MANSTON DCO SUBMISSION, DEADLINE 9

TO: Examining Authority Manston Airport
FROM: Commuters Against The Cargo Hub.

I submit on behalf of Commuters Against The Cargo Hub.

The Planning Inspectorate website states: "The fundamental values of the Planning Inspectorate are its commitment to openness and transparency. "

This particular DCO process has been anything but transparent. With the greatest respect, this is a criticism of the Applicant, not the Examining Authority.

In January at the DCO hearing in Margate, MP Sir Roger Gale claimed that there is "overcapacity in UK cargo industry." It's a key issue which has driven this DCO.

We are still awaiting Sir Roger's written submission to back that up.

At the March DCO hearings RSP director Tony Freudmann went on public record to say that his role in Wiggins/Planestation - a company which oversaw the failure of up to ten previous airport developments - had been that of "a foot soldier".

However, Mr Freudmann has presented himself to the public, the ExA, and the people of Thanet as an aviation expert, a past master. It is a front he continues to propagate online. On Mr Freudmann's Linked In Page he describes himself as Planestation's Senior Vice President with responsibility for *"delivering the Group's global airport acquisition strategy."* [attachment 1]

So not a foot soldier, but a role of great accountability. Mr Freudmann's claim is not lacking in transparency, it is lacking in truth. He is not hiding the facts, but making them up.

This online interview is particularly telling (http://inspirery.com/tony-freudmann/). Mr Freudmann says: *"My most satisfying moment was in 2000 when we bought this airport to us and converted it. That was a big success that I was very proud of and still am to this day."* [attachment 2 + 2a]

A big success? The airport was Manston which was acquired from the RAF. It closed with Planestation going into administration with debts of up to £73million [attachment 3 +3a]

Mr Freudmann is not alone with his approximation of the truth.

At the RSP public consultations two years ago, the people of Thanet were told, by a senior member of the consultation team, that there would be no noise problems because the aircraft would have their engines switched off and would be gliding in over Ramsgate to land in Manston.

We weren't able to verify this as there were no noise reports available at that consultation. Only now, just weeks before the end of the DCO consultation process are we allowed access to noise contours. It's far too late and puts a huge pressure on both the Examining Authority, the DCO process and the public on whom this will all eventually impact.

At that same RSP consultation the public were told, on a big graphic display board, that the airport would generate 30,000 jobs in East Kent [attachment 4]. It is a figure still bandied about by people hopeful of an improvement in the local jobs market. When someone at the RSP consultation pointed out that this was in fact a global, rather than a local employment projection, one senior RSP director declined to correct this.

When asked why not, the director's response was: *"I'm not going to jump through hoops for you."* When a fellow RSP director was asked the same question, his response was: *"Because you're all* [redacted].

The Applicant doesn't seem to be interested in consulting meaningfully with anyone, least of all the people of Thanet. Many residents still have no idea that this DCO is going on in their own back yard because RSP have deliberately chosen not to engage with them. Not transparent, more invisible.

Reading RSP's answers to an ever-growing list of questions on the DCO, it would appear that the RSP aren't particularly interested in consulting meaningfully with the Examining Authority either. This is indicative of the cavalier attitude RSP has towards the local people, the UK planning laws, the Examining Authority, this DCO and ultimately the truth.

I refer to you this, from the Examining Authorities list of recent questions.

"Reasonable alternatives to Compulsory Acquisition: Negotiations with SHP. The Applicant's response to CA.2.25 [REP6-012] stated that "The Applicant is hopeful that these negotiations [between the Applicant and SHP] can be concluded satisfactorily shortly".

I attach a video [attachment 5] of RSP Director Tony Freudmann taking questions at a recent meeting of Save Manston Airport Association members. In the video Mr Freudmann is asked about the 11th hour negotiations with SHP.

Mr Freudmann's answer is this: "The rules say that if we ask the planning inspectorate to exercise compulsory powers on our behalf, we have to be seen to have done our very best to negotiate a deal with the present owner."

His choice of words is telling. "To be seen" is about appearance rather than demonstration. And appearances, like RSP, can be deceptive.

This isn't a dressing up box. This is a DCO. These negotiations with SHP appear to have taken place in the last few months. If this is RSP's "very best", then it comes up shamefully short of what the DCO process requires them to do.

In 2017 the following promise appeared on RSP's website:

"Comprehensive details of our funding partners and investment arrangements will of course be provided to PINS as part of the DCO application, providing solid evidence of

our ability to meet all of the financial obligations associated with the acquisition, reopening and operation of the airport." [attachment 6]

RSP's position is now: we can't give solid evidence of funding until you give us the DCO. It's the same position RSP were in when they were turned down for the two previous CPO attempts at local council level. In other words, nothing has changed. As Mr Freudmann admits in another recent video [attachment 7], RSP is "effectively a start up."

RSP have recently presented a letter from Aldgate Developments who appear to be offering to procure investment for the project as part of an RSP consortium

In the interests of transparency, I would respectfully request that RSP are asked to supply the Examining Authority with copies of their Investor Prospectus that would have formed part of the initial negotiations with Aldgate, its partners and any future procurement of investment. Without this, the letter becomes just another exercise in RSP digging into its dressing up box.

A legitimate question which arises from the hearings and submissions is this: are RSP capable of delivering anything approaching the truth? If not, then I respectfully suggest that you cannot recommend a DCO built on lies, prevarication and misinformation. The people of Thanet deserve better.

It is a matter of record that RSP were offered a 125 lease on the Manston site that would have avoided this whole examination process and the time and costs associated with it, including RSP's own outlay and that of local residents trying to get to the truth.

According to a submission by SHP, the reason RSP turned the lease down was because RSP considered the DCO a "slam dunk" - a foregone conclusion. I respectfully trust and hope that this is not the case and that the fundamental values of the Planning Inspectorate will prevail and that this DCO Examination will be a full, thorough and transparent one.

TR Fennell
On behalf of Commuters Against The Cargo Hub

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Tony Freudmann
Owner, FT International Ltd

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I manage the global regional airports and airlines acquisition strategy of a privately owned investment group.

Owner
FT International Ltd
Apr 2005 – Mar 2013 · 8 yrs
I delivered high level consultancy services in relation to aviation and tourism development to the public and private sectors in the UK, Germany and the US.

Senior Vice President
PlaneStation plc
Jun 1994 – Feb 2005 · 10 yrs 9 mos
I was responsible for delivering the Group's global airport acquisition strategy.

Tony Freudmann - Director, River Oak Strategic Partners Limited

Tony Freudmann is the Director of River Oak Strategic Partners Limited, in London. This group grew out of a US company, River Oak Investment Corp. In 2014, he was asked to head up the project of re-opening Manston Airport in England. Manston history dates back to WWII when it was a military base. It became civilian in 2000.

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I've had ventures that have not worked, we all have. With this one, it's a combination of my knowledge and experience in the field of aviation, travel, and tourism over the years. My legal training helps me when dealing with regulations and planning laws and those kinds of things. I was a county leader, your terms a county executive, for several years. That gave me an understanding of how the public sector works. I feel like I've got the complete set of skills to deal with the development of a major international airport.

What has been your most satisfying moment in business thus far?

My most satisfying moment was in 2000 when we bought this airport to us and converted it. That was a big success that I was very proud of and still am to this day.

What does the future hold for you and your business, and what are you most excited about?

I'm excited about seeing this coming to pass, after all these years. To create a successful business that makes a real difference for the people who live there. To be able to employ them, create a trade for the economy, and to attract tourism. Just to see this project actually come to fruition. Going on from here, to be able to do the same thing at other underused airports in other parts of Europe and the US.

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COMMENT

Planestation: turnaround from hell

Analysis 1 SEP 2004

Losses of £73 million, an ousted management team and huge overheads are just three of the factors that have plagued airports and property group Planestation – yet one entrepreneur is aiming to make the business profitable.

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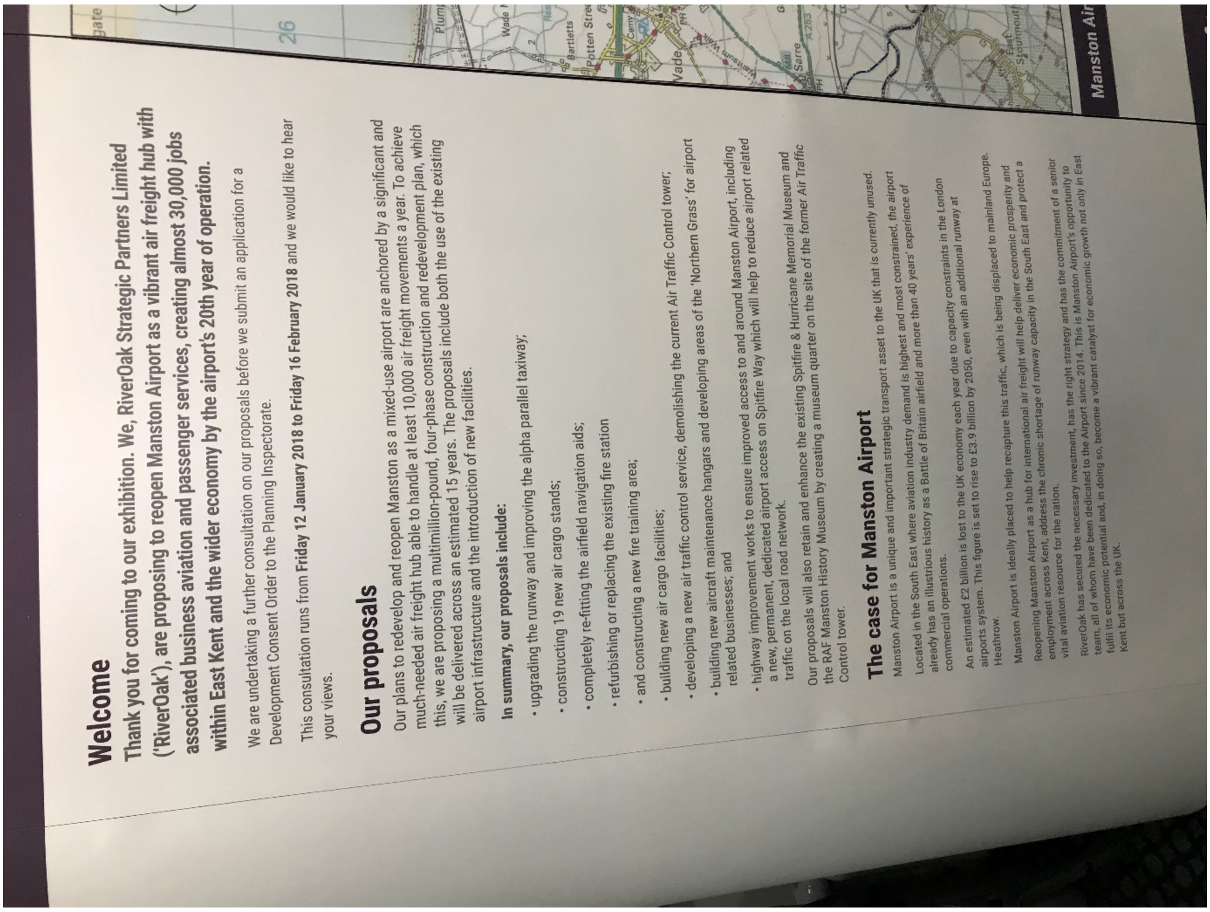

Welcome

Thank you for coming to our exhibition. We, RiverOak Strategic Partners Limited ('RiverOak'), are proposing to reopen Manston Airport as a vibrant air freight hub with associated business aviation and passenger services, creating almost 30,000 jobs within East Kent and the wider economy by the airport's 20th year of operation.

We are undertaking a further consultation on our proposals before we submit an application for a Development Consent Order to the Planning Inspectorate.

This consultation runs from **Friday 12 January 2018 to Friday 16 February 2018** and we would like to hear your views.

Our proposals

Our plans to redevelop and reopen Manston as a mixed-use airport are anchored by a significant and much-needed air freight hub able to handle at least 10,000 air freight movements a year. To achieve this, we are proposing a multimillion-pound, four-phase construction and redevelopment plan, which will be delivered across an estimated 15 years. The proposals include both the use of the existing airport infrastructure and the introduction of new facilities.

In summary, our proposals include:

- upgrading the runway and improving the alpha parallel taxiway;
- constructing 19 new air cargo stands;
- completely re-fitting the airfield navigation aids;
- refurbishing or replacing the existing fire station
- and constructing a new fire training area;
- building new air cargo facilities;
- developing a new air traffic control service, demolishing the current Air Traffic Control tower;
- building new aircraft maintenance hangars and developing areas of the 'Northern Grass' for airport related businesses; and
- highway improvement works to ensure improved access to and around Manston Airport, including a new, permanent, dedicated airport access on Spitfire Way which will help to reduce airport related traffic on the local road network.

Our proposals will also retain and enhance the existing Spitfire & Hurricane Memorial Museum and the RAF Manston History Museum by creating a museum quarter on the site of the former Air Traffic Control tower.

The case for Manston Airport

Manston Airport is a unique and important strategic transport asset to the UK that is currently unused.

Located in the South East where aviation industry demand is highest and most constrained, the airport already has an illustrious history as a Battle of Britain airfield and more than 40 years' experience of commercial operations.

An estimated £2 billion is lost to the UK economy each year due to capacity constraints in the London airports system. This figure is set to rise to £3.9 billion by 2050, even with an additional runway at Heathrow.

Manston Airport is ideally placed to help recapture this traffic, which is being displaced to mainland Europe.

Reopening Manston Airport as a hub for international air freight will help deliver economic prosperity and employment across Kent, address the chronic shortage of runway capacity in the South East and protect a vital aviation resource for the nation.

RiverOak has secured the necessary investment, has the right strategy and has the commitment of a senior team, all of whom have been dedicated to the Airport since 2014. This is Manston Airport's opportunity to fulfil its economic potential and, in doing so, become a vibrant catalyst for economic growth not only in East Kent but across the UK.

The formation and funding of RiverOak Strategic Partners

Published on March 30th, 2017

We know that there is considerable interest in the formation and funding of RiverOak Strategic Partners, particularly the identity of our investors and we understand that this is born of a desire by many local people to feel confident that the DCO can proceed successfully and Manston can reopen as swiftly as possible.

We share your determination! The creation of RiverOak Strategic Partners meets our long held commitment to have a UK operating company. Our investors are represented on the RiverOak board by Nick Rothwell, Rico Sykes and Gerard Heusler. M.I.O Investments Limited has been established by our investors as a specific funding vehicle for their financial interests in the Manston project, which is standard practice. MIO Investments Limited is a company registered in the Commonwealth territory of Belize.

We have provided all required details of our company ownership structure to Companies House and also informed the Planning Inspectorate of the creation of RiverOak. Additional, comprehensive details of our funding partners and investment arrangements will of course be provided to PINS as part of the DCO application, providing solid evidence of our ability to meet all of the financial obligations associated with the acquisition, reopening and operation of the airport.

RiverOak Strategic Partners Limited
Registered Office
16 Charles II Street
London SW1Y 4NW
Registered in England and Wales.
Company Number: 10269461

Praseeda Nair

‘I don’t think I’ve got an easy job, that’s for sure,’ is how Martin May, one of the UK’s foremost turnaround practitioners, describes the task before him at troubled airports and property group Planestation.

To anyone who has a passing knowledge of this group, his comments will smack of extreme understatement, because, up till now, Planestation has been one of the most woeful ventures ever to grace the London Stock Exchange.

Over the past ten years the group, previously known as Wiggins, has raised more money – north of around £115 million – than its actual market valuation. With this cash it built up an international chain of seven (hitherto largely dormant) airports and an assortment of property interests and assets in the UK. Apart from property disposals, it has generated little in the way of revenues, milked its investor base for all they were worth and produced gargantuan annual losses – in the past 48 months alone it has lost more than £73 million.

The group was only saved from complete collapse at the turn of the year when no less than £46 million was raised from City institutions to repay an almost equal amount of mezzanine finance that was accruing interest at 28 per cent (yes, we’re not lying, twenty-eight per cent!). After this fundraising, chief executive Oliver Iny walked the plank. He was shortly followed by the chairman, Richard Bernays and non-executive director Lady Rona Delves Broughton.

Knowledge is strength

Even for May, who has engineered a few spectacular turnarounds over the past ten years, transforming Planestation into a proper business represents something of a special task. But he exudes charm and calm in equal measure and says he is ‘excited’, not perturbed, by the challenge ahead.

‘I know my strengths and weaknesses, as all chief executives should. I am not good at business development, I am not a specialist in any particular sector. What I am good at is fixing things.’

Fixing things is indeed his forte. Since leaving a global packaging specialist in the late 90s May has worked wonders at a very diverse selection of companies. Among his most successful commercial reinventions has been Gresham Computing, where he transformed the loss-making, indebted venture into a profitable re-financed concern within six months.

His most recent project has been Cape, where he is still chairman. He joined in June 2002 after it had leaked so much cash its shares had bombed and debts were topping £50 million. Now, it is trading profitably, its debts are negligible and, in response, the shares have soared tenfold.

A meticulous 12-month plan

Says May, 'in distressed business you meet many similar problems. There are always immediate cash concerns, the incumbent management are very often "blockers" of change, margins are weak and staff morale is non-existent.

'When I come on board I engender a 12-month time- and task-orientated plan to get the ship afloat. It's about real business goals, revenue generation and management inspiration.'

For May, the first quarter in his standard recovery plan is all about 'stopping unnecessary spending immediately'. He also identifies non-core assets that can be off-loaded for much needed cash.

The next three months is then about establishing 'short-term corporate and financial goals' to ensure that by the third quarter 'management changes are in place and a temporary platform built to start developing a viable future strategy'. The last three months of his first year is then devoted to 'really making a step change to take the business forward'.

Hard medicine

The first six months at Planestation have, by and large, followed this philosophy to the letter. 'When I first arrived here I realised that the commercial "vision" of the previous management was merely vapour. Like many failing concerns, it was truly a lifestyle business. It was full of hobbies.'

To reinforce the point he highlights the fact that annual head office costs were no less than £7.8 million. This figure included the £600,000 it cost to lease Planestation's wonderfully indulgent Georgian offices on London's grandiose Berkeley Square. Head office costs have been slashed and the group has relocated to a small space at the back of the building. The rest is being sub-let.

Another 'pet project' he put to the sword was the previous management's harebrained attempt to build a 1.4-mile-long grandstand (designed by leading signature architect Lord Foster) at its property site in East London. This was part of its overall plan to build a 'London City Racecourse'. Says May, 'A total of £2.8 million was spent on this design, which, unsurprisingly, failed to get planning permission.'

Beyond cost-cutting

On the finance front, a £5 million cash injection was completed recently, with most of the new investors being tempted in by May's new realism and much progress has been made on the actual business.

Of the group's seven airports, three have been designated core and revenues are at last beginning to tumble in.

At Kent International, Planestation's flagship asset, passenger services are finally up and running following the launch of Europe's newest airline, EUJet. Planestation invested £2 million for a 30 per cent stake in this airline. Two planes are operating, and the plan is to have seven on the go by next year. The other major development at this site was the final completion of a Border Inspection Post (one of only eight in the UK). This, it is hoped, will become a serious destination for those shipping fresh produce and other cargo into the UK.

At the group's Lahr airport in Germany's Black Forest, charter flights are landing and taking off and plans are afoot to increase cargo capacity. Over in the US, Planestation's plans to take holiday-makers from the UK and Europe to Florida are developing rapidly.

Property solutions

As for its property division, May is in negotiations to sell the group's residential property interests in Liverpool. Many now reckon that due to his patience, he is likely to reel in more than the £9 million previously mooted by analysts. In Oxfordshire, a future residential development is at the planning stage and in East London, a revised (and more sensible) proposal for a racetrack has been resubmitted. £30 million, say commentators, is what could be raised over the short- to medium-term from three-to-four sites.

Says May, 'When I came here, we were spending money to no particular end. Last year, we spent £11 million maintaining dormant airports. The previous year, £13.5 milion. It wasn't too hard to work out that revenue generation built on a scaleable business model was what was needed.'

Ever the pragmatist, May acknowledges much remains to be done. 'I am a sensible businessman. I'm taking one step at a time. The board here has collective goals and every individual employee here has personal goals. We are still not profitable but the days when this company was an acquirer of assets and a stealer of ideas is over. Our target is to be cash neutral by March next year. I intend to make it.'