

To: Air Canada, Airline Operators Committee, American Airlines, British Airways, Cathay Pacific, Delta Air Lines, easyJet, Emirates, International Air Transport Association, Lufthansa, South African Airways, Star Alliance, Qatar Airways, United Airlines, Virgin Atlantic Airways,

24 January 2017

Dear Stakeholder,

Assessment of airport-airline engagement on the appropriate scope, design and cost of new runway capacity

Following the Government's announcement in October last year that Heathrow is its preferred location for airport capacity expansion in the South-East of England, the Secretary of State for Transport, has asked the CAA to report to him in 2017 with views on how well HAL has engaged with the airline community on the design of the scheme.

The detailed terms of reference for this advice are available on the [CAA's website](#). The terms of reference specify that the first part of the review should focus on engagement and should cover the following points.

1. Summary of the process proposed and undertaken by HAL and the airlines, covering governance arrangements, timetable, key deliverables and outputs.
2. Summary of recommendations put forward by the CAA to improve the engagement process and whether or not those recommendations were implemented by HAL.
3. Summary of the scope and content of airport-airline engagement, particularly the extent to which discussions were focused on furthering the interests of passengers and cargo owners or only on narrow commercial issues.
4. Assessment of the quality, intensity, maturity and meaningfulness of the engagement between the HAL and the airlines.
5. Assessment of any gaps or weaknesses in the engagement process, particularly with respect to passenger interests (and cargo owners), and whether any steps were taken to overcome these.
6. Identification of any parties to the engagement process who did not engage in the process, particularly those who 'actively' decided not to engage.
7. Feedback on the engagement process from the HAL, airline representative bodies and specific airlines.
8. Any opportunities identified by the CAA, HAL or the airlines to involve consumers or consumer representative bodies in the process (directly or indirectly) and how and whether those opportunities have been exploited.

We would particularly welcome your feedback on points (3) to (8) above and in relation to point (2) whether you have made any suggestions for improving the process of engagement with HAL and/or whether you think the CAA should make such suggestions.

The terms of reference require us to provide an initial "health check" in February 2017 on whether HAL has made a good start and whether its plans for the remainder of 2017 are appropriate. With that in mind, we would like to hold bilateral meetings during February with those airlines and representative bodies that have been taking part in the discussions. We will also be meeting with HAL. The meetings will provide an opportunity for you to feedback and discuss the above points and any other observations that you wish to make. If you would like to set out your views in writing ahead of these meetings we would also be happy to receive such representations.

Charlotte King (charlotte.king@caa.co.uk) will be the point of contact for stakeholders interested in arranging bilateral sessions with members of the Economic Regulation team, so please contact her at your earliest convenience. If it facilitates early dialogue, we are happy for the bilateral sessions to be conducted by telephone conference. If you have any further questions related to our work in this area, please contact Rob Toal on 0207 453 6211 (or robert.toal@caa.co.uk).

Yours sincerely



Andrew Walker

Head of Markets and Performance Team, Consumers and Markets Group

Copies to: Emma Gilthorpe, Heathrow Airport Limited