

easyJet's submission to Gatwick's Relevant Representations Report [REP1-048]

August 2024

easyJet's original submission (October 2023)	GAL's response (Relevant Representations Report [REP1-048])	easyJet's submission to GAL's response (August 2024)
<p>General - easyJet carries 46% of the traffic through London Gatwick (LGW) and as a result easyJet's passengers will be most impacted by Gatwick Airport Limited's (GAL) Northern Runway proposal.</p> <p>easyJet's view is that GAL is not best placed to deliver the Northern Runway Project and that airspace modernisation needs to be urgently addressed before this project goes ahead.</p>	<p>Noted. London Gatwick operates the world's most efficient single runway and despite the constraints that currently hamper on time performance (OTP) London Gatwick delivers good and reliable service to its customers.</p> <p>By way of evidence, demand for slots at London Gatwick continues to be oversubscribed.</p> <p>London Gatwick agrees that airspace modernisation is needed and is pursuing its own airspace modernisation project under the Government and CAA co-sponsored UK airspace modernisation programme.</p> <p>Airspace modernisation is distinct from, but compatible with, the Northern Runway Project and will directly benefit the operation in terms of safety, capacity, efficiency, resilience and in reducing environmental impacts.</p>	<p>easyJet's view is that demand for slots is not a reliable indicator of airport quality or reliability, and that there is no direct correlation between the two. As the CAA has noted, GAL has significant market power in a London airport constrained system where slots are scarce and demand is high, and as such oversubscription of slots is not reflective of the airport's quality of service to customers.</p> <p>We note that GAL's response says that the airport delivers good and reliable service to its customers. However, easyJet would like to highlight that the CAA in its recent consultation on GAL's commitments (CAP3012, paragraph 3.55) stated that airlines have raised quality and on time performance as a main concern at Gatwick airport.</p> <p>Eurocontrol data shows that GAL has one of Europe's worst departure punctuality records. Between 31st March 2023 and 20th August 2024, average punctuality on departure was 59.27% and 61.07% on arrivals.</p> <p>In comparison, average punctuality at LHR was 66.87% on departures, 69.28% on arrivals, whilst STN had 63.99% departures and 65.53% on arrivals. Across 32 airports measured by Eurocontrol, LGW is the 9th worst performing airport on departures, whilst 3rd worst on arrivals. It remains unclear how the NRP would improve on time performance at the airport.</p> <p>Furthermore, easyJet's own C-Sat survey shows that Gatwick is placed 119th out of 160 airports from within easyJet's network for this year to date in terms of customers overall satisfaction and experience.</p>

		<p>GAL has failed to address our point that the airspace modernisation programme needs to be completed first before the NRP goes ahead, which easyJet believes is a key consideration.</p>
<p>Capacity and Operations: 1. GAL is not best placed to deliver an</p>	<p>London Gatwick operates the world's most efficient single runway and has historically</p>	<p>Data shared by GAL with its airlines show that weekly OTD (On Time Departure) for the major airlines operating at the airport is</p>

<p>increase in capacity at LGW given current performance. GAL's performance is below the performance of other large airports in Europe. GAL is consistently ranked in the lower half of punctuality rating in relation to average arrival and departures of the 33 airports reported by Eurocontrol (see sources). GAL has provided substandard Air Traffic Control services in 2022 and 2023 demonstrating a clear inability to cope with the current levels of traffic, let alone an increase in capacity with a second runway. GAL failed to notify airlines of any issues in advance of this summer resulting in significant disruption to passengers.</p> <p>Whilst GAL are making plans to improve ATC services, we are yet to see any material improvement and these issues have been persistent for the last two years. easyJet therefore questions whether GAL would be in a position to manage the increased aircraft movements that the Northern Runway would bring.</p>	<p>delivered good and reliable service to its customers. The constraints that currently hamper on time performance (OTP) London are temporary and there is working plan with all the stakeholders involved to deliver a good Summer 24. The NRP will only help to increase resiliency and lead to better operational performance.</p> <p>Even despite recent challenges, London Gatwick continues to be demanded by a variety of carriers as is demonstrated by the over subscription of slots.</p> <p>Gatwick works with its airlines and their contracted parties to lead the community on improving their inputs to their on time performance.</p> <p>Punctuality is an output of predominantly airline managed inputs including but not limited to the airline contracted ground handlers service delivery to turn the aircraft, the timelines of the airline calling ready to go and the integrity of the airlines schedule.</p> <p>Gatwick transitioned to NATS as their air traffic control provider in October 2022, Gatwick has been working with NATS to expedite training and competence of Air Traffic Controllers to avoid the legacy controller shortfall of the previous incumbent. The delivery of this plan has been a great success and the continued</p>	<p>around 30% below Gatwick's own performance target. This shows that all airlines are unable to meet the airport's own OTD with the current infrastructure. We believe this will only get worse with new capacity being released.</p> <p>GAL's response also refers to constraints in the wider European airspace - this statement confirms easyJet's stance regarding the need to modernise the airspace and improve GAL's operational performance before the NRP. Operational performance will not be improved by building an additional runway. Overall, our view is that GAL's plans for the NRP do not accommodate a high delay environment caused by en-route and downroute capacity issues.</p> <p>Regarding Gatwick's response on how punctuality is an output of predominantly external factors - GAL's claim that the causes of poor performance at Gatwick Airport are external factors unrelated to GAL's operations suggests a lack of serious plans to address and improve performance issues. Furthermore, if it is assumed that airlines are the cause (which easyJet disagrees with), this statement would imply that the proposed NPR could potentially exacerbate the already poor performance at LGW.</p> <p>In their response, GAL are referring to projects such as Reduced Departure Separation and Time-Based Separation on arrival as measures enhancing resilience. However, it should be highlighted that these were initiatives part of a programme called M60 which sought to increase runway movements from 55 per hour to 60 per hour. These measures specifically are designed to increase the arrival capacity per hour of the runway. However, GAL rarely has an issue with arrival capacity of the runway, the problems they are failing to address (and would be made worse by declaring more</p>
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	<p>pipeline of talent in Air Traffic Control is supported by Gatwick.</p> <p>London Gatwick runs an air traffic management and airfield infrastructure optimisation programme, including projects such as Reduced Departure Separation, Time-Based Separation on arrival and the build of a new optimally sited Rapid Exit Taxiway (RET), targeted at enhancing resilience. The airport is also collaborating with airlines and business partners to further improve operational performance.</p> <p>These enhancements in combination with the introduction of a parallel dependant runway - which will decongest the current single runway operation - will improve the airport's capability and resilience, in turn reducing the potential for airport induced delay. Whilst London Gatwick strives to achieve and improve airport efficiency and capacity our airline customers schedules have also been impacted by delay at times of high traffic demand across the network due to events and limitations that are not attributable to the airport.</p> <p>These factors primarily relate to the airspace constraints across Europe, this is a particularly acute issue for many of the Gatwick airlines which service destinations across southern Europe. Eurocontrol and its Network Manager, responsible for air traffic</p>	<p>arrival capacity) are those of ground movement flow and terminal infrastructure.</p> <p>In their response GAL is referring to the fact that the "airport is also collaborating with airlines and business partners to further improve operational performance". easyJet is unaware of the details of this collaboration, in particular the forum, frequency and metrics being discussed with regards to operational performance improvement.</p>
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	<p>management across Europe, have a rolling programme of initiatives to address network deficiencies, and these have, and continue to, resolve or mitigate design constraints.</p> <p>Constraints in the London Terminal Manoeuvring Area airspace are also a factor, the outdated design and sectorisation of which causes periodic air traffic flow problems today. While the Northern Runway Project will not rely upon the deployment of airspace modernisation (the Future Airspace Strategy Implementation - South) this project will deliver airspace benefits that will directly address the constraints in today's airspace and therefore further enable airport capability and resilience</p>	
<p>Capacity and Operations – 2. Current infrastructure plans set out by GAL do not sufficiently account for increased capacity.</p> <p>The independent slot coordinator Airport Coordination Limited (ACL) has demonstrated that current critical infrastructure at LGW (including the North Terminal departure facility) is full or close to full during the morning peak hours. This makes it impossible to add more aircraft or up gauge to larger aircraft with more seats. easyJet is aware that GAL has initiated some conversations on improvements to</p>	<p>Proposed infrastructure and timing of delivery is included the DCO application (see Design and Access Statement [APP-253, 254, 255, 256 and 257] for an overview).</p> <p>Detailed design work would come later in the event the DCO is approved. It should be noted that an extension to the North Terminal IDL is proposed as part of the project. The Northern Runway Project is privately funded in its entirety. For more detail, please refer to the Funding Statement [APP-009].</p>	<p>The Capital Investment Plan, under consultation, states that “Capacity assessment does not include growth from Northern Runway which will not be complete by 2028”. “A no-NRP capital investment programme would invest a total of £1.58 billion between April 2024 and March 2029, approximately £540 million less than the proposed 2024 base case (with Northern Runway)”. Therefore there's no clarity on the capacity extensions required. It is worth highlighting that GAL's current capacity assessments show the airport as being “red” in 2029 in almost all areas. We do not believe that GAL are taking seriously the capacity problems they currently have and they are poorly executing their capital spend without addressing the most pressing and systemic issues that they have.</p> <p>GAL have not responded to our point that there is no mechanism within the current commitments framework for any required adjustment to be made to GAL's investment</p>

<p>terminal infrastructure needed for the Northern Runway Project, however these are at a concept / pre-planning stage. They are not included in GAL's capital investment plan and were not submitted as part of the DCO process.</p> <p>easyJet is concerned that GAL has not shared any details relating to the plans, design, or scope of infrastructure needed to support the Northern Runway nor has it provided any timing for delivery or details regarding funding for supporting infrastructure. Without proper planning, operations at LGW will suffer.</p> <p>GAL suggests that the Northern Runway project "offers an affordable, sustainable opportunity to add significant capacity and resilience to the constrained London system and allow Gatwick to serve as many as 75 million passengers by 2038". However, there is no mechanism within the current commitments framework for any required adjustment to be made to GAL's investment commitment in the event that the Northern Runway project is permitted to proceed and the airport's capacity (i.e. number of</p>		<p>commitment in the event that the Northern Runway project is permitted to proceed and the airport's capacity (i.e. number of passengers served) increases.</p>
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<p>passengers served) increases. GAL has not explained how the proposed investment commitment would serve the needs of an increased number of passengers. Nor has GAL outlined how it will meet its service standards in having to commit expenditure to the Northern Runway, if approved.</p>		
<p>Capacity and Operations – 3. UK airspace modernisation needs to be completed before airspace above London takes on additional traffic. Airspace constraints need to be addressed prior to opening a second runway. Failure to modernise the airspace coupled with increased traffic over London will result in delays for passengers, increased operating costs, and excessive fuel burn creating a sharp spike in emissions in the South East region. NATS has forecast that by 2030 passengers could face delays on average of 30 minutes on every 1 in 3 flights if no action is taken to modernise the UK airspace (see sources). This would be further exacerbated by additional capacity added through the Northern Runway if this problem is not addressed.</p>	<p>London Gatwick agrees that airspace modernisation is needed and is pursuing its own airspace modernisation project under the Government and CAA co-sponsored UK airspace modernisation programme. Airspace modernisation is distinct from, but compatible with, the Northern Runway Project and will directly benefit the operation in terms of safety, capacity, efficiency, resilience and in reducing environmental impacts.</p> <p>However, airspace modernisation is not a prerequisite for the Northern Runway project. The Capacity and Operations Summary Paper (Doc Ref. 10.7) under the Airspace section explains in more detail the procedures for arriving and departing aircraft at London Gatwick and sets out the case in the supporting data (also see the Capacity and Operations Summary Paper Appendix: Airfield Capacity Study (Doc Ref. 10.7)</p>	<p>GAL have stated that the "Northern Runway Project will directly benefit the operation in terms of safety, capacity, efficiency, resilience and in reducing environmental impacts". There is no detail explaining how this would be achieved.</p>

<p>Capacity and Operations – 4. GAL's current operations at LGW require significant review if GAL are to successfully support a second runway. LGW's current operations have several underperforming elements which are struggling at current levels of traffic and would be exacerbated by increased traffic from a Northern Runway. These are:</p> <ul style="list-style-type: none"> • Security: currently there is no capacity to expand on the current security infrastructure within LGW and no increase in security resources at peak times leading to long queues and delays. Whilst there is a mandated change of security protocol (next gen security), it is unclear how this will impact on current passenger throughput. Not having to remove liquids should improve passenger flow, but the additional passenger screening requirements are expected to counter any improvement gains. easyJet is not aware of any contingency that can be deployed should GAL need to expand the capacity of security areas beyond the current planned footprints. • Immigration: immigration is full at certain times in both terminals. This 	<p>London Gatwick is rolling out NGSC across all of its Central Search Areas (CSA's), which will support the passenger throughput and speed in which a passenger is processed in. Along with the CSA's, there are a number of updated algorithm changes that will be implemented across external and fixed airport posts which will also speed up the natural throughput that any 3rd parties and airlines will be processed in.</p> <p>Although not yet mandated, once all CSA's have implemented the new NGSC technology, the DfT will then set timelines for all external and fixed airport posts, which will give the same level of throughput as with our CSA's. The DCO is proposing additional infrastructure to accommodate the airport's expansion. Proposed infrastructure and timing of delivery is included the DCO application (see Design and Access Statement [APP253, 254, 255, 256 and 257] for an overview). Detailed design work would come later in the event the DCO is approved.</p> <p>Gatwick has a close and constructive working relationship with UKBF. This includes the sharing forecasts weeks before the operating day to best align resource planning activity (that UKBF conduct themselves). On top of that, we meet strategically every month to review any operational challenges and upcoming improvement initiatives – for example the</p>	<p>It will be beneficial for GAL to share any modelling they may have done that shows how NGSC will support and improve the speed in which passenger are being processed.</p> <p>The response on UKBF does not respond to the questions/points outlined in our initial submission.</p> <p>GAL's plans for aircraft stands in the NRP continue to show a bias towards remote operations with very few pier served stands being planned.</p> <p>Two problems arise from this: Customers prefer not to depart from remote stands (involving a bus to their aircraft) - OTP is risked in remote operations as buses and vehicles need to cross taxiways (which will be more congested in an NRP scenario). If not operated from remote stands, then aircraft need to be towed from remote stands to pier served stands, a heavy towing requirement will cause additional ground movement complexity, risk OTP and add additional cost burden to airline operators.</p> <p>GAL have referred in their response that there is ongoing collaboration with airlines to further enhance operational efficiency. However, to easyJet's knowledge, there is no structured operational and performance meeting to look at challenges associated with the NRP.</p>
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<p>is driven by UKBF and there is no clear plan on how UKBF will support a significant increase in passenger numbers, nor if the current terminal infrastructure could accommodate further e-gates or immigration desks.</p> <ul style="list-style-type: none"> • Stand capacity: aircraft stand and coaching gate capacity are at maximums during certain times of the day. Delivery of pier service levels in line with GAL targets is only made possible by an extensive programme of aircraft towing during first wave operations. It is not understood how GAL would mitigate against further ground delays as a result of more aircraft than stands/gates available. Only an extensive programme of taxiway work to improve airfield flow could mitigate this and we do not see this in GAL's proposal. • Night Movements: are relied on by carriers that operate at LGW. Further traffic that increases congestion are likely to cause delay that further compound the night movement limitations with cancellations and disruption to passengers a likely risk 	<p>trial and acceptance of e-gate usage for 10yrs olds and above. These projects all aim to enhance capacity and passenger service in the immigration hall. Our passenger operations team, work with the UKBF teams in the area to optimise passenger flow and minimise any queuing in real time. We will continue to work closely with UKBF head office in any trials or innovation that could assist in this critical arrival process.</p> <p>ES Chapter 5: Project Description [AS-133] describes the new/reprovided stands proposed as well as the airfield works and reconfiguration of taxiways. See 5.3.56 onwards, and 5.3.58 onwards of ES Chapter 5: Project Description [AS-133].</p> <p>Gatwick has shared with its airlines the plan to split its Air Traffic Control Ground Operation in 2025 to further enhance the performance and utilisation of the ground infrastructure.</p> <p>To address current constraints and enhance performance, London Gatwick has implemented an air traffic management and airfield infrastructure optimisation program. This includes initiatives such as Reduced Departure Separation, Time-Based Separation on arrival, and the construction of a new optimally sited Rapid Exit Taxiway (RET) to improve resilience. Collaboration with airlines and business partners is also</p>	
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	<p>ongoing to further enhance operational efficiency. Gatwick plans to bring the existing northern runway into routine use are a crucial component of our plans to further improve our operational performance. If approved, the plans would decongest the existing single runway operation, significantly improving the airport's capacity and resilience. By doing so, GAL anticipates a reduction in airport induced delays, contributing to an overall improvement in operational performance and avoidance of night movements stated as a risk.</p>	
<p>Other - 5. The source of funding for the Northern Runway has not been made clear. GAL has not provided any details as to how the Northern Runway and any supporting infrastructure will be funded. easyJet is concerned that GAL may seek to acquire the capital required for the Northern Runway from current operating airlines. Potential impact on current operators and increased charges to customers should be considered. easyJet would prefer to understand how GAL intend to fund the project before it is approved. If GAL's intent is to pass through all or a sizeable portion of costs sunk in developing the Northern Runway and associated infrastructure to airlines, this may unfairly impact current</p>	<p>Gatwick Airport is privately owned and no taxpayer money would be used to finance this Project. The Project would be financed through a blend of debt, equity and airport charges.</p> <p>Further detail of Project costs and funding is set out in Section 3.2 of the Funding Statement [APP-009].</p> <p>Current projections indicate that, even with the significant investment associated with the development, Gatwick Airport charges would remain highly competitive when compared to other London and European airports.</p>	<p>Regarding the funding of the NRP at Gatwick, it is crucial to consider a balanced mix of financing options that minimises the potential for market power abuse and undue financial burden on consumers. GAL's statement is too vague and does not specify the share of contribution from charges, debt and equity it intend to use.</p> <p>Firstly, a detailed breakdown of the proposed debt and equity contributions should be provided. This should include the terms of the debt, such as interest rates and maturity periods, as well as the sources of equity, whether it be from airport stakeholders or external investors. This transparency will help in assessing the financial sustainability and long-term viability of the project. Moreover, debts could be repaid by users and passengers, and not by reducing dividends pay outs.</p> <p>Secondly, the role of the "cash" or "profit" to finance the project should be explained in terms of:</p> <ol style="list-style-type: none"> 1) The share of airport charges in the funding mix needs to be clearly articulated. While it is necessary

<p>customers as it will undoubtedly influence pricing of flights touching LGW.</p>		<p>to consider the use of airport charges, it is also important to ensure that these charges do not escalate to a point where they significantly impact the cost-efficiency of airport operations or the affordability of air travel. A cap on the percentage increase in airport charges could be proposed to protect consumers from excessive fees.</p> <p>2) The potential for higher commercial fees, the other source of profit margin, should be explored with caution. The impact of these fees on airport retailers and service providers, as well as on consumers, should be assessed.</p>
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