

# Economic Regulation of Heathrow Airport Limited: setting a holding price cap for 2023

Consultation and notice under section 22(2) of the Civil Aviation Act 2012

CAP2488

A large, abstract blue graphic occupies the bottom two-thirds of the page. It features a gradient from light blue to dark blue, with a curved, geometric shape that tapers towards the bottom right corner.

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Civil Aviation Authority  
Aviation House  
Beehive Ring Road  
Crawley  
West Sussex  
RH6 0YR

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Enquiries regarding the content of this publication should be addressed to: [economicregulation@caa.co.uk](mailto:economicregulation@caa.co.uk)

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# Summary

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## Introduction

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1. This document consults stakeholders on the need for, and level of, interim (“holding”) price control arrangements for Heathrow Airport Limited (“HAL”) that we propose should come into effect from 1 January 2023. These arrangements are intended to replace the current “holding price control” arrangements that cover the period 1 January 2022 to 31 December 2022.
2. This consultation document constitutes notice under section 22(2) of the Civil Aviation Act 2012 (“CAA12”) of the CAA’s proposals to modify HAL’s licence and covers:
  - the background to this issue, including the interaction with HAL’s timetable for consulting on airport charges under the Airport Charges Regulations 2011 (“ACR2011”) and the CAA’s wider H7 price control timetable;
  - our proposals for a new holding price cap for HAL for 2023;
  - our proposals for a small number of specific changes to Schedule 1 (Statement of Standards, Rebates and Bonuses) of HAL’s licence; and
  - next steps and the process for implementation.
3. In this context, it should be noted, that neither this consultation and notice, nor any further consultation on the issues identified above that we might conduct constitutes a notice under section 22(5) CAA12 that the CAA has decided not to implement the modifications set out in the notice under section 22(2) CAA12 that we published as part of Final Proposals.<sup>1</sup> We are continuing to consider the position in relation to our decision on the modifications set out in that notice in the light of stakeholders’ responses and developments since the Final Proposals were published.
4. Given the need for us to act quickly, as explained below, this consultation runs for a period of two weeks until **5pm on 22 December 2022**. We will not accept submissions on this consultation after that date. After the consultation closes, we will consider all responses from stakeholders and, subject to their views, we intend to confirm the holding price cap arrangements for 2023 as soon as reasonably possible after the close of this consultation.

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<sup>1</sup> CAP2365E2 at Appendix C. See:  
<https://publicapps.caa.co.uk/docs/33/CAP2365%20H7%20Final%20Proposals%20Appendix%20C.pdf>

## Background

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5. In December 2021, the CAA modified HAL's licence to introduce a holding price cap for 2022.<sup>2</sup> This approach reflected the very significant impact of the covid-19 pandemic on the aviation sector and the knock-on impacts of the disruption on the timetable for the price control review for the five-year ("H7") period starting in January 2022 and ending in December 2026.
6. This "holding price cap" was set at £30.19 in 2022 prices and applies only to regulatory year 2022, expiring at the end of this year. Without further regulatory intervention, HAL's charges will not be subject to a price cap from 1 January 2023.
7. In June 2022, the CAA published its Final Proposals for the H7 price control.<sup>3</sup> The Final Proposals were based on retaining the "holding price cap" for 2022 with the price cap for subsequent years reducing each year over the H7 period to £21.75 in 2026 in 2020 prices.<sup>4</sup> The Final Proposals also set out details of the associated regulatory framework that will apply to HAL during the H7 period.
8. In addition, the Final Proposals<sup>5</sup> noted that new data received by the CAA in response to the consultation might indicate that the passenger forecast may be out of date before we make our Final Decision on the licence modifications necessary to implement the price control for the H7 period.
9. In this light, the Final Proposals set out our approach to dealing with such circumstances, including that, if strong evidence were to emerge during the period of consultation on the Final Proposals that indicated our "Mid" case was no longer an appropriate average forecast for 2022 and beyond, we would consider adopting a new passenger forecast and revising our proposals for the H7 price control on that basis. We said that our approach to dealing with these matters would include the following steps:
  - we would consider new information (including responses to the Final Proposals) to determine whether we should adopt a revised passenger forecast;

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<sup>2</sup> Economic regulation of Heathrow Airport Limited: Notice of licence modifications, CAP2305. See: <http://publicapps.caa.co.uk/docs/33/CAP2305.pdf>

<sup>3</sup> Economic regulation of Heathrow Airport: H7 Final Proposals, CAP2365. See <https://www.caa.co.uk/commercial-industry/airports/economic-regulation/h7/consultations/final-and-initial-proposals-for-h7-price-control/>

<sup>4</sup> See the Final Proposals Summary, CAP2365A at Table 3.

<sup>5</sup> See Final Proposals Summary, CAP2365A at paragraphs 108ff.

- only if the information strongly suggests that a significantly different passenger forecast is warranted would we consider changes to the Final Proposals. In considering the need for any such changes, we would take into account the Traffic Risk Sharing mechanism set out in the Final Proposals;
  - if we were to adopt a revised passenger forecast, we would make consequential changes in the levels of operating costs and commercial revenues used in our price control calculations; and
  - we would also seek to ensure that the position on financeability set out in our Final Proposals<sup>6</sup> is consistent with the analysis supporting the Final Proposals.
10. We received a large number of detailed responses to Final Proposals which included new evidence on the issues that we considered and the assumptions we had made in setting the Final Proposals. In addition, since Final Proposals, we have seen a larger increase in passenger numbers at Heathrow than we had anticipated in setting the Mid case for Final Proposals. This increase was especially noticeable during the early Spring and early Summer of 2022 as pandemic related restrictions were gradually lifted in the UK and around the world, but came too late to be factored into our assessment for the Final Proposals.
11. Separately, developments in the wider economy since we published the Final Proposals have given rise to a degree of volatility in forecasts of inflation and interest rates.
12. In this context, HAL and airlines have asked us to update our assessment and to reconsult to account for the impact of these changes as well as other arguments they have made in response to the Final Proposals.
13. We are continuing to review the latest information and will consider whether a further consultation on a narrowly focused range of issues is likely to better help us discharge our statutory duties in making the final determination on the H7 price control. To allow time for proper consideration of these issues and to ensure that the interests of consumers are properly protected we are proposing to introduce a further holding price cap for 2023, on a similar basis to the arrangements in place in 2022.
14. In the following chapters and Appendices of this document we set out:
- further details of the reasons for and effects of a holding price cap for 2023;
  - our specific proposals for the 2023 holding cap and level of airport charges;

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<sup>6</sup> See Final Proposals CAP2365D at chapter 13

- our proposals for a small number of specific changes to Schedule 1 (Statement of Standards, Rebates and Bonuses) of HAL's licence; and
- next steps on our proposed approach to implementing the holding cap and details of how to respond to this consultation.

## Next Steps

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15. The consultation will run for a period of two weeks and so we welcome representations on any of the issues set out in this consultation document by **5pm on 22 December 2022**. We will not accept submissions or representations received after this date.
16. We will carefully consider the evidence and views that are put to us and, as discussed above, we intend to publish details of our decision on the matter of the holding price cap for 2023 as soon as reasonably possible after the close of this consultation.

**CHAPTER 1****The need for a holding price cap for 2023**

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- 1.1 Following the general and progressive easing of travel and other restrictions relating to the covid-19 pandemic from the start of 2022, there has been a strong recovery in the aviation industry. However, the strength and continuation of this recovery is still uncertain, in the context of increased economic uncertainty in the UK and wider global markets.
- 1.2 We are continuing to assess these issues, including the latest forecasts from the Office of Budgetary Responsibility (“OBR”) which were published on 17 November 2022. In this context, and because particular care is needed in assessing changes to the passenger forecast and the potential for changes to other key price control building blocks (including the possible impact of higher inflation and interest rates on HAL’s cost of capital), we consider that, in the interests of consumers, we need to take further time and conduct additional analysis before reaching our final decision on the H7 price control.
- 1.3 Our broad approach to these matters has also been informed by submissions from key stakeholders. HAL has written to us noting its view that getting to the right outcome for the H7 settlement is more important than making a decision quickly and suggesting that it would support a new holding price cap in the current circumstances to enable the CAA to revisit its Final Proposals.
- 1.4 Airlines have also indicated that interim arrangements, coupled with further consultation on key aspects of our Final Proposals, are needed. Nonetheless, these broad representations on process do not indicate a change of the views of stakeholders on the key underlying issues, with HAL continuing to argue for higher airport charges and airlines continuing to argue for lower airport charges.
- 1.5 The need to undertake further assessment and analysis, coupled with the release date for the OBR forecasts (which are a key input to our analysis) means that it is no longer possible to reach and implement a Final Decision on all aspects of the H7 settlement in a timely way to come into effect when the current holding price cap expires on 31 December 2022.
- 1.6 In addition to the above, HAL, at the end of August 2022, issued its consultation on airport charges for 2023. HAL’s consultation assumes a yield of £31.92 per



passenger (nominal prices)<sup>7</sup> which it derived from our Final Proposals.<sup>8</sup> This charge was amended to £31.57 (nominal prices) with an alternative CPI inflation assumption following HAL's charges consultation meeting in September 2022.

- 1.7 In our Final Proposals, the maximum allowed yield per passenger ("M<sub>2023</sub>") we proposed for 2023 (nominal prices) was derived from the following formula set out in Condition C1.1 of the notice set out at Appendix C (see the reference to CAP2365E2 at footnote 1 above):

$$M_{2023} = Y_{2022} \times (1 + \text{CPI}_{2023} + X + B_{2021}) + \frac{AC_{2023}}{Q_{2023}} - \frac{T_{2023}}{Q_{2023}} + \frac{TDO_{2023}}{Q_{2023}} - AK_{2023}$$

- 1.8 In its charging consultation, HAL used the following inputs for this formula:

- Y<sub>2022</sub> (the opening yield for 2022): £30.19;
- CPI<sub>2023</sub> (the percentage change in inflation between 2022 and 2023): 10.629% – later adjusted by HAL to 9.48%;
- X (the CPI+X price profiling factor): -5.74%;
- B<sub>2021</sub> (the service quality bonus for 2021): 0.865%;
- T<sub>2023</sub> (the capital trigger factor): £435,000;
- Q<sub>2023</sub> (the forecast number of passengers using the airport in 2023): 65,233,000).

HAL set all other factors at zero.

- 1.9 Taking this approach HAL calculated the maximum allowed yield for 2023 as follows:

$$M_{2023} = £30.19 \times (1 + 9.48\% - 5.74\% + 0.865\%) + \frac{0.000}{65,233,000} - \frac{435,000}{65,233,000} + \frac{0.000}{65,233,000} - 0.000 = £31.57$$

- 1.10 While correspondence from HAL initially suggested this as an appropriate level for a holding price cap, HAL has subsequently written to us suggesting a significantly higher cap of £36.00 (nominal prices) per passenger. HAL has sought to justify this approach by highlighting the extra financing costs it will face because of higher inflation and interest costs and has said without this price

<sup>7</sup> See Heathrow Airport Limited Charges for 2023 Consultation Document at <https://www.heathrow.com/content/dam/heathrow/web/common/documents/company/doing-business-with-heathrow/flights-condition-of-use/consultation-documents/2023%20Airport%20Charges%20Consultation%20Document%20-%20Final.pdf>.

<sup>8</sup> Economic regulation of Heathrow Airport: H7 Final Proposals, CAP2365E2. See [www.caa.co.uk/cap2364E2](http://www.caa.co.uk/cap2364E2).

increases there would be greater risks of it experiencing a credit rating downgrade.

- 1.11 HAL has also written to us asking for additional clarity on this matter so that it can conclude its consultation on airport charges. We respond to these matters in chapter 3.
- 1.12 The ACR2011 provide only limited, largely procedural, protection to consumers from changes to charges through the requirements on airports<sup>9</sup> to consult airlines on the level of charges they intend to set in advance. In this light, and given the unique set of circumstances before us, without further action there would be no price cap applicable to HAL from 1 January 2023 until such time as Licence Modifications implementing the Final Decision come into effect.
- 1.13 In the absence of a binding price control for 2023, HAL would be free to set its charges at a level of its choosing, subject only to the procedural protections of ACR2011. Alternative approaches, such as the adoption of binding commitments were explored in 2021 and we do not consider that there is merit in exploring such an approach for 2023 at this stage.
- 1.14 Ensuring that there is a price control in place for 2023 will clearly be in the interests of consumers. Certainty over HAL's charges for 2023 also enables airlines to set ticket prices and organise their services, which ultimately provides benefits for consumers, while the absence of a price control condition (even for a relatively short period of time) could create a conflict between the interests of "present consumers" travelling during the first half of 2023 and "future consumers" travelling later in the H7 period if the charges HAL sets for 2023 were to be very significantly different from those in the final H7 price control.

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<sup>9</sup> That is, those airports which are covered by the ACR2011 pursuant to regulation 4 of the ACR2011.

## CHAPTER 2

# Holding Cap Proposals

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### The level of the proposed holding price cap

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2.1 As noted in chapter 1, not setting a price control to apply from the start of 2023 would expose consumers to the risk that airport charges might be unduly high during the period prior to our Final Decision on the H7 price control coming into effect. To address this, we consider that it is necessary to set a holding price cap based on the best information available during 2022. We consider that this approach enables us to proceed with a holding price cap for HAL for 2023 at an appropriate level and in a timely way, consistent with furthering the interests of consumers.

### HAL's views

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2.2 HAL has indicated its support for a holding price cap. In its letter to the CAA on 18 October 2022, HAL stated that a holding cap of £31.57, based on the CAA's Final Proposals, would be an appropriate interim measure to put in place, but that it would need to be subject to any adjustments to account for any under-recovery of charges in 2023. HAL also noted that it was currently consulting (without prejudice to its final position) on the same level of charge in its consultation under ACR2011 issued in August 2022.

2.3 However, in a subsequent letter dated 9 November 2022, HAL said that, while it maintained an "in principle" support for a holding price cap for 2023, it had revised its position on the level of the charge. HAL pointed to recent macro-economic developments that have increased expectations around inflation and interest rates and argued that it faces significant increase in interest and accretion costs which has the effect of reducing its Funds from Operation ("FFO"), an important measure of financeability.

2.4 HAL further contended that this significantly increases the risk of credit rating agencies downgrading HAL's credit rating due to an unfavourable "FFO to net debt" ratio. HAL suggested that the potential impact of a downgrade on consumers meant that CAA should take a pragmatic approach to setting the holding price cap for 2023 and assess the appropriate level of any cap in a similar manner to that adopted by credit rating agencies.

2.5 In this light, HAL proposed a holding price cap of £36.00 (nominal prices) based on its updated analysis of Standard & Poor's ratios to reflect higher passenger number forecasts together with the impact of inflation and interest rate expectations. HAL suggested that this would restore its Senior FFO to net debt

ratio to around 7.0% for 2023 and that this would be consistent with the financing assumptions for the notional company made by the CAA.

## Our response

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- 2.6 We have assessed HAL's latest proposal for the holding price cap for 2023 to be set at £36.00 (nominal prices). We disagree with this approach for the reasons set out below.
- HAL has based its assessment on credit metrics for the actual company, whereas we have consistently based our assessment on the notional company. For example, we have assumed that the notional company exhibits a lower proportion of index-linked debt than the actual company, consistent with the approach in our Initial and Final Proposals.
  - HAL appears to have an undue focus on the financeability of the charge for 2023 based on credit metric projections for a single year. This is not consistent with the approach adopted by credit rating agencies, which tend to assess credit metrics over several years. HAL itself has referred to Standard & Poor's consideration of metrics between 2022 and 2024. It is also inconsistent with the approach we set out in the Final Proposals, in which we proposed to assess financeability of the notional company over the medium term. We continue to consider that this approach is reasonable.
  - We also note that HAL's analysis omits the beneficial impact of inflation on the indexation of the RAB. Although indexation does not constitute an immediate cash inflow, it results in higher cashflows in subsequent years due to higher regulatory depreciation and allowed return.
- 2.7 To the extent that we might conclude in our Final Decision that a different charge from the holding price cap for 2023 is warranted, we will set the revenue allowance for the five-year H7 period consistent with this different information, so there will in effect be a "truing up" or "truing down" of the revenue allowance for 2023. This will be consistent with the approach we will adopt for the holding price cap applying in 2022.
- 2.8 In deciding on the profile of charges for 2024 to 2026 in our Final Decision, we will take account of this truing-up or truing down and the financeability and affordability of the notional company's regulated charges. As such, we are satisfied that the use of the expected airport charge for 2023 from our Final Proposals as the basis for setting the holding price cap for 2023 should not result in an undue financeability challenge for the notional company, given the wider context of our approach to the H7 price control review.

## Airlines' views

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- 2.9 Airlines have suggested that airport charges should be reduced to reflect (among other things) higher numbers of passengers that have used the airport in 2022 and the latest airline forecasts of passenger numbers for 2023 and beyond.

## Our response

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- 2.10 As we have explained above in the summary, we are taking more time to assess the latest information on passenger numbers and changes in macroeconomic factors such as inflation and interest rates. We also note that the Final Proposals envisaged airport charges falling from £27.39 in 2022 to £25.88 in 2023 (both in 2020 prices). As noted above, we also intend that the truing up or truing down exercise and the return of the over-recovery of revenues that HAL has previously made will ensure that airport charges are no higher than is necessary over the remaining years of the H7 price control. We consider the combination of lower real charges in 2023 (as envisaged in our Final Proposals) and the truing up exercise (that, other things being equal, will mean that any increase in passenger numbers above the levels envisaged in Final Proposals will tend to reduce average airport charges in the remaining years of the price control) should provide reasonable and appropriate protection for consumers.

## Further assessment

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- 2.11 We consider the cap proposed in our Final Proposals is the most up-to-date figure that benefits from a full analysis, albeit undertaken earlier in the year and on evidence available at that time. We also consider that, for the reasons set out in them, the Final Proposals struck an appropriate balance between the interests of consumers and the other considerations that we are required to take into account under CAA12.
- 2.12 As a result of the above, it is appropriate for us to propose a holding price cap to apply to the Regulatory Year from 1 January 2023 on the basis of the level of charges that we set out in our Final Proposals. We consider that this is consistent with our statutory duty to protect consumers under CAA12 for the reasons set out above and in chapter 1. This approach will have the effect of protecting consumers from the adverse impacts that we have identified above and in chapter 1 that would otherwise be detrimental to their interests. The holding cap should also provide a degree of certainty to HAL so that investment decisions on major capital projects during this period should not be unduly delayed and that HAL can continue with its plans to return the airport to business as usual in line with increasing passenger demand in the first half of 2023. Airlines will also benefit from certainty on the level of the cap during this period.

- 2.13 This proposal for the level of the holding price cap should not be interpreted as indicating that the CAA would necessarily take the view that the figure proposed as part of Final Proposals is the appropriate price cap for the full H7 period when we come to make the Final Decision on the H7 price control.
- 2.14 We consider that it is appropriate to calculate the level of the holding price cap using the formula set out in Final Proposals and using the inputs proposed HAL in its charging consultation as discussed in chapter 1 (including the revised value for  $CPI_{2023}$ ). Taking this approach (as set out in paragraphs 1.6 to 1.9 above), we calculate that the holding price cap for 2023 should be £31.57 (nominal prices), consistent with the calculation of the holding cap for 2023 as set out in HAL's Charges for 2023 Consultation Document.
- 2.15 We intend that this holding price cap will remain in place for the entirety of 2023.
- 2.16 As with the holding price control for 2022, any difference between this holding price cap for 2023 and the Final Decision we take for H7 will be trued up or down as against the yield set out in our Final Decision. Any over or under recovery of revenue by HAL against the 2023 holding cap will also be taken into account in the calculation of HAL's price control revenue correction factor, which typically operates on an n+2 basis and so will affect charges in 2025.
- 2.17 Our expectation is that HAL's decision on its current consultation on the level of its charges under ACR2011 should account fully for the proposals set out in this notice.
- 2.18 If the CAA decides to implement the modifications set out in this notice, the wider H7 price review programme will continue at an appropriate pace with the aim of allowing both the CAA's Final Decision and any appeal to the CMA to be concluded during 2023.

## Our Proposals

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- 2.19 In light of the issues discussed above, our proposal for modifying HAL's licence set out in Appendix B to this notice will have the effect of setting HAL's charges for 2023 as follows:
- we should modify HAL's licence to include a licence condition regulating HAL's airport charges in 2023 to put in place a holding price cap;
  - the holding price cap should be set at £31.57 (nominal prices) per passenger;
  - the underlying revenue requirement for the five-year period and the underlying level of airport charges for 2022 to 2026 will be set out in our Final Decision on the H7 price control; and

- subject to any representations on these proposals including on the text of the modifications proposed on Appendix B, we expect to decide on whether to implement the price cap for 2023 and publish a notice in relation to that decision as soon as reasonably possible after the close of this consultation.

2.20 We expect the new holding price cap for 2023 will come into effect during February 2023.

## CHAPTER 3

## Proposed changes to Schedule 1

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- 3.1 In addition to the holding price cap, we are proposing a small number of specific changes to Schedule 1 of HAL's licence. These are to remove the requirement for HAL to obtain and publish survey scores for two elements of the current service quality rebates and bonuses ("SQRB") scheme – Departure lounge seating availability and Flight information – which are not being carried forward into the proposed outcomes based regulation ("OBR") framework for H7. HAL and airlines agreed to the removal of these requirements from the OBR framework during the engagement that took place in advance of our Initial Proposals, and we reflected this change in both our Initial Proposals and our Final Proposals.
- 3.2 HAL has now asked for these elements to be removed from its licence at the same time that the holding cap is introduced. This will have the effect of allowing HAL to roll out the updated Quality of Service Monitor survey in preparation for implementation of the new OBR framework. The AOC has also informed us that it has no objection to removing these elements from the current SQRB scheme.
- 3.3 Removing these requirements from HAL's licence should allow it to focus its resources for preparing for the OBR in an efficient and economical way, which will both be in the interests of consumers as well as being consistent with the promotion of efficiency. For these reasons, we consider that these elements of the SQRB scheme are no longer appropriate or in the interests of consumers and the effect of our proposed modification is to remove them from the SQRB scheme for 2023. Our proposals for modifying HAL's licence to achieve this change are set out in Appendix B to this notice.



## APPENDIX A

## Our duties

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- A1 The CAA is an independent economic regulator. Our duties in relation to the economic regulation of airport operation services (“AOS”), including capacity expansion, are set out in the CAA12.
- A2 CAA12 gives the CAA a general (“primary”) duty, to carry out its functions under CAA12 in a manner which it considers will further the interests of users of air transport services regarding the range, availability, continuity, cost and quality of AOS.
- A3 CAA12 defines users of air transport services as present and future passengers and those with a right in property carried by the service (i.e. cargo owners). We often refer to these users by using the shorthand of “consumers”.
- A4 The CAA must also carry out its functions, where appropriate, in a manner that will promote competition in the provision of AOS.
- A5 In discharging this primary duty, the CAA must also have regard to a range of other matters specified in the CAA12. These include:
- the need to secure that each licensee is able to finance its licensed activities;
  - the need to secure that all reasonable demands for AOS are met;
  - the need to promote economy and efficiency on the part of licensees in the provision of AOS;
  - the need to secure that the licensee is able to take reasonable measures to reduce, control and/or mitigate adverse environmental effects;
  - any guidance issued by the Secretary of State or international obligation on the UK notified by the Secretary of State; and
  - the Better Regulation principles.
- A6 CAA12 also sets out the circumstances in which we can regulate airport operators through an economic licence. In particular, airport operators must be subject to economic regulation where they fulfil the Market Power Test as set out in CAA12. Airport operators that do not fulfil the Test are not subject to economic regulation. As a result of the market power determinations we completed in 2014 both HAL and GAL are subject to economic regulation.
- A7 We are only required to update these determinations if we are requested to do so and there has been a material change in circumstances since the most recent determination. We may also undertake a market power determination whenever we consider it appropriate to do so.

## APPENDIX B

## Modifications proposed for HAL's licence: draft text

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- B1 This Appendix sets out the text of the modifications we proposed to make to HAL's licence. The reasons for, and effects of these proposed modifications are set out in the Executive Summary and chapters 1 and 2 of this notice and consultation.
- B2 Conditions C1.1, C1.2, C2.5 and C2.6 of HAL's licence will be amended as indicated in redline/strikeout below:
- C1.1 When the Licensee fixes the amounts to be levied by it by way of airport charges in respect of relevant air transport services in the Regulatory Year ~~2022~~2023 it shall fix those charges at the levels best calculated to secure that; in that Regulatory Year, the total revenue at the Airport from such charges divided by the total number of passengers using the Airport does not exceed the maximum revenue yield per passenger, which shall be ~~£30.19~~31.57.
  - C1.2 If the Licensee has fixed the amounts to be levied by it by way of airport charges in respect of relevant air transport services in the Regulatory Year ~~2022~~2023 at levels that exceed the maximum yield per passenger set out in Condition C1.1, the Licensee shall, within one month of Condition C1 Price Control coming into effect in relation to the Regulatory Year ~~2022~~2023, consult airlines under the Airport Charges Regulations 2011 (2011 No.2491) to reset its prices to a level calculated to secure compliance with Condition C1.1.
  - C2.5 Where in respect of any relevant Regulatory Year (apart from the Regulatory Year ~~2022~~2023) actual revenue for any of the Specified Facilities differs from that forecast for the purposes of the price control review for the period 1 April 2014 to 31 December 2018 (as specified by the CAA), the Licensee shall provide to the CAA and to users of the Specified Facilities or their representatives detailed reasons for the differences.
  - C2.6 Where in respect of the Regulatory Year ~~2022~~2023 actual revenue from any of the Specified Facilities differs from actual revenue in the preceding Regulatory Year, the Licensee shall provide to the CAA and to users of the Specified Facilities or their representatives detailed reasons for the differences
- B3 Paragraphs 2.7, 2.10, 3.9 and 5.1 and Tables 2a, 3a, 4a, 5a, 8 and 10a of Schedule 1 HAL's licence will be amended as indicated below.

- Paragraph 2.7: Delete entire paragraph, replace with “NOT USED”.
- Paragraph 2.10: Delete entire paragraph, replace with “NOT USED”.
- Paragraph 3.9: Delete “departure lounge seating availability, “ and “, flight information” from each of subparagraphs (a) and (b).
- Paragraph 5.1(a)(i): Delete bullets for “departure lounge seating availability (QSM);” and “flight information (QSM);”and
- Tables 2a, 3a, 4a, 5a, 8 and 10: Delete the entries specific to rows 1 (Departure lounge seating availability) and 4 (Flight information), and replace with “NOT USED”.