

Consultation Response to CAA's consultation on issues affecting passengers' access to UK airports: a Review of surface access

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Executive Summary

1. Heathrow Airport Limited (“Heathrow”) agrees with the Civil Aviation Authority (“CAA”) that it is important that the surface access market operates competitively and in the interest of passengers and local communities.
2. Heathrow’s vision is to give passengers the best airport service in the world. One of the facilitators to delivering this vision is providing passengers and colleagues who work at the airport, excellent surface access to the airport.
3. Heathrow enables an extensive surface access network to access the airport, which enhances local, regional and national economies, making Heathrow one of the UK’s best connected transport hub. Heathrow is home to one of the UK’s busiest bus and coach stations and is the only airport in the UK with London Underground stations.
4. Surface access is an integral part of a passenger’s end to end journey and will play a role in influencing their choice of airport. Since passengers value reliable, convenient, direct and frequent services, we want to make sure that surface access at Heathrow meets the needs and expectations of our passengers.
5. The airport needs easy surface access to enable passengers and colleagues to travel to, from and through the airport. An extensive transport network offers more choice to passengers, builds capacity, and supports resilience.
6. Through our commitment to surface access development we are enhancing Heathrow’s role as a fully integrated transport hub providing connectivity to UK regions. We continually invest to make public transport more attractive to passengers and colleagues to provide more choice to passengers, whilst carefully managing our environmental responsibilities and being a good neighbour to our local communities.
7. Alongside this, Heathrow ensures that passengers are well informed of all the surface access options before they travel to the airport, through our website, and when they are at the airport, through our passenger assistance colleagues. This allows passengers to make the right choice for them.
8. We would be pleased to meet with the CAA to discuss Heathrow’s response and the development of any draft principles.
9. Heathrow reserves the right to make further submissions as necessary through the course of the CAA’s review and has responded to the relevant questions posed by the CAA.

Introduction

10. Heathrow is grateful for the opportunity to comment on the CAA's consultation on issues affecting passengers' access to UK airports: a review of surface access.
11. The CAA is carrying out its review on surface access to UK airports under Section 64 of the Civil Aviation Act 2012, and one of the reasons for carrying out this review was based on a commitment it gave during the Q6 price control review. In addition to this we understand that the CAA is keen to get a better understanding on how effectively surface access at UK airports is operating and serving the interests of consumers.
12. As mentioned, Heathrow is one of the UK's best connected transport hubs, containing the UK's busiest bus and coach station and the only airport with London Underground stations. Our surface access strategy plays a vital role in helping Heathrow deliver its vision to give passengers the best airport service in the world.
13. This document summarises the different transport modes offered at Heathrow: passenger car parks, car rental; private hire minicabs, black cabs and bus and coach.
14. We then provide responses to specific CAA questions.

Transport modes

Multi storey car parks

15. There are dedicated multi storey car parks at Heathrow within the boundary of the airport.
16. Five multi storey car parks are available, four serving the individual terminals, terminal 2, 3, 4 and 5, and one designated, 1A which serves terminals 2 and 3.
17. Our customers have two options for paying for the use of the car parks, pre-booking or pay at the point of use. Prices are competitively priced reflecting the close proximity to the terminal.
18. All car parking prices are made available through Heathrow's website and are clearly marked at the entrance points to the car parks.
19. There are also valet and meet and greet products for passengers operated from these car parks. Off airport car parking companies operate from the multi storey car parks to collect passengers. This is further explained in the forecourt section.

Long stay car parking

20. Heathrow owns four long term car parking areas within the boundary of the airport. Terminal 2 and 3 has its own dedicated long term car parking, alongside dedicated long term parking for Terminal 4 and Terminal 5.
21. These car parks are aimed towards the leisure passenger who would generally park their car for more than one day. There is a regular dedicated bussing service that takes passengers (including their luggage) from the car park to their choice of terminal.
22. Prices are competitively priced and can be either pre-booked or paid at the point of use. Prices are clearly marked through Heathrow's website and at the entrance points to the car parks.
23. In addition to the Heathrow owned long term car parking there is a third party operator which has facilities within the Heathrow boundary.

Business car parking

24. Heathrow owns four business car parks (which includes the POD car park serving Terminal 5) that are closer in proximity to the terminals than long term car parking.
25. These car parks have dedicated bussing to the terminal with an increased frequency to long stay, and terminal 5 POD car park has its own automated passenger rapid system.

26. Prices are competitively priced and can be either pre-booked or paid at the point of use. All business car parking prices are made available through Heathrow's website and are clearly marked at the entrance points to the car parks.

Car rental

27. A number of private rental companies operate at Heathrow, with likes of Hertz, Sixt, Avis/Budget. The car rental companies have a range of facilities at the airport to enable them to provide service to their customers and deliver and return rental cars.

28. Car rental companies are privately owned entities and determine their own prices. Car rental can be booked directly through the website of the rental company. Heathrow also provides links on its website to be directed to the relevant car rental company website.

Private hire minicabs

29. Private hire minicabs operate at Heathrow. The prices are generally fixed by the operators to and from any UK destination. The operators set their own price and are independent of Heathrow.

30. All private hire minicabs must be pre-booked, typically with the driver meeting customers at the arrivals area whilst using the multi storey car park at the normal chargeable rate. Drop off at the departure forecourt is not chargeable.

Black cabs

31. Black cabs operate at Heathrow with a taxi rank outside each terminal. There is a single taxi feeder park that assigns each taxi a terminal to help ease congestion and manage supply and demand.

32. The taxi feeder park is owned by Heathrow with a movement charge levied to each taxi, in consultation with the taxi trade, which is charged on a cost recovery basis.

33. The black cabs are independent and determine their own charge to passengers generally based on distance covered, and regulated by Transport for London.

Bus and coach

34. Heathrow owns the central bus station, one of the busiest in the UK, with satellite facilities in Terminal 4 and 5.

35. Coach operators use the central bus station to drop off and collect passengers, and this acts as a holding area. Coach operators are charged for each movement recovering the cost of the bus and coach facilities. Users are consulted on the movement charge.

36. The central bus station is operated by a third party supplier under a service agreement on behalf of Heathrow.

37. Prices for coach services are independently set by the coach operators. Passengers can book tickets either through Heathrow's website or the coach operators' website, there is no difference in price. This can be pre-booked or paid at the point of use.
38. Heathrow also owns the west ramp coach park, which is a holding/waiting area for charter coaches who carry large groups. Charges for the use of this facility are based on cost recovery and consulted with users. In addition there are allocated areas at the terminals for charter coaches to collect passengers.
39. Finally, hotel buses operate, carrying passengers from the airport to their choice of hotel. These operators require a forecourt permit to collect and drop off passengers at the terminal forecourt. The forecourt permits are issued by Heathrow and price is based on cost recovery.

Forecourt access

40. Under the Heathrow byelaws only drop off activity is permitted on the forecourts, and pick up is facilitated through the multi storey car parks. Forecourt access for commercial and operational entities is managed through forecourt permits to manage capacity and congestion, with allocated bays at the forecourts for the use of off airport operators whatever their mode. Outside of commercial entities, drop off at the departure forecourt is currently free.

CAA questions

41. This section of the response should be read in conjunction with the previous sections of this document.
42. **CAA question: Which surface access facilities from the airport's portfolio of assets are made available and their attitude to the development of facilities outside the airport perimeter.**
43. There are a number of surface access facilities made available from our asset portfolio including car parking, bus and coach, taxi and car rental. The full extent is described in the previous sections of this document.
44. Heathrow has no control over off airport facilities but would encourage passengers to research operators before using them.
45. **CAA question: How they make available facilities that can be used by surface access operators and an explanation of any restrictions to the range of operators or the type of services that can be operated at the airport.**
46. Facilities are subject to capacity constraint alongside delivering a safe and efficient operation, not impeding the flow of traffic or passengers. Heathrow provides passengers with a range of options, which they are able to review in advance and make informed decisions on their choice of surface access to and from the airport, enhancing Heathrow's connectivity to all regions of the UK.
47. Heathrow does not restrict third party surface access operators from using the airport although they must comply with all applicable byelaws and other commercial terms (if applicable) where they have elected to join our frequent user car park payment account offering. Surface access operators are encouraged to work with our operational and commercial teams to investigate opportunities and develop plans to implement.
48. **CAA question: How airport operators derive charges for the use of facilities by surface access providers and to explain whether and how these charges relate to costs or any other relevant factors. In particular, airports should explain if these lead to differentiation between providers of surface access products or between segments of consumers. Particular attention should be provided to areas where airport operators themselves compete with independent surface access operators.**
49. Prices for bus and coach facilities, taxi movement charge, forecourt permits are cost reflective and users are consulted.
50. Off airport car park operators who provide 'meet and greet' services, operate out of Heathrow's short stay car parks in the same way as Heathrow's official meet and

greet product. This provides the customer with choice of provider. They pay the commercial roll up rate for use of this car parking and Heathrow provides areas within the car park together with signage to enable this to operate safely and efficiently. In addition, subject to terms and conditions, they may apply to set up a pre-payment account which allows them to benefit from a discount to the car parking charges.

51. **CAA question: How airport operators consult with users on general charging principles and structures of airport services (access to facilities at or near the forecourt) required by surface access operators and how they provide relevant information on the costs of providing such services.**

52. Where users are consulted on the price, it is cost reflective. The forum for this consultation is with the other regulated charges group, which is an established consultative group where prices are consulted. The other regulated charges group consists a wide set of users with agreed consultation protocol and terms of reference.

53. Heathrow is subject to an economic licence, which covers some of these facilities and services, like bus and coach. The economic licence requires Heathrow to submit detailed documents and transparency requirements to users and the Civil Aviation Authority and that set out the basis of charges.

54. **CAA question: The extent of any agreements with other surface access operators and with distributors regarding the sharing of pricing information, the provision of information on costs, capacity management or any other practices and how they ensure these do not allow undue coordination among competitors.**

55. Heathrow does not influence or participate in any discussion with other surface access operators regarding sharing price information or information provision of cost. The price set by other surface access operators is an independent decision by that entity.

56. Heathrow does actively try and manage the congestion at the forecourt and does so through forecourt permits.

57. Where Heathrow sells surface access options such as car parking through third party distribution channels, this is priced accordingly with the prices that Heathrow would sell directly to the user.

58. Full details of the Heathrow products and prices are available through Heathrow's website:

<http://www.heathrow.com/transport-and-directions>

59. **CAA question:** Their efforts to ensure that consumers have access to information about all options to get to and from the airport at the time they need to make informed choices (both on the airport operators' websites and on onward travel kiosks) and, insofar as it is the airport operators' ability to influence, those options are presented in a neutral and transparent way.
60. The surface access options at Heathrow are transparent and made available to all users. Heathrow uses a range of options to inform users from our website, information points within each terminal, passenger assistance colleagues and through the extensive way-finding signage at Heathrow.
61. **CAA question:** Details of surface access options that are available at no charge to consumers that allow for the drop-off and pick-up of passengers.
62. Under the Heathrow byelaws only drop off activity is permitted on the departures forecourts, and pick up is facilitated through the multi storey car parks. Forecourt access for commercial and operational entities is managed through forecourt permits to manage capacity and congestion, with allocated bays at the arrivals forecourts for the use of all on and off airport operators whatever their mode. All drop off at the departure forecourt is free.

Conclusion

63. Heathrow welcomes the opportunity to respond to the CAA's review of surface access at UK airports. We agree that surface access to airports is an important part of the passenger journey.
64. Heathrow's vision is to give passengers the best airport service in the world, and a well-connected airport helps to deliver this vision. We enable the provision of excellent surface access to the airport for both passengers and all colleagues who work at the airport. This makes Heathrow one of the UK's best connected transport hubs.
65. Surface access to the airport and at the airport includes a wide choice of facilities and services from one of the UK's busiest bus and coach station, long and short stay car parking, free drop off at departure forecourts and onward public transportation.
66. Passengers are at the heart of all of our decision making at Heathrow so we ensure passengers are well informed of all surface access options, including the cost, through our website, sign posting at the airport and through marketing and advertising.
67. We are committed to enabling the provision of the best possible range of surface access to and at the airport.
68. We would welcome any opportunity to meet with the CAA to discuss our response.