



**Horsham
District
Council**



GATWICK AIRPORT NORTHERN RUNWAY PROJECT

Planning Inspectorate's Reference: TR020005

Legal Partnership Authorities

Comments on The Applicant's Response To The ExA's Written Questions (ExQ1)

Response to [\[REP3-084\]](#) | Case for the Proposed Development

DEADLINE 4: 15 May 2024

Crawley Borough Council (GATW-AFP107)

Horsham District Council (20044739)

Mid Sussex District Council (20044737)

West Sussex County Council (20044715)

Reigate and Banstead Borough Council (20044474)

Surrey County Council (20044665)

East Sussex County Council (20044514)

Tandridge District Council (GATW-S57419)

Legal Partnership Authorities' Comments on the Applicant's Responses To The ExA's Written Questions (ExQ1)

Response to [\[REP3-084\]](#) | Case for the Proposed Development

The Legal Partnership Authorities are comprised of the following host and neighbouring Authorities who are jointly represented by Michael Bedford KC and Sharpe Pritchard LLP for the purposes of the Examination:

- Crawley Borough Council
- Horsham District Council
- Mid Sussex District Council
- West Sussex County Council
- Reigate and Banstead Borough Council
- Surrey County Council
- East Sussex County Council; and
- Tandridge District Council.

In these submissions, the Legal Partnership Authorities may be referred to as the "*Legal Partnership Authorities*", the "*Authorities*", the "*Joint Local Authorities*" ("*JLAs*") or the "*Councils*". Please note that Mole Valley District Council are also part of the Legal Partnership Authorities for some parts of the Examination (namely, those aspects relating to legal agreements entered into between the Applicant and any of the Legal Partnership Authorities).

Introduction

1. The Legal Partnership Authorities have now had the opportunity to review the Applicant's responses to ExQ1 in conjunction with their specialist consultants and legal advisors.
2. The Applicant provided their response to ExQ1 in the form of 19 separate written submissions to the examination together with annexes. For the ExA's ease of review, the Legal Partnership Authorities set out their comments on the Applicant's responses in the final column of the table below.
3. Where the Legal Partnership Authorities have decided not to comment on one of the Applicant's responses, this question has been deleted from the table below.
4. For the avoidance of doubt, where the Legal Partnership Authorities have decided not to comment on one of the Applicant's responses this should not be taken to indicate that the Legal Partnership Authorities agree with the response.

The York Aviation Deadline 4 Paper

1. At deadline 4, the Legal Partnership Authorities have submitted a paper authored by their specialist aviation consultants at York Aviation LLP entitled "Response to Additional Documents Submitted at Deadline 3 – Case for the Scheme and Related Matters" (the "**York Aviation Deadline 4 Paper**").
2. The York Aviation Deadline 4 Paper addresses issues relating to the case for the scheme thematically and includes commentary on the Applicant's responses to the ExQ1 questions.
3. For the ExA's ease of reference, we have included cross-references to the paragraphs of the York Aviation Deadline 4 Paper which comment upon or refer to the Applicant's ExQ1 responses in the table below.

ExQ1	Question to:	Question and Applicant's Answer	Legal Partnership Authorities Response
CASE FOR THE PROPOSED DEVELOPMENT			
CS.1.3	The Applicant	<p>Capacity and Slot Demand</p> <p>Table 3.1 of the Planning Statement [APP-245] shows slot demand against declared slot capacity. Why does capacity vary over time?</p> <hr/> <p>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.</p>	<p>The Applicant's response on this question is commented upon in paragraph 43 of the York Aviation Deadline 4 Paper.</p>
CS.1.5	The Applicant	<p>Runway Capacity and Fleet Details</p> <p>What is the maximum theoretical capability of the current runway</p>	<p>The Applicant's response on this question is commented upon in paragraph 43 of the York Aviation Deadline 4 Paper.</p>

		<p>under current legislative controls and operational constraints?</p> <p>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.</p> <p>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.</p> <p>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.</p>	
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		<p>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.</p> <p>Further details on the current runway capability can be found in Section 3 of the Capacity and Operations Summary Paper [REP1-053].</p>	
<p>CS.1.7</p>	<p>The Applicant</p>	<p>Runway Capacity and Fleet Details</p> <p>Under the Proposed Development, would the northern runway be filled first at peak times?</p> <hr/> <p>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.</p> <p>Demand for Gatwick has already filled in any off-peak hours of the day and demand routinely exceeds capacity in all core hours</p>	<p>The Applicant’s response on this question is commented upon in paragraph 43 of the York Aviation Deadline 4 Paper.</p>

		<p>of the day.</p> <p>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.</p>	
NEEDS CASE TECHNICAL APPENDIX [REP1-052] (THE APPENDIX)			
CS.1.13	The Applicant	<p>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.</p> <p>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.</p>	The Applicant’s response on this question is commented upon in paragraph 41 of the York Aviation Deadline 4 Paper.

CS.1.14	The Applicant	<p>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?</p>	<p>The Applicant’s response on this question is commented upon in paragraph 26 of the York Aviation Deadline 4 Paper.</p>
		<p>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.)</p> <p>For other carriers discussed in the document they are seeking to operate with comparable year-round schedules to Lufthansa. For example:</p> <ul style="list-style-type: none"> - 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 	

		<p>largest intercontinental markets in the world.</p> <ul style="list-style-type: none"> - 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.1.17	The Applicant	<p>Please provide any further information available concerning the details of Table 18 of the Appendix [REP1- 052].</p> <p>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</p>	The Applicant’s response on this question is commented upon in paragraph 35 of the York Aviation Deadline 4 Paper.

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

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	<p>Section 6.3 of the Appendix details unconstrained demand. Paragraph 6.3.3 notes that total aviation demand was forecast to grow at a Compound Annual Growth Rate (CAGR) of 1.7% in the UK (Jet Zero 2022) vs 1.8% for London (Gatwick own top-down forecasts). Paragraph 6.3.5 explains that the Jet Zero 2023 forecasts reduced to 1.3%.</p> <p>a) The Jet Zero forecasts are UK-wide, whereas the ICF forecasts for Gatwick are London only. Given that the London market is constrained is this relevant?</p> <p>b) Between 2018 and 2040 the 2023 Jet Zero forecasts predict a CAGR of 1.5% versus 1.8% for Gatwick. This appears to be a fair difference. Given that your forecasts predict that the Proposed Development would be full by the mid to late 2030s, does this alter your predictions at all?</p> <p>In answer to a), the latest ICF forecasts presented in the Needs Case Technical Appendix [REP1-052] are forecasts for <u>UK-wide</u> demand. Jet Zero growth forecasts and outlooks prepared for the Applicant are not specific to Gatwick Airport. They use total UK demand (excluding minor airports or those very distant from the London market). The latest modelling supports previous findings</p>	<p>The Applicant’s response on this question is commented upon in paragraph 50 of the York Aviation Deadline 4 Paper.</p>

	<p>which focused on the London airport system (which draws demand from around the UK). Applying UK rates to London can be considered conservative given the strong drivers of demand in London and the South East.</p> <p>The forecasts are modelled unconstrained.</p> <p>It would not be appropriate to reduce the future demand outlook based on the nature of current and future constraints, because to do so would inherently underestimate the need for new capacity.</p> <p>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.</p> <p>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.</p> <p>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%</p>	
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		<p>CAGR, 2018-50), the modelling highlights how the lack of capacity in the London market is becoming pronounced.</p> <p>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:</p> <ol style="list-style-type: none">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	
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		<p>Runway will fill shortly after opening.</p> <p>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.</p> <p>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.</p> <p>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.</p>	
<p>CS.1.19</p>	<p>The Applicant</p>	<p>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).</p> <p>a) Would a further test involving the LHR R3, LTN,</p>	<p>The Applicant’s response on this question is commented upon in paragraph 50 of the York Aviation Deadline 4 Paper.</p>

		<p>and LCY proposals, but not the Proposed Development, be useful for examining the future London market?</p> <p>b) Are there any proposals for expanding Southend Airport?</p> <p>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?</p> <p>d)</p>	
		<p>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.</p>	

		<p>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.</p> <p>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:</p> <ul style="list-style-type: none">• 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. <p>b) The Applicant has examined this potential impact from Birmingham's Airport perspective as well as for the</p>	
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		<p>London Airports:</p> <ul style="list-style-type: none"> • 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. <p>c) In relation to the question of whether or not alternative scenarios would be useful, it is important to recognise:</p> <ul style="list-style-type: none"> • the policy support for making best use (MBU) is not conditional on the plans for or progress of other 	
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		<p>airports' development;</p> <ul style="list-style-type: none"> • this was made clear in the Secretary of State's decision at Manston (Appendix B): <p><i>“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</i></p>	
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		<p><i>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.”</i></p> <p>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.</p>	
<p>CS.1.20-</p>	<p>The Applicant</p>	<p>Policy Approach</p> <p>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 <i>“the existence of a need is important and relevant and helps the establish the benefits of the Project would be a</i></p>	<p>The Applicant’s response on this question is commented upon in paragraph 12 of the York Aviation Deadline 4 Paper.</p>

	<p><i>benefit, but it is not a test”.</i></p> <p>However, ANPS paragraph 1.42 states that the Government accepts <i>“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”.</i></p> <p>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?</p> <hr/> <p>The Applicant has responded to the Written Representations from the Joint Local Authorities, Heathrow Airport Limited and CAGNE (Doc Ref. 10.14) on their interpretations 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).</p> <p>The Applicant notes, however, that this question from the ExA is asking a different question – whether an airport proposing a MBU application must <i>“make the case/ demonstrate sufficient need for</i></p>	
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		<p><i>their proposals</i>”, without reference to Heathrow.</p> <p>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 “<i>the expected economic benefits will outweigh the expected environmental and other impacts</i>”, as the Secretary of State did at paragraph 37 of his decision at Manston (Appendix B). As the Secretary of State observed there, “<i>the benefits expected from a proposed development would materialise if there is a need for that development.</i>”</p> <p>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.</p> <p>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</p>	
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		<p>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).</p> <p>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.</p>	
<p>CS.1.25</p>	<p>The Applicant Rob, John, Stephanie</p>	<p>Hub and Point-to-point Operations</p> <p>CAGNE [REP1-062] notes the contents of paragraph 3.19 of the ANPS, which states that expansion at Gatwick Airport would not enhance, and would consequently threaten, the UK’s global aviation hub status.</p> <p>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</p>	<p>The Applicant’s response on this question is commented upon in paragraph 13 of the York Aviation Deadline 4 Paper.</p>

		<p>significant volumes will hub at the other end rather than London.</p> <p>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?</p> <hr/> <p>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.</p> <p>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)¹.</p>	
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¹ Heathrow’s figures come from Heathrow’s Airport Charges for 2024 Consultation Document, Table 13. ([REDACTED] whilst Gatwick’s figures are sourced from IATA’s AirportIS data base which is a recognized industry source for analysing airport passenger flows)

		<p>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.</p> <p>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.</p> <p>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</p>	
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		<p>with other airports the role of hub airports is unaffected.</p> <p>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.</p> <p>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.</p> <ul style="list-style-type: none"> 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. <ul style="list-style-type: none"> i. Under a ‘no expansion’ scenario, Heathrow’s transfer demand was forecast to decline to just 	
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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 3².

Table 3 Transfer passengers in 2050

2050	Baseline No expansion	LGW R2 expansion	LHR hub Benefit
LHR Transfers	4.7m	10.9m	131%

It was the third runway that was determined by the ANPS to be the necessary solution to maintaining the UK’s hub status, rather than any policy of restraint on other UK airports. The fact that the Applicant forecasts the loss of long haul traffic to Heathrow if a third runway opens at Heathrow confirms the lack of any threat

² (DfT UK Aviation forecasts, disaggregated dataset, <https://www.gov.uk/government/publications/uk-aviation-forecasts-2017>)

		from Gatwick to Heathrow's status.	
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