



**Meeting of the Airports Commission  
10th October 2013 – 09:00 – 12:00  
Rm 6.02 Sanctuary Buildings**

**Attendees:**

*Commission Members:*

Sir Howard Davies – Chair [Left 11:30]  
Vivienne Cox  
Professor Dame Julia King  
Professor Ricky Burdett [Left 11:00]  
Sir John Armitt

*Commission Secretariat:*

Phil Graham



**1. Welcome**

Howard Davies welcomed the Commissioners to the meeting. He noted that he and Ricky Burdett needed to leave the meeting early. All members had been sent copies of the relevant papers that were due to be discussed at the meeting.

**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 updated on recent meetings with:

- The Councillors Briefing on 7 October. There had been some change in the position of some of the councillors in relation to Heathrow. There was concern regarding the impact of closing Heathrow which had led to a softening of views relating to some expansion.
- The speech on emerging thinking which Howard gave on Monday 7 October. This had received a straightforward reception and in the main accurate press reporting.
- Sir John Kingman (Treasury) was keen to work with the Commission on an autumn statement announcement on surface access options. More work would be done at official level.
- Howard had held a useful discussion with the Chair and CEO of CAA including discussion of the airspace strategy for London.
- Theresa Villiers had indicated support for an additional runway at Gatwick.

Howard also updated Commissioners on the intention of the Stop Stansted Expansion group to continue with their threatened judicial review challenge to the Commission on the grounds that the sift criteria were 'tainted' and could not be relied upon due to Geoff Muirhead's involvement. Stop Stansted Expansion argue that the criteria should be revisited. Howard stated that the Commission should maintain its position that the current sift criteria are robust and there is no need to go back and reconsider them.

Phil Graham mentioned that he and [REDACTED] had met Norwegian airline. A note had been circulated to Commissioners.

Ricky Burdett had met Daniel Moylan who was keen to have the hub/no hub question addressed in the interim report. Mr Moylan did not support expansion at Heathrow or Gatwick.

Commissioners were asked if there were any changes to their register of interests, there were none.

### **4. Assessment of Need**

#### **Demand forecasts: update on forecasts and connectivity models**

[REDACTED] Secretariat updated the Commission on the main headlines from the latest national demand forecasts and airport level forecasts, focusing on south east airports. There were still some issues with the model, particularly around the new modelling of foreign hubs. These issues were being rectified. It was noted that overall demand was slightly lower than the previous forecast. It was also noted that imposing a carbon constraint reduces demand growth.

New model runs will consider the impact on connectivity of different airport models.

The secretariat outlined key changes to the model to address points that had been raised in response to the forecasting discussion paper. The Commission requested strong lines to justify the final demand forecast.

### **Qualitative Scenarios: Presentation on results from recent workshop**

██████████ Secretariat gave an overview of the workshop held with members of the expert panel in September and of the different drivers of the aviation sector that were explored during the workshop.

The Commissioners agreed on the approach taken towards defining the future scenarios by the Secretariat. They decided that the following scenarios should be taken forward to the interim report narrative;

- (1) Role of major hub airports enhanced: strengthening of hub airports in Europe and rise of hubs in the Middle and Far East (M&FE);
- (2) Decline in the relative importance of European hubs as M&FE carriers develop their dominant role; and
- (3) Global decline of hub airports as Low Cost Carriers take over long-haul routes and transfer passengers.

██████████ Secretariat explained that these three scenarios rely on the same assumptions of the rise towards globalisation, rapid growth of Asian economies and rising price of oil. Secretariat proposed to include a fourth scenario that would be a more radical version of the world. As such, the fourth scenario could include:

- Rise in global protectionism results in a substantial fall in demand for international traffic for both goods and people;
- Slowdown of growth in Asia as global supply chains suffer from rise in global protectionism;
- Declining price of oil due to a rise in the production of shale gas and China's adoption of stringent fuel efficiency regulations;
- Continued emphasis on international climate change agreement

The Commissioners therefore agreed on the following fourth scenario:

- (4) Globally pursued protectionist policies result in lower demand for aviation and decline of need for capacity.

The Commissioners suggested that, if possible, other radical assumptions could be considered as part of scenario (4) – e.g. what would happen if a terrorist incident closed a global hub? Could the ongoing evolution of 3D printing have an effect?

Finally, there was a request for more detail on the underlying assumptions behind scenarios 2 and 3 as the Commissioners felt these two scenarios were very close to each other.

**5. Long term Options**

██████████ and ██████████ Secretariat presented their paper on the sift of the long term options. The templates had previously been circulated for consideration, it was noted that some of the detail in the templates e.g. some of the surface access costs needed to be reviewed in the light of comments from the expert advisory panel. The templates will be reviewed by the secretariat and recirculated to the Commission before decisions are finalised.

Several areas were identified for further analysis including the approach to risk, where it was noted that weightings in the order of 60% were not uncommon in the private sector at this initial stage of a project. It was also noted that all the costs currently included 50% optimism bias as well as a risk component. Analysis was requested, where possible, of the costs in financial, employment, and wider terms of any proposals that would require the closure of one or more existing airports. An assessment of deliverability was also requested to be presented at the next stage sift.

**Consideration of individual proposals:**

Options were presented in groups and considered on the basis of the individual templates, weighing up the proposals' strengths and weaknesses in comparison to other options within the group. The key points noted in the table below indicate some of the most prominent factors which differentiated the individual proposals in discussions.

Note numbers refer to templates sent in hard copy to all Commissioners. Presented in order of consideration at the meeting.

Ref No	Comment
59-62 Airports Commission Secretariat: i)National Surface Access ii)London Orbital iii)London Central Hub iv)Airport Operations	Do not deliver capacity of the scale and type identified in the assessment of need, in some cases no additional capacity is delivered and at substantial cost – local environmental costs not quantified but also likely to be significant in some cases. Those benefits that were identified were often subject to significant delivery risks. SIFTED OUT

<p>41 Kent CC and Medway LA</p>	<p>This is an amalgamation of two proposals in the group, with the potential for a third to be added. As such it provided an over provision of capacity in comparison to the assessment of need. Other proposals in the group which make up the main elements of this proposal should be analysed further rather than this combined option. SIFTED OUT</p>
<p>43 Western Gateway (Option1)</p>	<p>Aviation connectivity benefits very limited, not delivering anything near the identified level of additional capacity required and not in the areas of the country where that demand is identified as being located. Very large likely cost. SIFTED OUT</p>
<p>34 Heathrow Airport - North</p>	<p>Of the proposals for an expansion of this airport, this is the worst of the proposals in many categories and does not have any advantages above other options in the group with the exception of likely being slightly cheaper. Most number of homes destroyed, amongst the worst noise impacts, and least capacity delivered. Other options within the group would offer better prospects and should be analysed further. SIFTED OUT</p>
<p>38 Centre Forum/Policy Exchange</p>	<p>Key elements of this proposal have been incorporated into other proposals in this group. At its maximum extent as modelled it provided almost double the capacity forecast needed. It was noted that many elements of the thinking behind this option have been used elsewhere and although it provides greatest noise benefits, the scope for respite is limited. Highest cost in the group and most significant construction challenges. Worth considering the extra capacity provision in combination with the other options in the group – sift out but look at a 4 runway option building on this and the proposals from the airport itself. SIFTED OUT</p>
<p>45 Airports Commission Secretariat – West London Heathrow</p>	<p>This option delivers a new hub but of those in this group effects the most people in terms of noise compared to other hub proposals. The land to be used has suffered flooding issues in the past and more houses need to be demolished compared to other hub proposals. SIFTED OUT.</p>
<p>50 TESTRAD 52 Mayor of London Outer Estuary</p>	<p>Amongst most expensive options of this group and all other proposals. Delivers an over capacity but not of an order of magnitude greater than others in the group commensurate with the additional cost, and requires several other airports to close. SIFTED OUT</p>
<p>53 Weston Williamson and partners 57 Policy Exchange and Centre Forum</p>	<p>Although the cheapest expected cost these proposals require the closure of other airports due to capacity and air traffic issues resulting in an expected net reduction in overall capacity which is inconsistent with the forecast assessment of need. Significantly noisier than other proposals in the group. SIFTED OUT</p>

<p>39 Birmingham Airport</p>	<p>Very significant distance from key catchment area of London make it unlikely that this airport would cater as well as more proximate options. However, largest catchment of people within 2hrs of the airport in both the group and of all options. Though this is largely dependent on HS2. HS2 also makes London airport system that much more attractive to the core of the airport's market. Largest noise impacts of the group and current demand profile favours other airports in the group. This proposal is unlikely to be an optimal solution compared to others in the group but further analysis required to confirm the nature of the catchment area before sifting out. SIFT OUT IF FURTHER ANALYSIS CONFIRMS ASSUMPTIONS</p>
<p>37 Heathrow Hub</p>	<p>Offers worst noise performance in group on 57 LAeq and 55LDEN as it concentrates the impact and it relies on untried runway configuration to deliver capacity. Building both phases delivers an over capacity and is unlikely to be suitable if both phases built. Option has scope to minimise other impacts such as housing and heritage loss and land take, therefore carry out further investigation of phase 1 impacts and scalability alongside restrictions on novel approach. RETAIN TO STAGE 3 (<i>Note this text corrects erratum of earlier version of meeting note</i>)</p>
<p></p>	<p><i>Note RB left at this stage</i></p>
<p>44 Airports Commission Secretariat – Milton Keynes/Bedford</p>	<p>Amongst the cheapest in the group and better located for transport connections to the rest of the country. However, given capacity impacts of required closures of other airports this delivers well below the expected need at still some considerable cost. Noise performance relative to others in the group is not good. SIFTED OUT.</p>
<p>49 Pleiade Associates</p>	<p>Lower costs, less houses demolished and relatively similar noise performance with others in group. However, as with option 39 the site of this proposal is at a significant distance from the core centre of demand making it less likely to be able to cater as well for demand as more proximate options. A combination of distance from London, siting on a significant flood plain and large loss of high value agricultural land make this option less attractive than others in the group. SIFTED OUT</p>
<p>54 Airports Commission Secretariat – Gatwick 4 Runways</p>	<p>Maximum capacity is significantly less than the requirement. Largest number of houses demolished in group and middling relative noise performance and costs. SIFTED OUT</p>

<p>55 MAG Mayor of London (Stansted)</p>	<p>4-Runway option delivers good relative noise performance and least number of houses demolished in group, but limited additional capacity given interactions with other airports. Costs are highest in group. SIFTED OUT. 5-Runway option potentially delivers significant capacity at similar cost and noise performance. However, capacity benefits may be overstated and further analysis is required. RETAIN TO STAGE 3</p>
<p>56 MSP Solutions</p>	<p>Although option delivers good relative noise performance and least number of houses demolished in group it offers limited additional capacity given interactions with other airports. Costs are highest in group. SIFTED OUT</p>

All remaining options retained as per recommendation in paper. Options 46 (Fosters and Partners), 47 (IAAG), 48 (Metrotidal Ltd and Thames Reach Airport), and 51 (Mayor of London – Isle of Grain) to be combined as per recommendation in paper with further analysis of the environmental and airspace impacts alongside proximity to important energy infrastructure. It was noted that all decisions will be revisited once the review of the consultation responses is complete and presented in time for the next Commission meeting.

Note HD left at this point. As HD had already been talked through the mixed mode and noise papers it was agreed that these items would be discussed with the remaining Commissioners.

## 6. Summary of Responses to Noise Discussion Paper (taken out of order from agenda)

██████████ Secretariat presented the paper on the summary of the responses to the Commission's noise paper.

In relation to the four recommendations in the paper, the Commission was content with producing, for the draft Phase 2 appraisal framework, a wide-ranging 'noise scorecard', as well as with the metrics captured on the scorecard (recommendation 1). In addition, the Commission was content with the recommendation to predominantly base assessments on absolute rather than background noise levels (recommendation 2).

On the third recommendation, the consensus was that further research work into noise metrics and other areas was desirable, but that the Commission did not require this work to be complete prior to making robust recommendations relevant to its remit. One role of a newly-created noise regulator could be to drive further research work forward, in particular through the establishment of regular surveying of noise affected populations.

Of the points outlined in recommendation 4 of the paper the Commission only discussed Independent Noise Regulators. In addition to the research role discussed above, this body could have responsibility for agreeing airspace changes and setting compensation regimes

for residents near airports. The consensus was that this idea was worth further investigation.

**Action:** Secretariat to investigate the role of similar bodies in other countries, and their influence with bodies such as ICAO, and to prepare a paper on the options for the structure and responsibilities of an independent noise regulator.

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

██████████ and ██████████ Secretariat presented their paper on the use of mixed mode. The issue of respite was discussed and the Commission noted that mixed mode would result in no option of respite outdoors. ██████ Secretariat suggested that mixed mode would be difficult to implement as a short term measure. The Commission asked the secretariat to consider whether, as a short term measure, industry should be encouraged to undertake the necessary work to facilitate a move towards mixed mode in future if required. ██████ Secretariat explained this could be done through support for the London Airspace Management Programme and some other proposals under consideration that would allow for more flexible use of the runways.

## **8. Stakeholder Strategy**

There was no time for this agenda item so the Jan to April strategy will be agreed by correspondence in the first instance.

## **9. AoB**

There was no AoB.