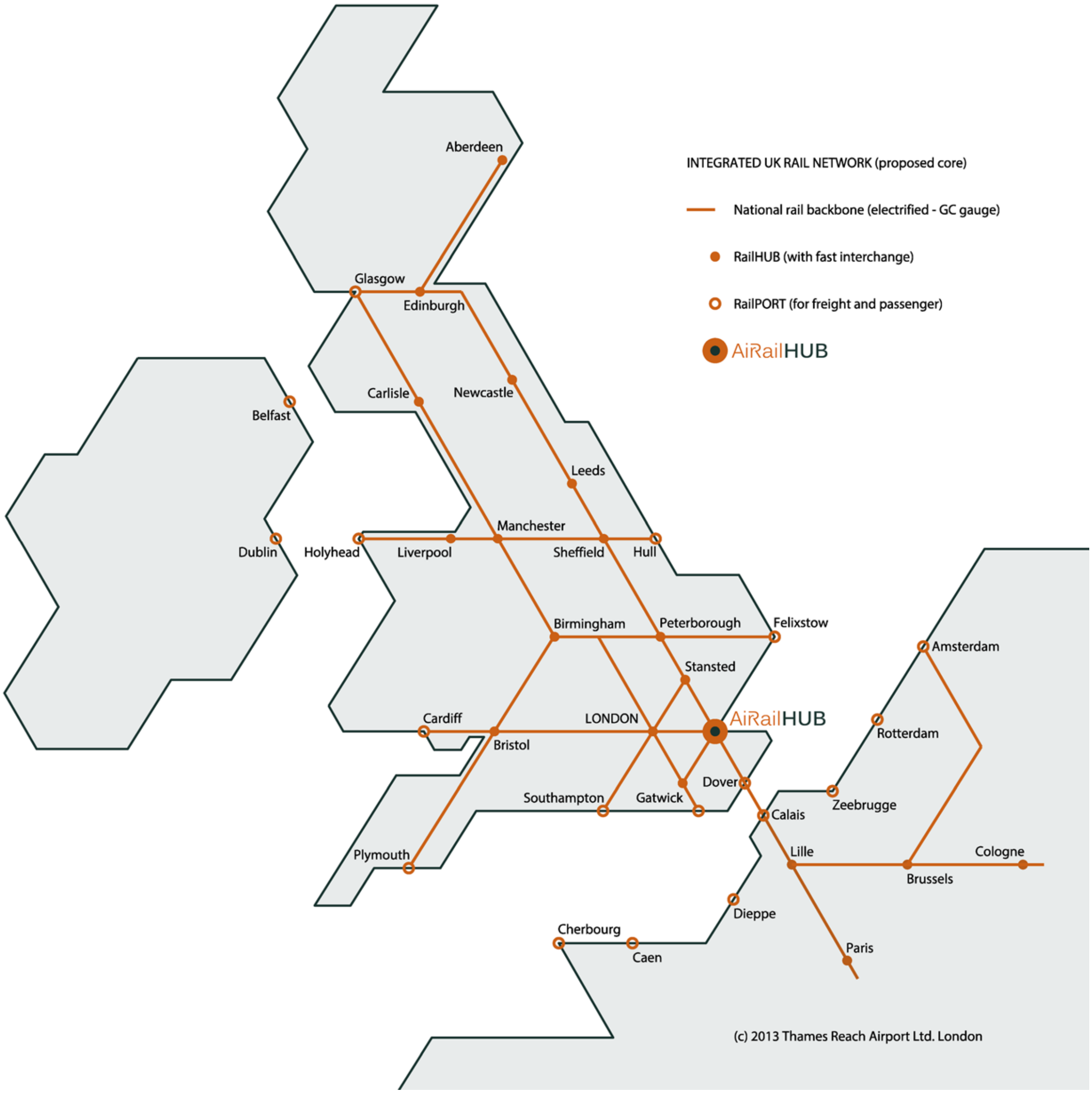
Thames Reach Airport – STATEMENT in response to Discussion Paper 04: Airport Operational Models



1. Do you consider that the analysis supports the case for increasing either hub capacity or non-hub capacity in the UK? Is there any additional evidence that you consider should be taken into account?
    a. AIR-RAIL hubbing. To maintain connectivity and reduce overall aviation demand by shifting feeder traffic from air to rail, it is vital that a new hub location is closely integrated with a national rail network – see above diagram.
    b. The aviation market will use any capacity provided, irrespective of hub or point to point airport – it is only the regulator or government to determine the degree of hub or focal airport use.
    c. Clarity and longevity of the decision taken by central government is very important. The private sector or market cannot decide extend or location of a national "champion" or focal airport.

2. To what extent do the three potential futures outlined in Chapter 2 present a credible picture of the ways in which the aviation sector may develop? Are there other futures that should be considered?
    a. An efficient aviation system will always consist of hub and point-to-point traffic and airports are operating at varying degrees as focal or non-focal airports – where Heathrow is currently uncharacteristically less of a focal airport, compared to its competitors, due to capacity constraints.
    b. European hub airports will always be acting as entry points into Europe for their respective "hinterland": London for North America, Madrid for South America, Frankfurt for the East, Paris for the South).

3. How are the trends discussed in Chapter 2 (e.g. liberalisation, growth of low-cost carriers, consolidation of alliances, and technological changes) likely to shape the future of the aviation sector? Do they strengthen or weaken the case for developing hub versus non-hub capacity?
    a. There is an opportunity by the government to integrate rail stronger and therefore reduce feeder flights up to 1000km distance, reducing flights possibly up to 10-20%.

4. What are the impacts on airlines and passengers of the fact that the wave system at Heathrow operates under capacity constraints?
    a. Longer transfer times – Heathrow currently does not operate as an expressed hub.
    b. Waves require high peak runway capacity for clustered arrival patterns of aircraft – i.e. 3 wide-space runways, a short taxiing and an efficient satellite layout – currently not provided at Heathrow

5. How does increasing size and scale affect the operation of a focal airport? Is there a limit to the viable scale of an airport of this kind?
    a. 3 wide-spaced runways, 24h operation and a closely integrated intercity rail network should be sufficient and efficient for the next 50-100 years for the South East – with optional expansions to 4 or more runways if required.

6. Would expanding UK hub capacity (wherever located) bring materially different advantages and disadvantages of expanding non-hub capacity? You may wish to consider economic, social and environmental impacts of different airport operational models.
    a. Larger focal airport capacity will attract more airlines, away from non-focal airports nearby, i.e. Stansted and Gatwick, in case of Heathrow.
    b. An AirRailHub with wider national rail integration will rationalise the network and share out the benefits to the regions via direct rail access. Regional non-focal airports will continue to cater for leisure and feeder flights to alternative focal airport locations.

7. Do focal airports and non-focal airports bring different kinds of connectivity and, if so, which users benefit the most in each case?
    a. Generally focal airports cater for more long-haul destinations, whereas non-focal airports offer fast and local access to short-haul destinations.

8. What would be the competitive effects (both international and domestic) of a major expansion of hub capacity, and what are the associated benefits and risks?
    a. London is in a unique situation with a large origin and destination market - due to its island position and extensive overseas links, and can therefore leverage a stronger focal airport – by mutually reinforcing demand.

b. A stronger focal airport will generally lead to better connectivity with the World and through an integrated national rail system also domestically.

9. To what extent do transfer passengers benefit UK airports and the UK economy?
    a. Driving frequency and number of direct destinations. This will in-turn improve the UK as a place to do business.
10. Is there any evidence that the UK (or individual countries and regions within the UK) are disadvantaged by using overseas focal airports?
    a. The loss of not providing a focal airport will be felt to equal measure throughout the UK, particularly the opportunity to develop a truly integrated national rail network as a wider benefit will be missed.

11. What specific characteristics of the UK and its cities and regions should be considered? For example, does the size of the London origin and destination market and the density of route networks support or undermine the case for a dominant hub?
    a. Currently the regions are badly connected to London and to themselves. AirRailHub and the associated national rail infrastructure will be the best way forward to improve connectivity – internally and to the World.

12. Could the UK support more than one focal airport? For example, could an airline or alliance establish a secondary hub outside London and the south east, for instance in Manchester or Birmingham?
    a. Probably not, since inter airline alliance traffic is still important for an efficient aviation system.
    b. Secondary hubs will still evolve to a degree, driven by a local origin and destination demand.

13. To what extent is it possible to operate a successful ‘constrained’ focal airport by focusing on routes where feeder traffic is critical and redirecting routes which are viable as point-to-point connections to other UK airports?
    a. It is possible, but a “constrained” focal airport would simply become a non-focal airport – missing the opportunity and efficiency of offering interlining transport links.

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