

DUBLIN AIRPORT

"Response to Consultation on Guidelines, Incentives and Ad hoc Advisory Panel for Passenger Representation in Regulatory Decision Making for Dublin Airport"

9 February 2018

Contents

Overview	3
The Commission's final assessment: Evidence of passenger engagement	3
Incentives and guidelines	3
Principles of good passenger engagement	4
Ad hoc advisory panel	5
Determination 2020-2024	5
Clarification regarding current processes surrounding terminal design	5
Conclusion	7
Appendix 1: The Frontier Report on Passenger Engagement	8
Appendix 2: Confidential	.27

Overview

daa ('Dublin Airport') welcomes the opportunity to respond to the Commission for Aviation Regulation's ('the Commission') consultation on "Guidelines, Incentives and Ad hoc Advisory Panel for Passenger Representation in Regulatory Decision Making for Dublin Airport". In seeking to avoid repetition and to concisely present our views, this submission does not respond in sequence to each of the 18 questions asked by the Commission in its consultation.

Frontier Economics has developed a briefing note ('the Frontier Report') on passenger engagement for Dublin Airport, which forms part of our response to this consultation and is contained in Appendix 1. The Frontier Report should be considered by the Commission when advancing its proposals on guidelines for passenger engagement.

Passengers and airlines are fundamental partners of Dublin Airport and it is clear that the success of our business relies very heavily on ensuring that all our passengers' needs are well served and that all passengers are satisfied with their experience of Dublin Airport. While Dublin Airport supports the Commission's elevation of the passenger, it believes that the introduction of a greater focus on passengers in airport regulation requires careful consideration of the characteristics of airport services and the objectives of greater passenger focus so that the resulting changes to the regulatory approach are effective and deliver value to passengers.

The Commission's final assessment: Evidence of passenger engagement

Dublin Airport acknowledges the Commission's position in its first consultation (Commission Paper 9/2017), that "some groups of passengers have not been well represented" in its 2014 pricing decision as the Commission did not receive "any responses from groups representing outward leisure passenger [or] those with reduced mobility...". Subsequently Dublin Airport set out its support for the elevation of the passenger in principle in responding to the Commission's first consultation. However, the Commission notes in its second consultation (Commission Paper 15/2017) that in its final assessment "there is a lack of evidence that the views of passengers have explicitly been taken into account in [its] regulatory decision making process".

Dublin Airport is surprised with this finding and the emphasis placed on an assessment by the Commission because Dublin Airport did not receive a request to provide any such evidence as part of this consultation process and would have been in a position to do if requested by the Commission. Furthermore, Dublin Airport has not previously been required to demonstrate that passenger views have been explicitly accounted for in its submissions to the Commission and its submissions were therefore not tailored accordingly. In addition, where the Commission has concerns that certain passenger groups are – or may be in the future– underrepresented in the regulatory process, there is scope for the Commission to engage directly with representatives of these passenger groups to address this deficiency in a more targeted manner.

Incentives and guidelines

The Commission is consulting on draft "guidelines and incentives [to] improve the way the outputs of passenger engagement by stakeholders are communicated to the Commission, and [to] clarify

how the Commission will interpret those outputs" but Dublin Airport does not consider that the single incentive that is proposed in the second consultation is clear or easily understood. For example, the Commission proposes that "The more criteria the passenger engagement work meets, the higher its quality and the stronger the weight it will have during [its] decision making" but it is not clear whether this also implies that little or no passenger engagement work associated with a regulatory submission from Dublin Airport means that the submission is of low quality, and therefore more likely to be looked upon less favourably by the Commission in making a decision. It is also difficult to understand what the Commission means when it explains that it will not necessarily "dismiss it entirely" under such circumstances. In this regard, it is not clear if explicit passenger engagement work is actually required and, if so, when it is required.

Separately, Dublin Airport believes there is considerable uncertainty regarding the published draft guidelines. Responding to the first consultation, Dublin Airport emphasised the need for clarity on more than one occasion and is surprised that the Commission proceeded with a decision and further consultation without sufficient clarity. It is critical that Dublin Airport understands what is being consulted in order to provide the Commission with its informed view before a decision is reached. In particular, and as noted in the Frontier Report, the proposed criteria set out by the Commission for decision making in paragraph 4.7 of the second consultation (Commission Paper 15/2017) is unclear and could result in significant ambiguity. It is not clear if a particular form of passenger engagement is preferred or if all of those listed in paragraph 4.7 should be considered in every submission by Dublin Airport that is subject to a decision by the Commission.

The Commission has provided draft guidance which states that "it is the responsibility of any stakeholder to provide supporting evidence or to explain why the engagement was not appropriate...". Does this mean that Dublin Airport must adhere to this guidance, with respect to the extensive criteria listed under paragraph 4.7, in circumstances where criteria from this list do not supplement a regulatory submission?

Notwithstanding our concerns with what has been proposed, Dublin Airport welcomes the Commission's proposal that it does not wish to prescribe exactly how research is conducted by stakeholders. However, this has added uncertainty to what exactly is being proposed and how Dublin Airport can meaningfully respond to proposals that are not easily understood and which contain a considerable degree of ambiguity.

Principles of good passenger engagement

Regarding the proposed set of criteria that will underpin the Commission's decision making, Dublin Airport does not agree that the draft guidelines fully reflect principles of good passenger engagement. As set out in the Frontier Report, the proposed collaboration process is intrusive, unrealistic and bears little or no relation to how good customer engagement is managed. Dublin Airport does not believe that it should be required to consult with stakeholders on the design of passenger engagement and subsequently consult on findings from this engagement. This has potential to be a rather convoluted and time-consuming process that ultimately risks undermining the robustness and credibility of the research itself. This proposal does not appear to have sufficiently strong regulatory precedent and in this regard, there are lessons to be learned from

other regulated sectors that have elevated engagement with consumers. In Appendix 2, Dublin Airport details a number of examples in which external research has been commissioned and factored into regulatory submissions, often on an implicit basis.

Ad hoc advisory panel

Regarding the Commission's proposal to establish an ad hoc advisory panel of volunteer passengers and/or people representing passengers, it is unclear how the success of this group will be measured, what success will look like or who will be accountable for the operational running and ultimate effectiveness of the group.

Dublin Airport is also concerned regarding the representativeness of this group and specifically that of its members, and would encourage the Commission to ensure panellists are not in any way self-selected. However, the proposal that members would be appointed following expressions of interest is not necessarily conducive to ensuring that members are sufficiently representative.

In addition, the Commission does not appear to outline how it envisages securing representation on the advisory panel of inbound passengers who are resident overseas but that comprise roughly half of all passengers at Dublin Airport.

Determination 2020-2024

As Dublin Airport is currently preparing for the next Determination 2020-2024 and our submission will be finalised later this year, we would like the Commission to provide details on how the proposals set out within its consultation are expected to feed into this Determination. In other words, when will the proposals be finalised and implemented and is there an expectation from the Commission that Dublin Airport should adhere to the final proposals in its submission to the next Determination. Similarly, does the Commission expect the proposed passenger advisory group to be in place and sufficiently informed to engage with and influence its decision making for the next Determination?

Clarification regarding current processes surrounding terminal design

This section seeks to clarify the process that Dublin Airport follows to ensure that areas of a terminal building are designed so that persons with reduced mobility ('PRM'), or other groups of passengers: the elderly, young children, etc., can reach and use them with ease. This section also outlines the accessibility standards for persons with disabilities, and other passengers including PRMs, that are followed by Dublin Airport from the first phase of planning for building or renovating airport installations that are open to the public. Finally, this section seeks to clarify that Dublin Airport seeks the advice of experts, including experts from disability organisations or universal design, before final plans are submitted for the airport's internal approval.

Dublin Airport would like to emphasise that it adopts an all-inclusive 'access for all' strategy where it continuously seeks to ensure that PRM passengers can independently use the facilities. Under

current legislation, Dublin Airport is required to comply with S.I. 513/2010 which requires a disabled access certificate of the design proposal to be submitted to local planning authorities for approval prior to any airport works commencing. This is a statutory requirement for new buildings and to extensions and material alterations to existing buildings prior to certifying for occupation. Dublin Airport considers that the relevant guidance document to S.I. 513/2010 'Part M' is the minimum standard to which Dublin Airport must adhere to and we would normally strive to go well beyond that in order to achieve the best possible customer experience for all of our passengers.

Under Part M the following examples are relevant to what is taken into consideration in the early stages of the airport design process:

- Site access for any new build projects the site is assessed in terms of design to ensure access for PRM is provided as close as possible to the main entrance via designated carparks as well as ease of access for those arriving by public transport;
- ➤ Building entrance gently ramped where possible with automatic doors;
- ➤ Wayfinding signage to be readily visible to get people moving efficiently to their destination;
- WC facilities an adequate number of oversized facilities to allow for independent use with emergency pull cords and full-length mirrors as standard;
- Dropped counters where possible to facilitate wheelchair users;
- Disabled sized lifts or fixed ramps where changes in level occur;
- > Wheelchair refuge area to be provided in stairwell design;
- > Tactile flooring and /or visual contrasts at changes in level.

In addition to the standard statutory requirements under Part M of the building regulations, Dublin Airport would also typically consider the following;

- handrail locations and height;
- > contrasting colour selection for passengers that may be partially sighted;
- dropped counters for public access by PRM passengers;
- induction loop facilities to be provided for the hard of hearing and private baby changing facilities for parents;
- Dublin Airport also seeks to ensure that broader needs of persons with disabilities are considered by adhering to relevant guidelines produced by organisations representing persons with disabilities.

Dublin Airport seeks the advice of experts when planning airport development. Examples of organisations previously consulted include:

- Irish Wheelchair Association
- Irish Guide Dogs for the Blind

- Inclusion Ireland
- National Disability Authority
- National Council for the Blind of Ireland
- Irish Deaf Society
- Hearing Loss Ireland
- Irish Autism Action

This section outlines a particular approach taken during the design stage of infrastructure, the relevant accessibility standards that are adhered to and the relevant organisations that we liaise with. This submission does not detail the extensive research that Dublin Airport undertakes and how research has previously shaped our regulatory submissions. Similarly, this submission does not detail how our research can shape future regulatory submissions if there is a requirement to demonstrate explicitly how the needs of all passengers have been considered.

Conclusion

Dublin Airport recognises that national policy is driving a greater emphasis being placed on the passenger and that the Commission is seeking to progress this in an efficient and low-cost manner. Dublin Airport appreciates that the Commission does not wish to prescribe how Dublin Airport undertakes its research. However, Dublin Airport has many concerns with what the Commission has proposed and the ambiguity contained within the consultation that has resulted in different interpretations within Dublin Airport alone with respect to what is being proposed. In October 2017, Dublin Airport sought clarity on what is being proposed by the Commission and does not believe that sufficient clarity has been forthcoming. Therefore, we would like the Commission to provide the required clarity, if the views within this submission are inaccurate, so that Dublin Airport can respond in an effective manner.

It is important that the effectiveness and accountability of the passenger advisory group is known and, above all, we firmly believe that the Commission should reconsider its draft proposed guidelines surrounding principles of good passenger engagement.

Appendix 1: The Frontier Report on Passenger Engagement





PASSENGER ENGAGEMENT

A note for daa

This note presents a short critique of CEPA July 2017 report¹ for the Commission for Aviation Regulation ("the Commission") on passenger representation and the Commission's consultation² following its December 2017 decision on passenger representation in regulatory decision making³.

We have been commissioned by daa to prepare this note to lend the benefit of Frontier's extensive international experience to the current policy discussion. However, the views contained here are those of the authors, not of daa.

In the following sections we:

- present our understanding of the context for this discussion;
- comment on CEPA report, in particular highlighting areas where the evidence collected and the recommendations do not appear to align; and then
- review the Commission's consultation on its Decision in the context of CEPA's report and regulatory best practice.

This is not a formal response to each question presented in the consultation, as we prefer to focus on the matters we think are key to the issue of encouraging and designing good customer engagement. In each section we follow the order of the issues as covered in the CEPA report and Commission consultation respectively, to make it easier to follow our comments in the context of these reports.

We identify certain shortcomings with the CEPA report, note discrepancies between CEPA's recommendations and the Commission's proposed approach, and highlight places where the Commission's proposals vary from what would seem to be regulatory best practice in the area of customer representation in regulatory decision making. it appears to Frontier that the Commission's latest proposals overstep the mark of any need identified by CEPA's report. In particular they place prescriptive consultation process requirements on daa that are inconsistent with the requirements placed on other regulated entities in the context of customer engagement and likely to inhibit rather than enhance the production of high quality customer research.

Our views are based on Frontier's extensive experience working on customer representation issues in a wide range of sectors including water and energy, but also as an adviser to Heathrow in its engagement with its Customer Challenge

[&]quot;Study on passenger representation in airport charge determinations at Dublin Airport", CEPA, 28th July 2017

Consultation on guidelines, incentives and ad hoc advisory panel for passenger representation in regulatory decision making for Dublin Airport, Commission Paper 16/2017, 21st December 2017.

³ Commission Paper 15/2017, 21st December 2017.

Board (CCB) for the H7 regulatory review. We also draw on specific written guidance on customer engagement provided by a number of relevant regulators.

Context

Increased customer engagement has been embraced by a number of regulators in the last ten years in response to a sense that regulated utility companies may not be sufficiently responsive to or engaged with their customers.

Greater customer engagement has been perceived to bring a number of potential benefits including:

- better alignment between customer priorities and company plans and a greater focus on customer needs instead of meeting the regulator's expectations
- a focus on outcomes for customers (e.g. customers' high level wants and needs), rather than inputs (usually expenditure) by the regulated company or even tangible outputs (e.g. availability of assets / equipment) which the company may achieve but may not always have a direct impact on customers;
- the possibility to calibrate service quality regimes to reflect customers' valuations of different service aspects (instead of arbitrary targets set on a topdown basis) that induce the regulated company improve customer welfare / service quality in a more cost effective way;
- encouraging a sense of cooperation between customers and company that can
 facilitate behavioural change in customers. This is particularly important where
 customer behaviour that is wider than simply responding to price signals can
 have a material impact on company investment needs and / or the local
 environment.

The Commission and CEPA rightly note that there has been significant development in this area in the last ten years: starting with Ofgem's RIIO approach and then taken a step further by Ofwat in its PR14 and PR19 price reviews. Building on Ofgem and Ofwat, the UK CAA has introduced the concept of outcome-based regulation and has introduce a stronger passenger voice into its price control process at Heathrow Airport

However, in some crucial respects there are significant differences between the airports and other utilities when it comes to applying the same customer-focussed ideas:

- Even though the ultimate customer service is to passengers, airports deal with passengers both directly, in terminal, security, etc., and indirectly via airlines.
- The service passengers have paid for, in the first instance, is their air ticket. They are typically unaware which aspects of the service they receive is provided by the airport, the airline or even other third parties for instance check in and baggage handling are jointly served using airline (or employed ground handling) staff and airport facilities.
- The cost of airport services is paid for indirectly by the passenger through their ticket and they are typically unaware of the proportion accounted for by airport costs.

Airlines using the airport are in direct competition with each other using the airport as a "platform". But this platform need not be a one-size-fits-all one. Different airlines have different business models; the airport needs to be able to differentiate services.

All of these aspects complicate the issue of passenger engagement and *how* that engagement is used in an airport business plan. As a result, introducing a greater focus on customers in airport regulation requires careful consideration of the characteristics of airport services and the overarching objectives of greater customer focus so that the resulting changes to the regulatory approach are effective and deliver value to customers. These issues are being explored for the first time in the airports sector by the UK CAA's process for H7, but definitive lessons are yet to be drawn.

Furthermore, the regimes described in the UK water and energy sectors are based extensively on the application of comparative competition, because in both cases the regulators are dealing with capping network charges simultaneously for a number of distribution companies (10 electricity distribution companies, 16 water (and sewerage) companies. This makes a big difference to the regulator's need for expert advice to help it assess the volume of customer engagement material generated and to the regulator's ability to create incentives regimes based on the relative performance of companies in the business planning process. But in the case of Dublin the regime is applied to one airport only. This restricts the ability of the regulator to create formal incentives on the airport based on the quality of the plan itself, but also simplifies the problem of assessing the customer research that the airport produces.

In conclusion, the Commission's desire to give more strength to the passenger voice is understandable, but the matter must be treated with great caution. It is not straightforward to read across solutions from network industries with several regulated entities being placed in comparative competition with each other. Furthermore the application of the approach to airports not yet well established, and so best practice is hard to identify. We also note that Heathrow Airport is presently handles approximately 2.5 times the number of passengers of Dublin Airport, and so one needs to think very carefully about the level of regulatory intervention that is appropriate in the Dublin case.

Observations on the CEPA report

Is there evidence of insufficient passenger input in general?

The first conclusion of the CEPA report is that more passenger engagement is required because the Commission does not receive sufficient evidence direct from passengers when making its determinations.

It is not clear on what basis CEPA comes to this conclusion. It is noted on p.4 that "the Commission's 2014 determination received responses from business groups, Fáilte Ireland and Tourism Ireland, but did not receive any responses from groups representing 'the general passenger', passengers with reduced mobility, or other less-able groups of passengers".

In fact this would seem to be somewhat selective. For instance, the Commission's 2016 consultation on the regulatory treatment of the new runway⁴ received two representations for concerned residents groups, while earlier consultations have also drawn responses from other resident groups. The lack of response from particular groups representing passengers with special needs is to a large part explained in CEPA's stakeholder consultation, where we find that: "Passenger representatives expressed several concerns with the establishment of a panel. They were of the view that real passengers would find it very difficult to provide useful feedback for most topics relating to airport charge determinations. Instead, passenger representatives or experts representing their views could advise on discrete aspects of the review - such as the quality of service incentive scheme - if asked to respond to clear, specific questions."⁵

This evidence does not, in fact, support the general assertion that there is too little passenger engagement. Nor does it provide evidence that as a consequence daa's plans in the past have been inadequate in any specific way. While the stakeholder feedback endorses "improved passenger representation", provided it is "cost-effective and justified on the basis of its ability to deliver beneficial outcomes" it is conspicuous that the feedback contains no criticism of daa's past plans nor any examples from the stakeholders of ways they feel their feedback could have improved those plans.

In addition, a lack of response from the "general passenger" does not necessarily mean that these groups were not supportive of daa's plans. For example, research in other industries such as energy has shown that some customers do not engage because they are generally satisfied and perceive benefits of engagement to be minimal.⁶ A lack of engagement should not necessarily be interpreted as a problem if there is a large, relatively content group of customers that is not interested in engaging.

The evidence presented in the CEPA report does suggest an important potential gap in consultation by the Commission: to ensure groups such as those representing the needs of PRMs are properly heard. But it does not indicate failing on daa's part. There is a mismatch between the passenger research summarised by CEPA in Figure 2.1 and the issue of PRMs and other passengers with special needs. We understand that daa engages extensively with these passengers and has many examples where it has improved and tailored its services in line with passenger feedback – incurring costs in the process. CEPA's report does not cover this form of consultation. Hence it is not really possible to tell from CEPA's report whether lack of further contact by these groups with the Commission stems from failure to engage with the consultation or is because these groups are essentially already satisfied with daa's approach.

It is also hard to explain how CEPA's evidence is linked to its recommendations relating to guidance on engagement, incentives and the establishment of a consumer panel. None of these steps appear to address the simple issue that is

- ⁴ CP4/2016
- ⁵ See CEPA, p. 35
- ⁶ UK Regulators Network, Consumer engagement and switching, 17 December 2014

identified: there may be scope for improvement in communication with important minority passenger groups, either by the Commission or by daa.

Do airlines speak for passengers?

In preparing its report CEPA got the feedback from airlines (similar to that received in all airport price reviews) that airlines speak for passengers.

Box 2.1 then presents quite a reasonable critique of this proposition - rightly, in our view, presenting the argument that airlines have an important role in representing passengers, but do not represent the interests of all current and future passengers in a straightforward manner.

However, we would note that this box misses some important factors which are important both in qualifying the extent to which airlines should be viewed as speaking for the passenger and have important implications for the extent one should expect airports and airlines to be able to cooperate in conducting passenger research.

The key points omitted from CEPA's summary are:

- Airlines are private entities acting in their shareholders' interests. Of course this means they have an incentive to provide good service and value for money to the passengers they serve, but they have do not have obligations to all passengers at an airport. This is an important distinction.
- Airlines are in competition with each other and therefore can be expected to behave strategically, especially around infrastructure shared with their competitors. This means they will have an incentive (and a right) to be selective with the information they share publicly and may be concerned more with outcomes that provide them with relative advantage over ones that promote the general good. CEPA hints at this with its comment about hub-airlines support (or lack of it) for expansion at capacity constrained airports.

While we agree with CEPA's general conclusion: that the Commission cannot rely on airlines to tell them what they need to know about passengers, we consider the importance of these points is not reflected in the Commission's recommendations on research, which we address later.

Use of incentives

CEPA's discussion of the potential use of incentives to encourage daa to perform good quality research is very short and extremely high level. As such it does not provide much help to the Commission. However, bearing in mind that the topic is incentivising good research, not incentivising better quality of service, in our view the scope for quantitative incentives is very limited. CEPA touches on mechanisms used by other regulators, such as "fast tracking" or bonuses on the cost of equity for preparing a good plan. But the scope for any such approach seems very limited. In our view the UK water sector provides the most developed regulatory precedent to draw on. For its assessment of PR19 business plans, Ofwat has provided 9 assessment criteria that will lead to a final rating of "significant scrutiny", "slow-track", "fast-track" or "exceptional". Only one of the 9 criteria relates to customer engagement. It is important to note that the other criteria include relatively wide categories such as cost efficiency. While customer engagement clearly plays an

important role and Ofwat has made clear that a high quality plan needs to reflect good customer engagement, it is by no means the only criterion. Similarly, the UK CAA has identified 6 areas with high quality business plan criteria. This means that outcomes and customer engagement cover one aspect out of six and therefore any incentives to submit a high quality plan will be balanced across the six criteria. A balanced approach would therefore require the regulator to consider the full set of criteria rather than developing a specific incentive on one aspect of the plan.

In our experience, the additional issue that arises from incentivising engagement as such as that the real test should be to consider to what extent the engagement has informed the plan. By focussing on the quality of the engagement, CAR is focussing on the inputs but not on the value to customers from conducting the engagement.

In addition, CEPA does not discuss the issue that arises when a regulator is dealing with one regulated entity alone. In this case it is extremely difficult to quantify what it means to "fast track" a business plan, as to do so just begs the question: fast track relative to what? We do acknowledge however that the clearer the Commission is about what it expects to see in daa's business plan, in particular what it thinks "good looks like", the more efficient for all parties the business plan process is likely to be.

In the case of the UK water or electricity distribution sectors, it was possible for the regulator to compare the quality of plans and "reward" high quality ones with a shorter process or a slightly more generous settlement on some key parameter. But without the benefit of comparison (and without the ability to offset winners with losers so that bad plans were also penalised) it becomes effectively impossible to create this incentive because the outcome cannot be compared against the counterfactual.

Panels

Compared to its brief discussion on incentives CEPA presents quite extensive evidence on the constitution of different consumer panels.

We note that quite a few of the examples cited seem to have limited relevance to the present case. For instance ComReg's "consumer advisory panel relates to retail activities, not the infrastructure aspects of Eir's activities, with a main focus on consumer protection. In general CEPA's discussion of panels does not sufficiently consider the link between the structure of the panel being considered and the function it is intended to perform.

Nevertheless, CEPA broadly identifies three different sorts of panel:

- Representative panels of consumers, such as Ofgem's Consumer First Panel;
- A panel of groups themselves representing consumers, such as CER's Consumer Stakeholder Group; and
- Expert panels charged with critiquing consumer research done by the regulated company, such as the UK water companies' CCGs.

CEPA makes the helpful distinction between expert panels that can assist in the design and evaluation of expert research as distinct from the informal panel that may help improve the quality of decision making processes. Noting that there was

no *general* support among stakeholders for any type of panel (although individual stakeholders may have taken differing views), CEPA suggest that the CER model might be "a good template for engaging with passengers that have not typically engaged with the regulatory process". This does seem consistent with identified engagement issue, but needs to be viewed against the stakeholder feedback from these groups, which stated that they lack the resource or the expertise to make a useful contribution.

We note that an Ofgem style representative panel of consumers is not recommended, which is significant, as the Commission ultimately recommends this form of panel. We return to this topic below.

Observations of Commission Consultation CP16/2017

In this section we comment on the Commission's consultation and how it compares to the advice received from CEPA in its report. We also consider the Commission's proposals in light of best practice from other regulators.

As regards the guidance on passenger engagement, the consultation's proposals appear to overstep the mark of any need identified by CEPA's report. In particular, they place prescriptive process requirements on daa that are inconsistent with the requirements on other regulated entities in the context of customer engagement.

We note from above that CEPA's report provides little evidence of any failure on daa's part to engage adequately with passengers. It cites one example of research process of which CEPA / the Commission consider could have been handled better⁷ but no evidence of the inadequacy of the research itself. Furthermore, although CEPA identify a general feeling among stakeholders that more passenger representation would be good, there is an evident reluctance of those stakeholders to participate actively except in very targeted ways, because of lack of expertise and resources. Furthermore, the stakeholder feedback provides no evidence at all of any inadequate decision making or dissatisfaction stemming from poor customer engagement.

The Commission starts its draft guidelines by stating at para 3.2 "the Commission does not wish to prescribe exactly how Dublin Airport, airlines or other stakeholders should engage with passengers." However, in contradiction of this it goes on to be extremely prescriptive about the process of engagement. We discuss this in more detail below.

Definition of passenger engagement

In paragraph 3.5 the Commission states that "Passenger engagement is any process that involves passengers in problem-solving or decision-making or uses passenger input to make better decisions", while in 3.6 it presents a scale of engagement from informing passengers to empowering them to have control over decisions.

These definitions suggest a profound misunderstanding and exaggeration of the role of passenger engagement. Clearly passengers have no role in the

⁷ See CEPA p. 6 re daa WTP study on proposed redevelopment of T1.

management of the airport and no legal responsibility over its activities. As such it is obvious that any references to passengers being involved in decision making or exercising control are completely misplaced and inappropriate.

In the section above on context we summarise the appropriate role and purpose of passenger engagement, which can be summarised as helping the management of the airport make better more efficient decisions in the interests of all airport users.

We note that CEPA's example guidance refers to the need for daa's regulatory and capital investment proposals to "be informed by, and respond to, passengers' interests". The Commission is wrong to confuse engagement with passenger involvement in decision making. This is further confirmed by examples of equivalent guidance from other regulators.

While the UK CAA does not provide a specific definition of customer engagement, it has defined the outcomes that the engagement need to achieve:

"HAL's business plans must explain how it is going to deliver the right set of outcomes for consumers. To inform its plans and the day-to-day operation of its business HAL should effectively and meaningfully engage with consumers to understand the outcomes they want from their airport experience." 8

The CAA also notes that customer engagement, through market research, intelligence gathering and the Consumer Panel, helps to inform decisions on policy and price controls. In our view the important difference between the Commission's definition and the CAA's definition is that the CAA has identified the elements of the plan that the engagement needs to inform as outcomes, measures, targets and incentives. It is reasonable for passenger views to inform these aspects of the business plan and the UK water sector has demonstrated that this framework provides an effective way of reflecting customer views in a business plan. Without this framework or an alternative framework, engagement becomes a catch-all requirement that can apply to any decision in the business plan without regard for proportionality or complexity. The experience in the UK with Heathrow and in the water sector has shown that it is important to identify clearly how and where passenger views can be used to inform and shape the plan. While regulated companies should not shy away from engaging on complex issues, customers cannot reasonably be expected to engage on inputs or outputs. The outcomes framework introduced by the water sector in the UK and adopted by the CAA therefore provides an important structure for the engagement. As a result, the engagement is focused on customer outcomes and their relative valuations of different service aspects. The way in which these services as provided is less relevant to passengers.

Objectives of passenger engagement

Paragraph 3.9 appears to be confused about the function of willingness to pay studies. It states: "Estimates of passengers' willingness-to-pay should only be

⁸ UK CAA, April 2017, Guidance for Heathrow Airport Limited in preparing its business plans for the H7 price control, CAP 1540

⁹ UK Regulators Network April 2017, Consumer engagement in regulatory decisions: A guide to how UK Regulators involve consumers, hear their views and take their interests into account, Page 19,

used as relative evidence to support or reject a proposal, rather than absolute evidence to determine opex/capex allowances. In principle, capex and opex allowances are always assessed for cost-efficiency, regardless if they are supported by passenger engagement or otherwise."

In practice there is no contradiction between the use of WTP and setting opex / capex allowances on an efficient basis.

The important distinction is that the Commission seems to be focussing on capex and opex as inputs, whereas WTP (and other methods of measuring customer valuations), are focussed on *outcomes*. Under the regime established by Ofwat and the UK CAA, companies are encouraged to identify outcomes that customers value more than the cost of achieving them. If the company can provide robust evidence that valuation exceeds cost then under Ofwat's approach it will be allowed to pursue that outcome. But the cost allowance reflected in price limits still relates to the efficient cost of achieving the outcome, not to the customer valuation.

It seems here that the Commission is over-focussing on the issue of inputs while the entire purpose of the shift towards customer focus in regulation is to concentrate on welfare improving outcomes. In addition, the Commission has taken not account of overall affordability. Regulators in the UK that have successfully implemented a greater customer focus have distinguished customers' views on different services from the overall affordability envelope. This is because research on individual service aspects may well suggest that customers would like to see an improvement in quality and are prepared to pay for this. But once these individual service aspects are considered as a whole package, this does not mean that the overall increase in the bill or charge is supported by customers. Ofwat has therefore asked companies at PR14 and PR19 to conduct separate affordability research. This is also important in the context of the WTP study as the total amount in the WTP study therefore does not provide the overall affordability envelope as these studies generally can only capture 10-12 service aspects whereas the full suite of service aspects is generally larger. In addition, insights from behavioural economics demonstrate that choice architecture has a strong influence on customers' stated preferences so affordability research provides an important independent data point.

It is also unclear why the Commission is prescriptively referring to WTP studies as opposed to the many other methods of measuring customer value. Typically regulators encourage their companies to use a range of methodologies to corroborate their findings by a process of "triangulation".

This is an important concept as any form of customer engagement or research is inevitably subject to limitations. In our experience, different methods are subject to different pros and cons. For example, a WTP survey (when conducted well) can provide useful insights into relative valuations but may suffer from choice architecture issues (the way in which the choices are presented influences the outcomes) and may have low cognitive validity as the task customers are expected to complete is often complex. Alternative methods such as immersive research perform better with regard to cognitive validity but can generally only focus on one service aspects. As there is no superior method available, Ofwat and the UK CAA have both stated clearly that they expect companies to use a wide range of evidence and to triangulate the results. The latest regulatory best practice would

therefore suggest that an absolute ranking of methods is not appropriate but instead a sensible synthesis of the results from different methods is needed to demonstrate that customer views are truly represented.

Proposed Incentivisation

We have noted that CEPA's advice on incentives to perform good engagement is weak, and that the application of formal incentives in this area is extremely difficult when only one company is being regulated.

This is confirmed by paras. 4.2 and 4.3, which although talking about a system of incentivisation, really amounts to no more than a statement that if the Commission thinks that daa's research sounds persuasive it will be more likely to take it into account.

We think this is realistic, but it would be more open of the Commission to admit that it does not propose any formal incentive system, but instead to rely on encouraging daa to produce a sound, well evidenced and robust plan.

Criteria for decision making

We consider that the criteria set out in para 4.7 are unclear and could result in significant ambiguity.

Specifically the repeated references to "compared to" without clarifying whether the preceding issue is preferred to the subsequent, or whether daa is encouraged to do both for the purpose of comparison.

There is an implication that the preference is implied, but this contradicts the third bullet that encourages collection of a range of evidence from different methodologies.

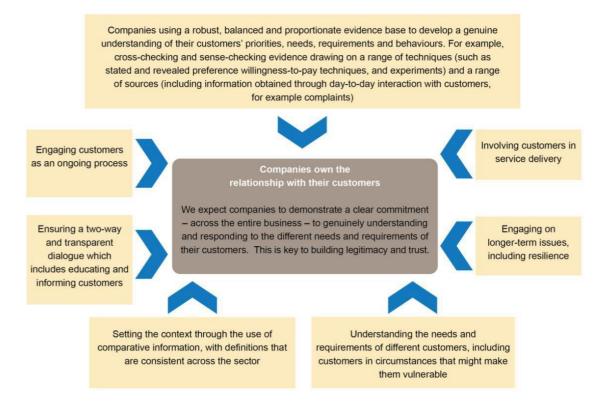
In general, as discussed above regulatory best practice encourages the use of multiple sources of evidence to corroborate findings when it comes to assessing passenger preferences. It is not possible to place an a priori ranking on methodologies: for instance a robust stated preference survey may be much more meaningful than a badly designed revealed preference experiment. It is not right for the Commission to prejudge the value of evidence on the basis of a simplistic prejudice for or against particular approaches.

The criteria repeat the point which we have already discussed above that WTP should not be used for absolute values: WTP evidence can show that an outcome is worth attaining – this does not mean that the airport should be remunerated up to the WTP value.

Considering regulatory precedent from other sectors, it is clear that other regulators have focused on principles or criteria at a higher level. This means that they are more focused on achieving the right outcomes instead of prescribing the detail of the methods. For example, Ofwat has provided the principles shown in Exhibit 1. We note in particular that Ofwat requires companies to use a proportionate but robust approach, based on a range of techniques, to understand the needs of different customers. This is important as the resources required for engagement need to be balanced against the benefits to customers. Furthermore, Ofwat emphasises that customer engagement must be continuous and long-term

with companies remaining open to gaining customer views across channels, interactions and platforms. Ofwat also recognises that customer engagement may involve an element of customer education. Understanding the customers' priorities and needs should then inform companies' business plans to ensure that local outcomes are those that the customers are willing to pay for and actually want.

Exhibit 1. Ofwat's principles of good customer engagement.



Source: Ofwat, May 2016, Water 2020: our regulatory approach for water and wastewater services in England and Wales

Similarly, the CAA has set out that Heathrow must engage in high quality customer engagement by adhering to five criteria¹⁰:

- 1. Using an appropriate range of data and techniques.
- 2. Understanding the needs and requirements of different consumers;
- 3. Engaging consumers on complex issues by informing and educating them;
- 4. Carefully designing willingness-to-pay studies to increase robustness; and
- 5. Engaging with consumers on an ongoing basis.

Exhibit 2 provides the high quality business plan criteria the UK CAA, has identified relevant to consumer engagement. The criteria show that the CAA is focused on outcomes, does not provide prescriptive guidance on methods and generally requires Heathrow to develop a deep understanding of customer preferences using a range of methods.

UK CAA, April 2017, Guidance for Heathrow Airport Limited in preparing its business plans for the H7 price control, CAP 1540

Exhibit 2. UK CAA High Quality Business Plan criteria for outcomes and customer engagement

Outcomes and consumer engagement

- HAL's plans should take account of and demonstrate a deep understanding of consumer preferences based on a wide range of engagement and research. Its approach should be reviewed and tested by the CCB.
- There should be strong evidence that consumers have been fully engaged in developing the
 outcomes that HAL proposes to deliver. The plan should be clear about how engagement
 has shaped and influenced the proposed outcomes. We expect a clear and transparent
 process to be used to convert consumer research into business plan outcomes.
- Throughout its plans we expect HAL to demonstrate that it has made robust assumptions, that possible options have been carefully considered (including the trade-off between affordability and service) and how in the FBP strategic choices have been made, and that the options proposed are best placed to achieve maximum value for consumers.
- In addition to robust engagement with consumers, HAL should engage extensively with airlines throughout the process – including in the development of the IBP (and so ahead of CE).

Source: UK CAA, April 2017, Guidance for Heathrow Airport Limited in preparing its business plans for the H7 price control, CAP 1540

Proposed principles and collaboration process

This section of the consultation is the one Frontier has most doubt over. In particular, our view is that the principles and the proposed collaboration process are in contradiction of each other. In particular the collaboration process is intrusive, unrealistic and bears little or no relation to how good customer engagement is managed.

We note that at para 5.2 the Commission states that daa should "continually engage with passengers in order to ... understand and respond to their needs". We agree with this statement but note that Figure 2.1 of the CEPA report shows that this is what daa already does. We remain unclear where the specific deficiency lies in daa's process and neither CEPA nor the Commission have specified this, other than some comments about the way the research is presented in regulatory submission.

Viewing customer research as an ongoing process not just for the purpose of regulatory reviews is a standard part of equivalent regimes in other sectors.

Both Ofwat and the UK CAA have emphasised that engagement needs to be ongoing and not just focused on the price control (see principles above). They have also both emphasised the value of day-to-day interaction data. For example, Ofwat has provided guidance on how companies can unlock the value of day-to-day customer data to inform its service delivery and business planning.¹¹ Similarly, the UK CAA expects Heathrow to use day-to-day data to develop its understanding of customer needs.

However, the problem arises with the collaboration process set out from para 5.5.

This requires daa to consult "with stakeholders" on the design of all engagement and then to consult again on the findings. This requirement is misquided,

Ofwat, June 2017, Unlocking the value in customer data, https://www.ofwat.gov.uk/uploads/2017/06/Unlocking-the-value-in-customer-data-5.pdf

impossible to implement, contrary to the concept of engagement as a continuous process and contrary to any requirement we are aware of from other regulators.

The Commission's approach is framed as if the each engagement is a standalone one-off piece of research. But as CEPA Figure 2.1 makes clear (and the Commission also states it wants), daa is continuously engaging with passengers on a whole range of issues. It is not possible or appropriate to treat every such engagement to the proposed process of *ex ante* and *ex post* consultation. As framed, daa would be unable to use the results of its ongoing research in its regulatory submissions which directly contradicts the Commission's request that ongoing research be used where possible.

Nor is there any need for this intrusive consultation. If the objective is to ensure that the research is robust and sound, then we note that the sub-bullets of para 5.5 and para 5.6 present a sensible list of criteria that daa should be able to demonstrate to the Commission about any evidence that it submits. If these facts can be demonstrated ex post it is quite unclear what the stakeholder consultation adds.

Furthermore the idea of stakeholder involvement in the design of customer engagement is contradictory and naïve. If the Commission expects daa to take ownership of its own research it has to let it do exactly that: design its research, conduct it and let the results stand on their merits. Once passenger engagement becomes a matter for design by stakeholder committee the issue of ownership is lost. On the contrary it is perfectly reasonable for different stakeholders to produce their own independent research. If the results of that research prove contradictory that is itself interesting and significant. Agreeing on one single form of research

It is also naïve to suppose that all stakeholders could agree on the form of passenger engagement. The Commission does not specify who it means by "stakeholders", but without further explanation it has to be assumed that, for research carried out by daa, "stakeholders includes airlines. In this context the Commission should note the airlines' resolute opposition to any attempts to undermine their claim to be the sole arbiters of what passengers want. In this context the Commission should consider the likelihood of airlines simply being obstructive in this process.

We note that the example guidance drafted by CEPA, based on the UK CAA guidance, does not specify this onerous consultation process. Furthermore, while the UK CAA's guidance acknowledges the relevance of airline and passenger views, and asks Heathrow to take both into account, this is not the same as obliging Heathrow to consult with airlines before it does its own passenger research.

In this context, the lessons learned from other regulated sectors with regard to increased customer engagement need to be considered. First, it is important that the regulated company "owns" the research, as one of the key objectives encouraging greater engagement is to get the regulated company to consider the views of customers to a greater extent. By requiring daa to engage extensively with stakeholders on the research design there is a real risk that this undermines the ownership of the research so daa becomes a facilitator of research rather than the primary driver of research. This also has implications for how the results can be reflected in the business plan. Ultimately, it is the regulated company that has

the best idea of where customers can have a direct influence on its own business plan and operations and where decisions have to be taken for other reasons. This focus could be lost if daa is required to reflect stakeholders' views in the research design. Even more so if some of those stakeholders, airlines, may have different strategic interests in the outcome of the research both to the airport and to each other. In addition, there is a risk that the requirement leads to less research being undertaken as the resource requirement for each piece of engagement or research has increased significantly. Clearly it would remain in daa's interests to design its engagement well and it would be essential that it would be able to demonstrate that this research is robust, regardless of whether it is formally required to consult stakeholders in the design phase.

Second, designing and conducting meaningful customer engagement and research takes significant time. For example, a typical WTP survey takes 6 months from commissioning to reporting results. While most WTP project timeline start out with a 4-5 month duration there are inevitable delays in the survey design stage. This is already a very long lead time to include findings in the business plan. Adding the requirement to consult with stakeholders and airlines is likely to increase the timeline by at least 2-3 months in practice. This is because not only would daa have to give all stakeholders time to comment, it would also have to consider how to balance conflicting views in the final research design. Similar extensions to timelines would apply to all other research methods. As a result, the Commission's requirements could imply that daa's engagement cannot be conducted in a timely or cost-effective way. This has a direct impact on the extent to which the research results can be reflected in business planning. Experience in the water sector in the UK has shown that long research timeframes create their own problems, as company and industry performance, priorities and the general context of the business plan can change and the research may ultimately not be fit-for-purpose if it needs to be conducted 12 months or more before the planning process begins.

Third, the robustness and credibility of the research can be tested once the research is completed, so the incentives for daa to conduct robust research are maintained. For example, the UK CAA has provided guidance as to how the CCB should scrutinise the research that include the following questions:

- "Has HAL developed a genuine understanding of consumers' priorities, needs and requirements, drawing on a robust, balanced and proportionate evidence base, including information from airlines? Has HAL effectively engaged with and informed consumers on its current levels of performance and how this compares to other relevant businesses in a way consumers could be expected to understand?
- Has the evidence and information obtained from consumers (including from airlines and through HAL's day-to-day contacts with consumers) genuinely driven and informed the development of its business plans?
- Has HAL effectively engaged with and understood the needs and requirements of different consumers, including those in circumstances that make them vulnerable? Has HAL considered the most effective methods for engaging different consumers, including those that are hard to reach? What trade-offs

between the needs of different consumers have been identified and how has HAL proposed to deal with these?"¹²

As discussed above, these questions are aimed at testing the quality of the research results, rather than focusing on the pros and cons of specific methods. Ofwat's assessment criteria are focused on similar aspects. In its assessment criteria for PR19, Ofwat focuses on the quality of the research and the extent to which it has been reflected in the plan.

Lastly, lessons from other regulators have also shown that careful consideration is required to determine the quality of the engagement and research. As discussed above, each engagement and research methodology has advantages and disadvantages and it is not clear that stakeholders necessarily have the technical capability and knowledge to improve the quality of the research. In particular, when weighing up statistical and cognitive validity, better quality engagement and research requires expert advice. It is therefore not clear that engaging with stakeholders on the research design or results would lead to better quality research.

Direct passenger engagement

More accessible documents

The Commission concludes that it should make its documents more accessible to passengers.

While accessibility may appear to be a good quality and it may seem counterintuitive to argue against it, we note that the feedback collected by CEPA does not suggest that direct passenger feedback is prevented by these documents being inaccessible. The reasons given appear clearly to be lack of resource and lack of technical ability to engage meaningfully with the issues. Passenger groups express a willingness to engage if asked to address specific issues.

With this in mind it is unclear how making Commission documents "more accessible" will help. Does the Commission intend to create parallel "simplified" documents? If this is the case what will be the procedure if the two documents do not convey exactly the same message? Or does the Commission intend to simply its existing documents? In which case will they remain fit for purpose for the main audience, which by its nature requires the technical detail to assess the Commission's proposals?

In either case the Commission will be expending greater resources without a clear idea as to whether a better outcome will result.

In our view, based on the feedback presented by CEPA, the Commission would be better advised to focus on improving its direct communications with groups representing passengers with special needs.

UK CAA, April 2017, Guidance for Heathrow Airport Limited in preparing its business plans for the H7 price control, CAP 1540

Passenger Advisory Group

The Commission is proposing convening an ad hoc panel of 8 to 12 "representative passengers" to provide feedback to the Commission to help it in making its decisions.

This conception of this group seems to be poorly focussed and does not reflect the advice received from CEPA.

In particular, it is hard to see how the Commission can convene a group of 12 or fewer passengers and consider this is likely to be representative in any meaningful sense. There is far too much variation in the needs and preferences of passengers for 12 to be adequate 13. Specifically, the Commission does not mention whether it envisages attempting to co-opt inbound passengers resident overseas, who make up roughly half of all passengers at Dublin Airport. CEPA also notes that the feedback on Ofgem's Consumer First Panel was mixed and that generally price controls were felt to be too complex for consumers to engage with.

We are aware that CEPA states that airport's may be easier for consumers to understand because they actually experience the service. No evidence is stated in support on this view,. Which in our estimation is highly debateable. Airports are vastly complicated enterprises. Consuming the product, even if it means being physically present at an airport, does not mean the passenger has any conception of what it takes to run an airport successfully, or, more importantly, of the complex relationship between demand and long term capacity needs (at multiple levels, runway, apron, terminal, etc.) or the interactions between airport, airlines, ground handlers, national security, etc.).

Given these problems, if the Commission is resolved to convene an ad hoc panel, it would be better advised to follow CEPA's advice of a panel along the lines of CER's Consumer Stakeholder group to facilitate communication between itself and consumer groups that may be less engaged in the regulatory process.

The ad hoc panel raises a number of other issues the Commission should address. In contrast to panels to the water CCGs and Heathrow CCB, the Commission is proposing chairing the panel itself this raises the question of whether the views expressed by the panel could be viewed to be independent as by convening and chairing the panel the Commission will have significant scope to lead the panel, in particular by choosing which topic are or are not discussed and in how much depth. This is particularly important given the proposed self-selected make-up of the panel and its small size which makes it impossible for it to be genuinely representative of passengers as a whole. If the panel's independence is open to question, this raises a further question as to whether other stakeholders should be given the opportunity to engage with the panel members, themselves seek guidance from the panel and / or seek to challenge assertions arising from the panel that those stakeholders may feel to be incorrect or unsubstantiated. In the UK, the CCB was clearly positioned as being the responsibility of Heathrow, but, starting with the tripartite

We note that Ofgem's panel consists of around 100 customers and still is not claimed to be a representative voice. By contrast, we note that the CAA Consumer Panel consists of a Chair and up to 8 members. The panel serves as a 'critical friend' to the CAA providing advice and guidance on consumer issues through a broad range of skills and experience. However, the panel is not intended to represent the voice of all consumers, its objective is to consider the interests of all consumers. Similar nomenclature is, in this case used to describe an expert panel as opposed to a representative panel of consumers.

appointment of the Chairman, with a remit to engage with all stakeholders as it sees fit in order to best execute its remit.

Conclusions

The Commission has the twin objectives that passengers should be more engaged with the price control process for Dublin airport and that daa's next business plan should better reflect the wishes of passengers, or at least make clearer the ways in which passenger views have informed the construction of the plan.

In this light the Commission makes a number of recommendations, including

- making its own consultation documents more accessible to the general public,
- providing guidance to daa and other stakeholders about customer engagement and what the Commission will expect to see in order to take this evidence into account, and
- the appointment of an ad hoc advisory panel.

In this note we have argued that, while the Commission's objectives and wishes are similar to those expressed by other regulators including the UK CAA, the recommendations it is making neither align with the evidence collected by its own advisers, CEPA, nor with the approach adopted as best practice by other regulators.

In particular we note that:

- Although CEPA identifies a lack of direct passenger engagement in the Commission's consultation, this appears to really mean groups representing PRMs and other passengers with special requirements. Business traveller groups and tourism bodies in particular seem well represented in the consultations.
- Although the desire to prepare clearer more accessible consultation documents is laudable in itself, there is no evidence that the effort to do so would improve engagement. Feedback from user groups shows that they believe price controls are too technical to engage with directly. These groups state that they would be happy to answer particularly issues if these are addressed to them specifically. This suggests that a different form of engagement might be needed from the Commission to reach out to these groups, and that simply making consultations "more accessible" may not be effective.
- Considering engagement with these groups, the CEPA report conspicuously fails to discuss the engagement that daa already conducts with these groups, nor do the respondents to CEPA's stakeholder feedback raise any failures that clearly require a change of process.
- The Commission's proposed guidance on customer engagement does not correspond to best practice approaches elsewhere. In particular:
 - It is highly prescriptive on the process of engagement, requiring daa (and other stakeholders) to consult with each other before commissioning research (and afterwards on the results), rather than focussing on expecting need for evidence to be robust and well evidenced. The major issue with the stakeholder engagement process envisaged is that it requires all

customer engagement to be cited at a price control to be the product of a consensus of stakeholders. Such a consensus may often not exist, which could prevent the customer evidence from being collected in the first place. Best practice suggests that stakeholders should take ownership of their research and be prepared to show how this evidence was collected and that it is robust and unbiased. Requiring all stakeholder engagement to be formed on the basis of consensus has precisely the opposite effect.

- The consultation process set out would also have the effect of significantly lengthening the process of collecting research, making it more costly and probably less timely and so less relevant. The Commission's focus should be on encouraging the daa (and other stakeholders) to do as much good research as possible. Instead their approach is more likely to reduce research to the level of the lowest common denominator between airport and airlines. This is matter of particular concern because the Commission should already be aware (as highlighted by CEPA) that airlines in general tend to be strong opposed to any idea that any organisation other than themselves could speak for passengers. The likelihood of obstruction in the process set out by the Commission is therefore very high.
- The Commission is also unnecessarily prescriptive about research methods for customer engagement in ways that do not confirm to best practice. It appears to discourage WTP studies, except to rank projects. This seems to be confused about the role of WTP studies, which are to demonstrate where improvements in consumer welfare are possible. WTP information does not displace estimates of efficient cost, but can be used in combination to define an efficient plan. In any event, regulatory best practice recognises that excessive weight should never be given to any one method of valuing consumer preferences: a range of evidence in support of a proposition is always to be preferred.
- The Commission's proposal for an ad hoc advisory panel is unfocussed and does not reflect the advice it has been given by CEPA. The panel proposed, made up of volunteer passengers, is too small to be representative in any way. It is not clear how this panel will help with the identified problem of under engagement by minority passenger groups. Nor would this group have the technical expertise to comment on the quality of daa's customer engagement (as is the case with the UK's Customer Challenge Board) or, more generally, on the quality of the airport's regulatory business plan.