



**Evidence to the House of Commons Transport Committee on its  
Inquiry into the Future of Aviation in the UK**

**Written Evidence**

1. HITRANS is pleased to take this opportunity to respond to the Committee's call for evidence regarding current aviation issues in the United Kingdom.
2. The Highlands & Islands Transport Partnership (HITRANS) is a statutory body covering all forms of public transport in the Highlands and Islands of Scotland encompassing not only road, rail, sea and air travel, but also cycling and walking.
3. HITRANS working with its five constituent Councils is charged with developing and delivering a strategy and promoting improvements to the transport services and infrastructure network that serve the region. The organisation takes an integrated and inclusive approach by consulting with the local communities and companies to achieve its objective of "enhancing the region's viability by improving the interconnectivity of the whole region to strategic services and destinations"
4. HITRANS is responsible an area of just under half of Scotland's land mass but which has only 410,000 residents – 10% of Scotland's population. It includes over 80 island communities, of which 20 or so are served by airports and airfields.
5. Air services are fundamental to daily life in the Highlands and Islands. For the island and remote mainland communities, the only alternative to air travel for accessing the mainland and service centres (on occasions on another island) are ferry services or long journeys on poor quality land based infrastructure. Whilst the ferries and other modes offer relatively low fares, they cannot compete with air services for convenience and time-critical travel. Small regional aircraft with less than 20 seats (predominantly the Britten-Norman Islander and the Twin Otter) are used to carry traffic between the remoter parts of the Highlands and Islands Airports and the local hub airports in Argyll, Orkney and Shetland for service access or provision, and onward connections. A number of the larger key settlements in the region have direct air service access to Inverness, Aberdeen, Glasgow or Edinburgh, the major national hubs. Aviation is vitally important for supporting social and economic cohesion in the Highlands and Islands.

6. HITRANS has previously responded to most of the areas of inquiry set by the Committee, and would summarise the areas it would wish the Committee to consider as follows:

- **Regional airports are key to the economic prosperity of the remoter regions of the UK and critical to their effectiveness is access to Heathrow, for the twin purposes of accessing London and interlining with international air routes, particularly with the USA.**
- **Access to Heathrow from the UK's remoter regions has significantly reduced over the last 20 years to their detriment.**
- **European hubs potentially offer some options for business travellers, particularly for those travelling to the east, but splitting London traffic and interlining traffic makes most destinations uneconomic for airlines to run regular flights from the smaller regional airports.**
- **The aviation infrastructure is not well used to meet the economic needs of the UK as a whole, what we need is a better distribution of air services to meet the need for access to European and world markets from the UK regions, which cannot reasonably access the Heathrow hub by land based transport.**
- **Security of air passengers is important, but security should be commensurate with the level of risk. It seems incongruous to set the same standard of security for small airports in the highlands and islands as Heathrow. The cost of supplying this level of security is far higher per passenger in small airports than large, yet the risk is generally lower.**
- **The future of local 'lifeline' air services in the most remote parts of the UK is potentially threatened by the lack of ongoing availability of modern aircraft to meet the need. A change in legislation to permit the option of using modern single-engined aircraft for such services would be helpful.**

HITRANS would in support of the above offer the following detailed evidence on the issues to be considered by the Committee:

***What are the roles of the London and regional airports?***

7. The table below displays flight frequency data derived from the Official Airline Guide (OAG) for the months August 1988 and June 2008. One of the key air transport issues for the Highlands and Islands region is access to London Heathrow. In the summer of 1988, Inverness, the hub airport for the region, was linked to Heathrow with an average of over 3 daily flights. By the summer of 2008, 20 years later, Inverness had no links to Heathrow, and was instead served from London Gatwick with an average of nearly 4 daily flights.

Domestic route	Kms from London	Flights to Heathrow August 1988	Flights to Gatwick August 1988	Flights to Heathrow June 2008	Flights to Gatwick June 2008
Inverness	714	22	-	-	27
Aberdeen	646	44	10	84	19
Glasgow	555	121	27	116	52
Edinburgh	535	112	20	122	67
Belfast Intl	513	101	14	27	37
Belfast City	513	-	-	54	25
Isle of Man	413	25	-	-	26
Newcastle	403	43	11	39	13
Newquay	363	20	-	-	28
Teesside	342	33	-	20	-
Jersey	291	46	44	13	76
Liverpool	290	25	-	-	-
Guernsey	286	27	35	-	56
Plymouth	280	20	-	-	28
Leeds Bradford	278	33	-	25	-
Humberside	250	5	-	-	-
Manchester	249	77	25	103	45
Exeter	220	-	13	-	-
Norwich	190	17	-	-	-
East Midlands	180	33	-	-	-
Birmingham	160	38	18	-	-
Total		842	217	603	499

Source: OAG Flight Schedules

8. The further regions are from the hub in south east of England, the greater the requirement for effective air links with the hub airports, as the difference in travel time between air and land based transport is greatest for these regions.
9. Since August 1988, Heathrow has 'lost' air services on 9 regional routes – 19 domestic destinations were served from Heathrow in 1988, decreasing to 10 by 2008.
10. In addition to the Flybe service to Gatwick, EasyJet also offers daily services between Inverness and Luton and Gatwick, but these are not an option for business travellers wishing to conduct a full days' business in either Inverness or London, as the first EasyJet departure from Inverness bound for London arrives at Luton at 12.55pm and the latest return flight from EasyJet is the 13.45 from Gatwick. Using EasyJet alone, it is not feasible to conduct a days' business – one must overnight at the destination for at least one night. Low Cost Carriers do not configure their schedules for the benefit of business passengers or the economic benefit they create, instead preferring for commercial reasons to offer off-peak scheduling.

***What competition do they (UK airports) face from abroad?***

11. One side-effect of denying regions access to Heathrow is that regions thus effected will seek interlining capability at the 'next best' option on the Continent. Amsterdam, Paris CDG and Frankfurt airports all offer far greater opportunities for a transfer passenger than Gatwick does. Amsterdam Schipol has 5 operational runways, Paris CDG has 4, and Frankfurt Main received approval for a 4<sup>th</sup> runway just as Heathrow was getting the go-ahead for a 3<sup>rd</sup>.

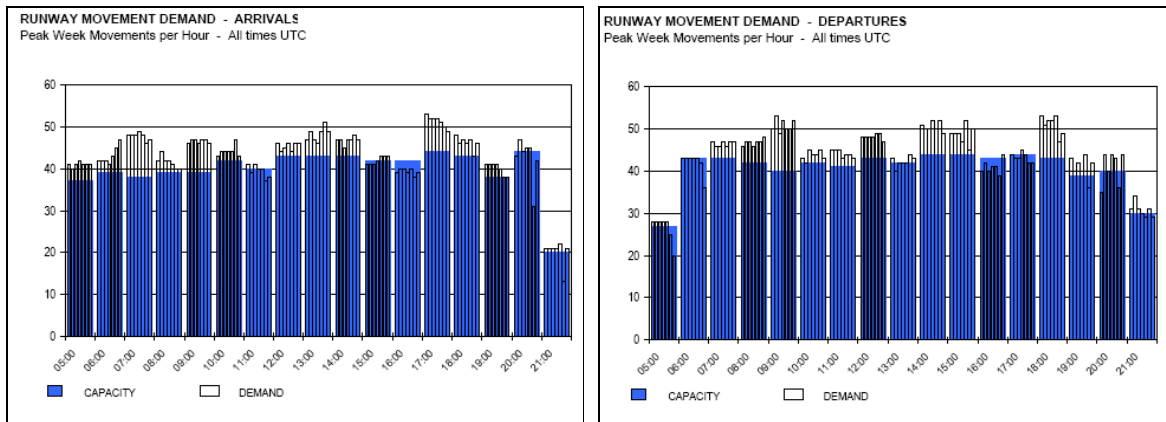
Airport	Weekly departing flights	Weekly departing seats	Non-stop destinations / Countries	Seats per aircraft departure	Weekly flights per destination
LHR	4,331	845,750	157 / 79	195	27.6
CDG	4,382	701,853	224 / 103	160	19.6
FRA	3,770	612,837	235 / 97	163	16.0
AMS	3,363	478,613	195 / 76	142	17.2

Source: OAG Max Online for w/c 16 February 2009

12. As the table shows, Heathrow offers the greatest weekly seat capacity of the four hub airports. This partially explains why, with fewer runways than its continental competitors, Heathrow is operating at or close to capacity for the majority of the time. The average aircraft size at Heathrow is larger than its rivals, due in no small part to the smaller regional aircraft operations being 'squeezed out' and moved elsewhere.
13. The problem for Inverness and the other smaller UK regions that do not receive scheduled service to Heathrow is that they generally have insufficient traffic to support direct flights to continental hubs, even if slots at these busy locations are available. If they cannot access Heathrow (and to a lesser extent Gatwick) then they

cannot access the world, and the local economies and the ability to attract inward investment suffer tremendously.

14. The likelihood of obtaining slots at London Heathrow on the open market for flights to Inverness is remote in the extreme. Data collated by Airport Coordination Ltd (ACL) shows the excess demand for departure and arrival slots generated at Heathrow in the summer of 2008.



Source: ACL

***Is the current aviation infrastructure adequate for the needs of UK business and individuals and how should it be developed?***

15. Currently, aviation infrastructure is far from adequate to serve the needs of businesses and communities across the UK. The ‘hub and spoke’ concept relies on air traffic from the regions feeding passengers into London for onward domestic and international connections, and vice versa. While there may be sufficient runway and terminal capacity at most regional airports (at the very least to handle air traffic growth over the next two decades), the congestion occurs at the London airports, specifically Heathrow (as shown in the ACL charts above). Heathrow is the largest UK airport, and the only UK airport to offer effective interlining capability. Therefore, access to Heathrow for the UK regions is singularly important to the business community.
16. The Future of Aviation White Paper published in December 2003 by the UK Government outlined what additional capacity was necessary to enhance the UK’s economic competitiveness. In the southeast, two new runways in London were identified – as of today, we are no closer to achieving this, although the Government has now given its approval for a third runway at Heathrow to be planned. This is the first step, however, in what will be a very long drawn-out planning process.
17. London will not see additional capacity before 2020 at the earliest. In this time, it is highly possible that more regions will lose access to Heathrow, and possibly London altogether.

18. The Competition Commission's recommendation for the dissolution of the BAA monopoly in 2008 was intended to increase competition and therefore provide passengers with more choice, cheaper fares and a wider product offering. However, selling Gatwick Airport will do nothing to ease congestion at the already-over-capacity second London airport or at Heathrow. Provision of extra runway capacity in the southeast is the only way to ensure that the needs of UK business and individuals continue to be met.

***What are the implications of future passenger trends and possible mergers in the airline industry?***

19. Given the competitive business environment that airlines operate within, consolidation has been going on since the industry began. In the current tough economic climate, however, airline mergers and acquisitions seem to be occurring at a greater pace.
20. An issue that HITRANS has had to contend with is that of securing vital air services from a loyal airline willing to operate the 'lifeline' link from Inverness to London. Historically, Inverness had access to Heathrow. That air service was transferred by BA from Heathrow to Gatwick. Currently, Flybe, who took over this service, operates 3 daily return flights between Inverness and Gatwick.
21. In addition, Flybe acquired BA Connect in 2007 and entered into a franchise agreement with Loganair in 2008, resulting in this single airline providing the great majority of air services from Inverness, particularly as Flybe has also further developed routes on Inverness-Manchester and Birmingham.
22. The trend towards a single operator providing the great majority of services to the smaller airports in the UK, competing only with a limited number of low cost carriers on the denser routes, could in theory lead to domination of the market. There is no sign or suggestion of Flybe abusing their position and they are a competent carrier, but there remains the possibility that such domination could impact on routes serving the smaller regional cities should circumstances change through perhaps merger or acquisition.

***What is the impact of taxation on the aviation sector nationally and regionally?***

23. Highlands and Islands Airports Ltd (HIAL), a Scottish Government supported company, operates 10 airports in the Highlands and Islands area. These airports are small and, combined, processed 1.45 million passengers and 62,000 air transport movements in 2008, yielding an average passengers per ATM of just 23. To benefit the small communities that these airports serve, all operations *from* and *between* HIAL airports are exempt from Air Passenger Duty (APD) and this is very welcome as a recognition of the unique nature of services in our region. However, arrivals at HIAL airports from other UK airports are subject to APD. The resultant higher fare to travel to HIAL airports combined with the high cost of air travel within the region inevitably has a negative effect on potential inbound tourist numbers and inward investment as no other mode can provide effective access to this remote region.

### ***To what extent can rail provide an alternative to short-haul flights?***

24. There have been myriad misrepresentations on the feasibility of substituting (mainly domestic) short-haul air services with high-speed rail alternatives. Indeed, the Government has announced its support for a proposed high-speed rail network linking London and the southeast to English regional areas. The underlying concept is to offer air travellers an alternative to flying the relatively short routes and HITRANS supports this policy. It is an environmental concern that is leading this initiative.
25. There are certainly short haul domestic air services that can and will be largely replaced by rail alternatives. For example, Birmingham, East Midlands, Norwich, Bristol and Southampton do not reasonably need air services connecting these airports to a London airport. Rail is a more convenient way to travel between these points, as the potential rail journey time is generally under 2 hours. The proposal to introduce a high-speed rail network in the UK will further cut the train journey time on these shorter routes and other intercity corridors, bringing Birmingham within 1 hour 15 minutes travel time to London. On much longer domestic air service routes, for example the Inverness/Aberdeen-London routes, rail is much less feasible as an alternative to air travel. For time-conscious business travellers, frequency of service, duration of journey and flight times to allow a days business at the destination are the most critical factors when considering transport modal usage – cost of travel alone is a secondary concern.
26. The following analysis of the Inverness-Gatwick air and rail route will highlight the difficulties in the assumption that rail substitution on a journey of over 400 miles will benefit business travellers. The actual route distance is 444 miles (or 714 km). A businessman flying with Flybe can depart Inverness at 0705, arrive Gatwick at 0855 and be in central London for 1000. This would allow him 7 hours of working time before returning to Gatwick for the Flybe 1920 departure to return to Inverness for 2110; a long but not unreasonable day. By contrast, to achieve a worthwhile working period in London, the rail alternative involves the use of the overnight sleeper in both directions as the day train from Inverness to London departs at 0646 but does not arrive in London until 1457 allowing for a maximum of 2 hours of time during the normal working day; return could be that evening by sleeper (if 2 hours was sufficient) or the next day after an overnight stay in London. The air option is cheaper, when the cost of the sleeper or London accommodation is taken into the equation, and importantly provides significant time in London within one working day.

### ***Are passengers adequately protected from the collapse of airlines?***

27. It is not necessarily the collapse of individual airlines that HITRANS is concerned about, more the collapse of specific *routes*. Generally, when an airline ceases operations competitive market forces will dictate that another airline commences operations on the collapsed airline's route network (although only where a route is viably profitable). Of much greater consequence to HITRANS is when a route is 'lost' and cannot be picked up by another airline – such as the British Airways Inverness-Heathrow service. BA dropped this operation and used the peak-time runway slots at

Heathrow for other services, arguably for a lucrative transatlantic route yielding greater profits.

28. This trend has been increasing since Heathrow effectively became 'full' at peak operating times, and has been further exacerbated by the EU/US Open Skies agreement concluded in 2008 which saw a number of carriers moving selected long-haul operations from Gatwick to Heathrow to optimise profitability. The inevitable has happened at Heathrow – peak slots are in great demand and short supply so regional carriers such as Flybe, which connects London to many UK regions, are 'priced-out' of Heathrow. A pair of peak runway slots at Heathrow can fetch up to £20 million for the proprietor – a sum that only the major players serving passengers on high volume international routes can afford. BA's Inverness-Heathrow service suffered as many other regional routes have. BA clearly felt its shareholders would benefit more if the slots at Heathrow were used for more profitable long-haul services.
29. To counter this major problem, HITRANS has long campaigned for the UK Government to provide Public Service Obligation (PSO) protection for the Inverness-Heathrow route as is provided on a number of internal routes in France. This is seen as the only viable mechanism that protects 'lifeline' air services for peripheral communities that cannot achieve effective land based transport access to the London hub, offering subsidies for a carrier to operate if necessary, although this would not always be needed as while these services may not be as profitable as international ones, they still potentially offer a return on investment. To protect the social and economic well-being of remote communities, a successful network of complementary commercial and PSO routes has been delivered in the Highlands and Islands to serve residents and to attract inbound tourism and investment. HITRANS believes a PSO designation on the Inverness-Heathrow and other comparable routes will provide stability to the remoter regions of the UK and send the message that the regions are an important element in the UK economy and in many ways as important to the UK economy as the southeast.

***What is the impact on the aviation sector of changes in the security environment?***

30. Post 9/11, ICAO has issued wide-ranging recommendations on airport security issues for airports worldwide. Regrettably, a 'one size fits all' approach to improvements in the airport security environment was adopted. Logic dictates that an airport with the size and importance of Heathrow requires a higher level of security measures than a small, regional airport like Inverness, or indeed Tiree. As previously stated, the airports in the Highlands and Islands area are small. HITRANS would like to see a level of security at airports that is commensurate with the level of operations and risk, so that smaller airports are not crippled by disproportionately high security costs.

## **Commercial operations of Single-Engined aircraft in IMC**

31. A prominent issue for aviation in the Highlands and Islands is the issue of aircraft availability and replacement. Many of the ultra-thin intra-island routes are operated with old, effectively-obsolete twin engined aircraft with antiquated avionics and performance technology – the Britten-Norman Islander and the de Havilland Twin Otter are predominant in this regard. A suitable modern twin-engined replacement to maintain service continuity remains elusive, although fabrication of a updated Twin Otter is recommencing in Canada, although still fundamentally based on the original aircraft with its inbuilt limitations. There is no comparable proposal to replace the smaller but arguably more significant Islander.
32. An alternative to continuing to use these old planes would be to loosen the current prohibition on Single-Engined aircraft operations at night or in Instrument Meteorological Conditions (SE-IMC) for commercial services. Currently, the UK Government has issued a blanket ban on SE-IMC in its airspace.
33. In contrast, many European countries with, it has to be said, a similarly dispersed pattern of population as the Highlands and Islands, have allowed SE-IMC on commercial operations. Norway, Sweden, Denmark and Spain are examples. Outside of Europe, the USA, Canada, Australia and New Zealand have all approved SE-IMC. As a result, the major manufacturers of small commuter-style aircraft are no longer designing them with two engines, condemning the Highlands and Islands to continue *sine die* with obsolete aircraft.
34. The UK authorities have prohibited SE-IMC as it remains to be convinced of the safety case. Independent research conducted suggests that Single-Engined Turbine aircraft (such as the 13-seat Cessna Grand Caravan) are in fact more reliable and safer than comparable light twin-engined aircraft. HITRANS, in collaboration with other development agencies in its region, is seeking for the CAA prohibition to be changed, to allow airlines the option of using single-engined aircraft.
35. **HITRANS would be pleased to elaborate on any of these points for the Committee, and is prepared to travel to London, *by plane*, to provide verbal evidence should this be considered desirable.**

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