



**Cathay Pacific Airways Limited**

European Regional Office  
Waterfront, Hammersmith  
United Kingdom W6 9RU

**Civil Aviation Authority**

Aviation House, Beehive Ring Road  
Crawley  
West Sussex RH6 0YR  
United Kingdom

London, 04 March 2021

***Subject – Heathrow Airport Limited's request for COVID-19 related RAB adjustment***

Dear Officer-in-charge,

First and foremost, I hope you and your colleagues are keeping safe and well.

Cathay Pacific Airways has been involved with and reviewed the agreed submission to the Consultation<sup>1</sup> from the Airline Community<sup>2</sup> in response to Heathrow Airport Limited's (HAL) request for COVID-19 related RAB adjustment, which is also supported by the Board of Airline Representatives in the UK (BAR UK).

We endorse the submission, which eloquently covers the key issues for airlines, and we will therefore not recite all of the points raised again here.

We agree with the CAA's own analysis presented in CAP 2098 that increasing the RAB by £2.8 billion does not improve HAL's 'finance-ability' (and some key credit metrics would indeed be worse). It would however, lead to an increase of charges and therefore, not in the consumers' interest.

We also firmly believe and agree with the CAA's assessment contained within CAP 2098 that service quality standards would not be impacted in 2021 if the CAA reject the request for a £2.8 billion increase in the RAB. With the significantly reduced passenger level forecasted for 2021 and indeed, for the whole H7 period, the need for additional Capex is very limited and should completely be covered by the existing Capex governance process.

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<sup>1</sup> Response to – CAP2098: Economic regulation of Heathrow Airport Limited.

<sup>2</sup> The London (Heathrow) Airline Consultative Committee (LACC), the Heathrow Airline Operators Committee (AOC), collectively the Airline Community.



Based on the above, it is our view that such request by HAL is neither justified nor reasonable. Instead, it will erode consumers' interest further. The request therefore, should be rejected in full.

We would also highlight HAL's management approach and the lack of prudence, with what appears to be an expectation that the company could always lean on regulations and the consumer to bail them out, which is not acceptable.

Lastly, we see this yet as another example of HAL's monopolistic approach – one that is increasingly frustrating, damaging to the relationship between Airport Authority and its customers. This request from HAL further compounds the extremely high operating costs and lack of support during this challenging period for all.

I remain in your complete disposal should you require any further information.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Kinto Chan', written in a cursive style.

Kinto Chan  
Regional General Manager Europe  
Cathay Pacific Airways