



Sir Stephen Hillier
Civil Aviation Authority,
Aviation House,
Beehive Ring Road,
Crawley,
West Sussex,
RH6 0YR

Via Email

04 March 2021

Dear Sir Stephen,

This is a response to your latest consultation on economic regulation at Heathrow Airport (CAP2098), on behalf of the Heathrow Area Transport Forum (HATF).

HATF is a partnership between organisations in the private and public sectors with a shared goal of improving accessibility and increasing public transport use to and from the airport and the surrounding area. It operates in line with guidance set out by the DfT in their Aviation Policy Framework 2013. One of our key member organisations, the HSPG has also responded to the CAA as part of this consultation and we are supportive of the thrust of their more detailed submission.

I would like to take the opportunity to highlight our concerns on the following issues of particular relevance to the work of the transport forum:

- HATF are concerned that the CAA may not have adequately considered their duty to ensure their decisions do not have an adverse impact on the environment, and in particular in respect to the Government's aspirations to decarbonise the UK economy. We particularly wish to avoid any chance that decisions taken today do not impact on the longer term ability of the airport to rise to the formidable challenge of decarbonising its operations over the next decade and a half. We would like reassurance on, and explanation of, how this issue is being taken into account by the CAA with the priority it deserves.
- In particular we are extremely concerned at the huge reduction this year in the airport's work to promote sustainable transport which has a direct impact on our ability to fulfil the objectives of the forum as set out in our terms of reference. The HAL surface transport team has been significantly reduced in size with much excellent experience and knowledge now lost; almost all initiatives aimed at helping airport staff access the airport affordably and sustainably have been withdrawn; bus services subsidised by the airport for over a decade or more have been curtailed or cancelled. In terms of supporting a shift towards sustainable mobility in the area - and 'building back better' this is a major setback.

We appreciate that the economic regulation of the airport is complex, and that changes to the Regulated Asset Base (RAB) in the face of current events could have impacts on consumers for many years to come. Nonetheless we believe it essential that every possible step is taken to support investment in environmental protection and decarbonisation activities - and this clearly



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needs to include the regulatory model. This may involve exploring, for example, how the additional investment headroom potentially facilitated through allowing changes to be made to the RAB could be specifically protected for use on environmental protection and decarbonisation initiatives at the airport. One model might be the hypothecation of some revenues from airport activities for use exclusively on sustainability initiatives could provide a possible solution to funding those initiatives in a way which is legible and broadly acceptable to consumers. For example, revenues from the proposed forecourt access charge could be ring fenced for sustainable transport projects that enhance low carbon opportunities for airport users to access the campus. This would be in line with how similar such charges work in other sectors of the economy, e.g. congestion charging or parking fines issued by local government. We would like to understand better the regulator's views on these approaches. The issue would be to ensure that this expenditure is genuinely supplemental to core budgetary provisions for decarbonisation and sustainable transport investment.

I would welcome the opportunity to meet with CAA to discuss this matter further.

Yours sincerely,

Val Shawcross

Valerie Shawcross CBE

Independent Chair
Heathrow Area Transport Forum