

Thank you for inviting us to respond to this consultation on the CAA's process for developing economic regulation for Reference Period Two under the Single European Sky. Air transport operational performance is the "end product" of a complex interrelated system, involving aircraft operators, airport operators, ANSPs and the Network Manager. BAA supports the general approach to extending the performance scheme beyond en-route performance and welcomes the engagement of Airports who are a key stakeholder to the performance of the overall network.

As stated in our response to the public consultation on the proposed regulatory approach for a revision of the SES performance scheme addressing the second reference period (RP2) and beyond, unlike the en-route environment, BAA is of the view that performance measurement in the area of Airports is not yet mature enough to agree targets. There are still unresolved issues with the collation and validation of data as well as the validation of metrics that have been proposed. For this reason, we would welcome and are keen to be involved in any stakeholder workshops organised by the CAA to develop the ANS at Airports component of the Local Performance Plans. In addition, BAA would like to see further analysis undertaken to understand the root cause of performance and the behaviours to be incentivised. Clearly Airports cannot be held accountable for targets they have no control over and where the consequences of not achieving a target have not been understood.

BAA would also ask that we are consulted on the en-route component of the Local Performance Plans. As stated above, the overall performance of the air transport network is the end result of a complex interrelated system for which airports play a key part. In developing a gate-to-gate approach the en-route and airport components of the performance scheme cannot be addressed independently. BAA were interested to read in the consultation document that in developing the cost efficiency targets for RP2 the CAA have asked NERL to develop a draft RP2 Business Plan by the end of March 2013 that will include various service proposition scenarios to achieve different levels of determined unit rate (DUR) cost reductions. As these different service propositions options could have a direct impact on the delivery of FAS, SESAR and LAMP they could also have a direct impact on the performance of airport operations within the overall network. It is therefore crucial that this work is also exposed to the scrutiny of airports and that our future requirements are built into solutions delivery.

Regards

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