

## Heathrow Response - Consultation on Regulatory treatment of London Approach

Please find Heathrow's response to the above consultation.

### 1. Whether there should continue to be a separate charge for London Approach (LA)?

Heathrow agrees that for RP2 there should be a separate charge for the London Approach. Our view is based upon the need to comply with the relevant UK law. A separate LA charge would recognise the fact that the London Approach Service combines elements of both terminal and en-route services. However, in the longer term, and beyond RP2 the redesign of the airspace may impact the demarcation between en-route and terminal services. We would therefore recommend the CAA wait until LAMP is delivered before moving to an alternative option as the demarcation may change. We also agree with the CAA's assessment that a better understanding of the nature of the London approach service and greater transparency over its costs are required.

### 2. If so, whether it should be considered as an en-route or terminal service under the SES requirements?

As commented above, the London Approach service is a combination of terminal and en-route services and cannot be considered wholly as a terminal or en-route service. In the future, the redesign of the airspace may alter the demarcation of these services. Heathrow consequently agrees that for RP1 a separate LA charge should be economically regulated through the NATS En-route price cap.

### 3. How costs should be allocated to any separate London Approach charge (LA)?

Heathrow's view is that costs should continue to be allocated on a statutory accounting basis such that the LA charge recognises the benefits to the SE of England, the combination of approach services for a number of airports and elements of both terminal and en-route. For RP2, and in the absence of better information on costs, we support an LA charge whereby the same proportion of costs (c.40%) is recovered from LA users and the remaining from en-route users (option 1).

Regards

Kathryn

**Kathryn Greenhalgh**

Head of Regulatory Performance