

# Responsible growth

BAA's response to the Government consultation *The Future Development of Air Transport in the United Kingdom: South East (SERAS)*.



## A Summary

In less than ten years, all the main airports in the South East will be full. The Government predicts that the number of people using these airports will have risen from 117 million in 2000 to 200 million in 2015 and 300 million by 2030. New runways are urgently needed to enable the South East to handle these passengers.

In July 2002, the Government launched a consultation on whether, how many, where and when these new runways should be built. The Government set out a number of options, which are:

- ➔ A new, short runway at Heathrow for domestic and short-haul aircraft.
- ➔ One or two new runways at Gatwick.
- ➔ One, two or three new runways at Stansted.
- ➔ An entirely new four or five-runway airport at Cliffe, in north Kent.

This consultation ends on 30 June and the Government intends to publish a White Paper, setting out the policy framework for the next 30 years, before the end of this year. BAA has submitted its own response to this consultation, and this is a summary of our views.

### Why is air travel important?

Aviation is one of the UK's success stories. It accounts for over half a million jobs, spends billions of pounds every year on investment, and pays billions in tax. It also plays a crucial role in promoting growth in the productivity and competitiveness of the wider UK economy and its regions. The high-knowledge and high-value-added activities in which the UK is globally powerful, like electronics, pharmaceuticals, biotechnology, research and development, insurance, banking, finance, media and communications, all depend on aviation, as does the UK's largest employer, tourism. Air services also attract inward investment and corporate headquarters to the UK and its regions.

Aviation also brings considerable social benefits to the UK and its citizens. Flying is now within reach of the vast majority of the population and is a fully-integrated part of the national public transport system. Modern, lower-cost air transport has opened up important opportunities for leisure travel and made it possible for

friends and families to visit each other, however far apart they have become geographically. Flying also gives people the chance to experience cultures and heritage previously only accessible through television and museums. This works both ways, as the UK is an important cultural destination for travellers from all over the world.

### How many new runways do we need?

BAA agrees with the Government's forecasts and the prediction that without new runways, there will be a shortage of capacity in the South East of around 100 million passengers a year by 2030. We believe that the South East needs up to three new runways during the next 30 years.

### Are the forecasts right?

While some commentators say the numbers forecast to fly look high, and no-one can be certain about the future, previous forecasts have usually proved to be underestimates. In simple terms, what is predicted is that the average London area resident who today takes an average of one and a half round trips by air per year will, by 2030, take roughly three round trips. It's not difficult to imagine this happening with a combination of flights for holidays, family visits, sporting events and work.

### Are there alternatives?

We do not believe there are any alternatives to building new runways if we are to reap the economic and social benefits of air travel. It would be a serious mistake to think that expansion at regional airports is a substitute for new capacity at the South East's main airports, because the vast majority of people using these airports are visiting or are from the South East. BAA supports the growth of regional airports, but not as a substitute for expansion in the South East. It would also be a mistake to think that investment in high-speed rail alternatives, desirable as this is, will make any material difference to people's desire to fly.

### Responsible growth: the right approach

BAA is committed to the principle of sustainable and responsible development and supports the Government's core sustainability objectives of making progress in all of the following areas:

- ➔ Maintenance of high and stable levels of economic growth.
- ➔ Social progress which recognises the needs of everyone.
- ➔ Prudent use of natural resources.
- ➔ Effective protection of the environment.

We believe that responsible growth in air transport and airports should take place only where it is in accordance with these sustainability objectives. We also believe that the right approach is to work closely with all stakeholders, including local communities, passengers, airlines, staff and control authorities, to ensure that development is carried out in a way which maximises the benefits, minimises the disbenefits, and secures the widest possible support.

### Options for runways: BAA's judgement

On the basis of our examination of the options set out by the Government, and subject to the scale of some additional costs not calculated in the consultation document, we conclude that there are four possible runway schemes the Government could take forward.

All these schemes raise questions about related surface transport investment, which have been subject to outline examination by BAA and the Strategic Rail Authority.

Each scheme also raises a range of environmental and social issues, including loss of land and homes, along with air pollution and noise issues. It will be for the Government to evaluate these factors before announcing which runway or runways are to proceed. The potentially viable developments are:

- ➔ A scheme for a short, 2,000-metre runway at Heathrow. This would work from an aeronautical and operational point of view, subject to some redesign and would be financially viable, provided that the airport's users are prepared to accept the necessary level of airport charges.
- ➔ A scheme for one new runway at Gatwick. All three Gatwick runway options work from an aeronautical and airport operational point of view, although there are differences between them in terms of the scale of impacts and difficulties. One additional runway at Gatwick would be financially viable, but the airport charges needed would be significantly higher if applied to Gatwick users only, rather than shared across users of the London system as a whole.
- ➔ At Stansted, schemes for one and two new runways should be included in the shortlist. All of the three Stansted runway options work from an aeronautical and airport operational point of view, although there are differences between them in terms of the scale

of impacts and difficulties. One or two additional runways at Stansted would be financially viable, although the airport charges needed would need to be shared across users of the London system as a whole.

We have also concluded that a scheme for a new airport at Cliffe should not be included in the shortlist. While BAA has no reason to believe that a four- or five-runway airport at Cliffe could not work from a strictly aeronautical and airport operational point of view, the considerable complexities of developing an airport at a wholly new site cast doubt on its ability to deliver capacity within the timescale stated in the consultation documents. We also seriously doubt whether Cliffe could be commercially viable without considerable public subsidy. The Cliffe scheme also raises safety issues, involving the risk of bird strikes, as well as exceptional environmental difficulties.

### What next?

We look forward to the Government's Aviation White Paper, which we hope will make clear:

- ➔ Where new runway development should not be provided, thus relieving unnecessary blight.
- ➔ Where a new runway is most urgently needed, and the type of runway development, along with its supporting infrastructure, which should be provided at that location.
- ➔ Where other new runways will, in all probability, be needed during the next 30 years, so that land can be safeguarded.
- ➔ How many and what type of runway developments, along with their supporting infrastructure, might be provided at these other locations.

We do not believe that the Government should decide the order or the timing of when any second or third runway should be brought on-stream, since this should be judged in the light of actual trends in demand.

Timely decisions by Government, combined with a clear framework for taking forward the complex planning issues, will enable the UK to maintain its competitive position in aviation and avoid the kind of bottlenecks and breakdowns which have affected other forms of transport in Britain.

BAA's full submission can be viewed on our website: [www.baa.com/consultation](http://www.baa.com/consultation)