The CAA proposes to make the amendments to:

CONDITIONS AS TO AIRPORT CHARGES IMPOSED IN RELATION TO HEATHROW AIRPORT IN ACCORDANCE WITH SECTION 40(4) OF THE AIRPORTS ACT 1986

HEATHROW CONDITION 1

Process

The CAA is hereby considering these amendments under an expedited procedure where the airport and airlines agree the changes.

In the case of the proposed new trigger for new build MSCP –East (phase 1), this trigger was already agreed as part of the CAA decision on the specification of capex triggers in December 2009 but which were not material to the original period of Q5. The extension of Q5 for one year means that this trigger is now material for 2013/2014.

In the case of the proposed new trigger for runway refurbishment project, this was jointly agreed by the Director of Regulation BAA, the General Secretary and Managing Director Heathrow AOC limited and by the Chair of LACC.

In both cases the CAA considers that the amendments merit an expedited process. This is as follows:

i) The CAA publishes any proposed agreement between the LACC and the airport inviting objections from interested parties.

ii) The CAA then allows 28 days for any objections.

iii) Unless the agreement raises significant issues, the CAA would expect to approve the agreement within 14 days of the end of the consultation period.

Any objections to these proposals should be sent by e-mail to barbara.peratasmith@caa.co.uk by no later than 31 August 2012. If you would like discuss this consultation document please contact Mike Goodliffe on 0207 453 6226 or by e-mail to mike.goodliffe@caa.co.uk.

Any material that stakeholders regard as confidential should be clearly marked and included in a separate annex. Subject to further discussion with the author, and subject to the criteria the CAA has established for treating information as confidential, this material will not be published.

The CAA will acknowledge any responses. It expects to make responses available on its website after the expiry date for objections.

Proposal

To add the highlighted rows below to table 1:

Trigger Project	**"Milestone Month"**	**"Monthly Trigger Payment$_i$"**
New Build MSCP – East (phase 1) Construction sufficiently progressed for operational trials to commence.	March 2013	£0.48 million
Runway refurbishment Project Refurbishment Southern Runway returned back to Cat III operations	December 2013	£0.10 million