

Thomas Cook Group Airlines
c/o Condor Flugdienst GmbH
FRA HI/C (Condor)
Condor Platz
D-60549 Frankfurt am Main
Germany

Arne Kirchhoff
Director Commercial Airport Relations
& Ground Handling Procurement

Direct Tel: +49 (0)6107 939 7301
e-mail: arne.kirchhoff@thomascook.com

Civil Aviation Authority
Consumers and Markets Group
Mr Stephen Gifford
4th Floor, CAA House
45-59 Kingsway
London
WC2B 6TE
United Kingdom

Submitted by email to economicregulation@caa.co.uk

Dear Mr Gifford,

Thomas Cook Group Airlines Consultation Response – CAP1435

Thank you for giving Thomas Cook Group Airlines the opportunity to offer our views on the recovery of costs associated with obtaining planning permission for new runway capacity at London Airports.

Thomas Cook Group Airlines is a part of Thomas Cook Group plc. Our airline operations consist of four leisure airlines including Thomas Cook Airlines UK, Thomas Cook Airlines Belgium, Thomas Cook Airlines Scandinavia and Condor Flugdienst.

One of the world's leading leisure travel groups – and the only of this scale headquartered in the UK – Thomas Cook Group plc employs around 22,000 people in 15 source markets, and operates a global fleet of 92 aircraft. Our sales in 2015 totalled £7.8 billion.

Our UK business sent six million British customers on holiday in 2015, with sales totalling £2.5 billion. With 7,800 employees spread across the UK, 32 UK-based aircraft operating from 11 regional airports, and a retail network of around 800 stores lining high streets across the country, the Group has consistently played an important role in generating growth and contributing to a strong UK economy.

London Gatwick Airport is Thomas Cook Airlines' primary London gateway to the world, transporting in excess of 700,000 passengers on eight long and medium haul aircraft based there.

Thomas Cook Group Airlines has been a strong supporter of the work of the Airports Commission, and we believe the South East of England requires urgent capacity growth if it is to maintain its place as a competitive and dynamic aviation hub. We have actively supported expansion at Gatwick Airport as the best way to achieve this, but we have also recognised that any runway expansion in the South

East would benefit our customers. We continue to call on Government to make an urgent decision on airport capacity, and to create the right policy conditions for it to be delivered.

To this end, we welcome the work being carried out by the CAA in preparation for this, particularly in the context of recovering the costs of expansion projects.

Having carefully considered the questions posed within the consultation document, we are concerned that any prefinancing of airport expansion would be an unfair burden falling on today's passengers, forcing them to pay a premium despite the fact that they will not use the new infrastructure, which will not be serviceable for many years. In our view, this approach would be in contradiction of the CAA's primary duty to serve the interests of air transport users.

We therefore believe that any cost associated with airport expansion should be financed by the airport management body and be recovered after the new infrastructure is put into service.

Today, Gatwick Airport enjoys more demand than it is able to accommodate, meaning that many potential future users will only be able to make use of Gatwick Airport once the new infrastructure is in service. Those future passengers would benefit disproportionately from the contribution today's users will have already made.

In our view, it is extremely unfair to ask customers to pay for a service that they will not use.

Thank you for giving us an opportunity to share our views, and we do hope they are of use.

Should you have any further questions, please feel free to contact us. We can also utilise the opportunity of our meeting on 22 September to discuss the matters raised in this letter further.

Kind regards



Arne Kirchhoff
Director
Commercial Airport Relations
& Ground Handling Procurement



Stephan Weidenhiller
Senior Manager
Commercial Airport Relations
& Ground Handling Procurement