

05 August 2026

Rob Bishton
Chief Executive Officer
Civil Aviation Authority

economicregulation@caa.co.uk

Dear Rob,

Re: CAP3286 – Consultation on the Future Regulatory Framework for Heathrow Airport

Advantage Travel Partnership welcomes the opportunity to respond to the Civil Aviation Authority's consultation on the future regulatory framework for Heathrow Airport.

As the UK's leading membership organisation for independent travel businesses, representing both leisure and business travel, our members rely on Heathrow operating as an efficient, competitive and customer-focused international hub. The airport is a critical gateway for UK connectivity and economic growth, making it essential that its regulatory framework promotes the right commercial incentives and delivers better outcomes for airlines, travel businesses and consumers.

For this reason, we support the CAA's decision to pursue fundamental reform of Heathrow's regulatory model. The shortcomings of the existing framework have become increasingly apparent over time and cannot be resolved through incremental changes alone. A more comprehensive reset is required if Heathrow is to deliver the level of efficiency, service quality and investment that the UK economy demands.

Reform should create an environment where efficiency is rewarded and poor performance carries meaningful consequences. This would help reduce the overall cost of operating at Heathrow, place downward pressure on airport charges over time and improve the experience delivered to airlines and passengers. Those benefits would flow directly through to travel businesses and their customers, supporting a stronger and more competitive UK travel sector.

We therefore welcome the CAA's intention to introduce greater competition within Heathrow's regulatory framework. However, we believe the consultation should go further in recognising the benefits that broader competition can deliver.

Competition between terminal operators has the potential to transform incentives at Heathrow. Operators competing to attract and retain customers would be driven to innovate, improve service quality and control costs, while taking responsibility for the commercial consequences of

inefficient investment decisions. These are precisely the market disciplines that are absent under the current arrangements.

By contrast, limiting competition solely to future assets risks leaving many of today's structural problems untouched. Equally, introducing competition only at the procurement and construction stages would still leave Heathrow Airport Limited determining the scope and design of projects before they reach the market, preserving one of the principal drivers of inefficiency identified by the CAA.

We welcome the proposal to establish a new capital committee as part of strengthened governance arrangements. However, governance reforms will only succeed if they are supported by robust regulatory powers and a willingness by the CAA to intervene where necessary. Consumers must remain at the centre of capital investment decisions, and the regulator must have effective tools to challenge inefficient expenditure and ensure value for money.

For Advantage's members, the prize is significant. A more efficient Heathrow, combined with an affordable and deliverable programme of expansion, would strengthen the UK's international connectivity, support sustainable growth across the travel sector and create greater opportunities for independent travel businesses serving both leisure and corporate customers. It would also help ensure that investment across the aviation ecosystem delivers tangible benefits for consumers rather than unnecessary and harmful costs.

The decisions arising from this consultation will shape Heathrow's competitiveness for decades to come. We therefore encourage the CAA to seize this opportunity to deliver meaningful structural reform and establish a regulatory framework that promotes genuine competition, efficient investment and better outcomes for passengers and the wider UK economy.

Yours sincerely,

Julia Lo Bue-Said OBE
Chief Executive Officer
Advantage Travel Partnership