

Appendix A

London Assembly's Environment Committee response to the expansion of Heathrow

The London Assembly's Environment Committee has been asked to comment on the proposed plans for the expansion of Heathrow Airport. These plans make provisions for a third runway and a supporting sixth terminal. They also propose the removal of operational restrictions that have offered regular, albeit limited, respite to millions of neighbouring residents from the comings and goings of the world's busiest international airport. If the plans and projections outlined in the consultation are borne out, the world's busiest international airport will get substantially busier.

Currently 478,000 flights land and take off from Heathrow every year. With expansion by 2030, this figure is projected to rise to over 700,000. The additional capacity these proposals make provisions for is almost equivalent of Gatwick's current capacity. The London Assembly have not been asked to comment on the mere expansion of an airport, but in effect the creation of a new one.

In 2003, the London Assembly opposed the Government's recommendations in its White Paper to expand Heathrow. In 2005, the London Assembly maintained its opposition when the British Aviation Authority produced its interim master plan for how expansion may take shape. The arguments outlined in the Department for Transport's (DfT) 2007 consultation, *Adding Capacity at Heathrow*, in support of expansion are not sufficiently convincing to persuade us to alter this position for two fundamental reasons.

First, the Environment Committee remains unconvinced the expansion of Heathrow specifically is essential to the well being of the London and wider UK economy.

Second, the conditions placed on expansion by the Government do not adequately address the local and international environmental costs and impacts that the planned expansion would have.

The London Assembly's Environment Committee is therefore opposed to the further expansion of Heathrow or the relaxation of the current operational restrictions.

The Committee has reached this position having collated written position statements from a wide range of stakeholders¹ and held a public hearing at which representatives from affected boroughs, the British Aviation Authority, local campaigners and airlines gave their views².

¹ Written submissions from the following organisations: 2M (local authorities under Heathrow's flight paths); British Aviation Authority; British Air Transport Association; Chartered Institute of Logistics and Transport; Friends of the Earth; Future Heathrow; GMB; HACAN; Heathrow Associates; Julia Welchman (Noise & Education expert); London Borough of Ealing; London Borough of Hillingdon; London Borough of Merton; London Travel Watch; Strategic Aviation Special Interest Group (SASIG); Slough Council; Virgin Atlantic.

² Minutes of this meeting are available from <http://www.london.gov.uk/assembly/envmtgs/index.jsp#72>

Why the committee does not support Heathrow expansion: the economic case

The DfT's consultation conclusions

- The DfT asserts that aviation accounts for 1.1% of GDP and contributes more than £11.4 billion to the UK economy³ but indirectly supports many other areas including the tourism industry and financial services sectors increasing its economic value.
- Heathrow supports 72,000 direct jobs making it the biggest single-site employer in the UK, and supports over 100,000 more jobs in its ancillary industries.
- The DfT calculate that the economic benefit of a third runway at Heathrow is expected to be in the region of £7bn a year or £27bn by 2030. More intensive use of the existing runways (mixed mode) would generate additional GDP of £2.5bn a year.⁴

- 1.1 The Environment Committee is not convinced by the economic arguments used by the DfT to justify expanding Heathrow. This response will argue that the case put by the DfT neglects the full impact that expansion could have on climate change (section 2), noise levels (section 3) and air quality (section 4). This section outlines the Assembly's argument as to how the case put by the DfT overestimates the importance of Heathrow to London's and the wider UK's economy, and in particular the importance attached to Heathrow's hub status.
- 1.2 The case put by the DfT for protecting and expanding hub status at Heathrow is that it offers airlines the incentive to offer a greater variety of destinations from one single location. This, the DfT argues, is hugely beneficial to international companies' clients and staff. The competitiveness of London's economy would be compromised if Heathrow and its role as a major hub airport was compromised, resulting in significant detrimental effects on the local and wider UK economy.
- 1.3 However, since 1990 as Heathrow's number of destinations has dropped by 20 per cent and its reputation suffered unquestionably by the poor management of its operations, London's financial sector has actually thrived⁵. And the number of transfer passengers has actually risen from 10.6 million to 22.9. Heathrow has become busier as the number of its destinations has fallen. 67 million journeys use Heathrow today; in 1990 that figure was just over 40 million. Passenger demand has prompted airlines to lower the number of destinations available in order to increase the number of flights to popular destinations, such as New York. There are more planes, less destinations and substantially more passengers.
- 1.4 Another reason is that while Heathrow's capacity has been contained by operational restrictions, London's overall air capacity has not.

³ Oxford Economics Foundation, 2006

⁴ At 2006 prices

⁵ 28 international companies have their headquarters in the capital – exceeded only by New York. In figures issued in October 2007, London's stock exchange turnover was \$9.14 trillion; almost three times larger than its nearest European competitor, Frankfurt, whose turnover was \$3.64 trillion (World Federation of Stock Exchanges – October 2007).

Table 1: Recent Growth in Passenger Numbers at Heathrow, Amsterdam, Frankfurt, Paris and London (overall)⁶

| Airport | Number of passengers (millions) | | Growth between 2000 and 2006 | |
|---------------------------|---------------------------------|-------|------------------------------|----------|
| | 2000 | 2006 | millions | Per cent |
| Heathrow | 64.3 | 67.3 | 3.0 | 5% |
| Amsterdam (Schipol) | 39.6 | 46.1 | 6.5 | 16% |
| Frankfurt (Main) | 49.4 | 52.8 | 3.4 | 7% |
| Paris (Charles de Gaulle) | 48.2 | 56.8 | 8.6 | 18% |
| London | 115.9 | 136.9 | 21.0 | 18% |

London includes Heathrow, Gatwick, Luton, Stansted and City. The above figures in Table 1 do not take into account the expansion of other nearby airports.

- 1.6 London has in fact remained competitive with other European hub cities. Passenger numbers from all the airports serving the capital suggest that London is far from being outdone. Total passenger numbers have steadily risen. Gatwick serves 20 more destinations than Heathrow and Stansted only 20 fewer. Obviously many of these destinations are the same, but it can hardly be argued that London's economy has suffered from an inability to increase its air capacity or from a lack of choice of destinations.
- 1.7 The Environment Committee agrees that the economic benefits of airport expansion across the South East "will generate similar employment, regeneration...benefits irrespective of where that expansion takes place."⁷

The London Assembly's Environment Committee conclude that the economic case put by the DfT in its consultation, *Adding Capacity at Heathrow*, does not adequately consider the trends in passenger behaviour and the expansion of other airports serving London. In so doing, the DfT overstate the importance of Heathrow to the London and UK economy.

⁶ Civil Aviation Authority, Annual Statistics for UK Airports for Heathrow. Aéroports de Paris website for Charles de Gaulle. Airports Council International website for Schipol and Frankfurt. Figures provided by Heathrow Associates.

⁷ Produced by Colin Buchanan in September 2006 and available from http://www.london.gov.uk/mayor/economic_unit/docs/heathrow-economics-study-nov06.pdf

Why the committee does not support Heathrow expansion: climate change

The DfT's consultation conclusions

- In line with Stern methodology and accounting for an emissions trading scheme, the total cost of additional carbon emissions from a third runway at Heathrow is estimated to be £4.8bn between 2020 and 2080.
- This figure has been arrived at on the assumption that through the European Union Emissions Trading Scheme, aviation will meet its environmental costs through carbon trading.
- Consequently, expansion of Heathrow would be meeting the economic cost of its emissions. Therefore, to impose restrictions on Heathrow above this would incur a significant and needless cost to the economy.

- 2.1 The Environment Committee is not convinced that the Government has either applied the correct methodology for pricing carbon or whether they could realistically expect to do so when the carbon pricing is still in its infancy and its effectiveness relatively unproven.
- 2.2 In 2003, when the Government concluded that it supported the expansion of Heathrow, it did not place any conditions on this expansion on projected levels of carbon emissions – a glaring omission that the Government have not since acted upon to amend. Since the publication of the Stern Report, the way government costs major developments has changed. Any cost benefit analysis now has to factor in the cost of carbon. The 2007 consultation does claim to apply Stern methodology as a way of conducting its cost benefit analysis. The Committee has three key concerns around this costing process.
- 2.3 First, we are concerned that the methodology used in the consultation is inconsistent with Stern principles. If, as Stern recommends, a 'business as usual' carbon price was applied then building a 3rd Runway "yields no net economic benefits when the costs of climate change are factored in".⁸ The Assembly wishes to see an independent review of the carbon pricing methodology used in the consultation.
- 2.4 Second, the costing also places too much faith in the, as yet unproven, European Union's Emission Trading Scheme to both reduce carbon emissions and, perhaps more crucially, to place a true cost on carbon itself. For example, rising aviation emissions will require other sectors in the economy to make even more drastic cuts to meet Kyoto targets, in compensation for aviation's increased contribution. The assumption that these costs to the economy will be reflected in the price of carbon permits has not yet been proven.
- 2.5 Third, the effectiveness of carbon trading and the European Union's Emission Trading Scheme in meeting Kyoto targets has yet to be demonstrated. At this early stage of the scheme, a price cannot be adequately determined for the cost of such a radical and far-reaching expansion of London and Heathrow's air capacity. The cost benefit analysis for Heathrow has been based on a policy yet to deliver.

⁸ Friends of the Earth written submission

Heathrow should not even be considered for expansion until the following has occurred:

- **An independent review of the carbon pricing methodology used in the consultation**
- **That the Kyoto agreement includes aviation emissions as part of its binding criteria;**
- **That the EU's carbon emissions trading scheme has been a demonstrable success in reducing the UK and Europe's carbon emissions in line with the revised Kyoto agreements.**

Why the committee does not support Heathrow expansion: noise

The DfT's consultation conclusions

- The key measurement by which the future viability of a third runway and sixth terminal will be judged is 57 decibels. The area affected by noise at this level must not exceed 127 sq km.
- The introduction of full mixed mode⁹ within current operations could increase capacity by an additional 60,000 flights a year. This expansion would serve Heathrow up to 2020, during which time the DfT predict this noise contour would come perilously close (0.3 sq km) to its 127 sq km limit.
- The introduction of mixed mode would mean the abolition of the Cranford Agreement¹⁰.
- The DfT predicts that by 2030 after the construction of a third runway the 57 decibel contour would be 112.9 sq km, 14 sq km short of the 127 sq km limit.
- These noise projections are contingent on the development of quieter engines and the widespread introduction of these into operations at Heathrow.

3.1 The Environment Committee feel the parameters of the debate, set by the 2003 White Paper, have become redundant since the publication of a Department for Transport¹¹ study into the impacts that of aircraft noise has on communities. This report found that reactions to noise at 50 decibel contours are virtually identical to those at 57 decibels. The onset of "community annoyance" starts in a moderate way at 50 decibels and more seriously at 55 decibels. Consequently, the Environment Committee believes that the 127 sq km noise contour boundary for those affected by 57 decibel levels now seems arbitrary and underestimates the impact on the quality of life for many thousands of Londoners.

3.2 The impact of aircraft noise around Heathrow fans out across West London and the Thames Valley, affecting up to 2 million residents. If the DfT were to present to the public a revised contour map of London that took on board the findings of recent research, the area covered and the numbers of Londoners affected would be far greater.

The London Assembly Environment Committee conclude that the case put forward by the Government in meeting its own conditions on noise levels is flawed and underestimates the full impact that Heathrow has on Londoners affected by Heathrow's flight paths.

The London Assembly requests that the Department for Transport undertake a revised noise impact assessment with a revised methodology based on the findings of the October 2007 report *Attitudes to Noise from Aviation Sources in England*.

⁹ Mixed Mode - A method of operating two runways allowing for a mixture of both take offs and landings at each - as opposed to current operations which restricts taking off and landing to separate runways.

¹⁰ The Cranford Agreement - whereby Easterly departures from the northern runway at Heathrow are avoided as far as possible to minimise departure noise around the built up area of Cranford.

¹¹ Attitudes to Noise from Aviation Sources in England, Department for Transport, October 2007

- 3.4 Planes have become quieter over the last 20-25 years and will probably become even quieter in the future. The rate of future change is open to debate and will be subject to a number of factors beyond the control of governments or airport authorities, such as rising oil prices and the increasing recognition of the environmental cost of flying.
- 3.5 We welcome that the BAA has in place at Heathrow landing fees that escalate substantially the louder an aircraft is. However, the Assembly remain sceptical as to whether this and the “reputational motivation”¹² for airlines to replace their fleets with quieter, cleaner aircraft are adequate enough measures to drive fleet replacement quickly enough.
- 3.6 The committee therefore support the conclusion of Stephen Nelson of the British Aviation Authority that the Airports Act (1986) is no longer “fit for purpose”¹³. A more effective regulatory framework is now needed to ensure that the airline industry meets emerging environmental concerns, including noise.

The expansion of Heathrow - either through the construction of a third runway or relaxing of current operational restrictions – should not be considered until the following has occurred:

- **The Airports Act (1986) has been reformed or replaced with a robust mechanism to enforce stringent environmental standards on noise levels;**
- **The conditional noise contour parameter is extended to 50 decibels;**
- **Quieter and cleaner engines actually reduce the 50-decibel noise contour affected by engine noise.**

¹² Page 31, Transcript, Environment Committee, 22 January 2008

¹³ Page 32, Transcript, Environment Committee, 22 January 2008

Why the committee does not support Heathrow expansion: air quality

The DfT's consultation conclusions

- By 2015 after the introduction of mixed mode operations, EU air quality limits will be exceeded in areas around the M4. This is attributed to road traffic and would need to be addressed by traffic management measures.
- A third runway could be added by 2020 that would allow EU air quality criteria to be met¹⁴. This relies upon substantial improvements being achieved via road vehicle emissions and a strong trend for cleaner plane engines.

- 4.1 The biggest single factor causing the decline in air quality is not aircraft use but ground traffic accessing the airport. Heathrow has the highest rate of public transport access in the UK – around 35% - and there has been substantial and welcome investment and improvement in public transport to Heathrow in recent years¹⁵. However, until there is substantially greater uptake of public transport access to Heathrow¹⁶, expansion should not be considered.
- 4.2 The committee understands that even without expansion Heathrow will be in breach of EU conditions by 2010. Therefore, under the parameters the Government set themselves no form of expansion of Heathrow can proceed, unless the Government seeks an exemption from EU for the areas around Heathrow.
- 4.3 This exemption should not be sought because EU air quality criteria exist to protect the health of the community. There are concerns that the air quality around Heathrow could be contributing to some of the highest rates of asthma, COPD (Chronic Obstructive Pulmonary Disease) and cancer in the country. The London Assembly share the concerns of Hounslow Council and join them in requesting the Department for Transport commission a full and independent health impact assessment.

The London Assembly Environment Committee calls upon the Department for Transport to commission a full and independent health impact assessment on the communities near to Heathrow.

The London Assembly calls upon the Department for Transport to give a guarantee that it will not seek an exemption for areas around Heathrow in implementing EU air quality standards in 2010.

¹⁴ **NO₂ emissions** - a one hour mean limit value of 200ug per cubic metre, not to be exceeded more than 18 times per year and an annual mean of 40ug per cubic metre

PM10 emissions (implemented on 1 January 2005) - PM₁₀ limit values are a 24 hour mean of 50ug per cubic metre, not to be exceeded more than 35 times per year and an annual mean of 40ug per cubic metre

Stage 2 PM10 emissions targets (which apply from 1 January 2010) - PM₁₀ limit values are a 24 hour mean of 50ug per cubic metre, not to be exceeded more than 35 times a year and an annual mean of 40ug per cubic metre

¹⁴ For example, The Heathrow Express and the development of the underground station to cater for Terminal 5 are two notable examples.

¹⁵ Crossrail, due to be completed by 2017, has the potential to substantially increase further the proportion of passengers accessing the airport on public transport