

Civil Aviation Authority
Aviation House
Beehive Ring Road
Crawley
RH6 0YR

By email: economicregulation@caa.co.uk

Star Alliance Services GmbH
Frankfurt Airport Center, Main Lobby
60546 Frankfurt am Main
Germany
Tel +49 (0)69 96375 0
Fax +49 (0)69 96375 500

Christian Draeger
VP Customer Experience
christian.draeger@staralliance.com

04 November 2020

Dear Sir,

Response to CAP1966 reference HAL's request for a covid-19 related RAB adjustment

Further to the publication of the above consultation, Star Alliance Services GmbH would like to offer the following response of behalf of us and our members.

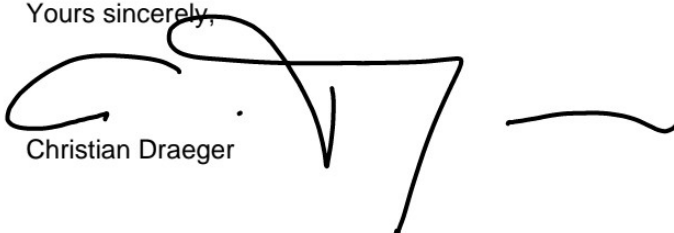
Having worked as part of the LACC and AOC teams to formulate the wider airline community response (being submitted imminently), we are fully supportive of the detailed points contained therein and this response should be read in conjunction with that fuller document.

Without repeating those details here, the following is a summary of the key points of feedback:

- As per the CAA's expressed view, there is no evidence for the need to make any kind of intervention at this stage.
- HAL's application for an adjustment is contrary to both the actuality and spirit of the Q6 settlement. HAL and its shareholders have reaped the benefit of this settlement for several years, in a large part due to the volume risk sitting with HAL and being priced into the settlement accordingly. Now that the volume risk has materialised, it is totally unreasonable for HAL to propose that this be compensated.
- Looking forward to the H7 price control period, HAL's focus should be to seek efficiencies, for example by reducing OPEX. If a RAB adjustment were to be granted, HAL's incentive to do this is greatly reduced.
- We totally reject the suggestion that HAL's service levels during 2021 are put in jeopardy if the RAB adjustment is not granted. This simply does not make sense given the investment that has taken place previously and the forecast passenger volumes.

Thank you for the opportunity to respond to this consultation.

Yours sincerely,


Christian Draeger