

Paul Smith
Group Director, Consumers & Markets
Civil Aviation Authority
Email: paul.smith@caa.co.uk

17 November 2021

RE: CAA's Proposed 2022 Heathrow Charges

Dear Mr. Smith,

United Airlines appreciates the opportunity to comment on the CAA's proposed charges for 2022. United has made significant investments in Heathrow and remains committed to Heathrow service in the future. Prior to the COVID-19 crisis, we operated 17 daily services to Heathrow, more services than to any other point we serve outside North America. We currently operate 7 services to Heathrow but will progressively increase to 22 services in summer 2022 because of our confidence that demand will return as governments continue to relax travel restrictions associated with COVID-19. We support the comments that LACC/AOC, A4A and Star Alliance have submitted but wish to supplement them with brief observations of our own. We will provide separate comments on H7 by the 17 December 2021 deadline.

The CAA's forecast that passenger numbers at Heathrow in 2022 will be 59 percent of 2019 levels is a welcome improvement on HAL's forecast. However, we understand that the resulting price cap of £29.50 is based on a passenger forecast made in April 2021 before the UK, US and other countries had significantly relaxed travel restrictions.

United has seen an increase in passenger demand for Heathrow services in recent weeks, particularly after the U.S. Government announced that it would lift the ban on travel for fully vaccinated UK and EU travelers with effect from 8 November. United has committed to operate 22 services in Summer 2022 – 5 more than we operated in 2019. Although load factors are always difficult to forecast, LACC/AOC's prediction that traffic in 2022 will be approximately 89% of 2019 levels is supported by the empirical evidence they present. In light of this information, we respectfully request the CAA to update its passenger forecast based on recent evidence showing a significant increase in passenger demand.

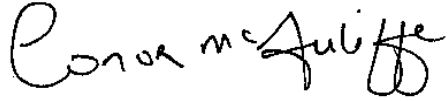
The proposal to increase charges by an unprecedented 50% would harm consumers. Passengers already face exorbitant charges at Heathrow in addition to the Air Passenger Duty which is currently £82 for Economy and £180 for Business passengers departing the UK for the United States. As LACC/AOC set out in their comments, HAL's charges were 44% greater than the next most expensive European hub airport in 2020 and the CAA's proposal would increase this gap to 83% in 2022. Consumers will be the ultimate victims of the proposed increase.

We understand that the CAA may adjust the charges during 2022 if they prove to be too high. However, we respectfully suggest that the better approach is for the CAA to roll over the existing level of charges for 2022 consistent with precedents the CAA set during Q5 and Q6. This approach will reduce the risk of overcharging consumers. It will also encourage the return

of travel demand and help to ensure that Heathrow remains a global hub for UK global trade and tourism.

We thank you for your kind attention. Please do not hesitate to contact us if you have any questions or require further information.

Sincerely,

A handwritten signature in black ink that reads "Conor McAuliffe". The signature is written in a cursive, flowing style with a large initial 'C' and a distinct 'M'.

Conor McAuliffe
Managing Director, European & Industry Affairs
United Airlines
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cc: Abigail Grenfell, David Kendrick - CAA
Dan Weiss, Patrick Shannon, Marisa Villanueva, Arvind Garcia - United