

5 November 2020

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

By email: paul.smith@caa.co.uk; economicregulation@caa.co.uk

CAP1966 Economic Regulation of Heathrow Airport Ltd: Response to its request for a COVID 19 related RAB adjustment and Heathrow property abatements for closed terminals

Dear Paul:

Heathrow's RAB

On behalf of Etihad Airways, we wish to express our strong support of the submission that the LACC-IATA/AOC have submitted to you on the subject of LHR's request for a RAB increase of GBP 1.7 billion due to the effect of COVID, dated on or before 5 November 2020.

To adjust the airport's RAB and to cause a subsequent material increase in aeronautical charges would harm Etihad at a time when cost would harm us most, in responding to the impact of the pandemic, and restructuring our airline to be able to offer global connectivity to UK customers as soon as viably possible. This is particularly acute for Etihad as an airline that operates to Heathrow with a fuel-efficient wide-body fleet while paying the highest rates in both Heathrow's and the Government's discriminatory pricing.

Heathrow property

Additionally, we wish to express our support for Heathrow's Property Board's submission to you on property costs being incurred at Heathrow Airport, dated on or before 5 November 2020.

Etihad has been forced to relocate from Heathrow's Terminal 4 to Terminal 2 since 3-May 2020, against our wishes and deprived of the use of our leased space. We firmly believe that Heathrow has no basis on which to be charging Etihad rent for leased spaces in which we are deriving no benefit, principally our premium passenger lounge, since we are unable to provide access to any of our guests.

Heathrow has thus far offered only a 50% discount rebate of the lounge rent, but with no commitment as to the duration of the discount (in relation to how long Terminal 4 will remain closed) and is forcing airlines to sign up to an onerous side letter agreement to avail of this discount which precludes any future claims being made. Etihad has not signed up to this agreement as this would be in derogation of our rights under the applicable agreements.

Heathrow continues to provide no certainty as to when Terminal 4 will re-open.

An Etihad Aviation Group Company

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من أبوظبي إلى العالم

Other airports that have consolidated terminals in response to COVID-19 and 'evicted' Etihad from its usual terminal have waived all lease charges for the relevant period, e.g. Paris CDG, highlighting the punitive behaviour of Heathrow.

We would appreciate the views of the CAA in relation to these issues and would be pleased to have a meeting to discuss and confirm a way forward.

Yours Sincerely



John Wright
Vice President Airport & Network Operations
Etihad Aviation Group