

Selina Chadha
CAA
11 Westferry Circus
London
E14 4HD

Email to Selina.Chadha@caa.co.uk

4 July 2025

Dear Selina,

Third runway expansion plan at London Heathrow Airport – cost recovery

Thank you for your letter dated 13 May 2025. Following our previous correspondence, we have been in discussions with the Department for Transport (DfT) in response to their invitation for proposals for expansion at Heathrow Airport. The DfT has clarified how it intends to engage with potential promoters, including Arora. We are also in the process of developing an Engagement Framework Document with the DfT setting out rules of engagement going forward, which we would expect to be on similar terms as any such document agreed with HAL (and which DfT does not object to in principle).

We would similarly expect that any future engagement with CAA puts Arora on a similar footing, and is on similar terms, as that with HAL. That applies equally to recovery of costs. You have previously recognised the risk of stifling the emergence of competition in respect of cost recovery matters. You have also acknowledged that the Civil Aviation Act 2012 is broad enough to support the development of a mechanism for the recovery of costs for alternative projects. We note your intention to develop a work programme for capacity expansion, after the submission of plans over the summer, to consider matters including the treatment of costs. We will make appropriate representations at the relevant time but were keen to emphasise our position at this stage: Arora should be placed on a level playing field, and treated in the same manner as HAL (including regarding cost recovery), in the interests of protecting competition and consumers at Heathrow Airport. Given that Arora will be committing significant resource and time to develop its proposals, we request assurances from the CAA that it will indeed put Arora on a similar footing and treat Arora in the same manner as HAL.

We look forward to engaging with you on your programme of work and this topic in due course.

Yours sincerely



Carlton Brown
Chief Executive Officer
Heathrow West Limited