July 28, 2028

Economic Regulation Team
UK Civil Aviation Authority
Aviation House
Beehive Ring Road
Crawley, West Sussex
RH6 0YR
United Kingdom

Re: A4A Response to CAP 3279: Economic Regulation of Heathrow Airport Limited: setting a holding price cap for 2027

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 interim price control arrangements for Heathrow Airport Limited (HAL), that will come into effect from January 1, 2027. A4A is the principal trade organization representing the leading U.S. passenger and cargo airlines. Our members operate extensive passenger services to and from Heathrow Airport and have a strong interest in ensuring that Heathrow's economic regulatory framework promotes efficient investment, protects consumers and delivers value for airlines and the passengers we serve.

A4A recognizes the need to establish interim regulatory arrangements while the CAA completes its H8 price control review. Maintaining a regulatory price cap during this transitional period provides important certainty for airlines, passengers and the airport, while preventing the risk of unregulated airport charges prior to implementation of the final H8 settlement. A4A therefore supports the CAA's objective of ensuring continued regulatory oversight during 2027.

At the same time, A4A encourages the CAA to ensure that the holding price cap remains firmly grounded in the principles of efficiency, transparency and consumer protection. Transatlantic air services form an essential economic bridge between the U.S. and the UK, with Heathrow in particular serving as the top foreign scheduled passenger gateway to the U.S., according to the U.S. Department for Transportation.[2] However, Heathrow remains one of the world's most expensive hub airports, and airport charges continue to represent a significant cost for airlines

[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] U.S. Department for Transportation, U.S. International Air Passenger and Freight Statistics (September 2025).

operating international services. Heathrow's price increases have meant that passengers and airlines paid £1.1 billion more than they would have if the airport's charges were aligned with other major European airports, according to data from the Jacobs Airport Charges Index.[3] Any increase in these already exorbitant charges will lead to additional operating costs that will be passed through to passengers. It is therefore essential that airport charges remain limited to the efficient costs necessary to deliver safe, secure and high-quality airport services.

Moreover, A4A agrees with the CAA's proposal not to include recovery of broader early expansion costs within the 2027 holding price cap. Without firm limits and well-defined thresholds, early expansion costs could escalate in an environment where airport charges have continued to rise through successive price increases and new cost-recovery mechanisms. Expansion-related costs remain subject to ongoing regulatory review, and airlines should not be required to fund costs before the CAA has determined that they are efficient, justified and in the interests of consumers.

More broadly, A4A encourages the CAA to continue applying rigorous scrutiny throughout the H8 review to ensure that Heathrow's expenditures are efficient, that incentives promote high-quality service and that airport charges reflect demonstrable value for airport users. Most importantly, consistent with the U.S.-UK Air Transport Agreement and ICAO principles, charges must reflect the reasonable cost of the services rendered. Given the cumulative cost pressures facing airlines, it is important that any future increases in airport charges are fully justified, proportionate, transparent and supported by clear evidence of consumer benefit.

A4A appreciates that the proposed holding price cap is intended to provide regulatory certainty. As the H8 review progresses, we encourage the CAA to continue prioritizing affordability for consumers, efficiency in airport operations and the long-term competitiveness of Heathrow as a global gateway.

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,

Marco Sylvester
Senior Vice President, International Affairs

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[3] Heathrow Reimagined, Heathrow Facts and Figures.