

6th December 2016

Abigail Grenfell
Consumers and Markets Group
Civil Aviation Authority
45-59 Kingsway
London
WC2B 6TE

Dear Abigail

Notice of proposed modification to Heathrow Airport Limited's Economic Licence to allow for an annual recovery of £10 million of Category B costs for a new northwest runway

Heathrow welcomes the opportunity to respond to the CAA's notice of proposed licence modification.

We support the CAA's decision to allow Heathrow to recover Category B costs of up to £10m per year in the form of higher airport charges from when the Government announced its support for Heathrow expansion, 25th October 2016.

We welcome the CAA's speedy resolution of this matter. This decision is consistent with the CAA's long-standing policy support for the automatic recovery of the first £10m of annual expenditure on Category B planning costs. We agree that it is in the interests of users, enabling Heathrow to start work on securing planning permission.

We are supportive of the proposed modification to Heathrow's licence as set out in the CAA's notice but highlight a small inconsistency in the wording of the C1.2: "...four subsequent years..." should be changed to "...five subsequent years..." to align with the extension of one year to Q6.

If you have any queries or require any further information, please do not hesitate to contact me.

Yours sincerely



Richard Hepburn
Regulatory Director

cc Stephen Gifford, CAA