



London (Heathrow) Airline Consultative Committee
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Rob Toal
Civil Aviation Authority
5th Floor
11 Westferry Circus
Canary Wharf
London E14 4HD

18th August 2020

Sent by email to: economicregulation@caa.co.uk

Dear Rob,

Re: HAL's Building Block Update and Application for a RAB Adjustment

As you will be aware, Heathrow Airport Limited ("HAL") have based their entire Building Block Update ("BBU") and the figures within on the assumed success of their Application for a RAB adjustment to compensate for revenue not achieved as a result of Covid-19 (the "Application").

Following on from our letter to HAL¹ and in parallel to the Airline Community's written response to CAP1940² we are writing to you to place on record our views on the Application.

The Airline Community have been clear in its expectations that in order to have a meaningful Constructive Engagement ("CE") the BBU, and subsequent engagement, would require sufficient detail to allow a full assessment on different demand scenarios and help shape both HAL's Revised Business Plan and engagement thereafter.

Unfortunately, HAL's approach in basing the BBU solely on its Application undermines this.

The Application cannot be considered as the only possible outcome to form the basis of CE as it neither has any legal or regulatory basis nor has been accepted by airlines or the CAA.

We would note that having written to HAL, with the CAA on copy, requesting them to remove the inclusion of the Application from the BBU, that we are still awaiting a formal response including on a commitment or timescale for completing this.

¹ Airline Community letter addressed to Heathrow Airport Limited (Andrew Macmillan and Ross Baker) titled "Airline Community feedback re HAL's Application to the CAA for a covid related RAB Adjustment", dated 4th August 2020

² "LACC / AOC Airline Community response to CAA Consultation CAP1940", dated 18th August 2020



We have noted our concerns on the overall CE timetable and provision of meaningful information to date in our response to CAP1940 and would raise this with particular regard to updating the scenarios to exclude the Application.

Airlines and consumers cannot be penalised for any failure on HAL's part in failing to produce credible and timely business plans. We would urge the CAA to take appropriate steps to ensure HAL addresses this Application position within both the BBU and CE and ensure that HAL does so in a manner that allows appropriate and timely scrutiny.

In terms of the Application itself, the Airline Community were clear in our letter to HAL that it is not for, nor in the interests of, consumers to fund an adjustment of the RAB for the reasons set out within.

Thank you for your consideration in this matter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Simon Laver'.

Simon Laver
London (Heathrow) Airline Consultative Committee

A handwritten signature in black ink, appearing to read 'Nigel Wicking'.

Nigel Wicking
Chief Executive
Heathrow AOC Limited