



Attn: Mr. Paul Smith  
Group Director of Consumers and Markets  
Civil Aviation Authority

5<sup>th</sup> March 2021

Email to: [paul.smith@caa.co.uk](mailto:paul.smith@caa.co.uk)  
CC Email to: [DavidHill@aoc-lhr.co.uk](mailto:DavidHill@aoc-lhr.co.uk)  
CC Email to: [stewart.carter@caa.co.uk](mailto:stewart.carter@caa.co.uk)

Dear Mr Smith,

**Subject: Emirates' response to CAP2098 and HAL's request for an adjustment to its RAB**

I am writing in response to the CAA's call for stakeholder views on HAL's request for an adjustment to its regulated asset base as a result of the impact of the CoVid-19 pandemic (as set out at Paragraph 3.11 of CAP2098).

Emirates has reviewed the joint response of Heathrow AOC and IATA London Airline Consultative Committee dated 5 March 2021 (the "AOC Response") and endorses this view entirely. Emirates agrees with the AOC Response and reiterates that:

1. There is no justification for early intervention by the CAA ahead of the H7 price control review and no benefit to the consumer from such action;
2. HAL expressly assumed the risk of passenger traffic volume as part of H6 (accepting the premium for such risk) and therefore is not entitled to request a reopening of H6 now that the contemplated risk has eventuated;
3. HAL, like all profit seeking businesses, should first look to retained earnings, debt or equity to finance its business (this is especially true where a business has disgorged significant profits to its shareholders); and
4. The economic price control imposed on London Heathrow Airport is not intended to turn consumers into the underwriters of last resort for HAL and its business/financial risks.

Emirates strongly supports Option 1 (as set out in the AOC Response) and believes that the proper time for any review of HAL's RAB would be during the already agreed H7 consultation period. Emirates sees no basis for a premature review of HAL's RAB and no benefit to consumers from such action.

Yours sincerely,

Martin Camus  
Vice President – Procurement and Logistics (Airlines)  
Emirates