

## Heathrow Expansion NPS: Factsheet

# DOMESTIC CONNECTIVITY

The Mayor is strongly opposed to Heathrow expansion, recognising the unacceptable noise, air quality and surface access impacts, with serious consequences for public health and quality of life.

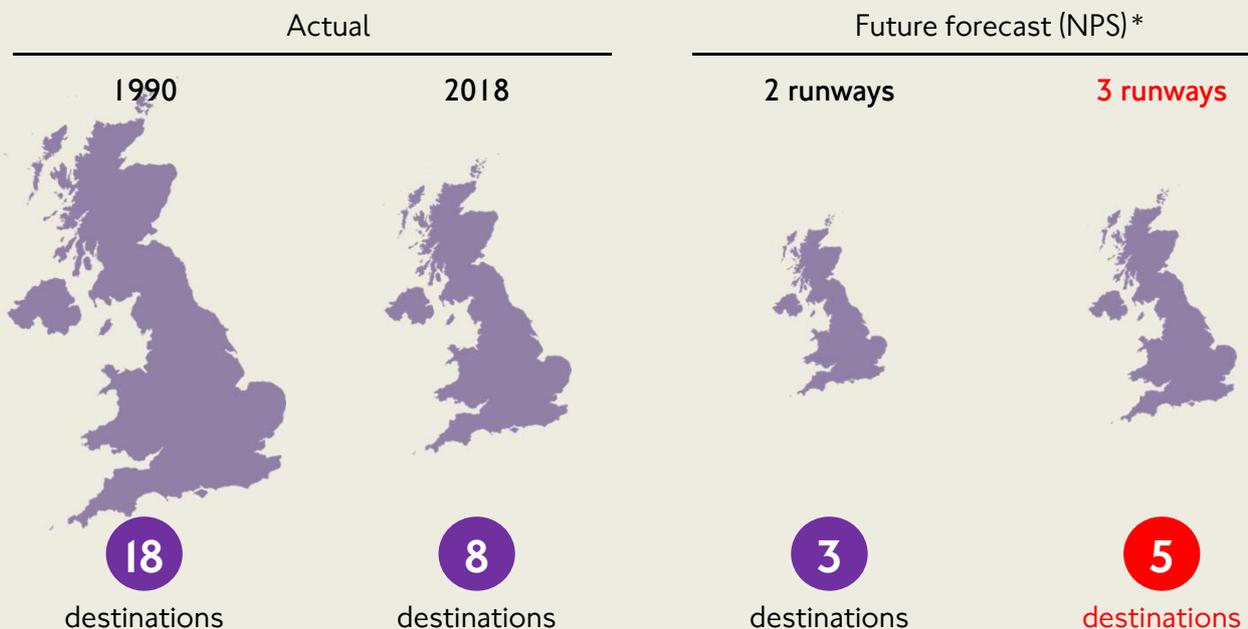
Whether or not you accept the case for Heathrow expansion, the National Policy Statement (NPS) presented by Government fails to credibly and comprehensively address its impacts. Moreover, it has substantively ignored almost every recommendation of the Transport Select Committee (TSC). The result is a final NPS for Heathrow expansion which is not fit for purpose.

### Why is domestic connectivity important?

If Heathrow expansion is to be taken forward, it needs to work for the whole country:

- This is a National Policy Statement – and all the evidence points to the fact it will require national taxpayer funding and/or guarantees;
- Regions have witnessed the loss of flights to the UK's largest airport – and to London – and are understandably keen to see that access restored, with the associated economic benefits.

### Domestic destinations from Heathrow will fall from 8 to 5 with a third runway



\* While the NPS documents cites Heathrow's aspiration to serve 14 domestic destinations, the Updated Appraisal Report accompanying the NPS forecasts that, without intervention, 5 domestic destinations from Heathrow will survive

### Why will there be fewer domestic routes at an expanded Heathrow?

The Government forecasts that a new runway will open in 2026 and will be full in 2028.

This means that domestic routes will be squeezed out as airlines deploy scarce slots for more profitable international flights, as happens at Heathrow today.

**What the NPS says**

*“The Government requires Heathrow Airport to demonstrate it has worked constructively with its airline customers to protect and strengthen existing domestic routes, and to develop new domestic connections, including to regions currently unserved.”*

**What the TSC report says**

It called on Government to set out exactly the policy levers it will use to secure the 15% of the additional slots for domestic routes which the Secretary of State claimed in his appearance before the TSC.

**The Government response to the TSC**

It has not amended the NPS. In its response, it states that where the potential measures by Heathrow Airport Limited are insufficient, it intends to make use of Public Service Obligations (PSOs) – though it does not flag their substantial limitations.

It also clarifies the target stated by the Secretary of State as “up to 15% of the additional slots.”

On 21 June, the Government made a further announcement re-clarifying that it “wants about 15% of the new capacity at an expanded Heathrow to be used for domestic flights.” But this is still not a commitment – something the Government is legally unable to give.

**The NPS offers no guarantees about any new domestic routes to be offered – or indeed protection for existing domestic routes, some of which are already vulnerable.**

There is also little to prevent airlines which launch new domestic routes when a third runway opens then switching the slots to more profitable routes after 2028, once the runway is full.

**Public Service Obligations: Are PSOs the answer?**

PSOs are a form of state-aid intervention which are heavily restricted in their use:

- The route has to serve a peripheral or development region;
- The route has to be deemed vital for the economic and social development of that region;
- It is time-limited, subject to regular review of the economic and social need;
- It cannot be determined years in advance – so no future guarantees of a route are possible;
- It is not permitted where a flight is already offered to another London airport;
- It is not normally possible to specify a particular London airport (e.g. Heathrow).

When the CEO of Heathrow Airport, John Holland-Kaye, appeared before the TSC, he said that changes to the PSO legislation would be required. But PSOs are enshrined in EU law. While PSO legislation could be revised post-Brexit, such a decision could not be taken lightly; diverging from the rules governing the European Common Aviation Area could jeopardise the UK’s continued unrestricted access.