

Transcript of Agenda Item 3 Question and Answer Session – The Airports Commission

Roger Evans AM (Chairman): Item 3 is the first of our question-and-answer sessions on the work of the Airports Commission. I welcome on your behalf Sir Howard Davies, the Chair of the Airports Commission, and Phil Graham, who is the Head of the Secretariat. Good morning, gentlemen.

Sir Howard Davies (Chair - Airports Commission): Thank you, Chairman.

I should say I am grateful to you and the Commission is grateful for this opportunity because we recognise that we need to communicate effectively with all of our stakeholders in London, of which the Greater London Authority is a very important one. I could perhaps limit my opening remarks to remarks about the process and the timetable because I think the substance issues will emerge in the questioning.

We were set up at the end of 2012 with a remit to make recommendations to maintain the United Kingdom's hub capacity and hub position in global aviation. We were asked to do two things: produce an interim report; and produce a final report, the final report being requested not before the next General Election. We are interpreting that as immediately after the next General Election, so that is the timetable that we are working to.

For the interim report, we were asked to look at measures which could be taken to improve the utilisation of the capacity that we have in London's airports generally, absent a major runway development or a new airport, so we did that. That amounted to a number of measures, some of them to do with operational improvements and some of them to do with investment in surface transport to the various airports. In fact, progress is being made in relation to Gatwick and Stansted and indeed some studies are underway to look at, for example, the southern access to Heathrow. We are quite pleased about the Treasury's rather quick response to our recommendations there.

We also made a number of other recommendations about airspace management, which seemed to us to be rather important in the long run, and a new group has been set up to look at the way in which London's airspace is managed and whether that can be done more effectively. We are quite optimistic about progress there.

We also made some recommendations in relation to a noise authority and on that and the operational changes we await a response from the Government, which is officially due this month.

In addition, in our interim report we produced a shortlist of options. We were surprised to find that we had 58 different proposals put to us when we asked for proposals. Not all of those were for additional airports or additional runways. Some of them were people producing argued

cases for why we did not need any additional capacity, but most of them were for new facilities of some kind. We thought it important, partly for reasons of blight and uncertainty for people, that we should make an effort to reduce that to a shortlist so that we did not have the whole of the southeast of England worried about whether there was going to be an airport put in a field near them. We limited the options to two different options at Heathrow – the northwest runway and an extension of the central runway – and an additional runway at Gatwick. We said that we needed to do further work to decide whether one of the estuary options was a runner or not. I am sure that where that work is going will come up in discussion.

We then produced an assessment framework for the future of these three options and possibly the fourth one, which has 16 modules in it.

That work is underway. The airports have come back with their first shots at their assessments – air quality, transportation, environmental issues, etc – and we are now beating them up with our own consultants and our own team, looking at how realistic these proposals are. That will lead to a consultation in the autumn, when schemes that we think are plausibly presented with as accurate information about them as we can possibly get will be put out to public consultation. We will be holding hearings on them in the autumn.

In the meantime, however, we are not neglecting the need to consult people and talk to people. This week I have met with the leaders of Richmond, Hillingdon, Hounslow and Wandsworth Councils. Yesterday we spent the day at Hounslow visiting a school and visiting facilities there, doing a big question-and-answer session publicly on our work. We went to Kew Gardens to visit Richmond councillors and consider the noise nuisance there. This afternoon there is the conference the Mayor is holding in Stratford about the relationship between airport development and the London Plan.

I should tell you that the interest in this issue extends well beyond the M25. Last week I was in Inverness and Aberdeen where they have very firm views about London's airports and the importance to them of the connections they have – or do not have, in some cases – to London's airports. We have to look at the national dimension of this as well and we are doing so.

The aim is to complete that work in the early part of next year. Then we put cold towels around our heads and come up with a recommendation next June or July, I would expect.

2014/2278 - Taking proper account of climate change

[Darren Johnson](#)

The Mayor has urged you to take the bigger picture into account. To properly take account of climate change, should we not make constraining or even reducing total UK flight volumes a precondition for any new runways?

Sir Howard Davies (Chair - Airports Commission): Thank you. I am glad to start there, actually, because I think some of the debate about capacity and the options does seem to take place without a proper awareness of the climate change framework in which we operate.

We have taken the Climate Change Act [2008], which was passed by the previous Government but there is no disposition to amend that at this point, so that is the framework within which we are operating. We have had a dialogue with the Committee on Climate Change - and, indeed, one of our members, [Dame] Julia King, is a member of the Committee on Climate Change - and that has been a very important part of our work. As you probably know, we issued a consultation paper on climate change in the early stages of our work, inviting comments on that.

Our conclusion is that it is possible to increase capacity in London's airports while maintaining progress towards the Government's climate change commitment and that view is shared by the Committee on Climate Change. As you know, there is no explicit target for a reduction in aviation admissions. There is a target for a reduction in overall emissions by 2050, but aviation has defined its place within that. It is not subject to a specific sector target. Our view, and that of the Committee on Climate Change, is that we can envisage an expansion in aviation up to 2050 compatible with the climate change objectives, but that that expansion cannot be unlimited. What we aim to achieve is to maintain emissions by 2050 from aviation at the 2005 level and that can be consistent with an overall 80% reduction for the economy as a whole.

The Committee on Climate Change recognises that reducing aviation emissions is probably the most difficult bit. Lord Stern [British economist and academic] has said to me that he thinks the last barrel of fossil fuel will be burned in an aircraft because it is more difficult to convert aircraft to biofuels, etc, than it is to --

Darren Johnson AM: Admittedly, but when we had witnesses before the Assembly's Transport Committee, some of them did express concern that the assumptions you make about the reductions in the rest of the economy were so ambitious in order to facilitate a continued level of emissions in the aviation sector and they cast doubt on the realism of that.

Sir Howard Davies (Chair - Airports Commission): They are then contesting the view of the Committee on Climate Change and we take our cue from them.

Darren Johnson AM: Can I move on, then? In terms of the forecasts that you made, you have in your report said that if there is to be expansion in aviation capacity, there do need to be increases in the price of carbon on aviation in order to constrain demand. That is correct, is it not?

Sir Howard Davies (Chair - Airports Commission): Yes.

Darren Johnson AM: It appears from your projections that by 2050 someone from Edinburgh taking a return trip to Ibiza would be paying an extra £150 if you added an additional runway at Heathrow. Is that correct in terms of your assumptions?

Sir Howard Davies (Chair - Airports Commission): I am not sure I could translate our assumptions specifically to an Aberdeen trip, but I think it does imply quite a significant increase in the cost of flying, yes. I would think that is correct. Phil, do you want to comment on that?

Phil Graham (Head of the Secretariat, Airports Commission): It implies some form of intervention to reduce demand for aviation. The form of intervention which we were able to model through the tools we had available to us was pricing. If the form of intervention chosen was pricing, then the models suggest that, yes, it would be quite a significant increase. As [Sir] Howard says, I could not put a specific price on a specific flight, but it would be a noticeable increase by 2050. There are other forms of intervention that might be available, but that was the one that we could model.

Darren Johnson AM: Again, are you comfortable that that projection is politically realistic in terms of it being implemented and that politicians will be happy to go ahead and say there will be a significant increase in the cost of flights - like the £150 example that I gave in terms of an increase - in order to facilitate expansion in runway capacity? Are you happy that that is a realistic political ask?

Sir Howard Davies (Chair - Airports Commission): I am hesitant in front of a lot of politicians to give a view on what is politically acceptable or not. What we are showing is what the implications of commitments that the Government has already made are. We see that unconstrained demand for aviation will continue to grow. That demand would, if allowed to grow unconstrained without any use of either a pricing mechanism or carbon trading, exceed any plausible amount of emissions from the aviation industry compatible with the overall climate change target. Therefore, we are saying, if you are meeting your climate change target - which is legislated and surely that must be the framework in which we work - that implies that you will use some mechanism, whether carbon trading or price-capping, in order to constrain demand to that level.

Darren Johnson AM: I am wondering, rather than going to the trouble of expanding airport capacity, expanding runway capacity and then having to introduce very significant taxes, caps and so on in order to constrain the demand that that new capacity opens up, why not just introduce the taxes in the first place and forget about the expansion? It is easy, is it not?

Sir Howard Davies (Chair - Airports Commission): I simply do not understand that point, actually. I am sorry. I do not know quite what you mean.

Darren Johnson AM: You have said that if there is to be expansion, either there needs to be an increase in taxation on flights or the price needs to increase.

Sir Howard Davies (Chair - Airports Commission): No, we have said that in order to constrain the expansion to an amount that is compatible with the Government's climate change target, it needs to increase. What you would be arguing for is raising the price now, but how do you determine what the overall increase in demand is? In order to price to meet existing capacity, which would be arbitrary, as it were not to allow any increase in existing capacity would in our view be economically very damaging indeed.

Darren Johnson AM: You are increasing capacity and then having to significantly increase the price to constrain demand. Why not just increase the price to constrain demand anyway?

Sir Howard Davies (Chair - Airports Commission): If you did not increase capacity now, then the prices would go up anyway because the price to use this capacity would rise.

The issue is not that. The issue is whether you think you should be allowing additional aviation capacity at all. Our view is that the economic costs of not allowing this city to have additional aviation capacity would be very high. We think that would be unreasonable. Therefore, what we have tried to do is to thread a way between a legislative climate change commitment and the needs of a growing, vibrant, global city and try to strike a balance between them. I have to say the response to our interim report has been, from my point of view, quite encouraging because most people have thought that we have struck that balance appropriately.

Darren Johnson AM: Thank you.

2014/2279 - High Speed 2

[Caroline Pidgeon](#)

How is the proposed High Speed 2 railway line informing and shaping the work of the Airports Commission?

Sir Howard Davies (Chair - Airports Commission): We have considered the effects of High Speed 2 (HS2) in our analysis. There are two dimensions to this. One is what impact HS2, both phases one and two, has on demand for aviation. Secondly, there is the question of how you link airports, wherever they are, with HS2 in order to make the best use of them from the point of view of getting to airports.

On the first point, there is in our model a reduction in domestic travel as a result of HS2, in other words some modal shift from aviation to fast rail. Our estimate in our model is that the reduction in domestic passenger numbers due to HS2 would be about 440,000 or 1% of total domestic passenger numbers a year between 2026 and 2032 when you have phase one and that rises to 2.3 million when you have the second phase from 2033 to 2050. Clearly, the initial impact is relatively small because you cannot fly from Birmingham to Heathrow anyway, so there is not much modal shift there. There would be a more significant modal shift, though, to some extent, that is offset by the fact that you speed up people's trips to airports and therefore you do have some offsetting increase in international traffic. That is the way our model works. Therefore, the impact of HS2 on assumptions about aviation demand is very small in the years up to 2032 and modest thereafter, not insignificant but modest and not sufficient to offset the other pressures for increased demand.

As for the linkages, we are looking at that again because the Higgins Report [*HS2 Plus*], which recommends not linking HS2 and High Speed 1 (HS1), has some implications for transport across the capital. Gatwick is not affected terribly much by this, but Heathrow's proposition is that a direct link to HS2 is not necessary to support the case for a third runway. We are looking at the evidence they have presented on that and we are looking at the various options. There are spur options out from the existing route or a big interchange at Old Oak Common and we are looking at the way in which those could support an increase in the percentage of people

taking public transport to get to Heathrow. We will be coming out with more about that when we produce our appraisal of the schemes in the autumn.

Caroline Pidgeon MBE AM: One of the other links to high speed rail is that actually Birmingham Airport would only be about 38 minutes away from London via HS2. I think Birmingham estimates that the 45 million passengers who currently use London airports will be able to access Birmingham in under an hour. Therefore, Birmingham could be seen as an area if you do think there is a need to increase capacity. It might be of benefit to increase there, rather than looking at places such as Heathrow where there is such opposition; cross-party and from local residents.

Is that something you will reconsider as part of your work? It is quite clear that there are areas where there might be capacity which Londoners would be able to get to far quicker than traipsing out to Heathrow.

Sir Howard Davies (Chair - Airports Commission): There is significant capacity at Birmingham and there is a lengthening of the runway underway, which will increase the capacity further. Birmingham, from memory, has about 8 or 9 million passengers. In future it will have one long runway, so it would look a bit like Gatwick. Gatwick has 36 million, so Birmingham could increase by about four times without any additional runway capacity. We see that in the period between now and when any new London capacity comes on stream, it will be very important that the regional airports take the strain or indeed Stansted, where there is also a lot of additional capacity. We certainly think Birmingham has a role to play.

When we modelled the impact of trying to use Birmingham - I suggested that if they called it 'London Birmingham' that might help, but they are not wildly keen on that - it was not a good outcome. You ended up pulling a lot of people quite a long distance. It is fine to say, of course, that Euston to Birmingham Airport would be quite quick, but of course a lot of London passengers do not have very rapid access to Euston. What it appeared to produce was a much less efficient set of flights and connections. You had a lot of smaller planes going less full to lots of destinations. From an environmental point of view, it was a very poor outcome indeed.

We do not think that trying to turn Birmingham into a much, much bigger airport is a feasible option to deal with the London and the southeast capacity problems in the long term. Therefore, we are not going to reopen it to look at whether another runway at Birmingham would be the right answer between now and 2030. We just do not think it would be and we believe that our interim report demonstrates that pretty clearly.

If our view is, however, that you need one runway by 2030 and another one by 2050, and if Birmingham were to show signs that it was growing rapidly, it could come back on to the agenda for the next new runway between 2030 and 2050, as indeed could Stansted. So, to that extent, Birmingham could still be an important part of the mix.

Caroline Pidgeon MBE AM: The point you made about short-haul flights was interesting. I was surprised you were saying that for only about 1% you think there will be modal shift. I

presume you will be putting all your data out in public so that people can analyse it themselves, the raw data that you are using. Is that correct?

Sir Howard Davies (Chair - Airports Commission): Yes, indeed, but the 1% is on phase one and it is not perhaps too surprising. When you get to phase two with the Manchester and Leeds link, then you get to the point where that distance and speed advantage does start to mean that flights between Leeds Bradford, Manchester and London start to look much less attractive in relation to HS2. As you can see, from just the Birmingham part, it does not have a huge impact.

Caroline Pidgeon MBE AM: In terms of capacity, you have acknowledged Birmingham does have capacity. Have you been looking in greater detail at the stuff the London Assembly sent to you in terms of the existing capacity? At Stansted, 47% of runway slots are available, I think you mentioned that, 51% are available at Luton and 12% at Gatwick. There is capacity at existing airports if they could be used in a smarter way. Then perhaps that would address some of the capacity issues that you suggest.

Sir Howard Davies (Chair - Airports Commission): These will be crucial in the period over the next 15 years because, whatever happens, we are unlikely to get new runway capacity within the next 15 years. However, with the exception perhaps of Gatwick, where the capacity is not that great - Gatwick does have 12% but it is full at times of peak demand, so it has troughs which could be filled in, but not at the time when most people want to fly - the strategies of the other airports which have additional capacity are very much focused on low-cost provision and short-haul provision. None of those airports are likely at this point to deliver the additional long-haul connectivity to new destinations which are significant from a business point of view and which could be delivered by an additional runway at Heathrow or an estuary airport, or by a significant expansion of Gatwick which would allow it to have hub-like characteristics.

So, yes, in the short and medium term, but as for whether they are a substitute for additional capacity, we think not.

Caroline Pidgeon MBE AM: Thank you.

2014/2280 - Independent Aviation Noise Authority

[Valerie Shawcross](#)

The Commission has proposed the creation of an 'Independent Aviation Noise Authority'. Can you outline what noise issues you believe the Authority should address?

Sir Howard Davies (Chair - Airports Commission): I am pleased to have this raised. Our perception as we have entered this fraught territory is that the debate about noise and noise impact is made particularly difficult by the fact that there is almost no agreement about anything. People do not agree about who should measure the noise, or which measures are most relevant and which measures really capture the nuisance. The use of measures has changed over time.

We looked around the world at places that seemed to do this better and we identified two countries, both of which are controversial examples, really: Australia and France. I know it is a bit dangerous always in this country to suggest that anything done in France we should copy, but they both have noise authorities. I have been to France to talk to them and they have been to talk to us. We have not been to Australia, however, from conversations with people who know the system, they both seem to have established a respected position in the debate. If there is an issue in a French airport about whether operational movements should be changed, whether vectoring should be changed, the number of night flights, etc, the Airport Noise Nuisance Control Authority (ACNUSA), as it is called, is the authority and the go-to body. People can say, "What would the implications be of this change? Please could you model that and say what the implications are?" In our minds, they would be a statutory consultee. If you had a planning application, the noise authority would produce its independent view of the impact and at least that would create a baseline for an informed debate if they could build credibility.

In France they do have some other functions. They do air quality as well, which was not originally part of our proposal but I think it is debatable. They also have a fining power, to fine airlines that breach procedures. It is not massive, but if airlines commit to coming in in a certain way with a certain descent pattern or to using a certain type of aircraft in a particular airport and if they then use a noisier aircraft or their pilots do not do the continuous descent and they exceed the noise limit, they get fined. They also levy a small amount per passenger which is used to fund noise mitigation strategies. These are also ideas worth considering.

That is our recommendation to the Government. The Government is thinking about it. If it is decided to go with it, these issues about what its scope precisely should be would be ones for political debate because they are open questions in our mind. Our principal focus is to try to have somebody who at least produces an objective view of what the implications of any change would be. This would be clearly relevant if and when you reach a planning application for a particular runway, whether Heathrow or Gatwick or wherever, but also for a lot of other smaller things which at the moment cause an enormous amount of dispute, which I am sure you know from your constituents, and where there never seems to be any clarity about exactly what the implications of any particular change are. That is our thought.

Valerie Shawcross CBE AM: Thank you very much, Sir Howard. Can I just start by saying I really appreciated your report? I felt and others felt it was an incredibly rational, well-researched document and very accessibly written and has put some light onto this topic. It is very, very useful to us. You are quite right in that you have put your finger on the noise nuisance issue that needed to be confronted and looked at very honestly, rather than swept aside or just becoming an issue of conflict. Let us look at it rationally.

In your interim report, you talk very helpfully about the regulation in Australia and France. Do you think there is actually any evidence that those regulatory functions there have caused a disproportionately positive reduction in noise nuisance from airports? Looking at the data you produced about how the retirement of generations of old aircraft has started to reduce noise nuisance, do you think there is evidence that the noise regulators actually make a value-added difference?

Sir Howard Davies (Chair - Airports Commission): It seems to us to be the case that changes to operating procedures at airports are agreed perhaps somewhat more quickly and somewhat more smoothly in those places than they are here. That is also true in the Netherlands where they do not actually specifically have a noise authority but they have a different consultation arrangement called the Alders Table, chaired by a respected independent person called [Hans] Alders and which is a formal consultation process between the airport, the airlines and the community into which these issues are put. They do seem to come out with compromises and they come out with them much more quickly than typically happens here.

Therefore, yes, our impression is that changes to procedures are handled in a quicker and somewhat more consensual way in these places.

Valerie Shawcross CBE AM: On the issue of public confidence, which is important, you comment in your report - and I am paraphrasing here - with something along the lines that the Secretary of State's interventions are viewed as being political and the Civil Aviation Authority's (CAA) interventions are viewed as being perhaps biased by the fact that it is funded by the aviation industry. How could you construct a noise regulator in this country and who or what would be on the board that could actually guarantee independence and attention to the public interest, as opposed to any kind of sectional interest?

Sir Howard Davies (Chair - Airports Commission): It is a very important question and, if the Government decided in principle that it would go in this direction, it would be a very important question for debate.

It does seem to me that on the whole we are not bad in this country at creating independent bodies that people do come to respect. You can see them in a whole variety of areas like the National Institute for Health and Care Excellence (NICE) in the National Health Service (NHS). It took a while to establish, but its pronouncements on the utilisation of drugs, etc, now are ones which people think are reasonable and fair. I suspect that you would have an appointment of a Chair with the usual guarantors of independence from people from the Civil Service Commission, etc, who would appoint a Chair, and then a small number of independent members, not drawn from the aviation industry or the airport sector.

In France, they are all delegates appointed by different ministries and I have to say that when we talked to them I am not sure even they thought that was a fantastic scheme, really. Each minister who has any particular interest, so the Minister of Health has a member, Civil Aviation has two members, and I am not sure that would be good. There are models in this country of independent oversight bodies that could be created.

Valerie Shawcross CBE AM: There was a seminar which I think your colleague Mr Graham came to which London First held on this issue. I would say that there was pretty much cross-party support and there was very strong business community support and strong support from a number of community organisations there for the concept of a powerful noise regulator in this country. The argument was that it is actually relevant now. It is not just in the context of

whether to expand or not. It could be relevant now. I put it to you that it is relevant now, not just for the future.

You might not be able to answer this question. The CAA representative there did rather serve up a plate of sour grapes and hard cheese and was very resistant to the idea. Although we were saying, "He would say that, wouldn't he", do you think there might be any institutional blockages to the Government legislating and adopting this idea quickly? There is actually a body of support for this building in London.

Sir Howard Davies (Chair - Airports Commission): I do not want to comment on the CAA view, but there is a genuine issue whenever you think of creating a new body. You do have to look very carefully at the interface between its responsibilities and existing bodies. I think the CAA makes some perfectly reasonable points about not having overlapping jurisdictions, which could create confusion. The Government needs to look carefully at that.

We thought about it quite hard and we consulted quite a lot of people. As you say, we found a broad degree of consensus that such a body would fill a useful gap. I certainly agree with you that it is important now. We did not see this as being about just the big issue of a new runway but, as those of you who are embedded in this territory know, there are changes all the time to different sorts of technology, different types of airspace management and different types of take-off approaches. There are lots of micro-changes where you need an independent arbiter, which is relevant straightaway, so we hope the Government agrees to this and gets on with it.

Thank you, by the way, for your remarks about our report.

Valerie Shawcross CBE AM: It was excellent. A last question about the future and the issue of expansion in relation to this noise authority issue. Having looked at the other noise control mechanisms around the world, of the three options - and I appreciate you might not be looking at just one of the three options but there might be two - of the options you have presented for additional runway capacity in London and the southeast, do you see that an active and effective noise regulator could completely mitigate the noise increases from any of those expansion options? Could you see a situation whereby we might at least stay the same in terms of noise nuisance or possibly reduce it, despite having an expansion, if there was an active and effective noise regulator?

Sir Howard Davies (Chair - Airports Commission): You could probably do that anyway. There are two things, really. One is the amount of noise and the number of people affected. Secondly, there are the measures you can take to compensate and mitigate the noise there is.

The Heathrow propositions argue that a three-runway Heathrow operating in 2030 would generate less noise nuisance on the five major measures we have asked them to look at than a two-runway airport operating today, because there is a gradual reduction in the noise footprint of the equipment being used. We know what planes are on order by airlines; we pretty much know which planes will be being used in 2030, so we can model that fairly well.

Of course, there are then two issues. One of course is that it still would be more than a two-runway airport operating in 2030, so you would have to look at that. Then there is also the distribution of that noise, which would be somewhat different. Some people who do not get noise now would be brought in, depending which of the options you chose. Some who do get noise now would have more respite than before, so there are distributional consequences to be looked at. Then there is the question of compensation and, of course, within that the question of who funds the compensation. The noise regulator could be relevant to that if you went down the French route of having a small noise levy which they could then spend on noise insulation, etc.

My own view, for what it is, is that we are going to have to look very hard at noise compensation. Indeed, I note that in other parts of the economy, whether it is HS2 or the fracking debate, the debate has moved on quite quickly in terms of how we think about compensation. The current proposals for fracking, on which I am not an expert, are much more generous in compensation terms than the initial ones were. This is a territory where the policy parameters within which we are operating are moving quite fast.

Valerie Shawcross CBE AM: You did not quite answer the question, though, Sir Howard. I appreciate that it is a big overview I am asking you for. I am asking really if the public experience of noise could be reduced despite expansion.

Sir Howard Davies (Chair - Airports Commission): Yes, it could and indeed I think that is what the Heathrow proposition is. That is what we are testing at the moment, whether their views are realistic, but it is perfectly possible, yes.

Valerie Shawcross CBE AM: Thank you.

John Biggs AM: I should start by saying that although the Assembly is unanimous in taking the view that Heathrow presents all sorts of problems, we are not necessarily unanimous on the conclusions that flow from that.

I am very interested in this issue of noise. There is a health warning here, which is that scientists can measure it but the individual experience of it seems to vary from person to person and from time of day to time of day as well, so we need to be very clear about that and how people find it offensive.

In your report, you say, “The Government should facilitate moves by industry to redesign airspace within the London area”. Do you see that as a way of facilitating a reduction in the number of people affected by noise?

Sir Howard Davies (Chair - Airports Commission): It can be. There are a number of propositions around about descent approaches and about take-off, which can be steeper and which can take some people out of the footprint, etc.

Also, more broadly, what we are interested in in this Future Airspace Strategy is the ways in which you can manage the arrivals process more efficiently. At the moment, there is an

incentive for people from the Far East and North America to get to London and get into the stack and then go around in circles and be called off from the stack. That does not seem to us to be a great way of doing it. It has adverse environmental consequences. To have aircraft going around in circles is not a great thing. It is more those issues, actually, on the airspace management than specifically those related to noise, although there are some implications related to types of take-off and types of landing.

John Biggs AM: That is a very powerful idea, actually, but you could never fundamentally move from aeroplanes approaching Heathrow over central London for the majority of the time. Is that correct?

Sir Howard Davies (Chair - Airports Commission): The issue of westerly preference is one that we think should be looked at because it does date from a time when aircraft were rather different. There are people who argue that the amount of westerly preference is no longer really necessary in a technical way. Sometimes you do have to do that. We are asking them to look at that and they are looking at the question of whether the current bias towards coming in from the east or towards the west is justified. It may well be that some rebalancing of that could be achieved.

John Biggs AM: At risk of getting rather technical, in terms of the human impact, one of the most vociferous complaints is about night flights or early-morning arrivals. Clearly, if they were to arrive from the west rather than the east, unless there were hurricane conditions which prevented them safely from doing so, would that be an option in your mind?

Sir Howard Davies (Chair - Airports Commission): That is only the same issue, in a way. At the moment it is roughly 70:30 westerly: easterly.

John Biggs AM: In terms of arrivals?

Sir Howard Davies (Chair - Airports Commission): In terms of the percentage of time that it is the westerly preference. It might be possible to alter that balance somewhat, but I do not think that that would be likely to mean you could always do your early morning arrivals from the west. I may be getting slightly beyond my ability here, but I do not think that is true.

Phil Graham (Head of the Secretariat, Airports Commission): That is absolutely right. If the westerly preference were removed, it would alter the balance and potentially move further away from 70:30 and closer to 50:50.

John Biggs AM: Or 30:70?

Phil Graham (Head of the Secretariat, Airports Commission): The wind does blow more regularly from the west.

John Biggs AM: Is that a big deal? I thought Sir Howard was saying that --

Phil Graham (Head of the Secretariat, Airports Commission): It depends how strong it blows. It used to be that even if there was enough wind to flutter a handkerchief from the west you needed to fly in that direction. Now planes can withstand a reasonable tailwind in take-off or headwind in landing or possibly the other way around. If the wind gets above a certain level, you still have to switch the operation of the airport to deal with that. That is reducing as technology as improves, however.

John Biggs AM: Is there a scenario in which aeroplanes can both take off and land from the same direction at Heathrow Airport if the runways are sufficiently far apart or whatever?

Sir Howard Davies (Chair - Airports Commission): A Heathrow hub with a double-length runway does envisage that you would have one plane starting to take off in the middle of the runway and the other one coming in from the other end of the runway at the same time

John Biggs AM: Just moving on very swiftly, it is not planning permission, is it? The planning of airports is a bit more technical than just planning permission, other than in the City of London, of course. Could you envisage a situation where there was a stipulation within the planning control about the proportion of flights, their directions and so on? There is an understandable and great cynicism about technical experts advising people. Redefining 'night-time' in order to reduce the number of night flights is the one that is often used.

Sir Howard Davies (Chair - Airports Commission): In principle, that could be done. That is certainly an idea we will have a look at. I think it could be done, yes.

John Biggs AM: Thank you very much.

Murad Qureshi AM: Sir Howard, sticking with the here and now with the compensation and mitigation of airport noise, I just want to be reassured. In coming to a decision regarding aviation expansion, what weight will you give to the present offer that Heathrow Holdings has made regarding the £500 million for noise insulation and property compensation?

Sir Howard Davies (Chair - Airports Commission): All three proposals have made proposals on property, compensation and noise. It is fair to say that on a per-person basis, Gatwick's is rather larger than Heathrow's, but that is partly because there are fewer people around so it is almost bound to be that way.

I think this is an area which we will be looking to get public responses on, particularly from the Greater London Authority (GLA) and indeed the local councils involved.

It is very clear to us that the type of compensation needs to be thought about very carefully. From our full-day visit yesterday to Hounslow, it was pretty clear that there the schools issue looms particularly large. They are much more concerned about creating a good learning climate for children in the borough and they have some quite imaginative ideas about the ways in which schools can be retrofitted to make them operable even rather close to a runway. We went to see classrooms that had not been retrofitted with the right kind of glazing plus air-conditioning and classrooms that had been. There are big impacts you can make there.

I am concerned as we go forward to try to get a bit more fine-grained on what kind of compensation and mitigation that you need, not just to say it will be £500 a house for people to do double-glazing. When you talk to local communities, obviously no one will turn down £500 to go towards their double-glazing, but what they are most concerned about is these particular things like the particularly affected schools. They seem to argue that spending decent money there is more effective than just spraying some not-particularly-well-targeted compensation over a larger area. That is the territory we want to explore in the consultation.

Murad Qureshi AM: Can I make three points to your answer? Essentially, most of the mitigation that has been offered in this £500 million should be in place anyway with a two-runway airport as we have at Heathrow. Heathrow's current schemes are actually the least generous in the United Kingdom, if not the whole of the industrialised world. What you have just said about Gatwick confirms that.

Finally, there has been a lot of foot-dragging over the years by BAA and Heathrow Holdings on that front. For example, the schools fund that you mentioned has taken a long time to get to £25 million for that community buildings noise insulation scheme and the residential scheme is particularly difficult for people to apply for and get what they feel they need, let alone the ventilation side of the issues locally.

As a result, I just want to ask: what do you think the noise insulation compensation is sufficient to meet the concerns of the Londoners who you must have met yesterday in Hounslow?

Sir Howard Davies (Chair - Airports Commission): I am keen not to go backwards. I hear what you say and everybody else says to me that in the past relationships have not been great and promises have been made that have not been fulfilled. I hear all that, but I am obviously trying to focus on creating a better climate in the future. It is fair to say that Heathrow has been more forthcoming this time around than it ever has been in the past.

As to whether that is adequate, I am not sure I can judge that yet because we have not yet had the community responses to what Heathrow proposes. What I am really looking for in this area is for community groups and councils to look carefully at what has been proposed. I am sure they will ask for more and that is fine. We are in a debate here about what an acceptable way forward for expanding Heathrow or Gatwick might be. That is the territory of the debate over the next few months. Of course, you may get to a point where Heathrow is saying, "If that is the price of doing it, we do not want to do it". We need to test that.

I am looking for detailed responses on this, but I do not want to say at this point and in fact it would be rather a mistake for me to say at this point, "That is acceptable". Heathrow would then say, "Job done", and in that case there is no further debate. I do not wish the Commission to get into that point. By the end of that process, we would say, "Does this appear to us to be something which could be the basis of an acceptable balance between the economic imperative of expansion and the compensation to the local community?" That is where we want to get to at the end and we will have to take a view, but I do not want to take that view now.

Murad Qureshi AM: The important thing to appreciate is that Heathrow is only offering what should have been in place, now that it is pushing for a third runway. Clearly, that needs to be taken on board and you have done that from yesterday.

Can I just move to night flights? It is quite interesting how you responded to my colleague John [Biggs] and particularly in your interim report where you have a section on early-morning smoothing. You recommend that Heathrow be allowed to increase the number of flights between 5.00am and 6.00am. It is funny because we do regularly get residents from south London - I think SW2 was the last one and from Brixton - complaining about the 5.45am flight.

Why would you be recommending more misery for Londoners? This is a particular bugbear that Londoners have: night flights in the morning. It just seems very strange. You are arguing for a noise ombudsman and at the same time, in your interim report you seem to be giving leeway for night flights in the early morning to be increased.

Sir Howard Davies (Chair - Airports Commission): What happens at the moment is that there is a finite number of flights allowed under the night flights regime. What happens is that they all rush to get into the holding pattern in order to get these slots. You then have a gap in the schedule between 5.40am and 6.00am. You have all those in, but you then have a lot of flights that arrive shortly after 6.00am because they have been prevented from getting in before 6.00am due to the 16-flight limitation. At that point, what happens very frequently is that in order to get these flights in they operate in what is called tactically enhanced arrivals mode (TEAM), when they are using both runways for landing. That means that people under the south runway who had expected not to have any landings on that day - and, as you know, these things are rotated to give people respite - find that they get early-morning landings because this bunching effect occurs. Our proposal was to say that you could smooth this by using 5.40am to 6.00am, which technically does, I agree, increase the number of night flights, defined as being before 6.00am, but means that you would not have to do double landings on the other runway and therefore the respite would be more certain. People would know that on that day they would not get overflow in the morning.

When we talked to residents' groups there were differences of view, but we had the very strong view that respite is very important, so the certainty of knowing when you are going to be overflown and when you are not. This rather technical change was, in our minds, designed to improve the reliability of respite, not to increase the overall number of flights. That is all within the existing cap, but it also has positive consequences later on in the day in terms of managing flights and probably will reduce the number of arrivals in the late evening as well. It was a fairly technical point and we suggested that there should be a consultation on it. If the balance of the consultation was that, no, people would rather have this gap and rather suffer the fact that on a number of days there were dual landings, that was their choice. However, a lot of people argued to us that respite was very important.

Murad Qureshi AM: On the consultation front, there was a useful consultation provided on transport just before Justine Greening MP [former Secretary of State for Transport] and Theresa Villiers MP [former Minister of State for Transport] were moved from the Department. What we put in from the Environment Committee said quite clearly that Londoners deserve a

good night's kip and I do not think that is going to change if we go back and make a submission again on that front. I just want to be reassured you have not left the door open for the possibility that when you do turn down Heathrow's expansion, this happens in the meantime.

There is actually a lot that could have been done from here, I suggest. The Mayor does have statutory responsibilities for ambient noise. I just wondered whether you have a view on that, given your extensive discourse on noise ombudsman issues nationally. Could the Mayor have done a lot more on this front, rather than spending his time in jurisdictions where he does not have any fronts like the Thames Estuary?

Sir Howard Davies (Chair - Airports Commission): The Mayor has been very active in representing his view to us about Heathrow and noise, so I would not wish to criticise him for not making his points. He is quite good at making his points.

Richard Tracey AM: Can I question you a bit further on Heathrow? I do not know where you live, Sir Howard. I live in Wandsworth and a lot of my residents, of course, suffer from these early-morning flights you have been talking about. Indeed, Mr Graham was at the meeting a while ago and heard that people from Lambeth were complaining in exactly the same way as we are in Wandsworth.

Do I take it that you accept that the current levels of noise, particularly early-morning noise, going into Heathrow are unacceptable for the millions of people who live underneath those aircraft?

Sir Howard Davies (Chair - Airports Commission): No, I do not accept it. I do not think it is useful for me to say this is acceptable or this is unacceptable. This currently happens. That is the situation that I begin from. Our aim is, if possible, to respond to this pressure for increased aviation capacity and for connectivity and to do so in a way that minimises the nuisance for residents. This is bound to be a balancing act and for me to say such a level is acceptable or unacceptable, I do not have the authority to do that and I am not sure it is helpful.

Richard Tracey AM: You are simply in listening mode. You went to Hounslow yesterday. You heard from all those people. We saw you on television being talked to by a headteacher and so on. You are simply in listening mode. You have not drawn any kind of conclusion you are prepared to share with us about that problem.

Sir Howard Davies (Chair - Airports Commission): No. We are still in listening mode. We have told the airports what we think they need to do in terms of presenting the assessment. We are then going to consult local communities. Ahead of having done that in a formal way, it would be imprudent and unreasonable of me to prejudge what they will say.

Richard Tracey AM: The Mayor has pointed out and councils – the ones I have mentioned and others – have pointed out that some of the statistics about noise that have been given to you by Heathrow, talking about how with a third runway it would actually be quieter, have been questioned as misleading because, in effect, they were talking about the third runway being

only partially used rather than fully used. Is it not rather worrying that some of the evidence that is coming to you is actually seriously misleading?

Sir Howard Davies (Chair - Airports Commission): I am not sure it is seriously misleading because the assumptions on which it is based are very clear. However, we will be receiving responses from it and indeed, as I said in response to Assembly Member Shawcross, we have recommended that there should be an independent body to assess that.

Tony Arbour AM: Arising from the last point that Mr Tracey raised, you told us that on the basis of what you already knew it is likely to be true that a third runway is going to generate less noise than two runways. I may say that my constituents in Hounslow and Richmond have frequently heard assertions saying, "More means less", which has not proved to be so.

I wonder if you can tell us on what you base your certainty that there will be a smaller noise footprint from a third runway than there is from the existing two runways.

Sir Howard Davies (Chair - Airports Commission): Sorry, I have not said that.

Tony Arbour AM: I thought that you had said just to my colleague Assembly Member Tracey that --

Sir Howard Davies (Chair - Airports Commission): No, I did not. I said that what Heathrow has put forward is its forecast of what the noise impact of a three-runway airport would be. In its submission - and I said this in response over here - it says that the overall impact would be less with a three-runway airport in 2030 than a two-runway airport today because of the change in the fleet mix. That is a forecast and an assertion that we are currently testing. We have consultants looking at that to see how reasonable it is. I have certainly not said that I am certain about that.

Tony Arbour AM: I am extremely relieved to hear that, Sir Howard, because my constituents have frequently received assurances from Heathrow going back many years, "We will not want an extra terminal", yet they do, and, "We will not want an extra runway", and of course they have said that this time. They always come back for more.

In relation to noise and the alleged reduction in the noise footprint, would you accept that you can be woken up by a quiet plane as much as a noisy plane?

Sir Howard Davies (Chair - Airports Commission): You can be woken up by the neighbour's dog as well. What one needs to do is to look at the decibel levels. We spent the early morning yesterday in Hounslow with the council. We had a noise monitor and we were looking at the decibel levels of different aircraft and at what the noise mitigation could be for those aircraft to reduce that noise down to ambient noise level. That is the territory one needs to be in and that is quite promising. The impact of the different fleet mix is actually quite noticeable. If you sit underneath a 747 versus an A340, you can tell the difference. The impact of insulation can be quite significant and can reduce that down to an ambient noise level. That is the way one should go.

I am not sure it is useful for me to say yes or no to the question of whether or not you could be woken by a quiet plane. It depends on how deeply you sleep. I sleep rather deeply because I have a clear conscience, Assembly Member Arbour.

Tony Arbour AM: Obviously. Effectively, the point I am making is that we know that different people will be affected by noise should there be a third runway. It is perfectly true that you can be inured to noise and you get used to it, but certainly at the very beginning my other constituents who live in Chiswick really see this with foreboding. They say it does not really matter how quiet the plane is. Unless it is completely silent, they will be woken up by the plane.

Again relating to assertions made by Heathrow in relation to the number of aeroplane movements and the amount of noise that those aeroplanes will make, so far as you can tell – and I accept that you are looking at their submissions, which comes back my first point – are their submissions actually based on fact or are they based on hope?

Sir Howard Davies (Chair - Airports Commission): In terms of the number of movements, what we would be quite certain about, or what I hope we could be fairly certain about, is the maximum number of movements that would be possible with a third runway. Of course, that is not the same as the number of movements that should be allowed under a third runway because at the moment we have a planning cap for Heathrow of 480,000 air traffic movements a year. If that cap were lifted, the airport could do a few more than that. Not that many more, but it could do some more than that.

The issue is, firstly, what a third runway would allow you to do and, secondly, what the authorities should allow that third runway to do. That might be a different answer because you might say they can have a third runway but only if the maximum number of flights is X, perhaps related to certain hours and limitations, etc. You then have to iterate back and say, if you did impose that restriction, would it be a viable project or is it too restrictive? Obviously, if you said to them, “Yes, you can have a third runway but you can only have 5,000 more flights”, they would not build it. Then the question is what an economic balance would be versus the noise nuisance. All of those things are capable of being modelled.

What we are doing at the moment is modelling the airspace implications of that because you have to look at what the implications of an expansion of Heathrow would be for Northolt, Luton and elsewhere in order to get a reliable picture of what the implications of a third runway would actually be. That is where we have consultants working for us on environmental issues, noise issues, airspace issues, etc, and we will be producing the results of that in the autumn for consultation.

Kit Malthouse AM: I just wanted to ask about this suggestion of shifting the number of night flights and opening this window from 5.40am to 6.00am.

Presumably you are anticipating that the first touchdown would be at 5.40am, which means that the approach would be in the 15 to 20 minutes before that. Of course, that is when much of the noise pollution is occurring. For instance, I live in Islington and we get planes over us at the

moment at about 5.40am or 5.45am because they are wheels-down at 6.00am. Have you taken into account that actually what you are proposing is probably more like a 40-minute intrusion into London than a 20-minute intrusion if you are assuming wheels-down at 5.40am?

Sir Howard Davies (Chair - Airports Commission): I cannot recall, actually.

Kit Malthouse AM: They start to come off the stack about 20 minutes before wheels-down.

Phil Graham (Head of the Secretariat, Airports Commission): Certainly, it is true that they start to come out about 20 minutes before.

Kit Malthouse AM: The critical issue for me is wheels-down. What is the time of the first wheels-down you are proposing? If it is 5.40am, then that actually means disturbance will start at 5.20am.

Phil Graham (Head of the Secretariat, Airports Commission): May I apologise? I provided the wrong information earlier. The gap is actually between 6.00am and 6.20am, not 5.40am and 6.00am. That is actually where there is a gap in the schedule in order to prevent exactly the issue you mention. I am sorry.

Kit Malthouse AM: You are saying that at the moment the first wheels-down is at 6.20am?

Phil Graham (Head of the Secretariat, Airports Commission): After the night flight period, the first --

Kit Malthouse AM: No, that is not right because I have landed at 6.05am.

Sir Howard Davies (Chair - Airports Commission): No, there are 16 night flights that are allowed before 6.00am. They come in during that 4.30am to 6.00am period. Then there can be a bunching of flights coming after that which are hanging around in the stack. You cannot then allow them to descend, because of the night flight restriction of 16, you then double-descend them on both runways from 6.00am. What we are saying is use 6.00am to 6.20am to avoid the double, but it does not affect the number of night flights before 6.00am, which is 16 anyway. We are not changing that.

Kit Malthouse AM: You are using 6.00am to 6.20am because at the moment those bunching flights double during 6.00am to 6.20am or do they double after 6.20am?

Sir Howard Davies (Chair - Airports Commission): They double after 6.20am.

Kit Malthouse AM: You are saying there are no flights landing between 6.00am and 6.20am other than these 16 night flights?

Sir Howard Davies (Chair - Airports Commission): No, the 16 night flights have landed before 6.00am.

Kit Malthouse AM: Who is landing between 6.00am and 6.20am?

Sir Howard Davies (Chair - Airports Commission): Nobody.

Phil Graham (Head of the Secretariat, Airports Commission): There are no flights scheduled to land between 6.00am and 6.20am.

Kit Malthouse AM: There are no flights scheduled to land at Heathrow between 6.00am and 6.20am?

Phil Graham (Head of the Secretariat, Airports Commission): Yes.

Kit Malthouse AM: I have landed between 6.00am and 6.20am. Maybe I was one of the 16.

Phil Graham (Head of the Secretariat, Airports Commission): Possibly.

Sir Howard Davies (Chair - Airports Commission): You could have been late. It does happen.

Kit Malthouse AM: It seems slightly strange, then. Why would they have 16 before 6.00am and then a 20-minute gap and then a load of planes landing?

Sir Howard Davies (Chair - Airports Commission): Exactly.

Phil Graham (Head of the Secretariat, Airports Commission): They have the gap because, having had the 16 arrive, you then are not allowed to have any other descending. As you said, the noise begins when they unstack to descend.

Kit Malthouse AM: It all sounds very 'Heath Robinson' to me.

The other thing I wanted to ask you about on night flights was that obviously you have talked as part of your solution about essentially shifting the schedule. It always seems to me that the bit that needs to give on this problem is the residents, whereas I wanted to know whether you had examined the operation of the airlines in total to see whether that is optimal.

For instance, I have flown, because I happen to have connections in Canada, very frequently from Toronto. In Toronto, you take off at 11.00pm. British Airways (BA) and Air Canada (AC) both take off within five minutes of each other and land at Heathrow within five minutes of each other. The planes are possibly full, but I would imagine the load factors on average are much lower than that. Obviously they are competing, but that is suboptimal from passengers' and Londoners' point of view in terms of either using a bigger plane to carry all of those people so you only get one flight or co-operating in the schedule. Heathrow is allowing these two flights to land within five minutes of each other, I guess on competition grounds. It is whether the schedule at the other end from Heathrow is optimal for the operation of the airport and the avoidance of night flights, rather than London having to be optimal.

Sir Howard Davies (Chair - Airports Commission): Yes. We can look at the night flight regime and the way in which Heathrow handles arrivals, but I do not think it is open to us to question the commercial judgements of the airlines as to when they take off and how they compete. Indeed, it is not open to us to really challenge the allocation of slots because slots, once you have them, are grandfathered and owned forever. We do not have the power and nor does the Government have the power to change that slots regime. That is governed by European Union directives.

Therefore, no, I am afraid we have not addressed that question. It is partly for the airlines to decide what the right point of take-off is to compete. I do not think it is part of our remit, I am afraid.

Kit Malthouse AM: You are effectively trying to get a pint into a half-pint with Heathrow. It is incredibly heavily regulated already. The arrivals and departures are managed to a certain extent in that there must be some desire or otherwise from Heathrow to manage where their destinations go to or from. Maybe the solution is to be more directive about what Heathrow does.

Sir Howard Davies (Chair - Airports Commission): It is not Heathrow who decides on its destinations. It is the airlines who decide on the destinations and the slot regime under European legislation is quite rigid. It does not allow us, or indeed Heathrow, to go along to an airline and say, "By the way, we would rather like you to take off at 3.00pm and go to Toronto than at 2.00pm". That is not something Heathrow can do, I am afraid.

Kit Malthouse AM: There are some things. For instance, if you wanted to increase capacity, you could say, "We are not having any domestic flights". BA, as I remember it - I think I have flown a couple of times - have a flight to Brussels which is 45 minutes.

Sir Howard Davies (Chair - Airports Commission): I do not think we can say that. I am not aware we have the power to say that or that the Government does, actually. This is a private airport.

Kit Malthouse AM: I am just questioning; obviously we are looking for ways to increase capacity at Heathrow as it stands.

Sir Howard Davies (Chair - Airports Commission): If I was a great air traffic controller in the sky, there is a lot I could do.

Kit Malthouse AM: This is the point I am making.

Sir Howard Davies (Chair - Airports Commission): I could tell BA to send some of their New York flights to Gatwick or to Stansted rather than have them all at Heathrow, but I do not have the power to do that and nor does the Government. We are operating, Assembly Member Malthouse, in a tricky environment, because unlike almost any other country we have entirely private sector-owned airports and we have entirely private sector-owned airlines. That is much more common, although not everywhere. The levers we have to pull are relatively limited and

that is very significant when it comes to capacity. Some people say, “Why does London not have a huge airport with far more runways?” and so on. Unless the state built it, it would not be built by private interests unless they could see a reasonably good chance of filling it pretty quickly.

Frankfurt has built additional runways but has built them on the public purse as a strategic view about the development of Frankfurt and then hopes eventually they get filled. The Frankfurt airport in its current construction is not something a private sector operator would have built. We are operating in an environment in which the tools we have to manipulate are not so great. With the territory of the conditions of planning approval, we can play tunes there, I think, as Assembly Members Qureshi and Shawcross were saying, but this idea of being able to tell the airlines how to use that capacity from a national interest perspective is not something we can do. We cannot reduce regional flights.

Kit Malthouse AM: We tell lots of industries how to do things because they have perceived significant negative externalities.

Sir Howard Davies (Chair - Airports Commission): You can do so for environmental reasons and so on, but you cannot do so and substitute your commercial judgement for theirs, which is what you would be doing in this case.

Kit Malthouse AM: I guess.

Roger Evans AM (Chairman): We are slightly moving off the topic

Sir Howard Davies (Chair - Airports Commission): It is very interesting territory but it is theoretical.

Kit Malthouse AM: I was thinking about the utility companies where of course we do heavily control and manipulate what their commercial decisions are.

I just wanted to ask one other thing. Obviously the expansion for Heathrow is on your radar. I have suggested this in the past. Do you think it would be a useful exercise to rent some aircraft and fly them for a period down the approaches that are proposed for the third and fourth runways at Heathrow, alerting Londoners at the time? They can then for themselves see and feel what it is like because these sound studies are a bit like artists’ impressions. When a property development comes along, they never actually look like that, and a sound study will say it is X or Y decibels. It never really feels like that and different people have different perceptions. It may be you could have an A380 fly down the approach to the third runway and everybody says, “What has all the fuss been about?” Do you think that would be a good idea?

Sir Howard Davies (Chair - Airports Commission): I must say I had not thought of that. National Air Traffic Services (NATS) will do detailed assimilations but on the whole, airlines do not like aborting landings. Obviously you could not do take-offs because you do not have the runway and I do not think you could do the landings close enough to give people the right impression because you would have to abort the landing quite quickly. It is an intriguing idea

and would provide a nice day out for us, but I am not sure it would give you the answer. You would have a very misleading answer because you would have a plane coming down so far and then suddenly accelerating away. It would create a fantastic racket --

Kit Malthouse AM: Yes, but at least we would have an indication. I agree with you. You would not have an indication for people in the immediate environs of the airport, but those people who live in north London and across north Westminster and all the rest of it where the stack is going to be would at least get a sense of what it is going to be like at 5.00am or whatever it is as they come over, see, hear, feel, see the approximate height and be able to judge. In the end, what I have found as a councillor is very often people's fears about a traffic scheme settle down once the scheme is in. It is nowhere near as bad as they thought it was going to be. At the moment, it is all rather theoretical and scientific and the London resident has no feel for what it is going to be like if indeed you choose the third runway.

Sir Howard Davies (Chair - Airports Commission): It is a thought I will take away. I am slightly doubtful about the cost of flying empty planes around but we will see if there is any possibility of doing that.

2014/2281 - Planning for Britain's Future Aviation Needs

[Richard Tracey AM](#)

Do you accept that a key part of planning for Britain's future aviation needs is ensuring that the hub airport has space to expand further?

Sir Howard Davies (Chair - Airports Commission): The question of hub and not-hub, if you like, is one where we spent a lot of time and effort. Our view is that in London, which is the largest origin and destination market in the world, it is highly likely we will continue to need a combination of airports to serve the different domestic markets and that is our primary concern. The transfer of passengers is significant in terms of developing some new routes, but we are not trying to deal with the interests of transfer passengers in themselves.

The question really is the balance of capacity and the nature of capacity between the different airports that serve London. What is the balance between how big you need a hub in the sense of an airport which facilitates airlines interconnections, of which there clearly is some market, and how much do you need additional capacity for straightforward origination and destination, where the highly expensive baggage handling of a hub airport is not really necessary?

If you look at what has happened in the aviation market over the last 15 years since the beginning of this century, more than all the growth has been in low-cost carriers in point-to-point traffic. The volume of what we used to think of as the flag-carriers, the network airlines, has actually flat-lined and slightly fallen. They are very significant from a business point of view because they tend to provide the business destinations which will not be provided by Ryanair from Southend. The question looking forward is where will the balance be?

Gatwick's proposition is that the growth is still going to be short-haul primarily, that there may be some long haul, low cost growth and that they would be well placed with a new runway to do

that but actually, this interconnected, very expensive airline structure that is based on Heathrow is not going to be the area of growth. That is the Gatwick proposition.

Heathrow argue, “We understand that but actually we think nonetheless that these big airlines will continue to grow but there will be new destinations we need. We need flights to Xi’an or Jaipur or wherever”, and that Heathrow does need to expand that degree of hub capacity to the extent of a third runway. That fundamentally, trying to judge the merit of those arguments, is where the Heathrow-versus-Gatwick choice is.

As for saying you need an infinitely expandable hub, I would make two points about that. One is that on this futurology, if you like, of the airline industry, that does not look to be the most likely outcome frankly in terms of the future. Secondly, of course, we do need to think about the climate change implications where we came in. Building a massive additional amount of capacity which you then might have to constrain utilisation of within your climate change objectives does not seem to be a great idea anyway.

This is a complicated balancing act of the nature of capacity you need and the amount of capacity. Where we have come out is to say the amount of capacity we think one runway by 2030 is manageable and that we would then see how the environmental consequences of that were developing and then our assumption is you would need another new runway by 2050. As for where that is in the balance between hub and non-hub capacity, it is a debate we are still having but I certainly do not think there is a strong case made out that you need an infinitely expandable hub.

Richard Tracey AM: That is interesting because, as I understand it, business and customer vendor integration (CVI) and various groups have been putting to you and putting to the Government the whole idea that we do need a hub. It seems to me, looking at the other examples in the world, the ones in Europe and elsewhere that almost inevitably you move to four runways and indeed very likely to six. You seem to be ruling that out; I think I am correct.

Sir Howard Davies (Chair - Airports Commission): I think that is a not a very plausible hypothesis for London. We have looked very extensively around the world at what goes on but London is a different market from other people. The nearest comparison is New York; it is not perfect but New York does have two parallel airports, JFK and Newark, both of which have certain hub-like dimensions to them. They have different airlines, which is interesting. New York is probably the nearest example and has definitely not gone, for all kinds of geographical reasons and the nature of the broader New York domestic market, for consolidating all in one place, which it regards as being somewhat incompatible with having to serve people from New Jersey out to the tip of Long Island. Trying to do that with just one huge hub is not a great idea.

There are also some issues about which NATS talked to us about just exactly how big an airport can be and remain efficient. There are certainly some people who say that something like Atlanta, which has about 700,000 movements, 92 million passengers, therefore, 50% more than Heathrow. If you want to change airlines in Atlanta, they tell you that the minimum change is three and a half hours. You then start to say, “Is that really one airport?” There are some issues

just about scale and also about the management of that amount of traffic out of one place, which we also have to take into account. I do not think you can look elsewhere and say there is a particular model that is the one we should copy. I certainly do not think three runways necessarily means four runways; I absolutely do not think that.

Richard Tracey AM: If one was starting from scratch now, you really would not build an airport out on the southwest side of London, would you? With all you and Mr Graham were talking about of wind patterns, westerly against easterly and so on and the very fact that aircraft are currently, far too many in my view, flying over a very dense conurbation, you just would not build an airport there, would you?

Sir Howard Davies (Chair - Airports Commission): I am slightly reluctant to rewrite history. You might say you would not build it there but you might also say you would not build so many houses around it when you had it. It is a slight curiosity that Heathrow has been a magnet for and the population around Heathrow has grown, whereas you might say maybe it would have been sensible to cordon off Heathrow once you had it. Certainly if you were starting and designing a new country, yes, you might not, but there are all kinds of other parts of the London transport system you might not design in that way.

Richard Tracey AM: Indeed, I accept that. Are you in any way likely to resurrect this argument of connecting Gatwick and Heathrow? There was a railway line, I think, proposed by one former Secretary of State for Transport.

Sir Howard Davies (Chair - Airports Commission): Yes. We looked hard at that and I think the short answer is we are not likely to resurrect it. In order to present an airport as being one airport, you need to have a reasonably short connection time. If you are going to have a plausibly short connection time between Heathrow and Gatwick, then you need to have a train which is airside, in short terminology, so you are the other side of security and so on. Therefore, you need to build a railway from Heathrow to Gatwick, which is 25 miles, which would be a sealed train. It would be like the trains that used to go through East Germany. You would be building it through a very congested area, if you think of Heathrow to Gatwick, through a lot of constituencies and a lot of towns and yet it would be completely useless to any of the people there because they would not be allowed to get on it or off it. It would not be allowed to stop or open its doors. The sorts of estimates we have seen would be about £5 billion for that. You could run it along the M25 but you would have to rebuild every bridge. It just looks infeasible and the volume of traffic on that anyway would not be that great actually, so no.

Richard Tracey AM: Yes. We have talked about Heathrow, Gatwick and so on. Are you now, in the Commission, fully aware of the various arguments for the Isle of Grain solution? It is now very much on your radar because it did seem as though you had pushed it to one side when you produced your interim report.

Sir Howard Davies (Chair - Airports Commission): What we said in the interim report was what we meant, which was that we did not think we had the evidence base to reach a firm decision about it at that time. We thought we could rule out some of the more remote estuary options which did look to us to be just infeasible on any plausible set of assumptions but we

thought a proposition on the Isle of Grain needed more work. We are doing four pieces of work at the moment which will be published one after another, beginning quite soon. One is looking at the environmental implications. Is it possible to consider building an airport in that area which is an important site and the habitat directives and so on would bite? Could you overcome that obstacle? That will be a report we will publish shortly.

Secondly, looking at the socio-economic implications; this is a big shift in the economic geography of the southeast, if you like. What would be the implications for housing and for the infrastructure you would need to have that kind of airport and have it make sense?

Thirdly, looking at the surface access implications, because just one rapid link there and back would not really be adequate, how would you redevelop the whole infrastructure and at what cost?

Then lastly, on airline behaviour; what would it need to be like in order to attract the airlines to go to it because, as you know, they have not been very enthusiastic about it. That means what sort of price for landing you would have to charge which, in turn, tells you something about what private investment you could attract which, in turn, tells you something about what the public cost would be. Then you reiterate between the estimates of the total estimates and so on.

All of those four pieces of work will be published over the next month or six weeks and then we think we need a fairly quick consultation period on those because we need to make a decision really in September on whether we are going to put it into the mix or not and that is our current plan.

Richard Tracey AM: All right; thank you very much.

Dr Onkar Sahota AM: Sir Howard, you said you will not resurrect the idea of a link between Heathrow and Gatwick but you are still keeping the critically ill patient, the estuary airport, alive. Is it not time to switch off the ventilator on that idea or do you think it is something which you think is still a plausible idea? Listening to you this morning, I can see all the arguments why the estuary airport is not a goer anyway.

Sir Howard Davies (Chair - Airports Commission): As I said in response to Assembly Member Tracey, we do think we need a strong evidence base. We have tried to proceed on the basis of a very rational and analytical way, which I know makes some people impatient, but that is the way we were set up and that is the way I think. I do not want to rule out the estuary on the basis of going out one morning and saying, "God, you know, this is a pain". We cannot do that. I want it to be very clear, it is going to be a risk assessment in every case; Heathrow clearly and Gatwick. Gatwick, big risk; would the airlines go there if you built a second runway? Heathrow, big risk; would you be able to gain enough community acceptance of growth in this airport to be able to get it through? Estuary; is the world going to be that way? If you built this thing, would people go? It is an 'if you build it, they will come' strategy at this point.

I think what we need to do is get below that and really have a reasoned way for either taking it to the next stage or for ruling it out now and we will do that in September.

Dr Onkar Sahota AM: We talked about the importance of air quality and noise which are very, very important issues. Heathrow is a big employer and if the estuary airport was to go ahead, even the Mayor accepts that Heathrow Airport could not survive. I know Ealing, Hounslow and Slough have come together and commissioned a Heathrow employment impact study where they are concerned about the impact on all of west London and there is something like 114,000 jobs dependent upon Heathrow. Given this, what do you think the impact would be on the west London economy if Heathrow were to close down?

Sir Howard Davies (Chair - Airports Commission): I should have mentioned when I answered about the studies we were doing that one part of the socio-economic study is not just the impact on the Medway but also the impact of closing Heathrow and what it would cost, how long it would take to redevelop and so on.

You will be aware that the views on this in west London are mixed. The three councils you refer to have indeed commissioned a study and they are very nervous. Their motto is “Heathrow, better, not bigger”, and that is a fairly straightforward proposition, but they are prepared to debate the issues of enlargement. That is not their preferred option; they are very clear about it, but they are prepared to debate them. I was there yesterday in a similar session with lots of councillors from the area and the debate was an open and good debate.

Another council, Hillingdon, has produced a mock-up of something called Heathrow Park which is a redevelopment of the airport. At least they have been helpful in the sense they have said, “This is what we think we could do with the site if it completely closed down”. We have that and we have commissioned a report on whether that is plausible but undoubtedly it would be a big switch. We went to a big employer there yesterday; one of the companies that makes airline food, for example. They employ 1,500 people on a site next to Heathrow. They are very alarmed at the possibility they might have to up-sticks and go somewhere else, although they are the kind of company that says, “If that is what we have to do, that is what we have to do”.

There are four types of employment you have to look at. Direct employment at the airport; if you close the airport, that will go and most of those people could not commute to a new airport. They are not earning that sort of money. Then there are the kind of airlines. Clearly that would have to go. Then there are the services to the airport, directly to the airport, but then there is a much bigger group which is the businesses that have put themselves around there because of the closeness to the airport. Windsor and Maidenhead, for example, who have relatively few people who are in services to the airport; I do not think that many cleaners at Heathrow live in Windsor, but they have a lot of businesses which tell them they are there because of the nearness to Heathrow. We need to consider all those categories. It is a big shift and a very dramatic move that would have a lot of risks attached to it.

Dr Onkar Sahota AM: The Heathrow employment impact study showed there were 114,000 people directly employed at Heathrow; 200,000 jobs and the Heathrow Park idea would led to a net loss of jobs of about 47,000 and I think the Mayor has wasted £3.2 million of London’s

taxpayers' money and, at the same time, has pushed the jobs of my constituents down the Thames Estuary if that idea goes ahead. We must not allow Heathrow to close but we are very concerned about the impact of noise and the impact of air quality on the residents in west London.

Sir Howard Davies (Chair - Airports Commission): Thank you. That is very clear. We will take that into account.

Kit Malthouse AM: I wanted to ask, in terms of the studies you do, whether you are looking at safety. Within living memory we have the Staines air disaster from Heathrow. It was only in 2009 I think that plane made it in over the fence, you remember, and crash-landed just on the apron. We have been lucky so far. The 118 people who died on the plane at Staines were not lucky but obviously you understand what I mean. I wondered whether you were looking at the possible impact or greater possibility of an impact of some sort of civil emergency in the event of an expanded Heathrow or indeed the other options.

Sir Howard Davies (Chair - Airports Commission): Yes, we are asking. The CAA is the principal authority responsible for this and they are looking at all of the options put forward and advising us on them and on the safety implications. Yes, that is a very important part of --

Kit Malthouse AM: OK and as part of your publication, when it eventually comes, will you be publishing some of the statistical stuff? My assumption is, if there are more runways at Heathrow, there is a greater possibility of there being an air disaster, just because greater volume leads to that as much more likely to be the case. Will you publish that? Also then, because this is a cost, and I proposed this question to the Mayor, in the event of an expanded Heathrow, if there is a greater risk, then there is also an impact in terms of the emergency services. What response might there have to be with the infrastructure around that to cope with what could be an enormous problem?

Sir Howard Davies (Chair - Airports Commission): Yes, we will. The principle on which we have operated is that we publish everything. There are a few bits of commercially confidential things that have been put to us that we have some concerns about but generally we will and we will publish that safety assessment, yes.

Kit Malthouse AM: OK, thank you.

John Biggs AM: I am reminded in the context of Kit Malthouse's last question that people often wonder why people live on the foothills of active volcanoes and it is because the soil is fantastically fertile. It does not necessarily answer the question as to why we should have people living next to airports but it is a relevant issue.

My question is about the modal split and it follows from the first part of Caroline Pidgeon's question about HS2. Do you take a position on the sort of modal split Heathrow Airport should have? Clearly one of the terms of poor air quality and, in fact, the biggest one is surface access rather than airplane emissions.

Sir Howard Davies (Chair - Airports Commission): Yes, we do. We chose in our appraisal framework not to set an arbitrary target for the proportion of passengers arriving by public transport but we set the proposal as a challenge of telling us what they thought they could achieve in that area. At the moment, about 38% of passengers going to Heathrow go by some form of public transport.

John Biggs AM: Does that include taxis as public transport?

Sir Howard Davies (Chair - Airports Commission): It includes train, bus and taxi. The plans they have put to us for the third runway envisage that increasing to 50%. Of course there is a large increase in the number of passengers; it is quite a big increase. Then we are consulting the Highways Agency, Network Rail and Transport for London (TfL) on the realism of those assumptions and the implications for the Piccadilly line, for the Heathrow Express, for Crossrail and so on. Is that likely to be achieved? I have to say I think that one can make progress in this area. Heathrow has suggested a congestion charge around Heathrow which is an idea that is worth beating up.

In our interim report, we also asked for some studies to be done on the southern access to Heathrow. There are two options there. One is a route from Waterloo through Staines and that way. One of the things Richmond residents point out to you, which is not unreasonable, is they have this nuisance from the airport and they cannot get to it very easily, which is a fair point. I think a route from Waterloo up would make some difference because that --

John Biggs AM: There would be an awful lot of level crossings I think, but anyway.

Sir Howard Davies (Chair - Airports Commission): No. The early indications are that you can do it on those existing tracks without increasing the downtime of level crossings. That is what we heard.

Phil Graham (Head of the Secretariat, Airports Commission): I think the level crossing issue was with regard to taking it out towards Staines and that direction.

Sir Howard Davies (Chair - Airports Commission): A bigger southern access which takes it, for example, down to Woking or somewhere which would open up another part of the network. That is called Airtrack, which does bump up against issues of level crossings, but there are prices to be paid for all these things. We are looking at those things as well.

There will be a combination of things, including a HS2 link at Old Oak Common or a spur, a Waterloo link, potentially a southern link, the expansion of the Piccadilly line. Heathrow Connect is not that much used at the moment. There is quite a lot of capacity on that. It is realistic to imagine that this combination of things can increase the proportion going to Heathrow by public transport if you play tunes on them appropriately.

John Biggs AM: I think you are an economist, is that right?

Sir Howard Davies (Chair - Airports Commission): Not really. Applied; learnt on the job.

John Biggs AM: That is about as close as it gets, I think. There are carrots and there are sticks. Do you think the sticks are sufficient? The Mayor of London would have to support a congestion charge, for example.

Sir Howard Davies (Chair - Airports Commission): Yes. We have not had a response from him on that as to whether he would support that or not but he has form in this area, of course.

John Biggs AM: On the question about modal splits, it is a bit like I asked before. Could you see planning permission? If Heathrow is volunteering 50%, then that suggests we could expect something considerably higher from them than 50%. Could you envisage an approach to permission on Heathrow, were one to ever happen, that would stipulate a level of surface access and emissions from surface vehicles which could be in some way enforced as part of that?

Sir Howard Davies (Chair - Airports Commission): I would have to have notice of that question, really. What occurs to me is that on Heathrow, I would say, putting that obligation on them when it actually depends on investment by a lot of other people is a bit difficult because then if Airtrack came out of the Network Rail budget for other reasons, Heathrow would have no purchase over that. I am not quite sure you could put that obligation directly on Heathrow. You could put some obligations in terms of their own vehicle fleet and things like that. That is perfectly possible, but as to making them responsible for decisions on public transport investment, which they were not responsible for --

John Biggs AM: You could, for example, reduce the amount of employee car-parking, which might not be popular but might require alternatives.

Sir Howard Davies (Chair - Airports Commission): Yes, that is a thought.

John Biggs AM: I think that is a big issue.

Sir Howard Davies (Chair - Airports Commission): We can do that.

John Biggs AM: Penultimately, then, do you have a view on the modal split changes as a consequence of Crossrail? It would certainly make access a hell of a lot easier for people like me in the East End.

Phil Graham (Head of the Secretariat, Airports Commission): I do not think we have an assumption yet. I think that is underway at the moment. Crossrail would undoubtedly be an important part of the picture and it would make access easier from east London but Crossrail also plays a role in slightly reducing the pressure on the Piccadilly line as well because you then have two routes running eastwards into London.

John Biggs AM: My final question is, remarkably, not about Heathrow. It is about London City Airport and the impact of an estuary airport on London City. Do you take a view on that? It has been written in the press, I think, that closure would be necessary.

Sir Howard Davies (Chair - Airports Commission): We have not, it is fair to say, thought it would be necessary. NATS are doing some modelling work for us on the implications for the whole of the rest of the system of a large runway in the estuary. The Heathrow closure would be really for commercial reasons rather than for airspace reasons because you would not --

John Biggs AM: No, not Heathrow; the London City closure.

Sir Howard Davies (Chair - Airports Commission): At London City, NATS have said they think there would be at best a significant reduction in the capacity of London City but we do not have a definitive answer as to whether it would involve the closure of it.

Murad Qureshi AM: Can I follow up on John's point on surface transport? Yes, Heathrow is the second biggest hotspot for air pollution in London after central London. It is interesting the City Airport came up because it has a 60% level of passengers using public transport for getting there. I cannot see if City Airport can do that why Heathrow cannot aim at that as well.

Sir Howard Davies (Chair - Airports Commission): It is a rather different set of passengers.

Murad Qureshi AM: Sure and I understand that. In some ways, you would expect the City Airport passengers, the business classes, to come in by their limousines but it does not seem to happen.

Sir Howard Davies (Chair - Airports Commission): They are not going on holiday and they do not have large amounts of luggage and things, which is a factor. Also, it is not a great place to get to by car anyway and it does not have that much parking around it and so on. It is a little bit difficult to compare. It is a very, very different airport.

Murad Qureshi AM: Just to come in on the Crossrail point, I should think the critical thing is the service levels of Crossrail into Heathrow. At the moment, they are only proposing two extra trains for getting rid of Heathrow Connect and we are yet to know what the future of the Heathrow Express will be when it has competition. There are vast improvements there and luggage is an issue. If you go to Paddington, Earls Court or Hammersmith, some of those suitcases are almost big enough to have passengers in them themselves.

Sir Howard Davies (Chair - Airports Commission): Yes, I take that point. That is something we have to look at.

Tony Arbour AM: The everyday aggravation which is caused by Heathrow to local residents is not just noise and what has been indicated is the considerable amount of traffic which causes congestion to local centres. Any expansion of Heathrow of necessity means there will be an increase in that traffic. You just made a reference to the congestion zone. My understanding of the congestion zone proposal by Heathrow is predicated on there being a fourth runway in addition to the one which is being proposed.

Roger Evans AM (Chairman): That is the first question.

Tony Arbour AM: I did mention to you in my first question that the experience of locals with Heathrow is that they always want more. When you look at all of these recommendations relating to Heathrow, whichever way it goes, will you please put a cap on the eventual limit to which Heathrow could possibly go?

Sir Howard Davies (Chair - Airports Commission): I do not recognise the link to a fourth runway because their proposal is put to us for a third runway, not a fourth runway. We will say something about how we think the aviation market will develop and the broad way in which capacity in London should be developed in the longer term. However, I am not sure it would be plausible just for an advisory commission to say there should be a cap. That would be something for the Government to decide.

Nicky Gavron AM: Sir Howard, it is going back a bit to when you were talking about the hub-and-spoke and the point of having those connected flights. What is the proportion of short-haul flights going from Heathrow?

Sir Howard Davies (Chair - Airports Commission): I am not sure I have that in my head.

Nicky Gavron AM: It is just a perception but there are quite a lot of short-haul flights and I am not sure quite how they fit in with the long-haul.

Sir Howard Davies (Chair - Airports Commission): They do. The domestic short-haul flights fit in very closely with the long-haul. If you go to Scotland, as I have done a few times recently, they see the feeder into Heathrow and the connection to long haul as absolutely crucial. I was on a flight last Thursday from Aberdeen to Heathrow which was full of people - I happen to know because I checked in - going on to Chicago and to Texas. This is the oil industry network and that was what they were doing. Some of these are explicitly feeders into the broader intercontinental market, but it is true to say that some of them are straightforwardly short-haul in Europe. Certainly it is part of Gatwick's argument that the market could be well catered for by Gatwick, the daily back-and-forth of people going on business to Frankfurt or whatever can be done.

It is inherent in a hub-and-spoke that some of the spokes will be quite short because the attraction or the reason you get the long-haul routes to remote destinations is that you can bring in traffic into that hub from a variety of other places.

Nicky Gavron AM: I do understand that. It was really about the short-haul flights that are not connected with a long-haul flight and really behind it is rationalisation.

Sir Howard Davies (Chair - Airports Commission): Yes. The difficulty is it is a little bit hard to disentangle. When you talk to BA, they say, "Look, we have calibrated our network to maximise the connections and our attraction in bringing people from different places and, if you chop off one bit, then you affect the balance of traffic on all of the rest". Actually, over time, what is happening at Heathrow, given the capacity constraint, is that short-haul routes are being chopped off and being replaced by long-haul routes. That is a natural trend.

We may say that is not a bad thing but I have to say, once you get to Scotland or to Northern Ireland or to Liverpool, they do not like the sound of that at all because 15 years ago there were 19 regional airports that had a regular connection to Heathrow and there are now only 8. That has therefore affected the connectivity from a business point of view of cities like Liverpool. Liverpool Airport is in decline. It does not have a link to Heathrow now and that makes a big difference to them. We do, from a national perspective, have to think about those links as well.

Roger Evans AM (Chairman): All right, thank you. Sir Howard, Mr Graham, can I thank you both for a very informative evidence session today?

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