

Civil Aviation Authority
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5th November 2020

Response to CAP1966: Heathrow RAB adjustment

Thank you for the opportunity to provide a response to your latest consultation on the economic regulation of Heathrow, specifically on Heathrow's proposal to adjust its Regulatory Asset Base ("RAB") to insulate itself against traffic volume risk and recoup forecasted lost revenues in 2020 and 2021 from consumers.

We welcome the CAA's initial determination to not grant Heathrow's request, and urge the CAA to hold to that position through the consultation process. Heathrow's proposal remains a disastrous regulatory precedent for regulated industries, and we believe the CAA should remain resolute in its position that it has no obligations under the regulation to protect HAL's shareholders.

We fully endorse and support the submissions made to this consultation process by British Airways, Aer Lingus and the International Air Transport Association (IATA) on behalf of all our Group airlines, and in particular draw attention to the detailed analysis performed by British Airways that provides further insight into the present circumstances.

Yours sincerely,



Alistair Hartley
Director of Strategy