

BRITISH BROADCASTING CORPORATION

RADIO 4

TRANSCRIPT OF "FILE ON 4 SPECIAL" - "A TERMINAL FAILURE"

CURRENT AFFAIRS GROUP

TRANSMISSION: Tuesday 29 April 2008 2000 - 2040

REPEAT: Sunday 4 May 2008 1700 - 1740

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PROGRAMME NUMBER: 08VQ4260LH0

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“FILE ON 4”

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Reporter: Julian O'Halloran

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ACTUALITY WITH BRITISH AIRWAYS WORKER

B.A MANAGER: Welcome. You're here at British Airways' brand new home, Terminal 5. Over to our right, some fantastic views. We're 40 metres up, we can see Windsor Castle, and we'll walk straight across one of four bridges into our new home.

O'HALLORAN: At Heathrow's gigantic new passenger terminal, a British Airways manager does his best to sell it as a success story.

B.A MANAGER: When you look into this space that we've just walked into, it's triple-heighted. We don't get this sense of being in an enclosed space. What's great about Terminal 5, it's been built to make a calm customer experience.

O'HALLORAN: But tranquility was not the prevailing mood back on Terminal 5's opening day on March 27th - as the baggage system failed, a cascade of cancellations developed and passengers went ballistic. British Airways was the immediate target of customer fury. But was it all just bad luck or was poor planning

JIM: It was about an hour or so after we first started that the belts started to fail. And then of course we've then got the issues that the passengers can't put their bags onto the belts and therefore we can't check them in, and then it means that aircraft are going to leave then without people's bags.

O'HALLORAN: How were the passengers reacting when you couldn't process their bags?

JIM: Well, there were people asking us how long it was going to be, how long it was going to be to fix the problem. We couldn't give them any answers. And then later on, during the day, the flight delays started, people were asking us how long it would be before they got on the aircraft. We couldn't tell them that. We didn't have the information because we didn't know what the problems were. That's when people started to get really aggressive. There was a lot of verbal abuse and one of my colleagues was spat at by a passenger.

O'HALLORAN: An angry passenger spat at a passenger service agent?

JIM: That's right, yes. Two desks up from where I was, that young lady was spat at.

O'HALLORAN: Kevin Flood was another passenger booked to fly to Turkey on a business trip. He checked in his baggage, but by the time he reached his departure gate, he had become uneasy about the fate of the luggage.

FLOOD: We couldn't see any of the little baggage trucks going to any of the planes on the row of gates that we were on at all, which was obviously a bit of a concern. We boarded the plane, pulled away from the gate, all normal, and then the Captain actually stated that, you know, we're off to Istanbul now, sorry about being late, etc, and be assured that all baggage is loaded. So we didn't think anything of it, the guy says the baggage is on, so as far as we were concerned it was on. It was all normal until we got to Istanbul really. We were standing at the baggage reclaim and there was three rucksacks going round on the

FLOOD: rotunda, which may have been from our plane or might have been from the previous plane for all I know. And after about ten minutes somebody from the ground handling company came over and said there was no baggage. They told us that they were desperately trying to contact BA in London and there was no phones being answered. People were pretty exasperated, to be honest, and there was quite a lot of anger.

O'HALLORAN: He spent the best part of a week in Istanbul without his luggage. It was delivered back to his home in England a few days after he had returned. British Airways says the pilot of that flight can't believe he would have mentioned the baggage. They say if he said anything at all, it would have been, "We are waiting for some more bags and hope to be on our way soon." They say he was so concerned about the lack of bags that he spoke to the operations centre during the flight, so that he could help manage the inevitable customer unhappiness on landing at Istanbul. In the meantime, British Airways shares have taken a hammering. And Terminal 5 will be half empty for some time to come. The move of many more British Airways flights, which were due to be switched there this week, is now likely to be phased between June and October. So Terminal 5 is still a long way from being tested at full capacity.

ACTUALITY AT BA CHECK-IN DESK AT TERMINAL 5

CHECK-IN STAFF: I just need to ask you security questions. No one's interfered with your bag since you packed it?

PASSENGER: No.

CHECK-IN STAFF: No one's asked you to take anything on board you're not aware of?

PASSENGER: No.

O'HALLORAN: At the heart of the failure was the baggage system. But both British Airways and BAA refused our requests to see the automated subterranean network of baggage belts which had been unable to cope. However a trade union leader at Heathrow, Mick Rix of the GMB, believes there was not enough testing of the baggage system under realistic conditions.

RIX: I have been told that British Airways have severe reservations about the software that's being used on the baggage handling system. Senior executives believed that the British Airports Authority, that owned the baggage system ...

O'HALLORAN: BAA?

RIX: Yes. That they did test the system to full capacity. They found out later that the software problems were such that if the system had been tested correctly and for long periods of use, then those problems would have been spotted a lot earlier.

O'HALLORAN: Surely British Airways would be in a perfect position to know if that hadn't happened, because it's their staff, after all, who put the baggage on and off at either end?

RIX: I think what people need to understand is that staff from British Airways did not transfer to that terminal until the day of operation, so the testing would have, in the main, been carried out by the British Airports Authority, BAA.

O'HALLORAN: You feel confident about that, do you?

RIX: I feel very confident about that.

O'HALLORAN: File on 4 has also been told that things began to go wrong when British Airways baggage handlers tried to get into car parks at

O'HALLORAN cont: Terminal 5. Those car parks are run by the airport operator BAA. Mick Rix says things began to unravel in the very early hours as the first British Airways staff arrived.

RIX: There was horrendous problems trying to get in, There are senior executives of British Airways whose own passes didn't allow them to go onto T5 that day. The car parks did not work correctly, and if you go to Terminal 5 at the moment, the car park barriers for passengers are being manually operated.

Then, when you are inside the car parks, some of the lifts have not been completed, so there is only about 50% capacity of lift operation that is taking place, so passengers are having to queue to get into the lifts. Again some of the lifts inside the airport, they're not operational. The fixtures and fittings inside Terminal 5 have not been completed. The toilets in the lounges continuously flooded, then the water that was coming out of the toilets were going into levels below, which were going over the customer servicing desks and things like that.

O'HALLORAN: Where some of your members are working?

RIX: And where some of our members were working and also where passengers were queuing.

O'HALLORAN: For months before Terminal 5 opened, volunteers had been brought in to act as passengers during test runs. Sue Knight, a teacher from Hillingdon, was among about 250 people who rehearsed departure, arrival and transfer about two weeks before the opening day. She says all did not go exactly according to plan.

KNIGHT: We had to pretend that we had arrived from Manchester and then we were transferring for a flight to America. The place we were going to was the transfer bus service, which was going to take us to where we needed to be.

O'HALLORAN: So notionally transferring you to another terminal?

KNIGHT: I guess so. We were waiting inside the airport at some glass door that wouldn't open, in quite a small area, and there were two members of staff that we were asking what's happening, why are we waiting, when's the bus coming, how often? And they said they were supposed to come every five minutes.. But in an hour nothing came. There was nowhere to sit, just standing there waiting.

O'HALLORAN: What happened after the hour?

KNIGHT: Then a bus came, but of course the timing, we had missed the flight that we were supposed to have got. After that we went back to the assembly point and that's when we were talking to other people that were taking part in different trials. And one lady I was talking to had been on the trial where she was given luggage to book in and they hadn't got it back, they hadn't got their suitcases back at that point.

O'HALLORAN: So even at that stage – whether it was part of the plan or not – bags were going missing?

KNIGHT: Yes.

O'HALLORAN: She and the other guinea pigs filled in feedback forms listing the failures. However, one independent expert questions the value of doing dummy runs with only a few hundred people. Peter Morris, chief economist at the international aviation consultancy ASCEND, believes the Terminal 5 trials were on too small a scale.

MORRIS: The need was to actually test the whole process all the way through in really quite an expensive dry run, to have 10,000 or so people and the staff on the day to actually do a complete dress rehearsal. It would have been expensive but I think it would have been cheap if you look at it in retrospect now. It's being wise after the event but I think if you look how you could have actually tested it to the extreme, you would have to do some fairly brutal things to it to really find out what the limits of the system were.

O'HALLORAN: And when you talk about testing, you're talking about the systems, the operation?

MORRIS: You're talking about everything really. I mean, you are talking about the staff getting to their car park, having the right passes, being briefed as to where their locations would be. Any one of these factors can have a snowball effect on the overall operation.

O'HALLORAN: The Heathrow Airport operator, BAA, insists it never once considered postponing the opening day. And its director of corporate affairs, Tom Kelly, claims that BAA has since moved swiftly to put things right. How many features of your infrastructure went wrong at Terminal 5? Car parks, lifts, toilets, the baggage system – those things at least weren't working properly at the beginning, were they?

KELLY: There there were a number of specific problems in specific areas, some of them were our responsibility, some of them were BA's responsibility. Many of them were at the interface of the two companies.

O'HALLORAN: What do you make of a point made by a union official at Heathrow who says the faults in the baggage system are proof that not nearly enough pre-testing was done and not for long enough either by BAA?

KELLY: Well, we did 18 months of pre-testing. We had the services of some 17,000 volunteers; we processed literally thousands of bags. Now what that doesn't do is test the system when it goes live. And when it goes live, if you have many of the issues, particularly interface issues, which become much more acute than they do in a trial situation.

O'HALLORAN: What's the maximum number of people you had in Terminal 5 on a trial day?

KELLY: Well overall we had literally on any one day hundreds of people, so we did test the system.

O'HALLORAN: But one expert has told us that, however expensive it would have been, you should have had more than even a few hundred, you should have had many thousands to properly test the building and its capacity to work under something like real conditions.

KELLY: Well, we had large numbers of people. I'm afraid it is one of those situations where it's easy to be wise with hindsight. We fully recognise both the scale of the problems that we faced and that it put passengers at considerable inconvenience. We haven't in any way at any point tried to deny that.

O'HALLORAN: BAA was formerly a public body – the British Airports Authority – but it was privatised in 1987 by the Thatcher Government. Two years ago BAA was taken over by new owners headed by the Spanish construction group, Ferrovial. BAA is regulated by the Civil Aviation Authority. Harry Bush, the head of economic regulation at the authority, says it is now vital to get the results of an inquest into what went wrong at Terminal 5.

BUSH: There needs to be better working between the airport and the relevant airlines, and we have said very clearly to both BAA and BA that we want to see a lessons learned exercise conducted very quickly, because the next stage of modernisation at Heathrow is going to require a lot of airline moves between the different terminals at the east end of the airport. We want to make sure the same mess-up doesn't occur there.

O'HALLORAN: So you haven't taken a view yet on whether they did enough familiarisation, enough training and all that?

BUSH: That will come out of the lessons learned exercise, because you're absolutely right, maybe it's familiarisation, maybe it's training of staff, maybe it's having more in-depth processes there, maybe there are some issues around the use of new information technology. There may be a whole range of issues, but the lessons have got to be learned for the other moves that will take place in Heathrow.

O'HALLORAN: The events at Terminal 5 have focused new, and no doubt unwelcome, attention on BAA, which operates seven airports in Britain, including Heathrow and Gatwick. While air passenger numbers have grown hugely in the last twenty years, the airports have not. As a result, Heathrow operates at full tilt virtually all the time, and any delay can send shock waves through the flight schedules.

ACTUALITY AT HEATHROW AIRPORT

O'HALLORAN: To show us the pressures on individual airlines, American Airlines gave us access to their operations at Heathrow's Terminal 3.

ACTUALITY AT HEATHROW AIRPORT

O'HALLORAN: Their managing director of customer services in Europe, Don Langford, wasted no time in delivering his verdict on the airport.

LANGFORD: Heathrow is trying to put ten pounds of sugar in a five pound bag right now. It's not just bursting at the seams, I think its seams have burst. I would have to say that Heathrow is in many ways the worst of all the airports that my company flies to in Europe.

O'HALLORAN: Worse than any other you can think of in Europe?

LANGFORD: I'd have to say by a lot of metric that Heathrow is less popular with our customers and that the level of service that we're able to provide is miserably worse, I'd say, in many ways, yes.

O'HALLORAN: Now your airline operates out of Terminal 3. What are the problems, as you assess them, there?

LANGFORD: Terminal 3 I think is a bit of a dump, it has suffered from a lack of investment over quite a period of time. It's not a very pleasant place for our customers to go and for our employees to work.

O'HALLORAN: Heathrow Airport is a hub airport. About a third of passengers landing there are connecting to other destinations in Europe - or trying to. The Department for Transport last year suggested satisfaction with the connection process at Heathrow had dropped to around 44%. American Airlines, which brings in many of the connecting passengers, is also deeply dissatisfied, says Don Langford.

LANGFORD: The baggage infrastructure at Heathrow is in dire need of a significant overhaul. The issue that we have is the connection of baggage between terminals and that process is quite convoluted and labour intensive and very slow.

O'HALLORAN: You mean there are too many points where things can go wrong or it just takes a very long time?

LANGFORD: It does both those things. The rate of the bags that don't travel with the customer on their original flight is quite significant at Heathrow as compared to other airports in Europe or in the United States. In one of our biggest connecting hubs in Chicago, for example, where we have hundreds of flights a day going to hundreds of destinations around the world, that we would delay I would say roughly five bags per thousand customers. Whereas at Heathrow, that number is in the high teens, and if you looked at transfers between the terminals, I'd say the number would be two or three times that. So the chances of somebody's bag not making it with them on their flight, if they connect within the terminals at Heathrow, is significantly higher.

O'HALLORAN: But are you suggesting this is really down to a lack of investment by BAA?

LANGFORD: Absolutely.

O'HALLORAN: In recent years the shopping areas at BAA's airports have expanded hugely.

ACTUALITY IN SHOPPING AREA, HEATHROW

O'HALLORAN: But Don Langford argues that in Terminal 3, while the shopping zone is cheerful, bright and extensive, much of the rest the terminal is the opposite.

LANGFORD: We've just left the shopping area and it was fantastically smart, and you leave the shopping area, you make a right turn and you are in an area that has no ceiling. You are in an area that has lights dangling down.

O'HALLORAN: Have you any idea how long this area here has been missing its ceiling, which it appears to be for a distance of some one or two hundred metres?

LANGFORD: I know it has been months, because I've been walking down this facility and it's been this way for a long time.

O'HALLORAN: It's been like this for months?

LANGFORD: Oh yes.

O'HALLORAN: With all these wires here exposed? Right here I can actually touch them with my hands.

LANGFORD: Exactly. It's been this way for a significant period of time.

O'HALLORAN: And what impact does that have on passengers?

LANGFORD: When our customers use the facilities here, they are going on a trip on American Airlines, and they relate all of their experiences with us. So now they're going on to the departure gate, and you can see here we're on our way down to the departure gate right now and it's not a very good environment. The sign behind us is held up by some wires, there's gaffer tape over the sign, you know. You ask the question, what do you think of Heathrow, and they say it's shabby.

O'HALLORAN: But of course buildings do have to be maintained in an ongoing way, don't they? I mean, something like this will have to happen some time.

LANGFORD: I won't argue with that. I won't argue with the fact that refurbishment needs to be done. It's a matter of degree. I think too much time and too much energy is spent on non operational matters and those of us who actually use the airport as an airport find ourselves suffering from the lack of investment and the lack of attention to the areas that our customers use.

O'HALLORAN: Tom Kelly of airports operator BAA insists it is working to improve connections between terminals at Heathrow. But he says the basic problem is that the airport is working at maximum capacity and is overcrowded.

KELLY: This is an airport which was designed for something like 45 million passengers. We have now got 68 million passengers. We are investing over the next five years £4 billion in transforming Heathrow. Does that mean that we recognise that the existing infrastructure is not as good as it needs to be to deal with that number of passengers? Precisely. But equally, you've got to recognise that if you are going to invest that kind of money it takes time to put things right.

O'HALLORAN: Do you accept that baggage going missing between terminals at Heathrow is in the high teens per thousand, and that is a very unfavourable rate compared with, for instance, Chicago where we're told it's around five per thousand?

KELLY: Well, these are issues which we're addressing and that is precisely part of the goal of having the baggage system we have at Terminal 5.

O'HALLORAN: I was in Terminal 3 recently and walked along about 200 metres where there was no roofing, you could see all the electric cables with dusty lagging, and the whole impression was quite appalling.

KELLY: What I don't know, because I wasn't there, is what work was going on in that terminal at the time. And inevitably, and you see this around our terminals at the moment, you have to work on areas while the building work goes on. That is part of the price of taking Heathrow from being an out of date airport to be a modern building.

O'HALLORAN: But it got run down on BAA's watch over a period of twenty years, didn't it? So you can't really wash your hands of it completely.

KELLY: And if you have a regulatory framework in which the incentives are designed to reduced airfares rather than invest in the infrastructure, that is the result that you have.

ACTUALITY OF BRIEFING MEETING AT AMERICAN AIRLINES

MAN: Right, so good morning everybody. Weather forecast is pretty dull and wet. We're expecting some sunny spells later. We're just ten minutes now till flight 98 from Chicago

O'HALLORAN: At a morning briefing, American Airlines managers hear about a recurrent problem – delays to their departing flights caused by long hold ups for their flight crews at security control posts. These are checkpoints operated by BAA through which all staff and supplies must be inspected en route to aircraft.

MAN: Yesterday we had an eventful day. We've got word that only two control posts were operational. 79 took 34 minutes delayed due to a combination of late processing of the crew at the control post due to a backlog and control post five being closed.

ACTUALITY OF WALKIE-TALKIE EXCHANGE

O'HALLORAN: Two hours later at the American Airlines operations room near the departure gates, crew members who've overnighted in London arrive

LANGFORD cont: of 334 minutes, so if anything the problem has been going on for years and it's only getting worse.

O'HALLORAN: What can the impact of that be?

LANGFORD: Well, it can be a very serious knock on effect. If our flight is delayed say half an hour because the flight crew is delayed, that aircraft is supposed to depart say at 11 o'clock, another aircraft is scheduled to come into that gate at 11.15. Well that aircraft can't come into our gate now because we're still occupying it because we're late, so now that aircraft has to go somewhere else and pretty soon dominoes start to fall. This exacerbates the problems at Heathrow with congestion and with gate changes and with not operating in an efficient way.

O'HALLORAN: How have they replied to you when you've complained about this?

LANGFORD: They're hiring more people, they're busy, it'll be better next month and it never is. That's the frustrating thing.

O'HALLORAN: It appears there's also been widespread concern among passengers using Heathrow about security and queues. On those issues a survey by Airports Industry International last year placed Heathrow 97th out of 101 major airports worldwide. At Gatwick too, BAA's organisation of security measures has been castigated. One very large carrier at Gatwick is easyJet. Its corporate affairs director, Toby Nicol, alleges BAA's response to the major security alert in August 2006, which led to sudden hand baggage restrictions, was quite inadequate.

NICOL: Security queuing at Gatwick has been a disaster in the last 18 months or so. We operate through 12 airports in the UK, they were all subject to additional concerns and additional regimes back in August 2006 and no one handled them anything like as badly as Gatwick, where waiting an hour after check-in to get through security was absolutely standard and that was far too long.

O'HALLORAN: And how long was that the case for? How many weeks did that last for after the security scares in August 2006?

NICOL: It's probably easier to measure it in years and I'd say it was probably a year and a quarter. And just on a very personal basis, I travelled through Gatwick Airport in mid December and it took us at 6 o'clock in the morning an hour and 5 minutes to get through security. And yes, you arrive at the airport and it says 'welcome to Gatwick' and there's a mighty security queue which starts there and snakes halfway around the airport - it's like doing the conga. If you compare the situation at Gatwick to that of Luton, Liverpool, Manchester, Bristol - big airports - they handled it much better, the disruption was limited to weeks and that was it. Why did it take 15 or 16 months at Gatwick? I have no idea. We cannot, of the 80 odd airports we operate to around Europe, I cannot think of another airport which has handled security as badly as Gatwick Airport has.

O'HALLORAN: Plenty of evidence corroborating the complaints of easyJet and American Airlines has been heard by the Commons Select Committee on Transport. Labour member Graham Stringer was himself for some years on the board of Manchester Airport - which is not run by BAA. He believes the response of BAA managers at Heathrow and Gatwick was too lethargic after the summer of 2006 security alert.

STRINGER: We found management hadn't rolled their sleeves up and taken to doing things. They had sat back, they hadn't got contingency plans, whereas at Manchester, a non BAA airport, the management got down and literally did some of the tasks themselves. They had a standby plan. They got new staff in.

O'HALLORAN: Some people might say to you, well you would say that, wouldn't you, having been associated for a long time with Manchester Airport?

STRINGER: They might say that. I think they'd be wrong to say that, because I actually think that the quality of service to passengers has been poor because it's easy for a monopoly supplier of airlines south east not to do what the airlines and the passengers want.

O'HALLORAN: You take very seriously, do you, that argument from American Airlines, for instance, that it's impossible for them to be faced with long queues of up to an hour or more sometimes at control posts to get their crew onto a plane going to America?

STRINGER: It's ridiculous. It doesn't happen at other airports, even in America, where they have even stricter security than we have here. Air crews get through the terminals much more quickly than they get through it at Heathrow. And it's not just American Airlines. Most of the British carriers who use Heathrow have made similar complaints. There is a uniform level of consistent criticism of the service that BAA provides.

O'HALLORAN: BAA's corporate affairs director, Tom Kelly, explains that it's had big problems recruiting suitable security staff. But, following the tightening up of security twenty months ago, how does he explain the quicker recovery of security operations at other airports in Britain and abroad?

KELLY: Firstly, other airports around the world did not have the same security standards imposed on them overnight that we did. Secondly, in terms of other airports, they are neither of the size nor of the complexity. Can I just point out that for every one hundred applicants we interview for a security job at Heathrow, only five achieve the necessary standard, so this is not a process that you can change overnight.

O'HALLORAN: How do you respond to American Airlines, who say there's a chronic long term problem with manning at control posts?

KELLY: Well again, those are issues which we have identified. We have nearly doubled the number of security staff at Heathrow. That has resulted in queuing times in February of this year, in which 99% of passengers got through security checks in less than ten minutes. That is a considerable improvement.

O'HALLORAN: January and February are a very quiet time of the year and Heathrow came 97th out of 101 in the major industry survey last year, a survey on waiting times.

KELLY: That was last year, that was before we employed 1,500 additional staff.

O'HALLORAN: You say things have got better in the first quarter of this year than an equivalent period last year. Is that right?

KELLY: Yes.

O'HALLORAN: Now American Airlines say they've had twice as many delays caused by control post queues in the first quarter of this year compared with the first quarter of last year.

KELLY: I haven't heard of that complaint, but if it is a problem then we will investigate and we will work with American Airlines as we work with other airlines to resolve those issues.

O'HALLORAN: Through its three airports close to London - Heathrow, Gatwick and Stansted - BAA holds a near monopoly in the South East with 90% of passengers. But that monopoly appears now to be under serious threat. Last week the Competition Commission, which has the power to order the break-up of BAA, published a 200 page report on its current thinking. On page after page the document reflected criticism of BAA's operations and methods, not least on security queues at Heathrow and Gatwick. And on that score it suggested there'd been little improvement since it had identified faults six years ago.

READER IN STUDIO: The two airports displayed the same failings in standards of service provided as identified in our previous report in 2002; in particular they had failed to manage security queuing and queue times to avoid unacceptable delays to passengers, crew and flights, and consequently had not furthered the reasonable interests of the users of Heathrow and Gatwick.

O'HALLORAN: The Commission's current view is that at airports in the South East, BAA shows an unresponsiveness to airlines and other users that would be unlikely if there was a well functioning market. But Tom Kelly of BAA points out that the Competition Commission investigation still has to run its course.

Do you accept that the competitions report is really a savage indictment of BAA and its recent record?

KELLY: Well, first and foremost let's be clear. The competition report is emerging thinking, as the Deputy Chairman constantly stressed, and therefore I think we do need to be careful about how we describe it.

O'HALLORAN: But it's the tendency of their thinking at the moment, it's underlined in page after page, isn't it?

KELLY: What I'm not arguing with is that they do have criticisms. Equally, as I have said, we are not afraid to admit where we have been at fault and also to accept that there is considerable room for improvement.

O'HALLORAN: Meanwhile the pressure on BAA is growing. The Transport Secretary has just announced a review of the economic regulation of airports. For the Commons Select Committee, it seems, a shake-up for BAA is long overdue. Indeed the committee has called for its break-up repeatedly in the last ten years, says Graham Stringer. Critics of the Department of Transport might well say it's all very well to come out now with a review into economic regulation of airports, but what on earth has been going on for last ten years and why hasn't the government stepped in much earlier?

STRINGER: Well, I think the government has been slow referring BAA to the Competition Commission and it has certainly been slowish in looking at the economic regulation. There has been sufficient since the privatisation in the 1980s for the government to realise that the quality of service being received by the airlines and airline passengers wasn't good enough, and at any time over that period both Conservative and Labour governments I think could and should have called for the break-up of BAA. We have made our case to the Civil Aviation Authority

STRINGER cont: and Government over the last ten or so years, and until very recently we have received a negative response. But I'm glad now that we are getting a positive response.

O'HALLORAN: But departmental reviews take time and so do investigations by the Competition Commission. And according to some observers, time may no longer be on the side of BAA's major airports around London.

MORRIS: What you are seeing is that people who were transferring through Heathrow from the US, say, onwards to Europe are now starting to look at alternatives like Frankfurt, like Amstersdam, like Charles de Gaulle or Madrid, where the transfer experience is a lot more pleasant, a lot quicker and effectively they're building up their level of service to be highly competitive with Heathrow.

O'HALLORAN: Peter Morris, of aviation consultancy ASCEND, says the growing popularity of hub airports in Europe is a real threat, not just to the future of BAA, but to a significant part of Britain's economy.

MORRIS: Without doubt it has an impact on the commercial side. It's not just people's opinion that's damaged. It genuinely is that there is a loss to UK airlines, to airlines flying to and from the UK, and there have been a number of people who anecdotally have commented that they try never to go through Heathrow again.

O'HALLORAN: So how could that hurt the economy around here in the western outreaches of London? I mean, in terms of just the thousands, tens of thousands of jobs at this airport, it could be significant, couldn't it?

MORRIS: Yes, it could. I mean, I think it's taken for granted that Heathrow will always be there but now you're starting to see a slowing in the rate of growth, I think that you will see that that kind of economic contribution is damaged one way or another, either through delays or through it becoming a less desirable place to be.

SIGNATURE TUNE