

Mr. Paul Smith

Group Director of Consumers and Markets

Civil Aviation Authority

paul.smith@caa.co.uk

economicregulation@caa.co.uk

Re: the CAP1966 Economic Regulation of Heathrow Airport Ltd

4th November 2020

Dear Mr. Smith,

I hereby refer to the CAP1966 Economic Regulation of Heathrow Airport Ltd and include **LATAM AIRLINES BRASIL** response to its request for a Covid 19 related RAB adjustment:

Please note that in general terms we support the CAA's view that there is no evidence that there is a need to make an urgent intervention now. According to the information we have, we understand that HAL has been able to raise debt over the past weeks at an investment-grade level and that any premium that HAL has been paying compared to other airports is more due to its high gearing problem, and thus, we consider that it should HAL's shareholders that deal with this issue, and not the consumers.

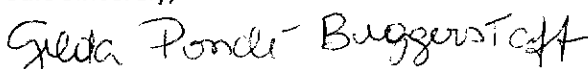
As per the information received, Heathrow has signed up to a package of incentives set at the outset of Q6, containing all traffic volume risk, and have been compensated to hold that risk within this period, therefore we consider that any adjustment would result in consumers being double charged.

Any changes that need to be made in the regulatory settlement need to be forward looking.

We also disagree with HAL's assertion that service levels may be jeopardised in 2020 and 2021 due to the pressure to reduce costs and investment.

We consider that there is no need for the CAA to accept HAL's request.

Yours sincerely,


Gilda Ponde Biggerstaff / Station Manager UK & JNB

LATAM AIRLINES GROUP

Dalbiac House Building

Cromer Road - Room 2038

Heathrow Airport Ltd

Hounslow - Middlesex - TW6 1SD

Tel: 07920113401 / Email : gilda.ponde@latam.com