

PROPOSAL TITLE:	Stansted Airport – 2 nd Runway	Short Term	<input type="checkbox"/>
SUBMITTED BY:	Manchester Airport Group	Medium/Long Term	<input checked="" type="checkbox"/>

PROPOSAL

Two in-principle options for the provision of a second runway: either to the northwest of the existing runway or to the east, broadly based upon the options considered for BAA’s Stansted Generation 2 project. Neither option is fully defined. Heathrow remains open.

The closer spaced northwest runway options, depending upon separation, could operate in either segregated mode or provide independent departures, whereas the wide-spaced east runway would permit fully independent mixed mode operations to both runways.



INITIAL ASSESSMENT COMMENT

Submission sets out in partial detail proposals for delivery of the airport.

The scheme contributes capacity to the London system for comparatively low cost. However, for the benefits of the additional runway to be realised, improvements to surface transport would be required (costs not estimated by the submitter) and it is likely that capacity constraints at Heathrow and Gatwick would need to remain.

The capacity benefits delivered by the additional runway would be reduced if Luton Airport were required to close or reduce its own capacity.

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OVERVIEW

Proposal	Two in-principle options for the provision of a second runway: either to the northwest of the existing runway or to the east, broadly based upon the options considered for BAA's Stansted Generation 2 project. Neither option is fully defined.		
Approach	Phased, <u>privately funded, expansion of the airport</u> in line with prevailing incremental demand. Unspecified <u>contribution only to wider public funded surface transport developments.</u>	Stated Capital Cost NW: £2.5-3.5 bn E: £3.5-4.0 bn	
Potential Benefits	<ul style="list-style-type: none"> ▪ <u>National additional GDP contribution of up to £3bn direct GVA p.a. (and another £3bn indirect)</u> ▪ May promote marginally greater competition with other London airports. ▪ Low additional population affected by noise compared with Heathrow. ▪ Additional local employment of between <u>13,000-16,000</u>, with wider economic benefits for Upper and Lower Lea Valley and East London. ▪ Privately financed although public support anticipated for surface transport. 	Additional Capacity (mppa) NW: 20-30 E: 40 Capacity (ATM) NW: 475-525,000 E: 575,000	
Key Issues & Risks			
Strategic Fit	<ul style="list-style-type: none"> ▪ The proposal adds capacity to the UK airport system and could increase competition between London's airports. The scheme would therefore appear to be aligned with the Commission's terms of reference 		
Economy	<ul style="list-style-type: none"> ▪ Service expansion likely to be predominantly low cost carriers serving destinations in Europe and domestically, with possible introduction of services from some European hub carriers and a Middle Eastern hub carrier (particularly if Heathrow and Gatwick remain capacity constrained). Additional connectivity may likely be due to higher frequencies and more short haul services, with incremental long haul operations reflecting market opportunities, but may not result in more than a marginal transfer of services or airlines from Heathrow. 		
Surface Transport	<ul style="list-style-type: none"> ▪ Uncertain whether proposed rail and road enhancements can cater for the predicted level of demand and what measures will be implemented to achieve the <u>60% rail mode share target.</u> ▪ <u>Second rail tunnel serving the airport required along with upgrades to the WAML.</u> ▪ <u>Local road upgrades</u> and <u>potentially widening of the M11 to the M25</u> may be required. ▪ <u>Potential to connect the airport to Crossrail.</u> 		
Environment	<ul style="list-style-type: none"> ▪ Impacts on a number of national and local designations and designated cultural heritage. ▪ Large area of agricultural land loss. ▪ Impacts on high value landscape. 		
Cost	<ul style="list-style-type: none"> ▪ Schemes only partially defined and therefore costs are uncertain. ▪ Excludes surface transport. Not clear if the cost includes allowances for environmental/social mitigation measures. Referenced surface transport schemes may increase cost by c £5 bn. 		
Operations	<ul style="list-style-type: none"> ▪ May necessitate the closure or reduction in capacity at London Luton Airport. ▪ The additional capacities stated above are after the closure of Luton and are over the capacity of the fully utilised single runway airport layout (35 mppa). 		
Delivery	<ul style="list-style-type: none"> ▪ Range of support measures needed for private financing, including <u>government support / commitment and supportive regulatory framework and planning environment.</u> ▪ Implies that robustness of private financing rests on <u>natural capacity constraint expectations</u> elsewhere within the London system. 		
Mitigations	<ul style="list-style-type: none"> ▪ Limited scope to reduce impacts on designations and agricultural land loss. Potential to include off-setting area for biodiversity improvement. 		