



**Meeting of the Airports Commission
15th January 2015 - 10:00am to 13:00pm
Rm 6.02 Sanctuary Buildings**

Attendees:

Commission members:

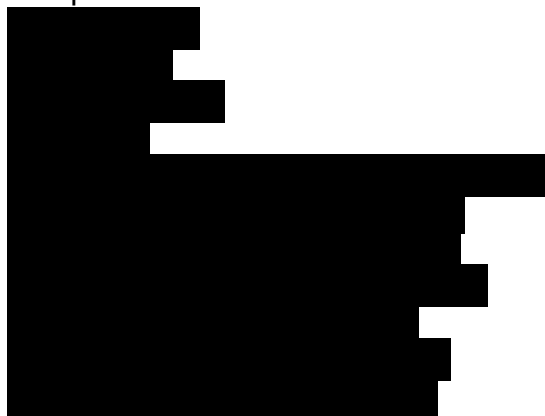
Howard Davies - Chair
John Armitt
Julia King
Ricky Burdett

Apologies:

Vivienne Cox

Secretariat:

Philip Graham



1. Welcome

HD welcomed attendees and invited updates on the register of interests. None were received.

2. Note of Last Meeting

HD invited Commissioners' comments on the last meeting note. The Commission highlighted that there was a tone issue on paragraph 8 Discussion Paper 6: Responses. The phrase "technical responses" should be changed and the tone of the paragraph amended.

On paragraph 9 Delivery, the Commission requested this paragraph be amended to more clearly take into account the people and human factors relating to airport expansion.

There were no further comments received on the note of the EAP meeting held in November. The Commission requested the Secretariat circulate the note to the EAP.

3. Round up of stakeholder meetings

HD had circulated a note over the Christmas break to Commissioners on meetings held since the last Commission Meeting. The meetings were as follows:

Dec 16 - Michael Dugher, Shadow Transport Minister

Dec 16 – Airbus

The Chair invited Commissioners and the Secretariat to provide updates of any meetings held with airlines and stakeholders.

Ricky Burdett – met with John Holland-Kaye, CEO, Heathrow Airport Limited HAL as he was unable to attend the earlier Commission event with HAL. HAL gave the presentation that was given to Commissioners in September. RB commented that HAL stated that they are undertaking more work on housing, movement of people affected by expansion, and employment, matching certain jobs to specific skill sets. These were issues highlighted at the Commission's public discussion session.

The Secretariat provided the Commission with an update of stakeholder meetings attended: (1) Dale Keller, CEO of BAR-UK, (2) Chris Gadsden, Head of Regulation at easyJet, (3) Alun Adler, Airport Policy Manager; Chris Carter, Slot Policy Manager; Patrick McFadden, Analyst - British Airways, (4) Andrew Lobbenberg, Head of HSBC Transport Equity Research. These meetings were held to gain deeper insight into airlines' thinking on airline economics and the take up of new capacity. (5) Mark Dittmer-Odell, Senior Analyst at CBI was to explore CBI's work relating to the economic benefits of connectivity; (6) Fabrice Valentin, Head of Forecasts at Airbus (conference call) to set up a visit by the Secretariat to Toulouse to dig deeper into the forecasts produced by Airbus and make a comparison between these and the Commission's own forecasts.

The Commission welcomed the Secretariat's efforts to gain further understanding of airlines' attitude towards expansion and industry approaches to forecasting, and suggested the Secretariat also set up a meeting with Rolls Royce to ask them about its analysis of Boeing and Airbus forecasts.

4. Update on Analysis

The Secretariat advised that the air quality analysis has commenced and consultants are undertaking work, that the Fast Time Air Space simulation work was in train, and that the Secretariat had been working with DfT and the Committee on Climate

Change to develop an approach to assessing economic benefits of a carbon capped appraisal.

5. Public Discussion Sessions

The Commissioners were asked to note some follow up work carried out by the Secretariat after the public discussion sessions.

The Secretariat gave a presentation to Kent County Council at the end of November which was attended by MPs, councillors, county councillors and campaign groups. The Council had recently adopted a position of opposition to Gatwick expansion in which noise was the main issue. The meeting also raised the issue of the Gatwick trials on approach flight paths which had had an adverse impact on villages in West Kent.

The Secretariat presented to Surrey County Council whose formal position was to support expansion but without a preference between the shortlisted options. The biggest concerns are that, in its opinion, housing needs are not deliverable and that surface access and congestion still needs to be fully considered.

The Secretariat stated that around 26,000 consultation responses have been received to date. A significant proportion of the responses relates to a Back Heathrow postcard campaign. The Secretariat anticipates seeing high levels of responses from anti expansion groups within the final few weeks of the consultation period. HD asked what the process for the Commissioners engaging with the responses once the consultation has closed would be. The Secretariat will produce spreadsheets summarising the key points raised across all the most informative responses with appropriate signposting to specific areas of concern and interest. A report from Systra will be produced focussing on the data gathered using the coding framework and the numbers and types of responses relating to the questions asked in the consultation.

There was a short discussion as to whether the Commission should hold an event for respondents to attend prior to publishing the final report. This was not thought practicable but a short summary should be published once the consultation is closed summarising the consultation in numbers. The Secretariat was asked to consult Counsel on this proposal. The Commission confirmed the full consultation response reports should be published alongside the final report.

6. Polling Data

The Commission were provided with data sets (to consider outside of the meeting) from the public polling undertaken by Heathrow and Gatwick airports and further data from other polls and surveys, including the Richmond/Hillingdon referendum. A brief overview of the scope of each of the polls was provided.

7. Emerging Issues

The Commissioners discussed the following issues that may need to be addressed in the final report.

Changes to APD: HD gave an overview on the Chancellor's initiative to reduce APD on long haul flights, exclude children from APD, and plans to devolve APD to Scotland

(which was expected to abolish it). The Commission noted that APD contributes to managing aviation demand and thereby helps mitigate climate change emissions from UK aviation. The abolishment of APD in Scotland would change forecasts at certain locations and would have particular effects on regional airports such as Newcastle. The question of what does the English Government do if the Scottish Government decides to remove APD was raised and what the Commission would like to say about APD in the final report was discussed. It was agreed that APD should be discussed in the final report.

Carbon: HD and JK are holding a meeting with a number of environmental NGO's. The NGO view is that expansion of South East airports would constrain expansion of regional airports if climate change targets are to be met. The Commission recognised that this was a complicated issue because of both regional airports and climate change factors, although it was noted that regional airports would continue to grow in all carbon scenarios. PG presented a spreadsheet comparing London versus Regional Growth (2011-2050) Carbon Capped.

Delivery: The Commission held a short discussion on delivery and what mitigation issues need to be addressed for delivery of the final recommendation to happen. Commissioners wish to reaffirm the support for an Independent Aviation Noise Authority in the report.

Other: The Secretariat gave the Commission a short update on recent conversations held with the three promoters following launch of the consultation.

8. Revised Final Report Structure

The Secretariat presented an updated final report skeleton structure following comments received at the last meeting. The revised structure consists of an Executive Summary, Case for Change and Context, Commission Key Objectives, Wider Recommendation/Complete Package and Next Steps. Each section of the structure will be owned by a member of the Secretariat. The key points made are captured below:

There is a need to consider the broad spectrum of people likely to read the final report; and therefore the order in which the impacts of expansion are discussed, with society and the environment coming ahead of the economic impacts where appropriate.

The Commission were broadly happy with the direction of the narrative for the main sections of the report. The following specific comments were made:

- Part 1 should include a box or section summarising the role of Government; a more prominent story around climate change; and a story backed up with figures that gives a picture of how many UK residents use the London airport system and would therefore benefit from expansion.
- Further consideration needs to be given to the story to be told around competition with Middle Eastern and Asian hubs; and wider policy on connectivity

- The Commission were broadly content with the approach suggested for Part 2. The Commission discussed whether to tabulate key impacts where they are quantifiable so that readers can more easily see how each scheme fares against the criteria; but the onus should be in favour of a balanced discussion taking into account the full suite of impacts considered within the Commission's appraisal framework.
- Remove mention of 'development of the scheme should not be at any cost' in Part 3, to reflect that all three remaining options can be delivered at reasonable cost.

The Commission agreed that one business case and sustainability assessment, focussing on the recommended option, should be prepared.

9. Thematic Discussion Plan

The Secretariat presented the proposed Commission meeting dates post general election and outlined two potential timelines for reaching a final recommendation and making a public announcement. The Commission asked the secretariat to prepare plans for publication in line with route A, although it was noted that the timeline would need to be kept under review, particularly in light of the scale of the response to consultation.

10. AOB

No issues were raised.