Heathrow

Heathrow Airport Limited
The Compass Centre, Nelson Road,
Hounslow, Middlesex TW6 2GW
W: heathrow.com

30 October 2025

Dear Colleagues

Decision - 2026 Airport Charges and Conditions of Use

Thank you for your participation in the 2026 Heathrow Airport Charges Consultation and for your comprehensive feedback on our proposals. As you will see below, your feedback has been carefully considered and has helped shape our final position on 2026 airport tariffs.

Heathrow has seen record-breaking passenger numbers in 2025, including a historic milestone this August with over 8 million passengers passing through the airport in a single month — the first time ever for a European Airport. Passengers have been able to choose from 230 destinations this year as airlines have added more routes and frequencies to their Heathrow networks as well as connecting 13 airports around the UK & Crown Dependencies to the UK's hub airport. Winter 2025 sees continued developments with two new routes and three new airlines joining the Heathrow family. Heathrow's global connectivity was recognised once again, as Heathrow was named for the third year running the Most Connected Airport in the World (OAG)[1].

Alongside record passenger volumes, Heathrow has consistently delivered strong operational performance, maintaining our position as Europe's most punctual hub airport; a result of world-class joint working between airlines and airport. Beyond punctuality, the first nine months of 2025 have seen Heathrow delivering in other areas for passengers, including our investment in security checkpoints with over 97% of passengers waiting less than 5 minutes at security.

While we continue delivering for customers today, we are building strong foundations for the future of our airport. This year's aeronautical charging structure will support our strategic ambition for growth, efficient use of our airport, and sustainable flying, and complements our plans for the future:

- H8 submission[2]: Our customer-focused H8 Business Plan will modernise and upgrade the existing airport between 2027 – 2031 with investment that will deliver better resilience, better passenger experience, better use of new and existing capacity and better sustainability, while delivering value for money for our customers., The Plan delivers stretching efficiency savings, meaning the airport charge remains lower in real terms than it was a decade ago.
- Expansion Proposal to Government[3]: Our shovel-ready proposal to increase capacity, enhance consumer choice, boost UK economic growth, and improve operational resilience. The Airports Commission estimated that expansion could support at least 30 new daily routes by 2040, serving up to 150 million passengers on up to 756,000 flights each year[4].

1 Megahubs 2025 | Most Connected Airports in the World | OAG
2 Heathrow's H8 Business Plan: 2027-2031
3 Expanding-Heathrow-proposal-summary-31-07-25.pdf
4 Airports Commission: final report – July 2015

Sustainability remains central to our strategy, both now and for the future. This year's aeronautical charging strategy reinforces Heathrow's sustainability agenda by continuing to incentivise the use of quieter aircraft, supporting our Noise Action Plan, and updating our Sustainable Aviation Fuel (SAF) incentive.

The SAF landscape is evolving, particularly with the introduction of the UK government's mandate on fuel suppliers. Additionally, the SAF revenue certainty mechanism will further shape this emerging market.

Summary of charges

The context set out above and breadth of debate around Heathrow at the current time, drives the changes outlined below which acknowledges this landscape whilst reflecting the right balance of charges to achieve our clear and transparent objectives of continuing to maximise growth, champion sustainable aviation and drive the efficient use of the airport.

I am pleased to publish Heathrow's decision document on 2026 airport charges and the Conditions of Use. Effective from 1 January 2026, Heathrow will:

- Recover the full forecast maximum allowable yield for 2026 of £26.221 per passenger;
- Continue to incentivise the uplift of sustainable aviation fuel at Heathrow in 2026 by incentivising SAF 2% above the UK government mandate;
- Introduce a 30x multiplier on chapter 3 aircraft;
- Increase the remote stand rebate from £5.40 to £6.15; and
- Amend our noise forecasting methodology.

The remainder of this decision document is structured as follows:

Appendix 1 details our final decision and responds to questions posed by airlines and the airline representative bodies during the consultation process.

A. Calculation of Maximum Allowable Yield;
B. Demand Outlook;
C. Structure of aeronautical charges.

Appendix 2 sets out the consultation process we have followed.

Appendix 3 sets out the final prices effective from 1 January 2026.

Appendix 4 provides a summary of airline responses to the proposed changes to the 2026 Conditions of Use and details our final decision.

I look forward to partnering with you in the delivery of sustainable growth at Heathrow in 2026 and beyond.

Ross Baker - Chief Customer Officer, Heathrow Airport Limited

Appendix 1: Heathrow Airport charges decision

A. Calculation of the 2026 forecast Maximum Allowable Yield

In March 2023, the CAA published its H7 Final Decision (H7 FD), setting out the price control formula to determine the Maximum Allowable Yield (MAY) from 2024 to 2026. In line with the H7 FD, we have used the price control condition as the basis for our proposed MAY. The methodology and assumptions were articulated in our consultation document[5].

From August to October 2025, we consulted with the airline community to present our proposed application of the price control formula, resulting in a proposed consultation MAY of £26.092, and to gather feedback on the 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 four themes: K factor, Traffic Risk Sharing calculation, service level bonus in the light of the Next Generation Security programme and using the most up-to date actual inflation input.

1) Steps to calculate the K-factor

In the consultation responses, the airline community commented that our consultation document did not offer enough insight on the K factor calculation. The calculation of K_{2026} is built on the formula below, as set out in our Licence[6]:

$$K_t = \frac{1}{Q_t} \times (R_{t-2} - Q_{t-2} \times M_{t-2}) \times \left(1 + \frac{I_{t-2}}{100}\right)^2$$

Table 1: Details of calculations of K_{2026}

Terms	Description	Value
Qt (Q_{2026})	See section B	84,979k
R_{t-2} (R_{2024})	As per Heathrow's 2024 Regulatory Accounts[7]	£2,208k
Q_{t-2} (Q_{2024})	As per Heathrow's 2024 Regulatory Accounts[8]	83,913k
Mt-2 (M_{2024})	See below calculations	£26.619
I_{t-2} (I_{2024})	Average of 3-months Treasury Bill discount rate as Licence C1.24[9]	4.801%
K_{2026}	1/84,979,000 x (2,208,000,000 – 83,913,000 x 26.619) x 1.04801%	**£0.331**

[5] See Sections 2 to 11, Heathrow Airport Charges Consultation Document, Pages [9-29] [Heathrow Airport Limited]
[6] Economic Licence granted to HAL by the CAA, September version, condition C1.6
[7] HAL Regulatory Accounts 2024, paragraph 3
[8] HAL Regulatory Accounts 2024, paragraph 2
[9] Economic Licence granted to HAL by the CAA, September 2024 version, paragraph 1.24

Additionally, M_{2024} is calculated with in accordance with the below formula as per our Licence[10]:

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

Table 2: Details of calculations of M_{2024}

Terms	Description	Value
Y_{2023}	Defined in H7 Licence (C1.6)	£31.57
CPI_{2024}	Source ONS (D7BT)[11]	2.54%
X_{2024}	Defined in H7 Licence	-20.07%
B_{2022}	As per consultation document[12] for MAY_{2024}	0.339%
AC_{2024}	Higher Capital Expenditure incurred than the CAA forecast	£5,464k
T_{2024}	As per consultation document[12] for MAY_{2024}	£1,579k
TDO_{2024}	Actual outturn revenue below CAA's view in the FD as outlined in regulatory accounts[13]	854k
AK_{2024}	As per consultation document[12] for MAY_{2024}	0
K_{2024}	Correction factor detailed as C1.24 of our Licence.	£0.42
Q_{2024}	As per Heathrow's 2024 regulatory accounts[8]	83,913k
M_{2024}	Calculation of M_{2024} as per the above formula	**£26.619**

2) TRS Traffic Risk Sharing calculation inconsistency

As outlined during the consultation event held at Heathrow Airport on 2 September 2025, Heathrow recognised a calculation inconsistency for TRS2026. This inconsistency was driven by one of the inputs, Outturn revenue, not updated to reflect the actual. We have now corrected this. This drives the TRS value to change from -£18,157k to –£19,879k, resulting in a downward impact on the MAY by 2 pence per passenger. Accordingly, the TRS_{2026} term for the 2026 MAY is £-0.234 as outlined in *Table 5.*

3) The application of the 2024 bonus factor

In the consultation responses and during the consultation event, the airline community expressed disagreement with our inclusion of the Bonus Factor for 2024, commenting that a bonus should not

10 Economic Licence granted to HAL by the CAA, September version, paraph C1.4
11 Office of National Statistics, CPI
12 Airport Charges 2024 Consultation document, Heathrow Airport
13 HAL Regulatory accounts, paragraph 3.2

be included because alleviations were in place in relation to the delivery of the Next Generation Security (NGS) programme.

The NGS programme is driven by a Department for Transport mandate with which Heathrow must comply. As a result of this programme Heathrow agreed alleviations with the airline community as set out in a letter jointly sent to the CAA from the AOC and Heathrow, dated 21 December 2023. Despite the alleviations, Heathrow has operated all available lanes and deployed additional resource to enhance the flow thus mitigating the capacity reduction. This has increased security costs by c.£4-£6m, which Heathrow is not proposing to recover.

The delivery of the NGS programme has been a success to date. We do however recognise the occasional adverse impact that security transformation works have had on passengers. Therefore, we have removed from the bonus calculation all days where alleviations were agreed by the airline community. Our October 2024 bonus was also removed in line with the commitment made by our Operations team. Based on this, the bonus reduces from 0.129% to 0.089%.

The airline community also shared feedback regarding a £66k bonus claim from May 2023. Heathrow agrees that this bonus should be removed, in line with commitments made by Heathrow. This has also been removed from the bonus calculation. This adjustment makes a further downward adjustment to the bonus to bring it to 0.086%.

Table 3: List of changes between consultation and decision

Month	Consultation	Decision
January 2024	0.037%	0.012%
February 2024	0.047%	0.024%
March 2024	0.005%	0.003%
April 2024	0.004%	*No change*
May 2024	0.014%	*No change*
July 2024	0.009%	0.007%
October 2024	0.009%	0.00%
NGS correction total	*0.129%*	*0.089%*
IA alleviation May 2023		-0.003%
Revised B_{2024}		**0.086%**

4) Using latest available inflation forecast data

We used the Bank of England May 2024 Monetary Policy Report (MPC) as the basis of the forecast inflation for the MAY_{2026} calculation in our consultation document. This was the most up-to-date data publicly available at the time of sharing our consultation document. We have since updated the MAY with the most recent Bank of England MPC forecast, published in August 2025. This change is consistent with our intent shared in the consultation document and is also aligned with feedback received from some airline partners on the utilisation of the latest available forecast information.

We have also updated the 2025 Q2 D7BT index with actuals. At the time of the consultation this was a forecast. Taking these two changes together, it has changed the CPI forecast for 2025 from 3.25% to 3.42% and for 2026 from 2.40% to 2.83%.

Table 4: CPI inflation

	BoE Yearly Inflation	CPI Index (Quarterly)	Actual / Forecast	CPI Index - Average of last 4 quarters	Average % increase
2024 Q1	-	132.3	Actual	131.7	
2024 Q2	-	133.8	Actual	132.4	
2024 Q3		134.1	Actual	133	
2024 Q4		**135.2**	Actual	**133.9**	
2025 Q1		136.0	Actual	134.8	
2025 Q2		138.5	Actual	136.0	
2025 Q3	3.8%	139.2	Forecast	137.2	
2025 Q4	3.6%	**140.1**	Forecast	**138.5**	**3.42%**
2026 Q1	3.1%	142.8	Forecast	140.2	
2026 Q2	3.0%	142.7	Forecast	141.2	
2026 Q3	2.7%	143.0	Forecast	142.2	
2026 Q4	2.5%	**143.6**	Forecast	**143.0**	**2.83%**

Decision

Having considered airline feedback on the 2026 MAY calculation, we have decided to update the TRS_{2026} and B_{2024} adjustment terms as explained above. We have shared more insight on the calculation of K_{2026} and have updated the MAY to account for the latest actual inflation data (D7BT index) and the most recent Bank of England MPC forecast (August 2025).

We have also updated our 2026 passenger forecast, a key input to the MAY calculation. This is covered in detail in the next section.

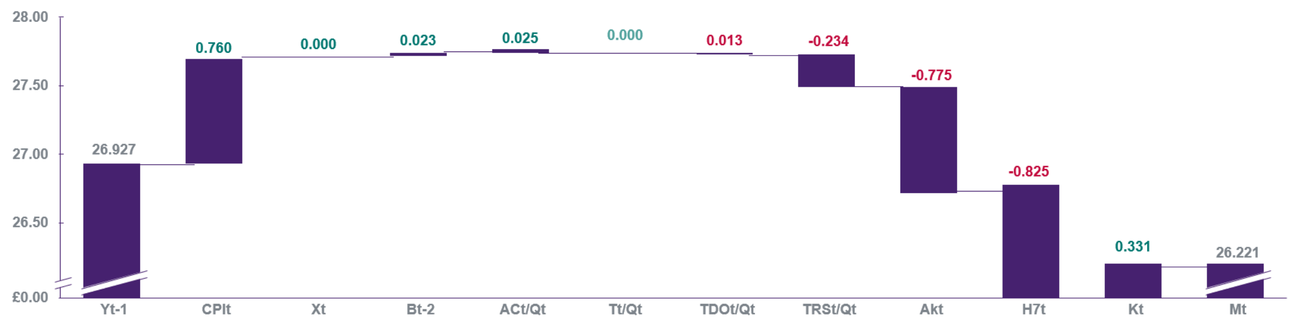
Considering all calculation inputs, the final 2026 MAY is **£26.221**. The formula, table, and figure below show how each term contributes to the value of the 2026 MAY (M_{2026}).

$$\mathrm{M}_{2026} = \mathrm{Y}_{2025} \times (1 + \mathrm{CPI}_{2026} + X_{2026} + \mathrm{B}_{2024}) + \frac{\mathrm{AC}_{2026}}{\mathrm{Q}_{2026}} - \frac{\mathrm{T}_{2026}}{\mathrm{Q}_{2026}} + \frac{\mathrm{TDO}_{2026}}{\mathrm{Q}_{2026}} + \frac{\mathrm{TRS}_{2026}}{\mathrm{Q}_{2026}} - \mathrm{AK}_{2026} + H7_{2026} - \mathrm{K}_{2026}$$

Table 5: Individual values for terms composing the MAY 2026

Term	Description	Value / Impact	Comments
Y_{2025}	Maximum revenue yield per passenger in 2025	£26.927	The Average Revenue Yield for 2025. Since the consultation we have updated the 2025 Q2 D7BT index with the actual (increase of 0.045).
$+CPI_{2026}$	Percentage change in inflation between 2026 and 2025	2.825%	Calculated using the D7BT series (actual CPI) and the BoE CPI forecast for Q3 25 – Q4 26 (+0.43% versus consultation).
X_{2026}	X factor for 2026	0%	No change since consultation.
B_{2024}	Bonus factor for 2024	0.086%	Reflects MTI performance in 2024 adjusted for the NGS impact and corrected for the change related to IA in May 2023.
Q_{2026}	Number of passengers in 2026	84,979 k	2026 passenger outlook (+170K versus consultation).
$+ AC_{2026} / Q_{2026}$	Allowed capex adjustment in 2026	+ £0.025	Slight positive adjustment due to capex catching up on a cumulative basis to the H7 forecast. No change since consultation.
$- T_{2026} / Q_{2026}$	Capital trigger factor for 2026	- £0.000	No impact expected from trigger payments. No change since consultation.
$+ TDO_{2026} / Q_{2026}$	Terminal drop-off charge factor in 2026	- £0.013	Negative adjustment as expected revenue is higher than value set by CAA; no change since consultation.
$+ TRS_{2026} / Q_{2026}$	Traffic Risk Sharing factor in 2026	- £0.234	Negative impact due to higher traffic than forecast. TRS amended as outlined above, -£-0.02 impact since consultation.
$- AK_{2026}$	Additional correction factor (AK) term for 2026	- £0.775	Consistent with CAA decision. No change since consultation.
$+ H7_{2026}$	Adjustment for H7 terms for 2026	- £0.825	Consistent with CAA decision. No change since consultation.
$- K_{2026}$	Correction factor for 2026	+ £0.331	Positive adjustment due to 2024 under recovery. -£0.002 change since consultation due to higher pax forecast.

Figure 1 – Waterfall chart outlining relative impact of individual terms on the 2026 MAY



B. Demand outlook

Airport charges were calculated in our consultation document on a forecast for 2026 of 84.8m passengers and 472.0k passenger movements (based on our last formal update in Q2 2025).

The passenger demand outlook is generated using a bottom-up Heathrow-specific capacity supply approach that considers key metrics that influence passenger volumes, such as levels of flying (number of flights), aircraft capacity (number of seats), seat factors and transfer share.

The approach considers the annual 480,000 limit on Heathrow ATMs, current slot utilisation rules, historic flight schedule, flights on sale, future fleet (including densification and upgauging) and airline growth aspirations, ultimately focusing on the growth potential through passengers per movement.

The forecasts are generated based on the best information available at the time of creation.

<u>Feedback</u>

Airline Community feedback suggested that the forecast for movements was too conservative, considering recent performance and expected growth.

<u>Decision</u>

Considering a summer of strong punctuality, a downwards trend of on-the-day cancellations and Airline Community feedback, the passenger movements outlook for 2026 has been revised upwards to 476.0k. Supply chain headwinds continue to slow the pace of fleet upgauges dampening seat factor growth, therefore 'passengers per movement' has been revised downwards by 1% although we still forecast an increase on 2025. This results in a proportionately smaller upwards revision in the 2026 passenger outlook to a total of 85.0m.

C. Charges structure

Consultation Proposals

1. Chapter 3 Noise Multiplier

In the consultation document, we proposed a significant increase in the noise charge differential for Chapter 3 aircraft, by raising the noise charge multiplier for Maximum aircraft from 10x to 50x compared to that applied to Base Chapter aircraft. This proposal aimed to strengthen the disincentive for the noisiest aircraft types, in line with Heathrow's Noise Action Plan 2024-2028 (NAP), action 1B[14] and the NAP goal to phase out Chapter 3 aircraft flying from Heathrow Airport. A small number of Chapter 3 aircraft continue to operate here, and as such, the current financial disincentive has not been effective in reducing these movements to zero, as is our stated target.

Feedback

There was strong opposition from the Airline Community regarding the scale of the proposed increase. While stakeholders broadly supported the principle of incentivising quieter fleets, several concerns were raised:

- The magnitude of the increase (from 10x to 50x) was viewed as too high.
- Some respondents argued that the proposal is not in line with ICAO's Balanced Approach.
- Concerns were raised that such an increase could discourage emergency landings by Chapter 3 aircraft.
- Concern was raised about the potential specific impact of the increase on cargo operators.
- Clearer alignment was required between the use of "Chapter 3" terminology and Heathrow's noise category "Maximum".
- Proposed alternative multipliers from airlines ranged from 10x to 30x.

Decision

We have decided to lower the Chapter 3 noise charge multiplier from the 50x proposed during consultation to 30x, recognising the strength of feedback received and that a multiplier of 30x was specifically suggested by some airlines. This revised multiplier still discourages Chapter 3 operations, while addressing stakeholder feedback regarding the size of the proposed increase. It is our intention that this increased multiplier will prove to be a suitable economic disincentive, reducing Chapter 3 movements and aiding our collective move towards zero Chapter 3 movements. We will continue to review data trends and assess whether there is a requirement to increase the multiplier or seek a ban on Chapter 3 operations at Heathrow Airport, in line with our stated position in the NAP.

We agree with the view that cost considerations must not interfere with safety decisions, such as where to make an emergency landing. Such emergency situations, particularly taking place in the peak night period would be a highly unusual circumstance, and we note that Heathrow has the ability to waive charges at the discretion of our Aviation Director, where warranted.

[14] Heathrow_NAP_2024-2028_Digital_Desktop.pdf

The noise multiplier applies to all aircraft classified under Heathrow's Maximum noise category, which corresponds to those with a cumulative EPNdB reduction of less than 10 from the ICAO Chapter 3 standard[15].

Historically, all Chapter 3 movements at LHR have fallen within the maximum category, which aligns with the chapter 3 noise characteristics. In the unlikely event that an aircraft certified as Chapter 3 falls into a different category than Maximum, it will be charged in line with that category's price.

2. SAF Incentive Revised Structure

Climate change is one of the most significant long-term challenges facing the aviation sector. While various solutions will aid in decarbonising flying, sustainable aviation fuel (SAF) is widely recognised as a key enabler of the transition to net zero. Heathrow 2.0 sets out our aim to achieve net zero by 2050 through innovation, collaboration, and investment in cleaner technologies such as SAF. We are committed to working with airlines and other key stakeholders to achieve this.

In 2022, Heathrow launched a multi-year SAF incentive programme. The initiative aims to lower the cost premium of SAF relative to traditional jet fuel, encourage investment in SAF production, and accelerate adoption by making SAF more commercially viable.

In April 2024, the UK Government confirmed that a national SAF mandate would come into effect from 1 January 2025, requiring a minimum 2% SAF blend for all departing flights.

In 2025, Heathrow adopted a 3% SAF blend for the SAF incentive scheme. This strategy supported airlines favouring a scheme that met the mandate and those wishing to surpass it.

For 2026, we proposed to retain the SAF incentive and maintain a 3% SAF mix, focused exclusively on voluntary purchases above the UK Mandate level. The SAF incentive contribution remaining at 50% of the overall price, a contribution value of £460 per tonne.

<u>Feedback</u>

Airline responses to the proposals were mixed. While there was broad support for incentivising voluntary SAF purchases above the mandate, several concerns were raised:

- Some responses raised 'in principle' concerns about the scheme's structure, questioning the environmental benefits and Heathrow's part in the wider effort to address global sustainability challenges.
- Most airlines supported the shift to concentrate solely on volumes exceeding the mandate.
- There was strong opposition to the current premium level. Many respondents argued that the incentive needed to be increased to reflect the loss of RTFO credits and rising market premiums, some airlines provided evidence to support market conditions, however most did not.
- Some airlines questioned the feasibility of the 3% voluntary target within the current market, stating it could result in lower participation as funds are diverted to cover the supplies mandated by the regulation.

---

[15] In Heathrow's Conditions of Use, this classification is defined in Schedule 5 – Noise Charges, which sets out the criteria for categorising aircraft based on their certified noise level.

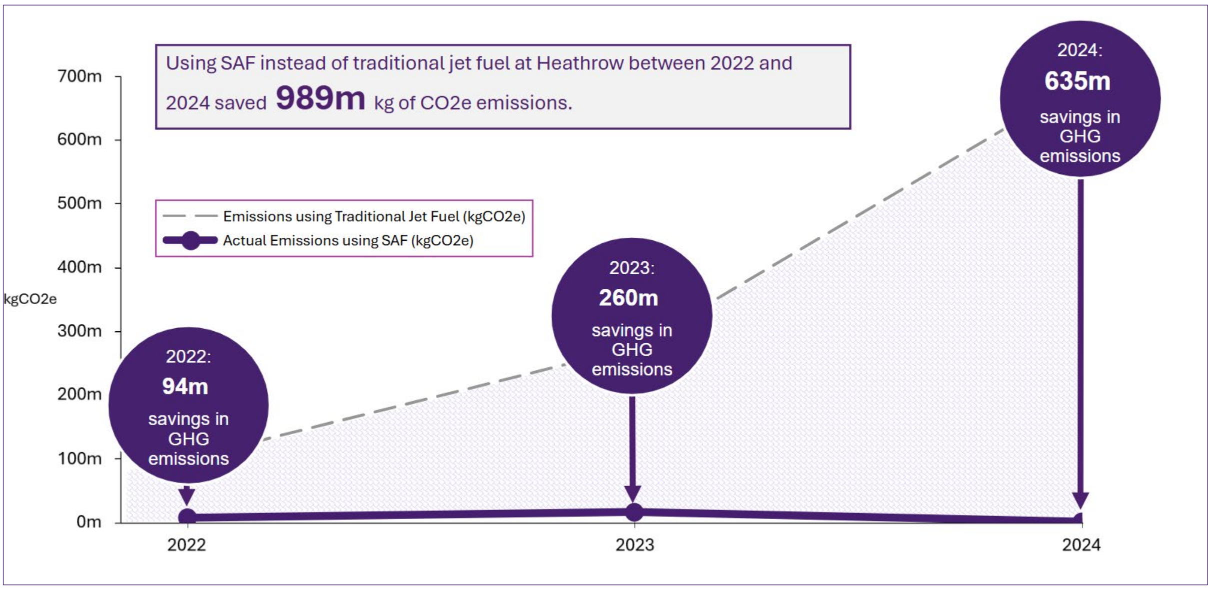
- Some airlines raised concerns about our proposal in future years to support more advanced generations of SAF and to include these into the incentive scheme from 2027 onwards.

Decision

In the face of the sustainability challenge facing aviation, Heathrow does not accept that local interventions will undermine the broader benefits and support for decarbonisation efforts.

Between 2022-2025, Heathrow's SAF Incentive Scheme has been fully subscribed, with positive feedback from airlines and wider industry. The scheme continues to demonstrate its effectiveness in encouraging airlines to adopt SAF. The graph below shows the emissions savings achieved through SAF use at Heathrow between 2022 and 2024 compared to conventional jet fuel.

Figure 2 – SAF usage carbon savings 2022 – 2024 [16]



In response to feedback received we have decided to:

- carry forward our proposal to amend the incentive structure to incentivise voluntary SAF purchases over and above the UK Mandate;
- reduce the voluntary SAF mix requirement from 3% to 2% above mandate levels; and
- increase the SAF premium contribution value from £460 to £650 per tonne.

This decision reflects a careful balance between stakeholder feedback, market conditions, and Heathrow's sustainability ambitions. This revised structure is designed to improve the scheme's viability and maintain high uptake. By adjusting both the SAF mix and the premium, we aim to preserve the incentive's integrity while maintaining momentum toward increased SAF use.

This approach acknowledges concerns about the higher cost of SAF in the UK as compared to elsewhere. It also reflects a cautious but proactive stance responding to airline feedback about risk of unused capacity. By aligning the scheme more closely with current market realities, we continue

[16] Heathrow Sustainability Report 2024

to support the scaling of SAF whilst also ensuring the incentive remains realistic, achievable, and impactful.

The incentive pot will also continue to be apportioned between passenger airlines using Revenue Passenger Kilometres (RPK) and cargo airlines using Freight Tonnes Kilometres (FTK), both using 12 months of operational data. These are universal measures which allow us to apportion the incentive pot fairly. It also benefits carriers with fuller aircraft, which is in line with Heathrow's sustainability and efficiency objectives.

For 2026, Cargo ATMs will continue to have a separate incentive pot for cargo operations. Recognising that there are no passengers on cargo ATMs, the cargo incentive pot will continue to be recovered via the cargo Minimum Departure Charge.

The updated Guidance Document for the 2026 SAF Incentive Scheme will be published on 31 October 2025. This document will present a clear mechanism for airlines to understand how their SAF usage will be evaluated under the scheme. It will also define the eligibility criteria for participation and set out the timeline for the 2026 process. We appreciate airlines welcoming changes to our SAF incentive administration documents and procedures.

Figure 3 – SAF incentive evolution

	2022	2023	2024	2025	2026
Incentive Applies Only to SAF Above UK Mandate				No	Yes
Heathrow SAF Mix	0.5%	1.5%	2.5%	3%	2%
UK SAF Mandate				2%	3.6%
Maximum mix potential	0.5%	1.5%	2.5%	3%	**5.6%**
Passenger Incentive Pot	£10m	£37m	£71m	£85.8m	£80.6m
Cargo Incentive Pot		£0.62m	£0.45m	£0.32m	£0.38m
SAF Premium	£920	£920	£920	£920	£1,300
Contribution	50%	50%	50%	50%	50%

In future years, as was proposed in feedback by several airlines, we intend to explore options to monitor SAF prices more closely, including the potential to index the SAF premium to an external, transparent price reference agency.

Tiered approach to pier served parking

Although not proposed for the 2026 charges, we sought feedback on a tiered approach to pier-served parking to improve operational performance and increase the airfield's throughput. The mechanism outlined assumed that the price would rise on pier-served stands in proportion to the time the stands were occupied, while the remote stand price would remain low.

Feedback

Airline Community feedback suggested that such a proposal could:

- encourage unnecessary towing, increasing congestion and safety risks;
- penalise home-based carriers regarding essential maintenance; and
- create unpredictable costs during ATC/weather disruptions.

It was also said that we should exclude Terminal 5 from future parking proposals due to self-managed operations. We value these responses and will ensure they inform future consideration of any updated parking charge proposal for future pricing periods.

Other items raised by the Airline Community within the consultation feedback

1. **Noise charges increase**

Heathrow's long-standing noise charging system includes incentives that reward the quietest aircraft with reduced movement charges and an increased charges for noisier aircraft. This has led to a notable shift towards quieter fleets operating at the airport. However, as more aircraft become eligible for these discounts, under our regulated pricing structure, total revenue requirements stay the same, resulting in an increase in individual unit charges overall – for the 2026 prices included in consultation this represented an average 7% increase across all movement charges.

Feedback

Most airlines expressed opposition to the proposed average 7% increase in noise charges. Key concerns included:

- the increase was seen as diluting the incentive for quieter aircraft;
- several respondents argued that the uniform increase failed to differentiate between quieter and noisier aircraft, undermining the environmental intent of the discount;
- a majority supported a reassessment of the increase, particularly considering a similar uplift already implemented in 2025.

Decision

We have, upon reviewing the latest available data and considering community feedback revised the forecasting methodology applicable to the proportion of flights within each noise category. This updated approach better reflects short-term trends in the noise mix, considers overarching noise trends whilst giving more focus to the noise profile we have seen year to date, rather than over a longer period. This update results in more movements forecasted in higher noise categories. This amendment means we expect to recover a higher proportion of revenue from higher paying charges causing the charge for individual chapters to decrease. As a result, the average increase in noise charges for 2026 will be reduced to 2%, down from the originally proposed 7%.

This decision directly responds to the predominant feedback from airlines. It aims to preserve the integrity of the incentive to operate quieter aircraft at Heathrow Airport, while still ensuring the airport can recover necessary revenues. By updating the methodology, we are taking a more dynamic and responsive approach to tariff setting and reducing the potential risk of Heathrow recovering more revenue than required in 2026.

2. **Remote Stand Rebate**

In our consultation document, we proposed to keep the Remote Stand Rebate (RSR) at £5.40 per passenger but asked the Airline Community to provide any specific feedback on this topic. The RSR is intended to support the additional operational costs that airlines face when using remote stands, as well as to encourage efficient stand allocation across the airport by encouraging airlines to use remote stands, freeing up congested pier-linked stand infrastructure and increasing overall airport efficiency as a result.

Since 2023, the RSR has increased annually from £4.00 in 2023, to £4.90 in 2024, and to £5.40 in 2025, demonstrating Heathrow's ongoing recognition of the cost impact associated with remote stand usage and need to retain the operational efficiency incentive.

Feedback

There was unanimous support from the Airline Community for increasing the RSR. Airlines highlighted that increasing costs of operations at the remote stands, including:

- longer crew travel times;
- fuel and labour;
- cost of assets (mainly buses); and
- increased baggage handling, catering, and ramp staff engagement.

Respondents emphasised that they view the RSR as functioning as a cost offset, not a subsidy, and it should therefore reflect the real cost differential of operating from remote stands. Whilst there was alignment on the need for an increase, views varied on the basis for and scope of the requested uplift. Some indicated the RSR should cover more direct costs, while others said we should extend the basis to include inefficiency costs associated with off-pier operations.

Decision

In response to consultation feedback, we have decided to increase the RSR to £6.15 per passenger as proposed by several airlines. This adjustment reflects the Airline Community's feedback on the size of increases in bussing costs associated with remote stand operations. Our view is that the RSR should contribute towards offsetting direct costs, and as such we do not think it is appropriate at this time to increase to the level proposed by some of airlines in relation to considerations of other potential inefficiency costs of using remote stands.

The revised rebate supports the continued efficient use of airport infrastructure and promotes overall efficiency in stand allocation. It also demonstrates Heathrow's commitment to responding to airline feedback and ensuring that the rebate remains fit for purpose in a changing operational environment.

3. MVT to PSC shift, including the business rates

We proposed to maintain the current recovery structure of the Maximum Allowable Yield (MAY) across the three charge components: 58% Passenger Service Charge (PSC), 37% Movement Charge (MVT), and 5% Parking Charge.

Feedback

Some respondents supported amending the recovery proportions of our charges, particularly proposing a 5% shift from MVT to PSC. Part of their justification was to show the business rates cost within PSC as a transparent way of demonstrating the impact of taxation on the ticket price. There was no unanimous support for this change.

Supporters of the shift argued that it would:

- restore the pre-COVID approach to the charging structure;

- enable greater transparency for consumers, policymakers, and stakeholders to show Business Rates within the PSC (as this was seen as the only way to ensure they are itemised on passenger tickets). PSC is the only aeronautical charge consistently disclosed to passengers visible at the point of purchase, shown on ticket receipts, and routinely referenced in fare breakdowns;
- support sustainable hub growth by aligning charges with the nature of airline operations;
- be revenue-neutral for Heathrow, while offering greater commercial flexibility for airlines, making it easier for airlines to introduce new routes and to retain marginal routes.

Other respondents raised concerns, noting that:

- any change to the PSC/MVT balance should be subject to full consultation before implementation;
- regarding business rates and any associated increase in the PSC there is no agreement on whether the increase be allocated within the PSC as a flat rate or adjusted according to the current PSC structure, with a range of divergent views on this matter. Several responses suggested any reallocation of Business Rates should undergo full consultation and given the potential quantum, it is too early to implement such a change;
- some airlines raised concerns that our current differentiated passenger charge structure places more cost on long haul passengers, while other airlines stressed the importance of the current structure and the role this structure plays in supporting the hub operation, and that any change would unfairly impact short haul passengers;
- several respondents disagreed with our H8 Business Plan proposal to move Business Rates to Other Regulated Charges (ORC's) for the next regulatory period.

Decision

We have decided to maintain the current MAY recovery structure of 58% PSC, 37% MVT, and 5% Parking for 2026. We did not propose a change in this area, and it was clear from consultation responses that there was no uniform agreement from the community on amending the current structure, or how such a change could be implemented. It is our view that the reasons for implementing the associated structure in previous pricing years remain in place and are delivering appropriately in line with our strategic objectives of growth, sustainability and efficient use of the airport In 2025, we have continued to see growth in seats per movement, a move to the operation of quieter aircraft and new airlines and routes added to the Heathrow network. We note the community's feedback regarding Business Rates for H8 and note that proposal is not subject to this consultation for 2026 charges, however we record this feedback from the community.

Appendix 2: Consultation Process Summary

As in recent years, Heathrow again invited interested parties to participate in bilateral discussions prior to the publication of the 2026 consultation proposals. The objective of this early engagement was to obtain initial feedback from airlines on key principles in advance of consultation publication. This approach received overwhelming support and was repeated during the 2026 airport charges process.

Twenty bilateral sessions took place in May and June 2025 and this early engagement allowed Heathrow to articulate the high-level strategic objectives that guided the early development of the 2026 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 2026 airport charges tariff by publishing the consultation documents on 22 August 2025. Alongside this, we issued our consultation draft of the 2026 Conditions of Use, for Airline Community feedback.

An initial consultation meeting was held on 2 September 2025 and Airline Community feedback in response to the consultation proposal was requested in writing by 26 September 2025. We received written responses from 18 parties.

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

- reducing the proposed Chapter 3 noise multiplier from 50x to 30x;
- increasing the SAF premium amount and reducing the mix target from 3% to 2% above the UK government mandate;
- increasing the Remote Stand Rebate;
- amending our noise forecasting methodology to reduce the percentage increase to the movement charges.

We have carefully reviewed all airline community feedback on our proposed amendments to the 2026 Conditions of Use. The summary of this, and detailed responses to feedback, is set out in Appendix 4.

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 sustainable passenger growth, sustainability and ensuring efficient use of the airport.

Appendix 3: Final Airport Charges – 2026

	2026 £ GBP
Charges on Movement	**2026**
Fixed wing aircraft exceeding 16 metric tonnes – outside Night Quota Period (Departures & Landing)	
Maximum	£43,336.50
Ultra high	£7,222.76
Super High	£3,611.38
High	£2,166.83
Base	£1,444.55
Low	£1,011.19
Super Low	£794.50
Ultra Low	£722.28
Fixed wing aircraft exceeding 16 metric tonnes – Night Quota Period (Departures & Landing)	
Maximum	£216,682.50
Ultra high	£36,113.80
Super High	£18,056.90
High	£10,834.15
Base	£7,222.75
Low	£5,055.95
Super Low	£3,972.50
Ultra Low	£3,611.40
Fixed wing aircraft exceeding 16 metric tonnes – Peak Night Quota Period (Departures &	
Maximum	£346,692.00
Ultra high	£57,782.08
Super High	£28,891.04
High	£17,334.64
Base	£11,556.40
Low	£8,089.52
Super Low	£6,356.00
Ultra Low	£5,778.24
Helicopters (Departures & Landing)	£985.92
Fixed wing aircraft not exceeding 16 metric tonnes (Departures & Landing)	£1,950.77
Emissions charge (Landing)	£20.09
Carbon charge (Landing)	£0.04
Charges on Departing Passengers	**2026**
Origin and Destination	
Domestic	£13.86
Common Travel Area	£14.11
European	£21.36
Rest of World	£49.10
Transfer and Transit	
Domestic	£6.93
Common Travel Area	£8.47
European	£12.82
Rest of World	£29.46
Remote Stand Rebate	-£6.15
Minimum charge - Domestic	N/A
Minimum charge - Common Travel Area	£846.60
Minimum charge - European	£1,644.72
Minimum charge - Rest of World	£3,928.00
Charges on aircraft parking	**2026**
Narrow bodied	£49.16
Wide bodied	£103.24

	Traffic Volume Units	Traffic Volume	2026 Tariff	Forecast Revenue
Movement Charge				
Noise Charge				
Fixed wing aircraft exceeding 16 metric tonnes – outside Night Quota Period				
Maximum	[Landings]	0	£43,336.50	£0
Ultra high	[Landings]	1,513	£7,222.76	£10,929,172
Super High	[Landings]	25,533	£3,611.38	£92,208,127
High	[Landings]	12,195	£2,166.83	£26,424,271
Base	[Landings]	66,796	£1,444.55	£96,490,586
Low	[Landings]	11,124	£1,011.19	£11,248,830
Super Low	[Landings]	52,385	£794.50	£41,619,535
Ultra Low	[Landings]	68,277	£722.28	£49,314,810
Total	[Landings]	237,823		£328,235,331
Fixed wing aircraft exceeding 16 metric tonnes – outside Night Quota Period				
Maximum	[Departures]	0	£43,336.50	£0
Ultra high	[Departures]	1,513	£7,222.76	£10,929,172
Super High	[Departures]	25,533	£3,611.38	£92,208,127
High	[Departures]	12,195	£2,166.83	£26,424,271
Base	[Departures]	66,796	£1,444.55	£96,490,586
Low	[Departures]	11,124	£1,011.19	£11,248,830
Super Low	[Departures]	52,385	£794.50	£41,619,535
Ultra Low	[Departures]	68,277	£722.28	£49,314,810
Total	[Departures]	237,823		£328,235,331
Fixed wing aircraft exceeding 16 metric tonnes – Night Quota Period				
Maximum	[Landings]	0	£216,682.50	£0
Ultra high	[Landings]	0	£36,113.80	£0
Super High	[Landings]	17	£18,056.90	£303,286
High	[Landings]	16	£10,834.15	£175,574
Base	[Landings]	0	£7,222.75	£0
Low	[Landings]	31	£5,055.95	£158,234
Super Low	[Landings]	96	£3,972.50	£379,565
Ultra Low	[Landings]	40	£3,611.40	£145,010
Total	[Landings]	200		£1,161,670
Fixed wing aircraft exceeding 16 metric tonnes – Night Quota Period				
Maximum	[Departures]	0	£216,682.50	£0
Ultra high	[Departures]	0	£36,113.80	£0
Super High	[Departures]	17	£18,056.90	£303,286
High	[Departures]	16	£10,834.15	£175,574
Base	[Departures]	0	£7,222.75	£0
Low	[Departures]	31	£5,055.95	£158,234
Super Low	[Departures]	96	£3,972.50	£379,565
Ultra Low	[Departures]	40	£3,611.40	£145,010
Total	[Departures]	200		£1,161,670
Emissions Charge on landing				
Total kg Nox rating	[kg]	6,073,785	£20.09	£122,022,345
Average kg Nox per landing	[kg]	25.4		£122,022,345
Carbon Charge on landing				
Total Carbon kg	[kg]	1,052,747,032	£0.04	£42,698,025
Average Carbon kg per Landing and Take-off Cycle	[kg]	4,423		£42,698,025
Total Movement Revenue	**(a)**			**£823,514,372**

	Traffic Volume Units	Traffic Volume	2026 Tariff	Forecast Revenue
Departing Passenger Charge				
Departing OD Passenger Charge				
Domestic	[Dep Pax]	1,224,096	£13.86	£16,965,971
Common Travel Area	[Dep Pax]	1,182,018	£14.11	£16,678,275
European	[Dep Pax]	12,056,755	£21.36	£257,532,290
Rest of World	[Dep Pax]	19,260,768	£49.10	£945,703,726
Total	[Dep Pax]	33,723,638		£1,236,880,262
Departing Transfer Passenger Charge				
Domestic	[Dep Pax]	1,002,578	£6.93	£6,947,864
Common Travel Area	[Dep Pax]	294,325	£8.47	£2,492,937
European	[Dep Pax]	2,238,969	£12.82	£28,703,580
Rest of World	[Dep Pax]	4,694,131	£29.46	£138,289,094
		8,230,003		£176,433,474
Remote Stand Rebate				
Remote Stand Rebate	[Dep Pax + Arr Pax]	6,802,448	-£6.15	-£41,835,053
SAF Incentive				-£80,644,411
Total Departing Passenger Charge Revenue	**(b)**			**£1,290,834,272**

Parking Charge				
Narrow bodied				
Chargeable Period	[Units of 15 minutes]	508,196	£49.16	£24,982,905
Wide bodied				
Chargeable Period	[Units of 15 minutes]	835,841	£103.24	£86,292,209
Total Parking Charge	**(c)**	**1,344,037**		**£111,275,113**

Terminal Pax Flights: Total Revenue	**£2,225,623,757**

Non-Terminal Pax Flights (GA, Troops etc)		
Non-Terminal Pax Flights		
Movement Revenue	(e)	£956,025
Departing Passenger Revenue	(f)	£1,498,541
Parking Revenue	(g)	£129,180
Total Non-Terminal Pax Flights Revenue		**£2,583,747**

Total Regulated Revenue		
Total Regulated Revenue		
Movement Revenue	(a) + (e)	£824,470,397
Departing Passenger Revenue	(b) + (f)	£1,292,332,814
Parking Revenue	(c) + (g)	£111,404,294
Total Regulated Revenue		**£2,228,207,504**
Total Passengers		**84,979,062**
Total Regulated Yield		**£26.22**

Appendix 4

Heathrow Conditions of Use 2026 – Summary of Proposals, Feedback, Response and Decision

In this appendix we summarise the feedback received on our proposals to amend the Heathrow Airport Conditions of Use (COU) for 2026. The Conditions of Use is the contract between Airlines and Heathrow for the use of the airport facilities and services at London Heathrow Airport. Amongst other matters, they set out a range of conditions governing use of the airport facilities and services, what information must be provided, what our charges are and how they must be paid.

In relation to each provision, we have set out a summary of our proposal (if there has been one), 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			
General updates to dates, formatting, numbering, grammar, readability or to correct minor errors.	N/A	N/A	Proposed change to be made.
Condition 1.3 Addition of additional wording regarding applicability of COU.	One respondent said the inclusion of the "*as amended*" wording resulted in lack of certainty of consultation and that the "*from first use*" wording made the COU apply retrospectively.	Condition 1.5 directly addresses a consultation prior to changing COU conditions, so this feedback is already addressed within the pre-existing terms of the COU. The COU apply to all airlines equally from their first use of the airport and continue to apply to each subsequent use. We are of the view this wording is appropriate to continue to make the scope of applicability clear.	Proposed change to be made.
Condition 2 Minor amendment to definition of DvC and HADACAB, in particular, to recognise that they were imminently due to be voted on for replacement by airline community.	One respondent said that the *"as amended"* wording in respect of both DvC and HADACAB does not allow for consultation of airlines on changes to the capacity constraints policy.	As airlines will be aware, the consultation and engagement with airlines, ACL and other relevant parties on amending DvC and HADACAB and including in the updated Local Rule 4 has recently concluded, with the new procedures being voted in by the community. This amendment allows for that new procedure to be brought into the COU terms, and as such remains appropriate. In addition, Local Rule 4 and its procedures are governed by the requirements of the UK Slot Allocation Regulation (EEC 95/95), as well as the governance and consultation procedures of the	Proposed change to be made.

Proposal	Feedback	Response	Decision
		Heathrow Coordination Committee, of which a number of airlines and the AOC are participating members.	
Condition 7.1 Minor amendment to indicate where "Interest" is defined.	N/A	N/A	Proposed change to be made.
Condition 11 Update to refer to Republic of Ireland in Border Security condition.	N/A	N/A	Proposed change to be made.
Condition 22.1 Update to condition regarding airlines stating intention not to follow COU.	AOC members said they disagreed with this provision for the same reasons given in respect of Condition 1.3. AOC members stated that they intend to operate at Heathrow as of 1 January 2026 without this being taken as their acceptance of the COU. One respondent said this change was unnecessary and another said it was too broad. IATA members disagreed with inclusion of this wording. One respondent suggested alternative wording.	Heathrow only offers the use of its Facilities and Services at Heathrow Airport to all airlines equally, on the same terms and 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. We disagree with the assertions made by respondents regarding the status of the COU. 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 or otherwise, and it is our view that the condition is required. The change proposed for 2026 adds additional clarity on the scope of application of the COU. If an airline indicates it does not intend to comply with the COU (and therefore is saying it intends to breach the contractual terms applicable to all usage of Heathrow Airport) it is appropriate that our consent may be withdrawn for use of our facilities and services. We disagree with assertions made by IATA regarding risk of abuse of dominance - such practice is in line with standard commercial contracting where threatened or actual contract breaches generally give rise to termination rights.	Proposed change to be made.
Condition 27	One respondent said that Heathrow was not entitled to	As set out above, Heathrow only offers the use of its Facilities and Services at Heathrow Airport to all airlines equally, on the same	Proposed change to be made.

Proposal	Feedback	Response	Decision
Minor amendment to entire agreement wording to further clarify applicability of COU.	impose the COU on airlines and therefore disagreed with the amendment.	terms and conditions. An airline communicates unconditional acceptance of those terms and conditions by choosing to use the Airport. We disagree with the assertions made by respondents regarding the status of the COU. 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 or otherwise.	
Schedule 1 Update to information requirements regarding A320 deflectors.	N/A	N/A	Changes made as necessary to implement proposals.
Schedule 5 Updates to charges tariff; consequential amendments to Schedule 5 as set out earlier in this decision document.	Feedback set out in decision document above.	General wording changes will be retained. Where necessary, Schedule 5 has been amended to take account of airline feedback, the decision set out above and the final tariff.	Changes made as necessary to implement proposals, as amended following feedback.
Schedule 6 Updates to SAF Incentive terms to address the matters covered earlier in this decision document and airline feedback around the scheme mechanics and our experience of running the scheme to date.	Feedback set out in decision document above.	General wording changes will be retained. Where necessary, Schedule 6 has been amended to take account of airline feedback and the decision set out above.	Changes made as necessary to implement proposals, as amended following feedback.
OTHER ISSUES RAISED IN CONSULTATION			
Condition 1 Applicability and nature of COU.	AOC members, IATA members and various respondents made comments regarding this	As set out above, Heathrow only offers the use of its Facilities and Services at Heathrow Airport to all airlines equally, on the same terms and conditions. An airline communicates unconditional	No change.

Proposal	Feedback	Response	Decision
	provision and the nature of the COU. AOC members stated that they intend to operate at Heathrow as of 1 January 2026 without this being taken as their acceptance of the COU. One respondent said the wording in condition 1.5 should be amended.	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. We disagree with the assertions made by respondents regarding the status of the COU. 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. No changes were proposed to condition 1.5 for 2026 and we do not agree that such amendments are required at this time as the condition functions appropriately as is.	
Condition 2 Definitions	One respondent proposed a change to the definition of Facilities and Services.	No changes were proposed to this definition for 2026, and we do not agree that such amendments are required at this time as they appear unnecessary and do not add further clarity, and the definition functions appropriately as is.	No change required.
Conditions 3 and 8 Information Heathrow requires before the Airport User may use Heathrow's Facilities and Services and Provision of Information in relation to Charges	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.	We have previously responded to this feedback (on a number of occasions) 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 UK GDPR would prevent the provision of names, office addresses and contact details of relevant Airline colleagues, and in any event, there is a general provision regarding Data Protection Legislation set out at Condition 20. We expect these to continue to be provided and updated as necessary. We have previously invited any airline or airline representative who had any concerns over this to contact us directly to discuss and this offer remains open.	No change required.
Condition 5 Deposits, UK Bank Guarantees and Advance Payment	AOC members and one respondent said an objective test should be added for assessment of financial standing, and that up to 3 months of charges is too	We have seen numerous payment issues in recent years, and it is in the interest of both Heathrow and the wider airport community that charges incurred are paid in full and on time. We do not agree that 3 months of charges is too high. The provisions allow for deposit requests *"up to"* a reasonable estimate of 3 months' worth of	No changes required.

Proposal	Feedback	Response	Decision
	high. One respondent said that the wording should be amended in 5.1.1 to add reference to reasonableness and clear justification being required.	charges. For some carriers, for example (although not limited to) new carriers where financial standing cannot be assured, or for carriers who experience material cash flow issues, 3 months' worth of charges can be an appropriate amount. We have again carefully considered all feedback submitted on this provision and remain of the view that the provision as drafted provides an adequate balance of protection to Heathrow from the impacts of non-payment of charges.	
Condition 6 Varying charges	One respondent suggested amendments to refer to acting reasonably.	No changes were proposed to this condition for 2026, and we do not agree that such amendments are required at this time. We consult on our airport charges in full compliance with the requirements of the Airport Charges Regulations 2011, which already addresses consultation procedures.	No change required.
Condition 8.3 Data errors	One respondent said that the wording should be amended to remove reference to Heathrow's discretion in situations where incorrect data has been provided to Heathrow.	No changes were proposed to this condition for 2026, and we do not agree that such amendments are required at this time. We are of the view the condition is required to ensure we can obtain sufficient justifications where erroneous data has been provided in relation to charges.	No change required.
Condition 9 Using Heathrow's Facilities and Services	One respondent suggested a number of changes to refer to reasonableness, proposing amendments to condition 9.9.1 and a new term about provision of the airport facilities and services and compliance with the Licence.	No changes were proposed to these areas of this condition for 2026, and we do not agree that such amendments are required at this time. Heathrow is already required to comply with its Licence, so it is not required to separately refer to this in the COU. In any event, the Licence is already referred to in the introductory paragraphs to the COU.	No change required.
Condition 9.2.8 ORC Protocol	AOC members and two respondents said they did not agree to the inclusion of the reference to ORC protocol as it was not agreed by airlines.	The CAA has required Heathrow to make the ORC Protocol and dispute resolution procedure binding on airlines, as set out in CAP 2591 at paragraph 39. The CAA specifically noted herein that the COU may be the appropriate route for this purpose.	No changes required.

Proposal	Feedback	Response	Decision
Condition 9.8 Operational requirements regarding slots, capacity, NOTAMs and capacity reductions.	AOC members and two respondents said they did not agree with the wording in this condition in particular because ACL have not provided a firm commitment to provide alleviation on 80/20 where a capacity reduction NOTAM has been issued.	No substantive change has been proposed to this condition for 2026, and it has previously been consulted on. As is understood by the community, Heathrow cannot guarantee slot alleviation as this is for ACL to determine. It is not within Heathrow's control to require ACL to establish a firm commitment to alleviate, as one respondent requested. ACL have previously said that alleviation is an 'after the event' remedy and that it will not guarantee alleviation in advance. Whilst we acknowledge the current discussion with regards to alleviation and application of the 80/20 rule, it remains our view that the condition continues to function appropriately. We note that there has been substantial work carried out this year on this topic and a new Local Rule 4 procedure voted in via the Heathrow Coordination Committee which may assist with certainty and compliance in future. We will continue to work with airlines and ACL to try and ensure that alleviation is granted where appropriate and invite airlines and their representatives to contact us should they wish to discuss this matter in further detail.	No change required.
Condition 11 Border Security	AOC members said they did not understand the 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 material change has been proposed to the fundamentals of this condition for 2026, 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. In respect of training and audit rights, these requirements have been in the COU for a number of years, and we continue to expect all airlines to comply where required.	No further change to this condition.
Condition 12	AOC members said that their members would continue to	We continue to welcome all efforts by airlines to work with Heathrow to improve community performance on ground-based	No change to this condition.

Proposal	Feedback	Response	Decision
Provision regarding single engine taxiing	factor this into their daily operational requirements.	emissions and fuel burn. In respect of the use of FEGP and PCA we would repeat our responses from the 2019/20, 2020/21, 2021/22, 2022/23 and 2023/24 consultations, that the use of both FEGP and PCA are not subject to the "*all reasonable endeavours*" wording, this applies to "*reduce 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 14 Moving aircraft	One respondent suggested a number of changes to refer to reasonableness and deleting reference to a reasonable period to move aircraft.	No changes were proposed to this condition for 2026, and we do not agree that such amendments are required at this time. It is necessary for airlines to comply with requests to move aircraft, within such reasonable period as is specified.	No change required.
Condition 16 Passengers Requiring Support	One respondent suggested amendments to the wording regarding how Heathrow should provide the PRM service and related terms.	No changes were proposed to this condition for 2026, and we do not agree that such amendments are required at this time. The PRM service is governed by separate legislation which makes this addition unnecessary and we note that such legislation also already deals with claims and liability issues.	No change required.
Condition 17.1.14 Time Sensitive Passengers	AOC members said that they felt that this term was too broad as it did not contain specifics required for airlines to understand the scope of what is intended and that some airlines do not have systems in place to do this or of knowing which passengers might be time-sensitive in advance of their departure from the origin airport.	As said in our responses to the 2019/20, 2020/21, 2021/22 and 2022/23, 2023/2024 and 2024/25 consultations, we have not proposed any substantive changes to this provision and 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.	No change required.
Condition 20 Information Generally and Data Protection	One respondent said condition 20.6 should be amended to refer to Heathrow.	The COU govern airline use of Heathrow airport and as such the current phrasing is accurate and no change is required to amend as proposed.	No change required.

Proposal	Feedback	Response	Decision
Condition 21 Liability and insurance	AOC members, IATA members and a number of respondents commented on this provision and said they would like to see changes applied. They specifically mentioned issues in relation to baggage service failures.	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 continues to function appropriately. We strongly refute the assertions made by AOC members and some airlines about monopoly power/dominance. Service incidents are addressed through the MTI regime in the Licence. Where matters are within Heathrow's control, and fall below a specified target, rebates are paid to airlines. Further information on the MTI scheme is set out in the introductory section to the COU, in our Licence and on our website. In respect of baggage incidents, as airlines are aware this is an Other Regulated Charge, where airlines are significantly involved in the governance around investment in the service. Airlines have previously been unsupportive of commercial pricing for baggage (as compared to cost recovery) which would include a risk premium, and as such, a compensation mechanism would be inappropriate and unjustified.	No change required.
Condition 23.1 Invoice disputes	AOC members and one respondent said that they did not agree with the timeframe for registering a dispute being within 10 days of invoice due date, and it should be changed to 30 days.	We have not proposed any substantive change to this provision for 2026, and the condition has previously been consulted on. We responded to this feedback in our 2020/21 consultation response as well as in 2023/24 and 2024/25. The previous term gave 30 days from the *"matter arising"* 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 and does not require further amendment.	No change required.
Condition 23 Dispute	One respondent suggested deletion of the non-invoice disputes provision and other amendments.	It is not clear why this was suggested. We have not proposed any substantive change to this provision for 2026, and the condition has previously been consulted on, as such, we do not believe this change is required.	No change required.

Proposal	Feedback	Response	Decision
Condition 27.4 Waiver	One respondent suggested changes were needed to refer to Airport Users.	This condition is addressing Heathrow's enforcement of the COU and as such this change is not required.	No change required.
Schedule 5 Parking charges and towing	A number of respondents said that the free parking period should apply twice for aircraft which are towed for maintenance and that this requires a clearer definition of chocks on and chocks off in paragraph 6.5 of Schedule 5.	The free parking period applies once per landing/turnaround. We have not proposed a change to this provision for 2026 and it has previously been consulted on, and we do not agree that it requires such amendment.	No change required.
Schedule 5 Positioning flight charge waivers	One respondent queried a historical removal of wording regarding empty positioning flights.	We responded to this feedback in our 2024 Consultation Decision in the following terms: *"We have removed the specific reference to* [positioning] *RPT flights to simplify the provision, there is already a catch all for waiving of charges at the discretion of the Aviation Director."*	No change required.
Schedule 7 Airline Welfare Protocol	AOC members queried why the airline welfare protocol is referred to as a "Rule of Conduct".	Heathrow responded to this query during the 2019/20, 2020/21, 2021/22, 2022/23, 2023/24 and 2024/25 consultations in the following terms, which continue to be accurate: 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 *"develop rules of conduct for airlines…to follow particularly during disruption… The rules of conduct shall be set out in the… Conditions of Use".* This wording has been included in the H7 Licence set by the CAA, in Conditions D2.13 and D2.14.	No change required.

END