



OFFICE OF THE HON MAX BRADFORD

Minister for Enterprise and Commerce

Responsible for the Ministry of Commerce (including Energy and Industry)
and the Department of Labour

29 JUL 1999

Mr Mark N. Berry
Acting Chairman
Commerce Commission
PO Box 2351
WELLINGTON

PRICE CONTROL STUDY OF AIRPORTS

As you know my predecessor as Minister of Commerce, Hon John Luxton, wrote to the Commission on 27 March 1998 requesting under Section 54 of the Commerce Act that the Commission report to him not later than 14 December 1999 on:

- A whether there is evidence that airfield activities provided by the three major international airports (Auckland, Wellington and Christchurch) are supplied or acquired in a market in which competition is limited or is likely to be lessened; and it is necessary or desirable for the prices of these goods or services to be controlled in accordance with the Act in the interests of users, or consumers, or as the case may be, suppliers; and
- B whether market conditions are such that the Commission believes that the Minister should recommend to the Governor-General that he make an Order in Council under Section 53 of the Act invoking price controls over charges for airfield activities at the three major international airports.

I am writing pursuant to Section 54, to require that the Commission extend the reporting date of this inquiry to 1 August 2002.

Cabinet agreed to an extended reporting date on 26 July 1999.

Apart from an extension in the reporting date, the terms of reference as set out in Mr Luxton's letter of 27 March 1998 and clarified in his subsequent letter of 27 May 1998, remain unchanged.

I am also writing to the three major airport companies, the Board of Airline Representatives of New Zealand and Air New Zealand informing them of the changed reporting time. I assume you will inform any other parties involved.

Yours sincerely

A handwritten signature in black ink, appearing to be 'Max Bradford', with a stylized, looped 'M' and a 'B'.

Hon Max Bradford
Minister for Enterprise and Commerce