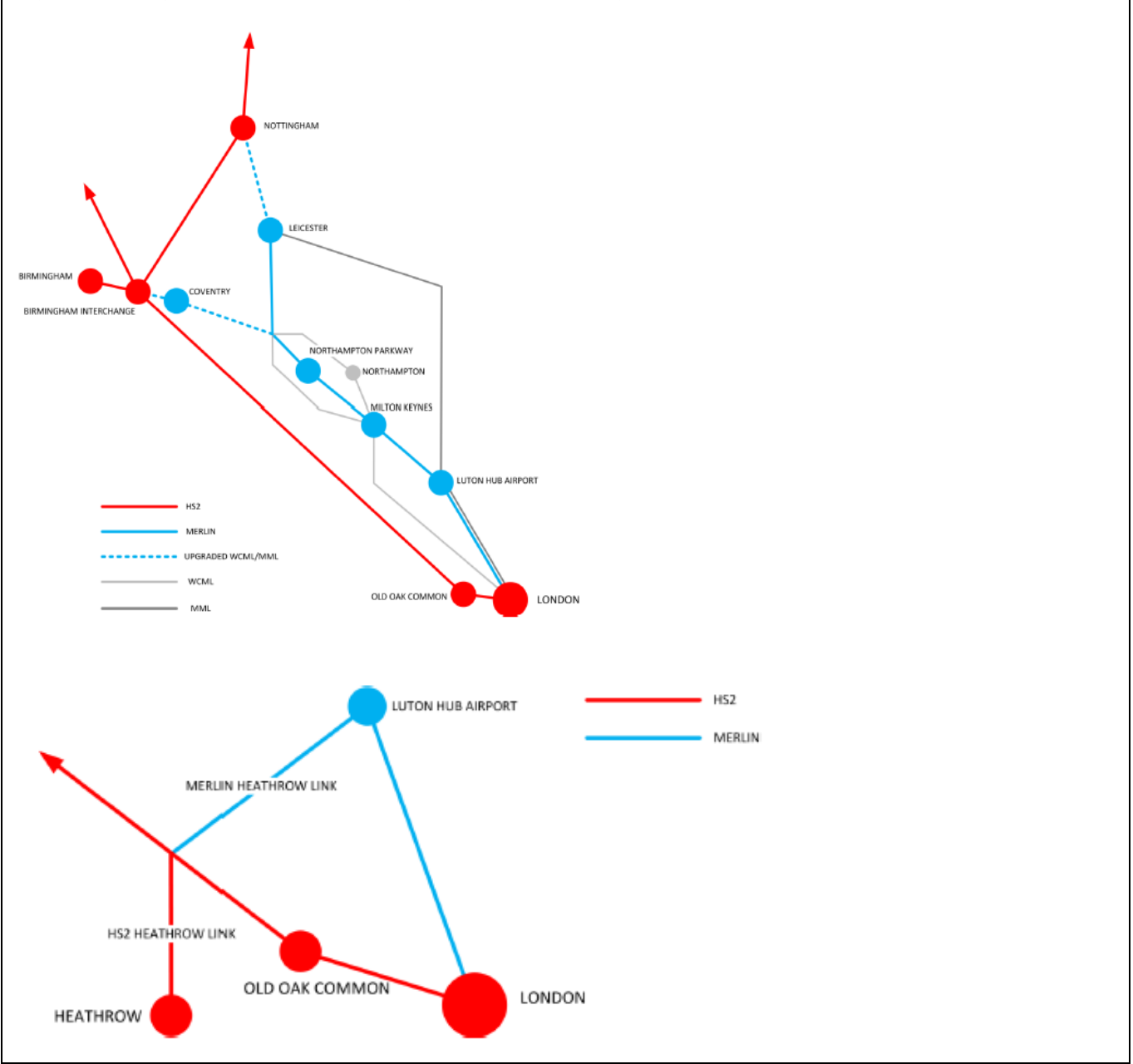


PROPOSAL TITLE:	Midland Express Rail Link	Short Term	<input type="checkbox"/>
SUBMITTED BY:	Private Individual	Medium/Long Term	<input checked="" type="checkbox"/>

PROPOSAL

To develop London Luton Airport as either a single hub with a high speed rail link connecting Luton to HS2 and the East Midlands, the Midland Express Rail Link (MERLIN), or to develop Luton and Heathrow airports as a dual hub with a new high speed rail link between the two airports. MERLIN could enable Heathrow and Luton to create a 4-runway dual hub airport, assuming Luton is developed as proposed by Policy Exchange and CentreForum.



INITIAL ASSESSMENT COMMENT

In principle, the proposal describes a rail solution to improve surface access between Luton, London and the East Midlands. The airport aspects of the submission are only lightly addressed with little or no detail.

The development of Luton as a new hub airport, given the likely consequential reduction in capacity or closure of Stansted and the likelihood that Heathrow may also have to close to render the scheme commercially viable, may not deliver a significant capacity benefit to the London network. It could also reduce competitive forces in the London market. It could particularly reduce low cost airline capacity in London.

The dual hub proposal may encounter unwillingness from airlines to split operations between the two airports presenting commercial and operational challenges to the railway and airline companies. The proposal notes the failure of previous examples of ‘Heathwick’ proposals in view of the relatively few passengers to justify the capital and environmental costs,.

PROPOSAL TITLE:	Midland Express Rail Link	Short Term	<input type="checkbox"/>
SUBMITTED BY:	Private Individual	Medium/Long Term	<input checked="" type="checkbox"/>

OVERVIEW

Proposal	To provide a high speed rail link connecting London Luton Airport with HS2, the East Midlands and into London, either a single hub or, with further high speed rail link to Heathrow, as a dual hub with Heathrow. Luton developed as proposed by Policy Exchange and CentreForum.		
Approach	Collaborative working between competing airports will be required. Assumed to be a Government led initiative to restructure the London system as proposed.	Assumed Capital Cost	£50 bn+
Potential Benefits	<ul style="list-style-type: none"> Phased expansion building upon existing airport and surface access infrastructure. Dual hub option retains jobs and economy at Heathrow. Improves public transport access to Heathrow and Luton airports. Facilitates a shift towards public transport access and lower carbon emissions. Dual hub may lead to lower construction carbon footprint compared to new hub locations with use of existing infrastructure. 	Additional Capacity (mppa)	Dual hub: 15 Single hub: 0
Key Issues & Risks			
Strategic Fit	<ul style="list-style-type: none"> May enable split-hub operations, but commercial and operational viability of such a configuration is questionable. Although the proposal adds to capacity of the London system, it is not clear that it does so to an extent that would justify the significant impacts of the scheme. As a single hub, the closure of Heathrow would likely result in upheaval to businesses and employees, for a marginal capacity gain. Therefore not clearly aligned strongly with the Commission's remit. 		
Economy	<ul style="list-style-type: none"> Inter-airport connection, however swift, may be seen as inconvenient by passengers leading to leakage from London to competing European hubs. May reduce competition in the London system. 		
Surface Transport	<ul style="list-style-type: none"> Uncertain assertions that the journey time between the two airports would render the connection acceptable. Road upgrades to serve Luton would also be required. 		
Environment	<ul style="list-style-type: none"> Impacts to a significant number of designated cultural heritage features. Large number of residential demolitions required. 		
Cost	<ul style="list-style-type: none"> Development of Luton potentially c £25bn, however the far greater cost relates to the extensive regional/national upgrades to the strategic rail network. Costs relating to the closure or reduction of capacity at Stansted in both scenarios and of Heathrow in the single hub option are not included. 		
Operations	<ul style="list-style-type: none"> Additional capacity provided at Luton would be difficult to coordinate into the operations of both airports requiring airlines to, probably unwillingly, split operations. Development of Luton to the extent proposed may necessitate reduction in capacity or the closure of Stansted Airport, with potentially significant impact on the low cost sector. Limited net capacity gain to the London system with reduction or closure of Stansted and more substantially should Heathrow also be required to be closed in order to render competing Luton hub commercially viable. 		
Delivery	<ul style="list-style-type: none"> The topography in the Luton area is unfavourable for airport development. Unclear how a funding/financing strategy and ownership structures would work. No details provided. Unstated, but assumed need for government underwriting of project risk may be key to financeability. Competing hub option would appear to assume that Heathrow remains open, however, this may raise certain risks (e.g. re level of demand) that render the scheme unviable. Unclear why, in competition with Heathrow, airlines would relocate to the Luton hub. Would appear to require that both Heathrow and Luton are in common ownership in order to fully integrate services. Range of support measures likely to be needed for private financing, including government support / commitment and supportive regulatory framework and planning environment and wider package of measures to reduce the cost of finance. 		