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British Airways response to CAA Indicative Options for MTI Targets and Incentives – Aircraft Stand-Related Assets

Dear David

British Airways welcomes the opportunity to comment on the CAA's indicative options for the H8 Measures, Targets and Incentives (MTIs) at Heathrow Airport.

This response is supplementary to, and should be read alongside, the Airline Community response to this consultation. British Airways supports the positions advanced by the Airline Community and does not repeat them here. Instead, this submission focuses on one specific issue where we provide further in support of the community response – the CAA's proposed reduction in the rebate weighting allocated to aircraft stand-related assets, namely Jetty Availability, Stand Entry Guidance and Pre-conditioned Air (PCA).

More broadly, British Airways continues to support a number of important developments within the H8 MTI framework, including stronger financial incentives for baggage performance that appropriately capture major outages and resilience failures, and the adoption of an updated Terminal 5 Track Transit System framework that reflects the substantial increase in system capacity arising from the introduction of the new train fleet. We have provided extensive evidence on both the consequences of underperformance and the case for tighter targets across these MTIs in our response to the CAA's Initial Proposals. This includes our analysis that the CAA's proposed Timely Baggage Delivery target of 98% would not adequately capture major baggage system outages and the significant consumer detriment arising from them, as well as the area of disagreement with HAL regarding the appropriate capacity definition for the new Terminal 5 Track Transit System where we seek the CAA's resolution. These matters are addressed in paragraphs 4.19-4.31 and 4.41-4.55 respectively.

Our requested changes are consistent with the principle that incentive strength should be concentrated on those areas that have the greatest impact on operational resilience and

passenger outcomes, and in accordance with the principle of continuous improvement under the Outcome Based Regulation (OBR) framework.

Aircraft Stand-Related Assets

British Airways contests the CAA's proposal to reduce the rebate weighting allocated to certain aircraft stand-related assets, namely Jetty Availability, Stand Entry Guidance and PCA, from 0.20% to 0.15% for each of those MTIs.

In addition to stand availability, aircraft stand-related assets (such as jetties, Stand Entry Guidance, PCA and Fixed Electrical Ground Power) are fundamental to passenger experience, accessibility and operational resilience. Reliable operation of these assets is essential to maintaining efficient on-pier operations, minimising disruption and supporting the smooth functioning of the airport. Failures can result in delays, re-gating, bussing operations, increased operational complexity and a poorer consumer experience, especially at an airport operating close to capacity.

We are particularly concerned by the proposed reduction in incentive strength for jetty availability. Whilst an unserviceable jetty may not always render a stand unavailable, it delays the processing of arriving and departing passengers and increases pressure on airport operations. Passengers may need to be boarded by steps or transported by bus rather than using a jetty as intended, resulting in longer journey times, reduced accessibility and a less predictable customer experience, all of which are important customer priorities when travelling from Heathrow as confirmed by the CAA's review of HAL's consumer research for H8. These impacts are felt most acutely by connecting passengers, passengers requiring assistance and those travelling during peak periods [REDACTED].

Jetty failures also create wider operational consequences. [REDACTED].

Importantly, the risk of recurrent jetty failures at Heathrow is not hypothetical:

- Our analysis shows that between [REDACTED], jetty failures resulted in [REDACTED] affected departures, generating [REDACTED] minutes of delay. Of these incidents, [REDACTED] resulted in a D15 miss, meaning that [REDACTED] jetty delay events caused a delayed departure under the on-time performance metric.¹ Our data also demonstrates that jetty-related disruption [REDACTED].
- The consequences extend beyond delay performance with knock-on impacts on our operation. [REDACTED]. These are tangible operational costs arising directly from failures of stand-related infrastructure and are ultimately borne by airlines and passengers.

The scale of disruption demonstrates that jetty reliability remains an important operational issue capable of causing direct consumer detriment. Rather than justifying a reduction in incentive strength, the evidence suggests there remains a strong case for maintaining robust financial incentives on Heathrow to incentivise performance, increase resilience, improve

¹ D15 is the punctuality measure used to determine whether a flight departs on time or is delayed by more than 15 minutes.



reliability. This is particularly important in Terminal 5, where the Pier-Served Stand Usage MTI does not apply. In the absence of that complementary incentive, the Jetty Availability MTI assumes even greater importance in ensuring Heathrow remains appropriately incentivised to maintain the reliability and availability of this critical infrastructure.

Given the operational criticality of these assets and the demonstrable consumer and operational impacts that arise when they fail, British Airways does not consider that the CAA has presented sufficient evidence to justify reducing the weighting allocated to aircraft stand-related assets. Retaining the existing 0.20% weighting for each of Jetty Availability, Stand Entry Guidance and PCA would be more consistent with the principles underpinning the OBR framework, including resilience, passenger experience, operational performance and continuous improvement.

[REDACTED] failures of aircraft stand-related assets can have [REDACTED] consequences for operational resilience, accessibility, punctuality and the successful completion of the passenger journey. Jetty, Stand Entry Guidance and PCA failures can result in delays, bussing operations, reduced stand availability and wider operational disruption, directly affecting passengers, airlines and resilience. [REDACTED].

Accordingly, British Airways recommends that the existing rebate weighting of 0.20% be retained for each of Jetty Availability, Stand Entry Guidance and PCA.

We welcome the opportunity to discuss these issues further with the CAA and remain available to provide any additional information or clarification that may assist the development of the H8 MTI framework.

Yours sincerely,

Michael Petrides

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