

# **IAAG's Proposals to the Airports Commission for the The Long-Term development of UK Airports**

## **A) INTRODUCTION**

### **Two Clarifications**

**i) CLIFFE:** Wherever any reference is made to "Cliffe" in our attachments/correspondence this pertains to a location on the western end of the Hoo Peninsula near Cliffe in Kent where IAAG recommends a new airport for London should be built referred to as the "London Gateway Airport" (LGA).

**ii) IAAG's Name & Initials:** Referred to in attachments and previous correspondence as 'Independent Aviation Advisory Group' have now been changed to "International Aviation Advisory Group" a company registered in London. The initials remain the same: "IAAG".

### **1) The IAAG Mission**

IAAG has been asked to submit the second stage of the proposals for short, medium and long-term plans. We have already submitted strong references to the long-term in the Short/Medium term plans and suggested shorter time scales for this to be achieved as per Attachment Nr 5. This paper will concentrate on the Longer Term but full reference may be made to our Attachments where full details are available. Our mission is therefore to bring together the 3 stages of development into a cohesive plan for the future:-

#### **Short to Medium Term**

**a) Making Heathrow more efficient**

**b) Building a 2<sup>nd</sup> runway at Gatwick as soon as possible.**

This will provide a striking success in providing better and more capacity where it is needed. It will provide the government with the confidence to embark on the selection of a suitable site to develop a new world class 3 runway 24hour airport, with up to 100mmpa, hopefully at IAAG's proposed site for "London Gateway Airport" (LGA) on the Hoo Peninsula near Cliffe.

### **2) IAAG Mantras**

#### **i) Use what you have got for the Long-Term:**

**1) Take full advantage of existing transport links and their extensions to provide key surface access.**

**2) Use to the full the Government's Land in the Hoo Peninsula owned by: The PLA, The MOD, The Church Commissioners and by some private landowners.**

**3) Use the proximity of markets and labour supply**

**4) Fully exploit the extensions to Crossrail and the Lower Thames Crossing**

#### **ii) Win Win Win**

**1) No major losers should be identified; Local communities, Airlines, Government, Overseas & local funding sources should be encouraged and protected to develop detailed plans for the future.**

**2) A progressive realisable critical path should be established.**

**3) A vision should be embraced which takes advantage of the favourable factors available in the Cliffe Option**

**4) SERAS 2002 detailed survey - which formed the basis for the DfT's South East Airports Consultation Paper in 2003 - provides a very good base case for the Cliffe option where, after additional runways proposed for Heathrow, Gatwick and Stansted, Cliffe was considered the best option for a new airport in the South East. Some of its detailed findings will be used later in this report. The SERAS 2002 Report is the most comprehensive and relevant work on this subject in the last 20 years.**

## **B) CURRENT SCENARIOS**

Issues are constantly being raised and then changed from a multitude of sources:

### **1) Capacity**

For those favouring a growth of capacity it is generally accepted that there is a requirement to cater for market growth in the future. Heathrow is severely constrained in any additional frequency and limited growth can only result from larger aircraft operating existing slots. Gatwick is presently constrained by the 2019 agreement with West Sussex Council which, in the national interest, we hope will be modified or overridden. Stansted with spare capacity is suffering a decline in traffic and has not attracted long-haul carriers

### **2) Connectivity**

**1) Heathrow has seen a progressive decline in destinations served, so arguably has a declining connectivity. Its domestic services have declined by half and Flybe does not serve or feed traffic to Heathrow. Flybe is also giving up some domestic services as well due to a cost squeeze.**

**2) This deficit in capacity has been replaced by 3 Continental, 3 Middle East and 2 Far East Carriers which added flight capacity into the UK attracting passenger and freight traffic via their home bases supported by their strong global network. These carriers offer high frequency not only from Heathrow and Gatwick but also from major regional airports in the UK often with modern large aircraft such as the Airbus A380 and the Boeing B777ER.**

**3) For example KLM offers 100 flights per day from 23 UK points into their Hub at Amsterdam-Schiphol Airport.**

**Emirates offers one stop services from several points in the UK to any major world destination.**

**4) Open skies policies, aggressive expansion and fast expanding overseas hubs have provided many alternatives to using Heathrow and BA. These Foreign airlines offer high-quality service combined with competitive pricing to all major destinations around the world!**

### **3) Hubs - A misunderstood concept**

Hubs are designed in the planning departments and board rooms of major carriers.

**2) They are required to maintain a substantial domestic and short haul feed.**

**3) This supposedly sustains the traffic levels on their long-haul services and enables a profitable operation. However BA has shed half of its domestic feed.**

**4) Virgin has very limited connecting traffic and Flybe does not fly to Heathrow.**

**5) The priority is given at Heathrow and Gatwick to high capacity aircraft with pressure on slots and pricing.**

**6) Low Cost Carriers (LCCs) are taking increasing shares of European traffic and are now invading the business market with special prorate agreements with continental carriers which will further deprive the Heathrow "hub" of its traditional sources of business and divert traffic into competing hubs.**

(2)

7) The principal carrier at Heathrow is BA. Although constrained by lack of frequency to the **BRIC countries** and slots, BA still dominates the slot availability at Heathrow. However BA does not support a 3<sup>rd</sup> runway at Heathrow and prefers to maintain its dominant position to limit head to head additional competition. IAAG is in favour of Mixed-Mode use of runways at Heathrow but without allowing additional frequencies.

8) This is however again opposed by BA and Heathrow Airport Limited. This results in inhibition of more services and “connectivity” to the BRIC countries - see (2) re China in next paragraph (b) below. This allegedly loses billions of pounds in foreign trade which IAAG believes is exaggerated in view of alternatives described above. How valid are the above issues?

a) **Connectivity:** is being supplied by European airlines via their continental Hubs as well as by Middle & Far Eastern airlines via Amsterdam-SPL, Paris-CDG, Frankfurt-FRA, Doha-DOH, Dubai-DXB, Abu Dhabi-AUH, Singapore-SIN & Hong Kong-HKG

b) **Nonstop services to China:** are more for the benefit of incoming Mainland Chinese tourists constrained presently by bilateral considerations and UK non-acceptance of their Schengen Visas.

c) **As Heathrow Hub (transfer) passenger traffic is declining:** other major infrastructures such as HS2 should not depend on feeding traffic into the area when this may not be required due to the freezing of capacity/frequency and connecting air services to this issue being resolved in any way. Crossrail could be an advantage in carrying local London area traffic.

d) **Additional capacity:** is limited to a change of view over Gatwick and/or a new airport located at Cliffe i.e. the London Gateway Airport.

e) **There is no reason why London could not support 2 hubs:** Paris has 2, Germany has 5, Spain has 2 and New York has 2.

f) **Gatwick with a second runway:** a powerful carrier such as EasyJet willing to sign prorated agreements can carry interline traffic that could feed traffic into long-haul European and foreign carriers via Continental Hubs in Europe. Middle Eastern/European oil-related passenger/freight traffic was successfully transferred via Gatwick to Houston and Aberdeen in the past.

g) IAAG greatly favours an alternative Hub of this sort to act in competition with Heathrow.

### **C) CURRENT KEY ISSUES.**

#### **i) Overview**

These issues are a digest from the Guidance Notes of the Airports Commission and the Independent Transport Commission (ITC), the original SERAS report 2001/2 and the White Paper. We have reviewed these issues both actually and comparatively which will underline the unique qualifications for the IAAG proposal to locate a new airport, at the western end of the Hoo Peninsula sometimes labelled Cliffe. They are described in detail in the Attachments which have remained unaltered and unchanged since our research began in 2008.

Before serious consideration of analysis, three essential boxes must be ticked:

**1) LAND:** Is there suitable sufficient land available to Govt. and developers? This does not include sea or estuary reclamation sites, which are impractical as we have shown in Attachments.

**2) ROI:** Investment and financing must follow normal general financial principals of exhibiting acceptable rates of return, a costing system that is rigorous and revenues which are compatible with competitive locations. Ultimately it is the airlines that pay for the airport to be operated unless massive subsidies are on offer.

**3) REGULATORY:** All plans must be compatible with ICAO and IATA regulations, without which the airport will not be insured and will not open. These agencies must be brought in at an early stage to regulate Runway and Terminal facilities design.

Without these 3 basic principals being satisfied no real progress will be made.

#### **ii) Location Location Location**

As in real estate there can be no hiding behind multiple choices or obfuscation. By a process of elimination, IAAG and SERAS concluded that the only satisfactory location was at Cliffe in the Hoo peninsula. All other choices for a new airport location were fatally flawed. Attachment-2 describes the alternative and unacceptable options and the reasons. For example:

**1)** The Mayors options are still 3 possible choices none of which are suitable. He was unable to choose one before the HoC Transport Committee (TRANSEV).

**2)** The various Heathrow options have changed yet again with a north 3<sup>rd</sup> Runway being abandoned for a hypothetical south runway which will drastically change surface infrastructure.

**3)** The 4 Runway option is still ill-defined and unlikely to proceed further

**4)** The airlines will not support these initiatives.

**5)** These options are in disarray in a situation which requires clarity, diligence and decisions.

**6)** The Cliffe option stills looks the only real contender.

### **3) SURFACE TRANSPORT PRESENT AND FUTURE**

IAAG has described in detail in the Attachments including the IAAG's Colour Brochure the existing and potential network of access and communications to the new airport location at Cliffe. These major access features are:

#### **RAIL**

1) Hi-Speed line from St Pancras to Gravesend in 27mins

2) Other main line London stations are connected through Gravesend, London Bridge, Victoria and Charing Cross.

2) Waterloo can be reopened through Fawkham Junction (**REF-1**) to Gravesend, This line has its own discrete terminal in Waterloo.

3) Liverpool St and Tilbury can be connected to the Essex side and then use the Lower Thames crossing to gain access to the new airport. Existing lines can be improved from Rochester and the Medway towns to the airport and Gravesend. Crossrail can use the same Lower Thames Crossing to connect to Medway towns and the airport.

#### **ROAD**

1) It is understood that the lower Thames Crossing has attracted a budget of £5 Billion. It can be used for a selection of important connections, benefitting not only the airport but also regional and national communications.

2) This will connect the M25/A13 and then South East to the line of the 2 Saxon forts on the left bank of the Thames in Essex. Then East by the Lower Thames Crossing tunnel to the gravel pits at Hoo, accessing the airport. This will then link by land tunnel under Cliffe to the M2 and M20 and to Dover/Calais.

3) This will carry additional benefits of diverting traffic from the Midlands and north under Cliffe by tunnel to the M2 and M20 to the Kent Coast. It will give direct access to DP World Container Seaport (**REF-2**) and relieve the bottlenecks at Dartford enabling sea traffic to be taken directly out of DP World from both directions.

4) It will connect Medway with London through the A13 and to the Midlands and North through the M25.

**ESTUARY.**

River traffic can be connected from central and east London Canary Wharf to the western end of the airport by a low level river port by River Ferries (on the Hong Kong model) Thames Clippers in London are keen to provide these fast services. (REF-3)  
Commuter and passenger Estuary services can be carried from Southend to the Eastern ends of the airport complexes receiving road traffic. Similar services can connect the airport with the Medway towns. The essence of these proposals is to carry multi-use and multi-destination traffic on the same lines. Please refer to IAAG's Colour Brochure to identify more clearly the many options available. Most extensions to the existing networks can be achieved at a little cost, with exception of the Lower Thames crossing which could attract tolls and therefore will be partly self-funding, road and rail extensions and modernisation e.g. the Waterloo-Gravesend line can be achieved to both serve airport traffic and local communities.

**AIRPORT SERVICE COMPLEXES (ASC)**

The colour brochure illustrates the role of Airport service complexes in removing services better performed off the immediate area of the terminal facilities. See Section 4.4.7 on Page-12 of Attachment-2. These can be located in Essex and west of the terminals in Kent on land of lower use intensity not on the Hoo Peninsula itself. The "ASCs" are also mentioned in IAAG's Colour Brochure in Attachment-3 Sec 1:8.

**4) ENVIRONMENTAL IMPACT**

Consideration of the environment covers a multitude of aspects: Conservation, protection of habitats, and minimising air, water and land pollution have various priorities.

This, in essence should create a sustainable, agreeable space for human populations to improve their way of life, work and recreation. Britain particularly Kent has most in common with the Netherlands in land use, potential and actual.

We do not believe that the nation's critical shortage of land areas should be abandoned to the sea when the Dutch have reclaimed large areas of polder for mixed development, carefully controlled and for the enormous benefit to citizens and the country as a whole.

We do not believe either that open spaces should be the exclusive preserve of the privileged few who are able to ensure that their fellow citizens are effectively discouraged from participating in friendly natural surroundings.

Britain is very short of recreational areas and has witnessed a drastic diminution of natural woodland and the ecological diversity that depends on it. The Woodland Trust would be strongly supportive of the renewed introduction of indigenous tree and plant life.

Against this background, North Kent has a tradition of poor standards of living, a shortage of jobs and free recreational areas.

It is therefore our strong proposal that the central and southern areas of the Hoo Peninsula be acquired in the national interest to be dedicated to a national park containing a broad sweep of woodland. This will serve to:

- 1) Reduce and dissipate the noise emanating from the runways in the north of the peninsula
- 2) Create a safe recreational area for the people of Kent with walking and biking tracks, picnic areas free of motor traffic and fast food activities. The French system of "aires" (REF-4) regularly positioned along motorways in France is unheard of in the UK and the UK is much the worst off for it.
- 3) Provide an experience for families which will combine the virtues of exercise, open air & a rural environment within easy reach of their homes. Within this woodland area should be positioned the following which are not affected by the proximity of active Airport operations:
  - 1) Sea-quarium on the model of Minneapolis sponsored possibly by Warner Brothers.
  - 2) "East of Eden" creating a tropical jungle environment, possibly sponsored by private interests or by Kew Gardens.
  - 3) Fisheries research institute which should be open to the public and would exhibit maritime research, sea and Estuary life.
  - 4) Insectorium exhibiting British and overseas insect life.
  - 5) Limited open air areas of animal life like Otters and other native mammals in the British countryside, sponsored by the London Zoo.
  - 6) A celebration of British aviation history with an exhibition of classic aircraft available for families and children to touch and enter (under guidance). Flight simulators such as that donated to the Hendon Air Museum by Cathay Pacific would act as a stimulus to youngsters to enter an industry in which the UK once led the world. A viewing gallery with clean and welcoming attitude would be in itself an attraction. The country should be proud of its heritage as a trading and aviation nation not shameful as these attractions would have the following:
    - 1) A very low cost, available and proximate attraction for local people living in the Thames Estuary.
    - 2) Attractions which would have independent funding, providing that land would be made available in a park context.
    - 3) Surface connections based on the airport but also available for day-visitors from London and the Home Counties. A day out in the Thames Gateway Park would be a great and affordable attraction.
    - 4) A linkage along the abandoned rail line with its abandoned station could be revitalised and again used as a communication from one attraction to another.

The composite approach will meet head on the challenges of the "environment lobby" creating a positive, sustainable and educational experience available to the general public. This is infinitely preferable to abandoning a sterile stretch of marshland to the invading North Sea.

5) No petrol or diesel engine vehicles would be allowed in the airport area. All public vehicles would be centred on the ASC's with fast shuttle services to the airport terminal buildings. Energy would be taken from geothermal energy and solar panels. All water on the airport site will be recycled as in French airports. Cleaner air would be available to all and adhere to European standards both for airport users and neighbouring communities

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REF-1: [www.kentrail.org.uk/Sheppey%20&%20the%20Hoo%20Peninsula.htm](http://www.kentrail.org.uk/Sheppey%20&%20the%20Hoo%20Peninsula.htm)

(Map of Kent Railtrack in above link shows locations of Fawkham Junction and stations at: Gravesend, Ebbsfleet, Cliffe, etc.)

REF-2: [www.londongateway.com](http://www.londongateway.com)

REF-3: [www.thamesclippers.com](http://www.thamesclippers.com)

REF-4: [www.motorcaravanning.com/travel/aires.htm](http://www.motorcaravanning.com/travel/aires.htm)

#### **5) NOISE ISSUES**

The noise footprint is displayed for the Cliffe option in the SERAS report and the footprint does not overlay any significant populated areas in the option for 3 or 4 parallel runway options. When further studies are conducted by the CAA and ICAO precise impacts will be assessed in approach and take off patterns. This is likely to be significantly less than any other option either to the west of London or to the East including the Isle of Grain. The IAAG proposal calls for the Estuary airport to replace Heathrow. This will result in major savings in Noise and pollution due to the prevailing winds which will disperse pollution into the North sea and not across London Please refer to Attachment-1 section 6.3 and 6.4.

#### **6) SOCIAL ISSUES**

- 1) The Medway suffers one of the worst unemployment levels in the UK. Its educational standards are comparatively very low and there is outward emigration due to shortage of prospects. A major new infrastructural development would help bring prosperity and jobs to the region through the building and operational stages of the project.
- 2) The multiplier effect will attract other industries and commerce. Apart from the Hoo Peninsula itself there are tracts of unused or derelict land on the Essex and Kent sides of the Thames towards Tilbury and Gravesend.
- 3) These could be used for business parks, wholesale distribution and logistics centres, hotels, training schools & research establishments. This will link up with Ebbsfleet Valley residential developments & retail centres to provide for a balanced advancing local economy. (REF-5)

#### **7) EDUCATION SCIENCE, RECREATION AND ENTERTAINMENT.**

- 1) These vital aspects generally lacking in the area should be integrated into the airport development and could be largely privately funded. Please see again IAAG Colour brochure Attachment-3.
- 2) Furthermore the site can be used for installation of a RNLI/Royal Marines station for security purposes which are increasingly significant
- 3) These are vital facilities to support the local communities and act as an incoming attraction for regional and overseas visitors. The sites mentioned above along the Thames Estuary could be proposed for this purpose.
- 4) These areas will have excellent communications in the immediate vicinity and also with other regional centres and Greater London as a result of much improved and extended transport links.
- 5) They will create a major growth dynamic on the Hong Kong model or as in the Dutch case, both huge success stories.

#### **8) AIRSPACE SAFETY AND REGULATION.**

- 1) IAAG has followed parameters set by SERAS for the safety and regulatory requirements for the location at Cliffe.
  - 2) Sufficient airspace and surface area are available for a 3 or 4 runway airport. The SERAS report suggested also a cross-wind runway.
  - 3) A3 parallel runway configuration with the 3rd runway set back to the East is feasible but will of course require scrutiny by ICAO and the UK CAA. The airspace does not interfere with Dutch airspace. However since the Dutch airspace is cleared often to the west and over UK airspace, cooperative negotiations will need to be held to maintain normal safety standards.
  - 4) It is unlikely that the Isle of Grain or the Boris Island will be able to clear the boundary between Dutch and UK airspace. Runway separation issues might also come into effect.
- With approaches on an east-west alignment over the sea into the prevailing westerly winds, greatly improved safety will be achieved that the present congested areas over urban London relative to Heathrow can be achieved.

#### **9) TIMESCALES FOR DELIVERY.**

- 1) The detailed SERAS study suggested in 2001 that a completed airport could be opened in 10-11 years, i.e. by 2102.
- 2) This included mitigation, site preparation, land acquisition and all planning clearances.
- 3) Mott Macdonald opposed these plans insisting that platform construction would cost an additional £2 Billion and that local wildlife and bird strike issues and cost would make this option unattractive. Recent alternative proposals clearly make the Cliffe site, both actually and comparatively the cheapest and best possible option, delivering the best value, accounting for inflation, in the shortest period of time. ( See 10 below). Even a 3rd short runway at Heathrow will take over 9 years to bring on line.
- 4) This is largely because of the favourable east/west alignment of the flat drained land with excellent potential access from the west, north and south. This will minimise the surface communications infrastructure that will need extension and improvement

#### **10) COSTS AND FINANCING.**

- 1) It is clearly essential that the total cost of delivery of the airport itself and the accompanying and supporting access infrastructure are kept within the financial limits required to deliver a satisfactory return on investment.
- 2) This must be subject to normal unsubsidised (by Govt.) funding parameters.
- 3) The project should not have to rely, early or late into the investment programme by public funds support
- 4) We are advised that at a cost of £12-13 billion a satisfactory return can be achieved at a throughput rate of 50mppa by year 3 of 75mppa by year 5 and 90mppa by year 7
- 5) It must be remembered that the airline users are called upon to provide revenue in sufficient amounts to fund the operational cost of the total facility with the appropriate contributions to capital costs and depreciation. This is clearly the reason why BA does not want a 3rd runway at Heathrow.
- 6) An important principal should be established. Govt. is acutely aware that the strain on the public purse will be enormous if it is called upon to fund large infrastructural projects upon which the airport is dependent on for being a viable entity.
- 7) The Foster project hints that although the airport itself will cost (only) £20 billion the supporting infrastructure, largely for the benefit of the airport and it's users will amount to a further £30 billion.
- 8) It is our strong belief that the primary project must be able to stand alone and not be crucially reliant on a publicly funded support. We do not believe this funding will be available and will therefore cripple the whole project.
- 9) The Lower Thames Crossing estimated at £5 billion could possibly be at least partly privately funded since tolls will be levied and Crossrail and a second railway line will contribute to funding. The Lower Thames Crossing tunnel will bring large benefits to the airport since it arrives in Kent at the Hoo Peninsula. However it will carry regional, national and commuter traffic both road and rail and Crossrail. This is an example of multi-use project with a broad range of enduring benefits.

(5)

10) We propose that the Govt. consolidates the land it controls in the Cliffe area i.e. MOD & PLA and acquires as much of the Church Commissioners land that is acceptable and proceeds with plans to acquire any other pieces of private land. Some small plots are owned by RSPB and there is a Site X which is mitigation from the Essex side near DP World. We understand it is possible to further mitigate this land to eth developing wild life habitats in east Essex in the tidal areas.

11) This could then be packaged as a lease to Middle East or other investors to produce early term income. A golden share might be negotiated to give the Government a stake in the airport facility. This should overcome the single biggest difficulty in the government not having the staying power to see the project through, especially if there is a change of government. It will also give the government representation in the operation of the airport which it does not enjoy at the moment.

#### **11) AIRLINE VIEW**

1) Normally airlines would be consulted in detail in the discussion of such an important project.

2) However BA the largest stakeholder in Heathrow has changed its view about the future size and shape of its home base and Hub.

3) BA now opposes any additional runway capacity at Heathrow, particularly the short 3rd runway to the north of the existing runways. It also, together with Heathrow Airport Limited (HAL), opposes any mixed-mode runway operations at Heathrow, possibly in the belief that this would encourage additional frequencies which could challenge BA's pre-eminent position there.

4) IAAG firmly believes that no additional movements should be allowed at Heathrow for the foreseeable future. Simple politics local and national and pressure groups will not allow any deviation from the present agreements. It would be expected that BA's view would prevail and therefore no more movements will be contemplated at Heathrow, which should end the debate and will result in the freezing of the available slots.

5) Other major carriers seem unperturbed about the stagnation of Heathrow and are enjoying their own positions of strength in Heathrow, Gatwick and regional points in the UK to feed their overseas hubs.

6) All airlines are however united in opposing the rising levels of APD and rise in landing and parking charges which the government is able to regulate. This is squeezing the airlines' income accounts and resembles attempts at demand management. This is in contrast with other competing hubs which have lower or no APD charges, thus rendering the UK critically less competitive.

7) Whilst foreign airlines are free to change or move on, British carriers are left struggling at their home base.

8) London City Airport could eventually be persuaded to move to the Cliffe location to provide more and less constrained operations. Land Values are such that investors would not necessarily loose out.

9) Stansted has additional capacity available but is not favoured by long-haul carriers and therefore does not merit additional runway capacity in the foreseeable future.

10) It is IAAG's view that if Gatwick produces a second runway, Hub operations could be established helped by the expanding network of Easyjet connecting services.

#### **D) DO IAAG'S PROPOSALS MEASURE UP?**

IAAG has always tried to satisfy the above key issues. There will always have to be many compromises but we have not identified over 5 years, any major show stoppers. Alternative options fall short of satisfying these basic requirements which means that costly and complicated issues will have to be resolved over the long term. This could invalidate the implementation of any programme since it will be superseded by other events. Please refer to Attachment-1 "Implementation of Plans" for further details.

#### **E) WHAT COMPARATIVE OPTIONS ARE AVAILABLE?**

1) See Attachment-2 entitled "IAAG's London Gateway Airport Incorporating Comparative Options"

#### **F) THE FUTURE OF HEATHROW.**

1) Sir Rod Eddington made the powerful point in his Government paper that the first obligation is to reduce congestion in the modernisation of a transport system.

2) The worst congestion points in the Greater London area are arguably those around Heathrow (M4 M40 M25) and the Dartford Crossing. The adoption of plans to construct a new airport on the Hoo Peninsula at Cliffe will divert portions of the Dartford congestion to the Lower Thames Crossing, North and South to the Midlands, North of England and the Kent coast as well as serving the new airport and the movement of the centre of gravity East down the Thames Estuary.

The future of Heathrow is a complex subject and is dealt elsewhere in our papers submitted.

However long-term plans call for the full operation of a new airport at Cliffe which would absorb all aviation presently at Heathrow.

The Heathrow site could well be developed as an Eco-City on the Singapore-China Model (REF-6). This would preserve or enhance the value of the site and create new employment. The area will be well connected to both Gatwick and the new gateway Airport by Crossrail and improved rail/road access as described in our attachments. Terminal buildings can be used as exhibition and world trade centres.

Terminal-4 could be a new headquarters of the CBI and Terminal-2 a micro biology and medical research institute for example etc. etc.

The development could have world-class credentials and architectural excellence.

This scheme addresses the basic and enduring problems of Heathrow.

1) It is positioned in the wrong place with aircraft having to fly over most of the capital to land on the westerly runways

2) Noise and chemical pollution are prevalent and increasing. The European standards cannot be met

3) Access to Heathrow is conducted 80% by motor vehicles. Regional points of origin are not well connected and Heathrow has lost half of its air feeder routes.

4) Endemic delays are intractable and waste serious amounts of fuel, add to stress and emit large and increasing amounts of carbon Nitrous oxide sulphur dioxide. MIT estimate that 40- 60 premature deaths occur locally as a direct result of pollution. If runway capacity is increased this is estimated to double. Heathrow cannot expand and is now only the 8<sup>th</sup> biggest airport in Europe in numbers of destinations served.

5) Local environmental groups have strong political backing and are implacably against any increase in frequency.

6) Many worldwide examples are seen where a new airport is developed and the old site transferred. Most airports in Asia have achieved this without stress notably Hong Kong. Jobs directly related to the airport can be moved as elsewhere with the right incentives

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REF-6: <http://www.tianjinecocity.gov.sg>

(6)

7) The UK is blessed with a tract of unused land to create a new world class airport built with foreign funds on largely government land, well connected to markets and labour supply fuel and raw materials. No other site of this quality and availability exists anywhere in the UK or Europe or even Asia. Oslo and Athens are examples where difficult topography and distances from the capital presented much bigger problems. Istanbul is going ahead in spite of similar problems. Amsterdam-Schiphol Airport is an example of a very similar hydrology and topography which has been exploited by a strong sense of vision and purpose by all stakeholders in the Netherlands. It is acclaimed as a resounding success built at least partially on the back of UK traffic feeding through its hub on more than 100 services a day from 23 UK points. This is called the "Multiplier Effect" which the UK economy is urgently seeking.

#### **G) THE REWARDS. PAYBACK OF THE TOTAL PACKAGE**

It is clear that the rewards of supporting a successful total package of measures must be manifest and attributable to all who have worked towards this goal.

1) The Government, instead of trying unsuccessfully to raise money for land acquisition and the airport development, will instead be able to package the land assets that it owns and acquire others to present to the potential developer in the form of a long-lease. This will enable the Government to receive income and if negotiated a golden share of the total development costs could again regain influence in the process of operating the airport in the wider public interest.

2) For the funding/developing entities it will provide a real chance of securing long-term support through the life of the airport project to prevent subsequent administrations from wavering support of the project,

3) The taxpayer will not be called upon to fund the airport itself but private investment and equity would be encouraged to participate fully in the "Multiplier Effect" and the growth dynamic will take off. (See the "Dutch Mainport Concept" REF-7)

4) Public funds will be used in modest proportions to extend and enhance the surface access network but as we have insisted all these enhanced services will have a wider value in enhancing local and regional communities' access to points other than just the airport.

5) The delivery of a total package, short, medium and long-term will reinstall a boost of confidence in Government Transport Policy at no cost to the taxpayer and no identifiable losers.

6) With a new runway at Gatwick we would expect not only better time keeping but accommodation of more services some of which will be feeder services to long or medium-haul carriers thus establishing Gatwick as a new Hub airport. More services will be attracted to Gatwick from Heathrow including perhaps a complete alliance partnership. Gatwick should also benefit from better direct train connections from London e.g. Waterloo.

In the long term with aviation established at London Gateway Airport (Cliffe) flight times and fuel burn will be significantly reduced for all flights departing over European airspace. This directly benefits all those airlines operating these routes.

7) Of the greatest significance will be the removal of the noise and chemical pollution which has blighted large residential areas of London. The Government will be able to take great credit for finally resolving this enduring problem.

8) The building of an eco-city on the site of Heathrow will present to the current owners an increased asset value and a chance to participate in one of the world's most exciting urban renewal schemes (please see the Singapore-China case REF-6 on Page-5 above)

#### **H) CONCLUSIONS & RECOMMENDATIONS**

##### **a) Conclusions**

a) Since 2008 IAAG has campaigned for the utilisation and development of the Lower Thames Valley largest unused resource. We covered the national press, shadow and government ministers, the IOD and British Chamber of Commerce and numerous corporate and private entities. The Hoo Peninsula, as the longest, flattest and most accessible piece of land in the whole Thames Gateway area is also proximate to markets and populations and is unrivalled anywhere else in the UK, Europe and even in East Asia.

b) IAAG reached this conclusion through a long process of deduction (using as a base the SERAS report 2001) and elimination of all other that have since appeared from a multitude and largely uninformed sources.

c) IAAG's long experience in aviation, airlines and airport planning has never been seriously challenged in its recommendations. Commissioning endless research assignments by Government, Local Authorities, incumbent Airport Operators, etc has prolonged the process and raised the taxpayer's financial burden unnecessarily.

d) This is largely a fruitless pursuit. The Government cannot justify or afford large amounts of public funds. The UK private sector does not have the funds. Funds must be drawn from overseas investors who will rigorously pursue fiscal investment criteria founded on the following 3 principles:

1-Available (dry) land

2-ROI - an effective return according to modern international investment criteria.

3-Meet rigorous regulatory guidance ( ICAO, IATA, CAA )

IAAG's proposal is the ONLY submission satisfying all 3 prerequisites.

e) IAAG concludes the various and ever changing proposals for Heathrow have no merit, ignore a ferocious anti-noise and chemical pollution coalition of opposition are economically and financially unviable and un-fundable.

This dead horse has been flogged to death to satisfy the parochial self-interest and the fantasies of vested interests hoping to pick up a share of the inflated but ill-defined project the owner of which is severely pressed for funds.

Even Willie Walsh the principal occupant of Heathrow stated on 5 occasions to the Parliamentary Transport Committee that he did NOT support any new runway capacity at Heathrow even mixed-mode.

Should we therefore prolong this endless and unnecessary debate on runway capacity at Heathrow?

f) The main alternative estuary airport on Grain, is un-fundable, undoable and conflicts with ICAO and H & S regulations. There are 12 other killer points which we have pointed out in our attachments. What remains is a binary challenge.

g) Do we embrace, as most do, the concept of a new, modern, 24 hour mixed mode airport in an area with few detrimental environmental consequences or do we simply give up?

(7)

h) Embracing such a concept means accepting the changes (at no cost) to allow at Heathrow mixed-mode runways operations (when required) with NO increase in frequency. To promote with GATWICK AIRPORT LTD, a second runway to be built as soon as possible. Our reasoning is in the attached papers. Again no taxpayer's money is needed. The private equity partners are flush with cash and will enjoy a good ROI to the nation's benefit. Armed with this success story, address immediately the focus on a new airport in the Hoo Peninsula (Cliffe) attractive to a foreign investor. We have spoken to some prime candidates.

i) Further procrastination will seriously weaken UK aviation interests and the trends already strongly recorded will grow in emphasis enriching foreign carriers and governments.

j) A big issue is the Government's preoccupation with large infrastructural projects. Simply building subsidised housing will create another housing bubble. Building useless vanity projects will be an embarrassing white elephant. Sustainable development means creating sustainable profitable jobs and a real dynamic free of public subsidy. This is definitely possible with a new airport at Cliffe where SERAS proved a project cost of £9-11 Billion in 2001/2

**Let us not forget:**

1) The UK is ignoring a £1 billion possible revenue from PRC visitors p.a. simply because it cannot organise as Australia does internet visa facilities (REF- 8). This is a glaring mistake.

2) Additionally the UK is reluctant to give PRC carriers reciprocity thereby restricting UK's carriers chances of serving other points in China. Not so other European carriers lapping up this valuable traffic. A self-inflicted wound.

3) BA does not want any additional frequency into Heathrow which will challenge their domination of "Fortress Heathrow" see above. Heathrow as a hub is therefore doomed. HS2 and Crossrail will not ride to the rescue.

4) Crossrail would be better extended to the Hoo Peninsula and through that to the densely populated and high unemployment Medway towns. The Lower Thames Crossing should cross in to the Hoo Peninsula, an ideal further spoke and feeder point to the new airport. It could even be tolled and funded privately (See IAAG's colour brochure).

5) The UK is truly blessed by potential economic geography but plagued by indecision handing all the initiatives to the Dutch on a plate where KLM serves 21 points in the UK from Amsterdam-Schiphol Airport and have swallowed up at least 30% of the UK's traffic to other destinations.

6) The UK is also blessed as a destination for foreign funds particularly from the Middle East.

7) With its poor reputation for not staying the course the UK is in danger of not providing security for these investments.

8) It is essential that it converts its land bank in the Hoo Peninsula to a lease to the foreign entity and take a golden share. This will tie successive governments in to the partnership at the new airport. Today the Government is emasculated, except in a regulatory sense for any significant control over its airports, unlike its European competitors.

9) Without this little will ever be achieved in one of Britain's key industry segments.

The crippling of this segment will have a PERMANENT negative effect on the economy. It will be unrecoverable.

**b) Recommendations.**

1) Readers are strongly encouraged to read the attachments in full. It is also recommended that the Report commissioned by the Government and produced by SERAS and largely published as a white paper is closely referenced 2002/3. They have an enduring truth.

2) They are still valid today since nothing has changed except the steady erosion of British aviation as distinct from foreign aviation in Britain.

3) We recommend that initiatives are seized at zero public cost to reform LHR and improve the size and flexibility at LGW. (see above) The long-term must be under high focus and immediate plans matured and refined to ease congestion both to the West and East of London (see Rod Eddington's paper). The former by replacing Heathrow with an Eco-City on the Singapore and Chinese models. There is already much interest in this existing project which will enlarge the labour supply at all skill levels and enhance capital values. (see various attachments) This is matched by the dynamic of a new airport at Cliffe with the "multiplier effect" taking over. Please see the Dutch Model. (REF-7). These should both be achieved within 12 years. Britain will have proved to the world that it is capable of modernising its economy in the face of strong competition and will again take its pride of place as a clean, smart, commercial and financial centre for its residential population and visitors from around the world.

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REF-7: [www.eitir.tbm.tudelft.nl/issues/2001\\_02/pdf/2001\\_02\\_02.pdf](http://www.eitir.tbm.tudelft.nl/issues/2001_02/pdf/2001_02_02.pdf)

REF-8: <http://www.immi.gov.au/visas/visitor/651/>

**ATTACHMENTS**

1-IAAG's Implementation of Plans for future of UK Aviation

2-IAAG's London Gateway Airport Incorporating Comparative Options

3-IAAG's Colour Brochure – London LGA AP - New Beginning

4-IAAG's The Case for London Gateway Airport – A New Beginning

5-IAAG's Proposals for the Short & Medium term for the Better Use of existing UK Airports

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