

# The truth about the Airports Commission and airport expansion

## The story so far

Before the 2010 General Election, both Conservatives and LibDems had come out against new runways in SE England.<sup>i</sup>

In October 2009 David Cameron said: “No third runway at Heathrow - no ifs, no buts.”<sup>ii</sup> This was widely recognised as a political tactic to protect marginal constituencies around Heathrow.

In June 2010, soon after the coalition government was formed, transport secretary Philip Hammond said: "We have been clear in our opposition to additional runways at Heathrow, Gatwick and Stansted, so the challenge we face now is making them better within existing runway capacity constraints."<sup>iii</sup>

However, these statements did not prevent heavy lobbying from industry and backbench Conservative MPs for airport expansion.

An “Independent Commission” was established in September 2012. The government appointed an ‘establishment’ figure, Sir Howard Davies, as part-time chair and four establishment and virtually silent part-time commissioners. The detailed work was devolved to a secretariat drawn mainly from the DfT (Department for Transport). Those staff will return to their roles at DfT after the Commission finishes to implement the policies of their political masters.

The Commission was tasked with producing a shortlist of expansion options by December 2013. It duly responded, producing its interim report with a shortlist of Heathrow (two options) and Gatwick.<sup>iv</sup>

The Commission was tasked with making its final recommendation in summer 2015, conveniently after the latest date for a general election.

The Commission’s work for the interim report failed to demonstrate convincingly economic benefits of new runways. It used an “innovative” - ie. unproven - economic model<sup>v</sup>, for ‘wider economic benefits’ but the Commission could not find the time to explain it properly to consultees. The assessment omitted the cost of noise and air pollution and other impacts.<sup>vi</sup>

While there was a good deal written about climate change, it was largely obfuscation. The bald fact was that the expansion options would almost certainly be inconsistent with the UK’s climate target for 2050.<sup>vii</sup>

Despite these major shortcomings, the Commission’s interim report in December 2013 recommended one new runway by 2030. It had, to all intents and purposes, decided there should be a new runway, irrespective of environmental and social impacts.

By this means, the Airports Commission, with other supporters of airport expansion, had firmly moved the public debate on from “if” there would be a new runway to “where” it should be built.

The Commission duly published its evaluation of the 3 shortlisted options in November 2014, for consultation.<sup>viii</sup>

The impenetrable economic studies in the Commission’s consultation documents produced economic benefits for all the shortlisted options (when carbon constraints were ignored).<sup>ix</sup> ‘Wider economic benefits’ were again based on an “innovative” (ie. unproven) economic model, which again was not explained.<sup>x</sup>

The Commission’s assessments continued to omit key social, health and environmental costs which could well have made the net economic outcome negative.

The Commission failed to explain why British business opportunities in the global economy would suffer from lack of UK airport capacity at Heathrow and Gatwick when there is a large amount of spare runway capacity at all other British airports.

It failed to highlight the fact that under a quarter of flights are for business and just 14% are UK business people’s trips abroad.<sup>xi</sup> The vast majority of flights are for leisure, which takes far more money out of the UK than it brings in.

The Commission failed to show how much of the demand for extra capacity is due to the current tax regime which inflates demand. Tax-free fuel and VAT exemptions for the aviation industry are worth about £10 billion pa.<sup>xii</sup>

If aviation were to pay its fair share of tax, growth in demand would be far less and the economic impact of a new runway would probably move from being positive to become negative.

The Commission has failed to assess air pollution impacts in any detail<sup>xiii</sup>, despite the fact that air pollution levels round Heathrow already breach legal UK and EU limits set to protect our health.<sup>xiv</sup> Air pollution is estimated to kill over 4,000 Londoners every year.<sup>xv</sup>

It has failed to assess noise impacts properly; it has just used some “indicative” flight paths to gauge possible impacts.<sup>xvi</sup> The real flight paths, and numbers of people that would be affected, are not known.

The Commission has hidden away the fact that all its shortlisted proposals are inconsistent with the UK’s targets for reducing CO2 emissions.<sup>xvii</sup>

Unlike other economic activities, aviation produces large amounts of greenhouse gases in addition to CO2, emitted at high altitude. These have been dismissed by the Commission<sup>xviii</sup>, thereby under-stating the climate impacts of expansion.

It has failed to carry out the recommendation by the government's Committee on Climate Change that an assessment should be made of the economic benefits of new runways if aviation remains within its allowable CO2 emissions.<sup>xix</sup>

The reason for not doing the study on CO2 emissions is that the estimated future economic benefits of a new runway would become negative<sup>xx</sup> (due to CO2 emissions requirements alone - even without the adverse economic impact of the industry's favourable tax status, social and health costs and environmental costs).

Although jobs would be created, the Commission provides no evidence that expanding Heathrow or Gatwick would reduce unemployment. It concludes that extra jobs at Heathrow would lead to inward migration and a need for up to 70,000 new housing units.<sup>xxi</sup> At Gatwick it estimates up to 18,400 new housing units.<sup>xxii</sup>

It gives no assessment of the impacts on schools and hospitals that are already stretched to breaking point, or road congestion, water supply or sewerage.

The Commission may do some further work on these issues. But results will not be published or open to public scrutiny before the Commission's recommendations are published. So in practice such work will have no effect.

And to cap it all, the DfT has just appointed Simon Baugh from Heathrow as its Communications Director!

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## **Conclusions**

The history of the Commission and analysis of its findings point inexorably to a 'stitch-up'.

The Coalition government, having originally confirmed opposition to new runways, then set up a Commission whose recommendations would enable it to renege on its promise.

The Commission was packed with government employees and establishment figures and duly came up with the result the government wanted - airport expansion justified by economic benefits.

To this end, the Commission had to leave out major 'inconvenient truths' - about air pollution, climate change, tax avoidance and social impacts.

It had to leave out these impacts and use an unproven economic model for 'wider economic benefits' in order to demonstrate an economic justification for a new runway.

Given this situation, politicians and others should feel entirely free to make their own judgments about airport expansion – based if possible on genuinely independent and unbiased evidence. They should not be influenced by recommendations from the Airports Commission.

Nic Ferriday, April 2015

<http://www.airportwatch.org.uk>

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<sup>i</sup> <http://www.theguardian.com/politics/2008/sep/29/toryconference.transport>;

<http://www.theguardian.com/environment/2009/sep/17/heathrow-third-runway-costs>

<sup>ii</sup> [http://www.richmondandtwickenhamtimes.co.uk/news/4694685.David\\_Cameron\\_No\\_third\\_runway\\_no\\_ifs\\_no\\_buts/](http://www.richmondandtwickenhamtimes.co.uk/news/4694685.David_Cameron_No_third_runway_no_ifs_no_buts/)

<sup>iii</sup> <https://www.gov.uk/government/news/better-not-bigger-hammond-creates-south-east-airports-taskforce>

<sup>iv</sup> <https://www.gov.uk/government/publications/airports-commission-interim-report>

<sup>v</sup> See endnote x.

<sup>vi</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/266670/airports-commission-interim-report-appendix-3.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/266670/airports-commission-interim-report-appendix-3.pdf) paras 2.11, 17, etc

<sup>vii</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/266670/airports-commission-interim-report-appendix-3.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/266670/airports-commission-interim-report-appendix-3.pdf) Para 5.17, page 71

<sup>viii</sup> <https://www.gov.uk/government/news/airports-commission-publishes-consultation-on-shortlisted-options-for-a-new-runway>

<sup>ix</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/381912/AC01\\_tagged\\_amend\\_25\\_11.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/381912/AC01_tagged_amend_25_11.pdf) Eg paras 3.22,23,72,73

<sup>x</sup> Ibid Para 3.128

<sup>xi</sup> [http://www.aef.org.uk/uploads/Bus\\_proportion.doc](http://www.aef.org.uk/uploads/Bus_proportion.doc) See “detailed results”.

<sup>xii</sup> Green Alliance press release 15/6/10: “The UK aviation sector enjoys historic tax exemptions worth £10 billion a year, because it does not pay fuel duty and VAT is not paid on airline tickets”;

Policy studies Institute report: “...if it [aviation] was taxed to the same extent as trains and coaches are on fuel it would pay £8.5 billion a year (Eagle [ministerial answer] 2008) .. If VAT was charged on tickets at the standard rate of 17.5 per cent that would bring in £2.3 billion a year (House of Commons Transport Committee 2010).”

<sup>xiii</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/381912/AC01\\_tagged\\_amend\\_25\\_11.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/381912/AC01_tagged_amend_25_11.pdf) paras 2.56,57.

<sup>xiv</sup> <http://www.london.gov.uk/moderngov/documents/s6457/Minutes%20-%20Appendix%20%20-%20Heathrow%20Air%20Quality%20Map.pdf>

<sup>xv</sup> <http://www.theguardian.com/environment/2010/jun/30/london-air-quality-premature-deaths>

<sup>xvi</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/381912/AC01\\_tagged\\_amend\\_25\\_11.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/381912/AC01_tagged_amend_25_11.pdf) para 2.54.

<sup>xvii</sup> [http://www.airportwatch.org.uk/wp-content/uploads/AirportWatch\\_short\\_climate\\_and\\_runway\\_briefing\\_January\\_2015.pdf](http://www.airportwatch.org.uk/wp-content/uploads/AirportWatch_short_climate_and_runway_briefing_January_2015.pdf)

<sup>xviii</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/271231/airports-commission-interim-report.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/271231/airports-commission-interim-report.pdf) ; Box 41, p15: “As scientific understanding in this area continues to improve, climate policies may need to evolve to take better account of NCEs.[non carbon emissions]”

<sup>xix</sup> [http://www.theccc.org.uk/wp-content/uploads/2013/07/CCC\\_letter\\_aviation\\_commission.pdf](http://www.theccc.org.uk/wp-content/uploads/2013/07/CCC_letter_aviation_commission.pdf)

<sup>xx</sup> AW members were told at a meeting on 17/12/15 with DfT that if the ‘abatement cost of carbon’ were included in the economic assessment, the net benefits would be negative.

<sup>xxi</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/374664/evidence-base-heathrow-north-west-final.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/374664/evidence-base-heathrow-north-west-final.pdf) para 1.56 “The additional employment supported by Heathrow’s expansion would lead to a significant requirement for additional housing. The Commission’s analysis indicates this would total between 29,800 and 70,800 houses by 2030 within the local authorities assessed as part of the local economy assessment. This additional housing and population growth would also require substantial supporting infrastructure including schools and health care facilities.”

<sup>xxii</sup> [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/374662/evidence-base-gatwick-airport-second-runway.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/374662/evidence-base-gatwick-airport-second-runway.pdf) Para 8.13