



CAA Strategy and Policy

19 April 2024

Registration identification number: 20044664

Application by London Gatwick Airport Limited for an Order granting Development Consent to support dual runway operations

Dear Sir or Madam,

On 28 March 2024, the Examining Authority (ExA) published a set of written questions and requests for information - ExQ1. For those questions which were directed at the Civil Aviation Authority, either solely or along with other interested parties, the table below provides the answers from the Civil Aviation Authority.

CS 1.2	<p>CAA - Safety Related Matters</p> <p>Paragraph 1.3.3 of the Planning Statement [APP-245] states that GAL is confident that there are no obvious safety-related impediments why the project should not progress and expects this to be confirmed by the CAA directly and through a Letter of No Impediment.</p> <p>Has the CAA confirmed its position?</p> <p>CAA answer</p> <p>The Applicant will submit drafts of the CAA's Letter of No Impediment and Statement of Common Ground at Deadline 3. Section 4 of the former sets out the latest position of the CAA in regards to safety related matters.</p> <p>In summary, the CAA considers that the Applicant has engaged with us on safety related matters to the extent we would expect at this stage in the process and, whilst noting that most of the safety approvals will need to be gained at a later stage, we agree that there are no obvious safety-related impediments why the project should not progress.</p>
CS.1.11	<p>Needs Case Technical Appendix [REP1-052] (the Appendix)</p> <p>Paragraph 3.4.1 of the Appendix provides details regarding Gatwick's aeronautical charges. The contents of section 8 of the Applicant's response to Actions from Issue Specific Hearing (ISH) 1 [REP1-062] are noted; however, please provide further details on these charges, including:</p> <p>a) How they are calculated and who sets them?</p> <p>b) Any likely impact on them as a result of the Proposed Development – would the costs of the Proposed Development be reflected within the charges in the future?</p> <p>Any update on the joint statement of common ground with the CAA</p>

Civil Aviation Authority

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CAA answer

The Applicant will submit drafts of the CAA's Letter of No Impediment and Statement of Common Ground at Deadline 3. Section 7 of the former sets out the latest position of the CAA in regards to economic regulation.

However, in order to address the ExA's questions directly we further expand as follows:

1. Under the Civil Aviation Act 2012, the CAA is the economic regulator for airports that have substantial market power, currently Heathrow and Gatwick, and issues economic licences that typically contain price controls and other conditions. Our price controls and related conditions are reviewed regularly, typically at intervals of between four and seven years. When carrying out our economic regulation functions, our primary duty is to further the interests of passengers and cargo owners regarding the range, availability, continuity, cost and quality of airport operation services ("AOS"). We also have secondary duties including (among others) having regard to the need for licensees to be able to finance their licensed activities, to secure that all reasonable demands for airport operating services are met, to promote economy and efficiency in the licensees' provision of AOS, and to allow licensees to take reasonable measures to reduce, control or mitigate the adverse environmental impacts of the airport.

Since 2014 we have adopted a relatively light touch approach to the economic regulation of GAL, based on a set of 'commitments' that include a maximum ceiling on published airport charges, a minimum investment requirement and a set of service quality targets and potential rebates. While we are the ultimate decision makers, and will need to ensure that regulatory arrangements are in place that are in consumers' interests, historically we have given GAL and airlines the opportunity to carry out negotiations between themselves before we commence our review. We completed the first review of the commitments in 2021 and implemented a package of measures that GAL submitted for our review in January 2020 and that, by summer 2020 and in view of the impact of the pandemic, airlines told us that they were also happy to accept. We are currently considering a further proposal from GAL for the economic regulation that will apply from April 2025 to March 2029, and expect our review to conclude either later this year or early in 2025.

Unlike our regulation of Heathrow, therefore, there is no specific pre-determined methodology for establishing the ceiling on published airport charges. In practice, moreover, the charges paid by many airlines may reflect the conditions of bilateral contracts they have agreed with GAL and, depending on the conditions of the contract, may be lower than GAL's published charges. When considering any proposed price ceiling that is agreed between GAL or airlines, or in the event that the parties cannot reach agreement and we have to consider the issue further, we would expect to take a range of factors into account.

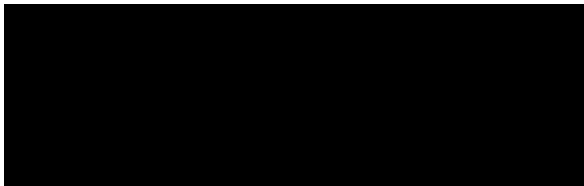
	<p>Both GAL and affected airlines can appeal to the Competition and Markets Authority against our decisions on licence conditions (including the commitments).</p> <p>2. In view of the above, and bearing in mind that GAL no longer has a formal regulatory asset base and therefore there is no automatic link between investment and airport charges, there is no definitive answer to the question of whether the proposed development would be reflected in future charges. It might seem reasonable to assume that there could be some impact on future charges, whether that is through airlines recognising the benefits of the proposed development in their approach to future negotiations or through the CAA taking account of relevant costs and benefits when reviewing any proposed price ceiling in future. But it is difficult at this stage to say precisely how the proposed development will affect future charges, or what the magnitude of any impact might be. While we would expect GAL to seek to recover the costs of the proposed development, the impact on airport charges may be moderated by the increased passenger volumes facilitated by the project and also the fact that these extra passengers will generate additional aeronautical and commercial revenues for GAL.</p>
<p>DCO 1.1 (for all IPs)</p>	<p>Potential Changes to the DCO and Control Documents At ISH2 the ExA asked all parties to propose matters which they would wish to see in the DCO, any other control document or a legal agreement early in the Examination. Where an IP wishes to see a change to the dDCO, any control document or the draft s106 agreement (when published) they are asked to specify, as precisely as possible, the amended wording they would wish to be included.</p> <p>CAA answer The only matter that is relevant to the CAA is the proposed role as ‘Independent Air Noise Reviewer’ as raised in the CAA’s PADSS [contained in RR-0831]. As noted in the CAA’s update to its PADSS [REP2-039], we are currently discussing how to resolve this issue with GAL. If this does not lead to a new version of the dDCO which meets our requirements, we will propose alternative wording as requested.</p>
<p>MAD 1.1 (for the applicant)</p>	<p>Relevant Representations – Loss of ‘Emergency’ Runway A number of RRs expressed concern that the change of the ‘emergency’ second runway to an operational runway will potentially compromise safety at the airport. Explain the Applicant’s position with regard to the current operation of the northern runway and also the implications for safety of the change to the operational use of the ‘emergency’ runway.</p> <p>CAA answer Although this question was not addressed to the CAA, we do not agree that the change of the ‘emergency’ second runway to an operational runway will potentially compromise safety at the</p>

	<p>airport. Gatwick, as with all airports, has established procedures in place should a runway need to be closed and these are not solely reliant on the use of its northern runway.</p>
<p>NV 1.4</p>	<p>Potential Revisions to Airspace The 4th row of Table 14.2.1 in ES Chapter 14 [APP-039] states “Whilst the development of a third runway at Heathrow would be contingent on major revisions to airspace in the South East of England, this Project is not.”</p> <p>a) Does the CAA agree with this statement, noting that IAG/ British Airways has expressed scepticism in their WR [REP1-198]?</p> <p>b) Schedule 2 of the dDCO (Requirements) states “independent air noise reviewer” means the CAA’. Does the CAA agree with this interpretation and consider that the role itself is sufficiently well defined?</p> <p>c) The ExA is aware of the Aircraft Noise Attitudes Survey (ANAS) that is underway. Is it expected that any of the results will be published before the end of the examination on 27 August 2024? If so, what?</p> <p>CAA answer</p> <p>a) In its Statement of Need [ACP-2019-81], submitted to the CAA in December 2019, GAL stated that the Northern Runway proposal would not modify any existing SIDs (Standard Instrument Departures), STARs (Standard Terminal Arrival Routes) or IAPs (Instrument Approach Procedures). The CAA also believes that NATS have undertaken some airspace analysis for the Applicant which supports the statement and this will be described in a submission by the Applicant at Deadline 3.</p> <p>b) As set out in the CAA’s PADSS and the recent update to it [REP2-039], the CAA considers that the role could initially be taken by the CAA but there should be provision for a mechanism by which the role could pass from the CAA in future if another organisation were better placed to undertake it. Schedule 2 of the dDCO (Requirements) should therefore be changed in later versions to reflect this. The CAA continues to discuss the wording of Schedule 2 with the Applicant.</p> <p>c) The Aviation Noise Attitudes Survey is currently being undertaken with the completion of fieldwork expected in 2024. It is therefore anticipated that our peer reviewed report will likely not be published until early 2026.</p>
<p>NV 1.9 (for the applicant)</p>	<p>Noise Envelopes At paragraph 4.1.11 d) of its RR [RR-3043] MSDC states that “There should be no allowance for noise contour area limits to increase.” It refers to the APF and Guidance CAP 1129. 5.60 of the ANPS states that “the design of the envelope should be defined in consultation with local communities and relevant stakeholders, and take account of any independent guidance</p>

	<p>such as from the Independent Commission on Civil Aviation Noise”, and goes on to state that: “The benefits of future technological improvements should be shared between the applicant and its local communities, hence helping to achieve a balance between growth and noise reduction.” Where in the ES does it show that the Applicant has taken account of independent guidance?</p> <p>CAA answer</p> <p>As a clarification, and as mentioned in the SOCG between the CAA and the Applicant, the most recent draft of which the Applicant is submitting at Deadline 3, the CAA notes that CAP1129 is not CAA guidance, but rather review of the noise envelope concept produced by the CAA to help the Government develop technical guidance on the concept.</p>
R17a.2	<p>Updated Principal Areas of Disagreement Summary Statements (PADSS) Please provide tracked versions of your respective PADSSs submitted at Deadline 2: [REP2-039].</p> <p>CAA answer</p> <p>Please see the version of the updated PADSS submitted by the CAA alongside these answers.</p>

If the ExA has further questions on these or any other topic, we will be happy to provide whatever assistance we can.

Yours sincerely,



Graham French
Head of Network Resilience Policy