

The Case against Heathrow Expansion

This short paper sets out the case against Heathrow expansion.

We argue there are strong social, environmental, educational, health and equity reasons to oppose expansion. Here are probably safety reasons too. And the economic case for expansion is looking shakier the more it is examined. We deal with each point in turn. We also point to a positive way forward.

Reasons to oppose expansion

Social

Noise

The Department for Transport claims that, despite a 50% increase in aircraft numbers, noise levels will fall, or at worst, not increase! They can only make this startling claim by playing around with the noise figures. The Department only accepts that most people are bothered by aircraft noise in areas where noise levels average out at 57 decibels or more over the course of a year. This effectively means just the boroughs of Hounslow and Richmond in London and, on the other side of Heathrow, parts of Berkshire and Surrey. This doesn't tie in with people's experience. Nor does it tally with the World Health Organisation (WHO) figures. The WHO found that people start to get moderately annoyed when noise averages out 50 decibels and severely annoyed when it averages out at 55 decibels. The difference in the numbers affected is huge. About 230,000 people are affected at 57 decibels, i.e. live within the 57 decibel contour. 1-2 million people live within the 50 decibel contour. What is even more astonishing than the Government's rejection of the WHO findings is its dismissal of its own study, the ANASE Study, which came up with very similar findings to the WHO. ANASE was a major study. It cost over £1 million, took six years to complete and was the first major study into attitudes towards aircraft noise for twenty years. It didn't mark out a level at which a significant number of people start to get annoyed by aircraft noise but found it was well below 57 decibels and suggested it was around 50 decibels or even lower. It also criticised the method of averaging out noise, arguing that it didn't take full account of the effect of the huge number of planes now using Heathrow. The Government accepted these two findings of the study but decided not to adopt them into policy because it felt there were flaws in other (non-related) parts of the study. All this means that the whole basis of the Government's claims that noise levels will not worsen if expansion takes place is flawed, and even fraudulent.

Community Destruction

In the consultation document the Department for Transport accepts that around 700 homes (including the entire village of Sipson) will need to be demolished to make way for a 3rd runway and a 6th terminal. What it doesn't spell out is that this is the barest minimum. This figure does not include the properties which would need to be taken for new or widened roads or those which would be so close to the airport that they would become uninhabitable. Schools, churches, homes, pubs...all would need to be demolished. Some estimate that up to 10,000 people would need to be removed. That would make it one of the biggest forced removal of people in the last 100 years.

Environmental

Climate Change

In the UK aviation is the fastest-growing contributor to climate change. It already accounts for 6% of climate change emissions. According to an answer given to a Parliamentary

Question by Gillian Merron MP when she was Aviation Minister last year, this rises to 13% if radiative forcing is taken into account. (Radiative forcing is not universally accepted – it the term use to describe that, because a lot of emissions from planes are emitted at a very high altitude, they are particularly damaging to the climate). According to the World Development Movement a third runway alone would emit as much CO₂ (the climate change gas) in one year as the whole of Kenya. The Government and the aviation industry argue that the inclusion of aviation in the European Emissions Trading System (ETS) will deal with the problem. (This is the system where airlines buy permits to pollute). But the ETS will only cut European growth in emissions from 142% to somewhere between 135 – 139% by 2020. Hardly the panacea for climate change!

Air Pollution

The Department for Transport claims that the proposed expansion of the airport from 473,000 flights in 2006 to over 700,000 by 2020 will still allow the airport pollution limits to stay within the EU limits. Many independent observers doubt this. Several areas around Heathrow already exceed the EU limits (due to come into force in 2010). The Department argues that the arrival of cleaner planes will enable the airport to stay within the limits despite the huge projected growth in the number of planes. But this is generally regarded as over-optimistic. A good analysis of this can be found in the report by the Aviation Environment Federation, *Emissions: Impossible* - www.aef.org.uk

Educational

There is considerable anecdotal and research evidence to show that children's education can suffer when they attend schools under the flight path. For some children a plane passes overhead every 90 seconds for part of the day. The expansion proposals will only make things worse. There will be schools under a flight path for the first time (the flight path to a 3rd runway). And the half day of peace and quiet which many of the schools under the existing flight paths currently enjoy will disappear if runway alternation is abolished. The best studies on how children's education can suffer are by Professor Stephen Stansfield of Queen Mary's College. They include the comprehensive RANCH Study.

Health

There is considerable evidence that people's health is affected by aircraft noise. Recent research – the HYENA Study – from Imperial College in London, carried out by Dr Lars Jarrup and his team, found that people can get stressed out (and therefore by more prone to high-blood pressure and heart failure) when they are subjected loud noises at night (such as night flights) or to constant noise during the day (such as a plane coming over every 90 seconds). The study is backed up by a lot of research from across Europe. Much of that research is brought together in Guidelines for Community noise, by Berglund et al, published in 2000 for the World Health Organisation.

Equity

A lot of accusations are made that, if we oppose expansion, we are denying poorer people the right to fly. But it is much more complex than that. The majority of flights – even on the budget airlines (which don't use Heathrow) – are taken by better-off people. Indeed, the real growth in recent years has been amongst the wealthiest 10% of the population taking many more weekend breaks abroad. And that is the trend which is expected to continue. The poorest 10% of the population hardly ever fly (because of the overall cost of the holiday). This means that the significant tax-breaks the aviation industry enjoys (£9 billion through tax-free fuel and exemption from VAT and anywhere between £4 billion and £24 billion to cover the costs of flying's impact on noise, climate change, air pollution and biodiversity) are deeply regressive. And the deeper equity issue is the impact of climate change will have on the people of the planet – if it kicks in hard, it will affect the poorest in poor countries first and most acutely.

The Question of Safety

Although Heathrow has a good safety record, what is significant is that neither the Civil Aviation Authority nor National Air Traffic Control has given the green light for the current expansion proposals. They would need to do so before these proposals went ahead.

The Shaky Economic Case for Expansion

The Department for Transport justifies the expansion of Heathrow on economic grounds. Its evidence is shaky. There is no doubt that Heathrow has benefited the economy of West London, London as a whole and, indeed, the UK. But that is not what is in dispute. The Department for Transport and the aviation industry claim that expansion is essential for continued economic prosperity. Is that true? HACAN commissioned the independent Dutch consultancy CE Delft (who have done work for national governments, the European Commission, the aviation industry and NGOs) to assess the claims. Below are the main points they found.

1. CE Delft's report casts doubt upon the Government's estimate that expansion at Heathrow will bring economic benefits of £5 billion (over 70 years). It argues this figure is too high for two main reasons:

a. The suppressed business demand that would be released by expansion at Heathrow is significantly over-estimated by the Oxford Economic Forecasting (OEF) reports of 1999 and 2006, on which the Heathrow calculations are based.

- The DfT's own estimates are that 'mixed-mode', for example, will attract 0.5 million extra business passengers by 2015 whereas OEF assumed six times as many i.e. 3 million.
- OEF estimates the economic impact to be about £400 per additional business passenger, or £120 over all passengers. This compares to a consumer surplus of about £30 per passenger based on the DfT's own estimates of economic impact. CE Delft found that it is implausible that the economic impact is many times greater than the value passengers themselves derive from flying.

b. The OEF Report does not factor in the cost to the Exchequer of the tax-breaks the aviation industry receives each year or the costs of the environmental downsides of aviation growth such as noise, community destruction and climate change.

- CE Delft found that: "To give a truer account of the impact of aviation on the national budget, the figures for taxes and charges paid by the aviation sector could have been set against the subsidies and other forms of government support that are paid to the sector, something that the OEF report does not attempt."

CE Delft have not estimated what the economic benefit of the proposed Heathrow expansion would be if the suppressed demand was lower than OEF estimates and the tax-breaks and environmental costs were factored in but it is likely to be negligible.

2. CE Delft found that if Heathrow did not expand people would spend their money elsewhere with the result that other sectors of the economy would grow.

- In a thriving economy, such as exists in London and the South East, people have money to spend. If they do not spend it on one thing (e.g. aviation), they will spend it on something else (e.g. on a holiday in the UK or buying a new kitchen). So other sectors will expand, creating jobs and contributing to Gross Domestic Product (GDP).

- CE Delft wrote: “The economic importance of the sector can only be determined by comparing the overall size of the economy with its assumed size in the absence of the sector. It is clear that the money currently spent on aviation would be spent in alternative ways in other sectors if there were no aviation sector.”

2a. This also means that, if Heathrow did not grow, people would find jobs elsewhere. In other words, it would not result in any significant unemployment.

CE Delft argued that OEF incorrectly assess the impact on direct, indirect and induced employment and therefore the additional runway’s contribution to GDP. If airport capacity were not expanded, people would find jobs elsewhere in the economy, possibly at lower wages, but still giving rise to indirect and induced employment. **Therefore the employment figures provided cannot be used to substantiate a claim for expanding runway capacity.**

CE Delft notes that OEF reports at length on how aviation supports other parts of the economy. But CE Delft argues that this information is pretty meaningless unless a comparison is done on how the economy would fare if aviation did not expand. It would develop in different ways, but it is wrong to assume, as OEF does, that it would automatically suffer.

3. The London economy will not suffer if Heathrow does not expand.

- **CE Delft did not look at this directly, but, they did find that** “Although the access to good aviation links is one of the location factors for new companies, it should be noted that currently London is already ranked number 1 for its transport links with other cities and internationally. Notably, the impact of the location factor ‘access to air services’ is of greater importance with regard to companies’ decisions on where to invest within the UK, than on the decision regarding the country in which first to locate..... One may ask oneself the question what additional effects could be expected from further adding to the capacity of the airport.”
- **This supports the evidence that, in recent years, businesses have come to London in record numbers despite the fact that other European airports have grown more rapidly.** There are a number of reasons for this: London has other advantages over its European competitors (such as a thriving financial centre and relatively low-tax base economy); many international companies, where decisions need to be made rapidly, are increasingly using modern technology such as tele-conferencing; and, of course, Heathrow is not the only airport serving London.

Former transport minister, Stephen Norris, now a successful businessman, who hosted the launch of the CE Delft Report, summed the situation up, “The Government is pushing ahead with plans for a third runway without really understanding what that means for the economy. It seems that the OEF report is fundamentally flawed and that by relying on it the Government are misleading us over the need for a third runway at Heathrow. We are often told that a third runway is essential for the Capital’s economy. But this report shows those benefits have been overstated by the Government and the aviation lobby. How can we compare the cost of valid alternatives, such as high-speed rail, if we are over-estimating the value of more runways?”

The full CE Delft Report is available on the HACAN website – www.hacan.org.uk Also available is Flaws Galore 3, a short report, by the AirportWatch Economics Group which details the economic flaws in the DfT’s consultation document.

An Alternative Way Forward

Heathrow can serve the economy without the need to expand. There are a number of measures which can be taken.

Limit the landing slots available to short-haul flights

A 2006 study by HACAN revealed that there are 100,000 flights a year (out of a total of 473,000) to 12 destinations where there is already a viable rail alternative. Another 100,000 flights serve destinations where, with improved rail services, the train could be a viable alternative. The way forward is to limit the number of landing slots available to short haul flights. This would then allow for the probable increase there will be in coming years from the fast-developing economies of the Far East without having to expand the airport.

Provide no extra capacity

If the airport does not expand, there will be no additional capacity provided. That will force airlines to make a commercial choice about which flights are the most important to them. This will generally mean the market prioritising business flights over leisure flights.

Sort out the tax-breaks

The tax-breaks are creating an artificially high demand for air travel. If aviation paid its fair share of taxation (on fuel; and VAT), then demand would be reduced. If it was then required to pay in full the costs of the environmental damage it causes (under the polluter pays principle), then demand would be reduced still further. Taxation of fuel and some emissions charges would require, at the very least, European agreement, but there are signs that Europe is moving in this direction. In the more immediate term the VAT exemption could be withdrawn and Air Passenger Duty (or an equivalent tax on the aircraft) could be increased annually to make up for the money lost to the Exchequer each year through the current tax-breaks. The objection to this is that it would hit ordinary working families hardest. There are two responses to this. It's a fact of life that wealthier people always have more money to spend on things – why should air travel be any different? And, secondly, increased revenue from flying (a polluting activity) would allow the Chancellor to reduce taxes elsewhere (e.g. income tax) which would give working families more freedom on how they spend their own money and/or allow higher expenditure on things which would really benefit the poorest in the community, such as better sound insulation in social housing; lower bus fares; improved access for disabled people.