

Press Release - 22 October 2008

STATEMENT MADE BY STOP STANSTED EXPANSION TO UTTLESFORD DISTRICT COUNCIL

The text of the statement made by Brian Ross, Economics Adviser to Stop Stansted Expansion to the Full Council Meeting at Uttlesford District Council last night, 21 October 2008, appears below.

It's always a pleasure to address UDC - especially when there is no need to be critical or to harangue. On the issue of a second runway (G2) at Stansted, we are all singing from the same hymn-sheet.

However, before speaking about G2, I want to say a few words about the G1 decision announced two weeks ago, approving an extra 10mppa. The Government's decision flies in the face of the evidence presented to the Public Inquiry.

We are currently taking legal advice on the G1 decision because we believe it is flawed. The Government simply dismissed the evidence which it found inconvenient.

If our legal advice is that we should challenge then we shall do so. Our accountants will have palpitations but this decision is too important to be made by accountants because it may have implications for the G2 battle. No accountant has ever won a Victoria Cross.

We have always assured the community that we will fight BAA **every** step of the way and we owe it to the community to honour that pledge. However, we would not waste our hard-earned funds on a frivolous challenge.

Uttlesford also has to decide whether to challenge the G1 decision and, of course, also the costs award. However I don't think you need be unduly concerned about the latter.

The costs award is limited to six issues and BAA is entitled only to costs incurred "*over and above that which was necessary to address the cases of third parties*".

With the exception of the Little Hadham by-pass issue, I cannot think of any additional costs incurred by BAA solely to deal with UDC's points because SSE comprehensively challenged BAA on the other five points and in some instances so did other third parties.

The key phrase is "*over and above*" the costs that BAA had to incur to address the cases of third parties. The only issue is therefore the contribution which HCC sought from BAA for the Little Hadham by-pass. SSE did not get involved in that argument.

However, far more important is whether to appeal the G1 decision itself and that must depend on your legal advice.

There's a lot at stake. Not just an extra 10mppa but the risk that if left unchallenged the G1 decision could undermine our case - and your case - against a second runway. G1 has been a long battle and I know it's not this Council's style to throw in the towel.

When the legal advice is available it will not be black and white. Legal advice never is. There will be a judgement to make. All I ask is that it should be a judgement for elected members and not for accountants.

Briefly on G2 - I don't need to preach to the converted but there's just one point I want to make. So much has changed since BAA submitted its planning application for a second runway in March that it would now be premature - and probably a waste of everyone's time and money to proceed with the Public Inquiry next Spring.

Economic: The dramatic changes that have taken place in world financial markets in the time since the G2 application was submitted make it wholly unrealistic to believe that the growth in air travel will continue henceforth on a 'business as usual' basis. Stansted is already 25,000 passengers a week down on last year. This seems likely to get much worse long before it starts getting better.

Regulatory: The future ownership of Stansted is uncertain following the publication of the Competition Commission's 'Provisional Findings' report in August on its Market Inquiry into BAA airports, concluding that two of BAA's three London airports should be sold. The Commission will publish its final report in February. If it maintains its current view, we believe it likely that G2 will be aborted.

Political: If the Inquiry were to proceed as currently planned, the political context at the end could be radically different from the current policy context. The current Government supports a second Stansted runway but the Conservatives have now joined the Libdems in openly opposing a second runway. Moreover, the Inquiry process cannot run its full course this side of a General Election.

However, G2 is tomorrow's battle. Today's battle is still G1. We have until 20 November to decide whether to appeal.

ENDS