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Our ref: 2578/CMT/L
Your ref:

25th January 2012

Rt Hon Justine Greening MP
Secretary of State for Transport
Department for Transport
Great Minster House
76 Marsham Street
London
SW1P 4DR

Dear Secretary of State
Aviation Policy


The Chancellor's Autumn Statement on 29th November 2011 included the statement that the government "will explore all the options for maintaining the UK's aviation hub status, with the exception of a third runway at Heathrow." The same topic has been discussed in public recently, including a suggestion that the Prime Minister may be open to the construction of a new airport in the Thames Estuary.

We have welcomed your department's review of aviation policy, which must surely take account of all relevant considerations. However, we can see no basis on which the option to build a third runway at Heathrow could be excluded given that the options for maintaining the UK's aviation hub status are limited and none of the options are easy.

Please could you confirm that, given its significance to any comprehensive review, you will take account of the third runway option as part of your review?

Your department has indicated that you will publish an aviation policy consultation in March, and no doubt the document needs to be discussed across government prior to that date. It is important for us that this question is clarified before the document is written, so we would appreciate a response as soon as possible and in any event by 1st February 2012. Meanwhile, BAA must reserve its rights in their entirety.

Yours sincerely


Colin Matthews
Chief Executive Officer

BAA Airports 



Department for
Transport

From the Secretary of State

Colin Matthews
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Your Ref: 2528/CM/TT/L

1 February 2012

Dear Colin,

I respond to your letter of 25th January to me.

The government's opposition to further, harmful expansion at Heathrow, and in particular a third runway, is well known and was within both of the coalition party manifestos on which the last general election was fought. That position is also clearly set out within the Coalition Agreement which stated that "We will cancel the third runway at Heathrow".

I can assure you that this government will follow a proper process in developing a long-term aviation policy which is in the UK's best interests.

Best Wishes,

Justine

JUSTINE GREENING

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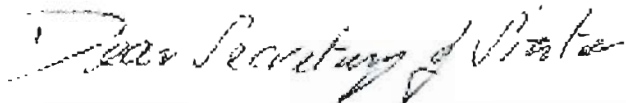
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Our ref: 2537/CM/TTA
Your ref:

6th February 2012

Rt Hon Justine Greening MP
Secretary of State for Transport
Department for Transport
Great Minster House
76 Marsham Street
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I am grateful for your prompt reply of 1st February to my letter of 25th January and for your strong assurance that a proper process will be followed in developing a long-term aviation policy which is in the UK's best interests.

In March last year your department issued a scoping document (Developing a sustainable framework for UK aviation) which highlighted the importance of adopting an aviation policy that will meet the needs of the UK economy. This recognised the need for additional airport capacity. The consultation document stated that, taking into account the responses to this consultation, the department would develop a draft policy framework for public consideration in March 2012.

In response, BAA made a series of written submissions, supported by comprehensive evidence, arguing that a successful hub airport is vital to the UK's strategic and economic interests. Heathrow is the only hub airport in the UK; it is already full and cannot maintain this status indefinitely without additional capacity.

I must respectfully suggest that it is not consistent with your public law duty to exclude consideration of expanding the UK's only hub airport from a proper review of all the options for developing a long term aviation policy in the interests of the UK economy.

You will have seen the report of the London Connectivity Commission, published in February 2012. This report considered the issues in detail and consulted widely. It recommended that the Government should look at all options and 'amend the criteria for its review of national aviation policy to include the option of Heathrow expansion'. It also commented that 'given that the delivery of a new hub airport is likely to take at least twenty to thirty years, in examining the case for a new hub airport, government should include a calculation of the tangible cost, or opportunity cost of rejecting each credible proposal, including the costs of failing to expand Heathrow in the intervening period'.

BAA Airports 

I urge you to accept the Commission's recommendation to include the option of Heathrow expansion in the consultative paper which you are due to issue next month. It does not, of course, commit the Government to any course of action. It simply allows full and open consideration of all the options and arguments.

Finally, I should emphasise that this is a matter of the first importance to BAA's shareholders as well as the UK economy. As you know, they are continuing to make considerable investments in Heathrow. More than a hundred thousand local jobs also depend directly on Heathrow. Our shareholders are puzzled and troubled by the way in which the Government appears to be approaching these important long term issues with a closed mind. In the circumstances I am sure you will understand why it is necessary for me to reserve BAA's position if the proposed consultation paper does not permit consideration of a full range of options.

Yours sincerely



Colin Matthews
Chief Executive Officer