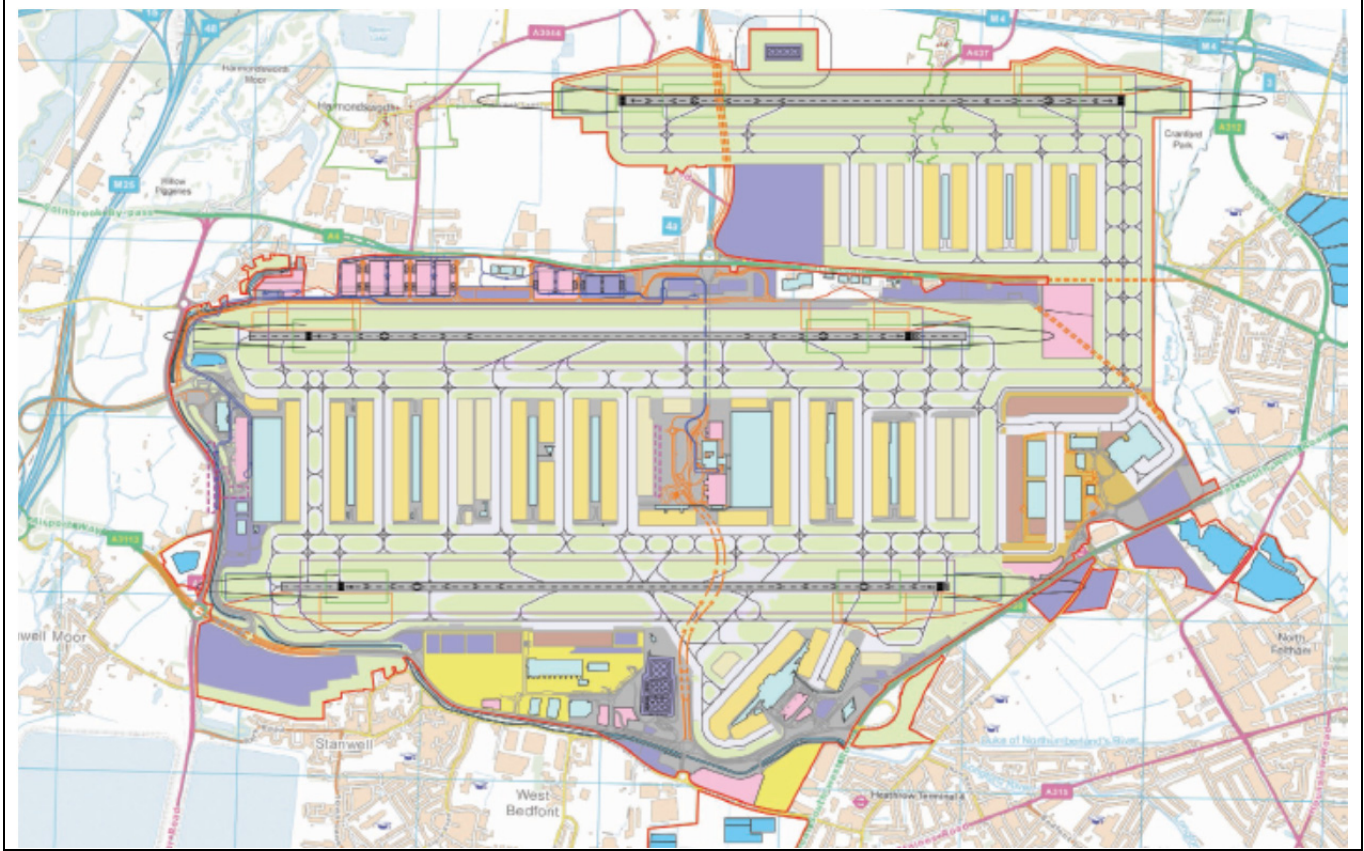


PROPOSAL TITLE:	London Heathrow Airport –3 rd Runway: North Option	Short Term	<input type="checkbox"/>
SUBMITTED BY:	Heathrow Airport Limited	Medium/Long Term	<input checked="" type="checkbox"/>

PROPOSAL

New 2,800m runway constructed to the north of the existing airport with linking taxiways to the east of the current north runway. The new runway could operate independently from the existing runways. Includes expansion of existing terminals plus new satellites and aprons located between the new and current northern runways. Requires tunnelling of the M4 Spur to travel beneath the new runway.



INITIAL ASSESSMENT COMMENT

One of three clearly presented schemes for the expansion of Heathrow from the airport owner.

The proposal enables increased airport capacity and therefore seems to be in line with the Commission’s remit.

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OVERVIEW

Proposal	New 2,800m independent runway constructed to the north of the existing airport with linking taxiways to the east of the current north runway. Expansion of existing terminals plus new satellites and aprons located between the new and current northern runways.		
Approach	<u>Enabling legislation 2015-2019 with construction commencing in 2019 and opening in 2025</u> (the earliest of airport owner's three options) following established regulated mechanism. <u>Public support required for surface access and other costs: property, noise compensation and mitigation, flood and ecology impact mitigation.</u>	Stated Capital Cost	<u>£14.3 bn</u>
Potential Benefits	<ul style="list-style-type: none"> Phased expansion building upon existing airport and surface access infrastructure, with the potential to expand to four runways if required. Least construction complexity of three options proposed by HAL. Broadly increased <u>GDP of £100bn (NPV) and wider economic benefits/agglomeration benefits primarily in London and along corridor supporting Heathrow</u> (although as the lowest capacity solution proposed by HAL, this benefit may not be reached). Current jobs maintained with <u>70,000-150,000 new local jobs</u> Reduces the number of people currently affected by noise nuisance (although least reduction of the three options proposed by HAL). Increased respite options assuming current restrictions continue. No direct impacts on designated sites. Lower construction carbon footprint compared to new hub locations due to use of existing infrastructure. Increased resilience over current Heathrow operations. Based on established RAB approach (roughly doubling current RAB value) but <u>with regulatory modifications plus government support required.</u> 	Additional Capacity (mppa)	33
		Additional Capacity (ATM)	222,000
Key Issues & Risks			
Strategic Fit	<ul style="list-style-type: none"> The scheme adds to capacity and seeks to minimise the environmental impact of flying, whilst making maximum use of existing infrastructure. It is therefore aligned with the Commission's remit. 		
Economy	<ul style="list-style-type: none"> <u>Some airline services could transfer from Gatwick, because of enhanced opportunities for airlines to increase their viability and take advantage of hub connectivity.</u> Lowest capacity of the three schemes proposed by HAL. 		
Surface Transport	<ul style="list-style-type: none"> Uncertain assertion that <u>no new road links are required as possible to deliver without increasing airport-related traffic.</u> Similar uncertain assertion that <u>planned/anticipated rail improvements (Crossrail, Piccadilly Line upgrade, HS2 Heathrow spur and Western Rail Access), can provide sufficient capacity to support airport passengers and staff demand.</u> <u>Southern Rail Access also required.</u> 		
Environment	<ul style="list-style-type: none"> Risks to air quality continuing in medium term. Of HAL's three options, this scheme requires the largest number of residential demolitions: 2,700 with 16 listed buildings lost. Although the scheme proposes to reduce the number of people impacted by noise pollution, a large number of people remain affected by noise and air quality. 		
Cost	<ul style="list-style-type: none"> Includes £1.8bn surface access cost, for which public contribution is suggested. Uncertain whether this figure constitutes the total surface cost or only the contribution. Total cost, including HS2 spur, likely to be c £5bn. 		
Operations	<ul style="list-style-type: none"> Shortest runway length of HAL's three options. Reduces operational flexibility and limits overall runway capacity. 		
Delivery	<ul style="list-style-type: none"> Unspecified regulatory modifications stated as necessary. Government support of £4-6bn funding plus potential debt underwriting needed to support ability to attract inward investment/viability. Government support requirement raises issue re affordability and value for money. Effects on aero charges etc not specified but asserted to be lower than other hub options. 		
Mitigations	<ul style="list-style-type: none"> Extending current mitigation approaches for noise to meet noise nuisance reduction objectives. 		