

Attn Manston DCO

Re-determination of the Application by RiverOak Strategic Partners Limited for an Order granting Development Consent for the reopening and development of Manston Airport in Kent.

As the Secretary of State for Transport has extended the period for submissions to the 3rd December I take this opportunity to raise further issues.

These are in addition to issues I have raised previously in over 20 submissions during the course of this extended DCO procedure.

I am a local Ramsgate resident living close to the airport on the Nethercourt Estate. I remain opposed to the granting of the DCO.

Point One:

On the 27th November the Prime Minister announced further lock-down measures in response to a new strain of Covid identified in South Africa. Named Omicron it has already found its way into the UK. Already several countries have been placed on the Red list banning travel to and from them.

People travelling into the UK will have to take a PCR test by the end of the second day after their arrival and self-isolate until they get a negative test. And everyone who comes into contact with a positive case of Omicron will have to self-isolate - even if they've had both vaccine doses.

It is clear aviation, from the outset, has been a major player in distributing this virus around the world. Previously the Government has been slow in restricting travel which contributed to the rapid spread of contagion.

Aviation is a danger to health

- By rapidly spreading contagion around the world.
- Contributing to Climate Change by producing excessive CO2 emissions.
- Affecting peoples lives with the excessive noise of low flying aircraft.

With the Cop26 Conference now behind us it is important to acknowledge the commitments made to reduce the excessive production of Carbon and Greenhouse Gases that aviation generates.

Recognising international aviation's material contribution to climate change through its CO2 emissions, along with its additional, but less well-defined, contribution associated with non-CO2 emissions.

Emphasising that international action on tackling aviation emissions is essential given the global nature of the sector and that co-operation by states and aviation stakeholders is critical for reducing the aviation sector's contribution to climate change, including its risks and impacts. [REDACTED]

[REDACTED]

The days of Electric or Hydrogen planes suitable for commercial use are some years off. Plans to use Biofuel are similarly restricted due to the limits of scale and production. For that reason any expansion of aircraft use should be resisted. It is becoming unacceptable for people to jump on an airplane without giving serious thought to the impact on the planet.

With this in mind any plans to grant the DCO and reopen Manston Airport is both rash and unnecessary. It has been stated repeatedly by numerous aviation experts that it is not needed. In response Tony Freudmann of RiverOak now claims 'Need' is not a requirement.

"There is no general obligation to establish need for a nationally significant infrastructure project. The London Resort project, for example, as a leisure facility is not 'needed' per se," (Annex One)

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While RiverOak now claim 'Need' is not a requirement why then did they make so much effort in producing a 16 page report dated 5th July 2019 pointing out the 'Need' ref; TR020002 without any mention of compulsory acquisition? Applicant's Overall Summary of Need Case

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[Applicant's%20Overall%20Summary%20of%20Need%20Case.pdf](https://infrastructure.planninginspectorate.gov.uk/wp-content/ipc/uploads/projects/TR020002/TR020002-004669-Applicant's%20Overall%20Summary%20of%20Need%20Case.pdf)

2.1 At the heart of the Applicant's need case is our belief that slot and other constraints (extant or impending) at the London airports will create a major demand-capacity imbalance in the South East in terms of air freight tonnage and freighter ATMs. The most recent data suggests that East Midlands and other regional airports, which are growing slightly faster than their London and South East counterparts, may be offering some mitigation for this divergence, but not at a level sufficient to replace falling volumes at Stansted or to keep up with the underlying growth driven by e-commerce which began to re-emerge from 2015 onwards across the UK. Nor will it be able to cater

for future air cargo growth predicted by the industry (Boeing and Airbus confirm¹) to be an increase of 10-15% in the next ten years as a result of UK exporters and importers looking to increase trade in longer haul markets outside the EU2, which is more suited to shipment by general cargo aircraft.

Point Two:

Tony Freudmann was recently interviewed on a local radio station.
(Academy FM 23 Nov)

He described RiverOak as a Single Purpose Vehicle (SPV) likening it to the company that owns Heathrow Airport as well and other airports.

“Well, RiverOak is what we call in the jargon, a SPV, a single purpose vehicle. In other words, it's a company which was set up to acquire and develop Manston Airport. It's a company with wealthy backers who've supported us so far. And as you know, we've spent roughly 40 million pounds on the project so far, with more to come. So it is a single purpose vehicle. It's a bit like the company that owns Heathrow, you know, all airports are owned by single purpose vehicles. That's who we are. And of course the investors are committed to the project. They don't invest their money lightly these are large sums of money”.

It is interesting to look at the meaning of a Single Purpose Vehicle. The Corporate Finance Institute describes it thus;

A Special Purpose Vehicle (SPV) is a separate legal entity created by an organisation. The SPV is a distinct company with its own assets and liabilities, as well as its own legal status. Usually, they are created for a specific objective, **often to isolate financial risk**. As it is a separate legal entity, if the parent company goes bankrupt, the special purpose vehicle can carry on.

So what are the advantages and why would one be used?

The following are the most common reasons for creating SPVs:

- A corporation's project may entail significant risks. Creating an SPV enables the corporation to legally isolate the risks of the project and then share this risk with other investors.
- Securitization of loans is a common reason to create an SPV. For example, when issuing mortgage-backed securities from a pool of mortgages, a bank can separate the loans from its other obligations by creating an SPV. The SPV allows investors in the mortgage-backed

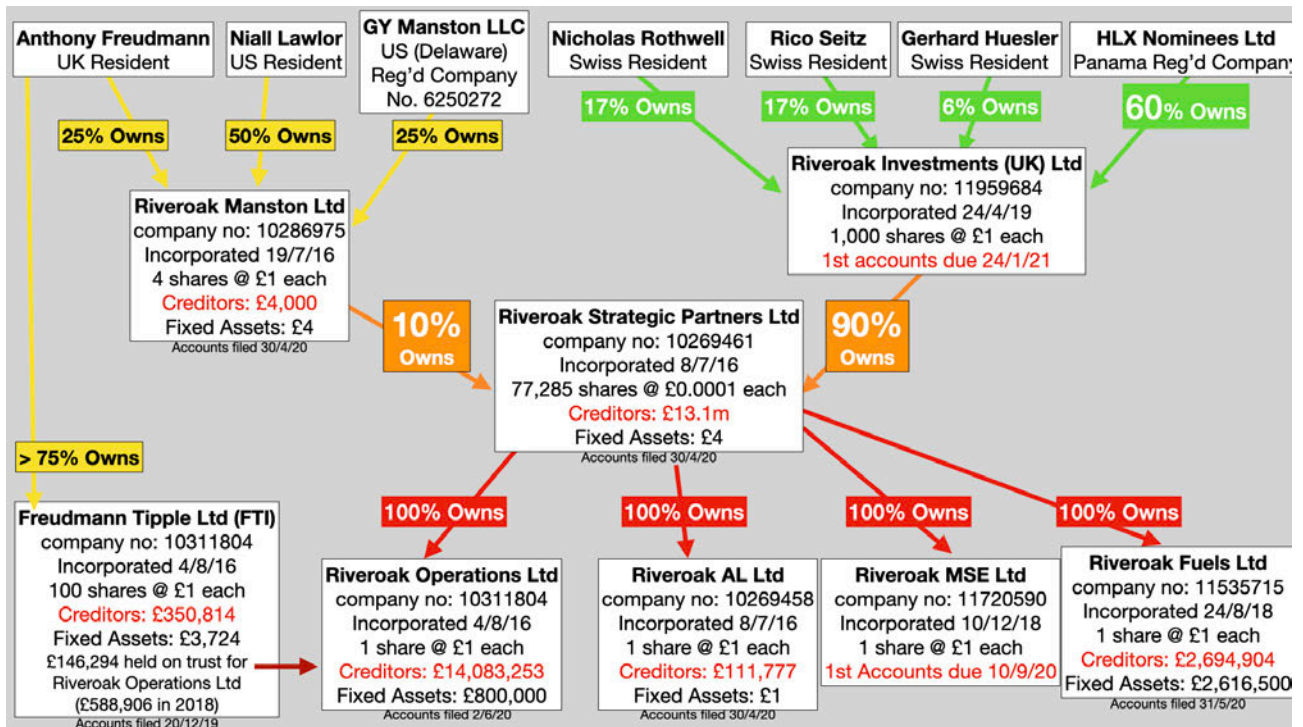
securities to receive payments for these loans before other creditors of the bank.

- Certain types of assets can be hard to transfer. Thus, a company may create an SPV to own these assets. When they want to transfer the assets, they can simply sell the SPV as part of a merger and acquisition (M&A) process.
- If the taxes on property sales are higher than the capital gain realised from the sale, a company may create an SPV that will own the properties for sale. It can then sell the SPV instead of the properties and pay tax on the capital gain from the sale instead of having to pay the property sales tax.

Benefits:

- Isolated financial risk
- Direct ownership of a specific asset
- Tax savings, if the vehicle is created in a tax haven such as the Cayman Islands
- Easy to create and set up the vehicle

The set up of RiverOak is complicated and it seems minimising risk is the foremost consideration of those involved.



So how do RiverOak compare to the company that owns Heathrow.

RiverOak Strategic Partners Ltd was first incorporated in 2016, after the airport closed, as a vehicle to back the DCO application.

Can it be compared to a Shell Corporation? It has no office, employs no people and does not have any business activity. The sole directors are Tony Freudmann and one other, the third director recently resigned and returned to America.

The Corporate Finance Institute states;

A shell corporation is a business that is formed that has no actual business operations. They are mostly created for money laundering or sometimes for parking early startup funds. They do not employ anyone or provide any services.

Shell corporations are created in tax havens to avoid paying taxes and to hide the identity of the owner. If an individual is involved in an illegal activity, a shell corporation can be a platform to hide money. A shell corporation can be opened by opening a bank account and buying real estate in a tax haven.

- **A shell corporation is a company set up by an individual, typically to evade taxes or to hide money from the authorities or business partners. Over the years, shell corporations have also been used to launder money.**
- **Tax havens help companies to pay lower taxes, thus increasing their profit margins and help them to gain access to foreign assets.**

RiverOak have yet to reveal who their financial backers are. Throughout the Public Inquiry they repeatedly claimed business confidentiality.

In comparison to Heathrow:

[REDACTED]

Heathrow is a gateway connecting the United Kingdom to over 80 long-haul destinations, making it easier for British exporters to get to growing markets and for tourists, students and investors to come to the UK.

The same planes that carry people also carry exports all over the world. Anything high value, with a short shelf life or short supply chain goes by air. In fact, almost 30% of all non-EU exports go from Heathrow, making us the United Kingdom's biggest port by value. In this way, Heathrow boosts the UK's connections with the rest of the world through supporting exports, trade and job opportunities. We are also an integral part of the local community, providing jobs for almost one in four local households. Recognising our local impact – be it noise or air quality – we are committed to a path of sustainable growth.

Over the past few years, the airport and airlines have made great progress towards our vision of "giving passengers the best airport service in the world". Passengers regularly now rate Heathrow as the best major airport in Europe. We have set our sights on enhancing our reputation as a world-class hub. This has been underpinned, not just by the investment our investors have made in rebuilding the airport, but also by the highest levels of punctuality and baggage connections ever, improved security and resilience and a real focus on developing a service culture. At the same time, we have been steadily reducing our costs and building a strong global investor base. We have also become a better neighbour by working hard to make Heathrow cleaner and quieter, while providing career opportunities for local people.

None of this would be possible without all the 76,000 people from 400 businesses that operate across the airport – 'Team Heathrow'. We work together to serve passengers and live our values: *Keeping everyone safe, Treating everyone with respect, Giving excellent service, Working together, Doing the right thing and Improving every day.*

Expansion presents a huge opportunity, not just to grow the national economy and create jobs, but also to transform passenger service, efficiency and sustainability. It will enable airlines to expand their operations. More flights from UK regions and Europe, connecting on to more long-haul destinations, will support the growth of exports and better connect the UK to global markets. We will ensure that we play our part in meeting local air quality targets, that we work to deliver our goal of fewer people affected by noise than today, that there is no more airport-related traffic on the road and that more skilled jobs are created for local people. An expanded Heathrow will be at the heart of an integrated transport system and help regenerate our local area. Expansion must also remain affordable for airlines and passengers. It must be financeable by private investors.

This Strategic Brief document brings together everything that we represent at Heathrow creating a clear set of aspirations for a future Heathrow in 2040. It will provide the basis to guide, inspire and evaluate our business plans and, in particular, the expansion programme over the next 15 to 20 years.

I welcome your support with the development of Heathrow Airport.



John Holland-Kaye

Chief Executive Officer
Heathrow Airport Limited



Our company, Heathrow Airport Holdings Limited (formerly BAA) owns and runs London XXXXXXXXXX, Britain's aviation hub.

Heathrow Airport Holdings Limited is in turn owned by FGP Topco Limited, a consortium owned and led by the infrastructure specialist Ferrovial S.A. (25.00%), Qatar Investment Authority (20.00%), Caisse de dépôt et placement du Québec (CDPQ) (12.62%), GIC (11.20%), Alinda Capital Partners of the United States (11.18%), China Investment Corporation (10.00%) and Universities Superannuation Scheme (USS) (10.00%).

Size

- Total size of Heathrow Airport: 1,227 hectares
- Number of runways: 2
- Length of runways: Northern 3,902m x 50m. Southern 3,658m x 50m.

Aircraft stands

- Number of aircraft stands served by an air bridge: 133
- Number of remote stands: 64
- Number of cargo stands: 15

Destinations and airlines

- Number of airlines: 84
- Number of destinations served: 203 (in 84 countries)

Most popular destinations

1. New York (JFK)
2. Dubai
3. Dublin
4. Amsterdam
5. Hong Kong

Terminals

Terminal areas

- Terminal 2 – 40,000 square metres
- Terminal 3 – 98,962 square metres
- Terminal 4 – 105,481 square metres
- Terminal 5 – 353,020 square metres

Figures do not include Flight Connections Centre and passenger piers

Terminal openings

- Terminal 1 (opened 1968 - closed 2015)
- Terminal 2 (opened 2014)
- Terminal 3 (opened 1961)
- Terminal 4 (opened 1986)
- Terminal 5 (opened 2008)

Flights 2018

- Annual air transport movements: 475,624
- Daily average air transport movements: 1,303

Passenger numbers 2018

- Annual passengers: 80.1 million

- Daily average total number: 219,458 (50.5% arrivals / 49.5% departures)
- Busiest day ever recorded (passenger numbers): 29 July 2018 with 261,909
- Busiest year ever recorded (passenger numbers): 2018 with 80.1 million
- Percentage of international passengers: 94% (75.3 million)
- Percentage of domestic passengers: 6% (4.8 million)
- Percentage of business travellers: 33% (26.5 million)
- Percentage of leisure travellers: 67% (52.1 million)
- Percentage of transfer passengers: 30% (24 million)

Passenger volume by terminal (millions) 2018:

- Terminal 2: 18.5 million passengers on 118,335 flights
- Terminal 3: 19.5 million passengers on 94,019 flights
- Terminal 4 – 9.4 million passengers on 49,660 flights
- Terminal 5 – 32.8 million passengers on 210,723 flights

Cargo volume 2018

- Cargo volume: 1.70 million metric tonnes

It is clear from the above, no matter Tony Freudmann's aspirations, there is little to support his claim that RiverOak and Heathrow are the same or even similar in business terms.

Submitted prior to the 3rd December deadline

James Hose

