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Dear Sir Howard

Please find attached our response to the Airports Commission Consultation, answering the questions as stated.

Gatwick Diamond Business has over 350 member businesses who employ around 50,000 staff. In January 2015 we consulted with our own membership and found that 85% were in favour of the second runway being built at Gatwick Airport.

This organisation started 60 years ago on Manor Royal Business Park. This was the catalyst for the development of probably the first airport economy in the world and the Gatwick Diamond. The large businesses that moved here in the 1950's developed a supply chain within and close to Crawley. As Manor Royal and Gatwick Airport expanded, that supply chain attracted further businesses and now we have a £21bn sub-regional economy (the Gatwick Diamond), centred on the largest business park in the UK.

We believe that the additional wide-spaced runway at Gatwick is the right choice for the South East and for the UK economy as it:

- Generates Economic Growth in aviation and non-aviation businesses
- Increases competition between airports leading to cheaper fares and more connectivity
- Is deliverable within the required time frame
- Is affordable and, in the main part, is funded by the Airport owner

There have been concerns raised by some of our members and by other stakeholders, which are being considered by the Commission, but it is important to re-iterate these as they do need addressing. The concerns include:

- Transport and other infrastructure
- Employment Land
- Skills provision
- Housing supply

Whatever the outcome of your deliberations, we would urge you to press upon the next Government the importance of acting swiftly on your recommendations and they must come to a decision within a time frame that allows commencement of construction at the very earliest possible juncture.

I trust that our views will be taken into account and that we can see a speedy and positive resolution to the work of the Airports Commission.

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<table>
<tr><td colspan="2">Questions inviting views and conclusions in respect of the three short-listed options</td></tr>
<tr><td>Q1: What conclusions, if any, do you draw in respect of the three short-listed options? In answering this question please take into account the Commission’s consultation documents and any other information you consider relevant. The options are described in section three.</td><td>Having reviewed the Commission’s documentation as well as taken part in a number of the consultation and engagement events, we are of the conclusion that the additional wide-spaced runway at Gatwick is the best option for economic and environmental reasons.

Narrative:
In our view, an Airport brings Economic diversity and this is very well evidenced at Gatwick. In terms of our membership, only 12% are in the aviation, airport or tourism related industries. The area boasts many household name companies that choose to be here as a result of the communications (air, rail and road) and skilled people in the region.

The Gatwick Diamond is home to 45,000 businesses with an employee workforce of 400,000, and has six industry sectors which are particularly strong
Aviation
Advanced Manufacturing and Engineering,
Financial and Professional Services,
Life Sciences, Health Technologies and Medical Devices,
Environmental Technologies
Food and Drink
There is no question that the second runway will bring an increase in Employment levels, particularly as Gatwick has a real impact on the local economy; 43% of Gatwick’s operational spend is with local suppliers.

The plans for Gatwick have gone a long way to addressing how the new jobs will be filled and offers opportunities for a very wide geographic spread as well as a broad range of job functions.

We have already seen the plans to develop public transport and the road infrastructure around Gatwick, which will allow</td></tr>
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	other areas to rightly benefit. We can see employment opening up for those who live in disadvantaged areas along the coast and into London. And while those employees are working here they will in turn spend money in the local area. Furthermore, the Gatwick Diamond currently has a daily outflow of 100,000 commuters who work elsewhere. It is likely that a significant proportion of those would rather work locally than have to travel. In respect of the Commission's findings on employment at Heathrow, we do not understand how the assessment of economic impact shows a greater number of jobs created in the immediate area around Heathrow. This appears to be out of proportion to other findings when the three schemes are compared. We would like to see better evidence as to how the number of jobs created by a third runway at Heathrow is greater than the number created by the second runway at Gatwick. One of the key benefits to come out of the sale of Gatwick in 2009 has been the increase in competition on routes. This can be shown in the price differential achieved between Heathrow and Gatwick on the Moscow Domodedovo Route. A recent search for a 4-day return direct ticket in early February, with luggage and reserved seats showed £138 from Gatwick versus £1,198 from Heathrow. As businesses look for new opportunities, the majority will choose the former price. In a similar recent search for tickets to San Francisco from Heathrow, there was only a £70 differential between competing airlines at the same airport. This is not to attack any individual airlines' business model, but to demonstrate that should the next runway be built at Heathrow, airlines will congregate and there would be less competition; the price of trading internationally will rise. Creating capacity at Gatwick will also bring better and more affordable connectivity to the regions. Air connectivity to London is vital to those further parts of the country where road and rail travel are impractical and more expensive. Even at the maximum of £15 per passenger, the relative difference in landing charges means that Gatwick will still be affordable for domestic airlines, and far more affordable than Heathrow where charges are likely to rise to £35-£40 per passenger. Competition created between a two-runway airport at Heathrow and a two-runway airport at Gatwick will lead to lower costs and higher standards for the customers.

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	Resilience In business, it is important to have a capacity to cope, particularly when things go wrong. By expanding Heathrow, the airport capacity will be concentrated in one place. By developing Gatwick, there will be enhanced resilience in the London network with two world class airports. **Travel costs** Travel costs to the departure point are of great interest to the business community, as they are to the leisure traveller. The wide-spaced runway at Gatwick will bring in more routes and these, coupled to the improvements in public transport access to Gatwick, will help to bring down the costs of travel to the point of departure. Both business and leisure passengers regularly cite difficulties in time and expense in reaching Heathrow from their locations across the South East. **Affordability** The Gatwick option is the most affordable for the country. We also speak as taxpayers, and let's not forget that the business community is an enormous contributor to the Exchequer. If there was a simple choice between a scheme that could cost billions of pounds of public money when a privately funded alternative is available, then it does not make sense, especially in these difficult times, to pursue the one that will be funded from taxation. Gatwick Airport Ltd has made assurances that it is self-financing and that there will be minimal cost to the taxpayer for surrounding infrastructure compared to the expense incurred by developing either of the options at Heathrow. **Future of Aviation** As has been made quite clear in the Commission's findings, the future of aviation growth is hard to measure. In 2003, Low-Cost aviation was seen as a blip yet we now see that easyJet and Norwegian carry the vast majority of Gatwick passengers, while some Charter airlines are pursuing a Low-Cost model of operation. Business travellers have increased their use of Gatwick. In only 4 years, we have seen an increase in passengers and 20% are

	now travelling on business, which in real numbers is currently 7.6m. Much is made of Heathrow's role as a business airport, yet figures show that 70% of Heathrow travellers are flying for leisure. The future of the 'Hub' model is also under question as aircraft manufacturer order books show a far higher interest in aircraft that will serve Point-to-Point routes. This 'Hub' model is of great importance to Heathrow, yet only 14% of London's travellers use it as a Hub to transfer from one flight to another, London is the destination or point of departure for the remainder. We would question the rationale of aviation policy being structured around the convenience of those few. The proposals by Gatwick Airport Ltd have the potential to meet all the strategic objectives of the Airports Commission, as listed in the Commission's Consultation Document on its website.

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Q2: Do you have any suggestions for how the short-listed options could be improved, i.e. their benefits enhanced or negative impacts mitigated? The options and their impacts are summarised in section three.	**Transport:** In respect of Gatwick's proposal, we would suggest a need for timetabling of public transport to reflect the 24/7 shift patterns that employees cover alongside a commitment by operators to service passengers wishing to travel at the extreme ends of the day. Again, in respect of Gatwick's proposal, most of the assessment is concerned with the Brighton Mainline but it would be well worth investigating the opportunities of developing services on the Arun Valley and North Downs lines. These could greatly enhance the network's resilience. **Motorways** In respect of Gatwick's proposal, we would like to see consideration given to the other 'A' roads in the area, alongside the M23, as well as more definition of how Airport traffic can be separated from local commuter traffic. In respect of Heathrow, we feel that the massive engineering works required for the M25 adjacent to that airport will be severely disruptive and have a cost to the economy. We also object to the £5.7bn cost that would be incurred by the taxpayer in respect of those alterations, particularly as there is likely to be no additional and wider economic benefit from those road works. **Noise:** We support Gatwick Airport Ltd's provision of a Noise Insulation Scheme for noise-sensitive businesses. We would like to see acknowledgement that the CAA and DfT are involved in any community engagement process where changes are set by National, European or Global Policy makers. **Compensation and Engagement with Employers:** In respect of Gatwick's proposal, we would like to see reference to maintaining stability in rental rates as businesses may be offered alternative sites by the Airport, but these sites should be at rental rates that reflect the current situation.

	We would like to see reference to the different impact on Leasehold and Freehold occupiers and that provision may need to be made for companies with highly specialised equipment within their premises. **Community Pledges:** If Gatwick is the chosen site for the next runway, then we would wish to understand how the pledges made by Gatwick Airport Ltd are legally binding on this or any future owner or operator of the airport, and that a fair monitoring system is in place. Should the Commission in its final report recommend that a second runway should be built at Gatwick, it should also recommend that the Government should ensure, through the planning process, that the pledges and commitments are made legally binding on the current and future owners of the airport, and that appropriate monitoring arrangements are in place to make sure they are delivered.

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Questions on the Commission's appraisal and overall approach	
Q3: Do you have any comments on how the Commission has carried out its appraisal? The appraisal process is summarised in section two.	**Consultants:** A challenge for the Commission will be in evaluating the different methodologies used by the scheme proposers and by the Commission itself. It will be important to ensure that consultants' reports are prepared by those who are expert in their field. **Future Scenarios:** The use of five future scenarios coupled with two Carbon situations is understandable but it is extremely unlikely that the future will follow any one pattern. It is far more likely to see a combination of two or three scenarios and, whilst it will be greater work, to use each scenario in isolation could lead to confusion.

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Q4: In your view, are there any relevant factors that have not been fully addressed by the Commission to date?	**Impact of Heathrow being selected:** There appears to have been no assessment of the potential impact on the economy or the environment of the area around Gatwick Airport following a recommendation to provide additional runway capacity at Heathrow Airport. That assessment should be undertaken prior to a final recommendation. In particular we would be very concerned to see a recommendation for Heathrow that did not address the future use of the land to the South of the Airport which is currently safeguarded by the 2003 White Paper. **Duplication of funding implications:** Some of the items which Gatwick Airport Ltd has proposed to provide and pay for also appear in the Commission's list of additional off-site improvements, suggesting that the cost of these improvements would be additional to the cost of expanding the Airport, imposing further demands on the public purse. It is important that the cost of providing off-site items is clearly allocated to whichever agency is responsible. Where that is Gatwick Airport Ltd, then the future owner and/or operator should be legally committed to covering those costs. We would also suggest a scheme is created to allow or the possibility of disparate ownership of the Airport's assets. It may be that, in future years, different businesses own individual terminals. **Housing provision and timescales:** The Commission has suggested an even division of homes across Local Authorities and across an even timescale. Whilst this is understandably simplistic, it is unlikely that housing demand will follow such an even pattern and more work needs to be carried out to fully understand the housing impact. One of the concerns raised by business is the affordability of housing for workers and it would be good to have a better understanding of the impact not just on provision, but to the cost of housing in the area around each of the two airports.

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<tr><td colspan="2">Questions inviting comments on specific areas of the Commission’s appraisal</td></tr>
<tr><td>Q5: Do you have any comments on how the Commission has carried out its appraisal of specific topics (as defined by the Commission’s 16 appraisal modules), including methodology and results?</td><td rowspan="3">The Commission has projected future use of the expanded Airport based on the current operating model of that Airport. However, it is very likely that the operating models, especially that for Gatwick Airport, will change.</td></tr>
<tr><td>Q6: Do you have any comments on the Commission’s sustainability assessments, including methodology and results?</td></tr>
<tr><td>Q7: Do you have any comments on the Commission’s business cases, including methodology and results?</td></tr>
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Other comments	
Q8: Do you have any other comments?	In respect of infrastructure funding for either development, there needs to be clarity on infrastructure funding by all agencies, including, but not limited to: The Airport Operator Network Rail Rail Franchise operator Highways Agency Department for Transport Local Authorities Local Enterprise Partnership Scale of impacted area: We can see that the impact of a second runway means different things to different people subject to their location. Whilst we fully understand and empathise with the relatively small number of people that will be affected by noise, there is a much wider area and population that will benefit economically. We feel it is important that the economic impact is taken across an area measured by a 90 minute travel to Airport zone.

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