

Press Release - 31 March 2009

MOUNTAIN SAVES MOLEHILL?

BAA's debt mountain seems likely to prevent it from obtaining the compulsory purchase orders (CPOs) it would need to allow a new runway to be built at Stansted. As a consequence, Molehill Green, the picturesque Essex village threatened with extinction by the proposed new runway now seems far less likely to be buried under concrete.

This latest blow for BAA was identified in an Appendix to last week's Competition Commission report which ordered the airport operator to sell Stansted Airport but gave it up to two years to do so, raising the possibility that BAA might press ahead with its second runway application in the hope of obtaining approval and achieving a higher selling price.

Legally, however, CPOs can only be granted if a developer can demonstrate that he has sufficient financial resources to implement the project within a reasonable timescale. It seems very unlikely that BAA could demonstrate this because its latest financial accounts show debts of £18.1 billion and negative equity of £1.7 billion as at 31 December 2008.

In the light of the new information, Stop Stansted Expansion (SSE) has written to the Secretaries of State for Transport and Communities and to the Chief Executive of BAA calling for the proposed Public Inquiry to be abandoned.

SSE Campaign Director Carol Barbone commented: "Without CPO powers, plans for a second Stansted runway are dead in the water. The list of obstacles just gets longer and longer. It's time for BAA to do a reality check."

Ms Barbone added: "We recognise of course that a new owner could be in a stronger financial position but a change in ownership would give rise to all sorts of other issues. Either way, the current plans are going nowhere and both BAA and the Government must realise that by now."

ENDS

NOTES TO EDITORS

A copy of SSE's letter of 26 March to the Secretaries of State is [available online](#)

The Competition Commission's final Market Inquiry report into BAA (including Appendix 10.6 on the interaction of Stansted divestiture and the second runway planning inquiry) is [available online](#)