industry could be excessive when the problem clearly relates to a single carrier or only a few carriers. We recommend that remedial action should wherever possible be directed at the small number of recidivist airlines which present a persistent problem, rather than at the industry as a whole. (Paragraph 141)
32. Airline cabin crew are critical to the safe and comfortable operation of a flight. They are highly trained professionals; they are the front line for safety and emergency procedures. As such they deserve proper training, paid for by their prospective employer, decent working conditions and the security of knowing that across the industry they meet common standards of medical fitness. We urge the Government to resist any move at European level that would lower the standards of training and fitness for cabin crew. (Paragraph 145)

## Complaints and compensation

33. The Air Transport Users’ Council does a fine job with limited resources and what appears to be no advertising budget. We recommend that the CAA look at devising some kind of cross-subsidy for the Council from airport and airline fines for poor performance and that the Council does more to advertise itself. (Paragraph 147)
34. We are disappointed that airlines are routinely using the ‘extraordinary circumstances’ clause as a means of avoiding paying compensation to passengers for cancelled flights. We are not, however, surprised given how poorly drafted the Regulation is. We hope that the challenge to the wording in the European Court of

Justice will produce a precise interpretation that will mean that airlines can no longer blame nebulous external factors. (Paragraph 152)

35. We note that the recent review by the European Commission of its compensation Regulation failed to mention the Commission's own incompetence when drawing up advertising and publicity for the Regulation. An error when drawing up these materials may be excused, but the refusal to withdraw them once the error has been brought to your attention is inexplicable. It is disgraceful that European taxpayers' money has been wasted forcing the Commission to withdraw materials that were inaccurate and misleading to the public. We commend our own Government and the Civil Aviation Authority for bringing the inaccuracies to the Commission's attention and recommend that, in future, the Commission pay more attention to them. (Paragraph 156)

### **Passengers requiring assistance**

36. The UK airports sector has worked under a voluntary code to provide services and access to disabled persons. It is disappointing that this voluntary code has not worked and that the European Commission has felt the need to step in with a Regulation. We hope that it will improve the air travel experience for disabled persons and we commend those UK airports which are already putting extra resources into improved facilities for these travellers. UK airlines also have a generally good record in assisting disabled passengers and we look to the industry to work with Government on those issues where there is concern—wheelchair handling in particular—to ensure that the European Commission does not come sweeping in with more onerous regulation. (Paragraph 162)

## Formal minutes

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**WEDNESDAY 18 JULY 2007**

Members present:

Mrs Gwyneth Dunwoody, in the Chair

Mr David Clelland  
Clive Efford  
Mrs Louise Ellman  
Mr Philip Hollobone  
Mr John Leech

Mr Eric Martlew  
Mr Lee Scott  
Mr Graham Stringer  
Mr David Wilshire

Draft Report (*Passengers' Experiences of Air Travel*), proposed by the Chairman, brought up and read.

*Ordered*, That the Chairman's draft Report be read a second time, paragraph by paragraph.

Paragraph 1 read and agreed to.

Paragraph 2 read, amended and agreed to.

Paragraphs 3 to 5 read and agreed to.

Paragraph 6 read, amended and agreed to.

Paragraphs 7 to 19 read and agreed to.

Paragraph 20 read, amended and agreed to.

Paragraphs 21 to 28 read and agreed to.

Paragraph 29 read, amended and agreed to.

A paragraph—(*Mr David Wilshire*)—brought up, read the first and second time and inserted (now paragraph 30).

Paragraph 30 (now paragraph 31) read, amended and agreed to.

Paragraph 31 (now paragraph 32) read, amended and agreed to.

Paragraphs 32 and 33 (now paragraphs 33 and 34) read and agreed to.

Paragraph 34 (now paragraph 35) read, amended and agreed to.

Paragraph 35 (now paragraph 36) read, amended and agreed to.

Paragraphs 36 and 37 (now paragraphs 37 and 38) read and agreed to.

Paragraph 38 (now paragraph 39) read, amended and agreed to.

Paragraph 39 (now paragraph 40) read and agreed to.

Another paragraph—(*Mrs Louise Ellman*)—brought up, read the first and second time and inserted (now paragraph 41).

Paragraphs 40 to 42 (now paragraphs 42 to 44) read and agreed to.

Paragraph 43 (now paragraph 45) read, amended and agreed to.

Paragraph 44 (now paragraph 46) read, amended and agreed to.

Paragraph 45 (now paragraph 47) read, amended and agreed to.

Paragraph 46 (now paragraph 48) read and agreed to.

Paragraph 47 (now paragraph 49) read, amended and agreed to.

Paragraphs 48 to 50 (now paragraph 50 to 52) read and agreed to.

Paragraph 51 (now paragraph 53) read, as follows:

“There is clearly a need to resolve the confusion that surrounds the rules for taxi fares from Heathrow. It appears to us that the proposed legislative change in the Transport for London Bill will most likely solve the problem, but it is not necessarily the best solution in the long term. There is a danger that relying on the metered fare for short local journeys from the airport will lead to a dearth of taxis at Heathrow. We recommend that TfL look into a system similar to that which operates in New York City, where the fares to and from the area’s airports in yellow cabs are standardised by the Mayor. This system is simple and easy to understand and would assist in particular those arriving in the UK from abroad.”

Amendment proposed, in line 2, to leave out “It appears to us” and insert “We doubt”.—  
(*Mr David Wilshire.*)

Question put, That the Amendment be made.

The Committee divided.

Ayes, 1

Mr David Wilshire

Noes, 2

Mrs Louise Ellman

Mr Lee Scott

Another Amendment proposed, in line 6, to leave out from “TfL” to the end of the paragraph and insert “taxis licensed by neighbouring local authorities be permitted to pick up passengers for metered journeys exclusively to locations outside the London boundary”.—(*Mr David Wilshire.*)

Question put, That the Amendment be made.

The Committee divided.

Ayes, 2

Mr Philip Hollobone

Mr David Wilshire

Noes, 3

Mrs Louise Ellman

Mr John Leech

Mr Lee Scott

Paragraph agreed to.

Paragraphs 52 and 53 (now paragraphs 54 and 55) read and agreed to.

Paragraph 54 (now paragraph 56) read, amended and agreed to.

Paragraphs 55 to 61 (now paragraphs 57 to 63) read and agreed to.

Paragraph 62 (now paragraph 64) read, as follows:

“Monopoly power slows growth and stunts innovation; it has no incentive to cut prices or to provide a better service. It is bad for the customer. We are pleased that the Competition Commission is considering the position of BAA. We have received little evidence pointing to benefits from BAA remaining in its present state. We look forward to the Commission’s decision on the matter.”

Amendment proposed, in line 2, to leave out from “customer” to “We” in line 4 .—(*Mr David Wilshire.*)

Question put, That the Amendment be made.

The Committee divided.

Ayes, 1

Mr David Wilshire

Noes, 3

Mr David Clelland

Mr Clive Efford

Mrs Louise Ellman

Another Amendment proposed, in line 4, after “state” to insert “and we see no reason to change the view of our predecessor committees that BAA should be broken up”.—(*Mr Graham Stringer.*)

Question put, That the Amendment be made.

The Committee divided.

Ayes, 3

Mrs Louise Ellman

Mr John Leech

Mr Graham Stringer

Noes, 1

Mr David Wilshire

Paragraph, as amended, agreed to.

Paragraphs 63 to 65 (now paragraphs 65 to 67) read and agreed to.

Paragraph 66 (now paragraph 68) read, amended and agreed to.

Paragraphs 67 to 82 (now paragraphs 69 to 84) read and agreed to.

Paragraph 83 (now paragraph 85) read, amended and agreed to.

Paragraph 84 read, as follows:

“We would like to see much more transparency from airports about this aspect of their business and we recommend that the CAA keep a much closer eye on the balance between airside retail space and front-end service and waiting space. Airports complain that security procedures are resulting in ever greater queues; they should consider making better use of their space to deal with the problem.”

Paragraph disagreed to.

Paragraphs 85 to 89 (now paragraphs 86 to 90) read and agreed to.

Paragraph 90 (now paragraph 91) read, amended and agreed to.

Paragraphs 91 and 92 (now paragraphs 92 and 93) read and agreed to.

Paragraph 93 (now paragraph 94) read, amended and agreed to.

Paragraph 94 (now paragraph 95) read, amended and agreed to.

Paragraphs 95 and 96 (now paragraphs 96 and 97) read and agreed to.

Paragraph 97 (now paragraph 98) read, amended and agreed to.

Paragraph 98 (now paragraph 99) read and agreed to.

A paragraph—(*Mr David Wilshire*)—brought up, read the first and second time and inserted (now paragraph 100).

Paragraphs 99 to 106 (now paragraphs 101 to 108) read and agreed to.

Paragraph 107 (now paragraph 109) read, amended and agreed to.

Paragraph 108 (now paragraph 110) read, amended and agreed to.

Paragraphs 109 to 115 (now paragraphs 111 to 117) read and agreed to.

Paragraph 116 (now paragraph 118) read, amended and agreed to.

Paragraphs 117 to 121 (now paragraphs 119 to 123) read and agreed to.

A paragraph—(*Mr David Wilshire*)—brought up, read the first and second time and inserted (now paragraph 124).

Paragraphs 122 to 138 (now paragraphs 125 to 141) read and agreed to.

Paragraph 139 (now paragraph 142) read, amended and agreed to.

Paragraph 140 (now paragraph 143) read and agreed to.

Paragraph 141 (now paragraph 144) read, amended and agreed to.

Paragraphs 142 and 143 (now paragraphs 145 and 146) read and agreed to.

Paragraph 144 (now paragraph 147) read, amended and agreed to.

Paragraphs 145 to 154 (now paragraphs 148 to 157) read and agreed to.

Paragraph 155 (now paragraph 158) read, amended and agreed to.

Paragraphs 156 and 157 (now paragraphs 148 to 157) read and agreed to.

Paragraph 158 (now paragraph 161) read, amended and agreed to.

Paragraphs 159 to 161 (now paragraphs 162 to 164) read and agreed to.

Paragraph 162 (now paragraph 165) read, as follows:

“It is clear what passengers want: to buy a ticket that is clearly priced; to travel to the airport quickly and reliably without damaging the planet; to be able to take advantage of new



technologies at airports to avoid check-in and drop off their baggage and then to proceed through security, all in the space of fifteen minutes; to entertain themselves while airside and to get quickly onto a plane that is stewarded by qualified, polite staff and that is carrying well-mannered, considerate fellow passengers. We do not think that this is asking the world and we look to the UK's excellent aviation industries to deliver it.”

Amendment proposed, in line 2, to leave out “without damaging the planet”.—(*Mr David Wilshire.*)

Question put, That the Amendment be made.

The Committee divided.

Ayes, 1

Mr David Wilshire

Noes, 3

Mr David Clelland

Mr Clive Efford

Mrs Louise Ellman

*Resolved*, That the Report be the Eighth Report of the Committee to the House.

*Ordered*, That the Chairman do make the Report to the House.

*Ordered*, That the provisions of Standing Order No.134 (Select committees (reports)) be applied to the Report.

Several Papers were ordered to be appended to the Minutes of Evidence.

*Ordered*, That the appendices to the Minutes of Evidence taken before the Committee be reported to the House.—(*The Chairman.*)

[Adjourned till Wednesday 25 July at 2.30 pm.]

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## Witnesses

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### Wednesday 28 March 2007

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|---|-------------|
| <b>Ms Tina Tietjen</b> , Chairman, and <b>Mr Simon Evans</b> , Chief Executive, Air Transport Users' Council (AUC)  | Ev 1        |
| <b>Mr David Marshall</b> , Head of Policy and Communications, <b>Mr Simon Bunce</b> , Head of Legal and Member Services, and <b>Ms Susan Parsons</b> , Trade Relations Manager, Association of British Travel Agents (ABTA) | Ev 7        |
| <b>Mr Oliver Richardson</b> , Regional Industrial Organiser (Aviation), and <b>Mr Roger Sealey</b> , Transport Researcher, Transport and General Workers' Union   | Ev14        |

### Wednesday 25 April 2007

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| <b>Mr Toby Nicol</b> , Director of Communications, easyJet, and <b>Mr Jim French</b> , Chief Executive, Flybe  | Ev 23 |
| <b>Mr Geoff Want</b> , Director of Ground Operations, British Airways, and <b>Mr Barry Humphreys</b> , Director of External Affairs and Route Development, Virgin Atlantic | Ev 34 |
| <b>Mr Lawrence Hunt</b> , Chief Executive, SilverJet   | Ev 44 |

### Wednesday 9 May 2007

|  |       |
|--|-------|
| <b>Mr Robert Siddall</b> , Chief Executive, <b>Ian Hutcheson</b> , AOA Security Committee Chairman, and BAA Director of Security, <b>Mr Terry Morgan</b> , Divisional Director for South East Airports, and <b>Mr Geoff Muirhead CBE</b> , Group Chief Executive, Manchester Airports Group (MAG)  | Ev 50 |
| <b>Mr Dick Hallé</b> , Director of Strategy, Surface Transport, <b>Mr Richard de Cani</b> , Head of Development & Planning, Docklands Light Railway, <b>Mr Edward O'Loughlin</b> , Network Planning Manager, London Rail, Transport for London, <b>Mr Mike Lambden</b> , Head of Corporate Affairs, and <b>Mr Ian McInnes</b> , Strategy and Planning Director, National Express Ltd | Ev 61 |
| <b>Mrs Ann Bates</b> , Deputy Chair, Disabled Persons' Transport Advisory Committee (DPTAC)  | Ev 67 |

### Wednesday 16 May 2007

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| <b>Dr Harry Bush</b> , Group Director, Economic Regulation, <b>Mr Richard Jackson</b> , Group Director, Consumer Protection, and <b>Mr Mike Bell</b> , Group Director, Safety Regulation, Civil Aviation Authority                      | Ev 71 |
| <b>Gillian Merron MP</b> , Parliamentary Under Secretary of State for Transport, <b>Ms Sandra Webber</b> , Head of Civil Aviation Division, and <b>Mr John Parkinson</b> , Head of Aviation Security, Transec, Department for Transport | Ev 79 |

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| 2  | Mr Alan D Crowhurst   | Ev 90            |
| 3  | Mr Ken Rolfe  | Ev 92            |
| 4  | Scottish Passenger Agents' Association (SPAA)               | Ev 94            |
| 5  | Air Transport Users' Council                                | Ev 98            |
| 6  | Heathrow Airport Consultative Committee                     | Ev 102           |
| 7  | British Airports Authority (BAA)                            | Ev 104           |
| 8  | British Airports Authority (BAA) – supplementary memorandum | Ev 107           |
| 9  | London First  | Ev 109           |
| 10 | Independent Airport Park and Ride Association (IAPRA)       | Ev 110           |
| 11 | Civil Aviation Authority (CAA)                              | Ev 114, 122, 123 |
| 12 | Virgin Atlantic Airways Ltd                                 | Ev 125, 126      |
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| 23 | Mr Ian Frow   | Ev 159           |
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| 25 | Mr Adam Simmons and Associates                              | Ev 166           |
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| 27 | Manchester Airports Group (MAG)                             | Ev 170, 174      |
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| 33 | TUI-UK  | Ev 203           |
| 34 | Meteor Parking Ltd  | Ev 203           |
| 35 | Mr and Mrs Martin Shadbolt                                  | Ev 205, 206      |
| 36 | Mr M Place  | Ev 207           |
| 37 | Mr Stuart Diack   | Ev 207           |
| 38 | Mr Gilbert Verbit   | Ev 209           |
| 39 | BBC Radio 4: You and Yours                                  | Ev 210           |

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| Second Report          | The Ports Industry in England and Wales  | HC 61-I & 61-II   |
| Third Report           | Transport for the London 2012 Olympic and Paralympic Games: The Draft Transport Plan   | HC 199            |
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| Fifth Report           | The Government's Motorcycling Strategy   | HC 264            |
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| First Special Report   | Passenger Rail Franchising: Government Response to the Committee's Fourteenth Report of Session 2005–06  | HC 265            |
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| Third Special Report   | Bus services across the UK: Government Response to the Committee's Eleventh Report of Session 2005–06  | HC 298            |
| Fourth Special Report  | Local Transport Planning and Funding: Government Response to the Committee's Twelfth Report of Session 2005–06   | HC 334            |
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| Eighth Special Report  | The Government's Motorcycling Strategy: Government Response to the Committee's Fifth Report of Session 2006–07   | HC 698            |
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