

Consumers and Markets Group

Economic Regulation & Competition Policy

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By email: lesley.moore@cma.gov.uk

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Dear Lesley

CAA040: CAA response to CMA consultation on approach to COVID-19

I can confirm that the CAA supports the provisional conclusions on the approach the CMA should adopt in respect of the impact of COVID-19, as part of the NERL/CAA Regulatory Appeal. Specifically:

- that it should not make specific adjustments to its provisional findings to take account of the COVID-19 pandemic; and
- that the period for the price controls that will be determined in the final report could be limited to three years – although, as previously noted, we would also be content if the existing five-year period was maintained.

I thank the CMA for the pragmatic approach it has taken in response to this issue and confirm that we shall be reviewing NERL's price control in 2021 when the timing and shape of the recovery in air traffic should at least be starting to become clearer. Where necessary and appropriate, we may bring forward elements of the review work in line with our statutory duties.

We look forward to receiving the final report.

Yours sincerely

Matt Claydon Head of ATM Regulation

Cc: Judith Ross - Project Manager, CMA

Thea Hutchinson - Director of Regulation, NERL