

Riveroak Strategic Partners (RSP) Application for a Development Consent Order (DCO) to develop a cargo airport in Manston, Kent

I am hereby registering my objection to the plans of Riveroak Strategic Partners (RSP) to develop a cargo airport in Manston.

In my five submissions to the Planning Inspectorate (PINS) since 1917, I have focused upon the pivotal point that, in order for a Development Consent Order (DCO) to be awarded for Manston to re-open as a cargo hub airport, RiverOak Strategic Partners (RSP) would need to prove that a) there is a vital, national, need for a dedicated freight hub b) Manston is well placed to serve this need c) the project meets basic criteria laid down to become a Nationally Significant Infrastructure and d) RSP can make this happen. In stark contrast to the absence of key details from RSP in response to its requests during the examination process, PINS received an abundance of evidence from myself and others which emphatically revealed that RSP is unable to establish any of the above conditions. On this basis therefore, PINS arrived at the only logical conclusion to reject the award of a DCO. It therefore follows that, since the Secretary of State's decision relies upon the extensive and diligent team enquiry conducted by PINS, and that it should be transparent and accountable to the British public, the Minister's responsibility will be to refuse the award of a DCO.

A DCO is defined as: "a statutory instrument granted by the Secretary of State to authorise the construction and development of a Nationally Significant Infrastructure Project".

PINS will have asked sought answers to the following questions in assessing the adequacy of the RSP project:

a) Is there evidence of a need for increased freight activity in the South-east to justify the DCO?

b) Could this activity be handled elsewhere or is Manston the only, or most appropriate, site to fill this gap?

c) Will the project meet basic criteria laid down to become a Nationally Significant Infrastructure?

d) Does RSP inspire confidence as being able to successfully to take forward such a Project?

Please allow me to sum up evidence in response to these questions to explain exactly how RSP fails to meet the necessary criteria for a DCO to be granted.

Why The RSP project fails to meet the criteria of a DCO

a) No increased need for Air freight

In making the case for developing a freight hub, RSP cited an ongoing increase in air freight, which nevertheless continues to fall short of demand and, pre-Covid, was causing a UK loss of £2bn across the South-East (RSP 2017 Consultation Overview Report.) However, reference to Department for Transport (DfT) reports, The Airports Commission and the Civil Aviation Authority (CAA) websites indicated that total Airfreight had been stagnant since 2003, had in fact been in decline since 2014, and had little prospect of increasing in the foreseeable future. Moreover, 70% of the small amount of freight transported by air (0.5%) had traditionally been held in the belly of passenger planes which, if/when passenger flights return, and perhaps grow as previously estimated, will correspondingly increase as the economic preference by airlines post-Covid. In this case, there will be excess market capacity for air freighter movements in the south-east, due to the still growing bellyhold market at

Heathrow; with or without the third runway. Should passenger numbers fail to increase following Covid, Heathrow, Stansted and East Midlands can, and will be eager to, provide ample capacity for air freight movements to meet existing and increasing needs.

In their report to Thanet District Council (TDC) in 2016, AviaSolutions accounts for the discrepancy between the above reality and RSP's articulated perception of the freight market with reference to flaws within the research process conducted by Dr Sally Dixon's Azimuth Associates and reviewed in the Northpoint Report; both on behalf of their employer RSP. Firstly, Azimuth itself admitted that there are significant differences between the freight and passenger markets, and yet based its conclusions upon evidence regarding forecasts for the greater passenger market only. Applying this inflated figure for freight growth to forecast the future for Manston with reference to forecasts on a global scale, Azimuth also conveniently ignored that this indicator is ineffective for the UK, which stands in unique contrast to world trends. Avia Solutions notes that: "To use global trends as the basis of forward projections for the UK market given the historic divergence between the two markets is at best naïve and without the necessary qualification is disingenuous". Attempting to demonstrate that it was triangulating its research, Azimuth adopted a qualitative methodology based upon a limited sample of 24 interviewees and a selection of freight-related questions designed to support the case for Manston. Moreover, the target audience didn't include anyone with actual experience of the largest sector of the industry i.e. bellyhold freight. Indeed, ignoring the fundamental differences between bellyhold and dedicated freight, and the industry's preference for the latter from an economical perspective, Northpoint claimed to quote a York Aviation estimate of 55,000 additional dedicated freighter movements in the south east by 2050. However, there is in fact no evidence of this claim in the York Aviation report. AviaSolutions' own conclusions were devised from triangulated research involving feedback from industry experts, its own knowledge of the sector, and a detailed quantitative analysis of the freight capacity (both bellyhold and dedicated freight) which individual airports would be able to offer.

In short, there is plenty of reliable evidence easily available to verify that there is already ample, well-placed, capacity to deal with demand for freight currently, and in the foreseeable future.

b) Manston is remotely placed, with poor road links to London

RSP's Northpoint report misquotes the York Aviation report to support its claim of Manston being the "only realistic opportunity" to extend freight. The report instead said that there is currently ample room for freighters at Stansted and that envisaged for Manston (taking air freight currently trucked to/from the UK to/from Europe) was not feasible for UK airports given its island location.

Attempting to make the case for Manston being ideally placed to profit from this invented future scenario of a national inability to meet a fictional increasing freight need, Northpoint offers six international airports as benchmarks for Manston's potential success. However, AviaSolutions points to the inappropriateness of comparing Manston with any of the airports selected. RSP would have us believe that the site enjoys "considerable support among both airlines and freight forwarders" (RSP 2017 Consultation Overview Report page 5), but this wishful thinking is emphatically contradicted by fact. Surrounded on three sides by water, Manston's remote setting has proved the downfall of all previous attempts at its profitable exploitation: not providing enough custom locally to sustain a passenger market and not valued by the freight market when considered against its competitors such as Stansted and East Midlands Airports, which are much more centrally located. During a presentation at the Baptist Church Meeting Herne Bay 16th October 2017, RSP Director Tony Freudmann admitted that Manston's location is poor in terms of its distance from centres of population, and in

2013 Manston had only managed to claim a mere 1.29% of airfreight before closure. If offering such an opportunity, why have all previous efforts to break into the market been so convincingly rejected by the industry? RSP points to the fact that “inappropriate strategies” and lack of investment inhibited success in the past (RSP 2017 Consultation Overview Report page 13). Yet failed strategies in the past have included both the freight and passenger services currently foreseen and, as AviaSolutions reminds us “Many of the commercial risks which precipitated the recent air freight decline and subsequent closure of Manston Airport are still in evidence today”. History dictates that it would be unwise to assume that business would automatically follow ambition, but RSP appears not to have questioned exactly why cargo operators or freight forwarders might be prepared to take the risk on switching to Manston with its inherent disadvantages, when there are better alternatives elsewhere with availability. “.....the provision of capacity is not the determinant of profitability” (AviaSolutions). In brief, there is plenty of verifiable evidence easily available to demonstrate that Manston’s geographic location has led to its failure as a commercial airport for both passengers and freight in the past; and that this disadvantage will continue to undermine any aviation plans for the future, whatever ramifications of Brexit and Covid. There is no avoiding the truth that Manston is surrounded by water on three sides, with poor traffic links to the mainland: other airports in the south-east are quite simply better-placed.

c) Unable to meet other basic DCO criteria

To become a Nationally Significant Infrastructure, RSP has needed to claim that it will eventually have at least 10,000 air freight movements, hauling 130,000 tonnes. But this would therefore imply Manston securing 20% of the dedicated freight market from the established successful East Midlands and Stansted airports, which have significant capacity to take more and, whether passenger numbers remain low or otherwise, will be looking to increase rather than to yield existing freight to Manston. Moreover, as freight planes become larger, not only does this suggest less movements but, and contrary to the myth that only Manston has a runway capable of handling outsize freight (RSP 2017 Consultation Overview Report page 6), Stansted already handles outsize freight; whereas Manston’s runway is not actually long enough for a heavily laden Boeing 747-400 to take off. The likelihood of RSP being able to secure the necessary 10,000 plus movements within either the 5 years (the RSP 2017 Consultation Overview Report page 5) or even 15 years (a much later target year tucked away on page 12 of the RSP 2017 Consultation Overview Report) is therefore unlikely; but this figure is significantly less than the highly-inflated claim that there will be over 350,000 tonnes on 17,000 flights by 2041 (page 11/12 volume III of Dr Dixon’s report). These exaggerated figures seem to have been simply plucked from the air a) to provide an adequate prediction figure to satisfy a DCO application and b) to persuade local residents that the project would bring with it the employment and local prosperity very much desired here, and so encourage positive feedback to the consultation. Another crucial criterion to meet, even at the stage of Application for a DCO, involves funding. Yet PINS articulated concerns about the obscurity of RSP funds and their sources from the outset and, even if more clarity has finally emerged as promised by RSP, this is too late to be included in the Public Consultation process which, as had been recognised by PINS, was significantly inadequate. To sum up, RSP has failed to meet some of the essential basic criteria required for the award of a DCO in both its manipulation of facts in documentation and exclusion of interested parties in the consultation process.

d) As a company, RSP cannot be trusted to successfully take forward the plan

Since Tony Freudmann is the only RSP Director with any real background in Aviation, his knowledge, experience and expertise are pivotal in both the envisioning of this project, and its potential for success. The fact that Mr Freudmann was struck off as a solicitor for misappropriating client's funds on 23 occasions, and was forced to resign in disgrace as Leader of Shropshire Council, is reason enough to stimulate uneasiness regarding his integrity; but it is Mr Freudmann's history in the world of Aviation which is of greatest relevance in terms of estimating the quality of RSP's project and its likelihood of success. As the frontman for RSP, Freudmann's current bid for a DCO is not his first attempt to develop Manston as an airport, nor has Manston been unique in attracting his interest. Indeed, Manston represents just one of the many old military airports which Mr Freudmann has spent over twenty years either trying to procure or acquiring and then failing to develop. Mr Freudmann's repeated disasters within the world of Aviation would be laughable, but for the devastation left behind them:

1993: A Department of Trade and Industry report found Manston unsuitable for development as a major airport because of its proximity to the town of Ramsgate

1994: Mr Freudmann passed on his idea of buying up old military airports to the property development company Wiggins, which then made him responsible for the strategy of acquiring: "former military bases with ample availability of surrounding land which can be developed using the real estate experience of Wiggins."

1999: RAF operations ceased at Manston Airport. Wiggins purchased it and operated some cargo flights.

2000: With Tony Freudmann as Vice President, Wiggins acquired Odense airport in Denmark in a joint venture (JV) with the local authority, which later pulled out as **the rent hadn't been paid by Wiggins**. In the same year, Wiggins acquired a 25 year lease for Smyrna Airport, Tennessee, USA, announcing that it would establish the site as its corporate HQ and acquire a further 14 airports.

2001: Upon vice President Tony Freudmann's advice, Wiggins took a lease from the Czech Ministry of Defence for Pilsen airport and made a deal with BAE Systems to redevelop. In the same year, Wiggins acquired 80% of Lahr airport, Germany. Wiggins also acquired Schwerin Parchim airport in Northern Germany, with a substantial EU grant to develop it; and took a 43% stake in Cuneo-Levaldigi airport Italy. Wiggins also agreed a deal to build and operate an international airport in Ajman, UAE. 2001 was also significant as the year in which **The Financial Reporting Review Panel criticised Wiggins for five years of over-positive reporting of its financial results, as it had in fact been operating at a significant loss.**

1999-2002 Wiggins reported actual losses of £8.6M.

2003: Wiggins surrendered the lease for Smyrna Airport and plans to build and operate an airport in Ajman, UAE were abandoned. Trading in Wiggins shares was suspended to give the company a chance to restabilise.

2004: Wiggins Group posted losses of £73M, had to borrow £46M at an interest rate of 28%, and withdrew from Cuneo-Levaldigi, leaving heavy losses to the Italian Government, which had invested substantially in the venture. Wiggins and vice-President Tony Freudmann remained undeterred in their quest to acquire airports and took a lease to operate the international side of Melbourne Airport, USA: announcing the site as replacing Smyrna airport in its portfolio. Wiggins also procured Borgond Airport, Hungary, in a joint venture with the local authority. Metamorphosing in to Planestation, it purchased a stake in EUJet and launched scheduled flights from Manston to 21 destinations in Europe.

2005: The agreement to develop Schwerin Parchim airport in Northern Germany was terminated due to non-payment of rent and leaving heavy financial loss to the EU. Planestation folded into administration before development on either the Melbourne or Borgond site had taken place , Tony Freudmann was “let go”, Pilsen, Lahr and Manston airports sold. When the Manston service collapsed, it left 5,400 passengers stranded. An expert brought in to rescue Planestation, where Tony Freudmann was now senior vice President, concluded that it would no longer be "an acquirer of assets and a stealer of ideas", with Martin May, a Turnaround Practitioner commenting that “Planestation has been one of the most woeful ventures ever to grace the London Stock Exchange it has generated little in the way of revenues, milked its investor base for all they were worth and produced gargantuan annual losses”. All the airports acquired by Mr Freudmann on behalf of Wiggins failed because of breach of contract, voluntary liquidation, non-payment of rent and/or heavy losses.

2006: Despite the track record of having led both Wiggins and Planestation to their downfall, leaving a trail of financial loss and disappointment for others in their wake, Tony Freudmann somehow managed to persuade the pro-airport Kent County Council (KCC) to invest £289,000 in his plan to run flights between Manston and Virginia. **Not a single plane took off, leaving KCC with heavy losses and a bill from Mr Freudmann for almost £176,000 in consultancy fees.**

2012: Mr Freudmann could not have been unaware that the company Integral Investments Ltd. was already insolvent, when he turned his attention back to Lahr Airport and made a successful bid for acquisition on Integral’s behalf. **Local Press soon announced that salaries of airport workers were not being paid and a High Court hearing placed Integral into administration.**

2013: Tony Freudmann re-surfaced as chief executive officer of a new company and, cavalier about the financial difficulties he had already inflicted upon Lahr, persisted in another acquisition attempt. But Freudmann’s **Annax Aviation Services was considered an unsuitable bidder.** In the same year Tony Freudmann introduced Ann Gloag to purchase opportunities at the failing airport of Manston.

2014: Over nine years of attempting to achieve ambitious plans for passenger and freight flights at Manston, **Infratil had lost between £40 to £50 million**, the highest number of passengers was 50,000 (as opposed to the 1,200,000 originally boasted), and the airport employed only 144 people. With losses of over £3 million a year, the company wrote off its purchase price of £17 million and notoriously sold the Manston site to Ann Gloag for £1, plus the airport’s running costs. **Based upon Mr Freudmann’s recommendation**, Mrs Gloag had intended to maintain and grow the aviation business at Manston. But, with **revenue losses of £100,000 per week, plus significant capital losses, within months the airport was closed, with 144 job losses.** Tony Freudmann responded promptly with enquiries to Thanet District Council regarding planning to build 1,000 houses on part of the site. At the same time he was fronting a bid by Indigo Planning Ltd. to buy the site from Ann Gloag, but the offer was withdrawn for, apparently, “legal reasons”. Tony Freudmann then turned his attention to RiverOak Investment Corporation LLC (ROIC) and made a bid for the airport on its behalf. The ostensible £7m offer for the site was rejected on the basis that Mrs Goag had “**serious concerns from the outset about the way ROIC conducted their business with us.....failed to provide any business plan to back up their claims of future employment or to reassure us that their bid offered commitment to maintain it as an operational airport**”. ROIC then approached the pro-airport Thanet District Council (TDC) to propose that the latter acquire the Manston site under a Compulsory Purchase Order (CPO), with ROIC indemnifying all costs in exchange for being passed ownership. Having commissioned independent Falcon Consultants Ltd. to undertake a viability study, TDC accepted **the findings that the airport was unlikely to succeed and would generate**

“substantial operating losses”; but nevertheless decided to tender for a suitable indemnity partner, should it decide to press ahead with a CPO. **Only ROIC responded but failed to convince TDC that it had either the financial resources or the investors to cover the costs.** TDC therefore accepted that Mrs Gloag sell the majority of shares in the Manston site to experienced regeneration experts Stone Hill Park Ltd., with plans to produce a mixed-use development, whilst retaining aircraft museums and capacity for irregular flights of heritage aircraft.

2015: With UKIP having taken over TDC on the basis of re-opening the airport, Tony Freudmann and ROIC saw another opportunity to acquire Manston and again approached TDC proposing a CPO of the Manston site, which it would subsequently indemnify. **Unable to demonstrate either the existence of current funds, or investors prepared to commit to Manston’s future, it was decided that ROIC would not be an appropriate company in which to entrust the project.**

2016: TDC commissioned AviaSolutions to conduct a viability study of an airport at Manston, which reaffirmed that “airport operations at Manston are very unlikely to be financially viable in the longer term, and almost certainly not possible in the period to 2031”.

2017: RiverOak Strategic Partners (RSP) appeared as a shell company, with Director Tony Freudmann as the Aviation ‘expert’ in his third attempt to acquire Manston. This time his idea was to exploit the power of the DCO from its original purpose of supporting public development, by redirecting its use for the financial benefit of a private company. But, even without any consideration of the demonstrated failure of RSP to meet the necessary criteria to achieve a DCO, with Tony Freudmann fronting the deal, would RSP really be the company of choice to develop Manston at this point? Indeed, considering Mr Freudmann’s convincingly failed history in Aviation, would any reputable company wish to be seen as associating with him? Ignoring the weight of expert advice and the repetitive sorry history of the Manston site, and instead favouring inflated claims with no sense of reality, espoused by experts lacking credibility, Tony Freudmann and his company RSP should receive an unconditional rebuttal of any project with which it seeks to be involved.

CONCLUSION

RSP demonstrably failed to meet the requirements of the Consultation process on two separate occasions, equally fails to meet the criteria required for a Nationally Significant Infrastructure, and therefore the response of the Secretary of State should be a firm rejection of the project. I do not proceed to analyse the contents of RSP documentation in detail in order to exemplify areas of invention, exaggeration, or blatant distortion of proven facts; all of which add valid weight to the argument for rejection and which I, and others, have included in previous submissions to PINS. Instead, I contend that RSP not only failed at the first hurdle of Consultation but is equally unable to establish that it meets the most basic criteria to gain a DCO. However RSP attempts to fashion its documentation, there is no disproving the facts: there is no requirement for more air cargo, Manston is ill-placed to attract clients, RSP’s claims to meet DCO criteria in terms of the amount of ATMs expected and the funding for the project are unsubstantiated and, disregarding all else, RSP does not inspire trust or confidence.

A valuable brown field site, ideal for the mixed development planned by its previous owners, lays idle; whilst around it the equally valuable Grade 1 Agricultural land of Thanet is being earmarked for housing without any infrastructure. I appeal to the secretary of State not to extend local misery here by blighting us, and our many regular tourists, with yet another period of uncertainty and collapse, as a private company once again tries and fails to exploit Manston as an airport to the detriment of Thanet residents, our economy and health. The work of the Secretary of State should be transparent

and accountable to the public whom he serves. Decisions should not be made on a personal whim, or in yielding to pressure from other MPs whose loyalty should be to constituents rather than to friends running a private company for profit. When measuring RSP's bid against the criteria for a DCO, the Secretary of State cannot but conclude to reject the project.

Karen Roper

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In addition, my former submissions have highlighted the cavalier attitude adopted by RSP towards the undoubted effects of a large cargo hub airport upon the health of Thanet residents living within a 6 mile radius, and 26 miles downwind of the proposed airport; a community which moreover suffers the worst health record in Kent according to the county's Director of Public Health, and is therefore particularly vulnerable. RSP plans for a cargo operation over 29 times, and a passenger operation more than 14 times, greater than the annual average of any previous operation out of Manston. This would produce noise and air pollution on a scale never before experienced by the significant number of residents who have moved to the area in good faith since the airport closed, by those who are yet to become residents of the innumerable houses currently being constructed around the very perimeter of the Manston site, or even by those already in residence throughout any of the airport's previous incarnations. Yet, even during these periods, monitors recorded noise levels of 100dB, and there were repeated complaints by residents. The World Health Organisation (WHO) assesses the onset of significant community annoyance occurring at 50 – 55 decibels during the day and 40 at night; with aircraft noise levels above 45dB Lden being "associated with adverse health effects". Yet a large surrounding area of Manston, including the densely-populated town of Ramsgate, would experience between 51dB and 57dB night noise levels: independent experts commissioned by TDC calculated that a 747 taking off at night over Ramsgate would create a noise footprint that would affect 30,000 people. At a time when airports in the UK, as internationally, are compelled to think carefully about the effects of, and to reduce, aircraft emissions, the development of a new airport must not only be convincingly justified in terms of benefits nationally and locally, but would also be expected to spearhead best practice. The Independent Commission on Civil Aviation Noise recognised that "How much – and in what way – an individual is affected by aviation noise cannot be explained or described by any graphs, metrics, maps or other data. Nor can the bigger-picture benefits to the economy realistically be expected to compensate those who suffer from aviation noise." Not only is RSP unable to justify its project, but its noise level contours

seriously underestimate effects when compared with those of Civil Aviation Authority experts. PINS has been provided with adequate evidence by a number of different experts which in unison contradict Dr Dixon's extraordinary individual view that the UK needs a dedicated freight airport, that this would be best placed in Manston, and that thousands of local employment will be thus generated. There are no big-picture, or even local, economic benefits attached to this project as compensation for damaging the health of residents, and terminating the island's currently burgeoning tourist industry. Given that this is the case, I therefore expect PINS to recommend refusal of a DCO.

Finally, my previous submissions have expressed a lack of trust and confidence in the utterances of RSP; questioning the experience and integrity of its representatives. There is evidence of a lack of consistency between utterances of different executives, of the same executive on different occasions, and of aggressive behaviour towards dissenters. There is proof of vastly over-inflated forecasts and benefits being pedalled in documentation and at presentations, many of which RSP has since been forced to amend. I have documented the history of repeated failure within the aviation industry of executive Mr Freudmann, and the financial losses thus incurred by local authorities in England and Denmark, the Italian Government and the EU, who he had persuaded to support him. I have discussed how RSP has misled the local community by exaggerated promises of employment, whilst hiding the real impact that the airport envisaged would have upon those already employed within the island's tourism; and I have explained how RSP's repeated claim that there will be no "scheduled" night flights is aimed at masking the fact that its documentation clearly states that night flights are planned, and actually requests a Quota Count (QC) in excess of that at Heathrow. That RSP is now offering to reduce its annual QC if late arrivals are not included is yet another ruse. This would allow for limitless freight flight movements throughout the night with no penalty, and no right of complaint or Appeal by residents. Instead, there should be an absolute cap on Air Traffic Movements (ATMs) both day and night, and QCs established according to WHO guidelines. The result would then undoubtedly make evident that it is too dangerous to position an airport of this proportion within the proximity of such population. I am therefore convinced that PINS will conclude to recommend a refusal of the DCO for the RSP project.