



Increasing the UK's long-term aviation capacity
AITO response to the Airports Commission

3 February 2015

Introduction

This response is submitted on behalf of the membership of AITO – The Association of Independent Tour Operators.

AITO is made up of 120 specialist tour operators and count amongst our membership some of Britain's leading specialist travel companies, many of them owner managed, who provide a wide range of holidays to every corner of the globe. AITO Members carry in excess of 700,000 passengers to over 200 countries and have a combined turnover value in excess of £1 billion annually. Our members all act as principals and provide financial protection beyond what is required by the current regulations.

The success of AITO Members' businesses is directly reliant on the UK's aviation infrastructure. The UK independent travel sector is recognised worldwide for its pioneering creativity and expertise. The provision of quality, efficient and competitively priced passenger air travel is vital to the business interests of our Members.

The importance of leisure aviation to the UK economy contributing to the business health of the country in both job and wealth creation. Aviation operates as an 'aviation mix' with leisure, business and VFR passengers all flying on the same aircraft on the same routes. The different mix of aviation models all contribute to the UK's economy: scheduled, charter, No-frills, leisure, business and freight.

AITO is in full agreement with the approach taken on this issue by our larger 'partner' organisation, ABTA.

Executive Summary

- AITO reiterates ABTA's view that the UK urgently needs to increase its hub capacity beyond the current constraints, whilst also further developing non-hub capacity where required. We too believe this is essential in order to maintain the UK's competitive position.
- Gatwick and Heathrow have both made compelling cases for a new runway. AITO agrees with the Commission's assessment that there is a demand case for a second net additional runway by 2050, particularly within the context of connectivity and resilience.
- AITO echoes ABTA's concerns at the length of time taken for major infrastructure planning processes in the UK through to their ultimate operation. It is our belief that it

would be appropriate for both Gatwick and Heathrow to be given the go-ahead for planning in the next Parliament, with market forces and passenger demand dictating the sequence of their construction.

- AITO strongly believes that effective, efficient, high quality and resilient surface transport to airports benefits not just air passengers and airport staff but also the local population and is an integral part of the sustainable growth of any airport.
- AITO fully supports the work of Sustainable Aviation and others in mitigating environmental impact.
- AITO supports the continued need for night flights.
- AITO believes that passengers deserve an accessible, smooth, efficient and high quality airport experience.

The case for expansion

UK's hub capacity needs to be increased beyond current constraints in order to maintain and improve its competitive position. This would be further assisted by the development of further non-hub capacity. This will attract more visitors and foreign direct investment, will stimulate business and productivity growth, with attendant benefits to employment and economic growth. The economic benefits associated with enhanced hub capacity are much greater than those offered by expanding non-hub capacity alone. The UK needs to be able to compete on connectivity with other countries (many of whom are international 'competitors') whose Governments have supported hub growth. Global connectivity has been addressed in other countries:

- China will have 17 runways by 2036 in its major cities with a potential to carry 400 million passengers;
- Dubai, already replacing Heathrow as the world's busiest airport, has plans to provide more passenger capacity than all the London airports combined;
- Istanbul has a plan for a six-runway airport which will increase the capacity to twice that of Heathrow;
- Extra air capacity is also being considered by cities like Singapore, Manila, Bangkok, Mumbai and Mexico City

London's hub capacity is not only important to passengers but is also the UK's key hub for international air freight. It is vital to the economy and to jobs throughout the UK, in industries as diverse as retail, financial services, and construction.

AITO is calling on the Government to act urgently upon the eventual recommendations of the Airports Commission after the General Election this year. We also urge Government to ensure that investment in surface access goes as far as possible. This will benefit not only passengers, and staff working on the airport, but local communities and businesses in the area. Furthermore the Government should play a key role in ensuring that any development is delivered in accordance with agreed time scales.

AITO believes that the work the Commission has already undertaken in preparedness for planning purposes through a National Policy Statement or a Hybrid Bill will stand the Government in good stead to deliver additional capacity within an agreed timeframe.

Questions inviting views and conclusions in respect of the three short-listed options

Q1: What conclusions, if any, do you draw in respect of the three short-listed options? In answering this question please take into account the Commission's consultation documents and any other information you consider relevant. The options are described in section three.

Both Heathrow and Gatwick airports have made compelling cases for a new runway, and both cases for expansion are logical: Heathrow is full, and Gatwick is operating at full capacity at peak times.

Whilst the current recommendation is to have one additional runway, it is acknowledged that another will be needed by 2050. Given the timescales involved in consultation, not to mention the cost, would it not be prudent long term planning to consider expansion at both airports right now? It would be painful in the short term but the gain in the longer term would outweigh this. The works could be scheduled to have Heathrow developed in the first phase and Gatwick in the second.

Improving links to Gatwick and Stansted, and supporting London City's growth, would give capacity a boost in the interim.

Of equal concern to AITO Members is the resilience of airport operations. The recent closure of Gatwick due to an incident demonstrated how disruptive this can be. Although the situation was managed well, it led to cancellations, delays and diversions. This was to the detriment to all affected passengers. Airport capacity expansion has to have resilience built in to minimise such disruption.

AITO supports the periods of respite allowed for by the owners of Gatwick and Heathrow airports, believing they are important to the local communities.

Furthermore, Gatwick and Heathrow have put forward a package of local community pledges and other commitments to minimise and mitigate the impacts of an additional runway. Mechanisms will need to be put in place to ensure these commitments are honoured by the current and any future owners of the airports.

Q2: Do you have any suggestions for how the short-listed options could be improved, i.e. their benefits enhanced or negative impacts mitigated? The options and their impacts are summarised in section three.

Surface access

Our Members believe that effective, efficient, high quality and resilient surface transport to airports benefits not just air passengers and airport staff but also the local population and is an integral part of the sustainable growth of any airport. It is an important aspect of the passenger experience and is instrumental in the choice of a passenger's departure airport. A modern integrated transport system can play a decisive role in attracting international

investment, offering greater accessibility for passengers with reduced mobility, a growing percentage of the population, and easing surface transport disruptions for the local population near transport hubs.

AITO welcomes the work being undertaken by Gatwick and Heathrow to increase the number of passengers accessing the airport by public transport.

AITO is concerned not only about the reliance on the Brighton mainline to Gatwick but also about the single motorway, particularly in the longer term with the growth of passengers at Gatwick, although we note the assessments and modelling carried out by both the airport and the Commission conclude that sufficient railway capacity is expected to be available to accommodate passenger using a two runway airport. It is important that there is committed funding for these improvements.

If the Commission were to recommend Heathrow for an additional runway, AITO believes strongly that High Speed 2 should be routed via Heathrow, not around it, as an integral point on the London to Birmingham route and, moreover, this should be part of the first phase.

Environmental impacts

Sustainable Aviation¹, the voluntary coalition of industry partners, continues to work on innovative developments, the latest being their Sustainable Fuels Road-Map launched in December 2014. Sustainable aviation fuels have the potential to play an important role in achieving the UK's ambition to reduce carbon emissions from transport.

AITO supports the work of Sustainable Aviation and calls on Government actively to support and remove barriers to the development of these new technologies.

As well as promoting sustainable fuels, Sustainable Aviation will also continue to develop and implement operating procedures that will improve both the industry's CO₂ and noise performance such as continuous descent approaches and two segment steeper approaches.

Questions on the Commission's appraisal and overall approach

Q3: Do you have any comments on how the Commission has carried out its appraisal? The appraisal process is summarised in section two. Nothing to report

Q4: In your view, are there any relevant factors that have not been fully addressed by the Commission to date?

AITO is content with the extensive work undertaken by the Commission on the appraisal and overall approach. The issues have been fully addressed.

Questions inviting comments on specific areas of the Commission's appraisal

¹ <http://www.sustainableaviation.co.uk/>

Q5: Do you have any comments on how the Commission has carried out its appraisal of specific topics (as defined by the Commission's 16 appraisal modules), including methodology and results?

Forecasting future demand for aviation

We would agree that the Department for Transport's aviation model which has been used to produce demand forecasts is robust and the most applicable.

More recently, IATA's Passenger Forecast² shows that Europe will have a growth rate of 2.7% between 2014 and 2034, catering for an additional 591 million passengers a year with a total market of 1.4 billion passengers.

It is also acknowledged that direct routes to new markets makes a significant difference to the volume of trade possible.

Assessing environmental impacts

AITO is confident in the approach taken by both Gatwick and Heathrow to mitigate noise and reduce the impact on neighbouring communities.

We support the Commission's decision to not hold up the consultation by waiting for the outcome of the more detailed dispersion modelling exercises.

AITO is content with the work undertaken by the Commission on the other elements in this section.

Q6: Do you have any comments on the Commission's sustainability assessments, including methodology and results?

Q7: Do you have any comments on the Commission's business cases, including methodology and results?

AITO has no comments to make on the Commission's sustainability assessments or business cases.

Other comments

² IATA 20 year passenger forecast – October 2014

Q8: Do you have any other comments?

Importance of night flights

There is a notion advocating the cessation of night flights once an additional runway is agreed. Night flights are important to airlines, and hence to AITO Members who sell flights/holidays:

- Aircraft commence their first flight of the day early and operate a maximum number of rotations during the day completing their last flight late in the evening.
- Long-haul flights operating across several time zones will typically depart from North America or South East Asia in late evening and will arrive early morning at their UK destination before turning around and returning.
- An aircraft's arrival time at destination will depend on the take-off slot it can obtain at the departure airport and vice versa.
- Airport connectivity is crucial for airline load factors and therefore their economic viability. Long haul flights have feeder flights from the short haul network and *vice versa*. The importance of the short haul network cannot be underestimated.
- Night flights are particularly important to the express air freight business.

Night flights also bring economic benefits increasing the number of flights which can be operated, particularly at capacity constrained airports, and lead to additional jobs at airports and surrounding areas. Restricting flights during the night period would further undermine the UK's attractiveness as a place to do business. Full details are contained in ABTA's submission³ to the Commission's Discussion Paper No. 5 on Aviation Noise.

Air passenger experience

Lastly, AITO believes that passengers deserve an accessible, smooth, efficient and high quality experience. Although both Gatwick and Heathrow have invested time and money in substantially improving their facilities in recent years, there is always room for further improvement.

Above all, it is essential that the airports continue to maintain and improve in their passenger service and that any disruption during construction of a new runway and associated terminal facilities is minimised.

Thank you for taking our comments into consideration. We would welcome the opportunity to discuss any points raised in our response further with the Commission.

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³ [Aviation Noise](#) – August 2013