



**Meeting of the Airports Commission  
4th September 2013 – 10.00 – 16.00  
Rm 6.02 Sanctuary Buildings**

**Attendees:**

*Commission Members:*

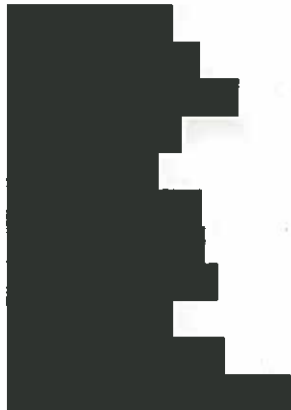
Sir Howard Davies – Chair  
Vivienne Cox  
Geoff Muirhead [Left meeting early – see item 7]  
Professor Ricky Burdett  
Sir John Armitt [Arrived late – see item 4]

**Apologies:**

Professor Dame Julia King

*Commission Secretariat:*

Phil Graham



**1. Welcome**

Howard Davies welcomed the Commissioners to the meeting. He noted that John Armitt had sent apologies that he was delayed. All members had been sent copies of the relevant papers that were due to be discussed at the meeting.

HD updated the meeting on the recent threat of Judicial Review to the membership of the Commission:

- The Secretary of State had received a pre-action protocol letter from solicitors representing Stop Stansted Expansion (SSE). This indicated that they intend to apply for Judicial Review if Geoff Muirhead remained on the Commission, due to his links to Manchester Airport Group.
- Neither the Commission Chair nor the Department for Transport considered there to be any conflict of interest. GM's experience as Chief Executive of MAG was the key reason he was invited to join the Commission, and prior to his

appointment GM had made the Department aware of his consultancy role with MAG, which came to an end in January 2013, prior to the purchase of Stansted Airport.

- Nonetheless, the claim for JR was based not on an allegation of any actual conflict or bias, but on 'apparent bias' – i.e. that there was a risk that an observer might perceive the Commission's deliberations to be biased whether that was the case or not. SSE argued that such an appearance of bias had developed following MAG's submission of long-term proposals for Stansted.
- The Commission was seeking legal advice as to the strength of SSE's argument and would speak to Counsel early the following week. The Department was procuring separate legal advice. The deadline for the Secretary of State to respond to SSE was 16 September 2013.
- Until that point, the Commission's Counsel has advised acting with an 'abundance of caution' to protect the Commission's current decisions and deliberations from any risk of subsequent challenge. It was stressed that this was a purely precautionary measure, and did not imply any acceptance that there was any validity in SSE's arguments.
- On this basis, GM had agreed to withdraw from the sections of the meeting dealing with (i) surface access investments; and (ii) fiscal incentives to redistribute services between airports. This was because both of these, if implemented, could have specific benefit for airports owned by MAG.
- The secretariat and Chair did not consider that it was necessary for GM to withdraw from the meeting's discussion of long-term options for new runways and airports, as the agenda focused only on removing the least credible options from consideration. In addition, as with the short-term options, any decisions taken would be provisional and would need to be reconfirmed following the end of the ongoing consultation period on 27 September.

HD stated that any other relevant interests, additional to those declared on the register of interests forms, must be noted at the beginning of each meeting, and as relevant agenda items come up, and a decision taken as to any appropriate action to be taken.

JA's membership of the TfL Board and JK's membership of the Greater Birmingham and Solihull LEP Board were noted in their absence. HD reminded Commissioners of the importance of notifying the Secretariat as early as possible of any future changes in their interests and of discussing with the Chair before taking on any roles in future which may lead to a conflict of interest.

## 2. Note of last Meeting

The Commissioners were asked if they had any comments or corrections on the note of the last meeting - there were none.

## 3. Round up of stakeholder meetings attended

Howard Davies mentioned that he had held recent meetings with:

- Frankfurt Airport (John Armit also attended) – this visit also included meetings with Lufthansa, Star Alliance and KPMG
- Permanent Secretary Department for Transport.
- Sir Alan Haslehurst MP
- London First

Geoff Muirhead stated that he had had a meeting with Boris Johnson. Ricky Burdett had received an email from Daniel Moylan but was not minded to meet with him at this time and Philip Graham stated that he had had a meeting with Daniel Moylan.

## 4. Assessment of Need Narrative for Interim Report

██████████ and ██████████ Secretariat presented. John Armit arrived at 11:20 am during the discussion on this agenda item.

The Commission was broadly content with the proposed structure and overarching narrative.

A number of specific points and requests for additional information were made in discussion, these were:

- The opening sections of the Interim Report would need to set out the full range of issues constraining the level of demand growth which might be accommodated. These would include both environmental factors, such as climate change targets, and financial factors, such as airline economics, airport financing and the planning system.
- The fares analysis should be reviewed – particularly in relation to travel from Madrid Barajas.
- It would be important to consider whether there were any changes, particularly but not solely to the existing regulatory framework (e.g. on slots), which could enhance the overall benefits to the UK from any new aviation capacity. This should not be constrained by the difficulties of delivering change in this area. The Secretariat was asked to provide a

paper setting out the current position, and evaluating the potential options for change.

- The Commission were keen to analyse the UK's potential areas of competitive advantage in the global aviation market, particularly in relation to inter-hub competition. This could help to define more specific and appropriate objectives for the UK's 'global hub status'.
- The Commission asked whether it would be possible to more fully disaggregate the economic value of different types of route or journey. The Secretariat agreed to consider this, but noted that the existing modelling tools and connectivity analysis functioned at a highly aggregated level, so it could prove unfeasible at this stage to unpack these numbers accurately.
- Consideration should be given to strengthening the interim report narrative in the following areas:
  - i. The impact and value of transfer passengers
  - ii. Air freight
  - iii. Potential technology change
  - iv. The role of regional airports
  - v. Wider constraints on connectivity including visa requirements, APD, bilateral agreements and operational issues such as borders.
- Once finalised, the research on the economic impact of connectivity analysis should be reviewed by relevant expert panel members. This should include reviewing the scope to narrow the potential range of outputs. The Commission was also interested whether the employment impact of connectivity and airport expansion could be identified.

The secretariat agreed to take these comments on board and provide a first draft of the Assessment of Need section of the Interim Report for the next Commission meeting on 10<sup>th</sup> October.

## **5. Stakeholder Strategy and Timings**

██████████ Secretariat presented the Communication and Stakeholder Engagement Plan which had been circulated prior to the meeting.

The Commission were content with proposal that Howard Davies should make a speech in the early autumn setting out emerging thinking on the assessment of need.

The Commission asked for the draft speech to more fully incorporate the Commission's objective to identify the best outcome for the UK national interest.

The Commission agreed that short-term options relating to surface access could be announced in the Autumn statement, subject to appropriate terms being agreed for the announcement with HM Treasury.

The Commission were content with the proposals for the interim report launch.

## **6. Long term Options**

██████████ and ██████████ Secretariat presented their paper on the long term options. This had previously been circulated for consideration.

The Commission provisionally agreed the Secretariat's recommendations as follows:

- To sift out 23 proposals on the basis that either a) they had significant flaws; b) they were inconsistent with the Commission's remit and/or c) there was another equivalent proposal which was more fully developed. A list of the proposals provisionally sifted out on this basis is attached at Annex A.
- To remove the 10 surface access proposals from further consideration, but to draw up one or two combined surface transport templates drawing as appropriate upon the ideas for surface transport solutions submitted to the Commission.
- To develop templates for a 'do nothing' option and a 'maximum use of existing capacity' option as comparators to the aviation-based options under consideration.

These provisional conclusions would be reviewed by the Commission at its October meeting in the light of any relevant submissions received through the ongoing consultation process on long term options.

## **7. Short and Medium Term Measures**

██████████ and ██████████ Secretariat presented their paper on this topic.

### *Operational Measures*

In relation to operational measures, the following requests were made for additional information:

- The Secretariat was asked to produce a note for the next meeting explaining the current infrastructure and operations at Northolt Airport, the options proposed for its development and/or aligned operation with Heathrow, and on the viability of each of these.

- The Secretariat was asked to produce a note setting out the details of the mixed-mode options in more detail and the arguments for and against them, and assessing the viability of trialling mixed mode prior to any decision.

The following provisional decisions were taken in relation to short term measures were as follows:

- The content of the core package was agreed
- The maximum mitigation package and the extra Heathrow capacity with offsets package should not be assessed further, but the most promising elements of it should be retained in any final recommended package.

On this basis, the Secretariat was asked to take forward further work on the elements in the maximum capacity and resilience packages, with a view to identifying a recommended package for discussion at the October meeting.

These decisions would be reviewed at the October meeting in the light of any relevant submissions received through the consultation on short- and medium-term measures.

Following the completion of the discussion on operational measures, GM left the meeting at 14:50pm.

#### *Surface Access Measures*

The following provisional decisions were taken:

- The proposed package of surface access measures should be taken forward for further development and assessment.
- The package should include recommending a detailed study of the case and potential utilisation strategy for four-tracking the southern section of the line from Liverpool Street serving Stansted Airport.
- The Secretariat should carry out a further review of potential options for improving surface access to regional airports.
- The proposal from the London Assembly to extend the use of Oyster cards to Stansted and Gatwick airports should be considered as part of the surface transport package of measures.

#### *Measures for Redistributing Traffic between Airports*

The Commission reviewed the Secretariat's analysis of the case for varying APD according to levels of congestion.

The Commission did not consider this to be a credible long term option, as it did not deliver a national-level connectivity benefit. The analysis and results should be described in the interim report.

## 8. Phase 2

██████████ Secretariat gave a brief update on progress with the Phase 2 draft appraisal framework, which will be published for consultation alongside the Commission's Interim Report.

The key points made were:

- The framework should more clearly cover passenger accessibility (i.e. surface access)
- The Secretariat was asked to review the terminology used – particularly in relation to the proposed well-being analysis
- The commercial and financial viability of each option should be considered, including reviewing ownership proposals

## 9. AoB

It was asked whether the Commission would make any public statement supporting Geoff Muirhead's role on the Commission in the light of the ongoing legal challenge. The chair stated that in the immediate circumstances it was for the Secretary of State for Transport to consider the evidence and provide a response.

**Annex A**

**Table 1: Fundamental Issues**

<b>The proposal has fundamental issues (for example around safety, cost, affordability or deliverability) which could not conceivably be addressed.</b>		
<b>Name</b>	<b>Description</b>	<b>Reason for Sift Out</b>
Exhaustless	A system using energy from the grid to assist aircraft take-offs using electromagnetic propulsion along dedicated guideways.	High risk and unproven concept, with initial requirement for £200m to fund further research into viability, slow to deliver any additional capacity, which would be uncertain.
Imperial College London	Proposal focused on restructuring existing route network to increase airport utilisation efficiency, but with scope for inclusion of additional runways at Gatwick and Stansted	Highly interventionist proposal based on theoretical 'clockface' model. EU legislation and bilateral air service agreements may have to be significantly amended to allow this and may not be commercially viable. Likely to generate significant operational inefficiencies.
Private - Foulness	Building a new hub airport on Foulness Island	Impracticality of building on military testing site for which the MOD has confirmed the ongoing Defence requirement. MoD has also indicated a potentially large cost and difficulty of both remediation for civilian use and replacement of the facilities elsewhere in the UK. In addition, location presents no significant benefits over other better-developed proposals to the East of London.
Private – Heathrow 7	Seven runways at Heathrow with spaceport	Proposal is most likely operationally unworkable and provides little relevant additional benefit over other proposals for the site.
Private – London East	New 2 runway airport in the motorway triangle (M25, M26, M20). Some element of traffic distribution.	Challenging topography and EU legislation and bilateral air service agreements may have to be significantly amended. Likely to generate significant operational inefficiencies.
Private - Lydd & Gatwick	Two proposals to use the reserve runway at Gatwick and build up Lydd airport	Safety and license issue with Gatwick. Lydd is a significant distance from London (c. 62 miles) in an area with limited transport links. Operational issues associated with site close to Dungeness nuclear facility.
Private - Maplin	New airport in Maplin Sands	Innovative airport concept is not currently deliverable within current international and national aviation recommendations and UK regulations and legislation, adding significant uncertainty to deliverability.
Private – Mega Hub	Building a group of “mega hubs” in the South East	Proposal contains significant operational flaws (chiefly around runway alignment) that render the concept unworkable.
Private – London Thames Global (Thurrock)	Building a new hub airport at Thurrock	Proposal is single-runway airport based on the site of DP World's logistics and port operations in the Thames Estuary – would require their closure and relocation for limited additional benefit over other options.
Private – Walland Marsh	Building a new airport at Walland Marsh (roughly on current site of Lydd Airport)	Significant distance from London (c. 62 miles) in an area with limited transport links. Likely very high impact on protected sites. Operational issues associated with site close to Dungeness nuclear facility.



**Table 2: Similar Scope**

<b>The proposal is similar in scope to another better developed and more credible proposal</b>		
<b>Name</b>	<b>Description</b>	<b>Reason for Sift Out</b>
Aras Global	A 3rd or 4th runway at Heathrow in a similar situation to Heathrow Ltd's submission	Other submissions regarding the Heathrow site present a more compelling case for similar concepts.
Beckett Rankine	New hub airport at Goodwin sands	Located 71 miles from central London, has a surface access challenge for the catchment area in the south east and the north or west of London. No significant additional benefits are immediately apparent over similar schemes closer to London. In addition, access to the airport would be entirely dependent upon availability of two twin tunnels (road and rail), carrying significant operational, safety and security risk.
London Medway Airport	A new 4 runway hub in Cliffe	Other submissions regarding similar sites provide a greater degree of evidence and assessment
MAKE Architects	4 runway hub airport at Stansted	Airport elements of proposal are less detailed and credible than other proposals for a Stansted hub airport. Some elements of surface access may be worth considering alongside other Stansted hub proposals.
Private - LHR and STN	4 runway hub - close spaced runways outside existing at LHR or 3 additional runways at STN	Less developed and credible than other proposals for those sites.
Private - LHR 4 runways (2 southern)	Short proposal on two new runways to the south west of the current airport over King George and Staines reservoirs	Other submissions regarding the Heathrow site present a more compelling case for similar concepts.
Private - Twyford	Building a new airport in Twyford, North Buckinghamshire	Significant distance (c. 50 miles) from London with limited access to rail links. Dependent on additional HS2 station, which does not form part of proposed scheme. Not much detail provided but similar location to, and no significant additional benefits over, Pleiade Oxfordshire and gap option near Bedford. Focus will be on these two instead.
Progressive Aviation Group	Building a new airport at RAF Croughton and Steventon	Steventon proposal duplicates the London Oxford by Pleiade. RAF Croughton proposal is a significant distance from London (c. 54 miles) with limited access to rail links. Dependent on additional HS2 station, which does not form part of proposed scheme. The area is also essentially covered by Pleiade and Bedford gap option with no apparent significant additional benefits over them so will focus on these two instead.

**Table 3: Does not Fit with Commission Remit**

<b>The proposal does not fit with Commission remit or offer a solution to the emerging messages of our work on the assessment of need</b>		
<b>Name</b>	<b>Description</b>	<b>Reason for Sift Out</b>
Drive Through Airport	A change of functionality at airports with no addition to runways	Untested concept with little evidence as to feasibility. Does not relate to core issue of runway capacity.
Fairoaks	Reliever airport that is dealt with in short and medium term work	Proposal presents some potential as a reliever airport, but has little to no bearing on the larger question of London & South East capacity. Consider in short and medium term work.
Manston	Reliever airport that is dealt with in short and medium term work	Proposal presents some potential as a reliever airport, but has little to no bearing on the larger question of London & South East capacity. Consider in short and medium term work.
MSP Solutions	New Severn Estuary airport	The scale of the contribution of a the new airport to UK airport capacity is not clear and given that Cardiff and Bristol airports would close, the additional benefit may be small against the probable cost.
Richmond Heathrow Campaign	Range of proposals to enhance usage of existing capacity including use of larger planes and fiscal measures.	Commission will need to consider 'do nothing' option (see below), however the key elements of this proposal are being considered through other elements of work programme.
Severn24	New airport in Severn Estuary open 24hrs a day	Whilst providing capacity to serve the south west of England and the south of Wales, it is not clear that the proposal would add significantly to capacity, given the almost certain operational and commercial need for Cardiff and Bristol airports to close, therefore the additional benefit may be small against the probable cost.