

Surface Access to Airports - Update

What this paper is about

The CAA has recently undertaken a consultation on issues affecting passengers' access to UK airports. The Secretariat's paper gives an overview of the CAA's consultation.

Points for Discussion

- Delegates are asked to report on any issues raised by their ACC or their airport in response to the CAA's consultation to help identify whether there are any common themes across member ACCs.

Possible Action

Dependent on issues raised at the meeting.

Surface Access to Airports

1. The CAA issued a consultation “CAP 1364 - Consultation on issues affecting passengers' access to UK airports: A review of surface access at UK airports” in March 2016.¹ The deadline for responses was 22 April. The review focussed primarily on road and forecourt access. Two key topics involved understanding the market structure for surface access, in particular how competitive conditions for road and forecourt access at individual airports affect outcomes for consumers. This includes interactions between airport operators and surface transport providers such as independent car parking operators, taxi/minicab operators, bus operators and car hire operators. The second topic is transparency in terms of the extent to which consumers are well informed about the options they have to access UK airports and the charges they face. This includes how surface access products are distributed.

2. The CAA has stated ‘Surface access to UK airports can account for a sizeable proportion of the cost of any air journey and forms a significant part of the aviation value chain. The CAA is reviewing this element of airport operations in order to better understand how effectively it is operating and serving the interests of consumers.’

3. The CAA has explained that it is conducting this review in part at least in fulfilment of a commitment it gave in response to a submission it received from the Independent Airport Parking Association relating to the CAA’s review of Heathrow and Gatwick. It is also undertaking it, under its competition powers, to consider whether airports are abusing ‘their dominant position in an upstream facilities market by adversely affecting competition in downstream markets e.g. by protecting their own road access products from competition or by extracting higher commission from third party operators that have access to facilities at the airport.

4. The CAA has also noted ‘passenger interest in the ‘hidden costs’ of using airports’ saying that it has received some complaints that passengers are not aware of various costs of accessing airports, such as drop-off fees, car parking costs etc.. As part of this, the CAA’s consultation covers how parking products are distributed on- line.

5. The CAA has specifically asked for information about the surface access needs of vulnerable and disadvantaged consumers.

6. Finally, the CAA has been advised by its Consumer Panel that there may be an issue that inbound (foreign) passengers, infrequent flyers and less engaged consumers, including those without easy access to the internet, ‘may be unduly disadvantaged by a lack of information’.

7. The CAA has, apparently already undertaken parts of its review prior to embarking on this consultation exercise. This has taken the form of consultation with ‘some key stakeholders’ which are stated to include airport operators, *consumer organisations*, and representatives of independent surface access operators. It is very disappointing to find that the key consumer groups listed as having been consulted are Transport Focus, London TravelWatch and Which?. Neither UKACC, nor the individual Airport Consultative Committees were consulted at this initial stage, but initial stage conclusions have been reached, which this consultation exercise wants to confirm, amend or reject.

CAA’s Initial Views

8. The CAA’s initial views are that, ‘in general, the sector appears to be a dynamic one, with a variety of parties active in providing surface access services of different types to consumers. These different modes, to a varying extent, compete with each other.’ The CAA concludes that the choice varies from airport to airport, with, not surprisingly, more choice at larger airports than smaller ones. The CAA finds that a key driver of passenger choice is the time it takes to get to airports and the cost. It thus concludes that consumers are actively engaged in this aspect of the market.

¹ <http://publicapps.caa.co.uk/modalapplication.aspx?appid=11&mode=detail&id=7186>

However, it also concludes that 'there is some evidence that passengers are not always able to find the best service at the best cost that suits their needs. Also, some categories of passengers may not be in a position to make fully informed decisions.

9. The CAA has identified that there are some aspects of surface access provision where airports control 'a large proportion of the required facilities needed to run surface access operations'. They control the forecourt and often the land suitable for car parks. They also provide some services directly to passengers, sometimes in competition with independent operators. Crucially the CAA acknowledges that surface access is one of the few areas where airports have a direct commercial relationship with passengers and that surface access revenues are an important part of the airport operators overall revenue. The CAA notes that these revenues 'may help keeping airport charges (paid by airlines) low, potentially boosting the connectivity at the airport and, depending on the extent to which reductions in airport charges are passed on to passengers, lower passenger air fares. Depending on the strength of this mechanism, it may be that passengers may or may not be indifferent on whether they pay for airport services through their airfare or through the price of their surface access products.'

10. It is clear from the CAA's initial findings that there is scope for passengers, particularly infrequent travellers and inbound (foreign) passengers, to find that they have bought more expensive options being unaware that cheaper options exist. The CAA refers to these cheaper options as 'the unknown unknowns'.

Issues for consideration

• Public transport versus car parking

11. The CAA has noted that 'airport operators may see increased use of public transport as a threat to their own car parking revenues. At some airports, the operator does control and charge for access to the bus station, which is a facility that provides both access to the airport and, as a wider local transport hub, to the railway station and other local and long distances bus and coach services. Its role as a public transport hub was recognised as part of the airport's planning consent. Financial support is provided by some airport operators to widen the range of local bus services. At some airports, there is a tendering process for the provision of coach services between the airport and the city.

• Information about onward travel options

12. There may be issues as to whether inbound passengers (foreign and domestic) are fully aware of the range of bus services operating, particularly to London. It may be that some airlines have commercial arrangements to promote a particular service, which may or may not be the best service to meet the needs of individual passengers.

13. Rail ticket prices in the UK are complicated. Information as to the best option for individual passengers, particularly those whose first language is not English, is difficult to communicate and, therefore, there is scope for passengers to be sold an easy and perhaps not the best value option. Many fares are regulated as part of wider UK transport policy. Information as to what is available and avoiding passengers being sold tickets before they have the opportunity to find out what is available to them is a key issue.

• Car parking

14. Car parking at airports continues to be an issue for consumer concern – particularly pricing. The concept of free set down and pick up also gives rise to concern. In some cases, the facility is heavily used and airports have been faced with the problem of managing demand and whether to introduce a charge.

• Taxis and minicabs

15. At some airports, there is a single minicab operator providing pre-booked 'taxi' services from the airport forecourt. The provision of this service is put out to tender periodically. Passengers can arrange for their own minicab operator to collect them. There is no hackney carriage service with a taxi rank operating at the airport. It is argued that this arrangement ensures higher quality

provision at prices known to passengers before the journey begins. Most of the time, under the terms of the contract, it also ensures that there are cars available to all potential users.

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