

The Ramsgate Society

Response by the to the invitation by the DfT to respond, as an Interested Party, to the letter of 11th June 2021

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Introduction

Planning Act 2008 and the Infrastructure Planning (Examination Procedure) Rules 2010 Re-determination of the Application by RiverOak Strategic Partners Limited (“the Applicant”) for an Order granting Development Consent for the reopening and development of Manston Airport in Kent.

The Secretary of State invited further representations by The Ramsgate Society, as an Interested Party, for the purposes of his re-determination of the application. These matters are:

- the extent to which current national or local policies (including any changes since 9 July 2020 such as, but not limited to, the reinstatement of the ANPS) inform the level of need for the services that the Development would provide and the benefits that would be achieved from the Development;
- whether the quantitative need for the Development has been affected by any changes since 9 July 2019, and if so, a description of any such changes and the impacts on the level of need from those changes (such as, but not limited to, changes in demand for air freight, changes of capacity at other airports, locational requirements for air freight and the effects of Brexit and/or Covid);
- the extent to which the Secretary of State should, in his re-determination of the application, have regard to the sixth carbon budget (covering the years between 2033 – 2037) which will include emissions from international aviation; and
- any other matters arising since 9 July 2019 which Interested Parties consider are material for the Secretary of State to take into account in his re-determination of the application.

The Ramsgate Society

The Ramsgate Society (The Society) is a third sector organisation, and is a member of the national network of civic societies. The Society was founded over 50 years ago, and currently has around 700 members. Its original focus on the rich heritage of the town has evolved into a wider remit promoting the environmental, economic and social wellbeing of Ramsgate.

Engagement in the case

Since 2017 The Society has closely engaged in all stages of consultation on the possible reopening of Manston as a cargo hub. This includes nine written submissions and spoken submissions to the EIP. Through our own research, based around robust and accessible data particularly from the CAA, as well as long term DfT demand forecasts, we came to the firm view that there was no case for a new dedicated freight hub either in the South East or nationally on the basis that the need does not and will not exist. It was readily apparent that the freight traffic forecasts underpinning the RSP proposals were based on a deeply flawed research method and perverse deductive logic resulting in extraordinarily high traffic forecasts devoid of evidence and credibility. It amounted to wishful thinking in order to seek to justify a pre-ordained outcome.

Summary of our earlier findings and conclusions

In compiling our major submission to PINs for the EIP we carefully scrutinised the evidence submitted by RSP for a DCO to re-open Manston airport, and develop an international hub for air freight and associated passenger services. In doing so we took into account the views of independent aviation experts on the case for the development and went on to assess the impact that the proposal would have on the character, well-being and future prospects of the town. We concluded that the Applicant failed to provide a compelling case in the public interest to justify the DCO. We therefore urged the Examining Authority (Ex A) to reject the application, taking into account the following points:

- a) Manston has repeatedly failed as a commercial aviation business under previous operators, with losses exceeding £100million, and failed to satisfy independent aviation experts that it has a viable future use as an air cargo hub.*
- b) The applicant's case for an international freight hub is neither substantiated by a credible business plan nor supported by the ANPS.. The market assessment on which it is based is deeply flawed and the forecast levels of airport activity over a 20 year period are wholly implausible. It is a speculative and unviable proposal for which there is no overwhelming public interest case.*
- c) The impact of the proposal on Ramsgate would be disastrous in terms of noise and disturbance with severe implications for both health and well-being, and the future investment needed to support the heritage and local economy, contrary to the aims of the recently designated Heritage Action Zone and the draft Local Plan .*
- d) The new employment forecast to arise directly and indirectly from the airport's use, which the Applicant claims mitigate these adverse effects, is grossly overstated and without credibility;*

e) The omission of the airport as a key brownfield site for housing and mixed use development from the final draft of the Local Plan for Thanet has placed increased pressure on greenfield sites on the urban fringe, perpetuating piecemeal and unsuitable developments. Moreover it places additional strain on Thanet's ability to meet its housing targets.

(Document TR020002 – 003294, p2)

It is significant that not a single independent aviation consultant or expert, then or since, has, either through commissioned reports or in the aviation sector technical press, advocated the opening of Manston as a cargo hub. This is particularly telling because their clients are typically airports and airlines. *Azimuth*, for the Applicant, is a one person operation with no prior airport consultancy experience.

The EIP Report of the Planning Inspectorate

The following numbered statements are quoted from the Examiners report to the Secretary of State:

On the need for the development

Clause 8.2.25 The applicant has failed to demonstrate sufficient need for the Proposed Development.

11.2.3. The ExA concludes that the Applicant has failed to demonstrate sufficient need for the Proposed Development, additional to (or different from) the need which is met by the provision of existing airports, and this weighs against making the proposed Order.

On Climate change and CO2 emissions:

Clause 8.2.74 the Proposed Development will have a material impact on the ability of Government to meet its carbon reduction targets.

11.2.6. The ExA concludes that there are impacts of the Proposed Development in terms of climate change which weigh against making the proposed Order.

On impacts

11.2.13. The ExA concludes that there are impacts of the Proposed Development in terms of transport which weigh against making the proposed Order.

11.2.10. The ExA concludes that there are impacts of the Proposed Development in terms of noise impacts which weigh against making the proposed Order.

11.2.11. The ExA concludes that there are impacts of the Proposed Development in terms of operational issues which weigh against making the proposed Order.

On employment:

Clause 8.2.177 Direct jobs at the airport would be 19% lower than forecast.

Clause 8.2.180 The ExA has significant doubts over the calculation of direct, indirect/induced, and catalytic job numbers.

On the local economy

Clause 8.2.184 The Proposed Development would adversely affect the tourism industry in Ramsgate.

In conclusion:

11.2.15. The ExA concludes, therefore, that on balance the benefits of this proposal would not outweigh its impacts.

11.1.6. In considering these matters the ExA has found no relevant matters of such importance that they would individually or collectively lead to a different recommendation to that set out below.

11.3.1. For all of the above reasons and in the light of its findings and conclusions on important and relevant matters set out in this report, the ExA, under the procedures set down in the PA2008, recommend that the SoS should not grant development consent.

Need and drivers of change

The significance of ‘need’

‘Need’ is the fundamental question at the heart of this case. It is up to RSP to provide clear and unequivocal **evidence** that there is a severe shortage of air freight capacity in the UK and that the Manston cargo hub is the location and means to remedy that shortage. It has failed to do so because it has been unable to offer any credible evidence. RSP has based its case on unsubstantiated assertions derived from deeply flawed research. The RSP case has been rejected by the Planning Inspectorate and every independent aviation expert.

‘Need’ can be expressed as the gap between ‘demand’ and ‘supply’. There have been major national and international health, geopolitical and environmental changes over the last two years in the context of this application. The extent to which they might impact the demand for, or supply of, air freight capacity, now and in future, is analysed in this submission. The need for a dedicated air cargo hub at Manston was comprehensively rejected by the Planning Inspectorate.

UK Air Freight: bellyhold and freighter market

A recent report by Sustainable Aviation published in February 2020 *Sustainable Aviation: A Path to Net Zero* includes evidence and expert commentary on the historic and forecast

scale of the freight only market. We quote from it below, and include a supporting graph (Figure 1) charting the period 2005-2018.

“Globally, there is strong evidence that the rate of growth in dedicated freight-only flights is expected to lag behind passenger transport in the years ahead. Furthermore, there is a growing reliance on belly hold freight carried on passenger flights over dedicated freighter-flights”. (Sustainable Aviation, p74)

“IATA presents data showing that although historically growth in FTKs (Freight Tonne Kilometres) has matched that in RPKs (Revenue Passenger Kilometres), over the past few years there has been a significant decoupling of the two, with growth in FTKs being much lower in recent years In the UK:”(Sustainable Aviation, p74)

“Figures from the CAA for freight tonnes uplifted from UK airports show that freight carried by dedicated cargo aircraft has declined by 10% between 2005 and 2018, while in the same period, freight carried in the belly hold of passenger aircraft has risen by over 23%”. (see Figure1)

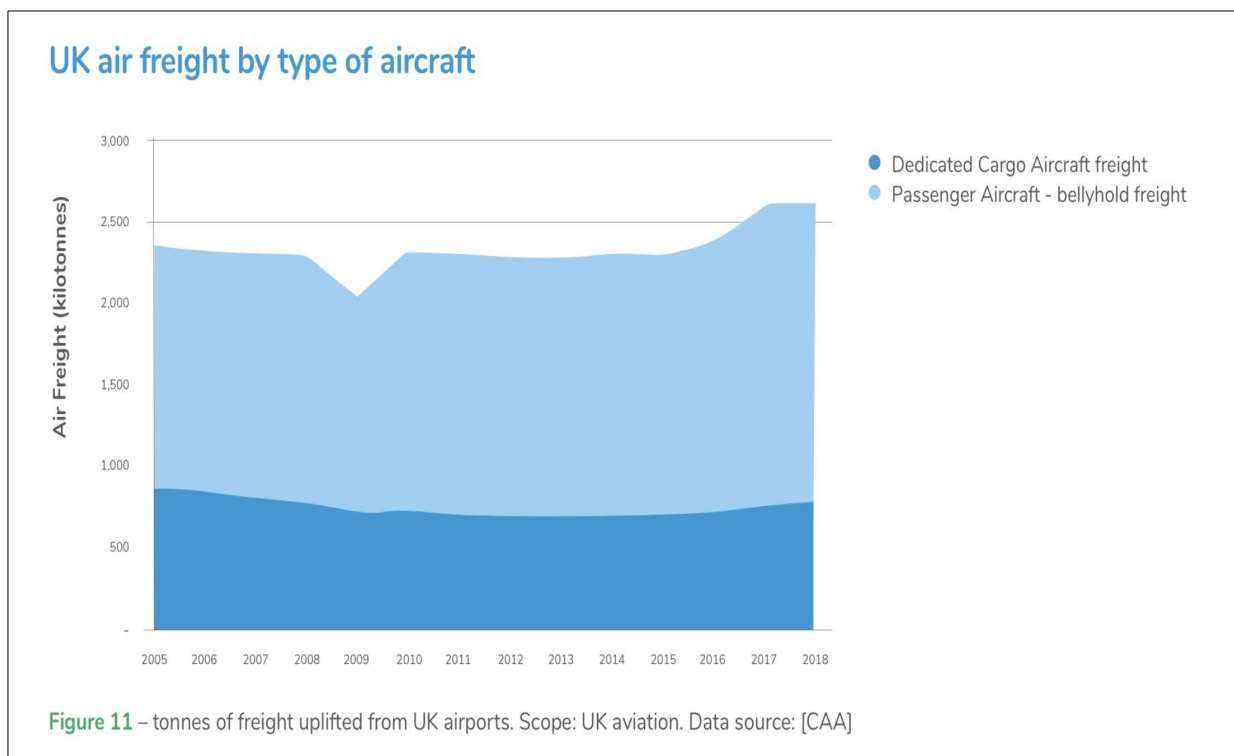


Figure 1 (Source: Sustainable Aviation, p74)

The content of this report, written by a firm of aviation specialists confirms all other known aviation expert opinion that there is no evidence pointing to the need for a new dedicated cargo hub at Manston.

Influences on Demand

Brexit

The UK finally left the European Union (EU) on January 1 st 2021. Arguments have raged since before the Referendum in 2016 and right up to the present

day about the likely impact of Brexit on UK trade arrangements and levels. The general expectation was that there would probably be a short-term disruption of trade, particularly at the Channel ports, with a longer term increase in trade once Brexit was fully embedded, but this broad agreement disguised very sharp differences in the speed and extent of the changes. 2020 saw the COVID 19 pandemic take hold, and this combined with Brexit to create disruptions and challenges to UK trade.

The evidence so far. January 2021 saw the predicted sharp fall in UK trade with the EU, which was attributed to both Brexit and Covid. Specifically, many firms held export and import goods back, fearing border delays, particularly at Dover, and there was the unwinding of the precautionary stockpiling of goods in the late months of 2020. Exports were down 33% in January 2021 compared to the average monthly trade in 2020, with imports 14% down (Institute of Government report, March 2021).

February and March saw an equally predictable recovery, with the Office for National Statistics (ONS) reporting an increase in the total imports of goods (excluding special metals) of £1.4 billion (3.9%) in March, with increases in both EU and non-EU countries. In the three months to April 2021 the total trade deficit narrowed by £4.4 billion to £3.2 billion.

However, “the total exports of goods fell in April 2021 after two successive months of growth...driven by a decrease in exports to non-EU countries, partly offset by a small increase in exports to the EU”. “Total imports of goods fell in the three months to April...This will be partly because of the impact of stockpiling at the end of 2020.” (ONS)

ONS goes on to state: “It is too early to assess the extent to which this reflects short-term disruption or longer-term supply chain adjustments.” Many commentators have expressed similar caution about predicting the future, whether short-term or long-term. The Institute for Government think-tank also warned “we still do not know what the longer-term impacts of Brexit on trade flows- and the wider economy- will be (March 2021).

The predictions by some commentators, including RSP, for a trade bonanza with non-EU countries, rely heavily on new trade agreements being signed fairly quickly, but many of these are in reality minor re-workings of the previous EU agreements, and the really major trade deals, breaking new ground, which might significantly boost UK trade (e.g. the United States) are likely to take many years of difficult and controversial negotiation.

It is essential to keep in mind that, even if over the next 5-10 years there is a significant increase in trade with both the EU and non-EU countries, the evidence from the Civil Aviation Authority and across the board from independent aviation experts and commentators is that there is more than enough capacity for increased air freight in existing UK airports, particularly Heathrow and East Midlands, even without Heathrow Runway 3. Should Heathrow 3 come on stream in the late 2020s, it is calculated that ATM capacity would be increased in excess of 50% with freight capacity increasing to match. Brexit does not make any material difference to the verdict that Manston is not needed.

The Covid Pandemic

The International Civil Aviation Organisation (ICAO) predicted an overall global reduction in passenger numbers for 2020 of 2.6–2.9 billion (compared to 2019), and a US\$355–392 billion potential global loss of gross passenger operating revenues. These losses are likely to stretch well beyond 2021 and many airline chiefs have said they do not expect a full recovery for their businesses until at least 2023-24. Job cuts have taken place across the industry – by mid-September 2020 over 33,000 UK job cuts in aviation had been announced. By late April 2020 almost 64% of the global fleet was grounded.

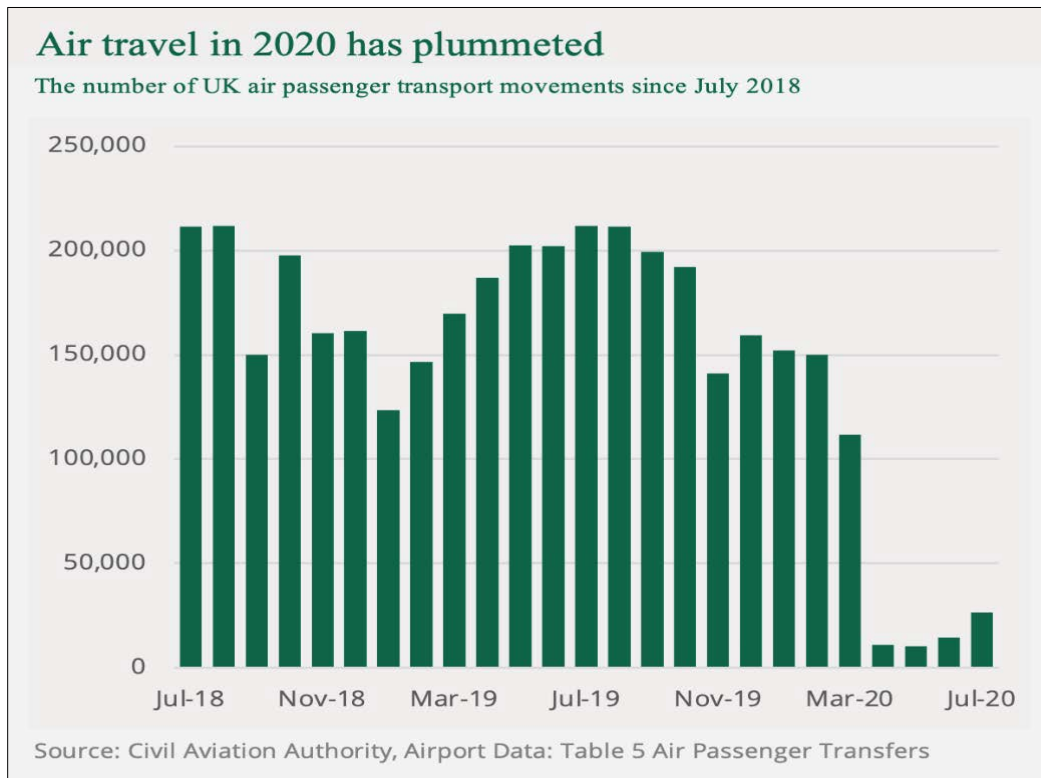


Figure 2. Source: House of Commons Briefing Paper Number 8826, p15

The coronavirus pandemic caused an unprecedented collapse of air passenger volumes, (Figure 2), huge financial losses and sweeping job cuts for aviation. The full scale, reach and duration of the impact of the pandemic on aviation is not yet known. Nevertheless, there are monthly reliable data series compiled and published by the Civil Aviation Authority (CAA) that give us definitive insights.

The CAA published data on 19th March 2021 (source CAA Newsroom, caa.co.uk) which illustrates the significant effects of the coronavirus pandemic on the aviation sector in 2020. Their headlines:

- *68.5 million passengers were carried by all operators in/out of UK in 2020, down 75% on 2019.*
- *Air transport movements were down 63% compared to 2019.*

- *The UK saw 1,348,044 tonnes of freight on cargo dedicated aircraft in 2020, up 56.8% on 2019.*

“The data shows that passenger numbers in and out of the UK fell by 75.3% to 68.5 million across 2020, with overall air transport movements down by 63.4%. However, freight cargo saw an increase of 56.8% compared to 2019.”

“Prior to the Covid-19 pandemic, the UK had seen an increasing number of passengers year-on-year for some time.”

“From March 2020, Covid-19 had a rapid effect on passenger numbers passing through UK airports”.

“Despite passenger numbers falling in 2020, aviation played a vital role bringing much needed cargo and medical supplies to the UK from overseas. Cargo operations increased by 42.7% in 2020, with traditionally commercial passenger airlines operating dedicated cargo flights across the globe. The UK saw 1,348,044 tonnes of freight on cargo dedicated aircraft in 2020, an increase of 56.8% from the previous year.”

Tables 1 and 2 (using CAA sourced data), compare the scale of air freight carried in 2019 and 2020 using the major UK freight airports as measured in tonnes and in terms of Air Transport Movements (ATMs) distinguishing between passenger and cargo aircraft.

In the UK passenger numbers plummeted 55% at Heathrow compared to 2019, thus drastically reducing the opportunities to carry bellyhold cargo which in 2019 amounted to 1.5m tonnes that being 60% of all UK air cargo (source data CAA). Due to wholesale cancellation of passenger flights at all airports there has been no shortage of airport capacity available for dedicated cargo flights. Yet even with the reported increase in demand for e-commerce and spikes in demand during the PPE shortage in the early stages of the pandemic, there has been a significant drop of 21% in tonnes of goods moved by air freight, from 2,525,422 tonnes in 2019 to 2,002,187 tonnes in 2020. (Source: CAA Freight 2010-2020) due to decline in demand brought about by the dramatic slowdown in economic activity.

The evidence in these two tables is that the leading cargo handling airports were able to respond with considerable speed and efficiency given the sudden, devastating, and sustained impact on the air passenger business. EMA and Stansted each increased the weight of cargo aircraft freight year on year. Heathrow achieved a remarkable switch by upping cargo aircraft ATMs by over 800% and in doing so to carry over four and a half times the weight of cargo compared to 2019. Overall air cargo capacity was sustained despite the almost total loss of bellyhold during 2020. This remarkable ability to respond so rapidly was only possible because there is the capacity at the airports to deal with the flights, the shift in carrier types as well as handle and despatch the freight on the ground. This is irrefutable evidence that there is no shortage of dedicated cargo capability and capacity. As passenger flight numbers return to pre-Covid levels (and beyond), so the

sector will rebalance with bellyhold returning to its position as the predominant mode of air freight carriage.

Airport	Passenger Aircraft			Cargo Aircraft			ToTal		
	2020	2019	% change	2020	2019	% change	2020	2019	% change
Gatwick	24,707	110,150	-78	1,356	208	552	26,063	110,368	-76
Heathrow	679,754	1,503,730	-55	466,556	83,757	457	1,146,310	1,587,486	-28
Luton	74	353	-79	31,082	35,408	-12	31,155	35,761	-13
Stansted	3,263	6,874	-53	251,310	217,265	16	254,573	224,139	14
East Midlands	11	1	1000	381,942	335,947	14	381,954	335,948	14
UK total all reporting airports	766,149	1,763,776	-57	1,236,037	771,646	60	2,002,187	2,535,422	-21

Table 1: Freight by Aircraft Configuration 2019 2020 (source: data CAA statistics Table 15)

Airport	2020			2019			Percentage Change		
	Total	Passenger Aircraft	Cargo Aircraft	Total	Passenger Aircraft	Cargo Aircraft	Total	Passenger Aircraft	Cargo Aircraft
Gatwick	79,489	79,371	118	282,896	282,848	48	-72	-72	146
Heathrow	207,021	182,304	24,717	479,811	477,083	2,728	-57	-62	806
Luton	49,251	47,453	1,798	112,745	110,628	2,117	-56	-57	-15
Stansted	74,234	63,828	10,406	183,147	172,939	10,208	-59	-63	2
East Midlands	35,247	9,315	25,932	56,053	32,851	23,202	-37	-72	12
UK total all reporting airports	851,467	768,112	83,355	2,254,208	2,196,679	57,529	-62	-65	45

Table 2. Air Transport Movements 2019 2020 (Source: data CAA statistics 2020 Table 6)

The pandemic fundamentally changed the way business was conducted as many companies had to move their interactions online. Some commentators have suggested that this could have a long-term impact on demand for business travel.

While the coronavirus pandemic has caused an unprecedented short term reduction in demand for air travel, many within the aviation industry expect demand to recover to 2019 levels by 2023-24 and to continue to grow thereafter. The aviation industry consensus seems to be that air passenger numbers will return to pre-2020 levels within 3 to 5 years at least in the leisure sector. The same may not be true of the business sector (17% of passengers in 2019) as virtual working and internet based video conferencing has become universal and been shown to be highly cost-effective, reliable, and user friendly. In this

competitive world, high cost, time consuming business air travel may be very difficult to justify in situations where it might previously have been the norm. There could well be more slots available for cargo flights at existing airports as a consequence, should demand exist.

In the short term this has dramatically decreased the usual opportunities of airlines to carry bellyhold freight on passenger flights. Those opportunities will recover in line with the passenger market. During the pandemic some airlines have chosen to carry increased cargo payloads on their reduced schedules routes in their passenger aircraft in order to sustain operations.

It is hard to predict the overall net effect of the Covid pandemic insofar as it affects the demand for air cargo capacity and the dedicated sector in particular. CAA statistics show that the dedicated air cargo tonnage handled by UK airports has remained very static over the last 20 years despite steady growth in capacity across the sector.. We see no reason to believe that the pandemic will have any significant long term impact on air cargo demand. Covid has 'stress-tested' the air freight sector to an unprecedented degree and it has responded with speed and agility and in doing so has demonstrated that there is no shortage of dedicated air freight capacity, and irrefutably there is no need for a cargo hub at Manston.

The pandemic has exposed the fallacy of RSP's assertion that constrained airport capacity is limiting the growth of the air cargo market ..

Climate change and CO2 emissions

Under the Climate Change Act 2008 the UK is required to have net-zero greenhouse gas emissions by 2050. At the recent G7 meeting in Cornwall member states committed to long-term targets to reach net zero emissions by 2050, and to reductions in the next decade. The UK led with a goal of cutting emissions by 68% by 2030 and 78% by 2035, based on 1990 levels. The Sixth Carbon Budget will be enshrined in UK legislation and targets for carbon emissions from UK international aviation will be included from 2033 onwards, adding to those for domestic aviation already included.

Aviation emissions

Passenger flights account for 97% of UK aviation CO2 emissions, with many of these passenger flights carrying freight in the hold. The other 3% is assumed to be accounted for by dedicated freight-only flights.

Aviation is widely recognised as both one of the most carbon-intensive forms of transport (see Figure 1.) and one of the most difficult to decarbonise. This means that aviation could well be the largest contributor to UK greenhouse gas emissions by 2050, whether or not air traffic continues to grow.

Figure 3 shows that among modes of transport domestic and longhaul flight are the biggest emitters of CO2 per passenger per kilometre travelled.

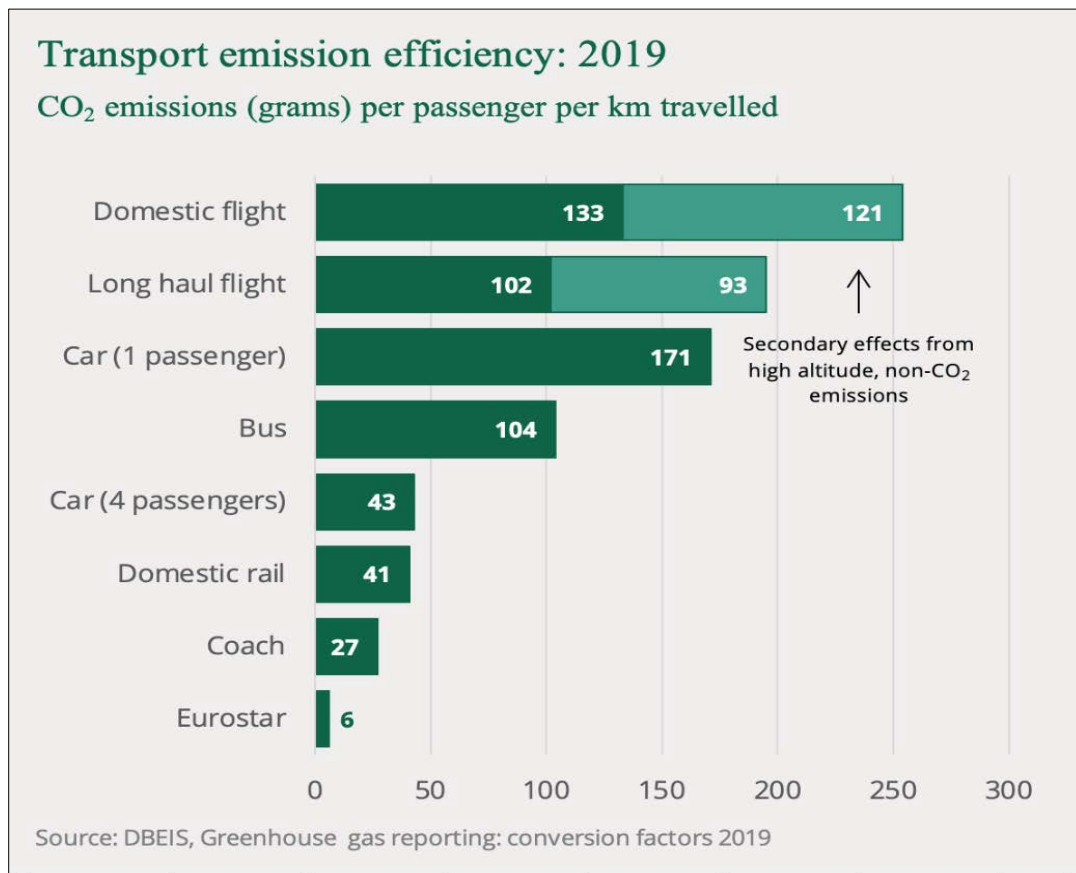


Figure 3

Source: Aviation, decarbonisation and climate change, House of Commons Library Briefing Paper Number 8826, 12 February 2021, p10

There are several reasons why air travel is uniquely difficult to decarbonise (according to the Commons Library Briefing Paper CBP-8590, *Net Zero in the UK*):

- **Air travel uses a lot of energy** and currently batteries are too heavy to support either commercial jet aircraft sizes or long distance services. Therefore, **electric flight is unlikely to be a significant feature of commercial aviation before 2050**. Long-haul routes are unlikely to be replaced by electric or hybrid-electric planes in the foreseeable future.
- **Low-carbon fuels**, which provide a ‘drop-in’ replacement for fossil fuel-derived kerosene (jet fuel), are only in the **early stages of development and are still too expensive to compete with conventional jet fuel**. Also, they are not yet produced in sufficient quantities to provide a feasible replacement. Aviation will also be competing with other sectors for access to biofuels. The CCC suggest that the

aviation sector might not be the best place to use the UK's biofuels resources and that they might be better used in BECCS (bio-energy with carbon capture and storage), for example.

- **international measures to reduce the climate impact of the aviation industry are progressing slowly.** In 2018, 96% of UK emissions from aviation were from international flights. This makes international cooperation critical and both the Climate Change Committee (CCC) and the UK Government have said that a priority needs to be placed on it, however, there is ongoing criticism of slow progress in international negotiations on this issue.
- The **longevity of the fleet** means that it takes longer for air transport companies to introduce newer, more sustainable aircraft into service. This can be compounded by the time it takes aircraft to pass rigorous national and international safety standards.
-
- The **coronavirus pandemic** has meant that some airlines have retired aircraft earlier than expected. This could help reduce emissions if they are replaced by new more efficient aircraft faster than expected.
- More specifically, the **dedicated cargo sector** is characterised by the use of older, more noisy and polluting aircraft types. The need to reduce emissions and meet anticipated regulation standards will exert additional financial pressures on the sector. Non-polluting planes of the type needed to move cargo are decades away.

Mitigation measures

The Government states that it is in the process of revising transport policy across all modes in order to meet the challenge of the 2050 net-zero emissions target. The

Government intends to publish a transport decarbonisation plan and an aviation strategy (including a net-zero aviation strategy).

The UK Government, the EU and international bodies, and the aviation industry have proposed a number of initiatives to mitigate emissions from aviation, including:

- **Market-based measures** such as the United Nations CORSIA program, EU Emissions Trading System (EU ETS) and the UK ETS;
- **Measures to improve the fuel efficiency of conventional aviation** such as through changes to aircraft, air traffic management, airspace modernisation and ground operations at airports; and
- **Measures to promote the development and use of low carbon technologies** so called Sustainable Aviation Fuel (SAF) (such as biofuels) and aircraft (such as hybrid-electric aircraft).

Calls to reduce the demand for flying

There have also been calls for more action to limit the growth in demand for flying. Some have argued for new tax policies to discourage flying and for measures to influence individual consumer choices. At the 2020 Citizen's Assembly on Climate Change participants "resoundingly rejected" industry projections for a future in which air passenger numbers would rise by 65% between 2018 and 2050, saying that it would be "counter-productive" for tackling climate change. The intensity of pressure to limit the growth in demand will in large part depend on the success or otherwise of the mitigation measures..

COP26 summit

The UK Government is hosting the COP26 summit in November this year. It will bring parties together to seek to accelerate action towards the goals of the Paris Agreement and the UN Framework Convention on Climate Change.

The UK Government states that it is committed to working with all countries and joining forces with civil society, companies and people on the frontline of climate change to inspire climate action ahead of COP26.

If, on behalf of the UK Government, the Secretary of State for Transport were to approve the DCO and give the go-ahead to a new but wholly unnecessary airport development at Manston that would send a clear signal around the globe that this country is not *really* serious about tackling climate change, and that is cavalier in its blatant disregard for the public health and wellbeing of the 40,000 citizens of the adjacent town over which it will directly fly at 700feet and lower . It is not difficult to see how this could well become a *cause celebre* via social media, particularly as every aviation expert and the Planning Inspectorate have stated categorically that it is not needed . Be in no doubt this is a test of Government credibility and the world is watching. How can the UK government exhort other countries to reduce carbon emissions if the SoS gives the 'green light' to this project that is the very opposite of environmentally sustainable and that isn't needed by any measure in the national or local interest.

Government climate advisors are warning that we are already suffering effects of climate change and the long term effects on the UK have been grossly underestimated. On 17th June 2021 the Climate Change Committee published two progress reports, showing the UK lagging behind on its key goal of 78% cuts to greenhouse gases by 2035 and making recommendations on how to get back on track. Lord Deben, the committee chairman, said: "*The targets are remarkable and have set a major example to the world. But the policy is just not there. It's very clear we need to step up very rapidly*".

To open a new cargo hub at a time like this would be the height of geopolitical, economic and environmental folly when the government has committed to targets that they are already struggling to meet.

In recognition of the fact such targets will be difficult to meet Thanet District Council have declared a climate emergency. This would be a totally incompatible and meaningless gesture if the Manston DCO were approved.

Supply Side

Changes in air freight capacity

Here we address the supply side of the equation and examine the situation with regard to the capacity to fulfill the demand to carry cargo. There are three components to supply :

- Opportunities to carry bellyhold cargo afforded by passenger flights;
- The availability of slots at suitable airports for dedicated cargo aircraft and
- The logistical capability of ground operations to handle, and process incoming and outgoing cargo.

The air freight situation in 2019 immediately pre-Covid is summarised in Table 1.

The Table lists the leading freight airports in the UK. This reveals the following:

- 70% of all UK air freight is bellyhold, 30% dedicated cargo-only
- Heathrow accounted for 60% of all UK air cargo, and of that share 90% is bellyhold
- East Midlands Airport (EMA) carries 44% of all UK dedicated air cargo, followed by Stansted at 28% (72% combined).

The Applicant is seeking to develop a dedicated cargo hub. In our examination of the demand side we have established that there is unlikely to be significant growth in the Dedicated Freight sector. This means that Manston in order to have any business would have to wrestle market share from established players. In order to succeed in that, it would need to demonstrate to prospective customers substantive, clear and tangible advantages over the competition. We do not see any such advantages, given the isolated geographical location and the low level of connectivity to the motorway network and customer base. We do not see how it could successfully compete, let alone build up to the scale of operations to which it aspires.

We here examine the latest situation and future prospects of the two leading dedicated freight airports with which an operating Manston would compete, namely East Midlands and Stansted.

East Midlands Airport (EMA)

EMA is a long established hub and comfortably the biggest dedicated air cargo airport in the UK with a 44% market share of the total market. It is in a central UK location and has excellent access links allied to a wide range of global freight and mail connections. The

location and connectivity plus 24 hour operation have attracted DHL, UPS, TNT and Royal Mail to set up their UK air freight bases on site.

The EMA 'Sustainable Development Plan' launched in 2015 is being implemented. It is upgrading its infrastructure so that aircraft can load and unload more efficiently at busy times. Work started in 2019 to build more aircraft stands and warehousing to accommodate the cargo capacity that is being enhanced. Aircraft that serve the Fed Ex/TNT, UPS, Amazon and Royal Mail operations use the east apron, a large concrete area at the M1 end of the airfield. This is being widened to allow up to four additional aircraft to be on stand at any one time. Also at the east side of the airport a new UPS facility is taking shape. The £114m development will double the size of its operation at EMA making it the company's largest air logistics facility outside the US.

On 3rd March 2021 Rishi Sunak, the Chancellor, announced the designation of 8 new freeports in the UK. The East Midlands Freeport is the only inland freeport to be created. The other seven are coastal locations. The airfreight operations of EMA will be central to much of the freeport business within the 'EMA Gateway and Industrial Cluster' (EMAGIC) in which it is located.

The status of 'freeport' conferred on EMA brings enhanced market advantage over and above any other UK airfreight location. This further erodes any potential of Manston to secure market share.

Stansted Airport

Stansted is the second largest airport for dedicated air freight in the UK, amounting to a substantial 28% share of that market in 2019 (see Table 1). In normal times it is a very significant player in the low cost passenger flight market. In that particular sector bellyhold cargo makes a minimal contribution. Its current market share is achieved through dedicated air freight.

Stansted is currently served by 5 cargo airlines as well as 14 scheduled and charter passenger airlines.

On 26th May 2021, Stansted won its planning appeal to increase passenger capacity. The decision grants planning permission for two new taxiway links to the existing runway, six additional remote aircraft stands and three additional aircraft stands. Prior to the pandemic Stansted had just short of 10,000 cargo ATMs (Air Traffic Movements) to spare they were unable to fill due to lack of demand. These were traded internally to allow 4,000 additional passenger ATMs. This is clear evidence that the unsubstantiated claim by RSP that there is a critical shortage in UK airport cargo capacity is a fallacy.

In 2019 Stansted held a licence for 274,000 ATMs of which 16,000 were cargo ATMs. In that year the traffic actually comprised 172,939 passenger ATMs and 10,208 cargo ATMs. In 2020 the latter remained stable at 10,406 cargo ATMs. During each of those two years there were over 5,000 cargo ATM slots that went unused. The evidence is quite clear and unambiguous - there is no shortage of capacity in the sector as RSP assert.

Heathrow and the ANPS

The Airports National Policy Statement sets out:

- the need for additional airport capacity in the south-east of England
- why government believes that need is best met by a north-west runway at Heathrow Airport
- the specific requirements that the applicant for a new north-west runway will need to meet to gain development consent

The ANPS has now been ratified by Parliament and has survived a number of legal challenges. There is no mention of Manston in the ANPS. The Heathrow Third Runway is now likely to go ahead, especially as the disruption to the volume of flights caused by Covid, though enormous, is widely expected to be fully overcome in the next 3-5 years. Implementation may get underway in anticipation of a return to 'normal' within that timeframe. Heathrow is currently capped at 480,000 ATMs, Runway Three will add capacity for another 260,000 ATMs, a 54% increase, thereby delivering a proportionate rise in available bellyhold freight capacity at the airport itself. That alone would represent a 30% uplift for the UK as a whole, irrespective of changes at other airports.

Other matters

Airspace Change Proposal to the CAA

In April 2021 RSP was notified by the CAA that the air space change application had failed to gain approval at the first 'Gateway assessment'.

RSP began the process in 2019 to secure approval from the CAA for its use of airspace and procedures for safe and efficient operations to and from the airport.

The CAA CAP 1616 process for airspace change is carried out in 7 stages, with 14 steps. It also includes four process 'Gateways' beyond which an application is not allowed to proceed until approved by the CAA.

The first is the Develop & Assess Gateway which follows submission of an options appraisal. The appraisal looks at issues including, in the case of Manston, how many flights go over Ramsgate and how many go in the direction over St Nicholas-at-Wade. It includes safety assessment, and looks at what options there are for issues such as the noise impact on health and quality of life: air quality; greenhouse gas impact; capacity; access; fuel burn and associated costs such as training and operations.

As part of this, RSP was required to produce a comprehensive list of route designs with options that minimise the time spent overland by designing tracks that route over the sea as much as possible. This is required to reduce impact on communities such as Ramsgate and Herne Bay. For Ramsgate overland flight cannot be designed out because of the

close proximity of the town to the airport site and its direct alignment with the runway approach

In February 2020 'Stage 1 Define' was accepted by the CAA. RSP submitted 'Stage 2 Develop and Assess' in May 2020. It covers the development of a range of 'airspace options', essentially flight paths for departing and approaching aircraft. Shortly after we wrote to the CAA strongly criticising the RSP submission. Some 14 months later it is that submission that has now been rejected by the CAA.

The CAA says the RSP submission did not meet two of the five criteria because of "errors and inconsistencies".

The CAA stated:

"The CAA has completed the Develop and Assess Gateway Assessment and is not satisfied that the change sponsor (RSP) has met the requirements of the process up to this point"

"The CAA does not approve progress to the next step".

"The change sponsor is now able to reconsider its submission before resubmitting it for further review by the Civil Aviation Authority at a future Develop & Assess Gateway".

"It is important to note that whether an Air Change Proposal passes a gateway successfully or not does not predetermine the CAA's later final decision on whether to approve the airspace change proposal. This decision is not an explicit or implicit comment on the merits or otherwise of this ACP. This will come at the decision-making stage (Stage 5)."

The CAA CAP1616 airspace change process takes not less than two years to complete. RSP has now spent two years getting to Stage 2 and it is now obliged by the CAA to revise and resubmit the Options Approach before being re-assessed. It may not fare any better this next time around. RSP is currently floundering in Stage 2 of 7.

CAA approval of the Airspace Change Proposal is **mandatory** before commercial aircraft would be allowed to use Manston. Given the stringent safety, health and environmental criteria embodied in the process there has to be a significant element of doubt that RSP would ultimately gain approval. Without approval the CAA **the airport would not be viable.**

We are not particularly surprised at the failure to progress at this early stage of the CAP 1616 process. It is indicative of the lack of professional standards and rigour exhibited by RSP throughout this lamentable Manston saga over which they preside.

Conclusions

The Manston cargo hub proposal is a highly ambitious, wholly speculative, private sector venture. It would have to exist in a highly competitive marketplace. It would not grow the market because there is no lack of capacity. In which case it would have to wrestle significant market share from existing operators, when at a clear competitive disadvantage because of poor location, road network links and catchment. It does not have a USP.

Our submission focusses on the 'need', in large part because it is fundamental and central to the RSP application. Without solid evidence that there is a substantial gap in the dedicated cargo marketplace that Manston would fill successfully then any discussion of 'benefits' is totally irrelevant.

There is a world of difference between 'want' and 'need'. 'Want' is about desire and aspiration. 'Need' is something required, where a deficiency causes a clear adverse outcome. There are those in Thanet and beyond, including politicians, whether consciously or otherwise, are content to conflate the two. A 'wish' is based on feeling and emotion, 'need' is tangible, measurable and evidence based. The key factor in this whole case is 'need'. The stakes are high. If the DCO is approved and the development goes ahead it will inevitably be a business failure because fundamentally there is no market need, however much sections of the population may wish for airport jobs and cheap convenient continental air travel that will not trump stark commercial realities. The project is being touted on a false prospectus.

'Need, is a function of the gap between 'demand' and 'supply'. We have examined the key changes and events since July 2019. these include Brexit, the Covid pandemic, climate change emissions policies and actions. We have considered the extent to which these issues impact the short and long term demand for air freight in general and the dedicated sector in particular. We go on to examine the current leading UK airports in the airfreight marketplace, particularly EMA, Stansted and Heathrow. We reviewed the characteristics of their current scale of operations and any committed and planned developments that impinge on their strengths in the airfreight sector.

Through major global and national changes and disruptions since 2019 existing players have been stress tested and have demonstrated high resilience and adaptability. On site improvements and developments will only enhance their market performance and potential. If Heathrow third runway goes forward that will add vast headroom to the freight capacity. Post pandemic, it and the other leading cargo airports have and will continue to have the capacity and capability to meet national long term dedicated airfreight needs.

In 2019 our carefully researched conclusion was that there was evidentially no need for a dedicated freight hub at Manston. Following the intervening period and this further work we adhere firmly to that view.

The RSP case is based on ill-founded assertions, and dubious research. We urge the Secretary of State to refuse the DCO on the basis of the **evidence**.

A Footnote on Thanet Parkway Investment

The new Thanet Parkway railway station is currently under construction in the A299 at Cliffsend outside Ramsgate. It is funded to the tune of £34.5m by Central Government, SELEP, Kent County Council, Thanet District Council and Network Rail. The station will boost passenger rail connectivity between East Kent, London and the wider Kent area by providing access to mainline and high speed services to and from Thanet. The project will improve employment opportunities and investment at Discovery Park Enterprise Zone, surrounding business parks in Thanet and beyond. This investment was predicated in large part on the proposed allocation of some 4000 houses and a mixed used business park development on the former Manston Airport site. The existing railway station at Ramsgate is incapable of providing adequate parking facilities. If on Redetermination the Secretary of State were to approve the DCO this would seriously undermine the substantial public investment in Thanet Parkway and have irreversible consequences for the long term transport and housing strategies for this part of East Kent. This is but one small part of the huge opportunity cost that would be borne if the DCO were to be granted.

END

John Walker. Chairman

Richard Oades. Vice Chairman

Michael Ashley. Executive Committee Member

The Ramsgate Society,

