

21 December 2016

Dear Stakeholder

Re: Notices in relation to a modification of Heathrow Airport Limited's Licence made under section 22(6) of the Civil Aviation Act 2012

The CAA has today modified Heathrow Airport Limited's (HAL's) licence granted under the Civil Aviation Act 2012 (the Licence). I enclose two notices setting out the details of the modifications. These modifications shall take effect on **1 February 2017**.

Modification to extend the current price control period by 1 year

The effect of this modification is to extend the price control on HAL's airport charges by one additional year so that it ends on 31 December 2019. The modifications are to conditions A3, C1, C2, and C4 of the licence.

The CAA published a notice proposing to modify the licence on 13 October 2016. The CAA received three representations in support of the modification, and has decided to modify the licence as proposed.

Modification to allow for an annual recovery of £10 million of Category B costs for a new northwest runway

The effect of this modification is to allow for an annual recovery of up to £10 million of Category B planning costs for a new northwest runway from the date of the government announcement of support for the Heathrow proposal (25 October 2016) until 31 December 2019. The modifications are modifications to Conditions C1.2 the inclusion of a new Condition C1.12 and renumbering of the existing C1.12 to C1.13.

The CAA published a notice proposing to modify the licence on 8 November 2016. The CAA received four representations, one in support of the proposal and three opposed. The CAA has decided to modify the licence with one minor amendment for the reasons set out in the notice.

Yours sincerely



Richard Moriarty
Director, Consumer and Markets Group