

Gatwick Airport Northern Runway Project

The Applicant's Response to the Examining Authority's Written Questions – Case for the Proposed Development

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1 Response to the Examining Authority's Written Questions – The Case for the Proposed Development

The below table sets out the Applicant's response to the Examining Authority's Written Questions relating to the Case for the Proposed Development.

ExQ1	Question to:	Question:
CASE FOR	THE PROPOSED	DEVELOPMENT
CS.1.1	The Applicant	Meeting Need and Policy Approach
		The Planning Statement (Executive Summary) [APP-245] indicates a significant need for capacity development.
		Is it intended that all need should be met? What does policy say about meeting need?
		There is no policy expressly requiring that all need must be met. Nevertheless, the existence of a significant need also signifies that significant benefits can be secured by meeting that need; or foregone if the need is not met.
		It is important to recognise the weight which planning policy attaches to those benefits and, therefore, to the need for them to be secured. The importance of aviation to the UK economy is explained in the ANPS from paragraph 2.4. Few if any economic sectors benefit from such a strong expression of their national importance. As the ANPS states:



"2.9 The importance of aviation to the UK economy, and in particular the UK's hub status, has only increased following the country's decision to leave the European Union. As the UK develops its new trading relationships with the rest of the world, it will be essential that increased airport capacity is delivered, in particular to support development of long haul routes to and from the UK, especially to emerging and developing economies." (emphasis added)

The strength of policy support is explained in the **Planning Statement** [APP-245] in Section 5. There are multiple, consistent policy references but, for example, Aviation 2050 states:

"Aviation has long been at the heart of the United Kingdom's economic success. From its earliest days, flight has helped forge international trade links and created vital domestic connections enabling our country to flourish." (emphasis added)

The Transport Decarbonisation Plan explains in its Foreword that "*International connectivity is a vital part of Global Britain*". The word "*vital*" (also used at page 7 of the Jet Zero Strategy) is unusual in planning policy, as is the word "*imperative*" (ANPS paragraph 1.6).

The scale of need is set out in the ANPS from paragraph 2.10. Paragraphs 2.14 to 2.17 explain the consequences for the UK if the need is not met. These are not repeated here but the ANPS confirms that the consequences would be detrimental to the UK economy, with multiple adverse effects and costs estimated to run into many £billions. Consequently, the ANPS sets out policies to meet that need, to secure the benefits and to avoid the adverse consequences of not doing so. Hence, despite recognition of their acknowledged impacts, polices expressly support a new runway at Heathrow and making best us of other existing runways.

As a result, recent decisions on airport expansion have recognised the "very strong support from



		 national policy" (Stansted Decision paragraph 156 (Appendix A)); or that "substantial weight" must be given to the socio-economic benefits of expansion which flow from meeting the need (Manston Decision paragraphs 199 and 200 (Appendix B), and Bristol Decision paragraph 552 (Appendix C)). The Applicant's case on the scale of need and the policy support for that need to be met is set out in a number of documents but, particularly: Needs Case [APP-250] Section 3 of the Planning Statement [APP-245] Needs Case Technical Appendix [REP1-052]
		 National Aviation Policy provided as an Appendix A – Policy Response to the Response to Written Representations (Doc Ref. 10.14)
CS.1.2	The Applicant	CAA - Safety Related Matters
	Civil Aviation Authority (CAA)	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.
		Has the CAA confirmed its position?



	these are final and complete with no further substantive changes expected. We understand the CAA will provide signed versions of the SoCG and LoNI towards the end of the examination.
ne Applicant	Capacity and Slot Demand Table 3.1 of the Planning Statement [APP-245] shows slot demand against declared slot capacity. Why does capacity vary over time?
	The declared slot capacity varies over time due to a combination of factors including but not limited to the arrival / departure bias (a 50:50 split provides greater capability compared to a 70:30 split as a result of aircraft separation. These differences arise due to the demand patterns operated by airlines, for example Gatwick serves many 'based' aircraft so there is a departure bias of runway movements in the morning period), widebody/narrow body mix (aircraft following wide body departures require greater separation due to wake turbulence). There is also some inbuilt resilience so that less capacity is declared after the morning peak to enable delays to be recovered. This is explained in the Capacity and Operations Summary Paper Appendix: Airfield Capacity Study [REP1-054] at Sections 3.2 and 3.3.
ne Applicant	Status of Aviation Policy Framework Paragraph 6.2.6 of the Planning Statement [APP-245] explains that the Aviation Policy Framework (APF) remains relevant policy for proposals covering expansion at airports other than Heathrow, although it needs to be read together with more recent policy statements.



As the APF is now over 10 years old is it still relevant?

The ANPS explains its relationship with the Aviation Policy Framework (the APF) at paragraph 1.38, concluding that: "The Airports NPS does not affect Government policy on wider aviation issues, for which the 2013 Aviation Policy Framework and any subsequent policy statements still apply."

The APF was also described as "existing government policy" at paragraph 4.34 of the consultation document Aviation 2050 (2018).

Paragraph 4.37 of that document identified a proposal to update the APF, but no such update has been published.

The Overarching Aviation Noise Policy Statement (2023) found it appropriate to provide clarity around the overall noise policy objective to "*limit and where possible reduce*", which is set out in the APF, which might indicate some need to update it.

Flightpath to the Future (footnote 4) and the Jet Zero Strategy (at page 74) refer to the ANPS and Beyond the Horizon as the Government's "existing policy framework".

However, the APF has not been withdrawn and no subsequent policy document replicates its scope. The fact that it has not been updated may most importantly mean that the Government does not consider it to be out of date.

Notably, the Secretary of State relied on the APF as providing policy support for his decision at Manston Airport in August 2022 (**Appendix B**) and listed the APF as "important and relevant" policy (paragraph 40). The APF was then referenced a number of times to support the Secretary of State's reasoning in



		his decision letter.
		The Applicant regards the APF as up to date government policy, which (read together with other government policy publications on aviation) forms an important and relevant part of the framework of government aviation policy for the purposes of this examination.
CS.1.5	The Applicant	Runway Capacity and Fleet Details
		What is the maximum theoretical capability of the current runway under current legislative controls and operational constraints?
		There are no legal controls that limit the capability of the current runway providing all safety standards are met. However, the Airport's capacity is consulted upon and independently fixed each season through the capacity declaration process, which is explained in the Capacity and Operations Summary Paper [REP1-053] at Section 3.2. The outcome of that process can be taken to represent the practical capacity of the airport.
		In a balanced arrival/departure hour the maximum sustained capability of the runway is currently 56 ATM/hour. This includes the benefits delivered by the new Echo Romeo rapid exit taxiway; prior to the introduction of the new rapid exit taxiway the sustained maximum runway capability was 55 ATM/hour. In the baseline forecasts, the scheduled/declared demand (based on on/off stand times) will remain at a maximum of 55 movements per hour as the additional runway capability is used for resilience.
		From an operational perspective, taking a rolling hour London Gatwick has, by exception, achieved a maximum of 60 aircraft traffic movements per hour (ATM/hour) from the main runway. The theoretical



		maximum capacity can only be achieved on the current runway with perfect weather conditions, the perfect balance of traffic and high levels of predictive pilot performance. That maximum capacity would never be declared because, in practice, this confluence of circumstances is very rare and given the operational and weather limitations, it would not be possible to sustain this level of capability on the main runway. Further details on the current runway capability can be found in Section 3 of the Capacity and Operations Summary Paper [REP1-053].
CS.1.6	The Applicant	Runway Capacity and Fleet Details
		In terms of passenger loading, the Northern Runway Project (NRP) forecast is higher than the baseline [APP-250] – for instance - 213 v 210 2032, 218 v 215 2038, 224 v 218 2047. Why is this?
		The average aircraft sizes differ slightly between the baseline and Northern Runway scenarios due to the mix of traffic (short haul and long haul shares) and some minor differences in airline mix assumed in the busy day schedules.
		For example, in 2038 the long haul share of ATMs in the baseline is <16% whilst it is nearly 17% under the NRP scenario (this accounts for approx. half the differential).
		The remainder is explained through incremental runway capacity (for example 69 ATMs per hour vs 55 ATMs per hour) being utilised by slightly larger aircraft so the average short haul aircraft under the baseline has 194 seats compared to 196 seats in the Northern Runway scenario. These minor variances are driven by the respective airline mixes between scenarios since different airlines operate different



		fleets with different seating configurations. See Section 5.2.22 of the Needs Case Technical Appendix [REP1-052] for further details.
CS.1.7	The Applicant	Runway Capacity and Fleet Details
		Under the Proposed Development, would the northern runway be filled first at peak times?
		The Northern Runway capacity is assumed to be released over time in a phased manner. A reasonably consistent uplift across the day has been assumed in each year (rather than just releasing capacity in the peak hours in year one). As today, whilst some hours see greater levels of excess demand (e.g. as shown by the ACL slot applications for Summer 2023), such as the morning departure peak, those aircraft using the morning departure period also require slots throughout the day to support 2-3 rotations from Gatwick.
		Demand for Gatwick has already filled in any off-peak hours of the day and demand routinely exceeds capacity in all core hours of the day.
		In terms of the split of actual operations between the main runway and northern runway, the operations are interdependent, for example they both use the same airspace and the departure profile from the northern runway is linked to the activity on the main runway. Both runways will be in operation throughout the day and their capacity would be filled based on aircraft/movement type, capacity available on each runway and minimising holding times and ground routing complexity.



CS.1.8	The Applicant	Runway Capacity and Fleet Details
		A number of comments are made in the Needs Case [APP-250] concerning the larger planes being constructed and purchased by airlines, such as the Airbus A321.
		Are these planes still Code C and could they thus use the NRP?
		Yes, the Airbus A321 (neo, LR and XLR variants) are categorised as Code C and therefore can use the Northern Runway. Also, the larger Boeing 737 aircraft (e.g. Max-10) are also categorised as Code C and therefore can use the Northern Runway.
CS.1.9	The Applicant	London Heathrow Airport
		The Applicant's forecasts [APP-250] state that Heathrow Airport will rise to 90mppa long term from 81mppa 2019 due to larger planes and fuller aircraft (paragraph 7.3.3).
		Why would Heathrow only rise 9mppa for a fully operational two runway airport under their baseline, whereas GAL is predicting only 9mppa less despite one runway only being used for departures?
		Heathrow operates with a planning cap of 480k annual movements although slightly less than this is usually achieved in practice (presumably to ensure that Heathrow operates within its cap). Heathrow has no capacity for any increase in ATMs as a result of this cap.
		In contrast, Gatwick's capacity limits are operationally driven rather than being capped by a planning



		condition.	
NEEDS CASE TECHNICAL APPENDIX [REP1-052] (THE APPENDIX)			
CS.1.10	The Applicant	Figure 5 of the Appendix depicts slot demand and declared capacity. What day is this based on?	
		Each individual bar represents a day; so for each hour (e.g. 0600) there are 7 bars (Mon through to Sunday).	
CS.1.11	The Applicant CAA	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:	
		a) How they are calculated and who sets them?	
		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?	
		c) Any update on the joint statement of common ground with the CAA.	
		(a) Like other airports, Gatwick publishes annually a schedule of airport charges (in the Applicant's case via the Gatwick Airport: Conditions of Use booklet) so they are available to all airport users. Charges are regulated as part of the Applicant's economic licence - a process which is overseen by the CAA and which involves formal consultation including the Airport's airline user group and others such as GATCOM's Passenger Advisory Group, before the Applicant's economic licence is issued. As part of	



the CAA's regulatory process, the charge is included in the multi-year licence which defines a maximum price ceiling.

A detailed schedule of charges is then proposed by the Applicant on an annual basis, in line with the licence conditions, and the charges are calculated for a number of different variables including passenger charges, demand charges (including turn rebates), aircraft noise charges, a Nox Emissions charge, carbon charge, aircraft parking, utilities, special assistance, and baggage charges). The charges are routinely subject to consultation by GAL with the airlines.

In addition to the published charges, (and always within the CAA's overall price ceiling) the Applicant also enters into bilateral agreements with its airlines. These commercial arrangements often provide discounted charges, compared to the published schedule of charges, in order to incentivise airline behaviour (for example, using quieter and more fuel efficient aircraft, higher number of seats at Gatwick, etc).

(b) In March 2023, the Applicant published its final proposals to extend the current regulatory framework (which expires in March 2025) for a period of four years to March 2029; these proposals include a series of commitments relating to price, service and investment. The proposals would deliver significant consumer benefits, including enhanced service and a substantial increase in investment – all under a lower price ceiling.

As part of the Airport's proposals to extend its contracts and commitments framework, the Applicant has set out the level of investment it expects to make if the Project is approved and, importantly, has:



- (i) lowered the price ceiling, providing a commitment for a maximum average charge per passenger which the Airport is permitted to recover during the period, which is expected to decline, on average, in real terms (CPI-1% for 2 years followed by CPI+0% for 2 years); and
- (ii) provided the following commitment with respect to the costs associated with the Project; 'GAL commits to seek to increase the capacity and resilience of its airfield infrastructure. GAL further commits to continue to bear the cost and risks incurred during the extended Commitments period (up to 31 March 2029) in developing these plans, securing necessary Government approvals, and implementing the necessary projects. These include the potential projects to maximise the use of the existing main runway and to bring into routine use the existing standby runway ('Northern Runway').'

The CAA is currently examining the Airport's proposals for the current set of commitments to be extended for a further four years, to 31 March 2029. A decision from the CAA is expected by the end of 2024.

Once a decision is taken by the CAA on the Airport's current proposal to extend the existing commitments for a further four years, any new licence or commitments beyond the period would be subject to further consultation and approval by the CAA as part of the regulatory process.

(c) As set out in response to CS.1.2, a draft Statement of Common Ground (SoCG) and draft Letter of No Impediment (LoNI) (Doc Ref. 10.1.16) have been jointly prepared and have been submitted at Deadline 3. The Applicant believes these are final and complete with no further substantive changes expected. We understand the CAA will provide signed versions of the SoCG and LoNI towards the end of the examination.



CS.1.12	The Applicant	Paragraph 3.5.2 of the Appendix states that Luton and Stansted's growth requires terminal enhancements. How significant are the enhancements required at Stansted and do they have the permissions in place to achieve them (to the best of your knowledge)?
		Stansted have planning permission (Appendix A) to extend their existing terminal across its full width towards the airfield. Without this development peak hour demand will not be able to grow.
		The Applicant understands that, following the approval in June 2021 to increase passenger throughput from 35mppa to 43mmpa (appeal ref: APP/C1570/W/20/3256619), permission was granted in October 2023 for further works including the construction of a 3-bay extension to the existing passenger building (application ref: S62A/2023/0022).
		The Applicant has assumed that Stansted is able to deliver these works to support growth to the Stansted planning cap of 43 million annual passengers. These assumptions have been reflected in the Applicant's UK demand modelling discussed in Section 6.4 of the Needs Case Technical Appendix [REP1-052] where Figure 46 highlights Stansted's growth trajectory to 43 million passengers.
		Luton's DCO requires very significant development as a brand-new terminal is required to support the growth in passenger capacity to over 30 million in the late 2030s. Given the scale of works involved, this project will require significantly more time and cost compared to the development plans for Gatwick and Stansted.



CS.1.13	The Applicant	While noting paragraph 4.5.7 of the Appendix, provide further details on why the forecast passenger numbers for the NRP case (as shown in Figure 19 of the same document) would not keep rising at a faster rate than those for the baseline case.
		By 2032 the Northern Runway forecasts have 'maxed' out the incremental peak period capacity that the NR is capable of delivering. Therefore, daily, weekly, monthly utilisation ratios are comparable between the baseline and NR scenarios and growth can only be added incrementally which is the same between the baseline and NR scenarios.
CS.1.14	The Applicant	Paragraph 5.2.17 of the Appendix contains details of seasonality/ annual profile. The Applicant is asked to expand on this paragraph. Why are Lufthansa etc. operating with very limited seasonality and what does this mean in practice?
		Lufthansa are operating more consistent year-round schedules as it aligns with the markets they are serving and their business models. These carriers are often serving large, year-round markets and seek to use their aircraft on a consistent basis. This contrasts with some leisure/charter carriers today which tend to significantly reduce their operations in the winter season as their business model/cost base is set up to do this (seasonal contracts, destination accommodation closes, etc.)
		For other carriers discussed in the document they are seeking to operate with comparable year-round schedules to Lufthansa. For example:
		- Air India: Operate several year round markets from Gatwick recognising the vast market between London and India supports year round capacity.



		 JetBlue: Operate year round services to Boston and New York (JFK) which is comparable to other airlines on these routes providing a consistent year round proposition on some of the largest intercontinental markets in the world.
		- Wizz Air : They operate a wide range of European markets on a relatively consistent year round basis seeking to maximise aircraft utilisation throughout the year.
		- Air Mauritius : Have ceased operating at Heathrow to increase capacity to a daily year round service at Gatwick.
		- Chinese Carriers: They are now returning to Gatwick increasing their presence compared to pre- Covid. The 'big three' airlines (Air China, China Eastern and China Southern) recognise the importance of year-round connectivity to support the strong market growth forecast between China and the UK
CS.1.15	The Applicant	Please provide further evidence to support the statements concerning easyJet's recent fleet purchases (paragraph 5.2.30 of [REP1-052]).
		The assumptions regarding easyJet's fleet purchases are taken from their investor relations website detailing their management's plan ¹ , this was published in late 2023. A summary of their projected fleet growth is shown below at Figure 1 .

¹ https://corporate.easyjet.com/files/doc_financials/2023/q4/FY-23-Trading-update-slides-new.pdf





In 2023 nearly one third of easyJet's fleet was deployed at Gatwick, or served Gatwick from their other European bases. By 2033 easyJet are planning to add a further 128 aircraft to their fleet (336 to 464), Given the importance of Gatwick to their network it would be reasonable to assume that many of these

Maximum Fleet*

*Minimum and maximum fleet plan excludes 100 aircraft purchase rights

200 150 100

A320ceo



		aircraft would be deployed to Gatwick if capacity was available.
CS.1.16	The Applicant	Paragraph 5.2.49 of the Appendix describes easyJet's growth and market share at Gatwick. Is there any concern over the dominance of a single carrier providing so great a proportion of passengers for the airport?
		There is no concern with having easyJet as the number one carrier as Gatwick has developed a strong working relationship with them and this is reflected in ongoing long-term contracts the two parties have signed. Gatwick is by far easyJet's biggest base across their vast European network. They are a large carrier in a strong position providing a resilient baseline of traffic that they will continue to grow and this is supported by their significant future fleet growth plans. Compared to other airports, the share of easyJet is less than the main carrier at many other major airports. In 2019 easyJet's share of passengers was 41% and increased to 47% in 2023.
		In 2024, this will decrease modestly as they have handed some slots back to British Airways that they were previously using. The reduction in the number of aircraft which easyJet has based at the Airport is driven by a pre-scheduled return of slots to British Airways as part of a multi-year slot lease agreement and not as a result of the operating environment at the airport. Further detail is provided at Appendix A – Note of the Principle of Development to The Applicant's Response to Local Impact Reports (Doc Ref. 10.15).
		Some comparisons with other airports are provided below (2023, Source: CAA, passenger market shares)



		Stansted: Ryanair #1 with market share of 80%
		Heathrow: BA #1 with market share of 46%
		(increases to 55% when considering joint business agreements with e.g. American Airlines)
		Luton: Wizz Air #1 with market share of 47%
		 Many major European airports see their home carrier operate in excess of 50% of capacity. For example, Lufthansa (inc. Group airlines) has >60% share at Frankfurt and Munich, KLM (including Air France/Transavia) has >60% at AMS, and Air France (including KLM) has over 55% at Paris, CDG.
		The Northern Runway is forecast to provide further opportunity to diversify the mix of airlines and markets. This is supported by the slot allocation process. When new capacity is released, the slot allocation process typically favours new entrants (since the slot guidelines will provide up to 50% of 'new' capacity released at an airport to new entrants ²).
CS.1.17	The Applicant	Please provide any further information available concerning the details of Table 18 of the Appendix [REP1- 052].

² Paragraph 8.3.3.3: "50% of the slots contained in the pool at initial slot allocation must be allocated to new entrant requests in accordance with 8.3.4 below, unless new entrant requests are less than 50%" at https://www.iata.org/contentassets/4ede2aabfcc14a55919e468054d714fe/wasg-edition-2-english-version.pdf



Several of the target carriers previously identified by Gatwick's management and listed in the table have been able to convert their interest into slots at Gatwick post Covid (e.g. Air India, Chinese Carriers, Ethiopian, Lufthansa, etc.) whilst others continue to remain key targets for future growth – some of these carriers are unable to get the slots they would require for a competitive proposition so would be reliant on the NRP to provide slots for growth.

The Applicant is unable to share complete details of their commercial pipeline due to the commercially sensitive nature of the information, however we can provide the detail behind the airlines that were previously identified in 2019 and that are now operating (or due to start) at **Table 1** below. Those airlines are highlighted in green and services from all those carriers have either started or been announced by the airlines.

Table 1 Carriers operating or announced at Gatwick Airport

Airline	Airline Markets		
ВА	N. America, Caribbean, S&C America, Africa	Established	
Norwegian/Norse	N. America, Caribbean, Asia	Established	
Virgin	N. America, Caribbean	Established pre covid	
Charters (TUI)	N. America, Caribbean, S&C America	Established	
WestJet	N. America	Established	
Air Transat	N. America	Established	
Emirates	Dubai	Established	
Qatar	Doha	Established	
JetBlue	N. America	NEW - validates pipeline	
Ethiopian	Ethiopia	NEW - validates pipeline	



Air India/Others	India	NEW - validates pipeline
Air China	China	NEW - validates pipeline
China Eastern	China	NEW - validates pipeline
China Southern	China	NEW - validates pipeline
Singapore Airlines	Singapore	NEW - validates pipeline
redacted	Africa	ongoing target
redacted	Asia inc China/Hong Kong	ongoing target to return
redacted	Asia inc China/Hong Kong	ongoing target to return
redacted	Asia inc China/Hong Kong	ongoing target to return
redacted	Asia inc China/Hong Kong	ongoing target
redacted	Asia inc China/Hong Kong	ongoing target to return
redacted	Asia inc China/Hong Kong	ongoing target
redacted	Americas	ongoing target

Table 2 highlights how significant the growth is in many important long-haul regions. For example, China now has more capacity scheduled in 2024 compared to 2019 at a time when the Chinese international travel market continues to recover from Covid travel restrictions.

Africa and other Asian markets have also seen significant increases in connectivity at Gatwick since 2019.

Table 2 Departing Seats from Gatwick, 2019 vs 2024

	2019	2024	Growth
South/East Africa	104,819	242,234	131%
China	64,494	261,211	305%
Other Asia	31,957	57,063	79%



		Mid East	810,285	906,972	12%	
CS.1.18	The Applicant	demand was forecast to gro	ow at a Com Gatwick owr	pound Annua	al Growth F	ragraph 6.3.3 notes that total aviation Rate (CAGR) of 1.7% in the UK (Jet Zero Paragraph 6.3.5 explains that the Jet Zero
		a) The Jet Zero forecas Given that the Londo				recasts for Gatwick are London only. vant?
		Gatwick. This appear	rs to be a fai	ir difference.	Given that	edict a CAGR of 1.5% versus 1.8% for your forecasts predict that the Proposed es this alter your predictions at all?
		are forecasts for <u>UK-wide</u> do not specific to Gatwick Airport from the London market). To airport system (which draws	emand. Jet ort. They us The latest mess demand from	Zero growth se total UK de odelling supp om around th	forecasts a emand (exc ports previo e UK). App	s Case Technical Appendix [REP1-052] and outlooks prepared for the Applicant are cluding minor airports or those very distant ous findings which focused on the London olying UK rates to London can be London and the South East.
		The forecasts are modelled	unconstrain	ned.		
		It would not be appropriate	to reduce th	e future dem	and outloo	k based on the nature of current and future



constraints, because to do so would inherently underestimate the need for new capacity.

In answer to b) The principal change in the Jet Zero 2023 forecasts was the more cautious view of long term growth in the 2040-50 decade for the UK aviation market. The latest lower long-term trajectories do not impact the Applicant's case as Gatwick Airport is forecast to be virtually full in the baseline and NRP scenarios well before the 2040s.

The following hopefully provides useful context on the Applicant's approach to modelling and the Applicant's application of the latest Jet Zero 2023 forecasts.

Total UK demand has been modelled at a catchment level and assigned to airports based on their network/size as well as geographical location in relation to the demand. Even with the latest lower demand projections from UK Jet Zero 2023 (1.3% CAGR, 2018-50), the modelling highlights how the lack of capacity in the London market is becoming pronounced.

This will result in lost demand, connectivity and economic benefits to the UK unless there is a capacity response. This updated modelling validates the principal characteristics of the Applicant's case, which were apparent before the release of the JZ 2023 forecasts, namely that:

- 1. Under the baseline (no expansion) case, demand will significantly exceed capacity across the London airports by the 2030s.
- 2. Heathrow, Gatwick and Luton were all operating in 2019 with some degree of constraints, be that planning caps (LHR and LTN) or operational constraints (LGW peak season). Even modest growth in demand will lead to demand significantly exceeding the airports' capacity



		capabilities.
		3. Under the Northern Runway scenario, demand will rapidly fill the additional capacity offered by dual runway operations. Whilst the levels of excess demand are lower than the modelling prepared with the pre-2023 forecasts, the analysis still shows that the Northern Runway will fill shortly after opening.
		4. Gatwick is heavily oversubscribed today with airlines unable to access slots in any significant numbers with many carriers having to pay millions to enter the Gatwick market in recent years.
		In summary, this change to the latest long term outlook for UK aviation does not materially impact the predictions. There is a clear need for the Applicant's NRP and the NRP will fill shortly after opening.
		The discussion above relates to the more theoretical top-down forecasts. Whilst it validates the Applicant's case, the Applicant continues to have confidence that the NRP capacity will fill in the short-term based on its direct bottom-up engagement with airlines in specific markets.
CS.1.19	The Applicant	Section 7 of the Appendix provides information on sensitivity testing. Tests are provided: to include a third runway at Heathrow (LHR R3) and consent granted for the Proposed Development (1); and the Proposed Development, the Luton (LTN) Development Consent Order, and the London City (LCY) planning application (2).
		a) Would a further test involving the LHR R3, LTN, and LCY proposals, but not the Proposed Development, be useful for examining the future London market?



- b) Are there any proposals for expanding Southend Airport?
- c) HS2 will include a station at Birmingham Airport. Would this bring the Airport effectively into the remit of the London market, and if so, should this be factored into the sensitivity testing?

d)

This scenario was not one of the sensitivities produced as part of the **Needs Case Technical Appendix** [REP1-052]; however, the Applicant does not consider it would provide any materially new information in the context of examining this DCO Application as it would simply demonstrate an alternative scenario which still demonstrates a significant capacity gap in the 2030s (considering neither LHR R3 or Luton's new terminal is considered deliverable until the late 2030s at the earliest), which is one of the key benefits of the Applicant's NRP. Even if those developments were assumed to come forward, the NRP would Gatwick provide vital connectivity to reduce that short and medium term capacity gap.

Qualitative considerations are also important. Gatwick is particularly strong in the short-haul LCC market which would not be so capably served at other airports, including Heathrow. It is important to avoid compromising the role of Gatwick in the LCC market particularly and imperative to avoid effective foreclosure of its proven popularity, as illustrated by slot market.

- a) The Applicant is not aware of any current proposals and notes there has been a recent change of ownership at Southend in view of the financial difficulties of the previous owners. There are other relevant factors which limit its ability to contribute material additional capacity:
 - Its poor geographical location compared the major demand sources for aviation demand



(i.e. Greater London, South East (Sussex, Hampshire, etc.)

- Its short runway of approx. 1,800m limits operations to shorter destinations within Europe.
- It has a current Planning cap of 53 thousand movements.
- b) The Applicant has examined this potential impact from Birmingham's Airport perspective as well as for the London Airports:
 - It is estimated that Birmingham Airport currently attracts <40 k passengers from the Greater London airport area (Source: CAA survey 2019) of which approx. 10k came from areas around the HS2 terminals (Old Oak Common and London Euston).
 - Reducing the current journey time from ~65 minutes (today) to ~45 minutes (future) is not
 forecast to materially change the demand patterns for airports like Gatwick/ Heathrow as
 their catchments primarily draw from regions not linked to HS2 (e.g. West London, South
 London, Surrey, Hampshire, Kent etc.)
 - In contrast, the London airports currently attract >500k passengers from the districts of Birmingham and Solihull, therefore the London airports are more likely to gain than lose from HS2.
- c) In relation to the question of whether or not alternative scenarios would be useful, it is important to recognise:
 - the policy support for making best use (MBU) is not conditional on the plans for or



progress of other airports' development;

this was made clear in the Secretary of State's decision at Manston (Appendix B):

"97.....the Secretary of State is of the view that in considering whether there is a demand for the capacity the Development aims to provide, he is not able to attach weight to applications that have yet to come forward. This is because there is no certainty that capacity from such applications will be delivered. For example, aspiration plans setting out future growth may be modified or changed, or they may not come forward at all. Where planning permission is required, both the ANPS and the MBU policies are clear that they do not prejudge the decision of the relevant planning authority responsible for decision-making on any planning applications. Such applications are subject to the relevant planning process and may not ultimately be granted consent by the decision-maker. In addition, the aviation sector in the UK is largely privatised and operates in a competitive international market, and the decision to invest in airport expansion is therefore a commercial decision to be taken by the airport operator. This means that while increase in demand for air freight services could potentially be met by expansion at other airports, those airport operators may not decide to invest in changes to their infrastructure to meet that demand. It is therefore not possible to say with any certainty whether indicative capacity set out in growth plans will result in actual future capacity. The Stansted Airport expansion plan also demonstrates why potential capacity from future plans at other existing airports can only be indicative of future capacity and is therefore not a material consideration."

Consequently, any theoretical ability of other airports to meet forecast demand is not a reason for withholding consent. Those alternative airport plans cannot be assumed or relied upon. Policy



		encourages investment in airport development and specifically does not impose a limit on the scale of
		airport capacity that may be consented under the government's MBU policies.
CS.1.20-	The Applicant	Policy Approach
		Paragraph 3.1.41 of the Written Summary of Oral Submissions from ISH1 [REP1-056] states that paragraph 1.42 of the ANPS confirms that "the existence of a need is important and relevant and helps the establish the benefits of the Project would be a benefit, but it is not a test". However, ANPS paragraph 1.42 states that the Government accepts "that it may well be possible for existing airports to demonstrate sufficient need for their proposal, additional to (or different from) the need which is met by the provision of a Northwest runway at Heathrow".
		Is there not therefore an obligation placed on airports wishing to make more intensive use of their existing infrastructure to make the case/ demonstrate sufficient need for their proposals?
		The Applicant has responded to the Written Representations from the Joint Local Authorities, Heathrow Airport Limited and CAGNE (Doc Ref. 10.14) on their interpreta1tions of this paragraph of the ANPS and, particularly their assertions that the Applicant must show a need which is additional to (or different from) the need met by a third runway at Heathrow. Each of those responses is consistent but the ExA may find it most helpful to refer to the Applicant's explanation of its position in Response to the JLA's Response to GAL's D1 submissions at paragraph 3.1.4 (Doc Ref. 10.7).
		The Applicant notes, however, that this question from the ExA is asking a different question – whether an airport proposing a MBU application must "make the case/ demonstrate sufficient need for their



proposals", without reference to Heathrow.

The Applicant's answer is that policy does not oblige an applicant to demonstrate a need. Rather, the Applicant recognises that the decision maker will want to assess whether "the expected economic benefits will outweigh the expected environmental and other impacts", as the Secretary of State did at paragraph 37 of his decision at Manston (**Appendix B**). As the Secretary of State observed there, "the benefits expected from a proposed development would materialise if there is a need for that development."

A demonstrated need, therefore, would assist the applicant to demonstrate that benefits would flow from meeting that need. This is very much the sense which the Applicant takes from ANPS paragraph 1.42 – it is not necessary to show a need, but it is helpful to know that the Government considers that a need may well exist.

The Applicant has no difficulty with that formulation – but does disagree with the additional emphases stressed by others: that a need MUST be demonstrated; and that such a need MUST be additional to or different from the need that would be met by a third runway at Heathrow. In the Applicant's view, that test is not set in paragraph 1.42 of the ANPS or elsewhere for MBU development – and has not been applied in that way in decisions on MBU applications. In the Applicant's view, given that it is not required by policy, it is not surprising that such a test has not been applied at Stansted or Manston (or elsewhere).

The Applicant wishes to emphasise, however, that its submitted application both demonstrates a clear case for the NRP and sets out the substantial benefits that would flow from meeting that need through the development and operation of the NRP. The existence of that need generates benefits which are material to the balance to be struck on this application. Those benefits are at least different from any



		which can be achieved at Heathrow in the absence of a third runway but the Applicant's evidence also shows that Heathrow and Gatwick play complementary roles – see for example the answer to CS 1.25 below.
CS.1.21	The Applicant	Policy Approach
		Paragraph 1.6 of the ANPS states that the Airports Commission "considered it imperative that the UK continues to grow its domestic and international connectivity in this period [prior to Heathrow Northwest Runway opening], which it considered would require the more intensive use of existing airports other than Heathrow and Gatwick".
		Is there any inference that can be taken from the fact that Gatwick is excluded from this statement?
		No inference should be taken from the exclusion of Gatwick in paragraph 1.6 of the ANPS. GAL has addressed these same matters in its Response to the Written Representations of Heathrow Airport Limited (Doc Ref. 10.14), which is also submitted with these answers at Deadline 3. That Response describes how the Airports Commission had shortlisted Heathrow and Gatwick as candidates for the new full length runway needed in the South East – a decision to be taken by the Government in the ANPS. Once that decision was taken, the ANPS dropped the exclusion of Gatwick from its making best use policy. Accordingly, that exclusion is not made in paragraph 1.39, which expresses policy support for "airports beyond Heathrow" making best use of their existing runways. Similarly, in Beyond the Horizon, at paragraph 1.25 the policy is expressed to be different only for Heathrow.
		The Applicant has no difficulty going back and interrogating the work of the Airports Commission but the policy, for the purposes of this application, is expressed in the Government's aviation policy documents



		and the decisions made with the benefit of that policy position confirm its meaning.
CS.1.22	The Applicant easyJet	Operational Capacity and Resilience
	easyJet	Paragraph 4.1.36 of the Written Summary of Oral Submissions from ISH1 [REP1-056] notes that the central theme of easyJet's RR [RR-1256] was the operational capability and delivery at the airport, and that the resilience benefit that the Proposed Development would produce would likely address many of easyJet's concerns.
		Paragraphs 5.1.5 to 5.1.8 detail "multiple projects in progress to address the current resilience issues as well as support the baseline case". Would such projects also likely address the concerns of easyJet?
		The projects listed in paragraphs 5.1.5 to 5.1.8 of The Applicant's Written Summary of Oral Submissions from ISH1 [REP1-056] will enable increased operational resilience and help address easyJet's concerns, however, they cannot improve resilience or capacity to the extent that is achieved by the proposed NRP, in particular due to the lack of first wave capacity available in the single runway operation. The projects cited above, in combination with the introduction of a parallel dependant runway - which will decongest the current single runway operation - will significantly improve the Airport's capability and resilience, in turn reducing the potential for airport induced delay, demonstrated by the reduction in departure and arrival runway holding times detailed in Section 5 of the Capacity and Operations Summary Paper [REP1-053].
		Further details of the resilience benefits under the NRP scheme can be found in Section 7.2 of the Needs Case [APP-250]. Further details of the baseline projects can be found in Section 3 of the Capacity and



		Operations Summary Paper [REP1-053].
CS.1.23	The Applicant	Permitted Development Rights
		Paragraph 3.2.11 -12 of The Applicant's Response to Actions – ISH 1 [REP1-062] states that the proposed runway works would fall within the remit of permitted development rights (although noting that planning permission would be required where its use gives rise to likely significant environmental effects in footnote 1).
		However, Class F1(a) of Part 8 of the Town and Country Planning (General Permitted Development) (England) Order 2015 states that development is not permitted if it would consist of or include the construction or extension of a runway (as [REP1-062] points out).
		Would the works involve the construction of a runway, as they would be works amounting to construction (whether or not the runway would be 'new')?
		As noted in the question, paragraph F.1(a) states that development is not permitted by Class F if it would consist of or include "the construction or extension of a runway". On a natural reading of this wording, the "construction of a runway" means the construction of a new runway. This is consistent with the rationale for the Class F permitted development right of affording airport operators such as the Applicant the autonomy to carry out development in support of the effective and efficient running of an airport, which should include construction works to an existing runway which otherwise constitute "development" under section 55 of the Town and Country Planning Act 1990.
		The work proposed in the Project is the repositioning of the existing northern runway 12 metres to the



	Rob, John,	CAGNE [REP1-062] notes the contents of paragraph 3.19 of the ANPS, which states that expansion at
CS.1.25	The Applicant	Hub and Point-to-point Operations
		N/A – this question is not directed to the Applicant.
		The proposal considered by the Airports Commission considered a full spaced southern runway at Gatwick, as opposed to the proposal in this case. Is there therefore a distinction to be drawn between the two proposals? To your knowledge, was the Proposed Development in this case considered by the Airports Commission?
	Against Gatwick Noise and Emissions (CAGNE)	Paragraphs 18 to 21 of CAGNE's WR [REP1-137] consider the ANPS and the Heathrow third runway, concluding that "a proposal for a second runway at Gatwick (i.e. a proposal which would allow for dual runway operations at Gatwick) was one of the "other shortlisted schemes" and that it is obvious that "the proposal for there to be two working runways at Gatwick (or dual runway operations) was not selected by Government as the appropriate way (or even part of the appropriate way) to meet the needs case".
CS.1.24	Communities	north (see the cross-section at Appendix B of The Applicant's Response to Actions – ISH 1: The Case for the Proposed Development [REP1-062]). The existing runway is being partially repositioned and no runway is being constructed or extended. Before and after the proposed works there will be a single northern runway of the same width and length (see paragraphs 5.2.22 and 5.2.23 of ES Chapter 5: Project Description [REP1-016]). Airports Commission



Stephanie

Gatwick Airport would not enhance, and would consequently threaten, the UK's global aviation hub status.

Paragraph 4.1.5 to 4.1.9 of The Applicant's Response to Actions – ISH 1 [REP1-062] concern point to point and hub operations at Gatwick both now and in the future, stating that many markets served at Gatwick (and Heathrow) are hubs themselves so significant volumes will hub at the other end rather than London.

Do such operations threaten the UK's global aviation hub status? Has the world's aviation market moved on (in terms of point to point and hub operations) since 2018?

Heathrow is a competitive hub today. Its network is dominated by British Airways which operates an effective hub strategy feeding passengers between their arrival / departure traffic patterns throughout the day. Their operation along with partner airlines supports strong connectivity between Europe and North America as well as other flows including Norther America to Asia and Africa.

As a hub, Heathrow attracts and serves a substantial volume of transfer passengers. Heathrow's published data shows its estimate that 23% of Heathrow's passengers are passengers transferring between flights (2019 and H1 2023). Gatwick and other airports play a complementary role. The Applicant's equivalent estimate for Gatwick's transfer passengers is <5% (4.7% in 2019 and <2% in 2023)³.

³ Heathrow's figures come from Heathrow's Airport Charges for 2024 Consultation Document, Table 13. (<a href="https://www.heathrow.com/content/dam/heathrow/web/common/documents/company/doing-business-with-heathrow/flights-condition-of-use/consultation-documents/2024-Charges-Consultation-Document.pdf, whilst Gatwick's figures are sourced from IATA's AirportIS data base which is a recognized industry source for analysing airport passenger flows)



The Applicant recognises that Heathrow will continue to maintain its hub position in the UK, continuing to play a key role in UK connectivity as well as hub connectivity. Other markets have naturally started to catch up and are supported by much faster growing market economies and populations, for example airports in Turkey, the UAE, India, Saudi Arabia will benefit from faster growing economies in the decades ahead.

However, the UK (i.e. Heathrow) will continue to feature prominently as a hub owing to its strong geographical location for many transfer flows (e.g. Europe to North America) whilst other airports (e.g. Dubai, Istanbul) are better placed to benefit from flows involving faster growing markets in Asia.

There will always be an important role for hubs. Today, many of the markets that passengers access via hubs such as Dubai, Hong Kong, Atlanta will always remain unserved from London (for example, 32 US routes are served non-stop from London but there are ~200 airports in the country which have total annual traffic over one million annual passengers, many of these destinations will never warrant non-stop capacity from London. Heathrow already has and will continue to have stronger connectivity with overseas hubs. If Gatwick achieves some enhanced connectivity with those hubs, passengers will benefit but Heathrow's position as a hub is unaffected. Equally if Gatwick achieves point to point connections with other airports the role of hub airports is unaffected.

Gatwick will be able to support Heathrow's position as a hub airport as Gatwick and its airlines will not provide a competing hub proposition. To the extent that Gatwick would serve an increasing share of the UK's long haul market, this will take some pressure away from Heathrow and supporting its airlines in being able to continue their hub operation.

Without the Northern Runway at Gatwick, more transfer demand would likely be priced out of Heathrow (since transfers passengers are typically the most price sensitive and airlines favour 'local' passengers



due to their higher yields). Therefore, with the Northern Runway, Heathrow will be able to attract more transfer demand supporting its role as a hub airport. a. This was predicted by the DfT's modelling approach at the time when both Heathrow and Gatwick were being considered for new full-length runways. The following outputs are used to demonstrate this. b. The following outputs are taken from the DfT 2017 traffic modelling outputs. i. Under a 'no expansion' scenario, Heathrow's transfer demand was forecast to decline to just 4.7 million passengers in 2050. ii. However, under Gatwick R2, Gatwick's performance enabled Heathrow to serve 10.9m transfer passengers which is 131% more transfer demand than the 'no expansion' case. Gatwick expansion was therefore shown to support Heathrow's hub position. iii. This outcome is shown in Table 34. Table 3 Transfer passengers in 2050 LGW R2 LHR hub Baseline 2050 No expansion expansion Benefit

^{4 (}DfT UK Aviation forecasts, disaggregated dataset, https://www.gov.uk/government/publications/uk-aviation-forecasts-2017)



			LHR Transfers	4.7m	10.9m	131%	
		UK's forec	hub status, rathe	er than any policy c	of restraint on othe leathrow if a third	r UK airports.	essary solution to maintaining the The fact that the Applicant s at Heathrow confirms the lack of
CS.1.26	The Applicant	Parag runwa existi the p	ays)' states that that the state of the states and the states are such figures, does not be such figures, does not be such figures, does not be such figures.	the likely increase in the likely increase in the likely small, at 2 ave significant imp	in Air Transport Mo 2% without Heathr dications for overa	ovements thro ow expansion Il airspace cap	ring best use of existing bugh making the best use of and 1% with and consequently bacity. an existing runway in policy
		affect	ted by the capac s that both the A	ity yield from all air	ports which may h	ave been ant orts Commissi	runway is a fact which is not icipated in 2018. The evidence ion (at paragraphs 16.40-43 of



The Applicant has also demonstrated:

- a. that the recent modelling undertaken by the Government to inform its Jet Zero Strategy included the NRP as a capacity assumption aligned with MBU policies (Jet Zero Modelling Framework, paragraph 3.18)
- b. that the modelling satisfied the Government that it did not need to intervene to limit airport growth to meet its Jet Zero commitments (Jet Zero Strategy paragraph 3.57);
- c. that MBU applications made at other airports have involved significant operational development (see Section 3.5 of the Applicant's Response to Actions - ISH1: The Case for the Proposed Development [REP1-062]; and that the ATM increase promoted as part of the Luton Rising DCO in the name of MBU exceeds that promoted in the NRP (Response to Written Representations from CAGNE, Appendix B) (Doc Ref. 10.14); and
- d. that both the ANPS and Beyond the Horizon anticipate that some MBU applications may meet the threshold for NSIPs (an increase in capability of 10mppa).

It is also clear from the Secretary of State's decision at Manston (paragraph 71 of **Appendix B**) that:

"The Secretary of State would point out that neither of the relevant aviation planning policies (the ANPS and the MBU policy) restricts growth at airports beyond Government's preferred Heathrow Northwest Runway option to only those listed in the forecasts or those not listed but captured by the ranges used in forecasting as is the case for smaller airports."



CS.1.27

CBC

Policy Approach

Horsham District Council (HDC)

Mid Sussex District Council (MSDC)

West Sussex County Council (WSCC) Paragraph 6.1 of the Joint West Sussex LIR [REP1-068] states that the Proposed Development contains a number of different elements, with the airport related development, and the highway related development, both meeting the definitions of a Nationally Significant Infrastructure Project. The LIR comes to the view that as the proposal is a single integrated project overall the application should be considered under s104 of the Planning Act 2008.

However, the ExA notes that the highway elements of the scheme are largely reliant on the airport elements of the proposal, such that the highway elements are required due to the airport elements. Does this make a difference to your view on whether the application should be considered under s104 or s105 of the Planning Act 2008?

The Applicant notes that this question has been put to the Joint Local Authorities, but confirms here that the highway elements of the scheme are reliant on the airport elements of the proposal. The Applicant does not propose the highways-related development in its own right and does not conceive of circumstances where it could take place without the airport-related development. The highways-related development is plainly a secondary element of the Project, the primary purpose of which is to develop the airport-related development. This feature of the application informed the view of the Applicant that applying Section 104 of the Planning Act 2008 to the entirety of the application would not realistically reflect the nature of the present application. The Applicant has provided an initial response to the position of the Joint Local Authorities in **The Applicant's Response to the Local Impact Reports** (Doc Ref. 10.15). It continues to discuss issues relating to the application of Sections 104 and 105 with the Local Authorities.



