

<b>PROPOSAL TITLE:</b>	<b>London Gateway Airport</b>	<b>Short Term</b>	<input type="checkbox"/>
<b>SUBMITTED BY:</b>	<b>International Aviation Advisory Group (IAAG)</b>	<b>Medium/Long Term</b>	<input checked="" type="checkbox"/>

PROPOSAL

A package of short, medium and long term measures, commencing with the introduction of mixed mode for resilience at Heathrow, construction of a second runway at Gatwick, and construction of a 3-runway 24-hour hub airport with a capacity of 100mppa, on the western end of the Hoo Peninsula in Kent.

The construction of the airport would be entirely privately funded (by overseas investors).

While the scheme foresees the closure of Heathrow once the London Gateway Airport opens, it does not propose to be the UK’s only hub, citing examples of cities internationally that are served by more than one hub.

Various surface transport upgrades would be required, funded by government and delivering wider benefits.

Supporting infrastructure to be constructed includes airport service complexes, at which various services and cargo terminals would be located away from the main airport.

Woodlands and leisure facilities would be developed around the airport to house displaced wildlife and to deliver benefits to the local community.



INITIAL ASSESSMENT COMMENT

A complex proposal for an alternative Hoo Peninsula airport location to other submissions, which are generally located at the eastern end of the Peninsula. Scheme viability depends on substantial investment in surface transport extensions and upgrades.

In the absence of detailed information to support assessment against the Commission’s criteria, there is little to set this scheme apart from other Hoo Peninsula schemes further to the east on the Isle of Grain. The proposed location may require a greater number of houses to be demolished and have a greater noise impact, but may also benefit from slightly reduced journey times to major population centres.

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## OVERVIEW

<b>Proposal</b>	Proposal for a new 3-runway, 24/7 hub on the Hoo Peninsula near Cliffe and a second runway at Gatwick; and for the replacement of Heathrow with an eco-city.		
<b>Approach</b>	Privately financed, potentially with a golden share held by the government, development of a 3-runway, 24 hour airport with a capacity of up to 100mppa.	<b>Stated Capital Cost</b>	£50 bn
<b>Potential Benefits</b>	<ul style="list-style-type: none"> <li>▪ Larger, more efficient configuration than Heathrow offers potential for a more resilient operation than Heathrow, able to operate over 24 hours.</li> <li>▪ Increased economic activity due to unconstrained capacity of new hub airport, allowing for increased international and domestic connectivity.</li> <li>▪ User benefits from more direct flights, increased frequencies, increased choice of airlines and more competition.</li> <li>▪ Airline benefits from opportunities to pursue profitable traffic, reduced direct operating costs due to airport design and significantly improved resilience.</li> <li>▪ Could increase competition in the London system.</li> <li>▪ Promotes regeneration in North Kent, Thames Gateway and east of England.</li> <li>▪ Away from current significant centres of population, not creating a significant nuisance, whilst limiting further impact on those affected by Heathrow.</li> </ul>	<b>Additional Capacity (mppa)</b>	50
		<b>Additional Capacity (ATM)</b>	300,000
<b>Key Issues &amp; Risks</b>			
<b>Strategic Fit</b>	<ul style="list-style-type: none"> <li>▪ The proposal provides airport capacity at Gatwick and the new London Gateway Airport. The new airport is stated to provide c 100 mppa capacity, providing an increase on current Heathrow operations. Gatwick, with a 2<sup>nd</sup> runway, provides an increased capacity up to 40 mppa depending upon runway separations. The proposal is therefore aligned with the Commission's terms of reference.</li> </ul>		
<b>Economy</b>	<ul style="list-style-type: none"> <li>▪ Benefits to the UK and regional economy are alluded to but not quantified.</li> <li>▪ Given its distance from Heathrow existing businesses and workforce at Heathrow would be adversely impacted unless they are able to adjust to the new opportunities presented at the redeveloped site, or relocate to the new location.</li> </ul>		
<b>Surface Transport</b>	<ul style="list-style-type: none"> <li>▪ Upgrades would be required to various rail connections including Gravesend to London Bridge, Charing Cross and Waterloo East.</li> <li>▪ Substantial investment required for new surface transport to serve location.</li> <li>▪ Road users would benefit from the proposed lower Thames Crossing but roads would require further upgrades.</li> <li>▪ River services from central and east London and Canary Wharf are likely to be too slow to be a compelling alternative.</li> </ul>		
<b>Environment</b>	<ul style="list-style-type: none"> <li>▪ Greenfield site with significant impact on areas likely to be designated ecologically important.</li> <li>▪ Proposed measures to reduce energy consumption and generate energy from renewable sources would be unlikely to meet demand.</li> <li>▪ Would require appropriate assessment and demonstration of no alternative and overriding public interest plus large scale compensatory habitat creation.</li> </ul>		
<b>People</b>	<ul style="list-style-type: none"> <li>▪ Although health benefits likely to be occasioned for residents around Heathrow, removal of major employer would generate adverse impacts.</li> <li>▪ Creates large job market in an area currently underinvested and with high unemployment.</li> </ul>		
<b>Cost</b>	<ul style="list-style-type: none"> <li>▪ No cost information provided. Total cost, including required surface transport, likely to be £50 bn+.</li> <li>▪ Additional costs would be incurred for the development of Gatwick Airport and to manage the closure and redevelopment of the Heathrow site.</li> </ul>		
<b>Operations</b>	<ul style="list-style-type: none"> <li>▪ Impacts existing airspace with international cooperation required to resolve.</li> <li>▪ Risk of bird strikes.</li> <li>▪ Fog/low visibility conditions currently unknown.</li> </ul>		
<b>Delivery</b>	<ul style="list-style-type: none"> <li>▪ No substantive commercial proposal presented, but viability likely to depend upon a range of support measures, including government support / commitment and supportive regulatory framework and planning environment and wider package of measures to reduce the cost of finance.</li> <li>▪ The required government support also raises fundamental value for money and government accounting questions.</li> </ul>		