
From: Kevin Ward <kevin.ward@nzairports.co.nz>
To: John Hamill
Sent: Tue Sep 07 13:09:24 2010
Subject: RE: Proposed Airports Working Session

Thank you for your prompt consideration John, it is much appreciated.

Regards,
Kevin

Kevin Ward
NZ Airports

From: John Hamill [mailto:John.Hamill@comcom.govt.nz]
Sent: Tuesday, 7 September 2010 12:36 p.m.
To: 'Kevin Ward'
Cc: 'Adrienne Darling'; 'Jan Frazer'; 'Andrew Souness'; 'Martin Harrington'; 'Mike Basher'; 'Craig Shrive'; Karen Murray; Ruth Nichols; John Hamill
Subject: RE: Proposed Airports Working Session

Dear Kevin

Thank you for you email on the workshop agenda. I have noted your concerns regarding the time available in the workshop, and have arranged to extend the workshop until until 3pm. We can also have a working lunch if that is convenient for participants. I am also happy to adapt the agenda to ensure that there is sufficient time to work on the definitions.

We appreciate the pressure that Christchurch Airport in particular is under at the moment and our thoughts are with them at this time. Therefore, in relation to the additional item that the Commission proposed regarding information to be disclosed to allow interested parties to assess whether regulated assets are "useful", the Commission has agreed that it should be removed from the workshop agenda, and that all interested parties should have until the 17th of September for brief written submissions with a further week for cross-submissions.

You mention in your email that you have feedback on other items not listed in the agenda (namely future use assets and audit and certification). The Commission is considering the submissions and cross-submissions already provided on these topics and it will update parties on any changes to these draft decisions as part of the technical consultation round. The technical consultation process would, therefore, be the most appropriate time for interested parties to provide comment on how these decisions are given effect to in the determinations.

The technical consultation process is scheduled to begin in early to mid-October.

We will update all stakeholders of these changes as soon as possible.

Regards

9/7/2010

John Hamill
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From: Kevin Ward [mailto:kevin.ward@nzairports.co.nz]
Sent: Monday, 6 September 2010 2:54 p.m.
To: John Hamill
Cc: 'Adrienne Darling'; 'Jan Frazer'; 'Andrew Souness'; 'Martin Harrington'; 'Mike Basher'; 'Craig Shrive'
Subject: Proposed Airports Working Session

Dear John,

I worked with a small sub-group of the airports on the original proposed workshop agenda on Friday and we came to the conclusion that the agenda was "fit for purpose" but that insufficient time may be available to meaningfully work through it.

We are therefore keen to ensure that appropriate time is allocated to the original agenda items and that the meeting chair quickly moves through items where there is a high level of consensus or definitional inconsistencies which can be addressed offline.

Given many of the airport, airlines staff and advisors will be travelling to Wellington it would also be prudent and cost efficient to extend the allocated time to 3PM or remove the lunch break to increase the likelihood that the original agenda can be covered in full. Further time should be allocated to the Definitions session.

I note with concern that the Commission on Friday sent out notice of an additional agenda item regarding information to be disclosed to allow interested parties to assess whether regulated assets are "useful". The proposal would require a significant amount of information to be disclosed. Further, it relates to one of the most contentious issues under the proposed input methodologies. Our understanding was that the workshop was to constructively focus on relatively non contentious items.

In particular, we are concerned to see the Commission proposing to add a significant new Schedule outside of the formal submission process. Although the Input Methodologies Discussion Paper briefly mentioned that interested parties should make their own assessment of whether assets were "useful", there was no indication in that

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paper or the Draft Information Disclosure Reasons Paper and Draft Determination that the Commission was considering information disclosure of the type and extent now proposed. The new proposal raises material issues regarding its consistency with the purpose of information disclosure and the additional compliance costs involved (among other things). It cannot reasonably be said that airports have already been provided with an opportunity to provide their views on such issues. Further, a number of airport representatives are either on leave this week or occupied with unexpected operational matters following events over the weekend, and will not have time to consider these substantive issues prior to the workshop. Even if the issues could be assessed prior to the workshop, in our view they cannot be fully and fairly considered by the Commission as part of a workshop on "technical matters and practical implementation".

We therefore seek further guidance from the Commission on sound process for the final stages of refining the Draft Determinations. We consider that it would be appropriate to invite interested parties to provide brief written submissions on the Commission's new proposal, rather than including it on the Workshop agenda. We would also like to signal to the Commission that we also have feedback on the following areas:

- Future use assets
- Certification and audit

Our concerns are largely associated with implementation and ensuring that the Final Determination does not involve unnecessary compliance costs and is as efficiently and clearly specified as possible. However, we do not consider that they will be capable of resolution at the workshop, as parties will have divergent views.

Accordingly, we suggest that it would be reasonable for the Commission to allow NZ Airports to provide a further short written submission on the above three matters, and then provide other interested parties with an opportunity to respond. We think such a process could be completed very quickly, and would best assist the Commission to make final decisions on these matters, informed by the considered views of interested parties.

I look forward to receiving your response and confirmation of the final agenda for the 13 September workshop.

Regards,

Kevin Ward

Chief Executive
NZ Airports Association

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