



The Air League

Response to Davies Airports Commission – Consultation 6 - Utilising UK Existing Airport Capacity

Introduction

The Air League is pleased to make this response to the Airports Commission Consultation 6. We have responded selectively to the previous Consultations prepared by the Commission, but believe the results of this Consultation are critical to the final deliberations and decisions by the Commission.

Our greatest concerns remain:

- The location and amount of new runway capacity
- The timing and availability of such capacity
- What we do in the interim, the next 15 years until any new runway is operational?

We believe and have submitted our views to the Commission that:

- New runway capacity is needed immediately. The current lack of adequate, timely “slots” at the hub is constraining the UK air transport industry, its growth and economic contribution to the UK.
- The first new runway must be at the UK's only viable hub, London Heathrow. Gatwick also needs another runway to meet its current and future demand, as it currently “over trades” off its existing runway; but a new Gatwick runway should not be developed at the expense of or as a substitute for one at Heathrow.
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- In order to address the Heathrow hub capacity shortfall and provide partial capacity relief until a new runway is built, serious consideration should be given to adopting mixed mode at Heathrow with 20% of additional slots designated under PSO for lost UK regional routes.
- Alternatively or in addition to mixed mode, consideration should be given for RAF Northolt to be used to secure UK regional air services renewed access to the Heathrow hub via Northolt¹.

¹ Northolt's runway is some 50% longer than London City. It operates some 7000 to 12000 Business aviation movements a year safely and successfully today with no adverse impact on Heathrow capacity (a point accepted by Mr Tim Hardy former Operations Director of Heathrow), often carrying the Royal Family, Ministers and

We believe your latest consultation provides valuable evidence and analysis of the problems of maximising UK connectivity, but that some of the conclusions you have drawn from the analysis are flawed. For instance at paragraph 1.13 you refer to connectivity based on load factor and aircraft size. Connectivity is much more complex than that, it's about frequency, schedules, network, access, pricing, guaranteed connections etc. If capacity was a key determinant then limited frequency A380s on domestic trunk routes would be the norm! A one per day 550 seater does not provide the same connectivity as 5 x 100 seat aircraft. It is against that background and priorities that the Air League makes this submission.

We have repeated the Commissions questions using an Italic bold type and given our responses using a in normal Helvetica type face.

7.1 The focus of this paper is the connectivity and capacity provided by airports other than those short-listed by the Commission for further consideration as long-term capacity options. The Commission wishes to understand the long term strategic context within which the eventual expansion option is likely to sit, and any recommendations it could usefully make to shape this context. This paper is a call for evidence on that subject.

7.2 To inform those who would wish to prepare submissions on the issues raised in this paper we set out below a number of specific questions on areas of interest:

7.3 Questions on the role that non-London airports currently play in providing connectivity and utility to the UK.

..Is the Commission correct to identify a reduction in air connectivity between the UK regions and the London airport network over the last decade?

Yes. There has been a significant reduction in both the number of UK domestic points connected to the London airport network, particularly the Heathrow hub, together with the frequency and level of competition on such routes. In addition, the growth of the Low Cost, no frills sector, has meant that even those routes that still have connections, now have a different type of air service with no airline underwritten, "guaranteed" connections as afforded by IATA Interline agreements or through on-line connections offered by legacy carriers. This means that the "connecting" passenger has to bear the risk and cost of missed connections. The loss of some 15 domestic routes into the Heathrow hub over the last 30 years means that the ability of those regions to connect and trade globally has been compromised. A limited connection through an overseas hub does not provide the same network of frequency of connections as say through Heathrow. As an example, passengers connecting to or from Inverness to London and onto the world have no choice but to use no frills EasyJet to London Gatwick and then self connect the 45 miles via the congested M23 / M25 to Heathrow. Previously they had direct links to Heathrow or guaranteed connections by a BA affiliated airline over Gatwick. Previously the withdrawal of the successful 10 a day Gatwick –Heathrow Airlink helicopter service in 1986, significantly reduced Gatwick's connectivity and the perception of Gatwick as a viable connecting option.

Captains of Industry. If those movements were transferred to Farnborough, Biggin Hill or Oxford, up to 10 UK regions could regain access to Heathrow. If the airport footprint of Paris Charles de Gaulle is overlaid over Heathrow and Northolt, both are easily accommodated inside its dimensions.

In addition, the loss of trade to the UK by the use of one or more overseas hubs connecting to the regions in place of Heathrow (for example Amsterdam Schiphol and Paris CdG) is likely to be significant, as the interlining passenger traffic on such connections supplements and underpins the viability of many routes for passengers with a destination to the hub city, or in the regions for opposing direction traffic. Every regional area seeks to maintain an air connection with London, preferably Heathrow, for this reason.

How do recent new routes to the capital, and the stabilisation in passenger numbers on domestic routes to and from London since 2010, affect this analysis?

Your assertion about new route developments to the capital fails to recognise the segmentation of the market between point to point and connecting traffic and the difference between services to different airports. Stansted and Gatwick are further apart than Edinburgh and Glasgow, and geographically unrelated, so like the two Scottish airports, are serving largely different markets. It is why Public Service Obligation (PSO) designation and protection to regional services to specified airports is so critical. An issue only just recognised by Government with announcements of PSO links from Dundee to Stansted and Newquay to Gatwick; but not to the critical Heathrow hub. We believe that the impact of double APD on domestic services (APD is charged both ways) and subsidised rail improvements on some routes have adversely affected domestic traffic. It is also ironic that FlyBe had announced its effective withdrawal from its Gatwick domestic network and sold its slots to easyJet due to increase costs there and APD, yet the loss of the Newquay London airlink was followed by the loss of the west country rail link at Dawlish last winter, effectively cutting the South West of the UK off from the rest by all modes other than road. Plymouth airport having lost its London link and being closed as a result in 2010.

The following press release about regional links to Newquay highlights the problem:

News

23-Jun-2014 3:15 PM

Flybe stated it would continue to sell tickets for London Gatwick-Newquay sector until 06-Jan-2015 (cornishguardian.co.uk, 19-Jun-2014). The future of the route has been the subject of uncertainty while Cornwall Council, which owns **Newquay Airport**, undergoes a tendering process for a Public Service Obligation (PSO) to keep the route operations. Flybe's current schedule was due to end on 25-Oct-2014. The PSO tendering process is due to be completed over summer 2014/2015.

The Air League questions how communities and businesses in remote areas can plan and operate with such uncertainty and for peripheral but important areas of the UK can be sustainable socially and economically without adequate connectivity to London and the UK hub by air? We believe the Commission must provide some certainty to those regions in making its final recommendations.

..How do respondents view these trends developing in the future?

Without more runway capacity and PSO protection of services and slots at key airports, particularly Heathrow, then the trend will continue. For Instance following the FlyBe withdrawal of its Gatwick – Newquay link, that route has now been offered as one of the first PSO protected and subsidised routes to London, yet the route had

been profitable but less so than alternative uses of the slots (see news release above). So a region lost service and connectivity due to runway capacity inadequacy. This will continue as it has in the past. The BA route from Heathrow to Leeds / Bradford (page 9 paragraph 1.10 in your paper) is only there since BA took over bmi. BA are slot sitting until they can get additional long haul aircraft to make better (for BA and BAA) use of those slots, yet the Yorkshire region would suffer as a result. The solution is more runway capacity at the hub and specific protection of the slots for regional air services at specific airports, which is allowed under EC PSO rules. The Commission is wrong on this point as is DfT; PSO can specify a specific airport to be served. The French have protected 48 routes into Paris from various Departments for years; the UK must do the same but at the Heathrow hub.

•Is the Commission's analysis of the multiple factors influencing domestic air connectivity between London and the UK regions accurate?

Only in part. Service, frequency and schedule are also critical. But those depend critically on runway capacity and slots being available at the right, hub, airport.

It is axiomatic that once capacity at Heathrow becomes available and slot prices trade at lower prices, regional services will become more attractive to institute and sustain economically. This will bring an immediate positive benefit for the regions and is a further major reason for increasing capacity at the UK hub without delay.

Of the factors outlined, which are the most significant or important for explaining how the market has developed?

See above. It's the availability of service, the frequency and schedule, ability to interline and connect without worry and with ease that are also crucial. A one per day LCC service to a peripheral London airport with no on line or interline connectivity is not the same as a full service frequent (2 per day +) regional air service to the hub

What additional factors, if any, should the Commission be mindful of?

The points above and the segmentation of the market. The Commission will have heard this from recent visits which we understand it has made to hear at first hand to Inverness and Aberdeen. Rail and other surface links are not an adequate substitute to air services. They do not provide the seamless proven connectivity that air services do. Note that rail was seen to replace air service to Paris and Brussels post HS1 from London. Air services have now returned to both routes as the rail service is not comprehensive. The same is true for the UK regions even where rail is a theoretical alternative. For many points it is not and think of the impact of the loss of the South West Rail links due to the winter storms. Regions need resilience and alternatives. The loss of hub capacity and slots has left them vulnerable to the detriment of their and the UK economy.

•Is overall transport connectivity between London and the regions at an appropriate level?

No, in many cases the level of service in the 1930s in terms of routes and frequency was far better even though there was a more extensive regional rail network at the time. Across Europe the air network connects 150,000 city pairs, many impossible due to

geography by surface means. Air services can be viable with markets of 50,000 passengers a year for a twice daily service by a 50 seat turboprop. The equivalent rail service requires a million passengers to support a twice daily High Speed Rail service with 1200 seat train and all the associated infrastructure.

Air services need only a 2000 metre runways (often less as in the case of London City 1199 metres) to supply, secure and maintain. Those runways offer 360 degrees of destination access. Rail is linear, more costly to build, maintain and secure so requires much larger denser markets.

UK needs to ensure all major UK regional and peripheral centres are connected by a minimum twice daily air service to the national hub, Heathrow. Places such as Prestwick, Inverness, Humberside, Teesside, Dundee, Newquay, Isle of Man, Jersey, Guernsey, Liverpool and possibly Plymouth if the airport were reopened all need access to the Heathrow hub.

The Commission's acceptance of the CAA ruling in relation to Gatwick charges at Paragraph 1.19. is unfortunate. The CAA also advised Government and has consistently underplayed the importance on the lack of runway capacity over the last 20 years. Few in the CAA Economic Regulation Group have any airline experience with its current head having come from Northern Ireland's Water regulator. Your references at Paragraph 1.20 to use of large aircraft on domestic routes in some countries shows a lack of appreciation of airline economics, how air transport markets operate and reality! If anyone on the Commission had worked for an airline this they would have immediately appreciated the importance of frequency in maximising revenue and market share. A better analogy would be to look at the air services and average aircraft size using one of the world's busiest hub airports, Chicago O'Hare. A very significant proportion of the operations there are by 50 to 70 seat regional jets serving cities within a 500 mile radius of O'Hare to feed the American and United networks and waves. The only 747s operated into O'Hare are International mostly by overseas carriers. The critical importance of frequency is illustrated by the London New York route where there are some 30 services a day mostly operated by 777 size aircraft and no 747 or A380. For UK domestic operations by legacy carriers relying on connectivity the optimum aircraft types are the 50 to 100 seat regional jets and turbo props which can deliver high frequency at the lowest aircraft mile cost and acceptable seat mile cost within the fares and yields available. There have been no regular widebody aircraft scheduled on UK domestic routes since the BA L1011 left service, the economics did not work in the UK domestic market where frequency is key. This is critical to the understanding of the problem facing the UK regions yet the Commission analysis and conclusions show a very poor understanding of the issues and a lack of historical perspective by the Commission team.

Why does the Commission think that recently slots at Heathrow were sold by Cyprus Airways to American for \$31 million when slots at Gatwick are 10% of that value? If there were no capacity constraints, airports would not need to be coordinated under internationally agreed Slot Coordination procedures and slots would have no value. The situation is perverse and due to Policy led capacity constraints which do not happen in France, the Netherlands or even Germany. How can the regions compete to retain their operations with such inflated slot values at the hub? FlyBe has managed to refinance itself twice by sale of first its Heathrow slots and most recently those at Gatwick.

For the Commission to say that the provision of still uncertain Wi-Fi services on competing rail services as at Paragraph 1.27 is one reason for air service decline is risible and shows no real understanding of the air transport or domestic air market, particularly those requiring to access the global air network via the hub who are up to 50% of travellers on some of the remaining UK domestic routes! How did the availability of Wi-Fi help passengers whose rail service was lost in the winter from Cornwall and Devon? Or those from Highland Scotland where the rail service option is very poor?

What are the social or economic consequences of changes to air connectivity?

Significant; a lack of investment, reduced economic activity and employment so greater reliance on Government programmes and subsidy. Numerous studies have been done by local development agencies around the country and groups such as the Airport Operators Association to show that. The CAA has also produced a report which the Commission should have reviewed as part of its reading into the subject.

Can respondents provide any comparisons or other evidence to support their response?

See above. The Commission should speak with the CAA.

..What future trends do respondents envisage in domestic air connectivity excluding routes into London?

Not a problem as the key issue of inadequate runway capacity does not exist. There is a good market and level of service generally.

How relevant are the factors explored in relation to London and the regions for these other domestic routes?

Less so due no capacity constraints.

..Is the Commission correct in its analysis of changing purposes of travel and routes types at non-London airports?

No, not entirely but it is not as relevant as to the London links forced out by capacity constraints by indecision by Government and poor advice by the CAA.

What are the drivers and ramifications of this trend?

Don't let what happened in London happen elsewhere in the country as now privately owned airports seek to maximise traffic and revenue and push up charges which will penalise regional air services. It could happen in the next 20 years at Glasgow and Edinburgh.

Your paper says little about use of PSO which is the way forward to protect UK regional routes to the hub.

7.4 Questions on how the business models of these airports are changing, and how they can be expected to change further in time.

..Is the Commission right to identify particular financial challenges for smaller airports?

Only in part. It has failed to identify the real issue as to why airlines are not providing the levels of service to those airports which are determined by airline not airport economic considerations and airlines assessments of the market and prevailing yields.

Can respondents corroborate or refute any of the Commission's evidence on financial pressures at regional airports?

In general, unless there is a substantial and diverse mix of business, commercial airports need a throughput of 1 million passengers a year to be viable.

One point the Commission has not mentioned is the overbearing requirements and cost implication of CAA regulatory oversight of UK aerodrome licensing under CAP 168 requirements.

An example of this. RAF St Mawgan used to handle civil aircraft commercial movements under a Military Safety Protocol oversight. Those operations were undertaken by Brymon, then Air Southwest and others for many years safely and successfully and the airport broke even. The MOD then closed the airfield and it was taken over by Cornwall County Council. In order to make it meet CAP 168 requirements some £64 million was spent! At real cost to the Council and its residents. The operations were the same, still safe, but the CAA requirements caused the massive increase in cost for no discernible increase in safety, just box ticking. The same is true with many UK regional airports. It is marked contrast with the attitude of the FAA in the USA, an ICAO Annex 14 Signatory state, which takes a much more pragmatic attitude to such issues.

Many of the financial troubles of UK regional airports are down to overzealous CAA Aerodrome Standards regulation requirements. The recent General Aviation Red Tape Challenge Panel was Chaired by an Air League Council member whose Panel made 53 recommendations to changes in CAA regulatory oversight of GA. Many of those related to airfield regulation and oversight and were wholly disproportionate in relation to the real risks. We believe the same is true with CAA requirement for regional airports to fully adhere to CAP 168 requirements and the consequent cost implications but which add nothing to overall safety and are often inconsistent.

..Is the Commission accurate in its analysis of the market dynamics affecting the non-London airports sector?

Only in part as it has omitted two vital elements:

1. The impact of excessive CAA CAP 168 regulatory oversight and consequent costs to small airfields.
2. The issue of regional aid, subsidies and marketing support to new air services and the example of the Air Discount Scheme in the Scottish Highlands and Islands. All have helped stimulate air service and usage when properly applied. Some LCCs have abused the subsidy and left once the three year period of tenure was over.

The only way of securing air services for the long terms is to:

1. Ensure the economic conditions are favourable in terms of market size and resulting yields.
2. Look at the broader full economic benefits that air services generate to regions, beyond the airline or airport P&L.
3. Provide seed-corn funding via PSO support for early years operation.

Although Ryanair takes a somewhat cavalier approach to regional air links, for its 189 seat 737-800s, its basis for economic assessment of a region is not a bad starting point:

- A Population base of 500,000 within 50 miles of an airport.
- A runway length of 2000 metres.

Regional air services looking at markets of 50,000, focused on hub links and frequent business links can take a more graduated view of the market and deploy smaller regional types but at higher frequency and fares.

Is the Commission correct to identify a broad trend, especially since 2007, in larger regional airports retaining or building their route networks, whilst smaller regional airports' route networks shrink? What explanations can respondents provide for this trend?

The Commission is correct in its analysis if not the cause. It is about economy of scale for both airline and airport, but also extends to regional economic policy.

The UK has a network of over 450 airfields plus additional private sites and gliding airfields. But a relatively small percentage of those offer commercial air services. Those that do range from Heathrow to Papa Westray in size.

However the other airfields offer the opportunity for improved regional connectivity by air using air taxis, business aircraft or GA aircraft and are a vital and overlooked part of the UK's strategic transport infrastructure.

..Can respondents provide any evidence to counter or support the Commission's analysis of the UK population having quick access to relatively high numbers of airports, or to build on the Commission's comparison between the UK and other countries' airport networks?

The Commission contends at paragraph 2.16 that 70% of the population lives within two hours drive of a 5 million passenger airport. But is that relevant? It may be that a link such as from Barra in the Hebrides to Glasgow is sufficient to meet the local need of that population of 1500. But that will not be true more generally. It's about the network, destinations and frequency and type of service offered from an airport not its passenger throughput!

If the Commission look at the CAA Origin Destination survey for London Heathrow traffic, many of those passengers have origins or destinations closer to London Gatwick a 35 million throughput airport, yet its network and type of service does not meet their needs, particularly for long haul services. For them and many other passengers to and from the UK there is only one real option, London Heathrow. So its network and frequency and type of service offered that predicates an airports attractiveness and use not traffic volume

Most overseas countries have a dominant hub and then subsidiary regional airports of varying size depending upon the type and nature of the markets served. That includes France, dominated by the Paris hub but with large operations out of Nice, Lyon and Bordeaux as well as many other French regional centres.

..What analysis ought the national or local Government undertake when faced with a potential airport closure?

Comprehensive analysis to understand the market both inbound and outbound, then ensure against a minimum throughput threshold that the facilities available are appropriate and cost effective. Don't develop and maintain a 2600 metre runway if one of 1100 meters will meet the needs of your market. Work with the CAA on certification requirements and seek derogation to save cost but maintain standards. The assessment has to be market led, not by cost as seems to have been the recent case for Prestwick.

As said above, the Commission could recommend that the CAA review its operating standard requirements for smaller regional airports to see if they are all necessary and look what happens overseas in places like the USA where there is a much more pragmatic approach to such issues.

..In the longer term, what is an appropriate, adequate or ideal shape for the UK's airport system?

A system that has adequate capacity, particularly runway capacity to meet foreseeable demand and minimises surface access journeys. There is no one size fits all due to constraints of Geography, terrain and frontiers (as in Ireland).

Is consolidation of the airport network desirable, inevitable, both or neither?

Some yes. Do we really need Newcastle and Teesside, Birmingham and East Midlands, Liverpool and Manchester, Belfast International and Belfast City, Leeds Bradford and RHADS all competing for traffic yet denying the economy of scale for airline operations and markets and also for airport operations? The situation in Belfast is particularly anomalous and has denied market development and ability to compete with Dublin. All services there should be consolidated at the 24 hour Belfast International / RAF Aldergrove and the City airport site developed for the benefit of the local now thriving economy, particularly as it cannot meet all CAP 168 requirements and has Grand-Fathered derogations to secure its operations. But is an example of many inconsistencies and anomalies.

For the rest of the UK the situation is to maximise the use of what we have and secure the vital links to the Heathrow hub for those beyond 250 miles radius from London and the hub.

7.5 Questions on how the connectivity provided by these airports can be enhanced, and on the options to intervene in this sector.

..Has the Commission correctly identified the major options to support or bolster the regional airports sector? Of the options here explored, which have the potential to be most beneficial?

Only in part. It has not interpreted the use of PSO correctly which can be used to designate service to a specific airport not just a city. So slots on a new Heathrow runway could be protected by PSO designation of specific air services; as could use of RAF Northolt to help regional access to Heathrow in the interim. As already identified Stansted and Gatwick are further apart than Edinburgh and Glasgow and no one says that the PSO supported services operated to Glasgow are also meant to serve Edinburgh!

The Commission needs to look at matter far more in terms of airline economics and the reasons airlines launch and sustain routes rather than in terms of airports. But that has been a consistent failing of the Commission so far in its work.

Equally the Commission needs to ensure that all the Government and quasi agencies provide a coordinated approach to regional development and the crucial role that air services play in economic and regional development, providing employment and upholding social cohesion.

7.6 Can respondents suggest means of bringing about positive change in the context of these options?

What recommendations could the Commission make in these areas?

Application of coordinated and “joined up” Government policy on regional development and full use of PSOs to help the regions and allow them the regain and sustain access to the Heathrow hub both in the interim and once a third runway has been built there.

The Air League would take issue with a number of points made by the Commission in its latest Consultation, but particularly at Paragraph 4.5 on page 41, that the break-up of the BAA has increased passenger choice. That choice was always there regardless of airport ownership, and at times maintained by Government policy through Bilateral restriction and restrictions such as the Traffic Distribution Rules, which were subsequently rescinded. Passengers at Gatwick had a much wider range of service and destinations, particularly long haul, when under BAA ownership than now. But it was nothing to do with the airport but all about Government policy and airline route development decisions.

Airport ownership influences the airport product and passenger experience at the airport, not the market size or value or whether or not an airline will fly there.

The biggest failing in the Commissions work and analysis is its apparent lack of appreciation that it is airlines not airports which operate air services and make the route development decisions.

7.7 Questions on the constraints to developing further utility and connectivity at airports serving London and the South East, as well as how and by whom these constraints can be mitigated (Chapter 6):

Geographical Constraints

Are there longer-term or more extensive surface transport improvements and developments (beyond those committed to in the National Infrastructure Plan) that could support the other London airports to make best use of their capacity?

Are there any ways that government, or any other stakeholders, could improve airport site access?

Ensuring that our airports and the hub airport in particular are connected to the UK strategic rail network, both north south and east west is a must.

Are there any innovative ways that airports could resolve site access problems?

By using remote Park and ride car parking facilities for the hub at motorway and strategic road junctions such as the M3 / M25, M25 / M40 and M25 / M1 junctions to reduce car journey to and from Heathrow.

Planning Constraints

Are there particular pros and cons to airport developments moving through the NSIP or Town and Country Planning process for a) developers or b) communities?

Could either the NSIP or Town and Country planning process be improved, either the process itself or development of supporting policy, to support developers and meet the needs of local communities?

Is there a current case for lifting planning caps for any airports in London or the South East?

If not now, when should these caps be reviewed?

The responses of the Air League to Discussion Paper 07 “Delivery of New Runway Capacity” addresses these issues more fully. The Air League has advisers with considerable experience and expertise in the planning system and in airport planning processes in particular over many years.

The main consideration for government in advance of a decision on new runway capacity is to determine unequivocally the question of need for new runway capacity, its extent and its location, outside and in advance of the NSIP, planning and compulsory purchase processes.

If caps on airport throughput (ATMs or pax) are imposed so as to set the parameters for the proposed statutory planning process, this has the advantage of being able to plan more accurately for future secondary development, in particular for surface access (new road and rail infrastructure) as well as for other development consequent on airport growth, such as planning for employment and housing. In some cases this has greater implications than others. The growth of Heathrow, which lies adjacent to West London and a number of large urban areas in Bucks and Surrey, generally has less noticeable effects than the expansion of an airport in a rural area outside the conurbation, such as Stansted and Gatwick, for example. The planning process is likely to be more demanding in the latter cases.

The reason for the T5 public inquiry taking so long has been misunderstood. This has been considered in detail in the past and has been found to be mainly due to 3 factors: the failure of government to determine need, the halting of and significant delay to the

public inquiry so as to incorporate new Orders for the widening of the M25, and the failure to control the ability of parties to reopen the discussion of evidence.

The problem with any planning process is the prediction of future trends and effects which are accurate, and much time is spent in public inquiries in consideration of such matters, which are subsequently found to be inaccurate and fail to take into account innovation and change which is unknown and not predicted. The government should consider not to impose any cap on growth of airports and widen the ability of airports to develop without the need for further planning permission, for example in relation to new terminals as well as other economically beneficial development. This can be achieved by an amendment to Part 18 of the Town and Country Planning General Permitted Development Order 1995.

Commercial Constraints

Are there any actions stakeholders could take to support airports in mitigating their commercial constraints?

Although capital intensive by nature, airports make substantially higher rates of return by most measures than their airline customers. Failure to invest by the airport in new terminals, access or more particularly runways means that it is the airlines and their customers – passengers and shipper who suffer most.

At paragraph 5.5 of the consultation it refers to airport resilience. But it fails to state the consequences to airline operations of running airports at 100% of capacity. Heathrow and Gatwick are already at that level. The Consultation assumes that all runway slots have the same and equal value and fails to account for peaks in demand and wave requirements caused by market requirements, aircraft performance and geography and seasonality. The paper makes no reference to the fact that FAA and other studies have shown that once an airport reaches 70% of capacity it is turning away traffic.

It is the airlines who bear the cost of over use of existing runways by having to deploy more crews and aircraft for any given operation than would be the case if runway capacity were not constrained. For instance in the 1970s the Block Time from Gatwick to Edinburgh or Glasgow was 1 hour on a BAC1-11. In 2014, the same journey by 737 or A319, which operate at similar Mach numbers to the BAC1-11, is scheduled to take 1 hour 30 minutes or 50% longer. So airlines now have to allocate 50% more aircraft and crews to maintain the same programme that they achieved 40 years ago. The airlines suffer the airport benefits! It wastes fuel and resources.

We have to pay greater heed to the impact of airport policy on airlines than hitherto and penalise airports that fail to bring forward investment plans.

The CAA or other regulator should set a maximum runway movement rate that seeks to minimise block times and ensures efficient airline operations rather than just maximising use of the runways which is in fact sub optimal and inefficient.

Are there any examples of best practice in this area?

None known. But ICAO or the FAA may have some which the Commission may be able to investigate.

Airspace constraints

Are there any medium term airspace developments that could support making best use of capacity, beyond those set out in the Interim Report?

The UK already overuses its limited runway South East major airport capacity to the detriment of the airlines and their passengers. 55 ATMs an hour from a single runway IFR is heralded as best in class, but it is inefficient to the airlines.

The UK civil aircraft fleet significantly out number UK MOD fleet yet still large swathes of airspace are allocated to the MOD which sits unused for large periods of time. They could and should be released back to improve routings for commercial airlines whilst securing the legitimate needs of the MOD / RAF.

Performance based navigation and related modern aircraft capability should be allowed wherever possible to ensure direct tracks and routing to save fuel and time are the norm. Every opportunity should be taken to maximise CDAs and access on departure to en route airways. The new UK FAS should make a significant difference to minimising en route delays and therefore increasing capacity, but only the FAS is made sufficiently flexible. The optimum is that the decision in relation to the location of new airport capacity is built into the system at the outset, as opposed to it being patched in in due course.

••Are there any innovative long term airspace developments which could provide support beyond those set out in the Interim Report?

1. There are 5 which are in particular able to have major noise and capacity benefits.
2. Greater angles of approach and descent into airports (above the 3 degrees currently set as standard by most ILS systems), as used at e.g. LCY. Linked with 1 above, maintaining a/c at a higher altitude/height until closer to the airport;
3. CDAs from longer out, to be set as part of each aircraft's internal system of control and not determined by ATC
4. Use of P RNAV, so as to avoid communities and sensitive areas
5. Using airspace and devise measures so as to enable aircraft to land wherever possible well into the airport perimeter and not only at the runway threshold

Regulatory, Tax or Legal Constraints

••Are there any new data available that the Commission should review in reference to its conclusions on regulatory tax or legal changes that could alter our assessment of their usefulness in making best use of capacity?

Regulatory intervention either through application of Traffic Distribution Rules, Bilateral Policy or other measures have been shown to be ineffective in "moving" the market. When the TDRs and EC / US Open Skies arrangements were rescinded and/or signed, UK traffic moved to its favoured location, London Heathrow.

Directing traffic to airports such as Stansted, Luton or Birmingham will not work. It failed in the 1970s and 1980s under the twin hub policy with British Caledonian as a dynamic Second Force airline at Gatwick but the pull of and network available at Heathrow was just too strong to allow it to be successful and ended with BCAL take over by BA and the failure of many Gatwick based airlines over time – Laker, Air Europe, British Island, Donaldson, Dan Air etc

Air Passenger Duty discriminates against air transport and aviation. Neither rail nor shipping pay such a tax yet both enjoy nil rate of tax on fuel. In particular there is no Shipping Passenger Duty on Cruising when shipping is known to be more environmentally polluting than air transport due in part to the heavy bunker fuel that it burns. Although the Government has reduced the worst excesses of APD, UK still has amongst the highest APD in the world which adversely affects our competitive position and helps countries such as the Netherlands and UAE to divert substantial volumes of UK traffic via their hubs.

..Are there any areas of legal, tax or regulatory constraint, not considered by the Commission in its Interim Report, which merit further review?

None known

Impact of Commission final report

..Are there any topics or areas of further study beyond those set out in the Appraisal framework, that would allow the Commission to understand the impact of development at Heathrow or Gatwick on the other London Airports?

The Air League remains concerned as to what the UK does to ensure it can maintain its competitive position in Global Air Transport whilst also enabling many UK peripheral regions to regain access to the primary UK hub at Heathrow over the next 15 years until, a third runway is opened at Heathrow.

There are two options to help achieve this:-

1. Adopt Mixed Mode operations on both runways at London Heathrow to allow about 50,000 more ATMs to be operated.
2. Open up RAF Northolt to UK regional air services to replace the Business aircraft operations there.

Under proposal 1, above the additional movements would enable Heathrow to increase its range of destinations and frequencies and keep pace with some elements of demand that would otherwise be lost until a third runway is open. All such new operations would utilise PRNAV, CDA and higher descent profiles and at night utilise displaced thresholds all to help mitigate noise impact. In addition all such additional movements could require to be operated by Chapter 4 compliant types or better. 20% of the new slots, some 10,000 would be reserved to be allocated to new or revised links to the UK peripheral regions and protected by EC PSO designation.

Under Proposal 2. Above, open up use of the existing 1687 metre runway at Northolt for UK regional airline operations; a runway already 50% longer than that at London City mentioned in your Consultation 6. . If Mixed mode were not feasible then the Commission will be aware of the concern in the UK regions with their lack of guaranteed connectivity to the UK Heathrow Hub. Such services need only a 2000 metre runways (often less as in the case of London City 1199 metres). UK needs to ensure all major UK

regional and peripheral centres are connected by a minimum twice daily air service to the national air hub, Heathrow. Places such as Prestwick, Inverness, Humberside, Teesside, Dundee, Newquay, Isle of Man, Jersey, Guernsey, Liverpool and possibly Plymouth if the airport were reopened all need access to the Heathrow hub. Northolt is an operational RAF Airfield with in addition to its military traffic, a further 12,000 Business Aviation movements a year operated safely and successfully today with no adverse impact on Heathrow capacity (a point accepted by Mr Tim Hardy former Operations Director of Heathrow), often carrying the Royal Family, Ministers and Captains of Industry. It is operated under a Military Protocol in terms of Safety Oversight, the MOD equivalent of CAP 168. If those movements were transferred to Farnborough, Biggin Hill or Oxford, up to 10 UK regions could regain access to Heathrow. The airport is only 500 metres from the Central and Piccadilly and Chiltern rail lines. Means could be found of linking Northolt with Central Heathrow via the Piccadilly line with minimal capital and ground works. In the interim regular shuttle buses could operate from Northolt to LHR central area, Terminals 4 and 5. The distances are not that great at around 4 miles and far less than having to connect from Gatwick 45 miles away. Indeed, if the airport footprint of Paris Charles de Gaulle is overlaid over Heathrow and Northolt, both are easily accommodated inside its dimensions. Even if only operated for the 15 years until the new Heathrow runway is open, Northolt would show that the Commission had recognised the current inaccessibility and lack of hub connectivity of the UK regions; the needs for new runway capacity is a UK national not just London and South East requirement. Full AIP details of Northolt including runway declared distances etc can be found at: http://www.ead.eurocontrol.int/eadbasic/pamslight-75FAA5AA6FDF9E3377F5BA2A6B7142BB/7FE5QZZF3FXUS/EN/AIP/AD/EG_AD_2_EGWU_en_2014-05-29.pdf

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7.8 Submissions of evidence should be no longer than 15 pages and should be emailed to airport.utilisation@airports.gsi.gov.uk clearly marked as a response to the 'Utilisation of the UK's Existing Airport Capacity discussion paper'. Evidence will be reviewed thereafter by the Commission. If further information or clarification is required, the Airports Commission secretariat will be in touch.

7.9 Please provide submission and evidence by Friday 25th July. 7.10 In exceptional circumstances we will accept submissions in hard copy. If you need to submit a hard copy, please provide two copies to the Commission Secretariat at the following address: Airports Commission 6th Floor Sanctuary Buildings 20 Great Smith Street London SW1P 3BT. 7.11 We regret that we are not able to receive faxed documents.