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General Notice GN: 12/09

From: Heathrow Airport Limited

To: All Airlines

CC: Airline Operators Committee

Date: 21st December

Re: Passengers with Reduced Mobility (PRM)

This notice sets out revised charges and the corresponding charging structure for the above activity that will become effective on 01 January 2010.

Since the introduction of the EU legislation covering Passengers with Reduced Mobility (PRMs) and Heathrow's adoption of this in June 2008, the PRM services at Heathrow Airport have generated an under recovery of circa £2.5m. The deficit has been caused by reduced passenger numbers and lower than anticipated pre-notification levels.

The Non Regulated Charges Group (NRCG)* has recommended that the deficit is recovered evenly during the period from 01 January 2010 to 31 March 2011 and that a charging model is introduced based on airlines' performance in delivering its pre-notification data.

The recovery model that will be introduced is explained below and a full protocol for the PRM service will be released shortly following NRCG approval.

In order to strengthen cost reduction efforts as well as enhance the service offering it has been agreed that the current service provision will be renegotiated and sent to tender by a joint working group including both BAA and airline partners. This process and the subsequent contract are due to be complete and operational by late-April 2010.

The pre-notification performance percentage (see table below) will be updated every quarter to enable Airlines to move to a category reflecting their most recent performance. An airline can obtain advice on how to improve their pre-notification performance from their AOC Representative.

The total cost for the quarter will be estimated and agreed with the PRM Governance Group, a sub-committee of the NRCG. It has been agreed that any reduction in costs, or over recovery during the period to March 2011 will be utilised to reduce the current deficit of c. £2.5m.

The charges for the period 01 January 2010 to 31 March 2010 are shown on the table below.

Pre-notification Performance Category	Airline Pre-notification Performance	Charge	Cost per dept Passenger £
Category 1	Above 85%	Base Price	0.42
Category 2	65% - 84.99%	Base Price Plus 10%	0.46
Category 3	55% - 64.99%	Base Price Plus 25%	0.52
Category 4	Less than 54.99%	Base Price Plus 100%	0.83

Each airline's pre-notification performance to the -36 hour target will be calculated to determine their category. Any variance either **over** or **under** will be expressed as a percentage of the total PRM movements of that airline.

There are four pre-notification performance categories, the highest of which will attract the base (minimum) charge. Each subsequent category will incur a mark-up to the base charge. The charge will be levied per departing passenger in accordance with EU legislation governing Passengers with Reduced Mobility.

At the end of each quarter, the PRM Governance Group will evaluate the pricing structure and the percentage classifications for each category and recommend any changes to the NRCG. In the event that there is a change to the pricing structure, airlines will be notified in advance of implementation.

Each airline will be notified shortly by letter, addressed to the relevant station manager, of their initial category.

This General Notice reflects the advice given via the Terminal AOC meetings and the AOC Executive meetings.

Should you have any questions concerning the new charging structure, please contact your AOC Representative for further information.

For and on behalf of The Managing Director BAA Heathrow

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(*) – The Non Regulated Charges Group (NRCG) is a joint BAA & Airline committee. The Airline element consists of senior accountants and procurement officers of the base carriers and Lufthansa.