

**09 October 2020**

Dear Colleague,

## **Notice of new charging proposals for 2021 Airport Charges**

I would like to thank you for your participation in the 2021 Airport Charges consultation process to date. Whilst we are still receiving and considering feedback on the proposals we sent to the community on 28 August 2020, which set out our view on the 2021 Airport Charges and Conditions of Use, we have considered early feedback received and as a result would like to update the proposals for your consideration as per the detail in this letter.

### **Proposal Summary**

In response to airline feedback we have reviewed the Passenger Charge segments (currently, Domestic, Europe and Rest of World). Following that review we propose the addition of a fourth segment, the Common Travel Area (CTA). The CTA segment would be defined as the Crown Dependencies (Bailiwick of Jersey, Bailiwick of Guernsey and the Isle of Man) and Ireland. The Domestic segment would be defined as England, Wales, Scotland and Northern Ireland.

### **Revised Passenger Charges**

We propose that the CTA charge will be funded as part of the total Passenger Charge calculation. The forecast of passengers within the Domestic and European markets will be lowered by the amount relating to destinations within the CTA and reapplied to this segment.

As specified in Chapter 10 of the Airport Charges Consultation Document sent to the community on 28 August 2020, for Domestic and EEA Origin & Destination the baseline calculation is calculated in three separate steps:

Step 1 applies a transfer multiplier to the baseline charge, 100% for O&D passengers and 75% for transfer passengers.

Step 2 is applicable to flights where a Domestic connectivity discount of £5.00 exists. The Domestic connectivity discount has the appropriate transfer multiplier applied as defined above to determine the final connectivity discount for the fare. This means that an O&D passenger receives the full £5.00 discount whereas transfer passengers receive a proportion of the £5.00 discount.

The final step is to deduct the calculated applicable Domestic connectivity discount (step 2) from the value calculated in step 1.

The CTA charge will be calculated by adding an incremental value at Step 2, post the Domestic Connectivity discount of £5.00.



**Appendix 1** provides an illustration of the revised charges. Please note that this does not yet reflect any further feedback from the consultation process.

### **Next steps**

We seek your feedback on the inclusion of a CTA tariff within the passenger charge and ask that you provide this by **16 October 2020**.

We will set out the final decision, considering all feedback and responding in detail to the comments received, by **31 October 2020**.

We are grateful for your engagement during the consultation and the feedback on our proposals. If you would like further information, please contact us at [airline\\_relations@heathrow.com](mailto:airline_relations@heathrow.com).

Yours faithfully



Alasdair McGregor  
 Head of Airport Revenue and Strategy  
**Heathrow Airport Limited**

## APPENDIX 1 – REVISED PROPOSED TARIFFS

Charges on Movement	Consultation	CTA Addendum
Peak		
Chapter 3	£6,132.00	£6,129.75
Chapter 4 High	£2,268.84	£2,268.01
Chapter 4 Base	£1,737.40	£1,736.76
Chapter 14 High	£1,154.86	£1,154.44
Chapter 14 Base	£823.73	£823.43
Chapter 14 Low	£494.65	£494.47
Night Peak - Departures		
Chapter 3	£30,660.00	£30,648.75
Chapter 4 High	£11,344.20	£11,340.05
Chapter 4 Base	£8,687.00	£8,683.80
Chapter 14 High	£5,774.30	£5,772.20
Chapter 14 Base	£4,118.65	£4,117.15
Chapter 14 Low	£2,473.25	£2,472.35
Emissions charge on Landing	£19.54	£19.53
Charges on Departing Passengers		
Origin and Destination		
European charge with dual discount <i>(with EU load factor and UK connectivity discount)</i>	£14.29	£14.60
Common Travel Area	N/A	£15.10
European charge with single discount <i>(with EU load factor discount)</i>	£19.29	£19.60
Other	£41.31	£41.30
Transfer and Transit		
European charge with dual discount <i>(with EU load factor and UK connectivity discount)</i>	£10.72	£10.95
Common Travel Area	N/A	£11.33
European charge with single discount <i>(with EU load factor discount)</i>	£14.47	£14.70
Other	£30.98	£30.98
Remote Stand Rebate	£-4.00	£-4.00
Minimum charge - UK destinations	£814.53	£814.53
Minimum charge - EEA destinations	£1,466.04	£1,466.04
Minimum charge - RoW destinations	£2,065.50	£2,065.50
Charges on aircraft parking		
Narrow bodied	£23.55	£23.54
Wide bodied	£49.46	£49.43