

11 May 2007

Dear Sirs

Airports Quinquennial Review

We wish to complain to the Competition Commission about abuse of a dominant position and anti-competitive conduct by airport operator BAA Heathrow (HAL).

London taxi drivers now have to pay BAA Heathrow £4.48 each time they use the Heathrow Taxi System ie, each time a taxi enters Heathrow Airport to ply for hire. The current entry charge includes a new levy of £0.20 (twenty pence) which BAA says will be used to create a so-called Technological Investment fund and under the rules of the Taxi System drivers are unable to opt out of contributing to the fund.

According to written information in circulation at Heathrow, a share of the new levy is to be passed to a company known as JourneyPay Ltd. In return for this subsidy, JourneyPay is to supply Heathrow taxi drivers with credit card processing services together with hand-held mobile payment terminals (MPTs). Drivers already have a wide choice of MPTs and credit card services supplied to them free of charge under existing business agreements. Existing service suppliers cannot be expected to compete for credit card processing business with a company which is to be subsidised from drivers' funds collected and controlled by BAA Heathrow. The taxi trade has also been advised in a document issued by representatives of JourneyPay Ltd consideration is being given to BAA taking a percentage of fares transactions 'at source'. We interpret 'at source' to mean the point at which a taxi driver is hired by a passenger on an airport taxi rank.

London taxi drivers would certainly not voluntarily contribute to JourneyPay's costs of setting up and conducting business at Heathrow. In our view, BAA has no authority whatsoever to compel drivers to contribute to a Technological Investment fund. Moreover, BAA cannot possibly argue that its authority to introduce the new £0.20 levy derives from an Act of Parliament, an Airport Byelaw or the terms of any legally binding commercial agreement to which London taxi drivers are a party.