

### **General comments**

The proposed approach may run the risk of merging the expansion delay caused by the Court of Appeal ruling against the Government with the ongoing impact and challenge of COVID 19. I'd respectfully suggest that these are two totally separate issues and should be treated as such, with a policy (if required) for any challenge against the Court of Appeal ruling and further expansion development sitting totally separately from COVID 19. They are not dependencies and the current text could be interpreted as formal linkage between the pausing of the expansion programme with COVID 19 (Page 11 1.3 Background).

In the next consultation document would it be possible to provide a short summary of the current pricing control against the agreement reached in 2019 and the Initial Business plan proposed by HAL? This could be at a top level overview e.g. predicted pax flight ATMs, predicted cargo flight ATMs, predicted pax numbers (airport not terminal specific) and predicted EBITDA figures for each quarter until end 2021? This may enable interested parties such as Ground Handlers and Control Authorities to start some longer term planning to provide guidance and support to their teams. When the revised business plan has been completed this can then take the place of the initial business plan going forward to aid transparency and as a very accessible reference document for interested parties, including the wider population.

### **Next steps for regulation**

I'd respectfully suggest that the role of the Regulator will be crucial as we move towards the "new norm", however it suggests that the previous Governmental decree that forced BAA to sell some airports and thus provide competition was an abject failure. Perhaps going forward the Regulator could adopt an "are our regulatory pricing controls needed " review bi-annually with Control Authorities, airlines, Ground Handlers and HAL and if a consensus view as achieved then the CAA would act accordingly, either continuing with their regulatory role or ending it at a defined date that allowed a full "withdrawal" of State oversight to true market forces.

There is a strong argument that the whilst the State provides regulatory pricing controls that some of the "fixed costs" associated with airport operations that benefit the wider population should either be partly or fully State funded. In particular the current arrangement incurs HAL (and thus airlines) with full costs for 24/7 ATC and Airport Fire and Rescue Service, despite normal operations ending at 23:29 and not restarting until 04:31(L). This allows us to offer full

service to diverts, humanitarian and transplant flights but is not an insignificant cost. As this has a clear social benefit it seems only fair that the Government should assist. This could be tied in with an agreed "minimum service level" to allow ALL airports to consider if they could benefit and even provide coverage should an issue at Heathrow prevent this service being offered (e.g ATC Tower Transformation., staffing challenges, Industrial action) and so forth. This may need reference to the Civil Contingencies Act as this cost may be unable to be borne by private companies going forward.

This entire document is a welcome breath of fresh air.in its approach to the "new normal". Your reference to H7 shows that the continued use of a quintennial based regulator framework is totally inappropriate going forward. Perhaps your challenge may be simplified and more dynamic by moving to an annual price review based on the Heathrow' performance that year, similar to the way almost every employee cross the country received a performance review based on their performance. This opens up a fantastic opportunity to include environmental targets which, if delivered, would possibly allow a "premium" addition to charges and in a similar vein would possibly enforce a reduction in charges if not met. We need to be far more dynamic, a monthly score card or similar would allow performance tracking and with today's technology kit It is unlikely to be burdensome to collate for neither the CAA or Heathrow.

I respectfully urge the Regulator to be bold in their approach to the future price control structure. Aural and emission pollution/.impact MUST be part of a sustainable, united policy for British aviation. You have the power to transform Europe's busiest airport to one of the world's leaders in sustainable recovery and growth. I implore you to rise to the challenge.



Working together to give passengers  
the best airport service in the world

CONFIDENTIAL NOTICE: The information contained in this email and accompanying data are intended only for the person or entity to which it is addressed and may contain confidential and / or privileged material. If you are not the intended recipient of this email, the use of this information or any disclosure, copying or distribution is prohibited and may be unlawful. If you received this in error, please contact the sender and delete all copies of this message and attachments.

Please note that Heathrow Airport Holdings Limited and its subsidiaries ("Heathrow") monitors incoming and outgoing mail for compliance with its Information Security policy. This includes scanning emails for computer viruses.

COMPANY PARTICULARS: For particulars of Heathrow companies, please visit <http://www.heathrowairport.com/about-us>. For information about Heathrow Airport, please visit [www.heathrowairport.com](http://www.heathrowairport.com)

Heathrow Airport Holdings Limited is a private limited company registered in England under Company Number 05757208, with the Registered Office at The Compass Centre, Nelson Road, Hounslow, Middlesex, TW6 2GW.

---