



AIR CANADA

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August 9, 2022

Attn: Mr. Paul Smith
Civil Aviation Authority

By email: paul.smith@caa.co.uk
economicregulation@caa.co.uk
stewart.carter@caa.co.uk

Dear Mr. Smith,

Re: Response to Economic Regulations of Heathrow - CAP2365 H7 Final Proposal

Having worked with the LACC, AOC and IATA, we hereby state our support for the August 9th response submitted Re: Response to Economic Regulations of Heathrow - CAP2365 H7 Final Proposal.

While we recognize that the CAA's H7 Final Proposal is an improvement over the initial proposal we do not believe it goes far enough to limit the future price cap. Air Canada remains deeply concerned with the methodology used to forecast passenger volumes and believes there is significant data to support the passenger forecast put forth in the LACC response which identifies a gap in excess of 30m passengers between the airline community forecast and the CAA Mid passenger forecast for the H7 period.

Additionally, we also strongly object to the inclusion of the RAB Adjustment for £300m as outlined in the CAA Final Proposals and believe it should be removed. As the airline industry recovers HAL has failed to provide sufficient capacity. We are met with capacity constraints in the form of border staffing, security screening for both passengers and their luggage along with baggage system failures. This negatively impacts our passenger experience as well as our Operations causing both delays and cancellations.

Considering that Heathrow is already one of the most expensive airports the CAA's Final Proposal will only allow this problem to continue.

Yours truly,

Dimitrios Tziortzis

Cc: Dimitrios Tziortzis – VP, Corp Development and Financial Analysis
Michael Perry – Director, Airport Strategy & Development