

Dear Sirs

**Economic Regulations of LGW (CAP 1029)**

We have reviewed the contracts of CAP 1029 and would like to submit the following comments for your consideration.

The recent announcement by Flybe of their withdrawal from London Gatwick citing the expense and biased nature of the charging policy offers the most compelling evidence that current regulation is not working for Operators of smaller regional aircraft.

While we support the broad framework for the economic regulation of London Gatwick, we re very disappointed that once gain the Regulatory Policy Groups have failed to recommend policies that will ensure that the interests of regional carriers and their passengers will be protected. In many cases regional carriers provide Economic and Social "lifelines" to the communities that they serve. Many regional (in our case 30%) airline's customers transfer to other airline's services.

Having been priced out of London Heathrow some years ago, Gatwick became the preferred gateway to the London market for Channel Island's operators. It also makes the most sense from an environmental point of view as it offers the shortest sector length.

With regard to the future regulation of Gatwick, our request is simple:

***Please include in the regulation an effective mechanism that will halt the discriminatory pricing against operators of smaller aircraft and ensure that the total cost per passenger remains aligned with current charges and gets no worse over the Q6 period.***

Failure to do so will inevitably lead to the exclusion of regional airlines from Gatwick on economic grounds within Q6.

We and the travelling public of the Channel Islands and other UK regions hope that you will be able to accommodate this request and include on appropriate mechanism within the final regulatory framework for Gatwick.

Yours sincerely

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