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Thank you. Fin
was very helpful not

20 December 1984

PRIME MINISTER

AIRPORT INQUIRIES 1981-1983 - INSPECTOR'S REPORT

The task of coming to grips with Graham Eyre's 2,600 page report on the 1981-1983 Airports Inquiries is not as formidable as might initially appear. The challenging parts of the report, dealing with the need for a "coherent, logical and reasonable framework for the solving of the problems of meeting additional demand for airport capacity", are contained in 3 of the 9 volumes. The rest is the essential detail of any major planning inquiry.

Eyre has done a good job in marshalling the evidence of 250 witnesses and 4,000, often lengthy and complex documents, into a well-structured, accessible and readable form. Accepting the length of the report as inevitable, he has written it in a manner designed to assist those dipping selectively to obtain an appreciation of specific aspects.

You may have seen that Transport and Environment have compiled a volume of extracts from the Report. Whilst useful, this does not adequately capture the historical analysis which forms the basis of his contention that:

"The history and development of airports policy, on the part of administration after administration of whatever

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political colour has been characterised by ad hoc expediency, unacceptable and ill-judged procedures, ineptness, vacillation, uncertainty and ill-advised, precipitate judgements."

Nor does it properly convey the depth and quality of the analysis of future options which seeks to prepare the ground for the manifestly difficult decisions required to achieve a coherent airports policy.

The path we would signpost through the report is mapped out below. Before setting out you will need a definition of the most frequently used abbreviations. A basic list is appended.

1. VOLUME 1, PART I - INTRODUCTION

✓ 1.1 The one-page Preface provides a nice vignette of Graham Eyre and his style.

✓ 1.2 Eyre's comments on the public inquiry system (Section 3) are worth a quick scan.

✓ 1.3 The three-page Summary of Overall Conclusions at the end of Part I provides a very succinct preview of a long and complicated journey.

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2. VOLUME 2, PART II - BACKGROUND, POLICIES, AIR TRAFFIC
DEMAND AND CAPACITIES

2.1 Chapter 1 can be given a miss; it deals with the mechanics of the inquiries.

2.2 Chapter 2, charting the post-War history and development of airports policy, is extensive and well worth attention. It leaves one sympathising with the sentiments of an earlier venturer in the field of airports policy:

"There is no more difficult area for public policy than airports. I am not so foolish as to believe that anyone can be satisfied with airport policy, except, of course, those whose areas have been reprieved. But the Government have a public duty and responsibility to look into the future and to take the harsh decisions which that future dictates."

One is struck by the changes of mood and outlook which no doubt reflected the prevailing spirit. Thus, as recently as 1953/4, when Gatwick was being contemplated, its role was seen as being limited largely to receiving aircraft diverted from Heathrow when visibility was poor. There were to be very few scheduled services and, in any case, the use of Gatwick would be restricted to short distance and charter operations.

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By the mid-1960s, faced with the prospect of a major three-runway airport at Stansted, the Inspector who led the public inquiry reeled back, concerned at the environmental impact and the regional planning implications. Accordingly, he proposed a wide-ranging review of Stansted set in the context of a national airports policy in order to establish whether Stansted could be "justified by national necessity". In 1967 the Government responded with a White Paper which set out to refute the Inspector's findings and went on to propose an even more ambitious scheme for Stansted - "the third airport should ultimately be capable of development to the largest practicable capacity - namely, to that of two pairs of parallel runways".

Eyre's comments on the 1967 White Paper are damning:

- "It is the most extraordinary exercise I have ever seen in a document emanating from Government. Where the unknown authors seek to disagree with the Inspector, they seem conveniently to have forgotten that the witnesses called on behalf of the Ministry made major concessions under cross-examination and they largely ignored the evidence of other witnesses called by objectors, to which the Inspector obviously attached considerable weight."

- "It must appear to any fair-minded person who knows the facts, as grossly unfair to the Inspector. It

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can only be described as a lamentable piece of decision-making. Its content is entirely unconvincing and it contains a number of errors. Government wholly failed to judge the climate of public opinion or to foresee the sense of outrage that the White Paper would provoke."

That outrage led to the Roskill Commission - a massive exercise in analysis and planning. Evidently, the presumption was that the right solution could be found simply by applying enough brain power of the requisite calibre. This was the tail-end of the period of unparalleled post-War growth. Concorde was on the drawing board. Roskill anticipated that by 1990 the London airports would need to handle 122 million passengers per annum - exactly double the planning estimate now proposed by Eyre. Consistent with the spirit of 1970, Roskill induced the Government to opt for another Concorde - Maplin Sands.

Maplin survived 39 months, foundering in the aftermath of the first oil crisis in 1973-4 and the growing awareness that the visions of unlimited economic growth, which characterised the late 1960s and early 1970s, were unrealistic. Unfortunately, the collapse of Maplin led to a scramble to undertake Heathrow Terminal 4 on an inferior site within the existing operational boundaries of the airport. With hindsight there would have been time to implement more favourable options, notably, the

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removal of the Perry Oaks sludge works and the extension of the airport to the West.

The short introductory section of Chapter 2 is worth a quick glance. The lengthy Section 2 gives a blow-by-blow account of the history and development of airports policy. You could skim it, or instead rely on Eyre's extensive commentary in Section 6, since this incorporates much of the history as well as discussing the implications. En route to Section 6 it is worth noting Eyre's encapsulation of the elements of the national airports policy as it has evolved so far. This is set out in the two pages of Section 3. Sections 4 and 5, in which Eyre considers the relationship between the Stansted/T5 planning inquiries and national airports policy can be skipped.

Eyre's summary of his impressions following a review of the history and development of our national airports policy (Sections 6.88 - 6.109) is certainly worth attention.

2.3 Chapter 3 covering regional policy and planning in the South East is not essential reading. The one page of conclusions set out in Section 5 will probably suffice.

2.4 In Chapter 4, Eyre rightly devotes considerable attention to the long-term forecasting of demand for air transport. The post-War history of airports planning reminds us that

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the differences of opinion between expert forecasters at any given time are overshadowed by alarming changes of outlook over comparatively short periods. Since the first oil crisis in 1973-4, successive forecasts have been progressively revised downwards. (Is Eyre's near doubling of demand by 2,000 still too optimistic?)

✓ The introduction in Section 1 of Chapter 4 provides a useful understanding of the way in which Eyre and his team have approached the problem of forecasting future air transport demand. This is supplemented by Eyre's illuminating description (Sections 5.10 and 5.11) of his concept of "demand planning values". He explains that he has consciously pitched his planning values on the high side, on the grounds that the lead times for airport planning and development are long and that whereas it is relatively easy to aim high and subsequently have to ease off the accelerator, it is usually much more difficult and disruptive to respond belatedly to unexpectedly high demand.

Sections 2 and 3 of Chapter 4, discussing the many sources of air transport forecasts for London and the regions, can be passed over as unnecessary detail.

Section 5.2, dealing with the possibility of the demand for air transport reaching saturation at some point, is clearly important. Eyre concludes that if saturation were to become a factor it would arise beyond the horizon

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of any forecasts relevant to today's pressing decisions
on airport expansion.

2.5 Chapter 5, dealing with the forecasts of Air Transport
Movements (ATMs), is significant primarily because it
confronts the Government's undertaking to limit ATMs at
Heathrow to a maximum of 275,000 pa.

The introduction in Section 1 is useful background. The
commentary in Section 8 of Chapter 5 reveals some of the
complexities and conflicts of policy which must be
tackled. As Eyre says - "an ATM limit in annual terms is
a largely artificial concept. I am far from satisfied
that this factor was fully considered at the T4 Inquiry".
ATM limits also conflict with the Government's aim to
deregulate air transport - the trade-off between
environmental protection and competition. Section 9 sets
out Eyre's conclusions.

2.6 Anyone using Heathrow at peak times, like a Sunday
evening, will identify with the comment:

"Heathrow is the foremost international airport in
the world and it should be unthinkable that
overcrowding is to be tolerated. Heathrow's
reputation has suffered in the past and still
suffers because of overcrowding at peak times.
Future development must be aimed at avoiding these
conditions."

Chapter 6 =
end of
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Chapter 6 sets out to define the future load on terminal capacity - a load which needs to be considered not on the basis of annual averages, but peak hourly rates. Again, the introduction in Section 1 is a useful lead-in. The body of Chapter 6 can be skipped in favour of Eyre's commentary in Section 7 and conclusions in Section 8.

2.7 Chapter 7 deals with the question of whether runway and aircraft handling facilities at London's airports will be sufficient to meet future levels of air transport demand. You will probably find it sufficient to glance at the summary in Section 8.13 and the conclusions in Section 9.

2.8 Chapter 8 addresses the fundamental question of whether our national airports policy should always seek to meet the demand for additional airport capacity in the right place, by the right means and at the right time. The conclusion is yes, but not willy-nilly and at any price. The commentary (Section 3) and the conclusions (Section 4) should be sufficient for your purpose.

3. VOLUME 2, PART III - THE OPTIONS

3.1 In this volume you can confine your attention to Chapter 10. Chapter 9 is procedural. Maplin revisited (Chapter 11), Yardley Chase (Chapter 12) and Sevenside (Chapter 13) are explored, but all prove to be cul de sacs:

- "Maplin should stay well and truly buried."

- "(Yardley Chase) should cease to be a potential geographical location for additional airport capacity to serve future needs."
- "A major new airport at Severnside should be ruled out now once and for all."

3.2 That leaves you with the contentious question of whether the airport requirements of London and the South-East can and should be decoupled from those of the rest of the country. Eyre examines this long-standing issue from all angles and concludes that:

"The provision of further capacity in the South East will not deleteriously affect the regions or their airports in any significant respect and there are no grounds that would justify an embargo on the provision of such capacity."

Parts of the introduction (Section 1) are worth a quick dip:

- the background information in sub-sections 1.6 - 1.9;
- the expenditure on regional airports (1.23);
- the capacity of regional airports (1.24 and 1.26).

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Eyre's summary of the background material (1.27 - 1.34) is very helpful. His General Commentary on the Various Cases (Section 6) is essential reading. His conclusion is that:

- Successive Governments have been and continue "actively seeking to encourage the introduction of more services in the regions".

- "There is no sensible mechanism available or likely to become available which would forcibly divert demand to regional airports."

- "Whilst competition from continental airports with modern facilities will undoubtedly grow, the London airports system must be fostered if it is to maintain its role as the most important international hub of air traffic in the world. Any attempt unduly to splinter the system's very function and thereby weaken its ability to perform its role would militate against the national interest. It was significant that airline operations with a strong commitment to the future success of regional airports nevertheless advocated the importance of securing sufficient and additional airport capacity in the London airports system."

The conclusions of Chapter 10 are set out in Section 7.

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4. VOLUME 7, PART VI, CHAPTERS 48 - 54

This is the last leg of the journey. In Part VI, "The Total Context and A Coherent Strategy", Eyre draws together the strands of his analysis of the development of airports policy and the elements of a coherent future policy.

It is tempting to jump straight to Chapter 54, which is the ultimate summary. However, I would suggest that the intermediate steps are worth some attention.

3.1 Chapter 48 discusses the "Narrowing of the Options". As you will see from the conclusions in Section 12, the focus of attention is the decision in the 1978 White Paper to restrict Heathrow to a four-terminal airport. Eyre concludes that this "had the widest and most critical implications, not only for the future of Heathrow airport, but also for any subsequent decision or strategy for the future of the London airports system as a whole, in the longer term". For this reason, he argues that "the imposition of a capacity ceiling at Heathrow requires close investigation in the context of a future strategy for the London airports system".

3.2 Chapter 49 deals with the potential for Heathrow Airport. The brief introduction in Section 1 is worth a quick glance. You can then jump to the summary in Section 9, a reminder of the Outstanding Constraints on the development of Heathrow in Section 10 and the overall

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conclusions in Section 11. At the end of the summary, Eyre firmly nails his colours to one mast:

"It is remarkable that, after so many years and so many errors, the opportunity still exists to transform Heathrow from a second class facility into a magnificent airport worthy of its unique international status and its role as the major transportation gateway to London and the UK. There is no doubt in my mind that such a colossal opportunity should be seized so that Heathrow's success in the future is assured. I confidently predict that any other course would jeopardise the national interest in one of the few fields in which the UK still leads the world."

3.3 In Chapter 50, Eyre turns his attention to the potential for Stansted airport. Again, the introduction in Section 1 is worth a quick perusal. Thereafter you can jump to the summary in Section 8 and the conclusions in Section 9. Eyre argues that "there are overwhelming reasons why a second runway and further associated airport facilities should not be constructed at Stansted". On the other hand, he concludes that there are no overriding objections to developing the capacity of Stansted airport to 15 million passengers pa, by the early 1990s, and ultimately 25 million passengers pa.

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3.4 In Chapter 51, Eyre attempts to relate his interim conclusions to the total context of London airports policy. Here, he looks at the alternatives of further development at Heathrow (ie from 38 million passengers pa to 53 million passengers pa) versus the expansion of Stansted airport beyond a one-runway system having an maximum ultimate capacity of 25 million passengers pa. His conclusion is that "the modest territorial expansion at Heathrow, with its limited consequences and overwhelming advantages, confirms, beyond doubt my conviction that such a development should never occur at Stansted, whereas the development at Heathrow must take place in the national interest. In so far as the two matters represent alternatives, it is a one-horse race".

(i.e. a second runway - Chap 51 5.4)

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Section 4 (where the balance lies) and Section 5 (conclusions) are worth attention.

3.5 Chapter 52 deals with the foreseen capacity requirements of the London airports system. Given the long lead times for airport planning and development, Eyre's comments on the position beyond the year 2000 (Sections 5.16 - 5.17) are of more than academic interest. The conclusions in Section 6 are brief.

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3.6 Chapter 53 represents the penultimate step in Eyre's formulation of a coherent strategy. You could go straight to the conclusions in Section 10, but that would be doing less than justice to a good deal of substantial _____

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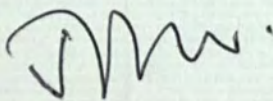
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material on the nature of the challenge confronting the Government, and on the future role of London's airport system. Perhaps your best course is to skim quickly through the whole of Chapter 53.

3.7 Chapter 54 is the ultimate summary entitled "A Coherent Strategy for the Future and Implementation". The first three sections - the introduction, the summary of the main relevant factors and a summary of the strategy, are certainly essential reading.

Section 4, dealing with the implementation and procedures is probably less important at this stage and deserves no more than a quick skim.

I hope these signposts make Eyre's report less impenetrable.



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APPENDIX

COMMON ABBREVIATIONS IN THE EYRE REPORT

- ACAP Advisory Committee on Airports Policy.

- ATFWP Air Traffic Forecasting Working Party.

- DPV Demand Planning Value (assessed levels of passenger demand for which it would be prudent to plan capacity).

- HE Hertfordshire and Essex County Councils.

- NOERC North of England Regional Consortium.

- SGSEA Study Group on South East Airports.

- TWA Thames Water Authority.

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