

M.A.G welcomes the opportunity to submit comments on the Airports Commission's technical studies relating to the Inner Thames Estuary option. We have two principal issues that the Commission will need to address before seeking to make its decision on whether to shortlist the option for inclusion in Phase 2 of the process.

1. *Adequacy of the Commission's assessment of Stansted hub options*

One of the Commission's key reasons for excluding Stansted hub options from the shortlist for Phase 2 related to the perceived impact on Luton Airport of such development. The Commission's assessment was based on advice it received from NATS which suggested that the development of a Stansted hub would reduce Luton's theoretical capacity by around 80%. This advice was premised on the following assumptions:

- Heathrow would continue to operate alongside a new hub at Stansted;
- Stansted's new runways would be aligned NE/SW, as with the current runway; and
- the impact on Luton (and other airports) is relative to its theoretical maximum capacity of 250,000 movements, rather than its effective capacity of 160,000.

M.A.G has consistently emphasised the need for Heathrow to close to support the development of a new hub at Stansted. Heathrow's closure would facilitate a fundamental restructuring of London's airspace, opening up significant new areas for use by existing airports and new runway development. For internal consistency, the Commission's assessment of the impact on Luton of a new hub at Stansted should have assumed the closure of Heathrow.

It appears illogical for the Commission to have based its assessment on an assumption that Heathrow would continue to operate alongside a new hub at Stansted. It should be noted that NATS advised the Commission that a new hub at Stansted would reduce Heathrow's effective capacity by 50%. In so doing, the Commission will have significantly overstated the impact on Luton, and as a consequence understated the net gain in capacity from a new Stansted hub. Similarly, the impact on Southend and London City would be likely to be significantly reduced in a scenario where Heathrow was assumed to have closed.

In this respect, we note the inconsistency between the assumptions adopted for a new Stansted hub and the development of an Estuary hub; for the Estuary hub NATS assumed that Heathrow would close for operational reasons. In this scenario, the impact on Luton is assumed to be zero.

Furthermore, it would have been open to the Commission to have explored a realignment of the runways at a Stansted hub, if the current alignment was a primary driver of the airspace impact on other airports. To our knowledge, these options were not explored. The use of the theoretical maximum capacity at Luton also overstates the impact of the new hub at Stansted by some 20,000 movements – although this error is clearly of second-order importance compared

to the Commission's assumption that Heathrow would continue operating alongside a new Stansted hub.

The advice provided by NATS to the Commission makes clear that it would be necessary to conduct simulation modelling of different options to be able to make definitive recommendations on these issues. To our knowledge, this modelling has not been carried out by NATS or the Airports Commission to inform its assessment of the Stansted hub option.

The Jacobs study of Environmental Impacts of the Estuary option confirms the position set out by the Commission in its Interim Report (Box 6b, page 182) that the scheme could only be taken forward if it could be shown that no alternative exists. The Interim Report also notes that 'The bar for the alternatives test is high due to the potential for many other locations to meet the objectives for the expansion which would not have such adverse effects.'

In light of this high burden of proof, it will be necessary for the Commission to demonstrate that it has carried out a thorough assessment of the alternatives that would be robust enough to demonstrate legal compliance with the EU Directive and withstand scrutiny through a planning process. We do not consider the Commission's assessment of the hub options at Stansted would meet these requirements. By way of example, further work of the type identified by NATS would show that the impacts of a Stansted hub on other airports would be much smaller than previously assumed by the Commission.

2. *Scope of the Commission's recommendations*

Our view is that Stansted is a strong option for new runway capacity because it provides capacity more cost-effectively and at lower levels of environmental impact than other locations.

We wrote to the Commission in April 2014 to highlight the importance to M.A.G of the Commission's Final Report not cutting across Stansted's long term prospects, and leaving open the location of new runway capacity in the period after 2030. We noted that a decision by Commission to shortlist a Thames Estuary option later this year would fundamentally alter the focus of its work – from a process focused on the period to 2030, to a process that was considering longer term solutions.

In such circumstances, we said that it would be necessary for the Commission to reintroduce Stansted options (and potentially other options) into the process to ensure all credible long term options were given due consideration. We remain of that view. The Commission would only be able to reach a fully informed view on the merits of the different approaches if it considers the relevant options open to it in the period beyond 2030. In this respect, we note that the Commission has already acknowledged that Stansted is an important option in the period after 2030.