

Future Heathrow response to the Government's consultation 'Adding Capacity at Heathrow Airport'

Introduction

Future Heathrow is a broad based coalition of businesses, trades unions and the aviation community. Our link is a shared vision of the future of the UK's only major international hub airport.

Future Heathrow supports and encourages sustainable capacity growth at London Heathrow Airport as set out in the UK Government's 2003 White Paper on Aviation.

Future Heathrow takes as its premise that:

- Expansion of capacity at Heathrow is the only way to secure its internationally competitive future
- Heathrow brings economic benefits to the local area, London, the South-East region and the UK as a whole.
- Heathrow is essential for London's future as a world city and the financial and business centre of Europe.
- Heathrow is a major employer in its own right and generates wider employment in the surrounding area, London and the region.

Future Heathrow welcomes the publication of the Government's consultation 'Adding Capacity at Heathrow Airport'. We urge the Government to:

- Confirm its existing policy that a third runway should be provided at Heathrow as soon as possible because it has been demonstrated that this can be delivered within the strict environmental limits set out in the 2003 Air Transport White Paper.
- Confirm its existing policy that best use can be made of the new runway if a new passenger terminal can be provided as well.

- Confirm support for the use of mixed mode operations, initially to reduce delays and improve operational resilience, and then for capacity growth prior to the opening of a third runway.
- Provide clear decisions on the other changes to runway operation on which it has consulted, namely the Cranford Agreement, westerly preference, night time rotation, and early morning alternation.

About Future Heathrow

Future Heathrow was launched in 2005 to campaign for the sustainable growth of Heathrow airport. It is a broad based alliance which counts the following organisations as members:

Air Transport Action Group (ATAG). ATAG is a not-for-profit association with members that include airports, airlines, airframe and engine manufacturers, air navigation service providers, airline pilot and air traffic controller unions, chambers of commerce, tourism and trade partners, ground transportation and communications providers. It aims to achieve infrastructure improvements and address the environmental challenges facing the aviation industry. ATAG has some 70 members worldwide.

BAA. BAA owns and operates Heathrow Airport, which is the busiest international airport in the world and the UK's only hub airport. BAA employs over 4,000 people at Heathrow.

bmi. bmi is Heathrow Airport's second largest airline, accounting for 62,000 flights a year to 39 destinations. It employs over 2,000 people at Heathrow.

Board of Airline Representatives in the UK (BAR UK). BAR UK is the industry association for scheduled airlines undertaking business in the UK. It counts 97 scheduled airlines as members. Whilst the major British based scheduled airlines all belong to BAR UK, the majority of the members are foreign airlines.

British Air Line Pilots' Association (BALPA). BALPA represents over 85% of Britain's pilots and flight engineers and its membership is currently more than 10,000.

British Air Transport Association (BATA). BATA is the trade association for UK registered airlines. Its members produce over 80% of UK airline output.

British Airways. British Airways is Heathrow's largest airline, accounting for more than 198,000 flights per year to 100 destinations. BA has its global headquarters at Heathrow and employs around 35,000 thousand people at the airport.

Boeing. Boeing is the world's leading aerospace company and the largest manufacturer of commercial and military aircraft combined. It has around 600 staff in the UK and its European headquarters is located at Heathrow from which the company conducts its marketing, leasing, sales and field support operations.

Confederation of British Industry (CBI). **Confederation of British Industry (CBI).** The CBI represents 200,000 UK businesses, including 80% of the FTSE 100, and half of the FTSE 350. Its mission is to help create and sustain the conditions in which businesses in the United Kingdom can compete and prosper for the benefit of all.

Destination Heathrow. Destination London Heathrow is an association of 16 hotels who operate in the Heathrow market. The association aims to drive incremental business into the market and create a positive impact for the local community.

GMB. The GMB is Britain's general union, representing over 600,000 members working in every part of the economy. As well as airport staff it represents thousands of workers in manufacturing and other industries who depend on Heathrow for their livelihood.

Heathrow Airline Operators Committee (AOC). The Heathrow AOC represents the interests of the 90 airlines who operate from Heathrow Airport.

The International Air Transport Association (IATA). IATA represents over 270 airlines whose services comprise 94 percent of international scheduled air traffic.

London Chamber of Commerce and Industry (LCCI). The London Chamber is the voice of London business, representing some 3,500 businesses across the capital.

London First. London First represents the capital's leading employers in key sectors such as financial and business services, property, transport, ICT, creative industries, hospitality and retail. Its membership also includes all of London's higher education institutions as well as further education colleges and NHS hospital trusts.

Thames Valley Economic Partnership (TVEP). TVEP is a network of major businesses and public sector organisations in the Thames Valley. Its members include major employers in the region, including Cisco, Dell, Microsoft, Oracle, Siemens, Syngenta, UCB and Vodafone.

Trades Union Congress (TUC). With 66 affiliated unions representing nearly seven million working people from all walks of life, the TUC campaigns for a fair deal at work and for social justice at home and abroad.

Unite. Unite is the UK's largest trade union with more than 2.1 million members. It has over 70,000 members working in every facet of Civil Air Transport. It supports the continued growth of Heathrow Airport, and recognises the significance of the Airport to the broader industrial and financial industries UK-wide where its members are employed

Virgin Atlantic Airways. Virgin Atlantic is one of Heathrow's largest airlines offering flights to 20 long-haul destinations around the world from Heathrow.

West London Business. West London Business is the chamber of commerce for west London and represents over 300 members ranging from worldwide brands such as GlaxoSmithKline and BSkyB to forward-thinking West London based companies like Hines Air Property and Meica Group.

The case for growth

Heathrow plays a unique role as the UK's only hub airport. Hub airports are important because their high proportion of transfer passengers make viable long-haul air routes that could not otherwise be operated profitably. Although at first glance transfer passengers offer little benefit to the UK economy, they are critical to supporting the international long-haul route network that hub airports provide. The

importance of transfer passengers explains why Heathrow accounts for only one-fifth of UK flights but for two-thirds of all long-haul flights.

In an increasingly globalised economy, Heathrow is central to the UK's competitiveness. The quality of a country's international transport links has been shown by several studies to be a major factor in inward investment decisions. A 2007 survey from Think London showed that investors rated access to markets and ease of international travel as more important factors than availability of skilled labour and the overall business climate in their decision to locate in London.¹

Today, London is the number one city in the world for international business, with the wealth it creates supporting jobs throughout the UK, but it would be complacent to think that it will always be this way. More than half of all Foreign Direct Investment (FDI) companies review their global strategy every three to five years, and 13% do so every year.² Other cities in Europe that have international hub airports are actively seeking to attract companies that locate in London. Frankfurt in particular is marketing itself as a centre of global finance.

Heathrow supports thousands of jobs directly. 72,000 people work directly on the airport and in some local boroughs more than 10% of the workforce is employed at the airport³. Future Heathrow notes that the consultation's impact assessment estimates that without expansion around 22% of these jobs would be lost by 2030.⁴

Heathrow plays a valuable social role. Of Heathrow's non-transfer passengers, around 40% travel for business purposes, 33% are visiting friends or relatives, and the remaining 27% are travelling on holiday⁵. The high proportion of passengers that are visiting friends or relatives reflects the social role that Heathrow plays in a city as culturally and ethnically diverse as London. About one-third of the capital's population and a quarter of senior managers in London's financial and business

¹ Think London, London Focus 2007, (http://www.thinklondon.com/dynamic/downloads/london_focus/2007/secure_D4_london_focus_52bil_lion.pdf)

² Think London, 'Indian investment reaches high' http://www.thinklondon.com/media_centre/content/aug_2007/indian_investment_aug07.html

³ BAA, Economic Benefits of Heathrow, 2007

⁴ DfT, Adding Capacity at Heathrow Airport, Impact Assessment, 2007

⁵ CAA, CAA Passenger Survey, 2006 (www.caa.co.uk)

services industries were born outside of the UK⁶. 11 of the 15 largest immigrant groups in the UK come from countries that are predominantly served by Heathrow⁷. Half of the top ten destinations for British expats are countries that are predominantly served by Heathrow.⁸

Heathrow supports tourism. In 2005 the tourism sector directly generated an estimated £46.8 billion of output, equivalent to 3.9% of GDP⁹. The strongest performing sections of Britain's inbound tourism market in the period to 2011 are predicted to be India, China, South Korea, South Africa and Malaysia¹⁰. Because these long-haul tourist destinations can only be served effectively by a hub airport there are almost no direct UK routes other than from Heathrow.

Heathrow's expansion would bring significant economic benefits. OEF estimates that mixed mode operation at Heathrow would generate wider economic benefits of £2.5 billion additional GDP a year, and that a third runway would generate wider economic benefits estimated at £7 billion additional GDP a year.¹¹ The impact assessment in the Government's consultation document puts a net present value on the different options for development of between £4.4 billion and £6.2 billion.¹²

Today Heathrow is full and only has two runways. In 2008 it is scheduled to reach its planning and operational cap of 480,000 flights. It has two runways which already operate at 99% of permitted capacity. By contrast, Frankfurt has three runways (with a fourth due to open in 2011), Paris has four, Madrid has four, and Amsterdam has five. Terminal 5 will provide more space and comfort for passengers when it opens in March but it will not increase the number of flights at the airport.

Capacity constraints at Heathrow damage the UK's competitiveness in four main ways:

First, lack of runway capacity causes routine delays for passengers, with over half of arriving aircraft being held in stacks . Stacking also increases pollution .

⁶ 2001 Census and HM Treasury (http://www.hm-treasury.gov.uk/newsroom_and_speeches/press/2007/press_137_07.cfm0)

⁷ IPPR, Britain's Immigrants: An economic profile, 2007

⁸ IPPR, Brits Abroad: Mapping the scale and nature of British emigration, 2006

⁹ Oxford Economic Forecasting, The Economic Contribution of the Aviation Industry in the UK, 2006

¹⁰ Global Insight, Global Tourism Navigator, November 2007

¹¹ Oxford Economic Forecasting, The Economic Contribution of the Aviation Industry in the UK, 2006

¹² DfT, Adding Capacity at Heathrow Airport, Impact Assessment, 2007

Secondly, lack of runway capacity means that small events, such as fog or strong winds, can cause widespread disruption as there are no available slots into which to schedule delayed aircraft.

Third, lack of runway capacity has led to a shrinking route network. Since 1990 the number of destinations served by Heathrow has fallen from 227 to 180.¹³ Other European hubs have increased their destinations since 1990.

And finally, lack of runway capacity has prevented airlines providing the timing and frequency of services that consumers want.

Meeting environmental limits

Future Heathrow believes the case for growth at Heathrow Airport is compelling, but has always recognised that growth should not go ahead at any environmental cost. In its 2003 White Paper the Government supported the expansion of Heathrow but only within strict environmental limits on noise, air quality and surface access. The current consultation reports on the work that the Department for Transport has undertaken since 2003 to model the future environmental impacts of growth.

To limit noise impacts the Government has said that expansion may only go ahead if there is no more aircraft noise than in summer 2002, as measured by the size of the 57 dBA leq contour. This limit does not mean that noise impacts won't change with the expansion of the airport – some residents will experience more noise and some will experience less. But the Government's noise limit does mean that Heathrow will only be permitted to add extra flights as airlines replace older aircraft with newer, quieter aircraft. We note that airlines are investing heavily in these aircraft and that airlines which operate from Heathrow have already placed orders for 168 Airbus A380s and 481 Boeing 787s.¹⁴

Future Heathrow welcomes the evidence in the consultation document that a third runway and mixed mode can be achieved within the noise contour limit of 127 sq km. The Government's modelling results clearly demonstrate that the 57 dBA Leq contour

¹³ BAA, Economic Benefits of Heathrow, 2007

¹⁴ Airbus, 'Airbus A380 firm orders and commitments', www.airbus.com, Feb 2008; and Boeing, 'Who's Flying', www.newairplane.com, Feb 2008

target of 127 sq km can be met in 2030 with a fully operational third runway, and that in 2020, a significant amount of this capacity will already be usable.

The test on air quality contained in the 2003 White Paper was that air quality levels must be consistently contained within EU limits that come into force in 2010. The particularly relevant limit for Heathrow is the annual mean level of nitrogen dioxide, which must not exceed 40 microgrammes per cubic metre in residential areas. Significant improvements in both aircraft and road vehicle engines have helped reduce nitrogen dioxide levels.

Future Heathrow welcomes the evidence in the consultation document that a third runway and mixed mode can be achieved within EU limits on local air quality. The results in the Government's consultation clearly demonstrate that air quality limits can be met in 2020 with a fully operational third runway. This would represent an improvement on local air quality in residential areas compared to today.

The Government has no plans for further motorway widening schemes around Heathrow and has said that the expansion of the airport must be accompanied by improvements to public transport to help manage road traffic congestion. Heathrow Airport has a strong record of investing in public transport, including its £750 million investment in the Heathrow Express and Heathrow Connect services. BAA is currently promoting a Transport and Works Act application to construct and operate a major new rail link between Heathrow, London Waterloo, Guildford and Reading called Heathrow Airtrack.

Future Heathrow supports the Government's initial high-level assessment, contained in the consultation document, that these schemes, combined with Crossrail and planned capacity improvements to the Piccadilly Line, would be sufficient to meet demand created by a third runway. Future Heathrow notes that if the Government was to give the green light to the expansion of the airport then BAA would conduct a more detailed transport assessment prior to submitting any planning application. Future Heathrow members would expect to be involved in any such assessment.

On climate change, long before a third runway is operational aviation's carbon dioxide emissions will be covered by the existing EU Emissions Trading Scheme (ETS). If airlines want to fly more then they will have to pay for other industries to reduce their emissions. One key benefit of the ETS is that by helping to establish a

price for carbon it will encourage further efficiency savings. This means that the overall amount of carbon dioxide emissions in the atmosphere would not be allowed to increase as a result of a third runway at Heathrow. The European Commission is also committed to proposing a separate measure for aviation's non-CO₂ impacts by the end of 2008. The Department for Transport estimates that aircraft using a third runway at Heathrow would produce an additional 3 million tonnes of carbon dioxide per year. This is equivalent to about 0.6% of the UK's current annual carbon dioxide emissions and less CO₂ per year than China will produce in the next five hours. That is not an excuse for inaction, but highlights the need for solutions to global warming that spur international action such as the EU Emissions Trading Scheme.

Apart from ETS, aviation is improving its climate change impact in other ways. For example, the Advisory Committee for Aerospace Research in Europe (ACARE) has set a target that new aircraft entering into service in 2020 should achieve a 50 per cent reduction in fuel burn and CO₂ emissions (per passenger km) compared to equivalent new aircraft in 2000.

Support for growth

Future Heathrow speaks for the thousands of businesses and individuals who depend on the success of Heathrow, as well as the millions of Britons and overseas visitors who use the airport each year. Whether people work at the airport, run a business that depends on it, or simply use it to fly on holiday, the services Heathrow provides bring benefit to millions. As a result, Future Heathrow is an unusually broad based coalition, bringing together businesses and trades unions, hoteliers, airport operators and airlines. The wider public support that exists for Heathrow is often overlooked because of the highly vocal minority which opposes the airport. The polling company Populus conducted a poll among residents of the 12 local authorities that made up the 2M Group, opposed to the expansion of Heathrow. By more than 2 to 1, local people felt that the benefits that Heathrow brought to their community generally outweighed the disadvantages. The poll also showed that more local people supported the construction of a third runway than opposed it.

The case for growth at Heathrow is strong and the Government's consultation shows that it does not have to be at the expense of the environment. The decisions the UK takes now will affect its competitive position for years to come. But doing nothing is

emphatically not an option. Heathrow can either grow or London and the UK will be worse off.

Responses to specific questions in the consultation document

Question 1

Do you agree or disagree with the proposal that a third runway at Heathrow, if built, should be supported by associated passenger terminal facilities? What are your reasons? Are there any significant considerations you believe need to be taken into account? If so, what are they?

Future Heathrow agrees with this proposal. Without a new terminal, the use of the potential capacity of a third runway would be significantly limited by the need for aircraft to taxi across the airport's existing northern runway to and from the terminals between the current runways.

Question 2

Do you agree or disagree with the Government's view on the continuing validity of the environmental conditions? What are your reasons? Are there any significant considerations you believe need to be taken into account? If so, what are they?

Future Heathrow supports the Government's position that the strict limits on noise and air quality set out at the time of the White Paper remain a valid basis on which to test the sustainability of adding capacity at Heathrow.

Question 3

Do you agree or disagree with the Government's view on adding a third runway and being able to meet air quality limits without further measures? What are your reasons? Are there any significant considerations you believe need to be taken into account? If so, what are they?

Future Heathrow agrees that a third runway can be achieved within the EU limits on local air quality. The results in the Government's consultation clearly demonstrate that air quality limits can be met in 2020 with a fully operational third runway.

Question 4

Do you agree or disagree with the Government's view that adding a third runway is achievable within the noise contour limit of 127 sq km, at the indicated levels of air traffic? What are your reasons? Are there any significant considerations you believe need to be taken into account? If so, what are they?

Future Heathrow agrees that a third runway is achievable within the noise contour limit of 127 sq km. The results in the Government's consultation clearly demonstrate that the 57 dBA Leq contour target of 127 sq km can be met in 2030 with a fully operational third runway. In 2020, a significant amount of this capacity will already be usable.

Questions 5 and 6

Do you agree or disagree with the Government's view that mixed mode operations could be introduced within the noise limits set out in the White Paper? What are your reasons? Are there any significant considerations you believe need to be taken into account? If so, what are they?

To what extent would you support the introduction of mixed mode operations:

- a) throughout the day?
- b) limited to specific hours (if so, would you support mixed mode between 0600 and 1200 hours?)? Some other period? (please specify)
- c) within the current planning cap (i.e. with no extra capacity overall)?

If you support additional movements, in what periods of the day do you think they should be provided?

What are your reasons for these answers? Are there any significant considerations you believe need to be taken into account? If so, what are

they? Please provide evidence where you can (e.g. environmental impacts, business benefits).

Future Heathrow supports the introduction of mixed mode operations, initially to reduce delay and improve operational resilience, then to increase capacity in advance of the opening of the third runway.

The results presented in the Government's consultation demonstrate that in 2015, full mixed mode operations can be introduced within the 57 dBA Leq contour noise target of 127 sq km.

Question 7

Do you agree or disagree with the Government's view that full mixed mode operations could be introduced by 2015 and be compatible with compliance with the air quality limits in the vicinity of the airport? What are your reasons? Are there any significant considerations you believe need to be taken into account? If so, what are they?

The results presented in the Government's consultation demonstrate that in 2015, fully operational mixed mode can be achieved with EU limits on local air quality met within the immediate vicinity of the airport, where emissions from aviation are the dominant source.

Future Heathrow recognises that the Government reports that there are 27 properties in exceedence of the nitrogen dioxide limit in 2015 with mixed mode operations. These are located around the M4 corridor where non-airport related emissions are the dominant source of nitrogen dioxide. The introduction of the additional mixed mode capacity has been demonstrated to have only a small effect in this area as without any airport development, 22 properties would be in exceedence along the M4 corridor were no other measures to be put in place. We note that there are a range of mitigation measures that could be put in place to eliminate these residual areas of exceedence and we would expect the airport operator, the Highways Agency, and the local authority to work to address this.

Question 8

Do you agree or disagree with the Government's views on retaining westerly preference? What are your reasons? Are there any significant considerations you believe need to be taken into account? If so, what are they?

Future Heathrow agrees with the Government's views on retaining westerly preference, and calls on the Government to take a clear policy decision.

Question 9

Do you agree or disagree with the Government's proposal to end the Cranford agreement? What are your reasons? Are there any significant considerations you believe need to be taken into account? If so, what are they?

Future Heathrow agrees with the Government's proposal to end the Cranford Agreement. This would result in a fairer distribution of noise impacts for communities close to the airport. It is important that a clear policy decision on this aspect of Heathrow's existing runway operation is made as a result of the consultation.

Question 10

Do you agree or disagree with the Government's views on continuing night time rotation? What are your reasons? Are there any significant considerations you believe need to be taken into account? If so, what are they?

Future Heathrow agrees with the Government's proposal to retain night-time rotation. This has led to an improved distribution of the noise impacts for communities close to the airport. It is important that a clear policy decision on this aspect of Heathrow's existing runway operation is made as a result of the consultation.

Question 11

Do you agree or disagree with the Government's views on continuing runway alternation in the 0600 to 0700 period? What are your reasons? Are there any

significant considerations you believe need to be taken into account? If so, what are they?

Future Heathrow has no strong opinion on continuing runway alternation between the 0600 and 0700 period. It is important that a clear policy decision on this aspect of Heathrow's existing runway operation is made as a result of the consultation.