



March 2019

No Night Flights

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NNF13 – Need

TR020002: COMMENTS FOR DEADLINE 4 from No Night Flights

1. In this document No Night Flights (NNF) comments on the Applicant's answers to the ExA's First Written Questions on the subject of Need.
2. RSP's entire case that a reopened airport at Manston could meet the criteria for an NSIP is built on the work of one person – Dr Sally Dixon. NNF has submitted four volumes of work which are well-researched, evidence-based critiques of Dr Dixon's work. In addition NNF has submitted a fifth volume – a factual review of the UK air cargo sector. NNF does not intend to go into all the factual shortcomings of Dr Dixon's arguments here. If the ExA reads those NNF reports (NNF06, NNF07, NNF08, NNF11, and NNF02 "*No Room for Late Arrivals*"), it will see the many ways in which her assertions lack factual foundation.
3. The focus in the pages that follow is first to deal very briefly with Dr Dixon's overall approach to her four reports and to set out how that approach falls far short of the standard that one would expect in a planning examination of this potential significance. We then go on to provide specific responses to the Applicant's answers to the ExA's questions on the subject of Need.
4. It is not necessary to possess special expertise in the topic to see that Dr Dixon's work is fatally flawed:
 - Dr Dixon continues to rely on two reports by York Aviation, despite York Aviation's repeated public statements that she has misunderstood and misrepresented its work. This fatally undermines Dr Dixon's credibility
 - She has disregarded official data from the CAA and forecasts by the DfT about the long decline in the UK dedicated air freight market and a future in which there is expected to be zero growth
 - She quotes selectively from her sources, disregarding or falsifying the picture apparently intended by the author. In our critiques NNF has set out numerous examples of this. This tendency by Dr Dixon means that the ExA cannot rely on her work as being a fair reflection of the sources she quotes
 - She quotes from papers that are not available to the public
 - In calculating her demand forecasts – central to the RSP proposal – she dismisses a normal analytical quantitative approach in favour of a qualitative judgement. She then relies on a small and unrepresentative sample of industry-related interviews. She pays most attention to the minor players. Coyne Airways – a cargo airline with a fleet of just four planes – and the local hauliers represent 90% of the interview quotations in the Azimuth report. This is vitally important as these interviews are the basis for everything that follows – the cargo ATM predications, the NSIP proposition and then the job numbers. They are at the heart of RSP's claim that this proposal qualifies as an NSIP. Dr Dixon's "qualitative methodology" doesn't lend itself to scrutiny – we'll never know what convinced Dr Dixon to arrive at her ATM forecast. For the ExA to rely on her work as a sound basis for a forecast of 17,100 cargo ATMs in year 20 would be an act of faith, not of evidence-based judgement
 - Dr Dixon says it is necessary to translate her qualitative interviews into a quantitative forecast. However, she then eschews what she describes as "*the difficulty in identifying a realistic formula*" in favour of describing how she believes commodities are "*likely*" to be transported in the future. That is not a sound basis for determining an NSIP
 - She then applies a multiplier to her annual ATM forecast for years 11 to 20. That multiplier is 4%. In each of the three different iterations of her work to date she produces

a different source for that multiplier. None of them is credible. She cites an Airbus global growth forecast that is not in the report she cites. Next she cites the DfT which has said that it anticipates zero growth in UK cargo ATMs. Finally, in her July 2018 report she quotes no source at all. We deal with this in detail in NNF07

- Dr Dixon then demonstrates a basic failure of arithmetic. The DfT's figure of 4% (which she misapplies) describes growth in the amount of cargo on freighters (not growth in the number of freighters) over a period of five years. Dr Dixon applies that 4% annually, meaning that the growth in her long-term forecast of cargo ATMs starts in a bad place and is then absurdly exaggerated.
 - Dr Dixon fails to take account of the Airports National Policy Statement which says that an additional runway at Heathrow will allow Heathrow to handle twice as much freight as it handles today. She contradicts the Government – whose view was arrived at following years of consultation and research by the Airports Commission - saying that, even when the new runway is in place, *“there will be a need for additional capacity particularly for freight”*. She provides no evidence to support this assertion
 - She says that the UK needs a new cargo airport at Manston because *“By 2000, UK air freight had become constrained”*. She ignores the fact that Manston was operational between 1999 and 2014, handling just 550 cargo ATMs a year, and yet the market did not flock to use Manston in what she claims were years of constrained capacity
 - She overlooks the current capacity for tens of thousands more cargo ATMs at East Midlands and Stansted, let alone the additional capacity at some other regional airports
 - She fails to assess the plusses and minuses of the UK's established competitor airports against the criteria used by freight operators. She also ignores the plans for capacity increases at major UK freight airports
 - She suggests operators currently sending air freight by truck would fly that freight to Manston instead were it open. This ignores the role that trucking plays in the movement of air freight across Europe (not just the UK) and she provides no evidence to support her contention
 - She relies on global forecasts which are built on trends in the global market which have not been experienced in the UK
 - She uses forecasts of freight tonne kilometres (FTKs) to suggest an increase in UK cargo ATMs. The two are not synonymous
 - She uses passenger growth trends and forecasts to suggest a need for a new cargo airport
 - She relies upon studies that either measure the wrong metric; or measure the wrong market; or that focus entirely on London; or are already demonstrably over-inflated; as well as relying on forecasts whose author says she has abused and simply failed to understand the work
 - She says that e-commerce will increase demand for air freight, ignoring the fact that e-commerce over the last two decades has come from nowhere to account for 16.5% of UK sales. However, UK air freight tonnage in that period stagnated at around 2.3m tonnes, and the number of freighter ATMs has fallen dramatically since 2000. Clearly, e-commerce is having little discernible impact on the number of UK dedicated freight ATMs.
5. We have been unable to identify who, if anyone, has peer reviewed Dr Dixon's work. In any event her track record in the field of airport acquisition and development inspires little

confidence in her abilities. Dr Dixon has previous experience of Manston airport – she does not come to this DCO process as an objective commentator, looking at the airport for the first time. In the period 2000 to 2002, Dr Dixon worked at Wiggins with Mr Freudmann. Her role was Strategic Acquisition. She made recommendations as to which new airports Wiggins should acquire and wrote business plans for the airports in the Wiggins network. Wiggins' particular focus at that time was on former military airfields that had significant excess land that would be available for development – just like Manston. Not one of the acquisitions made by Wiggins in this period was a success: Dr Dixon had a major role in the airport acquisition strategy that helped to plunge Wiggins (by then renamed Planestation) into liquidation. This was the strategy that Mr May, a seasoned turnaround agent, described as “*merely vapour*” when he tried to rescue the company.

Comments on the Applicant's answers to the ExA's written questions

ExA SE 1.5, 1.6 and 1.12 - Job creation forecasts

6. Dr Dixon's job creation forecasts are what she has described to members of the NNF Committee as a "mash up" of numbers drawn from East Midlands Airport (EMA) and former staffing levels at Manston. East Midlands is not a good comparator for what she says could be developed at Manston. In 2016 EMA had 540 employees. Those jobs depended on 22,119 cargo ATMs and 4.6m passengers – 55,000 ATMs in total. Dr Dixon says Manston will have 1,024 employees for 26,468 ATMs – this is almost twice as many employees for half the number of ATMs.
7. EMA says it supports 6,000 jobs. That includes the jobs created by the large employers DHL, TNT and UPS who all base aircraft at the airport and on Royal Mail using the airport. None of these employers are credibly expected to be based at Manston. Dr Dixon assumes a further 2,393 direct jobs at Manston.
8. Dr Dixon says that the catalytic jobs figures she uses are not necessarily accurate in a UK setting. She says there is a need for '*extensive research*' which is '*outside the bounds of this report*'. However, this does not stop her from asserting that 4 catalytic jobs will be created for every direct job that she forecasts.
9. We have been here before.
10. In 2001 Tony Freudmann's team at Wiggins promised that there would be 6,000 jobs at Manston by 2010. In 2008 Infratil predicted 3,500 jobs by 2018 and 7,500 jobs by 2033. The airport never supported as many as two hundred jobs during its fifteen years of commercial operation.
11. In her calculations, Dr Dixon fails to take into account the jobs that – in a flat market for dedicated cargo ATMs – will be lost from other UK airports were Manston to succeed in attracting existing air cargo business to it. She fails to take into account the jobs that (if her assessment of the market preferences were right) would be lost to road haulage companies and to the Port of Dover and the Channel Tunnel were cargo operators to switch to flying cargo to Manston rather than trucking it to and from Europe as they do now. She fails to take into account the jobs that will be lost in the burgeoning tourism industry locally as a result of having cargo and other aircraft overflying Ramsgate 24/7. She quotes other seaside towns which have airports and says that they have not lost tourism jobs. Her comparators are not good matches in terms of either the proximity of the airport to the town or the extent to which arrivals and departures have no option but to overfly substantial residential and leisure areas. Her comparator airports are not dedicated cargo airports with permission to fly planes rated QC4 at any time of day or night. Southend, for example, prohibits planes rated more than QC1 at night and few planes rated more than QC2 are allowed during the day. In 2017 Bournemouth used just 60 QC points for night flights for the entire year.
12. Dr Dixon makes unsubstantiated claims about the number of construction jobs that the Manston Airport project could create. She says that "*comparisons with similar projects have*

been made” but provides no evidence. She says only that the RPS Group has calculated the forecast figures. No insight is given into these calculations.

ExA ND 1.14

13. Dr Dixon says that there has been an increase in UK air freight. She entirely fails to mention that there has also been a severe reduction in the number of freighter ATMs. It is freighter ATMs that is core to this DCO application.
14. The Department for Transport said in 2013 that “...since 2001 the number of freighter ATMs has declined.” The Department for Transport talks about: “...the sustained nature of this trend over a ten year period...” In fact, in the UK, the number of dedicated freight ATMs has fallen from a high point of 110,371 ATMs in 2000. By 2010 there were 51,766 cargo ATMs and numbers have stayed at that level since with just 52,330 ATMs in 2017. This means that the number of dedicated air freight ATMs in the UK has more than halved in less than twenty years.
15. It should be clear to the Government that there is no need for an additional airport to service this declining demand.
16. Dr Dixon also says in answer to the ExA ND1.14 that the DfT’s assumption of 0% growth in freighter ATMs for the next three decades “*is not a forecast*”. The 2017 document in which the DfT’s prediction appears is titled “UK Aviation Forecasts”. The DfT says that the document: “*comprehensively updates the last DfT forecasts of January 2013, describes how the forecasts are prepared and includes the forecasts for the shortlisted capacity options.*” The DfT says that the model that underpins its forecasts: “*comprises a suite of interrelated components to produce forecasts for demand*”. It is clear from this that the DfT is using its model to predict future demand. We call this a forecast, as most people would.
17. About freight ATMs the DfT says: “*An assumption about the number of freighter ATMs is nevertheless required in the model as freighters potentially affect the space for passenger ATMs available where capacity constraints exist ... At the airport level the number of freighter movements has been volatile with some evidence of overall national decline in recent decades. In the absence of clear trends for individual airports, the modelling now assumes that the number of such movements will remain unchanged from 2016 levels at airport level across the system.*” It is clear from this that the DfT has used its model to predict freight ATMs. In response to Dr Dixon’s letter the DfT repeated its description of this as an assumption. This assumption as to the future number of dedicated freighter ATMs is clearly helping the DfT to forecast the impact that these ATMs might have on airport capacity. In everyday language, this is a forecast.
18. We understand why Dr Dixon resists this idea. The fact that the number of cargo ATMs in the UK has halved since 2000, and the fact that the DfT predicts no increase between now and 2030 is potentially fatal to RSP’s ability to develop a compelling case in the public interest to take the site from its owners. All RSP can fall back on in the light of the DfT’s prediction about zero growth in RSP’s chosen market are RSP’s claims that it can take business from other UK airports (creating no net national benefit) or that it can magic up 10,000 ATMs from air freight that is currently being trucked to and from the UK. Dr Dixon has produced nothing of substance to support either of these claims.

19. We urge the ExA to put RSP to proof on this. Dr Dixon has failed to convince that these three potential sources of business – overall growth in UK cargo ATMs; ability to take business from established UK freight airports; and/or persuading cargo operators to swap cheap trucking for expensive cargo ATMs – are credible; that they amount to an NSIP; and that there is a compelling case in the [public interest for this DCO to be awarded.

ExA ND 1.17 and ND 1.37

20. Dr Dixon says that it is impossible to provide an accurate account of the loads of air freight that are currently trucked by road. She quotes Sterling values for food imports and then says: *“Whilst there is no accurate means by which to adjust a Sterling value to a tonnage, and take into account those products already transported by air, it is clear that the proportion of freight trucked by road that included high value, low weight and/or time sensitive items is considerable.”*
21. Frankly, it is in no way clear how she arrives at this assertion.
22. The report to which she refers is dealt with in NNF06 at paragraph 4.4.8. The report focusses first and foremost on East Midlands Airport and makes the point that it is cheaper to truck freight than it is to fly it. The report makes clear that it is talking about the large volume of transshipment (70%) through Heathrow and says: *“This is where freight is consolidated from short haul flights or trucks from a range of origins and is transferred onto long haul flights for onward shipment.”* There is no implication in the report that the freight customers trucking their goods to and from Heathrow would prefer to send them by air. York Aviation and Altitude Aviation make it clear that trucking of air freight is a settled component of the market as operators seek the cheapest possible air freight rates available over a distance of hundreds of miles by road. Altitude Aviation says that *“The increasing use of truck feeder services is due to cost efficiencies and is not restricted to the UK.”* Trucking of air freight is not a response to insufficient capacity for dedicated cargo ATMs.
23. Dr Dixon quotes Steer Davies Gleave in 2010 on the issue of the trucking of air freight to and from the UK. In 2010 Manston was operational and was actively chasing cargo business. Manston handled just 491 cargo ATMs that year, and 28,103 tonnes of cargo. The airport’s owners are on record as saying that the airport at that time could handle up to 400,000 tonnes of cargo with no change to its runway or stands. It is clear that there was ample spare capacity at Manston in 2010. If it really is more economical to use a dedicated freighter service into Manston rather than trucking cargo over the Channel, this would have been happening in 2010 but it did not. The market has indicated very clearly how it weighs up the advantages of trucking air cargo and transporting it by dedicated freighter.
24. The assertion that air freight is being trucked into the UK from the continent purely because there is not enough capacity for it to be flown in is critical to RSP’s claims that there is enough demand for an additional dedicated freight airport in the UK to warrant CPOing the Manston site. And yet RSP produces no evidence. Dr Dixon has admitted in a public presentation that her premise is based on evidence that is *“purely anecdotal”*. She says in her answer to ND 1.37 that she *“assumes that a significant amount of the 2.2 million tonnes of freight that lands at Frankfurt is destined for locations other than Germany, including the UK”*. She also *“assumes that some freight is destined for London.”* These assumptions are

no basis on which to rest a DCO application in which 720 acres of land could be taken from its legal owners.

25. Could the ExA please direct Dr Dixon to deal with the arguments put forward by York Aviation and Altitude Aviation on this subject as it is central to her thesis that trucked air cargo can be translated into cargo customers wanting to fly freight from Manston in dedicated freighters? We expect the ExA to press hard for solid evidence to support these claims. Without that evidence, there simply is no case for a new cargo airport at Manston.

ExA F 1.16

26. RSP says that the proposed redevelopment of the Manston site “*is considered highly unlikely to result in a dominant market position within the South East of England or the wider air cargo sector in the UK*”. If RSP achieves its forecast of 17,100 cargo ATMs p.a. it will be by far the biggest dedicated cargo airport in the South East of England, outstripping Stansted’s c.10,000 cargo ATMs p.a. At 17,100 cargo ATMs, the proposed cargo airport at Manston would be the second biggest dedicated cargo airport in the UK with around a third of the total market. This would clearly be a dominant position. RSP needs to explain whether it believes in its forecast of 17,100 cargo ATMs or whether it thinks that being the biggest airport for dedicated cargo in the South East and having 33% of the entire UK market is not a dominant position.

ExA ND 1.2

27. RSP says that air freight and the businesses which support it deliver over 46,000 jobs in the UK economy. RSP also claims that its proposals for a cargo airport at Manston will deliver 23,270 jobs. It is hard to separate out the non-freight jobs from Dr Dixon’s figures. However, if we subtract the passenger, airline and MRO jobs from the direct jobs, and then subtract the multiplier jobs related to the non-freight jobs, we are left with something like 17,100 cargo-related jobs.
28. It is not controversial that air freight operations require fewer jobs than passenger operations to support them. RSP expects the ExA to believe that its cargo operation at Manston will support 37% of the UK economy jobs that depend on air freight and the businesses which support it. This lacks credibility and the ExA should scrutinise very carefully RSP’s calculations around job creation.

ExA ND1.15

29. Dr Dixon says that RSP’s proposals have taken into account the spare capacity at East Midlands and that airport’s plans for significant growth in its freight business. There is no trace of this in her Azimuth I report. She devotes just two paragraphs to East Midlands. The East Midlands Airport 2015 Sustainable Development Plan says that the airport plans to grow its dedicated freight business from 320,000 tonnes to 700,000 tonnes by 2040 and that it has the capacity to handle 1.2 million tonnes of freight. This is nearly another 900,000 tonnes, estimated at current load factors to equate to another 53,000 dedicated cargo ATMs.
30. East Midlands Airport is the UK’s largest dedicated freight airport. The ExA should question Dr Dixon in depth as to how this established and successful airport’s significant spare

capacity and growth plans have been “taken into account” in Dr Dixon’s qualitative assessment of RSP’s future customer base and achievable level of business.

ExA ND 1.16, ND 1.18 and ND 1.28

31. Dr Dixon says that integrators use night flights and that one of the reasons for this is that daytime capacity is taken up with passenger flights. She also says at ND 1.28 that she “believes” that if Manston accommodates air freight operators during the day, her cargo ATM forecasts are “entirely realistic”.
32. East Midlands Airport is the UK’s biggest airport for integrators. It has excess capacity for tens of thousands of additional cargo ATMs. Its daytime capacity is nowhere near exhausted and yet about half of its ATMs take place at night. Dr Dixon has provided absolutely no evidence that cargo operators, including integrators, would swap to day flights if they could. Indeed, it is a requirement that many cargo operators make of airports that they can have night flights. This is set out clearly in the document written by No Night Flights a couple of years ago “No Room for Late Arrivals”. Please can the ExA ask RSP to produce its evidence that significant cargo operators would prefer day flights to night flights? RSP says that this is core to its case – i.e. that operators will move to Manston because they prefer day flights. This assertion is also central to RSP’s opaque forecasts of future demand for cargo ATMs at Manston.
33. Dr Dixon says at ND1.18 that freight operators will use daytime slots when they are available. She quotes Stansted as an example. The DfT disagrees.
34. In its consultation document: “Night flight restrictions at Heathrow, Gatwick and Stansted.” (Jan 2017 p18) the DfT says: “*Stansted is also a hub for several large freight and express companies, which require the flexibility to fly throughout the night in order to ensure timely next day deliveries to key markets. Freight services make up approximately 35% of Stansted’s night movements.*” Night flights are critical to cargo operators using dedicated freighters. This is also explained clearly in NNF06 pages 48 to 50.

ExA ND 1.18 and ND 1.31

35. Dr Dixon says that Stansted Airport has indicated a clear choice of passenger business over freight business. She directs the ExA to her report Azimuth I at 5.1. In fact, there is no evidence to support her assertion in that report. By contrast, in November 2018, Stansted Airport’s local council approved MAG’s planning application to allow Stansted to handle up to 43 million passengers. In that application, MAG talked about freight, spelling out its importance to the airport and to local businesses. MAG described how Stansted, together with DHL, FedEx, UPS and Royal Mail, provide London with an express cargo hub for time critical, often overnight, deliveries.
36. There is no hint in any of MAG’s plans for Stansted that it intends to sacrifice its cargo business in the interests of freeing up space for more passenger flights. Indeed, the airport recognises the symbiosis for long haul flights between its cargo and its passenger business. Stansted’s 2015 Sustainable Development Plan makes it clear that the airport could handle 400,000 tonnes of cargo without adding another runway. The new ATM cap for Stansted is 274,000 ATMs p.a. In 2017, Stansted had 162,027 passenger ATMs, leaving it

room to add a substantial number of additional passenger ATMs before considering whether the airport would like to cannibalise its cargo business in favour of its passenger business.

37. In her answer to ND 1.31 Dr Dixon returns to her theme saying that Stansted “only” increased freight from 168,000 tonnes in 2000 to 237,000 tonnes in 2017. This is an increase of over 40%. The total UK market for air freight in 2000 was 2,311,279 tonnes. Stansted’s share was 7.2%. In 2017 the total market was 2,622,496. Stansted’s share was over 9%. So, in the period, Stansted increased its market share and also increased its tonnage by 40%. This in no way can be taken as “a clear indication of the airport’s strategic choice of passengers over freight.” Dr Dixon’s assertion makes no sense – in an almost flat freight market, Stansted gained ground. The ExA should reject these assertions by Dr Dixon.

ExA ND 1.20

38. Dr Dixon says that the “scale and timing of the forecast increase in freight capacity at Heathrow as a result of Runway 3, is neither so large, so certain or so timely, as to accommodate all of the substantial unserved demand the Applicant forecasts from London and the South East and other parts of the UK, over the next 30 years.” She then goes on to underline the fact that she is relying on at least a compound annual growth rate for UK air freight of 2% (built on the global forecasts by Boeing and Airbus, rather than on forecasts that relate to the UK market). She claims that this means 400,000 tonnes of additional freight capacity “will be needed in the South East” by 2050. Dr Dixon shares no evidence and no quantitative analysis to explain how she arrives at a demand figure for air freight purely in the South East of England from these global forecasts.
39. In 2017 the London airports handled a little over 2m tonnes of freight. The implication of Dr Dixon’s arbitrary CAGR of 2% is a cargo tonnage of almost 4m tonnes in 2050.
40. Since 2000 total UK air freight has stabilised at around 2.3m tonnes p.a. There is no evidence that, in the South East alone, that figure is set to double. This is set out clearly in No Room for Late Arrivals. Indeed, as the 2018 report by Steer points out: “The share of total volumes carried by freighter aircraft has fallen from over 35% in 2002 to under 30% in 2017 and has fallen away significantly at some airports. The market for dedicated freighter services has struggled globally since the financial crisis due to falling sea freight rates and the continued rise of air passenger demand (and associated bellyhold capacity), which have driven down freighter yields.”¹ Even if tonnage did double, Dr Dixon fails to make the case that this would naturally translate into more dedicated cargo ATMs.
41. In 2017, the CAA figures reveal that each passenger ATM at Heathrow carried on average just 3.4 tonnes of cargo. This is significantly below the maximum capacity of the type of passenger planes using Heathrow. If Heathrow took just one more tonne on average on its 473,000 passenger planes, it would mop up far more than the 400,000 tonnes of unmet cargo demand that Dr Dixon claims (without evidence) will exist in the South East in 2050.
42. Dr Dixon says that the Applicant “believes” that more freight handling capacity will be needed in the South East. This is nowhere near good enough. Please can the ExA instruct Dr Dixon to reveal her data, her evidence and the basis for her calculation of runaway future

¹ Assessment of the value of air freight services to the UK economy – Steer – October 2018

demand in UK air freight following seventeen years of stability in the size of the UK air freight market?

ExA ND 1.21

43. RSP says the Applicant's team has extensive experience in the operation of freighter cargo. RSP cites the principal of Viscount Aviation, Tom Wilson. Tom Wilson presided over the periods of failure of both Prestwick and Manston that caused Infratil to sell both airports in 2013. Each was sold for £1, a clear indication of how the market saw their value. Each took 22 months to sell, despite a global marketing process led by PwC. That neither airport was bought by an existing airport operator or an airline is a demonstration of the lack of viability that the global aviation sector saw in each of them. It is hard to see Mr Wilson's time here as a success.
44. Giving evidence to the Competition Commission in 2007, Infratil said that it had bought Lubeck Airport to develop it as a passenger airport for the LCC market. Infratil held Lubeck for less than three years before realising that it could not make money out of it and returning it to the public sector. It is hard to see how this can have added at all to any experience that Mr Wilson might have of developing and/or operating successful freight airports.
45. Mr Cain of Northpoint Aviation wrote a report supporting RSP's DCO bid which was published as part of RSP's statutory consultation process. No Night Flights made trenchant criticism of his work. It is notable that his work does not appear as part of the RSP suite of submissions in its DCO application.

ExA ND 1.27

46. In her answer Dr Dixon says that the 18 years between 2000 and 2017 were "a very *selective snapshot*". This sort of statement really harms her credibility. She says that there were increasing constraints on capacity for dedicated freighters at the London airports in the same period. This ignores the fact that Manston was open from 1999 until 2014. The airport operator said that Manston was capable of handling 400,000 tonnes of cargo then. York Aviation says today that the airport could handle 21,000 cargo ATMs in its current configuration. And yet it only handled an average of 550 a year while it was open. The capacity was there at Manston in what Dr Dixon says was a period of constrained capacity, but it was neither wanted nor needed by the market.
47. Dr Dixon says that a "reliever airport" like Manston would address the capacity constraint that she believes exists. The Airports Commission rejected this idea when it was put to them by Infratil, saying that Infratil's "*acceptance that viability is dependent on finding the right fiscal signals or regulatory mechanisms to persuade airlines and air cargo carriers to loosen their attachment to the principal London airports and enable Manston to be "switched-on" as a "relief valve" for the regions [sic] most congested airports, implies that private sector funding may be difficult to attract*".
48. Dr Dixon then relies on Boeing's global forecasts to say that freight (not dedicated freight ATMs) will grow by 4.2%. No Night Flights deals with the inapplicability of the Boeing global forecasts to the UK in both NNF06 and NNF08. She says that there is no reason to suppose that Boeing's forecasts will not apply to the UK. In fact there is every reason as Boeing has

also described trends in a past global air freight market that bear no relation to what happened in the UK over the same period. As an example, in Boeing's global view, more than 50% of air freight travels in dedicated freighters. In the UK, the % is less than 30%. Boeing also talks about growth in the market when in the UK there has been none.

49. This examination process must press RSP for evidence – not assertions - as to why we need a new cargo airport when the market for dedicated freight ATMs is half the size that it was in 2000. Given that Manston Airport when open could have handled 21,000 cargo ATMs and 400,000 tonnes of cargo, why did operators not flock to it in what Dr Dixon claims was a constrained market during that period? At the peak of the market Manston could not attract business. In what Dr Dixon claims was a constrained market Manston could not attract business. It was never fully used. Where is the evidence that cargo operators would change their behaviour today?

ExA ND 1.35

50. Dr Dixon says that perishables will form just 2.3% of the freight at a redeveloped Manston, i.e. around 394 cargo ATMs p.a. Of course, perishables formed the larger part of Manston's business over the airport's 15 years of commercial operation. The airport's total business was an average of 547 cargo ATMs a year and KIACC minutes make it clear that much of this was beans and fruit from Africa. Where is the evidence that RSP, as the fourth operator of a cargo airport on that site, would be able to attract another 16,700 cargo ATMs that are not going to be transporting perishables? We cannot find anywhere in the voluminous submissions made by the Applicant anything that would suggest that cargo operators are ready to transfer a third of the UK's dedicated air freight business to an airport that could not attract that many ATMs in its entire fifteen years of operation.

ExA ND 1.38

51. Dr Dixon asserts that it is "likely" that capacity constraints rather than a trend towards belly hold freight are the reason for the UK's air freight market being dominated by belly hold freight. She fails to investigate further, choosing instead to make assertions. She does not explore the role that cost plays in the choice between belly hold and dedicated freight. She does not explore the role that the geography of the UK – with what the Airports Commission said was arguably an oversupply of airports – might play. She does not analyse how the UK compares to other countries in terms of the range of destinations and the frequency of flights provided by the UK air passenger industry. York Aviation says:
52. *"Throughout the analysis, Azimuth appear to assume complete interchangeability between bellyhold freight, pure freighter operations and express/integrator operations without any analysis of the economic drivers for the use of each type of freight transport and the economics of trucking of air freight between the UK and Europe. This is a fundamentally unrealistic assumption and leads to a misrepresentation of the market opportunity for pure freighters."*
53. We agree.

ExA ND 1.39, 1.41 and 1.45

54. Dr Dixon again relies on global growth numbers to support a proposal that relies on UK dedicated freight ATMs. She ignores the fact that UK dedicated freight ATMs are not increasing. She then repeats a series of assertions about the future air freight market that she made in her Azimuth I report. NNF has already responded to these unevidenced assertions in NNF06, our critique of Dr Dixon's report. Dr Dixon produces no new evidence in this response to the ExA's question.
55. In her answer to ND 1.41 Dr Dixon makes a further series of assertions with no evidence to support them about the willingness of air freight operators to operate entirely by day if they are offered daytime capacity at an airport at the very edge of the country. She also fails to understand the point made by York Aviation about domestic dedicated freight ATMs (para 3.22 of the February 2019 update of York Aviation's submission). Dr Dixon then claims in her answer to ND 1.45 that discussions with potential customers for a dedicated freight airport at Manston are confidential. This means that there is zero evidence before the ExA that the market will indeed behave in the way in which she "believes" that it will if offered daytime capacity at a peripheral airport. This is not a credible basis on which to build the punchy cargo ATM forecasts that Dr Dixon has produced. She is asking the ExA to take the entire forecast on trust.
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56. In short, RSP's proposal can only succeed if the new airport at Manston can attract cargo operators can use it. The three potential sources of dedicated air freight business are:
- New demand for dedicated cargo ATMs to/from the UK
 - Diverting existing demand from existing UK airports
 - Diverting demand from current road haulage of air freight.
57. There is compelling evidence that the UK market for dedicated air cargo has shrunk since 2000 and that it is not expanding. There is no new demand for Manston to try to attract.
58. There is compelling evidence that air cargo operators like to be at airports which have an established cargo ecosystem around them (which Manston does not); which allow a significant percentage of night flights; and which are within easy transporting distance of the rest of the UK (which Manston is not). The larger air cargo operators invest heavily in being near their chosen airport. The UK's two biggest dedicated freight airports have a track record of success, spare capacity, and plans for expansion. Dr Dixon has produced no evidence that a third of the UK market (17,000 cargo ATMs of a UK total of 52,000 cargo ATMs) is ready to transfer allegiance to Manston Airport's next attempt to develop a cargo business. In addition, in RSP's answers to the ExA's questions, it makes emphatically clear that RSP does not expect that the proposed airport at Manston would take cargo ATMs from existing UK airports.
59. Similarly Dr Dixon has produced no evidence that a significant number of cargo operators are keen to trade cheap road transport for expensive dedicated air transport to and from a peripheral airport for their goods.

60. Given the realities of the UK air cargo market, and given the absence of persuasive evidence of substantial and sustainable demand for a new dedicated freight airport at the very edge of the country, there simply is no case to support acceptance of the assertions made by Dr Dixon in her suite of reports.