

20 August 2026

Tim Johnson
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Civil Aviation Authority
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CAP3286 – Consultation on Heathrow’s Future Regulatory Framework

Dear Tim and Stewart,

Vantage Group welcomes the opportunity to respond to the Civil Aviation Authority’s consultation on Heathrow’s future regulatory framework.

As a leading global investor, developer and manager of transportation infrastructure, including some of the world’s premier airport terminals, Vantage has extensive experience delivering and operating major airport infrastructure through competitive concession models. Most notably, our experience at the award-winning New York LaGuardia (LGA) Terminal B, named the world’s best new terminal by Skytrax in 2023 and the first North American Terminal to receive a 5-star rating, and the soon-to-open New York John F. Kennedy International Airport (JFK) Terminal 6, has shown that that well-designed competition structure creates stronger incentives for efficient investment, innovation and customer service.

For that reason, we welcome the CAA’s recognition that the development of additional runway and terminal capacity at London Heathrow creates the opportunity to change how the airport invests in and operates all its assets-both built in the future and those currently in operation. In our view, the same underlying issues – insufficiently strong incentives for efficient capital investment and ineffective commercial accountability – apply across the airport as a whole. Introducing competition, rather than making only incremental changes, can resolve structural issues and allow for more competition that will enhance airport growth.

Our experience at across our network, including LGA and JFK, provides many practical examples of how alternative models can succeed. At LGA, Vantage is now operating Terminal B under a long-term management services agreement after successfully developing and financing the new terminal. Similarly, as lead developer and majority investor in JFK Millennium Partners, Vantage is delivering the new US\$4.2 billion Terminal 6 while simultaneously managing the existing Terminal 7 during the transition to the new facility. The Terminal 6 concession was awarded through a competitive process

led by JetBlue and the Port Authority of New York and New Jersey, with JFK Millenium Partners taking responsibility for financing, developing, operating and maintaining the terminal over the long term.

This model demonstrates two important forms of competition.

First, it introduces **competition for the market**. Terminal concessions are awarded competitively, requiring prospective operators to demonstrate the ability to deliver the best combination of investment, operational performance, customer experience and long-term value. The successful concessionaire is then directly accountable for delivering against those commitments over the life of the concession.

Second, it supports **competition in the market**. A multi-terminal airport with independently operated terminals creates an environment in which operators compete to attract airlines by offering efficient facilities, high-quality service and commercially disciplined investment. This creates powerful incentives for continual improvement while ensuring that investment decisions remain subject to genuine commercial accountability.

These two forms of competition reinforce one another. Competitive procurement encourages better investment proposals from the outset, while ongoing competition between terminal operators encourages continued innovation and operational excellence throughout the concession period.

In our experience, this approach also leads to better capital investment discipline. Where terminal operators are responsible for financing, delivering and operating infrastructure over many decades, they have strong incentives to optimise project scope, manage costs effectively and invest in assets that deliver long-term operational value rather than incur unnecessary expenditure.

This experience is directly relevant to the CAA's consultation. Limiting competition solely to new and/or expansion-related capital expenditure assets would represent only a partial application of competitive disciplines. Likewise, introducing competition only during procurement and construction would leave many of the most important investment decisions – including project definition and scope – under the control of a single incumbent operator. In our experience, these early decisions have the greatest influence on project cost, operational performance and long-term value.

We therefore support the CAA's ambition to introduce greater competition throughout Heathrow's regulatory framework for the reasons outlined above. Direct competition between terminal operators has the real potential to reshape incentives, aligning commercial success with efficient investment, strong operational performance and ultimately better outcomes for customers.

We also welcome the proposal to strengthen Heathrow's capital governance arrangements through the establishment of a capital committee. However, governance and competition should be viewed as complementary rather than alternative mechanisms. Competition provides the commercial incentives

that encourage efficient behaviour, while effective governance ensures that investment decisions remain transparent, accountable and focused on delivering value for airport users.

The CAA has an important opportunity to establish a regulatory framework that reflects proven international practice. Our experience at both LGA and JFK demonstrates that independently operated terminals can coexist successfully within a major international hub, delivering world-class infrastructure while strengthening commercial discipline and customer outcomes.

We therefore encourage the CAA to pursue comprehensive reform that enables both competition for the market and competition in the market, creating a Heathrow that is better equipped to deliver efficient investment, affordable expansion and world-class service for decades to come.

We welcome the opportunity to discuss this further and stand ready to do so at your convenience.

Yours sincerely,



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