Press Release - 2 March 2009

STANSTED INQUIRY POSTPONED - COMMON SENSE BEGINNING TO PREVAIL

Stop Stansted Expansion (SSE) has welcomed today's decision by Hazel Blears, Secretary of State for Communities and Local Government, to postpone the start of the Public Inquiry into BAA's plans for a second Stansted runway which had been due to start on 15 April.

SSE together with the SACC (the Stansted Airlines' representative body) had made formal representations for a deferral of the start date of the Inquiry, cited in the Secretary of State's letter, because of the unfairness of pressing ahead with the hearing before key matters were resolved. These reasons included the result of SSE's High Court Appeal into the decision to permit an increase of 10 million passengers a year on the existing runway and the implications of the Competition Commission's impending report on the future ownership of Stansted.

A revised start date has not yet been decided. The Secretary of State has advised that before announcing a new date she wishes to allow time for BAA to consider the implications of the Competition Commission's final report on its market investigation into BAA. This report is anticipated around the middle of March (and no later than 28 March) and is expected to confirm the Commission's provisional view that BAA must sell Stansted Airport. The Secretary of State will make an announcement on the revised start date within four weeks of the Competition Commission's report being published and will then provide at least eight weeks notice before the start of the Inquiry.

SSE has also welcomed the Inspector's recommendations, released today alongside the Secretary of State's letter, that the Inquiry should not have concurrent sessions and that its likely duration will be 18 months, compared to the six months originally envisaged. The Inquiry is now unlikely to be completed before the end of 2010 which means that a Government decision could not be made until the middle of 2011 at the earliest, recognising that the Inspector will need several months to write his report and submit his recommendations.

SSE has long argued that it was wholly unreasonable to begin the Inquiry in April, that concurrent sessions would be manifestly unfair and that a timetable of six months was entirely unrealistic. SSE is therefore pleased that there has been considerable movement on these points. However, SSE remains of the view that the Inquiry is at best premature and likely to be a waste of time and money, including local council taxpayer's money, for the following reasons:

* Stansted Airport is now handling fewer flights that at any time in the past five years. The existing runway is operating at less than half of its capacity and so why should a second runway be on the agenda at this point in time?

* The Stansted Airlines, including Ryanair and easyJet are fiercely opposed to BAA's proposals for a second runway and, when BAA no longer owns the airport, it is highly unlikely that a new purchaser would wish to press ahead with the current plans.

* A General Election must be held by June 2010 and both of the main opposition parties are pledged to cancelling the plans for a second Stansted runway.

In addition, it is not even yet clear whether the permission BAA obtained last year to increase its usage of the existing runway will be confirmed. SSE's appeal against this permission was heard in the High Court last week and the Judge's decision is expected by mid March.

SSE Campaign Director Carol Barbone said: "We welcome the emergence of some common sense today but this saga just goes on and on. It's now time for BAA and the Government to admit defeat on the idea of a second Stansted runway which has never made any economic sense and would cause unthinkable environmental damage."

ENDS

NOTE TO EDITORS

SSE has been pointing out the need for a postponement of the Inquiry since October 2008, not least because of the Competition Commission's Market Inquiry, as follows:

- * In SSE's Outline Statement of Case on 14 October
- * SSE submission to the Planning Inspectorate on 7 November

- * At the Pre-Inquiry Meeting on 10 November
- * In SSE's main Statement of Case on 22 December
- * In SSE's submission to the Planning Inspectorate on 15 January
- * At the Inquiry Programming Meeting on 19 January
- * In a letter to the Secretary of State of 5 February
- * In a letter to the Secretary of State of 1 March

This argument has been ignored all this time by the Secretary of State and dismissed by BAA. Suddenly, today (2 March) - just eight days before proofs of evidence were due to be submitted to the Inquiry - it is recognised to be a reason for postponement. It must have been SSE's final letter by email to Hazel Blears yesterday which finally did the trick...

The Secretary of State's letter and the Inspector's recommendations are <u>available online</u>. Copies of SSE's letters to the Secretary of State and other documents mentioned in Note 1 are also available on request.

Two weeks ago, BAA announced a further two-year postponement of its second runway plans - until 2017. See SSE's <u>Press Release</u>.