



Airlines for America®

We Connect the World

January 22, 2026

UK Civil Aviation Authority
Aviation House
Beehive Ring Road
Crawley
West Sussex
RH6 0YR

Re: Proposals on the regulatory treatment of early costs of capacity expansion at Heathrow airport – CAP 3201

Dear Economic Regulation Team,

Airlines for America (A4A)¹ welcomes the opportunity to respond to the UK Civil Aviation Authority's (CAA) consultation on the proposed regulatory treatment of early costs associated with capacity expansion at Heathrow Airport. A4A is the principal trade organization representing leading U.S. passenger and cargo airlines. Our members operate extensively to and from Heathrow daily and have a strong interest in ensuring that the airport remains efficient, affordable and capable of delivering a high-quality passenger experience.

Heathrow is a critical international hub for A4A members. U.S. Department of Commerce data shows that travel between the U.S. and London Heathrow (LHR) reached 17.8 million on board passengers between the destinations in 2025, representing more than 24,000 passengers per day each way. This makes LHR the largest foreign gateway between the United States and foreign destinations by passenger.² Maintaining an airport that is efficient, affordable and globally competitive is therefore of central importance to A4A members and to sustaining the strong economic ties between the U.S. and the UK.

We have concerns regarding the CAA's proposals to allow Heathrow Airport Limited (HAL) to recover up to £320 million in early expansion costs, in 2024 CPI prices, across 2025 and 2026. Our principal and fundamental concern is that under the U.S.-UK Air Transport Agreement, the Chicago Convention and the UK Airport Charges legislation, charges must be cost-related. Requiring airlines and their passengers to pay in advance for future services that may never be delivered clearly violates this requirement.

If the CAA does allow early cost recovery for the entire 2025-2026 period, we are concerned by the proposal to raise this cap where HAL demonstrates that additional costs are necessary. While we welcome the proposed reporting requirements, the cap should be fixed to create cost certainty for airlines. At the very least, there must be clear and transparent criteria setting out

¹ Members of the association are Alaska Airlines Group, Inc.; American Airlines Group, Inc.; Atlas Air, Inc.; Delta Air Lines, Inc.; Federal Express Corporation; JetBlue Airways Corp.; Southwest Airlines Co.; United Continental Holdings, Inc.; and United Parcel Service Co. Air Canada is an associate member.

² APIS/I-92 data Commerce NTTO

what HAL must demonstrate to increase the cap, and equally important, clarity on when the period of early cost recovery ends.

Without firm limits and well-defined thresholds, there is a real risk that early expansion costs could escalate in an environment where airport charges have continued to rise through successive price increases and new cost-recovery mechanisms. Indeed, Heathrow's price increases meant that passengers and airlines paid £1.1 billion more than they would have if the airport's charges were aligned with those of other major European airports, according to data from the Jacobs Airport Charges Index.³

Against this backdrop, proposals to permit early cost recovery, and to add these costs to the Regulatory Asset Base (RAB), require particularly careful scrutiny. Any early cost recovery must be supported by strong safeguards to prevent unnecessary or premature spending and to ensure that costs are efficient, justified, and clearly linked to consumer benefit. Additionally, there must be clarity on the consequences if underlying assumptions change or if costs exceed forecasts.

Regarding the proposal to allow recovery of certain planning costs incurred by Heathrow West Limited, A4A acknowledges the CAA's view that some planning activity may have reached a sufficient level of maturity. However, the recovery of early expansion costs in advance of any approved and delivered capacity expansion raises important questions about risk allocation and value for money for passengers. Any such recovery should be subject to strict conditions, including detailed cost breakdowns and a robust demonstration of tangible consumer benefits. Costs should only be considered recoverable when they directly support outcomes that improve passenger experience, capacity, and service quality.

A4A supports investment at Heathrow that is efficient and clearly aligned with the interests of passengers. However, in light of the sustained increase in costs, the CAA's proposals must place a stronger emphasis on demonstrable consumer benefits, appropriate risk allocation and value for money.

We thank you for the opportunity to comment on these proposals and look forward to continued engagement as the CAA develops its final position.

Sincerely,

A handwritten signature in black ink, appearing to read 'Keith Glatz', with a stylized flourish at the end.

Keith Glatz
Senior Vice President, International Affairs

³ Heathrow Reimagined, [Heathrow Facts and Figures](#).