



Rt Hon David Cameron MP
Prime Minister
10, Downing Street
London
SW1A 2AA



20th June 2016



Dear Prime Minister

I am writing on behalf of the 36 business organisations listed below, which have a collective representation of over 15,000 businesses employing in excess of 100,000 people across the Coast to Capital region.



All through the course of the Airports Commission's work we have collectively lobbied for the next runway to be built at Gatwick. This view is further supported by residents from across the region ⁽¹⁾ who recognise that, in addition to global connectivity, Gatwick makes a significant economic contribution to the South East.



We are pleased that your Government understands the need for airport capacity growth and we welcome your commitment to finalising a decision on that growth within this Parliament.

We were disappointed with the recommendation last summer from Sir Howard Davies but were pleased to note that your Government has committed to review fully the Commission's final report and evidence base before reaching a decision on which scheme the Government will support.



We will continue to press for you and your Government to choose Gatwick, as we believe it to be the right choice for the country and for the region. We feel that the Final Report goes a long way to supporting that view as it states that Gatwick is a credible, financeable and deliverable option, and that its review of economic benefits according to Treasury guidelines identifies that both Heathrow and Gatwick have comparable benefits.



Gatwick's expansion can be achieved by 2025, providing the country with a rapid solution to the agreed capacity shortfall in airports. The constraints that have been placed on Heathrow ⁽²⁾ are likely to make that scheme undeliverable, which would then negate any theoretical economic benefits.



There are other flaws within the Commission's Final Report to which we would draw your attention as they undermine the Commission's recommendation and cast doubt on the deliverability of a runway at Heathrow in the timescale required to provide the capacity that the country needs. These include:





Traffic forecasts: The Commission has used estimates of passenger numbers at Gatwick that are out of date. The forecast used is for Gatwick to attain passenger volumes equal to 40million by 2024 and Gatwick has just announced a rolling total of just over 41million passengers for the current year ⁽³⁾.

Routes: The Commission seems to have based its recommendation on providing capacity for long-haul travel to emerging markets which are, without doubt, important. However, it also states that most of the growth in traffic will be to and from Europe and that Gatwick is best-placed to serve European destinations ⁽⁴⁾. Today, Gatwick has flights to 46 of the top 50 business destinations in Europe; it is also growing a strong long-haul route network and now serves over 50 destinations, with 20 new long-haul destinations, including China and South America, introduced this summer ⁽⁵⁾.

Furthermore, while it is accepted that 1 in 4 of Heathrow's passengers travel on business, it has not been properly acknowledged that 1 in 5 of Gatwick's own passengers are regularly business passengers ⁽⁶⁾. The Commission has understated the economic impact of Gatwick as those 8million business people are exporting British products and services or are foreign businesses looking to invest in or buy from Britain.

Competition: When the BAA was instructed to divest one or more airports in 2009, leading to the sales of both Gatwick and Stansted, this was in the interest of fair competition between the airports ⁽⁷⁾. Building a third runway at Heathrow would give that airport an unfair competitive edge over the other London airports and would go against the recent findings of the Competition and Markets Authority. A significant proportion of the traffic growth at a three runway Heathrow would not come from new routes, but by pulling international traffic away from other airports in the London area and across the Nations and Regions of the UK ⁽⁸⁾.

Noise: A third runway at Heathrow will put 550,000 residents into the 55L_{DEN} noise contour, compared to 22,000 affected by a second runway at Gatwick ⁽⁹⁾. On the 8th June, Gatwick pledged to further limit the number of people most severely affected by noise to 15,000.

Air quality: Gatwick has operated for many years well within established EU and UK limits on air quality. For example, the annual average level of Nitrogen Dioxide (NO₂) measured independently in 2014 was 28µg m⁻³ against a UK standard of 40µg m⁻³ of NO₂ ⁽¹⁰⁾. On the day that Sir Howard gave his recommendation, 1st July 2015, Heathrow measured 87µg m⁻³ of NO₂ and seems unlikely to stay within legally binding EU limits ⁽¹¹⁾. Again, on the 8th June, Gatwick pledged to work with neighbouring local authorities and keep within the limits set by government.

Infrastructure costs: The cost of developing surface access to service a third runway will require an estimated £5bn of public funds to provide new roads, road widening, junction improvements and a tunnel for the M25 ⁽¹²⁾. The Final Report also references a "Southern rail access to Staines" ⁽¹³⁾ which appears to be, as yet, un-costed and un-funded. TfL have estimated the true figure of the necessary transport upgrades should Heathrow expand, to be somewhere between £15billion and £20billion ⁽¹⁴⁾.

The large scale public funding, the disruption and the scale of these construction projects must cast serious doubt on their deliverability. Were these projects to go ahead, it would be at the expense of much needed public funding for other infrastructure investment while Gatwick has recently committed that the second runway would not require any Taxpayer subsidy.



Airline and Airport Operations: The future model of aviation is unclear; we feel that the role of hub aviation has been overplayed in the Commission's Final Report. Yes, it is an important model for some operators at Heathrow, but the rise of low cost travel is likely to continue and to challenge the model based on traditional alliance and hub based aviation. This has been shown by Norwegian Airlines' commitment to base 50 long-haul aircraft at Gatwick, should the runway be built there.

It is impossible to see how Heathrow will service all airline operating models. Low cost carriers require low charges and Heathrow already has the most expensive landing charges in the world, even before expansion. Furthermore, low cost carriers require a 30-minute aircraft turnaround⁽¹⁶⁾ and the published layout of terminals and taxiways at the expanded Heathrow will not allow for such a quick turnaround.

We support the construction of a second runway at Gatwick Airport.

Heathrow CEO John Holland-Kaye is right in saying that this debate is not about a strip of concrete; it is about the positive overall economic and societal benefit to the country, set against the financial and environmental costs of delivery; this benefit is best provided by the second runway proposed by Gatwick Airport Limited.

Whatever the outcome of the EU Referendum, we would urge to come to a quick decision on airport capacity and trust that the decision will be to build the country's next runway at Gatwick.

Yours sincerely

Jeremy Taylor
Chief Executive
Gatwick Diamond Business



Co-Signatories

Christina Ewbank, Facilitator
The Alliance of Chambers in East Sussex

Uta Acuna, President
Battle Chamber of Commerce

Martin Riley, President
Bexhill Chamber of Commerce

Dean Orgill, Chairman
Brighton and Hove Economic Partnership

Peter Liddell, Director
Burgess Hill Business Park Association

Julie Kapsalis, Chairman
Chichester Chamber of Commerce and Industry

Jonathan Sharrock, Chief Executive
Coast to Capital LEP

Caroline Wood, Director
Coastal West Sussex Partnership Board

Paul Roe, President
Crawley and Gatwick Chamber of Commerce

Adrian Munn, Director
Creative Ambassadors

Jeremy Woolger, President and Chairman
Crowborough and District Chamber of Commerce

Andrew Bauer, Chairman
Croydon Business Improvement District (BID) Ltd

Richard Plant, Chairman
Develop Croydon

Mark McFadden, Transport Portfolio Holder
Eastbourne UnLtd Chamber of Commerce

Stuart Scholes, Chief Executive
East Grinstead Business Association

Bryan Treherne, Chairman
Federation of Small Business (Croydon)

Colin Slaughter, Regional Representative
Federation of Small Business (East Sussex)

Ann Swain, Chair, West Sussex Policy Team
Federation of Small Business (Surrey & West Sussex)





Brian Woods, Chairman
Federation of Small Business (Surrey Hills East)

Jeremy Taylor, Chief Executive
Gatwick Diamond Business

Paul Gresham, Chairman
The Gatwick Diamond Initiative

Rhett Vallely, Chairman
Gatwick Hotels Association

Rosemary Stimpson, Chairman
Gatwick Small Hotels Association

Petrina Mayson, President
Hailsham Chamber of Commerce

Sean Dennis, Company Secretary
Hastings Area Chamber of Commerce

Maureen Scholefield, Chairman
Haywards Heath and District Business Association

Trevor Goldsmith, Chairman
Heathfield Chamber of Commerce

Geoff Williamson, Chairman
Horley Chamber of Commerce

Clare Crouch, President
Lewes Chamber of Commerce

Annie Lorys, President
Newhaven Chamber of Commerce

Nigel Enever, Representative
Peacehaven Chamber of Commerce

Alisdair Fortune, President
Seaford Chamber of Commerce

Bryan Treherne MBE, CEO
South London Export Club

David Sheppard, Chairman
Sussex Chamber of Commerce

Bernie Smith, Chairman
Uckfield Chamber of Commerce

Peter Bennett, Chairman
Worthing and Adur Chamber of Commerce



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