

Dear John,

Thank you for the opportunity to comment on your recent consultation on the proposed framework for the railway infrastructure owned and operated by Heathrow Airport Ltd.

London TravelWatch is statutory consumer body representing the interests of passengers in the London area, including those using this piece of railway used by Heathrow Express and Heathrow Connect. It is our view that the ORR has correctly applied the legal charging framework for track access charges in relation to the proposed charging framework for the railway between Heathrow Airport and the Great Western Main Line.

Our reasons are as follows:-

- That the original project (the Heathrow Express Railway) was approved on the basis and expectation of a premium fare being paid by passengers to travel on it, that would cover the operational costs and the construction (Historic Long Term) costs over a limited period from the date of opening.
- That the original project had a degree of exemption from the requirements to provide open access in recognition of the need to cover the construction costs of the railway that had only been recently been authorised. However, the length of that exemption was to be only for the period where those costs could reasonably recovered.
- That the original project was authorised, agreed and built a number of years prior to the approval of Crossrail without the assumption that Crossrail would be authorised, agreed, funded or built, and therefore contributing towards the historic construction costs of the Heathrow Express Railway.

These are clearly set out in the documentation we have in our possession such as the London Airports Surface Access Study of 1996 commissioned by the Department for Transport but whose steering group also included BAA plc, London Transport and the Office of Passenger Rail Franchising.

In addition we consider that if Heathrow Airport Ltd were to levy charges, that included Historic Long Term Costs these would have the effect of limiting consumer choice in respect of rail access to Heathrow, with passengers effectively required to use a premium rate service (Heathrow Express) in perpetuity. In addition, because Heathrow Airport Ltd operates a single till for its regulatory asset base under the CAA, we also fear that Heathrow Airport Ltd would not wish to see its car parking revenue reduced by effective competition from new rail services such as Crossrail, they are effectively using the historic costs argument as a means of maintaining existing high yields in other parts of their business to the overall detriment of consumers. We shall be making this argument to the CAA in response to their current consultation on issues affecting passengers'

access to UK airports: a review of surface access

(<http://publicapps.caa.co.uk/modalapplication.aspx?appid=11&mode=detail&id=7186> )

This position is in our view not in the long term interests of either passengers or the airport and therefore we strongly support the ORR decision not to allow Heathrow Airport Ltd to levy the charges proposed.

Yours sincerely

**Tim Bellenger**

Director, Policy and Investigation

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