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Dear Colleagues

Decision - 2024 Airport Charges

Thank you for your participation in the 2024 Heathrow Airport Charges Consultation process and the comprehensive feedback on our proposals. As you will see below, your feedback has been carefully listened to and has helped develop our final position on 2024 airport tariffs.

Following a strong start to 2023 and a great summer, we are now expecting 79.3m passengers this year. Passengers could choose from over 225 destinations this summer as airlines have added more routes and frequencies to their Heathrow networks and 12 UK airports are now connected to the UK's hub airport. Heathrow remains the best gateway in Europe for flights to the US, with 248 daily flights to 31 US destinations, and is currently better connected to India and China than any European hubs.

We are also giving great passenger service, with almost all passengers waiting less than five minutes at security, improving QSM scores and we are preparing to kick off the next phase of investment to improve service which will include the replacement of the Terminal 2 baggage system and streamlining security in all terminals.

We continue to lead the industry in reducing the use of fossil fuels and are the first airport in the world to issue a sustainability linked bond which includes ambitious targets for reducing carbon emissions from aircraft as well as on the ground.

This context drives the changes outlined below which reflect the right balance of charges to achieve our clear and transparent objectives of continuing to drive sustainable passenger growth, promote Heathrow's hub status and incentivise the best use of the airport.

Summary of charges

I am pleased to publish Heathrow's decision document on 2024 airport charges and Conditions of Use. Effective from 1 January 2024, Heathrow will:

- recover the forecast maximum allowable yield for 2024 of £26.74 per passenger;
- accelerate the sustainable aviation fuel (SAF) ambition for 2024 by increasing the targeted fuel mix from the 2% signalled in the 2022 Decision Document to 2.5%. This reflects the positive response to the scheme and Heathrow's continued commitment towards the decarbonisation of aviation;
- introduce a carbon emissions-based charge to better align the Heathrow charging regime with the decarbonisation ambitions of the aviation industry;
- simplify the calculation of the charges differential between the Rest of the World and Europe categories from a percentage recovery basis to a multiplier basis and adjust the

short haul/long haul multiplier from 2.5 in 2023 to 2.3 in 2024 to incentivise higher load factors and promote network diversity;

- refine the definition of 'Europe' to a geographical basis rather than a political one which will both address current anomalies and encourage passenger growth to those destinations affected;
- increase the transfer and transit passenger discount from 25% to 40% to promote connectivity and incentivise higher load factors;
- increase the free parking periods on remote stands which, when added to the current existing free periods of 30 and 90 minutes for narrow and wide body aircraft respectively, would total 240 min when parked on remote stands to incentivise off-stand towing and prevent lost pier-served stand availability;
- extend both aspects of the noise charge discount for new scheduled Domestic routes or those that averaged fewer than 100 pax per ATM in 2022 by an additional year resulting in a 4 year total timeframe with 50% in years 1 and 2 and 25% in years 3 and 4. This reflects the challenges associated with the establishment of new domestic routes;
- increase the remote stand rebate from £4.00 to £4.90 to respond to airline feedback on the increased cost of coaching; and
- introduce a new Peak Night Quota period between 0000 – 0430 during which any movements will incur an increased 8x multiplier to align with the aspiration contained within the 2024-2028 Heathrow Noise Action Plan which seeks to have zero flights during this period. The 5x multiplier will remain for the rest of the Night Quota Period.

The remainder of this decision document is structured as follows:

Appendix 1 details our final decision and provides responses to airline and airline representative body questions posed during the consultation process.

Appendix 2 sets out the consultation process we have followed.

Appendix 3 sets out the final prices effective from 1 January 2024.

Appendix 4 provides a summary of airline responses to the proposed changes to the 2024 Conditions of Use and details our final decision.

I look forward to partnering with you in the delivery of sustainable growth at Heathrow.



Ross Baker - Chief Commercial Officer, Heathrow Airport Limited

Appendix 1

Heathrow Airport Decision

Calculation of the 2024 forecast Maximum Allowable Yield

In March 2023, the CAA released its H7 Final Decision (H7 FD), laying out the price control formula to determine the Maximum Allowable Yield (MAY) from 2024 to 2026. In alignment with the H7 FD, we used the price control condition as the basis for our proposed MAY. The methodology and assumptions were articulated in our consultation document, in Sections 2-9.

In August 2023, we engaged in consultations with the airline community to present our proposed application of the price control formula resulting in a MAY of £26.77 and to gather feedback on our proposed MAY.

Feedback and our response to each of the themes

The feedback we received from the airline community on the MAY calculation through consultation responses and during the consultation event can be broadly categorised into five themes: the choice of starting yield, the choice of inflation forecast data source, the application of the 2022 bonus factor, the application of capital triggers for 2023, and the AK Factor.

1) The starting yield

In the consultation responses, the airline community argued that the Y_{2023} term (the maximum revenue yield per passenger using the airport in the Regulatory Year 2023) should not have a value of £31.57, as proposed in our consultation, but rather a value of £31.32 (removing the one-off in-year adjustments).

The Licence defines the Y_{2023} term as a fixed value to be used, leaving no room for interpretation over its value, and the Y_{2023} term used is consistent with the Licence condition C1.6(a). Therefore, we have decided to maintain the Y_{2023} term value to £31.57.

2) The choice of inflation forecast data source

In our consultation document, we used the Bank of England May 2023 Monetary Policy Report (MPC) as the basis of the forecast inflation for the MAY 2024 calculation.

The airline community stated that the OBR forecast from April 2023, which showed a lower inflation forecast, was more appropriate due to the CAA documents making reference to it.

The CAA Final Proposals refer to the use of an *up to date* and *publicly available* inflation forecast. While both forecasts are publicly available, we believe there are factors which differentiate the two forecasts and which make the Bank of England MPC more suitable for purposes of setting the 2024 MAY.

During the consultation event, we explained that our rationale for using the Bank of England forecast was driven by two factors: (1) it is more up to date than the OBR forecast, and (2) it has a quarterly frequency, compared to the OBR forecast which is published twice per year.

However, since the consultation, in August 2023, a more recent Bank of England MPC forecast was published. Therefore we have used this latest forecast as it is more up to date than either the May 2023 Bank of England or the April 2023 OBR forecast.

After updating the calculation formula with the August 2023 Bank of England MPC forecast, there is no change to the proposed MAY value, due to the differences between the May vs August MPC data source balancing out.

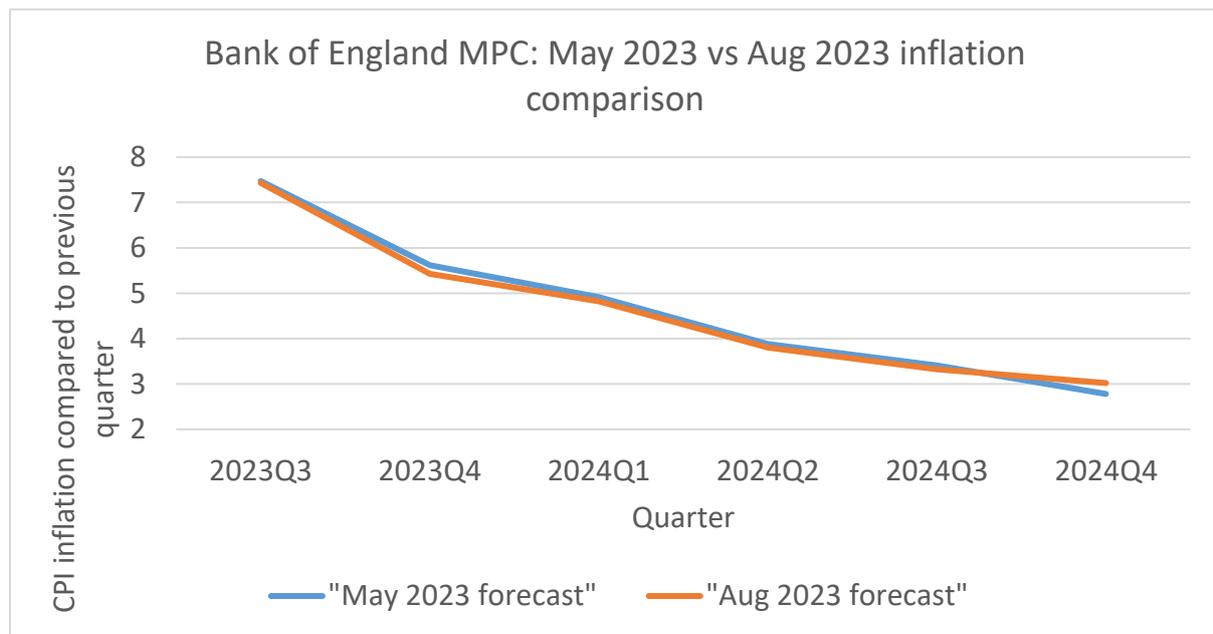


Figure 1 - Comparison between May 2023 and August 2023 Bank of England MPC inflation forecasts.

3) The application of the 2022 bonus factor

In the consultation responses and during the consultation event, the airline community expressed disagreement with our inclusion of the Bonus factor for 2022, arguing that performance in 2022 was not good enough to warrant a bonus.

While 2022 service levels did not meet expectations, this performance was reflected across the airport ecosystem, rather than being something attributable only to Heathrow. Where this was within Heathrow’s control, we paid rebates to the airline community as set out in the regulatory framework. The framework also includes a bonus element for when performance on certain elements exceeds the expected level, and in 2022 we did exceed the level of service to achieve bonuses across some of those measures. Therefore, it is consistent to apply the regime in full and include a bonus within the charge.

4) The capital triggers

The airline community highlighted that the consultation proposals had assumed no capital trigger payments over 2024, arguing that there was insufficient evidence or agreement to indicate that the Main Tunnel trigger payments would stop before 2024.

We reassessed the likelihood of paying capital triggers for the Main Tunnel. In our most up to date assessment of the Main Tunnel trigger project, we now estimate the project scope related

to Capital Triggers will complete in November 2024. Therefore we have assumed the first ten months of 2024 will be subject to capital triggers.

Integrating this updated assumption into the calculation formula reduces the 2024 MAY by approximately £0.02.

5) *The Additional Correction Factor repayment*

In our consultation, we flagged our intention not to return any of the Additional Correction Factor (AK Factor) as part of the 2024 charges, using the discretion given to us by the Licence. A number of responses from the airline community suggested we should return part of the AK Factor during 2024.

Heathrow appealed the CAA's application of the AK Factor to the H7 price control to the Competition and Markets Authority (CMA). Following the determination of that appeal the CMA determined that whilst an adjustment was not per se wrong the CAA was wrong in the way it applied the AK Factor mechanistically. The issue has been remitted back to the CAA for reconsideration. We will work closely with the CAA on how to implement any appropriate adjustment in the H7 Price Control.

Therefore, we have decided not to return any of the AK Factor as part of the airport charges for 2024.

Decision

Having taken careful account of airline feedback received on the 2024 MAY calculation, we have decided to maintain our original proposals for the starting yield, application of the bonus factor, and the AK Factor, while adjusting our model assumptions to account for a different inflation forecast and capital trigger payments over 2024.

We have also updated our 2024 passenger forecast, a key input to the MAY calculation. This is set out in the next section.

Considering all calculation inputs, the final 2024 MAY is **£26.74**. The formula, table, and figure below show how each term contributes to the value of the 2024 MAY (M_{2024}).

$$M_{2024} = Y_{2023} \times (1 + CPI_{2024} + X_{2024} + B_{2022}) + \frac{AC_{2024}}{Q_{2024}} - \frac{T_{2024}}{Q_{2024}} + \frac{TDO_{2024}}{Q_{2024}} - AK_{2024} - K_{2024}$$

Table 1 - Individual values for terms composing the MAY 2024

Term	Description	Value / Impact	Comments
Y ₂₀₂₃	Maximum revenue yield per passenger in 2023	£31.57	Starting point for calculation. Hard coded in the H7 FD
CPI ₂₀₂₄	Percentage change in inflation between 2024 and 2023	3.23%	D7BT series (actual) enriched with Bank of England CPI forecast for Q2 2023 – Q4 2024
X ₂₀₂₄	X factor for 2024	-20.07%	Set by the CAA in the H7 FD
B ₂₀₂₂	Bonus factor in 2024	0.34%	Reflects SQRB performance in 2022
Q ₂₀₂₄	Number of passengers in 2024	80,715 k	2024 passenger outlook
+ AC ₂₀₂₄ / Q ₂₀₂₄	Allowed capex adjustment in 2024	- £0.04	Negative adjustment due to expecting to deliver less capex than forecast in the H7 FD
- T ₂₀₂₄ / Q ₂₀₂₄	Capital trigger factor in the 2024	- £0.02	Main Tunnel project is forecast to pay a trigger for 10 months in 2024
+ TDO ₂₀₂₄ / Q ₂₀₂₄	Terminal drop-off charge factor in 2024	£0	2024 TDOC revenue assumed equal to the CAA H7 forecast
- AK ₂₀₂₄	Additional correction factor for 2024	£0	No AK factor paid in 2024
- K ₂₀₂₄	Correction factor for 2024	+ £0.43	Positive adjustment due to 2022 under-recovery

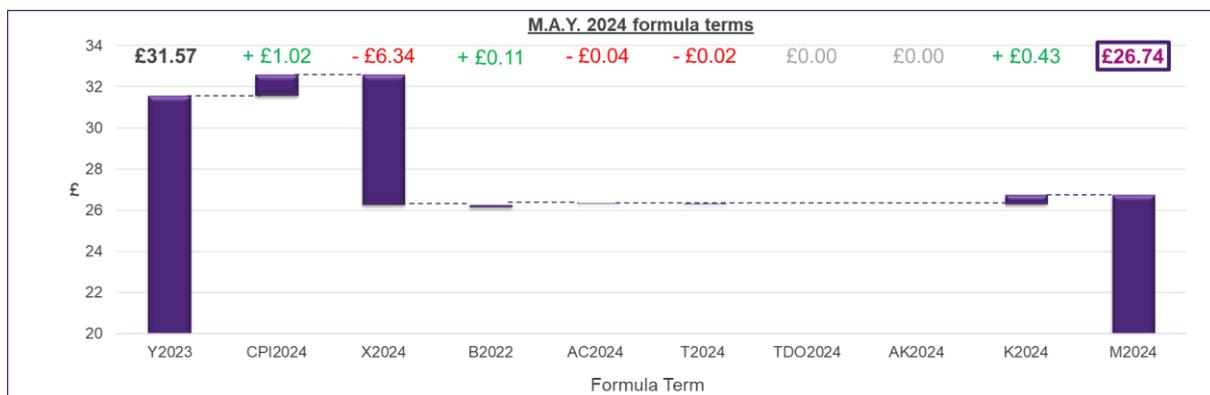


Figure 2 - Waterfall chart of MAY 2024 terms

Passenger volumes

In our published consultation document, airport charges were calculated on a forecast for 2024 of 77.3m passengers (based on the mid case in our last formal update in June 2023).

Our passenger forecasting methodology is described in detail in the RBP Chapter 5, Demand¹. In summary we use a weighted scenario-based approach which considers a range of supply and econometric factors. Through Monte Carlo simulation a range of outcomes are generated, with the mid-case typically the most appropriate outcome to use for calculation purposes since there is an equally likely chance of under / outperformance.

Feedback

Airline feedback suggested that the forecast for passengers was overly pessimistic and that it should be closer to the CAA H7 forecast.

It should be noted that, when calculating the tariffs for an individual year, the determining factors are not the total passenger volume but the underlying forecast ratios such as passenger and fleet mix, transfer percentage and time on stand.

Decision

So far in 2023, the UK has avoided a recession (contrary to forecasts) and the cost-of-living crisis impact has had little impact on air travel demand. Along with all Covid-19 related travel restrictions unexpectedly being lifted, this has driven the rate of recovery this Summer to be higher than the mid-case 2023 forecast published in June's Investor Report². Current recovery levels are more aligned to our high scenario which considers the upside factors that have materialised. The outlook for 2024 has therefore been revised upwards to align with our high scenario which is 80.7m passengers.

Charges structure

Heathrow proposed to retain the current charging category split of 57% / 39% / 4% for passenger, environmental and parking charges respectively but with rounding corrections.

Feedback

Airline feedback expressed a preference for a higher proportion of charges to be recovered via passenger charges and noted the impact of the rounding corrections.

Decision

Heathrow will retain the current structural split of charges as the current level of movement charges percentage relative to the passenger charge element of the yield incentivises fuller aircraft

¹ <https://www.heathrow.com/company/about-heathrow/economic-regulation/h7-update>

² [https://www.heathrow.com/content/dam/heathrow/web/common/documents/company/investor/reports-and-presentations/investor-reports/2023_June_Heathrow_\(SP\)_investor_report.pdf](https://www.heathrow.com/content/dam/heathrow/web/common/documents/company/investor/reports-and-presentations/investor-reports/2023_June_Heathrow_(SP)_investor_report.pdf)

thereby making more efficient use of the capacity at Heathrow and improving the per passenger environmental impact of each flight. The rounding corrections will also be made.

Passenger Charges

As key levers in stimulating passenger volume growth, supporting the hub status of the airport, and encouraging the efficient use of airport capacity, Heathrow proposed no change to the current structure of passenger charges. However, a number of amendments were consulted upon:

1. Whilst we retain the existing destinations tariff structure, we proposed to update the definition of 'Europe' from the European Economic Area (EEA) political entity to a geographical basis. This would result in the reclassification of certain destinations in Eastern Europe and the Balkans from Rest of the World to Europe for the purposes of passenger charges;
2. In order to simplify the process and better align with industry standard, we proposed to amend the calculation of the charges differential between the Rest of the World and the Europe/CTA/Domestic categories from a percentage recovery basis with load factor discount to a simple multiplier basis. In addition, on a like for like measure, the multiplier would be amended from 2.5 in 2023 to 2.3;
3. Heathrow proposed to increase the transfer and transit passenger discount from 25% to 40%; and
4. Heathrow proposed to increase the remote stand rebate from £4.00 to £4.40.

Feedback

1. This proposal was broadly supported.
2. Airline feedback in this area was dependent on the airline's operating model with long haul airlines supportive of this change and short haul airlines opposed.
3. Airline feedback in this area was mixed with some supportive and others opposed.
4. This proposal was broadly supported with some airlines suggesting a larger increase to better account for inflationary cost pressures on coaching services.

Decision

We have decided to implement our consultation proposals as issued with one change. We have responded to airline feedback on the remote stand rebate and increased it further to £4.90.

This decision encourages Heathrow's hub status, reflects changing passenger demographics and balances competing interests to incentivise higher load factors, promote network diversity, and support domestic connectivity which together, achieves the best overall outcome for all airlines and passengers at Heathrow.

Domestic Connectivity & Minimum Departure Charges

In line with National Connectivity Task Force recommendations and the Levelling Up agenda, we proposed to extend the Domestic connectivity noise discount by an additional year for each element. This would result in a 4 year total timeframe with 50% in years 1 and 2 and 25% in years 3 and 4.

We proposed to retain the removal of the Minimum Departure Charge (MDC) for Domestic routes. The MDC for all other destinations would remain with the same underlying passenger assumptions as in previous years.

Feedback

There was limited airline feedback on this proposal. The responses received suggested that this was not, in their view, the optimal method of promoting domestic connectivity although some feedback was supportive of the proposal.

Decision

Heathrow will implement the proposed change.

This reflects the challenges associated with the establishment of new domestic routes and will continue to support the new destinations introduced in 2023 which demonstrate the improved connectivity resulting from the existing discount.

Period	Total Number of Domestic Routes (Excl. Channel Islands)
2017	8
2018	8
2019	9
2020	10
2021	9
2022	10
2023 H1	12

Minimum departure charges	2023	2024	Load factor equivalent
Domestic	-	-	0
CTA	£889.20	£805.80	60
Europe	£1,699.39	£1,592.36	77
Rest of the World	£2,735	£2,379	50

Environmental Charges

1. Carbon emissions-based charging

The increased focus on emissions by the aviation industry and the UK Government³ has resulted in the Jet Zero strategy - the framework and plan for achieving net zero aviation by 2050. Due to engine technology developments which is driving a disconnect between nitrogen oxides (NOx) and carbon emissions, Heathrow proposed to introduce a carbon emissions-based charge which would better align with this emphasis on decarbonisation.

Feedback

The broad consensus was that the community were opposed to the principle of carbon emissions-based charging as their view is that decarbonisation is a global issue best addressed through international initiatives. Some feedback addressed the calculation mechanism and suggested alternatives.

Decision

Heathrow will implement a carbon emissions-based charge as this reflects the decarbonisation focus of the industry and recognises the actual carbon emissions of aircraft. Heathrow also believes that, as the UK's hub airport, we have a role to play in driving decarbonisation within UK aviation.

In response to airline feedback, Heathrow will change the calculation of carbon emissions which will be simplified and based on the landing and take-off cycles (LTO) using the Fuel LTO Cycle (kg) value stated in column "CD" of the ICAO landing and take-off cycles emissions databank multiplied by 3.16, which is the conversion rate from kerosene to carbon.

Additionally, as turboprop aircraft are not included in the ICAO emissions databank, a set charge of £22 per landing will be applied which is calculated on the basis of 45% of the turnaround emissions from a regional jet (ERJ 45).⁴

2. Night jet movement multiplier

Heathrow consulted on an increase in the night jet movement charges multiplier from 5x to 8x.

Feedback

Airline responses stated that an 8x multiplier was too high and may not result in the desired outcome of reduced night period movements. They said it risked affecting airlines who operated at the beginning and end of the day and could impact on operational performance.

Decision

To address airline feedback on this proposal, Heathrow will implement the 8x multiplier but only during a new Peak Night Quota Period applicable from 0000 – 0430. During the period between 2330 – 2359 and 0431 – 0600, the existing multiplier of 5x will continue to apply. This position

³ Jet Zero strategy: delivering net zero aviation by 2050 – GOV.UK (www.gov.uk)

⁴ <https://www.atr-aircraft.com/sustainability/aircraft-sustainability/>

aligns with the emerging Heathrow Noise Action Plan for the period 2024 – 2028 which aims to establish a voluntary arrangement from 2025 that no flights would operate after 0000 and before 0430. The addition of the x8 incentive in 2024 in the Peak Night Quota Period is to help drive that transition. If a flight is dispensed it is not subject to these additional costs or the planned voluntary arrangement.

Sustainable Aviation Fuel incentive

Climate change is the greatest long-term challenge faced by aviation. There are different initiatives which can contribute to decarbonising flying, but it is widely accepted that SAF will play a significant role in decoupling aviation growth and emissions in the near-term. To this end, in 2022 we introduced a multi-year sustainable fuel incentive recovered via the Emissions charge. The SAF incentive is designed to reduce the high-cost premium of SAF compared to standard aviation fuel and encourage investment in SAF production, which in turn will help reduce the SAF premium and encourage further take up.

For 2024, Heathrow proposed an acceleration in the ambition of the sustainable aviation fuel incentive target from 2% to 3% which would increase the incentive pot size to £89m.

We did not propose any changes to the mechanism and Heathrow would retain both the Freight Tonne Kilometre (FTK) metric to apportion the incentive pot to cargo operators and the Revenue Passenger Kilometre (RPK) metric to apportion the incentive pot to passenger airlines.

Feedback

Community responses were broad with some supportive and others raising supply issues, Heathrow's role in promoting SAF alongside future government mandates and the basis for funding the incentive through the NOx charge.

Decision

Having considered the feedback, it is Heathrow's position that the importance of incentivising the use of SAF, the clear environmental benefits it delivers and the contribution towards achieving the net zero goals aligned to increased production and global supply support the accelerated ambition.

However, recognising airline concerns, the ambition and subsequent incentive pot size is reduced to £71.6m, representing a 2.5% SAF mix ambition for 2024.

Parking

Extension of free parking periods on remote stands

Heathrow proposed additional free periods which, when added to the current existing free periods of 30 and 90 minutes for narrow and wide body aircraft respectively, would total 240 minutes when parked on remote stands. For clarity, 240 minutes would be the maximum free period across both pier served and remote stands.

Feedback

This proposal was broadly supported.

Decision

Heathrow will implement the proposed change.

Future airport charges

In the consultation document issued on 11 August 2023, Heathrow welcomed any feedback on two elements of potential future charging proposals:

1. operational performance incentivisation given varying degrees of punctuality and performance which drive both financial consequences and also operational outcomes for not just the airport but the airline community and ultimately passengers; and
2. the SAF incentive for the period 2026 – 2030 given industry commitment to reach 10% SAF mix usage by 2030.

Feedback

Airline feedback highlights:

1. the complexity in establishing 'fair metrics and normalisation of performance'
2. the need to consider interoperability with any UK Government SAF mandate, the importance of timely notification of the scheme extension, a multi-year commitment with stability and the need to review the financing of the incentive.

Next steps

Heathrow welcomes the feedback received and the constructive approach adopted. Heathrow will review and build into further dialogue on both topics with airlines as part of pre consultation engagement in advance of the 2025 formal pricing process.

Appendix 2

Consultation Process Summary

In response to community feedback during the 2023 airport charges consultation process and to support airline engagement during the 2024 process, Heathrow invited interested parties to participate in bilateral discussions prior to the publication of the 2024 consultation proposals.

Eleven bilateral sessions took place in May and June and this early engagement allowed Heathrow to articulate the high-level strategic objectives that guided the early development of the 2024 airport charges proposals and helped shape the final consultation proposal through receipt of initial airline feedback.

In line with the timelines for consulting on airport charges set out in the Airport Charges Regulations 2011, Heathrow commenced formal consultation on the 2024 airport charges tariff and the Conditions of Use by publishing the consultation documents on 11 August 2023.

An initial consultation meeting was held on 5 September 2023 and airline community feedback in response to the consultation proposal was requested in writing by 29 September 2023 and we received written responses from 14 parties.

As a result of feedback received, we have made several amendments to our airport charges proposals, as set out in this decision document. These include:

- Updated the yield calculation to account for an updated inflation forecast, revised passenger figure and a capital trigger payment;
- Reduced the SAF mix ambition and subsequent incentive from 3.0% to 2.5%; and
- Increased the remote stand rebate to £4.90 per passenger.

We have also made changes to the 2024 Conditions of Use as a result of feedback. The summary of this is contained in Appendix 4 to this document.

We have taken our decision with full regard to our legal and regulatory obligations and the impact of the potential changes. The charges have been set on a non-discriminatory basis, with relevant, objective and transparent criteria. This decision meets Heathrow's objectives to achieve our clear and transparent objectives of passenger growth, environmental targets, enhanced domestic connectivity and efficient use of the airport.

Appendix 3 Final Airport Charges – 2024

Charges on Movement	2024 £GBP
Fixed wing aircraft exceeding 16 metric tonnes – outside Night Quota Period (Departures & Landing)	
Maximum	£13,302.60
Ultra high	£6,651.31
Super High	£3,325.65
High	£1,995.39
Base	£1,330.26
Low	£931.18
Super Low	£731.64
Ultra Low	£665.13
Fixed wing aircraft exceeding 16 metric tonnes – Night Quota Period (Departures & Landing)	
Maximum	£66,513.00
Ultra high	£33,256.55
Super High	£16,628.25
High	£9,976.95
Base	£6,651.30
Low	£4,655.90
Super Low	£3,658.20
Ultra Low	£3,325.65
Fixed wing aircraft exceeding 16 metric tonnes – Peak Night Quota Period (Departures & Landing)	
Maximum	£106,420.80
Ultra high	£53,210.48
Super High	£26,605.20
High	£15,963.12
Base	£10,642.08
Low	£7,449.44
Super Low	£5,853.12
Ultra Low	£5,321.04
Helicopters (Departures & Landing)	£1,005.44
Fixed wing aircraft not exceeding 16 metric tonnes (Departures & Landing)	£1,989.38
Emissions charge (Landing)	£35.25
Carbon charge (Landing)	£0.04
Charges on Departing Passengers	
Origin and Destination	
Domestic	£13.18
Common Travel Area	£13.43
European	£20.68
Rest of World	£47.58
Transfer and Transit	
Domestic	£7.91
Common Travel Area	£8.06
European	£12.41
Rest of World	£28.55
Remote Stand Rebate (per Departing and Arriving passenger)	-£4.90
Minimum charge - Domestic	
Minimum charge - Common Travel Area	£805.80
Minimum charge - European	£1,592.36
Minimum charge - Rest of World	£2,379.00
Charges on aircraft parking	
Narrow bodied	£31.59
Wide bodied	£66.34

	Traffic Volume Units	Traffic Volume	Proposed Charge	Forecast Revenue
Movement Charge				
Noise Charge				
<u>Fixed wing aircraft exceeding 16 metric tonnes – outside Night and Peak Night Quota Period</u>				
Maximum	[Landings]	0	£13,302.60	£0
Ultra high	[Landings]	2,338	£6,651.31	£15,549,965
Super High	[Landings]	37,406	£3,325.65	£124,399,533
High	[Landings]	14,027	£1,995.39	£27,989,895
Base	[Landings]	63,123	£1,330.26	£83,969,684
Low	[Landings]	14,027	£931.18	£13,061,923
Super Low	[Landings]	39,744	£731.64	£29,078,271
Ultra Low	[Landings]	63,123	£665.13	£41,984,842
Total	[Landings]	233,788		£336,034,113
<u>Fixed wing aircraft exceeding 16 metric tonnes – outside Night and Peak Night Quota Period</u>				
Maximum	[Departures]	0	£13,302.60	£0
Ultra high	[Departures]	2,338	£6,651.31	£15,549,965
Super High	[Departures]	37,406	£3,325.65	£124,399,533
High	[Departures]	14,027	£1,995.39	£27,989,895
Base	[Departures]	63,123	£1,330.26	£83,969,684
Low	[Departures]	14,027	£931.18	£13,061,923
Super Low	[Departures]	39,744	£731.64	£29,078,271
Ultra Low	[Departures]	63,123	£665.13	£41,984,842
Total	[Departures]	233,788		£336,034,113
<u>Fixed wing aircraft exceeding 16 metric tonnes – Night Quota Period</u>				
Unspecified	[Landings]	0	£66,513.00	£0
Ultra high	[Landings]	1	£33,256.55	£33,257
Super High	[Landings]	6	£16,628.25	£99,770
High	[Landings]	3	£9,976.95	£29,931
Base	[Landings]	15	£6,651.30	£99,770
Low	[Landings]	15	£4,655.90	£69,839
Super Low	[Landings]	5	£3,658.20	£18,291
Ultra Low	[Landings]	5	£3,325.65	£16,628
Total	[Landings]	50		£367,484
<u>Fixed wing aircraft exceeding 16 metric tonnes – Night Quota Period</u>				
Unspecified	[Departures]	0	£66,513.00	£0
Ultra high	[Departures]	1	£33,256.55	£33,257
Super High	[Departures]	6	£16,628.25	£99,770
High	[Departures]	3	£9,976.95	£29,931
Base	[Departures]	15	£6,651.30	£99,770
Low	[Departures]	15	£4,655.90	£69,839
Super Low	[Departures]	5	£3,658.20	£18,291
Ultra Low	[Departures]	5	£3,325.65	£16,628
Total	[Departures]	50		£367,484
<u>Fixed wing aircraft exceeding 16 metric tonnes – Peak Night Quota Period</u>				
Unspecified	[Landings]	0	£106,420.80	£0
Ultra high	[Landings]	0	£53,210.48	£0
Super High	[Landings]	0	£26,605.20	£0
High	[Landings]	0	£15,963.12	£0
Base	[Landings]	0	£10,642.08	£0
Low	[Landings]	0	£7,449.44	£0
Super Low	[Landings]	0	£5,853.12	£0
Ultra Low	[Landings]	0	£5,321.04	£0
Total	[Landings]	0		£0
<u>Fixed wing aircraft exceeding 16 metric tonnes – Peak Night Quota Period</u>				
Unspecified	[Departures]	0	£106,420.80	£0
Ultra high	[Departures]	0	£53,210.48	£0
Super High	[Departures]	0	£26,605.20	£0
High	[Departures]	0	£15,963.12	£0
Base	[Departures]	0	£10,642.08	£0
Low	[Departures]	0	£7,449.44	£0
Super Low	[Departures]	0	£5,853.12	£0
Ultra Low	[Departures]	0	£5,321.04	£0
Total	[Departures]	0		£0

Emissions Charge on landing				
Total kg Nox rating	[kg]	5,612,112	£35.25	£197,826,952
Average kg Nox per landing	[kg]	24.0		£197,826,952
Carbon Charge on landing				
Total Carbon kg	[kg]	1,049,694,061	£0.04	£41,987,762
Average Carbon kg per Landing and Take-off Cycle	[kg]	4,489		£41,987,762
SAF Incentive				£-71,580,000
Total Movement Revenue	(a)			£841,037,910

Departing Passenger Charge				
Departing OD Passenger Charge				
Domestic	[Dep Pax]	1,071,092	£13.18	£14,116,991
Common Travel Area	[Dep Pax]	980,781	£13.43	£13,171,892
European	[Dep Pax]	11,837,707	£20.68	£244,803,776
Rest of World	[Dep Pax]	16,865,545	£47.58	£802,462,622
Total	[Dep Pax]	30,755,125		£1,074,555,282
Departing Transfer Passenger Charge				
Domestic	[Dep Pax]	965,221	£7.91	£7,634,901
Common Travel Area	[Dep Pax]	333,266	£8.06	£2,686,122
European	[Dep Pax]	2,648,935	£12.41	£32,873,287
Rest of World	[Dep Pax]	5,018,623	£28.55	£143,281,691
Total	[Dep Pax]	8,966,045		£186,476,001
Remote Stand Rebate				
Remote Stand Rebate	[Dep Pax + Arr Pax]	6,537,956	£-4.90	£-32,035,986
Total Departing Passenger Charge Revenue	(b)			£1,228,995,297

Parking Charge				
Narrow bodied				
Chargeable Period	[Units of 15 minutes]	589,272	£31.59	£18,615,095
Wide bodied				
Chargeable Period	[Units of 15 minutes]	1,019,534	£66.34	£67,635,864
Total Parking Charge	(c)	1,608,805		£86,250,959

Terminal Pax Flights: Total Revenue				£2,156,284,165
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Non-Terminal Pax Flights (GA, Troops etc)		
Non-Terminal Pax Flights		
Movement Revenue	(e)	£747,421
Departing Passenger Revenue	(f)	£1,092,194
Parking Revenue	(g)	£76,650
Total Non-Terminal Pax Flights Revenue		£1,916,265

Total Regulated Revenue		
Total Regulated Revenue		
Movement Revenue	(a) + (e)	£841,785,330
Departing Passenger Revenue	(b) + (f)	£1,230,087,491
Parking Revenue	(c) + (g)	£86,327,609
Total Regulated Revenue		£2,158,200,430
Total Passengers		80,715,511
Total Regulated Yield		£26.74

Appendix 4

Heathrow Conditions of Use 2024 – Summary of Proposals, Feedback and Decision

In this appendix we summarise the feedback received on our proposals to amend the Heathrow Airport Conditions of Use (COU) for 2024. In relation to each provision, we have set out a summary of our proposal, the feedback, our response to feedback and our decision. Given that we have summarised feedback, if a specific point raised has not been directly addressed, it does not mean that we accept the views or position put forward by respondents to the consultation.

Proposal	Feedback	Response	Decision
CHANGES PROPOSED BY HEATHROW FOR CONSULTATION			
Condition 2.1 and 2.1.8 – amendments to timeframes within which information is required from airlines operating at Heathrow.	No feedback received on these Conditions.	<p>The previous provision did not ask airlines to provide this information in any particular timeframe other than “before” using the Airport. We proposed a change to require that the majority of the information be provided at least 14 days/3 months before beginning operations, depending on the type of information.</p> <p>We have since made a small change to the wording to simplify the request in that all the information required should be provided to Heathrow at least 14 days prior to the start of operations. Note that whilst we have removed the requirement in Condition 2.1.8 to provide the groundhandling information 3 months before, airlines still need to follow the groundhandling approvals procedure prior to appointing a groundhandler, which requires 90 days’ notice in advance of the expected operational start date, as set out in the Groundhandling General Notice.</p> <p>We have also made a consequential amendment to move the wording regarding possible delays to operational start dates from Condition 2.1.8 to the bottom of Condition 2.1.</p>	With amendments described, proposed changes will be made.
Condition 2.1.18 – amendments for clarity and readability.	No feedback received on this Condition.	Amendments proposed for clarity and readability regarding what information is being requested on evidence of insurance.	Proposed changes will be made.

Proposal	Feedback	Response	Decision
Condition 3.2 – amendment to require information to be provided by airlines to Heathrow regarding passenger numbers.	AOC members and two respondents objected to the removal of the “best endeavours” wording.	The requirement was proposed to be amended from a “best endeavours” obligation to a straightforward requirement to provide because we require this information from airlines in order to plan an efficient operation. However, having considered airline feedback, we have reinstated the previous wording.	Best endeavours wording reinstated.
Condition 3.3 – amendment to conditions in which the passenger information must be provided.	AOC members and three respondents said that the exception for unforeseeable circumstances should be reinstated.	The requirement was proposed to be amended to simply require the passenger number data to be provided within 24 hours if it has not already been provided in line with Condition 3.2. Acknowledging airline feedback on this matter, we have reinstated the exception wording.	Exception wording reinstated.
Condition 3.4 – amendment to add a timeframe within which errors in the passenger number data must be corrected in case of errors.	AOC and three respondents queried the reasoning for the change from “promptly” to “within 24 hours”.	The previous provision did not specify any timeframe within which errors in the passenger numbers information should be notified to Heathrow. Given charges are calculated based on this information it is important that it is accurate, and were errors are made, that they are corrected quickly. Acknowledging airline feedback on this matter, we have removed the timeframe wording.	Proposed timeframe will not be included.
Condition 3.5 – amendment to change wording from “it is your responsibility” to “You shall”.	No feedback received on this Condition.	This amendment was proposed for drafting clarity and does not substantively change the obligation on airlines.	Proposed change will be made.
Condition 5.4.3 – change to wording around details of airport insurance policies.	No feedback received on this Condition.	We have removed the proposed wording.	No change to this Condition.
Condition 6.3.3 – addition of requirement for airlines to keep the ACL Online Coordination system up to date with various information.	<p>AOC members and three respondents said that they did not support the changes here as the relationship between Airlines and ACL was a separate matter.</p> <p>A respondent queried what was meant by timely updates.</p>	This new requirement was proposed because it is operationally important that the ACL system is updated in a timely manner with accurate information. Heathrow welcomes feedback from airlines that they are committed to working with Heathrow to support efficient resourcing of the airport operation, managing operations around the ATM cap, and to grow passenger numbers at the Airport.	With amendments described, proposed condition will be added.

Proposal	Feedback	Response	Decision
		<p>Having considered airline feedback, we have amended the wording to change it from “you are obliged to update...” to “you should update...”. Regarding the “timely” wording, we have not specified a timeframe as it is for airlines to make these updates whenever possible, however to enable efficient resourcing and planning of the Airport operation, updates being made without delay is appreciated.</p>	
<p>Condition 6.3.4 – addition of charge payable where airlines have failed to comply with a capacity reduction process/NOTAM.</p>	<p>AOC members and three respondents said they did not support a charge for non-compliance in absence of being able to guarantee slot alleviation.</p> <p>One respondent said they recognised that there is merit in providing a commercial incentive for airlines to comply with capacity reductions.</p> <p>AOC members and two respondents said the definition of “any capacity reduction” procedures is too broad.</p> <p>One respondent said only procedures instigated under a Local Rule or where it had been voted on at the Coordination Committee should be included.</p>	<p>We welcome feedback from airlines that recognise that capacity reduction procedures are at times necessary to protect the airport operation and customer welfare, and that there is merit in providing a commercial incentive for airlines to comply.</p> <p>As has been recognised in some airline responses, Heathrow cannot guarantee slot alleviation, as this is for ACL to determine. ACL have previously said that alleviation is an “after the event” remedy and that it will not guarantee alleviation in advance. We will always work with airlines and ACL to try and ensure that alleviation is granted where appropriate.</p> <p>We have considered airline feedback on this provision and have decided to make a change to the wording to limit the type of capacity reduction procedures covered by this condition to ones where there has been a NOTAM or a capacity reduction under a Local Rule, DvC, HADACAB or any other procedure where there is established governance between Heathrow and the Airline Community.</p>	<p>With amendments described, proposed condition will be added.</p>
<p>Condition 7.1 – amendment to requirements for</p>	<p>No feedback received on this Condition.</p>	<p>The amended provision proposed requires airlines to ensure they have a contract in place for de-icing services which meet the needs of their schedule, provides them with adequate resilience and that</p>	<p>Proposed change will be made, with some minor</p>

Proposal	Feedback	Response	Decision
groundhandling arrangements.		their service provider adheres to the requirements of the Ground Operations Licence. We have made some further minor updates for drafting clarity.	drafting amendments.
Condition 7.3 – addition of wording to align with Ground Operations Licence.	One respondent objected to this wording on grounds that it said airlines shouldn't have to ensure handlers meet and exceed IATA IGOM standards and Heathrow should rely on its own assurance and not on airline assurance.	<p>The amendments to this Condition were proposed to align the Condition's requirements with the provisions of the Ground Operations Licence, in that the Ground Operations Licence requires groundhandlers to hold IATA ISAGO accreditation, and that the Ground Operations Licence may be revoked in part or in full at Heathrow's election. There are no new obligations imposed by these changes.</p> <p>As to the general points raised in this feedback regarding IATA IGOM and assurance, we no longer require this, but instead require IATA ISAGO station accreditation. Regarding assurance, we will always carry out our own due diligence on any companies seeking to work on Airport and this will not change. We continue to have high standards which must be met before any company can be approved for access and will always retain the sole right to deny access should there be a reason to do so. However, Airlines are free to decide which service providers they wish to work with, and therefore sponsor for a Ground Operations Licence. It is in the interests of the whole airport community as well as the passenger and public interest that only reputable and reliable companies operate at the airport. Given airlines choose their suppliers and the terms of their contracts, it is entirely appropriate that airlines are accountable for their groundhandler's activities to ensure high standards across the airport operation.</p>	Proposed change will be made, with some minor drafting amendments.
Condition 7.4.2 – addition of wording to set out types of HAZCHEM spillages and to amend the provision to cover	No feedback received on this Condition.	We proposed this change to add additional clarity as to the expectations regarding spillages on the airport. We have considered the proposed wording further and made some changes to ensure the obligation on airlines and their handlers is clear in that any	Proposed change will be made, with some drafting amendments.

Proposal	Feedback	Response	Decision
all types of spillages, not just in-hold spillages.		spillages of any type caused by an airline and/or their handlers, is their responsibility to clean up/remove and that they must have relevant arrangements in place to do so.	
Condition 7.5 – requirement to ensure ground service equipment is compliant with safety requirements.	One respondent said they had no objection to this condition.	This requirement was proposed to address safety matters in the Airside environment.	Proposed change will be made.
Condition 7.10 – requirement to provide support, information and documentation to health and safety investigations conducted by Heathrow.	One respondent commented on their Health and Safety discussions with Heathrow.	This requirement was proposed to place an obligation in the COU on airlines to engage with Health and Safety investigations at the Airport.	Proposed change will be made.
Condition 9.2 – requirement to allow Heathrow to share information with airlines regarding PRM passengers who have not pre-notified their assistance requirements.	One respondent said they had no objection to this condition.	This provision is proposed to give an explicit basis in the COU on which Heathrow will share certain information regarding PRM passengers who have not pre-notified airlines of their assistance requirements, so that airlines can receive the necessary information to reconcile the number of their passengers using the PRM service.	Proposed change will be made.
Condition 11.3 – minor amendment to wording for clarity.	No feedback received on this Condition.	We have proposed a minor amendment to the wording to make clear the examples given of options to reduce on stand emissions are not an exhaustive list.	Proposed change will be made.
Condition 13.7 – addition of new conditions for supplying a deposit.	<p>AOC members and three respondents said the timeframe in which deposits can be required is too short.</p> <p>One respondent said a deposit of three months of charges is too high.</p>	<p>This condition has been amended to respond to new scenarios where deposits may be required to assure financial standing. We did not propose any changes to the timeframe in which deposits are required, which was previously 5 working days.</p> <p>Taking feedback into account, we have made the following changes:</p> <ul style="list-style-type: none"> - Amended the deposit timeframe from 5 to 10 days; - Reverted the wording on the amount of the deposit to “may”; 	With amendments described, proposed change will be made.

Proposal	Feedback	Response	Decision
	<p>AOC members and two respondents said the new conditions widened the scope too much and needed a materiality test.</p> <p>One respondent said a reasonableness test should be added to assessment of financial standing.</p> <p>AOC members and one respondent said the wording regarding return of deposits should be changed.</p> <p>One respondent said the wording regarding renewing of bank guarantees should be amended.</p>	<ul style="list-style-type: none"> - Added a materiality test to the requirement to provide a deposit. In circumstances where additional slots are acquired or where the frequency of operations are increased, these will only be relevant where they have contributed to substantially increase the size of an airline's operation at the Airport; and - Amended the wording regarding renewal of guarantees. <p>We have made some consequential amendments and formatting changes to create a new condition 13.8 containing the wording regarding renewal of guarantees and have amended the wording in regarding when deposits may be returned and in 13.9 as to when they can be used or called upon.</p>	
Proposed Condition 17 – termination provision.	One respondent objected to this provision and said Insolvency Event was too widely defined.	We proposed a termination provision relating to insolvency events and breaches of the COU. Taking community feedback into account, we will not add this condition. We continue to be able to terminate overall access to the airport where there is non-compliance with the COU under Condition 16.	Proposed condition will not be added.
Condition 17 – minor amendments for readability.	No feedback received on this Condition.	A small change has been made to the wording of the paragraph, however the obligations therein have not been substantively amended.	Proposed change will be made.
Proposed Condition 25 – addition of modern slavery provisions.	AOC members and two respondents objected to the scope of the condition, queried the purpose of the reporting	We proposed the addition of anti-modern slavery provisions. Taking community feedback into account, we will not add this condition.	Proposed condition will not be added.

Proposal	Feedback	Response	Decision
	requirement and queried why it was not mutual.		
Throughout and Condition 26 Definitions – ensuring consistent use and capitalisation of defined terms: “Condition(s)”, “You”, “Your”, “Passenger”, as well as new and updated definitions.	<p>One respondent supported the new definition of European Destinations.</p> <p>One respondent said they did not object to most of the proposed changes to definitions but gave some comments regarding the definition of Engine Carbon Emission.</p> <p>One respondent said Insolvency Event was too broadly drafted.</p> <p>One respondent said that “We” should be capitalised similarly to “You”.</p>	<p>We have updated definitions to refer to current versions of legislation or for other updates required and updated the use of them throughout the document. The definitions updated and/or added are: Departing Passenger, European Destinations, Engine Carbon Emission, Insolvency Event, Local Rule(s), New Domestic Destinations, Scheduled Date of Operation.</p> <p>We will include the updates and new definitions as necessary. We have removed the definition of Insolvency Event as it is no longer required. To respond to airline feedback, we have amended the definition of Engine Carbon Emission and capitalised “We”, “Our” and “Us” throughout.</p> <p>We have added two further definitions to reflect our decision on airport charges, as set out in this decision document:</p> <ul style="list-style-type: none"> - “Peak Night Quota Period” in respect of night flight charges; and - “Turboprop Aircraft”. 	Proposed conditions amended or added as required.
Schedule 1 – 1.1(q) – information requirement regarding A320 aircraft.	No feedback received on this Condition.	We have proposed the addition of a provision to require details of any A320’s that have not been fitted with a vortex deflector generator which may be in operation at the Airport.	Proposed change will be made.
Schedule 1 – 1.2 – amendment to wording regarding advance passenger information required.	AOC members acknowledged that forward booking information was needed to plan the Airport operation but did not support the proposals made on grounds that not all airlines could support daily data provision.	We proposed a change to make clear we need 90 day forward-booking information, an amendment to the wording to be clear the data provided should include the Scheduled Date of Operation, and amended wording to confirm that the data should be provided daily. Taking community feedback into account, we have amended the obligation from a straightforward obligation to a best endeavours obligation.	<p>With amendments described, proposed change will be made.</p> <p>Conditions 1.7 and 1.8 of Schedule 1 will not be added.</p>

Proposal	Feedback	Response	Decision
	<p>A number of respondents said they wanted less frequent data provision.</p> <p>One respondent queried the necessity for daily data.</p>	<p>We welcome the acknowledgement that this data provision is important to operational planning. Recognising the community feedback on this issue, we have retained the obligation to provide the data but have removed the proposed charge and interest consequence for failure to provide the data in question. As a community we are making progress on the provision of this data and we will review the compliance position in 2024 and may revisit the matter in future charges consultations.</p>	
Schedule 1 - 1.7 and 1.8 – charge for failure to provide data.	A number of respondents objected to these provisions.	We proposed the addition of two conditions which set out a financial consequence where there has been a failure to provide the data required under Schedule 1, 1.2. Having considered airline feedback, we will not add these provisions for 2024.	Proposed change will not be made.
Schedule 2 – new information requirement regarding A320 aircraft.	No feedback received on this Condition.	In Schedule 1, we have proposed the addition of a provision to require details of any A320's that have not been fitted with a vortex deflector generator which may be in operation at the Airport. This change was made to align with the amendment to Schedule 1, however we have decided that the data provision requirement in Schedule 1 is sufficient so will not be including this change.	Proposed change will not be made.
Schedule 3 – addition of new contact information.	No feedback received on this Condition.	We have proposed additions to add new contact information for certain data types.	Proposed change will be made.
Schedule 4 – updated airport charges.	See decision document above.	The changes proposed in Schedule 4 are addressed in this Consultation Decision.	See above.
Schedule 4 – removal of 6.1.	One respondent queried the removal of Schedule 4, condition 6.1 regarding RPT flights.	We have removed the specific reference to RPT flights to simplify the provision, there is already a catch all for waiving of charges at the discretion of the Aviation Director. We have made some consequential amendments to the wording of this condition.	With amendments described, proposed change will be made.
OTHER ISSUES RAISED IN CONSULTATION			
Condition 1.1 and nature of COU.	A number of respondents including the AOC members made comments regarding this	No substantive change has been proposed to this condition for 2024. Heathrow only offers the use of its Facilities and Services at Heathrow Airport to all airlines equally, on the same terms and	No change to this condition.

Proposal	Feedback	Response	Decision
	<p>provision and the nature of the COU.</p> <p>AOC members and a number of respondents stated that they intend to operate at Heathrow as of 1 January 2024 without this being taken as their acceptance of the COU.</p>	<p>conditions. An airline communicates unconditional acceptance of those terms and conditions by choosing to use the Airport. It would be entirely unworkable to negotiate a bilateral contract with each airline wanting to operate at Heathrow.</p> <p>We do not and cannot consent to any airline operating at Heathrow on terms different from those set out in our COU. It is not possible for any airline to exclude itself from the application of the COU by written notification and it is our view that the condition continues to function appropriately.</p>	
Condition 2.1 – information requirements.	AOC members stated that they thought that the information sought may not be compliant with GDPR rules, although they did not provide any detail as to their specific concerns and why the information requested or provision of it was in issue. They also said this condition should refer to data protection legislation.	No substantive change has been proposed to this condition for 2024. We have previously responded to this concern and our view remains the same. The provision of contact information for an Airline is necessary for the safe and efficient operation of the Airport, and we do not agree that GDPR would prevent the provision of names, office addresses and contact details of relevant Airline colleagues. We expect these to continue to be provided. We have previously invited any airline who had any concerns over this to contact us directly to discuss and this offer remains open.	No change to this condition.
	One respondent said the definition of noise certificate needed to be better defined.	No substantive change has been proposed to this condition for 2024. We have previously responded to this feedback in our 2021/22 and 2022/23 consultations. We have defined Certification Noise Levels in the COU as the noise levels set out on the certification documentation issued in accordance with ICAO Annex 16, Vol.1, Attachment G “Guidelines for the Administration of Noise Certification Document”. This ICAO standard process allows the national aviation authority to issue the relevant documentation. Where multiple certificates are held for the same aircraft registration, the levels for the MTOW operated to Heathrow should be provided.	No change to this condition.

Proposal	Feedback	Response	Decision
Condition 6.1 – compliance requirements when using the Airport.	One respondent said this condition required airlines to comply with unknown obligations and that all new requirements should be consulted on and notified.	No substantive change has been proposed to this condition for 2024. The condition contains a list of compliance obligations for airlines using Heathrow which includes items such as applicable legislation, the Aerodrome Manual, obligations in Heathrow Notices and security directions from DfT, amongst other items. We are of the view it is a clear list of obligations and does not require compliance with anything unknown. This compliance condition covers a wide range of scenarios, not all of which will be for Heathrow to either consult with or notify airlines of (for example, UK legislative changes or DfT directions). Where it is appropriate and in line with applicable governance procedures and/or CAA Licence conditions, relevant matters are already (and will continue to be) consulted on and/or notified to airlines, as appropriate.	No change to this condition.
Condition 6.3.2 – operational requirements regarding slots, capacity, NOTAMs and capacity reductions.	AOC members said they did not agree with new wording in this condition.	No substantive change has been proposed to this condition for 2024. The condition sets out the current position with regards to when airlines may not operate from the Airport (for example, but not limited to, scenarios where the airline does not have a secured slot from ACL or where a NOTAM has been issued or where capacity reduction procedures have been triggered and Heathrow has communicated to that airline that airport capacity is not available for a slot or for passenger processing). It is our view that the condition continues to function appropriately.	No change to this condition.
Condition 6.6 – failure to comply with the UK AIP.	A respondent said that it was not clear what was meant by the “including but not limited to” wording in this condition.	No substantive change has been proposed to this condition for 2024. Where an airline has failed to comply with the UK AIP AD.2 ELL, and where that failure to comply is within their control, a range of measures may be applied in response. This provision allows Heathrow to be flexible and proportionate in addressing the breach in question. It is our view that the condition continues to function appropriately.	No change to this condition.
Condition 7.8 – Time Sensitive Passengers.	AOC members and one respondent said that they felt	As for the 2019/20, 2020/21, 2021/22 and 2022/23 consultations, we have not proposed any substantive changes to this provision and	No change to this condition.

Proposal	Feedback	Response	Decision
	that the term relating to prioritising time sensitive passengers was too broad as it did not contain specifics required for airlines to understand the scope of what is intended.	it has been previously consulted on, and it is our view that the condition continues to function appropriately. We do not wish to be prescriptive to airlines on what or how policies and procedures are implemented to facilitate the prioritisation of time-sensitive transfer passenger baggage and so do not propose to change this provision.	
Condition 9.3 – Wheelchair repatriation.	One respondent said that under Regulation 1107/2006, handling mobility equipment was the airport’s responsibility and that where it was safe to do so it returns wheelchairs to a relevant location, to be taken by the PRM service supplier, to the passenger.	We have not proposed any substantive changes to this provision for 2024, and it has been previously consulted on. We welcome all efforts by airlines to return wheelchairs to the gate and continue to expect this to take place wherever safe to do so. It is our view that the condition continues to function appropriately.	No change to this condition.
Condition 10 – Border Security.	AOC members said they did not understand the revised wording as it requires airlines to comply with UK law, which they already do. They also queried the reasoning and justification for these provisions.	No change has been proposed to this condition for 2024, and it has previously been consulted on. As we have previously confirmed, the wording directly reflects the legislative requirements and does not place any additional burden on airlines. It has been included to remind those less familiar with the UK legislative position of their obligations and is entirely appropriate. Heathrow’s right to audit airlines which fail to comply with border security is appropriate and proportionate, it is essential that border security is fully complied with, and we will continue to work with airlines to ensure this happens.	No change to this condition.
Condition 11.3 - provision regarding emissions and fuel burn.	AOC members and one respondent said they objected to an “all reasonable endeavours” obligation on the use of Heathrow supplied FEGP and PCA. One respondent said it	We welcome all efforts by airlines to work with Heathrow to improve community performance on ground-based emissions and fuel burn. In respect of the use of FEGP and PCA we would repeat our response from the 2019/20, 2020/21, 2021/22 and 2022/23 consultations, that the use of both FEGP and PCA are not subject to the “all reasonable endeavours” wording, this applies to “reduce	No change to this condition.

Proposal	Feedback	Response	Decision
	considered that commercial considerations were included in the test of reasonableness.	on-stand emissions". The inclusion of the wording "which could include" makes it clear that these are suggested alternatives to running APU, rather than mandated.	
Condition 13.4 – ad-hoc flight invoices.	AOC members said that the wording needed clarifying to make clear that charges for ad-hoc flights would only be imposed on operators who do not normally operate at the airport.	We have not proposed any substantive change to this condition for 2024. Acknowledging airline feedback on this matter, we have amended Condition 13.4 to make clear that charges for ad-hoc flights would only be imposed on airlines who do not operate an existing scheduled service at Heathrow.	Condition amended.
Condition 15.6 – withdrawal of access to services in cases of payment default.	One respondent asked for the word "service" to be clarified and defined to understand the intent of the condition.	<p>Heathrow responded to this query during the 2019/20, 2020/21, 2021/22 and 2022/23 consultations. Heathrow has not proposed any substantive changes to this provision, it has been previously consulted on, and it is our view that the condition continues to function appropriately.</p> <p>We repeat our previous response on this matter: Service means any service which Heathrow provides to the Airlines as part of the "Facilities and Services" under the COU, for example items such as, but not limited to: use of the airport infrastructure, WIFI, telecommunications, and utilities.</p> <p>The provision has been added so it is clear to airlines that Heathrow is entitled to withdraw access to services which are not paid for in accordance with the payment requirements set out in the COU.</p>	No change to this condition.
Condition 19 – liability and insurance.	AOC members and a number of respondents commented on this provision and said they would like to see changes applied.	Heathrow has not proposed any substantive changes to this provision, it has been previously consulted on with the Airline community, and it is our view that the condition is both commercially appropriate and continues to function appropriately.	No change to this condition.
Condition 22.1 – invoice disputes.	AOC members and two respondents said that disputes	We have not proposed any substantive change to this provision for 2024, and the condition has previously been consulted on. We	No change to this condition.

Proposal	Feedback	Response	Decision
	being registered within 10 days was too short and wanted it to be changed back to a 30-day timeframe.	responded to this feedback in our 2020/21 consultation response. The previous term gave 30 days from the " <i>matter arising</i> " to raise a dispute, which in practice could mean 30 days from the date of issue of an invoice. The new term is 10 days after invoice due date, which is itself 14 days after the issue date, giving a total of 24 days to raise a dispute which is a reasonable period of time to allow for an issue to be notified. We consider that this condition continues to function appropriately.	
Schedule 8 – Airline Welfare Protocol.	AOC members queried why the airline welfare protocol is referred to as a "Rule of Conduct".	<p>Heathrow responded to this query during the 2019/20, 2020/21, 2021/22 and 2022/23 consultations in the following terms, which continue to be accurate: Heathrow has not proposed any changes to this provision. The Airline Welfare Protocol has been previously consulted on, and it is our view that the condition continues to function appropriately. In respect of the use of the wording "Rule of Conduct", this wording was introduced in 2014 following the CAA including an obligation in Heathrow's licence to "<i>develop rules of conduct for airlines...to follow particularly during disruption... The rules of conduct shall be set out in the... Conditions of Use</i>".</p> <p>This wording has been included in the H7 Licence set by the CAA, in Conditions D2.13 and D2.14.</p>	No change to this condition.
FURTHER CHANGES			
General updates to formatting, numbering, grammar, readability or to correct minor errors.	N/A	N/A	Corrections made as necessary.
Schedule 8 – change to current airport map	N/A	We have updated the map in Schedule 8, as the existing map is out of date. This change does not affect airline obligations under the COU.	Map updated.

END