

Heathrow is a crucial driver of the local, regional and UK economy.

The airport's businesses employ 68,000 people directly – the biggest employment site in Britain, possibly in Europe – and another 12,000 people work off site in airport support services.

Heathrow handles over 60m passengers a year and 1.2 million tonnes of cargo, worth tens of billions a year.

But success has bred one of the most complex logistical challenges for the airport, the businesses in and around the airport, local authorities and transport providers: how to get air travellers, staff and cargo to and from the airport.

So what is the solution?

Airports have to become integrated transport hubs.

Combining car, bus & coach, rail, light rail, cycling and walking. With an emphasis on providing public transport alternatives to car use. And these hubs should not just integrate local transport. They should also be integrated into the national transport network, where practical.

BAA sees its role in meeting this challenge as one of leadership through partnership.

Leadership, as a company purpose, because it is the right thing to do. Leadership also because we have an impressive track record of delivering in this area and we are often best placed to drive forward the process for integrated transport.

But why partnership?

As I have said, Heathrow airport presents a major challenge for surface access with its thousands of workers, millions of passengers and million plus tonnes of cargo.

But let's put BAA's contribution to this challenge in perspective.

Within Heathrow, there are 400 businesses, and only one of these is BAA.

Only 3,800 of the workers – less than six per cent – are employed by BAA. And all of the 60 million travellers are the customers of BAA, but also of shops, restaurants and ultimately airlines.

All of the 400 businesses – airlines, shops, ground handlers and others – contribute to the surface access challenge. Because they use the transport infrastructure for their own staff, customers, goods and services. So they are and have to be partners alongside BAA in meeting the challenge of solving the problems.

The partnership need goes beyond even this wide community.

Within the west London area, Heathrow airport contributes to the wider surface access challenges of congestion on the M25, M4 and A4.

It is important to keep the Heathrow-specific impact in proper perspective.

Traffic flows on these arteries are not all users of Heathrow. Traffic on the M25 and M4 is serving a multitude of needs, people and organisations. In peak hours – when congestion is at its very worst – only 15% are Heathrow passengers, staff and services.

So, partnership for Heathrow means that the local and regional authorities – Hillingdon, Hounslow, Surrey, SEERA, the Greater London Authority and others – all have a part to play in meeting the challenge. And they have to work in partnership with transport providers – such as train and bus companies.

Finally, on a national scale, airports are only minor contributors to the transport challenges facing Government and national infrastructure providers.

So partnership means working with Government.

With the Highways Agency, which is responsible for trunk roads and motorways. And with the Strategic Rail Authority and Railtrack, and its successor, 'Newtrack'. In order to establish both the strategic national transport policy framework and the means of delivery of major transport infrastructure.

That's why I say that BAA sees its role as one of leadership through partnership. Because no single actor can deliver what is needed.

The good news is that through partnership we can make progress.

Locally, the Heathrow Area Transport Forum has been the focus for partnership and has shown leadership on local transport strategy. And BAA has demonstrated its own leadership commitment by the level of investment which it has put into local transport improvements.

£1.4m, for instance, has been invested in the M4 spur bus lane.

Over half a million a year is invested in marketing and supporting local bus services, including the free zone around the airport.

We are leading by example with our company travel plans. With the biggest registered car-share scheme in Europe. And with the airports travelcard, giving staff major discounts on bus and coach services.

The result has been that working in partnership with the Transport Forum, we achieved a 10% shift away from car commuting by staff between 1992 and 1999. And doubled bus ridership among staff in the same period.

Of course, not every local initiative has worked, but in the round, the Heathrow Area Transport Forum has been successful and deserves considerable praise for its work to date.

But I should point out here that despite these local successes, Heathrow has failed to reach its original goal of getting 40 per cent of passengers to the airport by public transport by 2000.

It is important to understand why we failed, and why our new target of reaching 40 per cent by 2007 is still very challenging.

We failed because the local delivery effort has not been replicated at a regional or national level. At this larger scale, we are much smaller partners, and our ability to deliver is tempered by the quality and delivery of our bigger Governmental and transport partners. Our goal required a much more substantial shift of passengers from cars to rail.

BAA showed leadership and commitment in building the Heathrow Express, to provide a high-quality rail alternative to driving along the M4. The Heathrow Express cost BAA £500m and was built without public money. We will be investing another £370m in extending the Heathrow Express and underground to Terminal 5. And while this rail investment was a condition of approval for Terminal 5, it was a condition which BAA volunteered, as we recognise the need for this investment to be made.

The Heathrow Express is achieving market penetration, is continuing to grow, and is now being used by 8.4 per cent of passengers. It averages 15,000 passengers a day and is reaching 19,000 a day in peak seasons.

But BAA was unable, alone, to deliver the further improvements which are needed to shift more passengers from road to rail. We were directly affected in the short-term by the Ladbroke Grove crash.

But in the long-term, delivery has been seriously limited by the difficulties of Railtrack.

Heathrow's rail infrastructure was built to handle 16 train paths an hour, and we use only four. We have been unable to gain access to new train paths for the additional services we wanted to put on. The St Pancras Express service was killed off by the lack of train paths. Though it has, in any case, now been superseded by the commitment by London and central Government to build Crossrail. But Crossrail is still a decade away.

I can tell you a similar story about our efforts to secure train paths for Hayes and Ealing Heathrow Express shuttle services.

And Airtrack also relies on securing a viable partnership with Railtrack, the SRA, train operating companies and local authorities.

So we did not meet our original 40 per cent goal, despite BAA's massive investment in rail infrastructure.

Despite these disappointments, Heathrow is actually doing quite well in terms of staff public transport use when measured against the rest of the South East. Heathrow has better performance on employee car commuting – 71 per cent against 76 per cent for the South East as a whole. It is also substantially better on employee bus use – ten per cent against four per cent in the South East.

What I think comes out from these figures is that the problems and challenges are not peculiar to BAA or Heathrow airport, and that the scale of the challenge is immense.

Heathrow contributes to the problem, but is not the primary cause. The problems are common to all businesses in the region and are caused by all businesses in the regions.

So Heathrow can and does contribute to the solution, but cannot be the only player to do so. Our contribution to the solutions must be proportionate, and our funding of the solutions must also be proportionate.

Let me be very clear, BAA and our airlines have always been major funders of transport infrastructure and services.

We accept our leadership role.

And I give you my categorical commitment that BAA will continue to fund these initiatives – we will not duck our responsibilities. But we absolutely cannot and will not be the funder of last resort.

We are not an arm of Government, and we are not able to subsidise investment which should rightly be made by Government, or by the SRA, or by Railtrack or other major transport providers. We are a FTSE 100 private-sector company, with a financial duty to the shareholders who provide our equity.

Rival airports on the continent don't have the same issue of subsidising national infrastructure, as BAA's chief executive saw first hand on a visit to Charles de Gaulle in Paris last week.

Charles de Gaulle has built a new rail interchange, which links the new terminal to the TGV, the regional railway and the Paris metro systems. The airport paid for the train station. But the rail companies paid for the lines into the airport.

That just does not happen here.

And this made me think about my journey to work. I come into Euston on a Silverlink train. I then get on the overcrowded Victoria Line to Victoria, where our offices are. Victoria underground, incidentally, is closed several times a day because of overcrowding.

But no-one ever suggests that Silverlink – which delivers me to Euston – or Railtrack, which owns Euston and Victoria Stations – are responsible for solving the overcrowding on the Victoria Line, though they clearly contribute to the problem.

So why is Heathrow – or any other airport – different?

I suggest we look again at national, regional and local investment in transport and whether those responsible for the infrastructure and those who contribute to the problems can do more to help.

The transport initiatives which the Transport Forum and BAA have implemented deliver benefits to a wider community than airport businesses. In fact, many businesses which have nothing to do with the airport have been getting the benefits of our investment. Maybe it's time for them to start doing their fair share too.

And maybe those who contribute to the problems but do not contribute to the solutions should become more engaged.

Companies like Glaxo Wellcome, Boots and BAA are nationally regarded for their public transport initiatives.

But you don't have to be a FTSE 100 company employing thousands of workers to make a contribution.

Everyone has a bit to do, however small it may seem.

Because if everybody contributes something small to reducing car dependency or to improving public transport, their collective effort can make a real difference.

The problem of road congestion is not simply a problem of the total volume of traffic. It is a problem at the margins, at pinch-points and where a small increment in traffic tips a flowing road into gridlock. So, in fact, the solution is not to empty roads of all vehicles. It is actually just to reduce traffic at the margins, by that few per cent which causes a problem, by getting rid of unnecessary journeys. And everyone can play a part in achieving that reduction.

Most people don't work for multi-nationals. They work for small companies. There are tens of thousands of businesses employing 50, 40, 30 workers or fewer. But most of these businesses regard the transport issue as someone else's responsibility. They think they are too small to do anything about it. But if every business with 50 people encouraged just five of their staff to car share, or cycle, or use a bus or train instead of driving, those five people would represent a reduction of 10 per cent or more in traffic.

Aggregate those tens of thousands of five people across the country, and you get the reductions which turn tailback into flowing traffic.

So, to conclude my remarks, I think we are dealing with the challenge of leadership through partnership at three distinct levels.

Locally, BAA shows leadership with its business partners to deliver local solutions at the airport.

Within the Heathrow area, the Transport Forum shows leadership among local authority, business and transport provider partners in setting the strategic framework for the area. It has shown the drive and innovation to find solutions.

And I believe that a further challenge for this Forum is to show leadership among those businesses and others who could play a fuller part in the region's solutions.

And nationally, Government and national transport providers must show leadership in driving the big picture vision and making major investments in strategic infrastructure.

Because this isn't just an airports access issue. It's an issue for all of us and for the competitiveness of our economy.

We will all realise the benefits. But only if we all contribute to the effort.