

## Index

- Accounting policy
  - assets-*see* Assets
  - changes 2.151, 4.4, 4.14-4.15, 4.26, 11.2
  - cost allocation principles 4.22-4.23, App 4.8
  - deferred tax 11.59
  - different bases used by BAA 4.9, 4.11
  - regulatory requirements 4.21-4.22
- Advertising, revenue and assets-*see* Airport charging formula
- Aer Lingus plc, views 12.1
- AICC-*see* Assets, valuation, accounting policy
- Air 2000 Limited, views 12.2-12.5
- Air BP Limited, views 13.39
- Air Canada
  - appeal under Landlord and Tenants Act 8.74-8.76, 13.200
  - views 12.6-12.9
- Air France, views 12.11
- Air Navigation Order 1995 3.42
- Air Transport Association of America (ATA), views 5.48, 12.133-12.137
- Air Transport Users Council, views 13.10-13.13
- Air UK Ltd (Air UK)
  - services at Stansted 3.17
  - views 2.97, 12.12-12.26
- Airline Operators and Control Authorities 8.48
- Airport capacity-*see* Demand
- Airport charges
  - comparisons between different aircraft at London airports 5.33
  - comparisons between international airports and Gatwick 5.47, App 5.11
  - comparisons between international airports and Heathrow 5.35, 14.50
  - comparisons between London airports and others in UK 2.33, 5.45-5.48, 12.190, 13.112
  - comparisons with other revenue sources 1.2, 2.7-2.8
  - definition 2.2, 3.29-3.32, 8.3
    - services covered 2.2, 3.30, 8.28, App 3.2-App 3.3
  - differential
    - congestion-related-*see* Demand
    - noise-related-*see* Noise
    - peak/off-peak 2.68-2.69, 5.35-5.36, 11.70, 12.11-12.12, 12.37, 12.101, 12.176, 13.1, 13.101, 13.103, 14.94-14.95
  - environmental impact-*see* Environmental impact
  - European regulation 3.47
  - fixed rate 14.95
  - formula-*see* Airport charging formula
  - full-cost 11.69, 13.155-13.157, 13.163-13.164, 13.174
  - Gatwick, recommended by MMC 2.131-2.132, 2.161-2.162
  - gradual imposition 2.3, 11.5, 11.92, 12.2, 12.72, 12.112, 12.191, 13.32
  - Heathrow
    - complaints by US airlines 5.48
    - recommended by MMC 2.131-2.132, 2.161-2.162
    - views of airlines 2.11
  - increases
    - proposed by BAA 1.6, 9.46-9.47
- Airport charges, increases-*contd*
  - recommended by MMC 1.5-1.6, 2.15, 2.78, 2.161-2.162
  - trends during second quinquennium 5.27-5.31
  - views of airlines 12.29, 12.118, 12.167
    - (*see also* Airport charging formula)
- landing
  - international guidelines App 3.3
    - (*see also* differential, peak/off-peak)
  - passenger services, international guidelines App 3.3
  - revenue generated 2.7, 2.78, 5.27-5.31, 13.140, App 8.1
    - contribution by British Airways 12.48
- security
  - international guidelines App 3.3
    - (*see also* Airport charging formula)
- special needs passengers 14.86
- Stansted
  - complaints by local authorities 13.111, 13.114-13.115
  - complaints by Luton Airport 2.34, 2.70-2.74, 5.38-5.41, 12.182-12.186, App 3.4, App 5.8
    - response of BAA 5.42-5.44
  - complaints by Norwich Airport 13.111, 13.115,
- App
  - 3.4
  - difference from other airports 5.37
  - incentives to Ryanair 2.3, 2.71-2.73, 5.39-5.40, 5.44, 12.184
  - recommended by MMC 1.6, 2.131-2.132, 2.137, 2.161-2.162
  - views of airlines 12.23, 12.36
  - views of BAA 14.96-14.98
  - views of CAA 5.39, 11.9-11.13, App 3.4
  - structure 5.32-5.35, App 5.5-App 5.7
  - terms of reference 1.1, 2.1, App 1.1
- Airport charging formula
  - adjustment factors
    - advertising revenue and assets 2.141, 8.10, 10.29, 14.65
    - capital expenditure 2.3, 2.116, 2.118-2.119, 5.10-5.11, 11.20-11.22, 12.68, 12.174, 13.12
    - coaching rebates 2.28-2.51, 2.127, 5.20-5.22, 12.21, 12.42, 12.64, 12.86-12.87, 12.117, 12.149, 12.165, 14.83
    - duty-free sales-*see* Duty-free and tax-free sales
    - environmental costs 13.2, 13.6, 13.156
    - hotel revenue and assets 2.141, 8.10, 10.36, 11.47
    - profit sharing 5.3, 5.8, 11.14-11.19, 11.93, 14.18
    - revaluation of assets 11.41, 11.91
    - security costs 2.20, 2.120-2.121, 2.162, 11.82-11.85, 12.18, 12.66, 12.85, 12.141, 12.148, 12.171, App 3.3
    - volume of traffic 2.3, 2.116-2.117, 5.7-5.9, 11.5, 11.14-11.19, 11.93-11.94, 12.19, 12.112, 12.140, 12.170, 13.27, 13.36, 13.186, 14.18
  - basis for calculation 5.3-5.6
  - calculated by BAA 2.133-2.135, 9.46-9.47, 14.22-

- 14.23, 14.52-14.56
- calculated by British Airways 12.73
- calculated by CAA 2.16
- Airport charging formula-*contd*
  - calculated by MMC 1.2, 1.5-1.6, 2.15, 2.132, 2.161-2.162, 4.25
  - coverage-*see* Regulation
  - definition 2.14, 2.21, 2.27
  - international regulations-*see* Economic regulation
  - price cap-*see* Price cap
  - related to service standards 2.3, 5.5, 6.1, 11.5, 11.34-11.36, 12.74, 12.95, 12.102, 12.117, 12.181, 12.195
  - revenue yield approach
    - application since 1991 5.27-5.31
    - correction factor 2.19, 2.128-2.129, 2.162, 11.27-11.28, 12.146
    - deductions allowed 2.49, 2.51, 2.127
    - dilution of revenue 2.128, 5.31, 12.86, 12.176-12.178
    - forecasts by MMC 10.29, 1.35
    - traffic factor 12.67
      - versus tariff basket approach 2.18, 2.115, 5.18-5.19, 12.178, App 5.2
    - views of airlines 12.16-12.17
  - RPI-X approach, benefits and disadvantages 2.114, 5.3-5.6, 12.16-12.17, 12.170, 13.13, 14.18
  - single-till approach
    - benefits and disadvantages 2.22, 2.25, 8.15-8.16, 11.6-11.7, 12.16, 12.84, 12.168, 12.188, 13.2, 13.95, 13.98-13.100, 13.103, 13.109, 13.115, 13.122, 13.124, 13.195, 14.65
    - definition 2.21, 2.141, 8.9-8.10
    - effects on calculations 2.23
    - international regulation 8.11-8.14, 11.74
    - related to assets 2.142, 8.26
    - related to fuel supply 2.92
    - related to rents 2.84, 2.86, 8.72
    - related to retailing 2.109
  - uncertainties-*see* Financial projections  
(*see also* Retail price index)
- Airport operators, interdependence 2.13
- Airport safety, regulation 3.42
- Airport security-*see* Security standards
- Airport Slot Allocation Regulations 1993 3.45
- Airports, regulation-*see* Regulation
- Airports Act 1986 2.2, 2.4, 2.14, 2.22, 2.27, 2.40, 2.69, 2.117, 2.163, 3.26-3.27, 3.29, 3.31, 3.33, 3.35, 3.38, 3.44, 4.21-4.22, 8.3, 8.10, 8.68, 8.79, 11.1, 11.3-11.4, 11.30, 11.63, 11.66, 11.85, 11.87, 12.16, 12.190, 13.93, 13.96, 13.111, 13.115, 13.138, 13.147, 13.198, 14.106-14.107, App 1.1
- Airports Policy Consortium, views 13.92-13.103
- Airports Slot Allocation Regulations 1993 3.45
- Airside access, restrictions on tour operators' representatives 13.69
- Airside licences
  - charges
    - complaints by airlines 2.78, 2.89, 8.35-8.36, 12.10, 12.43, 12.100, 12.121
    - effects on airport charging formula 2.159-2.160
    - response of BAA 2.90, 14.110
    - revenue generated 8.31-8.33
    - transparency 8.29-8.30, App 8.2
    - views of MMC 1.4, 2.91, 2.112
- Airtours International Airways Ltd, views 12.26-12.33
- All Leisure Airlines Limited, views 12.34
- Ambulance services, Heathrow, complaints by airlines 2.52
- Apron capacity-*see* Demand
- Assets
  - depreciation 1.5, 2.31, 2.154, 4.4, 4.14, 4.20, 10.26, 10.29
    - forecasts 10.12
  - rate of return-*see* Rate of return
  - valuation
    - accounting policy 4.8, 4.14-4.15, 12.179, 13.140
      - capitalized interest on AICC 2.143, 2.155, 4.4, 4.15-4.16, 11.42-11.44, 11.42-11.44, 14.20, 14.46, App 4.1
    - at privatization 4.26
    - book value 1.5, 2.152, 2.154, 4.14, 4.26, 14.58
    - calculated by BAA 14.47-14.62
    - calculated by MMC 1.5, 2.142-2.155, 4.25-4.29
    - land 11.49
    - related to GASHCO 8.39-8.40, 13.60-13.61
    - related to rents 4.29
    - replacement cost 2.154, 4.9, 4.12-4.14, 4.28, 4.47, 10.17, 11.37-11.41, 13.60-13.61
      - greenfield site basis 2.151, 4.14, 11.45, App 4.1
      - modern equivalent asset 11.52, App 4.1
      - net present value of cash flows 11.53-11.54, 12.58
    - nugatory 2.151, 2.153, 4.14, 11.45-11.46, App 4.1
      - RPI indexation from privatization 11.55-11.56
    - roll-forward approach 10.24, 14.58, App 10.3  
(*see also* Airport charging formula, Capital value, Utilities)
- Assets in the course of construction-*see* Assets, valuation, capitalized interest on AICC
- Aviation Security Act 1982 3.43, 11.83
- BAA Hotels Ltd 4.2
- BAA plc (BAA)
  - financial results
    - accounting policy-*see* Accounting policy
    - capital expenditure-*see* Capital expenditure
    - comparisons with other companies 4.8
    - corporate office costs 4.14, 10.32, App 10.2
    - debt 14.41
    - profitability 2.7-2.8, 2.149, 4.4-4.5, 14.16, 14.45-14.49
      - tax proposal 13.157, 13.164, 13.166  
(*see also* Terminal 5)
    - revenue sources 2.7, 2.78, 2.80  
(*see also* Airport charges)  
(*see also* London Airports Ltd)
  - functions 3.18-3.19
  - history 3.1-3.2
  - investment-*see* Capital expenditure
  - management initiatives
    - Business plan* (1996) 7.12, 7.21, 9.30, 10.9, 10.11, App 10.2
    - Conditions of use, including airport charges from 1st April 1996* 5.32, App 5.4
    - Continuous improvement programme* (1995) 7.9, 14.13, App 7.1
    - Freedom to manage* 6.5, 7.9, 7.33, 14.15, App 7.1

- Investment and issues* 14.92
- Mission statement* 14.6-14.7
- Plan 1991-customer service and productivity improvement* 6.3, 7.3, App 7.1
- BAA plc, management initiatives-*contd*
- Project Handbook* 2.66, 9.8-9.11
- The Property Challenge* 2.81, 8.57-8.58, 8.66, 8.78, 12.10, 12.53, 12.98, 13.203, 14.8
- Statement of commercial policy* (1990) 13.44
- Tactical forecasting* 7.9, 7.17, App 7.1
- manpower-*see* Manpower
- privatization 2.24, 2.28, 2.34, 12.160
- promotional activity 12.32
- property-*see* Property
- relations with airlines 2.13
- rents-*see* Rents
- risk assessment 2.149, 4.10, 4.39-4.40, 11.57, 12.70-12.71, 12.83, 12.130-12.131, 12.179, 12.193, 13.139, 14.36-14.40, 14.47, 14.61
- shares-*see* Shares
- structure 3.4-3.6, 4.2-4.3, App 3.1
- views 14.1-14.131
- Baggage handling
  - consultation with airlines 9.18, 12.58
  - standards of service 2.36-2.37, 2.42-2.43, 6.33, 6.46-6.50, 12.49, 12.62, 12.92-12.94, 12.107, 12.143, 12.155, 12.160, 12.162-12.163
  - cost of improvement 2.45, 6.49-6.50, 12.164
  - views of MMC 1.3, 2.44
  - views of BAA 14.72-14.81
  - (*see also* Ground handling)
- Barnes Community Association, views 13.131-13.133
- Barriers to entry 12.128
- Bermuda 2-*see* US/UK Air Service Agreement 1977
- Board of Airline Representatives in the UK (BAR UK), views 12.138-12.145
- Borough Council of Spelthorne, views 13.104
- Braintree District Council, views 13.105
- Britannia Airways Ltd, views 12.35-12.47
- British Air Transport Association (BATA), views 12.146-12.157
- British Airports Authority, history 3.1-3.2
- British Airways plc (British Airways)
  - expansion of capacity at Gatwick 2.12
  - views 12.48-12.80
- British Midland Airways Ltd, views 12.81-12.100
- British Vehicle Rental and Leasing Association, views 13.14-13.19
- Building Service Research and Information Association, trial of preventative maintenance 6.53
- Bureaux de change
  - numbers of outlets 8.24
  - provision of VAT cash refund services 13.41, 13.44
  - standards of service 6.20
  - (*see also* Commercial activities, concessions)
- Capital asset pricing model (CAPM) 2.147, 4.10, 4.31-4.44, 4.51, 13.143, 14.20, App 4.1, App 4.9
- (*see also* Cost of capital)
- Capital expenditure
  - appraisal 9.24-9.28, 9.45, 9.47
  - categorized by income source 9.4, 12.15
  - competitive tendering 2.29, 2.67, 2.150, 13.142, 13.144, 13.147
  - complaints about quantity and quality 1.3, 2.34-2.35, 2.22, 2.57, 2.59-2.66, 9.52-9.58, 11.5, 12.55-12.68, 12.173, 13.23-13.24
  - response of BAA 2.56, 14.9, 14.11, 14.26, 14.31, 14.87-14.91
- Capital expenditure-*contd*
  - cost savings 9.27-9.28, 9.42, 14.11
  - evaluated by MMC 9.57
  - effects on airport charges-*see* Airport charging
  - formula, adjustment factors
  - financial results of BAA 4.6, 14.16
  - financial results of LAL 9.2-9.5
  - new developments
    - comparisons between London airports 2.54
    - projects planned by BAA 9.49
    - projects planned by GASHCO 13.56
    - views of airlines 12.28, 12.91, 12.173
    - views of CAA 2.3
    - views of local authorities 13.102, 13.110
    - views of MMC 2.54, 2.58
  - planning 2.61-2.66, 9.6-9.23
  - consultation-*see* Consultation procedures
  - projections-*see* Financial projections
  - retailing 2.109, 9.5
  - rolling forward 10.24, App 10.3
  - rump 9.50-9.51, 14.81
  - transport links 13.129-13.130
  - (*see also* Transport)
- Capital value
  - calculated by BAA 2.142
  - calculated by MMC 1.5, 2.159, 10.24-10.27, App 10.3-App 10.4
  - rate of return-*see* Rate of return
- Capitalization of interest charges on assets in the course of construction-*see* AICC
- Car parks
  - asset value 4.14
  - effects on airport charging formula 8.26
  - charges
    - environmental impact 13.159
    - revenue generated 8.31-8.33, 10.10, 12.176
    - undertakings by BAA 8.25, App 8.2
  - standards of service 6.20-6.21
- Car rental services
  - charges
    - complaints 2.103, 13.14-13.19
    - response of BAA 14.121-14.122
  - standards of service, customer satisfaction 14.122
- Catering services
  - contractual arrangements 8.23
  - licence charges
    - complaints 2.89, 8.37
    - views of MMC 2.91, 2.112
  - number of outlets 8.24
  - prices 8.21
  - profitability 8.24
  - standards of service 6.20
  - (*see also* Airside licences, Commercial activities)
- Cathay Pacific Airways Ltd, views 12.101-12.103
- Central London duty-free shop 13.71, 14.123
- Central Statistical Office, national accounts data 4.45, 4.47-4.48, 14.47, 14.51
- Channel Tunnel, risk allocation 12.130

- Charges
  - non-regulated
    - complaints by airlines 12.134
    - definition 8.1-8.3
    - information requirements-*see* Transparency, undertakings
    - revenue generated 8.31-8.37
- Charges, non-regulated-*contd*
  - (*see also* Airside licences, Car parks, Economic regulation, scope, Fuel supply, Rents, Transparency, Utility charges)
  - regulated-*see* Airport charges, Airport charging formula
- Check-in desks
  - queues, complaints by airlines 2.37
  - rents-*see* Rents
- Cheshire Oaks 3.5
- Chicago Convention 3.39, 11.73, 13, 173, App 3.5
- CityFlyer Express Ltd, views 12.104
- Civil Aviation Act 1971 11.1
- Civil Aviation Act 1982 3.44, 11.67, 13.3
- Civil Aviation Authority (CAA)
  - background document for MMC, *Review of London airports* (1995) 2.3, App 1.1
  - complaints received 3.35, 11.4, App 3.4
  - consultation document 1991 4.10
  - Economic regulation of BAA South East Airports 1992-1997* (CAP599, 1991) 4.8, 11.29, 12.14, App 5.3
  - functions 2.4, 2.40, 2.69, 3.26-3.28, 11.1, 13.145-13.147, 14.106
  - review of the second quinquennium 11.2-11.4
  - ruling on vacant transit sheds 14.101
  - views 11.1-11.36
- Cleaning services
  - contractual arrangements 7.37-7.42
  - licence charges
    - complaints 2.89
    - views of MMC 2.91, 2.112
  - standards of service 6.28, 7.39-7.41 (*see also* Airside licences)
- Coaching services
  - competitive tendering 2.50
  - costs 2.36, 2.47, 12.106
  - rebates-*see* Airport charging formula, adjustment factors
  - standards of service 6.42-6.43, 12.41
  - response of BAA 14.82-14.85
  - stands-*see* Stand allocation
- Commercial activities
  - concessions
    - BAA policy 8.18-8.27
    - contractual arrangements 8.23, 13.14-13.19
  - definition 2.2, 2.141, 3.33, 8.2
  - revenue-generated 8.5-8.8, 8.17, 13.43, 14.28-14.30 (*see also* Car rental services, Catering services, Cleaning services, Retail services, Ticket sale arrangements, VAT cash refund services)
- Commercially Important Passenger (CIP) facilities-*see* Rents
- Competition
  - between airlines 2.69, 2.91, 12.100, 12.121, 13.101, 14.129
  - between airports 2.12, 2.74, 5.41, 12.126-12.128, 12.131-12.132, 12.139, 12.185-12.187, 13.108, 13.111-13.112, 313.116, 13.138-13.147, 13.153, 13.166, 13.187, 13.193
  - between BAA and non-airport retailers 13.71, 13.160
  - between concessionaires 13.41-13.43, 13.45, 13.49
- Competitive tendering
  - complaints about BAA practice 13.142, 13.47, 13.89 (*see also* Capital expenditure, Coaching services)
- Concessions-*see* Commercial activities
- Confederation of British Industry, survey of absenteeism 7.33
- Confederation of Passenger Transport UK, views 13.20-13.21
- Congestion pricing-*see* Demand
- Construction costs
  - compared with USA 9.27
  - forecasts 1.2, 1.5, 2.31, 2.54, 2.83, 2.134, 2.139-2.140, 2.151-2.153, 2.192, 4.12, 5.11, 9.2, 9.28, 9.46, 10.13-10.15, 11.40, 14.32, 14.35, 14.16
  - payments for late delivery 12.80 (*see also* Capital expenditure)
- Consultation procedures
  - airport charges 12.35, 14.94
  - capital expenditure
    - complaints by airlines 1.3, 2.34, 2.61-2.66, 12.57, 12.90, 12.151, 12.175
    - initiatives by BAA 2.61, 2.66, 9.17-9.20, 9.23, 14.92-14.93
    - views of MMC 2.58, 2.62, 2.64-2.65, 2.67
  - improvements 1.3, 2.33, 12.166
  - negotiations with control authorities 12.32
- Continental Airlines Inc, views 12.105-12.109
- Cost allocation-*see* Accounting policy
- Cost of capital
  - calculated by BAA 14.37, 14.39, 4.51, 14.42
  - calculated by CAA 2.149
  - calculated by MMC 1.5, 2.145-2.151, 2.157, 4.10, 4.25, 4.30-4.31
  - views of airlines 12.89
  - views of BAA 4.30, 14.19-14.21
  - views of Enlightened Competition Ltd 13.14, 13.141, 13.143
- Council for the Protection of Rural Essex, views 13.134
- Council of Transport Ministers, Ground handling directive (1995) 8.50-8.51
- Crawley Borough Council, views 13.106-13.107
- Cross-subsidies-*see* Economic regulation, application, Airport charging formula, single till
- Crump Newberry & Partners, consultants to MMC 9.57
- Davis, Langdon, Everest
  - construction cost forecasts 2.134, 2.153, 9.45, 10.13, 10.15, 10.21, 10.25, 11.40, 14.32, 14.35 (*see also* Construction costs)
- de Neufville, Richard, views on Terminal 5 9.56
- Delays, causes 6.54-6.58
- Delta Airlines Inc, views 12.110-12.112
- Demand
  - capacity review 3.20-3.21
  - aprons 3.25
  - runways 3.22-3.23, 10.6, 11.77-11.78, 12.32
  - terminals 3.24
  - congestion pricing 2.25, 11.69, 13.169-13.173, 14.95
  - effects of airport charges 2.25, 13.117-13.122, 13.135,

- 13.148, 13.158, 13.163, 13.174, 13.176, 13.178, 13.185, 13.198
- Gatwick 3.16
- Heathrow 2.11, 3.14-3.15, 11.31
- rationing methods-*see* Slot allocation
- Stansted 3.9, 3.17
- Demand forecasts 7.7-7.9, 7.11-7.17, 9.33-9.34, 10.4-10.5, 14.12
  - methodology 7.17, App 7.1-App 7.2
- Demand forecasts-*contd*  
(*see also* Traffic)
- Department of the Environment
  - Regional guidance* (RPG9 1994) 13.121
  - UK strategy for sustainable development* 13.167
- Department of Transport (DOT)
  - Aircraft Noise Monitoring Advisory Committee, proposals 12.157
  - functions 2.40, 11.63
  - immigration check requirements 2.56, 11.80, 14.91
  - report *Review of the framework for economic regulation of airports* (DOT, 1995) 2.5, 2.61, 2.117, 3.37-3.38, 11.30, 11.60, 13.196
  - report *Runway capacity to serve the South East (RUCATSE report)* (DOT, 1993) 3.10-3.11, 11.62, 11.76-11.79, 13.109, 13.119, 13.151
  - views 11.60-11.95
  - white paper *Airports policy* (Cmnd 9542, 1985) 3.2, 3.9, 11.61
- Director General of Fair Trading
  - functions 2.163
  - review of VAT cash refund services 2.102
- Discrimination, complaints against BAA 2.53, 12.11, 12.31, 12.97, 12.110, 12.136, 13.80, 14.85, 14.110, 14.117, App 3.4
- Dividend growth model (DGM) 4.45-4.46, 13.143, App 4.1, App 4.9
  - Dividend regulation 5.3
- Dobbs International (UK) Ltd 12.100
- Donaldson, consultants to the MMC 8.58, 8.64, 10.25
- Duty-free and tax-free sales
  - contractual arrangements 4.14
  - effects on airport charges 1.5-1.6, 2.3, 2.122-2.126, 2.157-2.158, 2.160-2.162, 5.23-5.24, 8.15, 10.37-10.43, 12.191, 13.26, 13.35, App 10.6-App 10.8
  - views of airlines 12.3, 12.20, 12.29, 12.39, 12.51, 12.65, 12.84, 12.112, 12.119, 12.137, 12.140, 12.147, 12.172, 12.191
  - views of BAA 14.30, 14.32, 14.66
  - views of CAA 11.5, 11.23-11.26
  - views of community representatives 13.26, 13.168, 13.174, 13.191
  - views of DOT 11.81
  - views of local authorities 13.35
  - views of trade unions 13.26
  - revenue generated 2.123, 4.14, 10.10
  - (*see also* Retail services)
- Ealing Aircraft Noise Action Group, views
- ECCO Airport Services, views 13.82-13.83
- Economic regulation
  - application as one system or individual airports
    - benefits and disadvantages assessed 2.3, 2.130-2.131, 2.162, 5.12-5.17, 11.8-11.13, 11.90
    - views of BAA 14.63
    - views of community groups 13.134-13.135, 13.153, 13.186, 13.189-13.190
  - views of local authorities 13.97, 13.109, 13.116
  - views of representative bodies 13.4, 13.22
  - views of trade unions 13.25
  - definition 2.14, 2.17, 3.31
  - effects on Stansted 2.74, 2.130-2.131, 5.13, 5.15-5.16, 5.41, 13.179, App 5.1
  - views of airlines 12.2, 12.8, 12.27, 12.36, 12.65, 12.111, 12.115, 12.122, 12.125, 12.129, 12.139, 12.169, 12.182-12.187
- Economic regulation-*contd*
  - history 3.36
  - international 2.4, 3.28, 3.39-3.40
    - effects on airport charging formula 2.24, 2.69, 5.35-5.36, 8.11-8.14, 11.71-11.75, 12.188
    - (*see also* US/UK Air Service Agreement 1977)
  - reforms proposed 2.5, 2.163, 3.37-3.38, 11.60, 13.138-13.147, 14.18-14.23
  - scope
    - definition 2.27, 3.35, 11.1
    - need for reform 12.26, 12.52, 12.106, 12.161, 12.180
  - system
    - definition 3.26-35
    - review of different regimes 5.2
    - views of British Airways 12.50
- Economies of scale 12.170
- Elliott, Michael, views 13.90-13.91
- Employment agency staff-*see* Manpower, agency staff
- Enlightened Competition Limited (ECL), views 13.138-13.147
- Environmental impact 2.25, 13.2, 13.117-13.123, 13.125-13.126, 13.133, 13.154-13.167, 13.185, 13.189
- Equipment
  - availability, standards of service 2.36-2.37, 6.28, 6.30-6.38
  - expenditure 10.10
  - Europe Tax Free Shopping (UK) Limited
    - views 13.40-13.44
    - (*see also* VAT cash refund services)
- European Commission (EC)
  - consultation paper on proposals for a common framework for airport charging 3.47, 11.71-11.72
  - directives
    - Access to ground handling 2.97, 3.47, 8.50-8.51, 13.91
    - General arrangements for products subject to excise duty and on the holding, movement and monitoring of such products (92/12/EEC) 5.23
    - Supplementing the common system of value added tax and amending directive 77/388/EEC with a view to the abolition of fiscal frontiers (91/680/EEC) 5.23, 8.15, 10.37
  - draft directives
    - Access to the ground handling market 11.86, 13.57, 13.86, 13.91
    - Airport charging 11.75
    - proposal on rules for crossing external borders 11.80
    - review of regulation governing slot allocation (95/93/EEC) 3.45, 11.64
    - undertakings received from BAA regarding Stansted 2.71, 5.38, 12.182, App 5.8
    - (*see also* Duty-free and tax-free sales)
- Exchange of Notes-*see* US/UK Air Service Agreement

- Fair Trading Act 1973 2.119, 13.143
- Federation of Heathrow Anti-Noise Groups, views 13.148-13.153
- Fexco Tax Free Shopping Limited  
views 13.45-13.49  
(see also VAT cash refund services)
- Financial projections  
calculated by BAA 2.61, 2.134-2.135, 8.10
- Financial projections, calculated by BAA-*contd*  
underlying assumptions 2.136-2.143, 10.2-10.22,  
11.37-11.39, 13.143, 14.24-14.56, App 10.1-App  
10.2  
calculated by MMC 2.137-2.161  
underlying assumptions 10.23-10.43, App 10.5  
capital expenditure 2.54, 2.61, 2.134-2.135, 4.24,  
9.29-9.58, 11.37-11.38  
comparison between 1991 forecasts and financial  
results of LAL 4.11-4.14, 4.19-4.20, 8.6, 9.2  
effects on airport charging formula 2.23, 2.30, 2.119,  
4.11  
views of airlines 12.14
- Financial ratios  
accounting policy, deferred tax 11.59  
definition App 4.1  
dividend cover 2.133, 2.135, 10.20, 11.39, 14.43-  
14.44  
dividend growth 4.46, 13.139, 14.43  
earnings per share 2.133, 2.135, 10.22, 11.58, 14.43  
forecasts 10.20, 11.39  
gearing 2.135, 4.42, 4.51, 11.39, 11.58, 12.173,  
14.37, 14.43-14.44, 14.59, App 4.9  
importance to BAA 14.59-14.62  
interest cover 2.135, 10.22, 11.39, 11.58, 12.173,  
14.43, 14.59  
return on capital employed-see Rate of return
- Financial terms, definition App 4.1
- Finnair, views 12.113
- FLS Aerospace Limited, views 13.50-13.54
- Forte PLC 3.5
- Franks, Julian and Mayer, Colin, *Estimation of the cost  
of capital: a report prepared for BAA for the MMC  
review* (BAA, 1995) 4.34
- Freight handling  
standards of service 6.59-6.60, 12.103  
response of BAA 14.25-14.26
- Friends of the Earth, views 13.154-13.162
- Fuel supply charges  
complaints by airlines 2.78, 2.92-2.94, 8.34-8.40,  
12.44  
response of GASHCO 13.55-13.64  
response of BAA 14.111-14.112  
revenue generated 8.31  
transparency 8.35, 8.40, 12.180, 13.59, 13.72, 14.112  
(see also Gatwick Airport Storage and Hydrant  
Company Limited)
- Gatwick Air Monitors (Ind) Ltd, views 13.65-13.68
- Gatwick Airport Consultative Committee, views 13.1-  
13.2
- Gatwick Airport Ltd (GAL)  
advantages to airlines 2.12, 13.166  
charges-see Airport charges, Airport charging  
formula  
financial results 4.17-4.23, App 4.6  
profitability 4.17-4.23  
passenger numbers 2.9-2.10  
regulation-see Economic regulation, Regulation  
terminals-see Terminal facilities  
(see also London airports, London Airports Ltd)
- Gatwick Airport Operators Committee, views 12.158-  
12.159
- Gatwick Airport Storage and Hydrant Company Limited  
(GASHCO)  
views 13.55-13.64
- Gatwick Airport Storage and Hydrant Company  
Limited-*contd*  
(see also Capital expenditure, Fuel supply charges)
- Gatwick Area Conservation Campaign, views 13.163-  
13.173
- Gatwick Executive Services, views 13.69-13.70
- Gatwick Handling Limited 8.45-8.46
- Gatwick Travel Shop-see Thomas Cook Group
- General Aviation Manufacturers and Traders Association,  
views 13.22
- Green, S J, views
- Greenfield site-see Assets, valuation, replacement costs
- Ground handling  
complaints 2.95-2.101, 8.52, 12.30, 12.47, 13.85-  
13.91, App 3.4  
response of BAA 14.113-14.115  
definition 8.41  
EC directive proposed 2.98, 3.47, 8.50-8.51, 11.86  
Gatwick 2.96, 2.98, 8.45, 12.30, 12.47  
Heathrow 2.95, 2.98-2.101  
policy 8.43-8.44, 13.82-13.83, 14.119  
standards of service 8.48-8.49  
Stansted 2.97-2.98, 8.46-8.47  
suppliers 8.42, 8.45-8.47  
(see also Baggage handling, Manpower, agency staff  
restrictions)
- Gulf War  
effects on air traffic 2.70, 3.9, 10.7, 12.6, 12.14,  
12.167  
effects on BAA profits 4.4-4.5, 9.30  
effects on HAL profits 4.18
- Harmondsworth and Sipson Residents Association, views  
13.174-13.175
- Haslemere and District Aircraft Disturbance Action  
Group, views 13.176-13.178
- Hatfield Broad Oak Conservation Group, views 13.179
- Heathrow Airline Operators Committee  
functions 2.42-2.44, 2.47, 2.52, 2.61, 6.42, 8.48,  
9.20, 12.94, 12.102, 13.91, 14.77, 14.81, 14.84  
views 2.45, 12.160-12.165
- Heathrow Airport Consultative Committee, views 13.3-  
13.8
- Heathrow Airport Ltd (HAL)  
advantages to airlines 2.11, 2.33, 13.166  
ambulance services-see Ambulance services  
baggage handling-see Baggage handling systems  
charges-see Airport charges, Airport charging  
formula  
*Commitment to Tenants* (1993) 12.10  
financial results 4.17-4.20, App 4.5  
profitability 2.7-2.8, 2.11, 4.17-4.19, 4.21-4.23  
passenger numbers 2.9-2.10

- regulation-*see* Economic regulation, Regulation  
terminals-*see* Terminal facilities, Terminal 5  
(*see also* London airports, London Airports Ltd)
- Heathrow Express  
costs 8.10, 9.25, 9.30, 9.45  
revenue 8.10, 12.15
- Heathrow Hydrant Consortium 8.34  
*The Heathrow runway capacity enhancement study*  
(National Air Traffic Services, 1995) 11.77
- Helm, Dieter (ed), *British utility regulation: principles, experience and reform* (OXERA, 1995) 5.3
- Hertfordshire Conservation Society, views 13.180-13.181
- Hertfordshire County Council, views 13.108
- Hilton International Hotels (UK) Ltd 3.5
- Hitcham and Taplow Preservation Society, views 13.182-13.184
- Horsham District Council, views 13.109-13.110
- Hotels  
ownership 4.2, 4.14  
revenue and assets-*see* Airport charging formula
- House of Commons Transport Committee, Second Report  
*UK airport capacity* (HC 67, 1996) 2.28
- House of Hanover Limited, views 13.71
- IATA-*see* International Air Transport Association
- ICC United Kingdom, views 13.23-13.24
- Information  
need for confidentiality 13.42-13.43, 13.79  
need for disclosure-*see* Transparency
- Information desks  
failure to provide 1.4, 2.108, 2.110, 2.112, 6.75, 12.56, 14.128  
(*see also* Passenger information, Rents)
- Institute of Personnel and Development, survey of absenteeism 7.33
- Institute of Professionals, Managers and Specialists, views 13.25-13.29
- International Air Transport Association (IATA)  
*Scheduling procedures guide* 3.45  
survey of passenger perception 6.76-6.80, 14.17  
views 5.6, 11.92, 12.166-12.181
- International Civil Aviation Organisation (ICAO)  
*Airport economics manual* App 3.3  
guidelines on noise levels 14.99  
*Statement by the Council of airport charges* 2.121, 8.14, 11.5, App 3.3
- International regulations-*see* Regulation, US/UK Air Service Agreement 1977
- Investment programme 2.66, 2.139, 9.8-9.11  
(*see also* Capital expenditure)
- Japan Airlines Co Ltd, rent review of premises 13.202
- Jenkinson, T, *The cost of equity finance: conventional wisdom reconsidered* (Stock Exchange Quarterly with Quality of Markets Review, autumn edition, 1993) 4.37-4.38
- Jetties-*see* Pier service
- Joint Airports Committee of Local Authorities (JACOLA), views 13.111-13.116
- Landing charges-*see* Airport charges, differential, peak/off-peak
- Landlord and Tenant Act 1954 2.86, 8.66, 8.74, 8.79, 13.200, 13.204
- Licences-*see* Airside licences, Fuel supply charges
- Littlechild, Stephen, report *Regulation of British Telecommunications; profitability* (HMSO, 1983) 5.2
- Liverpool Airport Consultative Committee, views 13.9
- Local authorities, views 13.92-13.130
- London airports  
history 3.7-3.17  
passenger numbers 2.9-2.10  
(*see also* Gatwick Airport Ltd, Heathrow Airport Ltd, Stansted Airport Ltd)
- London Airports Ltd (LAL)  
electricity distribution system-*see* Utilities  
financial results 2.30-2.31, 4.9-4.29, App 4.4
- London Airports Ltd, financial results-*contd*  
operating costs-*see* Operating costs  
profitability 2.7-2.8, 4.11, 4.17-4.23, 8.5-8.8, 8.55, 11.2-11.3  
revenue sources 2.7-2.9, 4.21, 8.5-8.8, App 8.1  
links to BAA 4.3  
structure 2.6  
need for separate ownership 2.28-2.29, 12.126, 12.189, 13.162, 13.193
- London Borough of Richmond Upon Thames, views 13.124
- London Business School, risk management service 4.39-4.40, 14.37
- London Electricity plc (London Electricity), agreements with LAL 4.6
- London Luton Airport (Luton Airport), views 12.182-12.195
- Lucking, A J, views 13.194-13.197
- Lufthansa 8.42
- Luton Airport-*see* London Luton Airport
- Lynton plc  
acquired by BAA 3.5, 4.2  
*The UK construction challenge. Can the UK reduce its construction costs without affecting quality?* 9.27
- McArthur Glen UK Limited 3.5
- McCall, K, views 13.198
- Maintenance  
charges, complaints by supplier 13.50-13.54  
engineering  
contractual arrangements 7.43-7.46  
functions 7.43, App 7.4  
expenditure 10.10  
preventative, standards of service 6.51-6.53, 7.45-7.46, 12.181, 14.71  
runways, accounting policy 4.4
- Manchester Airport PLC (Manchester Airport)  
discussions with DOT 2.61  
views 12.190-12.195
- Manpower  
absenteeism, BAA initiatives 6.4-6.5, 7.33-7.35  
agency staff restrictions 1.2, 2.99, 2.112, 13.82-13.84  
response of BAA 14.119-14.120  
attitude survey 7.20  
contracting-out 7.19, 7.36-7.42  
earnings 7.20-7.21, 7.23-7.32, App 7.3  
comparisons with airlines 7.23  
comparisons with all workers 7.25-7.27, 7.31  
overtime 7.31-7.32  
numbers 2.31, 7.4-7.5, 14.14  
planning arrangements 6.2-6.5, 7.1-7.3, 7.9, 7.11-

- 7.16, App 7.1  
productivity 1.5, 2.138, 2.159, 7.10, 7.15, 7.21-7.22, 13.34, 14.15, 14.64  
    comparisons between airports 7.18-7.19  
    forecasts 10.10, 10.33, App 10.5  
    (see also Demand forecasts)
- Market share, passengers at London airports 3.13
- Marshall, H, views 13.199-13.205
- Meath Green Protection Society, views 13.185
- Memorandum of Understanding* on airport charges (April 1983) 8.11-8.13
- Modern equivalent asset-see Assets, valuation, replacement cost
- Mole Valley District Council, views 13.117-13.122
- Monarch Airlines Limited, views 12.114-12.121
- Monopolies and Mergers Commission (MMC)  
    approach used in regulated industry inquiries 4.25, 4.31  
    conclusions 1.3-1.6, 2.1-2.163  
    functions 3.26-3.27, 3.32-3.34, 13.146-13.147  
    report *BAA plc: a report on the economic regulation of the South East Airports companies (Heathrow Airport Ltd, Gatwick Airport Ltd and Stansted Airport Ltd)* (MMC 2, published by CAA, 1991) 1.5, 2.11, 2.15-2.16, 2.18-2.20, 2.31, 2.35, 2.39, 2.78, 2.96, 2.122, 2.144, 2.149, 2.153, 4.6, 4.9-4.10, 4.15, 4.24, 4.27, 4.52, 6.7, 6.41, 7.2, 7.7, 8.6, 8.11, 8.15, 8.18, 8.23, 8.29, 8.31, 8.34, 8.44-8.45, 8.47, 8.53, 8.60, 8.70, 8.74, 8.77, 10.7, 10.24, 10.27, 11.23, 11.29, 12.25, 12.52, 12.130, 13.34, 13.86, 13.88-13.89, 13.111, 13.115, 13.200, 14.4, App 8.2  
    report *Belfast International Airport Limited and Belfast City Airport Limited: a report on the merger in contemplation* (Cm 3068, 1996) 12.33  
    report *Contraceptive sheaths: a report on the supply of contraceptive sheaths in the United Kingdom* (HC 135, 1975) 5.2  
    report *Contraceptive sheaths: a report on the supply in the UK of contraceptive sheaths* (Cmnd 8689, 1982) 5.2-5.3  
    report *Manchester Airport plc: a report on the economic regulation of the airport* (MMC 1, published by CAA, 1987) 2.18  
    report *Portsmouth Water plc: a report on the determination of adjustment factors and infrastructure charges for Portsmouth Water plc* (HMSO, 1995) 10.13, 10.24  
    report *Scottish Hydro-Electric plc: a report on a reference under section 12 of the Electricity Act 1989* (HMSO, 1995) 4.38, 10.24  
    report *South West Water Services Ltd: a report on the determination of adjustment factors and infrastructure charges for South West Water Services Ltd* (HMSO, 1995) 10.13, 10.24  
    terms of reference 1.1, 2.1, 2.4, 2.6, App 1.1
- Monopoly situation  
    complaints by airlines 8.38-8.39, 12.9, 12.33, 12.50, 12.77, 12.127  
    views of airport representative bodies 13.1, 13.22  
    views of CAA 11.57  
    views of community representatives 13.162, 13.165-13.166, 13.172, 13.187, 13.193, 13.203-13.204  
    views of concessionaires 13.43, 13.49, 13.51, 13.63, 13.68  
    views of Enlightened Competition Ltd 13.138-13.147  
    views of local authorities 13.96-13.130  
    views of MMC 2.24, 2.28, 2.142, 2.149
- National Accounts data-see Central Statistical Office
- National Air Traffic Services (NATS), assessment of runway capacity 3.22-3.23
- National Aviation Security Programme 11.82
- National Grid Company, regulation 5.7
- New Earnings Survey, data on weekly earnings 7.25-7.27, 7.31
- Newchapel and Lingfield Campaign Against Aircraft Noise, views 13.187
- Noise  
    complaints by community representatives 13.131-13.132, 13.137, 13.188  
    differential charges  
        accounting policy 12.87, 12.157  
        benefits emphasized 13.108, 13.177, 13.179-13.180, 13.188  
    complaints by airlines 2.75, 12.46  
    views of DOT 11.67-11.68  
    regulation 3.46  
        complaints by airlines 12.32  
        Stansted 11.88-11.89, 13.179-13.180  
    views of BAA 14.99
- Noise Abatement Society, views 13.188
- Norwich Airport-see Airport charges, Stansted
- Nugatory costs-see Assets, valuation, replacement cost
- Off-pier coaching-see Coaching services
- Office of Fair Trading (OFT)  
    review of VAT cash refund services 13.75, 14.117  
    undertakings received from BAA on car park charges 8.25
- Office of National Statistics-see Central Statistical Office
- Office of Telecommunications (OFTEL), functions 13.145
- Office of Water Services (OFWAT)  
    calculation of capital value 10.24  
    forecast of construction prices 10.13
- Ogden Aviation Services 3.5, App 3.4
- One-stop shop principle 13.44, 13.76, 13.81, 14.116-14.117
- Operating costs  
    forecasts 10.9-10.11  
    reduction 2.31
- Operating expenditure-see Operating costs
- Operational activities, definition 2.2, 2.141, 3.33, 8.2
- Passenger information, standards of service 6.74-6.75, 13.130
- Passenger numbers-see Traffic
- Passenger perceptions-see Performance measurement, passenger services surveys
- Performance measurement  
    airline services 6.30-6.60, 7.39-7.41, 8.48-8.49  
    (see also Baggage handling, Catering services, Cleaning services, Coaching services, Delays, Equipment, Freight handling, Ground handling,

- Maintenance, Pier Service, Stand outage)
- passenger services
  - monitoring by staff 6.25-6.29, 8.22
  - surveys 2.35, 2.77, 6.3, 6.6-6.67, 8.22, 11.34, 14.8, 14.82, 14.91, 14.22
  - comparisons between London and overseas 2.35, 6.76-6.83, 11.34, 14.17, 14.50, App 6.4
  - Gatwick 6.15-6.16
  - Heathrow 6.12-6.14
  - Stansted 6.17-6.18
- property 8.57-8.58, 8.66
- use by BAA
  - management action 6.61-6.62
  - planning guidelines 6.63-6.68, App 6.1-App 6.2
- Pharmaceutical Pricing Regulation Scheme 5.3
- Pier service
  - comparisons between airports 6.41
  - quality of structure 14.90-14.91
  - targets set by airlines 6.34
  - targets set by BAA 6.40
  - views of MMC 6.41
  - views of passengers 6.39, 14.91  
(see also Equipment availability)
- Predatory pricing 5.38, 12.36, 12.47
- Price cap
  - bases for formula 5.3
  - history 5.2
  - views of DOT 11.93
  - views of MMC 2.39, 2.131  
(see also Airport charging formula, Dividend regulation, Profit sharing, Rate of return, Yardstick regulation)
- Price elasticity, report prepared for BAA 2.124
- Profit sharing-see Airport charging formula, adjustment factors
- Project management, complaints by airlines 2.36
- Property
  - lettable stock 8.56, 14.103
  - revenue generated 8.53-8.55, 11.48
  - standards of service 8.57-8.58, 8.66  
(see also Rents)
- Public interest
  - definition 3.33-3.35
  - findings of MMC 1.3-1.4, 2.15-2.16, 2.28, 2.39, 2.51-2.53, 2.60, 2.73, 2.84, 2.87, 2.91, 2.106, 2.100, 2.110, 2.112, 2.163
  - reference terms 1.1, 2.1, 2.4, 2.29, 2.33-2.34, 8.1
  - views of airlines 2.36, 5.41, 12.10-2.11, 12.5, 12.55, 12.75, 12.145, 12.157, 12.185
  - views of BAA 14.67-14.31
  - views of community representatives 13.131, 13.133, 13.160, 13.179, 13.198
  - views of concessionaires 13.39, 13.45, 13.49, 13.72
  - views of Enlightened Competition Ltd 13.143
  - views of local authorities 13.93, 13.102-13.103, 13.108, 13.114, 13.117
- Public Services, Tax and Commerce Union, views 13.38
- Quality of service monitors-see Standards of service, passenger surveys
- Queuing times
  - security processing, complaints by airlines 2.36
  - standards set by BAA 2.37, 6.25-6.26, 6.63, 6.65-6.66
  - views of airlines 6.27
- Rate of return
  - basis for calculation
    - cost of debt 4.43-4.44
    - equity beta 4.39-4.40, 4.51
    - equity premium 4.34-4.38, 4.51
    - gearing 4.42, 4.51
    - risk-free rate 4.33, 4.51
    - tax adjustment 4.41
  - calculated by BAA 2.133-2.135, 4.48-4.52, 14.46-14.49
  - criticised by airlines 9.58
  - criticised by Bob Simpson and Richard de Neufville 9.56
  - calculated by CAA 4.10, 9.48, 11.42-11.44, 11.48
- Rate of return-*contd*
  - calculated by MMC 4.31-4.47, 10.26, 10.30-10.32, 10.42-10.43
  - comparisons with other companies 13.138-13.139, 14.45-14.51
  - definition App 4.1
  - financial results of BAA 4.5, 4.8
  - financial results of LAL 4.10, 4.12
  - forecasts 10.17-10.19
  - formula for regulating prices 5.3
  - international regulations 2.24
  - Terminal 5 2.144-2.145
  - views of airlines 12.69, 12.83, 12.150
  - views of BAA 14.19-14.21
  - views of CAA 11.2
  - views of local authorities 13.102
  - views of Manchester Airport 12.192-12.193
  - views of MMC 1.2, 2.31-2.32, 2.58, 2.142-2.143, 2.157, 2.159, 4.10, 4.16, 4.25  
(see also Capital Asset Pricing Model, Cost of capital, Dividend Growth Model)
- Rates, complaints 13.52
- Regression analysis 7.17, App 7.2
- Regulation
  - economic-see Economic regulation
  - other types 3.41-3.47  
(see also Airports Act 1986, Civil Aviation Authority)
- Reigate and Banstead Borough Council, views 3.123
- Rents
  - check-in desks 8.61, 14.107
  - revenue generated 8.31-8.32, 8.72
  - transparency 8.29-8.30, 11.30, 13.70, App 8.2
- Commercially Important Passenger (CIP) facilities 2.80, 8.74-8.77, 12.9, 12.54, 13.200-13.201, 14.131
- comparisons with off-airport 2.81, 8.60, 8.62-8.65, 12.99
- freeze 2.80, 2.82, 2.85, 2.159, 8.73, 10.34, 12.53-12.54, 12.98, 14.101
- ground leases
  - complaints 2.87-2.88, 8.39-8.40, 8.78, 12.97
  - response of BAA 14.108-14.109, 14.111
- increases
  - complaints 1.3, 2.78-2.79, 2.83, 2.87-2.88, 8.78, 12.53-12.54, 12.108, 12.123, 12.144, 12.156, 13.50-13.51
  - cost plus method 13.200, 13.205
  - effects on asset valuation 4.29
  - formula approach 2.82, 2.86, 8.67-8.71, 12.54, 14.105-14.106

- views of BAA 14.100-14.109
- views of MMC 2.84-2.86
- information desks 1.4, 2.108, 2.110, 2.112, 6.75, 8.61, 12.56
- revenue generated 2.80, 8.31-8.32, 8.53-8.55, 10.10
- transparency 8.58-8.59, 14.101
- Retail price index (RPI)
  - related to airport charges 1.2, 2.15-2.16, 2.19
  - related to assets 1.5, 2.152, 2.154, 10.17-10.18, 10.27, 10.30-10.31
  - related to capital expenditure 2.54
  - related to construction costs 4.12-4.13, 9.2, 10.13, 10.15, 11.40
  - related to fuel charges 8.67
  - related to rents 2.80, 8.68
- Retail services
  - central London shop, complaints 2.107, 13.71
  - competing with non-airport retailers 13.71, 13.160, 13.191, 14.123
  - contractual arrangements 4.14, 6.24, 8.23
  - emphasized at expense of traffic facilities
    - complaints 2.108, 2.109-2.111, 6.64, 8.19, 12.28, 12.55-12.56, 12.58, 12.61, 13.104, 13.106, 13.126, 13.150
    - response of BAA 14.124-14.131
  - investment-*see* Capital expenditure
  - number of outlets 8.24
  - prices 8.21
  - profitability 2.149, 13.187
  - space allocation 8.19
  - standards of service 2.102, 6.19-6.24, 8.22 (*see also* Commercial activities)
- Return on capital employed-*see* Rate of return
- Royal Commission on Environmental Pollution, report *Transport* (Cm 2674, 1994) 13.167
- Royal Institution of Chartered Surveyors, *Statement of asset valuation* (No.3, 1995) 4.14
- RPI-X-*see* Airport charging formula
- Runways
  - capacity-*see* Demand
  - maintenance-*see* Maintenance
- Ryanair Ltd (Ryanair)
  - operations at Stansted, contribution to revenue 5.44, App 5.10
  - Stansted
    - incentives to use-*see* Airport charging formula
    - share of passengers 3.17
- Scottish Airports Ltd (SAL) 3.2
- Security standards
  - BAA initiatives 14.10
  - costs
    - earnings of BAA staff 7.28
    - forecasts 10.16
    - recommendations by MMC 2.20
    - transparency 5.26, 7.28, 12.40 (*see also* Airport charging formula)
  - National Aviation Security Programme 11.82
  - queues-*see* Queuing times
  - regulation-*see* Aviation Security Act 1982
- Service level agreements (SLAs)
  - penalties 2.37-2.38, 2.41, 6.70-6.72, 11.35-11.36, 12.5, 12.24, 12.45, 12.76-12.78, 12.87, 12.102, 12.102, 12.142, 12.153-12.154
  - procedure for setting 6.73
  - trial scheme 2.37, 6.69, 12.79, 14.70
  - views of airlines 2.34-2.36, 12.34, 12.45, 12.74-12.80, 12.95, 12.109, 12.120, 12.142, 12.153, 12.181
  - views of BAA 14.68-14.70
  - views of MMC 2.39-2.41
- Servisair plc
  - views 13.85-13.91 (*see also* Ground handling)
- Shares
  - dividend cover-*see* Financial ratios
  - dividend growth-*see* Financial ratios
  - dividend regulation 5.2
  - holdings 3.2-3.3
- Shares-*contd*
  - prices
    - related to assets of LAL 4.27
    - trends since privatization 4.7
  - shareholder attitudes 14.42, 14.62
- Shell UK Limited, views 13.72
- Signage-*see* Passenger information
- Simpson, Bob, views on Terminal 5 9.56
- Single till-*see* Airport charging formula
- Skycare Cargo Ltd (Skycare) 3.5, 8.47, App 3.4
- Slot allocation
  - complaints 2.26, 13.9, 13.22, 13.94, 13.99, 13.103, 13.165
  - regulation 3.45, 11.64
- South East Airports Group 2.63
- South East Airports Ltd (SEAL) 2.6, 4.3 (*see also* London Airports Ltd)
- Space allocation
  - BAA guidelines 6.63, 6.67, 8.19, App 6.3
  - complaints by airlines 6.64, 6.68, 8.19
- Special needs passengers
  - charges-*see* Airport charges
  - information needs 14.130
- Stand allocation
  - complaints by airlines 2.36-2.37, 2.53, 12.110, 12.136
  - response by BAA 2.37, 14.85
- Stand outage, causes and incidence 6.44-6.45
- Standards of service
  - complaints by airlines 1.3, 2.34, 2.108-2.109, 6.63-6.65, 12.31, 12.135, App 6.1-App 6.2
  - complaints by passengers 2.77
  - customer satisfaction 12.104, 12.123, 13.192
  - effects on airport charges-*see* Airport charging formula, related to service standards
  - improvements
    - achieved since 1991 2.33, 2.35, 2.39
    - BAA programme 6.2-6.5, 7.9, App 7.1
  - performance measurement-*see* Performance measurement
  - service level agreements-*see* Service level agreements
- Stansted Airport Ltd (Stansted)
  - charges-*see* Airport charges, Airport charging formula
  - expansion 11.87, 13.105, 13.181
  - financial results 4.17-4.23, App 4.7, App 5.9
  - profitability 2.70-2.73, 2.149, 4.17-4.23
  - revenue from Ryanair 5.44, App 5.10
  - forecasts App 10.5
  - noise-*see* Noise

- passenger numbers 2.9-2.10, 14.27, App 10.5
- regulation-*see* Economic regulation, Regulation
- undertakings to EC 2.71
- (*see also* London airports, London Airports Ltd)
- Substitutability 2.142
- Swissair Transport Company Ltd 8.42
  
- Tandridge District Council, views 13.125
- Terminal 5
  - costs 9.37, 9.40-9.48
    - appraisal 9.45, 9.47
    - compared with overseas projects 9.44
  - effects on airport charges 2.3, 2.15, 2.119, 2.162, 12.8, 12.59, 12.88, 12.116
  - effects on gearing 4.42
- Terminal 5-*contd*
  - effects on profitability 14.33-14.35, 14.42
  - financing 12.89, 12.129, 12.152, 13.142, 13.144, 13.147
  - need for development 2.11, 9.32-9.34
  - occupancy 9.38-9.39, 11.32-11.33
  - phasing of development 9.37
  - plan 9.35-9.36
    - views of airlines 12.22, 12.37, 12.60
    - views of airport representative bodies 12.194, 13.11
    - views of Bob Simpson and Richard de Neufville 9.56
    - views of CAA 11.5, 11.21-11.22
    - views of community groups 13.149, 13.151-3.152, 13.175, 13.184, 13.190, 13.197
    - views of DOT 11.95
    - views of Enlightened Competition Ltd 13.142
    - views of trade unions 13.28, 13.31
  - rate of return-*see* Rate of return
  - standard of construction 11.33
- Terminal facilities
  - capacity-*see* Demand
  - competitive tendering 2.29
  - complaints by airlines 12.91
    - Gatwick 2.56
    - response of BAA 2.56
  - costs of immigration checks 2.56, 11.80, 12.38
  - Heathrow Central Terminal Area
    - costs 2.62
    - planning 2.63
  - separate ownership 2.29
  - Stansted 4.4
  - (*see also* Capital expenditure, Terminal 5)
- Thomas Cook Group, ticket sales concession 13.66, 13.68
- Ticket sale arrangements
  - complaints by licensee 2.104, 13.65-13.68
  - response of BAA 2.105, 14.118
  - views of Gatwick AOC 12.159
  - views of MMC 2.106, 2.112
- Tie Rack plc, views 13.73
- TNT Express (UK) Ltd, relations with Stansted 12.184
- Tour operators, restrictions on access 2.101, 13.69-13.70, 14.120
- Town and Country Planning Act 1990 11.63
- Trade unions, views 13.25-13.38
- Traffic
  - comparisons between airports 3.12-3.13
  - competition between airports 2.12
  - distribution rules
    - definition 3.44
    - effects of removal 2.10, 2.12, 2.26, 2.31, 2.54, 2.70, 2.80, 3.8, 4.20, 6.41, 7.19, 9.3, 9.30, 10.7, 12.125, 13.5, 13.201, 14.16
    - forecasts 2.117, 2.140, 9.30, 10.4-10.7, 12.19, 13.133m 13.173, 14.24-14.27
    - (*see also* Airport charging formula, adjustment factors)
  - Traffic facilities-*see* Airport facilities, non-commercial
  - Trans World Airlines Inc, views 12.122-12.123
  - Transfer baggage-*see* Baggage handling systems
  - Transparency
    - charges
      - airport 12.51, 13.140, 8.29-8.30, 11.29-11.30
      - (*see also* Security standards)
      - non-regulated 8.29-8.30, 11.29-11.30
  - Transparency, charges-*contd*
    - (*see also* Airside licences, Fuel supply charges, Rents, Utility charges)
    - EC principles 11.72, 12.13, 12.25
    - improvements 2.33, 2.65-2.65, 12.166
    - undertakings by BAA 2.78, 8.29-8.30, 8.33, 11.29-11.30
    - views of airlines 12.13, 12.25-12.26, 12.40, 12.51, 12.166, 12.175, 12.180
  - Transport
    - access to airports 11.79, 13.104, 13.127-13.130, 13.136, 13.159
    - public, charges to operators 13.20-13.21, 13.107, App 8.2
  - Transport and General Workers Union, views 13.30-13.37
  - Treaty of Rome Article 86 12.182, App 5.8
  
  - Unijet Group plc, views 12.124
  - United States, regulation system 5.2
  - US/UK Air Service Agreement 1977 2.12, 2.68-2.69, 3.16, 3.40, 5.35, 8.11-8.13, 11.7, 11.70, 11.73-11.74, 12.7, 12.11-12.12, 12.188, App 3.6
  - (*see also* Economic regulation, international)
  - Utilities
    - asset valuation 2.152-2.153, 14.58
    - difference from BAA 14.2-14.5, 14.19
    - financial results, comparison with BAA 4.8
    - London Electricity plc, distribution agreements with BAA 4.6, 7.36, 198.2
    - regulation 4.25, 4.31, 5.2-5.3, 5.18, 13.145
    - water companies 5.11, 10.24
  - Utility charges
    - airport users 2.80, 8.32, 8.35, 13.53, 13.70
    - expenditure by BAA 10.10
    - transparency 8.29-8.30, App 8.2
  
  - VAT cash refund services
    - complaints by concessionaires 1.102, 13.40-13.49, 13.74-13.81
    - response of BAA 14.116-14.117
    - complaints by non-airport retailers 13.71
  - VATBACK
    - views 13.74-13.81
    - (*see also* VAT cash refund services)
  - Viehoff, I, *Evaluating RPI-X* (NERA Topics 17, 1995) 5.3
  - Virgin Atlantic Airways Ltd, views 12.125-12.132

VIVAT plc 13.41, 13.49

Wakeman Trower Index-*see* WT Partnership Index

Wardlow, Andrew *Investment appraisal criteria and the impact of low inflation* (Bank of England Quarterly Bulletin, August 1994) 4.34, 14.37

West Sussex District Council, views 13.126

Windsor and Eton Society, views 13.189

Woking Borough Council, views 13.127

WT Partnership Index

construction cost forecasts 2.31, 2.153, 4.12, 4.28,  
9.2-9.3, 9.45-9.46, 10.13, 10.21, 10.25, 11.40,  
14.35

(*see also* Construction costs)

Yardsticks

means of regulating price cap 5.3

set for BAA 11.57-11.59