

Planning Inspectorate
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12th March, 2024

By electronic submission and by e-mail to
gatwickairport@planninginspectorate.gov.uk

Written representation on behalf of International Airlines Group and British Airways regarding Gatwick Northern Runway application made by Gatwick Airport Limited

I refer to the above application made by Gatwick Airport Limited ("**GAL**") regarding the Gatwick Northern Runway ("**the Project**") (**collectively, the "Application"**). In this written representation, we will clearly lay out the views of British Airways, our parent company – International Airlines Group ("**IAG**"), and our sister companies – Aer Lingus, Iberia, Iberia Express, and Vueling Airlines. Please consider this written representation an amalgamation of views from each of the organisations listed above.

We are supportive of airport expansion, but any expansion must meet a number of core principles

We have been consistent in our view that any airport expansion project must meet a number of core principles (as detailed below) to ensure such expansion delivers benefits for all stakeholders – consumers, airline and non-airline users, the community and the environment.

To be clear, we do not yet consider that the test of these core principles has been met with respect to the Project.

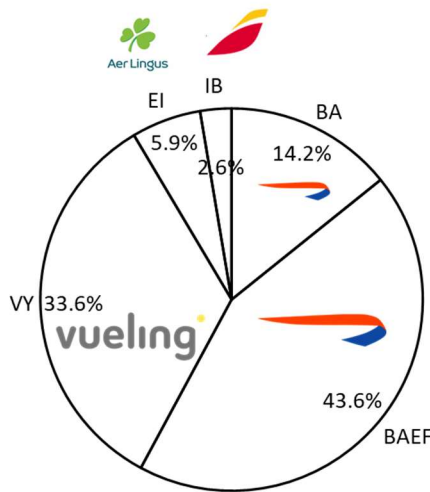
These principles are (i) affordability; (ii) cost transparency; (iii) environment and sustainability; (iv) consumer benefits; and (v) operational resilience.

We view these principles as a key test for our future support for any expansion at LGW.



LGW is a critical part of the British Airways and the IAG network

- From April 2024, IAG airlines will base 37 aircraft at LGW representing a significant investment by the company in the airport and the region.
 - British Airways, and its subsidiary company BA EuroFlyer, will base 35 aircraft at LGW – 12 long haul serving destinations in the United States of America, the Caribbean, Asia and Africa; and 23 short haul aircraft (as of March 2024) serving destinations throughout Europe.
 - Our sister company, Vueling Airlines will base an additional 2 short haul aircraft at LGW serving destinations within Europe in FY23. Vueling Airlines operates significant capacity at LGW with non-LGW based aircraft.
- In FY23, IAG carriers offered a total of 10.1M seats to consumers over an average of 71 daily frequencies.



FY2023 seats by IAG operating company; BAEF - EuroFlyer

- For FY23, IAG’s market share at LGW was 21% of available seats, the second largest operator of seats at LGW.



Affordability: Expansion must be affordable for consumers and we need to be confident in the cost of delivery.

- It is critical that the costs of any future expansion be controlled to ensure affordability. While we are supportive of airport expansion as a general principle, we do not support expansion at any cost.
- While a headline figure of £2.2B has been shared regarding the cost of the Project, we have yet to see a detailed breakdown of scope and cost, how GAL intends to finance the Project and the projected overall impact of the Project on airport charges.
- A symbiotic relationship exists between airport charges and our ability to meet consumer demand. GAL must ensure that charges do not inflate to the point that results in certain flying becoming economically unviable and ultimately reducing consumer choice. We would encourage GAL to develop a financing plan for the Project that sees airport charges fall overtime driven by the projected increase in passenger numbers at the airport.
- We would request that GAL presents a fully costed, multi-year master plan of future developments at LGW – which includes the Project – and a plan of finance and projected impact on airport charges over time.
- While GAL may opt to finance some of the works through airport charges under its current commitments framework set by the Civil Aviation Authority – under which it strikes deals with airlines on price and quality – it is important to remember that it is regulated monopoly infrastructure, and its charges have to be based on efficient costs. We also note that GAL has applied to the CAA to extend the commitments framework from 2025 to 2029, and we look forward to examining a proposal of how the project will be financed by airport charges in the next years.
- We remain sceptical that the Project can deliver upon one of its claimed benefits – to serve 75M passengers a year by 2038 – without significant and expensive investment in airfield and terminal infrastructure to handle an almost 70% increase in passenger volume over 2019 levels.
- We have further concerns about unidentified future investments in surface access to the airport should passenger numbers reach the levels projected by the airport.

- In short, we do not believe that the costs as presented fully encapsulate the entirety of the investment required to deliver the full benefits of the Project and we encourage GAL to provide greater detail and transparency in its own submissions.
- We will continue to work with GAL on ensuring that the Project can be delivered in an affordable manner and in the best interests of consumers.

Cost Transparency: We must be able to scrutinise costs of development in an open book and transparent way.

- We encourage GAL to take a collaborative approach to cost transparency during the pre-planning, planning and construction stages of the delivery of the Project.
- At British Airways and indeed across IAG and our sister companies, we are exposed to airport development projects throughout the world and have access to considerable benchmarking and cost data that will be helpful in ensuring the overall affordability of the Project.
- As such, we believe that we can add value to the Project through robust engagement and participation in the Project at all stages of its lifecycle.
- British Airways can play an important advocacy role on behalf of consumers through its active participation in the Project. However, in order for this collaboration to work, GAL must share scope, cost and other information regarding the Project in an open book manner.
- We encourage the Planning Inspectorate to require cost transparency by GAL in any contemplated approval of the Project.



Environment and sustainability: The programme must have the strongest of environmental credentials and manageable wider community impact.

- Our parent company, IAG, is determined to be the world's leading aviation group on sustainability. That means using our scale, influence and track record to not only transform our business but drive the system-wide change required to create a truly sustainable aviation industry.
- We are committed to delivering best practices in sustainability programmes, processes and impacts. Creating a truly sustainable business is fundamental to our long-term growth.
- As such, airport development programs at our key airports are also critical for our success and our long-term growth. The Project is no exception to this.
- We would encourage GAL to share a detailed plan on how it intends to deliver the Project through sustainable construction methods using recycled and natural materials; how it plans to make the airport more environmentally sustainable over time including energy efficiency; use of sustainably powered equipment and vehicles; and incorporating green ground transportation options into the Project.
- We note that there has been significant input from community stakeholders on the environmental and noise impacts, as well as concerns regarding surface access to the airport, of the Project and we encourage GAL to urgently propose meaningful mitigations to address these concerns.
- We also encourage GAL to work closely with us to advocate for the creation of a robust U.K. marketplace in the development of sustainable aviation fuel and consider how this mutually beneficial outcome could be incorporated into the Project.



Consumer benefits: The right incentives need to be in place for expansion to be delivered for the primary benefit of consumers, now and in the future.

- Our clear view is that GAL must set clear expectations, and indeed measurable metrics, on how the Project will deliver consumer benefits. Any incentive to GAL should be constructed around these metrics and GAL must not be rewarded for simply making the investment itself.
- GAL must be held accountable to ensure the benefits of expansion to consumers and airline operators are delivered and we encourage the Planning Inspectorate to set meaningful operational measures of success to ensure GAL delivers the Project in a fit for purpose fashion.

Operational resilience: Proven reliability of operations, including having in place the appropriate infrastructure and resilience for the expected aircraft movements and passengers.

- Our view is LGW's current operational performance is poor and we have significant concerns about performance at its current capacity, let alone its ability to successfully manage the proposed increases brought by the Project.
- GAL sets itself, and commits to its airlines, to an On Time Performance (OTP) target (departures within 15 minutes of schedule) of 70% in summer and 75% in winter. The airport is a long way from operating consistently at that level, particularly over the summer season, evidenced by performance across the aerodrome which in summer 2023 averaged 45% at D15 (37.4% in Q3).
- Significant investment is required in infrastructure to reduce airfield and stand congestion, taxi times and accommodate the volumes being processed now, which is why improving operational performance has to be a critical success factor for the Project.
- As noted earlier, in order to achieve the passenger numbers suggested by GAL (i.e. 78M passengers a year by 2038), we believe significant new terminal capacity will need to be added to the airport. It is inconceivable that such a level of passenger growth could be accommodated either in the existing terminal infrastructure or without material investment in new infrastructure.

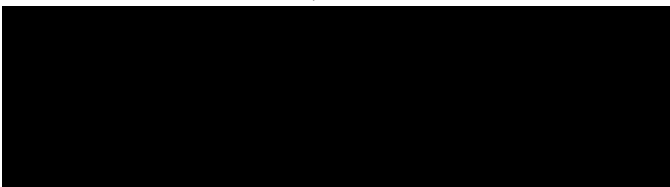
We would urge GAL to share its plans to accommodate passenger growth contemplated by the Project.

- In addition, air traffic control (ATC) provision at LGW over the past two years has not met the required standard and the operation in the tower has not been resilient to resource disruption. This has been a major contributor to poor aerodrome performance and although airlines have been reassured that steps have been taken to significantly improve the resource position in 2024 we still consider this our most significant operational risk. Mitigations must be in place and a resilient service delivered consistently before the airport is able to further increase capacity.
- Alongside ATC resilience at Gatwick, we have significant reservations about the current ability of airspace around London and the South East to cope with the levels of additional capacity proposed by GAL. The costs to airlines of disruption are excessive and it is very challenging to successfully deliver an on-time schedule with the current levels of aerodrome performance.
- We are sceptical of GAL's view that the current airspace structure and existing routes are sufficient to support future increased capacity delivered by the Project and we encourage the Planning Inspectorate to closely examine this claim.

In conclusion, we believe that a significant number of questions remain unanswered with regards to GAL's proposals and the Project itself, but we are committed to working with GAL over the coming months to look to address the concerns we have raised both bilaterally and within this submission.

We are available at any time to discuss this written representation further, or to answer any questions that you may have in the future.

Yours sincerely,



Neil Chernoff
Chief Planning and Strategy Officer

