

Dear Stewart,

CAP3286 – Heathrow's Future Regulatory Framework

Vueling writes in support of the response made by our parent company International Airlines Group, S. A. and the broader proposals contained in the Heathrow Reimagined submission.

As an airline operating in highly competitive European markets, Vueling places strict importance on cost efficiency. Airport charges ultimately form part of the cost borne by passengers and influence our decisions about where to allocate scarce aircraft and capacity.

This is not a theoretical concern. Vueling has taken the decision to withdraw from the London Heathrow–Santiago de Compostela route with effect from the W26/27 season. While several factors contributed to that decision, the level of airport charges at Heathrow and the absence of meaningful incentives to support the development and maturation of new services weighed materially in the assessment. No other carrier serves Santiago de Compostela from Heathrow, so the consequence is the loss of a connection that will not otherwise be available to passengers at either end.

We therefore support the CAA's recognition that Heathrow's future framework needs to deliver stronger incentives for efficiency. In our view, introducing effective competition wherever practicable offers the clearest opportunity to challenge costs, encourage innovation and improve outcomes for passengers.

It is important that the necessary regulatory arrangements are put in place early. Direct competition will only be credible if potential participants have sufficient certainty before major planning, procurement and investment decisions are taken. We consequently support continued development of a framework that allows competition to play the fullest practical role.

We also support stronger and more transparent governance of Heathrow's capital programme. Cost discipline should apply to investment across the airport and should begin now rather than being dependent upon future expansion.

The CAA has an important opportunity to establish a framework that makes Heathrow more efficient and affordable for passengers and airlines alike. Vueling encourages it to pursue that objective with ambition and at pace.

Yours sincerely,



Jordi Pla Pintre

Chief Network Planning and Strategy Officer

Vueling

For and on behalf of Vueling