

[REDACTED]

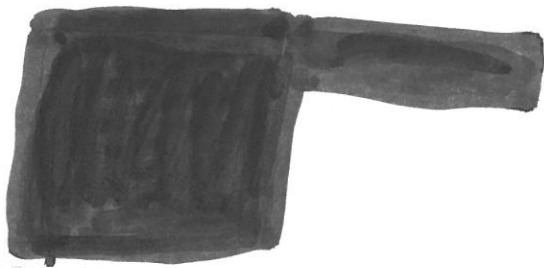
From: [REDACTED]
Sent: 15 May 2014 10:24
To: [REDACTED]
Subject: FW: Thank you from all Manston Supporters!

From: Stephen DeNardo [mailto:[REDACTED]]
Sent: Wednesday, May 14, 2014 08:09 PM GMT Standard Time
To: [REDACTED]
Subject: FW: Thank you from all Manston Supporters!

Dear [REDACTED]

The note below was sent to my Partner, Niall Lawlor, who is on the ground in the UK from the "Save Manston Committee". Please pass this on to Mr. Goodwill.

Many thanks.



Stephen DeNardo
Chief Executive Officer
RiverOak Investment Corp., LLC
One Atlantic Street, Suite 703
Stamford, CT 06901

[REDACTED]
[REDACTED]
www.riveroakic.com

From: Niall Lawlor
Sent: Wednesday, May 14, 2014 2:52 PM
To: Tony Freudmann; Stephen DeNardo; George Yerrall
Subject: Fwd: Thank you from all Manston Supporters!

Best regards,

Niall Lawlor.

IPhone: - [REDACTED]

Sent from my iPhone

Begin forwarded message:

From: [REDACTED]
Date: May 14, 2014 at 7:50:55 PM GMT+1
To: 'Niall Lawlor' <n.lawlor@riveroakic.com>
Subject: Thank you from all Manston Supporters!

Dear Mr. Lawlor and all of Riveroak Investment,

As a member of the 'Save Manston Airport' committee, I would like to thank you on behalf of all 15,000+ of us who support the airport.

We ask our members to refrain from sending you too many emails, to allow you to work, so I have been asked to send thanks to you at the request of many members. We are very glad that you obviously see the great potential in Manston Airport and continue to attempt to acquire it.

We are deeply frustrated and upset with the games Mrs. Gloag continues to play. Her recent rejection because the 'bid was too late' and 'many staff have found other jobs' are felt to be poor excuses to many of us. We would like to correct the fact that many staff have other jobs to go to - after speaking to a large amount of them - they simply do not. Those few that have found a job (approximately 5 we have met), have said they would come back at the drop of the hat. We also find the other statement that it was 'too late' to be very odd - we remember no date specified ourselves, and we wonder too late for what exactly.

We have heard your CEO has proposed visiting Mrs. Gloag to try and reach a deal. We can only ask, with all our might, that you try everything in your power to make a deal.

We have heard countless stories of staff who have been let go after decades working at Manston and are now finding it difficult to support themselves. It is absolutely heartbreaking and so very difficult to understand when there are credible and fair bids on the table.

Please feel free to pass this email on to your relevant colleagues in the US. We want them to know how much we support you. We are willing to help in any way we can.

With thanks from over 15,000 of us,

[REDACTED]
'Save Manston Airport' Committee

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[REDACTED]

Subject: Letter
Attachments: To whom it may concern re. Manston Airport.doc
Switch-Messageld: ed665015d6884f54ab92484b13ad9063

From: [REDACTED]
Sent: 15 May 2014 11:41
To: [REDACTED] <[REDACTED]@ft.gsi.gov.uk>
Subject: FW: Letter

To note.

I should also mention that RG will be making a call to Mrs Gloag a little later today. He is out on a visit but I will try to get a full read-out.

[REDACTED]
Private Secretary and Head of Office
Parliamentary Under-Secretary of State, Robert Goodwill MP
Department for Transport

T: [REDACTED]@gsi.gov.uk

Please note that correspondence from the Minister's office is not automatically filed. You should consider the need to file this communication.

From: [REDACTED]@nitrodesk.com]
Sent: 15 May 2014 11:12
To: [REDACTED]
Cc: George Yerrall; Niall Lawlor; [REDACTED]
Subject: Fw: Letter

Dear [REDACTED]

The attached would seem to be an important summary of the facts on the ground at Mansion. It gives the details of the disingenuous statements of Madame Gloag and her team.

Sent from my Android phone using TouchDown (www.nitrodesk.com)

Having heard on local news that the new offer to buy Manston Airport has yet again been rejected with one of the reasons given being that 'most of the current staff have already got jobs' I am here to tell you that THIS STATEMENT IS NOT TRUE.

I was one of the Customer Service Supervisors and I have yet to find work. I can confirm that from this department only 4 employees have found employment to date. I understand that it is similar in other departments – operations, air traffic control, fire service, fuel service, ramp, cargo, administration, the list goes on. I know that none of us would be looking for jobs if we weren't forced in to a position of redundancy and many of us - perhaps all of us – would not hesitate to return or continue to work at the airport if the opportunity arose. Most of us are not able to find like for like jobs in this area and are faced with the choice of either applying for/accepting jobs for which we have much less enthusiasm and interest or relocating to an area which does have an airport in order to continue doing the job that we love. We are experiencing the financial hardships that go with redundancy as well as the emotional and mental stress. Our families are all affected.

Everyone at the airport believed it to be in a better position than it had been in for a long time. Passenger figures on the KLM flights were improving week by week after a television advertising campaign and this, together with Ann Gloag's assurances when she bought the airport, filled us with optimism and we were confident of its future. Ann Gloag's statement at the end of November 2013 was:

"I have over 30 years experience in the transport industry and will use that expertise as best as I can to optimise both freight and passenger growth at Manston. To help me in that challenge, I am delighted to have on board Alastair Welch. He will lead our work at the airport, working alongside Charles Buchanan and the wider Manston team as we scope the future strategy of the business. Whilst this is a loss making airport, I hope that with the co-operation of our neighbours and the wider community of Kent, the airport partners and staff, we can capitalise on the opportunities available to give Kent the best chance possible of having a successful and vibrant airport."

Indeed we were all assured by the airport management at a staff meeting in November that – and I quote – 'it definitely won't be turned into a housing estate'.

It came as a complete shock to us to be told on 19th March – less than 4 months later – by the very same airport management that we were entering into a period of consultation over the possible closure of the airport. It hardly seems possible that the same management who made the positive, optimistic statement in November could be making the devastating announcement in March.

This short timescale together with other factors that I believe to be true all appear to indicate that there was never a genuine commitment on the part of the airport management to keep the airport operational. For example:

- Staff were told on 19th March that 'no jobs will be lost by reason of redundancy until at least 45 days after Collective Consultation begins'. We believed this to mean that the airport would – or at least could - remain operational until at least 9th May (45 days after the consultation start date of

26th March). Staff expected to be paid until at least that date and WERE PREPARED TO WORK UNTIL AT LEAST THAT DATE. Yet an e-mail was circulated to partners of the airport – ie. airlines – on the very same day (19th March) stating that airport management 'could not guarantee that the airport would remain operational after 9th April'. Why? Based on this information KLM had no choice but to take the decision to stop their service on 9th April. I would like to emphasize that KLM were not in any way responsible for the closure of the airport – they invested heavily in Manston, they were given no warning of its closure and were left to rebook or refund hundreds of passengers. Once the KLM operation ceased approximately 45 staff who worked directly with those flights – myself included – no longer had a job to do and we were all offered 'voluntary' redundancy. We lost our jobs not because KLM pulled out of Manston – as is constantly claimed by the airport management and reported in the press - but because Manston Airport management gave KLM the date of 9th April as the last day that they could guarantee operating. Surely if the airport management had a real desire to keep the airport operational and were genuinely prepared to sell it the most important thing for them to do at all costs would have been to keep their passenger and cargo airlines operating for as long as possible in order to have a 'going concern' to sell? Instead their actions pushed out the passenger service at the earliest opportunity despite knowing that a full team of staff was ready and willing to continue working after that date.

- Decision to enter into a period of consultation was taken without any discussion with the Business Development Manager. Surely he should have been a key figure in discussions regarding the airport's future? Does this indicate an element of secrecy on the part of the directors?
- Financial figures produced by the airport management to prove that the airport would not become financially viable were inaccurate and when queried at a consultation meeting were required to be altered
- Application forms and job descriptions for the position of Facilities Support Assistants – 6-8 positions which would be required in the event of the airport's closure – were sent out to all staff on 26th March and required to be completed and returned by 4th April. On the very day that the period of consultation started management were already prepared for its outcome!

We asked the airport management at a staff meeting what their plans for the airport were after its closure. We were told that they had not yet considered this. Is it really feasible that a millionaire businesswoman and her management team would take the decision to close a business without giving any thought as to what they would do with it next? If they are actually closing Manston because it is not making money and genuinely do not have a plan for its future would accepting an offer to buy it which gives them an immediate profit not be their best option? But still they refuse to sell. They claim to be prepared to sell only to a credible and viable buyer. Under their ownership it is going to close anyway. From where I am standing I would say sell it to

anyone prepared to buy it – for all of us employed by or involved with the airport the situation cannot be worse under a different owner.

The level and strength of support that has been shown by so many people for Manston since its closure was first announced has been incredible. It proves that it is not just those working at or immediately involved with the airport who feel passionately about it and who are affected by its closure.

If the airport management had put more than 3 months effort into making Manston a 'successful and vibrant' airport I believe that there would be much less anger and frustration. I am not a businesswoman and I do not pretend to understand the complexities of turning a loss making business into a profit making one but the facts in this instance appear to indicate that despite airport management initially indicating a desire to make a success of the airport and more recently a desire to see it remain as an operational airport their decisions and actions indicate otherwise. I believe that this outcome has been a foregone conclusion from the beginning and that throughout the consultation process the company has merely been 'going through the motions' to make it appear that the process was meaningful and to tick the relevant boxes as far as the legal requirements are concerned. I agree with Roger Gale MP that the actions of Manston Skyport Ltd amount to corporate vandalism. I am sure that I speak for all staff when I say that we feel deceived by the new management and let down by the members of the old management who were part of this whole process.

If there really has been an ulterior motive behind Ann Gloag's purchase of the airport then it must be assumed that someone somewhere has given her, at the very least, an informal 'green light' for her future plans and should therefore share in the responsibility for the demise of the airport. It is unlikely that a businesswoman such as Ann Gloag would purchase a business and refuse to sell it despite coming under enormous pressure if she did not have better – and presumably more profitable – plans for it!

A great deal of people have put enormous effort into saving Manston Airport and on behalf of all the staff we thank you. Unfortunately no one can buy an airport that is not really up for sale and I fear that everyone's efforts may well have been in vain.

[REDACTED]

From: [REDACTED]
Sent: 01 June 2018 12:58
To: [REDACTED] BS CO-UK
Cc: [REDACTED]
Subject: Air freight forecasts
Attachments: 180601-L- [REDACTED] UK airfreight forecasting.pdf; [REDACTED] February 2018.pdf
Categories: Egress Switch: Unencrypted

Hello [REDACTED]

With sincere apologies for the length of delay in replying, please find the Department's attached response to your letter of 8th February (also attached).

Kind regards



Department for Transport

[REDACTED]
Regional Airports, Aviation Policy
1/26 GMH, Great Minster House
33 Horseferry Road, London, SW1P 4DR
[REDACTED]

Follow us on twitter @transportgovuk

From: [REDACTED]
Sent: 08 February 2018 17:20
To: [REDACTED]
Cc: [REDACTED]
Subject: Meeting on the 25th January 2018

Dear [REDACTED]

As promised, please find attached details of our concerns regarding the DfT's forecast for dedicated freighters in the UK.

Kind regards,
[REDACTED]

Attention: [REDACTED]

CC: [REDACTED]

8 February 2018

Dear [REDACTED]

UK airfreight forecasting

Thank you for meeting with us on the 25th January 2018. As requested, I am writing to you to outline our issues with the forecast for dedicated freights in the DfT's document "UK Aviation Forecasts 2017: Moving Britain Ahead".

Our concerns are over the way airfreight is understood and how future demand is predicted and planned in the UK and particularly in the South East. The focus of attention from both Government and the airport sector continues to be on the passenger market. The relative inattention to airfreight is leading to considerable and increasing issues for business. Figures compiled by the Centre for Economics and Business Research¹ show that the UK is missing out on at least £9.5bn in potential trade per year due to airport capacity issues.

The key issues, as we see them, are as follows:

1. The DfT forecast does not match data and intelligence from the airfreight industry or other agencies

The UK Aviation Forecasts 2017 document states that:

"Freight is not modelled in detail . . . At the airport level the number of freighter movements has been volatile with some evidence of overall national decline in recent decades. In the absence of clear trends for individual airports, the modelling now assumes that the number of movements will remain unchanged from 2016 levels at airport level across the system." (DfT, 2017, section 2.56)

The decision to forecast zero growth in the dedicated freighter market is in stark contrast to figures from market sources. For example, IATA 2017 figures show airfreight growth of 11.8% year-on-year in Europe when measured in freight

¹<http://londonfirst.co.uk/wp-content/uploads/2016/09/Importance-of-air-freight-to-UK-exports-PDF-FINAL.pdf>

tonne kilometres². In contrast, capacity (available freight tonne kilometres) grew by only 5.9%, accounting for only half the increase.

Growth in airfreight volume is set to continue into 2018, with prices predicted to rise a further 4% in addition to the 5% rise in 2017. In the UK, the market seems strong with an increase in both imports and exports (October 2017 figures) and manufacturing orders from overseas customers high³. AirBridgeCargo has increased its freighters into Heathrow, Etihad has commenced freighter services at Stansted and East Midlands, and Manchester Airport saw 15% growth to China with the addition of Hainan Airline's Beijing service.

2. Dedicated freighter use compared to bellyhold freight carried in passenger aircraft.

Around 56% of global revenue freight tonne kilometres is flown on dedicated freighter aircraft while the remaining 44% is transported in the holds of passenger flights or on aircraft operated by passenger-cargo combination carriers⁴. However, DfT figures⁵ show that, in the UK, somewhere between 70% and 78% of freight is carried on passenger aircraft, leaving only between 22% and 30% on dedicated freighters. The relevant citations from the DfT 2017 publication are:

3.32 70% (by weight) of freight carried is in the bellyhold of passenger aircraft.

4.4 In 2011 (77%) and 2016 (78%) most freight by tonnage is carried in the holds of passenger aircraft.

This disparity between global and UK-specific figures indicates a problem in the UK system. The most likely explanation is that a lack of capacity (in terms of not only slots but handling capacity at airports including warehousing) forces shippers to either use bellyhold space where available or truck to and from airports outside the UK system. My research for RiverOak shows that shippers can be 'gazumped' from bellyhold space by a competitor prepared to pay higher rates. This bumping from flights may occur numerous times before, sometimes, the shipper gives up attempting to find space to/from the UK and trucks to a northern European airport.

3. Experiences at other European airports

Frankfurt Main Airport is an interesting example of a successful European freight operation. Frankfurt has restricted operating hours and does not permit night flights. Even so the airport handles more than two million tonnes of cargo per

²<http://www.iata.org/publications/economics/Reports/freight-monthly-analysis/freight-analysis-dec-2017.pdf>

³<https://theloadstar.co.uk/brexit-effect-seems-positive-comes-uk-air-freight-market/>

⁴ Budd, L. and Ison, S. (2017) *The Role of Freighter Aircraft in the Provision of Global Airfreight Services*, Journal of Air Transport Management, vol. 61, pages 34-40

⁵ UK Aviation Forecasts 2017: Moving Britain Ahead

year – second in the EU behind Paris Charles de Gaulle. Frankfurt has little integrator traffic with the exception of FedEx and handles a large number of freighters.

Data from Frankfurt highlights the difference between a true market, where capacity is available to attract any number of freighter flights, and a constrained market such as that in London. Figures based on the constrained London markets do not provide an accurate picture of the potential in the South East. Data from Frankfurt Airport also shows that cargo-only airlines are prepared to operate during the day if suitable slots are available and off load and turnaround times are expedient.

Capacity constraints at Amsterdam's Schiphol Airport are particularly impacting freighter operations, which could be reduced by 10.5% (1,900 ATMs) in 2018. Annual quota restrictions on aircraft movements mean that passenger services, with more predictable schedules than freighters, are less likely to be de-allocated their slots. This preference for passenger aircraft makes clear the position in any constrained market and has particular lessons for the South East of the UK.

4. Security issues and potential restrictions

Increasing security, particularly for shipments from high-risk countries, continues to impact transit times and add to costs. Passenger flights carrying airfreight may be particularly affected and the additional time needed for security clearing cargo could cause delays to flights. This may reduce capacity⁶ in bellyhold cargo, increasing the need for dedicated freighters. Flights from the Middle East are the latest to be affected⁷.

5. Constraints and impact on the UK airfreight market

Cranfield University's research for ACI Europe⁸ shows that airport congestion increases passenger ticket prices, with passengers in Europe paying €2.1 billion per year in additional airfares when travelling from congested airports. It seems these increases to the cost of travel from congested airports also apply to airfreight. Over the Christmas 2017 period, airfreight in Europe reached capacity⁹. Shippers with bookings were 'bumped' or 'gazumped' by the highest bidder and rates were "sky high" – up to US\$13 per kilogram for a trans-Atlantic route.

6. Forecasting airfreight in the UK

Whilst passenger forecasting is relatively well developed, the UK lacks data sets for the airfreight market. This is a particular problem in a constrained market,

⁶ <https://theloadstar.co.uk/eu-ramps-air-freight-security-nations-labelled-high-risk/>

⁷ <https://www.reuters.com/article/us-usa-airports-security/u-s-requires-tougher-cargo-screening-from-middle-east-airports-idUSKBN1FB25F>

⁸ <https://www.aci-europe.org/component/downloads/downloads/4883.html>

⁹ https://aircargoworld.com/allposts/freightos-warns-of-airfreight-rate-jump-as-europe-reaches-capacity/?goal=0_1711f92e66-42df020a11-39626945

where past operations are an unreliable and incomplete indicator of future demand. For some years, the UK has seen an unknown but significant proportion of its airfreight trucked to and from northern European airports for onward air transport. Government forecasts currently do not measure or take account of this slippage from UK airports. This omission will clearly impact the validity and utility of any resultant forecast.

Conclusion

A zero percentage growth forecast for dedicated freighter aircraft to and from the UK is unrealistic. It may be that Government forecasters have modelled very limited freighter access to UK airports whilst the market continues to be constrained and this pragmatism accounts for the zero growth forecast. However, this figure is misleading for those planning future capacity needs. A full picture of the demand for dedicated freighter movements is required urgently so that airlines, airports and other agencies can make appropriate decisions for the economic wellbeing of the UK.

With preparations for the UK's exit from the EU underway, the need for detailed forecasts that take account of the full range of impacts on the airfreight sector is overdue. I hope this information will be useful to your department and look forward to hearing from you.

Yours sincerely,



Consultant to RiverOak Strategic Partners Ltd.



Department
for Transport

[REDACTED]
Consultant to RiverOak Strategic Partners Ltd.
Azimuth Associates

By Email: [REDACTED]

[REDACTED]
Regional Airports, Aviation Policy
Department for Transport
Zone 1/25
Great Minster House
33 Horseferry Road
London
SW1P 4DR
Direct Line:

Web Site: <https://www.gov.uk/government/organisations/department-for-transport>

Our Ref:

01 June 2018

Dear [REDACTED]

Thank you for your correspondence of 8 February on the forecasting of UK air freight.

As you point out, as a Department we do not claim to model freight in detail and therefore have labelled it as an assumption. The Department is currently revaluating air freight policy as part of the developing Aviation Strategy, and you may have seen last July's Call for Evidence and the recent (April 2018) Next Steps response documents which set out some initial options: <https://www.gov.uk/government/consultations/a-new-aviation-strategy-for-the-uk-call-for-evidence>

We take your suggestion of conducting more detailed modelling of air freight on board and will consider it along with the other suggestions we have received as part of the strategy.

Yours sincerely

[REDACTED]