



# A third runway at Heathrow

**Sir Howard Davies and Sir John Armitt explain why they continue to believe that a third runway at Heathrow is the most effective option to address the UK's aviation capacity challenge.**

**O**ur nation's aviation sector is a source of significant strength. The UK benefits from the third largest international aviation network in the world after the USA and China; London has the largest origin and destination market of any city in the world; and Heathrow until 2013 served more international passengers than any other airport and even now is surpassed only by Dubai.

The strong links to established and emerging markets across the world that this provides and the position it allows the UK to occupy at the heart of the global transport network are extremely valuable, supporting trade in goods and services, connecting friends and families, and enabling British companies, universities and other institutions to develop and maintain strong global networks. However, the continuation of this success cannot be taken for granted, and the rise of Dubai is only one indicator of the risks that the UK faces.

A hugely diverse airports sector serves the UK, with different gateways focusing on different geographic areas or markets. Heathrow plays a unique role, as the only airport in the country with the sheer aggregation of demand, not only from UK travellers, but also from those transiting at the airport, to support a dense and far-reaching network of long-haul services.

Heathrow has been operating at the limits of its capacity for well over a decade, however, and with no space for additional services the airlines are gradually consolidating services from the airport on the most profitable routes. This not only reduces the UK's overall access to new and emerging markets, but also reduces access from regional airports into Heathrow's network of long-haul routes.

As other hub airports in Europe and beyond continue to expand, the impression created is one of the UK being increasingly inward facing and having



limited ambition to expand its reach, even as it navigates the uncertainty caused by its impending departure from the EU.

### Case for expansion at Heathrow

Heathrow is one of the world's most important aviation hubs, with a long-haul route network that surpasses any other UK airport. This provides the vast majority of UK flights serving the new and emerging markets to which access will be so important in the future, as well as unparalleled connectivity to North America and good links to the Far East.

Heathrow is also the most important freight airport in the UK, with a well-established logistics sector in the surrounding area that would benefit from the new connectivity and capacity provided through expansion. Additional capacity would also help to promote competition at the airport, by enabling new providers to gain access to slots, and it would provide the opportunity to tackle Heathrow's declining domestic aviation links, and open new routes and services to the UK's regions.

An expanded Heathrow would be well connected not only to central London but also to the wider UK, including to Bristol, Wales and the south-west via the Great Western main line, and to Birmingham, Manchester, Leeds and beyond via a direct link to HS2 at Old Oak Common. Enhanced rail links to the west and south of the airport would provide the opportunity to improve its connectivity further.

### Balanced package

We proposed a balanced package around our conclusion, combining new capacity with strong environmental conditions and an enhanced approach to compensation and mitigation for local communities. Our analysis indicated that the number of people affected by aviation noise around the expanded airport would be fewer than at Heathrow today, as improvements in aircraft and engine technology balanced out the growth in flights. We proposed that this should be safeguarded through a binding noise envelope. In addition, we recommended a ban on arrivals and departures in the late evening and very early morning following expansion.

We also looked closely at the potential effects of expansion on air quality around the airport and made clear that expansion should be contingent upon acceptable performance in this area. We also stressed the importance of addressing the wider concerns of the communities around the airport. This included: generous



A third runway could help improve connectivity with North America

## 'An expanded Heathrow would be well connected not only to central London but also to the wider UK.'

Heathrow is the most important freight airport in the UK





Heathrow's third runway has been given the go-ahead by Chris Grayling

→ compensation – in excess of market value – for those who might lose their homes; proper funding for community mitigation measures; public transport improvements to mitigate the effects of expansion on local roads and rail services; and access to jobs and training for local people.

If these conditions are met, our view is that an expanded airport can be both bigger and better, for the UK as a whole and for local communities.



Heathrow has been operating at the limits of its capacity for over a decade

### Arguments against expansion

The first is that expansion at Heathrow is unnecessary because new aircraft, such as the Boeing 787 Dreamliner, and operating models, such as low-cost long-haul, mean that hub airports will become an increasingly outdated concept. This argument is not, however, borne out in practice. The majority of 787s and Airbus A350s are being bought not by challengers to the established airlines, but by classic hub carriers and hence are being used to strengthen the major hubs' networks further. Furthermore, while new low-cost long-haul services are providing valuable price competition to established carriers, they tend to duplicate routes rather than

expand the overall network. If the business model for low-cost long-haul proves viable over the long term, it may be a useful addition to the UK's overall connectivity, but it is not a replacement for new hub capacity.

The second argument is that expanding Heathrow would be detrimental to the UK's regional airports. We do not believe this to be the case. The UK benefits from strong regional connectivity, with many successful airports outside London. In many cases, these airports have actively supported new capacity at Heathrow, as better links into that airport and its routes to new markets across the globe would be valued by their passengers, alongside any direct long-haul connections they provide themselves.

The third is that it would be better to build a brand-new airport to the east of London. Any such new airport would come at enormous cost and bring enormous risk, threatening the economy that has grown up around Heathrow and in the Thames Valley. Heathrow is one of the UK's most important economic assets, and there would be no guarantee that its success could be replicated in a new location, with none of the supporting infrastructure in place. Developing a freight and logistics cluster comparable to that which already exists around Heathrow, for example, would take many years.

Fourth, it may be argued that expansion at Heathrow is incompatible with the UK's commitments to reduce carbon emissions. Our analysis of the case and options for expansion took full account of the Climate Change Committee's assessment of the level of growth in aviation which could be accommodated within the UK's statutory carbon targets, but still identified strong pressure for new capacity at Heathrow, reflecting its position as the UK's only hub airport. As our report noted, the more that the carbon budget for aviation shrinks, the more important it becomes for that budget to be used as efficiently as

possible, making it all the more vital for capacity to be available where it is most needed.

Finally, an argument has often been made that a third runway would be the thin end of the wedge and that as soon as the initial case for expansion was accepted, additional runways would become inevitable. This is simply not the case. In congested airspace such as that above London, there is a limit to the number of flights that can be managed at any single location. A third runway would take Heathrow close to this limit, drastically reducing the capacity and, hence, economic benefits from any fourth runway.

### In conclusion

Our firm view is that the proposal for expansion at Heathrow meets that test. It is the most effective option to promote and increase the UK's connectivity to the international markets, particularly in new and emerging economies, on which our prosperity increasingly depends. It would send a powerful message that the UK is determined to remain open and outward facing, regardless of the wider changes in the world around it. It can be done in a way that not only protects the interests of local communities, but also delivers benefits for them by removing night flights, imposing a strict noise envelope and providing significantly increased funding for mitigation measures.



Other than Dubai, Heathrow serves more international passengers than any other airport in the world

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