



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

Introduction

Established in 1921, the Scottish Passenger Agents Association (SPAA) is the world's oldest travel trade association. Today the SPAA is Scotland's largest travel trade association and represents the interests of Scotland's major independent and Corporate Business Travel Management Companies as well as both Independent and Multiple Leisure Travel Agents.

The SPAA works alongside its' Associate Members, which are made up of many of the world's leading airlines, tour operators and cruise lines together with Edinburgh, Glasgow & Aberdeen Airports. Each of these sectors within the industry has an interest in aviation and package travel issues which are relevant to their customers who in turn become customers of the airlines and or tour operators and airports, plus ground arrangers, within the UK.

The SPAA would like to reiterate the importance of both Business and Leisure aviation to the UK economy, from both an outbound and inbound perspective. The aviation sector is a creator of business and investment prosperity as well as creating employment and without this many air routes essential to the business health of the UK would simply not exist.

Passengers who fly can be divided not only into a mix of leisure & business travel but also the very large student & VFR market 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.

Executive Summary

- SPAA continues to welcome the Airport Commission's approach to continue to create a framework for the UK Aviation sector that co-ordinates all aspects of investment required to ensure the correct levels of continuity are taken into consideration to benefit both UK plc to extend economic growth whilst also meeting the requirements needed to maintain adequate provision for travellers from both a business and leisure perspective.
- SPAA reiterates the view that progress is urgently needed to increase the hub capacity in the south East beyond the current constraints, while developing further non-hub capacity where required, in order to maintain the UK's competitive position.
- SPAA feels that Gatwick and Heathrow have made a compelling case for new runways and totally agrees with the Commission's assessment that there is a case for a second net additional runway by 2050, particularly within the context of connectivity and resilience.

- SPAA further advises their complete agreement for both Gatwick and Heathrow to be given the go-ahead for planning in the next Parliament, with market forces and passenger demand dictating which runway is built first.
- SPAA believes that any further airport development should go hand in hand with improvements on high quality, efficient and resilient surface transport to airports which will have the added value of assisting not only those passengers flying from the airports and those who work at the airport but hope that this will also benefit the local population as an integral part of the sustainable growth of any airport.
- The SPAA recognised the tremendous value of hub airports in the South East and would wish to stress to the Commission the enormous importance of a full array of Domestic connections via London for not just point to point traffic but more importantly the opportunity for online Worldwide connectivity for passengers over a convenient hub at Heathrow or Gatwick offering all passengers a link with the main Scottish Airports and the lifeline routes to the Scottish Highlands & Islands
- SPAA fully supports the work of Sustainable Aviation and others in mitigating environmental impact wherever possible.
- SPAA supports the continuing need for night flights as per our previous submission on this subject.
- SPAA would like to see ongoing commitment from all airports to create a good quality & consistent airport experience where passengers have options for easy & efficient transport access, a heightened airport experience and robust contingency plans in case of disruption from bad weather or unexpected runway closure.
- SPAA believes that with the much larger options for connectivity of flights from the Scotland via Heathrow that the priority for the development of an additional runway should be given to Heathrow.

The case for expansion

SPAA completely agrees that increasing the UK's hub capacity beyond its current constraints, and developing further non-hub capacity where required, is essential to maintaining and improving the UK's competitive position. In order to expand the UK's long-haul connectivity, adequate hub capacity is required.

There is no doubt in the view of the SPAA that

- 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 (such as Holland & Germany).

London's hub capacity is not only important to passengers but is also the UK's key hub for international air freight.

A report recently undertaken by Oxford Economics for the Airport Operators Association showed that the UK aviation sector is worth £52 billion in GDP annually, representing 961,000 jobs (3.3% of the UK total) and £8.7 billion in direct taxation to the Treasury. The recent Commons Library Standard Note showed the UK tourism industry contributing £56 billion in economic output and employing 2.8 million people (9% of the UK total). Research for ABTA carried out independently by the Centre for Economic and Business Research (Cebr) highlighted the positive economic impact of the UK's outbound tourism industry, worth £54 billion in GDP and representing 1.2 million jobs throughout the UK, in industries as diverse as retail, financial services, and construction.

SPAA is urging the Government to act upon the eventual recommendations of the Airports Commission as soon as possible after the General Election in May.

SPAA thinks that the Government will have an important role to work with the eventual private infrastructure developer to ensure that Government 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.

SPAA 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.

While we understand that the Commission will recommend only one net additional runway, the Commission have themselves said that there is a demand case for a second additional runway to be operational by 2050. SPAA believes 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.

It has become clear that our membership supports planning permission for expansion at both Gatwick and Heathrow.

Underpinning the need for two new runways in the South East are three critical principles: connectivity, ability to interline and resilience.

London needs an additional runway at Heathrow to allow the hub and its unique global connectivity to be maintained and developed allowing those UK regional routes that have lost connections to Heathrow to be regained.

London also needs an additional runway at Gatwick to allow it to grow as a point-to-point airport and to operate more effectively to reduce queuing and holding. We do not believe it should become a second, split hub.

The predominantly long haul airlines' desire to benefit from those hub connections has resulted in some moving to Heathrow which is still viewed as the most important airport for flights.

SPAA believes that expansion at Heathrow would give a great range of flight connections for our members and would support the choice of Heathrow expansion as its first choice

SPAA would like to underline the importance of connectivity from regional airports to London. The viability of many smaller airports depends on an efficiently operating UK hub for onward connections. Capacity constraints at the UK's hub airports have helped to establish continental hubs such as Amsterdam-Schiphol, as the predominant hub for some of the UK's regional airports and further inroads are now being made at other airports such as Frankfurt and Dubai. We understand that the work of the National Connectivity Task Force, under the chairmanship of Lord Shipley, has focussed heavily on the need for enhanced regional connectivity.

SPAA would also point out that the airport owners should be encouraged to maintain reasonable landing charges to enable the continuation of some of the thinner domestic routes which are not necessarily reliant on aircraft type. (Rises in airport charges at Gatwick a few years ago relating to high charges on smaller aircraft types resulted in Flybe withdrawing all their domestic flights from Gatwick)

The next key principle concerning SPAA, is the resilience of airport operations. As stated previously, Heathrow is full and Gatwick is operating at full capacity at peak times.

The Commission will be well aware that Gatwick's runway was closed for three hours on 29 December 2014 following the Virgin Atlantic Airways emergency landing leading to the cancellation of some flights, delays for others, and diversions to other airports. Whilst the situation was well managed this closure was to the detriment of all those passengers affected.

Past closures at Heathrow have proved to cause even larger disturbances. Therefore, it is essential that the Commission ensures that the recommendations on airport capacity recognise the importance of building resilience into any expansion plans.

SPAA 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. SPAA supports these as it gives a degree of confidence to those most affected by the construction and operation of an additional runway that they will be compensated in some way or will have other measures put in place to minimise and/or mitigate those impacts. 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

SPAA believes that effective, efficient, high quality and resilient surface transport to airports is a key benefit for not only air passengers and airport staff but also the local population and that this is an integral part of the sustainable growth of any airport.

Easy surface access to an airport, via a fully integrated transport system, will often influence which airport a passenger may choose to fly from and this in turn can play a decisive role in attracting international investment whilst also offering greater accessibility for all passengers including those with reduced mobility.

SPAA is pleased to see the work being undertaken by Gatwick and Heathrow to increase the number of passengers accessing the airport by public transport but from a Scottish perspective is also concerned that there is an adequate and sustainable list of connecting flights from Scottish Airports allowing the opportunity to use a South-East hub at Heathrow and also Gatwick

SPAA is cognisant of the need for far better rail infrastructure on rail connectivity access to airports, including improvements for capacity to Gatwick and particularly improvements to the Stansted Express which is currently very inadequate.

If the Commission was to recommend Heathrow for an additional runway, SPAA 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 hopefully further north in years to come, moreover, this should be part of HS2's first phase.

Environmental impacts

Sustainable Aviation, 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, contributing to EU 2030 climate policy goals and the global aviation target. The Road-Map identifies the potential for a 24% reduction

in aviation CO₂ emissions by 2050 and the generation of £265 million in economic value plus the creation of 4,400 jobs in the UK over the next 15 years.

SPAA 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.

SPAA refers the Commission's attention to the NATS trial, in collaboration with FABEC and Heathrow, with the overall aim of cutting the amount of time aircraft spend circling in 'holding stacks' at Heathrow. Since April 2014, NATS has recorded a reduction of up to a minute in holding times for those flights influenced by the trial, saving airlines around £1 million in fuel and 5,000 tonnes of CO₂, as well as reducing noise for communities underneath the stacks. In September 2014 the trial entered its third phase, with the minimum stack delay threshold reduced from nine minutes to seven and the maximum speed reduction raised to 0.04 Mach from 0.03. The trial has seen air traffic controllers in the UK, France, Ireland and the Netherlands working in partnership to slow aircraft down up to 350 miles away from London in order to minimise holding times on arrival. It is the first step of a broader strategy to reduce the amount of time aircraft spend holding at Heathrow.

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.

SPAA feels that the work undertaken by the Commission on the appraisal and overall approach has been fully comprehensive

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

SPAA feels that does not believe that there are any issues that have not been fully addressed.

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

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.

IATA's recent Passenger Forecast, 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.

Assessing environmental impacts

SPAA is confident in the approach taken by both Gatwick and Heathrow to mitigate noise and reduce the impact on neighbouring communities via recent trials on reducing stacking time together with differing use of levels of approach and the use of noise envelopes. Cleaner fuel, quieter and more fuel efficient engines are also producing reduced noise levels.

SPAA feels that it is imperative that action be taken as soon as possible to move on the recommendations without any delay to look at any further feasibility studies as UK PLC have probably already lost their No 1 hub status and London will continue to decline with the new Middle Eastern hubs following.

SPAA 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?

SPAA has no comments to make on the Commission's sustainability assessments

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

SPAA has no comments to make on the Commission's business cases.

Other comments

Q8: Do you have any other comments?

Importance of night flights

SPAA had already made a submission supporting the continuation of night flights and possibly even slightly extending the hours of these flights

SPAA is concerned at any suggestion of the possibility of abandoning or drastically reducing the number of night flights if additional runway capacity was agreed.

Night flights are important to airlines and SPAA members selling 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/Australasia 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.
- Long-haul flights feed into short-haul flights departing early which passengers use to fly to other European destinations, thus highlighting the importance of international hubs and UK connectivity.
- 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.

Air passenger experience

SPAA believe 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.

Research shows that the most important points for passengers are quality and speedy check-in and security. Improved communications in the event of flight delays and cancellations are also considered essential with friendliness and knowledge of airport/airline staff scoring and quality and availability of public transport.

It is also essential that the airports continue to maintain and improve their passenger service and that any disruption during construction of a new runway and associated terminal facilities is minimised.

Finally, SPAA stresses once more that it is vital that the airports continue to maintain and improve their contingency plans during weather/runway disruption. Scottish passengers are nearly always the worst affected passengers in case of flight cancellation/delays leaving their onward connections as unachievable and many trips having to be abandoned

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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