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Rt Hon Philip Hammond MP
Chancellor of the Exchequer and First Secretary of State
HM Treasury
1 Horse Guards Road
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Dear Chancellor

As the UK's hub airport, Heathrow is a national asset. It plays a unique role in connecting our country and underpinning trade across every region and nation of the UK. The Government's decision to expand Heathrow was a decision to bring more of the country closer to fast-growing markets around the world. Expanding Britain's global gateway is a vital step to prepare the country for Brexit, which is why it is supported by businesses, trade unions and across the political divide.

The Autumn Budget is an opportunity to prepare the whole of Britain for the years ahead, and crucial to this is strengthened connections between our regions and nations. As the UK's hub, Heathrow must play its part by boosting connections to all parts of the UK.

Today we unveiled an ambitious new 9-point plan to improve the UK's connectivity to Heathrow, and through Heathrow, to growth markets around the world. Our plan outlines how we will deliver more viable and sustainable air links for all of Britain, and how we're supporting the right mode for the right journey, with planned rail and road improvements to ensure that at least 50% of airport passenger journeys are made by public and sustainable transport by 2030.

We have a good track record. This year, Heathrow introduced a £10 domestic discount on departing passenger charges, supporting passengers and UK businesses connecting within the UK and helping to strengthen route viability. As a result, Flybe began services at Heathrow for the first time with new flights to Aberdeen and Edinburgh – meaning greater competition and choice for UK passengers. We will continue to review how we can strengthen domestic connectivity, and with expansion, working with airlines, we have committed to increase our domestic routes from 8 to at least 14.

But to unleash the true growth potential of the UK, we must act together. There are policy levers available to Government which will boost demand and growth across the country in the early years of Brexit. The UK has one of the highest levels of Air Passenger Duty (APD) in the world. To give the UK the best chance to compete in the global race, the Government should abolish this uncompetitive tax – starting with all domestic flights within the UK.

Abolishing APD on all domestic routes from every UK airport will send a clear message that the UK is preparing for a Brexit that connects everyone to new growth and opportunities. New research from Frontier Economics shows this could increase demand for domestic travel by 8%, boosting businesses, communities, and supporting new and existing connections, while saving passengers up to £225 million a year. Increased journeys and linked increased economic activity across sectors indicates this could be revenue-neutral for Government, ensuring our sector continues to pay its fair share in tax.

It's a bold move that would supercharge British competitiveness, make it cheaper for British businesses to do business with each other and ensure every part of our country can prosper in the future. It's exactly the type of practical policy move that will show the country that the Government is serious about governing in the national interest, show Europe that we're preparing for our future and show the world that Britain is open for business.

I am happy to discuss this further and, at this crucial time, Heathrow is on hand to work with you to bring more of Britain closer to growth.

Yours sincerely



John Holland-Kaye
Chief Executive Officer