



**Meeting of the Airports Commission
23rd February 2015 - 10:00am to 13:30pm
Rm 6.02 Sanctuary Buildings**

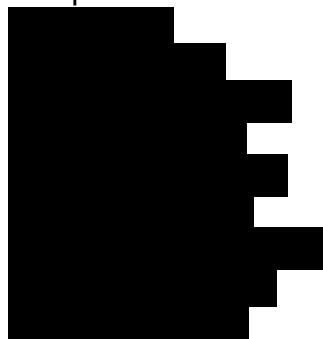
Attendees:

Commission members:
Howard Davies (left 11.50am)
Julia King
John Armitt (arrived 10.40am)
Ricky Burdett

Apologies:

Vivienne Cox

Secretariat (Agenda Items):
Philip Graham



Observer (Agenda Item 8):
[REDACTED] (CCC)

1. Welcome

HD welcomed attendees and invited updates on the register of interests. None were received.

2. Note of Last Meeting

The meeting note had not yet been circulated as still being cleared within Secretariat.

ACTION: Secretariat to circulate as soon as possible for comment.

3. Round up of stakeholder meetings

HD advised that he had not held any meetings since the last Commission meeting and that he was going to Brussels to have two separate meetings, the first with Tim Figures, Counsellor, Competitiveness and Markets, and Steve McGregor First Secretary, Competitiveness and Markets, UKREP and the second with Gert-Jan Koopman, Deputy Director-General State Aid, DG COMP, European Commission. He also noted that he would be meeting Philip Rutnam (DfT Permanent Secretary) and Jeremy Heywood (Cabinet Secretary) over the following weeks; this would be to provide an update on how the Commission's intended to take forward the remaining phase of its work.

4. Update of Analysis and any current concerns

PG gave an update on the analysis of the responses to Consultation. Currently 68,000 responses to the consultation have been logged. Systra are working through the last few batches of responses, so this figure is expected to rise. There are roughly 6,000 individual responses, 500 from Organisations and over 60,000 campaign responses. From the responses received a number pieces of additional work are now being undertaken by consultants and EAPs.

HD noted that he will write to the Prime Minister, Deputy Prime Minister and Leader of the Opposition shortly stating that the Consultation has finished and we are reviewing responses and we will provide our final report to Government after the election as per the terms of reference.

The Secretariat was considering the best format to provide the Commissioners with more details of the key themes arising from consultation responses and what their implications might be.

5. UK Aviation Statistics

The Secretariat presented the Commissioners with some slides on the UK aviation market at present and how London airports are utilised and their connectivity. This included how many passengers use London airports and a breakdown of where the passengers originate in the UK. There was a discussion on UK passengers using foreign hubs, and the role of surface access to reach London or continental cities. Following the overview of passenger statistics, there was an outline of air freight in the UK, its provenance and the ratio of that carried as bellyhold in passenger aircraft to that carried in dedicated freighter aircraft.

ACTION: Secretariat to find some case studies of high-value air freight usage in the UK and a breakdown of freight amounts carried between London airports, particularly Gatwick and Heathrow.

6. Consultation: Thematic Headline findings

The Secretariat gave a short overview of the responses received regarding carbon.

7. Carbon Context

The Secretariat provided the Commissioners with a review of the approach adopted to considering the carbon implications of aviation expansion in the interim report and consultation materials, including the development and implications of the 'carbon capped' forecasting approach.

The Commission requested that the final report include a clear description of the climate change and carbon context, in particular an explanation of the UK's statutory framework for reducing emissions.

8. Carbon Capped Appraisal

The Secretariat gave an update on the extra work being carried out on carbon-capped appraisal since the consultation, including their engagement with the Climate Change Committee ("CCC"). The consultation documents had only included transport economic efficiency impacts for the 'carbon traded' forecasts, along with sensitivity tests on the impact of a higher carbon price. This provided a basis for judging the comparative economic case for the three shortlisted schemes. The consultation documents had, however, also highlighted that further work would be undertaken following consultation to develop a fuller carbon capped appraisal.

The Secretariat presented its proposals for how a carbon capped appraisal could be delivered taking into account the operation of the underpinning forecasting model. This included a number of options for handling the 'do minimum' base case, which could be used to derive a range for the potential benefits. The Commission agreed with the approach of deriving a range, but asked the Secretariat to consider further the feasibility of an option in which the level of carbon emissions in both the base case and 'do something' was 37.5 Mt.

ACTION: The Secretariat to provide further analysis of the feasibility of an approach where each of the 3 shortlisted options and do minimum emit 37.5 Mt CO₂.

The Commission stressed the importance of ensuring that the strategic case for expansion in a carbon capped scenario was fully explored and incorporated into its decision-making, as well as the economic analysis, given the technical challenges associated with this approach and the difficulties of forecasting to 2050. The Commission noted, for example, that access to long-haul services and key business destinations via aviation might have greater comparative importance in a carbon-constrained future, as there would be more alternatives available for short-haul and domestic travel.

9. Regional Airports and Carbon policy

The Secretariat gave an overview of the nature and scale of the impact of a carbon-capped policy and the impact it would have on regional airports. It was explained that regional airports would see significant demand growth with or without expansion under any of the Commission's forecast scenarios, including those with a carbon cap.

The Commissioners were content with the approach the Secretariat were taking.

10. Final Report Narrative

The Secretariat went through the proposed final report narrative in respect of carbon emissions.

Action: The Commissioners requested that the issues discussed in relation to regional airports and the carbon capped forecasts should be covered as part of the narrative on regional airports, rather than as part of the carbon story.

11. AoB

The Commissioners noted that some of the consultation responses that they had reviewed – most notably the response from TfL – were critical of aspects of the Commission's work. They requested that the Secretariat provide an assessment of the validity of these criticisms and of any implications.

Action: The Secretariat to provide briefing as requested.