



Agenda Item:	Reference: HACC.500
Date: September 6 2007	
Passenger Experience of Air Travel: House of Commons Transport Committee	

Report by the Technical Adviser

and Passenger Services Sub-Committee

1. The Transport Committee of the House of Commons has published a 65 page report of an Inquiry which it held into "Passengers Experience of Air Travel" (HC435-1). The report deals with many matters affecting passengers at Heathrow of concern to the HACC. The Transport Committee held its evidence sessions and deliberation before some of the problems for passengers at Heathrow during recent months became apparent.
2. Members will be aware from my report (HACC.480) debated at the meeting of 28 March 2007, that a short statement was submitted on behalf of the HACC as evidence for consideration by the Transport Committee and a response appears in it's report.
3. The Transport Committee looked at the whole passenger experience of air travel from purchasing a ticket and travelling to the airport, through check-in, security and finally onto the aircraft and, in the case of those arriving in the UK, onward to the final destination. Those airports which gave evidence, including BAA, in the expectation that they would probably have to respond to some criticism are thanked with a comment "It says a lot for their confidence in their product and their attitude to their customers that they were happy to do so".
4. The report "...accepts that airports are critical for the well being of the country; that they impinge not only on local economies but on the national wealth and, in the case of the London airports in particular, as gateways to international business."
4. There are two aspects of the Committee's report to Government which are of direct concern to the HACC – the evidence on taxis given by this Committee and the findings on Service Level Quality, a matter for the Passenger Services Sub-Committee. Because of the relevance of these matters, they are dealt with in the main text of this report and the remainder of the Transport Committee's concerns are summarised in the Appendix.

TAXIS

5. The HACC submitted evidence to the Transport Committee on the matter of black cabs going outside of the London boundary which removes them from control on the fares charged, something which has concerned this Committee for a number of years as Members will be aware.
6. The Commons Committee has not quite grasped the points made to it by the HACC, in particular by citing the possibility of a cab driver, after paying for admission to the taxi holding park, getting only a £2.20 fare after waiting perhaps several hours. Where so low a figure came from is a mystery. That Committee did point to the possibility of the Transport for London Bill going through Parliament, as a possible remedy in that it would require that either that a passenger and a taxi driver would agree a fare for a cross-border journey in advance of undertaking it, "... or have to revert to the fare as indicated on the taxi meter". To be effective, this would need to be enforced.

7. The Commons Committee accepts that there is "...clearly a need to resolve the confusion that surrounds the rules for taxi fares from Heathrow " ... and that there is a danger that relying on the metered fare for short local journeys from the airport will lead to a dearth of taxis at Heathrow. It suggests Transport for London look into a system where the fares to and from the airport in black cabs would be standardised by the Mayor, similar to a scheme operating in New York.

8. The Member of Parliament for Spelthorne, David Wilshire, did attempt to amend the report to provide that "... taxis licensed by neighbouring local authorities be permitted to pick up passengers for metered journeys exclusively to locations outside the London boundary " but this was defeated by three votes against two in favour. Had it been approved and acted upon by Government, this would have resolved the HACC concerns.

SERVICE LEVEL QUALITY AT HEATHROW AND GATWICK

8. This scheme at Heathrow, and also at Gatwick, covers both passengers and airline aspects and the report lists the various passenger facilities and processes covered by the scheme. These are regularly monitored at Heathrow by the PSSC and taken up with BAA representatives. Under the scheme, if any terminal at either airport fails to meet any service level target in a given month, then the airport is required to pay rebates of airport charges to that airline, according to a formula specified by the Civil Aviation Authority.

9. The CAA told the Committee that things have been improving since 2003 "... with some notable exceptions such as Heathrow's failure to meet security queuing standards at all terminals in the first quarter of 2006 ...".

10. The amount of rebates paid at Heathrow and at Gatwick since the scheme was introduced was:

	<u>Heathrow</u>	<u>Gatwick</u>
	£	£
2003/04	1,250,000	194,000
2004/05	612,000	183,000
2005/06	1,802,000	832,000
2006/07	1,064,000	590,000

11. BAA has, of course, taken steps to improve the standards for security queuing at Heathrow as the HACC has been told by the Airport Managing Director, with the recruitment of more security staff, but the Transport Committee agrees with the CAA's recommendation to the Competition Commission that the regime could be further improved by introducing penalties for poor performance.

CONCLUSION

12. The Transport Committee report is addressed to Government which must prepare and publish a response. When that becomes available, a further report will be submitted to the HACC with recommendations for any action which it may seem appropriate to take. In the meantime, it is, of course, open to this Committee to make any representations to Government which it considers desirable to be taken into account in considering that response and it should at least tell Government of the need to address the taxi question which the Transport Committee has raised with it.

RECOMMENDATIONS

(1) This Committee is invited to consider whether it supports the recommendation of the Transport Committee re taxis or whether it would have preferred to support the failed amendment proposed by David Wilshire MP.

(2) The HACCC is also invited to consider paragraph 17 of the Appendix to this report and whether it agrees to support the concerns of the Transport Committee about actions of the European Commission and the loss of UK control of access and charges at our airports.

mgh/500

Passengers Experience of Air Travel

APPENDIX

Online ticketing

1. The benefits of online ticketing are acknowledged but with some reservations that it allows airlines to change their terms and conditions very easily and that disabled passengers who need to discuss assistance can find themselves engaged in lengthy and costly telephone conversations.

Travel to Airports

2. The Committee says that public transport links to airports is one area where passengers satisfaction with their travelling experience is lowest, at 29% quoting a DfT survey published in November 2006 which did not look specifically at Heathrow where use of public transport is much better than at most European airports. A House of Lords report of March 2006 is quoted concluding that 63% of Heathrow passengers use public transport to access the airport.

3. The report points to vehicular access to airports being a major source of carbon emissions and welcomes the emphasis which the Department has placed on surface access in its guidance to airports to develop Master Plans, suggest that this should be reviewed and that planning inquiries should not give approval to airport schemes that do not provide for good public transport access.

4. It recommends that some of the proceeds of the increase which has taken place in Air Passenger Duty (APD) should be reinvested in improving public transport to airports.

5. Heathrow Airport is commended for its investment in coach and bus facilities which are well placed, easily accessible and widely publicised to air passengers

PARK AND RIDE

6. The Committee considered the arguments for encouraging passengers to drive to the airport and park, accepts that it is more environmentally beneficial than being "dropped off", accepts airports make a great deal of money from their parking charges and recommends that Government commissions a review of airport parking charges and of the ability of off-site parking providers to compete fairly with airport car parks; park and ride outside of Heathrow should be part of the mix for travel to airports and the restrictive attitude of Transport for London to "park and ride locations" is said to be unacceptable.

AIRTRACK AND CROSSRAIL

7. Airtrack and Crossrail are concluded to be "...enormous benefits to those living and working at Heathrow, to London and indeed, to the rest of the country." Government is recommended to give Airtrack its full backing and to assist in the planning process towards construction. **The Committee is concerned that although the Parliamentary Bill for Crossrail is making progress, the Treasury has yet to make a firm commitment to fund the balance of the scheme that cannot be funded by London taxpayers and business. This may be as much as £8 billion**

8. Members of the HACC will, no doubt, be aware from Press reports at this time of writing that Government is expected to announce the future of Crossrail shortly, the most crucial aspect being how it is to be funded so that possibly the recommendation of the Transport Committee about a contribution from APD, may be acted upon.

AIRPORTS – A GROWING PROBLEM

9. The report concluded that "...Airports are generally not pleasant places to be although there are good and bad examples".

10. BAA told the Committee that the best way to improve passenger experience is to build more airports and to extend those which exist; it argued that this would mean larger passenger check-in areas, better security provision and more commercial space available. British Airways noted the ongoing problems at Heathrow where the primary cause of poor customer experience is lack of runway, terminal and apron capacity so that the airport is continually under stress because of high utilisation.

11. The Committee concluded that monopoly power slows growth and stunts innovation, it has no incentive to cut prices or to provide a better service, it is bad for the customer. It says that it "... has received little evidence pointing to benefits from BAA remaining in its present state and that it sees no reason to change the view of our predecessor Committee that BAA should be broken up."

THE PASSENGER INTEREST

12. The Committee believes that the Civil Aviation Authority recognises that the passenger and the airline interest are not always the same but that it does not appear to discriminate in favour of one or the other. It recommends that when there is a conflict between the airline and the passenger interest in a particular area, there should be a general presumption that the CAA will come down on the side of the passenger.

FACILITIES

13. Changes in ticketing and check-in to facilitate speedier processing are considered and the Air Transport Users Council is quoted as saying that in its experience, it is not convinced that the airlines and airports are managing it sufficiently well. British Airways cited the recent Agreement with the US Government that required the UK authorities to verify passport data provided by departing passengers which will slow the process and accepted that "baggage fast drop" is not working as well as the company would hope.

COMMERCIAL SPACE

14. One of the issues that provoked the most debate during the Inquiry was the amount of space that airports dedicate to retail and the amount of money they make from it. The report says that BAA is one of the largest commercial landlords in the UK, providing more than one million square metres of commercial accommodation for around 900 airport retail organisations. At Heathrow, the proportion of the total airport area taken up by retail and catering outlets is 19.8% whilst retail, food and beverages account for 15.4% of all revenue.

15. The Committee concluded that "... Whilst passengers clearly value these services we question whether so much space is now devoted to them that they have reached a tipping point and that passengers would not prefer to have some of that enormous space apparent at the "front end" where they are increasingly cramped waiting to pass through check-in and security."

AIRPORT CHARGES

16. As Members will know, there consultations under way by the Civil Aviation Authority and the Competition about the next five year period of regulated airport charges and also another by the European Commission about a Draft Directive on airport charges which could extend considerably the number of airports subject to regulation.

17. The Transport Committee is very critical in its view of the European Commission's activity and says "... That the Government has an ineffective record in recent transport negotiations at the EU level. It failed to protect UK interests in the recent EU-US deal on Open Skies and it has given away the transport veto in the proposed EU Treaty. The European Commission's proposed Directive on airport charges is regulation for regulation's sake. The CAA does a very good job regulating where it is required. The Commission's proposal would result in a five hundred per cent increase in regulation for the UK airports market. **The Government must take a firm line and refuse to accept any increase in the number of UK airports subject to regulation.**" **Members will recall that the Chairman of HACC wrote to the Secretary of State expressing the Committee's concern about the Open Skies Agreement and it should be similarly concerned about the loss of veto in the EU Treaty. THE HACC IS INVITED TO CONSIDER INDICATING TO GOVERNMENT ITS SUPPORT FOR THE POLICY BEING ADVOCATED BY THE TRANSPORT COMMITTEE.**

SECURITY

18. Security probably took up more of the Committee's time than any other aspect. It found that the application of and changes in security restrictions imposed by the Department of Transport were confusing to passengers and it was told by the European Region of Airports Council International that passenger throughput at central search areas had fallen by some 25 to 30% as a result of the restrictions on liquids. British Airways said that it had cancelled 1,283 flights affecting over 100,000 passengers and that thousands of bags did not connect with (mainly transfer) passengers.

19. A matter of particular concern to the HACC is the finding that delay in obtaining clearance for security staff is resulting in a significant number of those offered jobs obtaining alternative employment before security checks are completed. The Committee will be aware from discussion at several past meetings of the HACC that similar problems have arisen in obtaining security passes for new Members.

20. A number of recommendations are made to secure greater Government support on security for airports, more information when changes are planned and for assistance with emergency staff or funds if required; research and development should be a high priority for Government.

21. The Committee says that it was shocked by the evidence of non-compliance with the carry-on restrictions for liquids and the attitude of passengers to them. If the present trend of passengers trying to take prohibited items through security continues, and the figures are projected across all British airports, it would mean 7,000 tonnes of this material being collected each year.

22. The Department is said to be unduly relaxed about the number of people in breach of these restrictions, many of them knowingly so, and that "...we are clearly in some serious trouble if our citizens are not "buying in" to national security policies." It is recommended that the Department gather figures from all UK airports of the numbers of passengers attempting to breach the carry-on restrictions.

AIRLINES BAGGAGE POLICIES

22. The report points to confusion about differing standards for airline's baggage policies and points to the problems which British Airways has been experiencing with a (delayed) policy to limit economy passengers to one piece of baggage weighing no more than 23Kg. The European Commission has approved a maximum carry-on baggage size but has delayed application until May 2008.

23. The Transport Committee awaits the implementation of the EU maximum baggage rules in May 2008 and concludes that if it proves successful at reducing congestion for passengers, Government should look at the benefits of proposing an extension to cover all baggage rules.

COMPLAINTS AND COMPENSATION

24. The report compliments the Air Transport Users Council (represented on the HACC) " for doing a fine job with limited resources and what appears to be no advertising budget." It recommends that the CAA look at devising some kind of cross-subsidy for the Council from airport and airline fines for poor performance and that the Council does more to advertise itself.

25. The Committee considered operation of the EU Regulation on denied boarding, compensation and cancellation and was "...disappointed that airlines are routinely using the "extraordinary circumstances" clause as a means of avoiding paying compensation to passengers for cancelled flights." It awaits the outcome of a case pending in the European Court of Justice to produce an interpretation of the Regulation that means airlines can no longer blame nebulous external factors.

PASSENGERS REQUIRING ASSISTANCE

25. The Disability Discrimination Act 1995 applies to facilities and services provided by airports though not to services on aircraft. These requirements are to be extended under the terms of a European Regulation which will be applicable from July 2008 and the HACC has recently received presentations from BAA about the implementation of this.

26. The Committee regrets that "... the European Commission has felt the need to step in with a Regulation " and looks to the industry to work with Government on these issues whilst there is concern to ensure that the European Commission does not come sweeping in with more onerous regulation.

