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27 February 1986

NBPN

Dear Michael,

AIRPORTS BILL: ECONOMIC REGULATION

I have been following with interest your correspondence with Department of Transport colleagues about the degree of transparency to be required in the accounts of airport companies.

Having seen your most recent letter of 14 February, I must say that my sympathies are entirely with Michael Spicer. The MMC's recent report on BAA's commercial activities needs careful consideration, and I would not assume that we should necessarily agree to its proposals, which would require much fuller transparency than has previously been required of a nationalised industry, and certainly much more than a private sector company would ever reveal in its accounts.

By all means let officials pursue the matter. But I think we must avoid an over-zealous approach. Are there not adequate powers for ad hoc investigations if there is any reason to suppose, at a future date, that an airport company is actually abusing monopoly power?

I am copying this letter to the members of L and E(A) Committees.

*Yours
Michael*

MICHAEL ANCRAM

AEROSPACE

BA

PTS

