

Consultation: PR23 Further Consultation on Open Access Airport Services

Submitted To: Office of Rail and Road

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Submitted By: BusinessLDN

1. BusinessLDN wishes to express concerns about the potential impacts of the proposals in the PR23 further consultation on open access airport services and request a full impact assessment be undertaken.
2. BusinessLDN is a business campaigning group with a mission to make London the best city in the world in which to do business, for the benefit of the whole UK. We convene and mobilise business leaders to tackle the key challenges facing our capital. We are made up of 180 leading employers across a wide range of sectors, including strong representation from the transport sector.
3. London's airports serve as the front door to the whole of the UK. They help to attract the trade, tourists, and investment that support the British economy in a globally connected world. They also serve as major sites of employment across the wider region.
4. The combination of travellers and employees generates significant demand for surface transport to and from these airports. In order to both minimise the impact of these journeys on local communities and the environment, it is vital that policy across Government and regulators is designed to incentivise and maximise the use of sustainable transport modes.
5. Increasing the cost of rail journeys will deter air passengers and employees from choosing this sustainable mode of transport for their connections to and from airports. The most likely impact will be to increase the number of car journeys being taken on the roads around airports. This would both degrade the passenger experience – many of whom are taking their first rail journey in the UK having just arrived and forming opinions about their future spending and investment decisions – and represent a significant retrograde step from the perspective of our progress towards net zero. Greater consideration must be given to these wider policy objectives and environmental imperatives.
6. The road infrastructure around London's airports will also struggle to cope with increased demand, as many are already heavily congested. This contributes to poor air quality and reduced quality of life for residents in these areas. Across the

capital it is also estimated to cost over £5bn per annum. This cost represents the time Londoners lose whilst accessing jobs and services, as well as the reduction in the number of customers businesses can serve. Adding to this problem runs counter to local and national policy designed to reduce congestion by incentivising modal shift towards sustainable and efficient transport options.

7. It should also be noted that the London road network is under similar financial pressures as the railway network and shifting the maintenance burden from one mode to another is not a real and sustainable solution. The holistic impacts of siloed decision-making need to be accounted for.
8. Increasing costs could also call the viability of open access services into question. This applies to both existing services and any potential new entrants looking to develop new services on airport routes. The net result is likely to be a reduction in competition on these routes (we remain unconvinced by the argument in 1.16b of the documentation), followed by a decline in service levels, passenger satisfaction, and therefore ridership. This risks contributing to a spiral of decline in airport rail services that will ultimately undermine the financial viability of the railways, and therefore having precisely the opposite of the intended effect.
9. The potential wider impact on private sector investment in UK infrastructure should also be analysed. Government has actively sought private sector proposals to increase rail infrastructure to London airports and this increase in costs could deter such investments. Policy at all levels should be consistent and charges designed to support the conditions that encourage and facilitate greater private investment in UK infrastructure.
10. Finally, it is unclear on what evidence the conclusion has been reached that this market segment can bear additional costs. Given there is only one existing open access airport service, there is a lack of data from which to generate solid supporting evidence and the very fact of there being a lack of services in this market segment suggests that the market incentives are currently set against such operations. An increase in costs would only compound these challenges.
11. Whilst we understand the current financial pressures on the railway industry, we are concerned about the wider impacts and unintended consequences of levying further charges on open access airport services. We therefore firmly believe that a thorough impact assessment must be undertaken.