

28th May 2024

Economic Regulation
Civil Aviation Authority

This is CISHA's response to the CAA's Outcome Based Regulation Mid-Term Review Scope Consultation.

The **Council for the Independent Scrutiny of Heathrow Airport** (CISHA) is responsible for ensuring constructive and effective engagement between Heathrow Airport and those who are impacted by the airport. The **Heathrow Passenger Forum** (HPF) is an integrated sub-committee of CISHA as part of its ACC requirements and has formulated this response.

We have restricted our response to those areas where we feel most competent to comment.

(1) What do you consider would be an appropriate definition for a measure of Heathrow's carbon footprint ?

In our mind Heathrow Airport's carbon footprint falls into two distinct areas; the footprint which is directly the responsibility of Heathrow Airport and which they can reduce and mitigate – for example running the airport using carbon neutral electricity, deploying a range of sustainability initiatives, encouraging public transport options, investing in EV charging infrastructure; and the footprint arising from aircraft activity itself which the airport can influence but cannot dictate.

With the later category we do not underestimate the role that Heathrow plays in contributing to the wider debate, indeed it has been a powerful voice for new technology, the operation of more environmentally friendly fuels, aircraft and ways of operating but we do think measurable definitions should be limited to areas which Heathrow can directly impact.

(3) Do you consider there are any specific issues arising from the application of new measures and targets that are important to address in this mid-term review ? If so, please provide details of the issue and why it should be addressed as part of this mid-term review. Changes required as a result of new investment projects that have been agreed between HAL and airlines.

Inputs and outcomes are inextricably linked but as a passenger group our focus is on the outcome to the overall passenger experience which can be impacted if the investments (Capex and Opex) are reduced or delayed because of the overall H7 agreement. We would like to see an assessment of the areas we have identified as a priority (punctuality, extra care, connections and baggage) and what impact the reduced passenger charge has on the delivery of much needed improvements in these areas.

From reading the H7 final determination we struggle to see how the CAA has successfully aligned the allowable investments (Capex and Opex) in these areas with the H7 targets that have been set.

(4) Do you consider there are any specific changes required for new investment projects that should be addressed by this mid-term review ? If so, please provide details and indicate whether these have been agreed between HAL and airlines. The level of granularity for targets such as security queues and asset availability measures.

There needs to be more transparent alignment between the H7 Final Determination and identified passenger priorities and then a reduction in the passenger charge, on the eventual outcome it will have on customer experience improvements.

(5) How do you consider we should assess the likely consumer benefits of moving to a more granular measurement of security and control post queues, bearing in mind the importance of maintaining consistency with our Final Decision ?

We support granular measurement as the building blocks of customer satisfaction but we are keen to see “end-to-end” appraisal of the traveller’s experience. And it is imperative we find ways of ‘striping out’ significant performance deltas which are generated by factors not under Heathrow’s control. For example – UK Border waiting times / technology availability, late communication of gates by airlines, poor aircraft boarding experience. In the eyes of the customer it is all the same experience.

(6) Do you consider there is any evidence yet to suggest that changes to reflect the impact of the security transformation programme or new queue measurement systems should be considered as part of this mid-term review? Possible changes to the way that asset availability targets are applied.

Although we have high expectations of the enhanced customer experience delivered by the new screening technology, indeed feedback from travellers where lanes have been converted is positive, we do think that it will take some time to see how passengers adjust to the new standards especially since there will be a mismatch for years to come between airports. – especially non-UK airports.

(8) Do you consider that recent performance levels do or do not support an increase in:

a) the wi-fi performance target to 4.10

b) the availability of check-in infrastructure target to 99 per cent;

c) the availability of pre-conditioned air target to 99 per cent.

These are already high targets which are met by Heathrow we would argue they should be left as is if the aim of financial measures are to incentive a good level of performance by Heathrow. Going beyond the question asked we are not entirely sure that Wi-Fi and preconditioned air are necessarily relevant measures or targets as part of a passenger centric outcome-based framework. We would encourage a consensual exploration of more passenger centered outcome-based measure such as those that are applied in other regulated sectors, as the current set of H7 measures are still skewed towards input rather outcome measures in our mind,

We hope our comments are helpful and continue to hope that CISHA / HPF can be involved in the H8 process.

Yours faithfully

Mark A Izatt
Deputy Chair – CISHA
Chair - HPF



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