

The Competition Commission
BAA London Airport Inquiry
Victoria House
Southampton Row
LONDON
WC18 4AD

Dear Sir

SLOTS AT HEATHROW AIRPORT

I understand that the CAA has proposed to the Competition Commission that landing fees at Heathrow Airport be increased by 70% over the next five years (assuming that RPI increases by 3.5% pa).

Coupled with the recent doubling of Air Passenger Duty by the Government, Leeds City Council is concerned that airlines will increasingly see their domestic short haul operations into Heathrow as non-viable.

If the charges at Heathrow are effectively 'one size fits all' then clearly it is more difficult for airlines to recover these fixed costs against the limited income from short haul operations, than it is to recover them against long haul income.

Unless, therefore, some flexibility in charging is introduced, airlines are likely to favour long haul routes over short haul routes – especially where Heathrow slots are at a premium. The Council would urge you, therefore, to ensure that landing fees charged are proportionate to the income generation potential of the different routes so as to ensure a level playing field when operators consider their route options.

I look forward to receiving your response in due course.

Yours faithfully

Paul Rogerson
Chief Executive