BRINGING BRITAIN CLOOSERR

HEATHROW'S 9-POINT PLAN TO CONNECT THE UK



FOREWORD

Heathrow is a national asset, underpinning trade and tourism across every region and nation of the UK. We connect the UK to growth.

The decision to expand Heathrow was a decision to deliver new domestic routes and connect more of the country to fast-growing markets around the world.

It was a decision to support a national project that will drive growth, create jobs and boost tourism across the UK. Heathrow expansion will equip the next generation with the infrastructure it needs, helping to secure the UK's future as a confident, outward-looking, trading nation.

As the country's only hub airport, Heathrow is a cornerstone of the UK economy, connecting businesses of all sizes to global markets and supporting trade across the country. Nearly 76 million passengers travelled through Heathrow in 2016, and Heathrow handled over 30% of UK exports by value to markets outside the EU and Switzerland - British goods bound for foreign markets. Expansion will allow us to double our cargo

capacity, create dozens of new long-haul trading routes and increase our domestic connections, giving more businesses the opportunity to trade with the world.

OUR 9-POINT CONNECTIVITY PLAN

This plan sets out what we are doing to ensure that as we expand, we are bringing Britain closer together with new and sustainable connections, to unlock the opportunities of expansion for the whole country.

Since the Government's decision to back Heathrow expansion, we have been getting on with delivering **more viable and sustainable air links** for all of Britain. In January, we announced a £10 passenger discount on domestic flights, to provide more affordable connections to passengers and businesses across Britain. Through our Route Development Fund, we've committed to providing £10 million worth of funding for airlines to help connect currently unserved cities with the world. Heathrow is calling on the Government to abolish Air Passenger Duty (APD) on all UK domestic routes, to boost demand and growth across the country in the early years of Brexit. Heathrow is the UK's gateway to the world, and our new runway is an opportunity to **guarantee connections across the UK**. As Heathrow expands, we encourage the Government to investigate the use of Public Service Obligation (PSO) routes between Heathrow and UK cities at risk of losing their connections. This will help cement vital links to travel and trade, for every region. And we are the first UK airport to promote the principle of ring-fencing, to safeguard a certain portion of new air slots for domestic use, and boost connectivity for communities across the country.

It's not just about flights. Heathrow supports **the right mode for the right journey**, and this plan sets out Heathrow's place at the heart of the UK's transport network. We will soon publish plans to connect the 100 largest towns and cities to Heathrow. Planned rail improvements and new coach routes will help reduce journey times between Heathrow and the rest of the UK, and enable more passengers to reach Heathrow using sustainable transport methods. We continue to support Western Rail Link and Southern Rail Access, and are working with the High Speed 2 programme to





connect passengers from the Midlands and the North, and Crossrail to connect to passengers across London.

Heathrow expansion will deliver stronger, more sustainable connections for Britain, and link businesses and communities across the UK to new destinations and markets. That's why we are supported by businesses, trade unions, over 40 Chambers of Commerce and the UK Government.

The country needs the right infrastructure to connect every region and nation to growth, especially as the UK comes closer to leaving the EU. This new plan sets out what Heathrow is doing to improve our connectivity with all parts of the country, helping secure the UK's economic future for all communities.





Emma Gilthorpe Executive Director, Expansion

CASE STUDY

WHY HEATHROW MEANS BUSINESS

JACOBITE CRUISES, INVERNESS

In May 2016 a new daily air service reconnected Heathrow and Inverness.

In just four months, Jacobite, the longest running cruise company on Loch Ness, saw a 12% jump in visitors - with 7% coming from new tourist markets in Asia and regular long-haul travellers from North America. With expansion, we will boost our domestic connections to 14 routes, linking more regions and nations to Heathrow and the growth opportunities that this yields.

"A link between Heathrow and Inverness has been the boost that the Highlands and Islands needed to build on Scotland's natural strengths and capitalise on the international appeal that our region holds. It is from a direct link to a Hub airport – where passengers can easily transfer from around the world - that this 12% jump in visitors has occurred to benefit the Scottish regions and economy and I hope it will encourage more links to Scotland from an expanded Heathrow in the future."

> Freda Newton, Managing Director, Loch Ness by Jacobite



HEATHROW MATTER relies on our ability to connect to businesses and communities across the UK. For the past decade Heathrow has been operating at 98%

capacity. As capacity has been constrained at the airport, this has meant that domestic connections have been squeezed out with airlines choosing more profitable routes. The number of domestic routes has declined from eighteen routes in 1990 to just eight today.

With expansion, Heathrow will deliver new connections to fast growing markets. To ensure that the whole country benefits, people, businesses and communities need to be able to reach Heathrow easily. This means increasing our connectivity with the rest of the UK through sustainable and reliable routes, with high guality train and coach connections. Expansion will strengthen existing links and establish new connections to London, and onto global growth markets, for the UK's regions and nations.

Increased domestic capacity is also important for competition on routes. Since the introduction of our £10 discount on departing passenger charges for domestic routes earlier this year, Flybe has launched new services on two existing routes served by Heathrow. These new daily flights to Aberdeen and Edinburgh have boosted choice for passengers and businesses. As we expand, more capacity will enable more competition and choice on domestic routes.



WHY CONNECTIONS TO

As the UK's only hub airport, Heathrow is a driver of growth across the country, but this

Connectivity goes beyond air travel alone. Sustainable and resilient surface connections play a key role in connecting the UK and ensuring our passengers use the right mode for the right journey. As the UK's best connected transport hub, our passengers can reach the airport by tube, train, coach, bus or car.

Improved transport connections will enable faster and more reliable connections to the airport, improving the passenger experience. It will enable us to reach our target in our plan for sustainable growth, Heathrow 2.0, of at least 50% of airport passenger journeys made by public and sustainable transport by 2030.

"Currently one in five businesses export, but this could be doubled if we can get the infrastructure and package of support right. Increasing our constrained airport capacity is therefore an imperative for the UK's future growth. Doing so will bring a much-needed boost to regional connectivity and help to rebalance the national economy." Mike Cherry, National Chairman, Federation of Small Businesses

CONNECTING ALL OF THE UK

SCOTLAND

"We are thrilled that the Government has recognised the important role Heathrow plays in connecting Scottish exporters to global markets. Connection with an international destination like Heathrow... will be vital to the ongoing development within our key global markets including the USA and Asia."

> Robert Anderson -Chief Executive, Tomatin Distillery

NORTHERN IRELAND

"This is the right decision for Northern Ireland. An expanded Heathrow will herald a new era of connectivity for Northern Ireland. It means more flights to Heathrow, from Northern Irish airports, with a greater choice of airlines for passengers."

Ann McGregor – Chief Executive, Northern Ireland Chamber of Commerce and Industry

NORTH WEST

"Heathrow is the UK's hub airport. A route there would enable Liverpool to have onward connections to every continent of the globe as well as easy access to London."

> Andrew Cornish - Chief Executive, Liverpool John Lennon Airport

WEST MIDLANDS

"An expanded Heathrow means better domestic connectivity - increased competition for slots coupled with the £10 domestic discount will provide a boost to both the tourism industry and for exporters, underpinning regional growth.

> Sara Williams – Chief Executive, Staffordshire Chambers of Commerce

WALES

"[Heathrow expansion] will have a major positive impact for Welsh businesses with access to new markets and trade. A London hub can provide multiple daily connections to international destinations. This is great news for Wales by broadening horizons through greater connectivity and ensuring that Wales is open for business.

Rt Hon Alun Cairns (Con, Vale of Glamorgan) -Secretary of State for Wales

SOUTH WEST

"We are thrilled the Government has thrown its support behind Heathrow expansion. We believe that this solution will offer Cornwall's businesses the best access to world markets."

> Kim Conchie – Chief Executive, Cornwall Chamber of Commerce



NORTH EAST

As a global business, we welcome the 40 new long-haul connections that Heathrow expansion will bring. Heathrow expansion means that exporters of all sizes will be able to trade more effectively with more markets around the world. signalling that Great Britain post-Brexit is very much open for business."

> Jacqui Miller – Main Board Member, Miller International

YORKSHIRE & HUMBERSIDE

"Our members say that lack of connectivity, both within the UK and internationally, is one of their major concerns. It is why they have come to the view that expansion at Heathrow which will overcome these barriers is critical to their future."

> Gerald Jennings – President, Leeds Chamber of Commerce

EAST MIDLANDS

"It is essential that the Government has a sustainable aviation strategy to ensure that the UK remains an attractive location for investment from overseas. Part of that strategy must be ensuring that the UK has the routes and capacity that fulfil the needs of business travellers, holidaymakers and freight handlers."

Scott Knowles - Chief Executive, East Midlands Chamber of Commerce

EAST OF ENGLAND

"Our business growth has largely depended on efficient and timely connections from the UK out to our global partner network. Heathrow has played a part in establishing our brand globally, and we welcome the improvements in domestic connectivity as our team move in and out of Heathrow to reach our international markets."

> David Wagstaff – Head of Global Brands, G's Global

ASHFORD O

EUROSTAR

LONDON & SOUTH EAST

"The proximity to a hub airport at Heathrow is of critical importance to Thames Valley businesses. The airport acts as a gateway to new and emerging markets of the world."

> Steve Lamb – Chair, Thames Valley Berkshire LEP

DELIVERING BETTER CONNECTIONS

Heathrow is committed to bringing Britain closer together. Our **9-point Connectivity Plan** sets out our pledges and the actions we are taking to boost connectivity across the UK. Our Connectivity Plan also sets out areas where Government can act to further enhance domestic links across the UK with Heathrow expansion.



MORE VIABLE AND SUSTAINABLE AIR LINKS

Since the Government's backing for Heathrow expansion, we have taken steps to make it easier and more affordable for passengers to travel across the UK, and we will continue to work with airlines and Government to build better air links for Britain. As the UK prepares to leave the European Union, we plan to deliver an additional 25,000 air traffic movements (ATMs) per year, to deliver a vital trading boost before the third runway opens.

1 INTRODUCED £10 PASSENGER DISCOUNT ON DOMESTIC FLIGHTS

In January 2017, we launched a passenger discount for domestic flights which will continue to 2037 - as long as it is in the public interest and there is a justification for doing so. This reflects a one third discount on domestic departing passenger charges, based on 2016 levels. This is part of our commitment to boost domestic connectivity, give better value to passengers and support hard-working businesses across the UK.

On the back of this, in March 2017 Flybe launched new services from Heathrow to Edinburgh and Aberdeen, bringing competition and choice for businesses and passengers.

We will make further announcements on how our charges can support more domestic connections in due course.

2 COMMITTED TO A £10 MILLION ROUTE DEVELOPMENT FUND

To help boost connectivity across the UK, we have committed to a £10 million Route Development Fund alongside expansion, to support airlines to establish new routes into Heathrow.

This could support new domestic routes from airports like Dundee, Newquay and Liverpool. We are partnering with other UK airports, through the Regional and Business Airports Group (RABA), to progress this. RABA, which strongly supports Heathrow expansion, represents the interests of 37 regional airports from all corners of the UK. In the coming months, RABA will put together a proposal on the best means to implement the £10 million Route Development Fund and Heathrow will review these proposals with relevant stakeholders.

3 CAMPAIGNING FOR THE ABOLITION OF DOMESTIC AIR PASSENGER DUTY (APD)

Heathrow, like other UK airports and A Fair Tax on Flying (AFTOF), believes Government should follow the lead of many other European countries and abolish APD on all flights. As the country prepares to leave the EU, the UK Government must take steps to ensure all of Britain is connected to global growth. An interim measure, made possible after Brexit, would be to abolish APD levied on all UK-UK airport travel. This would support the entire UK aviation industry, create a fair playing field, drive growth and economic activity across the country.

The removal of domestic APD would support jobs and growth across the country from Belfast to Birmingham, from Newcastle to Newquay, by making it easier to connect, and more affordable for tourists and businesses to travel around the country. New research from Frontier Economics shows that the abolition of domestic APD could save UK passengers and business £225 million, and facilitate an 8% increase in domestic air travel.

In addition, this could stimulate more airlines to offer more domestic routes into Heathrow, the UK's only hub airport, supporting the long-haul routes needed to secure the UK's trading future after Brexit.

Heathrow has called on Government to abolish Air Passenger Duty on all domestic routes when the UK leaves the European Union.

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How abolishing APD could benefit the UK



The taxes and charges on a one-way domestic flight from Heathrow in 2016 were £42 per passenger. In the future, with the existing £10 discount and if domestic APD was abolished, it could be as low as £19 per passenger (with the some routes getting a further boost through the Route Development Fund).

DELIVERING BETTER CONNECTIONS

THE RIGHT MODE FOR THE RIGHT JOURNEY

Heathrow is the UK's best-connected transport hub. It has the busiest bus and coach station and the only dedicated non-stop express airport rail link in the UK. As we expand we want every community across the UK to have better, faster connections to Heathrow, whilst meeting our commitments on air quality and the environment.

New and improved transport links will mean millions more people are within commuting distance from Heathrow. They will help us achieve the goal set out in Heathrow 2.0, our plan for sustainable growth, of at least 50% of airport passenger journeys being made by public and sustainable transport by 2030. This will support our plan to ensure there is no more airport-related traffic on the road, so local areas can thrive without increased congestion. We already have a strong record in this regard - passenger numbers have increased by 80% in 25 years but airport-related road traffic has remained broadly static.

4 CONNECTING THE UK'S 100 LARGEST TOWNS AND CITIES

As set out in Heathrow 2.0, we are developing plans to enhance Heathrow's place at the heart of the UK transportation system. We are working to connect the UK's 100 largest towns and cities to Heathrow in the most sustainable way.

We are supporting partners to promote direct and one-change rail connections to Heathrow as a sustainable mode of transport, including process and technology improvements to make rail-air transfers as seamless as air-air transfers. We are also supporting and promoting new coach connections to Heathrow and ultra-low emission coaches. Through better surface connections, we will help connect every region and nation to more opportunities for growth.

We will soon publish our next steps on connecting the UK's 100 largest towns and cities to Heathrow.

5 SUPPORTING WESTERN RAIL LINK AND SOUTHERN RAIL ACCESS

Heathrow expansion will help connect every region and nation in the UK to new international routes. This will be enhanced by the proposed Western Rail LInk, a Network Rail project, which would result in better connections from Wales and the South West to Heathrow.

The proposed Western Rail Link is strongly supported. It will deliver direct rail connectivity to Heathrow from areas such as Slough, which will be just six minutes from the airport, and reduce journey times for passengers connecting from South Wales, which would be less than 90 minutes from Heathrow.

Southern Rail Access could allow for better connections between Heathrow and the South East, south London, Surrey, Hampshire and the south coast. It is a huge opportunity that could connect nearly five million additional passengers to Heathrow and boost the public transport options to and from the airport.

We continue to support Western Rail Link and Southern Rail Access to Heathrow, and urge Network Rail and Government to progress the development of these schemes.



6 *IMPROVING CONNECTIONS* TO LONDON

The introduction of Crossrail will significantly improve links between Heathrow and a number of central London destinations, including the West End, the City and Canary Wharf. It will mean reduced journey times from Heathrow to places like Shenfield in the East, cutting journeys down to 75 minutes. From May 2018, six Crossrail trains an hour will run between Paddington and Heathrow Terminals in addition to the Heathrow Express and Piccadilly Line – with a potential to add further services in the future. This will give passengers greater choice, improved passenger experience, and convenient and flexible ticketing, with Oyster and contactless payments available on all services from Paddington to Heathrow from May 2018.

HS2 will mean communities across the UK can connect to long-haul capacity delivered with Heathrow expansion, and dramatically reduce journey times between some of Britain's biggest cities. For example, cities in the East Midlands will benefit from a 60 minute reduction in travel time to Heathrow. We will continue to work with partners in the delivery of a new interchange at Old Oak Common.

Heathrow, TfL and DfT are working together to boost rail connections to the UK's hub, giving our passengers more choices to travel sustainably between Heathrow and London.

Improved transport connections will mean that 70% of the UK's population will be within three hours on public transport from the UK's only hub airport by 2030. New links will enhance transport options, helping to reduce congestion whilst improving the passenger experience.

7 WORKING WITH THE HS2 PROGRAMME TO CONNECT PASSENGERS TO THE NORTH

The development of a HS2 station at Old Oak Common will create a seamless interchange to Heathrow, which is just a 12 minute journey away, delivering much quicker and easier journeys for passengers beginning or ending their journeys in the Midlands and parts of the North.

DELIVERING BETTER CONNECTIONS

GUARANTEEING CONNECTIVITY ACROSS THE UK

Today, Heathrow has domestic connections to eight cities in the UK. Expansion will allow us to create new routes to cities not currently linked to Heathrow, with the potential for new routes such as Newquay, Dundee and Liverpool.

New domestic routes will mean better travel and trade links for communities across the UK, ensuring people and businesses from every region and nation benefit from an expanded Heathrow.

8 SUPPORTING PUBLIC SERVICE OBLIGATION ROUTES TO HEATHROW

Through the Regional Air Connectivity Fund^{*}, the Government has already indicated a willingness to support air access to London from regions that would otherwise lose their connection to a London airport. This would be done through creating designated Public Service Obligation (PSO) routes to areas which would lose their connection under normal market conditions and have no convenient surface alternative. Today, PSO routes are specified by the cities they link, rather than the airports.

We believe this is no longer relevant in a globalised economy, in which regions across the UK are keen to connect with the world, to attract new investment and trading opportunities. This means it is not just connections to London that matter, but connections through London, to global markets, via the UK's only hub airport.

Therefore, with Heathrow expansion, we encourage the Government to investigate the use of PSO routes between Heathrow and specific UK cities in circumstances where airlines would not enter the market based solely on commercial interests.

9 SUPPORTING THE RING-FENCING OF SLOTS FOR DOMESTIC ROUTES

An expanded Heathrow means an opportunity for new domestic connections to airports like Humberside, Dundee, Newquay or Liverpool.

Leaving the EU will create the opportunity to prioritise and protect air links from Heathrow to other UK airports. New slot rules could be created to ring-fence a certain portion of the slots at Heathrow for domestic use. This would mean that even if Heathrow becomes full again, domestic connectivity will be protected.

We are the first UK airport to promote the principle of ringfencing slots to help boost connectivity for all of Britain and will continue to work with airlines and the Government to make this happen.



Communities and businesses across the UK would benefit from a direct connection to the UK's hub airport. If the market fails to provide a route, the Government can use its existing powers to create Public Service Obligations (PSOs), and we urge Government to review the existing rules on PSOs and ringfencing of slots for domestic routes, to further guarantee access to Heathrow in perpetuity.

* https://www.gov.uk/government/news/regional-airports-asked-to-bid-for-up-to-56-million-funding-for-new-routes-over-next-3-years



CASE STUDY

WHY HEATHROW MEANS BUSINESS

PRIMA CHEESE, SEAHAM

Durham-based dairy processing company Prima Cheese has become one of the most recognised brands within the UK food industry.

The recent winner of the 2017 North East 'Exporter of the Year' award, Prima Cheese exports its products nationally and worldwide, from the Middle East to South America.

"Heathrow is a real asset to Britain's small businesses. Having access to the direct and regular services that Heathrow provides to long-haul destinations around the world means we're able to meet and do business with customers across the globe. Expanding Heathrow and increasing our access to the long-haul connections it offers will support us and other businesses in the North East so we can to continue to thrive."

> Nagma Ebanks-Beni, Commercial Director, Prima Cheese

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SUPPORTED BY THE WHOLE OF THE UK

ENGLAND

"The increased capacity created by a third runway at Heathrow will reverse the trend of declining links between one of the world's major hub airports and the nations and regions of the UK. We firmly believe the construction of the third runway is imperative to ensure the North East is able to maintain connectivity, not only to London, but to the rest of the world."

> Catherine McKinnell, MP for Newcastle North and Phil Wilson, MP for Sedgefield

SCOTLAND

"Growing the number of direct international air routes to and from Scotland's own airports remains a top priority for this Government, but a third runway at Heathrow offers all our airports a range of benefits that will help them grow passenger numbers and continue to build on their successes."

> Keith Brown MSP, SNP Cabinet Secretary for Economy, Jobs and Fair Work

WALES

"With the potential for faster travel times through HS2, areas such as North Wales will benefit from potential inward investment. Heathrow also links to regional airports in the north such as Manchester, so the potential for job growth is immense."

> David Hanson, MP for Delyn

NORTHERN IRELAND

"Our connectivity to global business and inward tourism markets is dependent on the high frequency, economic and easy to use connections to international flights through a hub airport such as Heathrow."

> Simon Hamilton MLA, DUP Minister for Economy



CASE STUDY

WHY HEATHROW MEANS BUSINESS

RUBYBLUE, LISBURN

As Northern Ireland's first craft spirits producer, RubyBlue Spirits make award-winning potato vodkas and unique fruit liqueurs from their distillery in County Antrim.

As the business grows, RubyBlue Spirits is looking to increase their export opportunities.

With expansion, Heathrow will help connect businesses across Northern Ireland, like RubyBlue Spirits, to new global markets.

"At RubyBlue, Heathrow is our gateway to markets across the world. Through fast and frequent domestic connections between Heathrow and Northern Ireland, we can get our products on shelves all over the globe.

Better domestic connections from Heathrow expansion are vital for businesses like ours to thrive. They will mean more growing businesses across the UK can reach out and trade with the world, driving growth and investment for local communities in every region."

Barbara Hughes Managing Director, Hughes Craft Distillery Ltd

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