

From: [REDACTED]
To: [Manston Airport](#)
Cc: [Richard Price](#)
Subject: Manston - Urgent submission
Date: 31 May 2019 11:31:25
Attachments: [100% Outbound Evidence.pdf](#)

Dear Case Team,

In view of the late stage in the examination process, we would appreciate if the ExA would accept this interim submission, which comments on the Applicant's answer to written question ND.3.9.

We will be commenting on the Applicant's answers more fully in due course, however we consider that this submission will assist the ExA in testing the application at the hearings next week.

The ExA's Written Question ND.3.9

"Stone Hill Park state in their DL6 response [Answers to ExA's Second Written Questions, ND.2.12, reference not yet allocated] that there is a material error in the Azimuth report which contains tonnage on integrator flights as 100% outbound with return of 20%, contrary to that stated in the Issue Specific Hearing on Need and Operation (21/03/19) that the new integrators would fly in freight to stock fulfilment centres (and confirmed indirectly in answer to question ND.2.13).

Comment on this view, providing further information specifically in relation to the effect on the forecasts and any effect on the assessment of effects in the ES."

The Applicant's Response

"York Aviation is incorrect. The Azimuth forecast shows the primary leg as inbound. The 20% figure is applied to outbound tonnage. The Azimuth forecast has been used in the ES and as such there is no effect on the assessment of effects."

SHP Comments on the Applicant's Response

"SHP is concerned that when presented with incontrovertible evidence, the Applicant continues to refute what its own documents say.

*Whilst we have full trust that the ExA is aware of what the documents state, for absolute clarity on this point, we have noted below 3 examples of where the Applicant's own documents clearly state that the main integrator movements are **100% OUTBOUND** with return starting at 20%;*

- *the third bullet point of paragraph 3.2.3 of Volume III of the Azimuth Report [APP-085];*
- *paragraph 3 of Appendix to the Applicant's Written Summary of Oral Submissions put to the Need and Operations Hearing [REP5-024];*
- *paragraph 3.3.270 of Volume 1 of the ES [APP-033].*

For ease of reference, extracts from each of these documents are appended, with the relevant commentary highlighted in green.

In its answer (and other recent submissions), the Applicant has claimed that the integrator movements are 100% inbound, consistent with the e-commerce model. This completely contradicts what is set out in the Azimuth Report, the ES and its other submissions.

Notwithstanding the lack of credibility of the Applicant's forecast in general, if the Applicant is truly claiming what it has stated in its answer, then the split of imports and exports contained within the application documents is materially wrong (i.e. the split would be heavily weighted

towards imports rather than the roughly equal split shown in the application documents) and the ES will have assessed the wrong effects.

For example, we would refer the ExA to Section 6.4 of Volume 15 – Transport Assessment (Part 2) [APP-061], which sets out the forecast HGV movements. These are based on the import and export tonnages taken from the Azimuth report (see Table 6.3). Any change to the split of exports and imports would have a material impact on the Applicant’s “efficient working” assumption contained in paragraph 6.4.8. There will also be numerous other consequential impacts from a material change in the import/export forecasts.

For completeness, SHP would note that it has raised the issue of the material error in the following submissions, yet the Applicant has not commented other than in its flawed response to question ND.3.9;

- *SHP’s Written Summary of Oral Submissions put at the Need & Operations Hearing [REP6-055]: in Appendix 2.1 it was explained that this was an issue that SHP would have wished to explore through cross-examination and it was further explained in paragraphs 35-38 of Appendix NOPS 5.2;*
- *SHP’s Answers to ExA’s Second Written Questions [REP6-053] – please refer to answer to ND.2.12;*
- *SHP’s Comments on the Applicant’s Written Summary of Oral Submission put at the Need and Operations Hearing [REP6-055] – please refer to paragraphs 3.4 -3.4.2;*
- *SHP’s Comments on the Applicant’s Answers to ExA’s Second Written Questions [REP7-014] – please refer to comments on ND.2.6 and ND.2.13.”*

Best regards

Jamie

Jamie Macnamara
Stone Hill Park Limited

are not essential to the operation of the route since the cost has been covered by the main journey. All forecasts have been peer reviewed by RiverOak's consultants including Viscount Aviation.

Table 3 *Export tonnage by year and ICAO design code*

	Code C	Code D	Code E	Total outbound freight
Y1	0	0	0	0
Y2	2,474	23,312	30,901	56,687
Y3	3,961	24,453	32,804	61,218
Y4	4,340	50,268	36,157	90,765
Y5	4,543	50,268	37,475	92,286
Y6	5,056	46,339	44,209	95,604
Y7	6,206	29,903	64,442	100,551
Y8	6,544	31,044	66,106	103,694
Y9	6,882	31,044	66,734	104,660
Y10	7,936	32,185	69,621	109,742
Y11	8,254	33,472	73,059	114,785
Y12	8,584	34,811	77,078	120,473
Y13	8,927	35,472	81,600	125,999
Y14	9,284	36,891	84,864	131,039
Y15	9,656	38,367	89,492	137,515
Y16	10,042	39,902	93,071	143,015
Y17	10,444	41,498	98,128	150,070
Y18	10,861	43,157	102,055	156,073
Y19	11,296	44,884	106,136	162,316
Y20	11,748	46,679	110,382	168,809

3.2.3 In terms of imports/exports and backloads (i.e. on the return leg, which can be empty), the following conservative assumptions and calculations have been used:



- Dedicated freight airlines (US) – 80% import/20% export
- Dedicated freight airlines (Africa) – 100% import with a 5% backload from Year 3, rising to 10% in Years 5 and 6, with an additional 5% increase added every two years. The African market showed 24.8% growth in FTKs in 2017 (IATA, 2017).

Integrator movements – 100% outbound with a backload (import) calculation of 20% included in Years 2 and 3, rising by an additional 5% every two years


- Integrator feeders – 100% inbound (import) traffic with 10% backload possibility added to Year 5, 15% to Year 9, and 20% thereafter
- Fresh fish and spider crabs – 100% export with a backload potential of 5% from Year 3 with an additional 5% added every two years thereafter
- Middle East airlines – both import and export with backload possibilities. The Middle East market showed 8.1% FTK growth in 2017 (IATA, 2017).
- Live animal operations – both in and outbound to show return journeys for most animals
- Pakistani airlines – export from Manston with backloads starting at 10% rising slowly to 30%
- Postal Services – export with a possibility of small backloads starting at 5% and rising gradually to 20%

APPENDIX 1: TO APPLICANT'S WRITTEN SUMMARY OF ORAL SUBMISSIONS TO NEED & OPERATIONS HEARING [REPS-024]

Azimuth Forecast Average Loads

1. The Azimuth Report details the calculation used to forecast inbound and outbound tonnage. Volume III at paragraph 3.2.2 explains how tonnage was calculated from the forecast number of aircraft movements. Tonnage figures were calculated from the maximum payload for each aircraft type multiplied by 65% for the main route (either import or export).
2. The assumptions used for the secondary (return) route are detailed in paragraph 3.2.3 of this report. For dedicated freight airlines to and from the US, an assumption of 80% import/20% export was used. For dedicated freight airlines to and from Africa, 100% import and a 5% return load was assumed from Year 3, rising to 10% in Years 5 and 6, with an additional 5% increase added every two years. The African market showed 24.8% growth in FTKs in 2017 (IATA, 2017).
3. E-commerce integrator aircraft types were assumed to be Code D initially swapping to Code E as volumes build. Feeder aircraft are modelled as Code C.  

For e-commerce integrator movements, tonnage was calculated as 100% outbound (being 65% of maximum payload) with a return (import) calculation of 20% included in Years 2 and 3, rising by an additional 5% every two years. Integrator feeders were assumed to carry 100% inbound traffic with 10% return loads added to Year 5, 15% to Year 9, and 20% thereafter.


4. Average loads, calculated simply by dividing tonnes by ATMs, half the total for inbound and half for outbound, shows around 10 tonnes inbound and 13 tonnes outbound. This figure takes account of the lower capacity of the feeder aircraft. Feeder flights are non-based aircraft and are forecast to carry a small secondary leg (return flight) tonnage.
5. Types of aircraft for charter airlines are modelled as Cat E and Cat C. The average load computes at around 25 tonnes inbound and 33 tonnes outbound in Year 1. Due to the increase in smaller aircraft in the forecast by Year 10, the average load reduces to 19 tonnes.
6. Scheduled and combination carriers are modelled as Cat C and Cat E. Average loads work out at 24 tonnes inbound and 36 tonnes outbound in Year 1. By Year 10, average loads are 32 tonnes inbound and 34 tonnes outbound. This average is across both Cat C and Cat E aircraft.
7. Other types of service were calculated dependent on market information obtained. Some movements, such as military and humanitarian and medevac were expected to carry outbound only.



number of movements in any given year and therefore is not included in the indicative flight schedule used for modelling purposes.

Air Freight Forecast

3.3.266 The primary focus for the Proposed Development will be air freight operations, which are planned to resume in Year 2, Q4 2020.

3.3.267 The principal types of markets and goods that the airport is likely to service are:

- ▶ Global import and export for parcels and packages;
- ▶ African market, particularly for the import of flowers, fruit and vegetables;
- ▶ Chinese market, for the import of consumer goods and export of luxury items (included under niche freight operations, however, given the lack of firm evidence the forecast is extremely conservative);
- ▶ Middle East market, particularly for export markets including fish and shellfish;
- ▶ Pakistani market, including the import of clothing and the export of consumer goods;
- ▶ Russian market, for gas and oil equipment and the export of luxury items;
- ▶ South American market, for the import of perishable fresh produce; and
- ▶ US market, for a range of import and exports.

3.3.268 The primary focus of the Proposed Development will be to operate as a freight-focused airport to meet the specific need for additional capacity for air freight in the south east of England.

3.3.269 It has been forecast that a reopened airport could capture in the region of 300,000 – 350,000 tonnes of airfreight by 2040 and provide part of the solution to the problem of a shortfall in aviation capacity in the UK⁵. This would be from a combination of business returning to the airport, the capture of market share from other airports (either because of better facilities at Manston Airport, shorter haulage distances from airports outside the UK or pressure for slots at these other airports) and from general market growth.

3.3.270 The air freight forecast has been produced using the following assumptions/calculations (see **Appendix 3.1** for the Glossary):

- ▶ Dedicated freight airlines (US) – 80% import / 20% export;
- ▶ Dedicated freight airlines (Africa) – 100% import with a 5% backload from Year 3, rising to 10% in Years 5 and 6, with an additional 5% increase added every two years up to Year 20;
- * ▶ Airfreight integrator movements – 100% outbound with a backload (import) calculation of 20% included in Years 2 and 3, rising by an additional 5% every two years; *
- ▶ Airfreight integrator feeders – 100% inbound (import) traffic with 10% backload possibility added to Year 5, 15% to Year 9, and 20% thereafter;
- ▶ Fresh fish and spider crabs – 100% export with a backload potential of 5% from Year 3 with an additional 5% added every two years thereafter;
- ▶ Middle East airlines – both import and export with backload possibilities;
- ▶ Pakistani airlines – export from Manston with backloads starting at 10% rising slowly to 30%;
- ▶ Postal Services – export with a possibility of small backloads starting at 5% and rising gradually to 20%;
- ▶ Russian airlines – all export from Manston with strong backload possibilities starting at 50%, rising to 70%;