



Civil Aviation Act 2012

2012 CHAPTER 19

PART 1

AIRPORTS

CHAPTER 1

REGULATION OF OPERATORS OF DOMINANT AIRPORTS

Licence conditions

18 Licence conditions

- (1) A licence may include—
- (a) such conditions as the CAA considers necessary or expedient having regard to the risk that the holder of the licence may engage in conduct that amounts to an abuse of substantial market power in a market for airport operation services (or for services that include airport operation services), and
 - (b) such other conditions as the CAA considers necessary or expedient having regard to the CAA's duties under section 1.
- (2) For the purposes of this section conduct may, in particular, amount to an abuse of substantial market power if it is conduct described in section 18(2)(a) to (d) of the Competition Act 1998.

19 Price control conditions

- (1) For the purposes of this Part a licence condition is a price control condition to the extent that it regulates prices by—
- (a) providing that the amount, or the maximum amount, that may be charged is an amount specified in, or determined in accordance with, the condition, or

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- (b) requiring the amount, or maximum amount, that may be charged to be approved by the CAA.
- (2) A licence must include such price control conditions as the CAA considers necessary or expedient having regard to the risk referred to in section 18(1)(a).
- (3) The duty in subsection (2) has effect subject to—
 - (a) the provision in this Chapter about the conditions that may be included in the licence,
 - (b) the provision in this Chapter about granting licences, and
 - (c) the provision in this Chapter and in the licence about modifying licence conditions.
- (4) Subsection (5) applies where the CAA considers that the holder (“H”) of a licence for an airport area engaged in conduct amounting to an abuse of substantial market power by directly or indirectly imposing unfairly high charges in respect of activities carried on in the airport area during—
 - (a) a period during which H was treated as having a licence in respect of the area by virtue of section 4;
 - (b) a period during which H would have been so treated but for the suspension of a market power determination or operator determination under Schedule 1.
- (5) The licence may include such price control conditions as the CAA considers appropriate for the purpose of depriving the holder of the licence of an amount not exceeding the amount which the CAA considers was earned from the abuse during that period.
- (6) A price control condition may make provision—
 - (a) by reference to the amount charged for particular goods or services;
 - (b) by reference to the overall amount charged for a range of goods or services.
- (7) A licence that includes a price control condition must include conditions specifying a period or periods for which the price control condition has effect.

20 Conditions relating to CAA charges

- (1) A licence may include conditions requiring the payment to the CAA of charges determined under a scheme or regulations made under section 11 of the Civil Aviation Act 1982 in respect of the carrying out of the CAA’s functions under this Chapter.
- (2) Such conditions may require the payment of charges on the grant of the licence or while it continues in force (or both).
- (3) The inclusion of such conditions does not prevent the CAA recovering charges mentioned in subsection (1) as a debt due to it.

21 Content and effect of licence conditions

- (1) Licence conditions may, in particular, include—
 - (a) provision for a condition to have effect or to cease to have effect at times or in circumstances specified in, or determined in accordance with, a condition,

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- (b) provision requiring the holder of the licence to enter into a contract or other arrangement for a purpose specified in a condition and on terms specified in, or determined in accordance with, a condition,
 - (c) provision requiring the holder of the licence to comply with requirements imposed (by directions or otherwise) by a specified person,
 - (d) provision requiring the holder of the licence to do or not to do things specified, or of a description specified, in the licence unless a specified person consents to its not doing or doing those things,
 - (e) provision requiring the holder of the licence to refer a matter to a specified person for approval or determination, and
 - (f) provision relating to activities carried on outside the airport area for which the licence is granted.
- (2) In subsection (1) the references to a specified person are to—
- (a) a person specified, or of a description specified, in a condition for the purpose concerned, and
 - (b) a person nominated for the purpose concerned by a person within paragraph (a).
- (3) A licence condition may include provision for its modification only if it specifies or describes—
- (a) the circumstances in which it may be modified,
 - (b) the types of modification that may be made, and
 - (c) the period or periods in which it may be modified.
- (4) If a licence condition includes such provision, it may be modified in accordance with that provision or in accordance with the provision made by this Chapter about modifying licence conditions.
- (5) Where a licence condition is subject to an exception (however expressed) relating to, or operating by reference to, financial arrangements entered into by the holder of the licence, or a person connected to the holder of the licence, before section 3 came into force, the licence may not—
- (a) provide for the exception to cease to have effect at times or in circumstances specified in, or determined in accordance with, a licence condition, or
 - (b) provide for the CAA to determine which financial arrangements benefit from the exception.
- (6) A licence condition does not have effect at a time when—
- (a) the holder of the licence is not the operator of any part of the airport area for which the licence is granted, or
 - (b) that airport area is not a dominant area located at a dominant airport (or part of such an area) and does not include all or part of such an area,
- and provision included in a licence under subsection (1)(a) has effect subject to this subsection.