STATUTORY INSTRUMENTS

1986 No. 1543

CIVIL AVIATION

The Economic Regulation of Airports (Expenses of the Monopolies and Mergers Commission) Regulations 1986

Made - - -	4*th September* 1986
Laid before Parliament	10*th September* 1986
Coming into Operation	1*st October* 1986

The Secretary of State for Transport, in exercise of the powers conferred on him by section 47 of the Airports Act 1986(a), and of all other powers enabling him in that behalf, hereby makes the following Regulations:—

Citation, commencement and interpretation

1. These Regulations may be cited as the Economic Regulation of Airports (Expenses of the Monopolies and Mergers Commission) Regulations 1986 and shall come into operation on 1st October 1986.

2. In these Regulations

"the Act" means the Airports Act 1986;

"airport operator" means the person having the management of an airport in respect of which a permission under Part IV of the Act is in force;

"annual turnover" has the same meaning as in section 14(2) of the Act;

"the CAA" means the Civil Aviation Authority;

"the Commission" means the Monopolies and Mergers Commission;

"relevant sum" in relation to an airport operator means an amount equal to 0.2% of the annual turnover of the business carried on at an airport by that airport operator as shown in the last accounts prepared by the airport operator.

Statement by the Commission of expenses

3.—(1) The Commission shall prepare an annual statement containing an assessment of the expenses incurred by it during the period of twelve months preceding 1st April in each year in carrying out investigations, and reporting, on references made to it under section 43 of the Act, other than a reference made under section 43(1) which relates to the first period of five years for which any such conditions as are mentioned in section 40(3) of the Act are to be in force in relation to a particular airport.

(a) 1986 c.31; the date appointed for the coming into force of section 47 is 1st October 1986 (S.I. 1986/1487).

(2) The statement prepared in pursuance of paragraph (1) of this regulation shall be in the form prescribed in the Schedule to these regulations and shall, in relation to each reference in respect of which expenses were incurred by the Commission during the period to which the statement relates, contain the information specified in columns 1 to 4 of the Schedule.

(3) The Commission shall send a copy of the statement prepared by it in pursuance of paragraph (1) of this regulation to the CAA.

Liability of airport operators to charges

4.—(1) Subject to paragraph (2) of this regulation, an airport operator shall be liable to a charge in respect of each reference made in relation to the airport of which he is the operator of an amount equal to the assessment of the expenses specified in a statement prepared by the Commission in pursuance of regulation 3(1) as having been incurred by it in relation to that reference.

(2) The aggregate amount of any charges to which an airport operator is liable pursuant to paragraph (1) of this regulation in respect of each period to which a statement relates shall not exceed the relevant sum in relation to that airport operator.

5.—(1) Where the aggregate amount of the assessment of expenses specified in a statement prepared by the Commission in pursuance of regulation 3(1) exceeds the aggregate amount of the charges to which airport operators are liable in pursuance of regulation 4, each airport operator of an airport in respect of which a permission under Part IV of the Act has been in force at any time during the year to which the statement relates, other than an airport operator whose liability to a charge pursuant to regulation 4 exceeds the relevant sum in relation to that operator, shall subject to paragraph (2) of this regulation, be liable to a charge of an amount calculated in accordance with regulation 6.

(2) The amount of any charge to which an airport operator is liable pursuant to paragraph (1) of this regulation in respect of each period to which a statement relates shall not exceed the relevant sum in relation to that airport operator less the aggregate amount of any charges to which the airport operator is liable in pursuance of regulation 4 in respect of the same period.

6. The charge to which an airport operator is liable in pursuance of regulation 5 shall be an amount equal to Z when Z is calculated according to the following formula:

$$Z = X \times Y$$

where X is the amount by which the aggregate amount of the assessment of expenses specified in the statement prepared by the Commission in pursuance of regulation 3(1) exceeds the aggregate amount of the charges to which airport operators are liable in pursuance of the provisions of regulation 4,

and Y is the proportion which the annual turnover of the airport operator bears to the aggregate annual turnovers of the airport operators who are liable to a charge in pursuance of regulation 5.

Caithness,
Parliamentary Under Secretary of State,
Department of Transport.

Signed by authority of
the Secretary of State.
4th September 1986.

SCHEDULE Regulation 3(2)

FORM OF STATEMENT PREPARED PURSUANT TO REGULATION 3(1)

STATEMENT BY THE MONOPOLIES AND MERGERS COMMISSION OF AN ASSESSMENT OF THE EXPENSES INCURRED BY IT IN CARRYING OUT INVESTIGATIONS, AND REPORTING, ON REFERENCES MADE UNDER THE AIRPORTS ACT 1986.

In this statement the "relevant period" means the period of 12 months ending with 31st March 19 .

Column 1	Column 2	Column 3	Column 4
Date of making of reference in respect of which expenses were incurred during the relevant period	Name of airport to which reference relates	Date of report if reference completed during the relevant period	Assessment of expenses incurred during the relevant period in relation to each reference

EXPLANATORY NOTE

(This Note is not part of the Regulations.)

Part IV of the Airports Act 1986 ("the Act") provides that certain airports shall be subject to economic regulation and that no airport charges may be levied at such an airport except by the airport operator to whom a permission to do so in respect of that airport has been granted. It also provides for the Civil Aviation Authority ("CAA") to impose conditions in relation to an airport in respect of which such a permission has been granted. In certain circumstances, before imposing such conditions, the CAA is required to make a reference to the Monopolies and Mergers Commission ("the Commission"). These regulations make provision for charges to be paid by airport operators in respect of the Commission's expenses. They provide for the Commission to prepare an annual statement, in the form prescribed in the Schedule to the Regulations, containing an assessment of the expenses incurred by it during the twelve month period preceding 1st April in each year in carrying out investigations, and reporting on, certain references made to it by the CAA (regulation 3). An airport operator is liable to a charge in respect of each reference made in relation to the airport of which he is the operator of the amount of the expenses specified by the Commission as having been incurred by it in relation to that reference subject to a limit on the amount of the charges of 0.2% of the operators annual turnover (regulation 4). Where the aggregate amount of the Commission's expenses exceeds the aggregate amount of charges to which operators are liable under regulation 4, the operator of every airport in respect of which a permission under Part IV of the Act has been in force during the year to which the Commission's statement of expenses relates is liable to a charge in respect of that excess, the proportion of the excess to which he is liable to be weighted according to the turnover of the airports concerned subject to a limit of 0.2% of his annual turnover (regulations 5 and 6).

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