

5th August 2026

R. Bishton
Chief Executive Officer
UK Civil Aviation Authority

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Dear Rob,

BTA welcomes the CAA's continued work on the regulatory framework for Heathrow expansion, and specifically the update set out in CAP 3286. We agree that the existing model is not fit for purpose, and that incremental adjustments alone will not resolve the deep-rooted structural problems that are holding the airport back.

As the representative voice of the UK business travel community, BTA believes Heathrow is too important to the UK economy to be governed by a regulatory model that creates poor incentives for efficient investment and service improvement. A more efficient Heathrow, supported by stronger incentives to deliver high quality infrastructure, would lower charges, improve performance and provide a stronger foundation for investment, connectivity and economic growth, benefiting our members, their customers and the wider UK economy.

We support the CAA's proposed package of enhanced capital governance, procurement oversight and the introduction of competition across Heathrow airport. In particular, greater competition can address the structural incentive problems that underpin many of the issues seen at the airport today. We therefore encourage the CAA to apply competitive reforms as broadly as capacity allows.

We recognise that the CAA currently intends to develop direct competition between HAL and an alternative developer only as a contingency, should a third party secure planning consent for new infrastructure. We would urge the CAA to treat this option with greater urgency rather than as a fallback. Genuine rivalry between operators, where they compete on price and quality to attract and retain customers, offers a route to benefits that governance and procurement reforms alone are unlikely to deliver in full. We would, however, urge caution in extending this to competition between existing terminal operators only while Heathrow remains capacity constrained. Without meaningful spare capacity, airlines and passengers have little practical ability to switch between terminals, and competition risks being nominal rather than real. We accept this is the most contested of the shortlisted models, and note the concerns raised around fragmentation and finance ability, but we believe the potential benefits to consumers justify the CAA prioritising this work rather than holding it in reserve.

Mandating competitive tendering for design and build is a welcome step, and we note this extends further than procurement alone. We would nonetheless encourage the CAA to keep under review whether HAL's overall control of scoping and sequencing across the programme remains a source of inefficiency, even where individual packages are competitively tendered.

The proposed capital committee is a welcome step and can improve how the wider airport community influences the pipeline of capital projects. We do not believe an advisory role goes far enough. We would ask the CAA to give the committee a decision-making role in determining whether HAL's expenditure is eligible for inclusion in the RAB. This is the point in the process where consumer interests are most at risk, and where the current regime's weak enforcement has had the most damaging effect. The effectiveness of any new capex governance regime depends on this.

For BTA members, a more efficient Heathrow, combined with an affordable and well governed approach to expansion, would reduce the cost of doing business, improve service quality and strengthen the UK's international connectivity. These outcomes would benefit business travellers, the wider economy and the UK's long-term competitiveness. We welcome the opportunity to discuss these issues further as the CAA develops its September 2026 update, and would welcome the CAA's consideration of the points raised ahead of the consultation deadline on 13 August 2026.

Yours sincerely,



Clive Wratten
Chief Executive Officer
Business Travel Association