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Belfast City Airport

Our Ref: BA/jl

25 August 2004

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Handwritten: Pat
3/8/04

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MR PAT MCBRIDE

Dear Mr McBride

Thank you for your letter of 28 July 2004 requesting some detailed information. I am pleased to respond on behalf of the Airport and would welcome an appropriate date during September to meet with the Planning Service.

1. Consultation with Key Stakeholders

As noted in the submission, the consultation process was informal. The various stakeholders were invited to the airport and a typical agenda for the visits is detailed. These meetings were conducted in an open and positive manner and no minutes were produced.

Typical Agenda

- Introduction
- Discussion of Key Elements of the Planning Agreement
- Feedback from Stakeholders
- Site Visit

Introduction

A verbal briefing by the Chief Executive explaining the background to the White Paper, the airports response by projecting growth for the next 10-15 years and the resultant need to review the current planning agreement.

Discussion on Key Elements of the Planning Agreement

The three key aspects of the planning agreement were discussed namely, operating hours, ATM's and Seats for Sale.

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Feedback from Stakeholders

Each group visiting the airport were invited to outline their position regarding these three issues. Typical questions posed by the airport were:-

- Q Do you wish to see the closure of Belfast City Airport?
- Q What would be your position if the airport were to grow to 3 or 4 million passengers per annum?
- Q Would you find a 10% increase in ATM's tolerable?
- Q Would you support any relaxation of the operating hours?
- Q Have you any concerns regarding safety?
- Q Open discussion on any other issues.

All Stakeholders were encouraged to contribute to an open and honest discussion and we feel it inappropriate to attribute specific comments to individual groups.

We can however detail the key messages we received as a result of the process which have been grouped under the relevant stakeholders.

Resident Groups

- No evidence of any group seeking the closure of Belfast City Airport.
- A significant level of support for the airport from residents groups.
- General acceptance of a growth in passenger numbers within current hours and permitted ATM's.
- Only issue raised concerning growth was potential road traffic impact.
- Some tolerance of growth in ATM's if within current hours.
- General opposition to a relaxation in operating hours and in some instances very strong and clear opposition to later flights.

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- Some concern from resident groups in close proximity to the airfield of aircraft types with reassurances sought that Belfast City Airport would not introduce larger aircraft in the future.

Business Organisations

- Very supportive.
- Would welcome extended hours and specifically a later departure from London Heathrow.
- Strong demand for direct services to Continental Europe.

Political Representation

- Some variation between parties but all very supportive of Belfast City Airport.
- Some individuals strongly opposed to extended operating hours.

Airlines

A formal letter was sent to the airlines and the salient points of their responses are noted.

flybe – “The 2130 closure is an operational constraint that we would obviously want to see relaxed an extra 30 minutes would help greatly. For flybe, the current ceiling on seats for sale looks most concerning so whilst getting to a 2230 closure would be useful, a lifting of the volume limit looks virtually essential.”

British Airways CitiExpress – “On opening hours, the 2130 closing time is acceptable to us at present Clearly longer opening hours would allow us to schedule later services, but this is not a high priority at British Airways CitiExpress.”

bmi british midland – “..... the current restrictions continue to limit our potential business With regard to operating hours, we currently miss the opportunity with our Heathrow services to connect with evening flights returning from Europe to Heathrow. from our latest review, we would need a 2140 departure from Heathrow to allow a full complement of connections from Europe and beyond, which would mean allowing for an inbound scheduled flight at Belfast City Airport at 2300 With regard to other potential developments, current restrictions particularly on seats for sale limit our opportunities.”

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These extracts have been provided as opposed to copies of responses as they contain other commercially sensitive information on potential airline developments at Belfast City Airport.

Shareholder

The position of Head Office is a recognition of the need to operate within local constraints however, a desire to grow the business within a 'level playing field'.

Site Visit

Most visits concluded with a tour of the facility including a visit to the Air Traffic Control Tower. From this vantage point aircraft operations were observed and key safety features of the operation highlighted.

The overall objective of this extensive process of informal consultation was to avoid making a submission to the Planning Service which lacked credibility. Our experience is that almost every expanding airport in the UK is faced with similar environmental challenges to Belfast City Airport. An attempt has been made to strike a balance which recognises the needs and views of the community and also enables the business to grow and prosper.

2. Airport Master Plan 2015

Belfast City Airport are currently preparing a document with a target to submit to the Department for Transport by December 2004. A copy will be forwarded to the Planning Service at this time. The issue within the Master Plan of perhaps primary interest to the Planning Service is forecast passenger throughput which remains at 3% growth per annum.

3. Land Use Development Proposals

Within the submission four main areas of potential land use development were identified. Detail regarding possible timing and relationship to emerging government policies is noted.

(i) Property Development

Potential development of the site is currently being considered with external consultants and any proposals arising from these discussions would be in line with our earlier submissions to the Shaping our Future: Regional Development Strategy consultation process which sets out the future aspirations for a thriving and revitalised City of Belfast in which we believe the airport has an important role to play. We would anticipate a time frame of between 3 - 5 years before commencement of this development.

(ii) Runway Configuration

Preliminary feasibility studies into this development has identified the potential for the effective use of starter strips on the current runway, this project will be the subject of further investigation and commercial justification and if feasible is likely to be submitted for planning within the next 2 - 3 years.

Effectively starter strips would enable current aircraft types to operate further. Planned physical changes to the runway would not accommodate wide bodied aircraft.

(iii) Public Transport

The potential of a new rail halt and/or a rapid transit route directly serving the Airport is in line with the suggested initiatives and solutions identified under the Belfast Metropolitan Transport Plan. Exploratory meetings with Translink and the DRD have been held this year and the main thrust for development coming from some of the other stakeholders, with Belfast City Airport playing a secondary supporting role. The time scales for these initiatives are outside the control of Belfast City Airport.

(iv) Access Road

The benefits of this connection were highlighted by Roads Service at the time of the planning application for the new terminal. It falls into the BMTP initiatives for the strengthening of the Public Transport linkages to and from Belfast City Airport. Belfast City Airport will enter into discussions with the Belfast Harbour Commissioners and the Roads Service before the end of this year to investigate any mutual benefits that this connection could bring.

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4. **Seats for Sale**

It is our understanding that the 1.5 million 'Seats for Sale' restriction was originally imposed as a limit to the capacity of the old terminal building. Given this, and the growth in passengers since moving to the new terminal building in 2001, we would wish to take this opportunity to seek the removal of the 'Seats for Sale' restriction.

A number of changes have also occurred since Belfast City Airport developed the 2004 Seats for Sale forecast. In essence this will result in the potential for the 1.5 million restriction being reached this year or possibly during the first 6 months of 2005.

The changes that have occurred are essentially fleet changes by flybe. They have upgraded their Dash 8-200 series (37 seats) and Dash 8-300 (50 seats) to Q400 series aircraft (78 seats). Similarly the 146-100 series jets (74 seats) and 146-200 series (97 seats) are being replaced by 146-300 series (112 seats). A revised forecast therefore follows:-

	Original 2004 Projections		2004 Actuals		2004 Revised Projections [Incorporating draft Winter Schedules]	
	DSM's	Seats	DSM's	Seats		Seats
JAN	1502	120597	1337	109085	1337	109085
FEB	1393	112074	1236	101519	1236	101519
MAR	1525	122060	1367	113974	1367	113974
APR	1440	122346	1400	123526	1400	123526
MAY	1449	123962	1418	130911	1418	130911
JUN	1440	122346	1424	130964	1424	130964
JUL	1471	125340	1469	136572	1469	136572
AUG	1472	125425			1472	134187
SEP	1436	121590			1436	130482
OCT	1449	123962			1418	133252
NOV	1440	122346			1410	130546
DEC	1463	123809			1406	130564
TOTAL	17480	1465857	9651	846551	16793	1505582

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When seeking to express Seats for Sale as forecast passenger throughput the airport apply an average load factor.

Based on 2003 performance an average load factor of 69.9% would translate into 2.097 million passengers if 3 million seats were offered for sale. A more aggressive figure of 73.3% load factor was used in calculating the 2.2 million passengers, as airlines such as flybe are experiencing improved load factors on most routes.

The submission to the Planning Services refers to a 50% increase in passenger numbers over the next decade and also indicates 3% growth per annum would create 3 million passengers by 2018. Both statements are indicative of the likely development of the business with the former used to communicate to the residents groups in general terms rather than precise mathematical extrapolation.

5. Air Traffic Movement

There were 20,299 Air Transport Movements between January and July 2004. The forecast for the whole of 2004 is approximately 35,000 Air Transport Movements, which compares to 38,897 in 2002 and 33,345 in 2003.

With the forecast of a 3 million passenger throughput it has also been assumed that, in line with past development of the business, that a gradual increase in the seat capacity of the aircraft types using the airport will be experienced. For example, 1995 when the mix of aircraft types using the airport included the 36 seat Shorts SD-360, the 17 seat E-110, and the 50 seat F27, the average seat capacity of each Air Transport Movement was 39. In 2003 this average had increased to 59 seats per Air Transport Movement with an aircraft mix ranging from the 17 seat EMB-110 to the 189 seat A321.

The following tables illustrate the relationship between 45,000 Air Transport Movements and a 3 million passenger throughput.

Current Aircraft Types [2004]				
Actual Departing Traffic Feb - July 04				
Type	Seats [Max.]	Departing ATM's	Seats	%of ATM's
A321	191	593	113263	6.79%
A320	152	801	121752	9.17%
A319	124	15	1860	0.17%
B737-400	150	13	1950	0.15%
F100	100	18	1800	0.21%
146-300	112	1440	161280	16.49%
146-200	97	133	12901	1.52%
146-100	74	7	518	0.08%
ATP	66	211	13926	2.42%
Dash8-400	78	2628	204984	30.09%
Dash8-300	50	1500	75000	17.17%
Dash8-200	37	349	12913	4.00%
ATR-72	66	167	11022	1.91%
ATR-42	48	52	2496	0.60%
E-145	49	33	1617	0.38%
E-110	17	345	5865	3.95%
GA/Air Taxi		430		4.92%
TOTALS		8735	743147	100.00%

8735 Departing ATM's in 6 months = approximately 35000 Total ATM's in 2004
and 1,500,000 departing seats

Projected Scenario for Aircraft Mix at 45000 ATM's				
Type	Seats	TOTAL ATM's	TOTAL Pax. at 70% Load	% of ATM's
A321	191	4500	601650	10.00%
A320	152	2700	287280	6.00%
A319	124	6750	585900	15.00%
B737-400	150	0	0	0.00%
F100	100	0	0	0.00%
146-300	112	4500	352800	10.00%
146-200	97	0	0	0.00%
146-100	74	0	0	0.00%
ATP	66	0	0	
Dash8-400	78	11250	614250	25.00%
Dash8-300	50	4500	157500	10.00%
Dash8-200	37	0	0	0.00%
ATR-72	66	2250	103950	5.00%
ATR-42	48	0	0	0.00%
E-145	49	6750	231525	15.00%
E-110	17	0	0	0.00%
GA/Air Taxi		1800	0	4.00%
TOTALS		45000	2934855	100.00%

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This scenario assumes:			
1. A continuation of the Heathrow route.			
2. Flybe replace some of their 146 fleet with A319 or similar aircraft.			
3. Some charter operations are undertaken by A320 or similar aircraft.			
4. The smallest aircraft to operate domestic services will be 49/50 seat.			
5. European services are likely to be operated by E145 or 146-300 types.			
6. A 70% Load Factor for planning purposes.			

I trust the details provided in this response enables the Planning Service to progress with the current review.

If you require details in addition to that provided in this letter please advise accordingly.

Yours sincerely

BRIAN AMBROSE
Chief Executive