

Notice of proposed modification to Heathrow Airport Limited's Economic Licence to allow for an annual recovery of £10 million of Category B costs for a new northwest runway

CAP 1470

Civil Aviation Authority,
Aviation House,
Gatwick Airport South,
West Sussex,
RH6 0YR.

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Chapter 1

Introduction

Purpose of this document

- 1.1 On 25 October 2016, the government announced that it was in favour of a new northwest runway and associated infrastructure at Heathrow. In light of this announcement, we propose to modify the economic licence of Heathrow Airport Limited (HAL), so as to allow HAL to recover up to £10 million per annum of costs associated with obtaining planning permission for a new northwest runway (i.e. Category B costs).
- 1.2 This document invites representations on the £10 million per annum proposal.
- 1.3 We are consulting separately on the treatment of Category B costs incurred over £10 million per year.¹

Views invited

- 1.4 Under the Civil Aviation Act 2012 (the Act) we may modify the conditions of a licence.² Before making modifications to a licence, we must publish a notice specifying the proposed modifications, giving our reasons for the proposed modifications, state the effect of the proposed modification and specify the period within which representations may be made regarding the proposed modifications. We must send a copy of the notice to the holder of the licence and such bodies representing airport operators or providers of air transport service as we consider appropriate.³ This document constitutes such a notice.

¹ Available at: www.caa.co.uk/CAP1469.

² Section 22(1) of the Act.

³ Sections 22(2) to (4) of the Act.

- 1.5 Any representations about the proposal in this document should be sent by e-mail to economicregulation@caa.co.uk no later than 6 December 2016. Alternatively, comments may be sent by the deadline above by post to:
- Abigail Grenfell
Consumers and Markets Group
Civil Aviation Authority
CAA House
45-59 Kingsway
London WC2B 6TE
- 1.6 We expect to publish the representations on our website as soon as practicable after the period for written representations expires. Any material that is regarded as confidential should be clearly marked as such. Please note that we have powers and duties with respect to handling of confidential information under section 59 of the Act and the Freedom of Information Act 2000.
- 1.7 If you have any questions on this document please contact Abigail Grenfell (020 7453 6243, abigail.grenfell@caa.co.uk) or Stephen Gifford (020 7453 6279, stephen.gifford@caa.co.uk).

Next steps

- 1.8 Once we have considered the representations, we will decide whether, and if so, how to modify HAL's licence.