

SHORT (& MEDIUM) TERM MEASURES - EXECUTIVE SUMMARY

MEASURE SET	Traffic Redistribution	
MEASURE TITLE	Regional Airport Promotion	
MEASURE SUMMARY	This measure concerns redistributing commercial traffic more widely than the main London airports of LGW and STN, and other main airports of MAN and BHX	
MEASURE INVOLVES	<div> <input checked="" type="checkbox"/> Behavioural Change <input type="checkbox"/> Infrastructure Change </div> <div> <input checked="" type="checkbox"/> Operational Change <input checked="" type="checkbox"/> Regulatory Change </div> <div> <input type="checkbox"/> Technical Change <input type="checkbox"/> Policy Change </div>	
WHAT DOES THIS ADDRESS? The provision of additional UK capacity, and the optimal use of that capacity to supplement the at or near-capacity airports of LGW and LHR. Proposes better use of existing regional capacity, rather than provision of significant additional capacity at a UK Hub. Contrasts with the hub airport model.		
WHAT WOULD BE DONE? Measures would need to be put in place to provide a reason for regional capacity to be used. Differential charging between airports to allow for a market solution to emerge, possibly through differential APD. Devolution of APD is suggested, alongside the use of PSO to be used to maintain connectivity. More radical ideas would include pre-clearance for flights to the US at certain UK airports (not LHR or LGW). These ideas are supported by marketing and Fly Local campaigns.		
WHAT IS THE IMPACT? The impacts would be expected to be: <ul style="list-style-type: none"> • Free capacity at LHR and LGW for newer routes by moving other flights to other airports. • Encourage route development. • Potential for economic benefits from Aviation UK business. • Additional local environmental impacts would be expected. 		

MEASURE SET:	Traffic Redistribution	Short Term	<input checked="" type="checkbox"/>
MEASURE TITLE:	Regional Airport Promotion	Medium Term	<input checked="" type="checkbox"/>

PROPOSAL SUMMARY

Proposed by:	Air League (006); BAR UK (008); Birmingham (009); Bristol Airport (010); Cardiff Airport (011); CILT (013); Exeter City Council (016); GACC (020); HITRANS (026); Individuals (029, 076); IoD (039); MAG (050); Manston Airport (051); Newcastle Airport (057); North East Chamber of Commerce (058); South East LEP (064); Welsh Gov't (071); Western Gateway (073); Kent County Council (075)		
Proposal: TRed-RAP-1 TRed-RAP-2 TRed-RAP-3 TRed-RAP-4	<p>This measure covers: Redistributing commercial traffic more widely than the main London airports of LGW and STN, and other main airports of MAN and BHX, this is suggested via:</p> <ul style="list-style-type: none"> Differential APD and regulated Airport Charges Slot access and PSO use to provide links to main airports Regionalisation of demand US customs and immigration pre clearance from selected regionals 		
Approach	<p>The approach is:</p> <ul style="list-style-type: none"> The use of differential charging would increase the relative cost of operating from the main London airports. The regulation of airport charges at LHR is seen by some to be distorting the market, not allowing pricing to reflect demand, and resulting in imperfect completion at regional airports. Devolution of APD is suggested for Scotland and Wales as a mechanism to support the above. The use of public service orders to maintain peripheral region connectivity to main London airports Marketing (Fly Local campaigns) and financial incentivisation to encourage use of regional airports, reflecting that much demand at London airports, and particularly LHR starts in the regions that are themselves served by more local airports Provision of UK equivalent of Dublin and Shannon's pre-clearance for flights to the United States Development of un(der)used airports to the West (Pembrey, Lyneham) as additional runway capacity. 		
Benefits			Stated Capital Cost: Not stated
			Capacity (mppa): No change
			Capacity (atm): No change
Benefits	<p>The main benefits available are movement of some journey demand from LHR, LGW and STN to regional point to point services, from e.g. Manston to Manchester, would potentially free capacity at LHR and LGW for newer routes that require hub connectivity or proximity to London. Devolving APD responsibility would allow airports in Scotland and Wales to set tax rates to encourage route development (as has been seen in Belfast to compete with Dublin for US routes). Maintaining access to London helps support timely accessibility to peripheral UK regions. Encouraging local use of airports might reduce long distance surface transport to the main London airports. US pre-clearance would make such routes more attractive to the passenger by speeding entry to the US airport(s) concerned. There is no obvious benefit from use of nominally available capacity at Pembrey or Lyneham, neither location being immediately usable as a commercial offer.</p>		
Issues & Risks	<p>Regional and hub airports serve different markets. Differential and devolved APD / deregulation of airport charges has been reviewed elsewhere, but it is unclear what 'hidden' demand would be unlocked to allow routes to migrate to regional airports and deliver additional capacity. RDF and PSO mechanism have been reviewed under Financial Incentives. Since the regional airports already exist and in many cases (MAN, BHX) serve significant populations with reasonable surface access, it is unclear how additional measures can result in capacity use, if passengers and airlines are choosing to operate desired routes from the main London airports. Pre-clearance could take some time to negotiate and requires significant terminal space.</p>		
Mitigations	<p>Where regional airports have been active in developing their master plans and expansion of local facilities, reference is made to mitigation activity as enshrined in Section 106 agreements. Movement of traffic to regional airports would be within existing caps and planning permissions.</p>		
Dependencies	<p>There key dependencies are:</p> <ul style="list-style-type: none"> Air Passenger Duty Regulatory Charges Financial Incentives 		

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MEASURE TITLE:	Regional Airport Promotion	Medium Term	<input checked="" type="checkbox"/>

ASSESSMENT SUMMARY

Strategic Fit	Is in alignment with the Aviation Policy Framework in delivering UK capacity, although does not deliver significant additional capacity in the South East.
Economy	TBD. If capacity at regional airports was used to create new routes and/or additional capacity at LHR / LGW then economic benefits would accrue to both the region and the UK. Not quantified.
Surface Transport	TBD. Success in utilising latent capacity at regional airports would place additional demands on surface access. A number of airports highlight surface access enhancements that are need to optimise capacity utilisation (for which see surface access templates).
Environment	TBD. More intense use of regional airports to match permitted capacity will result in additional local environmental impacts, although these are in the main contained within, or mitigated through, existing planning permissions. Will differ according to location, volume of flight redistribution and fleet mix. A net growth in UK air traffic will result in increased CO2 emissions, although it might be assumed the main aspect of this might be addressed by EU-ETS inclusion. Not quantified.
People	Enhanced local accessibility will positively impact quality of life, and any related growth in demand for employment will benefit local communities. There will be negative quality of life impacts for noise and air quality issues, dependent on location and volume of redistribution.
Cost	TBD. Various. Would need to be developed for different aspects of the proposals. Differential APD could be cost neutral, but a regional airports marketing campaign would need to be funded.
Operational Viability	Regional airports with currently permitted but underused capacity will have no issues with operational viability.
Delivery	Delivery of mechanisms to support redistribution of traffic is uncertain, as is the next effect of the proposals. Whilst US pre-clearance is not without precedent, it would mark a departure for UK airports and will require significant engagement with both US and UK border authorities. Significant terminal space for this activity might be required.