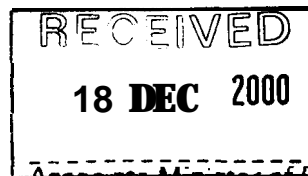




Office of Hon Paul Swain

MP for Rimutaka
Minister of Commerce
Minister of Communications
Minister for Information Technology
Associate Minister of Finance



~~Associate Minister of Revenue~~
Associate Minister of Energy
Associate Minister of Justice
Associate Minister for Land Information

MCM 20001625

17 DEC 2000

John Belgrave
Chair
Commerce Commission
PO- Box 2351
WELLINGTON

Dear Mr Belgrave

Thank you for your letter of 12 December ~~notifying~~ me of the Commission's decision to delay the commencement of the formal ~~consultation~~ phase in respect of the price control study of airfield activities.

As you are aware I ~~was~~ asked in June this year by the Board of Airline Representatives of New Zealand Inc. to consider whether the scope of the price control inquiry was appropriate.

I have given careful consideration to the arguments put forward by the Board and consulted with my colleagues the Ministers of Finance and Transport before deciding that the ~~airport~~ price control inquiry scope should remain limited to airfield activities.

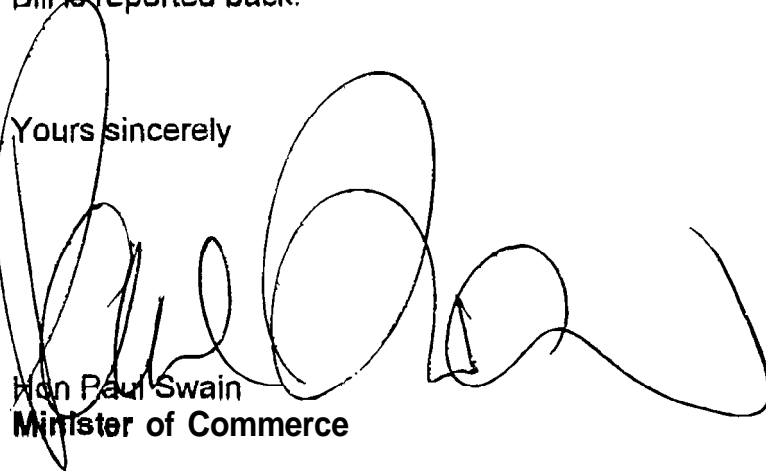
I have notified the Board and other concerned parties accordingly. I have however also drawn their attention to the Commission's statement in its Critical ~~Issues~~ Paper A99/1 of 2 July that:

"...~~the~~ integrated nature of airport activities makes it necessary for the Commission to gain an understanding, and consider the impact, of aircraft and freight activities, specified passenger terminal activities, and other airport activities. The Commission, therefore, must examine **airfield** activities in the context of all airport activities".

I have also noted that if the Commission's inquiry into airfield activities proves inconclusive then the Government still has the option of requesting the Commission to advise whether there ~~is~~ a need for price control in relation ~~to~~ any other airport activities.

With respect to the proposed changes to Parts 4 and 5 of the Commerce Act 1986, I am now able to advise that these have been approved by Cabinet and be added to the Commerce Amendment Bill 1999 by way of supplementary order paper when the Bill is reported back.

Yours sincerely

A large, stylized handwritten signature in black ink, consisting of several loops and a long trailing flourish.

Hon Paul Swain
Minister of Commerce